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PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Monday, March 19, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Almighty God, we ask Your blessing upon our Nation. Ever remind us of our heritage and the spiritual values we have received in Your name. May we remember Your goodness to us as a people and may we be conscious of our responsibility to reach out in love and concern to the world about us.

May Your spirit be with those who serve this assembly. Grant that Your word may be heard to strengthen us when we are weak, and to encourage and give hope for the days ahead.

Let us pursue justice and truth for the good of Your people, and let us care for those in need and grant protection to those who are afraid. Make us sensitive to the glory of Your creation, while we seek to serve with righteousness and with humility for in You do we trust. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

FIRST DAY OF TELEVISING OF HOUSE PROCEEDINGS A HISTORIC OCCASION

(Mr. GORE asked and was given permission to address the House for 1 minute.)

Mr. GORE. Mr. Speaker, on this historic day the House of Representatives opens its proceedings for the first time to televised coverage. I wish to congratulate the Speaker for his courage in making this possible and the committee which has worked so hard under the leadership of the gentleman from North Carolina, Mr. CHARLES ROSE, to make this a reality.

Television will change this institution, Mr. Speaker, just as it has changed the executive branch, but the good will far outweigh the bad. From this day forward every Member of this body must ask himself or herself how many Americans are listening to the debates which are made.

When the House becomes comfortable with the changes brought by television coverage, the news media will be allowed to bring its own cameras into this Chamber. In the meantime, there is no censorship. Every word is available for broadcast coverage, and journalists will be able to use and edit as they see fit. It is a solution for the lack of confidence in government, Mr. Speaker, which will open government at all levels. I hope, for example, that the leadership of the U.S. Senate will see this as a friendly challenge to begin to open its proceedings.

The marriage of this medium and of our open debate have the potential, Mr. Speaker, to revitalize representative democracy.

The SPEAKER. The time of the gentleman from Tennessee (Mr. GORE) has expired.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO FILE REPORTS ON H.R. 1787, H.R. 1786, AND H.R. 2277

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology may have until midnight tonight to file legislative reports on H.R. 1787, the NASA supplemental authorization for fiscal year 1979, H.R. 1786, the NASA authorization for fiscal year 1980, and H.R. 2277, the Federal Aviation Administration R. & D. authorization for fiscal year 1980.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

INFLATION THE NO. 1 CONCERN

(Mr. VOLKMER asked and was given permission to address the House for 1 minute.)

Mr. VOLKMER. Mr. Speaker, as I look at the mail and listen to the comments of my constituents, their No. 1 concern is inflation. One element of inflation is excess Government spending, and the people frequently mention the fact that the Federal Government should take the initiative in cutting back waste.

☐ 1205

In order to reduce Government spending, priorities must be established and hard decisions made. Programs must be reviewed to find ones that are unproductive, duplicative, and unnecessary. President Carter has shown leadership in this area of eliminating low-priority Government spending. The President's 1980 budget proposal, which we are in the process of reviewing, reflects the need to restrict our spending and set priorities. In my analysis, I find the President has set realistic and attainable goals. Other areas of reduction can be found, but I believe the President's proposed budget is a good place to begin.

Although we may differ as to what spending programs need to be reduced, the President is to be commended for his action. The President has made some difficult, sometimes unpopular, choices in this budget. In many instances, he has taken courageous stands. His initiative requires Congress to address the problem of excessive Government spending. By working with the President, we can succeed in reducing excessive and unnecessary spending.

FOOD STAMP ACT OF 1977

(Mr. HUTTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUTTO. Mr. Speaker, today I am introducing a bill to amend the Food Stamp Act of 1977 to allow deductions for certain medical and dental expenses in the computation of income for households which are composed entirely of persons who are age 62 or older or who are recipients of benefits under title XVI of the Social Security Act.

Under old regulations, medical expenses not covered by medicare and medicaid could be deducted from a beneficiary's income to determine food stamp eligibility. The new regulations, which went into effect on March 1, 1979, preclude the deduction of medical expenses. Not only in the First District of Florida, which I have the privilege of representing, but all over the Nation, there are many elderly and disabled poor who have had their food stamps drastically reduced or eliminated. These people have been ravaged by inflation—by the soaring costs of medical and dental care—as well as costly housing. In many instances, these elderly and disabled must choose between dying from malnutrition or starvation, because they

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

cannot buy adequate food—or dying from not being able to purchase prescribed medicine. Lack of either will only compound their health problems—resulting in eventual death.

I am certain there are many here today who share my concern about the impact of new food stamp regulations on the elderly poor and disabled. I hope Congress will correct the ill effects of the present Food Stamp Act, so that the needs of our Nation's unfortunate can be met.

THE OUTSIDE EARNED INCOME LIMIT: LET'S APPLY IT EQUALLY

(Mr. CARR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARR. Mr. Speaker, I am introducing today a bill to place a limit on the outside earnings of Members of both Houses of Congress.

The Senate's recent action to delay their outside earned income limit is a slap in the face of the public. Equally important, it is a slap in the face to those of us who believe that all Members of both Houses are equal constitutional officers deserving equal pay.

By tradition and the Constitution, the House does not play games with Senate rules and the Senate does not fiddle with our procedures. How we are paid, however, is not a matter internal to any one House. On both sides of the Hill, we serve with equal constitutional authority, and we deserve the same pay and the same restrictions on that pay.

According to decent politics, the public has the right to expect that important decisions will be made in the open after full debate. The Senate's delay of the earned income limit was the opposite—a sneaky, backdoor method of reversing a previous and publicly acclaimed decision.

For these reasons, the bill I am introducing today will apply the 15 percent of salary limit on outside earned income to all Members of both Houses of Congress. The bill contains the same definitions and qualifications on this limit as current House rules.

The public wants and deserves a reasonable limit on the outside earnings of its elected representatives. The equal constitutional authority of Members of the Congress and Senators demands that the limit be placed on individuals in both Houses.

I urge my colleagues to promptly and positively consider this bill.

H.R. 1, THE POLITICIAN'S WELFARE BILL

(Mr. FRENZEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FRENZEL. Mr. Speaker, the Washington Post in its lead editorial this morning described the bill to force taxpayers to pay for congressional elections as a "politician's welfare bill." The editorial stated, and I quote:

> The drafters of H.R. 1 propose to dish out public aid to politicians willy-nilly, with few of the administrative safeguards Congress demands in connection with food stamps, student loans or any other federal payments you might name.

The editorial stressed the fact that—

> Prudent enforcement and auditing would involve far more record-keeping reporting and federal inspecting than most politicians are willing to impose on themselves.

The article concluded by saying that the champions of public financing should go back to the drawing boards. I can only improve upon that by saying that they should go back and stay there.

THE WORLD BANK—A SUPERSOVEREIGN GROUP OF HIGH LIVING MONEYCHANGERS

(Mr. YOUNG of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. YOUNG of Florida. Mr. Speaker, as ranking minority member of the Appropriations Subcommittee on Foreign Operations, much of my life during the past several years has been devoted to a very thorough analysis of our foreign aid problems. For some reason my attention kept coming back to the international financial institutions, such as the World Bank—international banks to which the U.S. taxpayer is and has been the largest single contributor.

Frankly, Mr. Speaker, the more I learned about operations of the World Bank, the more critical I became. I made substantial charges that the World Bank projects too seldom brought help to the poorest of the poor. I argued that the World Bank was too secretive, even keeping certain information from the official representatives of the member countries including the United States.

Mr. Speaker, I said and I say again that through the international organizations like the World Bank, we have created a supersovereign group of high living international moneychangers accountable to no one but themselves.

These and many other charges I presented were met by a well-orchestrated chorus of critics who accused me of trying to politicize the international banks or of trying to destroy them outright. Well—in 1977, the Appropriations Committee agreed to my request for oversight hearings on the international banks—to prepare for these hearings the professional investigative staff of the committee was directed to conduct a thorough investigation. As revealed by the chairman of my subcommittee in a public meeting last week, that investigation was concluded and the report was written and has been under review by the Foreign Operations Subcommittee. Although I am not permitted to present that report until it has been released by my committee, I can say, Mr. Speaker, that it more than supports the charges I have been directing at the World Bank. It is a very long and very specific report which should be read thoroughly by every Member of this Congress who will be voting on this issue numerous times this year. I hope this report will be released with out any editing or censoring and without any more delay.

☐ 1215

A HIGHLY CRITICAL REPORT OF SOME ASPECTS OF INTERNATIONAL FINANCIAL INSTITUTIONS IS BEING WITHHELD

(Mr. HYDE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, the Foreign Operations Subcommittee of the Appropriations Committee is withholding from public scrutiny an important report compiled by their investigative staff which, if Jack Anderson is to be believed, is highly critical of some aspects of the international financial institutions—those repositories of billions of our citizens' tax dollars.

Last week on four occasions I requested a copy of this report, but have not yet been successful.

As a longtime supporter of these programs, and as ranking Republican on the Banking Subcommittee on International Development Institutions, I cannot and will not participate in subcommittee authorizing hearings, scheduled this week, until I receive and have studied an uncensored copy of this "secret" report.

Those who posture as guardians of congressional ethics and morality in Government, those who trembled with outrage at the excesses of Watergate, ought to resist rather then perpetuate a "cover up" on such a vital issue.

THE EDUCATION BOONDOGGLE

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, this week the Appropriations Committee's Labor-HEW Subcommittee will begin its hearings on elementary and secondary education.

As we approach these hearings, I hope we will all be considering the following:

During the last dozen or so years, 50 billion Federal tax dollars have gone to improve educational quality in elementary and secondary schools.

The most recent surveys show that after an expenditure of $26 billion of those dollars on compensatory education, the best that can be said is that we should have "cautious optimism" about the ability of such funding to improve education.

During the same period that Federal aid has been expanding so have Federal regulations and paperwork and interference in every aspect of local schools. During that period we have seen declining test scores, violence in the schools, growing parental disenchantment, grade inflation and education union militancy.

Is this what the American people have bought with their $50 billion? I think the time has come for the Congress to admit what the experts already have documented: Federal aid to education has not been all it was cracked up to be.

□ 1220

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 16, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:23 p.m. on Friday, March 16, 1979, and said to contain a Message from the President wherein he transmits a Report to the Congress on Export Credit Negotiations as required by P.L. 95–630, Sec. 1908(a).

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

REPORT ON EXPORT CREDIT NEGOTIATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Banking, Finance and Urban Affairs:

To the Congress of the United States:

The Export-Import Bank Act of 1945 as amended in November 1978 (Sec. 1908 (a) of Public Law 95–630) requested me "to begin negotiations at the ministerial level with other major exporting countries to end predatory export financing programs and other forms of export subsidies, including mixed credits, in third country markets as well as within the United States." The legislation called for a report to the Congress on progress toward meeting these goals.

As I indicated on September 26, 1978, in my Statement on Export Policy, this Administration attaches high priority to increasing American exports. The Export-Import Bank plays a very significant role in that effort. Accordingly, this Administration has sought to make the Bank's financing more competitive with the official export financing provided by other governments and, at the same time, to improve the International Arrangement on Export Credits so as to avoid costly and self-defeating export credit competition between sovereign governments.

I directed the Secretary of the Treasury to undertake the appropriate negotiations. In fact, Secretary Blumenthal had already alerted foreign governments to the need for a broadened and strengthened International Arrangement at the OECD Ministerial Meeting in June 1978 and the issue was again raised at the meeting which prepared the agenda for the Bonn Summit. In September 1978, Secretary Blumenthal emphasized to the Finance Ministers of our major trading partners the importance of substantive improvements in the International Arrangement on Export Credits. He presented detailed proposals designed to bring the financing terms set forth in the Arrangement closer to worldwide commercial practices and to broaden the Arrangement to cover sectors presently excluded from coverage.

Briefly, these proposals called for increases ranging from ½ to ¾ of one percent in the minimum interest rates called for by the Arrangement, the elimination of local cost support by export credit agencies, and greater restraint in the use of highly concessional mixed credits. In addition, maximum repayment terms and minimum interest rates were proposed for aircraft, nuclear power plants and liquefied natural gas (LNG) tankers, sectors presently excluded from the Arrangement. Similarly, a proposal was made to have the Arrangement cover credits for agricultural commodities in excess of three years but not more than ten years. Additional possibilities for improving the Arrangement emerged during the subsequent discussions.

These proposals were presented to the twenty-two countries participating in the International Arrangement on Export credits for consideration at their October 1978 meeting. At our urging, these countries agreed to establish a working group to consider improvements in the Arrangement. The working group met in December 1978 and in January 1979. In addition, representatives of the U.S. Government discussed these proposals at length in bilateral meetings with other governments.

Although the substance of our proposals appeared to constitute a basis for negotiation, the required unanimity for the changes we sought in the Arrangement was lacking. As a result, no agreement regarding modifications in the Arrangement acceptable to the U.S. Government could be reached.

I have therefore reluctantly concluded that further negotiations would not be productive at this time. If the countries which have opposed the improvements we have suggested evidence their willingness to be more forthcoming, I would be prepared to resume negotiations at any time.

For the present, however, the lack of progress requires us to reexamine our own efforts to assure that we remain competitive in the export credit field. Our examination may well indicate that we should modify some of our own programs and policies until such time as there is more willingness among our trading partners to impose the needed self-discipline on export credit practices.

Meanwhile, the United States will continue to adhere to the International Arrangement on Export Credits because it remains a useful, if limited, instrument of international discipline in the provision of officially supported export credits. Within this framework, the Export-Import Bank, operating in consultation with the National Advisory Council on International Monetary and Financial Policy (NAC), will provide the necessary export financing support to allow American exporters to meet foreign official export credit competition. For example, Eximbank will continue its recently adopted policy of matching mixed credits on a selective basis, a policy which proved effective recently when an American exporter was awarded a contract based on an Eximbank financing package that matched the mixed credit offer of a foreign government.

Finally, in my FY 1980 budget, I have asked the Congress for $4.1 billion in direct lending authority for Eximbank, an increase of $500 million from the FY 1979 budget. I have asked for this increase, together with $6.8 billion in insurance and loan guarantee authority, in a year in which I am determined to cut the Federal budget deficit to below $30 billion. I expect the Bank to husband these new resources carefully, but I also expect the Bank aggressively to meet official export credit competition.

The attached annex details the discussions and the actions taken to improve the International Arrangement and provide competitive official export credit financing.

JIMMY CARTER.

THE WHITE HOUSE, *March 16, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C., *March 16, 1979.*

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 12:23 p.m. on Friday, March 16, 1979, and said to contain a message from the President, transmitting the Annual Report of the Administration on Aging for the Fiscal Year 1977.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

ANNUAL REPORT OF THE ADMINISTRATION ON AGING FOR FISCAL YEAR 1977—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

Section 208 of the 1973 Amendments to the Older Americans Act (Public Law 89–73) provides that the Commissioner on Aging shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities carried out under this Act, not later than 120 days after the close of each fiscal year.

The Secretary of Health, Education, and Welfare has forwarded the Annual Report of the Administration on Aging for the Fiscal Year 1977 to me, and I am pleased to transmit this document to the Congress.

JIMMY CARTER.

THE WHITE HOUSE, *March 16, 1979.*

ANNOUNCEMENT BY THE SPEAKER

Pursuant to the provisions of clause 3(b)(1) of rule XXVII, the Chair announces that he will postpone further proceedings today on each question of agreeing to resolutions and each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

All such rollcalls, if postponed, will be taken on Tuesday, March 20, 1979.

STRATEGIC AND CRITICAL MATERIALS STOCK PILING REVISION ACT OF 1979

Mr. BENNETT. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2154) to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for acquisition of strategic and critical materials be authorized by law, to establish a National Defense Stockpile Transaction Fund, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2154

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Strategic and Critical Materials Stock Piling Revision Act of 1979".

SEC. 2. (a) The Strategic and Critical Materials Stock Piling Act is amended by striking out the first section and sections 2 through 9 of such Act (50 U.S.C. 98–98h) and inserting in lieu thereof the following:

"SHORT TITLE

"SECTION 1. This Act may be cited as the 'Strategic and Critical Materials Stock Piling Act'.

"FINDINGS AND PURPOSE

"SEC. 2. (a) The Congress finds that the natural resources of the United States in certain strategic and critical materials are deficient or insufficiently developed to supply the military, industrial, and essential civilian needs of the United States for national defense.

"(b) It is the purpose of this Act to provide for the acquisition and retention of stocks of certain strategic and critical materials and to encourage the conservation and development of sources of such materials within the United States and thereby to decrease and to preclude, when possible, a dangerous and costly dependence by the United States upon foreign sources for supplies of such materials in times of national emergency.

"MATERIALS TO BE ACQUIRED: PRESIDENTIAL AUTHORITY AND GUIDELINES

"SEC. 3. (a) The President shall determine from time to time (1) which materials are strategic and critical materials for the purposes of this Act, and (2) the quality and quantity of each such material to be acquired for the purposes of this Act and the form in which each such material shall be acquired and stored. Such materials when acquired, together with the other materials described in section 4 of this Act, shall constitute and be collectively known as the National Defense Stockpile (hereinafter in this Act referred to as the 'stockpile').

"(b) The President shall make the determinations required to be made under subsection (a) on the basis of the following principles:

"(1) The purpose of the stockpile is to serve the interest of national defense only and is not to be used for economic or budgetary purposes.

"(2) The quantities of the materials stockpiled should be sufficient to sustain the United States for a period of not less than three years in the event of a national emergency.

"(c) The quantity of any material to be stockpiled under this Act, as determined under subsection (a), may not be revised unless the Committees on Armed Services of the Senate and House of Representatives are notified in writing of the proposed revision and the reasons for such revision at least thirty days before the effective date of such revision.

"MATERIALS CONSTITUTING THE NATIONAL DEFENSE STOCKPILE

"SEC. 4. (a) The stockpile consists of the following materials:

"(1) Materials acquired under this Act and contained in the national stockpile on the day before the date of the enactment of the Strategic and Critical Materials Stock Piling Revision Act of 1979.

"(2) Materials acquired under this Act on or after the date of the enactment of the Strategic and Critical Materials Stock Piling Revision Act of 1979.

"(3) Materials in the supplemental stockpile established by section 104(b) of the Agricultural Trade Development and Assistance Act of 1954 (as in effect from September 21, 1959, through December 31, 1966) on the day before the date of the enactment of the Strategic and Critical Materials Stock Piling Revision Act of 1979.

"(4) Materials acquired by the United States under the provisions of section 303 of the Defense Production Act of 1950 (50 U.S.C. App. 2093) and transferred to the stockpile by the President pursuant to subsection (f) of such section.

"(5) Materials transferred to the United States under section 663 of the Foreign Assistance Act of 1961 (22 U.S.C. 2423) that have been determined to be strategic and critical materials for the purposes of this Act and that are allocated by the President under subsection (b) of such section for stockpiling in the stockpile.

"(6) Materials acquired by the Commodity Credit Corporation and transferred to the stockpile under section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)).

"(7) Materials acquired by the Commodity Credit Corporation under paragraph (2) of section 103(a) of the Act entitled 'An Act to provide for greater stability in agriculture; to augument the marketing and disposal of agricultural products; and for other purposes', approved August 28, 1954 (7 U.S.C. 1743(a)), and transferred to the stockpile under the third sentence of such section.

"(8) Materials transferred to the stockpile by the President under paragraph (4) of section 103(a) of such Act of August 28, 1954.

"(9) Materials transferred to the stockpile under subsection (b).

"(b) Notwithstanding any other provision of law, any material that (1) is under the control of any department or agency of the United States, (2) is determined by the head of such department or agency to be excess to its needs and responsibilities, and (3) is required for the stockpile shall be transferred to the stockpile. Any such transfer shall be made without reimbursement to such department or agency, but all costs required to effect such transfer shall be paid or reimbursed from funds appropriated to carry out this Act.

"AUTHORITY FOR STOCKPILE OPERATIONS

"SEC. 5. (a) Except for acquisitions made under the authority of paragraph (3) or (4) of section 6(a), no funds may be obligated or appropriated for acquisition of any material under this Act unless funds for such acquisition have been authorized by law. Funds appropriated for such acquisition (and for transportation related to such acquisition) shall remain available for a period of five fiscal years, if so provided in appropriation Acts.

"(b) Except for disposals made under the authority of paragraph (4) or (5) of section 6(a) or under section 7(a), no disposal may be made from the stockpile unless such disposal, including the quantity of the material to be disposed of, has been specifically authorized by law.

"(c) There is authorized to be appropriated such sums as may be necessary to provide for the transportation, processing, refining, storage, security, maintenance, rotation, and disposal of materials contained in or acquired for the stockpile. Funds appropriated for such purposes shall remain available to carry out the purposes for which appropriated for a period of two fiscal years, if so provided in appropriation Acts.

"STOCKPILE MANAGEMENT

"SEC. 6. (a) The President shall—

"(1) acquire the materials determined under section 3(a) to be strategic and critical materials;

"(2) provide for the proper storage, security, and maintenance of materials in the stockpile;

"(3) provide for the refining or processing of any material in the stockpile when necessary to convert such material into the form most suitable for storage and subsequent disposition;

"(4) provide for the rotation of any material in the stockpile when necessary to prevent deterioration of such material by replacement of such material with an equivalent quantity of substantially the same material;

"(5) subject to the notification required by subsection (d)(2), provide for the timely disposal of materials in the stockpile that (A) are excess to stockpile requirements, and (B) may cause a loss to the Government if allowed to deteriorate; and

"(6) dispose of materials in the stockpile the disposal of which is specifically authorized by law.

"(b) Except as provided in subsections (c) and (d), acquisition of strategic and critical materials under this Act shall be made in accordance with established Federal procurement practices, and, except as provided in subsections (c) and (d) and in section 7(a), disposal of materials from the stockpile shall be made by formal advertising or competitive negotiation procedures. To the maximum extent feasible—

"(1) competitive procedures shall be used in the acquisition and disposal of such materials;

"(2) efforts shall be made in the acquisition and disposal of such materials to avoid undue disruption of the usual markets of producers, processors, and consumers of such materials and to protect the United States against avoidable loss; and

"(3) disposal of such materials shall be made for domestic consumption.

"(c)(1) The President shall encourage the use of barter in the acquisition of strategic and critical materials for, and the disposal of materials from, the stockpile when acquisition or disposal by barter is authorized by law and is practical and in the best interest of the United States.

"(2) Materials in the stockpile, the disposition of which is authorized by law, shall be available for transfer at fair market value as payment for expenses (including transportation and other incidental expenses) of acquisition of materials, or of refining, processing, or rotating materials, under this Act.

"(3) To the extent otherwise authorized by law, property owned by the United States may be bartered for materials needed for the stockpile.

"(d) (1) The President may waive the applicability of any provision of the first sentence of subsection (b) to any acquisition of material for, or disposal of material from, the stockpile. Whenever the President waives any such provision with respect to any acquisition or disposal, or whatever the President determines that the application of paragraph (1), (2), or (3) of such subsection to a particular acquisition or disposal is not feasible, the President shall notify the Committees on Armed Services of the Senate and House of Representatives in writing of the proposed acquisition or disposal at least thirty days before any obligation of the United States is incurred in connection with such acquisition or disposal and shall include in such notification the reasons for not complying with any provision of such subsection.

"(2) Materials in the stockpile may be disposed of under subsection (a) (5) only if the Committees on Armed Services of the Senate and House of Representatives are notified in writing of the proposed disposal at least thirty days before any obligation of the United States is incurred in connection with such disposal.

"(e) The President may acquire leasehold interests in property, for periods not in excess of twenty years, for storage, security, and maintenance of materials in the stockpile.

"SPECIAL DISPOSAL AUTHORITY OF THE PRESIDENT

"SEC. 7. (a) Materials in the stockpile may be released for use, sale, or other disposition—

"(1) on the order of the President, at any time the President determines the release of such materials is required for purposes of the national defense; and

"(2) in time of war declared by the Congress or during a national emergency, on the order of any officer or employee of the United States designated by the President to have authority to issue disposal orders under this subsection, if such officer or employee determines that the release of such materials is required for purposes of the national defense.

"(b) Any order issued under subsection (a) shall be promptly reported by the President, or by the officer or employee issuing such order, in writing, to the Committees on Armed Services of the Senate and House of Representatives.

"MATERIALS DEVELOPMENT AND RESEARCH

"SEC. 8. (a) (1) The President shall make scientific, technologic, and economic investigations concerning the development, mining, preparation, treatment, and utilization of ores and other mineral substances that (A) are found in the United States, or in its territories or possessions, (B) are essential to the national defense, industrial, and essential civilian needs of the United States, and (C) are found in known domestic sources in inadequate quantities or grades.

"(2) Such investigations shall be carried out in order to—

"(A) determine and develop new domestic sources of supply of such ores and mineral substances;

"(B) devise new methods for the treatment and utilization of lower grade reserves of such ores and mineral substances; and

"(C) develop susbtitutes for such essential ores and mineral products.

"(3) Investigations under paragraph (1) may be carried out on public lands and, with the consent of the owner, on privately owned lands for the purpose of exploring and determining the extent and quality of deposits of such minerals, the most suitable methods of mining and beneficiating such minerals, and the cost at which the minerals or metals may be produced.

"(b) The President shall make scientific, technologic, and economic investigations of the feasibility of developing domestic sources of supplies of any agricultural material or for using agricultural commodities for the manufacture of any material determined pursuant to section 3(a) of this Act to be a strategic and critical material or substitutes therefor.

"NATIONAL DEFENSE STOCKPILE TRANSACTION FUND

"SEC. 9. (a) There is established in the Treasury of the United States a separate fund to be known as the National Defense Stockpile Transaction Fund (hereinafter in this section referred to as the 'fund').

"(b) (1) All moneys received from the sale of materials in the stockpile under paragraphs (5) and (6) of section 6(a) shall be covered into the fund.

"(2) Moneys covered into the fund under paragraph (1) shall be available, when appropriated therefor, only for the acquisition of strategic and critical materials under section 6(a) (1) of this Act (and for transportation related to such acquisition).

"(3) If so provided in appropriation Acts, moneys in the fund, when appropriated, shall remain available for a period of five fiscal years.

"(c) All moneys received from the sale of materials being rotated under the provisions of section 6(a) (4) or disposed of under section 7(a) shall be covered into the fund and shall be available only for the acquisition of replacement materials.

"ADVISORY COMMITTEES

"SEC. 10. (a) The President may appoint advisory committees composed of individuals with expertise relating to materials in the stockpile or with expertise in stockpile management to advise the President with respect to the acquisition, transportation, processing, refining, storage, security, maintenance, rotation, and disposal of such materials under this Act.

"(b) Each member of an advisory committee established under subsection (a) while serving on the business of the advisory committee away from such member's home or regular place of business shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons intermittently employed in the Government service.

"REPORTS TO CONGRESS

"SEC. 11. The President shall submit to the Congress every six months a written report detailing operations under this Act. Each such report shall include—

"(1) information with respect to foreign and domestic purchases of materials during the preceding six-month period;

"(2) information with respect to the acquisition and disposal of materials under this Act by barter, as provided for in section 6(c) of this Act, during such period;

"(3) a statement and explanation of the financial status of the National Defense Stockpile Transaction Fund and the anticipated appropriations to be made from the fund during the next fiscal year; and

"(4) such other pertinent information on the administration of this Act as will enable the Congress to evaluate the effectiveness of the program provided for under this Act and to determine the need for additional legislation.

"DEFINITIONS

"SEC. 12. For the purposes of this Act:

"(1) The term 'strategic and critical materials' means materials that (A) would be needed to supply the military, industrial, and essential civilian needs of the United States during a national emergency, and (B) are not found or produced in the United States in sufficient quantities to meet such need.

"(2) The term 'national emergency' means a general declaration of emergency with respect to the national defense made by the President or by the Congress.".

(b) (1) Section 10 of such Act (50 U.S.C. 98h-1) is redesignated as section 13.

(2) Section 11 of such Act is repealed.

SEC. 3. (a) (1) Section 103(a) of the Act entitled "An Act to provide for greater stability in agriculture; to augment the marketing and disposal of agricultural products; and for other purposes", approved August 28, 1954 (7 U.S.C. 1743(a)), is amended—

(A) by striking out "the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U.S.C. 98–98h)" in paragraph (4) and inserting in lieu thereof "the National Defense Stockpile established by the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.)";

(B) by striking out "the national stockpile established pursuant to the Act of June 7, 1939, as amended" in the third sentence and inserting in lieu thereof "the National Defense Stockpile established by the Strategic and Critical Materials Stock Piling Act"; and

(C) by striking out "funds appropriated pursuant to section 8 of such Act of June 7, 1939" in the third sentence and inserting in lieu thereof "funds appropriated for the purposes of that Act".

(2) Section 105 of such Act (7 U.S.C. 1745) is amended by striking out "the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U.S.C. 98–98h)" and inserting in lieu thereof "the National Defense Stockpile established by the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.)".

(b) Section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) is amended—

(1) by striking out "section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596)" and inserting in lieu thereof "section 3 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98a)"; and

(2) by striking out "the Munitions Board of the National Military Establishment" and inserting in lieu thereof "the President".

(c) Section 303(f) of the Defense Production Act of 1950 (50 U.S.C. App. 2093(f)) is amended—

(1) by striking out "the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U.S.C. 98–98h)," in the first sentence and inserting in lieu thereof "the National Defense Stockpile established by the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.)"; and

(2) by striking out "from funds available under such Act of June 7, 1939, as amended" and inserting in lieu thereof "from funds appropriated for the purposes of such Act".

(d) Section 204(f) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 485(f)) is amended by striking out "the Munitions Board" and inserting in lieu thereof "the President".

SEC. 4. Any provision authorizing the enactment of new budget authority contained in the amendments made by this Act shall be effective on October 1, 1979.

The SPEAKER. Is a second demanded?

Mr. SPENCE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Florida (Mr. BENNETT) will be recognized for 20 minutes, and the gentleman from South Carolina (Mr. SPENCE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. BENNETT).

GENERAL LEAVE

Mr. BENNETT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 2154, presently under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BENNETT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, for some time the strategic and critical materials stockpile program has been in need of substantial updating and revision. The act, like the stockpile, is badly out of date and needs to be brought into conformance with current stockpile policy. The current law has had no substantive changes since its enactment in 1946. No significant additions to the stockpile have been made since 1959, and the Congress has not authorized the release of excess materials since 1973.

Stockpile policy has fluctuated sharply in recent years as successive administrations have changed the stockpile guidance frequently. There are, at present, many items in the stockpile not required for our national defense needs and also many items which are greatly needed for national defense purposes but which are not currently in the stockpile. This situation will require for the first time in many years substantial acquisitions of additional materials according to studies recently submitted by the Federal Preparedness Agency. These studies show that if the stockpile is to be balanced and the risk of shortages in strategic and critical materials reduced, the cost of acquiring new materials will greatly exceed the value of materials available for disposal.

This bill evolved from H.R. 4895, which in the last Congress passed the House by a vote of 373 to 24. It would have required authorization. of stockpile acquisitions, encouraged barter as a means of acquiring and disposing of stockpile materials, and would have established a special fund within the Treasury into which all moneys received from the sales of excess materials would go and would be available, only when appropriated, for future acquisitions. These provisions are all incorporated in the bill under consideration today. Unfortunately, the Senate took no final action on my bill or on the Senate version.

Now, Mr. Speaker, I will outline key revisions of the 1946 act in the bill before us, some of which were not in the version the House passed in 1977.

The bill provides for the first time congressional guidance as to how stockpile requirements are determined. The President shall make the determinations on the basis of the following principles: First, the purpose of the stockpile is to serve the interest of national defense only and is not to be used for economic or budgetary purposes; second, stockpiles are to be sized to meet at least a 3-year national emergency contingency; and third, goals may not be revised unless the Committees on Armed Services are notified in writing 30 days before the effective date of the revision.

Materials from the three existing stockpiles (national, supplemental, and Defense Production Act inventory) are combined into one stockpile, for simplicity of management, and are to be collectively known as the national defense stockpile. Future acquisition must be authorized by law. Acquisitions are to be made in accordance with established Federal procurement practices. Disposals are to be made by formal advertising or competitive negotiation procedures.

The committee report contains a more detailed discussion of these provisions. One provision, absolutely essential, is the establishment in the Treasury of the separate fund to be known as the National Defense Stockpile Transaction Fund.

The objective of the Strategic and Critical Materials Stock Piling Act was to ensure an adequate supply of critical materials for the security of the Nation. Section 9 of this bill is intended to assist in meeting that objective. I believe that placing moneys received from the sale of stockpile materials into a separate fund, rather than in the general Treasury, will encourage the maintenance of a balanced stockpile. Since moneys in the fund can only be used for stockpile purposes, the acquisition of needed materials will be expedited rather than leaving moneys in the fund as unexpended balances. These funds would only be available by authorizing and appropriating legislation duly enacted.

This legislation will discourage the use of the national defense stockpile for purposes other than those intended by the act; that is, national security. In addition, the legislation will improve the management of the stockpile through an assured source of funds for future materials acquisitions.

Mr. Speaker, in summary, this bill offers standards and guidelines for structuring and managing both the size and the operations of the stockpile; and very importantly, strengthens the role of Congress in stockpile matters. This legislation is long overdue, and I urge passage of this bill.

□ 1225

Mr. SPENCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2154, as amended. I want to associate myself with the remarks of the gentleman from Florida (Mr. BENNETT), the able chairman of the Subcommittee on Seapower and Strategic and Critical Materials.

No one in this House or the Senate has been more diligent in monitoring our national defense stockpile program. His insistence on establishing the special procurement fund, contained in this bill, is to be commended. Without this fund the proceeds from the sales of excess materials would continue to be returned to the general Treasury and could be used for purposes other than the replenishment of the stockpile. In view of the billions of dollars that will be needed to update our stockpiles, to meet national defense requirements, it is absolutely essential that we have an assured source of funds for these acquisitions. This legislation, and specifically section 9, will provide a protected source of funds from which needed materials may be purchased.

Mr. Speaker, this bill also includes a key provision which is designed to stabilize stockpile goals. The constant fluctuation of goals or objectives in the past has been a continuing source of irritation to the materials industries, causing unnecessary price speculation in the metals market. This bill contains a provision in section 3(a) which, it is to be hoped, will reduce these constant adjustments. Section 3(a) provides that goals may not be revisd unless the Committees on Armed Services of the House and the Senate are notified in writing of the proposed revision and the reasons for such revision at least 30 days before the effective date of the revision. This requirement will prevent undue manipulation in the setting of goals for the stockpile.

Mr. Speaker, I fully agree with my subcommittee chairman when he said this legislation is long overdue. We should pass this bill and get on with the job of modernizing this very valuable and important asset to our country.

Mr. Speaker, I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I thank my colleague for yielding.

□ 1230

Just a point of information, which agency decides which materials are necessary, is that the Department of Defense?

Mr. SPENCE. The President decides that in consultation of course with the various agencies of Government.

Mr. BENNETT. As a practical matter the GSA advises him. The President has the responsibility but as a practical matter there is an agency within GSA which does this.

Mrs. FENWICK. I would like to congratulate the committee. My constituents from time to time have urged release of certain materials and the care and determination and forcefulness of the committee has come very much to my attention and I would like to congratulate them on the way they conduct the affairs of the House.

Mr. BENNETT. I thank the gentlewoman from New Jersey.

Mr. SPENCE. I appreciate the contribution of the lady from New Jersey.

Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

● Mr. MILLER of Ohio. Mr. Speaker, I support H.R. 2154. Again, as I did here on March 31, 1977, when the stockpiling bill came before the 95th Congress, I commend the chairman for his outstanding leadership in putting this bill together.

I am particularly pleased the committee has recognized again the importance of the barter concept in our stockpiling policy and has encouraged its use by the President. In 1974 I authored section 663 an amendment to the Foreign Assistance Act of 1961. The provision allows the President to barter U.S. foreign assistance for strategic raw material any aid recipient nation may have. I regret to say that this unique opportunity to gain access to some of the world's vast untapped mineral and raw material resources has not been utilized to date. H.R. 2154 is a logical extension of this existing authority.

Before the monetary or cash system, barter was the form of exchange among people. Resources such as raw material would flow from one party to another in exchange for goods or services. Barter has unique, mutually beneficial advantages to trading partners over the cash system, especially today. With the United States running a $29 billion trade deficit and the dollar plummeting on the world market, the conventional system of stabilization has failed dramatically.

I submit that rather than sending more and more dollars overseas to pay for oil and other commodities, we barter for what we need with what other nations want from us. The Japanese who are almost entirely dependent on imported oil have bartered aggresively and quite successively to the point they carry trade surpluses.

Nations who supply us oil and raw materials need the American market but they do not need a continuing flood of U.S. dollars. Through tough bargaining, the United States can acquire the same oil and other natural resources including the strategic metals our highly developed industries require in exchange for our foreign assistance, computers and agricultural goods. Given the present world conditions, barter makes economic sense and it can work effectively if given a chance.

The tools for bartering are available. H.R. 2154 provides for greater coordination of their use and should for that reason alone be approved by the House.●

Mr. BENNETT. Mr. Speaker, I have no further requests for time and I yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. BENNETT) that the House suspend the rules and pass the bill H.R. 2154, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

INTERNATIONAL SHIPMENT OF LOTTERY MATERIALS

Mr. DANIELSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1301) to amend title 18 of the United States Code to allow the transportation or mailing to a foreign country of material concerning a lottery authorized by that foreign country, and for other purposes.

The Clerk read as follows:

H.R. 1301

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (b) of section 1307 of title 18 of the United States Code is amended by striking out "mailing to addresses within" and all that follows through the end of such subsection (b) and inserting in lieu thereof the following: "mailing—

"(1) to addresses within a State of equipment, tickets, or material concerning a lottery which is conducted by that State acting under the authority of State law; or

"(2) to an addressee within a foreign country of equipment, tickets, or material designed to be used within that foreign country in a lottery which is authorized by the law of that foreign country."

(b) Subsection (c) of section 1307 of title 18 of the United States Code is amended—

(1) by inserting "(1)" after "of this section"; and

(2) by inserting "; and (2) 'foreign country' means any empire, country, dominion, colony, or protectorate, or any subdivision thereof (other than the United States, its territories or possessions)" before the period.

SEC. 2. Section 1953 of title 18 of the United States Code is amended—

(1) in subsection (b), by striking out the period at the end of such subsection and inserting in lieu thereof the following: ", or (5) the transportation in foreign commerce to a destination in a foreign country of equipment, tickets, or materials designed to be used within that foreign country in a lottery which is authorized by the laws of that foreign country."; and

(2) by adding at the end the following new subsections:

"(d) For the purposes of this section (1) 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States; and (2) 'foreign country' means any empire, country, dominion, colony, or protectorate, or any subdivision thereof (other than the United States, its territories or possessions).

"(e) For the purposes of this section 'lottery' means the pooling of proceeds derived from of the sale of tickets or chances and allotting those proceeds or parts thereof by chance to one or more chance takers or ticket purchasers. 'Lottery' does not include the placing or accepting of bets or wagers on sporting events or contests.".

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from California (Mr. DANIELSON) will be recognized for 20 minutes, and the gentleman from California (Mr. MOORHEAD) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from California (Mr. DANIELSON).

GENERAL LEAVE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that I be allowed to revise and extend my remarks, and that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1301, the bill presently under consideration.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DANIELSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the bill H.R. 1301 would amend the present law to allow the mailing or transportation of equipment, tickets or material designed to be used in lotteries from the United States to a foreign country whose laws authorize a lottery.

Presently the law allows the interstate transportation and mailing of lottery tickets and other material for use by lotteries conducted by States acting under the authority of State law. This bill would expand this provision to allow for the transportation or mailing of such materials to addresses within a foreign country for use in lotteries authorized by the laws of that foreign country. This is necessary because shipments of lottery material from the United States to a foreign country, are now prohibited by U.S. law.

The Subcommittee on Administrative Law and Governmental Relations held a hearing on H.R. 1301 on February 21, 1979. Testimony at the hearing established that, today, if a U.S. company wishes to sell lottery-related materials to a buyer in a foreign country, such as England, which has laws authorizing lotteries, the company must set up an arrangement to have the lottery materials manufactured abroad or go to that country and set up a plant there. It cannot manufacture the materials here and ship them to the purchaser in the foreign country. It is anomalous that present law does permit the mailing and transportation of such equipment, tickets or materials from foreign countries into those States of the United States which conduct lotteries. This bill is intended to alleviate this situation and allow for such shipments from the United States to addresses within foreign countries.

The need for this bill has become evident in the last year or two. American manufacturers of such materials, especially of lottery tickets, have achieved an advance over foreign manufacturers in the state of the art. As a result there is a substantial demand from foreign countries for such materials which are manufactured by American firms. If our laws would permit the American manufacturers to supply that foreign need, we would be creating more jobs in the United States and a betterment of our balance of payments figures which is estimated to be more than $500 million.

This bill would not change existing laws which prohibit the mailing or transportation of lottery material to or within a State which does not conduct a State lottery. It should also be noted that the bill does not permit shipment to a foreign country which does not have laws permitting lotteries.

At the hearing concerning H.R. 1301, the Department of Justice stated its support for the enactment of this legislation, stating that the bill is consistent with the Department's policy. At that hearing on February 21, 1979, the Justice Department witness stated:

> H.R. 1301 represents a very tightly drawn amendment to both section 1307 and section 1953 which would permit such trade legally to take place. It is similar in many respects to H.R. 11582 which the Department supported in the last Congress. We see no opportunity for abuse of the privilege granted by the proposed legislation, and believe its passage would be in the best interests of all concerned.

The Postal Service, in a letter to the committee dated February 27, 1979, expressly noted that the bill remedies the defects that service felt were present in connection with the bill considered in the 95th Congress. In that letter the Postal Service stated:

> This bill remedies the defects apparent in H.R. 11580, which was vetoed by the President last November. In our opinion, the activities that would be permitted under this bill would not be a matter of concern to the Postal Service, since the activities permitted would not involve the conduct of an on-going lottery within the meaning of 39 U.S.C. 3005(a). Moreover, as to the amendments to section 1953 of title 18, the transportation to be employed would apparently not involve use of the mails. Accordingly, the Postal Service would be without jurisdiction to take action under section 3005(a).

The bill, H.R. 11850, referred to in the Postal Service letter, was passed in the 95th Congress, but was vetoed by the President because the Postal Service expressed concern that language in the 95th Congress bill, H.R. 11850, was ambiguous and might have been interpreted to permit lottery materials to be sent to the United States for other than legal State lotteries. The Postal Service has informed the committee that it has no objections to the present bill, H.R. 1301. Accordingly, I urge passage of the bill.

Mr. MOORHEAD of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this legislation is unnecessary, unwise, and unimportant. H.R. 1301 alters what has been a cautious, evenhanded Federal policy on the subject of lotteries. Through the enactment of this bill, Congress would place itself in the statutory posture of encouraging the development and expansion of the lottery industry throughout the United States. The Members of this House ought to consider the wisdom of this decision when they vote on H.R. 1301.

In 1974, with the enactment of Public Law 93-583, Congress recognized the rights of individual States to conduct their own lotteries, unhampered within their borders. Specifically, we removed the barriers which totally prohibited their use of the mails, radio, television, and newspapers to promote these State-run lotteries. But the new law limited these rights carefully, so as to insure that nonlottery States and their citizens would not be imposed upon. For example, it is still unlawful for an individual residing in a nonlottery State to use the mails to play a State-operated lottery (or any other type of lottery, for that matter). Similarly, State lottery agencies are restricted to advertising in nearby newspapers, or through radio and television outlets licensed to a location in that specific State or adjacent States.

But the measure we consider today has nothing to do with facilitating the operations of State-conducted lotteries. Rather, it authorizes the transportation, in foreign commerce, of lottery materials and services produced inside the United States. The aim is to encourage the exportation of lottery tickets, bingo cards, and other gambling paraphernalia. Proponents argue that the encouragement of this "industry" will create jobs and have a favorable impact on our balance of payments. Certainly, under normal conditions I would support any effort which means more jobs for Americans and greater economic strength for our country. I seriously question, however, whether this segment of our economy will ever be important enough to justify this basic policy change.

So, what are the real implications of this policy change? Does Congress really want to encourage the further expansion and development of an industry based upon games of chance? Congress does not intend to control the locations of these companies and their operations, and we probably cannot. So, H.R. 1301 also means that nonlottery States will be affected as well as lottery States. Our subcommittee received written testimony from one such company stating that the opening up of foreign markets will "encourage other entries into the business." Is this really what Congress ought to be doing?

Lotteries, government-run or private, continue to be the subject of considerable debate. Certain studies have shown that persons of lower income levels and with less education tend to be the most victimized by these fund-raising efforts. Legal lotteries have done nothing to stem the tide of illegal wagering, and the accompanying growth of organized crime. Many religious Americans view gambling as a vice—as a destructive and wasteful habit. These are times of serious problems, both domestic and international. Inflation, the Middle East, the energy crisis—all deserve the creative, working attention of this House. H.R. 1301 deserves neither our attention or support.

☐ 1240

Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan (Mr. SAWYER).

Mr. SAWYER. Mr. Speaker, I appear here to urge support for H.R. 1301. It is a narrow-scope bill. It merely permits to our manufacturers that which we strangely now permit the reverse to foreign manufacturers. Under our law as it now stands, foreign manufacturers may ship in, unrestricted by our law, to any legal State lottery in the United States, thereby competing with our manufacturers to make materials for those lotteries. But our law, strangely enough, prohibits our manufacturers from shipping overseas to legal lotteries in other countries. This was brought to a head rather recently in the last year when England legalized lotteries.

My interest in this bill is very particular. I have a manufacturer, a production facility, located in my district. They anticipate, in that facility alone, many new jobs if this bill is passed. But, worse than that, they are now selling about $10 million worth of lottery material in England. They do all of the engineering and design here in the United States, but they are compelled to hire the production and the work on the production to be done in England, to the tune of about $2.5 million, which could just as well be done here in my district. My district is not the only one concerned. There are similar production facilities located in California, in Connecticut, in Illinois, in Georgia, in New Jersey, in New York, and in Wisconsin. This potential foreign market is estimated to be approximately one-half billion dollars in legal lotteries overseas. We are just prohibiting our facilities from providing the jobs required, paying taxes on those earnings and balancing our imbalance of payments to the tune of one-half billion dollars by continuing, if we did continue, this rather anomalous quirk in the law.

☐ 1245

This does nothing but correct that quirk, to permit our companies to ship overseas. The other consequence that would occur if H.R. 1301 is not adopted is that production facilities by these companies will be constructed in England or other European countries to serve the world market, which is approximately 15 times as large as our domestic market. It will result in the exportation of American capital and American jobs and American taxes.

I may say that the Justice Department has fully supported the bill. The Post Office Department has withdrawn all objections to the bill, and the bill, other than perhaps in the views of those of similar mind to Mr. MOORHEAD, of some concern over whether or not foreign governments decide to legalize lotteries, should not interfere with our ability to do production in this country, here in the United States, thereby providing us with much needed jobs, taxes, and overall capital investment.

Mr. DANIELSON. Mr. Speaker, I would like to respond very briefly to the argument of the gentleman from California, my distinguished colleague (Mr. MOORHEAD). His argument seems to be, as I understand it, that we should not permit the manufacture in the United States and shipment abroad of these lottery materials because it might encourage the gambling abroad.

Well, if that were absolutely correct, and if the defeat of this bill would either minimize or completely abolish gambling abroad, perhaps we would have a missionary purpose to accomplish which would justify defeating this bill. But I submit, Mr. Speaker, that that is not the case. This bill does nothing, first of all, to inhibit gambling within the United States. In those States of the United States which have lotteries, this bill will have no impact. They will continue to have their lotteries.

This bill will have nothing to do with the conducting of lotteries abroad. Those foreign countries which now have lotteries will continue to have lotteries. All this bill does is permit American manufacturers to compete in the international market, to print the materials here and ship them abroad. It would, as the gentleman from Michigan said, provide some more jobs; it would provide a better balance of payments for the United States. Nothing at all would be achieved by defeating the bill, and I very strongly urge that it be adopted.

Let us not forget, if we wish to be totally moral about this, America sends cigarettes and tobaccos abroad, and we all know that tobacco smoking causes lung cancer. The Surgeon General tells us that. We all know that one of the greatest causes of human distress in the world is alcohol. Yet we manufacture whiskies and wines and brandies in the United States and send them abroad. Apparently, that incidental distress does not prevent our commerce in this commodity.

I respectfully submit that, inasmuch as European countries and Asiatic countries and others are going to have lotteries anyway, there is no reason why our manufacturers should not be allowed to ship materials to them, particularly in view of the fact that the foreign countries can ship the same kinds of materials to our own States which have lotteries.

Mr. HUGHES. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I will be glad to yield to the gentleman from New Jersey.

Mr. HUGHES. Mr. Speaker, I thank the distinguished chairman for yielding.

Under present law, as I understand it, we are not permitted to ship lottery materials to those countries where lotteries are illegal, is that correct?

Mr. DANIELSON. That is correct, and it would also be true under this bill. If this bill passes, we still cannot ship lottery materials to foreign countries in which lotteries are not lawful.

Mr. HUGHES. That is the point, if the gentleman will yield further, that I wanted to emphasize.

□ 1250

This does not change existing law, does it? With respect to those countries which presently make lotteries illegal, we still would not be permitted to ship lottery material to those countries under this bill or under existing law; is that right? This bill does not change that one iota; is that correct?

Mr. DANIELSON. That is absolutely correct.

Mr. HUGHES. Mr. Speaker, I thank the gentleman.

Mr. MOORHEAD of California. Mr. Speaker, I yield myself such time as I may consume.

I just wish to make one more point in reply, and that is that always before in this type of legislation we have carefully made the distinction between States where lotteries are illegal and in States where lotteries are not illegal.

The exemptions which are granted in this bill do not refer to the differences between the two States, so that the actions which are made legal here are made legal in States were lotteries are illegal as well as being made legal in States where lotteries are presently legal.

The exemption says that a shipper can address this kind of material to an addressee located in an area within a foreign country; he can address equipment or materials designed to be used within that foreign country in a lottery which is authorized by the law of the foreign country. No distinction is made to require that shipment or manufacture be from States where lotteries are legal. This would break down the distinction which has previously been in the law and would authorize the manufacture of that material within a State where the lottery itself is illegal.

Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from California (Mr. DANIELSON) that the House suspend the rules and pass the bill, H.R. 1301.

The question was taken.

Mr. MOORHEAD of California. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. MOORHEAD of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to the provisions of clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed until tomorrow.

The gentleman's point of order of no quorum is considered withdrawn.

PROVIDING FUNDS FOR COMMITTEE ON HOUSE ADMINISTRATION TO PROVIDE COMPUTER SERVICES FOR THE HOUSE OF REPRESENTATIVES

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 129) providing funds for the expenses of the Committee on House Administration to provide for the maintenance and improvement of ongoing computer services for the House of Representatives, for the investigation of additional computer services for the House of Representatives, and to provide computer support to the committees of the House of Representatives, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 129

Resolved, That the Committee on House Administration is authorized to incur such further expenses (not in excess of $10,189,000, of which up to $525,000 will be from funds reimbursed to House Information Systems for services performed) as the committee considers advisable to enable House Information System to provide for the development, operation, maintenance, and improvement of ongoing computer and information services for the House of Representatives, for the investigation of additional computer and information services for the House of Representatives, and to provide computer and information systems support directly to Members, committees, and administrative offices of the House of Representatives, including expenditures—

(1) for the employment of professional, technical, clerical, and other assistants,

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and for the procurement of equipment by contract or otherwise, and

(3) for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions.

Such expenses shall be paid out of the contingent fund of the House, or from reimbursed funds, on vouchers authorized and approved by such committee, and signed by the chairman thereof.

(b) Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and not to exceed $39,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. Of such funds authorized by this resolution, $3,252,000 is projected to provide computer support to standing and select committees of the House of Representatives and to joint committees of the Congress:

(a) Committee on Agriculture, $17,000;

(b) Committee on Appropriations, $379,000;

(c) Committee on Armed Services, $31,000;

(d) Committee on Banking, Finance and Urban Affairs, $29,000;

(e) Committee on the Budget, $19,000;

(f) Committee on the District of Columbia, $18,000;

(g) Committee on Education and Labor, $36,000;

(h) Committee on Foreign Affairs, $60,000;

(i) Committee on Government Operations, $19,000;

(j) Committee on House Administration, $167,000;

(k) Committee on Interior and Insular Affairs, $12,000;

(l) Committee on Interstate and Foreign Commerce, $50,000;

(m) Committee on the Judiciary, $14,000;

(n) Committee on Merchant Marine and Fisheries, $12,000;

(o) Committee on the Post Office and Civil Service, $11,000;

(p) Committee on Public Works and Transportation, $31,000;

(q) Committee on Rules, $12,000;

(r) Committee on Science and Technology, $43,000;

(s) Committee on Small Business, $30,000;

(t) Committee on Standards of Official Conduct, $51,000;

(u) Committee on Veterans' Affairs, $11,000;

(v) Committee on Ways and Means, $24,000;

(w) Select committees, $82,000;

(x) Joint Committee on Taxation, $101,000; and

(y) General support to all committees (including general administrative support, systems development, oversight support, network support, surveys, and technical assistance), $1,993,000.

SEC. 3. Of such funds authorized by this resolution, $1,074,000 is projected to provide computer support to offices of the House and of the Congress at the following projected levels:

(a) Congressional Budget Office, $524,000;

(b) Legislative Counsel, $183,000;

(e) Law Revision Counsel, $312,000; and

(d) United States Capitol Police, $55,000.

SEC. 4. Of such funds authorized by this resolution, $1,419,000 is projected to provide computer support to the officers of the House of Representatives.

SEC. 5. Of such funds authorized by this resolution, $4,444,000 is projected to provide computer support to the Members of the House of Representatives, including the ongoing development and operation of Member information network systems and the electronic voting system, and the provision of word processing and information systems consultation and technical assistance.

SEC. 6. No. part of the funds authorized by this resoltuion shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House.

SEC. 7. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 8. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. BOLLING). Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That the Committee on House Administration is authorized to incur such further expenses (not in excess of $9,889,000, of which up to $525,000 will be from funds reimbursed to House Information Systems for services performed) as the committee considers advisable to enable House Information System to provide for the development, operation, maintenance, and improvement of ongoing computer and information services for the House of Representatives, for the investigation of additional computer and information services for the House of Representatives, and to provide computer and information systems support directly to Members, committees, and administrative offices of the House of Representatives, including expenditures—

(1) for the employment of professional, technical, clerical, and other assistants,

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and for the procurement of equipment by contract or otherwise, and

(3) for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions.

Such expenses shall be paid out of the contingent fund of the House, or from reimbursed funds, on vouchers authorized and approved by such committee, and signed by the chairman thereof.

(b) Not to exceed $50,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946 (2 U.S.C. 72a(i)), and not to exceed $39,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act (2 U.S.C. 72a (j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose

SEC. 2. Of such funds authorized by this resolution, $3,252,000 is projected to provide computer support to standing and select committees of the House of Representatives and to joint committees of the Congress:

(a) Committee on Agriculture, $17,000;

(b) Committee on Appropriations, $379,000;

(c) Committee on Armed Services, $31,000;

(d) Committee on Banking, Finance and Urban Affairs, $29,000;

(e) Committee on the Budget, $19,000;

(f) Committee on the District of Columbia, $18,000;

(g) Committee on Education and Labor, $36,000;

(h) Committee on Foreign Affairs, $60,000;

(i) Committee on Government Operations, $19,000;

(j) Committee on House Administration, $167,000;

(k) Committee on Interior and Insular Affairs, $12,000;

(l) Committee on Interstate and Foreign Commerce, $50,000;

(m) Committee on the Judiciary, $14,000;

(n) Committee on Merchant Marine and Fisheries, $12,000;

(o) Committee on the Post Office and Civil Service, $11,000;

(p) Committee on Public Works and Transportation, $31,000;

(q) Committee on Rules, $12,000;

(r) Committee on Science and Technology, $43,000;

(s) Committee on Small Business, $30,000;

(t) Committee on Standards of Official Conduct, $51,000;

(u) Committee on Veterans' Affairs, $11,000;

(v) Committee on Ways and Means, $24,000;

(w) Select committees, $82,000;

(x) Joint Committee on Taxation, $101,000; and

(y) General support to all committees (including general administrative support, systems development, oversight support, network support, surveys, and technical assistance), $1,993,000.

SEC. 3. Of such funds authorized by this resolution, $1,074,000 is projected to provide computer support to offices of the House and of the Congress at the following projected levels:

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SEC. 6. No part of the funds authorized by this resolution shall be available for expenditures in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House.

SEC. 7. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 8. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 129 provides funds for the operation of the House Information Services, the computer services arm of the House of Representatives.

Mr. Speaker, let me observe that this resolution is one of a series of resolutions that must be passed by the House in order to provide the House and its committees the funds necessary to do their work.

These resolutions are first considered by the Committee on House Administration's Subcommittee on Accounts, which I have the honor of chairing.

In considering all of these funding resolutions, the Subcommittee on Accounts has tried, on the one hand, to eliminate any wasteful or unnecessary spending while, on the other, providing the House of Representatives the resources essential to discharge our responsibilities as legislators and to oversee the proper implementation of the laws we have passed.

Mr. Speaker, I am pleased to be able to report that the Committee on House Administration has completed action on the funding resolutions for all of the committees of the House—we will take up the remaining ones on the floor of the House on Wednesday—and we have reduced the funds requested by nearly 10 percent.

In addition, Mr. Speaker, the total amount of funds authorized in all the resolutions is virtually the same as in 1978, indicating that the Committee on House Administration and the House of Representatives as a whole are serious about holding the line on Government spending in general and congressional spending in particular.

Mr. Speaker, the particular resolution before us, House Resolution 129, would provide approximately $9.9 million for the operation of the House Information Systems, the central computer service facility of the House of Representatives.

The House Information Systems—known as HIS came into being in the early 1970's and has been providing the House with a wide-range of computer service.

The House Information Systems (HIS) operates and maintains the House's electronic voting system.

It processes the payroll and other accounts of the House.

It operates the "bill status system" by which Members of Congress and the public keep track of the progress of bills in Congress.

The HIS system provides rapid service in helping publish various documents such as committee hearings.

The House Information Systems budget also makes a wide range of services available to committees of the House, officers of the House and individual Members. This year, approximately 32 percent of the HIS budget will be used for work for committees, 14 percent for officers of the House—such as the Clerk, the Doorkeeper and the Sergeant at Arms—and 44 percent for individual Member services.

Now, Mr. Speaker, $9.9 million is a great deal of money. But I think that we should keep in mind that at last count, the executive branch of government had over 2,000 computers at a value of nearly $5 billion a year.

In addition, the budget request of the House Information Systems is $1.1 million less than the House approved last year for this purpose and approximately $150,000 less than was expended last year.

Mr. Speaker, at this point I would be very pleased to yield to the distinguished ranking minority member of the Subcommittee on Accounts, the gentleman from Ohio (Mr. Devine), for any comment he may wish to make.

☐ 1255

Mr. DEVINE. I thank the gentleman for yielding, and as it relates to the particular legislation before us having to do with the House Information Systems service, his statements are quite accurate. I do not think many Members of the House, with the exception of the gentleman from North Carolina (Mr. Rose) can give us a complete outline and rundown on the technicalities of the exotic, sophisticated computerized system of the House Information Systems service, and we are going to have to take his word on what it can do and what it will do.

We did adopt an amendment in the Subcommittee on Accounts and in the whole committee having to do with whether or not this service would be available specifically to Members alone, and finally confined it to committees, which I think was a wise move. The dollar amount I cannot comment on for lack of information, but by and large I support the statement made by the gentleman from Indiana, (Mr. Brademas).

Mr. BRADEMAS. I thank the gentleman from Ohio. I might simply add that the technical amendment of the committee simply brings the language of the resolution into conformity with the intent of the Committee on House Administration that the House Information Systems be permitted to be reimbursed for certain services provided to committees of the House and to the Congressional Budget Office where such reimbursement is appropriate.

I would be pleased to yield for purposes of debate only to the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. I thank the gentleman from Indiana. I would like at this time simply to ask some questions, and perhaps the gentleman from Indiana or other members of the Committee on House Administration can set me straight on something that is troubling me. As the gentleman well knows, the use of computers and the other services available to Members sometimes runs into the issue of whether or not we are engaging in official activities or political activities. This is always something that has to be watched very closely.

The March 10 issue of the Congressional Quarterly magazine in an article regarding H.R. 1 and public financing of congressional elections makes the following statement, and I bring it to the gentleman's attention for some sort of response:

> House public financing supporters are being aided by a new weapon in this year's fight, a computer. It's being used to analyze 1978 spending figures and the feasibility of various public financing alternatives. Special studies are being made of how much various classes of members—freshmen, sophomores, juniors, committee and subcommittee chairmen—spent in their last campaigns.
>
> The computer is primarily an analysis too, but proponents are also hopeful that the results may be useful in their lobbying effort.

☐ 1300

Now, again I raise this question simply because first of all, I realize that the computer is very helpful in providing information to the committees of Congress, or individual Members, statistical analyses on which to base their legislative judgments; but is, in fact, this study being made under the House computer systems, and if it is, will the results be made available to the minority or have they, in fact, are they some part of a lobbying effort on legislation, which I do not think is appropriate?

Mr. BRADEMAS. Mr. Speaker, I would like to yield to the distinguished chairman of the Committee on House Administration, the gentleman from New Jersey (Mr. Thompson).

Mr. THOMPSON. Mr. Speaker, I say to my friend, the gentleman from Maryland, that the use of the computer for this particular purpose is to accumulate accurate data as to expenditures—the average expenditures, the source of expenditures, and to try to arrive as closely as possible to a point where we can make some empirical decisions, whether or not H.R. 1 passes, as to the expenditure thresholds and expenditure limits.

The files and all the records of the Committee on House Administration are open at all times to all Members who request them. The computer data is not being used in any sense, and it will not be used in any sense, to lobby for or against the bill, H.R. 1.

The computer task force, chaired by our friend and colleague, the gentleman from North Carolina (Mr. Rose) is composed of himself and minority Members who have, of course, equal access.

The gentleman from Minnesota (Mr. Frenzel) wrote to me approximately 2 weeks ago asking to be geared in to available information and asking that there be a constant exchange of proposed amendments. My answer to him was in the affirmative; that will be done.

Mr. BAUMAN. If the gentleman will yield further, it has not yet been provided to the minority.

Mr. THOMPSON. Any requests that the minority have made up to this minute have been answered and satisfied. Only a few days ago, the minority added two persons to the Committee on House Administration staff for the specific purpose of monitoring the work on the Federal election legislation; there can be no question but this is simply an attempt to do an objective study, to make available basic data for use by Members, no matter what their attitude is toward H.R. 1, the public financing legislation.

Mr. BAUMAN. Mr. Speaker, would the gentleman from Indiana yield further?

Mr. BRADEMAS. I should be glad to, Mr. Speaker, for debate only.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman.

Now, under amendments to this legislation and previous legislation, it is my understanding that reimbursement must be given to the computer services people by each committee that accepts or requests their services. Has the House Committee on House Administration been billed or will they be billed for this study on H.R. 1 and how much money is involved in this?

Mr. BRADEMAS. Mr. Speaker, I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, the answer in general goes to the decisions made by the full committee only last week that committees must reimburse the House information systems out of committee investigative funds for special unanticipated studies. That does not yet apply to individual Members. That is under consideration and study by the task force.

☐ 1305

Mr. BRADEMAS. Mr. Speaker, if I may explain further to the gentleman from Maryland, following what Mr. Thompson has said, that the purpose of the technical amendment offered by the committee is to make the intent of the committee clear that the House information systems be permitted to seek reimbursement of both committees of the House and the Congressional Budget Office where such reimbursement is thought to be appropriate and where such reimbursement is approved by the

Policy Group on Information and Computers chaired by the gentleman from North Carolina (Mr. ROSE) and by the full Committee on House Administration.

Mr. BAUMAN. If the gentleman will yield further, I have still not gotten an answer to my central question about cost. It seems to me if we are going to cross-index every congressional campaign and analyze what it will cost and the source of the contributions, which is something I thought the Federal Election Commission did, in a random sort of way, it is going to cost an enormous amount of money. What is this costing? and, "Is this trip necessary?"

Mr. BRADEMAS. I can only say to the gentleman from Maryland two things: First of all, I am advised that during the hearings on public financing legislation last week members of both the majority and the minority on the House Committee on Administration requested information of the nature that we here have been discussing of witnesses of the Federal Election Commission, but the Federal Election Commission was not able to come up with such data, which is one of the reasons that the kind of study to which the gentleman from New Jersey had reference, is being made.

I would not be able here to tell the gentleman from Maryland the cost of every study that is being made, including the one to which he has referred.

I would be very pleased, however, to request of the House Information Systems an estimate of the cost of that study and to ask that it be made available to the gentleman from Maryland. I yield to the gentleman from New Jersey for such comment as he would wish to make on this matter.

Mr. THOMPSON. Mr. Speaker, staff, which has gone into this whole question, I say to my friend from Maryland (Mr. BAUMAN), estimates that the maximum cost for the particular project to which you refer is a maximum of $25,000.

Mr. BAUMAN. Mr. Speaker, if the gentleman would yield further, I appreciate that estimate, but I do return to my concern that if we are going to have these available services that they not be used in a manner that would constitute any political use or lobbying.

If Common Cause or other outside groups wish to do this kind of analysis for the purpose of promoting legislation that is one thing, but the taxpayers ought not to have to bear that cost.

I thank the gentleman for yielding.

Mr. BRADEMAS. I yield further to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Speaker, in each and every case where available data from the House Information Systems is requested by any Member on either side, it is very clearly pointed out that there is existing a rule pointing up that we will not tolerate violations of existing prohibitions against use for political purposes.

Now there have been a number of individual requests by Members for putting into a data bank or a computer facility a mailing list to be used exclusively for official purposes. In each and every response to those requests, after review, they come to my desk, as the chairman of the Committee on House Administration, and in each and every instance there is a paragraph dictated by me added to the letter pointing out the fact that these data facilities are to be used exclusively for official requests. None of them can be used for fund-raising purposes, none of them can be used for any private purpose; it may be used only and exclusively for official purposes.

Mr. BRADEMAS. I thank the gentleman from New Jersey for his contribution.

☐ 1310

Mr. COLLINS of Texas. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Texas.

Mr. COLLINS of Texas. Mr. Speaker, I thank the gentleman from Indiana for yielding.

Mr. Speaker, I wanted to have a little more information about our committee here and what this committee does. As I understand it—and I just got a rough figure—we have 208 employees. Is that how many people are employed, or is it 268, or does the gentleman know how many people work for this particular committee?

Mr. BRADEMAS. Mr. Speaker, I would be very pleased to yield to the distinguished chairman of the Policy Group on Information and Computers of the Committee on House Administration, the gentleman from North Carolina (Mr. ROSE).

Mr. ROSE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, in response to the question, there are approximately 208 employees at HIS, the House Computer Center, right now. That figure has been up as high as 225 or more.

We do not anticipate that there will be a need for additional employees. As a matter of fact, the number will probably be reduced, but this is a constant number that has existed for the last several years. As a matter of fact, it has come down a little bit.

Mr. COLLINS of Texas. Mr. Speaker, if the gentleman will yield further, may I call on the gentleman from North Carolina (Mr. ROSE) for additional information?

Mr. BRADEMAS. Of course.

Mr. COLLINS of Texas. Mr. Speaker, I notice that 5 years ago we started at a figure of $2.5 million roughly, and we are at $10 million now. What is this committee doing that justifies four times the original expenditure?

Mr. ROSE. Mr. Speaker, may I say to the gentleman that the earlier figure, the lower figure the gentleman mentioned of several years ago, was at a rather early stage in the use of computers in the House of Representatives. Last year the figure in our budget was $10.9 million; this year we are back under $10 million, at a figure of $9.9 million.

This House had never used computers to help it with the legislative process. Today, as the gentleman knows, he can go to his office and find the status of any piece of legislation that he or any of his colleagues have introduced by using our high-speed computers.

I have always contended that through the thoughtful use of this technology, we could be more efficient. What we are seeing, though, that it is the younger Members of the House who are bringing this technology with them as they come to the Congress and who are making the greater use of computers to help them deal with their constituents.

So we have pretty well soaked the ground, as it were, with this technology. Members have learned what computers can do for them. But from here on out it is going to be the idea of Members personally understanding these machines and how they can be extensions of themselves in a way that will make this a worthwhile money-saving proposition for the taxpayer. I anticipate this number will dwindle because the technology is getting cheaper, and I am glad we have turned the corner.

Mr. COLLINS of Texas. Mr. Speaker, let me ask the gentleman a further question on this.

We have had this thing for 5 years, and it is my understanding that only half the Congressmen are using the services; is that right?

Mr. ROSE. Well, Mr. Speaker, let me say to the gentleman that you are using the computer every time you vote, you are using the computer each month with all the accounts you file vouchers against, and when you get your paycheck, it is written on the computer; it comes in this way.

Many of the records of this body are stored in these computers. Many of the publications that we enjoy as tools of our trade in this business are now typeset with computers directly at great money savings to the taxpayer. The Clerk and the administrative offices of the House use this equipment. We, as the gentleman from Indiana (Mr. BRADEMAS) pointed out, use 42 percent of these computer services.

Mr. COLLINS of Texas. Who uses 42 percent?

Mr. ROSE. All of the internal workings of committees can be put on the computer system for use in the preparation of documents and keeping up with schedules.

Mr. BRADEMAS. Mr. Speaker, I might say further, following up with what the gentleman from North Carolina (Mr. ROSE) has said, that if the Congress of the United States is to play its important coequal role within our constitutional system, it is absolutely imperative that we have access to intelligence and information. I observed earlier that the executive branch of our Government now has access to approximately 2,000 computers, at a cost of an estimated $5 billion a year, compared to the less than $10 million which would be provided under the resolution before us for the use of the House of Representatives.

Mr. Speaker, I yield further to the gentleman from North Carolina (Mr. ROSE).

Mr. ROSE. Mr. Speaker, I thank the gentleman for yielding.

If the gentleman would allow me to

make one more point, the Senate will spend somewhere between $13 million and $14 million this year for 100 Members. The Library of Congress will spend somewhere in the neighborhood of $15 million to $18 million this year for computer services.

□ 1315

I hope our budget is on the way down. I hope that the gentleman from Texas and other Members of this body will start to use the cheaper, smaller technology in their own offices and that they will hire people who understand how to use these machines, so that we can get away from the dependence on the centralized computer operation except for those very essential tasks such as voting and maintaining information about the status of legislation.

Mr. COLLINS of Texas. I was interested in the comments of the gentleman from Indiana, when he spoke of the tremendous amount of money that is being spent by the executive branch, and I am sure that a lot of that represents duplication and material that is not needed.

To what extent are we duplicating in the computers the same information that is over there in the Congressional Library service that we call upon? To what extent do we duplicate those congressional services?

Mr. ROSE. Right now there is no duplication. We are in fact sharing information with the Senate. We take the tape of our process here every day on every bill that is indicated, all of the movement that occurs in the legislation in the House, and we actually take a tape over to the Senate and let them put it on their computer. We share without duplication computer services with the Library of Congress. We are a $1 billion branch of Government, overseeing a $500 billion branch of Government. And only with computers can we efficiently and effectively do our oversight job if the Members will learn how to use the tools.

Mr. BRADEMAS. And despite what the gentleman from North Carolina has said, I would advise my colleague, the gentleman from Texas, that the amount approved in this resolution is $1,100,000 less—10 percent less—than HIS received last year, is nearly $150,000 less than HIS estimated its 1978 spending to be, and is $300,000—3 percent—less than the amount requested. So we have reduced by a very significant measure the amount to be provided for the work, the very important work, indeed the essential work, of the House Information Systems.

Mr. LEWIS. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from California (Mr. Lewis) a member of the Subcommittee on Accounts.

Mr. LEWIS. Mr. Speaker, on this item I am simply rising, as a new member on this subcommittee dealing with computers, to express my total support for this resolution and budget. We did have a serious question. There were some minor amendments made to the resolution in the process. But this is a portion of the budget that is being reduced this year. As a practical matter, at first I was a bit concerned about that reduction for the field of computer technology. In my judgment, it has as its heart the potential of providing some reasonable level of efficiency in this House, ranging, as the gentleman from North Carolina has indicated, the computer allowing us to vote by machine rather than voice vote or by rollcall, to having central sources of information that expedite the process of knowing where legislation is or may well be, all the way to the point of, ideally, having each Member having a total handle within his office upon the kinds of services that he needs for his constituents. Indeed, it has been my judgment that the growth of this budget has been much less than it might have been because Members have failed to use the computers to the advantage that they might.

I have found that Members who have been around awhile, at least, it seems to me, as I review that, have held off from the computer because many of their own staff people who have been around for 20 years have been afraid of the computer because it might cause too much information to be available to their Member.

I would suggest that the gentleman from North Carolina is exactly on mark when he talks about in the future of moving in the direction of self-contained computer operations in Members' offices. I believe it portends well for the efficiency of this House and, perhaps—just perhaps—if we use this system effectively, we will come to the point where we will actually develop a program and have it used and, thus, eliminate the kind of silly duplication of subcommittee and committee meetings around here. We have not, if you will, used the computer nearly at the level that we could, and if we extend this it will be for the betterment of the House.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman for his remarks.

I would like to observe, before offering a technical amendment, that the gentleman from California (Mr. Lewis) has been a most constructive Member both of the Policy Group on Information and Computers and of the Subcommittee on Accounts, and I want to especially pay tribute to the gentleman from North Carolina (Mr. Rose) for the outstanding work he has done as chairman of that policy group.

□ 1320

AMENDMENT TO THE COMMITTEE AMENDMENT OFFERED BY MR. BRADEMAS

Mr. BRADEMAS. Mr. Speaker, I offer a technical amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. Brademas: On Page 6, strike lines 15 and 16 and insert in lieu thereof the words: "excluding funds reimbursed to House Information Systems for services performed for Committees of the House and the Congressional Budget Office) as the".

The SPEAKER pro tempore (Mr. Bolling). The question is on the amendment to the committee amendment.

The amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ESTABLISHING A SELECT COMMITTEE ON COMMITTEES

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up a privileged resolution (H. Res. 118) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 118

Resolved, That there is hereby established in the House of Representatives a select committee to be known as the Select Committee on Committees (hereinafter referred to as the "select committee").

FUNCTIONS

Sec. 2. (a) The select committee is authorized and directed to conduct a thorough and complete study with respect to the operation and implementation of rules X, XI, and XLVIII of the Rules of the House of Representatives including committee structure of the House, the number of committees and their jurisdiction, committee rules and procedures, media coverage of meetings, staffing, space, equipment, and other committee facilities.

(b) The select committee is authorized and directed to report to the House by bill, resolution, or otherwise, with respect to any matters covered in subparagraph (a): *Provided, however,* That the select committee shall not report to the House by bill or resolution recommendations relating to the optimum size of committees, the appropriate committee and subcommittee assignments, per Member, or the number of subcommittees or their jurisdictions, but such recommendations may be made to the respective party caucuses.

APPOINTMENT AND MEMBERSHIP

Sec. 3. (a) The select committee shall be composed of fifteen Members of the House, who shall be appointed by the Speaker; ten from the majority party and five from the minority party, one of whom he shall designate as chairman.

(b) Any vacancy occurring in the membership of the select committee shall be filled in the same manner in which the original appointment was made.

AUTHORITY AND PROCEDURES

Sec. 4. (a) For the purposes of this title, *resolution,* the select committee or any subcommittee thereof is authorized to sit and act during sessions of the House and during the present Congress at such times and places whether or not the Houe has recessed or adjourned.

(b) The provisions of clauses 1, 2, and 3 of rule XI of the Rules of the House of Representatives, except the provisions of clause 2(m) relating to subpena power, and clause 2(i), shall apply to the select committee.

(c) The majority of the members of the select committee shall constitute a quorum for the transaction of business, except that two or more shall constitute a quorum for the purpose of taking testimony.

ADMINISTRATIVE PROVISIONS

SEC. 5. (a) Subject to the adoption of expense resolutions as required by clause 5 of rule XI of the Rules of the House of Representatives, the select committee may incur expenses in connection with its duties under this resolution.

(b) In carrying out its functions under this resolution, the select committee is authorized—

(1) to appoint, either on a permanent basis or as experts or consultants, such staff as the select committee considers necessary;

(2) to prescribe the duties and responsibilities of such staff;

(3) to fix the compensation of such staff at a single per annum gross rate which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in section 5316 of title 5, United States Code; and,

(4) to terminate the employment of any such staff as the select committee considers appropriate.

(c) The select committee and all authority granted in this resolution shall expire ninety days after the filing of the report of the select committee with the House.

REPORTS AND RECORDS

SEC. 6. (a) The select committee shall report to the House on the matters referred to in section 2 as soon as practicable during the present Congress, but not later than February 1, 1980.

(b) Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

(c) The records, files, and materials of the select committee shall be transferred to the Committee on Rules.

Mr. BOLLING (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore (Mr. ROSE). Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN), pending which I yield myself such time as I may consume.

Mr. Speaker, I do not really see any need to debate this matter at great length. There has been some opposition, but not a great deal. It is a matter that would normally be under the jurisdiction of the Rules Committee. The Rules Committee, in its new form, is going to be overburdened with matters of procedure and process beyond an ability to deal with this as well.

This sets up a select committee to, which I hope will, complete a process which has been going on for a number of years—not totally successfully—to reexamine the way in which the committees are organized, their jurisdictions, and a variety of other things in order that we may have a more efficient committee structure.

It provides for a 15-man committee, 10 to 5 in terms of majority and minority. It provides for limiting the committee's actual formal proposal to those subjects which the House has retained exclusively to itself. Although the committee can deal with other subject matter, it is prevented from dealing with certain subject matters that are held also in the caucus and conference of the two parties.

It seems to me a reasonable approach to a very difficult problem on which the House urgently needs action. I hope the resolution will be agreed to with near unanimity.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, the able gentleman from Missouri (Mr. BOLLING) has described the provisions of the resolution. I support the resolution because I know that a complete study of the complex committee jurisdictions and committee structure should come about. It is necessary. It would greatly benefit the committee process to have a study and a report made back to the House in a direct manner.

However, I have certain reservations about this particular resolution. My reservations embrace the number of the minority on the committee which is in a ratio of 10 to 5. I feel that a study of the committee structure must be nonpartisan.

☐ 1325

We must all work together.

Mr. Speaker, when this measure was before the House Committee on Rules, I offered an amendment to put the membership on an equal basis, 8 to 8.

Earlier this session I cosponsored a resolution (H. Res. 29) along with the Republican leadership of the House, whereby the Select Committee on Committees would make a comprehensive study of the committee structures, of committee jurisdictions, and the mandate would be handed to this committee for a study and that report would come directly to the House.

My reservation and another reservation which I have about the resolution before us is that the committee is to report key recommendations to the caucuses. In other words, the committee will be activated, and the committee will go forward and will make a comprehensive study which is mandated, but then major parts of the report will go to the two caucuses, both the majority and the minority. Then what comes come out of that no one knows.

Therefore, Mr. Speaker, I think that the whole study should come to the House. However, a good beginning is a good beginning; and despite these reservations, I support the study and I support the resolution.

Mr. Speaker, I do have some requests for time. If I might go ahead and yield at this time, I yield such time as he may consume to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I rise in opposition to the resolution, not because I do not believe that the House needs to study the matter of the conflicting jurisdictions and the proliferation of committees and subcommittees, but because I believe the Committee on Rules is uniquely equipped to handle this problem. We simply do not need another select committee. The Committee on Rules has received an enormous increase in its budget this year, so much so that the budget was subjected to a heated debate here on the floor only a few days ago, involving an increase from approximately $48,000 last year to $519,000 this year.

Mr. Speaker, the problems which this Select Committee on Committees will address are totally within the jurisdiction of the Committee on Rules. We were informed during testimony before the committee by the gentleman from Illinois (Mr. MIKVA) that the projected budget of this select committee may be as much as $500,000. That is a half million dollars added to the half million dollars which the Committee on Rules has already received.

Mr. Speaker, we do want this study work to be done. We do need a realinement of jurisdiction of committees and a reduction in the number of committees, but it seems to me that in seeking to achieve that laudable goal with this resolution we are only adding to the very problem we seek to solve.

Therefore, Mr. Speaker, I would urge that this resolution not be adopted.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

We all know that a few years ago we had the Select Committee on Committees headed by two fine gentlemen, the gentleman from Missouri (Mr. BOLLING) and Mr. Martin of Nebraska. They made their report to the House, but their report was not accepted.

Mr. Speaker, I do not want to see the work of this committee go down the drain. I believe that the study will be done in a very comprehensive way, will be entirely justified, and a report will come back to the House providing the caucuses—and I am speaking primarily of the caucus on the majority side—do not throw it on the wrong track or slow it up.

Mr. Speaker, I yield 4 minutes to the gentleman from California (Mr. LUNGREN).

☐ 1330

Mr. LUNGREN. Mr. Speaker, I would like to rise in opposition to the creation of this Select Committee on Committees. Sure, this area was the subject of resolutions from both the Democratic Caucus and the Republican Conference, but I would like to point out that was done before we knew what this specific proposal was going to be about and certainly before we knew what the request for the Rules Committee budget was going to be this year.

Recently we voted the House Committee on Rules a 2,600-percent increase in its budget. We were told that this was necessary for the Rules Committee's efforts in 31 areas of jurisdiction. Although I suggested at that time that the magic 31 was but a wish list, I was told, and we were all told, that it was a serious comprehensive list of the committee's legitimate matters of concern. So let us look at that.

Four of those items of the new Committee on Rules' jurisdiction, Nos. 8, 9, 10, and 11 in the committee report, are the revision of committee jurisdictions and workload, subcommittee structure and operation, study of multiple referrals and committee procedures. But are these not exactly what we are being asked to vote for today in the creation of a new committee?

House Resolution 118, which creates the Select Committee on Committees, says its work shall be to study the committee structure of the House, the number of committees and their jurisdiction, and committee rules and procedures. Why do we need to create a new committee to do exactly the same things we gave the Committee on Rules more money to do less than 2 weeks ago? How can we explain that to the American taxpayer? And how dare we be so blatant about it?

The Committee on Rules does not even attempt to distinguish by rhetoric its work from that to be done by this new committee. We use exactly the same words, and no one seems to be bothered by it. Perhaps it is because some here believe that the U.S. taxpayer is not important, that he or she is merely a bystander in all of this; but I think we must reject that notion, and I think this body must reject that notion. Besides this obvious duplication of effort, I object to this committee—which is supposed to study the House as an institution—for being constructed along the partisan lines drawn up in this bill.

As was already pointed out, the last time a committee on committees was created, at least its membership was divided equally between the two parties in Congress. This new committee on committees would have 10 Democrats and 5 Republicans, a 2-to-1 ratio which is not even reflective of the makeup of this new Congress.

Why does this resolution require the committee to report important recommendations on the number and size of committees not to the House as a whole but to the party caucuses? I find this very strange. I find this very partisan, and I find this flies in the face of what the people at home are asking us to do. But there is hope.

With the new television coverage that begins today, perhaps such obvious congressional empire building will be seen by some of the taxpayers back home. We must begin to heed the message of the American people. If we continue to duplicate efforts like this, if we refuse to concern ourselves with spending within our own House, if we vote for a new committee costing a half million dollars after we have already passed a Committee on Rules request for $490,000 for new funding for new staff people, how can we expect to gain the confidence of the American people.

Remember, national polls today show us that only 9 to 11 percent of the American people even have respect for this institution. Mr. Speaker, I urge my colleagues to vote against the creation of this new committee with its new staff, with its new expenditures and its attendant duplication of efforts.

Mr. Speaker, I yield back the remainder of my time.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, first of all I would like to commend the gentleman from California (Mr. LUNGREN) for his very perceptive remarks, and I must say I am impressed with the way he has sized up the situation. I might comment, however, that the realities of life are that the Committee on Rules would not do this just perhaps because of the load but perhaps for other reasons which we could discuss at a later time. I think that it is an important point which the gentleman made that we need to be aware of. Beyond that, there are some very important questions I want to raise. The gentleman is right about the makeup of this Select Committee on Committees. The previous one did not have this 2-to-1 breakdown.

I wonder about the size of the staff. I wonder why $500,000 would be needed to do this job. But my major objection and concern is about this particular section on page 2 under section 2(b):

> . . . That the select committee shall not report to the House by bill or resolution recommendations relating to the optimum size of committees, the appropriate committee and subcommittee assignments per Member, or the number of subcommittees or their jurisdictions, but such recommendations may be made to the respective party caucuses.

This guts the whole idea of a Select Committee on Committees, and I just have to raise the question to either the gentleman from Illinois or the gentleman from Missouri, why is this being done?

□ 1335

This was not the way it was done before. I think that it destroys the whole idea behind the Select Committee on Committees. I think it is very unfortunate that we are using this vehicle to give the impression that we really are going to do something about reforming the system and then come up with this limitation.

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Speaker, I do not really agree with the gentleman as he goes the heart of the problem of the jurisdiction of committees. The matters that are excluded are traditionally matters that the Republican Conference and Democratic Caucus have reserved to themselves. The gentleman knows very well that the Republican conference for example has permitted a broader representation of its members on committees than has the Democratic caucus. The Democratic Caucus has limited membership in a way that the Republican Conference has never seen fit to do.

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. LOTT. Mr. Speaker, will the gentleman yield 1 additional minute?

Mr. QUILLEN. I yield the gentleman 1 additional minute.

Mr. LOTT. Mr. Speaker, I would like to respond to that and say that perhaps in the past sometimes they have been dealt with in the conference or in the caucus, although that was not the way it was supposed to be done with the last Select Committee on Committees; but the point I want to make is that even if that has been the case, that has got to be basically wrong, because this affects the whole House. It affects the operation of the House for all of us.

Mr. FOLEY. I do not agree with the gentleman.

Mr. LOTT. It is not just the Republican or Democratic caucus.

Mr. FOLEY. Mr. Speaker, if the gentleman will yield further, the fact of the matter is that in this proceeding a majority party is allowing the minority party to make its assignments to committees as it chooses to without imposing the otherwise will of the majority on how the minority wishes to arrange its affairs.

Mr. LOTT. Mr. Speaker, if the gentleman will yield further. This is not a partisan issue. Would the gentleman agree with that?

Mr. FOLEY. I will not continue to engage in colloquy if the gentleman will not let me respond to the questions he is posing. He asks for an explanation and then he interrupts the explanation.

Mr. LOTT. Well, is the gentleman through with the explanation?

Mr. FOLEY. No.

Mr. LOTT. All right, then, proceed.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. QUILLEN. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. LOTT. Would the gentleman care to respond?

Mr. FOLEY. I will be glad to yield the gentleman back some time.

Yes; I think the reservation of these issues of how the Members are assigned to the committees to the respective party caucuses is in full accord with the traditions of the House and is, in fact, a special recognition of the right of the minority party to make its own determinations of the committee assignments of its Members and the limitations of its Members' services. It is entirely for the protection of the minority that these are reserved to the party caucuses.

Obviously, an almost 2 to 1 Democratic Congress could otherwise make decisions on how minority Members are assigned to committees different from, in fact, the practice of the past. Democrats are not permitted to serve on two major committees of the House. Republicans have permitted their Members to serve on two major committees of the House. Democrats have limited their Members to five committee assignments. Republicans do not.

It seems to me a strange complaint to come from the minority side when the majority party scrupulously protects the essential interests of the minority in this regard.

The SPEAKER pro tempore. The time of the gentleman from Washington has expired.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. I would point out secondly that I find it both curious and inconsistent that our friends on the minority, on the one hand, should complain that this particular select committee has 2-to-1 majority representation and, on the other, maintain that the Committee on Rules is a more appropriate committee to undertake this job. While the gentleman is quite correct in asserting that the Rules Committee has received an increased appropriation he also knows that it has a Democratic membership of 2 to 1 plus 1.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Maryland.

Mr. BAUMAN. Some of us would like to see the ratio of the Committee on Rules changed as well.

Mr. FOLEY. Unfortunately, this is not the bill under which that can be done I think the gentleman speaks with an unusual ambivalence when he suggests that we have an equal membership of majority and minority for this select committee and thinks it more preferable still to turn the whole matter over to a committee of 2 to 1 plus 1.

Mr. LOTT. Mr. Speaker, will the gentleman yield further?

Mr. FOLEY. I yield.

Mr. LOTT. I would like to respond to that. First of all, we maintain there should be a similar nonpartisan or bipartisan select committee, as we had previously when we had the Bolling-Martin subcommittee, but if we are not going to have that, the argument was made to which I do not necessarily totally subscribe, that we should go with the committee that has this jurisdiction. The Rules Committee is already set up with their budget. Now again, I emphasize I do not necessarily agree totally with that.

□ 1340

Mr. FOLEY. I apologize to the gentleman. I thought the minority was speaking with one voice on this question. Obviously, there is some disagreement about it.

Mr. LOTT. Mr. Speaker, we do not totally agree on this.

The other point I wanted to ask about, how do you square this argument with the number of subcommittees and their jurisdictions? The one you have been making about going back to the caucus or the conference. Certainly this is something very different.

Mr. FOLEY. I think the Republican Conference and the Democratic Caucus are well advised to consider this problem in terms of the burdens we place on our respective Members. The only way to provide absolute protection of the rights of the minority party is to allow the Republican Party Conference and Democratic Party Caucus to make judgments on those matters.

I do think the Democratic Party has led the way. An interesting suggestion to our Republican colleagues might be that the Republican Conference consider limiting Members to five subcommittees as the Democratic Caucus does through its rules.

Mr. LOTT. Will the gentleman yield further?

Mr. FOLEY. I would be glad to yield.

Mr. LOTT. Mr. Speaker, what is the difference this time from the previous select committee? I mean last time the makeup was different. What happened to the results of that select subcommittee's activities came to the Whole House? Why are we doing it differently?

Mr. FOLEY. I believe there are two basic reasons for this. First, both the Republican Conference and the Democratic Caucus have become more energetic in carrying out their responsibilities in this area. Secondly, I think it was commonly recognized that one of the difficulties with the past proposal, was that it infringed upon many of the traditional areas of responsibility and concerns of both the Republic Conference and the Democratic Caucus.

Mr. Speaker, this proposal attempts to avoid that by protecting the individual rights of the parties to make traditional choices with respect to their Members' appointments.

As I have said before, if there is a group to benefit from this procedure, it is whichever party is in the minority because respect for the rights of the minority must always be the concern of the majority party. However it is especially the concern of the minority party to protect its interests in this regard. Under the circumstances, I am particularly surprised that our friends on the minority side do not appear to be conscious of the fact that the present arrangement, as set forth in this bill and resolution, demonstrates a very sensitive regard and respect for the rights of the minority.

Mr. LOTT. I must say we have a lot of reservations about that.

Mr. QUILLEN. Mr. Speaker, I have a request from Mr. DANNEMEYER of California. I yield him 2 minutes.

Mr. DANNEMEYER. Thank you, Mr. Speaker. I think it is fair to observe that we are dealing with a further extension of what some have categorized as a national scandal involving the matter of staff in this Congress.

In 1968 it cost $44.7 million for the operation of committee staffs. In 1978, that figure had grown to $167.7 million.

In 1968 we had 4,489 people performing the functions that are described in staff work. In 1978 that number had risen to 13,276. This is an astronomical growth which is almost impossible to justify under any determination.

Heretofore the Congress, this House, in the past week or so has approved funding resolutions for several of the committees. I mention just a few of them.

Standards of Official Conduct, 13.7 percent increase over what was spent last year.

Committee on the District of Columbia, 25.4 percent over what was spent last year.

Pension Task Force, 53 percent over what was spent last year.

Committee on Agriculture, 32.4 percent over what was spent last year.

The Committee on Rules, 2,603 percent over what was spent last year.

This House has authorized the Committee on Rules to expend some $519,000 this year for what we will find out to be in the next 2 years I am sure.

I would submit if there is some function that this new Committee on Committees seeks to perform, it should find the authority for doing it within the expansion of the Committee on Rules within that $519,000.

I do not think any of us should be authorizing this new committee to come into existence. In other words, the work it seeks to perform could well be performed within the confines of the Committee on Rules.

Thank you.

□ 1345

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Speaker, I thank my colleague for yielding this time to me.

I would like to ask a question. On page 2 of the resolution, the Select Committee is authorized to do certain things, but under (b) this language appears:

> *Provided, however,* That the select committee shall not report to the House by bill or resolution recommendations relating to the optimum size of committees, the appropriate committee and subcommittee assignments per Member, or the number of subcommittees or their jurisdictions . . .

Now, I cannot think of subjects that are more urgently in need of the attention of an intelligent, determined Select Committee than the subjects which have been specifically exempted under paragraph (b) on page 2.

Mr. FOLEY. Mr. Speaker, will the gentlewoman yield?

Mrs. FENWICK. Yes, indeed.

Mr. FOLEY. Mr. Speaker, the gentlewoman will note that it does not prevent the Select Committee from considering those issues or indeed prevent them from making recommendations on those issues. The Select Committee is only prevented from making those recommendations to the House.

Mrs. FENWICK. Why not?

Mr. FOLEY. It is instructed to make them to the party caucuses.

Mrs. FENWICK. Why are they not?

Mr. FOLEY. Because these are considered in the main areas of special concern of the party caucuses. We have just had a colloquy for several minutes on that.

Mrs. FENWICK. But may I say to my colleague that he knows perfectly well what we are discussing here. These should not be left out. We cannot function properly if Members are going to be charged with responsibility for sitting on six or eight subcommittees at the same time.

Mr. FOLEY. Mr. Speaker, will the gentlewoman yield?

Mrs. FENWICK. The one thing that we do need is some cutdown on the number of subcommittees and some reference as to how many subcommittes a Member shall sit on.

We are not playing games. We know what resolutions were brought to this House in 1974. Would that they had been implemented then, and would that this committee could now make the same determination.

The SPEAKER pro tempore (Mr. PRICE). The time of the gentlewoman from New Jersey (Mrs. FENWICK) has expired.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Speaker, I would say to the gentlewoman from New Jersey (Mrs. FENWICK) that these are, of course, matters of interest to the House. They are also matters of classic interest to the parties. As I pointed out, I think the Republican Party, has an obligation within its own conference to decide whether its members are being asked to serve on too many subcommittees. The Democratic Party has chosen to do so in the Democratic Caucus.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. As the majority party of the House, it would, in my view, be inappropriate for us to attempt to tell the minority party how it should arrange the membership of its members on committees. I think this would be an unwise and dangerous course of action.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. Yes, I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Look, if we could, I wish we could just limit the number of subcommittees and we could just limit the number of subcommittee chairmen. I know what pain that would cause, and I am not minimizing it, but this is not a partisan issue. What I am pleading for is the Bolling resolution of 1974.

Mr. FOLEY. I understand. Unfortunately, despite the heroic efforts of the gentleman from Missouri (Mr. BOLLING), that resolution did not garner sufficient votes to become law or become a rule of the House.

Mrs. FENWICK. Let us try again.

Mr. FOLEY. Mr. Speaker, I think that the gentlewoman should also note that there is nothing that prevents these issues from being further discussed by recommendation of the respective party caucuses.

Mrs. FENWICK. Mr. Speaker, if the gentleman will yield further, I say, let us try again for good government.

Mr. FOLEY. We are. This indeed is what we are undertaking to do today.

Mrs. FENWICK. This is a half reform, because we are too greedy to take the other half.

Mr. FOLEY. This resolution is a step toward good government. I suggest to the gentlewoman from New Jersey (Mrs. FENWICK) that if she were to use her considerable prestige and put her estimable eloquence behind it, it will carry overwhelmingly. It will do a great deal of good for this House and for both parties.

Mrs. FENWICK. I am going to tell Alice.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from California.

Mr. LUNGREN. Mr. Speaker, from what I have just heard here, it seems the case for duplication has already been made.

As I understand it, any recommendations made by this select committee that go through the caucus and/or the conference must then go back through the Committee on Rules before we ever get to talk about them here on the floor. Is that not true?

Mr. FOLEY. Mr. Speaker, rules changes can be accomplished in one of two ways: either by reports of the Committee on Rules or by the Committee on Rules reporting the changes in the House rules themselves. They have always had that jurisdiction.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield further?

Mr. FOLEY. Mr. Speaker, I suggest to the gentleman that he considers the kind of work this requires. The gentleman was not a Member of Congress in 1973, and he could not know from personal experience. This committee's work will be an arduous and difficult task. Moreover, while its work is certainly of as much importance as any that a Member can undertake, but from the standpoint of winning a great deal of warm affection from fellow Members, it is indeed a thankless task. It is the most difficult kind of legislative work.

☐ 1350

With all due respect to the Members of the Committee on Rules, I do not think they could carry on simultaneously very important traditional responsibilities and those of this select committee.

Knowing that the gentleman is concerned about cost, I would also say that current costs of overlapping and conflicting committee jurisdiction, including the number of joint and sequential referrals, will be paid back many times in efficiency if a reasonable report of this committee can be brought to the floor and acted upon.

Mr. LUNGREN. If the gentleman will yield, I have been desperately trying to find out from somebody in this House what the increase of $490,000 in salary for the Committee on Rules is going to go for if it is not going to go for the very thing we are talking about here and which, in part, we received justification for the request last time.

Mr. FOLEY. Mr. Speaker, I will yield to the gentleman from Missouri (Mr. BOLLING), the chairman of the Committee on Rules, to respond.

Mr. BOLLING. Mr. Speaker, I intend, at the end of debate, to make a statement on why we are approaching this in this particular way in a little bit more detail. But the answer to the gentleman's question, the specific question, is that we have so much to do that I cannot even conceive of how we are going to begin to do it all. This is a deliberate attempt to see to it that as much gets done in this Congress as can be done. We are going to start in our two subcommittees on so-called sunset. Sunset involves all kinds of conflicts, as anybody who has taken the trouble to look at it knows.

The SPEAKER pro tempore (Mr. PRICE). The time of the gentleman from Washington (Mr. FOLEY) has expired.

Mr. BOLLING. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the legislative veto which has been adopted in one or another form, I guess, on virtually every bill, is an intricate and complicated job. Two subcommittees are going to start on that. Then, as they get down the line, the full committee is going to take on the process of trying to coordinate and trying to come up with some sensible amendments to the Budget Act. It may very well take all of the time of all of the Members of the minority and the majority to complete that relatively simple task. In the meantime, we hope to have staff working on all kinds of other things, including a recodification, perhaps, of the rules, which have not been looked at in whole for decades.

So this is a very deliberate effort on the part of one of the Members who was much involved in that earlier committee effort to get as much done in this Congress as can be done. There is no way on earth that this kind of work can be done except by people who are committed to a great deal of hard work, and I doubt seriously if we will complete our job this Congress.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from California.

Mr. LUNGREN. Mr. Speaker, I have just one question. In view of the fact that this is so urgent, could I please be told how many times the subcommittees that have this urgent work have met in the 2½ months we have been in session?

Mr. BOLLING. One of them was just established. One of them started work last year, on an informal basis, and has met literally dozens of times this year and last year in preliminary work. In terms of formal meetings, we just came into being the other day when the resolution was adopted providing the money. We have been working without the money in an informal way for quite a long time.

☐ 1355

Sometime I will be delighted to explain to the gentleman how much difficulty we had getting subcommittees established and getting the Rules Committee to do its work. It has taken this Member close to 25 years to get the Rules Committee to work into its jurisdiction.

Mr. LUNGREN. Mr. Speaker, if the gentleman will yield further, I was not here but I was very well aware of the work that was done. As a matter of fact, as I have campaigned in previous elections, I have commended the gentleman—without his knowledge—on that work, and suggested matters Congress ought to have acted upon, so I respect the work that is being done.

But, I also suggest that there are ways of doing this that do not require tremendous expenditures of funds and new staff people. Although I am a new Member—and that has been brought up several times—some of us who are new Members hopefully are bringing some new ideas here because we have heard from the people and their concern about how this place is organized and how much it costs.

Mr. BOLLING. I am concerned too. The gentleman is not going to find that I have a reputation for profligacy. A long time ago I learned that when I am spending my own money as well as the people's money, I am as jealous of that as the gentleman is.

What I am suggesting is that we are proposing what I believe is the best chance of accomplishing some long overdue reform. I have every respect for the freshness of the view the gentleman brings from the people in this, his first term, but I would like to remind him that I go to the people every term, too.

Mr. QUILLEN. Mr. Speaker, I expressed some reservations in respect to this resolution, but the good part and the good things to come about as a result of this study far override my reservations. As a member of the House Rules Committee, I know that we have duplications of jurisdiction. I know how important it is to this House itself, to the membership of this House, to iron out the complications involved, to make a smooth working committee structure that really, really works.

I think it would accrue to the benefit of every Member of this House to have this comprehensive study made. Because it takes time to make the study and the members of the Rules Committee, meeting many times a week, with the subcommittees now being appointed and their work which lies ahead, it is only proper and fitting that a select committee be appointed to do this job, a job that is overriding, a job that is long overdue.

The reservations that I have expressed are far less than the good things that will come about. I hope, in the end, that we do not have a power play within the caucuses, that this jurisdiction can be worked out, that the committee structures can be worked out for the benefit of the House membership, for the benefit of the American people, for the benefit of all of us in doing our work and our jobs. I hope that then we will come up with a workable end result.

Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. Young).

Mr. YOUNG of Florida. Mr. Speaker, I had the privilege of serving under the leadership of Mr. Bolling, as a member of the original Select Committee on Committees. I would like to say there have been certain matters on which, under his leadership, this select committee put in many, many long hours. I am not even sure that I can tell the Members how many hours there were put in at this point, but there were many long hours. He gave us tremendous leadership, and our late colleague, Bill Steiger, on the Republican side gave tremendous leadership to the work product of this select committee.

It was very distressing to all of us when the committee product was reported out of the committee and went to the Democratic Caucus. The Democratic Caucus set up its own committee on committees and came out with a different product. Frankly, I know the frustration I felt and that Mr. Bolling felt, because we did not get this work product really considered in the House.

There have been three elections since 1974. The House has changed. I have the feeling that we might be able to save the taxpayers a half million dollars, which is what it has been estimated this new committee would cost, by merely going back, taking the work product of the original Bolling committee, and presenting it to the caucuses and let them do their will.

□ 1400

That is exactly what they are going to do anyway with the work product of a new select committee.

I just think that we can accomplish every bit as much, maybe even more, by using the original work product, and will save the half million dollars which we are going to spend if we create this new Select Committee on Committees.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. Mikva), coauthor of this resolution.

Mr. MIKVA. Mr. Speaker, I thank the gentleman for yielding.

I want first to express my appreciation to the Committee on Rules, both the majority and the minority, for the speed with which they considered this resolution and for their overall support.

I realize, of course, that if one were to listen to the debate today, it would sound as though the debate is much more partisan than it is. I was impressed when I was before the Committee on Rules, as I am today, by the fact that most of the Republican members acknowledged the need for this resolution. Were they writing the resolution, they might have written it somewhat differently.

For example, one of the House resolutions which went in under Republican sponsorship proposed a partisan committee of seven Democrats and six Republicans. I imagine that if I were a member of the minority, I would find a 7-to-6 ratio better than a 10-to-5 ratio; but at least we agree in principle, and that is that there has to be some recognition made of the fact that the Democrats do substantially dominate this House by almost a 2-to-1 majority.

I would also say to my distinguished colleague, the gentleman from California (Mr. Lungren), that I suspect that when he is here a term or two, he will find that if we can, in fact, achieve half the hopes that are held out for this select committee for one-half million dollars, there will be no bigger bargain which the taxpayers of this country can get than the achievements which can come about through a reformed House structure and a reformed committee structure.

Last year we tried—and I say "tried" because I do not think we succeeded very well—to do something about the energy problem in this country. That problem, the energy problem, went to five separate committees of this House of Representatives. It went to the Committee on Interior and Insular Affairs; it went to the Committee on Interstate and Foreign Commerce; it went to the Committee on Ways and Means; it even went to the Committee on Rules; and then it went to a select committee.

I think that part of the reason we failed to come up with a single, unified energy plan in this country is that the jurisdiction of this House is as fractured as it is about problems like that. If we could solve even just that one problem—to create an Energy Committee—it would be well worth the one-half million dollars.

Therefore, Mr. Speaker, I have high hopes that by the time the gentleman from California (Mr. Lungren) has fulfilled even a part of his tenure here, he would agree that if, in fact, the select committee set up under H.R. 118 comes into being and succeeds in its mission, it would be the best bargain the people of this country ever had.

Let me say one other thing. I think there is a little bit of confusion about what the jurisdiction of this select committee is and what the select committee is and what it is not.

The select committee has full jurisdiction over all of the problems dealing with the way the House runs under the various rules of the House. The only bifurcation is as to whom it makes various recommendations.

I think my colleague, the gentleman from Washington (Mr. Foley), pointed out that since the House Democratic Caucus and the Republican Conference now exercise some rather substantial powers over how many subcommittee assignments each member can have and how many subcommittees there will be, they may well adopt the recommendations of this Select Committee with respect to those institutions. I hope and I have every reason to believe that the Republicans will follow suit and will begin to impose some restrictions on the number of major committees on which a Republican member can serve and on the number of subcommittees on which a Republican member can serve.

Mr. Speaker, I hope they will do that even before the select committee reports. In any event, this is an effort to protect the jurisdiction of existing institutions. It is an effort to protect the minority status and their right to choose their members who will serve on the various committees; it is within the framework of an existing set of institutions, rather than throwing the baby out with the bath water, that the select committee will operate.

Mr. Speaker, I think that if we pass this resolution on the select committee's functioning and it reports back by February, 1980, it will build on the work of the Bolling Commission report of previous years; it will build on the work which the Committee on Rules has done in the past; and it will build on the work which the Review Committee of the Democratic Caucus has done, and on its counterpart in the Republic conference.

Mr. Speaker, we desperately need the kind of changes in our modus operandi which this resolution envisions, and I choose to accept the bottom line of my colleague, the gentleman from Tennessee (Mr. QUILLEN), and some of the others, that while they might dot the "I's" and cross the "T's" differently, overall they recognize the need for this select committee and intend to support it.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. MIKVA. I yield to the gentleman from California.

□ 1405

Mr. LUNGREN. I thank the gentleman. The distinguished gentleman from Illinois (Mr. MIKVA) has indicated that this may be a bargain. I think whenever anyone goes and looks for a bargain, he looks at a number of bargains available. The suggestion was made that we use the work that was done by the committee of the distinguished gentleman from Missouri (Mr. BOLLING) just 4 or 5 short years ago and submit that to the Democratic Caucus and Republican Conference and work from it. And why not? That is a true bargain.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BOLLING. Mr. Speaker, I gather that the minority has used all the time it intends to, and I do not intend to speak much longer.

In my judgment, for what it is worth—and I have given a geat deal of thought to this whole problem—this resolution along with the revival of the interest of the Committee on Rules in its jurisdiction, its whole jurisdiction, gives us in the House the best opportunity, the best chance of doing an effective job on all of the complicated institutional jurisdictional process and procedure problems that we face. There is simply no question that we face a large number.

I supported this resolution in the caucus; I supported it in the Committee on Rules; I support it now. It clearly covers subject matter that is within the jurisdiction of the Committee on Rules, but in my view what I have said earlier is the truth. We simply do not have the capacity to deal with all the problems that need to be dealt with. This is the best way to give us an opportunity to provide a result, and when I talk about "us," I am talking about the House, without regard to party, without regard to view, conservative or liberal. I think that all of us very badly need to improve our processes, and I think this is one of the steps that will make it more likely that at the end of this Congress we will all be relatively proud of what we have done about process and procedure.

Mr. Speaker, I urge that we consider the technical amendments at this point, and then I will move the previous question.

● Mr. ANDERSON of Illinois. Mr. Speaker, I rise in support of House Resolution 118 which would create a Select Committee on Committees to study and make recommendations on the committee structure of the House, their number and jurisdictions, rules and procedures, media coverage, staffing, space, equipment, and other facilities.

Like my colleagues on this side of the aisle I support this resolution with certain reservations. The last time we attempted this the House wisely, I think, established a completely bipartisan committee, because this is an institutional problem which should not be considered in a partisan light. This time the majority has mandated a partisan makeup, and I think that is unfortunate. I do not think any objective observer would argue that the product of that bipartisan select committee in the 93d Congress was not a quality piece of work, and in the best interests of the House as an institution. The reason we are back here today is not because that select committee failed to do a good job, but rather because its recommendations were allowed to fall into the partisan trap of the Democratic Caucus which sidetracked the select committee's resolution for some 6 months, and then reported a heavily diluted substitute which accomplished very little in terms of realining our badly fragmented committee jurisdictions. Now, the proponents of this resolution would have us believe that we should constitute this select committee along party lines from the outset. I do question whether a select committee dominated by that same partisan majority which subverted the last attempt at committee reform will come out on this much differently than the so-called Hansen Task Force on Reform of the Democratic Caucus in the 93d Congress. But I am willing to give them the benefit of the doubt, because this is an urgent priority of the House and the effort will just not be made otherwise.

What concerns me even more about this resolution is the restrictive language found in section 2(b) of the resolution which prohibits the select committee from reporting any bill or resolution making recommendations on the size of committees, the appropriate number of committee or subcommittee assignments per member, or the number of subcommittees or their jurisdictions.

The argument is made by the proponents of this resolution that such matters are the prerogatives of the respective party caucuses, and that nothing in this resolution prevents the select committee from studying these matters and making recommendations to the party caucuses. But, given the historic track record of the Democratic Caucus when it comes to accepting any changes along these lines, I would predict that such recommendations, should the select committee dare to make them, are doomed. It all gets down to a matter of turf, and everybody is out to protect their own turf rather than consider the overall good of the House as an institution.

What troubles me the most about this restriction is the prohibiting against reporting recommendations on the number of subcommittees or their jurisdictions. It is generally agreed around here that one of our biggest problems in this House has been the proliferation of subcommittees and all that has entailed in the way of overlapping subcommittee jurisdictions. And yet, this select committee will be prevented by the terms of this resolution from coming to grips with that problem in the resolution it reports. I offered an amendment in the Rules Committee to strike that restrictive language and was defeated on a straight party-line vote.

Let us look at the facts. In the 93d Congress we had some 27 committees and select committees, and 132 subcommittees, task forces and other committee subunits. And yet, in the last Congress, the 95th Congress, there were 31 standing and select committees and some 161 subcommittees and task forces. That amounts to a 22-percent increase in subunits over a 4-year span. So much for the accomplishments of the Hansen Committee reform substitute in the 93d Congress. Why this increase in committee subunits? The explanation is quite simple. Everybody wants their own little empire and today practically every Democrat who has one or more terms under his belt holds a committee or subcommittee chairmanship.

Now I suppose there are those who would argue that our increasing workload dictates more subunits to effectively handle this load. If that were indeed the case, one would expect that more measures were being reported from committees and enacted into law. And yet, the statistics compiled in the final Daily Digest of each Congress do not confirm that hypothesis. In the 93d Congress, there were 1,363 measures reported in the House, 1,914 measures passed by the House, and 651 public bills enacted into law. In the 95th Congress, there were 1,490 measures reported in the House, 1,615 measures passed by the House, and 634 measures enacted into law. In short, while their was an increase in the number of measures reported in the House in the 95th Congress as compared to the 93d Congress, there were actually fewer measures passed and enacted in the 95th Congress.

That is not to say all these new subcommittees have been inactive. What is probably happening is that there is more duplication taking place since we gave the Speaker authority at the beginning of the 94th Congress to refer bills to more than one committee, without really overhauling our committee jurisdictions. Again, I suppose it could be argued that it is healthy to have a bill reviewed and reported by more than one committee since this gives us greater options when the measure comes to the House floor. But I suspect we would be given those alternatives anyway once the bill reached the floor. And there would be less delay and jurisdictional disputes along the way.

All this raises another legitimate question, it seems to me. How can this select committee make recommendations on realining committee jurisdictions without altering subcommittee jurisdictions as well. The simple answer is, it cannot. And yet, I suppose some will argue, regardless of what we decide to do about rationalizing committee jurisdictions, that existing subcommittees are some how grandfathered and out of reach of any reforms. That is rather absurd on its face and yet I am sure the turf protectors of the House will use that argument in preserving their domains.

The Democratic Caucus this year allegedly attacked the subcommittee problem from another angle. They attempted to pass a caucus rule limiting its members to no more than four subcommittees, using the argument that this would force the committees to pare down the number of subcommittees. Unfortunately, that rule was amended so that members would be limited to five instead of four subcommittees. And, while I have not taken an inventory of committees, I suspect that few if any have actually reduced the number of subcommittees. In short, this attempt by the caucus to get a handle on the subcommittee proliferation problem has fallen flat. We should, therefore, have no confidence that any recommendation by this select committee with respect to the number of subcommittees will fall on anything but deaf ears when it is referred to the Democratic Caucus.

How the proponents of this resolution can argue that a matter such as the number of subcommittees is strictly a matter for the party caucuses to decide is beyond me. In the first place, the Republican conference has no say in the number of subcommittees a committee will have. In the second place, House rule X, clause 6(c) now requires that each committee of the House, except budget, which has more than 20 members, "shall establish at least four subcommittees." If the House can adopt a rule establishing a minimum number of subcommittees, surely the House can adopt a rule setting a maximum limit on the number of subcommittees.

So I do have these reservations about this select committee resolution. We have already tied one hand behind its back before it even begins considering how the House committee structure can best be reorganized. I would sincerely hope we would not put the same handcuffs on the House when it comes to amending the select committee's resolution. Either we are serious about making some sense out of our anarchic and archaic committee system or we are again going through some meaningless motions at taxpayers expense.●

COMMITTEE AMENDMENTS

The **SPEAKER** pro tempore. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, line 5 strike "title" and insert in lieu thereof "resolution".

The committee amendment was agreed to.

The **SPEAKER** pro tempore. The Clerk will report the last committee amendment.

The Clerk read as follows:

Committee amendment: On page 3, lines 12 and 13 strike "and clause 2(1)".

The committee amendment was agreed to.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The **SPEAKER** pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The **SPEAKER** pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this resolution will be postponed.

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 118.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CHANGE IN LEGISLATIVE PROGRAM

(Mr. BOLLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOLLING. Mr. Speaker, I would like to announce that House Resolution 13, to reestablish a Select Committee on Narcotics Abuse and Control, and House Resolution 38, to reestablish a Select Committee on Population will be considered on the floor tomorrow rather than on Wednesday as previously announced.

APPOINTMENT AS MEMBERS OF SELECT COMMISSION ON IMMIGRATION AND REFUGEE POLICY

The **SPEAKER** pro tempore (Mr. Coelho). Pursuant to the provisions of section 4(a), Public Law 95-412, the Chair announces, without objection that the Speaker appoints as members of the Select Commission on Immigration and Refugee Policy the following Members on the part of the House: Mr. Rodino, of New Jersey; Ms. Holtzman, of New York; Mr. McClory, of Illinois; and Mr. Fish, of New York.

There was no objection.

☐ 1210

H.R. 1, THE POLITICIANS' WELFARE BILL

(Mr. BADHAM asked and was given permission to address the House for 1 minute an to revise and extend his remarks and include extraneous matter.)

Mr. BADHAM. Mr. Speaker, as most of my colleagues in this body know, the House Administration Committee in the midst of hearings on H.R. 1, the taxpayer financing bill for House general elections beginning in 1980. In testimony before the committee last Thursday, FEC Commissioner Aikens labeled H.R. 1 "ambiguous" and "virtually impossible to administer." This morning the Washington Post added to the Commissioner's comments by renaming H.R. 1 "The Politicians' Welfare Bill." The Post editorial clearly defines some of the major flaws inherent in H.R. 1. I include the editorial at this point in the Record for my colleagues' review:

The Politicians' Welfare Bill

A special welfare plan endorsed by many congressmen came under heavy fire Thursday from the agency that would have to carry out the plan. The agency's head told a House committee that the proposed welfare payments could amount to $44 million, twice what the plan's sponsors had guessed. She said that the sort of supervision the congressmen prefer would be inadequate, and that strict enforcement would require nearly doubling the agency's budget and staff. Moreover, she said, the agency would have to shovel out funds so fast that fraud and abuse could not be prevented—and recouping improper payments later would be very hard. Finally, she testified that key parts of the plan are simply unworkable.

Such testimony might well be fatal to any ordinary welfare bill. But this one is H.R. 1, a quite extraordinary plan for public aid to a select, small group of citizens: those running for the House. Like a very similar Senate bill, the measure is meant to help average incumbents and challengers compete with wealthy candidates and those backed by big-spending interest groups.

Of course, supporters of public financing do not regard it as a welfare plan. But considering it as such—as an attempt to aid one more group of people who are relatively poor and have trouble surviving in the marketplace—helps bring into sharp focus the objections raised by Federal Election Commission chairman Joan D. Aikens the other day. For Mrs. Aikens' analysis shows that the drafters of H.R. 1 propose to dish out public aid to politicians willy-nilly, with few of the administrative safeguards Congress demands in connection with food stamps, student loans or any other federal payments you might name.

That's just one side of it. Mrs. Aikens' comments also showed that prudent enforcement and auditing would involve far more record-keeping, reporting and federal inspecting than most politicians are willing to impose on themselves. Then there's the part that most boggled the FEC—the bill's provisions for extra subsidies to candidates whose opposition spends lavishly. That will work only if every free-spending opponent is willing and able to tell the FEC, up to the minute, when his campaign outlays hit certain heights. And that assumes not just that most politicians are honest, but that almost all of them, in the heat of a campaign, will have impeccable intentions—and perfect books.

We repeat: In a Congress so touchy about fraud and waste and bureaucratic snarls, a bill that's so unmanageable would not have garnered so many supporters if it benefitted anybody else. Mrs. Aikens' testimony should send the champions of public financing back to the drawing boards. Some other form of public aid for needy candidates may be desirable. This plan is not.

H.R. 1: TAXPAYER RIPOFF

(Mr. DICKINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DICKINSON. Mr. Speaker, last week the Committee on House Administration began holding hearings on the taxpayer financing of House elections. The Federal Election Commission has been requested by Chairman Thompson and myself to furnish a cost estimate of this controversial legislation known as H.R. 1.

On Monday, the sponsors of H.R. 1 went on record as having a total disregard for protecting taxpayer funds. They have made it clear that the FEC is not to review any of the submissions for matching funds. All that the FEC can do under H.R. 1 is to audit only 10 percent of the participating candidates after the election is over.

I am inserting a copy of the letter which the sponsors of H.R. 1 had forwarded to the FEC on Monday, and I urge all the Members to read this letter so that you can see for yourselves exactly what an enormous ripoff of the taxpayers is being contemplated in H.R. 1.

The letter follows:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 8, 1979.

Hon. FRANK THOMPSON,
Chairman, Committee on House Administration, Washington, D.C.

DEAR MR. CHAIRMAN: It has come to our attention that a misunderstanding may exist on the part of some officials at the Federal Election Commission with respect to the intent of H.R. 1 insofar as it applies to the FEC's role in administering the matching fund program for partial financing of House general election campaigns.

We are especially concerned that such misunderstanding may result in a gross overestimate in the cost of administering H.R. 1. Thus we request that you take whatever action you deem appropriate to assure that FEC officials are properly apprised of the intent of H.R. 1 before they testify before your committee next Thursday.

It is the intent of H.R. 1 that the role of the FEC be as minimal as possible, while at the same time assuring integrity of the process. Thus the administrative concept embodied in the bill is similar to that of IRS with emphasis on voluntary compliance plus post election audits of a representative cross section consisting of 10% of the participation candidates to verify compliance.

With respect to certifying matching payments to candidates, it is the intent of H.R. 1 that the Commission would certify each matching payment within 48 hours without comprehensive review of the entire submission, provided the submission included proper documentation of contributions being submitted for matching purposes and a verification, signed by the candidate and campaign treasurer, attesting that to the best of their knowledge, all aspects of the submission are in compliance with the Act and FEC regulations.

The Commission could, if it so desired, conduct spot checks of candidate submissions at any time, but there is no intent that submissions be subjected to comprehensive review—either before or after certification—and no payment could be held up nor could any action be taken against a candidate unless the Commission by affirmative vote of four members determines there is reason to believe a candidate has violated the provisions of the act.

With respect to audits, H.R. 1 specifies that a candidate's campaign accounts may be subject to audit and examination whenever four members of the Commission determine by vote that there is reason to believe a candidate has violated the public financing provisions of the act.

In addition, the bill requires the Commission to conduct an audit of all participating candidates after each special or runoff election, and 10% of all participating candidates following each general election. These audits would cover public financing provisions only, not the entire Act.

There is no requirement that such audits be completed within any specified period of time, thus the 50 to 60 random audits required following a general election could be spread over an entire year or more.

Obviously, there will be need for additional personnel to carry out the provisions of H.R. 1. However, we believe that eliminating comprehensive review of all submissions and spreading the random audit workload over a prolonged period following the election sharply reduces the number of additional employees which might otherwise be required to administer such a matching fund program.

Thank you for your consideration.

Sincerely,

JOHN B. ANDERSON,
THOMAS S. FOLEY,
ABNER J. MIKVA,
BARBER CONABLE,
Members of Congress.

A TRIBUTE TO THE UNIVERSITIES IN THE STATE OF INDIANA

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

● Mr. BRADEMAS. Mr. Speaker, I rise to call the attention of my colleagues to the outstanding record compiled by college basketball teams from Indiana this year.

Despite yesterday's loss by the University of Notre Dame's outstanding team to an extraordinary Michigan State team, it should be noted that two of the four teams competing in the semifinals of the National Invitational Tournament in Madison Square Garden tonight—Indiana University and Purdue University—are from the Hoosier State.

Mr. Speaker, I note that two of the final five teams in this year's NCAA championships—Indiana State University and the University of Notre Dame—are also from the State I have the honor to represent in Congress.

But, Mr. Speaker, apart from the superb college basketball played by these Indiana teams, I would like to take this opportunity to pay tribute to the academic achievements of these several universities.

Indiana University, under the direction of President John Ryan, is one of the Nation's leading institutions of higher learning, with, for example, a major school of music and a first-class department of Slavic studies.

Purdue University, led by President Arthur G. Hansen, is highly regarded for its agricultural and engineering programs—and particularly well known for its contributions to our Nation's space program.

Indiana State University, under the direction of President Richard G. Landini, perhaps less well known than the others, is rapidly developing a reputation for academic excellence. It is one for which I have particular regard because my late grandfather, W. C. Goble, once served on its faculty.

And the University of Notre Dame, Mr. Speaker, led by the Reverend Theodore M. Hesburgh, C.S.C., in my view, one of the Nation's most gifted university Presidents and one of America's greatest leaders, is becoming one of the world's leading centers of learning. Its current major capital fundraising drive, called The Campaign for Notre Dame, will provide the resources for Notre Dame to enhance its reputation even more.

Mr. Speaker, I salute the basketball record and tradition of these Indiana universities. But beyond these achievements, I salute the contribution these universities make to scholarship and learning in our country and throughout the world.●

MEMBERS URGED TO OPPOSE LOSS OF PREFERENCE FOR SMALL AND MINORITY BUSINESSES WHICH WILL RESULT FROM MULTILATERAL TRADE NEGOTIATIONS

(Mr. CORRADA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CORRADA. Mr. Speaker, very disturbing information has been recently filtering out of the multilateral trade negotiations. In the course of the negotiations, the United States has apparently made certain concessions with regard to procurement of Government contracts. In allowing foreign producers greater access to bidding on Federal contracts in the United States, the administration has apparently promised to eliminate certain current special procurement preferences to small business and minority firms.

Members of the Hispanic and black communities have fought long and hard to promote the role of minority business in the area of Government contract procurement. The preferences that have been established for small and minority firms in this area, are necessary if we are to have a bidding process which is not dominated by large corporate concerns.

Although there has been some controversy over the cost of these concessions. the administration's own figures indicate that a substantial amount of the $18 billion in Federal procurement contracts now awarded to small and minority business will be shifted away from these businesses if the preferences are revoked.

We can find no solace in the fact that, in exchange for these concessions, U.S. firms, both large and small, will be able to crack the lucrative foreign procurement market. Small and minority firms are, in most cases, not sophisticated enough to take advantage of the foreign procurement market. They have needed aid in cracking the domestic procurement market; how can we now be told that it is advantageous for them to have access to procurement markets in foreign countries?

This is not "fair" trade. The least influential yet most important cornerstone of our private enterprise system are our small businesses. It is extremely unjust to turn back the progress these concerns have made toward remaining competitive in a market increasingly dominated by big business.

I urge my colleagues to actively oppose the loss of preference for small and minority businesses which apparently will result from the multilateral trade negotiations.

LEGISLATION TO DEFINE LETTER MAIL UNDER THE PRIVATE EXPRESS STATUTES

(Mr. LOTT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOTT. Mr. Speaker, the purpose of this bill would give the responsibility of defining first-class mail back to Congress by codifying the present regulations with minor changes. Let me emphasize that this bill does not seek in any way to repeal the Private Express Statutes. Furthermore, this bill responds to a specific recommendation made by the Commission on Postal Service after its 6 months' study of the United States Postal Service, and I quote:

> The Commission recommends that Congress enact legislation defining the scope of the private express statutes. The legislation should respond to the need of businesses for expedited delivery of extremely time-sensitive matter and to the public interest in maintaining a nationwide postal system. It is this Commission's view that exclusions from the private express statutes should be based not merely on the content of mail, but also in recognition of service requirements which the Postal Service is not prepared to meet.

The Postal Service's interpretation of the Private Express Statutes has justifiably aroused a great deal of rancor within the business community. There are a number of reasons for this concern:

First. The most recent interpretation of a letter has included intracompany communications and data processing materials.

Second. Statutes are so unclear and unwieldly that compliance is difficult at best. Recent interpretations have lumped everything from IBM cards to engraved tombstones under the same heading requiring the item to be placed in an individually addressed envelope, sealed, and stamped.

Third. Present requirements are wasteful and inflationary. Thousands of man-hours are lost annually when inter-office communications and data processing materials qualifying as so-called letters must be segregated, then addressed, sealed, and stamped.

Fourth. The Postal Service's capricious interpretation of the law and the penalties that await violation require businesses to have a lawyer in every shipping room to determine whether such items as data disks or bills of lading qualify as letters and are subject to the postal tax.

Fifth. Finally, the Postal Service cannot provide rapid and reliable service such as sameday or overnight delivery.

Companies are therefore forced to seek a more costly alternative for delivery of vital correspondence. The effect has been to pass these additional costs to the consumer. In some cases, companies face the possibility of being driven out of business or being forced to merge with larger firms.

It is clear that something can and should be done.

My bill will not repeal the Private Express Statutes. Nor will it open the door to cream skimming or unduly affect the level of Postal Service revenues.

It will codify—with some modification—what generally are the current Postal Service regulations relating to the private carriage of mail. It will prevent arbitrary and whimsical changes by the Postal Service and place in the hands of Congress the authority for determining the extent and pervasiveness of the Government's mail monopoly.

The term letter is not defined under existing law. Therefore, the Postal Service has regulated what may or may not be carried outside the mail. This singular authority is justifiable cause for concern.

Recently testimony before the Commission on Postal Service charged that Postal Service interpretations have expanded the scope of the law to include items that should not be considered letters. For example, the transmission of data processing materials and correspondence between companies with a subsidiary or affiliate relationship have been included by the Postal Service under the broad letter umbrella. The effect, according to the testimony, has been to increase costs and to reduce efficiency.

In the final analysis, the Postal Service—as the title implies—has been created to serve the best interest of the American people. When a significant portion of our society feels that these interests are being violated, it is time for the Congress to take corrective action.

The need for a reliable, efficient, and inexpensive means of message communication has been an age-old concern. Because of the profound impact of the Private Express Statutes on the public and the business community, I believe that Congress should make sure that any change or alteration of the postal monopoly is thoroughly reviewed, serves the best interests of the American people, and is made a matter of law.

□ 1410

PASSAGE OF H.R. 2534, TEMPORARY PUBLIC DEBT LIMIT INCREASE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

Mr. GOLDWATER. Mr. Speaker, at the time of the vote on final passage of H.R. 2534, temporary public debt limit increase, I was speaking to 125 high school students who are participating in the Washington workshop program. I regret missing this particular vote, and I would like the record to show that if I had been present, I would have voted against final passage of the bill.

HEW REPORTING SYSTEM PRESENTS GRAVE PROBLEMS FOR HOSPITALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. BEREUTER) is recognized for 5 minutes.

Mr. BEREUTER. Mr. Speaker, I would like to take this opportunity to bring to the attention of my colleagues a matter that is causing great concern in the hospital community of my congressional district. I refer to the proposed manual recently issued by the Department of Health, Education, and Welfare to implement section 19 of Public Law 95-142, the system for hospital uniform reporting (SHUR).

The comment period on these regulations ends April 23, 1979. In the next few weeks, I expect to be sharing with my colleagues the results of a districtwide survey I am now making to document the problems these regulations would cause hospitals in my district, particularly small, rural hospitals.

In October 1977 Congress passed the medicare/medicaid antifraud amendments. Section 19 of that law requires the Secretary of HEW to implement a reporting system to provide information in a uniform way on costs, rates, capital assets, discharge and bill data. To implement that section, HEW has issued a 606-page manual to the hospitals.

I cannot believe that this is what Congress intended when it passed the law. With information coming to me from the hospital community, I believe we can make a persuasive case that HEW has proposed a system that is unworkable, beyond reason, and far too costly for any benefits that may accrue.

One hospital in my district has taken the time to calculate the impact of the regulations on their annual operating costs; the results are staggering!

Butler County Hospital in David City, Nebr., is a small, 35-bed facility serving a rural population of about 10,000 people. Although the hospital facility was paid for with public moneys, it receives no public funds for ongoing operations, and must therefore charge whatever rates are necessary to meet its expenses. During their last fiscal year, the hospital showed a net operating loss of $40,000; for the first 7 months of this fiscal year, it showed a net operating profit of $8,266. Needless to say, these margins leave very little room for meeting any contingencies or emergencies.

The chairman of the board of trustees of Butler County Hospital shared with me an analysis of the impact on installing and maintaining HEW's system for hospital uniform reporting (SHUR) on that hospital. In summary, the analysis shows that it will take 2,233 man-hours to implement SHUR and 11,027 man-hours annually to maintain the system.

Translating that into dollars, the hospital estimates that it will cost approximately $18,000 to implement SHUR and $47,545 to maintain that system. Breaking this down to a cost-per-patient day basis at 70-percent occupancy, the hospital calculates that implementation and maintenance of SHUR will result in an additional $7.32 per day being added to a patient's bill.

That figure should not be taken lightly. For Butler County Hospital, it represents a 10-percent increase in hospital costs. Even without entering escalating costs for fuel, labor, food, supplies, et cetera, Butler County Hospital would be in violation of the President's 9.7-percent cap as proposed in his message on hospital cost containment—a "catch-22" situation which we simply cannot ignore.

These statistics show clearly that HEW must not proceed with implementation of SHUR as proposed. In the coming weeks, I expect to be collecting data similar to that compiled by Butler County Hospital, from all the hospitals in my district. I will share that information with my colleagues.

For now, however, I will place in the RECORD a copy of an article written by John C. Klosterman, chairman of the board of trustees of Butler County Hospital. His comments bear directly on this issue as well as the much larger issue of controlling hospital costs.

HOSPITAL COSTS: WHY THEY RISE

(By John Klosterman)

Dear Sir:

This letter is in response to your call for our participation in the National Voluntary Cost Containment Program.

The Butler County Hospital occupies a facility built in 1972–73. It is a 35-bed facility, one story, encompassing the latest in design, but not offering any services not economically reasonable for its rural service area of 10,000 people. There are four doctors on resident medical staff. Although the hospital facility was paid for with public monies, it received no public monies for ongoing operations, and must therefore charge whatever rates are necessary to meet all expenses. Our town rates are low for the industry—$62 for a semi-private and $69 for a private room. During our last fiscal year the hospital showed a net operating loss of $40,000; for the first seven months of this fiscal year we showed a net operating profit of $8,266. These margins leave very little room for meeting any contingencies or emergencies, specially when you consider that we have nearly $100,000 a month in operating costs. That should be proof enough that we are keeping our patient charges as low as possible.

While the Voluntary Cost Containment Program may well be a noble and desirable goal, for hospitals in our position, it is simply not realistic. Let me itemize a few of the situations we face this year:

1. The minimum wage rate increases mandated by the federal government amount to 15.2 percent for this year. This, of course, affects wages at all levels, since you simply don't pay unskilled help. Wages are the major cost item for us, and the law mandates another increase of 9.4 percent for 1979, guaranteeing that costs will continue to rise.

2. Our electric utility rates have just increased about 20 percent, and there is no reason to believe that similar increases will not continue for natural gas and heating oil as well as electricity.

3. Raw food and housekeeping supplies can be expected to increase 8–10 percent this year. Actually, we would not object to an increase in raw food of 10 to 15 percent if that increase found its way back to the farmer, who is 100 percent of our local economy.

4. Constant nitpicking and badgering by government agencies are a persistent and aggravating cause of cost increases. These inspectors operate on the theory that they have to find something wrong on every visit in order to justify their existence. You cannot imagine how many things they can find wrong with a building that their own department gave full and complete approval to only five years ago. All of these so-called "corrective measures" are significant cost items which must be passed on to the patient.

5. During the last four years, the Butler County Hospital has had to employ more non-revenue staff people, one in medical records and one in general administration just because of the never-ending increase in federal and state regulatory requirements for more records, more reports. These two people cost us over $12,000 per year, and must obviously be paid for out of patient revenues. Costs for bookkeeping and auditing have also increased by like amounts for the very same reasons.

6. The continuing trend to disposable items increases our costs. The refusal of hospital supply companies to standardize their equipment, forcing the customer to be a captive buyer of whatever line we start out with, increases our costs of everything from thermometers to X-ray supplies to drugs increase our costs.

The net result on an independently operating small hospital of a voluntary cost containment program is essentially asking us to voluntarily operate in the red, which we cannot do. We deeply regret that we had to increase our room rates and ancillary charges 15 percent for this year, but these increases have been dictated to us as outlined above. No doubt 1979 will bring about the same thing all over again.

We know that we fill an important part in holding down the costs of being sick, for if we didn't exist our patients would have to utilize the larger city hospitals, where costs are 30–100 percent higher.

While we will gladly adopt any resolution in support of this program that we can live with, I would hope that any such program will recognize the bind that small community hospitals find themselves in, and will also recognize the role that they play in keeping down the cost of being sick. The real answer, of course, lies in getting the bureaucrats, the Congress, and inflation all under control.

□ 1415

LET'S CUT AMTRAK

The SPEAKER. Under a previous order of the House the gentleman from Texas (Mr. COLLINS) is recognized for 20 minutes.

Mr. COLLINS of Texas. Mr. Speaker, let us cut the fat from Amtrak. Every year since rail passenger service was taken out of the hands of private enterprise and placed under the control of Washington bureaucrats, I have questioned Amtrak.

I raised the question in 1971 when it began, as I do now. How can the Federal Government revive America's passenger train service on a profitable basis for Amtrak's stockholders, when private enterprise has already failed?

Now, 8 years later, the American taxpayer is still paying for a transportation system which a majority of people do not want, do not need and do not use.

This drain upon the taxpayer's pocketbook has grown from $40 million in 1971 to $500 million last year. This year, those of us in Congress are being asked to open the taxpayer's pocketbook for another $760 million for a reduced Amtrak system.

Amtrak is supposed to be a low-cost, comfortable transportation system, but on a 226-mile trip it actually costs the average passenger $2 more by Amtrak than truly comfortable transportation by air.

If the Amtrak passenger took this same $42 trip on an intercity bus with a fare of only $17, the taxpayer could give the Amtrak passenger a free trip, a three-martini lunch and still have change to spare.

Amtrak has advertised that riders and their families could "save a ton of dough on your family vacation this year," because of fare reductions of up to 50 percent. What this ad really means is that the American taxpayer is picking up about 83.5 percent of the tab.

As elected representatives of the people, how can we justify this sort of foolishness to our constituents, many of whom will never use Amtrak; never see an Amtrak train; and who work hard to pay for their vacations without realizing they are also working to pay for the vacations of a few Amtrak passengers.

Amtrak has been a dismal failure, as verified by a report released May 11, 1978, by the General Accounting Office.

> Amtrak's biggest problem is that there are not enough people who want to use the train for intercity travel. While Amtrak attracted about 3 million more passengers in fiscal year 1977 than it did in 1972, it did so by substantially increasing the number of trains available. The number of revenue passengers per train mile have decreased. As we have stated in recent Congressional testimony, the reasons why demand does not exist in spite of Amtrak's low fares . . . are fairly straightforward. Air travel is much quicker and much more convenient for time-sensitive travelers, smoother and more comfortable (especially considering the comparatively short time the traveler must occupy the airplane,) and on longer trips almost the same price as Amtrak.
>
> (Intercity) buses go more places than Amtrak, usually at a lower cost to the travelers. Automobiles give travelers more control over where and when they go, are convenient to have at the destination, are perceived as being much cheaper than the train, particularly when more than one traveler is involved . . .
>
> . . . the train simply does not offer the intercity traveler a service that is as good as the alternatives available. Demand for rail passenger service is not likely to increase . . .

The GAO report also noted:

> Amtrak's seven year history has proven that sufficient passenger demand for rail service does not exist under present circumstances to allow break-even operation of a nationwide passenger rail system. Even its best routes cannot pay for themselves . . .

Let us face it, Amtrak is a second-rate service in all 12 major categories of service quality, despite massive expenditures to upgrade equipment, improve road beds and instruct Amtrak personnel. Indeed, Amtrak's performance is so poor that no less than 40 percent of its trains operate behind schedule.

In many areas of the Southwest, Including my own State of Texas, intercity bus companies are frequently called upon to pick up Amtrak passengers, because an Amtrak train has broken down somewhere along the route.

Intercity bus companies are able to do this because their routes already parallel virtually every mile of Amtrak tracks while serving more than 15,000 cities and towns, as compared to the 500 communities served by Amtrak.

Let us consider Amtrak's fuel efficiency. With high passenger loads and efficient locomotives, Amtrak claims to use less energy per passenger-mile than alternative transportation, but current data shows conclusively that, on the average, Amtrak is only about one-half as energy efficient as the intercity bus.

According to Amtrak's own survey, most people regard air travel as being safer than train travel; plus data from the Interstate Commerce Commission and the National Safety Council show that intercity buses have a lower accidental death rate, far below intercity rail traffic.

The last possible argument for social benefits in favor of Amtrak maintains that Amtrak service is needed to reach isolated areas, but it has already been established that bus routes parallel virtually every mile of Amtrak's routes, carrying some 330 million passengers as compared to Amtrak's 19 million passengers.

Amtrak has steadily drawn riders away from intercity buses, causing many drivers and other bus company employees to lose their jobs, especially in the Northeast corridor where Amtrak and intercity buses compete most heavily.

The real victims are the families of those bus employees who have lost their jobs after being forced to pay income taxes to subsidize Amtrak.

As a contrast to bus company employees who lose their jobs because of unfair, subsidized competition, consider how Amtrak employees are faring. Because of outdated work rules and featherbedding practices, there are Amtrak employees receiving a full day's pay for traveling only 150 miles; and in the Northeast corridor, this means they could get 3 days' pay while working only one 8-hour shift.

I cannot believe that the Congress will continue to allow this kind of welfare program to go unchallenged. This Nation was founded upon the private enterprise theory that business works best with minimum interference from the Government. Certainly a nationalized rail passenger service—what Amtrak really amounts to—which competes with the private sector is incompatible with our founding principles.

The intercity bus industry is one of the last vestiges of private enterprise in the transportation field today, and the only regulated segment competing with Amtrak's low fares literally in competition against U.S. subsidy tax dollars.

I took a private bus company, Trailways, for a comparison. In 1977, Trailway's annual revenue was $240 million as compared to $270 million for Amtrak. Trailways received no Federal subsidies while Amtrak was given $530 million. Trailways served 550 communities as compared to 500 served by Amtrak.

Also in 1977, Trailways carried 22 million passengers over its 70,000 route miles and provided this service with 8,000 employees, while Amtrak carried only 19 million passengers over its 27,000 route miles and needed 17,000 employees to provide service. Most importantly, Trailways operated at a profit without benefit of Government subsidies while the heavily subsidized Amtrak system lost money.

Obviously, those of us in Congress, those of us who were elected to represent the people of this Nation, must act now, to stop the drain of tax dollars and either eliminate Amtrak altogether or force Amtrak to operate on a break-even basis with a limited route system.

□ 1420

CONCURRENT RESOLUTION PROVIDING FOR IMPARTIAL OBSERVERS OF THE FORTHCOMING ELECTION IN RHODESIA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. CARNEY) is recognized for 10 minutes.

Mr. CARNEY. Mr. Speaker, last week I introduced a proposal, House Concurrent Resolution 76, which calls for an impartial observer team for the forthcoming election in Rhodesia.

An election has been scheduled in Zimbabwe Rhodesia for April 20, 1979. An important question that we, as Members of the House, must face is whether or not a credible election can be held in Zimbabwe Rhodesia, given the present conditions in that country today.

The creation of an impartial team of observers, sponsored by Congress, made up of objective, nonpartisan, professional observers who would go to Zimbabwe Rhodesia to observe the election is essential to best deal with the circumstances in that country.

As I am sure my colleagues are aware, following the final passage of the International Security Assistance Act, elections in Zimbabwe Rhodesia were rescheduled for April 20. An invitation has been extended to both the United States and Great Britain to send observers to monitor these elections. Another important development regarding Zimbabwe Rhodesia was the Ichord amendment which provided that the President be empowered to lift all economic sanctions if two conditions were met: First, agreement of an all-parties conference held under international sponsorship; and second, installation of a black majority government, pursuant to a free election open to all citizens.

Mr. Speaker, I believe that it is necessary to have reliable observers from the United States sent to Zimbabwe Rhodesia. The purpose of this team would not be to prejudge this election, nor to endorse any side in the internal politics of Zimbabwe Rhodesia. It is the responsibility of this group to insure that these elections meet the criteria laid down by the Ichord amendment for lifting sanctions. This action is not an endorsement of the existing Government of Zimbabwe Rhodesia, or any other political party in Zimbabwe Rhodesia. It is an effort on the part of the U.S. Congress to provide proper machinery to guarantee democracy. This is a congressional initiative, not an administrative initiative.

Briefly, the machinery of this resolution calls for two individuals who will be selected according to legislation, by the President pro tempore of the other body and the Speaker of the House. Those two chairmen will select not fewer than 25, nor more than 50 members of this team to examine and supervise the election.

Mr. Speaker, similar legislation has already been proposed in the other body by Senators HAYAKAWA and MCGOVERN. It was recently reported out of the Foreign Relations Committee and is scheduled for vote.

In closing, I would like to express my concern for the immediate action to provide this team of observers. If it is not provided the election will be held in an international vacuum and we will be caught between propagandas of the two conflicting sides, the Patriotic Front and the Rhodesian Front. We are dealing in a limited time frame and I urge my colleagues to act promptly and expeditiously noting the date of the election. It is our duty to give the people of Zimbabwe Rhodesia a chance to participate in their own government and to understand the meaning of domocracy.

MANY RHODESIANS, BLACK AND WHITE, THINK THE WEST ERRED

(By John F. Burns)

SALISBURY, RHODESIA.—The cycle of violence turned again last week for Rhodesia's transitional Government and its guerrilla foes. This time it was the guerrillas who were the victims. Intelligence indicated a guerrilla offensive in the offing, and the Government dispatched its few precious Canberra and Mirage jets against guerrilla bases in Zambia and Mozambique. The sight of the camouflage-painted jets streaking back to base boosted the sagging morale of both whites and blacks whose fortunes ride with the provisional regime and its plan for limited black majority rule.

After the downing of a second Viscount airliner by guerrilla missile fire earlier this month, with the loss of 59 lives, supporters of Prime Minister Ian D. Smith and his black partners were hungry for retaliation, although the Government said the strikes were not for vengeance but rather to foil disruption of the election set for April. Rhodesia's 2.5-million black voters and 90,000 whites are to elect the country's first black government, which will take power under a Constitution reserving substantial powers to whites. Guerrilla leaders Joshua Nkomo and Robert Mugabe vow to upset the scheme, with Mr. Nkomo promising a bloodbath at the polling stations. The Government, fearful that the 120,000 insurgent already inside Rhodesia could sharply reduce the turnout, mocking claims of popular support for the plan, has cancelled leave for its own forces for the election period.

Britain and the United States have halted efforts to make peace and are waiting for war developments to make one side or the other more amenable to compromise. While Communist nations pour arms and money into the insurgent cause, London and Washington insist on maintaining the economic sanctions which, with the war, have brought Salisbury to the brink of economic collapse. Prime Minister James Callaghan and President Carter are ignoring Salisbury's appeals to send observers to monitor the fairness of the elections, apparently fearing that the guerrillas would interpret it as favoring the transitional administration. Their inaction accords with their stated neutrality, but a substantial body of Rhodesian opinion holds that it could lead to chaos for Rhodesia and the black countries around it.

Encouragement for the Salisbury leaders from London and Washington would provoke a furor among leaders of the African states supporting the Patriotic Front, the tenuous alliance between Mr. Nkomo and Mr. Mugabe. But there are responsible Rhodesians—both blacks and whites, often bitter opponents of Mr. Smith in the past—who believe that the urge to accommodate these states may blind Western leaders to their interest in encouraging pro-Western, moderate governments in mineral-rich southern Africa.

The issue turns on the provisions of the Salisbury accord, dismissed as "inadequate" in London and Washington but defended in Salisbury as a sensible approach to problems dogging every other nation in the region. It has been attacked for the powers reserved to the white minority—28 of 100 assembly seats, a similar proportion of cabinet posts and a dominant white role in the bureaucracy, armed forces, police and judiciary. Yet the continued presence of a substantial white minority has broad support among the 6.8 million blacks, who know the economic disruption wrought by white departure from neighboring black states.

Rhodesia's whites and blacks have generally maintained relations more harmonious than those in many parts of Africa. Visitors are surprised by the easygoing atmosphere, improved lately by the abolition of statutory racial discrimination. There is widespread acknowledgement of the advantages of maintaining an efficient and honest civil service and armed forces, a benefit not enjoyed by many African states, and the important role of whites is accepted, though most blacks insist on the need to train and promote blacks to take over managerial roles.

As for self-rule, many find British and American standards unusually exacting. Zambia's President Kenneth D. Kaunda recently won re-election after barring his leading rival by amending the election rules. Tanzanian President Julius K. Nyerere is nortorious for the political detainees in his prisons. Neither Angola nor Mozambique, both Marxist, has held free national elections. Whatever its failings, the April election in Rhodesia is likely to be freer than many others and the new Rhodesian Constitution contains broader protections of human rights than those of most African states.

Anglo-American reluctance to offer the Salisbury leaders any encouragement seems even more peculiar in view of the political precepts of the guerrilla leaders, who have demanded outright power. Mr. Mugabe, a self-described Marxist, told American newsmen that if the blacks of Rhodesia don't like his ideology, "then we will have to reeducate them." Neither man has disavowed or made any apparent effort to restrain guerrilla bands who make a consistent policy of murdering civilians and abducting children by the hundreds. While Mr. Nkomo hedges, Mr. Mugabe has made it clear that he would nationalize, with little or no compensation, many of the white-owned agricultural and industrial enterprises that underpin the country's economy.

The guerrilla leaders are deeply divided, their forces further riven by personal, tribal and ideological schisms. Mr. Smith is not alone in fearing that the British-American plan, disbanding Salisbury's army and replacing it with a guerrilla-based force, would set the stage for a civil war between the Nkomo and Mugabe factions far bloodier than anything Rhodesia has yet seen. It is small wonder that there are people of good will who ask whether penalizing the Salisbury administration with sanctions while doing little to persuade the guerrillas to abandon the war is a responsible proscription for Governments that want stability and modernization for the people of this troubled land.

TO PAY TAXES, JUST SAY "CHARGE IT"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, nothing is certain except death and taxes, according to an old adage, but the marvels of our modern banking system may soon allow us to at least postpone the inevitability of our donations to the Government coffers. A bill recently approved by the Virginia State Assembly permits residents to charge their local taxes on credit cards, those all-purpose plastic panaceas for our financial woes. Although hailed as a way of minimizing the burden of taxes, this unique precedent poses a multiple threat to taxpayers and municipalities alike. The real beneficiaries of this law will be the banks, which could enjoy a sizable income stream from both parties in the tax transaction.

The bill allows each municipal government the option of permitting credit card payments, and it is my hope that the wisdom of the local officials will exceed that of their fellow legislators in the State house. This folly should not proceed further toward becoming a reality. A tax payment plan involving the use of credit cards entails major flaws, and injustices, which counsel against its implementation.

The past several years have witnessed phenomenal growth in the level of consumer debt, particularly in the area of revolving credit. In December 1978 alone, America's consumers piled up an additional $4 billion in credit. If given the option to simply say "charge it" when they receive their tax notices, consumers risk falling deeper into a hole which many are finding exceedingly difficult to crawl out of.

Because minimum monthly payments on open-end credit are disturbingly low in comparison to outstanding debt, families may find that they have not yet paid off 1 year's taxes when the next year's becomes due. By permitting citizens to pay local or State taxes on credit, governments would be giving their approval to the increasing volume of consumer debt, and enticing families to act irresponsibly in financial planning. Deficit spending can do as much damage to a household as the Federal Government's spending does to the economy as a whole.

As well as sanctioning consumers to engage in an activity which would inflict a severe monetary burden on themselves, governments may unwittingly damage their own fiscal position because of the costs entailed in such a program. Bank credit card plans obtain revenue from two sources—consumers and merchants. Banks charge a rate which generally varies from 12 to 18 percent to borrowers, and in addition levy a discount fee on merchants for each sale. Thus, banks and other card issuing institutions would stand to gain by imposing a fee on the collecting municipality. Governments would risk a drop in revenues by being forced to pay those fees, and this would create the spectre of tax increases to make up for lost revenue. In fact, the Virginia proposal allows the collecting government to assess an additional 4 percent of the tax liability to recover the fees paid to the participating banks. But in some instances, financial institutions may charge as much as 6 percent to the government, which may lead to an across-the-board tax increase. This would penalize those taxpayers able to pay on time.

This unusual proposal also has the discriminatory effect of permitting only those individuals who have credit cards to postpone their tax payments. Those who are most financially squeezed may be forced to tighten their belts further while their neighbors can rest easily by using that convenient card which has come to dominate our lives.

Another consideration dictating against a third-party payment system for taxes is that it would turn governments into the benefactors of a select group of businesses. By allowing banks to pay taxes for cardholders wishing to defer payments, localities would appear to be using their taxation power to enrich the banks involved in the plan. Taxation would become a means of subsidizing financial institutions at the expense of citizens already paying banks huge interest rates.

The burden of taxes on this country's citizens is enormous. But the burden of debt is equally significant. Wise public policy calls out for efforts to alleviate both, not merely shift one to the other. By permitting the use of credit cards to pay taxes, the Virginia Assembly has given a disturbing new twist to the old adage—nothing is certain except debt and taxes.●

RESOLUTION ON THE RESURRECTION OF THE UKRAINIAN ORTHODOX AND CATHOLIC CHURCHES IN UKRAINE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr. Speaker, I am pleased again to submit a House concurrent resolution calling for the resurrection of the Ukrainian Orthodox and Catholic Churches in Ukraine.

In terms of human rights doctrine, this Stalinist genocide of the two churches is the most outstanding on record and must be redressed if national human rights are to be honored. The two national churches were the very spirituality of the Ukrainian nation that must be restored.

I am very happy that the following colleagues have joined me in sponsoring this vital resolution (H. Con. Res. 72): Representatives ANNUNZIO, CONTE, PHILIP CRANE, DERWINSKI, DORNAN, MCDONALD, and MOAKLEY.

I urge my other colleagues to submit individual resolutions on this tragic matter. In the last Congress an unforeseen development prevented hearings on the subject in our Committee on Foreign

Affairs. The Department of State approved the essence of the resolution. In this Congress we look forward to early hearings and the successful passage of the measure. The text of the resolution reads as follows:

H. CON. RES. 72

Concurrent resolution relative to rights of Ukrainian citizens

Whereas the Charter of the United Nations, as well as its Universal Declaration of Human Rights, sets forth the objective of international cooperation "in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language, or religion . . ."; and

Whereas in the so-called Brezhnev Constitution of the Union of Soviet Socialist Republics article 52 unequivocally provides that "Freedom of conscience, that is, the right to profess any religion and perform religious rites or not profess any religion, and to conduct atheistic propoganda, shall be recognized for all citizens of the Union of Soviet Socialist Republics. Incitement of hostility and hatred on religious grounds shall be prohibited"; and

Whereas not just religious or civil repression but the genocide—the absolute physical extermination—of both the Ukrainian Orthodox and Catholic Churches in a nation or over fifty million brutally violates the basic civilized rights enunciated above: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that the President of the United States of America shall take in the name of human rights immediate and determined steps to—

(1) call upon the Government of the Union of Soviet Socialist Republics to permit the concrete resurrection of both the Ukrainian Orthodox and Catholic Churches in the largest non-Russian nation both within the Union of Soviet Socialist Republics and in Eastern Europe; and

(2) utilize formal and informal contacts with Union of Soviet Socialist Republics officials in an effort to secure the freedom of religious worship in places of both churches that their own constitution provides for; and

(3) bring to the attention of all national and international religious councils the nature of this outstanding Stalinist crime and perpetuated violation of basic human rights, with an appropriate address to mobilizaiton of their resources toward the realization of this resolution's objective.●

INTRODUCTION OF LEGISLATION AMENDING SECTION 403(b) OF THE RAIL PASSENGER SERVICE ACT OF 1971

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. PEASE) is recognized for 5 minutes.

● Mr. PEASE. Mr. Speaker, I am introducing legislation today that gives the public the chance to decide if they want to travel by rail in their State. Recent studies by the House Committee on Government Operations, the U.S. Department of Transportation and the Interstate Commerce Commission show that the groundwork exists—and the demand exists—to develop new passenger corridor systems with improved management and modernized rolling stock. In my own State, the Ohio Rail Transportation Authority is completing its planning of a high speed rail system that will serve the major cities in Ohio. Other areas in the Great Lakes region, in the South and Far West show a similar demand for quick, efficient, convenient rail travel.

Other States are now faced with the loss of all or most passenger rail travel in their State. The January 1979 Department of Transportation Final Report to Congress on the Amtrak Route System recommends that 43 percent of the existing rail mileage be eliminated. This study proposes to discontinue three major connections through Texas, and severely curtail service through Arkansas, Maryland, Indiana, Alabama, Tennessee, and upstate New York. Major cities will be left with no rail service. DOT and the Rail Services Planning Office (ICC) have both suggested that the existing regional rail program within Amtrak—the 403(b) program—can meet the needs of those areas scheduled to lose service this October.

RSPO—

> State assistance under section 403(b) (Rail Passenger Service Act) for those routes and services which are local in nature and should be encouraged as a means of assuring that rail passenger service meets the needs of the public, without burdening the national system with the deficits incurred by the local systems.

I strongly endorse Federal support of regional intercity rail. We have an obligation to pursue the development of this energy efficient form of transportation. I am sure you have heard or read that there is no more efficient form of transportation than steel wheel on steel rail This is true. What adds impact to this truth is the intercity traveler's access to a quick, comfortable train trip. Experience with the Northeast Corridor demonstrates that the public will ride modern, fast trains traveling between major population centers.

The problem is that Amtrak was born with several major defects—a bankrupt railroad with miles of tracks in disrepair and an aged fleet of rolling stock. DOT notes that over the years several "lightly patronized and regional" routes were added to Amtrak's system by the Congress. These added routes and services were a major drain on Amtrak's financial and management resources and prevented the system from experimenting with creative new services.

We need rail travel. We also need the active participation of those markets served by passenger rail. The Federal Railroad Administration sums up the current situation when it says,

> In simple terms, the (federal) government does not and should not face the day-to-day problems of maintaining track, assembling trains and operating terminals. It is unrealistic to assume that it can make meaningful changes in marketing and train operations. Innovative solutions to the problems of the railroad system can best come from the railroads themselves.

INNOVATIVE SOLUTION—PEASE PROPOSAL

FRA suggests defining a rational intercity network with flexibility to operate the system. My proposal puts that recommendation to work. The 403(b) Regional Rail Program is designed to provide rail transportation in specific areas outside the national system. Amtrak and the State(s) requesting service are equal financial partners—but not equal management partners. Amtrak operates the 403(b) trains. In the 7 years since the program was instituted, only six States have participated in the program. My research shows that: First, the heavy financial commitment; and second, the unbalanced management arrangement inhibit and prohibit greater State participation.

I am proposing four major amendments to this program, included in the Rail Passenger Service Act. Individually, these amendments address specific problems in the operation of the existing program. Together, the amendments create the flexibility called for by the States and the Department of Transportation.

Changes the current 50–50 split in funding to an 80–20 split, 80 percent from Amtrak and 20 percent from the participating State. This change in the funding is consistent with other transportation assistance allocated by the Federal Government. Funds for bridges, airports and airways, intercity transit—subways, buses and rapid rail, commuter rail—are all distributed by an 80–20 match.

Pease proposal makes the regional rail program funding consistent with other transportation programs assisted by the Federal Government. Such a change in the formula has long been supported by State transportation agencies.

Specifically earmarks 403(b) funding in the Amtrak authorization. This program needs the special attention of Amtrak and of the Congress. Prior to this legislation, 403(b) funds were allocated from the total operating budget of Amtrak.

The Northeast Corridor—Amtrak's most successful endeavor to date—receives a specially earmarked allocation in the Amtrak budget. This allows for proper planning of new equipment and roadbed repairs, new stations, routings on that corridor.

Allows for a 3-year authorization for the 403(b) program. The DOT report to Congress on the route structure for Amtrak recommends that Amtrak's budget be prepared on a 3-year authorization basis because "multiyear authorization will provide an atmosphere of stability in which Amtrak's Board and management can plan responsibly for the future administration of their operations." The same is true of the original rail programs. States must be able to know how their systems will be operating for at least the next 3 years. An initial 3-year funding will provide sufficient time for experience with the new State system, and for the proper evaluation of the State's (or Amtrak's) operation of it, before the next 3-year authorization is prepared.

Creates a new contractual agreement between Amtrak and the State requesting the service. In this contract, Amtrak and the State agree who will operate the new service—Amtrak or the State. If it is mutually agreed that Amtrak is to operate the service, the State is given the opportunity to submit a proposed detailed plan of operation that is to be considered by Amtrak management in making basic decision about the operations of the train. If the State is to operate the train, it will be responsible for all aspects of running a railroad—equipment, labor, stations, scheduling, marketing, maintain the railbeds. Since many States do not have the capacity to get into the train business properly, the legislation allows the State to contract to a private carrier (railroad) for the operation of the train. It is conceivable that Amtrak and the State will agree that the State will be the operator of the train and the State will, in turn, contract with Amtrak for the actual operations of the train. This is a decision that is left to the two parties so that the best possible situation for operating the most efficient service to meet the transportation needs of most people are met.

The reason that the operations of the trains is left to a contract between Amtrak and the States is that each transportation system will be unique; the ability of a State to operate a train is unique. This legislation opens up new track to let States make the decision if they want rail service. Where the demand for intercity regional rail travel exists, the Federal Government will be able to provide partial assistance and be a partner to each system designed to meet a special need.●

1979—A YEAR TO GET A HANDLE ON INFLATION

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, Francis E. Ferguson, the president of Northwestern Mutual Life Insurance Co., of Milwaukee, Wis., prepared an important speech for delivery to the Syracuse Rotary Club on February 9 of this year. It was delivered in his absence by the company's vice president for corporate planning and development, Dr. James C. McKeon.

I consider the speech important because it focuses needed attention on a significant aspect of this Nation's inflation problem; the explosion of private credit market debt. Mr. Ferguson does not minimize other causes of inflation, but he does apply an incisive analysis to one area which is generally overlooked. I commend the speech to the reading of my colleagues and other students of the CONGRESSIONAL RECORD:

1979—A YEAR TO GET A HANDLE ON INFLATION

Frst of all, let me take this opportunity to say a public "thank you" to Syracuse, on behalf of Northwestern Mutual Life, for allowing us to serve you and allowing us to be a part of your community for over the last hundred years.

Syracuse has been good to us, and for us, and we've been doing our best to be good for Syracuse.

100 years is quite a long time. What do you suppose it was like in 1879. Well, the country was in the midst of a depression marked by business failures and general financial distress due to inflation and high interest rates. Rutherford B. Hayes was President, the 19th President and third Republican. The population was just over 49 million and there were 38 states. The 46th Congress had 76 members—42 Democrats, 33 Republicans and one from the Greenback Labor Party. The House of Representatives numbered 293 members—149 Democrats and 130 Republicans. This was the first time since 1858 that both houses were controlled by Democrats. Our gross national product was $9.2 billion.

Some major changes in 1879 included the following:

Congress granted women the right to practice law before the U.S. Supreme Court.

California adopted a new constitution which prohibited employers from hiring Chinese.

The Mississippi River Commission was created by Congress to improve navigability.

U.S. Troops subdued the Cheyenne in the Dull Knife Campaign.

Ute Indians, rebelling against a dictatorial Indian agent, ambushed a military force and attacked the agency.

Thomas Edison burned his incandescent lamp for 24 hours and received a patent the following January.

There was much debate between the inflationists and the monetarists of those days.

In 1879, a fledgling 22 year old company from Milwaukee issued policy no. 100,000 and opened Brockway Agency here in Syracuse.

Some of the differences from today are obvious, but there are remarkable similarities especially in economic terms and minority rights issues.

In the first year of our second century, in Syracuse, we expect to do very well, both here and throughout the country, because of the nature of our business. We provide guarantees, at costs which have gone steadily down while inflation has been driving the costs of other goods up. Those guarantees seem to become even more attractive to people in times of uncertainty about the economy.

On a happy and optimistic occasion like this, I wish I could say that 1979 is going to be the best year of the decade for all of us. But I'd be straining my optimism to the danger point, and besides, I think you'd tune me out if I said that.

I will say that 1979 could be the most important year of the decade because it could be the year when we began to get a handle on inflation—not solve or correct it, all in one year, but get a handle on it.

This much is for sure: inflation finally, has the full and undivided attention of all the important levels of leadership in this country—Congress, the Administration, business, labor, the Federal Reserve, state and local governments.

This was not always so, but it is now. Inflation is the undisputed No. 1 problem. It has been the No. 1 problem for the last 12 years, but not everybody agreed. So it got steadily worse. The public's budding optimism of just a year ago has been replaced by anger, disappointment, and bitterness due primarily to this year's rising inflation.

Now a lot of people are going to be doing a lot of things about inflation—some good, some bad. Political and economic decisions are going to be made that will cast the die for years to come.

But if you want to keep an eye on the heart of the matter, watch the effect of these decisions on the build-up of private debt.

Price inflation, wage inflation, interest rate inflation, Federal spending are all important factors in the total picture.

But the heart of the matter is private debt, because it reflects the convictions of the people. It reflects their expectations. It tells us whether they think inflation can be licked. And if they don't believe that, it can't be licked.

We have more than two and a half trillion dollars outstanding in private credit market debt. One trillion dollars would buy—a shopper buying goods 24 hours a day, seven days a week, would have to spend $100,000 a minute for 19 years. Private debt is growing at 13 percent a year, and it represents a tremendous vested interest for all of us in the continuation of rapid inflation.

Borrowers are counting on continued inflation to reduce the burden of debt service payments, and businessmen are counting on high levels of credit expansion to stimulate sales.

Any business forecast for 1979 has to be based on what will happen to this treadmill of debt inflation, interests rate inflation, wage inflation and price level inflation with debt inflation being the driving force.

We're willing to say, optimistically, that some needed adjustment—economic slowdown—will be under way by mid-year. The odds would favor further credit restraint and still higher interest rates until the rate of private debt expansionn declines significantly. The longer that decline is put off, the more severe the resulting economic adjustments will be.

If Mr. Ferguson was here, he would deal out a few cards to see if you could tell our fortune during the coming year. I've got to warn you, however, you'd be playing with a pretty weird deck. In a normal deck, the ace is always an ace no matter how you turn it.

In *this* deck, the ace is consumer confidence if you look at it one way, but if you spin it around it turns into consumer panic—the kind of panic that created that mountain of private debt we were talking about.

What looked like consumer confidence was largely responsible for that big bulge in economic growth during the fourth quarter of 1978—the bulge that made everybody so happy in Washington that they announced there wouldn't be any recession in 1979. But what if it was consumer panic? They bought $45 billion worth of goods and services during those three months—up from $34 billion in the quarter before.

They saved only 4.9 percent of their disposable income—a drop of 18 percent in the rate of savings and they ran up installment credit by a record $4.3 billion in December alone, up 19 percent from last year.

Now, the consumer's willingness to buy has been the main prop of the recovery we've enjoyed so far—but what if this spree was a love/hate kind of statement about inflation—a vote of no-confidence in the current efforts to fight inflation? Were they saying they hate inflation because they would hate to pay next year's prices—so they're buying now? Or were they saying they love inflation because they expect to increase their incomes so they can pay late the huge debt they're accumulating in order to buy *now* and avoid higher prices? A lot of *future* purchasing power whistled over the counter during those three months—helping to drive the consumer price index up by 9 percent.

And the $64 billion question is, will they keep spending future dollars—borrowed dollars—or will they haul up and rein in abruptly, when rising interest rates make those borrowed dollars simply too costly?

If they haul up abruptly, we'll have our recession and the length and depth of that recession will depend on how much overbuying has been done, and how big the inventories are when the buying stops.

What would it take to moderate that frenzy, to spread out demand and consumption so we have a more orderly, if slower, growth instead of a bulge and bust pattern?

The only thing that will do it is a firm, widespread conviction that a workable game plan has finally been put in place to halt the rise in prices and turn inflation around.

All the other cards in the deck are going to affect how that ace turns up—confidence or panic. The king in this deck is the dollar. It looks good when you lay it down, but some foreign kibitzer keeps reaching over your shoulder to turn it around—and it turns into a joker. The only way to cope with that is to convince the foreign kibitzers, as well as ourselves, that we're solving our economic problems.

The jack is the OPEC price increase—and the Iranian situation. Incidentally, there's an ironic twist to this—or maybe I should say an Iranic twist. You lay this jack down and it says 14½ percent. But if you give it the twist, it says 20 percent. OPEC's 14½ percent increase was academic, at the outset, because there was a glut of oil and nobody was paying the posted price anyway. But when the Iranian crisis shut down their oil production, and deprived the world of six million barrels a day—that took care of the glut.

When will it turn around? Your guess is as good as anybody's. In yesterday's Wall Street Journal, Mr. Schlesinger warned the squeeze could be more serious than the 1973 Arab oil embargo. So if we now start paying the posted price, we will be paying a real increase of something like 20 percent rather than 14½—20 percent more than the *going* price—not 14½ more than a posted price that nobody was paying.

There really isn't a lot anybody can do about that, in the near term at least. That price increase will spread through the cost of everything we make and do with oil.

Now come some wild cards—like food prices and the weather. That's a wild card, for sure. Remember the gloom last spring, when the weather washed out the corn? We'd be lucky to get six million bushels they said—but the weather turned perfect for the rest of the year and the crop came in at seven million bushels—11 percent over the previous record. You can bet on this year's weather if you like, but I'd rather go to Las Vegas. The odds are better.

Another wild card is the trey—the three moves the Carter Administration is making as its answer to inflation. That's the so-called austere budget . . . wage and price guidelines instead of mandatory controls . . . and wage insurance, the carrot that's supposed to make the guidelines work.

This is really a wild card. The budget ploy may actually be working. A lot of people may actually be thinking that a $29 million deficit is austere—and never mind that it's the 19th deficit in the last 20 years. The wild part will come when Congress gets to work on it. The prospects don't appear particularly good in that the House's Social Security Sub-Commtitee agreed this week that they probably won't succeed in achieving Mr. Carter's $609 million reduction goal. If you want to know how this will really come out, watch the preliminary joint resolution on the budget in May, and the final, binding resolution in October—let your representatives know how you feel about their performance. This area, more than any other, is the area where Congress and the Administration can show convincing leadership—leadership that will convince people that there is a chance to lick inflation. Convincing restraints on Federal spending and a real move toward the balanced budget would do the trick.

The real clincher would be Congress giving up its own cost-of-living pay escalator—but I suppose that's too much to expect.

The 7 percent program for wage and price guidelines seems to be doing a lot better than people thought it would. Business leadership said, "we'll give this a chance," people have taken it so seriously that we have a whole new problem on our hands. The Council on Wage and Price Stability had to hire 90 new Federal employees just to handle the volume of inquiries. Alfred Kahn, Mr. Carter's chief inflation fighter, now says he expects 90 percent compliance by business.

Now, it's true that Alfred is the fellow who says "banana" when he means "depression" but this is encouraging. It would be more encouraging if Mr. Kahn could say he expects 90 percent compliance by business and labor but he can't say that, because the spokesmen of big labor are still hanging in for mandatory controls on wages and prices.

The labor position is also casting a pall over the prospects for the third part of Mr. Carter's program—real wage insurance. Mr. Carter has plugged two and a half billion into his new budget as earnest money for this plan, in which the government would act, through tax rebates, to protect workers who accepted 7 percent raises against inflation rates higher than that.

But the prognosis for wage insurance is rocky indeed. Big labor is at odds over it—the auto workers and public employees are for it, but the AFL–CIO is against it. They think it's inequitable and unworkable, and would simply put the bite of inflation on the taxpayer instead of the private sector. Better, they say, would be a fully legislated program of economic controls—controls of costs and sources of income. Strangely, on this one, you hear big labor and the U.S. Chamber of Commerce using the same word: inequity. Moreover, the Chamber's economist thinks Mr. Carter is way low on cost. It could be more like 5 to 10 billion instead of two and a half, and if that hit the Federal deficit, it could wipe out any cut in the inflation rate achieved by limiting wage settlements. Even the technical staff people in Congress and the Administration think it's a shotgun aimed at a gnat instead of a tiger. They estimate that only about one-eighth of all workers could or would accept it, which means you'd cut back maybe a half percentage point on wages, and one sixteenth of a point on inflation. With a scenario like that, there's something less than enthusiasm for this program in Congress.

Coming into the Ways and Means Hearings you had five members in favor of wage insurance, and the other 31 were either hostile or noncommittal. There's still a chance, because there's still an urge. New York's Tom Downey put it this way: "The Committee wants to do something about inflation." Well, that's the right idea, but the something has got to be convincing.

It all comes back to the ace, and which way it turns up—consumer confidence, or consumer panic. Whatever government does, or business, or labor, has got to convince the consumer that there is real leadership with a real chance to lick inflation. The psychology is paramount.

Wage insurance, for instance, is perceived by the people—by the consumers—as the Carter Administration's best shot—the best idea they could come up with to make wage restraint work. If that's rejected in Congress, for whatever reasons—good or bad—and nothing better is put in its place—then that is going to be perceived as a failure of government leadership—a signal that Congress didn't care enough—a signal that the consumer is still on his own. And the inflation fever will rage on.

If you're wondering who that mysterious consumer is. Look to your right, to your left, and then look in the mirror. We're the ones who have to decide whether it's just plumb crazy not to spend our savings now, borrow up to the hilt, build up that mountain of private debt still higher. We're the ones who have to decide whether it's safe to do what we want to do—make orderly plans for future spending—beef up our savings—plow them into the savings instruments that produce capital—the capital we need to restore productivity—the best inflation fighter of them all.

If we can get a message through to the leadership—the message that we no longer want a vested interest in continuing inflation, that we are ready to haul up and turn around, then the principle of political survival will go into operation—in labor and business, as well as in government. They will lead us in the way we ought to go.

A year from now—we will know a great deal more about all this, and the outcome will depend to a large measure on what you and I do.

1979 is a time for responsibility. Business, labor, government and the consumers must make responsible decisions, if we are to avoid the boom/bust cycle which we have been experiencing the past two decades. We are accountable to the past, present and future generations of Americans and cannot shirk this responsibility. In 2079, perhaps our counterparts will be celebrating the Syracuse General Agency's 200th birthday and will look back to 1979 and say that was the year the American economy turned around.

Thank you.●

CAN YOU PRAISE GOD FOR THE IRS?

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr Speaker, with regard to the Internal Revenue Service and our Government, recently a newsletter authored by the Reverend Jack Buskey, pastor of Community Covenant Church, Manlius, N.Y., crossed my desk. I best describe it as a masterpiece in objectivity. Reading it provided me with a great sense of warmth and encouragement to the extent that I would like very much to share it with my colleagues:

CAN YOU PRAISE GOD FOR THE I.R.S.?

These three letters stir all kinds of emotions. Especially this time of the year when we are laboring through personal income tax forms.

Has it ever occurred to you that the I.R.S. is one of the closest relationships we as individuals have with our nation? As we have to record our income and expenses, we are made aware of our blessings. For many seeing the actual figure of income is a surprise—Did I actually make that much money?

Then comes the test of our real patriotism and love for our nation. Many get emotional when the national anthem is sung and when the flag is honored. Yet when it comes to paying the bill, there is a feeling of resentment. Oh, we can talk about graft, corruption, give-away programs, military expenses, etc. but let us not forget all the benefits we tend to take for granted. Public education, the best highway system in the world, a reliable postal system. (When was the last time a letter was lost in the mail? Most of us have never had that happen.) A retirement program for all of our citizens, a country strong enough to defend itself. I could go on and on. If any one of us had to pay for even one of the major services our nation gives us, like personal protection, we would go broke. Yet I am surprised at the Christians who cry patriotism on the one hand and who malign the government because of taxes on the other.

I am leading up to a special case in point. The I.R.S. is being accused of trying to close all private schools and especially Christian schools by taking away tax-exempt status. All kinds of literature is being published stating an I.R.S. ruling concerning requirements that must be met if a school is to maintain tax-exempt status.

Let me share with you some statements that have come across my desk. "Question:

'Do you favor the federal Government having the power to close down our Christian schools?' Today, officials of the Internal Revenue Service have come up with a vile plan to put Christian schools out of business, destroying our last chance to train Christian young people and our nation's future leaders. You see, the I.R.S. is desperately trying to withdraw the tax-exempt status of Christian schools. Without this tax-exemption, Christian schools will be forced out of existence. And what infuriates me even more is that this is just a fraction of a master plan to void America of anything that is good and moral."

In addition to statements like this, we have also received copies of the document that the I.R.S. has published saying that if schools are going to remain tax-exempt, they have to prove that they are racially nondiscriminatory in four out of five stated areas. These five stated areas are: "1. Availability of and granting of scholarships or other financial assistance on a significant basis to minority students." (It is pointed out that if schools have to generate scholarships on a significant basis to minority students that this would put an unbearable burden on schools that are already in financial difficulty.) "2. Active and vigorous minority recruitment programs, such as contracting prospective minority students and organizations from which minority students should be identified." (It is pointed out again that such recruitment programs are beyond the means of many private schools.) "3. An increasing percentage of minority student enrollment. 4. Employment of minority teachers or professional staff." (It is pointed out that this would force Christian schools to hire a minority staff irregardless of their creed or Christian position.) "5. Other substantial evidence of good faith, including evidence of a combination of lesser activities, such as continued and meaningful advertising program, significant efforts to recruit minority teachers, participation with integrated schools in sports, music, and other events or activities. Making school facilities available to outside, integrated or charitable groups."

Because of concern regarding this issue, I wrote to our congressman, James M. Hanley, asking him if he would investigate the legal right of the I.R.S., etc. He responded by indicating his personal concern for parochial education and that he was investigating the matter.

After a number of weeks, he again corresponded with me, this time sending the responses that he had received from the Internal Revenue Service. After taking the time to read a lengthy document, it became apparent to me that these five points had been taken out of context and in so doing, grossly distorted.

In the remainder of this article I would like to place in context the I.R.S. ruling which is an attempt of the I.R.S. to enforce the laws of our nation regarding schools which have an open policy based on race if they are to maintain tax-exempt status.

First of all, these five points only apply to two categories of schools. It applies to what is referred to as "adjuciated" schools. An adjuciated school is a school which has been held by a court or agency to be racially discriminatory. Thus, if a school has been declared by a court to be racially discriminatory, they then have to comply with four out of five guidelines in order to show that they, in fact, are not a discriminatory school. I firmly believe that before any action could be taken, the school would have to be found guilty of discrimination. The basic principle of being innocent until proven guilty must not be undermined by any agency or we will lose a basic Constitutional freedom.

The second category of schools that would come under the jurisdiction of these five points are those schools which were established in a community one year prior or one year after a court order to desegregate the school system. It would also apply to any school within a geographical area that had received a court order to desegregate if there was a tremendous increase in the enrollment either a year previous or a year following the set court order. These are the only two categories of schools that would come under these five points. If any school that was formed or substantially expanded at or about the time of public school desegregation in a community, has a student body whose percentage of minority students is 20 percent of the percentage of the minority school age population in a community, then the school automatically qualifies for tax-exempt status and does not come under these five points. 20 percent of the percentage of the minority school age population in the community does not mean 20 percent of the minority population, it means 20 percent of the percentage of the minority population. For example, if a community were 50 percent black, that would mean that a school that had 20 percent of the 50 percent would automatically qualify for tax-exempt status. For example, in the city of Syracuse, which is 10 percent black, if a school had one hundred (100) students and among that one hundred students there were two black students, it would automatically meet all of the requirements for tax-exempt status. In the city of Syracuse, schools would automatically meet tax-exempt status anyway unless the school had been established within a year before or a year after a court desegregation order.

As near as I can figure out, in Manlius, if we had a school with two hundred (200) students, if we had one black student, we would meet the full requirement. But we should remember that even if we did not have a black student, we would still meet the requirement for tax-exempt status because there has not been a court order to desegregate the community.

The obvious intention of the I.R.S. ruling is to deal with the schools primarily in the South that sprang up by the hundreds overnight not because of Christian conviction, but in order to by-pass the Supreme Court's ruling making segregated schools illegal. If you will make a careful investigation it will become obvious that in community after community when the Supreme Court ruled that the schools had to desegregate, many private schools sprang up overnight as a declaration of the people in those communities that they would not have their children going to school with black children.

I personally find it very upsetting when evangelical Christians take things out of context, suggesting that our Government is involved in a master plot to do away with Christian schools and Christian teaching. I find it confusing that many of these same agencies and people who claim to be patriotic, who have a love for our country and who support law and order, and teach submissiveness to those in authority, rebel against these laws that support justice for all if that justice infringes on a personal prejudice.

I am not suggesting that our Government is perfect, but I am saying on this issue, at the present time, with the material that I have available to me, I stand with the Government of the United States and the I.R.S.

I resent people raising money from Christians to fight what they claim is a masterminded attempt by organized government to lead this country to atheism.

I believe that Christians ought to stand in the forefront in a testimony to our belief that the best education possible should be afforded to every child in America and especially those children coming from Christian homes no matter what their color. Let us take the time to do our homework before we are stampeded by material gathered from partial truths and taken out of context. I have the full I.R.S. document in my files, and would be pleased to discuss in detail this particular issue as I see it with anyone who is interested or concerned.●

TRIBUTE TO THE LATE JEROME J. KEATING

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, I rise today to pay tribute to a man who was a friend to many of us in this Chamber. The recent passing of Jerome J. Keating is a loss to us all.

Jerome Keating was not only a great labor leader, but a fine gentleman as well. He served the National Association of Letter Carriers and the entire Nation with honor and distinction.

The March 1979 edition of the Postal Record includes two outstanding tributes to Jerome Keating. I would like to share them with my colleagues:

JEROME J. KEATING, 1903–79

("Know ye not that there is a prince and a great man fallen this day in Israel?" II Samuel 3:38)

Jerome J. Keating, who served as President from 1962 to 1968, and one of the finest and most brilliant leaders ever to be produced by the labor movement in the United States, died of a stroke on February 6, 1979. Jerome, who had been in fragile health for a long while, was stricken in a Minneapolis hospital where he was recovering from a broken hip. He was 75 years old.

President Emeritus Keating was born in Denver, Colorado, but his parents soon migrated to Minneapolis. He was educated in the Minneapolis schools and then worked his way through the University of Minnesota and earned a brilliant degree. He entered the Minneapolis Post Office as a susbtitute carrier in 1924.

He served as President of Branch 9 (now named after him) in 1932 and 1933. In 1935 he was elected, at the Cleveland Convention, Chairman of the Constitution and Laws Committee (then a national office), and in 1941 he was elected on the Doherty ticket as a member of the Executive Board and in 1942 became Chief Collector of the Mutual Benefit Association, moving to Nashville, Tennessee to perform his duties. In 1946, at Detroit, he elected Secretary (and editor of *The Postal Record*). It was at this juncture that the fabulous Doherty-Keating legislative team was born. They were probably the most effective lobbying team in postal history.

In 1952 (New York) he was elected Vice-President and in 1962 (Denver), when William C. Doherty retired to become our first Ambassador to Jamaica, he became President, serving with great distinction until 1968, in Boston, when he retired in favor of James H. Rademacher.

But those are just the bare bones of his life. There were so many intangibles that made him great. He was not only a superb Christian gentleman, he was also a gentle *man*. He was incapable of a mean thought or a mean act. He was totally generous and kind, one of the most basically decent and upright men who ever walked the earth.

He was a tireless worker. He knew every Member of both Houses of Congress by name, and held their unwavering affection and respect. He knew more about postal legislation than anyone else in Washington, and he was almost certainly the greatest authority in the nation on the Federal retirement program.

The members of the NALC, past, present and future owe an incalculable debt to Jerome J. Keating. Everyone who worked with him was spiritually enriched by the experience.

He is survived by his wonderful wife, Marion, whom he married in 1932, and a son, Jerome, Jr. Another son, Michael, was tragically killed in a fire earlier this year.

RETIREES' REPORT—NALCREST, FLA.—
JEROME J. KEATING

I write these lines with a heart saddened in the knowledge that Almighty God, in His Infinite Wisdom called from our midst Jerome J. Keating, on February 6, 1979. Jerry Keating was truly one of Nature's Noblemen. My personal acquaintanceship with Jerry dates back more than a half-century and during those early days when he achieved National acclaim for his untiring and skillful work in behalf of substitute letter carriers.

Our personal friendship was strengthened immeasurably during the 1929 National Convention in Minneapolis, Minnesota, when he performed superbly in the role of Chairman of the Publicity Committee. Even at that early stage of his illustrious career, he impressed me deeply as being a person of sincere conviction who was completely dedicated to the cause of the National Association of Letter Carriers and those sound principles for which it was founded in 1889.

After having served as president of Branch 9, NALC, Minneapolis, Minnesota, he was elected to the National Board in 1935, and later served as Chairman of the Constitution and Laws Committee. He became an expert on Constitutional Law and the opinions he handed down were respected throughout the trade-union movement. When a vacancy occurred in the office of Chief Collector of the Mutual Benefit Association, Jerry Keating was chosen to fill the post in Nashville, Tennessee, and innovations created by him have contributed much to the present-day success of the NALC Life Insurance Program.

At the Miami, Florida, Convention in 1948, it was resolved to create a National Hospitalization and Surgical Plan under the auspices of the NALC. The program started from scratch with the NALC Executive Council lending the newly formed Health Benefits Plan $5,000.00 in order to commence operations. The NALC Health Plan is today paying out more than seventeen million dollars each and every month. I have no hesitancy in stating that Jerome Keating was the motivating force in the creation of the NALC's tremendously successful Health Benefits Plan.

No task was too difficult for Jerry Keating. When called upon to serve as a full time National Officer at National Headquarters, he did so willingly having served as a most competent Secretary-Treasurer and, later, with equal ability he served in the role of National Vice President. When I retired from the office of National President at the Denver Convention in 1962, Jerry Keating was my logical successor.

Once again Brother Keating proved his mettle by giving the National Association of Letter Carriers strong, vibrant, intelligent leadership until his retirement at the Boston Convention in 1968. He had no peer on the legislative or administrative fronts. Perhaps these words which appeared in Mailman USA, back in 1960, best describe my true feelings toward our departed friend:

"It is almost impossible to explain how important Jerry has been not only to me, but particularly to the letter carriers of the United States. He has played an indispensable role in our successes, and because of his modest and self-effacing nature, he has always tried to give the credit to someone else. . . ."

Letter Carriers have lost a great champion and I have suffered the lost of a cherished friend. My condolences to his widow, Marion, and all members of the bereaved family.—WILLIAM C. DOHERTY.●

HEALTH SERVICE ACT

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. DELLUMS. Mr. Speaker, last week I introduced the Health Service Act. Eight Members of Congress have joined me as cosponsors of this legislation. They are Mr. CONYERS, Mr. FORD of Tennessee, Mr. GARCIA, Mr. NOLAN, Mr. MITCHELL, Mr. RICHMOND, Mr. STOKES, and Mr. STARK.

There is a growing feeling in this country that both Congress and the administration are failing the needs of the people by not fully addressing the issue of health care. The administration continues to delay its proposed legislation and what is being leaked bears no resemblance to the national health insurance plan supported by Mr. Carter when he ran for President. Legislation that has been introduced in previous years seems to be falling by the wayside as the health industry continues a well-financed—public and private—campaign against any reform of the industry.

We have in this country today a health delivery system where the quality of health care received is determined by race, language, national origin, or income level. Health is viewed as a commodity to be bought and sold in the marketplace, it is not viewed as a right of the people; a service to be provided by the Government. However, financing is not the only problem facing the people when it comes to the delivery of health care. Other, equally important, problems are the maldistribution of health manpower, the unequal access to services, the unreliable quality of care, and the lack of public control over health care. No matter how much we guarantee the payment of services to the people, it is of little comfort to them if there is no one around to provide the service.

When this legislation was introduced last year I said that I hoped it would open up the debate on the options available to the people. Unfortunately that has not happened. And why has not much been heard about a national health service. I would venture to say it is because the health care industry is now at least the third largest industry in this country. Last year we spent over $180 billion on health care and this year that figure is expected to top $200 billion. The idea of a national health service, one that provides more services at a lower cost, frightens the people that control this wealth.

Now is the time to truly make health a right and not a privilege. I ask you to read this legislation. Many people call it utopian, but it is only utopian when it is proposed for all the people, for we in Congress already have this type of health service.

At this time I would like to insert into the RECORD a summary of this legislation and other related materials:

QUESTIONS AND ANSWERS ON THE HEALTH SERVICE ACT

While high quality health care is a right of all people, this is not the current reality in the United States. Unequal access to care, excessive costs, geographical imbalances, and the deterioration of social, environmental, and occupational conditions beset Americans today. This Act creates a United States Health Service to overcome these deficiencies and implements the right to quality health care.

The United States Health Service will provide to all individuals, without charge and without discrimination of any kind, comprehensive health care and supplementary services delivered by salaried health workers and emphasizing the maintenance of health as well as the treatment of illness. Representative and democratic governance will be established through community boards mandated to provide primary health care services and chosen in community wide elections. District boards will oversee general hospitals and be selected by the community boards. Regional boards will oversee specialized care facilities and health team schools and be selected by district boards. Lastly, the National Health Board will provide overall planning and guidance and be selected by the regional boards, with approval by the President.

Health workers will have fair compensation, secure employment, and opportunities for career advancement and for full and equal participation in governance. There will be local, regional and national planning and funding to establish health care facilities so as to overcome shortages, especially for inner-city and rural populations. The Service will be financed through progressive taxation of individuals and payroll taxes on the employers, with these funds distributed on a capitation basis, supplemented by allocations for special health care needs.

WHY A HEALTH SERVICE?

Growing numbers of Americans realize that the present health care system, based on the private delivery of health care and financed on a fee-for-service basis, is unable to meet the health care needs of this country. One response has been to propose some form of national health insurance. However, no insurance plan will guarantee that health care services are available to everyone, improve the quality of current services, or hold down costs.

Instead of propping up an inadequate system with complex payment mechanisms and ineffective quality reviews, the Health Service Act will establish a health care delivery system that provides comprehensive health services to all Americans and is accountable to those it serves. This will be a publicly-controlled and operated health service employing health workers who will directly serve the public. Any scheme short of this can, at best, only ameliorate the ailments of the present health care system.

WHAT IS THE UNITED STATES HEALTH SERVICE?

The United States Health Service is an independent federal agency that is democratically-controlled to deliver health care in communities throughout the United States.

WHO CAN USE THE HEALTH SERVICE?

Any individual, while within the territory of the United States, will be able to receive services.

WHAT SERVICES WILL BE PROVIDED?

The United States Health Service will provide, without charge, a full range of medical, dental, and mental health services, as well as occupational, home health, and health education services. Drugs and medical equipment will be furnished without charge. Environmental inspections and monitoring, services will also be conducted.

These services will be provided through facilities established and maintained by the Service. Except in emergencies, it will not pay for services provided elsewhere. Three years after it begins full operation, it will not be possible for private practitioners (who charge their patients a fee) to use the facilities of the United States Health Service.

HOW WILL PHYSICIANS AND OTHER HEALTH WORKERS BE COMPENSATED?

All health workers will receive salaries commensurate with their job requirements and experience. Workers can receive increases in salary and be certified for job advancement through recognition of successful performance and through enhancement of their skills.

WHAT WILL BE THE STRUCTURE OF THE UNITED STATES HEALTH SERVICES?

The Health Service will be set up as a four-tier system—the community, district, region, and national level The base of the system is the "community," a geographic area with a population of between 25,000 and 50,000 (less in rural areas or in other special circumstances). In each community, primary health care services-general outpatient medical care, emergency services, mental health services—will be provided through community health centers, physicians' offices, laboratories, pharmacies, and other facilities. Nursing homes, multiservice centers for the handicapped, and mental heath facilities, also will be established and operated so as to promote the integration of persons using these facilities into the community.

Several communities will be joined together to form a "district" with a population of between 100,000 and 500,000. Each district will have a general hospital.

Several districts will be joined to form a "region" with a population of between 500,000 and 3,000,000 (more if necessary to enclose an entire metropolitan area). Each region will have a medical center providing highly specialized medical services and a health team school where all health workers will receive their education.

HOW WILL THOSE WHO USE THE SERVICES OF THE UNITED STATES HEALTH SERVICE, AND THOSE WHO WORK FOR IT, RUN IT?

Community health boards chosen in community wide elections by residents and health workers will plan the delivery of primary and preventive health services, hire community health workers, and assume overall responsibility for all community health services. District health boards, appointed by the community health boards in the district (with each community appointing three members) will oversee the district general hospital. Regional health boards, appointed by the district health boards in the region, will oversee the regional medical center and health team schools, and assist community and district boards in performing their duties. Lastly, the National Health Board, appointed by the regional health boards with the approval of the President, will carry out overall planning and budgeting and establish guidelines for the provision of health services by all health boards.

Two-thirds of the members of each board will be representatives of the users of the Service; one-third will be representatives of those who work in the health facilities operated by the Service.

All health facilities will be managed by the workers in them on a democratic basis. Each health board, in consultation with the workers, will develop a plan for democratic decisionmaking within each facility, including the equal participation of health workers at all skill levels. Health workers can also bargain collectively with the health boards on wages, benefits, and working conditions.

WHAT SPECIAL RIGHTS AND GUARANTEES WILL HEALTH SERVICE USERS HAVE?

A Bill of Health Rights incorporated into the legislation guarantees users of the United States Health Service access to all its services, to their choice of health workers and facility, to information and explanations in their primary language about their health status and any treatment or procedure, and to advocacy and legal assistance. Specific protections are included for women and residents of health care institutions to ensure rights associated with their special situations and health needs.

HOW WILL THE QUALITY OF HEALTH CARE BE ASSURED?

In contrast to the present medical licensing system, this Act calls for continuing review and assessment of the competency of health care providers, with oversight by representatives who use those services as well as those who provide them. The National Health Board will establish national guidelines for area health boards in training, hiring, and certifying health workers.

The ultimate safeguard of quality is the control of service delivery by health boards accountable to those who use the Service and those who work in it, able to draw for advice and technical support upon all the professional expertise employed by the United States Health Service.

WILL THIS BILL PROVIDE OCCUPATIONAL HEALTH SERVICES?

Unlike any of the curent health insurance proposals, this bill will provide extensive occupational health services. Screening diagnosis, treatment, and education for the detection and prevention of occupational hazards and diseases will be provided in community health facilities. Workers will participate in the occupational health programs in their community and work-places through elected community occupational safety and health action councils, which will perform monitoring and other functions to protect the safety and health of workers. Workers in each workplace will have the right to establish workplace occupational safety and health committees which will perform monitoring and other functions to protect the safety and health of workers.

HOW WILL THIS BILL ADDRESS THE PRESENT MALDISTRIBUTION OF HEALTH WORKERS AND FUNDS?

Operating funds will be allocated to regions, districts, and communities on a per capita basis, so that all areas will have funds proportionate to their populations. This will allow presently underserved areas especially those where low income and minority persons live, and many rural areas, to overcome their present serious shortages of physicians, other health workers, and health facilities. Special funds, amounting to 2% of all operating funds, will be allocated to communities where low income persons live, to help them alleviate their special burden of health problems.

The present maldistribution of health workers will be dealt with by requiring that graduates of health team schools serve in underserved areas for at least a period equal to the duration of their education but not to exceed two years, and by requiring that health boards not hire particular types of health workers if they have substantially greater number of them while other areas have substantially less.

HOW WILL USERS OF THE SERVICE BE PROTECTED FROM FAILURE OF HEALTH BOARDS TO PERFORM THEIR DUTIES?

Members of health boards will be accountable to the people who chose them. If they fail to meet the health needs of their areas, or neglect their duties, members of community health boards can be removed from office through a recall election. Members of other boards can be removed from office by two-thirds vote of the body that appointed them.

Regional boards will be empowered to investigate complaints regarding the actions of the community or district boards. In the event they determine that there has been mismanagement of funds or other failure or misconduct, they can suspend or restrict the board, appoint a trustee to take over its affairs, and hold a new election for a community board or see that a new district board is appointed. The National Health Board will perform similar oversight of regional boards.

HOW WILL THE EDUCATION OF HEALTH WORKERS BE CONDUCTED UNDER THIS BILL?

Health workers will receive their education from the Service in health team schools organized by regional health boards. They will begin their education by sharing classroom and clinical experiences in a restructured educational process. Curriculum design will maximize the studies undertaken in common by students preparing for the various types of health work and will emphasize the social basis of health. As students progress, their studies will branch out and extend into the various categories of health-related skills and knowledge.

Admission policies will emphasize previous health-related work experience and encourage the entrance of students who reflect the composition of the region's population. No tuition will be charged, and there will be stipends for living and educational expenses. (Outstanding health education loans will be paid by the Service for those accepting employment under the Service.) Each health team school will be governed by representatives of the region's residents and the staff and students of the school.

HOW WILL HEALTH RESEARCH BE CONDUCTED UNDER THIS BILL?

The Service will be mandated to conduct an extensive program of health and health care research. The first priority will be on the prevention and correction of the leading causes of illness and death, including environmental, occupational, and social factors. Research will be performed, to the maximum extent possible, under the auspices of community and district health boards, to ensure it is responsive to the health needs of people in their communities and workplaces.

HOW WILL THE SERVICE BE FINANCED?

In spite of the expansion of services, the cost of operating the Service will be less than the cost of the present health care system. The elimination of administrative costs associated with the insurance industry and its complex billing procedures, the expected decrease in unnecessary hospitalization and treatment from the elimination of fee-for-service medical practice, and the elimination of excessive fees and profits are estimated to reduce the total cost by at least 20 percent.

Funds to run the Service will come from a Health Service Trust Fund containing receipts from a special health service tax on individuals and employers and from general Federal revenues. The individual health service tax will rise with increasing income. Low and middle income individuals having less than about $6,000 taxable income will pay only 1 percent (equivalent to the Medicare payroll tax now in force, but repealed when the Service begins providing health services). Higher income individuals will pay substantially higher taxes, employers will pay a payroll tax equivalent to the current cost of health fringe benefits, and general revenues will contribute the amount now spent by Federal, State, and local governments on health services (Federal payment of these will be a form of additional revenue sharing to States and localities.)

Funds will be distributed to regions, districts, and communities on a uniform per capita basis, with special funds allocated to communities and districts for the care of persons over 65 years of age, persons confined to full-time residential institutions, low income persons, rural areas, and to meet special environmental, occupational, and other health needs of particular regions.

The division of funds between the district and community levels will be determined by the district boards, but with the consent of a majority of the community boards in each district. Similar procedures will be followed in dividing funds between the regional and district levels and the National and regional levels. Thus all health boards will have an equal role in determining the allocation of funds.

HOW WILL THE TRANSITION FROM THE PRESENT SYSTEM TO THE NEW HEALTH SERVICE BE MADE?

Immediately after this law is enacted, the President will appoint an Interim National Health Board broadly representative of the American people, to oversee the start of the transition process. It will draw the regional boundary lines and appoint an interim regional health board for each region. These boards in turn will draw boundaries for districts and communities and will then conduct elections for the members of community health boards. The boundaries drawn by these interim boards can be modified by the permanent boards once they are established, using a procedure in which residents of the affected areas will participate.

Once community health boards are elected, they will begin identifying sites for health facilities, acquiring buildings, and hiring health workers, and they will appoint the members of district health boards. Each board in turn, as it is appointed, will begin preparing to carry out its assigned responsibilities.

Two years after the bill is enacted, the National Health Board will begin functioning, and the delivery of health services will start two years later. All the health-care-related functions now carried out under the direction of the Secretary of Health, Education, and Welfare will then be transferred to the Service. Every two years thereafter, there will be elections for members of community health boards and subsequent appointments of new members of the district, regional and national boards.

In cases where particular boards are not ready, at the end of the four-year start-up period, to assume responsibility for the full delivery of services, these will be provided in neighboring areas or through private practitioners reimbursed under current Medicare arrangements. These temporary measures will remain in effect for up to three additional years.

The educational programs will be fully operating four years after the start-up of services.

SECTION-BY-SECTION SUMMARY

TITLE I—ESTABLISHMENT AND OPERATION OF THE UNITED STATES HEALTH SERVICE

Initial operation

Sec. 101—Establishment of the Service. There is established an independent establishment of the executive branch to be known as the United States Health Service. The authority of the Service shall be exercised by the health boards set up under this Act.

Sec. 102—Appointment of Interim National Health Board. No later than 30 days after the enactment of this Act, the President shall appoint 21 individuals over 18 years of age, broadly representative of the Nation's population, and no more than 7 of whom have been health workers within the preceding 2 years, to serve as members of the Interim National Health Board.

Sec. 103—Powers and duties of the Interim National Health Board. Members of the Interim National Health Board shall take whatever steps are necessary to establish the Service. They shall serve as the National Health Board of the Service until the National Health Board holds its first meeting, establish boundaries of health care delivery regions, select and provide assistance to interim regional health boards, and coordinate the initial election of community health boards.

Sec. 104—Authorization. There are authorized to be appropriated to the Service $4 billion to establish the Service.

Organization of area health boards

Sec. 111—Establishment of health care delivery regions. No later than six months after the appointment of members of the Interim National Health Board, the Board shall establish health care delivery regions throughout the United States. Each health care delivery region shall be a contiguous geographic area having a population of not less than 500,000 and not more than 3 million, except that the population may be less than 500,000 if this would facilitate the delivery of health care services or the effective governance of the program, and it may be greater than 3 million if the region includes a standard metropolitan statistical area. The boundaries of such regions shall consider economic and geographic barriers to the receipt of health care in nonmetropolitan areas. At least 60 days prior to the establishment of a boundary, the Interim National Health Board shall provide for a public hearing regarding such boundary.

Sec. 112—Appointment of interim regional health boards. No later than 60 days after the establishment of health care delivery regions, the Interim National Health Board shall appoint an interim regional health board for each region. Each interim regional health board shall be composed of 9 members over 18 years of age, broadly representative of the region's population, and no more than 3 of whom have been health workers within the preceding 2 years. Each interim regional health board shall establish the boundaries of health care delivery districts and communities in its region and conduct elections for voting members of community health boards in its region.

Sec. 113—Establishment of health care delivery districts and health care delivery communities. No later than six months after its appointment, each interim regional health board shall establish health care delivery districts and communities throughout its region. Each region shall be divided into three or more districts, each of which shall be a contiguous geographic area having a population of not less than 100,000 or more than 500,000, except that a district may have a population of less than 100,000 if this would facilitate the delivery of health care of the effective governance of the program.

Each district shall be divided into three or more communities, each of which shall be a contiguous geographic area whose residents have a commonality of interest, language, and ethnic and racial composition and whose population is not less than 25,000 or more than 50,000, except that a community may have a population of less than 25,000 if this would facilitate the delivery of health care or the effective governance of the program.

At least 60 days prior to the establishment of a boundary, the interim regional health board shall provide for a public hearing regarding such boundary.

Sec. 114—Election of community health boards. The Interim National Health Board shall arrange with State and local governments for the initial election of user members to be held on a date not later than 9 months after the appointment of the interim regional health boards. For each board there shall be 6 user members, plus one user member for each 5,000 residents in the community in excess of 30,000. For each board there shall be 3 workers members, plus one for each 10,000 residents in the community in excess of 30,000. The Interim National Health Board shall establish procedures for nomination and election of these health board members following the criteria outlined in this Act. The interim regional health boards shall conduct and supervise the nominations and elections of community health board members.

The initial meeting of each community health board shall be held not later than 30 days after the election.

Sec. 115—Appointment of district health boards. Not later than 60 days after its initial meeting, each community health board shall appoint two users residing in the community to serve as user members of its respective district board. The worker members of each board shall appoint a community health worker to serve as a worker member of its respective district board. The district health workers shall appoint a district health worker to serve on the district health board, following procedures outlined in the legislation. The initial meeting of the district health board shall be not later than 30 days after such appointment.

Sec. 116—Appointment of regional health boards. Not later than 60 days after its initial meeting, the user members of the district health board shall appoint two users to serve as user members of its respective regional health board. The worker members of the district health board shall appoint a district health worker as a worker member of its respective regional health board. The regional health workers shall elect a regional health worker to serve on the regional health board. The initial meeting of the regional health board shall be not later than 30 days after such appointment.

Sec. 117—Appointment of the National Health Board. Each region shall be assigned to one of three groupings of regions, each having (to the extent possible) an equal number and balanced geographic distribution. Each board for a region in the first two groups shall appoint a user to service as a user member and the National Health Board; the others shall appoint a worker member. These names shall be submitted to the President who shall have 10 days in which to approve or disapprove the nominations.

Sec. 118—Subsequent election and appointment of members of health boards. The next election for members of the community health boards shall be held in conjunction with each election of Members of the U.S. House of Representatives that occurs after the effective date of health services. The term of service (of all members of health boards) will be four years with staggered terms, half of the members being elected every two years. Such elections and subsequent appointments of members of district and regional boards and the National Health Board shall conform to the requirements of sections 114, 115, 116, and 117, respectively.

Sec. 119—Modification of the boundaries of health care delivery areas. No later than 2 years after each decennial national census, and at any other time it deems necessary, the National Health Board shall review the appropriateness of the boundaries of each region and may modify the boundaries if there has been a substantial population shift and if the modification is approved by a referendum of the residents whose regional identification would be changed. At least 60 days before the modification, a public hearing shall be held.

No later than 2 years after each decennial national census, upon receipt of a petition signed by not less than 15% of the registered voters in an area, and at other appropriate times, each regional board shall review the boundaries of the districts and communities in its region. A regional board may, after review and public hearings, modify a boundary if there has been a substantial population shift or the change would better carry out the purposes of this Act, and if the changes is approved by a referendum of those affected by it.

General provisions regarding health boards

Sec. 122—Membership of health boards. Each health board shall be composed of (1) members elected or appointed in accordance with the preceding sections, (2) one member appointed, in the case of a community board, by the community occupational safety and health action council established in section 412 and, in the case of a regional board, by the regional occupational safety and health action council established in section 413, (3) such voting user members as are necessary to ensure that the user members of the board approximate the population of the area by race, sex, income level and language and segments of the population having special health needs, and (4) such nonvoting associate members as the members determine to be necessary to provide representation of State, territorial, and local government, of segments having special health needs of the population and, in the case of the Interim National Health Board and the National Health Board, to help carry out this Act.

A recall election shall be held for any member of a community health board no later than 60 days after presentation to the regional health board of a petition signed by at least 15% of the registered voters (or health workers as appropriate) in the community requesting recall of the member. Members of district, regional, and the interim regional boards, and the National Board, may be recalled from office by the vote of ⅔ of the health board which appointed such members.

No individual may serve as a member of any board for more than 4 consecutive years, exclusive of any time that may be served to fill a vacancy. A vacancy caused by the death, resignation, or removal of a member shall be filled within 60 days by the same process which placed the original member on the board.

Sec. 123—Meeting and records of health boards. The members of each health board shall elect a chairperson and vice chairperson from among their members. The chairperson shall be responsible for convening meetings, including upon written request of any two members, and for carrying out other duties as the board may assign. Minutes of meetings of the board and its committees shall be available to the public, and all such meetings shall be open to the public.

Each health board may establish committees and advisory groups, and appoint to them such individuals as they find necessary to carry out their duties. Members of health boards shall receive per diem or salary payments plus reimbursement for necessary expenses.

Sec. 124—Procedures for establishment of national guidelines and standards. The National Health Board shall establish such guidelines and standards as will facilitate implementation of this Act. It encourages innovation and experimentation in achieving its objectives. At least 90 days before establishing a guideline or standard, it shall submit such guidelines or standards to all regional health boards for their review and comment. The National Health Board shall assist members of area health boards in using and implementing such guidelines and standards.

Sec. 125—Assistance to area health board members. Each regional board shall provide orientation, education, and technical assistance to district and community boards to insure that they are prepared to perform their duties.

TITLE II—DELIVERY OF HEALTH CARE AND SUPPLEMENTAL SERVICES

This title specifies the health care and supplemental services, and the administrative arrangements for delivering such services.

Patients' rights in health care delivery

Sec. 201—Basic health rights. The Service, in delivering health care services, shall ensure that every individual is given basic health rights. These include the right to receive high quality health care and supplemental services without charge and without discrimination; to be treated with dignity and respect; to choose health workers and to be responsible for facilities in which to receive service, to have access to one's health records; to have information translated into the individual's primary language; to receive a full explanation of all questions related to health care; to refuse any health care service, when the refusal does not directly endanger the health of others; to have counseling and assistance on health matters; to be accompanied and visited at any time by a friend or relative of the individual in the event of terminal illness, to die with dignity and to be allowed to die at home; and to have access to a complaint system and to legal assistance to enforce these rights.

Sec. 202—Right to paid leave to receive health care services. Each employee is entitled to one hour per 35-hour work week of paid leave to receive health care services.

Eligibility for, nature of, and scope of services provided by the service

Sec. 211—Eligibility for services. All individuals while within the United States are eligible to receive health care and supplemental services under this Act.

Sec. 212—Entitlement to services. On or after the effective date of health services, the Service shall provide users with all health care and supplemental services described in section 213 which are necessary for the promotion and enhancement of health, the prevention of disease, the treatment of illness, and rehabilitation following injury, disability or disease. These services do not include personal comfort on cosmetic services, unless the health board providing the services determines they are needed for health-related reasons.

Sec. 213—Provision of health care and supplemental services. The Service shall provide the following health care services in or through facilities established by the Service: promotion of health and well-being through health education programs; prevention of illness, injury, and death through education and advocacy addressed to the social, occupational and environmental causes of ill health through preventive services; diagnosis and treatment of illness and injury, including inpatient and outpatient service, mental health, occupational health, dental care, long-term care, and home health services; rehabilitation of the sick and disabled; and provision of drugs and therapeutic devices, appliances and equipment. The Service shall provide supplemental services of transportation and ambulance service to health facilities, child care facilities, homemaking and home health services, and counseling and social service assistance. The Service shall conduct environmental and preventive functions now performed by State and local health departments. The Service shall provide reimbursement for the cost of emergency health care services provided in facilities or by persons outside the Service, when immediate medical attention is required and it is impractical for the individual to receive care from the Service.

Health care facilities and delivery of health care services

Sec. 221—Establishment of health care facilities and distribution of delivery of health care and other services. Each community board shall establish facilities in its community to deliver (1) comprehensive primary medical and dental care, immunization, nutrition and screening services; children's health services; obstetrical and gynecological services; family planning and contraceptive services; pregnancy and abortion counseling and services; vision and hearing testing; provision of eyeglasses and other visual aids and hearing aids; 24-hour emergency medical services, provision of pharmaceuticals and medical equipment, mental health services, home health services, and occupational safety and health services; (2) specialized inpatient and outpatient health care services when these can be most effectively provided in a community setting; (3) supportive services and facilities for the physically or mentally handicapped, mentally ill, infirm and chronically ill to promote their integration and functioning within the community, and (4) community oriented health measures to focus community activities on the promotion of health and prevention of illness and injury and to make all residents aware of their ability to use the health services.

Each district board shall establish in its district a general hospital to provide inpatient health care services, as well as such other facilities as will promote the effective delivery of health care in its district.

Each regional board shall (1) establish a regional medical facility providing highly specialized health care services, and (2) provide health care services for individuals whose health care needs cannot be met by community or district boards because of occupational or other factors including migratory agricultural workers and those confined to correctional institutions.

Each area health board shall also provide health education, the maintenance of personal health records, referral services to facilities outside the area, assistance to individuals with language or cultural differences or educational handicaps in utilizing the services, information on health rights, guidelines, and standards, information on grievance mechanisms and legal services, and environmental health inspection and monitoring services.

Each area health board shall hire appropriate health workers (including administrative personnel) to ensure that its facilities provide the services mandated for the board. Each area health board shall utilize, wherever possible, existing health facilities including health centers, clinics, hospitals, nursing homes, and medical laboratories.

If a community district board fails to provide the necessary health care and supplemental services on the effective date of health services, its respective regional board shall take whatever steps are necessary to ensure that such services are available to individuals, in the area. This may include appointment of a trustee or trustee committee under section 402, requiring the community or district board in an adjacent area to provide such services on a temporary basis, or (until three years after the effective date of health services) providing reimbursement provision of specified services using procedures in effect just before the effective date of health services under title XVIII of the Social Security Act (Medicare).

Sec. 222—Operation and inspection of health care facilities. Each health board shall establish policies and organizational plans for each facility it has established. In establishing, implementing, and modifying such policies and plans, it shall seek the fullest possible participation of health workers in the facility and individuals using the facility by the workers in the facility. These policies and plans shall provide for (1) the management of the facility through decisionmaking mechanisms which provide full and equal participation of all health workers employed in the facility, (2) the elimination of domination by health professionals, and (3) regular accountability of the health workers to the board which established the facility.

On and after three years after the effective date of health services, a health board may not permit a health facility it has established to be used for the private delivery of inpatient or outpatient services. No individual employed by a health board may engage in the private delivery of health care. ("Private delivery" means the delivery of services for which there is remuneration from any source other than the Health Service Trust Fund established in section 511.)

Each health board shall ensure that any facility which provides substantial inpatient service for individuals who are within it for continuous periods of 30 days or longer is cleared and well-heated, cooled, and ventilated, adequately staffed, provides comfortable quarters for inpatients, provides opportunities for creative activity and recreation, establishes a review committee, informs an inpatient of all decisions involving the inpatient's health, and permits participation in such decisions. It shall not censor or harass communication of an inpatient, confiscate personal property, deny social and sexual life, require that the inpatient work, pay an inpatient less than the minimum wage, physically restrain an inpatient, other than one convicted of a crime, involuntarily for more than 72 hours without determination by the facility's review committee that such restraint is necessary, or take punitive or discriminatory action without approval of the facility's review committee. Annually, the inpatients of each such facility shall elect, from among themselves and any representatives of an interested user association, a review committee of at least 3 members.

Quality care shall be assured by regular inspections of the health care facilities. The results will be reported to the public.

Sec. 223—Provision of health services relating to reproduction and childbearing. Area health boards shall provide the following services: complete information on contraception and provision birth control materials or medication of the individual's choosing; complete and effective evaluation and treatment of venereal diseases and diseases of the reproductive organs; complete information and counseling with respect to pregnancy childbearing and possible outcomes involving genetically induced anomalies; complete and effective pregnancy testing; prenatal services; safe, comfortable and convenient abortion services; counseling by women in conjunction with the provision of all gynecologic, female contraceptive and abortion services and the counseling by men for male fertility-related services.

The services will be delivered without coersion or harassment, with complete confidentiality and without prior approval by anyone other than the individual receiving the services. An individual may be accompanied by a person of the individual's choice during the provision of the services described above to the extent this would not significantly increase the medical risk to the individual.

No area health board may perform a treatment or procedure (other than to preserve the patient's life) which could reasonably be expected to affect the individual's capacity to reproduce children unless the individual has again given voluntary consent to the treatment or procedure after being given full information on the effect of the treatment or procedure and on possible alternative treatments at least 30 days before beginning the treatment; and the individual, after the 30 day waiting period, has given written consent. Exceptions to this are the voluntary sterilization following the delivery of a child if written consent has been given 30 days prior to the anticipated delivery date, or during emergency surgery within the 30 day waiting period.

Before a mastectomy or other breast cancer treatment is performed, an area health board shall provide the woman with complete information on the range of medical options available and the side effects of each option and she shall give voluntary written consent to such procedures.

An area health board shall provide that a woman may deliver her infant in her home, be accompanied during labor and delivery by whomever she chooses, use the position she chooses, care for her infant at her beside, and feed her infant according to the method she desires, and be provided with information on the benefits, risks and side effects of each option.

TITLE III—HEALTH LABOR FORCE

Job categories and certification

Sec. 301—Effect of State Law. Notwithstanding any law of a State or political subdivision to the contrary, the service shall be the sole judge of the qualifications of its employees.

Sec. 302—Qualifications of Health Workers.—Each area health board shall establish procedures which ensure that work classified under a job category is performed by a health worker who is certified as competent to perform the work and authorized to perform the work by the area health board which employs the worker. Each area health board shall provide for the periodic review and assessment of the competency of its employees, and shall provide opportunities for health workers to be certified for more advanced job categories, each regional board shall provide periodic review and assessment of the performance of health workers in their region. The National Health Board shall provide the same for regional health workers.

Sec. 303—Establishment of Job Categories and Certification Standards.—The National Health Board shall establish guidelines for the classification, certification, and employment of health workers by job category that will ensure that health workers have demonstrated the necessary competency, expand the roles of health workers by enabling them to participate in health care delivery to the maximum extent consistent with their skills and permit alternative approaches to healing. In establishing these guidelines, the National Health Board shall provide for sufficient flexibility to permit regional boards most effectively to meet the health needs of their regions, and for sufficient uniformity to permit mobility of health workers among the regions as well as require exchange of health workers between districts. The National Health Board shall periodically evaluate the job categories and certification practices and make whatever modifications it deems necessary.

For job categories not requiring advanced specialty training, each regional board shall establish certification standards for its region which specify the functions performed by a health worker employed in a job category, the skills required to perform this work, the initial and continuing training, experience, and performance required, and the curriculum which a health worker must follow in a health team school. Each area health board within the region shall apply such standards to all health workers it employs.

The National Health Board shall establish standards for job categories involving highly specialized skills and requiring advanced specialty training. Area health boards shall apply such standards to all health workers employed by them in such job categories.

All such standards shall periodically be reviewed and modified as appropriate.

Education of health workers

Sec. 311—Health team schools. Each regional board shall establish a health team school to provide initial and continuing education in health care delivery for all health workers. Each school shall be functioning not later than four years after the effective date of health services, unless the National Health Board approves an alternate plan. A regional board, in consultation with its district and community boards, may decide that conducting particular educational programs in its school would be inefficient or inappropriate, and it may collaborate with one or more adjacent regional boards in conducting joint programs.

Schools shall be funded exclusively by the Service, shall not charge tuition, and shall provide students with allowances for living expenses. The National Health Board shall establish guidelines for operating health team schools such that the activities of each school shall be designed to meet the health needs of the region it serves, the number of students enrolled in each educational program shall be based on the needs of the region, and education for different job categories shall be integrated so as to permit health workers to receive successively higher levels of education. Each school's admissions, curriculum, faculty hiring, and governance policies shall be established with the fullest possible participation of community boards, health workers, staff, and students. Schools may not use low-income or minority individuals, women, or those in mental or penal institutions for experiments and demonstrations in numbers that are disproportionate to their population in the region.

Each regional board shall establish admissions policies for its school which emphasize previous health-related work experience, minimize the use of academic criteria other than those that are significantly related to future work performance, give preference to segments of the population now under represented among health workers, seek a student body that approximates the regions population by race, sex, family income, and language, and require the applicant to agree to perform health care service in accordance with Sec. 312.

Each regional board shall establish curriculum policies for its schools that give priority in study and field work to the leading causes of illness and death in the region (including especially environmental and social factors), provide all students with a common initial sequence of courses and then offer progressively more specialized studies, emphasize work-study experience in all types of health care facilities in the region, and facilitate the development of skills in decisionmaking and problem assessment by all health workers.

Each regional board shall establish faculty hiring procedures that seek a faculty that approximates the population of the region, and shall establish a government plan for the school which gives significant decisionmaking powers to staff and students.

Sec. 312—Service requirement. No individual may be enrolled in a health team school unless the individual agrees to perform service as an employee of the Service after graduation, for a period of time equal to the period of enrollment but not to exceed two years and for an area health board with the highest priority. For graduates of a health team school in a particular job category, the priority ranking for hiring is as follows: (1) the region, or a district or a community in the region, in which the school is located, if there is a health worker shortage in that job category; (2) any other region, district or community having such a shortage; and (3) any other area. A health worker shortage is defined to exist if an area has a ratio of the number of health workers in that job category to the number of residents which is less than two-thirds of the average of that ratio in the Nation, and the area health board has plans and a budget which call for hiring such an individual. The National Health board shall assist in matching the locational proferences of graduates with the needs of the area health boards in the area. Any individual who refuses to fulfill his service obligation shall be required to repay to the Service an amount determined in accordance with a formula stated in this Act.

Sec. 313—Payment for certain educational loans. For individuals who have incurred educational loans prior to the enactment of this legislation and who agree to work for the U.S. Health Service, the Service agrees to assume payment of their educational loans in accordance with this section.

Employment and labor-management relations within the service

Sec. 321—Employment, transfer, promotion, and receipt of fees. Health boards shall hire, classify and fix the compensation and benefits of their employees, in accordance with this Act and guidelines established by the National Health Board. There shall be employment and promotion in the Service in the same manner as is provided under the Federal civil service system, opportunities for career advancement, encouragement of health workers to use up to ten percent of their work time for continuing education without loss of pay, and full protection of employees' rights to a fair hearing on adverse actions.

Health boards shall give preference in hiring to those employed, or self-employed, as health workers before enactment of this Act. The National Health Board shall ensure that all such individuals may find employment within the Service Employees of the Service shall be eligible for promotion or transfer to any position in the Service for which they are qualified. Each regional health board shall have a job placement service to assist health workers in its region in attaining the maximum degree of career promotion opportunities and to insure continued improvement of health care services.

A district or community board may not hire an individual to fill a position in a job category if the ratio of health workers in that category to residents in the district or community is greater than four-thirds of such ratio for the region, and if there is a district or community within the region which is a health worker shortage area.

An employee of the Service may not receive a fee or prerequisite from anyone other than the Service for duties performed by virtue of such employment.

Sec. 322—Applicability of laws relating to Federal employees. The provisions of chapter 75 of title 5, United States Code (relating to adverse actions against employees), subchapter I of chapter 81 of title 5, United States Code (relating to compensation for work injuries), and chapter 83 of title 5, United States Code (relating to civil service retirement) shall apply to employees of the Service (except in some cases for the personal staff of health board members), unless these are inconsistent with provisions of negotiated collective bargaining agreements or with procedures established by the Service and approved by the Office of Personnel Management.

Compensation, benefits, and other terms and conditions of employment in effect before the effective date of health services for health workers employed by the Federal Government shall apply to employees of the Service until changed by the Service in accordance with this Act. No variation of fringe benefits shall result in benefits which are less favorable to employees of the Service than benefits in effect for employees of the Federal Government on the effective date of health services.

Sec. 323—Applicability of Federal labor-management relations law. The provisions of the National Labor Relations Act shall apply to the Service and its employees, except that (1) supervisory employees shall be included, (2) professional and unprofessional employees shall not be treated separately and (3) emergency provisions shall apply to regions.

Sec. 324—Defense of certain malpractice and negligence suits. No malpractice suit may be brought against an employee of the Service while acting within the scope of the employee's employment. The remedy in such cases shall be in civil action brought against the United States.

TITLE IV—OTHER FUNCTIONS OF HEALTH BOARDS

Advocacy, grievance procedures, and trusteeships

Sec. 401—Advocacy and legal services program. Each area health board shall establish a program of health advocacy to ensure the full realization of patients' rights. Such program shall include the employment of health advocates in health care facilities and measures to correct any infraction of such rights.

The National Health Board shall establish a health rights legal service program to ensure that patients and health workers receive, free of charge, high quality legal services for problems related to health care. The health rights program shall include the establishment of a legal services office in each region, and the establishment of such offices in communities and districts that have inadequate legal services. This program may be carried out directly or, in each instance, by contract with the National Legal Services Corporation or members of the private bar.

Sec. 402—Grievance procedures and trusteeships. Any user, health worker, or user association having an interest in health care may commence a grievance proceeding before a regional board, and a regional board may commence such a proceeding before itself, because of an alleged violation of this Act by a district or community board. Any user, health worker, or user association may commence a grievance proceeding before the National Health Board because of an alleged violation of this Act by a regional board, and the National Health Board may commence such a proceeding before itself.

The National Health Board shall review by appeal, by any party or on its own initiative, an adverse decision by a regional board.

Whenever a grievance proceeding is commenced there shall be a public hearing if the grievance is supported by a suitable petition or before setting aside an election or transferring any function of a board. If a grievance concerns the conduct of a election of a community board, and it is determined that the election was not conducted in compliance with this Act, or that there had been systematic failure of the user members of such community board to approximate the population of the community, by race, sex, language, or income level, the election shall be set aside and a new one held within 60 days after the date of the determination. If a new election is held because of a determination that portions of the population have not been represented, the election shall be conducted in a way that will facilitate such representation.

For grievances having to do with other matters, if it is determined that a health board has failed to comply with this Act, a new election or appointment within 60 days may be required. If it is determined that a community or district board has failed to comply with this Act, functions of such board may be transferred to the respective regional board until a new election or appointment is carried out. If a regional board has failed to comply with this Act, functions of this board may be transferred to the National Health Board until a new regional board is appointed.

Any party to a grievance proceeding may bring suit in the United States district court for the judicial district in which such proceeding was brought.

Occupational safety and health programs

Sec. 411—Functions of the National Health Board. On and after the effective date of health services, the National Health Board shall oversee an occupational safety and health program conducted at the regional level and shall participate in establishing and administering occupational safety and health standards under the Occupational Safety and Health Act of 1970, which is amended to transfer this area of authority from the Secretary of Health, Education, and Welfare to the National Health Board.

Sec. 412—Community occupational safety and health activities. A community occupational safety and health action council shall be established in each community, as follows: With the assistance of the community board, employees of each workplace in the community having 500 or more employees shall elect one member for each 500 employees; employees of workplaces having less than 500 employees shall vote in community-wide elections for a number of members equal to the number of such employees divided by 500 (rounded to the next highest whole number). Each such council shall appoint one individual to serve as a member of its community board; appoint one individual to serve as a member of the regional occupational safety and health action council for its region; advise the community board on, and oversee occupational safety and health programs in the community; facilitate the establishment and operation of workplace safety and health committees; and assist employees with respect to inspections of their workplaces.

Sec. 413—Regional occupational safety and health programs. Each regional board shall establish an occupational safety and health program for its region using, to the maximum extent feasible, facilities and resources of the community boards in its region. This program should include increasing the ability of employees to monitor safety and health conditions in, and assist in inspections of, their workplaces; facilitating communication among workers employed in similar industries in the region and unions regarding occupational hazards; conducting biologic screening of employees; monitoring the environment to identify hazards; and analyzing employment-related injuries and illnesses in the region.

Each regional occupational safety and health action council shall appoint one individual to serve as a member of its regional board, and shall advise its regional board and the National Health Board on occupational safety and health matters.

Sec. 414—Workplace health facilities. The employer in each workplace having 25 or more employees shall maintain a health facility in or near the workplace for occupational and emergency health care for employees. These facilities shall be organized according to National Health Board guidelines to provide services that meet the needs of the employees. They will be operated by the community board or the employer, with the cost in either case borne by the employer.

Sec. 415—Employee rights relating to occupational safety and health. Employees in each workplace having 25 or more employees shall have the right to establish workplace occupational safety and health committees. Members of these committees (not to exceed one for every 100 employees or fraction thereof) may, without loss of pay, spend 8 hours of each month on occupational safety and health matters and may accompany inspectors during inspections of their workplaces. Employees have the right, without loss of pay, to monitor safety and health conditions in their workplaces and to remove themselves from the site of any hazard until it has been eliminated. Employers shall furnish their employees with safety equipment and clothing. Employees or their representatives shall have the right to inspect all medical records kept by their employer on the condition of their health. Employers shall provide their employees with copies of reports and data on conditions affecting their health and safety and with timely notification of the presence of any dangerous materials or conditions.

Health and health care delivery research

Sec. 421—Principles and guidelines for research. On and after the effective date of health services, the Service shall conduct a program of research on health and health care delivery. Within two years thereafter, the research program shall conform to these principles: (1) to the maximum extent possible, research shall be performed under the direction of, and in association with community, district and regional boards; (2) area health boards must review and approve any research conducted in their facilities; (3) priority in health research shall be given to the prevention and correction of the leading causes of illness and death; (4) priority in health care delivery research shall be given to the improvement of ambulatory and primary health care; (5) no research shall be conducted using human subjects until all useful animal research has been undertaken; and (6) no research shall be conducted on humans without written consent of the individual or while involuntarily confined.

Sec. 422—Establishment of institutes. The National Health Board shall establish a National Institute of Epidemiology, a National Institute of Evaluative Clinical Research, a National Institute of Health Care Services, a National Institute of Pharmacy and Medical Supply, and a National Institute of Sociology of Health and Health Care, each with specified functions.

Health planning, distribution of drugs and other medical supplies, and miscellaneous functions

Sec. 431—Health planning and budgeting. Each area health board shall collect data on the delivery of health care in its area and shall transmit this data and their evaluation of it to the respective regional board, in the case of a district or community board, or to the National Health Board, in the case of a regional board, and to residents of the area. Each regional board shall coordinate the planning and administration of health care services, health worker education, and research in its region. The National Health Board shall formulate a national health plan and budget, in consultation with the regional boards, to provide guidance to area health boards.

Sec. 432—Distribution of drugs and other medical supplies. The National Health Board shall prepare and disseminate to area health boards a National Pharmacy and Medical Supply Formulary which will list drugs and medical supplies and give, for each item, standards of quality, medical conditions for which it is certified effective, and other appropriate information. At regular intervals the Board shall update the Formulary and publish a price list for items in the Formulary.

Each regional board shall establish a program for the purchase and distribution of drugs and other medical supplies for use by the health facilities in its region. This program will provide for the purchase of each item by competitive bidding or based on the price listed by the National Health Board, and it will provide for the distribution of drugs under their generic names.

Sec. 433—Miscellaneous functions of the National Health Board. The National Board shall, at the end of each calendar year, publish a report describing the operations of the Service during the preceding fiscal year and surveying the future health needs of the Nation and plans the Board has to meet these needs.

The National Health Board shall publish and disseminate to area health boards, for use by users, a comprehensive dictionary of terms used in health care records and services.

TITLE V—FINANCING OF THE SERVICE

Health service taxes

Sec. 501—Individual income and employer taxes. The Internal Revenue Code of 1954 is amended by adding a new part on health service taxes. These taxes are imposed on the taxable income of every individual, estate, and trust, increasing their tax liability in accordance with a table included in the Act, and on employers an excise tax of 4.5% of the wages paid by him. These taxes apply to taxable years including and after the effective date of health services.

Sec. 502—Other changes in the Internal Revenue Code of 1954. The Internal Revenue Code of 1954 is amended to delete any income exclusion for contributions to health plans providing health care and supplemental services that are provided under this Act; to deny deductions of payments for health care services provided under this Act; to deny deductions for contributions to medical and hospital facilities; and to repeal Medicare taxes. These amendments apply to taxable years including and after the effective date of health services.

Sec. 503—Existing employer-employee health benefit plans. No contractual or other nonstatutory obligation of an employer to pay or provide health services to his employees or others shall apply after the effective date of health services, to the extent such services are provided under this Act.

Sec. 504—Workers compensation program. No worker's compensation program shall pay for or provide health services after the effective date of health services, to the extent such services are available under this act.

Health Service Trust Fund

Sec. 511—Establishment of Health Service Trust Fund. There is created on the books of the United States Treasury a trust fund to be known as the Health Service Trust Fund. Funds received from health services taxes shall be appropriated to the Trust Fund.

Sec. 512—Transfer of funds to the Health Service Trust Fund. On the effective date of health services, all of the assets and liabilities of the Federal Hospital Insurance Trust Fund and the Federal Supplementary Insurance Trust Fund are transferred to the Health Service Trust Fund. In addition to the funds received from health service taxes, there is also appropriated to the Trust Fund a contribution from general revenues equal to 40 percent of the funds received from health service taxes.

Sec. 513—Administration of Health Service Trust Fund. The Trust Fund shall be administered by a Board of Trustees, composed of the Secretary of the Treasury, the Secretary of Health, Education, and Welfare, and the Chairperson of the National Health Board, according to the accepted standards for such federal trust funds. The Secretary of the Treasury shall pay from time to time from the Trust Fund such amounts as the National Health Board certifies are necessary to provide health care and supplemental services under this Act.

Preparation of plans and budgets

Sec. 521—Determination of fund availability. The National Health Board shall, not later than January 1 of each year, initially fix the maximum amount of funds which may be obligated during the fiscal year beginning on October 1 of such year. Such amount may not exceed the lesser of 140 percent of the expected net receipts from health services taxes, or the amount spent during the previous year adjusted to reflect changes in the cost of living and scope and cost of services. The National Health Board may obligate less funds, if it determines that the cost of providing services has lessened, or additional funds if necessary because of an epidemic or other unexpected occurrence.

Sec. 522—Preparation of area plans and budgets. Each community board shall, by January 1 of each year, submit to its respective district board a plan and budget for the fiscal year beginning October 1. Each district board, in consultation with its community boards, shall, by February 1, submit to its respective regional board a plan and budget for the fiscal year beginning October 1. Each regional board, in consultation with its district boards, shall, by March 1, submit to the National Board a plan and budget for the fiscal year beginning October 1. In preparing these budgets, each area health board shall specify its operating, prevention, capital, and research expenses for the coming fiscal year and for the five-year period beginning with that fiscal year.

Allocation and distribution of funds

Sec. 531—National budget. The National Health Board shall, as soon after April 1 as practical, transmit to the regional boards a national health budget for the fiscal year beginning October 1. It shall divide the total funds available into funds for ordinary operating, preventive health, capital, and research expenses, all divided into funds for use by the National Health Board and funds for the regions, and funds for special operating expenses as described in section 534. Funds for ordinary operating preventive health measures and research expenses are allocated to regions in proportion to their populations. During the first ten fiscal years, priority in capital funds shall be given to areas lacking adequate health care facilities. The budget shall be adopted upon approval by a majority of the regional boards.

Sec. 532—Regional budgets. Each regional board shall, as soon as practicable after adoption of the national health budget, transmit a regional budget to each district board in its region. This budget shall be adopted upon approval by a majority of the district boards. Funds for ordinary operating, prevention and research expenses shall be allocated to each district in proportion to population.

Sec. 533—District Budgets. Each district board shall, as soon as practicable after adoption of the respective regional health budget, transmit a district budget to each community board in its district. This budget shall be adopted upon approval by a majority of the community boards. Funds for ordinary operating, prevention and research expenses shall be allocated to each community in proportion to population.

Sec. 534—Special operating expense fund. A fund for special operating expenses shall be incorporated into each budget prepared by the National Health Board. Special operating expenses include the costs of care and treatment of users 65 years of age and over, care and treatment of persons confined to full-time residential care institutions, special health needs of low-income individuals, special health needs of residents of rural areas, special health needs arising from environmental or occupational health problems, special needs from unexpected occurrences, and the conduct of environmental inspection and monitoring services.

The special operating expenses fund is allocated as follows: Funds for the additional expenses associated with senior citizens, and with persons confined to residential care institutions, are allocated to districts and communities and consist of basic capitation amounts multiplied, respectively, by the number of senior citizens and number of residents in such institutions, in the respective areas. The National Health Board shall determine the basic capitation amounts.

Funds for the needs of low-income residents are allocated to communities in proportion to the number of residents having incomes below the poverty level. (The total of these funds shall be no less than 2 percent of the ordinary operating expenses.) Funds for special environmental and occupational health needs are allocated by the National Board to regional boards in accordance with its determination of such needs. (The total of these funds shall be no greater than one-half percent of the ordinary operating expenses.) Funds for unexpected occurrences shall be retained by the National Board and allocated by them. (These funds shall be no greater than one-half percent of the ordinary operating expenses.) Funds for environmental inspection and monitoring services shall be allocated to the area health boards performing such services.

Sec. 535—Distribution of funds. Funds shall be distributed by the National Health Board from the Trust Fund. No health board may request or receive funds from any other source. Area health boards may retain funds received from the National Health Board for two years after receipt of funds; after this period, unexpended funds must be returned to the National Health Board for deposit in the Trust Fund.

Sec. 536—Annual statement, records, and audits. Each area health board shall prepare annually and transmit to the National Health Board a statement that accurately shows the financial operations of the board and its facilities. The National Health Board and the Comptroller General of the United States shall, for auditing purposes, have access to all records and documents of the Service.

General provisions

Sec. 541—Issuance of obligations. The National Health Board is authorized to borrow money and to issue and sell such obligations as it determines are necessary to carry out this Act, but only in such amounts as are specified in appropriation Acts. The aggregate amounts of obligations at one time shall not exceed $10 billion. The National Health Board may pledge the assets of the Trust Fund and pledge and use its revenues to pay principal and interest on obligations. The service shall abide by the general rules and procedures for the issuance of obligations followed by agencies of the Federal Government. Obligations issued by the Service shall be obligations of the United States Government and payment is fully guaranteed by the Government.

TITLE VI—MISCELLANEOUS PROVISIONS

Sec. 601—Effective date of health services. The effective date of health services under this Act is January 1 of the fourth calendar year after the year in which this Act is enacted.

Sec. 602—Repeal of provisions. Effective on the date of health services, portions of the Public Health Service Act, the Social Security Act, and other acts relating to the provision of health care services and the conduct of health and health care research are repealed. Portions of the Public Health Service Act relating to health worker education remain in effect until four years after the effective date of health services.

Not later than 3 years after the date of enactment of this Act, the President shall prepare, in consultation with the National Health Board, and transmit to Congress legislation to repeal or amend additional provisions of law that are inconsistent with the purposes of this Act. Such legislation shall include transfers of such authority of the Secretary of Health, Education, and Welfare, relating to standard-setting, regulation, and licensing, as the President determines, after consultation with the National Health Board to be appropriate.

Not later than one year after the effective date of health services, the National Health Board shall report to the President and to the Congress on how the Service is carrying out the purposes of the programs which have been repealed.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. RUNNELS (at the request of Mr. WRIGHT) for an indefinite period on account of medical reasons.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GINGRICH) to revise and extend their remarks and include extraneous material:)

Mr. GOLDWATER, for 5 minutes, today.

Mr. CARNEY, for 10 minutes, today.

Mr. BEREUTER, for 5 minutes, today.

Mr. KEMP, for 10 minutes, today.

Mr. COLLINS of Texas, for 20 minutes, today.

Mr. JEFFORDS, for 45 minutes, Tuesday, March 20, 1979.

(The following Members (at the request of Mr. DELLUMS) to revise and extend their remarks and include extraneous material:)

Mr. WEAVER, for 10 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. FLOOD, for 5 minutes, today.

Mr. PEASE, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DELLUMS, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $2,798.

(The following Members (at the request of Mr. GRISHAM) and to include extraneous material:)

Mr. CAMPBELL.

Mr. WHITEHURST.

Mr. GINGRICH.

Mr. MCCLORY.

Mr. DORNAN.

Mr. COUGHLIN.

Mr. ABDNOR.

Mr. FINDLEY.

Mr. WYDLER.

Mr. SHUMWAY.

Mr. DICKINSON in two instances.

(The following Members (at the request of Mr. DELLUMS) and to include extraneous matter:)

Mr. GARCIA.

Mr. REUSS.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Ms. HOLTZMAN in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. BLANCHARD.

Mr. MCHUGH.

Mr. MOORHEAD of Pennsylvania.

Mr. FOWLER in two instances.

Mr. WOLFF in two instances.

Mr. HAMILTON.

Mr. FORD of Tennessee.

Mr. STARK.

Mr. HOLLAND.

Mr. MARKEY.

Mr. MURPHY of New York in three instances.

Mr. BRINKLEY.

Mr. STEED.

Mr. GRAMM.

Mr. DODD.

Mr. MURPHY of Illinois.

Mr. DELLUMS in two instances.

Mr. SCHEUER.

Mr. GIAIMO.

ADJOURNMENT

Mr. DELLUMS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 21 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 20, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

991. A letter from the Comptroller General of the United States, transmitting his review of the revised deferrals contained in the message from the President dated February 14, 1979 (H. Doc. No. 96-56), pursuant to section 1014(c) of Public Law 93-344 (H. Doc. No. 96-77); to the Committee on Appropriations and ordered to be printed.

992. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 55 of title 10, United States Code, to authorize the use of CHAMPUS inpatient cost-sharing rates for surgery performed on an outpatient basis; to the Committee on Armed Services.

993. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to repeal section 309 of title 37, United States Code, relating to additional pay for performance of administrative duty by an officer of the National Guard or of a reserve component of a uniformed service; to the Committee on Armed Services.

994. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Venezuela for permission to transfer certain U.S.-origin military equip-

ment to the Government of Costa Rica, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

995. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report that no gifts of more than minimal value purchased with appropriated or unappropriated funds were given to foreign individuals by the U.S. Government during fiscal year 1978, pursuant to section 515 (b)(2) of Public Law 95–105; to the Committee on Foreign Affairs.

996. A letter from the Director, Office of Procurement Management, Department of Energy, transmitting a report on extraordinary contractual actions taken by the Department during calendar year 1978, pursuant to section 4 of Public Law 85–804; to the Committee on Government Operations.

997. A letter from the Secretary of Housing and Urban Development, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

998. A letter from the Assistant Secretary of Energy for Resource Applications, transmitting the annual report for fiscal year 1978 of the Bonneville Power Administration, containing a consolidated financial statement covering all of the electric power generating projects and the transmission system comprising the Federal Columbia River Power System, pursuant to section 3(a) of Public Law 89–448; to the Committee on Interior and Insular Affairs.

999. A letter from the Assistant Attorney General (Antitrust Division), transmitting the fourth report on the voluntary agreement and plan of action to implement the International Energy Program, pursuant to section 252(i) of the Energy Policy and Conservation Act; to the Committee on Interstate and Foreign Commerce.

1000. A letter from the Secretary of Health, Education, and Welfare, transmitting the second report on the supply and distribution of and requirements for nurses, pursuant to section 951 of Public Law 94–63; to the Committee on Interstate and Foreign Commerce.

1001. A letter from the Secretary of Health, Education, and Welfare, transmitting the annual report for fiscal year 1978 on the Department's administration of the Fair Packaging and Labeling Act, pursuant to section 8 of Public Law 89–755; to the Committee on Interstate and Foreign Commerce.

1002. A letter from the Chairman, Interstate Commerce Commission, transmitting a report on the effectiveness of the Rail Passenger Service Act of 1970, pursuant to section 308(c) of the act; to the Committee on Interstate and Foreign Commerce.

1003. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the John C. Kluczynski Federal Building, Chicago, Ill., pursuant to section 7 of the Public Buildings Act of 1959; to the Committee on Public Works and Transportation.

1004. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the U.S. Post Office and Courthouse, Salt Lake City, Utah, pursuant to section 7 of the Public Buildings Act of 1959; to the Committee on Public Works and Transportation.

1005. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at Building No. 110, St. Louis, Mo., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1006. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Middle River, Md., Federal Depot, pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1007. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Washington, D.C., Housing and Urban Development Building, pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1008. A letter from the Administrator of General Services, transmitting a prospectus propsing the acquisition of space by lease in Los Angeles County, Calif., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1009. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Federal Building and U.S. Courthouse, Commercio and San Justo Streets, San Juan, Puerto Rico, pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1010. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the U.S. Post Office–Courthouse, 10th Street and Georgia Avenue, Chattanooga, Tenn., pursuant to section 7 (a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1011. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the Federal Building and U.S. Courthouse, Denver, Colo., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1012. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend chapter 19 of title 38, United States Code, to permit the unrestricted assignment of a beneficiary's interest in the proceeds of a Government Life Insurance policy in cases involving contested claims, and to increase the amount an attorney may receive for representing a claimant in such cases; to authorize the Administrator to establish a program of dividends for certain types of National Service Life Insurance; to authorize the Administrator to use a flexible interest rate in cases where the beneficiary of Government Life Insurance receives the proceeds of such insurance under certain settlement options; and for other purposes; to the Committee on Veterans' Affairs.

1013. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting the fourth annual report on the Board's activities under section 18(f) of the Federal Trade Commission Act, pursuant to section 18(f)(5) of the act (88 Stat. 2197); jointly, to the Committees on Banking, Finance and Urban Affairs and Interstate and Foreign Commerce.

1014. A letter from the Director, Office of Congressional Affairs, U.S. Nuclear Regulatory Commission, transmitting the fourth annual report of the Commission, covering fiscal year 1978, pursuant to section 307(c) of the Energy Reorganization Act of 1974; jointly, to the Committees on Foreign Affairs, Interior and Insular Affairs and Interstate and Foreign Commerce.

1015. A letter from the Director, Office of Congressional Affairs, U.S. Nuclear Regulatory Commission, transmitting an explanation of the selection process and rationale for decisions regarding unresolved safety issues detailed in the Commission's 1978 annual report; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

1016. A letter from the Secretary of Health, Education, and Welfare, transmitting the 12th report on the Indochinese Refugee Assistance program, covering fiscal year 1978, pursuant to section 4(b) of the Indochina Migration and Refugee Assistance Act of 1975, as amended (91 Stat. 1225); jointly, to the Committees on the Judiciary, Appropriations, and Foreign Affairs.

1017. A letter from the Comptroller General of the United States, transmitting a report on the problem of disparity in criminal sentencing and prosecution in the Federal criminal justice system (GGD–78–112, March 19, 1979); jointly, to the Committees on Government Operations, and the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on March 15, 1979, the following report was filed on March 16, 1979*]

Mr. ZABLOCKI: Committee on Foreign Affairs. H.R. 2774. A bill to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes (Rept. No. 96–47). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted March 19, 1979*]

Mr. FUQUA: Committee on Science and Technology. H.R. 1786. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; with amendment (Rept. No. 96–52). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 1787. A bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development (Rept. No. 96–53). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 2277. A bill to authorize research, development, and demonstration projects relating to aviation, and for other purposes (Rept. No. 96–54). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DANIELSON: Committee on the Judiciary. H.R. 896. A bill for the relief of Joseph J. Andrews (Rept. No. 96–48). Referred to the Committee of the Whole House.

Mr. KINDNESS: Committee on the Judiciary. H.R. 899. A bill for the relief of Mr. and Mrs. Aaron Wayne Ogburn (Rept. No. 96–49). Referred to the Committee of the Whole House.

Mr. McCLOSKEY: Committee on the Judiciary. H.R. 932. A bill for the relief of Doris Mauri Coonrad (Rept. No. 96–50). Referred to the Committee of the Whole House.

Mr. MAZZOLI: Committee on the Judiciary. H.R. 1158. A bill for the relief of James C. Wilkinson (Rept. No. 96–51). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 3045. A bill to grant a Federal charter to the Italian American War Veterans of the United States; to the Committee on the Judiciary.

By Mr. FITHIAN (for himself, Mr. Vander Jagt, Mr. Stangeland, and Mr. Findley):

H.R. 3046. A bill to suspend the duty on freight cars until the close of June 30, 1981; to the Committee on Ways and Means.

By Mr. FORD of Tennessee:

H.R. 3047. A bill to provide coverage for hearing aids, eyeglasses, and dentures under the medicare program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. HAMMERSCHMIDT:

H.R. 3048. A bill to amend title 38, United States Code, to redefine the eligibility requirements for consideration of the allowance for aid and attendance by certain veterans having serious service-connected disabilities; to the Committee on Veterans' Affairs.

By Mr. HUCKABY (for himself, Mr. Weaver, Mr. Watkins, Mr. Anthony, Mr. Bowen, Mr. Lott, Mr. Akaka, Mr. Oberstar, Mr. Holland, Mr. Moffett, Mr. Bevill, Mr. Evans of Georgia, Mr. AuCoin, and Mr. Skelton):

H.R. 3049. A bill to authorize and direct the Secretary of Agriculture to conduct a pilot program of loans providing for periodic payments to owners of nonindustrial private forest lands; to the Committee on Agriculture.

By Mr. HUTTO:

H.R. 3050. A bill to amend the Food Stamp Act of 1977 to allow deductions for certain medical and dental expenses in the computation of income for households which are composed entirely of persons who are age 62 or older or who are recipients of benefits under title XVI of the Social Security Act; to the Committee on Agriculture.

By Mr. LEVITAS (for himself, Mr. Johnson of California, and Mr. Abdnor):

H.R. 3051. A bill authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. LOTT:

H.R. 3052. A bill to define letter mail under the Private Express Statutes; to the Committee on Post Office and Civil Service.

By Mr. MARKEY:

H.R. 3053. A bill to provide for demonstration programs for the placement, by hospitals and by certain other qualified agencies, of certain elderly or disabled long-term care patients with foster care families; to the Committee on Interstate and Foreign Commerce.

By Mr. MICA (for himself, Mr. McKay, Mr. Buchanan, Mr. Murphy of Pennsylvania, Mr. Simon, Mr. Dornan, Mr. Gradison, Mr. Goldwater, Mr. Davis of Michigan, and Mr. Leach of Louisiana):

H.R. 3054. A bill to amend the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to provide that (after a 3-year phase-in period) Federal expenditures shall not exceed Federal revenues, except in time of war or economic necessity declared by the Congress; jointly, to the Committees on Rules and Government Operations.

By Mr. MURPHY of New York (for himself, Mr. Jones of North Carolina, Mr. Biaggi, Mr. Anderson of California, Mr. Breaux, Mr. Bowen, Mr. Hubbard, Mr. Bonker, Mr. AuCoin, Mr. Oberstar, Mr. Bonior of Michigan, Mr. Akaka, Mr. Myers of Pennsylvania, Mr. Donnelly, Mr. McCloskey, Mr. Snyder, and Mr. Davis of Michigan):

H.R. 3055. A bill to amend the Shipping Act, 1916 to strengthen the provisions prohibiting rebating practices in the U.S. foreign trades; to the Committee on Merchant Marine and Fisheries.

By Mr. NOWAK:

H.R. 3056. A bill to promote the ownership of small businesses by their employees and to provide a means whereby employees can purchase their companies which would otherwise be closed, liquidated, or relocated, and to assure that firms owned wholly or partly by their employees are eligible for all forms of assistance from the Small Business Administration; to tne Committee on Small Business.

By Mr. OBERSTAR:

H.R. 3057. A bill to amend the Railroad Retirement Act of 1974 with respect to the entitlement under such act of certain remarried spouses and divorced spouses of railroad employees; to the Committee on Interstate and Foreign Commerce.

H.R. 3058. A bill to amend the Railroad Retirement Act of 1974 to provide that an individual who has completed 30 years of railroad service shall be deemed to have a current connection with the railroad industry for the purposes of such act; to the Committee on Interstate and Foreign Commerce.

H.R. 3059. A bill to amend the Railroad Retirement Act of 1974 to provide benefits for certain disabled spouses of railroad employees and for certain spouses of disabled railroad employees; to the Committee on Interstate and Foreign Commerce.

H.R. 3060. A bill to amend the Railroad Retirement Act of 1974 to assure that surviving parents receive benefits that are not less than those analogous surviving parents receive under the Social Security Act; to the Committee on Interstate and Foreign Commerce.

H.R. 3061. A bill to amend the Railroad Retirement Act of 1974 to eliminate deductions from certain annuities on account of military pensions, disability compensation, and other gratuitous benefits given under other acts of Congress; to the Committee on Interstate and Foreign Commerce.

H.R. 3062. A bill to amend the Railroad Retirement Act of 1974 to permit certain voluntary military service to be counted toward years of service requirements for benefits under such act; to the Committee on Interstate and Foreign Commerce.

H.R. 3063. A bill to amend titles II and XVIII of the Social Security Act to provide medicare coverage for disabled individuals under age 65 from the first month of their entitlement to benefits based on disability, in cases where the individuals involved are becoming reentitled to such coverage after a previous coverage period which ended during the preceding 5 years; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PEASE:

H.R. 3064. A bill to amend section 403(b) of the Rail Passenger Service Act to provide that Amtrak and a State, regional, or local agency may enter into an agreement for the operation, either by Amtrak or by such agency, of rail passenger service beyond that included within the basic system, that Amtrak shall provide 80 percent and such agency shall provide 20 percent of the costs incurred in connection with the operation of such service, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H.R. 3065. A bill to amend the Social Security Act to provide for inclusion of the services of licensed practical nurses under medicare and medicaid; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 3066. A bill to amend section 409 of title 37, United States Code, to eliminate restrictions for transporting a house trailer or mobile dwelling by a member of the uniformed services, and for other purposes; to the Committee on Armed Services.

H.R. 3067. A bill to provide for the advance payment of station housing allowances for members of the uniformed services assigned overseas; to the Committee on Armed Services.

By Mr. RANGEL:

H.R. 3068. A bill to amend the Internal Revenue Code of 1954 to allow handicapped individuals a credit for certain transportation expenses; to the Committee on Ways and Means.

By Mr. ROBERTS (by request):

H.R. 3069. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their surviving spouses and children; and for other purposes; to the Committee on Veterans' Affairs.

H.R. 3070. A bill to amend section 101 of title 38, United States Code, to limit the recognition of persons as legally adopted children of a veteran if adopted through courts in foreign countries; to the Committee on Veterans' Affairs.

H.R. 3071. A bill to amend title 38, United States Code, to revise and clarify eligibility for certain health care benefits; to revise and clarify the Department of Medicine and Surgery personnel system; to revise medical resources utilization; and for other purposes; to the Committee on Veterans' Affairs.

H.R. 3072. A bill to amend title 38, United States Code, to authorize a pilot program for the treatment and rehabilitation of veterans with alcohol or drug-dependent disabilities, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 3073. A bill to amend title 38, United States Code, to provide readjustment professional counseling to Vietnam-era veterans and their families, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. ROE:

H.R. 3074. A bill to amend the Internal Revenue Code of 1954 to allow certain individuals who have attained age 65 or who are disabled a refundable tax credit for property taxes paid by them on their principal residences or for a certain portion of the rent they pay for their principal residences; to the Committee on Ways and Means.

H.R. 3075. A bill to amend the Internal Revenue Code of 1954 to allow a deduction of not more than $1,500 for amounts paid or incurred for maintaining a household a member of which is a dependent of the taxpayer who has attained the age of 65; to the Committee on Ways and Means.

H.R. 3076. A bill to amend the Social Security Act to provide medicare benefits for individuals who require total parenteral nutrition (TPN); to the Committee on Ways and Means.

H.R. 3077. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

H.R. 3078. A bill to amend the Internal Revenue Code of 1954 to provide for individual supplemental retirement savings; to the Committee on Ways and Means.

H.R. 3079. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $500 of interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

H.R. 3080. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit of $250 to an individual for expenditures for health insurance premiums; to the Committee on Ways and Means.

H.R. 3081. A bill to amend the Internal Revenue Code of 1954 to exempt certain State and local government retirement systems from taxation, and for other purposes; to the Committee on Ways and Means.

H.R. 3082. A bill to amend the Internal Revenue Code of 1954 to allow individuals to compute the amount of the deduction for payments into retirement savings on the basis of the compensation of their spouses, and for other purposes; to the Committee on Ways and Means.

H.R. 3083. A bill to provide income tax incentives for the modification of certain facilities so as to remove architectural and transportational barriers to the handicapped and elderly; to the Committee on Ways and Means.

H.R. 3084. A bill to provide that State and local sales taxes paid by individuals shall be allowed as a credit against their liability for Federal income tax instead of being allowed as a deduction from their gross income; to the Committee on Ways and Means.

H.R. 3085. A bill to amend the Internal Revenue Code of 1954 to allow certain married individuals who file separate returns to be taxed as unmarried individuals; to the Committee on Ways and Means.

H.R. 3086. A bill to amend title XVIII of the Social Security Act to authorize payment under the supplementary medical insurance program for optometric and medical vision care; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 3087. A bill to amend the Social Security Act to direct the Secretary of Health, Education, and Welfare to develop standards relating to the rights of patients in certain medical facilities; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 3088. A bill to provide for quality assurance and utilization control in home health care under the medicare, medicaid, and social services programs in accordance with a plan to be developed by a commission specifically established for that purpose; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 3089. A bill to amend title XVIII of the Social Security Act to provide for the coverage of certain psychologists' services under the supplementary medical insurance benefits program established by part B of such title; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 3090. A bill to amend title XVIII of the Social Security Act to provide coverage for services which may be performed by a dentist on the same basis as presently allowed for physicians under the medicare program, and to authorize payment under such program for all inpatient hospital services furnished in connection with dental procedures requiring hospitalization; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. ROSTENKOWSKI (for himself and Mr. Corman):

H.R. 3091. A bill to extend for 1 year the provisions of law relating to the business expenses of State legislators; to the Committee on Ways and Means.

By Mr. YOUNG of Florida:

H.R. 3092. A bill to amend the Internal Revenue Code of 1954 to provide that no deduction shall be allowed for expenses for advertising alcoholic beverages and tobacco products; to the Committee on Ways and Means.

By Mr. RHODES (for himself, Mr. Michel, Mr. Anderson of Illinois, Mr. Devine, Mr. Edwards of Alabama, Mr. Shuster, Mr. Lott, Mr. Vander Jagt, Mr. Quillen, Mr. Conable, Mr. Horton, Mr. Wydler, Mr. Clausen, Mr. Brown of Ohio, and Mr. Loeffler):

H.J. Res. 260. Joint resolution to develop a national emergency energy plan; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. BOLAND (for himself and Mr. Robinson):

H. Res. 165. Resolution to amend the Rules of the House of Representatives to permit the Permanent Select Committee on Intelligence to vote to conduct certain hearings in executive session; to the Committee on Rules.

SUBSEQUENT ACTION ON BILLS INITIALLY REFERRED UNDER TIME LIMITATIONS

Under clause 5 of rule X, the following actions were taken by the Speaker:

Referral of the bill (H.R. 39) to provide for the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes, to the Committee on Interior and Insular Affairs and the Committee on Merchant Marine and Fisheries extended for an additional period ending not later than April 23, 1979, for continued consideration of such provisions of the bill as fall within the jurisdictions of those committees under rule X, clause 1 (k) and (n), respectively.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

75. By the SPEAKER. A memorial of the Legislature of the Federated States of Micronesia, relative to the appropriation of funds to compensate Micronesians for certain indefinite land use agreements; to the Committee on Appropriations.

76. Also, memorial of the Legislature of the Commonwealth of Virginia, requesting that Congress propose an amendment to the Constitution of the United States to provide that total Federal revenues as a percent of national income be reduced and that in no year shall total Federal expenditures exceed revenues; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HUCKABY:

H.R. 3093. A bill for the relief of Justo F. Cabral; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H.R. 3094. A bill to authorize the Secretary of Commerce to sell five obsolete vessels to the Inter-Ocean Management Co., a California corporation, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. SCHEUER:

H.R. 3095. A bill for the relief of Genova Dominguez; to the Committee on the Judiciary.

By Mr. STEED:

H.R. 3096. A bill for the relief of Raymond M. Gee; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 204: Mr. Derrick, Mr. Edwards of Oklahoma, Mr. Roe, Mr. McKinney, and Mr. Dornan.

H.R. 276: Mr. Albosta.

H.R. 285: Mr. Diggs.

H.R. 286: Mr. Diggs.

H.R. 654: Mr. Dornan, Mr. Burgener, Mr. Dan Daniel, Mr. Roe, Mr. Cleveland, Mr. Ertel, Mr. Neal, Mr. Hance, Mr. Sawyer, Mr. Sensenbrenner, Mr. Tauke, and Mr. Solomon.

H.R. 1002: Mr. Lagomarsino, Mr. Dannemeyer, Mr. Collins of Texas, Mr. McDonald, Mr. Marriott, Mr. Lee, Mr. Symms, Mr. Goldwater, Mr. Young of Alaska, Mr. Guyer, Mr. Gingrich, Mr. Roe, and Mr. Robinson.

H.R. 1480: Mr. Dickinson.

H.R. 1840: Mr. Dannemeyer, Mr. McDonald, Mr. Collins of Texas, and Mr. Symms.

H.R. 1841: Mr. Murphy of Pennsylvania, Mr. Howard, Mr. Bonior of Michigan, Mr. Guyer, Mr. John L. Burton, and Mr. Roe.

H.R. 2678: Mr. Evans of the Virgin Islands.

H.R. 2727: Mr. Mineta, Mr. Weaver, Mr. English, Mr. Ichord, Mr. Corman, Mr. Shumway, Mr. Abdnor, Mr. Oberstar, Mr. Volkmer, Mr. Coleman, Mr. Traxler, Mr. Baldus, Mr. Stangeland, Mr. Alexander, and Mr. Ford of Tennessee.

H.R. 2843. Mr. Stratton, Mr. Wolff, and Mr. Frenzel.

H.J. Res. 180: Mr. Volkmer, Mr. Corrada, Mr. Regula, Mr. Flood, Mr. Hutto, Mr. Murphy of Pennsylvania, Mr. Young of Florida, Mr. McDonald, Mr. Hyde, Mr. Dan Daniel, Mr. Dougherty, Mr. Daniel B. Crane, Mr. Lagomarsino, Mr. Mazzoli, Mr. Stangeland, Mr. Goldwater, Mr. Tauke, and Mr. Dornan.

H.J. Res. 213: Mr. Benjamin, Mr. Buchanan, Mr. Burgener, Mr. Dickinson, Mr. Grassley, Mr. Gudger, Mr. Hansen, Mr. Harsha, Mr. Madigan, Mr. Martin, Mr. Quayle, Mr. Robinson, Mr. Rousselot, Mr. Sebelius, Mr. Spence, Mr. Stenholm, Mr. Symms, Mr. Young of Florida, Mr. D'Amours, Mr. Goldwater, and Mr. Rudd.

H. Res. 106: Mr. Duncan of Tennessee, Mr. Harkin, Mr. McDade, Mr. Leach of Iowa, Mr. Courter, and Mr. Beard of Tennessee.

SENATE—*Monday, March 19, 1979*

(Legislative day of Thursday, February 22, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. David Pryor, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Almighty God, as we draw near to Thee, deliver us from coldness of heart or wandering of mind that we may feel Thy nearness, know Thy presence and offer ourselves to Thee in service to Thy higher kingdom. Guard us against those occupational sins which so easily beset us—envy and vindictiveness, cynicism and ridicule. Implant within us the virtues and the values of the godly life. Show us day by day how to do justly, to love mercy and to walk humbly with our God.

In Thy holy name we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 19, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID PRYOR, a Senator from the State of Arkansas, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. PRYOR thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I reserve the remainder of my time.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have no requirement for my time under the standing order, and if there is no request for it, I am prepared to yield it back if the majority leader is prepared to do likewise.

Mr. ROBERT C. BYRD. I yield my time back.

Mr. BAKER. I yield my time back at this time.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from New York (Mr. JAVITS) is recognized for not to exceed 15 minutes.

Mr. BAKER. Mr. President, I ask unanimous consent to transfer the time allotted to me under the standing order previously entered, and that allocated to Mr. STEVENS and to Mr. TOWER to the Senator from New York (Mr. JAVITS).

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAKER. Now, Mr. President, noting the Senator from New York is momentarily absent from the floor, and at his request and on his time, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, how much time do I have?

The ACTING PRESIDENT pro tempore. The Senator has 56 minutes and 15 seconds.

Mr. JAVITS. Will the Chair advise me when I have consumed 30 minutes?

The ACTING PRESIDENT pro tempore. The Chair will so advise.

IS A RECESSION IN 1979-80 INEVITABLE?

Mr. JAVITS. Mr. President, on several occasions in recent years, I have had to rise in this Chamber to warn my colleagues about the very real dangers we face in the international economy and also that we have it within our hands to deal with them effectively and to make a success of our and the world economy.

Just a little over 1 year ago, on February 8 of last year, I provided a detailed analysis (Feb. 8, 1978; CONGRESSIONAL RECORD; pp. 2669–2681 of the serious situation facing us at the time in the hope that we "will be able to come to grips with the new economic realities and meet the resultant critical challenge to the international economic system." At the time I felt that "if we fail to act reasonably, I see a serious economic crunch—recession or even depression—threatening in the 1979–80 period."

Tragically, international events, both political and economic, the Iranian revolution and the resultant oil crunch, our deteriorated relations with Mexico—now under repair—and double digit inflation as well as the drastic decline of the dollar—which has only been slightly reversed—with the impact of an erosion of international confidence in U.S. leadership, may very well make my concern of last year into much of a reality.

The events of the last year have also demonstrated once again the close interdependence between domestic actions and their international implications. For example, domestic energy pricing policies have begun to dampen our appetite for imported oil while the Federal Reserve Board's interest rate and money supply policies have begun to somewhat encourage the dollar in the foreign exchange markets as an indication of our commitment to fighting inflation.

The events of the last year have also highlighted the importance of international economics—trade, monetary, energy, and commodity policies—in our overall foreign policy. The failure by the President—for whatever reason—to include in a major foreign policy speech a discussion of the international economy is interpreted as a lack of understanding of the realities of today's world with, once again, disastrous results for international confidence in the political as well as economic U.S. leadership.

Mr. President, I share the view articulated, on the whole, by American business, that we are on the brink of a recession, perhaps a serious one. This recession, coming in 1979–80, can be avoided however if we begin to take immediately the necessary measures which are well within our capabilities.

This lack of effective U.S. leadership in today's world has led me to address my colleagues and the American people once again about my very real concerns regarding the serious state of our economy. On the threshold of a new Presidential election, is it not time that our leadership inform the American people about the dangers inherent in continued inflation, weak productivity growth, the decline in the dollar, and in our unrequited thirst for oil; submit the suggested remedies and be prepared to carry them out?

The people both here in the United States and abroad sense the dangers; but in the face of continued optimistic rhetoric from our leaders, quickly lose that concern and make few demands upon their leaders. Yet as Tom Wicker recently wrote in the New York Times:

> The Nation (is) hungry for the sense that someone is in charge.

Mr. President, I believe that in the course of the coming year, economic events dealing with international trade, the dollar, and energy will force the administration to act decisively. I am, however, concerned about how we will respond; for I believe that we are facing today a critical watershed in the life of our Nation; and that the magnitude of these economic problems might very well lead us to adopt unilateral, introspective, and protectionist solutions as we did so disastrously in the 1930's. We can turn our backs on these simplistic solutions in favor of enlightened solutions that will lift not only the economy of the United States but also those of other countries with which we are interdependent—both industrialized and developing—to new levels of activity.

The challenge today to undertake far-reaching and longer-term solutions is directed not only to our own leadership in the United States but also to the leadership in the other industrialized countries. For, narrow inward-looking policies in their economies could foster the emulative protectionist responses in the United States, and while we must reject such knee-jerk responses as simplistic, we cannot remain oblivious to restrictive monetary and trade policies by our economic allies—as we did for so long in the post-World War II period when the reconstruction of Europe and Japan was an overriding political objective of the United States that transcended our own closely defined economic interests. The reconstruction of these countries is long completed, and they must now, as we must, eschew narrow inward-looking policies and join in the management responsibility of the world's economy.

The essential economic fact that we are facing today is the severe uncertainty that is gripping the world economy. In 1979 our Nation must navigate through very narrow and treacherous straits with the twin perils runaway inflation and disastrous depression on either side.

Of course, we have made some progress in easing the burden of unemployment—though we realize that our cities and minorities, particularly the youth, have not shared equally in that progress. But inflation is the wolf at the door; and the recent resurgence of inflation to the 10-percent growth range suggests that prices have gained a new momentum and that a new wage and price spiral may be upon us. Meanwhile, interest rates push upward to record-breaking levels, and there are few signs of a moderation of this trend.

It is this severe uncertainty resulting from double digit inflation and the threat of a serious recession—or even depression—that for the moment seemingly has confused and robbed the United States of the self-confidence and determination it needs to manage effectively its own economy and to give a sense of direction to the international economy.

PRODUCTIVITY

To turn this situation around, priority No. 1 must be to improve our productivity, which has become the Achilles heel of our current national economic crisis. U.S. productivity growth—the measure of the efficiency and vitality of our economy—has become stagnant in recent years, and this has precipitated and can maintain the new inflationary spiral that threatens to be so destructive of our own and the world's economy in the next decade.

Let there be no misunderstanding about one thing: Double digit inflation can destroy our economy and tear apart the social fabric which holds together our national institutions. But the threat of double digit inflation will persist so long as we treat only the symptoms—with wage and price guidelines, standards, or controls. For, today's inflation is attributable in the first instance to cost push and structural factors and primarily to excess demand as in the past. Consequently, the underlying cause needs to be focused upon and dealt with—and that is stagnant U.S. productivity.

Since increased productivity is the only—and I empasize—the only way higher wage and other costs can be absorbed without forcing up prices, the reacceleration of inflation can be lessened only by significant productivity improvement. The alternative to productivity growth while demand is sustained is worsening inflation, leading ineluctably to recession and a long-term erosion in our standard of living.

In the decades 1947–1957 and 1957–1967, productivity in the private business sector of our economy rose at average annual rates of 3.3 percent; and those periods will be recalled as ones of relative price stability and improved living standards. In the decade 1967 to 1977, however, the rate was only 1.8 percent per year; and the U.S. economy rode the roller coaster of alternating inflation and recession. And in 1978, according to the President's Council of Economic Advisers, productivity in the private business sector of the economy rose by only four-tenths of 1 percent.

In the period from 1960 to 1966 the United States ranked among the world's leaders in manufacturing productivity growth, averaging 4 percent per year. In the 1966 to 1976 era, however, the United States fell into the cellar in productivity growth, dropping to a 2.2-percent growth rate per year, to last place among our 11 major industrial nations. During that period U.S. productivity growth dropped off 45 percent when compared to the 1960 to 1966 period, the steepest decline among any of our major trading partners. In fact, the 45 percent U.S. decline was half again as bad as the performance of the country with the second biggest decline, Italy, the productivity growth rate of which dropped 21 percent.

In short, Mr. President, in this decade the United States has slipped materially; in the eyes of the world we have lost some of our economic vigor, and the dynamism that once lit up the economic sky has begun to flicker. And, unless the trends of the 1970's begin to be reversed now, we could end up before the year 2000 a second-rate industrial power; and the primacy of the United States in the world could be lost.

The inadequacy of capital investment is chiefly responsible, in my judgment, for the dismal productivity performance of the United States in the decade of the 1970's; and our policies should be focused on that fact.

While the productivity of the other OECD countries has not been as low as ours, they also are suffering from lagging capital investment. The uncertainty, especially about oil prices and supplies, may quickly wipe out the faint signs that were appearing of an upturn in private investment in West Germany and Japan.

Many factors have accounted for the relative decline in U.S. capital investment: Inflation, for one, has reduced real profitability, thereby eroding the will to invest in new facilities and equipment and modernization.

In addition, some Government regulations (as for example, environmental) have diverted capital appropriations from goods and productivity-increasing investments to federally mandated outlays; while worker morale and attitudes have been another important added cause of stagnant productivity growth.

On February 6 I provided the Senate with a detailed analysis (February 6, 1979, CONGRESSIONAL RECORD, pages 1900–1917) on the productivity problem and the approach we must take to remedy this problem. Briefly I review once again these remedies today. To encourage improved U.S. productivity, our Nation's tax laws, for example, should be amended to provide greater financial incentives to business for increased investments in productivity-boosting technology. Government also can encourage greater R. & D. expenditures by rewarding risk-taking in productive enterprise conducive to the national interest, that is, in new energy sources.

U.S. business and labor should agree with each other—to join in an historic "New Economic Compact" to work jointly to improve productivity and job security. The Federal Government could serve as the catalyst that marshals business and labor support and participation. We need to have a national commitment to productivity improvement; the Federal Government should inaugurate—and soon—a "National Productivity Improvement Policy."

Government could sponsor the establishment of regional productivity councils—to consider regional productivity problems and recommend necessary improvements; and, in addition, plant, industry, and area labor-management committees, of the kind I succeeded in having authorized in the recently enacted CETA law, Public Law 95–524, could begin to place various productivity-improving ideas on their agendas and consider these in conjunction with job security and gain sharing ideas.

TRADE

Our continued inability to compete in both the U.S. and foreign markets because of our low productivity has fueled protectionist sentiment in the United States. Last year I warned my colleagues about the dangers of competitive protectionism when individual countries attempt to protect their workers in inadequately competitive industries. Industrial policies that seek to protect existing domestic jobs in declining industries are not only a national matter but are the very legitimate concern of every country. U.S. workers cannot be expected to sacrifice their jobs because of the predatory pricing policies or high tariff or non-tariff barriers of our trading partners.

The arsenal of weapons available to us to meet constructively this very serious challenge from abroad is limited. We can answer in kind by erecting similar barriers to insulate our economy or by beginning heavily to subsidize our exports. This solution, although simplistic, is very tempting especially in light of the continued inability—or unwillingness—of our trading partners to make the structural changes in their economies needed to open up really and permanently their markets to our exports as much as we do to theirs.

The trade data of the last year—Japan's trade surplus of close to $25 billion, Germany's trade surplus of $20 billion, and our trade deficit of $36 billion—do not reassure those of us who seek an internationalist solution to the trade problem. In addition to the disruptive effects such continued imbalances are having on the international money markets, they will make acceptance of the multilateral trade negotiation (MTN) package all the more difficult. While admittedly some of the most important details of the package have not yet been agreed upon, the basic thrust of the MTN is to seek to lower tariffs and to remove some of the most egregious nontariff barriers, and these must have our unqualified support.

As our chief trade negotiator, Ambassador Strauss has pointed out, the importance of this MTN—as opposed to earlier trade negotiations which focused almost entirely on the reduction of tariffs—is in its particular focus on nontariff barriers and, hence, on setting a framework for the future conduct of international trade. Thus, it will be the agreed intention of our trading partners to carry out their obligations under the MTN package that will be under consideration during Congress review of the MTN package. But, even among those of us who are the most ardent supporters of liberal trade, there is a genuine skepticism over whether Japan and the European Common Market really will permit significant changes in the management of their economies to permit increased imports from the United States. Real structural changes must be permitted to occur. In the area of government procurement, for example, we cannot accept assurances from Japan that it will increase its official purchases from abroad by a certain percent; rather, Japan needs actually to open its official procurement to the rigors of international competition. Neither can we accept the closed agricultural system of high import barriers and huge export subsidies that is represented by the European community's common agricultural policy—it cannot, any longer, be a sacred cow of international trade.

The intentions of the United States will also be put to the test. The Senate will have to act quickly to extend the countervailing duty waiver extension, which expired earlier this year. The European communities, and especially France, are insisting that we extend the waiver before they will sign the final MTN agreement.

While I would remind my colleagues that it is our trading partners who are engaging in highly disruptive export subsidy practices that brought on in the first place our imposition of the countervailing duties, our domestic producers—no less international trade—will benefit much more if we remove this political obstacle to completion of an international agreement that will finally begin to deal effectively and constructively with these subsidy practices than from countervailing duties.

In addition, we in the United States will have to permit major structural changes in our own economy. We cannot indiscriminately impose new barriers to import competition through orderly marketing arrangements, quotas, and other escape clause actions, which would negate the benefits of the MTN package. In 1978 alone, the International Trade Commission received petitions for relief from 30 industries covering imports valued at $2 billion; and some form of protection was granted on more than 65 percent of this volume.

While we cannot expect our domestic producers and workers not to seek relief when faced with a sudden surge of imports, we must insist that the relief be a temporary bridging operation subject to being phased out to permit the phasing in of imports, and—most importantly—the modernization of the U.S. plant to meet the foreign competition. It is imperative that U.S. trade laws dealing with disruptive fair trade competition—not countervailing or dumping statutes which deal with unfair practices—be overhauled to limit the use of this protection to temporary situations (3 to 5 years) for industries that have workable plans to restructure their operations to meet the international competition at the end of the period. Without such limitations and if we continue to grant import relief at today's high rate, we will only encourage U.S. industries faced with the smallest signs of foreign competition for the domestic market to petition—and press—the Government for relief.

I am especially concerned that, in an attempt to facilitate passage of the MTN in the Congress, the administration is providing "sweeteners" to politically sensitive domestic industries, such as textiles, steel, industrial fasteners, footwear, chemicals, dinnerware manufacturers, dairy farmers, sugar growers, and cattlemen, without receiving any assurances from these industries on how they will use the protection to restructure their operations to the better to meet international competition.

Such protection is highly inflationary and robs the bulk of our consumers of the benefits of competition in terms of less costly and better quality goods. For example, one estimate put the 1978 inflationary impact of the trigger price mechanism for steel at the U.S. consumer level at $13.7 billion.

In addition, the erection of these barriers at a time when we are ostensibly lowering other barriers will provide our trading partners with excuses to shut their doors to U.S. exports. The United States, as the world's largest exporter with $140 billion of goods sent abroad every year, has much to lose from any constriction of trade. Exports account for one of every nine manufacturing jobs in the United States and about 14 percent—$1 out of every $7—of all U.S. goods produced are exported. While export-related jobs are not as visible as those lost in industries affected by imports, their impact on the U.S. economy is no less strong.

To meet the protectionist cries of concern for jobs, we must vigorously expand our exports through a concerted joint Government-private sector effort. The administration should scrutinize very carefully those U.S. governmental regulations that serve to inhibit our export potential and, where possible, such barriers should be eliminated.

The entire issue of the Jackson-Vanik amendment and MFN and export credits to the Soviet Union and the People's Republic of China and further compliance of Romania and Hungary with the amendment's provisions raises important trade, political, and foreign policy questions which the Congress must thoroughly assess. It will be important for the President precisely to document any changes in the law that he may request.

Our antitrust laws must be reviewed closely to permit Webb-Pomerene-type exemption for U.S. industries when necessary to meet international competition in third countries.

Most importantly, the President should avoid taking actions that will give the appearance of waivering in his determination to correct the trade deficit. Thus, he should appoint immediately his Export Advisory Council whose reconstitution he announced last fall, and rescind his decision to abolish the U.S. Travel Service. In addition, he should avoid changes in the Tax Code that would result in curtailment of the legitimate export operations of the multinational corporations, which are responsible for much of U.S. exports.

Finally, the private sector should undertake a major export expansion drive to educate the domestically oriented industries to consider foreign markets for their products and to facilitate exports for them. Such groups as the Business Roundtable and the Council for Economic Development could draw on the expertise of their member corporations to organize forums and educational seminars to provide guidance on a one-to-one basis on the essential elements of an effective and patriotic export program. Such an educational relationship between large and small U.S. firms would be advantageous to the U.S. economy, and the Justice Department should be prepared to facilitate such cooperation.

ENERGY

With petroleum imports running at approximately $43 billion a year, it becomes imperative that we confront and manage our dangerous energy import situation. U.S. dependence on the OPEC cartel for half our oil supplies may be the single greatest long-term threat to our national economy and security. The dangers are more than economic, for our demonstrated inability to curb our appetite for foreign oil and to establish a clear plan for switching to domestic fuel supplies threatens U.S. capacity to negotiate prudently about international trade and security arrangements. Just as the decision taken by OPEC cartel members with respect to production and price levels are in essence political choices, so the effect of their control of world energy supplies provides them with critical international political leverage. And, by the same token, a demonstration of U.S. ability to take charge of our domestic energy economy so as to meet the threat will restore our own power to bargain in an increasingly dangerous world. While a reduction of 5 percent in international demand is a timid response to the new oil price exactions, the recent decision by the International Energy Agency reflects that we are looking for political leverage against such exactions.

First, the Congress should immediately approve the President's request for power to implement emergency rationing and conservation plans. Next, I propose that we establish in the United States an emergency energy response plan that eliminates the equivalent of one-third of crude oil imports used to refine gasoline, or 1.2 million barrels of crude a day. As much of the cutback as the technicalities of the refining process will allow should be taken from gasoline production, for gasoline is the fuel which we waste with the greatest abandon.

Everyone knows there is no economic justification for the gas guzzlers bearing one lone commuter which stream into our major cities daily. Seventy percent of cars entering Washington, D.C., in morning rush hour carry only one person and estimates for New York City and Boston are comparable.

This plan would use a combined strategy of prohibiting all but emergency vehicles from driving 1 day out of every week end of imposing a 15 cents per gallon refundable gasoline conservation tax, which by 1985 will reach 30 cents, just as almost every other industrialized economy has already done. The tax would be waived for those using gasohol (a mixture of alcohol and gasoline); and we would provide substantial new tax incentives for agricultural producers who use plant wastes to produce alcohol for this purpose.

Combined with a strategy of increasing airline load factors, monitoring heating and lighting of commercial and Government buildings, and using excess gas for industrial boilers, these moves will save 7 percent of the crude we now refine, or 15 percent of all imports. The domestic economic effects will be minimized because we will be cutting out the fat, not the muscle, of the energy economy. And the refunded taxes would be directed to those with below median incomes to deal with the so far neglected problems our lower income families have faced because of rising energy cost. A new energy severance tax would defend consumers from windfall profit taking and could be so designed as to encourage more new energy development investment.

Even the $8.3 billion by which we would reduce our balance of payments as a result might be considered a secondary benefit by comparison with the international recognition of the U.S. political will to do what is necessary to break the cartel's grip on us and other industrialized countries.

Mr. President, no real sacrifice is involved in this proposal. Indeed, we must compare these minor privations to the agonizing true sacrifice our people would know if we confront a war. For, in the long run, war may be the real alternative to an effective energy policy.

Our energy response must go beyond demand reduction to the search for and development of supplies of oil and gas in non-OPEC nations including, though not limited to, Mexico. Some respected geologists believe that as much as half of the world's oil remains to be discovered. We should welcome and support the World Bank's new program to commit $4 billion over the next 5 years for exploration of and exploitation of new energy sources in the developing world. More can, however, be undertaken especially by our Government.

I have today requested the President to issue an Executive order establishing a high-level task force to determine what should be the U.S. role in providing incentives for new oil exploration in the LDC's.

Mr. President, our national energy policy must be developed in an international energy context. And not only must we reevaluate our interests in trade in energy supplies, but we must consider the larger question of our role in world consumption. New oil sources must be evaluated in terms of the long-run economic requirements of the producer state. The United States should not seek to take away the patrimony of new producer states. Instead, we must work to insure such states of the trade relationships they require for their own development plans.

Similarly, we must choose our own plan for future fuels in the context of world needs for scarce and valuable oil supplies. It is our long-run responsibility to maximize the nonoil resources we have here at home. We cannot continue to use one-third more fuel per capita than any other industrialized nation, if we are to build a world in which there is at least a rough equality of access to mankind's heritage of natural resources. We can delay no further the day we begin to change our habits and insure a safer and more just energy future.

MONETARY

On a number of occasions during the past year, I have expressed my concerns about the strength of the dollar and the management of the international monetary system. On August 7, 1978, in the CONGRESSIONAL RECORD, pages 26592–26593, I provided my colleagues with a detailed analysis of the serious implications of a failing dollar for our political and economic position in the world and in our fight against inflation. I would like now to express my further concerns about the management of the international monetary system.

The dollar rescue operation undertaken by the administration on November 1, while long overdue, checked the crisis facing the foreign exchange markets. It not only provided the U.S. Treasury and other central banks with the means to intervene in the disorderly international money markets but also gave the administration a few months breathing space to demonstrate a serious intention to deal with the "fundamentals"—inflation, the U.S. trade deficit and especially the level of our energy imports.

More importantly, the November 1 rescue package did not address itself to the basic structural disequilibrium facing the international monetary system resulting from an expansion of the dollar's role simultaneously with a decline in the share of the United States in the world economy from more than 50 percent GNP in the OECD countries in 1960 to about 40 percent in 1978. Until a multiple reserve currency system reflecting the real U.S. strength in the international economy replaces the present dollar-dominated system, we can expect market disorders in reaction to outside shocks and inflationary differentials.

Four months have now elapsed since November 1; and, unfortunately, the situation with respect to these "economic fundamentals" has worsened. Inflation continues at a double-digit pace while the Iranian situation's effect on oil prices continues to cause even heavier monthly trade deficits. The nervousness of the foreign exchange markets is quite evident and may well lead to another run on the dollar at the slightest sign of further political or economic dislocation.

While the turnaround of the U.S. economic fundamentals is primarily the responsibility of the United States, our major trading partners are not making our task any easier. Longrun stability in the foreign exchange value of the dollar will not be achieved until the world economy attains a greater coordination of macroeconomic policies designed to accomplish a worldwide convergence of growth and inflation rates. While the U.S. inflation rate has worsened, Germany's growth rate is less than expected and Japan has made it clear that it will not reach the 7 percent growth rate it promised at the Bonn summit last year.

It is the unwillingness or inability of Japan, Switzerland, and Germany to speed up domestic demand that is the cause for their continued large current account surpluses. These surpluses have replaced the OPEC surpluses as the main economic threat to the proper functioning of the international monetary system. For the international adjustment process to function properly, the payments inbalances among the industrialized countries must be reduced.

The International Monetary Fund (IMF) has already been granted new power—in a recent amendment to the IMF Charter, article IV—for increased surveillance of surplus as well as deficit countries to encourage a better balance in international currencies. While the IMF can enforce the advice it gives to deficit countries to change their domestic economic policies through the denial of borrowing privileges from the Fund, the IMF has no equivalent leverage against politically powerful surplus countries. Acknowledgment of this fact of life must not, however, stop the IMF from exerting its influence on these countries, which refuse to give adequate consideration to the international consequences of their actions.

The United States must take the lead in insisting that the IMF take on the critical surveillance function. The Congress, in approving the over $5 billion U.S. share of the seventh quota increase of the IMF next year, will have a right to insist that the IMF demonstrate its authority to help manage the economies of the deficit countries but, also importantly in today's world of severe imbalances in the international accounts, the economies of the surplus countries.

I am also extremely concerned—often alarmed—by signs that there may be noncooperation by our economic allies in the daily exchange market operations of the central banks. Rather than supporting the dollar, the major central banks may be waging "a monetary war" against the United States by working actively against a strengthening of the dollar. There is now some evidence that some central banks, including the Japanese and the German banks, may be selling dollars to put a ceiling on the dollar's strength and to inflate the value of their currencies. As I indicated in my August speech, the dollar's decline has helped our trading partners to check their domestic inflation by holding down the price of raw material, especially petroleum imports, which are generally quoted in dollars. In addition, the selling of dollars helps to cut back on their money supplies which have soared in the dollar support operations and, thus, threatened these countries with more inflation. When coupled with the continuing and already evident diversification by central banks of their official reserves away from the dollar, the unwillingness of some of the major central banks to see their own currencies depreciate adds a sense of urgency to the need for a wide, sweeping restructuring of the whole international monetary system.

In this regard, I am encouraged that the U.S. Treasury now admits to the need for such change. In response to a letter that Congressman Reuss and I sent on January 19, 1979, to the President urging his support for the development of a "substitution account" at the International Monetary Fund, we have been assured that the Treasury is considering this approach in discussions with our economic allies. While substitution accounts only deal with reserves officially held by central banks, they would enable all nations to exchange their surplus dollars for other currencies or for an international currency unit such as the special drawing rights (SDR).

The progress that is evident in controlling the diversification of officially held dollar reserves is, unfortunately, counterbalanced by our inability even to begin to regulate the Eurocurrency market—those currencies, 70 to 80 percent of which are in dollars and which are held by corporations and other non-Government entities abroad. The net size of the Euromarket—after subtracting most interbank redeposits—is estimated to have been about $450 billion last September 30 (1978). While the Eurocurrency market made a positive contribution to the financing of current account balances after 1973, these funds pose a serious threat to the management of the international monetary system because they are essentially unregulated. Lack of reserve regulations, for example, may give an unfair cost advantage to large U.S. banks with access to the Euromarkets, undercut domestic anti-inflation efforts, and may foster growth of deposits that can be more easily mobilized for currency speculation. While the development of international banking zones, like the one now proposed for New York City, would not resolve some of these problems, it would improve the ability of our bank regulators to supervise the international operations of U.S. banks.

In addition, the spectacular growth of the Euromarket—estimated at 25 percent in the last year—may, in fact, be fueling worldwide inflation when one considers that such a rate of monetary expansion would not normally be tolerated by national authorities in managing their domestic money supplies and that this international monetary expansion occurred in a period when world trade grew by only 5 percent in real terms and investment has been relatively stagnant.

The high degree of liquidity in the Euromarkets continues to foster unhealthy lending conditions. With a relatively low level of domestic loan demand, which may be exacerbated by further reductions in European and Japanese production due to the Iranian oil crunch, United States, European, and Japanese banks are competing heavily in the Euromarkets.

This has resulted in the reduction in the cost of raising funds to borrowers of widely varying quality. In many instances, second name borrowers do not have to pay much more for funds than prime name borrowers. Many observers consider the present market conditions to be as bad if not worse than the conditions in 1974, just before the crash of the West German Herstatt Bank.

To remedy this situation before we begin to see country defaults on commercial debt—that until now we have, fortunately but very narrowly been able to avoid—it is imperative that the national monetary authorities—either through the Bank for International Settlements in Basel or through the IMF—bring the Eurocurrency market under some effective international control. We must remember that past attempts at control of these markets have caused them to shift offshore; and, therefore, only an international effort will have any chance to deal with this highly elusive problem.

In addition and most importantly, commercial banks and the IMF must overcome their reluctance to work more closely together in exchanging information on country-specific economic conditions. One possible suggestion that deserves close scrutiny is the development of the least developed countries. Thus, the IMF.

Closely linked to the threats to monetary stability posed by the sheer size, high liquidity, and largely unregulated nature of the Eurocurrency market is the shift in opinion among money managers concerning investment of privately held reserve assets. Until the mid-1970's the generally-held view was that the majority of reserve assets should be held in dollars; today, however, to invest such assets wholly in dollars is viewed as being more speculative and more risky than the maintenance of a diversified portfolio of currencies.

This diversification process out of the dollar to a multicurrency system is underway; yet it is occurring in spite of a seeming unwillingness by the strong currency countries—especially Germany, Japan, and Switzerland—to permit their currencies to assume an expanded role in international financial transactions out of concern that open money and capital markets would make domestic financial mangement more difficult. The Japanese, especially, must open the private Tokyo capital market to foreigners not only to help recycle their large trade surplus but also to provide assets in the form of yen certificates of deposit. There had been some hope that the European monetary system might lead to an alternative reserve asset, but its delay in coming into being until now makes this question moot for the near term.

The instability inherent in such a potential confrontation between, on the one hand, the collective desire of private money managers to diversify and, on the other hand, monetary authorities who do not want to accept the added responsibilities of a key currency, could lead to a crisis unless the world's finance ministers and central bankers get together and develop a long-term plan to permit the evolution of the present monetary system into a truly multicurrency reserve system.

NORTH-SOUTH ISSUES

Development issues cannot be divorced from monetary and trade issues. So long as the basic exchange relationships between currencies remain unstable, international trade and investment decisions, which impact heavily on the developing countries, will be inhibited. Adequate levels of capital must be channeled to the developing countries to permit both their continued economic growth and the development of broader markets, which are of such critical importance to the industrialized countries.

While I hope to continue to support—and to do my utmost to insure—increased U.S. contributions to the multilateral development banks—the International Bank for Reconstruction and Development and the region banks—as well as increased bilateral foreign aid, we must closely reexamine the objectives of both forms of foreign aid. Unquestionably, the humanitarian rationale for foreign aid is clear; and we should continue to focus our programs on alleviating the terrible living conditions of the poorest elements of the populations of a commercial bank advisory panel to basic health, educational, agricultural, and nutritional programs should continue to receive our support as a very real manifestation on an international scale of our traditional concern for the disadvantaged.

Yet the humanitarian rationale for foreign aid is not enough. While economic development of the poorest countries through foreign aid programs based on the "new directions" approach mandated by the Congress will eventually raise the living standards in these countries, we must also concern ourselves with the developmental problems faced by the middle-tier countries. We must help these countries, many of which are on the verge of moving—or have moved—from an agrarian to a semi-industrialized economic base, with programs that are specifically tailored to meet their needs for investment capital and technological know how.

This concern for the middle-level developing countries implies a new role for governmental institutions in the developed countries. On the one hand, there is still an important role for continued official discussions and negotiations between the governments of the developed and developing countries in commodities, trade policy, and major capital transfers.

Thus, the drawn out discussions on the common fund, which has become the centerpiece for the developing countries of the Integrated Program for Commodities, must be brought to a successful conclusion. While we must insure that the common fund will serve only as a financial intermediary to facilitate the funding of buffer stock arrangements which must already be in place, with a minimum budgeting impact of its own, such a fund together with specific commodity arrangements could help dampen the high volatility which has frequently characterized international commodity markets. This will permit efficient planning on the part of the developing countries, especially as they seek to generate capital for diversification away from raw materials production.

While we should continue our close involvement in the World Bank and its affiliates as well as in the IMF, for most of these middle-tier countries, it is the commercial credit markets that will provide them with the bulk of their development financing; and it will be the multinational corporations that will provide the bulk of the needed technological knowhow for the expansion of their industrial base. And, the major incentive for foreign private sector involvement in these countries will be the generation of a political and economic climate conducive to foreign investment.

In the first instance, this will be the primary responsibility of the host government. The governments in the developed countries should, however, be prepared to facilitate the response of their private sectors to any requests by the developing country. In the case of the United States, we must stand prepared to negotiate bilateral investment codes which will outline the responsibilities of both the host governments with respect to nationalization, expropriation, and capital movements and of the foreign firms with respect to being good corporate citizens.

In addition, we must insure that OPIC's political risk insurance program is extensive enough in terms of its financial and risk coverage and that Exim financing is readily available.

Notwithstanding their best intentions to attract foreign capital, the middle-tier developing countries may be facing a potential crisis. Although the Euromarkets are awash in liquidity, the Iranian crisis may reinforce the already evident reluctance on the part of the commercial banks to increase their exposure in certain developing countries. Should an economic downturn occur once again as in 1974–75, the developing countries will have much less room to maneuver.

While their reserves are at quite healthy levels, they do not have the capacity to take on new debt at anything like the rate of increase in 1975 and 1976. Preliminary World Bank estimates indicate that LCD debt stood at around $200 billion in 1977 with 23 percent annual increases in 1977 and 1976. In addition, many LDC's will be facing their heaviest debt repayments beginning in 1980 on loans taken out in the 1974–75 recession.

Since the capacity and willingness of international lenders to support further growth of debt would be limited, the developing countries would be forced to adopt more restrictive growth policies in the event of any deterioration in their export prospects because of a recession in the industrialized countries. Even if a significant slowdown did not occur, growing protectionism in the industrialized countries may deny many of these developing countries the wider access that they need for their own exports in order to service their debts.

Faced with growing protectionism on the one hand and the possible constriction of commercial bank lending to the developing countries, it is imperative that entirely new approaches to maintaining continued economic growth in the developing countries be developed. I continue to believe in the need for a mechanism to channel funds to the developing countries for productive investments that would take into consideration the total needs of the international economic system. Funds generated by such a capital pool would be used in countries which would agree to the maintenance of a favorable investment climate—including the negotiation of a code or treaty for foreign private investment—as well as a demonstration of respect for human rights.

The idea of a growth development fund, which I first introduced over a year ago, has been the subject of numerous speeches, congressional resolutions, and international discussions at the highest levels of Government.

The growth development fund would make available added capital to those less developed countries which wished to cooperate with the fund in fostering a proper investment climate for capital for productive investment in rational agricultural and industrial development and trade as well as in energy exploration and alternative energy sources. This kind of planned investment would take into account the total needs of the international economic system by considering the factors of excess supply and comparative advantage. Such an approach would assure the most efficient allocation of resources among countries.

Such an LDC development fund must have large sums of money in order to be effective and to have leverage with recipient countries. The initial capitalization of the fund should be on the order of $25 billion, with investments by the donors (surplus OPEC and industrialized countries as well as other OECD countries) of $5 billion per year for an initial 5-year period.

The door to participation in the growth development fund should be open to the Soviet Union, the People's Republic of China, and the East European members of the COMECON to join in, as in 1948–49 with respect to the Marshall Plan.

Because a coordinated international effort will be required for such a large-scale program, I have put my ideas for the fund before President Carter, Japan's former Prime Minister Fukuda, President Giscard d'Estaing, Chancellor Schmidt, and Prime Minister Callaghan. I believe that this year's seven nation economic summit in Tokyo should focus on this development issue.

In addition to stimulating increased economic growth in the developing countries, such a fund would stimulate the stagnant and inflationary economies of the developed countries by providing them with growing markets—which they need urgently—for their exports. Such new markets would lead to higher levels of employment and domestic economic activity in the industrialized countries. Especially, they would counter effectively the escalating demands of protectionist forces in the industrialized countries with respect to imports.

At the heart of the growth development fund is a recognition of the close linkage between the developed and developing countries which, as the World Bank has so well described, "can be a source of strength to both groups and can provide opportunities for more rapid worldwide economic advancement."

This mutually beneficial linkage already exists. The countries of the South already provide an important market for the goods of the developed countries, taking in an estimated 28 percent of their total manufactured exports. In addition, the economic growth in the developing countries in 1973–76, which was financed by capital imports, cushioned the recession of 1974–75 in the developed countries and may even have contributed significantly to their recovery.

CONCLUSION

Mr. President, the art of government cannot be taught; it must be learned through experience. This process can be facilitated, however, by a conceptual awareness of the policies that must be pursued. This has been my purpose today in presenting for the benefit of the American people and for our elected national leaders this analysis of economic issues we are facing and the required solutions as I see them.

First, we must deal with inflation by increasing U.S. productivity through greater capital formation, R. & D. expenditures, and improvements in worker morale and attitudes. While we must keep a tight lid on fiscal and monetary policy to restrain overall demand, U.S. tax laws should be amended to provide greater financial incentives to business for increased investments in productivity-growth technology and R. & D. expenditures. In addition, business and labor should join together in a "New Economic Compact" to improve productivity and job security.

Second, we should approve the MTN package when it comes before the Congress later this year. To this end, the Senate should promptly complete action on the countervailing duty waiver extension. We should develop a mechanism, with a statutory base, to insure that our trading partners will permit the agreed upon liberalization of international trade to be translated into increased U.S. exports. At the same time, we must overhaul our trade laws to limit the use of the various forms of protection against legitimate imports to temporary situations for industries that have undertaken realistic restructuring plans to meet international competition at the end of a phasing-in period. We can create jobs through a vigorous export expansion program jointly administered by the Government and the private sector.

Third, to cut our dependence on oil from the OPEC cartel, we should establish an emergency energy response plan that eliminates the equivalent of one-third of crude oil imports used to refine gasoline and that eventually saves 15 percent of all imports or 1.2 million barrels of oil per day. To this end, Congress should immediately approve the President's request for emergency rationing and conservation plans. In addition, I am calling on the President to establish a high-level task force to determine the U.S. role in providing incentives for new oil and gas exploration and development in the non-OPEC developing nations.

Fourth, it is time for the administration and the Congress to declare our Nation's position respecting the security of present critically needed international oil supplies. Clearly, the national interest of the United States must include the security of the Saudi Arabian oilfields for a period of years, at least until adequate conservation, additional exploration for new sources, and alternative sources of energy catch hold. Therefore, we must make it clear that we are prepared to help—and I emphasize the word "help," as I respect fully the dignity and sovereignty of Saudi Arabia—defend such energy supplies from seizure or substantial immobilization by hostile forces. Now, this policy is just as much in the national interests of the other industrialized and developing nations of the world; and they should share this responsibility. But it is in our national interest, too; and we must say so. The transit of oil from Saudi Arabia to Western Europe, Japan, and the United States is as critical as any comparable lifeline we have had anywhere and at anytime.

Fifth, the decline of the dollar can only be checked with continued improvement in the U.S. economic fundamentals (inflation and trade deficit, including a sharp reduction in petroleum imports). We cannot accept the continued excessive current account surpluses of Japan, Switzerland, and West Germany; and their behavior should be evaluated closely with respect to their cooperation in the support program for the dollar.

The United States should give the IMF the political support it needs to carry out its surveillance functions of these surplus countries. The restructuring of the international monetary system to a multicurrency system must be permitted to continue through the actual implementation of a substitution account in the IMF and international regulation of the private Eurocurrency markets. In addition, the IMF should appoint a commercial bank advisory panel to permit the exchange of information on country-specific economic conditions and to insure a closer working relationship between the IMF and the commercial banks in providing developing countries with balance-of-payments financing.

Sixth, while we must continue providing humanitarian assistance to the poorest developing countries through our bilateral and multilateral foreign aid programs, we must also develop programs specifically geared to meeting the problems of the middle-tier developing countries. The role of the U.S. Government in these countries should be to facilitate the U.S. private sector's involvement once the host governments have invited their participation. Expanded OPIC and Eximbank operations as well as the promulgation of bilateral investment codes should help supplement activities by the developing countries themselves to generate the proper investment climate.

Seventh, to insure that developing countries continue to have enough capital for continued growth and productive investments in the face of a possible constriction of commercial bank credit and growing protectionism in the developed countries, a growth development fund should be developed. In addition to stimulating increased growth in the developing countries, such a fund would assist the economies of the developed countries by increasing the demand for their exports.

Mr. President, we have already in being an institution to deal with these issues—the economic summit scheduled for Tokyo in late June—that could serve as a forum for an international convocation at the highest levels of Government. Unfortunately, if previous summits are any indication of what can be expected at Tokyo, we will find few uniquely multilateral results that could not have been taken by diplomatic contacts and standard international meetings.

The Tokyo summit may very well be the watershed in the economic history of the post-World War II period. Our economic allies must be made to understand that economic strength carries with it certain clear responsibilities for the management of the international economic system. The British understood this notion and accepted it in the 19th century and until World War I. We have understood this concept and have accepted these responsibilities in the post-World War II period until roughly 1973–74.

We are today in a transition period very similar to the interwar period. Our slowness to accept the responsibility for economic leadership helped prolong and internationalize the Great Depression. We must avoid a repetion of these events as we move to a concerted sharing of these international economic responsibilities. To do so, we must have the cooperation of our economic allies. Such a commitment to multilateral policies to control the evolution of the international economic system must be the subject of the Tokyo summit, not platitudes about specific growth targets, free trade, coordination of macroeconomic policies, and development.

President Carter and the heads of state in the other six capitals need to recognize that international economic decisions, made now, at least as much as international political decisions, will determine our fate for the rest of this century.

Mr. President, we are standing at an important juncture. A decade from now, the world, looking at the Tokyo Summit of 1979, may very well say that the leaders of the United States, United Kingdom, France, the Federal Republic of Germany, Japan, Canada, and Italy had lost an opportunity to create the conditions for long-lasting and real economic prosperity by their failure to act together effectively and in time at Tokyo. For if we fail to act decisively to check inflation, we will find ourselves eventually facing severe recession—if not a depression—as higher interest rates and restrictive budgets stifle consumer spending and business investment.

Mr. President, it is not too late to implement these or comparable solutions to the problems. In fact, the peoples of the world today are not looking for instant solutions; rather, they are looking for signs from their leaders that they recognize the enormity and complexity of these problems and the structural solutions that are required; that they know what to ask the people to do and have the courage to ask; that they have a sense of their own and the world's direction for the rest of this century.

I am convinced that the U.S. public, in fact, is ahead of its leaders in recognizing the risks of inaction in the energy, trade, and monetary areas and that it is ready to work and to sacrifice if it believes our leaders know what they are doing and what they want the people to do.

Mr. President, this is what I have sought to accomplish today.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia (Mr. ROBERT C. BYRD) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, how much time do I have remaining under the order allotted to me?

The ACTING PRESIDENT pro tempore. The Senator has 10 minutes.

Mr. ROBERT C. BYRD. I thank the Chair, and I yield that to the distinguished Senator from Tennessee (Mr. SASSER).

Mr. SASSER. I thank the distinguished majority leader.

(The remarks of Mr. SASSER at this point relating to the introduction of legislation, are printed under Statements on Introduced Bills and Joint Resolutions.)

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with statements of Senators limited to 10 minutes each.

The PRESIDING OFFICER (Mr. STEWART). Without objection, it is so ordered.

EXTENSION OF THE PUBLIC DEBT LIMIT

AMENDMENT NO. 110

Mr. ARMSTRONG. Mr. President, later this week the Senate will take up consideration of the proposed increase in the national debt to a new proposed limit of $835 billion.

I imagine that for many Members of this body that would be a more or less routine exercise, just another bill, just another milestone in the economic life of our Nation.

But for some of us that will be a very difficult decision to make. In fact, I imagine there will be many of us who will decline to vote for that increase, and I am hopeful the Senate, as a body, will take consideration of that bill as an opportunity for some real soul-searching about where this country is going economically.

This proposed debt increase, the latest in a long series of such increases, is the result of a stupendous Government spending spree that is absolutely without precedent in the entire history of the world.

In recent years, Federal spending has grown so large, and continues to grow so rapidly, that the sheer numbers themselves are overwhelming.

Not long ago President Carter described his $532 billion budget proposal for the next fiscal year as lean and austere.

I submit, Mr. President, when such adjectives can be used to describe more than one-half trillion dollars in spending it is really hard to maintain a sense of fiscal perspective.

Just a few years ago, President Johnson was seen to publicly agonize in an effort to keep his budget below $100. That was not back at the turn of the century or even a generation ago. The year was 1962. And it had required 186 years for the Federal budget to reach the $100 billion mark; in the next 9 years Federal spending reached $200 billion; within 4 years $300 billion; 5 years later we are now spending at a rate of $500 billion a year.

Even with rapidly rising taxes, Federal revenues have not kept pace with this spending spree. So in every budget year except one, since 1960, the Federal Government has borrowed additional billions. In the brief time since I went to Washington, the Federal debt has nearly doubled from approximately $437 billion to a now proposed legal debt limit of $830 billion—a sum which represents an enormous claim on the future work and resources of our people—in effect, a mortgage on America.

Financing this debt has proven costly. The interest on the national debt is now more than the total of all Federal spending for any year prior to 1943. The interest on the Federal debt this year will be twice as much as the Federal Government spent for all purposes in all the years from the Revolutionary War to World War I—and that is just the dollar cost of interest on the debt.

As we all know, the far greater cost to our country is inflation. These tremendous Federal budget deficits have set off an inflationary chain reaction. Prices rose 9.5 percent last year. Prices have more than doubled within the last decade, and the earnings of most Americans have not kept pace. The typical wage earner's spendable income declined 3.4 percent last year, and is now several percentage points lower than the level of a few years ago. Within the last week, Federal officials announced the sharpest rise in the wholesale price index for any one month since 1974.

Unfortunately, too many Members of the Senate and the other body seem to behave as if these figures are mere economic statistics, just blips on some economist's chart. I think it is time that Senators and other policymakers begin to cope with inflation as a human hardship, which is what it really is. When we talk about inflation at these levels of increases, we are talking about the elderly and others on a fixed income who are unable to keep up, who are forced either to curtail vital utility services or to forego a meal or two a week.

We are talking about young people who are priced out of the housing market. We are talking about businesses unable to expand, with resultant profits lost, and job opportunities curtailed.

Under the circumstances, it is no wonder that the polls show that the American people regard controlling inflation as the Nation's most important domestic problem, nor is it surprising that the legislatures of more than two dozen States have submitted proposed constitutional amendments, and indeed have petitioned the Congress of the United States to call a constitutional convention to propose an amendment to the Federal Constitution which would require Congress to balance the Federal budget every year.

While I do not personally favor the convening of such a convention, I do support the concept of such a constitutional amendment, and as a Member of the House of Representatives have introduced such a proposal in each of the last several years.

I believe that 1979, or at the latest 1980, will be the year when Congress itself will preempt this movement by the States by drafting and submitting for ratification an amendment along those lines, and I expect to support that effort. In the meantime, however, Mr. President, on Wednesday we will have before us the legislation to increase the debt ceiling; and, since we are not in a position, on short notice, to provide the relief of a constitutional amendment, I will propose an amendment to that bill, H.R. 2553, which we will have before us on Wednesday, which will go a long way toward bringing some order to our economic system.

The amendment is conceptually identical to the so-called coalition amendment offered by 21 distinguished Members of this body last October 9, under the leadership of Senators NUNN, CHILES, BELLMON, and ROTH, an amendment which was overwhelmingly adopted at that time by a vote of 65 to 20; and Senators will recall that that was, at that time adopted as an amendment to the Revenue Act of 1978.

Senators will further recall that 3 days later the House of Representatives, by a vote of 268 to 135, instructed its conferees to concur in the adoption of that amendment, and it thus went to conference with massive support from both Houses of Congress.

Unfortunately, despite the expectation of both Houses that the conferees would respect and concur in this mandate, it was deleted from the bill. Under the circumstances, I trust that the Senate will again pass this legislative blueprint for the economic future of the country, and return it to the House.

I think most Members of this Body are familiar with the provisions, but let me review specifically what this amendment would do.

First, it would provide for tax cuts for each of the calendar years 1980 through 1984 averaging approximately 6 percent. For each of the years, the scheduled tax reduction would be contingent upon the following conditions:

First, that total Federal outlays must not exceed a real annual growth of 1 percent above the inflation rate;

Second, that the total Federal outlays must not exceed a specified percentage of the gross national product which declines from 20.5 percent in fiscal year 1981 to 19 percent in fiscal year 1984;

Third, for the year 1981 only, the reduction will not occur unless the Federal budget is balanced.

Mr. President, I send to the desk at this time and ask to have printed for the use of Senators, and also printed at this point in the RECORD, the amendment I expect to offer on Wednesday, together with a brief summary of the amendment.

There being no objection, the amendment and summary were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 110

At the end of the bill, add the following new section:

SEC. 5. Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by striking out subsections (a), (b), (c), and (d) and inserting in lieu thereof the following:

"(a) GENERAL RULE.—There is hereby imposed on the taxable income, for the taxable years beginning in the calendar years specified in subsection (b)(2), of every—

"(1) married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and every surviving spouse (as defined in section 2(a)), a tax determined under the applicable schedule for the taxable year,

"(2) head of a household (as defined in section 2(b)), a tax determined under the applicable schedule for the taxable year,

"(3) every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined under the applicable schedule for the taxable year, and

"(4) a married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax equal to one-half the tax which would be determined for an individual described in paragraph (1) with the same taxable income.

"(b) APPLICABLE SCHEDULES.—

"(1) APPLICATION OF SCHEDULES TO INDIVIDUALS.—For purposes of subsection (a) the applicable schedule for—

"(A) CALENDAR YEAR 1981.—The schedules (a)(1) is schedule 2,

"(B) individuals described in subsection (a)(2) is schedule 3, and

"(C) individuals described in subsection (a)(3) is schedule 1.

"(2) Application of schedules to taxable years.—

"(A) CALENDAR YEAR 1981.—The schedules in effect for taxable years beginning in 1981 are as follows:

"SCHEDULE 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$2,300	$3,400	$0, plus 12.3%	$2,300
$3,400	$4,400	$136, plus $13.3%	$3,400
$4,400	$6,500	$269, plus 15.2%	$4,400
$6,500	$8,500	$588, plus 19.0%	$6,500
$8,500	$10,800	$968, plus 20.9%	$8,500
$10,800	$12,900	$1,449, plus 22.8%	$10,800
$12,900	$15,000	$1,928, plus 24.7%	$12,900
$15,000	$18,200	$2,446, plus 28.5%	$15,000
$18,200	$23,500	$3,358, plus 32.3%	$18,200
$23,500	$28,800	$5,070 plus 37.0%	$23,500
$28,800	$34,100	$7,034 plus 41.8%	$28,800
$34,100	$41,500	$9,249, plus 465%	$34,100
$41,500	$55,300	$12,694, plus 52.2%	$41.500
$55,300	$81,800	$19,904, plus 59.8%	$55,300
$81,800	$108,300	$35,765, plus 64.6%	$81,800
$108,300		$52,884, plus 66.5%	$108,300

"SCHEDULE 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$3,400	$5,500	$0, plus 12.3%	$3,400
$5,500	$7,600	$259, plus 13.3%	$5,500
$7,600	$11,900	$539, plus 15.2%	$7,600
$11,900	$16,000	$1,192, plus 19.9%	$11,900
$16,000	$20,200	$2,010, plus 23.7%	$16,000
$20,200	$24,600	$3,008, plus 27.5%	$20,200
$24,600	$29,900	$4,220, plus 30.4%	$24,600
$29,900	$35,200	$5,831, plus 36.1%	$29,900
$35,200	$45,800	$7,744, plus 40.8%	$35,200
$45,800	$60,000	$12,074, plus 46.5%	$45,800
$60,000	$85,600	$18,685, plus 51.3%	$60,000
$85,600	$109,400	$31,817, plus 56.0%	$85,600
$109,400	$162,400	$45,157, plus 60.8%	$109,400
$162,400	$215,400	$77,381, plus 64.6%	$162,400
$215,400		$111,619, plus 66.5%	$215,400

"SCHEDULE 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$3,000	$5,100	$0, plus 12.3%	$3,000
$5,100	$7,200	$259, plus 13.3%	$5,100
$7,200	$9,400	$539, plus 15.2%	$7,200
$9,400	$12,500	$873, plus 20.9%	$9,400
$12,500	$15,700	$1,521, plus 22.8%	$12,500
$15,700	$18,900	$2,251, plus 25.6%	$15,700
$18,900	$24,200	$3,071, plus 29.4%	$18,900
$24,200	$29,500	$4,632, plus 34.2%	$24,200
$29,500	$34,800	$6,445, plus 39.9%	$29,500
$34,800	$45,400	$8,559, plus 43.7%	$34,800
$45,400	$61,300	$13,192, plus 51.3%	$45,400
$61,300	$82,500	$21,348, plus 56.0%	$61,300
$82,500	$109,000	$33,231, plus 59.8%	$82,500
$109,000	$162,000	$49,091, plus 64.6%	$109,000
$162,000		$83,329, plus 66.5%	$162,000

"(B) CALENDAR YEAR 1982.—The schedules in effect for taxable years beginning in 1982 are as follows:

"SCHEDULE 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$2,300	$3,400	$0, plus 11.6%	$2,300
$3,400	$4,400	$127, plus 12.5%	$3,400
$4,400	$6,500	$252, plus 14.2%	$4,400
$6,500	$8,500	$551, plus 17.8%	$6,500
$8,500	$10,800	$907, plus 19.6%	$8,500
$10,800	$12,900	$1,357, plus 21.4%	$10,800
$12,900	$15,000	$1,806, plus 23.1%	$12,900
$15,000	$18,200	$2,292, plus 26.7%	$15,000
$18,200	$23,500	$3,146, plus 30.3%	$18,200
$23,500	$28,800	$4,750, plus 34.7%	$23,500
$28,800	$34,100	$6,590, plus 39.2%	$28,800
$34,100	$41,500	$8,665, plus 43.6%	$34,100
$41,500	$55,300	$11,892, plus 48.9%	$41,500
$55,300	$81,800	$18,647, plus 56.1%	$55,300
$81,800	$108,300	$33,506, plus 60.5%	$81,800
$108,300		$49,544, plus 62.3%	$108,300

"SCHEDULE 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$3,400	$5,500	$0, plus 11.6%	$3,400
$5,500	$7,600	$243, plus 12.5%	$5,500
$7,600	$11,900	$505, plus 14.2%	$7,600
$11,900	$16,000	$1,117, plus 18.7%	$11,900
$16,000	$20,200	$1,883, plus 22.2%	$16,000
$20,200	$24,600	$2,818, plus 25.8%	$20,200
$24,600	$29,900	$3,953, plus 28.5%	$24,600
$29,900	$35,200	$5,463, plus 33.8%	$29,900
$35,200	$45,800	$7,255, plus 38.3%	$35,200
$45,800	$60,000	$11,312, plus 43.6%	$45,800
$60,000	$85,600	$17,505, plus 48.1%	$60,000
$85,600	$109,400	$29,808, plus 52.5%	$85,600
$109,400	$162,400	$42,305, plus 57.0%	$109,400
$162,400	$215,400	$72,494, plus 60.5%	$162,400
$215,400		$104,570, plus 62.3%	$215,400

"SCHEDULE 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$3,000	$5,100	$0, plus 11.6%	$3,000
$5,100	$7,200	$243, plus 12.5%	$5,100
$7,200	$9,400	$505, plus 14.2%	$7,200
$9,400	$12,500	$818, plus 19.6%	$9,400
$12,500	$15,700	$1,425, plus 21.4%	$12,500
$15,700	$18,900	$2,108, plus 24.0%	$15,700
$18,900	$24,200	$2,877, plus 27.6%	$18,900
$24,200	$29,500	$4,340, plus 32.0%	$24,200
$29,500	$34,800	$6,038, plus 37.4%	$29,500
$34,800	$45,400	$8,019, plus 40.9%	$34,800
$45,400	$61,300	$12,359, plus 48.1%	$45,400
$61,300	$82,500	$20,000, plus 52.5%	$61,300
$82,500	$109,000	$31,132, plus 56.1%	$82,500
$109,000	$162,000	$45,991, plus 60.5%	$109,000
$162,000		$78,066, plus 62.3%	$162,000

"(C) CALENDAR YEAR 1983.—The schedules in effect for taxable years beginning in 1983 are as follows:

"SCHEDULE 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$2,300	$3,400	$0, plus 11.2%	$2,300
$3,400	$4,400	$123, plus 12.0%	$3,400
$4,400	$6,500	$243, plus 13.8%	$4,400
$6,500	$8,500	$532, plus 17.2%	$6,500
$8,500	$10,800	$876, plus 18.9%	$8,500
$10,800	$12,900	$1,311, plus 20.6%	$10,800
$12,900	$15,000	$1,745, plus 22.4%	$12,900
$15,000	$18,200	$2,214, plus 25.8%	$15,000
$18,200	$23,500	$3,040, plus 29.2%	$18,200
$23,500	$28,800	$4,590, plus 33.5%	$23,500
$28,800	$34,100	$6,367, plus 37.8%	$28,800
$34,100	$41,500	$8,373, plus 42.1%	$34,100
$41,500	$55,300	$11,491, plus 47.3%	$41,500
$55,300	$81,800	$18,019, plus 54.2%	$55,300
$81,800	$108,300	$32,376, plus 58.5%	$81,800
$108,300		$47,874, plus 60.2%	$108,300

"SCHEDULE 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$3,400	$5,500	$0, plus 11.2%	$3,400
$5,500	$7,600	$235, plus 12.0%	$5,500
$7,600	$11,900	$488, plus 13.8%	$7,600
$11,900	$16,000	$1,079, plus 18.1%	$11,900
$16,000	$20,200	$1,820, plus 21.5%	$16,000
$20,200	$24,600	$2,723, plus 24.9%	$20,200
$24,600	$29,900	$3,820, plus 27.5%	$24,600
$29,900	$35,200	$5,279, plus 32.7%	$29,900
$35,200	$45,800	$7,011, plus 37.0%	$35,200
$45,800	$60,000	$10,931, plus 42.1%	$45,800
$60,000	$85,600	$16,914, plus 46.4%	$60,000
$85,600	$109,400	$28,803, plus 50.7%	$85,600
$109,400	$162,400	$40,879, plus 55.0%	$109,400
$162,400	$215,400	$70,050, plus 58.5%	$162,400
$215,400		$101,045, plus 60.2%	$215,400

"SCHEDULE 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$3,000	$5,100	$0, plus 11.2%	$3,000
$5,100	$7,200	$235, plus 12.0%	$5,100
$7,200	$9,400	$488, plus 13.8%	$7,200
$9,400	$12,500	$790, plus 18.9%	$9,400
$12,500	$15,700	$1,377, plus 20.6%	$12,500
$24,200	$29,500	$4,193, plus 31.0%	$24,200
$29,500	$34,800	$5,834, plus 36.1%	$29,500
$34,800	$45,400	$7,749, plus 39.6%	$34,800
$45,400	$61,300	$11,942, plus 46.4%	$45,400
$61,300	$82,500	$19,326, plus 50.7%	$61,300
$82,500	$109,000	$30,083, plus 54.2%	$82,500
$109,000	$162,000	$44,440, plus 58.5%	$109,000
$162,000		$75,435, plus 60.2%	$162,000

"(D) CALENDAR YEAR 1984.—The schedules in effect for taxable years beginning in 1984 are as follows:

"SCHEDULE 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:		"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$2,300	$3,400	$0, plus 10.7%	$2,300	$18,200	$23,500	$2,899, plus 27.9%	$18,200
$3,400	$4,400	$117, plus 11.5%	$3,400	$23,500	$28,800	$4,376, plus 32.0%	$23,500
$4,400	$6,500	$232, plus 13.1%	$4,400	$28,800	$34,100	$6,071, plus 36.1%	$28,800
$6,500	$8,500	$508, plus 16.4%	$6,500	$34,100	$41,500	$7,984, plus 40.2%	$34,100
$8,500	$10,800	$836, plus 18.0%	$8,500	$41,500	$55,300	$10,957, plus 45.1%	$41,500
$10,800	$12,900	$1,250, plus 19.7%	$10,800	$55,300	$81,800	$17,181, plus 51.7%	$55,300
$12,900	$15,000	$1,664, plus 21.3%	$12,900	$81,800	$108,300	$30,871, plus 55.8%	$81,800
$15,000	$18,200	$2,111, plus 24.6%	$15,000	$108,300	------	$45,647, plus 57.4%	$108,300

"SCHEDULE 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:		"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$3,400	$5,500	$0, plus 10.7%	$3,400	$35,200	$45,800	$6,685, plus 35.3%	$35,200
$5,500	$7,600	$224, plus 11.5%	$5,500	$45,800	$60,000	$10,422, plus 40.2%	$45,800
$7,600	$11,900	$465, plus 13.1%	$7,600	$60,000	$85,600	$16,128, plus 44.3%	$60,000
$11,900	$16,000	$1,029, plus 17.2%	$11,900	$85,600	$109,400	$27,463, plus 48.4%	$85,600
$16,000	$20,200	$1,735, plus 20.5%	$16,000	$109,400	$162,400	$38,978, plus 52.5%	$109,400
$20,200	$24,600	$2,596, plus 23.8%	$20,200	$162,400	$215,400	$66,792, plus 55.8%	$162,400
$24,600	$29,900	$3,642, plus 26.2%	$24,600	$215,400	------	$96,345, plus 57.4%	$215,400
$29,900	$35,200	$5,033, plus 31.2%	$29,900				

"SCHEDULE 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:		"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$3,000	$5,100	$0, plus 10.7%	$3,000	$29,500	$34,800	$5,563, plus 34.4%	$29,500
$5,100	$7,200	$224, plus 11.5%	$5,100	$34,800	$45,400	$7,388, plus 37.7%	$34,800
$7,200	$9,400	$465, plus 13.1%	$7,200	$45,400	$61,300	$11,387, plus 44.3%	$45,400
$9,400	$12,500	$754, plus 18.0%	$9,400	$61,300	$82,500	$18,427, plus 48.4%	$61,300
$12,500	$15,700	$1,313, plus 19.7%	$12,500	$82,500	$109,000	$28,684, plus 51.7%	$82,500
$15,700	$18,900	$1,943, plus 22.1%	$15,700	$109,000	$162,000	$42,373, plus 55.8%	$109,000
$18,900	$24,200	$2,651, plus 25.4%	$18,900	$162,000	------	$71,926, plus 57.4%	$162,000
$24,200	$29,500	$3,998, plus 29.5%	$24,200				

"(c) SCHEDULE REDUCTION NOT TO TAKE EFFECT WHEN FEDERAL SPENDING EXCEEDS LIMITATIONS.—

"(1) NOTIFICATION OF CONGRESS.—In calendar years 1980 through 1983, after the adoption by the Congress of the second concurrent resolution on the Budget or any further concurrent resolution on the Budget adopted by the Congress under section 310 of the Congressional Budget Act of 1974 (referred to elsewhere in this subsection as the "budget resolution") and before the beginning of the next calendar year, the Secretary shall notify the Congress if—

"(A) the total amount of Federal outlays agreed to in the budget resolution for the fiscal year which ends within such next calendar year exceed the following percent of the projected gross national product projected by the Congressional Budget Office for that fiscal year on the basis of the budget resolution for that fiscal year: 20.5 percent in fiscal year 1981, 20 percent in fiscal year 1982, 19.5 percent in fiscal year 1983, and 19 percent in fiscal year 1984;

"(B) only for fiscal year 1981 if the total amount of Federal outlays specified in the second concurrent budget resolution for fiscal year 1981 exceed the total revenues specified in that resolution; or

"(C) the increase in total Federal outlays specified in the budget resolution for that fiscal year exceeds the amount of Federal outlays estimated by the Congressional Budget Office to have actually occurred during the preceding fiscal year by a percent greater than—

"(i) the percent increase in the year to year implicit gross national product deflator (as projected by the Congressional Budget Office) for the 4 calendar quarter period ending on September 30 of the year following the one in which the Secretary is to make the notification, plus

"(ii) 1 percent.

"(2) SCHEDULE REDUCTION NOT TO TAKE EFFECT.—If any event described in subparagraph (A), (B), or (C) of paragraph (1) occurs, then—

"(A) the schedules which, under subsection (b), would be in effect for the next calendar year, shall not take effect for such next calendar year, and

"(B) the schedule which, under subsection (b), is in effect for the calendar year in which the event occurs shall remain in effect for the next calendar year.

"(3) APPLICATION OF PARAGRAPH (2) ON A CUMULATIVE BASIS.—If any scheduled tax reduction under subsection (b) does not go into effect during the calendar year for which it is scheduled (because of the application of paragraph (2)), then the reductions scheduled to go into effect in subsequent calendar years, shall take effect for the scheduled calendar year under subsection (b) unless precluded by the application of paragraph (2) in that year.

"(4) CORRESPONDING ADJUSTMENTS.—For each calendar year for which a schedule under subsection (b) is in effect, the Secretary shall change the zero bracket amount under section 63 for the calendar year, the tax tables prescribed under section 3, the withholding tables prescribed under section 3402, the dollar amounts set forth in section 3402(m)(1) (relating to percentage method withholding), and the dollar amounts set forth in 6012(a) (relating to filing requirements) necessary to reflect in such tables and amounts the schedules in effect for the calendar year. The amounts adjusted by the Secretary under this paragraph for any calendar year shall be the amounts in effect for taxable years beginning in that calendar year.".

SUMMARY OF AMENDMENT

That beginning in fiscal year 1981, it would not be in order for either the House or Senate to consider any legislation to increase the public debt limit—

(a) until the Second Concurrent Resolution on the Budget, or any subsequent Concurrent Resolution on the Budget, for that year has been agreed to, and

(b) unless—

(1) the Second Budget Resolution, or any subsequent Budget Resolution, provides for outlays equal to or less than revenues, or

(2) more than two-thirds of the Members voting in both the House and Senate agree to a Second Concurrent Resolution which provides for a deficit.

Mr. ARMSTRONG. By way of brief summary of the amendment, let me point out that this amendment resolves the main economic problems perceived, I think by most Members of this Congress and by the country, that is, the need to balance the budget and control inflation, and the need to cut taxes.

AMENDMENT NO. 111

I am looking around the Chamber to see if the Senator from Kansas (Mr.

DOLE) is on the floor, because on Wednesday I expect to speak in support of an amendment which he will offer, and if he is present, he may wish to explain the purposes of that amendment.

Mr. President, in order that that amendment may be printed and available for Members, I also ask unanimous consent that the amendment and a summary be printed at this point in the RECORD.

There being no objection, the amendment and summary were ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 111

On page 2, after line 16, insert the following:

SEC. 5. (a) It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) which provides for any further increases in the statutory limit of the amount of public debt beyond the statutory limit in effect on May 1, 1980, for any period during any fiscal year beginning after September 30, 1980—

(1) until the second required concurrent resolution on the budget for such fiscal year has been agreed to pursuant to section 310 of the Congressional Budget Act of 1974, and

(2) unless—

(A) the appropriate level of the total budget outlays for such fiscal year as set forth in such concurrent resolution as equal to or less than the recommended level of Federal revenues for such fiscal year as set forth in such concurrent resolution, or

(B) such concurrent resolution is agreed to in both the House of Representatives and the Senate by a vote of more than two-thirds of the Members voting (a quorum being present).

(b) The provisions of this section shall take effect on the date of the enactment of this Act.

DESCRIPTION OF THE DOLE-ARMSTRONG AMENDMENT TO H.R. 2534

1. The amendment provides that beginning with FY 1981, there may be no more debt limit increases beyond the May 1, 1980 level, unless the Second Concurrent Resolution on the Budget provides for a balanced or surplus budget or more than two-thirds of the House and Senate agree to a budget resolution which projects a deficit.

2. The Amendment will not affect the combined (temporary and permanent) debt limit level provided for in H.R. 2534 ($830 billion), which will cover our debt needs through the end of FY 1979.

3. The Amendment does not address the question where there ought to be any additional increases in the debt limit for FY 1980.

Mr. ARMSTRONG. Mr. President, I have sent to the desk an amendment which will be proposed by the Senator from Kansas (Mr. DOLE) and myself. I hope he will return to the Chamber to speak on this, but I will explain very briefly that the effect of the amendment Mr. DOLE and I will offer on Wednesday, the second amendment I will participate in offering, will simply be to say that for any fiscal year beginning after September 30, 1984, any concurrent resolution subsequent to the second concurrent budget resolution must be agreed to by two-thirds of the Members voting if its effect is to increase the statutory limit on the debt.

While this is not, in my view, a perfect solution to the problem, and does not have the precision and external discipline that a constitutional amendment would have, it seems to me it is a good amendment, and is perhaps as well as we could do at this moment.

Mr. President, in conclusion, let me suggest that I hope the Members of this body will not treat the votes on Wednesday as a routine matter, but will join me in seeking to provide a permanent debt limit as an end to routine budgetary increases in the future, and will support these amendments.

Mr. PROXMIRE. Mr. President, I want to tell the Senator from Colorado (Mr. ARMSTRONG) how much I appreciate his excellent speech. I agree with him wholeheartedly. He is absolutely right, that our number one problem is inflation.

He is also right that we have to make painful, tough decisions in cutting spending. It is not easy. Every time we have to vote on this, it is difficult because we have good, earnest, sincere people who feel that these spending programs are necessary and vital.

Somehow we have to find a way to say, "No."

What the Senator from Colorado is so ably offering, I think, will help the Senate as a whole because it will provide a framework around which we can limit our spending, recognizing that if we are going to increase spending we have to increase taxes to balance the budget.

MEETING OF INTERPARLIAMENTARY UNION

Mr. ROBERT C. BYRD. Mr. President, Members who are interested in the activities of the Interparliamentary Union are advised there will be an organizational meeting of the U.S. IPU group in room EF-100 in the Capitol on Tuesday, March 20, at 2:30 p.m.

The purpose of the meeting will be to elect officers for the 96th Congress and to discuss forthcoming meetings of the Interparliamentary Union.

Mr. STAFFORD. Mr. President, I wish to join in the announcement which the majority leader has just made in connection with the meeting tomorrow of American delegates to elect our officers for the U.S. delegation to represent us in meetings of the International Parliamentary Union during the life of the 96th Congress, this year and next year. It is an important election and I would very much hope that Senators would be willing to come to the meeting tomorrow and assist us in getting democratic representation in the elections that we will have.

I would be very pleased if any Members who read these remarks wish to discuss with me further the operations of the International Parliamentary Union of which I have been a member of the American delegation for the last 6 or 7 years.

I might point out that last year I returned from a meeting of the IPU in Bonn, West Germany. I made three 15-minute speeches reviewing the operations of the International Parliamentary Union over the years, our participation in it for a great many years, and the resolutions which were adopted during the course of the Bonn meeting. I would be glad to make copies of my remarks and those resolutions available to any Senator who might be interested.

Again, I urge Senators to attend the meeting tomorrow afternoon.

Mr. ROBERT C. BYRD. Mr. President, I wish to thank the distinguished Senator who has served as a very distinguished member of the American delegation. I express appreciation on behalf of the Senate for his willingness to supply information and to be helpful in the matter.

THE LOSS OF A GREAT MAN—DEWEY BARTLETT

Mr. STEVENS. Mr. President, recently, our Nation has lost a number of great men. One of those men, former Senator Dewey F. Bartlett of Oklahoma, will be sorely missed by us all. He served his State, his Nation, and us all in a manner seldom emulated. He was known to us as a warm man, a man with unswerving dedication and affection for people. He was not only dedicated to the needs and desires of his constituents in Oklahoma, but understood the needs and wants of our Nation's constituency which, in some cases, was not always the same as those of Oklahoma. He was, as Senator PACKWOOD so eloquently pointed out, a "consummate legislator." He was a man who exemplified tremendous personal courage in carrying out his duties while suffering the intense pain of spreading cancer. He carried out those duties as diligently and effectively in the closing days of Congress as his first days here. He pressed on when a lesser man would have faltered and fallen by the wayside.

From time to time, America needs heroes. We need men and women who set examples, who go beyond the call of duty and inspire us to do the same. Dewey Bartlett was far too humble a man to believe his career should be venerated. But, as the Bible says, "He who is humble shall be exalted." And, thus, he and his career should appropriately be held up before us all to emulate.

Perhaps the greatest contribution made by Dewey Bartlett to this country was evidenced through his vast knowledge and expertise in the field of energy. He was far ahead of many of us in this body in recognizing the need for establishing a fair market price for natural gas and other vital energy resources. He forewarned the nation that without deregulation and open competition, this country might face a real energy crisis in the near future.

Today, as we find ourselves in the midst of a very serious energy shortage, we realize just how right Dewey Bartlett was in his dire prediction. It is a shame we did not heed his advice and act earlier to avert this unfortunate situation.

Dewey Bartlett's example is one each of us in this country would be wise to follow. He represented fortitude, courage, and a relentless enthusiasm for life. In my opinion, a man such as Dewey Bartlett should be remembered in a manner that would honor his spirit and at the same time serve as a reminder to us all of the courage and love of this man. To this end, it is my intention to suggest that the Hart Building be renamed the Hart-Bartlett Building in his honor and I plan to pursue this in the appropriate fashion at some future time.

THE DEATH OF FORMER SENATOR DEWEY BARTLETT

Mr. TOWER. Mr. President, the people of Oklahoma and all Americans suffered a great loss in the death of our former colleague, Dewey Bartlett. Drawing upon his own experience as a military man, a rancher, a farmer, and an engineer, Dewey understood the needs of the governed and the responsibilities of those who govern. From the time he entered public service as a member of the Oklahoma State Senate in 1963, through his years as Governor, and finally U.S. Senator, Dewey Bartlett served the people of Oklahoma with unswerving love and dedication.

Dewey was a man of great intellect and strong convictions. In the legislative arena, he waged his battles in an eloquent and forthright manner, both in committee and on the Senate floor. He brought honor to this institution, and as one who was privileged to serve with him, I have only the highest respect for Dewey's remarkable abilities.

I am saddened not only at the loss of an able colleague, but also of a good friend and neighbor. Texas and Oklahoma share an extensive common border, and on many instances we joined efforts to address the issues of mutual concern to our respective constituencies. I can think of no more vivid example than that of energy legislation, a complex and often controversial area where Dewey's unique combination of technical knowledge and legislative skills made him a natural leader. For those of us who shared his deep interest in this issue, Dewey's contribution will be sorely missed.

Dewey and I also served together on the Senate Armed Services Committee, and his active participation in that forum reflected his personal commitment to a strong national defense. He put the highest priority on protecting the constitutional freedoms enjoyed by all Americans; and his love for this country, its citizens, and its principles was nowhere more vividly demonstrated than in his defense posture.

Like many of our colleagues, I feel that my greatest loss is a very personal one—that of a kind and understanding friend. Not only did we represent neighboring States, but we also shared adjacent offices in the Russell Building, and on many occasions, we would visit together as we answered vote calls or headed to committee meetings. I came to enjoy particularly Dewey's unfailing sense of humor—a trait which served him well, both in times of joy and times of sorrow.

But more often than not, Dewey's humor came at his own expense, and no one enjoyed it more than he did. Even in times of adversity, when Dewey's own energies were increasingly consumed with his physical battle against cancer, he used his gentle humor to ease the concern of those shared his painful ordeal. During his final days here in the Senate, at a point where many of his colleagues took the floor to offer solemn and poignant tributes, Dewey used laughter, not tears, as a testimony to his ability to accept the inevitable, and make the best of it.

Dewey Bartlett was a strong but compassionate man. He was dedicated and a tireless worker, but he always took time for his friends, and time to enjoy the small things in life.

I can remember on so many occasions when I drove into the court yard of the old Senate Office Building, Dewey would be standing out there feeding the pigeons, throwing grain out to them which he brought with him every day for that purpose.

Mr. President, I shall not forget my good friend, Dewey Bartlett. On behalf of my wife Lilla and myself, I extend to Dewey's lovely wife, Ann, and the three Bartlett children our deepest sympathies.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from Kentucky without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL CONSUMERS LEAGUE

Mr. FORD. Mr. President, the National Consumers League (NCL) the Nation's oldest consumer organization, is celebrating its 80th year of advancing the interest of consumers and workers throughout the country. I congratulate the league for eight decades of effective work on many reforms we now take for granted, such as minimum wage, worker's compensation, and child labor laws.

The NCL has recently taken an active role in an area of emerging importance, the use of effective voluntary standards. In this regard, I am pleased to note that industry has voluntarily adopted the Christmas tree light standard that the National Consumers League wrote for the Consumer Product Safety Commission. Now the Commission's job will be to monitor compliance instead enforcing a mandatory standard. This change will result in significant dollar savings to the taxpayer.

The National Consumers League is the Nation's only individual membership consumer organization. NCL has certainly effectively represented the concerns of its members over the years and has done an excellent job of communicating these concerns to Members of Congress. NCL's priorities for 1979 are centered around controlling inflation, and they are conducting research and price monitoring in the four basic sectors where inflation is highest: Food, housing, health care, and energy. I commend them for their effort and success in conducting research, educating consumers, and communicating with Congress on their concerns and would like to submit for the RECORD the preamble of the policy statement of the National Consumers League.

I ask unanimous consent that the preamble be printed in the RECORD at this point.

There being no objection, the preamble was ordered to be printed in the RECORD, as follows:

PREAMBLE

Founded in 1899 to develop among consumers a sense of responsibility for the promotion of safety, health, and economic well-being of both workers and consumers, the National Consumers League is the country's oldest consumer organization.

NCL was organized during the era of child labor and sweat shops to use consumer power to eliminate those unhealthy and demeaning practices, and to ensure that the goods and services bought by consumers were produced and marketed under fair working conditions. The League introduced the idea of minimum wage legislation in the United States, and campaigned early in the century for consumer protection and a government responsive to consumer needs. The League was instrumental, for example, in the enactment of the first Food and Drug Law to promote safety in areas beyond the technical control of an individual consumer, and laws to compensate workers whose health was impaired by toxic materials in the workplace.

In today's complex and crowded society, we see more than ever that the harm forced upon one group of us becomes a problem for all of us. We also know that the welfare of the consumer and the worker requires a careful balancing of the right to earn profits, with other rights that effect the quality of life for everyone. To achieve this balance, a mix of both government regulations and responsible business practices is necessary. NCL believes that fair and effective laws should be vigorously enforced. In some cases new legislation may be needed; in others, regulations must be updated; and finally, some laws should be repealed to reach this balance and to enable all people to function as efficient, responsible citizens. As responsible consumers, we believe we have the right to be heard and to participate in the decisions which affect our lives.

NCL further directs its concern and efforts toward improving conditions for the consumer of public services, as well as the consumer of goods and commercial services. Those least able to defend themselves against inflation, unemployment, and social barriers deserve this country's particular attention.

As the League works to improve conditions for workers and consumers through economic and legislative channels, it also promotes quality information and education as an effective line of defense for the individual. The public must be able to understand and assert its responsibilities as well as its rights. The public, through representatives of legitimate public interest organizations, must also be able to participate in government decision-making.

We are determined to keep the National Consumers League an effective voice in the struggle for economic and social justice for all.

TRIBUTE TO DEWEY BARTLETT

Mr. PROXMIRE. Mr. President, I join the distinguished Senator from Texas in his tribute to Dewey Bartlett. All Senators who served with Senator Bartlett had great respect, admiration, and affection for him. He was an unusually fine human being, and we miss him very, very much.

I want to add my condolences with those of other Senators to his fine family. He was a remarkable Senator and a dedicated person. Most of all, he was the kind of friendly, warm, tolerant human being we all appreciate so much.

THE THREE CONTRADICTIONS

Mr. PROXMIRE. Mr. President, I call the attention of the Senate to three remarkable contradictions.

THE FIRST CONTRADICTION

No. 1 was enunciated by one of the ablest and most intelligent Members of the Senate this morning, Senator Javits, when he gave a long and excellent speech on our economy. Senator Javits is a truly wise man, and his value to this body is very great.

He pointed out that we have to restrain demand and he also pointed out that we should do all we can to increase exports. Unfortunately, Mr. President, increases in exports have just a perverse effect on overall demand, just as strong an inflationary effect, as excessive Government spending.

It should not be that way, I know. We do not like that idea. We all like to stand up and salute when we hear the word "export," but that is the effect. Economists who come before the Banking Committee and others, and I have questioned them on that recently, agree that is true. The fact is that the President is proposing reductions in the deficit which the Congress, I hope, will follow through and improve on, of something like $10 billion this year.

But we are told by the State Department that we expect to reduce the adverse balance of trade by $10 billion, and that is a washout.

Then in 1981, if we do even better with our balance of trade, that will mean we have to do still better in holding down Federal spending.

Unfortunately, that has been overlooked.

While I recognize that exports for many, many reasons should be encouraged, the fact is that they do have this perverse effect on overall demand. They do have an inflationary effect. We should have our eyes wide open when we proceed to encourage or subsidize exports.

THE SECOND CONTRADICTION

Mr. President, the President of the United States has achieved one of the truly outstanding achievements in our lifetime, I think, in being able to persuade Egypt and Israel to agree, apparently, to a peace treaty. That has not been finalized yet, but I think all of us expect it will happen.

I think all of us know that it could not have happened if it had not been for the persistence, intelligence, and hard work—against great odds—of the President of the United States. He deserves great credit on that.

On the other hand, Mr. President, we are told that in order to button up that treaty we are going to have to agree to $5 billion of arms exports to Egypt and Israel.

Mr. President, I have always voted against military foreign aid. I think it is perverse. I think it is most extraordinary, however, that at this time when we have a peace treaty, that peace treaty has to be somehow arrived at by increasing arms for Egypt and Israel, and we are also told for Saudi Arabia probably coming up.

I do think, Mr. President, that we ought to recognize what a contradiction this is and how self-defeating it can be.

After all, one of the reasons, and certainly not the only reason, why the Shah of Iran fell was that his country was loaded down with arms. His people resented it. The burden was tremendous. While Iran could afford it to a considerable extent, I think this undoubtedly was one of the elements in his downfall.

Mr. President, it is most ironic that this big country of ours should be the arms sellers and the arms exporters to the world.

We sell more arms than all the other nations in the world combined—twice as much as the Soviet Union, 9 times as much as the French, 15 times as much as the British.

For us to solve our problems, and this is not new with this administration as it has been done in past administrations, by giving more arms to both sides is fundamentally wrong and self-defeating.

THE THIRD CONTRADICTION

Finally, Mr. President, I reiterate the other contradiction, because it cannot be emphasized too much. Several of us spoke on it the other day.

I am referring to the SALT agreement which is a strategic arms limitation treaty, and yet it is the treaty, as we all know, which is being achieved—how? It is being achieved by the President of the United States proposing a bigger military budget, proposing we go ahead, or are likely to go ahead, with the MX missile, which will cost $30 or $40 billion; proposing that we also go ahead, perhaps, with a penetrating bomber at a cost of 15 billion, and channeling the arms race simply into a different area.

Again, I have no solutions for this kind of a situation except we ought to be more aware of it and we ought to be more sensitive to it. We ought to try our best to try to achieve our aim of peace in the world without following means that are going to destroy those ends.

ANOTHER CALL FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, last Thursday the Wall Street Journal published an article calling for the ratification of the Genocide Convention.

The article focuses on Dr. Raphael Lemkin, the esteemed international lawyer who coined the word "genocide," and was instrumental in the introduction and unanimous passage of the Genocide Convention at the United Nations 30 years ago. He devoted much of the remainder of his life and resources in the pursuit of its ratification by the U.S. Senate. But he died both disappointed and disillusioned, for his adopted country failed to act on this crucial treaty. Dr. Lemkin understood the importance of the Genocide Convention, for he had lost 68 of the 70 members of his family to the holocaust.

The Wall Street Journal article eloquently supports a significant and essential cause—the protection of human life. I urge the Senate to take immediate action on the recommendation of this article and ratify the Genocide Convention.

I ask unanimous consent that the text of the March 15 Wall Street Journal article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Mar. 15, 1977]

Time To Adopt the First Human Rights Treaty

(By William Korey)

It was one of those rare moments in the history of the United Nations, a little over 30 years ago. The General Assembly, meeting at the Palais de Chaillot in Paris, had adopted its very first human rights treaty—the Genocide Convention. The unanimous vote for the document constituted the world's affirmation that the lesson of the Holocaust would never be forgotten.

But the correspondents were less interested in the Assembly action than in the person, singlehandedly who had made it possible. The "unofficial man," as they had dubbed Raphael Lemkin (for he was both stateless and represented no one) had coined the term "genocide," had provided the substantive elements of the convention, convinced the major Western countries of its need, and carefully shepherded it through the Assembly. A modern Don Quixote, who had tilted at windmills for three years, and yet, in the end, provided successful, was sought for interviews.

Hours later, a few intrepid journalists located him in the darkened Assembly chamber, long after the adjournment of the session. A gaunt figure, with graying hair, was sitting in the seat which he had occupied all day, directly below and in front of the podium where a cleaning woman, his only companion in the hall, was still engaged in her chores under the eerie light of a single electric bulb.

The entreaties of the correspondents for an interview were brushed aside. With tears accumulating in blue eyes, hidden behind thick spectacles, and flowing down his cheeks, Lemkin pleaded: "Let me stay here alone."

The genocide treaty was after all but a token of what he owed mankind for the victory over Hitler's juggernaut of massacre. Only he and a brother of a Polish-Jewish family numbering 70 persons had survived the Holocaust. Lemkin had dedicated his life to establishing genocide as an international crime that must be banished from civilized society.

Today, 83 countries have ratified the convention. Yet, strangely, Lemkin is all but forgotten. The name is inscribed nowhere at the United Nations, not on the walls or in the cases that adorn the corridors, or in special documents or even in popular UN works.

Even more distressing is the failure of the United States to give expression to Lemkin's heritage by ratifying his handiwork. It was hardly surprising that his dearest wish would be that the United States become a contracting party to the genocide treaty.

America was after all his adopted home. The Carnegie Endowment for International Peace sponsored his first major study, "Axis Rule in Occupied Europe." Duke University had offered him a limited faculty position. Most important, the first U.S. Ambassador to the UN, Warren R. Austin, after a meeting with Lemkin, decided to make genocide a major U.S. concern at the UN.

If the U.S. championed the Convention in the General Assembly and was among the first to sign it and if President Harry Truman had urged Senate ratification as early as June 1949, the treaty, 30 years later, remains accumulating dust in that legislative chamber.

Sen. William Proxmire of Wisconsin, not too long ago, reminded his colleagues that "there is not a single proposal that has been before the Senate as long."

The consequence has been serious embarrassment for the U.S. both within and without the UN. American Ambassadors have been regularly challenged by friend and foe for an explanation to which a satisfying response can never be forthcoming. In the context of President Carter's human rights policy, non-ratification of the first UN human rights treaty takes on a particularly mocking character.

For that reason, the President has, at least three times, urged the Senate to act, most recently at a special White House ceremony on December 6. Much of the responsible public opposition has, in fact, evaporated in recent years. Even the American Bar Association, in February 1976, reversed its earlier position and became a treaty supporter.

While there still remains the pressures emanating from the Liberty Lobby and other "ultras" (who fear, among other things, that the treaty would infringe on U.S. sovereignty), the more immediate challenge is simple inertia. Few doubt that the required two-thirds favorable vote would be forthcoming should the issue be clearly posed. The problem, however, is how to hurdle the expected filibuster from one or another right-winger.

Will 60 Senators be available to vote for cloture to avoid both a serious interruption of the Senate calendar and a tarnishing of the American image abroad? Since the Senate leadership is committed to headcounting, the query ineluctably raises a second one. Is the administration prepared to invest the necessary political capital to make possible an up-or-down vote on genocide?

Twenty years ago, Raphael Lemkin died in New York, his great hope for American ratification unfulfilled. It would be a fitting testimonial to an extraordinary, if neglected, "unofficial man"—and to our own cherished tradition were the United States finally to join the contracting parties of the genocide treaty.

Mr. PROXMIRE. Mr. President, I yield the floor.

DEWEY BARTLETT, PATRIOT

Mr. ARMSTRONG. Mr. President, even those of us who knew him only casually felt an acute sense of loss when Dewey Bartlett departed this world for the better one beyond.

Dewey Bartlett was an exemplar of those virtues that, to our misfortune, have come to be regarded as "old-fashioned." A man of quiet courage, of pleasant disposition and unquestionable integrity, Dewey Bartlett was consumed by an unabashed and unashamed love for his country, which he served with dignity, intelligence and honor first as an officer in the Marine Corps, then as Governor of the State of Oklahoma, finally as a U.S. Senator. Dewey Bartlett was, in a word, a patriot, the like of which our country has far too few.

A GREAT OKIE

Mr. BELLMON. Mr. President, in his last illness, as throughout his public life, Dewey Bartlett was an inspiration and a model of faith and courage. His life was lived in the service of the State and Nation he loved.

Dewey Bartlett came to our State as an outsider. He left us as an Oklahoman—or as he would prefer, an Okie. There is no greater compliment I can pay my lost friend.

The extent of his service to Oklahoma during his 14 years in elected office is enormous. As a State senator, he was instrumental in the creation of the statewide vocational-technical education system. As Governor, he strengthened common and higher education and improved the corrections system; however, he will be remembered best for bringing thousands of jobs to Oklahoma workers.

As a U.S. Senator, he was a watchdog of our Nation's defenses. He came to the Senate as the energy crisis was developing and became the most knowledgeable and respected authority on development of domestic energy resources.

Dewey Bartlett taught Oklahomans a new sense of pride. He reinforced our belief in hard work. There was no man more relentless in the pursuit of a goal, more dedicated to an ideal, more inexhaustible in the execution of his duties. He gave us a model of humor, courage and selflessness in his final days. I always will remember Dewey's concern that others should not suffer because he was suffering.

He was a great man, a great friend, a great Senator, a great politician and a great Okie. He will be greatly missed in the Senate and in Oklahoma.

A measure of what Dewey Bartlett meant to Oklahomans can be obtained from the record of newspaper stories about him. I ask unanimous consent that one of those articles from the Tulsa Tribune be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BARTLETT DEFIED POLITICAL ODDS

(By Jenk Jones, Jr.)

Dewey Bartlett proved you can play against a stacked deck.

The former governor and U.S. senator, who died of cancer Thursday night, had great success in politics against all odds.

Perhaps he was accustomed to beating the house. After all, being an independent oilman, his lifelong work, is considered the next thing to a life as a professional crapshooter.

He was elected to his first office, state senator, in 1962, when being a Republican was considered a joke in Oklahoma.

He achieved a degree of influence in the Senate at a time when malapportionment restricted Tulsa to only one senator, and playing ball with rural Democrats was the only way to get anything done for the city.

He won the 1966 Republican nomination for governor in an upset against a popular legislative veteran, John N. Happy Camp.

And he captured the governor's chair that autumn against Preston Moore, who had the assets both of being a Democrat in this heavily Democratic state and a former national American Legion commander in a state where Legion posts provided entree and contacts in every corner of Oklahoma.

Bartlett's cards were low—not only a Republican, but admittedly no spellbinder as a speaker, a Tulsan in a state suspicious of urban areas, a Princeton man among Oklahomans who often favor football over academics.

Above all, Bartlett was a Catholic. That in a state which just six years earlier had overwhelmingly rejected John F. Kennedy in his 1960 presidential race.

Somehow, through persistence and strength of character, Bartlett managed to fill a political inside straight and win four years in the governor's mansion.

Then he made his only political error. In 1970 he stood with a pat hand, figuring that remaining on the job rather than politicking was the best way to win re-election. David Hall proved him wrong, outworking him and handling Bartlett the narrowest statewide defeat in Oklahoma history

Bartlett learned his lesson. For the next two years he worked unceasingly, and the result was a stunning upset win over Democrat Ed Edmondson, the popular 20-year House veteran who earlier had been considered a shoo-in for the Senate post vacated by Fred R. Harris.

As a freshman senator, and a minority party member, Bartlett could have disappeared into Potomac obscurity.

But again he challenged the highstakes players. He forced a politically inspired Congress and executive branch to listen to the need for realistic oil policies, and slowly he swung many senators and congressmen to views more sympathetic to the industry.

He went to the Horn of Africa, and his biting report on the growing Russian threat to that area by controlling vital sea lanes jolted a complacent Washington into actions that paid off in a lessening of U.S.S.R. influence there.

He earned for himself respect from both sides of the aisle and from those who opposed his basically conservative philosophies as well as those who espoused them.

But just when he was amassing a sizable pile of chips, a crooked player entered the game—one that dealt cards no man could beat.

And the stakes switched from politics to life itself, with that shrouded figure always across the table. Bartlett had to give up plans to seek reelection, leaving Washington after his one term to preserve his strength for the greater struggle.

If Dewey Bartlett ever taught political lessons, he taught a nation even more in this final battle. He fought hard, with a smile and a message of courage.

No matter what he was holding, he didn't fold.

And his fellow senators and fellow Oklahomans, regardless of party or ideology, responded to this battler with a warmth rare in politics.

REPORT ON EXPORT CREDIT NEGOTIATIONS—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 40

Under authority of the order of the Senate of March 15, 1979, the Secretary of the Senate, on March 16, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

The Export-Import Bank Act of 1945 as amended in November 1978 (Sec. 1908 (a) of Public Law 95–630) requested me "to begin negotiations at the ministerial level with other major exporting countries to end predatory export financing programs and other forms of export subsidies, including mixed credits, in third country markets as well as within the

United States." The legislation called for a report to the Congress on progress toward meeting these goals.

As I indicated on September 26, 1978, in my Statement on Export Policy, this Administration attaches high priority to increasing American exports. The Export-Import Bank plays a very significant role in that effort. Accordingly, this Administration has sought to make the Bank's financing more competitive with the official export financing provided by other governments and, at the same time, to improve the International Arrangement on Export Credits so as to avoid costly and self-defeating export credit competition between sovereign governments.

I directed the Secretary of the Treasury to undertake the appropriate negotiations. In fact, Secretary Blumenthal had already alerted foreign governments to the need for a broadened and strengthened International Arrangement at the OECD Ministerial Meeting in June 1978 and the issue was again raised at the meeting which prepared the agenda for the Bonn Summit. In September 1978, Secretary Blumenthal emphasized to the Finance Ministers of our major trading partners the importance of substantive improvements in the International Arrangement on Export Credits. He presented detailed proposals designed to bring the financing terms set forth in the Arrangement closer to worldwide commercial practices and to broaden the Arrangement to cover sectors presently excluded from coverage.

Briefly, these proposals called for increases ranging from ½ to ¾ of one percent in the minimum interest rates called for by the Arrangement, the elimination of local cost support by export credit agencies, and greater restraint in the use of highly concessional mixed credits. In addition, maximum repayment terms and minimum interest rates were proposed for aircraft, nuclear power plants and liquified natural gas (LNG) tankers, sectors presently excluded from the Arrangement. Similarly, a proposal was made to have the Arrangement cover credits for agricultural commodities in excess of three years but not more than ten years. Additional possibilities for improving the Arrangement emerged during the subsequent discussions.

These proposals were presented to the twenty-two countries participating in the International Arrangement on Export Credits for consideration at their October 1978 meeting. At our urging, these countries agreed to establish a working group to consider improvements in the Arrangement. The working group met in December 1978 and in January 1979. In addition, representatives of the U.S. Government discussed these proposals at length in bilateral meetings with other governments.

Although the substance of our proposals appeared to constitute a basis for negotiation, the required unanimity for the changes we sought in the Arrangement was lacking. As a result, no agreement regarding modifications in the Arrangement acceptable to the U.S. Government could be reached.

I have therefore reluctantly concluded that further negotiations would not be productive at this time. If the countries which have opposed the improvements we have suggested evidence their willingness to be more forthcoming, I would be prepared to resume negotiations at any time.

For the present, however, the lack of progress requires us to reexamine our own efforts to assure that we remain competitive in the export credit field. Our examination may well indicate that we should modify some of our own programs and policies until such time as there is more willingness among our trading partners to impose the needed self-discipline on export credit practices.

Meanwhile, the United States will continue to adhere to the International Arrangement on Export Credits because it remains a useful, if limited, instrument of international discipline in the provision of officially supported export credits. Within this framework, the Export-Import Bank, operating in consultation with the National Advisory Council on International Monetary and Financing Policy (NAC), will provide the necessary export financing support to allow American exporters to meet foreign official export credit competition. For example, Eximbank will continue its recently adopted policy of matching mixed credits on a selective basis, a policy which proved effective recently when an American exporter was awarded a contract based on an Eximbank financing package that matched the mixed credit offer of a foreign government.

Finally, in my FY 1980 budget, I have asked the Congress for $4.1 billion in direct lending authority for Eximbank, an increase of $500 million from the FY 1979 budget. I have asked for this increase, together with $6.8 billion in insurance and loan guarantee authority, in a year in which I am determined to cut the Federal budget deficit to below $30 billion. I expect the Bank to husband these new resources carefully, but I also expect the Bank aggressively to meet official export credit competition.

The attached annex details the discussions and the actions taken to improve the International Arrangement and provide competitive official export credit financing.

JIMMY CARTER.

THE WHITE HOUSE, *March 16, 1979.*

REPORT OF THE ADMINISTRATION ON AGING—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 41

Under authority of the order of the Senate of March 15, 1979, the Secretary of the Senate, on March 16, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

Section 208 of the 1973 Amendments to the Older Americans Act (Public Law 93-73) provides that the Commissioner on Aging shall prepare and submit to the President for transmittal to the Congress a full and complete report on the activities carried out under this Act, not later than 120 days after the close of each fiscal year.

The Secretary of Health, Education, and Welfare has forwarded the Annual Report of the Administration on Aging for the Fiscal Year 1977 to me, and I am pleased to transmit this document to the Congress.

JIMMY CARTER.

THE WHITE HOUSE, *March 16, 1979.*

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JAVITS (for himself, Mr. CRANSTON, Mr. DECONCINI, Mr. LEVIN, Mr. NELSON, and Mr. MOYNIHAN):

S. 696. A bill to amend certain provisions of the Controlled Substances Act relating to marihuana; to the Committee on the Judiciary.

(Note: The above bill was introduced March 15, 1979, but inadvertently was not printed in the RECORD of that date.)

By Mr. SASSER (for himself, Mr. BAYH, Mr. LEAHY, Mr. SARBANES, and Mr. PROXMIRE):

S. 697. A bill to reduce by $500,000,000 the amount which may be obligated for travel and transportation of officers and employees in the executive branch during fiscal year 1980; to the Committee on Appropriations, the Committee on the Budget, and the Committee on Governmental Affairs, pursuant to orders of January 30, 1979 and August 4, 1977.

By Mr. BAKER:

S.J. Res. 49. A joint resolution calling for a strong national energy policy; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JAVITS (for himself, Mr. CRANSTON, Mr. NELSON, Mr. DECONCINI, Mr. LEVIN, and Mr. MOYNIHAN):

S. 696. A bill to amend certain provisions of the Controlled Substances Act relating to marihuana; to the Committee on the Judiciary.

(Note: The above bill was introduced on March 15, 1979, but inadvertently was not printed in the RECORD of that date.)

MARIHUANA CONTROL ACT OF 1979

● Mr. JAVITS. Mr. President, today I introduce, along with Senators CRANSTON, NELSON, DECONCINI, LEVIN, and MOYNIHAN, the Marihuana Control Act of 1979. This bill comes to the Senate for the fifth consecutive Congress.

The bill I am introducing amends the Controlled Substances Act to provide that persons found in possession of small amounts of marihuana (up to 1 ounce) which is for their personal use, and not for resale, would be subject to a civil fine of up to $100. Current law would subject such persons to the possibility of criminal sanctions, including fines of up to $5,000 and up to 1 year in jail, for the first offense.

Although the bill has not changed markedly since its introduction in 1972, the social and legal climate in this country has changed dramatically since the first efforts of reform of our marihuana laws were initiated. In testimony I presented before the Select Committee of Narcotics Abuse and Control in the House exactly 2 years ago today, I outlined the major reasons why the Federal Government should support decriminalization of small amounts of marihuana. Those arguments are still valid today, although the statistics regarding arrests and usage of marihuana have changed and argue more strongly for reform of our marihuana laws than they did 2 years ago.

The following statistics highlight the need for reform in this area. Since 1970, approximately 3 million U.S. citizens have been arrested on marihuana-related charges. Last year alone, 450,000 individuals were arrested on marihuana charges. And, 93 percent of these arrests were for possession of insignificant amounts of marihuana. These figures are on the increase even though 11 States have decriminalized the personal possession and use of marihuana. In fact, arrests in 1977, the last year that information has been made available, were the highest ever recorded.

The National Institute on Drug Abuse's survey indicates that 16 million Americans are current users of the drug, while another 42 million persons have tried marihuana at least once. This represents a significant part of the population which has access to and use of this controlled substance. Efforts by law enforcement officials to eradicate this substance would be fruitless. The FBI's own figures have shown that in 1977, 71 percent of all drug-related arrests were for marihuana. Because of the pervasiveness of marihuana, devoting additional law enforcement efforts to such cases cannot possibly yield positive results for either the community or the individual. For this reason among many others, the bill has the support of the American Bar Association and many chiefs of police.

The use of criminal sanctions has not reduced the proliferation of marihuana in this country. But they have blighted the lives of many young men and women guilty of nothing but smoking a reefer. It is time that the Federal Government look toward other means of minimizing use of this drug. Decriminalization of marihuana at the Federal level would be an important step in reducing the amount of time, resources and energy spent by our law enforcement agencies throughout the country on enforcement of minor infractions of the law. Alaska, California, Colorado, Ohio, Oregon, Maine, Minnesota, Mississippi, Nebraska, New York, and North Carolina have already decriminalized possession of small amounts of marihuana, and many other States will be considering similar legislation this year. It is now time for the Federal Government to take the lead in establishing a more realistic policy toward personal use of marihuana. Although States would have the ultimate decision in whether or not to reform their own laws, I believe that the Federal Government should set the example in this area.

The bill I submit before the Congress today does not seek to diminish Federal control over the use and distribution of illicit drugs. Indeed, the civil fine sanction is a reminder that we do not approve of the use of even small amounts of this substance. Further, sale and trafficking of this drug are still treated as criminal infractions under the Controlled Substances Act.

Nor is this bill a panacea for systematic inequities in the judicial system. In some States severe penalties for marihuana possession can be used as an official tool to harass individuals who may happen to possess even one marihuana cigarette. The bill does try to establish, however, a more realistic Federal policy regarding marihuana use. In this regard, the Federal Government is following the lead of those States which have already decriminalized the use of small amounts of marihuana. It is also in line with public opinion, which has supported civil treatment for marihuana private possession and use. For example, a March 1978 Washington Post poll cited this change of attitudes toward penalties for use of marihuana.

Many young men and women are having their careers and educational opportunities destroyed because of the stigma that criminal sanctions have imposed upon personal marihuana use. Use of marihuana in this country is pervasive, as the statistics I have cited above indicate. One in every five Americans have tried the drug. These are our constituents, men and women, professionals and laborers. I think it is time that the Congress of the United States take positive steps toward removing criminal sanctions for private use of marihuana.

Mr. President, I would like to submit for the RECORD, following my statement, the testimony I gave 2 years ago before the House Select Committee on Narcotics Abuse and Control. In addition, three States—California, Maine, an Oregon—have conducted evaluations of the effects of decriminalization in their States. These evaluations make for interesting reading. They establish clearly that the lifting of criminal sanctions on marihuana had no negative side effects. Further they show that a great deal of money, in terms of administrative and resource costs, was saved when marihuana was decriminalized. At a time when we are so conscious of our spending, it would be wise to study how California saved $25 million in 1 year alone when decriminalization went into effect. This was public money that was saved to the detriment of no one.

Mr. President, I ask unanimous consent that these materials and the bill be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 696

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Marihuana Control Act of 1979".

SEC. 2. That the Controlled Substances Act is amended by inserting immediately after section 404 thereof the following new section:

"SEC. 404A. (a) Notwithstanding the provisions of sections 308, 401 (a) (1), 404, or any other provision of this title or any other Federal law, any person who—

"(1) possesses not more than one ounce of marihuana within a private dwelling or other residence for his own use, or for the use of others, within any such residence or dwelling, if such marihuana is not possessed with the intent to distribute, transfer, or sell such marihuana in violation of this title or any other Federal law; or

"(2) possesses in a public area, not more than one ounce of marihuana if the possession of such marihuana is incident to a private use within the purview of subparagraph (1) of this paragraph, and is not with the intent to distribute, transfer, or sell such marihuana for profit in violation of this title or any other Federal law; or

"(3) distributes or transfers, in public or private, any marihuana lawfully possessed, to any person for a private use within the purview of subparagraph (1) of the first paragraph of this subsection, if such distribution or transfer, is not made for profit—

shall be guilty of an offense, for which such person shall be subject to a civil fine of not more than $100. Such acts shall not constitute crimes against the United States and such person shall not be subject to arrest or suffer any disadvantage or disability except that specified in this section.

"(b) Nothing in this section shall be construed as requiring the Attorney General to initiate proceedings involving violations of this section whenever he believes that the public interest will be adequately served by a suitable written notice of warning.

"(c) In the prosecution of any person charged with an offense in violation of any Federal law, the fact that such person was suffering from marihuana intoxication at the time of the commission of that offense shall not be a defense to that charge or any element thereof, unless such intoxication was not self-induced.".

STATEMENT

(By Hon. JACOB K. JAVITS)

In every Congress since the 92nd, I have sponsored legislation strongly and unanimously recommended by the National Commission on Marihuana and Drug Abuse to decriminalize the possession and use of small amounts of marihuana. I am particularly pleased that President Carter has indicated his support of our approach at the Federal level as well as a state by state approach to decriminalization.

Our current bills would decriminalize the personal possession and use and not-for-profit transfer of up to one ounce of marihuana and substitute in lieu thereof a civil fine not exceeding $100. This would be enforceable with a citation rather than an arrest. Current Federal law provides a penalty of up to one year in jail for this offense. The civil fine approach represents a variation from our original bill and the Commission's actual recommendation which proposed straight decriminalization for possession of three ounces of marihuana.

The number of people experimenting with and using marihuana, and getting arrested for the same, continues to increase, and so does the number of criminal justice system professionals who are engaged in detecting, prosecuting, defending, counseling, judging and punishing alleged offenders. This in spite of the fact that the National Commission found that in excess of 90 per cent of all marihuana arrests are for possession and use of minimal amounts. Consequently, the cost of law enforcement involving marihuana is skyrocketing. According to the FBI, more than 2 million persons have been arrested for marihuana offenses in this country since 1970. We continue to reap more than 40,000 marihuana arrests per year, and this distorted priority has cost us the equivalent of billions of dollars in scarce law enforcement resources which are so desperately needed in programs to reduce violent crime and hard drug use.

Criminalization of marihuana has failed. It is now time for Congress to join with the President and our state governments to readjust our priorities and eliminate the profound inequity which results from random enforcement of these laws when 35 million Americans have tried marihuana at least once, and 13 million Americans are using the drug today.

In the past five years, we have already seen important changes in public attitudes and public law on this subject. This is due in large measure to the extraordinary job done by the National Organization for the Reform of Marijuana Laws, and the work of many others. Eight states have enacted decriminalization/civil fine statutes—Oregon, Ohio, Alaska, California, Colorado, Minnesota, Maine, and South Dakota—and such legislation will be considered in at least thirty state legislatures. In addition, many recent public opinion polls show consistent majorities for decriminalization and a recent general lessening of fear about the nature of marihuana and the effects of its use. Without doubt the case for reform has become clearer and more broadly accepted.

Nevertheless, I know how controversial this matter is, not because of the basic difference in approach, but because many legislators at the Federal and state levels still believe that their constituents will not approve of such legislation. But when people understand that we propose decriminalization—not legalization—and when they realize the loss to criminal law enforcement for violent crime and the extraordinary cost and inequities inherent in the present approach, I believe they will endorse our efforts.

There are several specific reasons why Congressional support for this bill has been difficult to obtain.

First, many have been concerned about the health consequences of marihuana use. Nevertheless, I think it is fair to summarize this issue by saying that marihuana, like any other psychoactive drug popularly used, can be used in moderation by most people with no measurable ill effects due to the drug use itself, but in sufficient quantity it is capable of producing a number of ill effects. Our bill is predicated therefore, upon the proposition that society must discourage the recreational use of non-medical drugs like marihuana, alcohol, and tobacco, and warn people against excessive use if they use the drug at all. But, because it has a relatively low health and social impact, society has poor justification for using harsh means to that end.

Second, many have been concerned that decriminalization will result in an increase in marihuana usage, particularly among adolescents. It is my understanding that changes in the rates of marihuana consumption in the eight states which have enacted decriminalization statutes have not differed from usage patterns in the other 42 states.

Third, as these efforts go forward, I want to emphasize that our bill does not and cannot pre-empt state law on marihuana policy. Quite the opposite is true. We agree with the President that this is a matter which can more appropriately be decided on a state and local level, allowing for a wide divergence of approaches in various states. We do believe, however, that Federal action to decriminalize at the Federal level can and should serve as a powerful model to the states to remove such unjust, unworkable and discriminatory laws wherever they exist. Many states will retain their criminal penalties so long as the Federal law remains unchanged and that status quo—and the more than 400,000 arrests annually—is intolerable.

But there is another reason why the Congress should act. It is surely a matter of national—i.e. Federal—concern that criminal approaches to the marihuana possession problem have had a disastrous impact upon the criminal justice system in terms of the perceived injustice of its application to individual violators. These concerns can have a constitutional dimension if national standards of fairness in the administration of criminal justice are violated. We cannot continue to ignore at the national level the subjectivity of the process by which offenders are chosen from among the millions of marihuana users for application of criminal sanctions. These national concerns surely justify and require legislation at the Federal level to influence the formulation of state and local laws regarding marihuana consumption-related activities.

I believe very strongly that we must preserve a governmental policy of discouraging the use of marihuana. Our bill seeks to achieve that objective by serving several distinct and vital public interests while recognizing the social and historical contexts in which public policy toward marihuana has developed. We must act to move the law more closely into accord with the current body of knowledge about this drug.

In doing so we will act on the certain knowledge that criminal penalties cannot be justified for the mere possession for private use of a small quantity of a substance not known to present substantial danger to the individual or to society. Second, we will be eliminating the very damaging impact we know these criminal penalties are having on tens of thousands of Americans. They believe with justification that the discrepancy between the facts and the laws is unfair and hypocritical. Third, by retaining penalties for those who sell drugs for profit, we will preserve the governmental policy of discouragement.

An Evaluation of the Decriminalization of Marijuana in Maine—1978

"It is especially important that a complete revision of criminal laws . . ., seek to distinguish conduct that is truly anti-social and the proper subject of criminal penalties from that which may be looked upon as undesirable, but nonetheless not a fit object for the moral condemnation which a criminal conviction should represent. . . ."

With this comment the Criminal Law Revision Commission recommended, and the Maine Legislature enacted, § 1107 of the Maine Criminal Code, thus making Maine the third State in the nation to decriminalize the personal possession of small amounts of marijuana. Although the revised Criminal Code was signed into law in June of 1975, it did not become effective until May 1, 1976. Approximately two years later, in July and August of 1978, the Maine Office of Alcoholism and Drug Abuse Prevention undertook a state-wide study to determine what effect, if any, the decriminalization of marijuana has had on the people of Maine.

The Decriminalization Survey performs three major functions. First, the survey reveals how many Mainers have ever used and are currently using marijuana and whether the change in the law has caused an increase or decrease in marijuana use. Second, for those persons who have never used marijuana, the survey discloses the reasons—such as health dangers, fear of arrest, etc.—why people choose not to use marijuana. Third, the survey reports public opinion on two issues—whether the decriminalization of marijuana has had a beneficial or harmful effect on the people of Maine, and whether the Legislature should keep the law the way it is, reimpose criminal penalties, or legalize possession and/or sale.

The Survey population consisted of 831 adults and 1,036 high school students. The adults were randomly selected from voting lists in 25 towns and cities to accurately represent a geographically balanced sample of Maine's population. High school students were randomly selected from 10 high schools, again with the response sample representative of the general population distribution.

Although ten other states have enacted some form of marijuana decriminalization, only Oregon and California have made public the results of other statewide evaluations. Portions of the 1977 Oregon Survey, commissioned by the Drug Abuse Council, Inc., are included in this report for comparison purposes.

PART I—MARIJUANA USE

Almost 240,000 Mainers aged 13 and up have tried marijuana and more than 136,000 persons over 13 years of age use marijuana on a regular basis. (Regular use is defined as once or more per month.)

Among all adults living in Maine, 26.6 percent (194,000 persons) have tried marijuana and 14 percent (102,000 persons) use it regularly. (Adults means all persons aged 18 and up.) For the United States as a whole, 24.5 percent of all adults report having tried marijuana and 8.2 percent use it regularly. Comparative figures for the Northeast (the New England states plus New York, New Jersey, and Pennsylvania) are higher, with 29 percent having tried marijuana and 11 percent using it regularly.[1] Among public high school students in Maine, 61 percent (45,800 persons) have tried marijuana and 45.5 percent (34,155 persons) use it regularly.

Although persons who live in smaller towns or who haven't been to college are somewhat less likely to have tried marijuana than their larger city and college graduate counterparts, by far the most significant factor influencing marijuana use is a person's age. Only 1 percent of Mainers over 45 have tried marijuana and less than 1 percent of this age group use it regularly. On the other hand, 70 percent of all persons aged 18 to 30 have tried marijuana and 42 percent of this age group use it regularly, while almost half (45.5 percent) of all public high school students in Maine use marijuana at least once a month.

More adult men than women have tried marijuana (32 percent versus 28 percent). There are also more male than female regular uses (17 percent versus 13 percent). The Maine findings are in agreement with national survey results that show more males than females having tried marijuana (30 percent versus 19 percent) and more male than female regular users (11 percent versus 6 percent).[1]

The survey revealed that 21,250 adults (3 percent of all adults in Maine) use marijuana on a daily basis while 73,600 adults (10 percent of all adults) use it at least once a week.

Among public high school students, there are four times as many daily users of marijuana than there are daily users of alcohol; 16 percent of all high school students (12,000 students) reported daily use of marijuana while 4 percent (3,000 students) indicated that they use alcohol on a daily basis. There are slightly fewer weekly users of marijuana (31 percent or 23,300 students) than there are weekly student users of alcohol (33 percent or 24,800 students).

In Maine, there are more persons under 30 (both adults and high school students) who regularly use marijuana than who regularly use tobacco.

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[1] National Survey on Drug Abuse: 1977, U.S. Dept. of Health, Education & Welfare.

TABLE 1.—MARIJUANA USE BY ADULTS AND HIGH SCHOOL STUDENTS

	Percent of population—	
	Who ever used	Who are regular users
All high school students	61.0	45.5
All adults	[1] [29]26.6	[1] [11]14.0
Age:		
13 to 15	56.0	42.0
16 to 17	65.0	48.0
18 to 24	74.0	46.0
25 to 30	63.0	35.0
31 to 44	23.0	10.0
45 to 64	2.0	1.0
65 and over	0	0

[1] Figures in brackets are for the northeast region of the United States. (New England, New York, New Jersey, Pennsylvania) from the "National Survey on Drug Abuse: 1977," U.S .Department of Health, Education and Welfare.

Among all adult users of marijuana, almost half (48 percent) report that they have deceased their marijuana use since the decriminalization law took effect, while 13 percent have increased their use, and 39 percent report little or no change. Many more high school students than adults have increased their use in the last two years—38 percent increased, 26 percent decreased, and 36 percent reported little or no change.

Despite claims to the contrary, the change from criminal to civil penalties has not caused a tremendous increase in marijuana use by either high school students or adults. Less than 1 percent of all adults, and 3.1 percent of all high school students reported that their marijuana use increased as a result of the decriminalization law. Expressed as a percentage of regular users, 3.5 percent of adult regular users and 7 percent of all high school regular users reported an increase in use directly attributable to the change in the law.

Once again, age is the predominant factor in distinguishing increasers from decreasers. Relatively few persons over 25 indicated an increase in use and virtually no one over 25 reported that their increase in use was attributable to the change in the law.

TABLE 2.—CHANGES IN MARIJUANA USE SINCE JUNE/JULY 1976 AMONG MARIJUANA USERS

[In percent]

	Increase	Decrease	Little or no change
All high school students	38	26	36
All adults	[2] [14] 13	[2] [40] 48	[2] [46] 39
Age:			
13 to 15	40	23	37
16 to 17	38	28	34
18 to 24	22	51	27
25 to 30	6	49	45
31 to 44	7	48	45
45 to 64		40	60
65 and over			

[2] "1977 Marijuana Survey—State of Oregon," Drug Abuse Council, Inc.

TABLE 3.—INCREASE IN MARIHUANA USE AS A RESULT OF THE DECRIMINALIZATION LAW

[Percent of regular users who have increased use as a result of decriminalization]

	Percent
All high school students (2,390)	7.0
All adults (6,900)	3.5
Age:	
13 to 15	5.0
16 to 17	9.0
18 to 24	7.0
25 to 30	0
31 to 44	0
45 to 64	0
65 and over	

PART II—REASONS FOR NOT USING MARIJUANA

By a substantial margin, the one most important reason for not using marijuana most frequently given by adults (82 percent of non-users) and high school students (80 percent of non-users) was that they were "not interested" and that they "didn't need it."

Trailing far behind, the second reason most frequently given by adults (9 percent) and high school students (11 percent) for not using marijuana was that, "it might be dangerous to my health."

Despite the belief by many law enforcement officials that the law does discourage marijuana use, only two high school students out of a survey population of 1,036 and 4 percent of the adults surveyed indicated that "fear of arrest or legal prosecution" was the primary reason why they chose not to use marijuana. Furthermore, most (82 percent) of the persons who did indicate "fear of arrest" as a deterrent were over 65, while few, if any, of the high use age groups (high school students and adults under 30) were deterred from using marijuana by the "fear of arrest or legal prosecution."

TABLE 4.—REASONS FOR NOT USING MARIJUANA

[In percent]

	Not available	Not interested	Fear of arrest or prosecution	Health dangers	Other
All high school students	4	80	—1	11	4
All adults	[2] 1 [—]	[2] 82 [68]	[2] 4 [6]	[2] 9 [9]	[2] 3 [17]
Age:					
13 to 15	7	77	1	13	2
16 to 17	1	84		9	5
18 to 24		90		10	
25 to 30		83	5	7	5
31 to 44		80	2	14	3
45 to 64	2	81		11	5
65 and over		84	13	2	

[2] "1977 Marijuana Survey—State of Oregon," Drug Abuse Council, Inc.

PART III—PUBLIC ATTITUDES REGARDING MARIJUANA LAW

When asked what effect the two year old decriminalization law has had on the people of Maine, most adults stated either that they didn't know (40 percent) or that the law has had "little or no effect" (30 percent). An almost equal percentage of adults feel that decriminalization has had a "beneficial effect" (16 percent) as opposed to a "harmful effect" (14 percent).

A greater percentage of high school students feel the law has been beneficial (20 percent) as opposed to harmful (13 percent), but the clear majority (68 percent) stated that decriminalization of marijuana has had "little or no effect" on the people of Maine.

TABLE 5.—WHAT EFFECT HAS THE DECRIMINALIZATION OF MARIJUANA HAD ON THE PEOPLE OF MAINE?

[In percent]

	Beneficial	Harmful	Little or no effect	Don't know
All high school students	20	12	68	
All adults	[2] [21] 16	[2] [20] 14	[2] [41] 30	[2] [18] 40
Age:				
13 to 15	19	13	68	
16 to 17	20	12	68	
18 to 24	37	9	24	30
25 to 30	31	10	31	28
31 to 44	12	17	38	33
45 to 64	8	14	32	46
65 and over	2	18	23	57

[2] "1977 Marijuana Survey—State of Oregon," Drug Abuse Council, Inc.

When questioned about alternative methods of controlling marijuana, more than two-thirds of all adults in Maine stated that they would either like to legalize the sale or possession of marijuana (38 percent), or keep the present law (30 percent). The remaining one-third of adults (32 percent) prefer a return to criminal penalties for possession of marijuana. As might be expected, most high school students are in favor of legalizing sale or possession (63 percent) or keeping the present law (19 percent). Concurrently, a smaller percentage of high school students (18 percent) prefer a return to criminal penalties for possession of marijuana.

The legalization versus return to criminal penalties split in opinion is most pronounced when young adults are compared with older Mainers. Exactly two-thirds (66 percent) of all adults under 30 would like to legalize either the sale or possession of marijuana while only 22 percent of all persons over 45 favor legalization. On the other hand, a return to criminal penalties is supported by 40 percent of all persons over 45 while 16 percent of adults under 30 support the recriminalization of marijuana.

TABLE 6.—ATTITUDES TOWARDS LEGAL ALTERNATIVES

[In percent]

	Legalize possession and sale	Legalize possession	Civil penalties, as is	Criminal penalties
All high school students	31	32	19	18
All adults	[2][12] 22	[2][17] 16	[2][27] 30	[2][35] 32
Age:				
13 to 15	28	31	20	20
16 to 17	32	33	19	16
18 to 24	41	26	16	17
25 to 30	42	23	21	14
31 to 44	18	15	30	37
45 to 64	14	15	31	40
65 and over	6	5	50	39

[2] "1977 Marijuana Survey—State of Oregon," Drug Abuse Council, Inc.

MARIJUANA SURVEY—STATE OF OREGON

In the four years since Oregon became the first state to eliminate criminal penalties for possession of an ounce or less of marijuana, the number of adults who have used marijuana has increased six percent and the number who currently are using marijuana has increased one percent.

Moreover, the majority of Oregonians continue to support marijuana laws that are at least as liberal as the present law, and there appears to be increasing public support for further liberalization.

These are the major findings of four surveys commissioned by the Drug Abuse Council, Inc., an independent, nonprofit national foundation based in Washington, D.C. that is concerned with public policy and public awareness in the fields of drug use and misuse. The Council was created in 1972 by the Ford Foundation, The Commonwealth Fund, Carnegie Corporation, Henry J. Kaiser Family Foundation and the Equitable Life Assurance Society of U.S.

All the surveys were conducted by Bardsley and Haslacher, Inc., a Portland, Oregon marketing research firm as part of longer, regularly scheduled surveys of public opinion on a variety of issues. The first survey, conducted in 1974, consisted of 802 personal interviews with adults 18 years of age or older who represented a balanced sample of the state's population. The second survey, conducted in 1975, consisted of personal interviews with 800 adults 18 years of age or older. The third survey, conducted in October of 1976, consisted of 805 interviews. The fourth survey, conducted in October of 1977, consisted of 802 interviews.

Although the surveys focus mostly on marijuana use, the Oregon law never was looked upon as a measure to reduce the use of marijuana. The legislature's stated goal was to ensure that adults who possessed small amounts of the drug would not be charged with a criminal offense and would not go to jail. To accomplish this, the legislature voted to make possession of an ounce or less a civil offense—similar to a parking violation—and established a maximum fine of $100.

Since Oregon took this action, nine other states have enacted similar legislation. Besides Oregon, possession of a small amount of marijuana is subject to a small fine only with no possibility of a jail sentence in Alaska, Maine, Colorado, California, Ohio, Minnesota, Mississippi, New York and North Carolina. In four of these states—California, Colorado, Minnesota and Ohio—not-for-profit transfers of small amounts of marijuana also are regarded as civil offenses, punishable by fine only.

Oregon is the only state where a survey has been conducted since decriminalization was first enacted. The surveys provide a four year measure of marijuana use by adults and a measure of public attitudes toward laws that remove criminal penalties for possession of small amounts of the drug.

MARIJUANA USE

Table 1 shows the four year trends with respect to marijuana use by adults in the state of Oregon.

In 1974, when the first survey was taken, 19 percent of the persons interviewed said they had used marijuana at some time in the past. In the fall of 1977, when the final survey was taken, 25 percent said they had used marijuana, an increase of 6 percent.

Nine percent said they were using marijuana at the time of the 1974 interview and an additional one percent, or a total of 10 percent, said they were current users at the time of the 1977 interview.

Viewed another way, the data showed that 75 percent of the people interviewed in 1977 said they had never used the drug, compared with 81 percent who made this statement in 1974.

In 1974, 91 percent of the people surveyed said they were not current users. In 1977, 90 percent said they were not using marijuana at the time of the interview, a drop of one percent.

Of the 10 percent who were using marijuana in 1977, more than four-fifths began using the drug before Oregon passed its decriminalization law.

TABLE 1.—MARIJUANA USE BY ADULTS (OVER 18)

Percent ever used		Percent never used		Percent currently using		Percent currently not using	
1974	1977	1974	1977	1974	1977	1974	1977
19	25	81	75	9	10	91	90

Table 2 shows the percentage of people in each age group who said they had used marijuana at some time in the past and who said they were using marijuana at the time of the interview.

Nearly two-thirds of the people in the 18 to 29 age group had tried marijuana by the fall of 1977, an increase of 16 percent over the 1974 figure of 46 percent. Among people in the 30 to 44 age group, there was an eight percent increase in the number who said they had used marijuana in 1977. A six percent increase was found in the 45 to 59 age group.

The largest proportion of people who said they were using marijuana at the present time—30 percent—also was found in the 18 to 29 age group.

TABLE 2

Age group	Percent ever used		Percent currently using	
	1974	1977	1974	1977
18 to 29	46	62	NA	30
30 to 44	15	23	NA	6
45 to 59	4	10	NA	1
60 and over	2	2	NA	(1)

[1] Less than 1 percent.
NA=Not available.

People who identified themselves as current users in the 1977 survey were asked whether they had increased or decreased their marijuana usage within the past four years. The results are found in Table 3, 46 percent of the current users said no change had occurred. Forty percent said they had decreased their marijuana usage. Fourteen percent said they had increased their usage. This distribution indicates an 8 percent increase in usage over 1974 after the new law had been in effect for about a year.

TABLE 3

	Percent current users	
	1974	1977
Changes in marihuana usage:		
Decreased usage	40	40
Increased usage	5	14
No change	53	46
Undecided	3	(1)

[1] Less than 1 percent.

People who have stopped using the drug were asked their reasons for stopping. Their responses are found in Table 4.

Sixty-eight percent, or more than two-thirds of those who responded to this question in 1977, said they were "not interested" in using the drug. When the same question was asked in 1974, only 53 percent said they had no interest in using marijuana.

In 1974, 23 percent of the people who responded to this question cited "possible health hazards" as their reason. In the 1977 survey, only 9 percent answered the question this way. The fear of prosecution and the unavailability of the drug did not rank high as reasons for not using marijuana in either 1974 or 1977.

TABLE 4.—REASONS FOR NOT CURRENTLY USING MARIHUANA

Reason	Percent current nonusers	
	1974	1977
Not interested	53	68
Possible health dangers	23	9
Possibility of legal prosecution	4	6
Drug not available	2	(1)
Other reasons	9	17
Undecided	4	(1)

[1] Less than 1 percent.

PUBLIC ATTITUDES

All the surveys listed several types of marijuana laws and asked people to state their preference. The 1977 survey included an additional option which read "The Oregon law against marijuana should be changed to make cultivation of a few marijuana plants for personal use an offense subject to a civil fine, similar to a traffic citation." Previous surveys did not include this option. Other options included in the survey were (1) the existing Oregon law which makes possession of an ounce or less a civil offense, imposes a maximum fine of $100 and carries no criminal record or jail term; (2) a law that would legalize the possession of small amounts of marijuana; (3) a law that would legalize the sale and possession of small amounts; or (4) a law that would mandate stiffer penalties for marijuana possession.

The 1977 survey shows increasing public support for further liberalization of Oregon's marijuana laws in part because the issue of "cultivation" was offered as a choice in the 1977 survey. Although the number of those ranking the current decriminalization law as most preferable has declined 5 percent from 1974, those favoring more liberal policy choices increased and those favoring stiffer penalties declined from 39 percent in 1974 to 35 percent in 1977.

In 1974, for example, 32 percent favored the existing Oregon law, 15 percent favored legalizing possession of small amounts of marijuana, and 11 percent favored legalizing the sale and possession of small amounts of marijuana. By 1977, support for the existing law had dropped 5 percent to a 27 percent level, as support for legalizing the possession of small amounts of marijuana increased 2 percent to 17 percent, and support for legalizing the sale and possession of small amounts had increased 1 percent to 12 percent.

Support for the legalization proposals was strongest among the 18 to 29 year old group (the group with the highest proportion of past and present users), and among those who have used marijuana at least once.

TABLE 5.—ATTITUDES TOWARD MARIHUANA LAW

[In percent]

	Civil penalties, as is	Possession of small amounts legal	Sale and possession of small amounts legal	Cultivation of small amounts legal [1]	Stiffer penalties	Undecided
Total adults (1977)	27	17	12	4	35	5
By age group:						
18 to 29	25	31	17	7	17	3
30 to 44	22	19	16	2	35	3
45 to 59	31	12	9	3	39	3
60 and over	31	5	4	4	49	9
Total adults (1974)	32	15	11	(1)	39	
By usage (1977):						
Have used	19	36	25	8	9	2
Current use	5	38	39	15		1
Never used	30	15	8	3	38	5

[1] This category was first introduced in 1977. Previous surveys (1974–76) did not list this option.

The final survey question was what people felt the effect of the new law had been during the past four years.

The number who felt the law had a beneficial effect was slightly larger than the number who felt the law had a harmful effect. However, as Table 6 makes clear, the most frequent response was that the law had no effect, and 59 percent of the people surveyed either felt this way or were undecided about the effect of the law.

TABLE 6.—*Effect of Oregon marijuana law*

Effect:	*Percent Response*
Beneficial	21
Harmful	20
No Effect	41
Undecided	18

SAMPLING VARIABILITY

Every sample survey is subject to ranges of variability which refers to the chance variation that could occur when a sample, rather than a complete enumeration is employed. This is most easily described as "standard error".

The standard error depends upon the size of the sample segment and the percentage of respondents to a given question. It is greatest for the smallest sample segment which also represents a 50–50 division of the responses. In this survey of 802 cases, the smallest segment is the one identified as those currently using the drug (81 cases). In addition, the number of responses totaled 50 percent in some of the questions (meaning that 162 persons responded to that question). Therefore, the maximum error occurs with that group.

Thus, in Table 3, the 46 percent of current marijuana users who responded that they had not changed their use in the past four years indicates that between 35 percent and 57 percent of all current users in Oregon have not changed their use in the past four years.

CALIFORNIA'S MARIJUANA LAW

"The state's new marijuana law evidently has the approval of a majority of Californians" said Mario Obledo, Secretary of the Health and Welfare Agency. "It has reduced costs substantially, and although there has been some reported increase in current users, frequency of use has declined, and people do not attribute their decision to use marijuana to the reduction in penalties."

Obledo summed up a report to be sent to the Legislature on the impact of SB 95, the marijuana reform law signed by Governor Edmund G. Brown, Jr. in July 1975. The comprehensive report includes marijuana usage and attitude survey results as well as statewide enforcement and cost information on the impact of the law which went into effect on January 1, 1976. It reduced penalties for possession of one ounce or less of marijuana to a citable misdemeanor with a maximum $100 fine and no incarceration.

A recent Field Research Corporation poll commissioned by the Health and Welfare Agency's Office of Narcotics and Drug Abuse shows that three in five adults either approve of the state's new marijuana law or prefer that possession of a small amount of marijuana be legalized. These more lenient approaches are favored by a majority of adults in all regions of the state and in every age group except those over 60 years old. Even those who have never tried marijuana prefer the new law or legalization as opposed to stiffer penalties.

ATTITUDE TOWARD MARIHUANA LAW

[In percent]

	Possession and sale of small amounts legal	Possession of small amounts legal	Law remain as is	Stiffer penalties
Total adults	16	22	23	29
By age:				
18 to 24	30	26	20	19
25 to 29	31	24	19	12
30 to 39	20	27	21	29
40 to 49	14	17	28	34
50 to 59	6	22	29	35
60 and over	2	16	22	43
By area:				
Southern California	17	18	25	31
Los Angeles-Orange	19	19	25	29
Other southern	13	16	25	37
Northern California	15	27	21	27
Bay area	16	26	24	24
Othern northern	14	27	17	31
By usage:				
Have used, not now	20	35	26	17
Now use	54	34	10	----------
Never used	5	14	27	42

The Field poll, conducted in November 1976, also asked the sample of 1,033 adults about their experience with marijuana. It was found that while thirty-five percent of California adults report having at least tried marijuana, only fourteen percent consider themselves current users. These findings are being compared with the results of a similar survey conducted in February 1975, before the new law went into effect. The earlier poll (taken 21 months before the current poll) indicated that twenty-eight percent of those surveyed had tried marijuana and nine percent considered themselves current users at that time.

Obledo acknowledges that the November poll results indicate an increase in the level of marijuana use among adults during the 21 month interval between surveys. He noted, however, that frequency of use among reported users had decreased since the earlier survey, and that a majority of people who use marijuana do so once a week or less. Reviewing comparative survey results, Obledo pointed out that some increases have occurred in use reported by persons between the ages of 30 and 59, by residents of Southern California and by Northern Californians living outside the Bay Area. Statewide in 1976, this latest survey indicates that over five million adults have tried marijuana, with over two million of them currently using it.

MARIHUANA USAGE

[In percent]

	Have used		Current use	
	February 1975	November 1976	February 1975	November 1976
Total adults	28	35	9	14
By age:				
18 to 29	54	66	24	31
30 to 39	35	47	5	16
40 to 49	10	19	1	4
50 to 59	6	12	----------	2
60 and over	6	5	1	2

	Have used		Currently use	
	February 1975	November 1976	February 1975	November 1976
By sex:				
Male	34	42	13	18
Female	21	28	6	10
By area:				
Southern California	27	35	8	14
Los Angeles-Orange	25	36	8	15
Other southern	32	32	10	9
Northern California	29	35	11	14
Bay area	35	35	15	14
Other northern	21	35	6	13

"The reduction in penalties for possession of marijuana for personal use was not a major factor in people's decision to use or not to use the drug," said Obledo. He noted that less than three percent of the people surveyed had first tried marijuana within the past year, since the new law became effective, and less than half of this number indicated they were more willing to try marijuana or use it more often because legal penalties have been reduced. These survey responses are consistent with responses in the February 1975 survey in which only eight percent of those who did not then currently use marijuana, or had never used marijuana, said that fear of legal prosecution was their major reason. Conversely, in the latest poll, lack of interest was by far the most prevalent reason given by those who had never used marijuana, or had not used it in the past year.

REASON FOR NOT CURRENTLY USING MARIJUANA

	February 1975[1] (percent)	November 1976 (percent)
Possibility of legal prosecution	8	2
Not available/not exposed	4	2
Not interested/don't need it	50	73
It might be dangerous to my health	38	14
Other reasons	16	7

[1] Adds to over 100 percent since some respondents gave more than one reason.

The impact report also includes an analysis of comparative 1975 and 1976 arrest and citation data collected by the Department of Justice, Bureau of Criminal Statistics. In the first half of 1976 compared to the same period in 1975, the number of adult marijuana possession offenders decreased by 47 percent. Despite reported increased usage, arrests for marijuana trafficking offenses decreased somewhat, as has the amount of marijuana reportedly seized in California by federal, state and local law enforcement agencies.

As a result of reduced arrests and citations, and a substantial reduction in law enforcement and judicial system effort in handling cited cases, it is conservatively estimated that local criminal justice agencies will save at least $25 million in workload costs in 1976. There have also been some savings in the State Department of Justice as well as an increase in state and local revenues from fines collected by the courts.

"Based on the information we have," said Obledo, "I would have to conclude that enactment of SB 95 was the right decision on the part of the Legislature and the Governor."

By Mr. SASSER (for himself, Mr. BAYH, Mr. LEAHY, Mr. SARBANES, and Mr. PROXMIRE):

S. 697. A bill to reduce by $500,000,000 the amount which may be obligated for travel and transportation of officers and employees in the executive branch during fiscal year 1980; to the Committee on Appropriations, the Committee on the Budget, and the Committee on Governmental Affairs, pursuant to orders of January 30, 1979 and August 4, 1977.

REDUCTION OF TRAVEL AND TRANSPORTATION COSTS

Mr. President, I send to the desk a bill on behalf of myself and Senators BAYH, LEAHY, and SARBANES for appropriate referral.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

Mr. SASSER. Mr. President, I am today introducing legislation, cosponsored by the distinguished senior Senator from Indiana (Mr. BAYH) and the able junior Senator from Vermont (Mr. LEAHY) and the junior Senator from Maryland (Mr. SARBANES). To reduce by $500 million the amount which may be spent for travel and transportation of employees in the executive branch during the fiscal year 1980.

Mr. President, Senators BAYH, LEAHY, SARBANES and myself believe our colleagues in Congress as well as the public at large share a common concern about Government travel—that is, there is simply too much of it. The President has shown his concern by asking Federal agencies to reduce Government travel costs.

Last Monday, I chaired an Appropriations Subcommittee hearing which revealed that the Federal Government spent $6.7 billion for travel and transportation of persons and things in fiscal year 1978.

There is worse news coming.

For fiscal year 1979, the Office of Management and Budget estimates the Federal Government will spend $7.5 billion on transportation costs.

For fiscal year 1979, the Office of Management and Budget estimates the Federal Government will spend $7.5 billion on transportation costs.

The President's budget request for Government transportation for fiscal year 1980 is $7.9 billion, including $3.1 billion for travel of persons and roughly $4.8 billion for nonpersonnel transportation.

Mr. President, I shall run through some calculations to make a point because when our citizens hear us talk about millions and billions of dollars, it is beyond their comprehension.

In testimony before our subcommittee, it was indicated that the Congressional Budget Office estimates the cost of an average trip per CBO employee to be slightly less than $380. Using $380 as a standard cost of a trip and dividing that sum into the total fiscal year 1980 Government "transportation of persons" budget of $3.1 billion yields approximately 8 million Government financed trips.

Dividing that by 365 days per year yields 22,000 Government financed trips a day, every day of the year, Saturdays, Sundays, Christmas and New Year's Day included.

Mr. President, this means there are probably more than 20,000 Federal Government employees in the air at any one time—and this does not even count the non-Government employees who are traveling on Federal Government grants and contracts.

In other words, the number of Federal Government employees in the air at any one time exceeds the entire seating capacity of all 130 of the Lockheed L-1011 wide body jet aircraft in commercial airline service in the entire United States today.

Mr. President, in our hearings we found that travel and transportation costs have increased by 40 percent between 1974 and 1978, due largely to inflation, which makes it all that more important to minimize such costs wherever possible.

We found that it was very doubtful that the substantial potential savings due to airline deregulation were being reflected in executive agency budgets simply because agency budget officers lacking actual cost savings experience, were uncertain about the magnitude of the savings and thus tended to ignore it as a factor in formulating budgets.

Similarly, we found no evidence that the Federal Government was taking advantage of the discounts now being offered by commercial carriers. For example, military personnel and their dependents are often given sufficient notice about impending moves to take advantage of super saver discount fares at a savings of 25 to 45 percent. Moreover, there is no evidence that the discounts being offered by commercial carriers for groups are being utilized or reflected in executive agency budgets.

We were informed there were potential savings possible with the transportation of household goods of military personnel between duty stations.

In addition, we were advised of the President's efforts to reduce travel costs.

We believe it is possible for agencies to reduce their travel budgets. The Department of Agriculture seems to be taking positive steps toward reducing unnecessary travel. For the coming fiscal year, agriculture is budgeting a 5-percent reduction in their travel and transportation of persons at a savings of $6 million from the current year. I commend the Secretary of Agriculture, Mr. Bergland, for taking this step.

Mr. President, after hearing the various testimony, we concluded that with the savings accruing from airline deregulation, the efforts of the President and the Office of Management and Budget to curtail travel, the economies to be achieved through discount fares, and the other suggestions surely there could be some percentage of savings in Government travel. We also concluded that, as much as we would like to see these savings achieved, we could not possibly look through every budget and make the thousands of suggestions for individual reductions. This is a function that can only be accomplished by individual Federal agency heads and Federal agency managers.

Nevertheless, we felt that some one up here on Capitol Hill must take steps to force the issue if it were to be adequately addressed.

Mr. President, we do not wish to oversimplify this problem. We recognize there may be problems encountered in imposing a statutory ceiling. When I raised this matter with administration officials at a February 7 Budget Committee hearing, their response was that a rigid 10 percent across-the-board cutback below the previous year's level had been tried in 1974 but had to be repealed as too rigid to be workable.

Now, Mr. President, I ask my colleagues to please consider the following:

First. Senator PROXMIRE, the able and distinguished chairman of the HUD Appropriations Subcommittee, on which I serve, chaired a hearing a week ago last Thursday in which he uncovered an activity entitled "Consumer Cooperative Bank—Self Help Development" that had boosted its travel budget from $150,000 per year in 1979 to $512,000 in 1980. This works out to an average of $7,900 in travel costs for every member of the permanent staff, including GS-5 secretaries.

Second, since a statutory ceiling was last attempted, the General Accounting Office has issued a report entitled "Travel in the Management and Operation of Federal Programs" in which it was disclosed that 15 percent of the trips sampled should not have been taken based upon criteria issued by the President's Office of Management and Budget.

Third, at the February 7 Budget Committee hearing I raised questions with administration officials about the implementation of the OMB bulletin limiting first-class travel. Do you know what I was told? It seems that no one knows in the Federal Government how much first-class air travel has been eliminated or no one continues to keep simple records on that particular matter and, indeed, no one appears to know how much first-class air travel occurs in the Federal Government.

Fourth. A review of the budget documents indicates that the travel budget of the Economic Development Administration is increasing by almost 100 percent in 1 year for a travel budget of almost $2,000 per permanent employee.

Fifth. We have already identified at last Monday's hearing numerous possible savings in travel that apparently are not being reflected in agency budgets.

Mr. President, we do not think we can continue to ignore these developments. Something must be done to get this under control. We recognize that any across-the-board cutback, if it were too rigid, could unfairly penalize those agencies that are doing a respectable job of controlling travel and have little desired effect on the agencies with bloated travel budgets.

But we are also aware that 94 percent of Federal Government travel is concentrated in the budgets of only 12 departments and agencies. So this is a manageable problem.

Mr. President, we see no compelling reason for not enacting a statutory ceiling on aggregate Federal Government travel and transportation in an amount of $500 million below the President's budget request. We believe such a statute could be written to answer OMB's concerns by providing that it shall not be across the board, but rather that the President's Office of Management and Budget shall have the flexibility to administer the ceiling with a view to protecting the health and safety of our citizens.

This limitation of $500 million below the President's budget would still allow about 18,000 Federal employees to be in the air every day on a Government financed trip. We do not believe that would be too harsh a cutback. We think 18,000 Federal employees in the air every day would be sufficient to carry out the Nation's business. At a time when every citizen is being asked to conserve energy, Federal employees should be limiting their travel to the essential minimum. I might say in passing at a time when the Secretary of Energy is urging the American public to conserve and cutback, DOE is raising its travel budget by $4 million. If this bill is enacted it will have the effect of grounding 2,000 Federal employees a day and keeping them at their desks conducting the essential affairs of the Nation.

Mr. President, we urge our Senate colleagues to support this effort to enact legislation designed to curtail nonessential travel and transportation expenditures.

We hope the Members of the other body will take cognizance of our efforts and take appropriate action.

Mr. President, on behalf of myself, Senator Bayh, Senator Sarbanes, and Senator Leahy, we invite our colleagues to join us as cosponsors by contacting the subcommittee clerk, Terrence Sauvain, at 224-7251.

Mr. President, I ask unanimous consent that a statement by the distinguished senior Senator from Indiana (Mr. Bayh) in support of this bill be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator Bayh

I rise to commend the Senator from Tennessee (Mr. Sasser) upon the introduction of legislation to reduce the federal travel budget. I am very pleased to have the opportunity to cosponsor this important bill.

This legislation is simple and straightforward. It mandates that the FY'80 federal travel budget is to be cut by half a billion dollars. The $500 million reduction is to be apportioned by the Office of Management and Budget (OMB) so that only nonessential travel will be affected.

It is staggering to realize that 20,000 federal employees are travelling at any one time. While some agencies have been making a concerted effort to halt unnecessary travel, it is clear that there is room for further reductions. By giving OMB the responsibility for targeting the $500 million reduction, only those agencies with excessive travel budgets will be affected. Even so the reduction authorized by this legislation will only reduce the number of federal employees traveling at any one time to 18,000. Certainly in the interest of government economy, the health and safety of our population will not suffer as a result of this bill.

The Subcommittee on Legislative Appropriations, under the able leadership of the Senator from Tennessee (Mr. Sasser) has developed a strong case for this reduction of the $7.9 billion federal travel budget by $500 million. In hearings it has become evident that for the most part, the FY'80 travel budget requests for agencies and departments have not taken the lower air fares resulting from deregulation into account in their computations. In many instances, government personnel meeting certain requirements on time of travel and length of stay can take advantage of the same discount fares that are available to every citizen. However, there does not seem to be concerted effort to realize these potential savings on the part of most agencies and departments. OMB has also issued regulations to limit first-class travel but there is no way to determine if this is being implemented throughout the government or to compute the possible savings.

Most trips by federal employees are undoubtedly necessary but I firmly believe that all of the eight million trips per year are not essential for the efficient management of federal programs. Our citizens are facing inflation every day of their lives and it is up to their representatives in Congress to do whatever they can to reduce unnecessary expenditures on the part of the federal government. The legislation proposed today has uncovered such an area of substantial savings and I hope that the Senate will give this bill speedy and favorable action.

● Mr. LEAHY. Mr. President, I would like to take a moment to express my strong support for the bill just introduced by the Senator from Tennessee (Mr. Sasser).

As the Senator from Tennessee has pointed out in his statement, the magnitude of Federal spending for the purpose of travel has reached an unbearable level. On any given day, there are more Federal employees in the air than the population of most of the cities in my home State of Vermont. The average daily travel cost to the Government exceeds the annual operating budget of nearly every city in Vermont.

While recognizing the importance of travel to the operation of the executive branch of the Government, surely savings can be achieved. In the past, as the various subcommittees of the Committee on Appropriations reviewed the budgets of agencies under their jurisdiction, selected reductions in travel were made. These reductions are sensible, and serve to exemplify the concern of Congress over the management of the Federal Government. However, these reductions are by necessity limited in scope. This bill, if enacted, would deliver the message to the administration that Congress is concerned about the excessive amounts planned for travel expenditures in the upcoming fiscal year.

As proposed, the bill would reduce the total fiscal year 1980 executive branch travel budget by $500 million. In order to apply this reduction, discretion is given to the Office of Management and Budget. This mechanism allows the administration the opportunity to make a thorough assessment of the situation and apply the reduction where excess exists. At the same time, necessary travel by the various departments and agencies can continue.

Mr. President, this bill provides the Congress and the administration with the opportunity to achieve real dollar savings in the spirit of fiscal responsibility. I join my colleagus as a cosponsor, and join in their request that other Members of this body lend their full support to this initiative.●

Mr. SASSER. Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 697

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That during the fiscal year ending on September 30, 1980, the total amount which may be obligated for travel and transportation of persons, and transportation of things, for officers and employees of the executive branch of the Government shall not exceed an amount which is $500,000,000 less than the total amount proposed therefor in the Budget of the United States Government for such fiscal year (as amended and supplemented), transmitted by the President under section 201 of the Budget and Accounting Act, 1921. The Director of the Office of Management and Budget shall allocate the reduction in such proposed total amount among the departments, agencies, and instrumentalities of the executive branch and shall report on such allocation to the Committees on Appropriations of the House of Representatives and the Senate.

Mr. PROXMIRE. Mr. President, I want to say how happy I am that the Senator from Tennessee (Mr. Sasser) has introduced a bill as I understand it, which will save something like $500 million in cutting travel costs of Federal employees.

Mr. President, I ask unanimous consent that I may be listed as a cosponsor of that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. BAKER:

S.J. Res. 49. A joint resolution calling for a strong national energy policy; to the Committee on Energy and Natural Resources.

A STRONG NATIONAL ENERGY POLICY

Mr. BAKER. Mr. President, 6 years ago the American people awakened to the dawn of the energy crisis. We learned during the 1973 Arab oil embargo that we were terribly vulnerable to international events beyond our control, because we were importing more than one-third of our petroleum from foreign countries. The intervening years have heard much rhetoric about national energy policy, the establishment of a new Department of Energy, and the introduction of a host of regulatory measures supposed to deal with this national emergency. The American people were told that we were faced with the moral equivalent of war in our battle to protect the energy independence of America.

Mr. President, I submit to my distinguished colleagues that if this is a war, we have had no general to lead us, no implements to do battle, and no Army to man the ramparts and stem the tide of foreign oil washing over the shores. In fact, few Americans have even been convinced there is so much as a skirmish to be fought.

Look at the record. In 1973, we imported 36 percent of our oil. Today, the number is 50 percent, some 8.5 million barrels a day, at a cost to the American people of $50 billion, more than $200 for every man, woman, and child in our country. Since 1976, the Republican leadership has called for an end to the regulatory controls that have been strangling our domestic energy production capability, giving us the worst of both worlds—high prices and a bureaucratic nightmare.

Meanwhile, we see an administration that cuts back support for the development of advanced energy technologies to utilize our coal and nuclear capability, fumbles the negotiations for reliable energy supplies from our neighbors on the continent, and fails by 170 million barrels to achieve its own projected 250 million barrel strategic petroleum reserve by the end of 1978. We seem unable even to transport our limited domestic energy supplies to market. Witness the spectacle last week of the SOHIO Co. abandoning a critically needed pipeline to transport oil from the west coast to the Eastern markets where it is desperately needed. The reason? In the process of obtaining the 700 permits necessary to transport the oil, time simply ran out.

Mr. President, this is a crisis, let there be no doubt of that. It is time for action. To deal with this crisis, the Republican leadership of the House and the Senate are today introducing a joint resolution calling for the administration to draw up an emergency energy plan in 90 days. Our resolution asks for the appointment of a special energy administrator who would be charged with the responsibility to expedite actions with regard to all aspects of energy production, transmission, distribution, transportation, and use; cut through regulations when necessary; increase domestic energy production; promote the earliest possible use of new energy technologies and sources; enhance our available energy supply, and make our Nation self-sufficient in energy at the earliest possible time.

Mr. President, I especially wish to call to my colleagues' attention the vision and initiative of House Minority Leader RHODES who has seen the dangers that lie ahead, and has taken the lead by introducing this resolution in the House of Representatives today. Mr. RHODES has correctly sensed the need for immediate action, and I am pleased to join him in this effort to bring direction and purpose to our national energy policies.

Mr. President, I call upon the entire Senate to join with me and our distinguished colleagues in the House of Representatives in this initiative. It is our sincere hope that President Carter will implement the policies contained in this resolution without delay, so that the Congress and the President can begin working together to deal with this most urgent national crisis.

ADDITIONAL COSPONSORS

S. 100

At the request of Mr. PACKWOOD, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 100, a bill to amend the Internal Revenue Code of 1954 to provide a deduction for expenses incurred for reforestation, and for other purposes.

S. 112

At the request of Mr. DOLE, the Senator from Idaho (Mr. MCCLURE), the Senator from Wyoming (Mr. WALLOP), and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 112, a bill to provide for the repeal of the carryover basis provisions added by the Tax Reform Act of 1976.

S. 262

At the request of Mr. RIBICOFF, the Senator from Rhode Island (Mr. CHAFEE) and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 262, a bill to provide for the regulatory analysis of proposed rules and the review of existing rules by the agencies, to make other improvements in regulatory procedures, to establish the Administrative Conference of the United States, and for other purposes.

S. 503

At the request of Mr. JAVITS, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 503, the Privacy Act Amendments of 1979.

AMENDMENTS SUBMITTED FOR PRINTING

EXTENSION OF THE PUBLIC DEBT LIMIT—H.R. 2534

AMENDMENT NO. 110

(Ordered to be printed and to lie on the table.)

Mr. ARMSTRONG submitted an amendment intended to be proposed by him to H.R. 2534, an act to provide for a temporary increase in the public debt limit, and for other purposes.

AMENDMENT NO. 111

(Ordered to be printed and to lie on the table.)

Mr. ARMSTRONG (for Mr. DOLE (for himself and Mr. ARMSTRONG)) submitted an amendment intended to be proposed by them, jointly, to H.R. 2534, supra.

(The remarks of Mr. ARMSTRONG when he introduced the amendments appear elsewhere in today's proceedings.)

AMENDMENT NO. 112

(Ordered to be printed and to lie on the table.)

Mr. PACKWOOD submitted an amendment intended to be proposed by him to H.R. 2534, supra.

AMENDMENT NO. 113

(Ordered to be printed and to lie on the table.)

Mr. DECONCINI submitted an amendment intended to be proposed by him to H.R. 2534, supra.

Mr. DECONCINI. Mr. President, I am submitting an amendment to H.R. 2534, an act to temporarily raise the debt ceiling of the U.S. Government. My amendment is similar to Senate Joint Resolution 2. This amendment differs from that resolution in that it is drafted in statutory form, rather than as a constitutional amendment. It is most appropriate that this amendment be added to a bill to raise the debt ceiling. The amendment would require this Congress and the President to balance the Federal budget.

Mr. President, we all realize that this amendment if enacted would be subject to a superseding act of Congress. We should not, however, consider enactment of this amendment an empty gesture. The mood of the Nation is such that unless Congress acts to establish fiscal responsibility, the very real possibility of a constitutional convention presents itself. I hope by this amendment to focus the attention of this body on the urgency of the situation. I fully intend to continue my efforts to bring a binding constitutional amendment to a floor vote. This is perhaps the first shot in that battle. I ask that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 113

On page 2, add after line 14, the following new section:

"SEC. 5. In exercising its powers under article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall seek to assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year.

"SEC. 6. No later than the twentieth day after the close of each fiscal year, the President shall—

"(1) ascertain the total receipts of the Governments during such fiscal year, not including any receipts derived from the issuance of bonds, notes, or other obligations of the United States, and not including any receipts from any income tax surtax imposed under this article;

"(2) ascertain the total outlays of the Government during such fiscal year, not including any outlays for the redemption of bonds, notes, or other obligations of the United States; and

"(3) if the total receipts described in paragraph (1) are less than the total outlays described in paragraph (2), determine the percentage rate of income tax surtax, to be imposed as provided in section 3, which is necessary to provide an additional amount of revenue equal to the amount by which such total receipts are less than such total outlays, and transmit to the Congress, by special message, the rate of income tax surtax so determined.

"SEC. 7. Subject to the provisions of section 8, an income tax surtax, at the rate determined and transmitted by the President under section 6—

"(1) shall be effective for the calendar year following the close of the fiscal year with respect to which the determination was made, or for so much of such calendar year for which such surtax is not suspended under section 8, and

"(2) shall apply, as an additional income tax for the period for which it is in effect, with respect to the income tax liability of each taxpayer which is attributable to the portion or portions of such taxpayer's taxable year or years which fall within such period.

The income tax liability attributable to a portion of a taxable year falling within a period shall be based upon the ratio of the number of days in the taxable year within such period to the total number of days in the taxable year.

"SEC. 8. In the case of a grave national emergency declared by Congress (including a state of war formally declared by Congress), the income tax surtax which would otherwise be in effect for a calendar year under section 7 may be suspended for such year, or a portion thereof, by a concurrent resolution agreed to by a rollcall vote of two-thirds of the Members present and voting of each House of Congress, with such resolution providing the period of time, if less than the whole calendar year, during which such surtax is to be suspended.

NOTICES OF HEARINGS

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled a hearing on Thursday, March 22, 1979, at 10 a.m., in room 4232, Dirksen Senate Office Building, on the nomination of Marjorie Fine Knowles, of Alabama, to be Inspector General, Department of Labor.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will begin hearings on S. 333, the Omnibus Antiterrorism Act of 1979, Friday, March 30, 1979, at 9:30 a.m. in room 3302 of the Dirksen Senate Office Building.

On that day, the committee expects to hear testimony on the legislation from the administration. Witnesses from the Departments of State, Justice, Treasury, and Transportation have been invited.●

ADDITIONAL STATEMENTS

FISCAL YEAR 1980 DEFENSE BUDGET

● Mr. GARN. Mr. President, the Congress is in the process of considering President Carter's budget request for fiscal year 1980. The proportion of this budget allocated for defense is of critical importance and a matter of particular contention in the "guns versus butter" debate. In this light, therefore, I believe that an article, "Our Declining Investment in Defense," by William E. Simon, former Secretary of the Treasury, puts the defense budget debate in its proper perspective and provides important insight for our deliberations.

As Mr. Simon correctly points out, the United States spent less for defense, in constant 1978 dollars, in 1978 then it did in 1964. In addition, the proposed fiscal year 1980 defense budget is under 5 percent of U.S. GNP for the first time since the Korean war. I have emphasized time and again that our restraint in defense matters has in no way been shared by the Soviet Union.

Mr. President, to provide for our Nation's common defense, not to encourage the proliferation of social welfare expenditures, must constitute our No. 1 priority. Mr. Simon's article is a judicious contribution to our consideration of the budget, and I ask that it be printed in the RECORD.

The article follows:

OUR DECLINING INVESTMENT IN DEFENSE

(By William E. Simon)

One of the most common misconceptions in the mind of the American public is the notion that U.S. defense expenditures have been increased without interruption for as far back as anyone can remember. It is not difficult to understand why this is so since not everyone is aware of the devastating impact of inflation on every aspect of our economic affairs.

Indeed, defense expenditures have increased in terms of current or "inflated" dollars from $50 billion in 1964 to $117 billion in 1978. However, these statistics conceal more than they reveal about what has happened to American defense expenditures over that 15-year period. If the 1964 defense expenditures were converted to their equivalent purchasing power in 1978 dollars, they would have represented a $123-billion expenditure. Thus the $117 billion spent on national defense in 1978 is actually $6 billion less than was spent in 1964.

In comparison, the Under Secretary of Defense for Research and Engineering, Dr. William J. Perry, recently revealed that the Soviet Union is now spending $170 billion annually for defense. This is $50 billion more than the United States will spend in the current fiscal year.

Expenditures for national security purposes are unique among government programs in that they are the only expenditures which are truly uncontrollable. This is because the requirements are set not by the policy preferences of the American electorate, but by the weight of arms of an adversary.

A nation, any nation, jeopardizes its very existence when it fails to provide for an adequate defense, but under recent defense budget-making practices, defense expenditures are treated in a more routine manner; namely, that such expenditures represent the largest "discretionary" portion of the federal budget, subject to alterations to meet the political priorities of other domestic programs.

The resulting decline in defense expenditures is in many ways more significant than its first appears. Because the U.S. economy has grown substantially since 1964, the "burden" of defense expenditures on the U.S. economy has been reduced by approximately 40 percent; that is, we spend less than 5.5 percent of our total national income (GNP) on defense where in 1964 we were obliged to spend more than 8 percent. Meanwhile, there has been a large increase in non-defense related expenditures, so that the share of the federal budget accounted for by defense expenditures has dropped from 42.9 percent in 1964 to only 25 percent in 1978. When the spending of all governmental units, federal, state, and local governments is taken into account, in 1964 one dollar in four of all governmental expenditures was accounted for by national defense. By 1978, this figure had dropped to one dollar in six. Thus, the United States has in fact been *disinvesting* in defense.

The process of disinvesting in defense in the United States is ·a phenomena that troubles many observers, especially those close to defense technology. One reason is because many new weapons systems have been added and these are of far greater technical sophistication and higher performance than those they replaced. As a consequence, inadequate numbers of advanced weapons systems are being introduced into the inventory to replace a much larger number of less sophisticated weapons systems that are being withdrawn because funds are inadequate to support their continued deployment. This process of disinvestment can be dramatically illustrated by noting the fact that, in many cases, entire missions that were an important component of our defense effort for decades have been almost entirely dropped as a consequence of inadequate resources provided to the defense establishment to maintain their deployment.

The best illustration of this can be found in the strategic air defense mission. In 1964, the United States had 107 air defense firing batteries and 40 air defense fighter-interceptor squads. By 1978, all air defense firing batteries were eliminated, and a token force of only 60 squadrons of 1950s vintage air defense planes remained in the inventory.

Elsewhere in the defense budget, the effect of disinvestment has been more incremental and evolutionary in its impact. The gradual reduction in the number of naval vessels year by year has reached the point where geographic areas, such as the Eastern Mediterranean and the western Pacific, long considered of vital military and diplomatic importance to the United States, may be impossible to defend with our own naval forces.

U.S. naval combatant vessels, including amphibious craft have declined from 546 to 320 vessels in a 15-year period. Indeed, the change has gone so far that the administration is attempting to redefine the Navy's role from its traditional mission of supporting the projection of U.S. military power abroad in favor of a much less ambitious role of concentrating its effort on sea control, a mission more compatible with the diminished capability that the Navy now has as a consequence of 15 years of disinvestment in defense.

While it is useful to note the dimensions of the U.S. disinvestment in defense over a 15-year period, the perspective is not complete until one reviews the context in which American disinvestment has taken place. These are in areas where the Soviets have elected to invest massively in defense in ways that have come to far exceed the American conception of "parity." In 1964, when the United States was spending $123 billion in constant FY 78 (fiscal year 1978) dollars, the United States faced a threat from the Soviet Union in the strategic nuclear field of 190 intercontinental ballistic missiles and 107 submarine-launched ballistic missiles.

FIGURE 1.—TRENDS IN U.S. FORCES: SPENDING AND PROCUREMENT, 1964–78

	1964	1978
Defense expenditures (constant 1978 dollars) (billion)	$123	$117
Active Duty Forces (million)	$2,685	$2,090
Intercontinental ballistic missiles	708	1,054
Poseidon-Polaris missiles	336	656
Strategic bomber squadrons	78	24
Air defense fighter-interceptor squadrons	40	6
Air defense firing batteries	107	0
Naval Combatant Vessels (including amphibious)	546	320
Defense expenditures as a percent of:		
Federal budget (outlays)	42.9	25.0
Gross national product	8.2	5.4
All public spending	28.6	16.5

FIGURE 2.—TRENDS IN SOVIET FORCES: SPENDING AND PROCUREMENT 1964–78

	1964	1978
Defense expenditures (1978 constant dollars) (billion)	$80	$170
Active Duty Forces (million)	$3.3	$4.8
Intercontinental ballistic missiles	190	1,475
Submarine launched ballistic missiles	107	950
Army divisions	148	170
Tanks	30,000	40,000+
Helicopters	350	4,000+
Tanks per mechanized division	190	266
Tactical aircraft	4,100	5,600
Defense expenditure as a percent of:		
Gross national product	8–10	11–14.5

Over the course of a 15-year period, the Soviet Union more than doubled its investment in defense, going from approximately $80 billion in 1965 to $170 billion in 1978. This substantial increase in investment on the part of the Soviet Union has had two very important effects. First, it has tended to accelerate the gap between American defense capability and Soviet defense capability. Second, it has provided the Soviet Union with very large increases in the capabilities of both its nuclear and nonnuclear forces.

In 1964, the United States faced a modest threat from the Soviet Union in the form of intercontinental ballistic missiles and the submarine-launched ballistic missiles. By 1978, however, the Soviet ICBM force has resulted in new circumstances. Where the United States once held a comfortable advantage over the Soviet Union, most defense experts now agree that important elements of our strategic forces are in grave jeopardy of becoming vulnerable to a Soviet first strike by the early-1980s.

Although the Soviet Union has not had a military conflict in more than 30 years, it has chosen to channel much of its investment—indeed the greatest share—into improving its non-nuclear forces, particularly those oriented towards the European theater. It has increased the number of divisions in its ground forces from 148 to 170, and increased the manpower per division from 10,000 troops to 11,500. This massive increase in manpower of more than 1.5 million troops represents an increase that is more than twice the size of our standing army.

These forces have been lavishly equipped with more than 15,000 new tanks added to the already large inventory that existed in 1964, when the Soviets possessed more than 30,000 tanks not counting tens of thousands of World War II vintage T-34 and JS-11 tanks. The new tanks are modern, high-performance tanks of which three new types have been produced since 1964. A fourth, the T-80 is now undergoing trials in the central U.S.S.R. During the same era, the United States was unable to introduce a single new main battle tank owing to the slow pace of development dictated by the U.S. disinvestment in defense. The increase in tanks produced by the Soviet Union has allowed them to substantially strengthen their divisions. The standard Soviet mechanized division (known as Motorized Rifle Division) now has 266 tanks, nearly as many as a full-scale U.S. armored division. Regrettably, however, the U.S. Army has only 16 divisions in its entire force structure, and it is questionable whether a 16-division force can compete with the armed forces of an opposing nation with a force structure with nearly 10 times as many combat units.

Other elements of the Soviet force structure have been modernized through large increases in Soviet investment in defense. Since 1964, 1,500 new tactical aircraft have been added to the Soviet Air Force, but more importantly, the character of the new entrants to the Soviet tactical aircraft inventory are far more sophisticated than the units they replace. Unlike the United States experience, however, where the addition of more advanced units invariably means reduction in overall numbers, the Soviets have continued to mass-produce military equipment or relatively high quality. The Soviet MIG-23 Flogger, for example, can be described as an aircraft with approximately two-thirds the capability of the advanced U.S. F-111, giving the Soviets an incipient advantage in tactical air power, the mainstay of U.S. nonnuclear warfare superiority since 1942.

Soviet determination to maintain a powerful military establishment is evident from the fact that their investment in defense is nearly three times that of the United States when expressed in terms of the fraction of the Gross National Product invested in the defense establishment. Moreover, the Soviet investment in defense is growing at a rate of 4 to 5 percent a year. On the other hand, the United States has targeted a maximum of 3 percent real growth in defense expenditure for the next few years. However, it is by no means clear at this writing that the budget finally submitted by the administration and acted upon by the Congress will reflect the continued investment in defense at a real growth rate of 3 percent per annum. In any case, 3 percent is unlikely to be sufficient over the long term to adequately meet U.S. defense requirements in the face of the single-minded obsession of the Soviet leadership to acquire all accoutrements of military power.●

KOREAN NUCLEAR POWER PLANTS

● Mr. **GLENN.** Mr. President, it has come to my attention that an important decision will be made very shortly by the Korean Electric Power Company as to which nation it wishes to supply two major new nuclear power stations known as Units No. 7 and No. 8. Due to shortages in fossil energy resources, South Korea, as you know, has a very heavy dependence on nuclear power to satisfy its electricity needs. So far, Korea has obtained most of its nuclear equipment and fuel from the United States.

I understand, however, that a tough international competition is underway for the awards of units No. 7 and No. 8 and that some Koreans may be leaning to non-U.S. suppliers for the selection. The key variable that may make the difference relates to the question of nuclear fuel supply. In brief, the Koreans, notwithstanding all assurances from the executive branch, have expressed doubts as to whether they will be able to obtain their requisite low-enriched uranium fuel supplies from the United States on a reliable and timely basis.

I believe it would be most unfortunate if Korea now turned to some other nuclear supplier because of doubts as to whether the United States stands ready to meet nuclear fuel supply requirements. Korea is an NPT party, and to my mind U.S. nonproliferation interests are best served if we can convincingly assure the Korean Government that we are prepared to meet the reasonable fuel needs for the Korean nuclear power program in accordance with existing legislative requirements. Accordingly, I would hope that the other Members of Congress would join with me in relaying the following sentiments to the Korean Government through our Ambassador in Seoul.

In brief, we should stress that the United States values its cooperative relationship with Korea in the civilian nuclear field and deeply appreciates the importance that nuclear power has for Korea.

Moreover, we should stress that we appreciate that the Republic of Korea must have confidence that its needs for enriched uranium will be met without difficulty.

Further, and subject to our statutory requirements, I believe our Ambassador should stress to the Korean Government that the United States stands ready to meet the reasonable nuclear fuel and equipment needs for the Korean nuclear power program on a timely basis.●

THE ENERGY CRISIS

● Mr. **DeCONCINI.** Mr. President, the United States is facing a massive energy crisis. There is still time to act before we become paralyzed by oil shortages, but that time is now.

President Carter and his energy Secretary, James Schlesinger, have been hesitant about using the free enterprise system to aid in the solution of this problem, yet I believe that free enterprise is our only solution. It is time we gave free enterprise a chance by decontrolling the price of oil.

There is no question that decontrolling oil will increase prices. Yet, in light of our past record, it is clear that higher prices may be the only way to impose some degree of conservation. Decontrol would still allow individuals to make their own choices; rationing, on the other hand, would deprive individuals of those choices. It would be simply a further imposition of Government regulation into our private lives.

The chief argument against decontrol, of course, is that the huge oil companies might enjoy windfall profits. This is a legitimate argument, and unfortunately such profits might be an unavoidable byproduct of decontrol. For this reason, a wide-sweeping excess profit tax system is an absolutely essential counterpart to any decontrol of prices.

Consumers already are distrustful and angry with the oil companies, whom they see as the major benefactors of the energy crisis. Thus, decontrol without an excess profits tax would only compound our problems. An excess profits tax would encourage the use of higher profits for new exploration and technologies.

In addition—and this is the most crucial element of an excess profits tax—it would allow the Government to compensate the consumer in some way for his having to pay more for his oil. That compensation could take the form of lower personal income taxes or some other form of relief for those hit hardest by higher prices.

In the West, rationing is a particularly inequitable manner of conserving oil. The West lacks effective public transportation and relies heavily on the automobile for basic transportation. Distances between major points are greater.

In addition, the economies of western States are heavily dependent upon tourism. Under any of the rationing plans I have seen, individuals would quite simply be denied the opportunity to travel. Under decontrol, an individual could choose to expend his resources for that purpose, and perhaps cut back on other expenses.

Until we quit subsidizing the price of oil—and thereby encouraging overconsumption—it will be impossible for this Nation to move in the direction of self-sufficiency. With decontrol, we would make more funds available for the development of technologies that currently exist, such as the use of oil shale and sand tar. Increased prices would make these processes economically feasible.

That, coupled with reduced consumption, will insure a far more positive energy outlook for our Nation.●

WASHINGTON METRO SUBWAY SYSTEM

● Mr. LAXALT. Mr. President, when I have had occasion to ride the Washington Metro subway system, I have marveled at its cleanliness and the speed with which I have been able to travel from Capitol Hill to other parts of the District. Recently, however, I came across an article in the Washingtonian magazine regarding the cost of Metro to the taxpayers, and I could not help but wonder whether it was all worthwhile. The taxpayers of this country have paid a hefty sum for the relatively few Washingtonians who use the Metro, and I expect the people of Nevada and other distant States from the District of Columbia would raise their eyebrows knowing how many of their dollars went to pay for this amazing subway system.

Without further comment, I ask that the article from the March issue of the Washingtonian he printed in the Record.

The article follows:

From Behind the Wheel: A Cabbie's View of Metro

[From the Washingtonian, March 1979]

In the January Side Streets column, Dick Dabney told the story of a taxi driver named Mac. Robert "Mac" McArthur makes his debut here with a few words of his own on the wonders of the Metro rapid-transit system.

A Chinese man with a calculator got in the cab at Metro Center, and I asked him how he liked our subway. He made the following comments, calculating as he went:

"Final cost of Metro is estimated at $7 billion, with 500,000 commuters being served. This is an investment of $14,000 for each rider. Operating costs will run about $1,800 a year per person. Given a choice between subway access to downtown or $14,000 plus $150 a month for life, most people would take the cash.

"Annual interest on $7 billion at 10 percent is $700 million. The city buses cost $132 million a year, including subsidy. So if you put the Metro money into certificates of deposit at any local bank, you could run five times as many buses on the interest, forever, free. Everybody could find a seat, buses would run five minutes apart, and there would be $40 million a year left over to dress up the bus stops."

"Or you could leave the buses alone," I pointed out, "and hire 50,000 cabs and drivers at $14,000 a year to pick up people and run them around free. I would settle for $14,000 a year."

The man with the calculator continued to calculate. "As of now, Metro carries 140,000 commuters per day. The system has cost $3.4 billion so far; that's $24,285.71 per rider. Operating expenses were $55 million last year. Assuming 10 percent capital cost, that's $11.29 per commuter per working day.

"You can rent an eight-place helicopter for $225 an hour. At 180 miles per hour, with four minutes for turnaround, each helicopter could make five 24-mile round trips per hour." He punched the equals button. "Therefore, Metro currently costs the taxpayers enough to fly all the present users to and from work by helicopter every day."

"Well, of course, there's pollution," I said. "Metro fights pollution."

"Seven billion dollars' worth?" he said. "Ho Chi Minh was right. You Occidentals just don't understand the value of human money." Then he paid me, pressed CLEAR ENTRY, and got out. ●

ENSIGN JOHN SMALLHORN

● Mr. GLENN. Mr. President, last Friday, with great pleasure, I administered the oath of office to Ensign John Smallhorn, U.S. Naval Reserve. What is of interest to Members of Congress is that this former chief petty officer has for nearly 3 years performed his duty assignment in the Office of the Attending Physician in an outstanding manner, while pursuing a part-time degree program at George Washington University.

In recommending the commissioning of Ensign Smallhorn, Rear Admiral Cary said.

> He is of superb character, a leader of men through example, bearing, and professional competence. He consistently performs all duties in a superior manner and enthusiastically seeks additional responsibility.

Those of us who know Dr. Cary realize this is high praise.

As many Members know from personal experience, the commissioning of an officer is an important personal milestone. Given our association with Ensign Smallhorn, I believe it is appropriate to recognize his accomplishments and express our congratulations. As Admiral Cary predicted, he will "make an outstanding naval officer." ●

COMMUNITY BLOCK GRANTS IN NEW YORK CITY

● Mr. JAVITS. Mr. President, multifamily housing abandonment and property tax delinquencies are problems facing New York City in massive proportions now. It appears that other older urban areas will soon be confronting similar developments, as rising fuel, utility, and other costs, increase the difficulties of landlords attempting to maintain large buildings at a profit or even at cost.

New York City's efforts to come to grips with its staggering housing problems will require innovating approaches that will serve as valuable lessons to other cities as they work to stem the tide of housing abandonment and neighborhood deterioration. My distinguished colleague in the House, Representative S. William Green, of New York, who represents the east side of Manhattan, recently completed a review of New York City's program to manage and return to private ownership buildings that have been abandoned or that have been taken by the city as a result of prolonged tax delinquencies. The report concisely outlines the problems faced and the city's response to date. Since New York City is breaking ground in an area that may well require Federal initiatives, I ask that the report be printed in the Record so that others may have access to it.

There being no objection, the report was ordered to be printed in the Record, as follows:

New York City's Community Block Grant Funded Program for City-Owned Abandoned Buildings

INTRODUCTION

Housing abandonment is a national problem that affects cities across the nation. In New York City, thousands of buildings have been abandoned by their landlords. New York City then acquires these buildings through foreclosures of its tax lien (an in rem proceeding, whence the name of the "in rem program"). Often, though abandoned by their landlord, these buildings continue to be occupied by tenants, who are left behind suffering from abysmal conditions that developed over the period of landlord neglect. New York City has assumed ownership of 9,500 landlord abandoned buildings which include 33,000 occupied apartments.

On January 16, 1979, I met with HUD Assistant Secretary Robert C. Embry, Jr., who is in charge of the Community Development Block Grant (CDBG) program, to discuss various isues. Mr. Embry raised with me the possible interpretation of present law to prohibit New York City's continued use of CDBG funds to operate the in rem program. He suggested that clarifying legislation might be in order. This was confirmed to me in a letter from Mr. Embry on January 29, 1979 in which he stated that the continued use of CDBG funds for the management of in rem properties is not eligible under the CDBG program (letter inserted as Appendix I to this report).

Such action by HUD could have a serious impact on New York City's fiscal situation, since it would require the City, if it continued the in rem program, to fund it with tax levy funds. Such funds could only come from reduced services elsewhere (e.g., police, schools), where services have already been slashed because of the City's fiscal crisis.

While policy-makers often talk in terms of cost-effectiveness and other clinical terms, the human aspects of the in rem program cannot be ignored. A program that is underfunded or poorly run would result in much human suffering, and that thought should underlie any discussion of the in rem program.

On February 12, 1979 I held a fact-finding forum in New York City to gather information on the in rem program. Joining me at the forum were my colleagues, Representatives Jonathan Bingham (D–N.Y.) and Ted Weiss (D–N.Y.). Testimony was submitted by several municipal and federal officials, representatives of tenant organizations and community development organizations, and generally recognized experts in New York City's housing problems (a listing of those who testified is found in appendix II). My staff has also been in close contact with various city agencies, including the Department of Housing Preservation and Development (HPD) and the City's Office of Management and Budget. Prior to the forum, on February 9, 1979, I toured several in rem buildings manged through various forms of alternative mangement (i.e., not directly by the City). On February 12, I toured a City-managed building that has experienced severe (and common) problems due to the City's inability to provide it with essential services.

A DESCRIPTION OF THE IN REM PROGRAM

Current Status of the in rem Program. The in rem program exists to cope with the problem of buildings that have been abandoned by their landlords. The reason for this abandonment was stated succinctly at the forum by Sandy Bayer in behalf of City Council Member Ruth Messinger, Chairperson of the Task Force on City-owned Property. Bayer noted that "low and moderate income housing has ceased to be sufficiently profitable to attract and retain investors. Thousands of landlords are walking away from their buildings, leaving the City as the owner of its most deteriorated housing."

At the present time, New York City owns approximately 9,500 residential buildings of which over 4,000 are fully or partially occupied. This comprises approximately 33,000 occupied apartments. The City took title to these properties after they had been in real property tax arrears for at least one year. In 1976, the New York City Council reduced from three years to one the period of tax delinquency which would precipitate this action. The Council's reasons were twofold: 1)—to increase the City's revenues by giving landlords less grace time on arrearages and encouraging them to pay taxes (as well as providing the City with housing in better condition that could be auctioned); and 2)—to reduce the duration of the property's deterioration due to landlord neglect before coming on the City rolls.

Due to this recent change in law, New York City is presented with the prospect of a large increase in the amount of buildings it will take in rem for the next several years. The City presently has used the new procedure only in Manhattan and the Bronx, but will soon be taking properties in other areas. Brooklyn is scheduled to be "vested," the term for in rem property tax foreclosures, this March which could increase by 15,000 the City's inventory of occupied units. In a typical vesting action, when the City moves against an area, every building in sufficient tax arrears becomes the property of the City under the in rem program.

Before September, 1978, the Department of Real Estate managed the in rem program. On September 1, 1978, New York City's in rem program was placed under the jurisdiction of HPD in an effort to consolidate all the in rem-related activities such as rent collection, repairs, maintenance and rehabilitation, and the eventual transfer of these buildings from City rolls to other forms of management. Testimony that I received at the forum, as well as several discussions I had with individuals rehabilitating in rem buildings and tenants on my tour, indicate that, since September 1, there has been a slight reduction in red tape delays and an overall slight improvement in the City's ability to cope with its in rem housing.

The basic principle that guides HPD is that in rem housing is to be viewed as a housing resource, rather than a source of City revenue, which guided earlier City planning efforts. By definition, each of these buildings is one where at least one private entrepreneur thought that he could make more money by collecting what rents he could while putting no money into the building than by maintaining the building as ongoing rental housing. Hence prospects for profitable sale to private sector operators who will maintain the property and pay taxes on it are small. Therefore, the City is trying to create a non-profit and community based sector to deal with the situation.

Funding. This year, New York City used $41 million of CDBG funds for its in rem program. After five months' experience in operating the program, HPD determined that this amount of money was insufficient. In the next CD planning year (CD 5) the City proposes to commit $122 million of CDBG funds for the in rem program, a figure that the City maintains will be held constant for the next three years. It should be noted that in 1974, CD 1, when the CDBG program was initiated, New York City owned approximately 1,500 buildings whereas it now owns approximately 10,000. The following chart shows the rapid growth of expenditures for the in rem program.

NEW YORK CITY'S CDBG FUNDING AND IN REM ALLOCATION FOR PAST 4 YEARS

	In million		Percent of CDBG for in rem
	Dollars for in rem	Total CDBG	
CD 5	$122	$241.1	50.6
CD 4	38	223.6	16.9
CD 3	17.4	153.4	11.3
CD 2	2.7	112.6	2.7
CD 1	2.1	77.1	2.1

Disposition Programs. At the crux of an effective in rem program is the need to get in rem buildings out of City ownership and back onto the tax rolls through a high-volume sales program. Until recently, the City has attempted this through an extensive auction program which has proved to be extremely ineffective. A recent study of 885 buildings auctioned between 1976 and 1978 showed that 87% of the buildings were again tax delinquent at the time of the study. 43% had never made a single tax payment after their sale and 31% had been in tax arrears long enough to be eligible for in rem action by the City. At the forum, there was wide agreement among participants that in most cases, those who bought properties at auctions either were incapable of managing the properties or had no intention of repairing or managing the buildings in a responsible manner. While these auctions reduced the City's inventory temporarily, they did little to ameliorate the situation of deteriorating housing.

HPD recently announced new auction guidelines whereby all in rem properties in the City's most severely abandoned neighborhoods will be indefinitely removed from sale at public auction. In other cases, the City will allow in rem multi-family residential properties to be auctioned only if the City has approved the sale.

In light of the economic factors that lead to the abandonment of the buildings the City owns, the problems of disposition are great. The establishment of a non-profit sector that is capable of managing and owning multi-family units in great disrepair will take time, and the City has not approached its in rem program in this manner long enough to have any appreciable results in terms of volume out-take.

The City feels hampered by state and local laws regarding disposition of property and the selling of in rem buildings to non-profit owners which is a complex and involved process. In his testimony, HPD Commissioner Leventhal advocated legislation at the local and State level to broaden the category of disposition other than by auction to include urban homesteading, for example.

OMB's figures comparing in-take and out-take appear on the chart on the following page.

COMPARISON OF INTAKE AND OUTTAKE OF OCCUPIED IN REM APARTMENTS AND BUILDINGS

	Jan. 1979–June 1979	July 1979–June 1980	July 1980–June 1981	July 1981–June 1982	July 1982–June 1983
Occupied units (beginning of period)	38,142	49,872	67,689	79,488	84,394
Intake	12,080	22,632	20,519	18,406	16,293
Outtake	350	4,815	8,720	13,500	17,340
Units in management	49,872	67,689	79,488	84,394	83,347

	Jan. 1979–June 1979	July 1979–June 1980	July 1980–June 1981	July 1981–June 1982	July 1982–June 1983
Occupied buildings	4,340	6,541	8,742	10,767	10,987
Intake of occupied buildings	2,416	2,793	2,565	2,300	2,037
Outtake	215	768	1,061	1,383	1,535
Occupied buildings in management	6,541	8,566	10,070	10,987	11,489

Management of in rem properties: HPD is attempting to manage 10,000 of New York City's worst buildings through a variety of methods. Since many of these programs have only been in operation for a few months, it is too early to judge their effectiveness. A component of HPD's management effort is the Office of Relocation which identifies City-owned buildings that are either too deteriorated to rehabilitate or too underutilized to be viable. This office then encourages tenants in these buildings to move into other City-owned buildings. While there are limited relocation services available, the City does not generally assist in relocation. The City reports that it has gone to court, when necessary to evict tenants from buildings deemed nonlivable.

In light of the condition of most in rem buildings, some rehabilitation is almost always necessary. It should be noted that the City's rehabilitation of in rem buildings is modest, even where gut rehabilitation might otherwise be desirable. The City's rehabilitation keeps existing layouts, with wiring modernized and faulty plumbing replaced. HPD commissioner Leventhal estimated an average cost of $1,500 per unit to get a vacant apartment in condition to rent. (This would seem low for the degree of repairs I saw.)

The forms of management options employed by the City include:

Community management. As I saw in Manhattan Valley, one of the sites I toured, HPD is attempting to tap the desire, ingenuity, and determination of residents of neighborhoods with landlord abandoned buildings by allowing community groups to assume responsibility for maintenance and management of buildings in City receivership or ownership. This program, started in 1973, has doubled its capacity in the last five months so that 2,300 units of housing are now under some form of community management. These groups undertake whatever form of rehabilitation is necessary by doing what work they can themselves and contracting out the rest to City-approved contractors. The organization is empowered to collect rents from the tenants, and rental income is supplemented with CDBG funds to pay for intensive maintenance services and the administrative costs of the community group. Additionally, a repair grant is provided for each unit.

Interim lease program. This newly instituted program enables the City to provide a fairly simple lease to tenants the City feels are capable of managing and keeping up a building. This four-month old program manages approximately 2,600 units, and, in the words of HPD Commissioner Nathan Leventhal, there are still difficulties to be ironed out.

Commercial management. At the present time, New York State law makes it difficult for the City to transfer the management of property to private management firms, although HPD hopes to facilitate private management through the passage of legislation in Albany. When this program becomes operational, private firms, who hope ultimately to own the building in question, will offer plans to HPD for in rem building management. This program differs from other alternative management programs in that it will operate in areas experiencing decline for the first time and therefore the buildings involved will be in better condition than is typical of in rem properties.

New York City Housing Authority (NYCHA). In an effort to utilize an existing large scale housing management capability, HPD is presently negotiating with the NYCHA for the management and rehabilitation of in rem buildings in the vicinity of public housing. This program would have the dual benefit of providing management for in rem buildings while helping to maintain neighborhoods surrounding public housing.

Article 7A administrative program. Article 7A of the Real Property Actions and Proceedings Law allows tenants of distressed multiple dwellings to petition the court to appoint an administrator for the building. This action is taken prior to the final in rem proceedings after which HPD authorizes the 7A administrator to continue management of the building. Approximately 1,500 units are managed under this program.

HPD. HPD is ultimately responsible for managing all the buildings that do not come under the above described programs, approximately 30,000 dwelling units. While HPD is attempting to decentralize several aspects of its management, it is clear that HPD cannot manage these properties through conventional municipal management.

PROBLEMS OF THE CURRENT IN REM PROGRAM

The problems faced by New York City's in rem program are numerous. Many are a result of economic and demographic phenomena occurring across the nation, others are due to existing practices employed by the City.

Lack of Evaluation of Housing Stock. In light of the fact that New York City must handle its housing abandonment with limited resources, a thorough evaluation of in rem properties must be undertaken. This is not being done. A new effort to evaluate the housing stock will commence soon, but initially it will be limited to locating the buildings the City owns, and identifying the people who live in them. As a result, money is being spent on buildings with an extremely low level of occupancy, and buildings which have deteriorated beyond redemption. Without adequate surveys and study of housing stock, the City will be able to do little more than react to crises as they arise, rather than develop a comprehensive plan enabling the City to ameliorate housing abandonment and deterioration.

My visits on February 9 were to neighborhoods that were not in the heart of the worst neighborhoods but that exhibited some abandonment. The buildings I visited could be viable, but only if the bulk of the blight were dealt with quickly. These neighborhoods were Hamilton Heights, Manhattan Valley, and the Lower East Side.

Screening viable from nonviable buildings will be critical to the program. It requires accurate decisions not only as to repair costs but also as to rents that will be available, either in the open market or through subsidies.*

Indiscriminate vesting. When the City moves against tax delinquent structures in a given area, it does not discriminate as to the condition of the buildings to be taken. In fact, before a vesting, the City does not evaluate the housing stock even to the extent of assessing the number of buildings to be taken. As a result, the in rem management component of HPD has thousands of buildings thrust upon it with almost no information as to where resources should best be spent. A vesting last August required that HPD ready for winter thousands of units of abandoned housing in a matter of months. While the number of vesting is in question, the actual inventory of existing in rem properties has not yet been accurately determined, as was revealed by Commissioner Leventhal during his testimony.

Maintenance and Repairs. In her testimony, City Council President Carol Bellamy noted that her Ombudsman's office received more complaints about in rem buildings than any other service or agency with the exception of the Human Resources Administration. My District office constantly receives complaints from tenants of City-owned properties ranging from poor or nonexistent deliveries of heating oil to the repairing of roofs and other structures. Over the bitter cold weekend of February 9–12, the New York Daily News reported that 8,000 complaints of lack of heat from City-owned and non-City-owned buildings included 500 City-owned buildings. On February 23, the News reported that an elderly person died in a city-owned building that lacked heat, bringing the total of such deaths this winter to six.

Mel Rivers of the New York Statewide Senior Action Council testified at the forum that "we are not just talking about a building, we are talking about people. We're talking about people who are dying. People who are dying from neglect, from social neglect."

A building I visited at 151 First Avenue on February 12 had consistently received late shipments of heating oil; its oil line had a leak (which caused oil to leak over the basement floor whenever a delivery was made); there was a dilapidated shack full of debris behind the building that constituted an obvious fire hazard; a boiler exhaust running up the back of the building was improperly attached to the building; and a leak in the plumbing caused raw sewage to pour out onto the basement floor.

Late deliveries of oil create many maintenance problems. When the boiler runs out of oil, air runs up the line causing the heating system to break down. As the building gets colder, if the temperature is well below freezing, the water pipes freeze and burst. Therefore, when one component of management breaks down, an array of new problems is created.

HPD is trying to improve its boiler repair capabilities through the establishment of boiler repair units that are employed by the City. If private repair personnel are used, contracts must be bid on, and the time factor is greatly increased. This program has not reached the stage of effectively dealing with boiler repairs.

Rent Collection. New York City is receiving only 45 percent of its rent on the buildings it manages. Rent collection is crucial to the ultimate good health of a building, but at present HPD is hampered in its efforts to evict non-paying tenants. Complaints are numerous of the difficulties in getting Housing Court judges to grant evictions. In a building in my Congressional district, one mentally disturbed tenant pays no rent, and in view of his hostile nature, good tenants are moving out. In another building being run as a co-op that I visited, the tenant manager expressed concern that one tenant's success in getting away without paying rent would cause other tenant cooperators to cease their rent payments.

In the City's alternate management program, the rates of rent collection are most encouraging. In community-managed buildings, rent collection is 80 percent and in interim leased buildings, the figure is 95 percent.

LEGAL ISSUES

The relevant statutes that pertain to the use of CDBG funds by New York City are found in Sections 104 and 105 of the Housing and Community Development Act of 1974, as amended. Section 104 requires that a CDBG applicant must, inter alia, formulate and describe a program meeting certain criteria. At the forum, the HUD representative acknowledged that the City's in rem tenants are almost exclusively low or moderate income (one third of in rem tenants are on public assistance of one form or another) and that the City's program is designed to revitalize neighborhoods and to prevent slums, blight and deterioration. That conclusion seems correct, and meets the Section 104 test.

As the HUD representative acknowledged, the issue HUD has raised turns on whether the activities proposed conform to the permitted activities set forth in Section 105. While not all the following activities in connection with the new program are funded or proposed to be funded by CDBG funds, it appears that such activities would be eligible. This is significant even if an activity is not proposed to be funded, because such an activity could be substituted for an ineligible activity without damage to the City's financial plan. Section 105 permits the following:

1. Costs of acquiring abandoned properties, such as costs of personnel involved in in rem proceedings.

2. Clearance, demolition, removal and rehabilitation of buildings and improvements.

3. "Interim Assistance." This refers to activities permitted under a categorical program that was "folded into" CDBG. It allowed interior and exterior maintenance of publicly owned buildings pending some subsequent activity, which, in pre-CDBG days would have consisted of Urban Renewal or the similar Neighborhood Development Program activities (like urban renewal, but funded in annual increments).

4. Property disposition.

5. Provision of public services not otherwise available in areas where other activities assisted under Section 105 are being carried out in a concentrated manner, if such services are determined to be necessary or appropriate to support such other activities and if assistance in providing or securing such services under other applicable Federal laws or programs has been applied for and denied or not made available within a reasonable period of time, and if such services are directed toward (A) improving the community's public services and facilities, including those concerned with the employment, crime prevention, child care, health, drug abuse, education, welfare, or recreation needs of persons residing in such areas, and (B) coordinating public and private development programs, and if such services have not been provided by the unit of general local government (through funds raised by such unit, or received by such unit from the State in which it is located) during any part of the twelve-month period immediately preceding the date of application submission for funds which are to be made available under Section 105, and which are to be utilized for such services, unless the Secretary finds that the discontinuation of such services was the result of events not within the control of the applicant.

6. Relocation payments and assistance for individuals, families, businesses, organizations and farm operations displaced by activities assisted under Section 125.

7. Payment of reasonable administrative costs and carrying charges related to the planning and execution of community development and housing activities, including the provision of information and resources to residents or areas in which community development and housing activities are to be

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*My tour raised questions as to the long-term viability of six story walk-ups which are receiving extensive rehabilitation, but the manager I talked to reported rentability at $40–$50/room/month in those neighborhoods. The question of economic viability was prevalent in the testimony given at the forum.

I also have some real concern at the re-creation of the "railroad flat" layouts where access to one bedroom can only be attained through another, a layout I saw on the February 9 tour. If the dividing walls are neither weight-bearing nor carry plumbing, they should be eliminated to create a single bedroom. Rehabilitation should be done, therefore, with an eye to the continued rentability of the building.

concentrated with respect to the planning and execution of such activities.

8. Activities which are carried out by public or private non-profit entities when such activities are necessary or appropriate to meeting the needs and objectives of the community development plan described in section 104(a)(1), including (A) acquisition of real property; (B) acquisition, construction, reconstruction, rehabilitation, or installation of (i) public facilities, site improvements, and utilities, and (ii) commercial or industrial buildings or structures and other commercial or industrial real property improvements; and (C) planning.

9. Grants to neighborhood-based nonprofit organizations, local development corporations, or entities organized under Section 301(d) of the Small Business Investment Act of 1958 to carry out a neighborhood revitalization or community economic development project in furtherance of the objectives of Section 101.

These authorizations would appear to cover most of the activities for which New York City seeks CDBG funds. New York City pays fuel and utility costs from non-CDBG funds (city tax levies).

CONCLUSION

If the statutory language in question allows the City's proposed use of CDBG funds, it is up to New York, not HUD, to decide whether New York City's formula allocation of CDBG funds should be used for those activities. If an interpretation of the law disallows such funding, then I feel that HUD has a responsibility to assist New York City to develop alternative plans to meet the pressing housing, and ultimately human, needs incurred as a result of landlord abandonment.

In concept, the City's approach has merit. Since this new approach (treating in rem as a housing source rather than a source of revenue) can be traced to HPD's assumption of the in rem program last September, it is still too early to guage the effectiveness of its initiatives. One thing is clear, however, and that is the City is operating with limited funds. To spend money on one building that is beyond repair or underutilized weakens the entire in rem program.

Recommendation. Evaluation and surveys of housing stock must be thorough, and hard-nosed decisions will ultimately have to be made as to the viability of buildings and neighborhoods. Where buildings are found to be non-viable, consolidation of tenants into viable buildings must be stepped up.

LEGISLATIVE RECOMMENDATIONS

1. An amendment to CDBG statutes which specifically condones the use of CDBG funds for keeping fairly sound housing in a holding pattern until an effective form of management other than municipal management can be established, would be appropriate. This would not increase the CDBG allocation to any specific area, but it would increase the discretion of municipalities in disbursing their CDBG allotment.

2. There must be an increase in emphasis on Section 8 existing housing rental assistance to provide more of this assistance to low and moderate income tenants.* This assistance is essential in light of the fact that many tenants in in rem buildings cannot afford the rents required for the building to break even.

3. HUD must provide more effective assistance to combat abandonment. A recent study by the GAO entitled "Housing Abandonment: A National Problem Needing New Approaches" has pointed out some alarming facts on the status of our national effort to combat housing abandonment: 113 cities have housing abandonment problems to some degree; No singly accepted definition of the term "housing abandonment" exists; Many cities have no statistical information on the extent of their abandonment problems.

In spite of the severity and scope of housing abandonment, HUD, as I learned from Assistant Secretary Embry's January 29 letter, has "not provided any special kind of assistance to cities regarding housing abandonment, nor do we keep data on the amount of block grant funds spent for that purpose." This approach must change, and I share the opinion of the GAO that HUD can do more to assist local governments to turn the tide of housing abandonment and property tax delinquencies.

APPENDIX I

HOUSE OF REPRESENTATIVES,
Washington, D.C., January 19, 1979.
ROBERT C. EMBRY, Jr.
Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development, Washington, D.C.

DEAR BOB: At our meeting on Tuesday, January 16th, you told me that HUD is considering denying New York City's utilization of CDBG funds to manage and maintain owner-abandoned buildings (known as In Rem properties) when there is an absence of a long-term program for future rehabilitation and use of these buildings. You indicated that this change in existing policy might affect New York's application for CDBG funding which is currently in preparation. In addition, you said that you are considering approaching the Banking Committee to clarify the legislative intent of that portion of the CDBG authorization under which New York City currently uses CDBG funds for In Rem maintenance.

In light of our discussion, I have several follow-up questions:

1. What alternative approaches have other cities taken in response to the owner-abandonment problem? Does HUD provide financial or technical assistance to them, and if so, what kind?

2. How much money has been spent since the inception of CDBG on a nationwide basis, by year and by municipality, for this purpose?

3. What procedure is HUD taking to inform New York City, and other cities also utilizing CDBG funds for this purpose, of the possibility that their impending applications may be affected by a change in HUD policy?

Given the short time frame, should the next nationwide cycle of CDBG applications be affected by change in HUD policy, I would appreciate your response to these questions no later than Wednesday, January 24th. This information will be extremely important in discussions in the Banking Committee and with New York City officials.

I appreciated our frank discussion of this issue last week, and look forward to your prompt response to the above questions.

Sincerely,
S. WILLIAM GREEN, M.C.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
Washington, D.C., January 29, 1979.
Hon. S. WILLIAM GREEN,
House of Representatives,
Washington, D.C.

DEAR BILL: I am responding to your letter of January 19, 1979 which contains several follow-up questions to our meeting on Tuesday, January 16, 1979.

Various studies have been done on the problem of housing abandonment including a recent study completed by the General Accounting Office. In responding to the GAO report we indicated that we believe it is appropriate to deal with the problem principally through comprehensive efforts to maintain and upgrade neighborhoods and foster housing maintenance. In adapting revised regulations on March 1, 1978 the Department set out new requirements for the Community Development Block Grant program which emphasized comprehensive planning and targeting of funds to distressed areas. Applicants for block grant funds are now required to develop and describe an explicit strategy for community development that includes setting city-wide priorities to meet identified needs as well as strategies for revitalization of specific neighborhoods.

We have not provided any special kind of financial or technical assistance to cities regarding housing abandonment, nor do we keep data on the amount of block grant funds spent for this purpose. We have no evidence, however, that cities are spending significant amounts of CDBG funds for the kind of activities proposed by New York City.

Block grant funds for management of In-Rem properties were approved in New York's application last August under a condition that the City develop a plan for assuming the In-Rem program's maintenance and management costs with non-block grant funds during the current program year. Such costs are generally not eligible under the block grant program except in connection with properties acquired with block grant funds. They were approved last year because HUD and the City considered the problem to be an emergency situation. It was made clear, however, at the time of the last application approval, that the continued use of CDBG funds for these costs over an extended period of time would not be eligible as an interim assistance project.

We have been meeting with the City seeking information for both us and the City to use in determining those costs which can be considered eligible and not inappropriate for inclusion in future applications. As you can see, we are cognizant of the problem New York City is facing and we are working with them trying to develop a position that meets the City's needs as much as possible as well as the requirements of the block grant program.

Sincerely,
ROBERT C. EMBRY, Jr.,
Assistant Secretary.

APPENDIX II: WITNESSES AT IN REM FORUM, FEBRUARY 12, 1979

Carol Bellamy, President, New York City Council.

Nathan Leventhal, Commissioner, New York City Department of Housing Preservation and Development.

Miriam Friedlander, Councilwoman, Manhattan.

Sandy Bayor, speaking for Ruth Messinger, Councilwoman, Manhattan.

Ginger Macomber, Community Development Representative, speaking for Alan Weiner, Area Manager, Department of Housing and Urban Development.

Jane Benedict, Metropolitan Council on Housing.

Sarah Farley, Member, Adopt-A-Building; Member, Community Board No. 3, Manhattan.

Fred Yæger and Mel Rivers, New York Statewide Senior Action Council.

Edith O'Neal, in rem Tenants Coalition, Brooklyn.

Marc Parks, Vanguard Urban Improvement Association; Member, Community Board No. 5, Brooklyn.

Dennis C. Gardner, Jr., Chairman, Community Board No. 4, Bronx.

Rosemary Madden, Member, Community Board No. 1, Queens.

Charles Henderson, Director, East-West Concourse Preservation Company.

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*This may require a statutory change in view of the present scheme for determining use of Section 8 funds.

M. Louelle Saunders, Better Community Civic Association; Member, Community Board No. 12, Queens.

Paul Feuerstein, Chairman, Lower East Side Neighborhood Coalition Committee for the Disabled.

John Keenan, Housing Conservation Coordinators.

Leo Jozeline.

Wendy Faxan, Urban Homesteading Assistance Board.

Phil Snyder, Chairman, Housing Committee, Community Board No. 8, Bronx.

Sister Mary Hagarty, Diocese of Brooklyn.

Marion Posner, Community School Board No. 1.

SENATOR DEWEY BARTLETT

● Mr. SCHWEIKER. Mr. President, the death of Senator Dewey Bartlett leaves me with great sorrow and deep regret. In the 6 years we served together in the Senate, he was an able and kind leader who was a pleasure to work with. He was a man dedicated to the citizens of Oklahoma, and represented their interests to his utmost.

Senator Bartlett faced a personal crisis during the last several years, but in the Senate he continued to show love and dedication for his country in the face of death. He continued to effectively serve Oklahoma and our Nation. He became a model of strength for all those suffering similar afflications. His loss is not only a tragedy for the State he served so well, but for his country and especially the Members of the U.S. Senate who were able to work with him for one all too short term.

It was our privilege to know him, to know his love for his fellow man and to know his personal courage. His death is a great loss.●

EULOGY TO DEWEY BARTLETT

● Mr. DOMENICI. Mr. President, the death of former Senator Dewey Bartlett leaves a large gap in the lives of all of us who knew him well. I spoke with Dewey only recently, as did many of us in this Chamber. His 2-year battle against disease had taken its physical toll, but his spirit remained courageous.

His was a classic conservatism that accepted a higher law. He viewed himself as its guardian.

Dewey Bartlett believed that society requires a balance between order and change to insure peace and justice for all.

He considered political problems within a moral and religious framework, and insisted on the need for men to live in harmony with the heritage from past generations.

He used the lessons of history in shaping the present, and planning for the future.

Dewey Bartlett had no delusions of perfecting men by design of Government. His goal—both as Governor of Oklahoma and U.S. Senator—was a balanced political order.

He refused to deify government at any level, because he perceived this as detrimental to individual responsibility.

Distribute the Earth as you will, he said, and the principal question remains inexorable: Who is to do the work?

All too frequently, it is the Dewey Bartletts of this world.

He will be sadly missed.●

DEWEY BARTLETT

● Mr. LAXALT. Mr. President, how do you measure the accomplishments of a many like Dewey Bartlett? An accomplished legislator? An able exponent of his State's interests? A devoted husband and father?

My friend from Oklahoma was all these things and much more. On legislative matters, particularly those involving energy and national security, he was a valued source of expert counsel. When it came to Oklahoma, he was a tiger, vigilant in safeguarding its interests and constantly boasting of how proud he was to be an Okie. On family matters, I know that among the most tragic consequences of Dewey's untimely passing was that it deprived him of the time he wished to spend after his retirement with his lovely wife, Ann, and their three children.

But my friend from Oklahoma transcended even these significant accomplishments. Seneca, the Roman stoic, measured the quality of a man's life by the way he faced his death. And Dewey Bartlett faced a terrible, lingering death in a way that taught each of us in this body a lesson in courage and self-denial, under the most terrible kind of pressure.

Did his hair fall out from prolonged radiation treatments? He donned a Harpo Marx wig to a standing ovation in the galleries. Did his friends despair of the toll his terrible illness was visibly taking? Not Dewey. Until it simply was no longer possible, he insisted on running for reelection and set up the appropriate campaign apparatus. Even after his retirement, he was constantly reassuring everyone in sight that he would get better, that he would win his terrible battle with his awesome adversary.

Of course, he did not. But as his senior colleague Henry Bellmon put it, Dewey Bartlett was always concerned that others should not suffer, because he did. This in itself speaks volumes about the kind of man my friend Dewey was.

Mr. President, I have lost close friend. Oklahoma has lost an able Senator. But with his courage and selflessness, Dewey Bartlett has taught us all a lesson not only in how to live, but also in how to die, which I for one will never forget.●

DEWEY BARTLETT

● Mr. STAFFORD. Mr. President, Senator Dewey Bartlett served his State of Oklahoma and our country with dedication and distinction. It was my privilege to know Senator Bartlett casually during the period that he was Governor of Oklahoma, and as a good, personal friend during the 6 years he served in the U.S. Senate.

Dewey was thoughtful of his friends, pleasant in his relationships with his colleagues in the Senate, and always very well-prepared and very articulate in putting forward his point of view.

He was truly a great American. The Senate experienced a severe loss when he retired as U.S. Senator from Oklahoma; the country lost a great American; and his family has lost an outstanding husband, father, and person.●

DEATH OF HON. DEWEY F. BARTLETT

● Mr. ROTH. Mr. President, with sorrow I learned of the death of my friend, Dewey Bartlett, who has been an inspiration to us all in the U.S. Senate.

So often we worked together in our legislative attempts to help the people of our States and fellow countrymen, sharing common goals and supporting mutual ideals.

At his death, Dewey holds the esteem, approbation, and pride of his colleagues in the Senate, his friends in Cklahoma, and citizens of this country. His example of making the care of human life and happiness the first object of good government remains kindled in our minds as we follow the daily tasks of public service.

The departure of my friend has left me with a deep and untapped sadness. Understanding their bereavement, I offer my heartfelt sympathies to the loved ones of the most Honorable Dewey F. Bartlett.●

DEWEY BARTLETT

● Mr. JAVITS. Mr. President, on March 6 of this year, former Senator Dewey Bartlett of Oklahoma passed away. I joined with my colleagues in the Senate that day in a resolution expressing sorrow and regret on the passing of this distinguished American and Senator.

I take this opportunity, also, to express my personal feelings about Dewey Bartlett, who served with such distinction in this body beginning in 1973, until his term expired and he chose not to seek reelection in 1979. That decision by Dewey was a loss for the Senate and for his Republican Party.

Throughout the many years of our friendship, I came to feel that the remarkable thing about Dewey was how he separated his deep feelings about legislation from his personal faith in, and friendship with his colleagues. I cite as an example his fervent hope that I would vote for certain aspects of the energy bills before the Senate last year.

Dewey Bartlett was passionately devoted to the decontrol of oil prices, yet when I voted the opposite of what he wanted me to vote, he understood. His attitude and his relationship to me did not change. He was as sweet, kind, and friendly as ever, though it was his deep belief that it would be a national calamity not to support this proposition. This quality of Dewey's was unique and this quality of his is something for all of us to keep before us, because it is a truly fine heritage that Dewey Bartlett leaves to the Senate.●

TRIBUTE TO DEWEY BARTLETT

● Mr. SCHMITT. Mr. President, in Dewey Bartlett we saw a man dedicated to the U.S. Senate, fellow man, and to his country's future.

Above all, he was a gentleman who valued the free spirit, determination, and selflessness which forged his State of Oklahoma and the United States.

His concern knew no limits. His courage knew no boundaries. His vigor fueled his optimism.

I have a deep affection for Dewey Bartlett. He was a friend upon which you could always rely. He gave to the Senate and to each of us who knew him a solid mix of commonsense, fair play, hard work, and good nature. His achievements in the fields of energy and defense policies will remain a significant contribution from which we all can gain strength and vision.

Dewey will always be remembered as a man striving for a better future for his country. He was my friend and I shall miss him.●

JOINT STATEMENT ON NORTHERN IRELAND

● Mr. KENNEDY. Mr. President, I submit for the Record a joint statement on Northern Ireland signed by Members of the Senate and House of Representatives and Governors may be printed in the Record.

I also submit for the Record the following additional materials: Excerpts from a recent statement by Prime Minister John Lynch of the Republic of Ireland; a column in the New York Daily News by John Hume, deputy leader of the Social Democratic and Labor Party in Northern Ireland; a column in the London Financial Times by Malcolm Rutherford; and a report entitled "Ireland—Our Future Together" issued by the opposition Fine Gael Party in the Republic of Ireland.

The attachments follow:

Joint Statement on Northern Ireland, March 16, 1979

We share the concern of many in Ireland and the United States that St. Patrick's Day in 1979 finds the crisis in Northern Ireland no closer to solution than it was a year ago. It is bad enough that the past year has seen another round of drift in the search for a political settlement. But the year has been even worse for the ordinary men and women and children of Northern Ireland who have endured this endless festering decade of fear and killing and bombing and destruction and gross violations of human rights.

To our fellow citizens in the United States, we again renew our urgent appeals to reject the path of violence in Northern Ireland and to shun any words or actions that give assistance or encouragement in any form to those engaged in violence. Two thousand persons have died as a result of the violence in Northern Ireland over the past ten years. Thousands more have been maimed or severely injured. It is irresponsible for any American private citizen or public official to compound the tragedy in Northern Ireland by activities that offer financial or other support to those engaged in violence or that lend themselves to the propaganda campaigns of those involved in the killing and destruction.

We also condemn another aspect of the violence. According to recent press reports and credible statements by prison doctors, numerous instances of official brutality and violations of human rights have occurred in the police interrogation center in Northern Ireland. If these reports and comments are accurate, the massive scale of the violations, the large number of victims involved, and the lengthy period over which the abuses have occurred make it difficult to believe that such practices could exist without the acquiescence, or at least the negligence, of the British Government. In effect, it appears that the British Government has violated the spirit of its recent pledge to the European Court of Human Rights that certain practices by the security forces amounting to brutality or even torture had been discontinued in Northern Ireland.

We believe that Britain has an urgent responsibility to respond to these allegations and to take all possible steps to eliminate the abuses that exist. In this respect, we urge that a more comprehensive investigation should now be undertaken, including an investigation of specific cases of brutality, the prosecution and punishment of all officials guilty of abuses, and other appropriate steps to guarantee that such abuses will not recur. It is essential for Britain to behave responsibly on human rights in Northern Ireland, and to act to restore its reputation for fair law enforcement worthy of the rule of law in a democratic society.

President Carter spoke for us and for all Americans who care about peace in Northern Ireland when he called nearly two years ago for "a just solution that involves both parts of the community of Northern Ireland and protects human rights and guarantees freedom from discrimination." In support of that call for action, President Carter pledged to work with other nations to encourage job-creating investment in Northern Ireland once a settlement is achieved.

We are deeply concerned over the continuing lack of perceptible progress toward a settlement of the conflict. A generation of children now bear the scars of this decade of killing. The suffering people of Northern Ireland deserve relief from the continuing violence. They also deserve a brighter source of hope about their future.

The immediate cause of the lack of progress toward a settlement has been the intransigence of the leadership of the Protestant community in Northern Ireland. For five consecutive years, they have consistently refused to participate in reasonable arrangements for the sharing of power with the Catholic minority.

But a major additional source of responsibility for the lack of progress toward a political setlement is the delay and neglect on the part of the British Government. In effect, Britain has allowed the Protestant majority to exercise a veto over all efforts to produce an acceptable resolution of the conflict.

On occasion, as in the decision this past year to increase the size of Northern Ireland's representation in Parliament, British policy has gone beyond delay and neglect, and has become a policy of conspicuous tilt in favor of the majority and to the detriment of the minority.

The time is long past for the British Government to reappraise its failing policies in Northern Ireland and to initiate a more effective effort to end the violent impasse. But this cannot happen absent the political will within Britain that it should happen. In this respect we were dismayed by the lack of priority given by the two major British political parties to the subject of Northern Ireland at their recent party conferences.

By action and policy, Britain must demonstrate that it intends to achieve a settlement of the conflict that fairly protects the rights of both the majority and the minority. Specifically, if the Protestant majority persists in its unwillingness to entertain reasonable proposals for sharing power with the Catholic minority in Northern Ireland as part of the United Kingdom, then Britain must be prepared to pursue bolder alternatives. For example, Britain should indicate its willingness to give active consideration and encouragement to the widely discussed proposals for a confederation or other constitutional arrangement linking Northern Ireland with the Republic of Ireland. We recall that the birth of the American nation itself coincided with the creation of a new constitutional entity linking the separate colonies under the Articles of Confederation.

We emphasize that a solution to the conflict cannot be imposed on any of the sides. It must be achieved by negotiations, agreement and consent among all the parties and their political leaders. We reject the argument that Northern Ireland can be bombed into unity with the Republic, just as we reject the argument that the Catholic minority in Northern Ireland can be coerced into acceptance of a Protestant-dominated state. In this respect we would wish to record our great admiration and respect for the views set forth in an editorial in December of last year which appeared in the *Church of Ireland Gazette*, a publication of one of the major Protestant churches in Ireland. Careful, compassionate, and deeply religious in its assertion of brotherhood, the editorial stated that as Irish unity would be a certainty some day, perhaps the present was the best time, from the point of view of the Protestant majority, to discuss its implications.

While critical of the role of the Protestant majority in the present impasse, we also respect the legitimate concerns they have about their future and about the preservation of their identity in any future settlement. We welcome in this respect the commitment of each of the major political parties in the South to ensure that these concerns are respected.

We recognize the difficulty of breaking down the ancient fears and prejudices that fuel the current conflict. Increasingly, however, objective analysis suggests that not only the long-run but also the near-term economic and other interests of the majority in Northern Ireland may well be served more appropriately by links with the Republic of Ireland than with Great Britain. The rapid economic growth of the Republic in recent years has effectively closed the gap between North and South.

The emerging recognition of the coincidence of interests between Northern Ireland and the Republic—and the divergence of interests between Northern Ireland and Britain—is also taking place as a result of the influence of the European Community, which itself is creating new opportunities for Irish development and leadership in modern Europe. It would be a logical outgrowth of President's Carter's statement in 1977 for the United States to join with Britain and the European Community to provide financial or other assistance to a united Ireland reached by agreement of the parties.

The whole can be greater than the sum of its parts. A whole Ireland, with institutions that link the Protestant and Catholic communities and that protect the rights of each community, can bring greater benefits to both parts of the divided island than either part now enjoys, and enhance the two great and powerful traditions of the Irish people. We believe that the people and the Government of the United States stand ready to provide all appropriate assistance to achieve this important goal.

Edward M. Kennedy, Senate.

Daniel Patrick Moynihan, Senate.

Thomas P. O'Neill, Jr., Speaker, House of Representatives.

Hugh L. Carey, Governor, State of New York.

Thomas F. Eagleton, Senate.

George McGovern, Senate.

Gary Hart, Senate.

Joseph R. Biden, Jr., Senate.

Thomas S. Foley, House of Representatives.

Frank Thompson, Jr., House of Representatives.

Don Edwards, House of Representatives.

Edward J. Markey, House of Representatives.

John J. Cavanaugh, House of Representatives.

James M. Shannon, House of Representatives.

Edward P. Boland, House of Representatives.

Brendan T. Byrne, Governor, State of New Jersey.

Excerpt on Northern Ireland From Remarks of Mr. John Lynch Taoiseach (Prime Minister of Ireland) to the Annual Conference of His Party Fianna Fail in Dublin on Saturday, 24 February 1979

Before I proceed further with matters social and economic, I would like to refer to the Northern Ireland situation.

Delegates will remember that last year I announced the setting up of a study group to review all aspects of the Northern Ireland problem. The group has been working assiduously, its members have been in touch with many people and groups north of the border and in the UK who represent different shades of opinion. Sub-committees of the group have now produced a series of position papers on all aspects of the problem, political, constitutional, social and economic. These papers will be further analysed by the group, as a whole, prior to a joint discussion with Fianna Fail members of the Oireachtas. Part of the work was an examination, in depth, of the relative strengths of the economies of the Republic and Northern Ireland and comparisons in the standard of living. An interesting result of the study has been, as indeed was shown in the fine Gael document earlier this week, the continued upsurge in the economy of the Republic compared with that of the United Kingdom and Northern Ireland in particular.

The objectives of our policy are clear. We want to see the people of all Ireland united, in peace, through free and voluntary coming together under agreed structures. We are not suggesting time limits. Neither do we attempt to impose conditions.

Our objective is based on history and tradition. I do not need to go into that aspect. It is written in the heart and mind of every delegate here. But it is desirable, I think, to refer to the causes and effects of the present stalemate.

There are deep rifts between the two parts of the community in Northern Ireland, and those of each tradition, feeling threatened, have sought to devise safeguards. The tragedy has been that every attempt in this direction and every institution and procedure devised for this purpose has produced a reaction just as forceful and just as fearful. Since the two parts of the community are so near to being evenly balanced, there can be no easy solution. The conflict produces its own momentum, its own instability and its own tragedy.

Political or sectarian violence is the most notable manifestation of the present divisions. It has been a feature of life in Northern Ireland, particularly since it was delimited as a separate area just 60 years ago now. There have been outbreaks in almost every decade, culminating in the last ten years of strife.

The effects have been tragic. Since 1969, death has come to some 2,000 persons, and over 20,000 have suffered serious injury. The damage to property is measured in hundreds of millions of pounds. The damage to a generation, of the whole fabric of a society, has been immeasurable.

One can more easily see the economic effects. The British subvention to Northern Ireland is now of the order of 1,000 million pounds a year. Yet, despite this massive flow, economic progress there has not been great, by comparison with what we have been able to achieve. Since 1970, the output of agriculture in Northern Ireland has increased by something of the order of 100 percent. Here, net output has gone up by more than 300 percent. Since 1970, the index of industrial production in Northern Ireland rose by about 4 percent. Here, the corresponding increase is estimated at over 40 percent. But the real tragedy can be seen in the figures affecting people. Despite a surplus of births over death, the population of Northern Ireland has been static over the past decade. Between 1970 and 1977, more than 80,000 people emigrated. Here, population has increased and emigration, over the same period, has been balanced, more or less, by immigration. People have actually been returning to the Republic. The cost of the Northern troubles to our exchequer alone has run into some hundreds of millions of pounds. Notwithstanding this and the other, adverse, unquantifiable effects on our economy of the troubles, the levels of spontaneous investment here in industry, agriculture and by private enterprise generally, are creating the conditions for rapid and sustained development.

I do not stress these contrasts in any sense of triumph. There is great sadness in the statistics. There is an even greater sadness in the broken lives and lost opportunities which they represent.

The causes of the troubles are clear, their effects can be quantified. The difficulty lies in getting a solution. We do not wish to dictate. We wish to discuss solutions with a feeling of sensitivity and respect for the identity with a feeling of sensitivity and respect for the identity and culture of all Irishmen, in particular our northern friends of the unionist tradition. We realise that partition symbolises division rather than being its direct cause. Ten years of troubles have taken their toll on the character of people and young people in particular, who have opted out and are fatiqued. So the onus is on all of us, on both sides, to have sympathetic understanding and to work out a solution. That will not come easily or quickly. But certain principles are clear. We have a great deal in common with the people of Northern Ireland. Their history is part of our history. Their attitudes are often indistinguishable from our own.

In business, in agriculture, in our approach to Europe, and in our view of the future, our interests are the same. What we seek are methods of giving these common interests expression, to our mutual benefit, and for dissipating the suspicions and fears on which the current strife depends, so that we can create, in this island, conditions in which sectarian dominance is not an issue, where people can live their lives without fear and without bitterness, realising to the full the benefits of stability and the richness and diversity of our common heritage.

In this process, the people of Northern Ireland would have a major part to play. It is our sincerest wish to devise together the forms and procedures which will produce for them, as for us, a base from which we, in this Island, can move forward together. Not only their consent but their active participation is essential to any meaningful development which will allow us to break away from the domination of the past and the sterility of the present—which is doing so much damage to Northern Ireland and affecting us so deeply.

There is a challenge now which cannot be ignored.

[From the New York Daily News, Dec. 29, 1978]

A Vision of Peace in Bloody Northern Ireland

(By John Hume)

There has been violence in Northern Ireland every decade since the statelet was set up in 1920. In the past decade, the violence has been continuous, but too often, as now, violence has served as a smokescreen to hide the real problem. One of the tragedies of the past 10 years is that violence has come to be regarded as the problem, instead of a horrible symptom of a much more deep-seated political question. With the decline in violent activity, is it not time to take a fresh look at ways whereby the political deadlock may be confronted?

Since the British government of the day drew a border between both parts of Ireland in 1920 thereby creating Northern Ireland with a deliberately manufactuerd majority in favor of continued union with Britain, the basis of British policy towards Northern Ireland has been that the area shall remain part of the United Kingdom as long as a majority of people there so wish.

This is not a neutral position. It guarantees the position of Unionist politicians who, since 1974, have rejected British proposals for devolved government in Northern Ireland involving both sections of the community. Is it unreasonable to suggest that this open-ended guarantee has not been a particularly successful basis of policy? Has it produced stability? Has it produced peace? These are questions that ought to be asked by responsible politicians in Britain and ought to be answered by a responsible government.

Indeed, there are grounds for arguing strongly that rather than producing the basis for an agreement, these British guarantees to the Unionists foster a siege mentality and operate as a barrier to a real and lasting settlement which can only come when political representatives of both sections of the Irish people sit down and hammer out an agreement among themselves.

As long as Britain continues her present policy, there is absolutely no incentive for the Unionist political leadership to talk to anyone. If Britain were to guarantee Ian Smith that white Rhodesians could remain linked to Britain as long as they wished, would he ever talk to the leaders of the black population other than on his own terms? While Britain tells the Unionist population of Northern Ireland that they can remain in the United Kingdom as long as they wish, will they ever talk in meaningful terms to the people with whom they share the island of Ireland?

The real security of the Unionist population of Northern Ireland rests on their own strength of numbers and their own distinctive traditions and as a leading Protestant clergyman in Northern Ireland recently urged the Unionist people should negotiate their own future now, rather than leave it to the whims of a British parliament. Until this is accepted, politics in Northern Ireland will not be about meaningful dialogue between both sections of the community but rather be a competition by each side to win British support.

Reconciliation is clearly an objective that would command the respect and support of all right thinking people. Should that not be the stated policy of the British government? Britain should declare that her policy objective in Ireland is to promote the coming together of both parts of Ireland in agreement before withdrawing and should encourage the creation of structures of government in Ireland that will allow both traditions to flourish freely and live together in unity, agreement and independence with clear guarantees for the rights of all.

Such a policy, of course, would place heavy responsibilities on the Government and people of the Republic of Ireland. It is not unfair to suggest that until recent times, Irish unity was no more than a mere emotional party political slogan. Hence it was easy for Unionist politicians in the north to represent unity as conquest of the North by the South and as absorption of the protestant people into a Catholic state. The time has come for the parties and the Government of the Republic to spell out what they mean by unity and what sort of Ireland they envisage. It is essential that it be made clear that the Ireland that we seek is not the United Ireland of old, dominated by one tradition, but is in effect an Agreed Ireland, whose institutions***.

In short, there should be no doubt whatsoever that the object is a pluralist Ireland and that the Protestant people of the North would have a positive and guaranteed role to play.

In a century which has seen European nations that slaughtered millions of each other's citizens come together and agree institutions that allow them to grow together by agreement, is it too much to ask that the people of Ireland do likewise? Is it too much to ask that British politicians make it their stated policy to help bring this about?

[From the London Financial Times, Feb. 2, 1979]

The Deceptive Calm in Ireland

(By Malcolm Rutherford)

Mr. Roy Mason, the Secretary of State for Northern Ireland, has achieved a remarkable success by the standards of most ministers. Belfast today is comparatively quiet. If one has to fall back on that awful phrase "an acceptable level of violence," Mr. Mason has brought it about. You are much more likely to be run down by a motor car than attacked by the IRA.

There has been success in another area, too. Northern Ireland is again attracting international investment, though admittedly with the help of enormous subsidies. Since the Secretary of State set himself two main aims—an improvement in security and the restoration of something approaching normal economic life—his mission may be said to have been almost accomplished.

The visitor, however, does not have to be around for very long to realise that something else has gone badly wrong. In the past six months or so there has been a distinct lowering of sights. No one talks any more of reducing the IRA to a hard, but manageable core. No one talks of light at the end of the tunnel or of the further reduction of British troops this year, next year, or perhaps even ever. If the level of violence is now acceptable, hardly anyone thinks that it will become lower. It might well increase and it might well spread, not only to the British mainland but also to continental Europe.

What has happened is that the Provisional IRA has won the respect of its enemies, army and police alike. There has been a reorganization. It is smaller, but tougher. There is even talk of potential recruits being refused admission on the grounds that they would be insufficiently reliable. It is well-financed and there is no shortage of weapons. Its methods have become more sophisticated. Such ambushes as still take place in Belfast are no longer hit and run affairs, but carefully planned campaigns with the army and police sometimes caught off guard. It is said that only chance has prevented a number of large scale killings in the past few weeks.

The IRA's international contacts have also been stepped up. Those Provisionals who have gone off to the Basque organization, ETA, have not done so out of bravado or for the publicity value, as used to happen in the old contacts with the Palestine Liberation Organization. They have gone in order to learn how to attack policemen and other high value targets even more effectively.

Not least, there is believed to have been an increase of the number of "sleepers." Sleepers are people who lie low for long periods of time and who can be called on to act when necessary. They are said to have been spreading not only in England but also on the continent, with Holland and Belgium receiving the most attention.

Lest all that should sound unduly dramatic, it should be added that it comes not from the Provos themselves but from senior army and police officers in Ulster. If anything it is an understatement. These sources appear to have no great resentment of their present role; they have merely reached a new assessment of the situation. It is that the IRA can be at best contained and that even that can only be done if the security forces prepare for a long, long haul and that, even then, the relatively low level of violence of the past year or so will probably turn out to have been exceptional.

There is, it is true, some feeling among the police that too much of their time has to be spent investigating themselves in order to ensure that there are no interrogations of detainees of the kind that attract unfavourable publicity. There is a certain amount of nervousness, too, about the IRA campaign to draw worldwide attention to the prisoners in the H Block at Long Kesh who are demanding political status. In the background there is continued resignation about the difficulties of getting convictions in the courts. (There was a particular case last summer where the police, the army and the Northern Ireland Office apparently believed that if certain charges were upheld, the IRA would receive a severe, if still temporary, setback. The man was acquitted by the Lord Chief Justice).

By and large, however, neither the police nor the army are seeking more men, more equipment or even permission to cut corners. The old talk of transferring more tasks from the army to the Royal Ulster Constabulary—otherwise known as "Ulsterisation"—has died, and in general the situation is accepted as it is. The security forces think they can just about contain it, provided that the will to let them do so does not expire.

Yet, however much Britain may try to forget, such a state of affairs cannot go on with it political consequences. These consequences are already occurring, both in Ulster and in the Republic of Ireland. Mr. Mason will say that in the North there is still no groundswell against direct rule, from Westminster, and that is one of the reasons why the Ulster parties are refusing to accept his proposals for some form of devolved government. That view is undoubtedly correct, but it stops short of a full analysis.

One of the consequences of the present impasse is the decline of the SDLP, the party which—very broadly—represents the northern Catholics. It has ceased to have any very obvious reason for existence and its visible presence has much diminished. Mr. Mason is exceedingly irritated by this development. He believes that he is trying to help the Catholics, but that the Catholic party will not accept anything that is offered, however reasonable.

The consequence which follows from that is that the British Government—and Mr. Mason in particular—appear to be turning more and more towards doing business with the Unionists, who are after all the majority. One has to distinguish here between what is actually happening and what some people perceive to be happening. But, nevertheless, there is a fairly widespread impression that the Unionists are now being favoured. How else does one explain, for instance, the bill now before Parliament and about to become law increasing the number of Ulster seats at Westminster?

On grounds of the size of the electorate per constituency, the case for such an increase is unassailable. Yet it is very peculiar that there is not going to be proportional representation. PR is already entrenched in Northern Ireland. It will be used for the elections to the European Parliament in Ulster this year. Hardly anyone even needs to argue that Ulster is a special case because everybody knows that it is: there is no reason to assume that the establishment of PR there means that it will necessarily spread to the British mainland.

Yet PR is not being given. The result is that in the next Parliament but one, almost however the boundaries are drawn, there will be a disproportionate increase of the number of Unionist MPs. Quite apart from the effects that that could have on a Parliament that is hung, one only has to think for a second to realise the reactions of Irish Catholics. It is one more sign that the British Government is pro-Unionist.

In the North the feeling of resentment is perhaps somewhat sullen. In the Republic it is much more articulate. The Irish Government is as concerned as anyone else, and probably much more so, about the rise of the new professional and efficient IRA. But when it also perceives a British swing back to the Unionists, it foresees a veritable horror story ahead. Not only will the SDLP further decline. More northern Catholics may turn to the IRA as a last resort. The South will not be immune from IRA attacks and, what is worse, a British Government may decide at some time that enough is enough and withdraw the troops leaving chaos behind.

It is for this reason that a new attempt is about to be made to bring the Irish question back into the forefront of British politics. Mr. Jack Lynch, Prime Minister of the Republic, is merely biding his time until the British general election. Some advance notice will probably be given when Mr. Michael O'Kennedy, the Foreign Minister, sees Mr. Mason in the next week or so. But the running appears to be being made by Mr. Lynch and the message is clear. It is that the situation in the North is getting worse and that something must be done now if it is not to engulf us all.

It is sometimes said by the British that the Irish are very good at calling on Britain to act, but then dry up when asked for specific suggestions. Mr. Lynch may be more forthcoming. The idea of an All-Ireland Council is back in the air. So, too, is the thought of All-Ireland courts. There are also more mundone, though none the worse for that, proposals for increased North-South economic co-operation. Drainage and tourism are the most frequently cited examples.

There is again the possibility of a co-ordinated investment policy. At present the North and the South are simply bidding each other up in their efforts to attract international corporations. The DeLorean car plant, for instance, finally went to the North on terms so generous that they were not even asked for in the earlier negotiations with the Republic.

Those are just the bare outlines. What Mr. Lynch wants most, however, is a public British commitment to Irish unity as an ultimate aim. Meanwhile the troops not only can, but should, stay. The end solution may not be in sight, and it may not even be possible to envisage what it should be. But there should at least be an acknowledgement of the need for frequent and continuing consultation between London and Dublin. There should be a declaration of intent to end the stalemate. Mr. Lynch, for example, should not have to ask for the privilege of special information from the North in order to answer a question in the Dail, as he did in the case of an H Block prisoner this week. British policy should be automatically explained in advance.

EUROPEAN CARD

In the long term the Irish Government's best card is probably Europe, as it is increasingly becoming aware. You can see this on a purely material level. To arrive in Dublin nowadays from Belfast is to enter a different world. It is rather like arriving in (say) Duesseldorf 20 years ago from London. One is immediately struck by the growing affluence. The comparison stands not only with the North but also with large parts of Britain. Above all, it stands with the Dublin of a few years before.

Affluence has brought political confidence. There is no longer that sense of inferiority in dealing with the British. It is not only that later this year Mr. Lynch will play host to President Valery Giscard d'Estaing and Herr Helmut Schmidt, the German Chancellor, and the other Community Heads of Government at the European Council. There is also the proposed European Monetary System and Dublin's readiness to break with sterling. Ireland must be the only country in Europe where the EMS debate was followed by the man in the street. Irish participation was seen as a sign of maturity, the more especially as Ireland elected to join and Britain did not.

The hope is that sooner or later all this will be appreciated in the North and that even the Unionists will realise that it is the South which has the prosperity. There are some signs that in agriculture this is already happening. It is noted with interest, for instance, that the Rev. Ian Paisley has been in Brussels protesting about the workings of the Common Agricultural Policy.

For the most part, however, overtaking the North's standard of living and reaping the expected political benefits are still for the future. At the moment what matters is the situation on the ground in Ulster, and that is not good. According to the Irish Government, it could still imperil all that the Republic has achieved so far. That is why Mr. Lynch is impatient for a British general election. The Irish do not appear to mind very much who wins, but they want a Government in London that they can attempt to talk to. Whether it is Labour or Tory, Mr. Lynch will be an early caller.

[Fine Gael, Issued Monday, 19th February 1979]

IRELAND—OUR FUTURE TOGETHER

PREFACE

In February last year Fine Gael announced that it believed that it would be useful to examine and discuss the possible shape the future of Ireland might take. The preparation and publication of a policy statement of this kind had been deferred for some years previously because of fears lest its publication might damage negotiations under way or pending between Northern Ireland political parties. However, until a British General Election it seemed unlikely that such negotiations would take place, and a clarification of what we in the Republic mean by Irish unity seemed increasingly important in view of the obvious misunderstandings that existed in Northern Ireland on this point, giving rise to unreasoning fears on the part of Northern unionists. This decision to produce a statement of policy on Ireland was generally welcomed at the time, in Northern Ireland as in the Republic.

Since then at the Bealnam Blath Commemoration last August I have had occasion to speak about our attitude to this task of outlining the possible shape of a future political association of North and South. I stressed there Collins's phrase about "diversity in unity;" his statement that the North must be given "certain facilities to take their place willingly in the Irish Nation," and his comment that how soon this might happen "may depend largely upon us, upon ourselves of nationalist Ireland." Finally, I quoted his bold words:

"What if the Orangemen were to get new allies in place of the departing British. . . . Let us convince them of our goodwill towards them."

It is in this spirit that Collins foresaw the evolution towards Irish unity. It is in the same spirit that this document has been prepared. It is not only the first such document to suggest the kind of shape a political association of North and South might take; but it is also the first to argue cogently why such a relationship would be in the interest of the North as well as the South.

Fine Gael does not expect this document to change the political situation with respect to Northern Ireland overnight. What we hope however, is that it will relieve the unreasoning but sincere fears of many unionists; that it will make negotiations for an internal solution to devolution with power-sharing in Northern Ireland itself; and that it will encourage many unionists in Northern Ireland to start thinking seriously about the objective merits of a different relationship between North and South, freeing themselves from the emotional reactions that have hitherto clouded thinking on this issue on both sides of the Border.

PART I: INTRODUCTION

A majority of people in the island of Ireland belong to the nationalist tradition and aspire to Irish political unity. In considering how this aspiration might be achieved, many people of this tradition were satisfied up to the end of the 1960's to place the onus for action on Great Britain, which they identified as having been responsible in the first place for the political division of the island. There was an unwillingness to face the awkward fact that about one million people in the north-east of Ireland did not want to be linked politically to the rest of Ireland.

The tragic violence of the past ten years has brought most Irish nationalists to face this reality, and to accept overwhelmingly not merely that the political unity of Ireland cannot be achieved by violence—a view always held by the vast majority—but, more positively, that it can be brought about only with the consent of a majority of the people of Northern Ireland. This basic truth was indeed stated bluntly by the Fine Gael Party in its major policy statement about Northern Ireland, issued on 12th September 1969, in which it was stated that:

"The only way in which the present divided state of this island can or should be modified is with the consent of a majority of the people of Northern Ireland."

The recognition of this truth does not prevent many Irish nationalists from continuing to feel that Britain has an important responsibility to exercise in relation to Northern Ireland, or from feeling deep concern (especially, it must be said during the years since the fall of the power-sharing Executive in Northern Ireland), about the way in which stated British policy in relation to Northern Ireland has been carried out.

This concern is felt in respect of two matters. First, to many Irish people it appears that the British Government and political parties have not given any continued positive expression to their commitment in the solemn declaration of the Sunningdale Communique that:

"If in the future the majority of the people of Northern Ireland should indicate a wish to become part of a united Ireland, the British Government would support that wish."

On the contrary references to this question have been expressed negatively, as guarantees of the status quo in the absence of such a wish, rather than positively as support for a united Ireland, should such a wish emerge.

Second, many Irish people feel that the commitment of the British Government and political parties to working for a system of devolved government in Northern Ireland which would have the participation of representatives of both sections of the community has been watered down or even, by some in British politics, effectively abandoned.

It is necessary to state that these feelings exist widely amongst people of the Irish nationalist tradition. But the existence of these widely-shared feelings, and even the impatience amongst some Irish people at what they see as negative aspects of continuing British involvement in the affairs of this island, do not mean that the people of the Republic have in any way weakened in their commitment against violence, or that they have abandoned their commitment, given at Sunningdale, to Irish unity being brought about only with the consent of a majority in Northern Ireland.

There is indeed impatience amongst many in the Republic, as amongst the nationalist minority in Northern Ireland, about aspects of the implementation of stated British policy and impatience at the unwillingness of leaders of the unionist majority in Northern Ireland to accept that for some period of time provision be made for participation by representatives of the nationalist minority in the devolved government of Northern Ireland, in a manner that would exorcise the memories of the half-century during which this minority found itself effectively excluded from any such participation.

But this impatience has not blinded those of the nationalist tradition to the fact that a major obstacle that stands in the way of any political progress is the fear of those in Northern Ireland who belong to the unionist tradition that their identity and their way of life may be in some way threatened by the aspirations of the nationalist majority in this island. And in so far as, by act or by omission, governments or political parties in the Republic have contributed to, or helped to keep alive this fear, we share in some measure responsibility both for the continued absence of devolved self-government in Northern Ireland, and for the indefinite postponement of the achievement of the aspiration towards national unity.

As the political party which led the way in recognising that the consent of a majority of the people of Northern Ireland is a precondition for political unity in this island, Fine Gael has a particular duty to face this issue, and to make a contribution towards the removal of fears amongst the unionist majority in Northern Ireland that impede political progress. It is for that reason that we have undertaken to produce a full statement of our attitude towards the issues involved in this matter, and in particular to clarify what we mean by the aspiration to Irish political unity.

For, while this aspiration has often been on the lips of Irish nationalists, it has in fact never been clarified by any of the political groups whom the people of the Republic have chosen to represent them. And this lack of clarity contributes, we believe, to the unnecessary, and ultimately dangerous, perpetuation of fear amongst the unionist majority in Northern Ireland.

He also recognize that as a result of the way in which the two parts of Ireland have drifted apart insensibly during the past sixty years, there may be features of life in the Republic, as there are features of Northern Ireland society, which may be deterrents on either side to a closer relationship and to eventual political unity.

This exercise is not an attempt to sketch out a blue-print for a united Ireland. That will have to be done by people from both parts of Ireland working together in mutual goodwill, and not unilaterally by one party in one part of Ireland. This document is rather an attempt to identify practical problems in the way of a closer association between North and South and to indicate some alternative practical solutions to the problems that forms of political unity would raise, so that it may be seen that solutions are practicable which would not in fact threaten the identity or interests of people in either part of the island, and which could be of practical benefit to both.

At the least we would hope that by spelling out these matters we would help to remove fears in Northern Ireland which we believe to be based on concepts of political unity in Ireland which are not in fact present in the minds of most advocates of such unity, and which no serious body of opinion in either part of the country actually seeks. At the best it might foster discussion and debate which in time could lead to a better and closer relationship between the two parts of Ireland. Either way, and especially if followed by similar statements from other political parties in the Republic, it would, we hope, contribute towards a solution of the problem of devolved self-government within Northern Ireland, a solution we believe to be urgent with a view to creating conditions in which violence can be brought to an eventual end, and normal life restored to the people of Northern Ireland.

PART II: BENEFITS FROM NORTH/SOUTH POLITICAL ASSOCIATION

In the past Irish nationalist attitudes, even when accepting the principle of unity by consent, have failed to face the fact that for that consent to be given it would be necessary both to remove the fears about their identity or interests which are felt by many of the one million unionists in Northern Ireland, and also to show that political unity would confer positive benefits on Northern Ireland, and upon both sections of its community, not to be secured by other methods.

It will not be sufficient merely to provide safeguards against possible erosion or undermining of the interests of this one million unionists; it will be necessary also for a majority of the people of Northern Ireland, to be convinced that they will actually be better off in such a political context than in their present context, or in other alternative contexts that they might visualise as feasible.

From the point of view of people in the Republic the main benefit of a new political arrangement embracing the whole island would be that it would fulfill an aspiration whose frustration during the past sixty years has been a source of uncertainty and unrest in the political life of the Republic, and which, through the manifestations of violence that it has evoked at different periods especially within Northern Ireland, has remained an underlying threat to the stability of the Irish State and to peace and order amongst the people of this island.

There is also a feeling that the interests of the South as well as the North in the external forum would be better served by being represented jointly, and that, whatever erosion of economic strength Northern Ireland may have suffered during the years of violence, its industrial sector remains a potent force with which industry in the Republic could advantageously be associated in the longer run.

While the exact nature of the benefits which Northern Ireland could secure from a political association with the Republic would naturally depend upon the character of the constitutional arrangements that would be involved between the two areas, it seems worth attempting at the outset a listing of some of these benefits, at any rate in general terms, before going on to consider constitutional issues.

Benefits that might accrue to Northern Ireland

(A) Sharing of facilities. Some of the possible benefits that might accrue to Northern Ireland would derive from the sharing of facilities now provided separately by the authorities of the two parts of Ireland, thus securing either economies of scale, or, perhaps more important in some cases, gaining access to research, promotional or marketing skills that have been relatively highly developed in the Republic. Needless to say, the benefits involved would be reciprocal but aspects of the work of the Republic's Industrial Development Authority, (whose exceptional success has been recognised worldwide,) of the Irish Tourist Board (Bord Failte Eireann), the Exports Promotion Board (Coras Trachtala), the Peat Production Board (Bord na Mona), the E.S.B. and the Agricultural Institute (Foras Taluntais) and a number of other similar bodies in the Republic all have potential interest for the North.

(B) Extension of cross-border cooperation. Cross-border co-operation was initiated in the 1950's in the form of joint co-operation on the Erne Hydro-Electric Drainage Scheme, the joint operation of the Great Northern Railway (Ireland) for a period, and the joint operation of the Foyle Fisheries which still continues. Contacts between Ministers of the two governments were first established at this period. This kind of cross-border co-operation, which has been given a further boost by EEC membership, would be considerably facilitated, however, by a political association between North and South. The psychological effects on such areas of finding themselves no longer peripheral areas on the border of one or other State, but central to surrounding regions within the geographical context of the island as a whole should not be overlooked.

(C) Mutually liberalising effects. There are also the necessarily intangible liberalising effects on both areas that might derive from a political association—given that the political division of the island sixty years ago clearly had an illiberal effect on both parts of it. Each section of the island lost something by being deprived of the balancing effect of the other, it is hard to believe that the pressures towards creating the kind of State which has developed in the Republic for many decades, or the discriminatory practices that grew up in Northern Ireland in defense of what a majority there felt to be a threatened status quo, would have developed along quite these lines had both areas been operating within a common political context.

One particular area in which progress might usefully be made would be in securing and safeguarding human rights in conjunction with progress on the security front which is the subject of the next section. Some of the pressures that have tended to diminish human rights in both parts of Ireland by making the public authorities feel the need for different forms of legislation against violence, could be relieved through the process of working together, within a common Human Rights framework, which could perhaps best be secured by adopting the European Code of Human Rights as part of the domestic legislation of the whole island.

The major benefits for Northern Ireland deriving from a future political association would lie in other areas, however which may be summed up under the headings of security, economic progress, and the better representation of Northern Ireland's interests in the outside world, giving expression to Northern Ireland's growing sense of its own identity.

Internal security. Northern Ireland's greatest single concern at present is in respect of internal security. While the problem of fugitive offenders appears to be more an emotional than a real one in view of the existence of the extra-territoriality provisions of the Criminal Law Jurisdiction Act, a real problem does exist, however, in the present situation because of the existence of a border running between two sovereign States, which precludes operations by the police forces or armies of either State on the territory of the other. While the proportion of offenses classified by the United Kingdom authorities as being connected with border areas is tiny—little more than 1%—the absence of any force that can operate freely throughout the whole area is a deficiency of which terrorists can occasionally take advantage. Within the context of a political association of the two parts of Ireland one could envisage the creation of such a force. The existence of such a force, with freedom of movement in both parts of the island would be an advance on the present situation so far as cross-border crime is concerned. Such a force could exist only under an authority for the island as a whole.

Of course the need for such a force on any significant scale might become minimal after a period, if the new political arrangements proved successful, as one would hope that it would, in putting an end to political violence in this island. No one can foresee the future, however, and a capacity to deal on an all-Ireland basis with violence of any kind in the future would be useful.

(E) Economic benefits. The potential economic benefits of the political association of Northern Ireland with the Republic will not be immediately recognized by many in Northern Ireland who have grown up with a traditional view of the relative economic situations of North and South. There still exists in Northern Ireland a widespread view that the Republic is some kind of 'poor relation' of the North (in so far as it is recognized as a relation at all!).

Historically Northern Ireland was notably in advance of the rest of the island in terms of industrialisation, and although throughout the period of political division it has probably been the case that the economies of that part of Ulster that is within Northern Ireland, and of the province of Leinster in the Republic, have been at about the same stage of development, with somewhat similar living standards, the average level of income and material welfare in the Republic as a whole has throughout most of this period been lower than in Northern Ireland, because of the lower level of output and living standards in parts of the south-west and more particularly in the west and north-west of the Republic.

The extent of the progress made by the Republic, and the degree to which it was catching up with Northern Ireland even before violence began a decade ago, is perhaps best demonstrated by a few figures, the details of which will be found in Appendix A:

Thus between 1959 and 1969 manufacturing output in the Republic rose about three-fifths faster than in Northern Ireland—by 95% as against 60%. In the four years from 1969 to 1973, when, of course, Northern Ireland was suffering from violence and destruction, this divergence in manufacturing growth rates continued, with output growing about one-fifth faster in the Republic than in the North. And in the most recent period, the years of world economic crisis, whereas manufacturing output in Northern Ireland fell between 1973 and 1977 by over one-tenth, it rose in the Republic in these years by more than one-eighth.

The result is that over the whole period of eighteen years from 1959 to 1977 manufacturing output in the Republic has increased two-and-a-half times as fast as in Northern Ireland—by 177% as against 72%.

The impact of this upon employment in this sector has been very striking. Whereas in 1960 the Republic, with twice the North's population, had only the same number of workers employed in manufacturing, viz., 190,000, by 1977 the Republic's manufacturing labour force was over half as large again as that of Northern Ireland—viz. 220,000 as against 143,000, a net increase of 30,000 manufacturing jobs in the Republic contrasting with a decline of 47,000 such jobs in Northern Ireland.

The same period has seen a very significant catching up in the level of personal incomes per head as between the Republic and Northern Ireland. Whereas in 1958 personal incomes per head in the Republic were only 67½% of the Northern Ireland figure, in the latest five-year period for which published figures are available (viz., 1972–1976) personal incomes in the Republic have been 86% of those in Northern Ireland, and personal disposable income (after deducting taxation and savings) has in this five-year period been 93½% that in Northern Ireland. GDP per worker in the Republic in 1977 has been estimated at 97% of that in Northern Ireland.

Indeed in so far as there exists any difference to-day between the levels of prosperity of the two parts of Ireland after the past two decades of 'catching-up' on the part of the Republic, it seems to be more than accounted for by the fact that in the Republic incomes in the public administration sector are significantly lower than in Northern Ireland, where such incomes are largely linked to those in the U.K. Estimates for 1977 suggest that in industry and services output per head was 7 to 8% higher in the Republic than in Northern Ireland in that year, and while in agriculture the figure for the Republic was about 8% below that for Northern Ireland, this small gap is likely to be bridged within a couple of years, as membership of the EEC, and the full benefits of the Republic's new freedom from historic dependence on the British 'cheap food' market, are secured. More generally, given the scale of British subsidies to Northern Ireland (see Par. 97 et seq. below) it appears likely that without this important artificial factor, Northern Ireland's output levels and living standards would now be significantly below those of the Republic.

The economic dynamism of the Republic has been reflected also in its demographic pattern. Between 1971 and 1976 there was significant net immigration into the Republic—the number of Irish workers returning, together with their families, exceeding each year the relatively small emigration by teenagers. The Republic's population has thus grown by 15% since 1961, from 2,818,000 to an estimated 3,250,000 in 1979. The greater demographic dynamism of the Republic is evidenced by the fact that whereas the Republic has only 1.9 times as many people over 45 as Northern Ireland, for the youngest age group, viz., the under-fives, the ratio is almost 2.65 times. Given the very sharp fall in fertility in the Republic since the mid-1960's, this reflects the relatively high proportion of young married people in the Republic.

There is a sharp contrast between the economic dynamism of the Republic and the much slower growth of the United Kingdom. Thus between 1960 and 1969 manufacturing output in the UK rose by only 3.2% a year—barely two-fifths of the Irish manufacturing growth rate of 7.7%. In the more recent period from 1969 to 1977, which includes the economic crisis, Britain's manufacturing output was almost stagnant, with a growth rate of only .5% a year, as compared with 4.5% in the Republic. The Republic's rate of growth of output per manhour in this recent difficult period—viz. 4.6% a year—is close to the French and German rates (5.2% and 4.9% respectively), while Britain's has been barely half this level, viz., 2.6% a year.

These wide divergences in performance in the manufacturing sector have been reflected in marked differences between the growth rate of total domestic output in the Republic and the UK between 1969 and 1977—3.7% a year in the case of the Republic as against only 1.4% a year in the case of the UK.

The divergence between the economic development of the Republic and Britain in recent years culminated towards the end of 1978 in the situation in which in contrast to Britain, the Government of the Republic decided that its economy was able to accept the constraints and obligations—in order to experience the benefits—of participation in the European Monetary System. Such, indeed, was external confidence in the relative strength of the Irish pound and sterling, that in the period before the decision was taken a sum estimated at over £300 mn. flowed into the Republic, mainly from Britain, the great bulk of it into Irish Government securities. The magnitude of this movement may perhaps be best appreciated if it is seen in the context of the fact that the Irish economy is only about one-thirtieth the size of that of Britain, so that the capital inflow during this period was equivalent to an inflow of about £9 bn. to the United Kingdom.

Viewed objectively, and leaving on one side purely political considerations, Northern Ireland would seem to have much more to gain economically from political association with the rapidly-expanding economy of the Republic than with that of neighbouring Britain.

(E) Greater freedom from taxation constraints. The most important single factor in the economic revival and expansion of the Republic is generally regarded as being its favourable tax regime for industry, and especially for new industries locating there. Using its freedom as a sovereign State the Republic from 1956 onwards developed a tax regime which gave a "tax-holiday" to new enterprises, or major expansion of existing enterprises, directed towards export markets. This, rather than the industrial grants (which like Northern Ireland the Republic offers to new and expanding firms) explains the much more rapid growth of manufacturing in the Republic, and its continued expansion during the recent years of world economic crisis when in a number of successive years the expansion of U.S. manufacturing investment in the Republic was more rapid than in any other country in the world. (U.S. Department of Commerce Statistics).

The Republic, with effect from 1981, will be replacing this export-orientated company tax regime by a new corporate tax system imposing a flat 10 percent rate on manufacturing company profits, whether earned from exports or from domestic sales.

Northern Ireland, as part of the United Kingdom, has not had power to control its own taxation system, save to the most minimal degree, (e.g. in respect of the Death Duties Code.) In a political association with the Republic such a power could be available to Northern Ireland if the relationship were to be of such a federal or confederal character as to give to each of the two States a large measure of autonomy in determining levels and types of taxation—subject only to such co-ordination as might be necessary to prevent undue distortions of trade or investment, and which are referred to in Part V. below—and, subject, of course also to EEC constraints. This also raises, of course, the question of the type of constitutional arrangement that might exist between the two parts of the island, which is dealt with in Part IV. below.

Of course the advantages of fiscal autonomy would also have to be seen in the context of changes that might take place in the present flow of funds from Great Britain, a matter which is discussed in Part V. below (Part. 97 et seq.). At this stage it is sufficient to say that subject to these important qualifications, the acquisition of powers over taxation could be a major economic gain for an area like Northern Ireland. It is true that the United Kingdom Government has where possible within its overall taxation system permitted some variations in relation to Northern Ireland, and that this Government has also been generous with aid to Northern Ireland both through the normal inter-regional transfers that operate within any State and by special provisions arising from the emergency situation in Northern Ireland.

Nevertheless there are aspects of the UK tax code which are not amenable to regional variations, and whose operation is not necessarily favorable to the economy of an area such as Northern Ireland. Fiscal autonomy could enable Northern Ireland to have a taxation system more directly related to its economic and special needs, as the Republic has been able to do since the foundation of the State.

(F) Northern Ireland's sense of identity. Northern Ireland's sense of its own identity is something that is felt by most unionists as well as by nationalists in the North. Even those who favor the political connection with Great Britain for emotional or practical reasons, usually feel a sense of a Northern Irish, or as they sometimes express it, an "Ulster" identity, within their broader sense of being British. During a period of fifty years, this sense of identity found a form of expression for unionists through the existence of a developed government, parliament and civil service at Stormont. Even though these arrangements were not originally sought by unionist opinion, and even though in recent times some unionists have expressed themselves content with what is called "Direct Rule", or have expressed a desire for something described as "integration", these feelings amongst a section of unionists do not seem in any instance to have extended to what would be the logical conclusion of integration, viz. seeking the abolition of the separate Northern Ireland Government Departments.

In recent years and more especially since both the United Kingdom and the Republic joined the European Community, this sense of a Northern Ireland identity, as well a sense of the interests of Northern Ireland not being fully served in the external forum by the British connection in its present form, have developed further. Many people of both traditions in Northern Ireland feel a sense of frustration at the absence of any adequate representation of the area outside the United Kingdom.

(G) Representation of Northern Ireland's interests abroad. Thus there is no provision for separate representation of Northern Ireland's very specific interests, (e.g. in industrial, tourist or export promotion) though the United Kingdom Diplomatic Service, whose commitment is naturally to serve the United Kingdom as a whole, and, should a clash of interest arise on political or economic issues as between Great Britain and Northern Ireland, to serve the larger interest of Great Britain, whose population represents 97¼% that of the United Kingdom.

Northern Ireland and the EEC. Even more important, Northern Ireland is effectively not represented in the EEC institutions, save to the extent that Northern Ireland civil servants are consulted on EEC issues or are given an opportunity from time to time to be represented at discussions which might have a direct bearing in Northern Ireland.

Thus the European Commissioners appointed to represent the United Kingdom have so far been English or Scottish, and have ensured that the interests of these areas have been borne in mind by the Commission. An example of how this operated to the clear disadvantage of Northern Ireland arose in connection with the institution of the Community's Regional Fund. The UK Commissioner for Regional Policy produced Regional Fund proposals which, by treating not merely Northern Ireland but also the whole of Scotland as an area in need of regional aid, and by selecting also for this purpose small sections—even fragments of counties—of England and Wales with income different by a predetermined percentage from the Community average gave to the United Kingdom, through the resultant UK share of population in these disadvantaged areas of the EEC, a 28% share in the Regional Fund. This approach, combined with the French response of seeking a significant share of the Fund for that country on the basis that Britain could not be permitted to benefit from a Fund from which France was not a major recipient, led the German Government to propose a reduction in the total size of the Fund to a level barely half what the European Commission had originally proposed, (1,300 million units of account as against 2,400 million of acount).

The net effect of this was to reduce Northern Ireland's share of the Fund, channelled through the UK Government, to a small fraction of what the German Government had been willing to provide for a Fund allocated mainly to the countries in need, the island of Ireland and Southern Italy.

1. The Commission. If representation at Commission level were in the long run to be broadly proportionate to population, Northern Ireland as a part of the United Kingdom would be unlikely to be represented in the European Commission, (whose membership may be reduced to one Commissioner per member State after the forthcoming enlargement to include Greece, Spain and Portugal) on more than one occasion between now and the 21st century. In association with the rest of Ireland it could expect, on a population basis and even assuming no more favourable arrangement were negotiated, to be represented in the European Commission for four out of every twelve years.

2. The Court of Justice. So far as the Court of Justice is concerned the position is much the same as in the case of the Commission.

3. The European Parliament. In the European Parliament, in which at present the Republic of Ireland is represented by ten members, Northern Ireland has for most of the time had no representative at all, although for a period it was ably represented there by a single member, Rafton Pounder, M.P. The United Kingdom Government at first envisaged that in the new directly elected parliament Northern Ireland should have two seats out of 398 (the Republic has fifteen), but the Irish Government pressed this issue and succeeded in securing an increase in the Northern Ireland representation to three, even though this required that the number of members representing all four larger States be increased by three each, as the UK insisted on having a total of three additional members as a pre-condition of Northern Ireland securing one additional seat, and the other three larger countries insisted on parity with the numbers of members from the UK, thus making the final size of the Parliament 410.

If Ireland were represented as such in the European Parliament, its total of 18 members could be re-allocated on a basis proportionate to population, which would mean that Northern Ireland's representation, originally proposed as two, now three, could be increased to six.

4. The Council of Ministers. It is, however, in the Council of Ministers, which is the final arbiter of all Community decisions, that Northern Ireland's situation is particularly unsatisfactory. The positions taken up by the United Kingdom Government in the Council of Ministers are naturally and properly influenced primarily by the interests of the 97¼% of the people of the United Kingdom who live in Great Britain. It was in their interest that the British Government supported the proposals of the United Kingdom Commissioner, now Lord Thomson, for the distribution of the Regional Fund, which proved so disadvantageous to the interests of Northern Ireland as well as the Republic. It was in the interest of the people of Great Britain that the UK Government originally envisaged only two seats being allocated to Northern Ireland in a directly-elected European Parliament—and placed at some risk the proposal by the Irish Government for a third Northern Ireland seat by seeking originally three additional seats for Great Britain as well—though eventually settling for two.

It is moreover in the interest of the people of Britain, but certainly not of the Northern Ireland farming community, that the United Kingdom Government has consistently pursued its 'cheap food' policy in the Council of Agricultural Ministers, opposing price increases and other arrangements that would benefit Northern Ireland farmers, and that are supported by the Irish Government. It must in fairness be added that the United Kingdom Government has from time to time sought to alleviate some small part of the effects of this policy on Northern Ireland by seeking special arrangements, e.g. with regard to meat factories, but the effect of these moves has been to undo only a very small part of the ill-effects of overall UK agricultural policy on Northern Ireland, whose agricultural sector is over three times as important to its economy as that of Great Britain. It should be noted that Northern Ireland farmers have lost by the arrangements made by Britain in regard to the Green Pound.

It is of course understandable that the U.K. Government should in the nature of things pursue those policies which favour the interests of the vast majority of the inhabitants of the UK who live in Great Britain and in an EEC context the UK Government can legitimately take account only rarely, and to a very marginal extent, of the interests of Northern Ireland, in the small minority of cases where these can be safeguarded without prejudice to British interests.

The problem does not lie with any lack of goodwill on the part of the UK Government towards Northern Ireland in respect of these matters—but rather derives from the simple fact that the interests of Northern Ireland and Great Britain diverge on many issues within the European Community, just as those of the Republic and Northern Ireland tend to coincide. Thus the two parts of Ireland have a common interest in EEC regional aid being concentrated on the areas in the Community which are most in need—viz., the whole island of Ireland, Southern Italy and Greenland; both parts of Ireland have similar interests in the preservation of the Common Agricultural Policy, which is under attack from Britain; and both have a similar interest in benefiting from the Community system of over-representation of smaller countries—a system which operates against Northern Ireland in its present constitutional situation because it forms part of one of the larger countries, at whose expense smaller States secure their over-representation at each level in the Community.

It may be noted that the existence of these common Irish interests within the European Community, and indeed a common interest in representation in other parts of the world, are relatively new developments. From the mid-ninteenth century until the 1960's, when the Republic signed a Free Trade Area with the United Kingdom in preparation for EEC entry, the two parts of Ireland had divergent economic interests with regard to industrial free trade, because the area that is now the Republic, having been left behind in the Industrial Revolution, required a generation of industrial protection in order to establish an industrial base strong enough to survive free trade conditions. But this process having been completed, the Irish economies, North and South, now have similar interests in the industrial as well as the agricultural sphere, as indeed was the case up to the early nineteenth century.

Benefits—Summing up: It is recognised, of course, that the various potential benefits of political association of the two parts of Ireland, some of which have been listed above, have hitherto been outweighed in the minds of many Northern Unionists by other considerations—either of attachment to the British connection or of fear of the impact of such a political association with the Republic upon other interests of their section of the Northern community, or on their identity. Fine Gael's belief is that an objective assessment of the balance of advantage, including of course the likely impact of an association between the two parts of Ireland upon the restoration of order and the elimination of terrorism, as well as the other long-term benefits, would show that Northern Ireland's fundamental interests lie in a political association with the rest of Ireland, on terms negotiated to secure and guarantee the genuine and legitimate interests of the unionist section of the Northern Ireland community. Many unionists in Northern Ireland recognize this to some degree, while being unwilling to accept this viewpoint publicly—their private recognition of the possible balance of advantage being often reinforced by the belief that such an association is inevitable in the long run. What is seen by many as being inevitable in their children's time, could, on reflection, be seen to be worth negotiating for much sooner, from a position that is at this point one of relative strength in population terms.

PART III: THE INDEPENDENCE ALTERNATIVE

Before considering a political association between North and South or what alternative forms this might take that would not merely guarantee the interests and identity of the unionist community in Northern Ireland, and secure for Northern Ireland the possible benefits referred to above, as well as guaranteeing the rights of the nationalist minority in the North, one other question has to be faced—the alternative for Northern Ireland of independence as a sovereign State. This alternative has been canvassed on a number of occasions in recent years, although on none of these occasions has the discussion 'taken off', nor has the alternative secured more than limited and muted support either politicians or people.

The arguments against independence are in fact overwhelming, but as it is an alternative that has been proposed, it must be referred to before examining different possible forms of association between North and South.

There would be serious doubts about the stability of such a sovereign independent Northern Ireland State, even if it proved possible initially to establish it by agreement, peacefully, and on a power-sharing basis. An independent Northern Ireland would remain vulnerable to attempted coups by extreme loyalists dissatisfied with whatever power-sharing arrangement were entered into with the nationalist minority, and that minority might be very suspicious indeed about their prospects of a stable democratic power-sharing system being maintained, especially given the inevitable overwhelming majority of unionists in the security forces of the new State. Even if, over a period, a demographically-proportionate relationship were created between the two sections of the community within these security forces, the overwhelming majority of unionists that would still exist in their ranks would leave the nationalist minority with a continued sense of vulnerability, which would make it difficult for them to settle down to accept without question the institutions of the new State, and to lose their fear of finding themselves one day without warning, back in the situation in which they found themselves between 1920 and 1969—but without, on this occasion, the possibility of an intervention by the British Army, as in August 1969, to restore the equilibrium.

Quite apart from these difficulties and dangers, upon which it is scarcely necessary to expand, there is the question as to whether and to what extent such an independent Northern Ireland State could in fact secure the benefits that have been outlined earlier as being attainable in an eventual political association between North and South.

Thus it is difficult to see how a separate Northern Ireland State could secure such benefits as would derive from a sharing of facilities within a confederal or federal arrangement; nor is it clear that the existence of two separate independent sovereign Irish States would be likely to have much mutually liberalising effects one on the other.

It is moreover quite clear that the significant benefits that might accrue from the existence of a security force within federal or confederal control that could operate with freedom of movement on either side of the border would not exist were there to be two separate and independent Irish States.

each with sovereign control over law and order within its own area. Similarly, a single jurisdiction over violent crime could not exist were there to be two sovereign Irish States.

So far as the possible economic benefits of Northern Ireland's participation with an economically dynamic Southern State in an Irish federation or confederation are concerned, these would at the very least be more difficult of attainment if the two parts of Ireland were under separate independent and sovereign jurisdictions. It is difficult to conceive, indeed, just how such benefits might accrue were the two States to retain complete independence vis a vis each other.

On the other hand, an independent Northern Ireland State would be free from those constraints on taxation policy which at present inhibit it from pursuing economic policies that might re-invigorate its economy by attracting external investment. The benefits that might accrue from such policies would, however, be prejudiced to some degree at least by fears of the instability of such a State, which international political and economic opinion might not see as an ultimate and final solution of the Irish situation.

A crucial question would be to what extent an independent and sovereign Northern Ireland would be able to secure its interests within the European Community or whether it would have to reconcile itself to isolation in northwestern Europe as a non-member of what will within a couple of years almost certainly be a community of twelve contiguous States, covering the whole land area of North-Western and Southern Europe.

The prospect of Northern Ireland participating as a separate unit within the European Community would not be great. The Community is already finding itself under great pressure as a result of enlargement from Six to Nine, now Ten, and soon almost certainly Twelve Member States. One of the likely consequences of this enlargement, discussed at the Leeds Castle meeting for Foreign Ministers of the Nine Community countries in June 1977, is the reduction of the number of European Commissioners from two to one in the case of the four larger countries, viz., the United Kingdom, France, Germany and Italy—this with a view to keeping the Commission membership to a reasonable and manageable size. It is not easy to conceive that countries with populations of 50–60 million people such as France, Germany and Italy, having agreed to representation by a single Commissioner each, would concede to the small island of Ireland, with less than 5 million people, *two* Commissioners—as would follow from the admission of Northern Ireland as an additional, probably thirteenth, member of an enlarged Community.

Indeed no one with any intimate knowledge of the European Community could be other than sceptical about the prospect of that institution accepting a further State of 1½ million people, with such a disturbed recent history and with what they would be inclined to see as a doubtful future, as a further member of the Community, taking account of all that this would entail, including a possible precedent for the splitting up of some existing member States. Even if the United Kingdom and Irish Governments favoured such a development, it is clearly unlikely that the Community as a whole, which in matters of enlargement must act by unanimity, would be prepared to undertake yet a further, fourth enlargement for this purpose.

An independent sovereign Northern Ireland would thus have to come into existence recognising the improbability that it would be admitted to the European Community, and accepting the economic disadvantages and, to say the least, uncertainties that this would entail.

For all these reasons an independent sovereign Northern Ireland State, divided between two unequally-sized communities with a long history of mutual conflict, does not although sincerely advocated, appear a realistic alternative. Northern Ireland's relationship with the world outside must be seen as lying either/through the United Kingdom, within which even if it had a devolved administration it could have no effective control over its destiny in relation to the world outside or, 2, in conjunction with the rest of the island of Ireland on terms that would give to Northern Ireland—as its sovereignty has already given to the Republic—a role in Europe and in the world disproportionate to its size and population.

PART IV: POSSIBLE FORMS OF NORTH/SOUTH POLITICAL ASSOCIATION

Of course the logic of the arguments about possible benefits for Northern Ireland from a political association with the rest of the island that were put forward in Part 11 need not necessarily be persuasive so far as those are concerned who either fear the consequences of a North/South association or who, for reasons of loyalty to the United Kingdom, prefer to retain the status quo with its attendant disadvantages and, of course, advantages. Nevertheless, whether or not a willingness to consider a political association between the two parts of Ireland now exists and whether or not such a political association comes into existence in the period ahead, it appears in any event right that those in Ireland who would wish to see such an association should define at least the range of possible solutions that they would envisage. This is in any event desirable in its own right because of the value it could have in reassuring those unionists in Northern Ireland who believe or fear that Irish unity is envisioned by political parties in the Republic as taking forms that could threaten the interests or the identity of the unionist section of the Northern community.

In the recent past, during the years since a full recognition of the reality of the Northern Ireland problem has been borne in upon politicians and people in the Republic, there have been inhibitions about spelling out details of possible models for an association of North and South. These inhibitions have derived from legitimate fears that too much talk about Irish unity might be counterproductive in its effect on current Northern unionist attitudes, or might prejudice internal negotiations under way or impending within Northern Ireland on the question of devolved self-government. The reaction amongst some Northern unionists to the Council of Ireland part of the Sunningdale Agreement encouraged these inhibitions.

But one unfortunate consequence of this has been that Northern unionists have been left totally in the dark as to that which people of the nationalist tradition, including politicians in the Republic, mean by 'Irish unity'. In the absence at present of any negotiations in Northern Ireland that could be adversely affected by the discussion of the subject, and in advance of a British General Election whose outcome, whatever it might be, could—hopefully—and the uncertainty that has made meaningful negotiations in respect of the Northern Ireland problem difficult for some time past, this appears an appropriate moment to outline alternative approaches to Irish unity. It is believed that this can be done in a manner that will help to relieve anxieties in Northern Ireland as to the character of the nationalist aspiration of the people of the Republic.

Criteria to be applied to any proposed new north/south arrangement.—The criteria that it is proposed to apply to various possible alternative political arrangements should be made clear at the outset. They are:

1. That any new arrangement shall guarantee the legitimate interests and identity of the unionist community in Northern Ireland, in a manner that would free that community from any fear for its future in the island of Ireland.

2. That any new arrangement shall also guarantee the legitimate interests of the nationalist minority within Northern Ireland.

3. That any new arrangement shall be such as to secure to Northern Ireland the potential benefits referred to in Part 11.

4. That in any new arrangement provision be made by means of international action to assist in the reconstruction and re-development of Northern Ireland, to ensure that the living standards of its people are safeguarded, and that peace and security be maintained.

It is on the basis of these criteria that various alternative arrangements will be examined in the paragraphs that follow.

(a) Unitary state.—One arrangement could, of course, be a unitary Irish State, with a single Irish Government and Parliament, incorporating provisions for guarantees of the Northern unionist position, either through a requirement that power be shared with political representatives of Northern unionism, or through other mechanisms such as a blocking minority in Parliament or a weighted voting system.

Such a solution could theoretically meet the criteria of guaranteeing Northern unionist interests, but it would run counter to the reality of the existence today of two different political communities, in the North and in the Republic, which have now coexisted for almost sixty years, developing their own local institutions and variants of the British legal system which they intended. The people of the Republic would, of course, be willing to negotiate on the basis of such a unitary State arrangement. We believe, however, that they would also be prepared to accept an arrangement under which only certain specific functions would be delegated to be carried out by a federal or confederal arrangement, in common, for the good of all the people of the island; they would see this in any event as being more likely to be acceptable to unionists in Northern Ireland.

(b) North-south federation or confederation.—A proposal that merits consideration is a federation or confederation of the existing two areas, constituted by Northern Ireland and the Irish State. (The idea of a four-province federation we dismiss as contrived, administratively cumbersome, and serving only to place the representatives of Ulster in an artificially small minority). It has been objected that such a federation or confederation would be unbalanced and that there are no precedents for a successful bi-partite federation of this kind. We recognise that the imbalance in population between these two units, and the need to safeguard the unionist section of the community within the smaller unit, would pose problems, and that special measures would have to be devised to secure the success of such an arrangement. These measures would of course require some sacrifices by the Republic, in terms of sharing control over certain aspects of its affairs.

Before examining various alternative arrangements that might be possible, it is desirable to face the issue of the kind of division of functions that might exist at federal or confederal level or at state level. Although the Irish case is a unique one, requiring special arrangements not existing in other federations, or confederations, something may be learnt from the experience of others.

First, among the reasons why such arrangements have come into existence in the past have been security or defence reasons; a feeling that only through such a link could independence vis-a-vis other States be secured; hope of economic advantage; a logical development of an earlier association between the two areas; and geographical propinquity. A number, although not necessarily all, of these considerations could be held to apply to the Irish case.

Another feature of such arrangements is that they have not necessarily involved similarity of laws and institutions, nor have these federations or confederations necessarily had a communtiy of language, nationality, race or religion. Switzerland is an example of the latter point, while differences of laws and institutions can exist even in unitary States, such as the United Kingdom has hitherto been (leaving Northern Ireland on one side), and in which the Scottish and the English legal systems have been fundamentally different. This is quite apart from the less significant divergences that exist between English law and law in Northern Ireland and the Republic, all of which are founded on the common law. It has also been pointed out that in all cases where a successful federation or confederation has come into existence, the case against such a development has invariably been as strong as the arguments in favour. The key factor in all cases has been the existence of leadership capable of presenting the idea successfully to the political units involved, and of creating the desire for such an arrangement. The creation of such a desire is seen by one authority (Wheare) as the only absolutely necessary pre-condition for the creation of a successful federation.

A brief note on some alternative federal and confederal systems is contained in Appendix B.

Any Irish system, to be based on the criteria referred to in Par. 72 would have to take full account of the specific Irish situation. There would seem to be a strong case. on the basis of these criteria, and in view of the historical development of the Irish situation, for vesting sovereignty in the first instance in the two States, with a permanent delegation of sovereignty, on an agreed basis that could not be modified without consent of both, to what might best be described as confederal institutions. (The distinction between "federal" and "confederal" is often a confused one, but the latter word seems most appropriate to describe the kind of provision for the delegation upwards of certain specific functions in the common interest that appears most relevant to the Irish case.)

Even accepting this concept, there remain two possibilities with respect to what functions could be delegated to confederal level. Two broad types of possible Confederation will be put forward here, however, as models around which discussion could usefully center.

a. A Confederation with delegation of a fairly wide range of powers to the Confederal Government, not unlike in some respects the models that exist in the United States. Canada, Australia, etc., although with some specific differences and limitations arising from Irish needs.

b. A more limited delegation of functions to the Confederal Government, related particularly to two areas—security, and external representation—but extending to economic policy and in particular to those aspects of economic policy which are intimately linked with the EEC, and where the main function of national governments is the implementation of EEC legislation.

Each of these models will be briefly examined in turn with a view to considering its feasibility, and its degree of possible acceptability.

(a) Confederation with wide range of powers to confederal government.—In a Confederation based on such models as the United States, Canada, Australia, etc., the Confederal Government would have transferred to it by the States not merely such powers as those relating to internal security; foreign affairs, including relations within the EEC and policies at national level deriving from EEC measures in such fields as agriculture, industrial competition, energy and transport; monetary and central banking policy; but also budgetary policy at the confederal level; the collection of confederal taxes; and the provision of a wide range of services more economically and efficiently undertaken at the confederal level in areas such as research, promotion and marketing; transport policy at the confederal though not nessarily at a local level; and, finally perhaps, on the German model, the determination of general policies in other sectors, the administration of which would be left to the States. Such a system would have the advantage of corresponding to a number of models in other countries, from which experience could usefully be drawn. It may be doubted, however, whether the degree of centralisation of policy-making in so many sectors implicit in this model would correspond to the wishes and aspirations of a majority in Northern Ireland or, perhaps even to the wishes and aspirations of the people of the Republic, who have become accustomed to managing their own affairs in many of these areas.

(b) Confederation with powers related primarily to EEC functions and security.—An alternative model would be one that would be primarily based upon the distribution of functions that now exists, or might develop, between the EEC institutions and national governments, based on the view that where EEC policy decision are involved it would be desirable both that the Irish view of these issues should be expressed in a coherent and unified way in the Council of Ministers and perhaps elsewhere, and that the implementation of such decisions, where this is done by EEC directives to governments to legislate along lines laid down by the Community rather than by directly applicable EEC regulations, is the responsibility of the governments of member States and is not readily delegatable to governments which operate at a different level, e.g., those of the German "Lander". These functions include economic, financial, industrial and agricultural policies.

Given the degree to which both parts of Ireland have become accustomed to running their own affairs domestically during the past sixty years, a case could, perhaps, be made in the Irish instance for an even more limited role for the Confederal Government—one confined to the question of security and foreign policy, including representation at the EEC Heads of Government meeting in European Councils, at the meetings of the General Council of Foreign Ministers, and at the meetings of the Foreign Ministers of the Community countries in relation to political co-operation (viz. foreign policy coordination), leaving other matters including other EEC matters, to be dealt with by the Ministers of the two Irish States forming the Confederation.

It would have to be faced, however, that such an arrangement would pose many, and, in practice, insuperable, difficulties. The problems of co-ordinating Ministers who meet in specialist councils is already a major one within the Community, and the task facing a Confederal Foreign Minister in having to co-ordinate not just Confederal colleagues attending specialist councils but in each case *two* collegaues from the different State administrations North and South could prove insuperable.

Thus, whatever might have been possible before the establishment of the European Community and the adherence of Ireland and the United Kingdom to it, it does not seem practicable, given the way in which the Community works an inter-acts with member governments, to retain at State level, and not to delegate to Confederal level, at least such policy functions in relation to particular Departments as are now within the competence of the EEC. Executive functions could, of course, remain at State level, e.g., the administration of a Farm Modernization Scheme, the details of which had been agreed by the Council of Ministers for Agriculture at which the Confederal Minister would have represented both Irish States.

An agreed constitution would guarantee the areas of independent action of the two confederal states. This constitution would list these areas of action and the procedures for their safeguard.

PART V: ECONOMIC, MONETARY AND FINANCIAL PROBLEMS

A more difficult problem area, where the concept of a minimalist Confederal Government could conflict with the economic realities of the modern world, could be in relation to monetary and financial matters. It is theoretically possible to conceive of a Confederal State in which the two units would operate separate monetary and fiscal policies, financing common Confederal services in an agreed ratio. But the practical difficulties and disadvantages would be immense, and probably insurmountable. If the tax rates were to be fixed by the States entirely independently of each other, major distortions of investment and trade could take place. Moreover, it would have to be faced that significant differences in interest rates would not be practicable in these circumstances, just as they have not in fact existed between Northern Ireland and the Republic even in the conditions of political separateness that have applied for almost sixty years.

Among the many common institutions that have withstood the pressures of the political division throughout this period (which include the Churches, the Irish Congress of Trade Unions and a number of sporting organisations), has been the Irish Banks' Standing Committee which, inter alia, determines interest rates North and South at levels that are always close to each other. While it is, of course, the case that this has in the past been related to the fact that the Irish pound has been held at parity with sterling, it is nonetheless significant that within this parity arrangement the Northern Ireland banking system has been associated through this Committee not with that of the rest of the United Kingdom but rather with that of the Republic and that this is continuing after the decision by the Republic to enter the EMS.

If the two States were to seek to maintain separate monetary identities, this would have other ill-effects. Apart from the fact that within a European Monetary System there would be the possibility of different currency units existing in the two States, it would also seem likely that these two States, if borrowing separately and competitively in international markets would be less well-placed to do so successfully and at low cost than if the Confederal State were responsible for international borrowing. In the early stages at least Northern Ireland might in particular benefit from Confederal borrowing because of its recent disturbed history which might make it more difficult for it to borrow on its own at reasonable rates.

Another economic reason for concentrating monetary policy at the level of the Confederation would be that the carrying out of an effective monetary policy has considerable overflow effects in contiguous regions especially where currencies are at parity, and where strict exchange controls do not exist—as presumably it would not be intended that they should exist within an Irish Confederation. Thus, if one of the two States increased demand by more public spending, the benefits would tend to spill over to the other State through import leakages—with the result that the second State would be increasing its employment and output without having to incur higher debt charges consequent on deficit spending, which would be confined to the State initiating this policy.

A consequence of these considerations would be that the Confederal monetary authorities would have to enjoy sufficient resources to carry through policies that would have a meaningful impact on the States. The question of the relative apportionment of taxing power to Confederal and State authorities is thus a complex one, to which a variety of solutions could be found, ranging from on the one hand the delegation to the Confederal authorities of power over a wide range of taxes to, on the other hand the, perhaps, more politically acceptable, but technically more complex, concept of a more limited range of Confederal taxes, combined with arrangements for a measure of harmonisation of other taxes designed to ensure that while the States exercise autonomy over a large part of their tax policy, this autonomy would not be abused by unduly competitive measures of tax rebates or reductions which could distort the economic relationship between the two States.

The experience of Federations on Confederations elsewhere suggests in particular, that, within reasonable limits, divergences of expenditure taxes would not create insuperable problems; such divergences are commonplace in the United States and other similarly-organised States. These divergences are held within reasonable limits not so much by Federal or Confederal controls as by the fear of economic distortion on the part of States with higher expenditure tax levels than their neighbours, and the control over abuses is exercised not by customs controls at the borders but by the excise authorities of the States.

In the Irish context the situation is somewhat complicated by the fact that there are significant differences in tax levels between North and South. These are most notable in respect of motor cars, where the tax level is very much higher in the Republic. In so far as it was felt desirable to maintain this differential—which in part at least corresponds to a greater propensity to buy and to use up cars more rapidly in the Republic than in Northern Ireland—this might be achieved by limiting the sale of and ownership of cars in each State to residents of that State, although this could create some technical difficulties.

There are a number of other significant tax differences between North and South, with an overall tax level in Northern Ireland higher than in the Republic by about 8 percent net. (See Appendix A., Table 3). Taxes which are higher in Northern Ireland are personal income taxes, including taxation of farmers, (although this latter gap is gradually closing), corporation taxes and, of course, national insurance contributions. Northern Ireland also retains annual taxes on motor vehicles, rates on private dwellings, and death duties, which have been abolished in the Republic. On the other hand Value Added Tax, which in the North is at a flat rate rather than at a range of rates, is higher in the Republic for many goods—not just cars and electrical equipment, although it is, of course, lower for clothing which is zero-rated in the Republic. Excise duties are also higher in the Republic on beer and petrol, but lower on cigarettes, light hydrocarbon oils and spirits. Farmers' rates are also higher in the Republic, partly offsetting lower rates of farmers' income tax.

The sorting out of these divergences, distinguishing between cases where harmonisation might be seen as desirable (e.g., a reduction in the level of company taxation in Northern Ireland), or necessary to prevent distortions of trade or economic activity, from those where divergences in tax rates within reasonable limits would pose no serious problem, is a technical problem that need not absorb more space here, beyond remarking that the problems do not seem insurmountable and could, of course, be partly met by a transitional period for adjustments on either side where necessary. The aim would be to secure an outcome which would leave as much freedom as possible within reasonable limits to either State, while ensuring sufficient Confederal control to secure a single overall monetary policy that would defend the currency of the Confederation and operate in conjunction with the authorities of other member States of the EEC in defence of the proposed European Monetary System. As has been indicated by the McDougall Report on the fiscal implications of a fully federal Europe, this would entail a certain minimum level of Confederal revenue-rasing and expenditures if the Confederal authorities were to undertake successfully their function of securing economic stability and growth for the whole island. That Report suggests, however, that even in the case of a full European federation, that minimum level would be a minority of total public revenue and expenditures, viz. about 25 percent, which could if desired leave the major power of taxing and spending at State level.

Social welfare harmonisation.—Associated with the problems just discussed is the question of the possible desirability of harmonising divergent social welfare systems in the two parts of Ireland. There is, of course, no reason why the two systems should be identical. It is true that some problems could arise, at least in theory, if the social benefits were significantly higher in one State than the other, as this could affect decisions by individuals as to where to locate themselves, e.g., in retirement. These kinds of problems could, however, be overcome by giving to each person entitled to employment-related social benefits a level of benefits based upon the proportion of their working life spent in one or other State, and entitlement to other benefits could also be related to the total period of a person's lifetime spent in one or the other. Calculations (set out in Appendix A, Table 4) show that the net cost of assimilating social benefits in the Republic to the Northern Ireland level in 1978 would have been about £230 million—viz., not much more than the amount of the higher taxation that would have been secured in the Republic if tax rates in that area had been at the Northern Ireland level. Here as elsewhere it is evident that the two parts of Ireland are now at rather similar stages of economic development, and the organisation of their two economies on a harmonious basis within a Confederation, while it could create problems at the level of detail, would not be likely to give rise to any insuperable difficulties at the level of aggregate taxation or expenditure.

The British subsidies to Northern Ireland.—An issue that always looms large in any comparison of Northern Ireland and the Republic is naturally that of the subsidies paid by the UK Government to Northern Ireland. While there are some difficulties about measuring exactly the level of these subsidies—for the uninitiated the Northern Ireland and UK Exchequer figures are difficult to reconcile—a broad approximation is possible and is set out in the table below:

Heading	1976/77	1977/78	1978/79 (Est.)
Northern Ireland grant-in-aid	360.00	432.3	421.6
Refund of VAT	5.5	6.4	6.5
National insurance transfer	56.0	55.0	64.0
Agriculture	32.9	25.9	25.8
Law and order	111.3	130.0	140.3
Compansation for damage	55.6	44.4	42.0
Total	522.3	695.0	700.2

These figures are subject to a number of qualifications. They exclude, for example, the generous writing-off by the UK Government in 1977/78 of £250 mn. borrowings by the Northern Ireland Electricity Board; and the nature of the calculation by which the "Law and Order" figure is arrived at is not entirely clear. It would appear that so far as the British Army component of this figure is concerned, the element included is not the full cost of the army units concerned but the marginal additional cost of maintaining them in Northern Ireland rather than under normal conditions in the UK or elsewhere. This would mean that on the one hand these figures might be held to under-estimate the full cost of maintaining law and order under present conditions; on the other hand the hypothesis of an agreed solution upon which the present policy document is formulated implies that reasonably peaceful and normal conditions would before long prevail throughout the Confederation, requiring a much lower level of expenditure on law and order.

One important point must be made about these figures. The Northern Ireland budget, which includes these receipts from the UK, made provision for a current surplus of £245 million for 1978/79—a year in which (calendar year 1978) the Republic planned a current deficit of £105 million, the actual deficit incurred (£358 mn.) being in the event very similar.

Clearly this does not answer the problem posed by the scale of UK aid to Northern Ireland. The Republic's current deficit in 1978 was quite abnormal and could not be sustained. It has already been cut back to £288 mn. and is planned to fall to a quite small figure (5 percent of GNP) within the next two years. Northern Ireland could certainly not—even if full allowance were made for savings under the headings of law and order and compensation for damage—contemplate replacing the present aid by simply borrowing to pay for the resultant current deficit as a normal part of its budgetary procedures.

Of course some economies could follow the substitution of Northern Ireland participation in the United Kingdom by a political association with the Republic. Nevertheless, it is clear that at any rate for a—probably fairly prolonged—period of recovery, Northern Ireland would continue to need current external aid on a significant scale to enable it to maintain its services at the level to which its people have become accustomed and to prevent a fall, and indeed secure a rise, in living standards. Special investment assistance would also be needed to secure its economic recovery and to take advantage of its potential for economic growth, which was already beginning to be exploited in the 1960's before the unrest and violence began.

Given that the level of national output and income per head in the Republic is only now attaining the level of Northern Ireland, substantial transfers from the Republic to the North would be difficult to contemplate at this point, although if the momentum of growth of the Republic would maintain at a faster rate than that of Northern Ireland even after the restoration of normal conditions, a time could come when through the normal process of redistribution within a federal or confederal State, such transfers might come about naturally. This is highly speculative, however, for in a post-violence period the Northern economy might well attain a growth rate in excess of that then being secured by the Republic.

The current and capital aid needed by Northern Ireland in the early years after the return of normality would, therefore, have to come from other sources. Three such sources are conceivable:

The United Kingdom might well be willing, as part of a process of sorting out its involvement in Northern Ireland to pay current and/or capital sums over a period of years—especially as such sums would in any event be payable if no political re-arrangement had taken place, and if Northern Ireland remained part of the United Kingdom as at present. A part of the mechanism by which this might be achieved could be the continued payment of existing pensions by the UK Exchequer, to which the original contributions were paid.

The United States Government, with strong Congressional backing, has expressed its willingness to provide substantial aid in the context of a political solution in Northern Ireland. This generous offer has received less than its fair share of attention, possibly because of pessimism then and since as to the possibility of attaining such a political solution in Northern Ireland.

The European Community provides substantial aid to countries in many parts of the world—to associates such as Greece, Cyprus and Turkey, to Mashrak countries of the Middle East, to the Maghrab countries of North Africa, to the ACP countries of Africa, the Caribbean, the Indian Ocean and the Pacific, to non-associated countries such as those in South Asia and, more generally, through contributions to funds to help the Third World as a whole. In addition, it effects significant internal transfers within the Community through the Regional, Social and Agricultural Funds which, together, have provided for some years past, after allowing for Ireland's financial contribution to membership of the FEC, a net addition of 7 percent to 8 percent to Ireland's current budget resources. Moreover, the Community now seems likely in the context of EMS membership to contribute the equivalent of over 10 percent of the Republic's budget in the next couple of years. It can scarcely be doubted that in the event of a political solution being found to the Northern Ireland problem, which is by far the biggest single source of unrest and violence within the frontiers of the present Community, that Institution would be willing to contribute financially to the transitional arrangements towards such a settlement.

The integration of such special transitional financial aid for northern Ireland into the financial structure of a Confederation would undoubtedly pose some problems, because of the imbalance they would create between the two States. Given goodwill on the part of the Republic these problems could, however, certainly be surmounted.

PART VI: POSSIBLE INSTITUTIONAL ARRANGEMENTS

In considering what institutional arrangements might reflect the various considerations adverted to above, it would be desirable at the outset to leave on one side all preconceived ideas as to forms of government or traditional forms of relationships between States. The EEC has come into existence, survived and prospered, precisely because it has ignored all the precedents of recent centuries, which have led to a world-wide system of sovereign States engaged in international relations on a traditional arms' length basis, though linked today by many kinds of treaties, agreements, and conventions.

The Community is neither an international organisation like others, nor is it a Federation or Confederation. It falls between the two models. Its internal institutions bear little resemblance to those of traditional States, either unitary, federal or confederal: thus it has a Commission which is not merely the administrative bureaucracy of the Community but is the body with sole power of initiative with regard to new laws, and which has important powers of applying laws and taking decisions binding on member States in certain matters, e.g., matters relating to competition policy and some aspects of agricultural policy. The Council of Ministers is a body which can—and does at times—act by a form of majority decision-making unknown to normal international organisations. The Parliament, though deficient in legislative powers, has rights to increase expenditure over and above the amounts proposed by the Council of Ministers,—rights which have no equivalent in many Community countries, including Ireland and the United Kingdom. Finally its Court of Justice has power to interpret the Treaty in a manner which binds all member States and their legislatures—including the United Kingdom Parliament which had hitherto enjoyed unfettered sovereignty.

The fruitful effects of these innovations, which have given the Community a unique international status that is reflected in the accreditation of ambassadors by most countries of the world jointly to the President of its Council of Ministers and to the President of the Commission, should encourage an innovatory spirit in any approach to the problem of creating a new relationship between Northern Ireland and the Republic. It would be as well to face the fact that the actual relationship between Northern Ireland and the Republic, and between both areas and Great Britain, is of such historical complexity, and has carried into modern times such overtones of past inter-relationships between all three, that to try to define them in traditional terms of international relations is to attempt the impossible.

There is no precedent for a situation where a State (the Republic) and a part of another State (Northern Ireland as part of the United Kingdom), are linked together by religious, trade union, banking and sporting bonds which do not exist in the same form between the part of the United Kingdom involved and the rest of that State. There is no precedent for the situation in which all citizens of the Republic are automatically endowed with the same rights as citizens of the United Kingdom. There is no precedent for the situation in which almost all people in Northern Ireland are citizens of the Irish State. Nothing in the North-South-Britain relationship fits into any known model of relationships between States, and it has been a mistake made by politicians in all three areas to try to find solutions which are based on standard international models that find no relevant application in this unique situation.

This means that in facing the issue of creating a model for the North-South relationship that will give to the North and to the Republic the benefits earlier outlined, and that will enable the peoples of both areas to find peace, security and prosperity at home, and favourable results from their diplomacy externally, especially within the EEC context, old moulds have to be broken and a new model found. This model must be such that it can in some way be fitted into the system of relations between States which applies world-wide, but the particular method of fitting it into this model could be novel, and novelty in this matter would almost certainly secure the tolerant acceptance of other States, which have looked at the continuing tragedy of Northern Ireland with dismay and a sense of despair, and would certainly accept some anomalous relationships with an Irish Confederation if that were to help bring about an end to this tragedy

But this also means that both in the North and the South some sacrifices of ancient shibboleths might have to be made—while at the same time each side should respect the genuine attachment of the other section of the people of the island to some of their institutional forms.

Starting from this premise, let us consider some alternative approaches that might provide a means of reflecting the types of arrangements, political, economic and social, envisaged as possible in preceding paragraphs. Clearly all these alternatives presuppose the existence of Governments of two States that would participate in this Confederation. They all also envisage a Confederal administration responsible for the external relations, both political and economic of the two States (including of course relations with the EEC institutions), and for carrying out at least such domestic functions within the island as might be required as a corollary to this external role . . . e.g., control of central banking and of monetary policy, of whatever Confederal Budget might be required, and of any Confederal taxes that it might be decided to impose in supplementation of Confederal resources received from the two States in agreed proportions; and of control of security.

How would such a Confederal administration be constituted? There could be a number of possible variants. Its memebership could be chosen directly by the people of the two States, with or without a weighting in favour of the smaller of the two, Northern Ireland, and it could be subject to a Parliament similarly selected.

Alternatively, and perhaps more acceptably, its personnel could comprise members of the two Governments for the time being elected to govern each State, portfolios at the Confederal level being distributed according to some agreed method that would be seen as equitable by both parties. As there would be only one Foreign Minister, it might be arranged that this post alternate as between North and South. In view of the particular importance that would attach to the role of the Confederal Economics or Finance Minister, he too could alternate, so that at any time one or other of these two key posts was held by a Northerner or a Southerner. The chairmanship of this Confederal administration might be held by a separate person, or it might alternate between the Foreign Minister and the Finance or Economics Minister.

If desirable his appointment to the post might be made formally both by the President of the Southern State and by a similar head of the Northern State. Another example of how a measure of flexibility might get around difficulties that could otherwise arise, is in relation to the question of diplomatic relations with other countries. Ambassadors could be accrediated either to or by the Chairman of the Confederal Administration, or alternatively this accreditation could be to and by both the President of the Southern State and the head of the Northern State.

The outline above leaves many issues open for example the question of precisely what portfolios would be necessary at Confederal level, in addition to Foreign affairs, Economic Affairs and Security in order to handle relationships with the EEC, and the question of the parliamentary forum to which the Confederal Administration would be responsible. It is not proposed in this document to explore all these issues; it is sufficient to note that they would have to be negotiated between the parties as part of any agreed solution.

On the question of citizenship, the present de facto situation that exists in most parts of the two islands could provide a basis for a solution. Rights of common citizenship could be conferred on people in both Irish States and in Great Britain—where people from Northern Ireland are already citizens and people from the Republic already have, as has been mentioned, the rights of citizens. The only practical as distinct from technical/legal—changes required here would be in relation to British citizens who—somewhat anomalously, in view of the situation of Irish people in Great Britain—do not have citizenship rights in the Republic, and also a small number of quite young people in Northern Ireland who may not legally be citizens of the Republic under its present laws.

Finally, whatever the precise arrangements between North and South might be, they must be such as to ensure that in the affairs of the Confederation Northern Ireland and the Republic would be on an equal footing, so that neither could seek any advantage over the other. Within their own jurisdictions the Government of the two States would be sovereign.

These examples need not be multiplied; of course there are many loose ends that would have to be tidied up if a political association were to be established between North and South that would respect the long-standing relationship that has existed between people in Northern Ireland and Britain, as well as the close de facto relationship between the Republic and Britain. But with goodwill none of these need prove unsurmountable, and their solution could represent a breakthrough in concepts of international relations that could be an encouragement to men of goodwill in many other countries.

The issue of government within Northern Ireland.—How, it may be asked, does all this relate to the issue of the forms of government within Northern Ireland? The various formulae for a political association between North and South imply of their nature that the problem of the exclusion of the nationalist minority in Northern Ireland from participation in government within that area is resolved by some means. This is implied, for example, by the character of the Confederal administration, in which posts would alternate or be divided between representatives of the Northern and Southern States. No one would conceive of a solution in which the Northern nationalist minority would continue to be excluded from participation in the government of their own State, and could also, because of the possible structure of the Confederal administration, be excluded from that as well, because the Northern presence in that body was drawn from the—in these circumstances exclusively Unionist—Government of Northern Ireland.

This pre-supposes that a solution is found to the deadlock that exists within Northern Ireland on this issue. But as this deadlock derives from unionist fears about the alleged dual loyalty of Northern nationalists to the Southern State or to a national all-Ireland Republic, simultaneously with the loyalty expected of them to the Northern State in whose Government they would wish to participate, it might be expected to become irrelevant if and when the concept of a new North-South relationship espoused in this document were accepted.

At the same time the reality of the problem of government within Northern Ireland should not be underestimated. So long as the minority there can see no guarantee that their effective exclusion from the devolved government of that area will ever end, and can see ahead of them only an apparently unending vista of unionist majority rule, they will not readily give their allegiance to a Northern State with a devolved government. This deadlock is not incapable of solution with goodwill on both sides, however, and the willingness and indeed desire of the people of Northern Ireland of both sections of the community that such a solution be found has repeatedly been demonstrated, in a series of public opinion surveys, the details of which are shown below.

TABLE 5.—*Power-sharing attitudes in Northern Ireland*

	Positive Answers	*Negative Answers*
A 2–14/5/'73 How do you feel about power-sharing in the Executive?	(From "strongly in favour" to "willing to accept") Catholic 84 Protestant 76	(From "against" to "strongly against") Catholic 3 Protestant 17
B 30/3–7/4'74 Do you approve or disapprove of power within the Executive being shared between people representing the Protestant and Roman Catholic Communities in Northern Ireland?	(From "approve strongly" to "just approve") Catholic 34 Protestant 66	(From "just disapprove" to "disapprove strongly") Catholic 2 Protestant 22
C 1–4/6/'74 Do you support power-sharing between the different parties and religious groups in Northern Ireland?	(From "Now" to "Sometime in Future") Catholic 98 Protestant 65	("Never") Catholic 2 Protestant 34
D 4–10/3/'76 Do you approve or disapprove of power within the Northern Ireland government being shared by parties representing Protestants and Catholics?	(From "Approve Strongly" to "Approve") Catholic 93 Protestant 60	(From "Just Disapprove" to "Disapprove Strongly") Catholic 4 Protestant 22
E 3–10/1/'78 If direct rule was ended, would you be in favour of power-sharing (viz. representatives of *all* political parties having a say in Cabinet Government) or would you be against it?	("In favor") Catholic 83 Protestant 51	("Against") Catholic 3 Protestant 30

NOTE.—The last question (Jan. '75) is only one that specifies *all* parties sharing in power.

SOURCE.—"Studies in Public Policy", University of Strathclyde).

This is a matter which is one for the politicians in Northern Ireland to resolve, as they may indeed be increasingly anxious to do, as they tire of being pawns in a parliamentary game at Westminister, and as frustration grows within both groups at their continued exclusion from any role in devolved government in Northern Ireland. We may speculate, however, as interested and concern observers, as to whether a solution might not be devised that respected the forms of parliamentary democracy—election of the Prime Minister and choice by him of his Cabinet—but ensured that no unrepresentative government would come into existence or remain in existence in Northern Ireland, at least until normal non-sectarian socio-economic politics emerge in that area. This might be done by requiring any Government to secure and to retain a vote of confidence by a proportion of the Northern Parliament large enough to ensure that representatives of the nationalist minority could not in practice be omitted from such a Government without their consent.

Conclusion.—This policy statement, whose length reflects the complexity of the problem it seeks to face, but which is necessarily still only a very partial and incomplete approach to these issues, has been conceived in the spirit of trying to show how a new relationship might be forged between North and South, but also with the particular objective of demonstrating that politicians in the South do not conceive this relationship as one that would give them power in or over Northern Ireland, control over the lives and destinies of its people, or the influence that could enable them to undermine the identity of the unionist majority there, which we in the Republic respect. If our statement finds echoes from the other democratic parliamentary parties in the South, and if it emerges that solutions along the lines set out here find general acceptance with the people of the Republic, then one major obstacle to peace in Northern Ireland, to developed Government there, and to the emergence of a constructive relationship between North and South will have been removed. "Irish unity" has seemed to many Northern unionists as a sword hanging over their heads, a threat to their very identity and survival. If this document has helped to demonstrate that what politicians and people in the Republic seek, but have for long failed adequately to express, is a desire to work with their Northern colleagues in amity, toward joint aims that would serve the interests of the North as much as—perhaps even more than—those of the Republic, it will have been worthwhile.

The principle that any new relationship between North and South must be established only with the consent of a majority of the people of Northern Ireland has become common ground amongst politicians and people in the Republic during the past ten years. How massive has been the move towards this commitment or demonstrated by the BBC Panorama poll in the Republic earlier this year, which showed that this view is suported by 76% of opinion in the Republic—as against only 18% in 1968, before the violence began. We in the Republic have learnt much from the tragic events of this last decade—more perhaps than our Northern friends sometims give us credit for.

Now we are moving a step further. We are not merely stating—as the Irish Government did in most solemn terms at Sunningdale—that consent is needed before a new relationship is established, we are presenting concrete reasons why it would be in the interest of Northern Ireland, and of all its people, to forge such a new relationship, and are asking them, calmly, and as free from the prejudices of the past as the continued violence of a discredited handful of violent men permits, to consider whether these arguments have not got some force. Above all we ask that, while they are reflecting on this question, they note that the most that we in the Republic aspire to is a relationship that offers no threat to Northern Ireland or to the continued identity of its unionist people. In this they should find reassurance, especially if in the course of time our views are echoed by others who reflect the remainder of democratic opinion in the Republic—a reassurance that should encourage them to look again in a constructive way at their relationship with the nationalist minority in Northern Ireland, free from any fear that the Republic to the south of them seeks to dominate them or to live on any terms with them other than those of friendship and common concern for the security of all Irish people, threatened by a violence that seems to be inspired by a malign and perverse interpretation of this island's long and tragic history of religous and political divisions.

We speak in friendship and we hope that our effort to convey something of our passionate concern for a constructive solution to the tragedy of Northern Ireland will be received in Northern Ireland, even by those of a very different outlook from ours, in charity, and with goodwill.

APPENDIX A

TABLE 1.—AVERAGE ANNUAL RATE OF GROWTH OF MANUFACTURING PRODUCTION

[In percent]

	Republic of Ireland			Northern Ireland		
	1959–69	1969–73	1973–77	1959–69	1969–73	1973–77
Textiles	8.5	7.5	3.4	6.6	11.6	−5.2
Clothing	5.7	.3	−4.9	3.8	2.5	−1.8
Engineering	8.8	5.1	2.7	1.2	.4	−5.6
Food, drink and tobacco [1]	5.0 (2.5)	4.6 (7.0)	3.9 (2.3)	2.7	2.1	−.2
Other Manufacturing	10.9	9.4	2.9	24.1	4.5	−1.6
Total manufacturing	6.9	5.9	3.1	4.8	4.9	−2.8

[1] Figures in parenthesis refer to drink and tobacco. Main entry refers to food only.

TABLE 2.—RATIO OF GROSS DOMESTIC PRODUCT PER PERSON EMPLOYED IN REPUBLIC OF IRELAND TO NORTHERN IRELAND LEVEL

[Republic of Ireland as a percentage of Northern Ireland]

	Agriculture	Industry	Services	Public administration	Total
1972	73.6	105.3	93.5	82.9	92.1
1975	83.7	102.5	102.2	71.1	90.6
1977 [1]	92.1	108.2	107.0	71.0	97.0

[1] Estimated.

TABLE 3.—*Changes in the Republic of Ireland Yield from Tax Revenue under Northern Island Tax Structures**

	£ million
Indirect taxes	−168
Of which:	
Excise taxes	−53
Value added tax	−135
Motor vehicles duty	+20
Income taxes	+266
Of which:	
Personal income taxes	+47
Farm profits taxes	+70
Corporation taxes	+30
National insurance	+119
Taxes on property	+60
Of which:	
Rates on private houses	+80
Farm rates	−30
Death duties	+10
Total net revenue change	+158

*Rates of tax in force for 1978/79.

TABLE 4.—*Ratio of Certain Irish social benefits and assistance levels to comparable Northern Ireland levels.*[1]

Noncontributory old age pension	0.66
Widows noncontributory pension	0.68
Widows contributory pension	0.75
Unemployment assistance	0.80
Old age contributory pension	0.83
Disability benefit	0.99
Unemployment benefit	1.02

[1] Rates prevailing at end 1978.

TABLE 5.—*Cost of introducing Northern Ireland national insurance and assistance levels in the Republic* [2]

	£ million
Noncontributory old age pensions	£52.1
Retirement and old age pensions	19.9
Widows pensions	£23.1
Unemployment assistance	16.3
Maternity grant and allowances	0.7
Disability and invalidity	2.0
Unmarried mothers, deserted wives, and single women	0.5
Unemployment benefit	−1.0
Pay related benefit	−5.0
Free travel, electricity, TV, and telephone	−15.0
Net cost (excluding child benefit)	93.6
Child benefit	135.2
Aggregate cost	222.8

[2] Rates prevailing at end 1978.

APPENDIX B: NOTE ON ALTERNATIVE FEDERAL AND CONFEDERAL SYSTEMS

There are different models of federal or confederal government. Some, as in the United States, Canada and Australia, seek to separate clearly the two levels of government and to give each a relevant set of governmental organs and powers. This may involve either the retention of sovereignty over many aspects of their affairs by the component States, which cede only part of their sovereignty to the federation—by analogy with what has been happening hitherto in the European Community—or it may involve sovereignty being vested in the federal organs of government, with certain powers delegated to the component parts.

In the West German model this latter procedure has been largely followed, the bulk of legislation being undertaken at the federal level, leaving a number of such functions however to individual states, which, moreover administer and adjudicate federal laws, tailoring federal legislation to their individual and special needs, subject to supervision by the Federal Government and the Federal Constitutional Court. The Regions, or "Lander" are responsible for education, radio, and television, and the control of the police. On the other hand the Federal Government has exclusive competence over such matters as foreign affairs, nationality laws, the monetary system, postal services, customs and defense.

An alternative model is that of Switzerland—a country in which there is a wide diversity of religions and languages, and where this diversity is reflected through institutions which operate on the basis of common sense and goodwill rather than on the basis of a strict legalistic constitutional system. There is great variation between Cantons as to how education is organiszed, as to religious teaching in the schools, and as to the abortion law. There are, however, special features which have led to the evolution of the Swiss system, which involves ad hoc power-sharing at Confederal level, achieved by convention rather than by constitutional requirement. These arrangements, and the very strong Swiss sense of community, based on past common opposition to external attacks, and participation in common defence forces, are not reflected in the Irish situation, and might be difficult to transplant artifically to the Irish case.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Public Law 95–412, appoints the following Senators to the Select Commission on Immigration and Refugee Policy: The Senator from Massachusetts (Mr. KENNEDY), the Senator from Arizona (Mr. DECONCINI), the Senator from Maryland (Mr. MATHIAS), and the Senator from Wyoming (Mr. SIMPSON).

The Chair, on behalf of the President pro tempore, pursuant to Public Law 94–118, appoints the following Senators to the Japan-United States Friendship Commission: The Senator from Hawaii (Mr. INOUYE) and the Senator from New York (Mr. JAVITS).

ORDER FOR RECESS UNTIL 10 A.M. ON WEDNESDAY, MARCH 21, 1979, AND ORDER OF PROCEDURE ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 10 a.m. on Wednesday, with the proviso that after the two leaders or their designees have been recognized under the standing order, Mr. DOMENICI be recognized for not to exceed 15 minutes, after which there will be a brief period for the transaction of routine morning business, not to extend beyond the hour of 10:30 a.m.; that Senators may be permitted to speak up to 3 minutes each during such period; and that no later than at the hour of 10:30, or at the conclusion of routine morning business, whichever is earlier, the Senate proceed to the consideration of the debt limit measure, which is H.R. 2534; that it be considered as having been read the first and second times and that the Senate proceed to its immediate consideration at that time.

Mr. BAKER. Mr. President, reserving the right to object, I apologize to the majority leader, but I was talking to another Member on the floor. Was the request in respect of the debt limit legislation?

Mr. ROBERT C. BYRD. Yes, for Wednesday.

Mr. BAKER. For Wednesday morning, and previous consideration at 10:30.

Mr. ROBERT C. BYRD. At the conclusion of routine morning business or 10:30 a.m., whichever is the later.

Mr. BAKER. I thank the majority leader.

I have no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR CERTAIN ACTION DURING RECESS

Mr. ROBERT C. BYRD. Mr. President, I make the following request with respect to the recess over until 10 a.m. on Wednesday: That the President of the Senate, the President pro tempore, and the Acting President pro tempore be authorized to sign all duly enrolled bills and joint resolutions: that the Secretary of the Senate be authorized to receive messages from the other body and the President of the United States and that they may be appropriately referred; finally, that the committees may have tomorrow until 5 p.m. to report.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will shortly recess over until Wednesday at 10 a.m. This is, in part, to give committees an opportunity to meet without interruption and to conduct hearings, et cetera, so as to move along the legislation that may be in the committees and let us proceed through the calendar. After the two leaders have been recognized under the standing order on Wednesday, Mr. Domenici will be recognized for not to exceed 15 minutes, after which there will be a brief period of routine morning business, with Senators permitted to speak therein up to 3 minutes, the period not to extend beyond 10:30 a.m., with the Senate proceeding thereafter to the consideration of H.R. 2534, the debt limit bill, the first and second readings having been considered as having been consummated by the order previously entered. Rollcall votes will occur, undoubtedly, on that measure. Amendments will be offered. Rollcall votes will occur on amendments or in relation to amendments and/or motions in regard to the bill. So Senators might be prepared for votes on Wednesday. Whether or not the Senate will complete action on that day, nobody knows. If it does not, then we shall consider it on Thursday.

RECESS UNTIL 10 A.M. ON WEDNESDAY, MARCH 21, 1979

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10 o'clock on Wednesday morning.

The motion was agreed to and, at 1:48 p.m., the Senate recessed until Wednesday, March 21, 1979, at 10 a.m.

EXTENSIONS OF REMARKS

OPPOSITION TO A DEPARTMENT OF NATURAL RESOURCES

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. MURPHY of New York. Mr. Speaker, since the President decided to send a reorganization proposal to the Congress which would create a Department of Natural Resources (DNR), a number of my colleagues in the House and Senate have expressed their concern and opposition to such a proposal. Senators Hollings, Stevens, Talmadge, and McGovern and Representatives Foley, Alexander, Ullman, and Duncan have submitted statements or letters to the Record which argue strenuously against the advisability of creating a DNR.

As chairman of the Merchant Marine and Fisheries Committee, I have had a long and continuous interest in the reorganization plan because, among other aspects, it would transfer the National Oceanic and Atmospheric Administration (NOAA) to the new department. Because of my deep concern about the prospects for, and the ramifications of, the transfer of NOAA from the Department of Commerce, I sent a letter to the President on January 8, 1979 outlining, in general terms, my position on reorganization.

Although I will have more to say about the proposed plan in the weeks ahead, I want to take this opportunity to join many of my colleagues in explicitly stating my strong opposition to the DNR proposal. In this regard, I insert my letter to the President in its entirety:

House of Representatives,
Washington, D.C., January 8, 1979.

The President,
The White House,
Washington, D.C.

Dear Mr. President: Among a number of executive reorganization proposals on which you will soon make decisions, one proposes the creation of a new Cabinet-level department to be called the Department of Natural Resources (DNR). This new department would be charged with the responsibility of developing, managing, and conserving the nation's natural resources, whether land-based or ocean based. The primary constituent element of the new department would be the present Department of the Interior. Among its other elements would be the National Oceanic and Atmospheric Administration (NOAA), which is now a part of the Department of Commerce.

I am very concerned about this last mentioned aspect of the plan—the inclusion of NOAA in a new Department of Natural Resources. As the plan is now formulated, it will clearly impair the integrity of NOAA and weaken the nation's ability to develop, mineral resources of the oceans, to protect manage, and conserve the food, energy, and mineral resources of the oceans, to protect the coastal and marine environments, and to develop new and imaginative uses of the oceans for the social and economic benefit of the American people. In my view, the inclusion of NOAA in the new department would be an egregious mistake.

The importance of the oceans to the nation is now obvious. They provide the main highways of our international commerce and will always do so. (Unfortunately, the American merchant marine has been weakened markedly over the past decade, and the federal government has failed to act with sufficient vigor to stem the decline. The result is that the bulk of this commerce is now carried by foreign vessels, with serious implications for our balance of payments.)

The oceans are rich in food. As the world's population increases, the living resources of the oceans within our nation's economic zone will become increasingly significant—not only for the American people, but for the world at large. The lands beneath our outer continental shelf contain oil and natural gas in sufficient quantities to enable our nation to limit drastically its present dependence on foreign oil.

The deep seabed is filled with an abundance of hard minerals, notably manganese, cobalt, nickel, and copper, all of which have an immediate strategic and economic importance for our nation. American technology has now made the development of these mineral resources commercially feasible.

The sea can also become the focal point for the pursuit of international cooperation and the building of global institutions to meet the challenge of the next century. Beyond all this, our nation is exploring many new ways of using the oceans—as a source of fresh water, as a source of power, and the siting of energy facilities.

In view of the ever-increasing importance of the oceans to the nation, it is vital that there be a strong focus within the federal government for the development of national policy with respect to the oceans and for the execution of that policy. That same focus should also be responsible for the development and implementation of national policy with regard to the atmosphere because of the integral link between the oceans and the atmosphere. In NOAA, we have the beginnings of a strong focus. Its scientific and technical capabilities are highly regarded, and in the past few years it has made significant progress in the management of the nation's coastal zone and marine fisheries. The organizational task of the future should be to broaden NOAA's jurisdiction to include the development of the energy and mineral resources of the oceans, to charge it with the responsibility of developing new uses, and to strengthen NOAA's capability for resources management.

The proposal to transfer NOAA to a DNR is a step in the wrong direction. Instead of strengthening NOAA as a federal focus for ocean activities, it will submerge it in a department which will clearly be dominated by the present Department of the Interior, whose interest has traditionally stopped at the coastal zone. No matter what assurances may be provided to the contrary, there will be centrifugal forces in a DNR tending to diffuse NOAA's functions over time. Even if NOAA would remain organizationally intact, it would have only a limited claim on Secretarial attention and limited power and budget to formulate innovative and imaginative policies. The consequences are foreseeable: NOAA's ability to view the ocean-atmosphere continuum as a totality, and all that we do in it, will be seriously diminished and followed inevitably by a general diminution of the nation's ocean activities and capabilities.

My primary concern in this letter has been the basic proposal to place NOAA within a new Department of Natural Resources. But I am also concerned about the transitional period if the proposal is adopted. The inevitable period of adjustment (which will undoubtedly extend over the balance of your present term) will surely engender inefficiency, confusion and waste unless there is considerably better planning than I can now foresee. It will also be marked by conflict with coastal state, public interest and environmental organizations, many of which fear that the reorganization proposal will lead to a decline in the level of protection that will be afforded the coastal and marine environments.

The Congress has worked for a full decade to bring NOAA to its present status as a focus for the nation's oceanic and atmospheric activities. It seems to me unconscionable that this patient and hard work should now be undone with so little thought for the deleterious consequences. I urge that you reject the present proposal to transfer NOAA to a new DNR. This is not to say that the time is not at hand for the consideration of NOAA's future. I think it is. But I believe that the future direction should be the strengthening of NOAA so that it can provide a strong focus for the nation's oceanic affairs. I stand ready to assist you in this task.

Sincerely,

JOHN M. MURPHY,
Chairman, House Committee on
Merchant Marine and Fisheries.●

COMMEMORATION OF THE SECOND ANNIVERSARY OF THE ARREST OF ANATOLY SHCHARANSKY

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1979

● Mr. COUGHLIN. Mr. Speaker, this month marks the second anniversary of the arrest of the well-known Jewish activist, Anatoly Shcharansky, who is now serving a severe 13-year sentence in a Soviet prison and labor camp.

Last summer, his trial focused worldwide attention on the campaign of repression aimed at Soviet political dissidents by their own government. He was tried and convicted of treason for his efforts to monitor Soviet compliance with the human rights guarantees of the Helsinki Accords. He was the third member of the special Helsinki monitoring group to be brought to trial and imprisoned last year.

His courageous struggle on behalf of the rights of Soviet Jews and liberalized emigration policies has sentenced him to years in prison and hard labor. We cannot allow his courage and sacrifices to be forgotten.

By bringing Shcharansky and his fellow activists to trial, the Soviets have provided a clear picture for the entire world to view of the unjust and gross violations of their international human rights pledges. Moreover, the Soviets have also thrown into doubt the future compliance with policies of detente.

The timing of the Shcharansky trial was especially disturbing as it coincided with the strategic arms limitation talks between U.S. Secretary of State Cyrus Vance and Sovet Foreign Minister Andrei Gromyko in Geneva. It challenged the Americar commitment to international human rights. Any faltering of American support of human rights to appease the Soviet Union for strategic objectives is unthinkable. Further, it damages the credibility of the United States.

We should renew our commitment to the ideals which Anatoly so exemplified and which the United States was founded. It is our moral obligation in this country to continue to show our strong disapproval of such violations by letting the Soviets know that the preservation of individual rights and freedoms, as spelled out at Helsinki, remains vital to all Americans.●

THE POLITICIANS' WELFARE BILL

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. WHITEHURST. Mr. Speaker, an editorial in this morning's Washington Post gives a cogent summary of some of the negative aspects of H.R. 1. Because I think it raises a number of particularly important points, I am taking this opportunity to share it with my colleagues. I hope that the objections outlined by the writer of this editorial will be given full and serious consideration. I am very much afraid that H.R. 1, if passed, will create far more problems than it will solve.

THE POLITICIANS' WELFARE BILL

A special welfare plan endorsed by many congressmen came under heavy fire Thursday from the agency that would have to carry out the plan. The agency's head told a House committee that the proposed welfare payments could amount to $44 million, twice what the plan's sponsors had guessed. She said that the sort of supervision the congressmen prefer would be inadequate, and that strict enforcement would require nearly doubling the agency's budget and staff. Moreover, she said, the agency would have to shovel out funds so fast that fraud and abuse could not be prevented—and recouping improper payments later would be very hard. Finally, she testified that key parts of the plan are simply unworkable.

Such testimony might well be fatal to any ordinary welfare bill. But this one is H.R. 1, a quite extraordinary plan for public aid to a select, small group of citizens: those running for the House. Like a very similar Senate bill, the measure is meant to help average incumbents and challengers compete with wealthy candidates and those backed by big-spending interest groups.

Of course, supporters of public financing do not regard it as a welfare plan. But considering it as such—as an attempt to aid one more group of people who are relatively poor and have trouble surviving in the marketplace—helps bring into sharp focus the objections raised by Federal Election Commission chairman Joan D. Aikens the other day. For Mrs. Aikens' analysis shows that the drafters of H.R. 1 propose to dish out public aid to politicians willy-nilly, with few of the administrative safeguards Congress demands in connection with food stamps, student loans or any other federal payments you might name.

That's just one side of it. Mrs. Aikens' comments also showed that prudent enforcement and auditing would involve far more record-keeping, reporting and federal inspecting than most politicians are willing to impose on themselves. Then there's the part that most boggled the FEC—the bill's provisions for extra subsidies to candidates whose opposition spends lavishly. That will work only if every free-spending opponent is willing and able to tell the FEC, up to the minute, when his campaign outlays hit certain heights. And that assumes not just that most politicians are honest, but that almost all of them, in the heat of a campaign, will have impeccable intentions—and perfect books.

We repeat: In a Congress so touchy about fraud and waste and bureaucratic snarls, a bill that's so unmanageable would not have garnered so many supporters if it benefitted anybody else. Mrs. Aikens' testimony should send the champions of public financing back to the drawing boards. Some other form of public aid for needy candidates may be desirable. This plan is not.●

UNSUNG HEROES

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. BRINKLEY. Mr. Speaker, the massive snowfall that crippled our Nation's Capital last month left behind a stinging reminder of man's vulnerability to the elements of nature.

But, equally memorable to me, and to the scores of other snowbound victims he assisted, were the unselfish acts of kindness performed by Jay Clark. And I believe his acts were typical of the acts of many others like him.

Last February 20, after the great blizzard had descended upon us, Jay Clark gave me a helping hand. He kept me waiting, though. He had something more important to do first. En route from

Maryland, where he had been packing and cleaning the snow on a residential cul-de-sac, gratuitously, he became a Good Samaritan in the truest sense of the word. In his four-wheel drive, he braved the 7-foot drifts of snow to carry a stranger, suffering from chest pains, to a hospital emergency room. Afterward, he made the long trek back to Capitol Hill to deliver this stranded Congressman to my home in McLean, Va. He had reached the limits of his endurance, but he persevered, doing those things that there was no one else to do.

These actions were just the tip of the iceberg of Jay's compassionate deeds that week. He personally freed more than 50 vehicles that were either stuck in snowy banks or completely covered by drifts. One of those Jay rescued was a diplomat, whose car he tugged out of a snowbank near the Corcoran Art Gallery. But he did not stop there. He drove many area residents, who had run out of food and were without transportation, to grocery stores. He telephoned friends he thought could use a hand, took their grocery orders, picked up the food, and made deliveries to their homes.

Maneuvering tenaciously through the snowy streets in his Cherokee Jeep, Jay was a welcome sight to the students he carried from Union Station to George Washington University; to the driver of a stalled city van that had been blocking an intersection; and to five other drivers, whose cars he cleared from the same intersection.

No one will ever know how many lives Jay saved by providing free transportation for doctors and nurses to hospitals throughout Washington, D.C., suburban Maryland, and northern Virginia. His performance that week was a superlative example of one man reaching out to others.

Jay Clark's missions of mercy call to mind a moving passage from Isaiah: "And a man shall be * * * as the shadow of a great rock in a weary land." Jay's humanitarian good works during those hazardous days mark him as an uncommon man and a genuine practitioner of the Golden Rule.●

DEDICATED PUBLIC SERVANT

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. STEED. Mr. Speaker, in the death of former Senator Dewey F. Bartlett, Oklahoma and the Nation lost a dedicated public servant whose sincerity and hard work were the hallmark of a fine career.

In his long battle with cancer, which forced him to retire from the Senate at the end of the last Congress, Senator Bartlett displayed a courage and resolution seldom equaled. He carried on until the end of his term, determined to do his best for the people of Oklahoma who elected him.

Dewey Bartlett was one of the very few people whom Oklahomans have honored by electing both Governor and Senator. During more than 10 years of service with him I always found him cooperative, helpful, and active in the interests of our State.

Two of the largest newspapers in my district, the Lawton Constitution and the Norman Transcript, expressed in tributes to him views that are typical of those of the people of our State:

[From the Lawton Constitution, Mar. 4, 1979]

BARTLETT: A FINE EXAMPLE

The death of former U.S. Sen. Dewey Bartlett at his Tulsa home Thursday night closed one of the saddest chapters in the state's political history. For more than two years, the junior senator from Oklahoma had waged a courageous but futile battle against the ravages of cancer. His inability to arrest the disease forced him to announce more than a year ago that he would not run again.

Even though he was undergoing almost constant treatment, and was in great pain, Sen. Bartlett continued to fulfill his duties as one of Oklahoma's most conscientious public servants.

Most knowledgeable persons, regardless of party affiliation, recognized and appreciated the outstanding qualities of Mr. Bartlett. He was highly respected in every quarter for his personal integrity and his dedication to the duties of his office. As the second Republican governor in Oklahoma history, and later as senator, Mr. Bartlett set a fine example for others in public office, and those who may aspire to high positions in government.

[From the Norman Transcript, Mar. 5, 1979]

THE BARTLETT FIGHT

Although Dewey F. Bartlett, former governor and former U.S. Senator, lost his fight with cancer, the kind of courage with which he faced the one last battle of his life will remain an inspiration to his fellow Oklahomans.

Despite much pain, discomfort and suffering, he carried forth his duties in the Senate, fulfilling what he regarded as an absolute obligation to the people who sent him to Congress. He was always proud of the attendance record he was able to maintain, and he and his office staff were always ready to assist Oklahomans with any worthwhile project.

Many tributes will be paid to Mr. Bartlett and treasured by his family, but his life, what he stood for, what he tried to do will serve as the real monument for his achievement.●

INCUMBENT'S PROTECTION ACT

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. DICKINSON, Mr. Speaker, a number of the Nation's newspapers have already examined the majority leadership's bill to establish taxpayer financing of congressional election campaigns. I am pleased that this raid on the Federal treasury in the name of "election reform" is seen for what it is—an attempt to further establish the incumbent's electoral advantage in congressional elections.

I am pleased to share with my colleagues the following editorial by another fine newspaper, the Dothan Eagle of Dothan, Ala.

SHOULD TAXPAYERS NOW BE DOLLARED TO DEATH FOR CONGRESSIONAL RACES?

Taxpayers have indicated that they are less than overwhelming with support for the $1 voluntary check-off for subsidizing Presidential elections.

But that hasn't stopped a powerful bloc of leaders in the U.S. House of Representatives who'll have some of the same if H.R. 1 gets through the legislative sausage mill this time.

Last year the public financing proposal failed for lack of Republican support. This time there is an effort to make it more palatable. They just might pull it off with all the help they've lined up, too.

It has the backing of President Carter. House Speaker Tip O'Neill is also for it. Because he is, the legislation is sometimes called the "Speaker's Bill." The Chamber of Commerce of the United States is its sharp critic and calls it "The Incumbents' Protection Act."

Common Cause is for the bill, of course.

As proposed, a limit of $150,000 would be placed on how much could be spent for a single House campaign. The government (out of the $1-check-off kitty) would match individual contributions of $100 or less, up to $60,000.

Proponents of public financing say corporations, organized labor and other interest groups have been exerting excessive influence on legislators with gifts through so-called Political Action Committees.

They are quick to point out that 1,360 PACs gave almost $32 million to federal candidates in 1978. They are less quick to emphasize that this is only about 16 percent of the $198.5 million candidates for House and Senate seats raised for their campaigns in 1978.

These are figures taken from an interim report of the Federal Elections Committee. The report reveals that individual contributions made up about two-thirds of the funds raised and corporate-backed PACs contributed only 4 percent or $8.8 million. Organized labor kicked in $9.4 million through its PACs.

While the public financing supporters say they must rid the country of these PACs, the statistics just quoted suggest there are more compelling reasons.

As advertised, the bill would put a limit of $150,000 (some say more) on the amount that could be spent on a single House election. That is far and away more than the average of $90,242 spent last year by candidates for both primary and general elections.

Even though it does put a lid on campaign spending, the bill still applies no restrictions on the freebies which incumbents already have and will keep using. Free mailings, travel expense, paid office staffs and use of government facilities—all of these add up to an advantage that is said to be worth $1 million during two years in office as a head start over challengers.

We think the incumbents already have enough help. Why should additional taxpayer dollars be poured into their campaigns and place any would-be challenger at even greater disadvantage? After all, some of the incumbents have convinced many voters that they ought to face challengers—successful challengers.●

ANNIVERSARY OF THE RETURN OF THE SWALLOWS OF CAPISTRANO

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. BROWN of California. Mr. Speaker, on March 19, 1979, the Mission San Juan Capistrano, San Juan Capistrano, Calif., located in the congressional district of my colleague, BOB BADHAM, celebrates the returning of the world famous "Swallows of Capistrano." On that day we would like to honor them from their winter quarters in Argentina (incidentally they left there this year on February 2, 1979, to start their 6,000-mile flight back to California.)

They have been returning to the Capistrano area for hundreds of years according to stories passed down by storytellers of the Juaneno Indians of Capistrano. The first record of their return, in writing, was 200 years ago when the padre then in charge at the mission wrote in his record—

> The small birds returned to the area on this St. Joseph's Day.

This migratory flight of theirs between California and the Argentine has been a thing of wonder to people all over the world, and can only be explained as a natural migratory bird's traveling between climes for (in their case) food. They feed on small soft bodied flying inscects which they catch on the fly.

In the 200 recorded years history of their return, they have only been late once, in 1935, when they were delayed by severe storms in the Central America region. They were only 3 days late in their return.

This is an event of such interest, that broadcasts are made over the entire world on March 19 to announce that "all is well with the world as the swallows have returned again to the mission and to San Juan Capistrano." ●

PRESIDENT PROTECTS NATIONAL INTERESTS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. SKELTON. Mr. Speaker, in a recent editorial in the Sedalia Democrat, by editor Doug Kneibert, the President's attention to the Middle East power struggle over North Yemen is discussed. I commend this editorial to the membership regarding President Carter's actions to protect our national interest.

The editorial follows:

[From the Sedalia Democrat, Mar. 13, 1979]

EVENTS IN MIDEAST STIR U.S. TO ACTION

By authorizing arms shipments to North Yemen, President Carter is backing up his rhetoric about the United States protecting its national interests with action.

To underscore the urgency of the move, the president bypassed Congress in ordering the arms shipments. This is a far cry from candidate Carter, who deplored such actions, and may indicate that the president is beginning to understand the realities of Mideast power politics, where the name of the game is hardball.

While most Americans probably couldn't tell you where North Yemen is, it suddenly is occupying, along with Iran, center stage in the continuing power struggle in the Mideast.

North Yemen is a small country directly south of Saudi Arabia. It is presently engaged in a war with South Yemen to the east. South Yemen is ruled by a Communist government that takes most of its signals from the Soviet Union. If the south should prevail in the war, Saudi Arabia will find itself with another hostile state on its borders.

Saudi Arabia already is nervous about recent ominous developments in the region. To the south, across the Red Sea, Somalia and Ethiopia are the latest Soviet outposts on the Horn of Africa. To the north, Iraq, under a leftist regime, poses another threat. Across the Persian Gulf sits Iran, whose future is still uncertain in the face of strong leftist opposition.

As the Mideast's richest oil nation and the leading provider of oil to the United States in the region, Saudi Arabia's stability is crucial to the West. If U.S. shipments of planes and armor (which the Saudis will pay for) can strengthen North Yemen and prevent its subjection by the Marxist south, our remaining allies in the Mideast will have part of their confidence in our resolve renewed.

Events in this part of the world are moving with bewildering speed, and the trend has been anything but to the West. To beef up our military presence in the area, the Carter administration also is giving consideration to creating an Indian ocean fleet. This would be a sound strategic move whose time definitely appears to have come.●

THE FORESTRY LOAN ACT OF 1979

HON. JERRY HUCKABY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. HUCKABY. Mr. Speaker, today I am introducing a bill entitled the "Forestry Loan Act of 1979." This legislation would authorize and direct the Secretary of Agriculture to make loans providing for annual payments to owners of nonindustrial private forest lands. The primary purpose of my bill is to encourage private landowners to manage and harvest timber on their land. By using this approach, I am attempting to create an environment more favorable to the practice of forestry.

As a Representative from the State of Louisiana, I am well aware of how important our forest lands are to the Nation's economic well-being. The South now contributes greatly to the Nation's supply of forest products. Recent projections shown that the South will produce 50 percent of the our country's softwood supply by the year 2000.

I would like to point out, however, that demand for forest products is increasing and this upward trend is expected to continue well into the next century. To meet these increased demands, we must emphasize effective timber management, along with protection of the forest environment. Recent surveys indicate that timber production on private, nonindustrial lands must rise from 7.5 billion cubic feet in 1975 to 16 billion cubic feet in 2020.

Where is this wood going to come from? Supply-demand projections throughout the world indicate little opportunity for significantly greater imports beyond those already being secured. Publicly owned forest lands in the country—Federal, State, and municipal—with one-third of the available forest lands acreage have the potential to supply much of the projected demand and an even higher share of inventory, but are being increasingly pressed into service for nontimber uses. Industrial forests cannot provide all the additional wood either, because they comprise only 13 percent of the total forest.

Much of the additional wood must come from some 4 million private, nonindustrial landowners, who account for 59 percent of all commercial forest land. It is these 296 million acres of nonindustrial private forests that present the challenge of adequate future timber supplies for this country.

We must take action now to assure we will be able to meet future demand for wood. These actions must be directed toward providing proper incentives to private landowners so that they perceive forestry as a paying proposition. Those knowledgeable about forestry have identified several major problems which need attention if we are to realize the full potential of this country's forest resources.

First, forest landowners must be fairly taxed. Timber is a long-term, high-risk investment, and capital gains treatment for the returns from a timber investment is certainly well-justified. In addition to capital gains, we need a mechanism to allow private landowners to recover their front-end reforestation costs through the tax system. To do this, a forest management tax credit may be appropriate.

Second, estate taxes are extremely burdensome to nonindustrial timber owners. These taxes tend to break up family land holdings and force harvest of immature timber in order to pay estate tax bills. I fully support current efforts to repeal the carryover basis rule in Federal taxation as a start to establishing equitable estate taxation for private timber owners, and I plan to look further into timber estate taxation to see if other revisions are called for.

Third, Congress is currently considering legislation to establish casualty insurance for timber. Each year, fire, insects, and disease destroy much timber, and private landowners have no protection against losses sustained through these natural hazards. The availability of insurance should be another incentive which will make investments in reforestation more attractive to private landowners.

I plan to work to help establish all these measures to make timber growing an attractive investment alternative, but the specific problem I am addressing with the Forestry Loan Act is the disincentive of a lack of annual cash flow from timber investments. In essence, when a landowner is faced with a decision to reforest cutover timberland, he realizes that he is tying up his money for a long period of time and will receive no income whatsoever from his investment for many years. Often, he will not see a return from his investment in his own lifetime. Consequently, he chooses an alternative investment, the land goes unforested and, when this sequence is multiplied by the number of landowners who face this decision each year, the country is faced with a future timber shortage.

The Forestry Loan Act will help resolve the problem of lack of cash flow during the term of forestry investments, by establishing a federally guaranteed or insured loan program which will provide annual payments to small woodland owners. Such a periodic cash flow may prove to be just the proper incentive enabling many landowners to manage their land for timber production.

The concept of annual payments is attractive and advantageous to both the Federal Government and the private landowner. The Federal agency involved will have a better opportunity to closely monitor and coordinate the use of funds as opposed to paying the total amount in one lump sum. Consequently, this annual payment loan proposal will help in significantly improving cash management practices by the Department of Agriculture, which would adequately respond to the President's request for cutting Government interest costs. With regard to the landowner, the periodic payments would allow him to pay taxes, management and protection costs. The remaining annual loan proceeds may be used in any manner he wishes.

The provisions of the bill are generally compatible with loan programs now administered by the Department of Agriculture. The program would rely heavily on private lending sources by providing a Federal guarantee for private loans. The amount of the annual payments would be based on the productive capacity of the land, more than likely ranging from $10 to $30 per acre, and the repayment of principal and interest would be deferred until the timber is harvested. Forest management plans would be prepared, approved, and kept current by professional foresters prior to and during the landowner's participation in the program.

I realize that the mood of the country is not favorable toward new and costly Federal programs. I fully support the efforts of our budget-minded Congress to cut Government spending and balance the Federal budget. My bill is compatible with a fiscally conservative philosophy since it establishes a 5-year pilot program to be funded from the already existing rural development insurance fund. The appropriations needed to administer the program would indeed be modest.

Since the concept of annual payments in anticipation of future timber receipts is a relatively new idea, I introduced a similar bill last year solely for discussion purposes, seeking comments from the forestry and financial communities. Although the responses have varied, a great amount of interest has been shown. Consequently, I revised the legislation, incorporating the suggestions I received to make the program both more attractive to private lending institutions and compatible with existing USDA loan programs.

I realize that this bill will not alone solve the problem of inordinately low timber production on private, nonindustrial woodlands. The owners of these lands are so varied in their characteristics, and their individual needs and goals so unique that there is no one program which will appeal to all landowners. Therefore, I do not consider this bill as a single solution to the problem, but merely as one option which will be available to those landowners who want to take advantage of it. Let me also emphasize the fact that the President has called for concerted efforts to encourage forest regeneration in his statement on environmental policy. I sincerely believe that my program would be worthwhile and achievable, and would add to the array of incentives for reforestation.

Finally, Mr. Speaker, I would like to reiterate that the budgetary impacts of this program will be miminal. These payments constitute a loan, with the Federal Government ultimately recapturing its investment, plus some interest income. The administrative framework to handle such a program already exists and USDA has vast experience in the administration of similar loan programs. Perhaps most important, the program will generate forestry jobs in rural areas, thereby adding to the tax base; and sales of timber will also generate significant tax revenue. In short, I believe additional tax revenues and investment recapture will offset any interest subsidies and administrative costs involved.

In conclusion, Mr. Speaker, I request that hearings be held to discuss the merits and possible shortcomings of such a program. Once this is done, I urge your favorable consideration and support for the passage of my bill.

The text of the Forestry Loan Act of 1979 follows:

H.R. —

A bill to authorize and direct the Secretary of Agriculture to conduct a pilot program of loans providing for periodic payments to owners of nonindustrial private forest lands

Be it enacted by the Senate and House of Representatives of the United States of America in Congerss assembled, That this Act may be cited as the "Forestry Loan Act of 1979".

FINDINGS

SEC. 2. The Congress hereby finds and declares that—

(1) adequate supplies of timber and other forest resources are essential to the Nation's well-being;

(2) the Nation's publicly owned forests can not alone supply needed renewable resources;

(3) the Nation's capacity to produce renewable forest resources is significantly dependent on private nonindustrial forest lands;

(4) substantial investment is often needed to increase the productivity of forest lands;

(5) long timber crop rotation periods discourage forestry investments by owners of nonindustrial private forest lands;

(6) the availability and cost of capital can be a significant determining factor in a forest landowner's decision as to whether or not to undertake a forest management program;

(7) owners of nonindustrial private forest land frequently are unable to obtain credit at rates and terms sufficiently reasonable to enable them to undertake a forest management program; and

(8) therefore, it is in the national interest for the Secretary of Agriculture to conduct a pilot program to determine whether financial assistance in the form of guaranteed and insured loans to owners of nonindustrial private forest land would result in increased productivity of such land.

ESTABLISHMENT OF PROGRAM

SEC. 3. (a) In order to encourage owners of nonindustrial private forest land to implement and maintain forest management programs, and thereby increase the production of crops of industrial wood, the Secretary of Agriculture is authorized and directed to conduct a pilot program of making, insuring, and guaranteeing loans that will provide periodic payments to eligible landowners. Such loans may be made, insured, or guaranteed during the first five calendar years occurring after the date of the enactment of this Act. The payments shall be at such intervals (including intervals occurring after such calendar years), in such amounts, and on a per acre or such other basis as the Secretary may determine.

(b) This program shall be funded, using funds drawn from the Rural Development Insurance Fund established under section 309A of the Consolidated Farm and Rural Development Act and subject to the provisions governing such fund.

(c) The Secretary shall make, insure, or guarantee no loan under this Act to any one borrower in which the principal amount exceeds $300,000.

(d) The Secretary may guarantee under this Act not more than 90 per centum of the principal and interest on any loan to any eligible borrower by any Federal or State chartered bank, savings and loan association, cooperative lending agency, Federal land bank, or other legally organized lending institution.

(e) Loan guaranteed under this Act shall bear interest at rates to be agreed upon by the lender and borrower but not in excess of such rate as may be determined by the Secretary. Loans made or insured under this Act shall bear interest at such rate or rates as are determined by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, plus not to exceed 1 per centum, as determined by the Secretary. The Secretary is authorized to subsidize the interest rate of loans made, insured or guaranteed under this Act at rates to be determined by the Secretary. The Secretary may also, with respect to any loan made, insured, or guaranteed under this Act pay any defaulted payments of principal or interest deferred whether pursuant to the terms of the loan or forest management plan or otherwise.

(f) For loans made or insured under this Act the borrower shall pay such fees and other charges, and shall prepay to the Secretary such taxes as the Secretary may require.

ELIGIBLE BORROWERS

SEC. 4. Any private individual who, or any group, Indian tribe or other native group, association, partnership, corporation, or other legal entity which owns five thousand acres or less of nonindustrial private forest land capable of producing crops of industrial wood shall be eligible to receive loans made, insured, or guaranteed under this Act: *Provided,* That the applicant must certify in writing, and the Secretary must determine, that he is unable to obtain sufficient credit elsewhere at rates and terms comparable to those provided in this Act, taking into consideration prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time.

TERMS AND CONDITIONS

SEC. 5. (a) The total period of time permitted for a loan made, insured, or guaranteed under this Act, including the period of repayment, shall not exceed 40 years. The Secretary is authorized to defer the repayment of principal and interest under such conditions as the Secretary shall deem appropriate. Loans insured or guaranteed under this Act shall be made upon the personal liability of the borrower and shall be secured by either (1) the land, or (2) the timber grown thereon, or (3) land and timber, and such other security as the Secretary may require.

(b) The borrower shall prepare, keep current, and adhere to an individual forest management plan which shall be developed in cooperation with and be approved by the State forester or equivalent State official and which shall describe the activities needed to establish or maintain the landowner's forest land in a productive condition under established good forestry practices. The borrower may use the periodic loan payment received in any manner he deems appropriate, as long as the provisions of the management plan and loan agreement are observed. The Secretary shall encourage borrowers and State foresters or equivalent State officials to use private consulting foresters, agencies, organizations, and firms to the extent possible for the preparation of individual forest management plans.

(c) At the discretion of the Secretary, loans insured and guaranteed under this Act may, upon the application of the borrower and with lender's approval in the case of guaranteed loans, be transferred to, and assumed by, a new owner who agrees to the terms and conditions of the loan, assumes any outstanding liability and obligations thereunder and who otherwise qualifies under the provisions of this Act.

(d) Except for guaranteed loans, the borrower shall agree that if at any time it shall appear to the Secretary that the borrower may be able to obtain a loan from any Federal or State chartered bank, savings and loan association, cooperative lending agency, Federal land bank, or other legally organized lending institution at rates and terms comparable to those provided for in this Act, for loans for similar purposes and periods of time, the borrower will, upon request by the Secretary, apply for and accept such loans in sufficient amount to repay the Secretary or the insured lender, or both, and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan. The borrower shall be entitled to prepay without penalty all or any part of the outstanding principal or interest on any loan made, insured, or guaranteed pursuant to the provisions of this Act.

RULES AND REGULATIONS

SEC. 6. The Secretary shall, within 120 days after the date of the enactment of this Act and in accordance with section 553 of title 5, United States Code, promulgate such final rules and regulations as the Secretary deems appropriate to implement the provisions of this Act. The Secretary may, in accordance with such section, promulgate rules and regulations modifying the rules and regulations promulgated under the preceding sentence.

REPORT

SEC. 7. The Secretary shall report annually to the Congress on the progress of the pilot program authorized by this Act. The first such report shall be submitted upon completion of the first calendar year of operation of the program authorized by this Act. The final report shall be submitted upon completion of the fifth calendar year of operation and shall include the Secretary's recommendation on whether additional loans shall be made, insured, or guaranteed under this Act after such year.

SEC. 8. There is hereby authorized to be appropriated such sums as may be necessary for the purposes of (1) administrative expenses, including reimbursement to State foresters or equivalent State officials, (2) subsidizing the interest rate of loans made, insured, or guaranteed under this Act, and (3) losses incurred through defaults on loans made, insured, or guaranteed under this Act. Such sums to remain available until expended.●

OPPOSING PUBLIC FINANCE OF CONGRESSIONAL RACES

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. GINGRICH. Mr. Speaker, the Committee on House Administration recently opened hearings on H.R. 1, legislation that would provide for public funding of congressional election campaigns. As a member of the committee, and as one who was recently elected to office after three very expensive campaigns, I am following the hearings with great interest.

In my opinion, the hearings we held last week, featuring witnesses from the Federal Election Commission, brought to light several fatal weaknesses in the current public financing proposal. Clearly, I cannot support H.R. 1 in its present form.

This morning's Washington Post contains an excellent editorial. Its title accurately describes H.R. 1 in its present form: "The Politicians' Welfare Bill." The newspaper points out some of the most glaring defects in the legislation that came to light in last week's hearings.

For the benefit of those Members of the House who have not had the privilege of attending the hearings on H.R. 1, and for those who have not seen the Post editorial, I am inserting it in the CONGRESSIONAL RECORD at the conclusion of my remarks.

I urge my colleagues to give careful consideration to the points made in the editorial and to join me in opposing H.R. 1 as it is presently constituted.

The editorial follows:

[From the Washington Post, Mar. 19, 1979]

THE POLITICIANS' WELFARE BILL

A special welfare plan endorsed by many congressmen came under heavy fire Thursday from the agency that would have to carry out the plan. The agency's head told a House committee that the proposed welfare payments could amount to $44 million, twice what the plan's sponsors had guessed. She said that the sort of supervision the congressmen prefer would be inadequate, and that strict enforcement would require nearly doubling the agency's budget and staff. Moreover, she said, the agency would have to shovel out funds so fast that fraud and abuse could not be prevented—and recouping improper payments later would be very hard. Finally, she testified that key parts of the plan are simply unworkable.

Such testimony might well be fatal to any ordinary welfare bill. But this one is H.R. 1, a quite extraordinary plan for public aid to a select, small group of citizens: those running for the House. Like a very similar Senate bill, the measure is meant to help average incumbents and challengers compete with wealthy candidates and those backed by big-spending interest groups.

Of course, supporters of public financing do not regard it as a welfare plan. But considering it as such—as an attempt to aid one more group of people who are relatively poor and have trouble surviving in the marketplace—helps bring into sharp focus the objections raised by Federal Election Commission chairman Joan D. Aikens the other day. For Mrs. Aikens' analysis shows that the drafters of H.R. 1 propose to dish out public aid to politicians willy-nilly, with few of the administrative safeguards Congress demands in connection with food stamps, student loans or any other federal payments you might name.

That's just one side of it. Mrs. Aikens' comments also showed that prudent enforcement and auditing would involve far more record-keeping, reporting and federal inspecting than most politicians are willing to impose on themselves. Then there's the part that most boggled the FEC—the bill's provisions for extra subsidies to candidates whose opposition spends lavishly. That will work only if every free-spending opponent is willing and able to tell the FEC, up to the minute, when his campaign outlays hits certain heights. And that assumes not just that most politicians are honest, but that almost all of them, in the heat of a campaign, will have impeccable intentions—and perfect books.

We repeat: In a Congress so touchy about fraud and waste and bureaucratic snarls, a bill that's so unmanageable would not have garnered so many supporters if it benefitted anybody else. Mrs. Aikens' testimony should send the champions of public financing back to the drawing boards. Some other forms of public aid for needy candidates may be desirable. This plan is not.●

TO IRELAND

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. FOWLER. Mr. Speaker, it has been said that the people of the world could be divided into two classes of individuals: Those who are Irish and those who wish they were. I am in agreement with that premise and am proud to count myself as a son of Ireland.

The Ireland of today is an example of economic and social achievement envied throughout the world. It has the fastest growing economy of any nation in Europe. Immigration has declined dramatically and now shows a net emigration. Half of the country's population is under the age of 25. All these factors point to a bright and prosperous future for Ireland.

In the spirit of this past St. Patrick's Day, I say, "Beannachtai na Feile Padraig oraibh" and request that the following poem by William Butler Yeats be printed in the RECORD:

THE LAKE ISLE OF INNISFREE

I will arise now, and go to Innisfree,
And a small cabin build there, of clay and wattles made:
Nine bean-rows will I have there, a hive for the honeybee,
And live alone in the bee-loud glade.
And I shall have some peace there, for peace comes dropping slow,
Dropping from the veils of the morning to where the cricket sings;
There midnight's all a glimmer, and noon a purple glow,
And evening full of the linnet's wings.
I will arise and go now, for always night and day
I hear lake water lapping with low sounds by the shore;
While I stand on the roadway, or on the pavements grey,
I hear it in the deep heart's core.●

THE NEED FOR ENERGY CONSERVATION AT THE GRASSROOTS LEVEL

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. FOWLER. Mr. Speaker, I would like to inform my colleagues of two vital programs which will help bring energy conservation to the grassroots level.

First, in my home State of Georgia, the Georgia Municipal Association's local government energy management program has received funds to develop community programs teaching the practice of energy conservation.

Second, to promote community energy conservation programs nationwide, the Community Housing and Energy Conservation Conference is scheduled for Tuesday, March 20, at Tifereth Israel Synagogue, 7701 16th Street NW., at Juniper Street, Washington, D.C. The conference is sponsored by HUD through a coalition of local community groups and the Council of Jewish Federations with the Department of Energy. As was stated in HUD's invitation to community leaders:

> The overall meeting will provide a broad overview of energy conservation activities and potentially available Federal resources to community groups in order that they might consider conducting their own projects.

I strongly urge congressional staff members, representatives of relevant executive agencies, and community leaders to attend this conference.

I can understand the attitudes of many Americans who now tend to discount threats of an impending world energy crisis. The apparent crisis of 1973 only resulted in higher gasoline prices and more profits for some oil suppliers. In light of this attitude there is much resistance to energy conservation. Such resistance was evident in the bitter fight against the President's energy proposals in the 95th Congress. Nevertheless, establishing an effective energy program to address our needs remains a critical national priority and compels a careful evaluation of the domestic and international energy picture.

Studies have differed as to when the world demand for oil and natural gas will outrun world supply. Projections range from the mid-1980's to the year 2000. Depletion of domestic resources is expected anywhere between 2000 and 2032. The underlying fact in all of the reports is that for the next several decades we will continue to depend on unreliable, high priced imported fossil fuels. Even if we reduce our imports, our domestic supplies of oil and natural gas are limited. Eventually we could become even more dependent on foreign oil and natural gas. The recent events in Iran and the ensuing decision by a number of OPEC members and several other countries to raise their prices while cutting supply underscore the precarious policy of relying on imported fuel. Lest we take too much comfort in the recent oil discoveries in Mexico, we should keep in mind the comment by a Mexican Government official, "We are a country, not an oil well." In other words, Mexico will make its production and pricing decisions according to its own interests, not our needs.

To offset a growing dependence on foreign oil and natural gas and the longer term reality of a depletion of domestic fossil fuel, it is time we more actively pursue conservation and the development of alternative energy sources as the cornerstone of our Nation's energy policy.

An effective conservation program would allow much needed time to develop a nonfossil-fuel economy. Such a program would help hold down inflationary pressures and contribute to environmental protection without significantly reducing economic growth or altering our way of life. A recent Council on Environmental Quality analysis showed that with increased energy efficiency through conservation, real GNP could rise 60 to 90 percent while energy use increases 15 percent or less.

To be effective, a national energy conservation program will require the participation of all sectors of our country. The Georgia Municipal Association's local government energy management program is an excellent example of community participation in an effort to further national energy conservation. The cities belonging to this program have established commissions on energy to promote the awareness of energy conservation within their communities.

Providing demonstrations of energy conservation workshops which can be utilized by community energy programs, similar to Georgia's across the country will be a major focus of Tuesday's Community Housing and Energy Conservation Conference. It is my hope that the conference will be an effective way of beginning a grassroots effort for promoting energy conservation.●

ENERGY PERSPECTIVES—COPULOS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. COLLINS of Texas. Mr. Speaker, this weekend I read an energy report edited by Milton Copulos and published by the Heritage Foundation. With all the hogwash on energy that we hear on the House floor, it is refreshing to read the best energy essays compiled by Milton Copulos including facts about all energy sources.

Let me suggest the first of the 15 chapters you should read. It is William Tucker's report on New York City's Storm King plant. This was the story from 1962 until today of the uphill fight Con Ed has had in trying to build new powerplants. New York City is moving backward, and their shortsightedness works for their own self-destruction.

Is America's future with nuclear, solar, coal, or more oil and gas? Energy keeps us warm or cool. Energy operates the factories to give us our jobs. Energy provides our travel.

Will the Carter administration ever develop a sound energy policy? Read Copulos' Energy Perspective by Heritage Foundation. Help the administration develop a plan for the future.●

RELIEF FOR AMERICAN AGRICULTURE

HON. WILLIAM PHILIP GRAMM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. GRAMM. Mr. Speaker, I would like to insert into the CONGRESSIONAL RECORD a concurrent resolution recently approved by the Texas State Legislature which addresses the plight of American agriculture. The resolution calls upon Congress to insist that Secretary of Agriculture Bob Bergland implement the 1977 farm program to its fullest extent by raising loan levels to 90 percent of parity. I believe we in the House should carefully consider this expression of strong support for relief for our farmers. The text of the resolution follows:

HOUSE CONCURRENT RESOLUTION 31

Whereas, Agriculture is the largest industry in the State of Texas and the nation and is the largest employer of our people; and

Whereas, We are blessed with rich resources of land, water, and climate, along with farm families who have the ability and eagerness to produce food and fiber in sufficient quantity to feed and clothe their fellow citizens and share with a hungry world; and

Whereas, The low price agricultural policy of our federal government is causing disastrously low prices to producers, inflated food prices to consumers, and windfall profits for commodity speculators and multinational corporations; and

Whereas, Our productive land, America's most valuable and cherished asset, which thousands of our young men fought and died protecting, now is being taken away from our family farmers and ranchers through bankruptcy, in many cases falling into the hands of nonresident alien investors; and

Whereas, A healthy agriculture, earning fair and equitable prices, never causes inflation or unemployment but instead creates an unending supply of new wealth for the nation; now, therefore, be it

Resolved by the House of Representatives, the Senate concurring, That the 66th Legislature of the State of Texas hereby call upon the Congress of the United States of America to bring about an end to this most serious condition which prevails in rural America today by insisting that Secretary of Agriculture Bob Bergland implement the 1977 farm program to its fullest extent, by raising loan levels to 90 percent of parity along with any necessary set-aside, all as provided for in the current law; and, be it further

Resolved, That official copies of this resolution be prepared and forwarded to the President of the Senate and the Speaker of the House of Representatives of the United States Congress and to all members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.●

IN APPRECIATION OF ERNEST G. GREEN

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. STARK. Mr. Speaker, this Saturday evening, Assistant Secretary of Labor Ernest G. Green will be honored by the Pacific Economic Resources League, Inc. (PERL) of Oakland for his unique and invaluable contributions to minority employment and training.

It is the innovative, thorough efforts of men and women like Ernie Green which allow organizations such as PERL to evolve and flourish.

PERL, a nonprofit corporation dedicated to improving the status of minority men and women in Oakland and the East Bay area through business and job development, is a new group celebrating its first anniversary this year.

Like Ernie Green, PERL is a pioneer in establishing and insuring the rights of minorities in both education and business.

And like PERL, Ernie Green has been responsible for encouraging and assisting countless minority individuals to enter the business and professional worlds with confidence and competence.

In his position with the Federal Government, Ernie Green dedicates his special sensitivity and imagination to the upward development of this Nation's neediest and most underutilized groups.

Because of his efforts, we will someday not have to single out those who stand for a most basic human right—the right to a skill and a job. For without a means to earn a living, develop self-respect, and pride, an individual cannot be expected to contribute to the growth and development of his country.

We should be thankful for the work of people like Ernie Green, whose unselfish efforts illustrate the basic principles of our democratic system.●

PANAMA CANAL MODERNIZATION

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. DORNAN. Mr. Speaker, I wish to join with my colleagues in support of the position of Congressman DANIEL FLOOD, re the Panama Canal treaties.

In supporting the implementation of the Panama Canal treaties we are being asked to vote away a critically strategic maritime chokepoint. We are entering an era of unprecedented dangers. Our vulnerability to disruptions in the flow of raw materials and the growth of Soviet naval power will make our possession and modernization of the Panama Canal even more important to our Nation's security. But, instead we are being asked to relinquish control of this vital waterway in an effort to placate a regime that has proven to be hostile to American interests. Moreover, we are asking the American people to pay for this regime to take the canal at a cost of $4 billion to the American taxpayers. I would remind my colleagues that the administration declared, last year, that the treaties were to cost the American people nothing. As time passes, the calculations as to what it would cost climb steadily.

Mr. Speaker, I would like to call the attention of my colleagues to one other feature of our negotiations with Panama with respect to this vital waterway. After 2 years of discussion and debate, there are still problems of meaning and interpretation. It is not at all clear that the Panamanians and the American Government see eye to eye on these treaties. They are, and will be, a continuing source of soreness and mischief.

Mr. Speaker, I am not, in principle, opposed to a new treaty with Panama, but I cannot see how the proposed arrangements will satisfy our just national interests.●

ON RISKS, NUCLEAR AND OTHER

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. MURPHY of Illinois. Mr. Speaker, last week the Nuclear Regulatory Commission (NRC) closed five nuclear powerplants. The shutdowns were ordered, because a computer check showed that some of the piping might not withstand a severe earthquake. It should be noted that the closings were made even though reactors are typically built to withstand very strong earthquakes, and even though these particular plants are not located in earthquake-prone areas. The shutdowns, which unfortunately come at a time of reduced oil shipments from Iran, serve to point out the strictness of safety and health standards in the nuclear industry.

The closings underscore another point. Namely, that all too often in discussions about nuclear power, there is no comparative evaluation of the risks posed by other energy sources. In a March 18 editorial, the Washington Post rightly noted that if the strict safety and health standards applied to nuclear power were applied to coal, our country would face a severe shortage of electricity.

Mr. Speaker, I want to draw my colleagues' attention to this fine commentary:

ON RISKS, NUCLEAR AND OTHER

Two men were killed a few days ago when the roof collapsed in the Scotia Coal Company's mine near Oven Fork, Ky. It's the same mine in which 26 men were killed three years ago. In this week's accident, a third miner was apparently saved by the protective canopy of the machine he was operating. The mining company has been contesting the rule requiring canopies.

A day earlier, and light years distant, the federal Nuclear Regulatory Commission had ordered five power reactors shut down. A design error had come to light, suggesting that some of the piping might not withstand a severe earthquake. How severe? Reactors are typically designed to survive the most powerful earthquake that might occur over a span of 10,000 years. The NRC is doubtless correct in thinking that the American public is intolerant of risk in reactors.

The cases of the coal mine and the reactors are tied together, of course, by the demand for electricity. Coal generates almost half of the nation's electric power, and nuclear reactors about one-eighth. In all matters concerning coal, this country is comparatively relaxed about health and safety protection. But in everything that touches nuclear power, it is increasingly cautious. Americans are highly selective in their perceptions of risk.

Perhaps part of the explanation is that nuclear power is new, carrying with it unfamiliar and especially frightening new dangers and evoking new standards. Coal has been around for a long time and, though its cost to human life are large, they are familiar. Coal became part of our lives when people were poorer and life was cheaper. The usages established then still seem to influence attitudes today. It surprises no one that from time to time a mine should collapse and men die. Nor does it surprise anyone that, after ugly accidents, mines should reopen and men continue to work in them.

But, in terms of health hazards, mining coal is less dangerous than burning it. Statisticians have repeatedly shown that the air pollution resulting from coal-fired power plants results in shortened life spans in the populations affected by it.

A nuclear reactor makes a small but measurable contribution to the radiation to which the public is exposed—another form of dangerous pollution. How does this hazard compare with that of coal? There have been many studies and, while the numbers are not precise, they demonstrate clearly that coal imposes a much greater cost to human health, perhaps 100 times as high—measured in terms of premature deaths.

A lot of Americans are deeply uneasy about reactors, wondering whether one will explode disastrously or perhaps begin silently leaking radiation. Yet the greater hazards of coal are generally met with the thought that it's one of the things that you just have to live with.

The sudden shutdown of the five reactors reflects the financial caution that now characterizes nuclear regulation. Those reactors have been turned off at substantial inconvenience to the nation, in the midst of an oil shortage and at heavy costs to the customers. Not many people would want it otherwise. But it's curious to think that, if the same health standards were applied to coal and the power plants that burn it, half of the country would be dining by candlelight tonight—and not voluntarily.●

"WELFARE" FOR POLITICIANS?

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. SHUMWAY. Mr. Speaker, at a time when we are all, to one degree or another, preaching the need for fiscal restraint and for reducing the size of the Federal bureaucracy, we are confronted with H.R. 1, the congressional campaign financing bill.

The concept of public financing is not supported by the general public. It is certainly not supported by my constituents in the 14th District of California, a large number of whom have written to me in opposition to H.R. 1.

Our constituents understand that H.R. 1 would be expensive, would result in the rapid expansion of the Federal Election

Commission and, most importantly, would primarily benefit the incumbent Congressman.

In fact, in testimony presented last week, FEC Chairman Joan D. Aikens herself expressed serious reservations about the public financing proposal, claiming abuses and improprieties would be inevitable. This is just what many of us have been saying all along.

I therefore commend to my colleagues the most perceptive lead editorial which appeared in today's Washington Post. Entitled "The Politicians' Welfare Bill," this editorial suggested that Congress may not be prepared to judge H.R. 1 by the same criteria that would be applied to other legislative proposals. I certainly hope this will not be the case.

The article follows:

THE POLITICIANS' WELFARE BILL

A special welfare plan endorsed by many congressmen came under heavy fire Thursday from the agency that would have to carry out the plan. The agency's head told a House committee that the proposed welfare payments could amount to $44 million, twice what the plan's sponsors had guessed. She said that the sort of supervision the congressmen prefer would be inadequate, and that strict enforcement would require nearly doubling the agency's budget and staff. Moreover, she said, the agency would have to shovel out funds so fast that fraud and abuse could not be prevented—and recouping improper payments later would be very hard. Finally, she testified that key parts of the plan are simply unworkable.

Such testimony might well be fatal to any ordinary welfare bill. But this one is H.R. 1, a quite extraordinary plan for public aid to a select, small group of citizens: those running for the House. Like a very similar Senate bill, the measure is meant to help average incumbents and challengers compete with wealthy candidates and those backed by big-spending interest groups.

Of course, supporters of public financing do not regard it as a welfare plan. But considering it as such—as an attempt to aid one more group of people who are relatively poor and have trouble surviving in the marketplace—helps bring into sharp focus the objections raised by Federal Election Commission chairman Joan D. Aikens the other day. For Mrs. Aikens' analysis shows that the drafters of H.R. 1 propose to dish out public aid to politicians willy-nilly, with few of the administrative safeguards Congress demands in connection with food stamps, student loans or any other federal payments you might name.

That's just one side of it. Mrs. Aikens' comments also showed that prudent enforcement and auditing would involve far more record-keeping, reporting and federal inspecting than most politicians are willing to impose on themselves. Then there's the part that most boggled the FEC—the bill's provisions for extra subsidies to candidates whose opposition spends lavishly. That will work only if every free-spending opponent is willing and able to tell the FEC, up to the minute, when his campaign outlays hit certain heights. And that assumes not just that most politicians are honest, but that almost all of them, in the heat of a campaign, will have impeccable intentions—and perfect books.

We repeat: In a Congress so touchy about fraud and waste and bureaucratic snarls, a bill that's so unmanageable would not have garnered so many supporters if it benefitted anybody else. Mrs. Aikens' testimony should send the champions of public financing back to the drawing boards. Some other form of public aid for needy candidates may be desirable. This plan is not.●

PLIGHT OF THE ELDERLY

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. MARKEY. Mr. Speaker, in America today, many older people feel unwanted, forgotten, and alone. They lack hope. They lack love. They lack a family.

For whatever reasons, many elderly Americans have nowhere to turn except to a nursing home or other institution. Certainly, many older people need institutional care. Indeed, in many parts of the country their numbers are greater than the space available to house them. But we need alternatives to institutional care, and foster care for the elderly is an exciting example of one alternative that makes a great deal of sense.

I am, therefore, today introducing legislation to create a network of foster care programs through the country.

The family is the strongest social institution we possess. Almost everyone spends their early years growing up in a family. Most of us choose to live together as adults in a family unit. I believe that we do so for the profoundest of reasons—because it is natural to want to share our lives with others.

That is why I am strongly committed to widening the opportunity for older people to be able to live as a member of a family, if they seek to do so. A society is robbed of the richness of the entire spectrum of life if it segregates its elderly from the rest of the population. This is why I support the pilot program for foster care. This bill will take our elderly out of the sterile environment of institutional life and place them where they can share in the companionship of a substitute family.

We Americans spend more for cosmetics and attempts to retard aging than we do to make our retirement years more meaningful. Today, old people living alone without relatives or friends to rely on, are forced to enter an institution simply because they have nowhere else to go. With just a little assistance, they could continue to live in their own communities through foster care.

My bill will provide the needed startup funds for foster care programs in hospitals, senior citizens centers, or appropriate State agencies. These funds will be used to develop the programs, hire staff, and monitor the participants. The Department of Health, Education, and Welfare will select 10 sites across the country in both urban and nonurban settings where foster care can be established. These families will be carefully screened; their homes inspected to meet stringent HEW requirements; family members trained to handle the medical and personal needs of their newest member. The elderly patients, in turn, would be interviewed to find those willing and able to participate in this innovative program. The sponsoring hospital or institution must provide around-the-clock medical services. Each participant will be assigned a personal medical team and inspection visits will occur at least monthly. No foster care applicant will be placed in a home or remain there without his or her consent.

Since last spring, Massachusetts General and Johns Hopkins University Hospital have undertaken pilot programs of their own. While it is still too early to report complete success, the results have been every encouraging.

From these early results, we can already see not only a great improvement in the quality of life for participants, but also a more economical health system. Hospital cost controls, skyrocketing medical bills, increasing nursing home fees, these are all vital issues of our modern world. Foster care, if extended on a permanent basis, could result in substantial savings in our Nation's health bill. In Massachusetts, for example, average monthly charges for nursing homes of approximately $835 could be cut in half by family foster care, which averages around $487 per month.

This is only half of the story since many who want to enter nursing homes are stopped by the backlog of applications. In my own district, there is a desperate shortage of nursing home beds. Elderly patients are forced to remain in more expensive hospital beds beyond the time necessary because they have no other choice.

This is the situation in our hospitals and nursing homes today. The average age of Americans is increasing: Every day 1,000 people turn 65. Yet as we continue to extend the length of our lives, we must do more to improve the quality. Scientific research will do wonders to keep us alive longer, but how much are we doing to see that life remains worth living? This is the challenge before us; this legislation is an answer to that challenge. I hope my colleagues will join me in cosponsoring this necessary legislation.●

EINSTEIN EVOLVING YET ANOTHER THEORY

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. FINDLEY. Mr. Speaker, March 15 was the 100th anniversary of Albert Einstein. I would like to join the many others who paid tribute to this great genius who contributed so much to human knowledge. In particular, I would like to call the attention of my colleagues to the following article which appeared in the March 14 issue of the New York Times. It is a reprint of a 1930 column by another great individual who has devoted himself to expanding the frontiers of human understanding, Clarence Streit. I am very privileged to be able to call Mr. Streit a friend. He has devoted his life since 1939 to the cause of Atlantic federation. In 1939 he wrote the book "Union Now," proposing the permanent union of what he termed the experienced democracies.

EINSTEIN EVOLVING YET ANOTHER THEORY

(By Clarence K. Streit)

GENEVA, July 26.—Calculating, jotting down figures and symbols, checking equations, smoking his pipe when he has not forgotten to light it, figuring while the translators are turning into French and English his views on the necessity for improving the education of children, Professor Albert Einstein, even during the sessions here of the League of Nations Committee on Intellectual Cooperation, of which he is one of the illustrious members, is working in a field of study still more vast than those in which he has already pioneered.

He does not say what it is, but when asked if the subject was more interesting than his previous theories he replied with the soft voice and engaging smile which from merely looking at him one expects him to have, "I think it is more interesting. But maybe people will think I am a fool when they read it."

At the other end of the committee table sits slight, black-robed, white-haired Mme. Curie.

When the meeting adjourns she is seen to be refusing all the dinner invitations pressed on here. She has not time, she explains, for she needs every spare moment to finish the scientific treatise which she must deliver in Paris soon. To the question, "What is its subject?" she does not answer.

When Mme. Curie has any free time she is usually to be seen deep in conversation with her old friend, Dr. Einstein. The sight of the frail, earnest little woman who, with her husband, discovered radium, and the stocky man with leonine hair and the gentlest of expressions who is the genius who propounded the relativity theory, sitting on a bench in the lobby Secretariat lost to everything but their conversation, is one that intimidates the most brazen autograph collector.

Speaking of those days before her husband died, a martyr to science, Mme. Curie smiled at her memory of the younger Einstein. He was the funniest man, she said. He was always thinking of the same thing, discussing the same problem of relativity and seeking to talk with any scientist working in any possibly related field.

Dr. Einstein shows special interest in problems touching child education. His longest statement to the committee—which meets in private—was to say that to him the main thing was how generally to improve the education of the young. The League could do no greater work, he held, than to help to make the elementary schools throughout the world better.

Teaching children the spirit of international cooperation, he said, was a task whose successful achievement would quite suffice to assure the full success of the Intellectual Cooperation Committee's work. It was extraordinary, he declared, how little relation there was now between the savants working in the different branches of science, though their work was really closely related. He did not hesitate to point to himself as a bad example, Dr. Einstein describing Dr. Einstein as a mathematician and physicist with a lamentable ignorance of chemistry.

Dr. Einstein came to this meeting with an unexpressed prejudice against one of the members. When that member addressed the committee Dr. Einstein listened carefully and found he spoke truly. When the speaker had finished, Dr. Einstein alone got up, went to him and warmly expressed his praise. It was only when a curious friend of Dr. Einstein mentioned the incident that he admitted his previous prejudice, he explained, with his child-like candor, that he felt he had done the man an injustice in thinking badly of him and owed him amends.

Aside from his fame, Dr. Einstein makes the strongest impression on the committee and the Secretariat officials because of what one of the latter called "his extraordinary frankness and sincerity and the perfectly open mind with which he approaches and discusses every question."

This official asked the professor if he realized what impression his words made here. Dr. Einstein looked at him and said, "But I only say what I think."

An official who is more accustomed to deal with diplomats than with Einsteins is still wondering what would happen to the League if the former became equally frank.

When the same official remarked it was hard to find intellectuals who could work together, Dr. Einstein, who can still laugh like a boy, said, "Yes, the intellectuals always have microscopes before their eyes." ●

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. WOLFF. Mr. Speaker, today the House will consider H.R. 13, a resolution to renew for a period of 2 years the Select Committee on Narcotics Abuse and Control.

I commend to the Members two letters I, as chairman, received last week. They speak for themselves in support of the committee having an opportunity to finish the job it started a little over 2 years ago.

THE WHITE HOUSE,
Washington, D.C., March 6, 1979.

HON. LESTER WOLFF,
Chairman, Select Committee on Narcotics Abuse and Control, U.S. House of Representatives, Washington, D.C.

DEAR CHAIRMAN WOLFF: As the President mentioned to you in his letter of October 28, 1978, the hard work and support of the Select Committee on Narcotics Abuse and Control have made a significant contribution to the success in the field of drug abuse prevention and control. While we have made some noteworthy gains, the drug abuse problem will not disappear and our energetic measures must be continued.

I would like to reiterate my personal appreciation to you and the other members of the Select Committee for the help you have given us over the past two years in focusing attention on some of the key drug abuse problems this country faces today. In particular, the Committee's interest in the problems of PCP and other psychotropic substance abuse, the smuggling of drugs through the Southeastern United States, the potential threat of opiates from Burma and the rest of Southeast Asia and the role of the United Nations in drug control have been extremely helpful to us in our concerted effort to reduce drug abuse. We are also encouraged to hear that in the future you will be addressing the specific area of drug abuse prevention while continuing to monitor law enforcement activities.

Again, I thank you for your assistance and look forward to working with you and the Select Committee in the future.

Sincerely,

LEE I. DOGOLOFF,
Associate Director,
Domestic Policy Staff.

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., March 6, 1979.

HON. LESTER L. WOLFF,
Chairman, Select Committee on Narcotics Abuse and Control, U.S. House of Representatives, Washington, D.C.

DEAR CHAIRMAN WOLFF: As I remarked earlier today at the joint hearing of two of the Foreign Affairs' Subcommittees which you Co-Chaired with Mr. Yatron, the drug enforcement community is most appreciative of the outstanding contributions the House Select Committee on Narcotics Abuse and Control has made. I wish to take this opportunity to more formally thank you and the other members of the Select Committee for your support and interest in the finding of viable solutions to the multi-faceted problems of drug abuse.

The leadership of the Select Committee in bringing to the attention of the rest of the Congress the many aspects of the drug control problem, has given us what we needed most—legislative tools. The ability we now have to seize assets, bank accounts, real estate and other property derived from illicit narcotics transactions will be a far more effective weapon against these trafficking organizations than any piece of hardware or gadgetry imaginable.

I believe this legislation was passed with a great deal of assistance from the record established by your Committee in their Chicago investigations into money flow. Also significant is the fact that the value by which administrative seizures can be made has been increased four-fold. I am also pleased that once the Congress was made aware of the dangers of PCP abuse, they responded by doubling the penalties for trafficking in this very hazardous drug.

The demonstrated concern of the Select Committee in, for example, the Southeastern U.S. smuggling problem, was a catalyst in the formation of an interagency working group. These many initiatives are beginning to have an impact.

As you are aware, just yesterday I met with Dr. Perez Vives, Secretary to the Cabinet and a key advisor to the President of Colombia. During our meeting, Dr. Perez remarked how the visits of U.S. Congressmen to his country demonstrate a real concern and involvement, not only to their constituents, but more importantly, to the citizens and leadership of his own nation. I am certain that your fact-finding missions and briefings in other parts of the world have had a similar impact.

This international focus on the drug problem that the Select Committee provides greatly assists the Drug Enforcement Administration in its mission. We look forward to continue working with your Committee and, of course, we are willing to be of whatever assistance you may require.

Best regards,

Sincerely,

PETER B. BENSINGER,
Administrator.●

FAMOUS PITTSBURGH CHEF RETIRES

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, one of the best-known chefs in the United States has decided to hang up his ladle and spoon and spend the rest of his life cooking for himself and his family.

In anouncing his retirement, Sam Lonero, a culinary genius of the first order, has brought down the curtain on at least the public side of a cooking career that has spanned more than a half a century.

Sam Lonero has worked his food magic at some of the best restaurants in Pittsburgh and labored at some of the largest feasts in the city's history.

Not one to hoard his gifts, Sam will spend some of his new found free time teaching the secrets of cooking and baking to aspiring kitchen magicians at the Community College of Allegheny County.

I want to wish my great friend Sam Lonero as much happiness in his retirement as he created for the thousands of Pittsburghers and guests to our city who enjoyed his wonderful meals.

With a loving wife and attentive children and grandchildren, I am sure that Sam will never want for "customers" for his tasty delights.

I would like to include in the RECORD at this time an article from the Pittsburgh Press discussing the career and memories of Sam Lonero, chef extraordinaire.

[From the Pittsburgh Press, Nov. 26, 1978]

FAMOUS PITTSBURGH CHEF RETIRES

(By Jerry Vondas)

Remember back in 1933 when a cut of prime rib of beef in several of Pittsburgh's finer restaurants cost 75 cents?

If you wanted a baked potato, you had to shell out another 15 cents.

Retired chef Sam Lonero of Point Breeze was a young cook working at the plush Schenley Hotel in Oakland when these prices prevailed.

"If you really wanted to go all out at the Schenley," Lonero says, "you could order the nine-course prime rib dinner for $1.40.

"The $1.40 price entitled you to a cherrystone clam or fruit cocktail, soup, celery and olives, prime rib of beef, vegetable, potato, salad, dessert and beverage.

"And 50 or 60 cents usually took care of the service," Lonero says.

If you weren't too hungry, Lonero says, you could order a broiled sirloin steak a la carte with a side order of beans and a cup of coffee, all for $1.35.

The Schenley added a five-cent-a-dish service charge if you wanted to stay in bed a little longer and have breakfast in your room.

A piece of pie set you back 20 cents and if you had it with your meal it only cost a dime.

According to Lonero, many royal heads of Europe stayed at the Schenley as did opera stars, actors and actresses. He best remembers opera greats Tito Schipa and Amelita Galli-Curci.

"I had a princess staying at the Schenley who was on a strict diet and everyday I would cook a piece of steak rare and then squeeze the juice out of it and blend it in her tea."

Lonero arrived in the United States from his native Sicily when he was 13 and immediately went to work in restaurants.

"I started out washing pots and pans at Fisheles Restaurant of Fifth Avenue where Richman Brothers now stands," he says.

Later Lonero was advanced to try cook and then breakfast cook.

"A complete breakfast at Fisheles cost 35 cents and this included juice, ham or bacon or sausage and eggs, home fries, toast or breakfast roll and all the coffee you wanted to drink.

"Those were Depression years," he says, "and a lot of people didn't have the 35 cents. In those days, a buck was a buck."

In the years that followed, Lonero rose in the ranks and worked as cook, second chef and chef at such prestigious places as the Concordia Club in Oakland, the Duquesne Club, Pittsburgh Golf Club, Pittsburg Athletic Association, just to name a few.

One of the biggest banquets he helped prepare was in February of 1939 when the Presbyterian Church in the U.S.A. held its Sesquicentennial Fund for Christian Education dinner at the William Penn Hotel.

"Herbert Hoover was the main speaker," Lonero recalls. "The hotel had 3,500 reservations and they used all the dining rooms.

"We had stuffed roast turkey as the main course," he says, "and we cooked about 145 turkeys.

"In those days it was considered a treat to have turkey on a banquet menu," Lonero says.

The chef says that his wife Teresa is as good a cook as he is. They met when he was visiting her uncle's restaurant.

"Like most Italian girls, she learned to cook at home from her mother."

The couple have three children, Paul, Anthony and Mrs. Josephine Risoleo. There are 10 grandchildren.

Another large banquet was the one at the Allegheny Club in Three Rivers Stadium during the 1971 World Series. Lonero says he alone carved 35 prime ribs of beef.

Though retired, he likes to keep active and often teaches cooking courses at the Community College of Allegheny County.

Often he holds cooking demonstrations with proceeds going to the Heart Fund and March of Dimes.

"Cooking gets in your blood," he says. "Conditions are much better today for young people going into the field. Kitchens are clean and large and air conditioned."

Always a teacher, Lonero on a recent visit to a diner near his home one of the owners, Art Velisaris, a few pointers on cooking and decorating.

When Lonero told Velisaris how he prepared a certain dish in 1934, the young cook explained:

"I wasn't born until 1935!" ●

INTRODUCTION OF A BILL TO AMEND THE SHIPPING ACT OF 1916

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. MURPHY of New York. Mr. Speaker, today I am introducing a bill that will amend the Shipping Act of 1916, to strengthen the provisions prohibiting rebating practices in the U.S. foreign trades. Currently, common carriers by water in the foreign commerce of the United States are prohibited from having rates lower than those in their published tariffs. But, with extensive overtonnaging in our trades, many carriers have been offering direct or indirect monetary inducement to attract more cargo for their ships. Rebating presents a danger to the stability and unimpeded flow of our foreign commerce, and the inability of the Federal Maritime Commission to enforce our laws against rebating in a nondiscriminatory manner threatens the preservation of a strong and competitive U.S. Merchant Marine.

This bill would permit the Commission to carry out its regulatory function to deter rebates, in a swift, effective and evenhanded fashion. For the first time, foreign flag operators would be required to comply with FMC subpenas and discovery orders or face possible exclusion from our foreign trades.

This legislation was originally introduced during the 95th Congress and passed the House by a vote of 390 to 1. After unanimous passage by the Senate, the bill was vetoed by the President, on the express concern for the effect on negotiations then being conducted with several European countries and Japan to reach cooperative agreements involving a number of shipping problems, including rebating.

This legislation provides for the Federal Maritime Commission to notify the Secretary of State in the event a foreign flag carrier claims inability to produce the necessary documents or information because of a "blocking statute," a foreign law which prohibits such disclosure. It directs the Secretary to consult with the Government of the Nation within which the documents or information are located for the purpose of assisting the Commission in obtaining the documents or information sought. In addition, this bill increases the civil penalties for violating the prohibition against illegal, covert rebating, and enables the Federal Maritime Commission to suspend the tariffs of carriers who fail to comply with subpenas or discovery orders of the Commission, as well as the tariffs of those carriers found to have engaged in illegal rebating. Any tariff suspension, however, which is provided for in this legislation, is subject to stay by the President, to satisfy national defense or foreign policy requirements.

Charges of illegal rebating against some foreign carriers have resulted in "settlement," but because of the weakness of the statutes as they currently exist, foreign-flag carriers still refuse to release requested documents, and, to that extent, illegal rebating continues to plague our foreign trade. Illegal rebating supported by the refusal of foreign-flag carriers to comply with the Commission's requests for documents have made it virtually impossible for the Commission to review the evidence necessary to halt this practice by foreign-flag carriers. Enforcement will require foreign-flag operators to comply with Commission subpenas and discovery orders as U.S.-flag carriers presently follow. This will put an end to the rank discrimination that has resulted against American-flag ships. This legislation will provide the Commission with the authority that has been intended since the enactment of the Shipping Act. in 1916, at the same time it recognizes the role of the State Department in assisting in the resolution of conflicts between the United States and its trading partners.

Failure to strengthen our antirebating laws would encourage the continuation of rebating by foreign carriers in U.S. foreign commerce; encourage foreign carriers not to cooperate in the production of documents pursuant to rebating investigations and to resist settlement of rebating charges; encourage foreign carriers to pay only a penalty to buy peace and refuse to divulge all the facts and circumstances—including names, shippers, agents, amounts, rebating techniques, and so forth. Failure to enact this law will be interpreted by foreign carriers as a sign of weakness and indecision in American maritime policy and, consequently, may lead to further and greater rebating by foreign carriers, with the result that U.S. carriers who are more effectively controlled—because their records are physically within the United States—will continue to be under a great competitive disadvantage in seeking cargoes, and capital investment in U.S. foreign shipping will be discouraged since U.S. carriers cannot compete effectively with foreign carriers.

The problems of combating rebating under the deficiencies of the Shipping Act of 1916 and the "blocking statutes" imposed by foreign countries are compounded by this Nation's lack of a coherent national maritime policy. We in the Congress must address this problem or we must be prepared to publicly abandon the concept of maintaining a merchant marine capable of preserving our economic security and meeting our defense transportation needs.

Mr. Speaker, during the last session, our committee began a comprehensive review of international liner shipping for the purpose of revising our U.S. liner policy. The controlled carrier bill enacted last year, and the antirebating bill introduced today, are interim, but essential, steps toward improving our liner regulatory scheme. The final resolution of this difficult problem will be undertaken during this year. At that time, not only will we be able to present to the Congress a regulatory system that will result in a stable, competitive, profitable merchant fleet, but we will also resolve the role which the Federal Maritime Commission will have in a scheme which reflects a coherent national maritime policy.●

THE HEALTH CARE CRISIS FACING ELDERLY AMERICANS

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. FORD of Tennessee. Mr. Speaker, more than a decade ago Congress enacted legislation to establish a comprehensive medical care program designed to meet the health care needs of our Nation's elderly. The medicare program has, for the most part, met these needs, but it has been deficient in one important aspect. To date, no comprehensive program exists to provide the Nation's elderly with such medical appliances as hearing aids, eyeglasses, and dentures. As a result, under the present system of health care in the United States many elderly Americans simply do without the medical devices they so desperately need.

Mr. Speaker, to remedy this situation I am today introducing a bill to provide our Nation's elderly citizens with eyeglasses, hearing aids, and dentures under the medicare program.

The deficiencies of the present medical appliance distribution system have been well documented. The Subcommittee on Health and Long Term Care of the House Select Committee on Aging studied this matter in September 1976. In its report entitled "Medical Appliances and the Elderly," the subcommittee found that over 5 million elderly Americans are wearing eyeglasses which need correction. The current medicare program does not cover the cost of eyeglasses and the necessary related eye examinations. Medicaid is also of little help. Only half the States provide eyeglass coverage under the medicaid program. In addition, private insurance companies are doing little to remedy this problem—they rarely cover vision expenses.

Vision care provides the most outstanding example of both the great need of this country's elderly for medical devices and the inadequacy of the present system. Indeed, with the exception of arthritis, chronic vision deficiencies are the most prevalent of ailments among the Nation's aged. Presently, more than 20 million older Americans, or 92 percent of the Nation's elderly, require and own eyeglasses. Many others, however, need corrective glasses but cannot afford them.

This need is critical. Many elderly persons are mistakenly and cruelly thought to be senile when in fact they are unable to see the necessary visual stimuli. A recent study conducted by the Ebenezer Society, a leading geriatrics center in Minneapolis, Minn., revealed that many older Americans may "have been inappropriately labeled mentally impaired as a result of unresolved vision needs."

But inadequate vision care is not the only health problem plaguing our elderly. Dental care is a second health crisis which must be resolved. Approximately 11.4 million Americans over age 65 are edentulous (toothless) as a direct result of tooth decay and periodontal disease. Although a majority of the elderly do have the dentures they require, too many have ill-fitting dentures, or worse, no dentures at all.

Inadequate dental care poses significant problems to the elderly. Persons who go without dentures for too long a time after becoming toothless may never be able to wear them. Furthermore, those equipped with ill-fitting dentures frequently plan their diets to minimize their chewing difficulties. Such diets often neglect meats, vegetables, and fruits—nutritional needs essential for life itself. Dr. Jay W. Friedman expanded upon this problem of ill-fitting dentures in a recent article in Geriatrics Magazine:

> The denture patient with poor-fitting dentures has a sore mouth, dissatisfaction with his chewing capacity, and the fear that his teeth will come loose at embarrassing moments. Many elderly persons have given up chewing with their dentures and use them only for appearance in social situations.

Dr. Friedman also argues that the soreness created by the ill-fitting dentures may lead to cancerous lesions. All Americans should be assured of an adequate and balanced diet. But in the case of the elderly, nutritional needs cannot be guaranteed if they continue to be edentulous or equipped with faulty dentures. According to a 1975 Mueller and Gibson study, medicare reported spending no money for dental care for the aged. Medicaid provides dental care under a States' option plan. But as more and more States trim their budgets, the dental care programs are often the first to be cut. Private health insurance companies provide no relief either. The Long Term Health Care Subcommittee's 1976 report states that "dental costs are the least insured major health cost in the United States."

But even if the vision and denture needs of the elderly were met tomorrow, we would still be confronted with a crisis in hearing impairment. The Federal Council on Aging, along with the American Speech and Hearing Association, concluded that over one-half of all persons aged 65 and over suffer, a hearing impairment. For many millions of older Americans, the answer to these problems is the use of a suitable hearing aid. Hearing deficiencies assume many forms. One form, known as hearing sensitivity loss, is an inability to hear sounds loudly enough. Another form, speech discrimination, involves an inability to hear speech and other sounds clearly even though the sounds may be sufficiently loud and distinct. What the afflicted person hears is similar to the garbled speech from a broken radio speaker.

The present health care delivery system makes hearing aid acquisition a costly proposition. A General Accounting Office report states that the average retail cost to the purchaser of a hearing aid is approximately $350. This high cost is unfortunate and tragic for those elderly Americans who require a hearing aid. These people are unable to offer their contributions to society. Dr. Blue Carstenson of Carstenson and Associates states that the use of hearing aids would help the elderly and their problems of "isolation, degradation, and loneliness."

Some States under the medicaid program recognize this problem and provide appropriate coverage. However, approximately 80 percent of the States continue to provide no medicaid coverage. Medicare compounds the problem: Medicare currently provides coverage for neither hearing aids nor hearing examinations. In addition, private insurance policies rarely provide coverage for hearing aid expenses.

Many Americans hope to live to an old age. But think how frightening it would be to grow old and not be able to see, hear, or eat because of the high cost of medical appliances. This is the case for many millions of elderly Americans. Mr. Nelson H. Cruikshank, now the Presidential Counsel on Aging, commented upon this American health tragedy:

> (The elderly) pay but not in dollars. They pay in the quality of life. Some cut down on food requirements. Some go without the

> proper type of shelter. Some cut off their social life. Many just do without (eyeglasses, hearing aids, and dentures) and fall back into more and more seclusion and live a restricted life because these appliances are not available to them as they should be.

Dr. Sidney Wolfe, director of the Public Citizen's Health Research Group, explained the dilemma the elderly face because of their desperate need for medical devices:

> The only way out (for the elderly) is to make impossible choices. It is impossible for senior citizens to decide whether or not they want to hear what goes on in the world or whether they want to eat.

Mr. Speaker, none of us here today would enjoy making the decision of whether to hear or to eat. Yet, every day millions of elderly Americans must consciously make that decision. On their limited and fixed incomes, senior citizens have a most difficult time allocating their scarce financial resources. These people often choose to eat and exist today rather than seeing, or hearing, and living life to its fullest tomorrow.

Mr. Speaker, our Nation's elderly should receive the best health care currently available in the United States. My bill would go a long way toward meeting this goal by extending the medicare program to provide our older Americans with eyeglasses, dentures, and hearing aids.

In the absence of a comprehensive national health program, I believe that my bill would be a significant factor in resolving the health care crisis facing elderly Americans. This national health tragedy has already inflicted deep psychological wounds upon those who are unfortunate in obtaining much needed medical devices. Mr. Speaker, I believe that it is time for an immediate change. I urge the House to give full consideration to my bill. I urge the House to give full consideration to the health needs of our Nation's elderly.●

ILLINOIS LEGISLATURE DEMANDS CONGRESS ACT TO BALANCE THE BUDGET

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. McCLORY. Mr. Speaker, while there are great apprehensions that the Congress may be required to authorize the convening of a second national Constitutional Convention to consider proposals for a balanced Federal budget by constitutional amendment, the more logical method for accomplishing this goal is by action which would be initiated here in this House and in the other body.

Recently, I received from my former colleague in the Illinois State Senate, Senator Harber H. Hall, a copy of Senate Joint Resolution No. 48, adopted by the 80th General Assembly of the Illinois House and Senate. The joint resolution of the Illinois General Assembly expresses persuasively the need for eliminating Federal deficits and for imposing constitutional restraints upon excessive Federal spending.

Mr. Speaker, for the thoughtful attention of my colleagues, Joint Senate Resolution No. 48 is as follows:

SENATE JOINT RESOLUTION NO. 48

Whereas, With each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, The annual Federal budget continually demonstrates an unwillingness or inability of both the legislative branch and the executive branch of the federal government to curtail spending to conform to available revenues; and

Whereas, Unified budgets do not reflect actual spending because some special outlays are not included in the budget nor subject to the legal public debt limit; and

Whereas, Knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

Whereas, Fiscal irresponsibility at the Federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation and some action is vital now to impose constitutional restraints and bring about discipline needed to restore financial responsibility; and

Whereas, Under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary; therefore, be it

Resolved, by the Senate of the eightieth General Assembly of the State of Illinois, the House of Representatives concurring herein, that this Body makes application to the Congress of the United States that procedures be instituted in the Congress to propose and submit to the several states an amendment to the Constitution of the United States requiring, in the absence of a national emergency, that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year; and be it further

Resolved, That this Body also urges the legislatures of each of the several states comprising the United States to apply to the Congress requesting the proposing of an amendment to the Federal Constitution for the purpose set forth in this Resolution; and be it further

Resolved, That a copy of this resolution be transmitted by the Secretary of State to the presiding officers of the Senate and the House of Representatives of Congress, to the members of the Congressional delegation from the State of Illinois, and to the presiding officers of each house of the various state legislatures.●

CBO STUDY ON OIL PRICE CONTROLS

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. GIAIMO. Mr. Speaker, on June 1, 1979, present controls on the price of crude oil become discretionary with the President rather than mandatory. Domestic oil prices are controlled substantially below world levels, making the domestic average price for all oil consumed roughly $2 a barrel below the imported oil price. However, continued instability in the price and supply of foreign oil to the United States suggest the need for adopting the kind of strong oil policies recommended by the President 2 years ago.

The President is expected to make his decisions on oil price controls known within the next month. In the interest of providing information for the Budget Committee and the Congress regarding the benefits and costs of adopting various oil price control strategies, I asked the Congressional Budget Office to prepare the following analysis which I ask to be included in the RECORD at this point.

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., March 13, 1978.

Hon. ROBERT N. GIAIMO,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is in response to your request of February 28, 1979, that the Congressional Budget Office outline the costs and benefits of decontrolling the price of crude oil.

On June 1, 1979, the now-mandatory price controls on domestic crude oil become optional (at the President's discretion) and, in September 1981, these controls expire. Several possibilities regarding crude oil pricing have been discussed; principal among these are immediate decontrol on June 1, phased-in decontrol between June 1979 and September 1981, or adoption of some lower price path that would presumably require new statutory authority after September 1981.

Decontrol, whether immediate or phased, would produce several benefits. Higher crude oil prices would promote a limited reduction in demand—by encouraging substitution of alternative fuels and outright conservation—and might induce both increased oil supplies from older wells and new exploration. Price increases under decontrol would encourage investments in solar energy and conservation but they would probably not be sufficient to make nonconventional fuels such as liquefied coal or shale oil economic. Combined, these supply and demand effects would provide some relief from oil imports, although the total impact would be small. An additional benefit of decontrol, albeit noneconomic, is that it would mollify our OECD allies and the OPEC producers, who have insisted that the United States eliminate the subsidy that crude oil regulation provides for domestic energy consumption. Both of these organizations view adoption of the world price, with or without a tax scheme similar to the Crude Oil Equalization Tax (COET), as a test of whether the United States is willing to address the energy problem.

On the other hand, decontrol poses economic costs. Price increases, whether sudden or gradual, for domestic oil accelerate inflation, slow economic activity, and create unemployment. Moreover, these price increases worsen income distribution by placing a new burden on low-income households, and by transferring a windfall gain from consumers to producers through higher prices for oil that could be produced at regulated prices, as in the past. This windfall can be addressed through excess profit or severance taxes, and the burden of higher prices on low-income households could be offset, in full or in part by the rebating of the resulting revenues.

Our initial estimates of oil decontrol can be summarized as follows:

Decontrol of crude oil demand, whether phased or immediate, would induce a reduction in demand of about 300,000 barrels a day by 1985.

Decontrol would produce an increase in domestic production of about 200,000 barrels a day by 1982, and perhaps less by 1985. The combined effect of this supply response and the induced conservation cited would appear to be about 500,000 barrels a day, reducing imports in 1985 by about 5 percent.

As compared with the 10 percent a year price increases allowed under current law, immediate decontrol would result in a pre-tax transfer of $7.2 billion in 1979, $14.4 billion in 1980, and $10.7 billion in 1981, for a total of about $32 billion for the 28-month period between May 1979 and September 1981. If decontrol were phased, the pre-tax transfer would be $1.1 billion in 1979, $6.6 billion in 1980, and $8.6 billion in 1981, for a total pre-tax transfer of about $16 billion over the 28-month period. (All figures are in current dollars.)

Preliminary estimates of the effects of immediate decontrol of crude oil indicate that the rate of inflation would be higher by 0.2 to 0.3 percentage point in 1979 and by 0.4 to 0.5 percentage point in 1980; the rate of increase would subside to 0 or 0.1 percentage point in 1981 and 1982. By 1982, real GNP would be depressed by $6 to $9 billion, with roughly 0.2 percent higher rate of unemployment. Phased decontrol would result in a delayed inflationary impact, with an increase of about 0.1 percentage point in 1979, 0.3 to 0.4 percentage point during 1980 and 1981, and only 0.1 percentage point or less in 1982. In both cases, the level of prices would be 0.6 to 1.0 percent higher by the end of 1982. By contrast, phased decontrol would depress real output only $4 to $6 billion by 1982, with an unemployment rate about 0.1 percentage point lower than in the immediate decontrol case.

In the mid-1980s, the economy would recover from the effects of decontrol, although the recovery would be somewhat delayed in the case of phased decontrol. Part of the impetus for this recovery could come through the spending of the windfall profits, which would lead to more investment and improved productivity growth.

For the purposes of this analysis, the following cases were constructed and assumptions made.

Current Policy. An average refiner's acquisition cost of domestic crude of $10.50 a barrel was assumed for 1978, based on extrapolation of the existing data for that year. This figure was inflated by 10 percent a year until 1985, reflecting the statutory limit in crude wellhead price increases (as allowed under the Energy Policy and Conservation Act of 1975), and in anticipation of increases in transportation charges. The projected average refiner's acquisition costs of all crude for 1979–1985 under the current policy, phased decontrol, and immediate decontrol are presented in Table 1. Production and import projections for the current policy case are presented in Table 2.

Phased Decontrol. Starting in the third quarter of 1979, the average domestic crude wellhead price is increased by a schedule that brings the refiner's acquisition cost of domestic oil to that of imports by the fourth quarter of 1981. The price of imported oil is taken from the price of Saudi Arabian light oil (the so-called "marker barrel"), which is scheduled to rise from $12.70 a barrel to $14.54 by the end of 1979 and is projected to increase with the rate of inflation (7 percent) thereafter. To this price, a transportation charge of about $2.00 a barrel (rising to about $3.00 a barrel by the end of 1985) is added to calculate refiner's acquisition cost. By the end of the phase-in (1981: 4), the acquisition cost of both domestic and foreign oil will be $18.96 a barrel.

Immediate Decontrol. By the third quarter of 1979, all controls on domestic crude are removed, thereby allowing the refiner's acquisition cost of domestic crude oil to rise to the level of foreign crude ($16.19 a barrel). Thereafter, oil prices are projected to increase with the rate of inflation (7 percent).

For the policies, it was assumed that the refiners fully pass through the crude oil price increases. For a variety of reasons, many analysts believe the actual passthrough would be somewhat less than 100 percent. The Administration, for example, has generally assumed that, if domestic crude oil prices were allowed to rise to world levels, only two-thirds of the price increase would be passed through to consumers. Since the initial inflationary impact of each policy option is approximately proportional to the amount of passthrough, if a two-thirds passthrough is assumed, the initial inflationary impact would be forecast to be about two-thirds of that presented here.

For all the policies, it was also assumed that no changes occurred in the prices of other fuels, such as coal or natural gas. To the extent that some increases in the price of these fuels might occur, the estimates of inflation and lost output might be slightly underestimated.

IMPACT OF DECONTROL ON THE DOMESTIC OIL MARKET

Higher crude oil prices would, to a limited extent, reduce oil imports by reducing demand for oil and inducing additional supplies. Combined, these demand and supply responses would eliminate a possible 500,000 barrels of imports a day by 1985, with most of this cutback coming from reductions in demand.

CBO's preliminary estimate of the conservation effect of decontrol is approximately 300,000 barrels a day—slightly less if decontrol is phased, more if immediate. These estimates are based on a medium-term elasticity of demand for all petroleum products of 0.20–0.25. Such a figure is supported by available evidence; industrial use of energy appears to be sensitive to price, and the most price insensitive of petroleum uses—for home heating and automotive gasoline—is estimated to have an elasticity of about 0.1 over this five- to seven-year term. This latter figure must be considered a floor for the elasticity of all crude oil uses.

Other factors, of course, will affect demand for crude. First among these is real income and GNP growth, which motivate most energy demand. The price and availability of alternative fuels (notably, natural gas) for industrial, commercial, and space heating uses will also determine final demand for oil.

CBO estimates that the effect of decontrol on supply from old wells will be limited to 200,000 barrels a day at its peak, which should begin within two years of decontrol. Currently, old wells are assigned a base production control level (BPCL) according to their historical production rates. Up to the level indicated by the BPCL, all production from old wells receives a "lower tier" price. Production in excess of the BPCL is considered "upper tier." The BPCL is allowed to decline slowly over time, partially reflecting average rates of decline in production of oil wells if no new investments were made. Some incentives, therefore, already exist for increased production from old wells. Some wells may not, however, be able to produce their BPCL allotment without costly pressure maintenance or additional in-fill drilling, and therefore they may not be producing at a maximum. This type of well will be especially responsive to higher prices. An initial estimate of the amount of new oil that would be produced from old wells under decontrol is 200,000 barrels a day.

Two other possible sources of new supply exist. The first is new fields. At this moment, a new well would receive the upper tier price of $12.50 a barrel. Within two months, the Department of Energy (DOE) is expected to announce creation of a "new-new tier" that would allow oil produced from qualifying new wells drilled after January 1, 1979, to receive the world price. Depending on the definition of "new new" oil, this action would effectively decontrol qualifying new production. If DOE carries this out, then decontrol of all oil would not appreciably affect the development of new fields.

The second possible source is "nonconventional" oil, which includes shale oil, coal liquefaction, synfuels production, and tertiary recovery. At present, tertiary projects can qualify for decontrolled price treatment, and even under total decontrol shale oil and coal-based synfuels would not be economic in today's markets.

MACROECONOMIC IMPACT OF CRUDE OIL DECONTROL

In the near term, decontrol of domestic crude oil would create economic losses by escalating inflation and reducing real output. CBO's preliminary estimates of these effects are shown in Table 3. While the pattern of the impact on the rate of inflation differs between the immediate and phased decontrol cases, the cumulative impact on the level of prices is similar, with the level of consumer prices increasing by 0.6 to 1.0 percent by the end of 1982. Although immediate decontrol leads to a more severe near-term impact on real economic output than does the phased decontrol, the economy recovers more slowly under the latter decontrol plan.

Under either decontrol plan, the state of the economy in the longer run will be strongly influenced by economic policy. If monetary policy is accommodative and the money stock is increased, inflation should stabilize with a higher level of prices. On the other hand, if monetary policy is restrictive, interest rates would be expected to rise with a negative effect on the rate of growth of real output. If the fiscal policy choice is to tax away and rebate the windfall profits, the major long-run impact on the economy will come through the change in the relative price of oil. If the windfall profits are not taxed, then a shift toward greater investment growth might be expected, accompanied by some long-term improvement in productivity trends.

As compared with the currently allowed price increases of 10 percent a year, immediate decontrol would result in a pre-tax transfer of about $32 billion from consumers to producers between now and September 1981. If decontrol were phased, the pre-tax transfer would be about $16 billion. The disposition of these reserves will have an important influence of the macroeconomic impact of decontrol. It is unclear how much of the windfall will be allocated to oil exploration and production. Such expenditures would virtually have to double to absorb the full $14.4 billion pre-tax windfall created by immediate decontrol in 1980. A variety of constraints, among them a shortage of drilling equipment, would most certainly inhibit such rapid growth.

We would, of course, be glad to respond to any questions you may have.

With best wishes.

Sincerely yours,

ALICE M. RIVLIN,
Director.

TABLE 1.—AVERAGE U.S. REFINER'S ACQUISITION COST OF CRUDE OIL UNDER DIFFERENT PRICE CONTROL SCENARIOS

[Nominal dollars per barrel]

Year	Current policy	Phased decontrol	Immediate decontrol
1979	13.78	13.96	14.91
1980	15.06	16.09	17.30
1981	16.33	18.18	18.50
1982	17.71	19.78	19.78
1983	19.24	21.14	21.14
1984	20.85	22.60	22.60
1985	22.60	24.14	24.14

TABLE 2.—U.S. CONSUMPTION OF DOMESTIC AND IMPORTED OIL AND OIL PRODUCTS UNDER PRESENT POLICY

[In millions of barrels per day]

Year	Total U.S. consumption	Domestic production	Imports
1978	16.7	8.7	8.0
1979	17.1	8.6	8.5
1980	17.5	8.6	8.9
1981	18.0	8.6	9.4
1982	18.4	8.5	9.9
1983	18.9	8.5	10.4
1984	19.4	8.5	10.9
1985	19.9	8.3	11.6

Note: Natural gas liquids excluded.

TABLE 3.—MACROECONOMIC EFFECTS OF CRUDE OIL DECONTROL

Economic variable	Immediate decontrol				Phased decontrol			
	1979	1980	1981	1982	1979	1980	1981	1982
CPI (percent change)	+0.2-+0.3	+0.4-+0.5	0-+0.1	+0-0.1	0--0.1	+0.3-+0.4	+0.3-+0.4	0-+0.1
Real GNP (billions of dollars)	-1--2	-4--6	-5--7	-6--9	0--1	0--2	-2--4	-4--6
Unemployment rate (percent change)	0	+.1-+.2	+.1-+.2	+.1-+.3	0	0-+.1	0-+.1	+.1-+.2

E. E. CALLAWAY, PROMINENT FLORIDIAN, HONORED AT 90

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. FUQUA. Mr. Speaker, for a long time now, I have had the honor and pleasure of knowing a most remarkable man. E. E. Callaway of Bristol, Fla., has accomplished a great deal in his lifetime and, at the age of 90, he is still going strong.

Recently, the Liberty County Bell paid homage to Mr. Callaway as he celebrated his 90th birthday on February 23 and I would like to include in the RECORD the text of their comments which, along with accompanying vintage photographs, filled an entire page of the newspaper:

E. E. CALLAWAY 90 ON FEBRUARY 23

(By D. Ross Thompson)

A pictorial biography saluting E. E. Callaway, at 90, recounting his life as an author, minister, attorney, political philosopher, theological historian, gubernatorial candidate and humanitarian.

Elvy E. Callaway began his career as a teacher at the age of 16 in his native state of Alabama. He earned the money to attend college as a fur trapper, farmhand and general laborer.

After college, Callaway branched into law, learning his trade as an apprentice in a law firm that took quick notice of the young man's abilities.

After serving as Mississippi's general counsel to the state Railroad Board, E. E. suffered tuberculosis and moved to Lakeland, Florida. At that time T. B. was considered "a pronouncement of death." Callaway, however, "miraculously recovered" and became one of the state's first serious Republican candidates for governor.

Callaway moved to the Bristol-Blountstown area in the late 1940's. He once owned the old Colonial Hotel in Blountstown.

Callaway has always been a lover of animals, especially dogs. Visitors to his residence on Highway 20 East are carefully inspected by his constant guardian "Hotshot". An earlier pet was once a victim of an accident which crushed its back and legs. It lived and got around for years with the aid of a special wheelchair designed and built by the inventive Callaway.

E. E.'s father, a Baptist minister, had not wanted Callaway to become a lawyer, because of the human misery he believed caused by that profession. So Callaway became both a lawyer and an ordained minister. But he is best noted for his teleological discovery of the Garden of Eden, the reason he moved to Bristol. Through matching the geographical location of the Apalachicola's "four-headed river system" and the Flora and Fauna of the area with the descriptions of creation in Genesis, E. E. believed he had found the site of the original Garden of Eden, a theory once scoffed at by both the scientific and religious communities. But as time goes by, and as parallel discoveries, such as the Shroud of Turin crop up, both camps have begun to take serious look at the possibility that E. E.'s adopted hometown may have indeed been "the place where it all began," before that great flood.

Over the years, E. E. Callaway has been the author of a number of scholarly texts (The Other Side of The South, and In The Beginning, etc.). He has been the subject of hundreds of newspaper and magazine stories. Throughout it all, he has rejected a life of gross commercialism, preferring to serve God with humility and his fellow man with a constantly helping hand.

His life is a monument to the best aspects of Americanism, and it is with pride that we say "Happy Birthday, Mr. Callaway."

—"And the Lord God took the man, and put him into the Garden of Eden, to dress it and to keep it."—Genesis 2: 15.●

ARREST OF U.N. PEACEKEEPING SOLDIER

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. HAMILTON. Mr. Speaker, I recently had correspondence with the Department of State about the arrest of a soldier in a United Nations peacekeeping venture in Lebanon who was caught trying to transfer arms and explosives in Israel.

It is regrettable that such an incident occurred. Unfortunately, this event will not help increase the trust and confidence among the peoples of the Middle East for UN peacekeeping forces. It is hoped that the United Nations moves swiftly to help insure that such an incident does not reoccur and that the gravity of it is understood by all parties.

My correspondence with the State Department follows:

FEBRUARY 26, 1979.

Hon. CYRUS VANCE,
Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: I would like to inquire about published reports from Israel that a Senegalese soldier in the U.N. Peacekeeping Contingent in Lebanon (UNIFIL) was caught trying to transfer explosives and detonators from Lebanon to someplace in Israel or the Occupied Territories.

I would like to know the accuracy of this story, what the United Nations is doing about it and what actions the United States is taking.

I would appreciate an early reply to this letter.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

DEPARTMENT OF STATE,
Washington, D.C., March 15, 1979.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives.

DEAR MR. CHAIRMAN: The Secretary has asked me to reply to your letter of February 26 concerning the arrest of a Senegalese soldier of the UN Interim Force in Lebanon (UNIFIL) on charges of transferring explosives and detonators to terrorists.

Our understanding is that the story is accurate. Israeli officials charge that the soldier in question was arrested after transferring explosives and other dangerous materials. His trial is pending.

The UN does not have a status-of-forces agreement with UNIFIL because UNIFIL is not stationed on Israeli territory. Nevertheless, the UN has sought the release of this soldier on the promise by Senegal that, if guilty, he would be prosecuted and punished as appropriate by Senegalese authorities. Charges have been filed in Haifa District Court against this soldier and the Israeli Defense Forces intend to supply details of the evidence against him and a full copy of the charge sheets to the United Nations shortly.

The United States Government has not intervened in this matter which, at this stage, concerns Israel, the UN and Senegal. We are, however, watching the case closely, because of its relationship both to the Middle East situation and for the future operations of the United Nations peacekeeping forces.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

THE SECOND ANNIVERSARY OF ANATOLY SHCHARANSKY'S ARREST MARCH 19, 1979

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1979

● Mr. DODD. Mr. Speaker, last year at this time I rose to commemorate the first anniversary of the arrest and imprisonment of Anatoly Shcharansky, the Soviet Jewish refusenik whose persistent advocacy of human rights causes led to his conviction of treason on patently falsified charges last July. Now, Anatoly is serving a 13-year prison sentence despite President Carter's outspoken denial of any relationship between the CIA and Shcharansky and repeated efforts by Members of Congress, human rights organizations, and private citizens to secure his release.

Anatoly Shcharansky's imprisonment is a testament to his commitment to the principles of freedom upon which our country was founded. As a member of a Moscow group that monitored Soviet compliance with the Helsinki accord, Shcharansky outspokenly called attention to repeated human rights violations by the Soviet Union. Such freedom of speech is not tolerated for long in the Soviet Union and Shcharansky was continually harassed, beaten, and jailed. Avital, his wife of 1 day, emigrated to Israel in the hope that he would soon follow her but, instead, she watched from afar as her husband was tried and sentenced in a kangaroo court that did not countenance a defense for its victim.

Twenty-one other monitors of the Helsinki ageements, other "prisoners of conscience," were sentenced to long-term incarceration without any hope of appeal. Their convictions are bitter and constant reminders that the universal declaration of rights contained in the Helsinki accord is nothing more than a scrap of paper without meaning to the Soviets who signed the pact in 1973. The Soviet Union has continued its blatant pattern of human rights abuses, thinking that the United States will not challenge the U.S.S.R.'s appalling acts of repression.

We, in America, are not constrained from speaking out against prejudice and injustice, and we must show that the courage and perseverance of men like Shcharansky will not go unnoticed, will not be lightly dismissed, and will never be forgotten.

March 15 is a day of commemoration for a man who said to his judges and accusers that he "never compromised his soul, even under the threat of death." Imprisoned under conditions that could best be described as a living hell, without benefit of any communication with those he loves, Shcharansky still lives in the shadow of death. The Soviets think that his voice has been stilled, but his wife comes before us in her love and dedication to Anatoly to keep his faith and his commitment to the truth alive.

It is up to all of us in Congress, in the administration, and in every town and city in this country to see that "next year in Jerusalem" will come for Avital and Anatoly. Our sympathy, our rhetoric, and our moral outrage are insufficient in the face of the reality of the harsh conditions of a Soviet prison camp.

We must be guided by Anatoly Shcharansky's dedication to his quest for freedom for his fellow refuseniks. The Helsinki accord was once heralded as the cornerstone for world recognition of the fundamental rights of all men and women. Now, the accord is being undermined by the Soviet Union's arrogant and unyielding attitude that flaunts their contempt for the provisions of the agreement.

We must not allow the Helsinki Final Act to fail in its purpose. We must not allow article 13 to be used as a weapon of victimization, with Shcharansky and his fellow dissidents as its martyrs. The time has come when the principles of the Helsinki agreements should be reasserted to insure that the cosigner nations uphold their commitment to the accord.

In 1975 I met Anatoly Shcharansky in Moscow, and I shook hands with a courageous freedom fighter. Today I say to Avital and Anatoly that I and my colleagues will continue to speak out against oppression, against a government that disregards simple justice for its people, and for the dignity of men and women who will not let freedom die, so that I may shake the hand of Anatoly as a free man in Jerusalem.●

THE ALLIES WE ABANDONED IN LAOS ARE STILL FIGHTING AND DYING

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. McHUGH. Mr. Speaker, I have recently written to the Secretary of State and the Attorney General expressing my concern that insufficient attention is being paid to the plight of the hill tribesmen of Laos, the Hmongs, to whom the United States has a special obligation.

At the present time, there are over 50,000 Hmongs languishing in refugee camps in Thailand, which is almost one quarter of all Indochinese refugees scattered throughout Southeast Asia. In addition, approximately 2,500 Hmongs are fleeing Laos each month.

The Hmongs are leaving Laos because a campaign of terror is being waged against them by Vietnamese and Laotian military forces. In a recent report, the Citizens Commission on Indochinese Refugees indicated that "there is substantial evidence of attempts to obliterate the hill people by Laotian and Vietnamese ground and air forces." That report, and later testimony, also indicate that there is reason to believe that Vietnamese and Laotian forces are using toxic chemicals and gases, as well as napalm, against the Hmongs, a fact that was confirmed by the television show "60 Minutes" in a recent broadcast.

One of the primary reasons for this campaign of terror is that the Hmongs fought bravely and valiantly for the United States throughout our involvement in Southeast Asia, sustaining enormous casualties relative to the size of their population. The Hmongs played an important role in our long effort to frustrate the plans of the North Vietnamese and the Pathet Lao.

In spite of their extraordinary sacrifices on our behalf, the United States has been slow to respond to the plight. I am encouraged by the fact that representatives of the State Department have now assured me of their intention to raise this issue with the United Nations Human Rights Commission. I hope that the Commission will consider the plight of the Hmongs in a fair and objective manner, and that international pressure will lead the North Vietnamese and the Laotians to reconsider their policies.

However, the United States must also take additional steps. When the current parole expires in April, our Government will have admitted approximately 223,000 Indochinese refugees since 1975. Only 17,000 of those admitted have been Hmongs. We need to do better by these people.

At the present time, the Justice Department is considering extending the parole through September 30. However, I have been told that, at the maximum, only 4,000 of the 35,000 refugees to be admitted would be Hmongs. That comes to an average of 800 per month. As I mentioned previously, 2,500 Hmongs are presently leaving Laos each month according to State Department officials, and over 50,000 are already in Thailand. Thus, the extension will not even allow us to keep pace with the outflow from Laos, let alone cut into the backlog in Thailand.

The low admission quotas that have been allocated to the Hmongs certainly do not represent a generous response to their efforts on our behalf. For example, although almost 1 of every 4 Indochinese refugees is a Hmong, only 1 of every 9 to be admitted under the temporary extension of the parole would be a Hmong.

Moreover, it appears that we have adopted a narrow interpretation of our admission criteria in an effort to effectively limit entry by the Hmongs. Apparently, this is designed to deny the hidden and pervasive role played by the Central Intelligence Agency in the "secret" war in Laos, and to respond to the racial sensitivities of certain governments in that region of the world.

Clearly, any extension of the parole poses difficult choices. I am sympathetic to the plight of the boat people and other land refugees, and we should certainly do all that we can to help them. However, few of these refugees have as special a claim on the generosity of the United States as the Hmongs. While other refugees are trying to escape social, economic, and political conditions which they understandably regard as intolerable, their lives are not typically in as immediate jeopardy as the Hmongs.

Mr. Speaker, the Hmongs have generally adapted well to life in the United States. They are an independent people, hard workers, and do not have unreasonably high expectations. They deserve better treatment than they have received from our Nation.●

STRIFE IN NORTHERN IRELAND

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. WOLFF. Mr. Speaker, I would like to call to the attention of my colleagues the commentary by the noteworthy columnist, Pete Hamill, that appeared in the Friday, March 16, edition of the New York Daily News on the continuing strife in Northern Ireland.

Without the IRA, It's Not a Shamrock—Its a Sham

(By Pete Hamill)

The politicians will rub their bellies in the safety of the reviewing stands on Fifth Ave. tomorrow. They will wear green ties and green carnations; there will be a lot of "begorra" and "Erin go bragh"; they will nod approvingly at the drum majorettes and applaud the passing drums and trumphets. But, as they stand with the usual undignified assortment of dignitaries, they will not catch even a glimpse of the best Irishmen and women of this generation.

The best Irishmen and women of this generation are in Belfast and Derry and all the dangerous places in between. They are hiding in safe houses around the Falls Road. They are moving along the night roads outside Newry. They are on the run in Strabane. They are in the Woman's Prison in Armagh. They are in the British concentration camp at Long Kesh. They have been betrayed by informers, dismissed as murderers and fools, branded "Marxist killers" by their inferiors; and still they fight on.

I mean, of course, the members of the Irish Republican Army, and specifically its Provisional wing. They have been actively fighting in the North of Ireland since August 1969, when the murder gangs of the Orange Order invaded Bombay St. in Belfast, killed six Irishmen for the terrible offense of being Catholic, and left the homes of others in flames. That night in Belfast, there was no IRA; the ranks had been thinned to fewer than a hundred aging men; they had almost no guns. But when the fires of Bombay St. finally died in the Belfast drizzle, the provisional IRA had been born. It would not talk. It would not debate. It would not send letters to newspapers or petition the United Nations or seek the sympathies of British or American liberals. The Provisional IRA said it would fight. It fights on.

"This might be the last chance we'll have to make the 32-county Republic," one of the Provisional leaders said to me, one night in the Bogside, that terrible slum at the foot of the walls of Derry. "We were England's first colony. We're still her last. We'll have to fight this one to the very end."

And so there will be no contingent of Provos marching in the St. Patrick's Day Parade tomorrow. Many of them are dead: shot in ambush, killed in battle with the British army, blown apart in bungled bombings, or, like Maire Drumm, murdered in their hospital beds. A lot of them are in the cells of the Maze Prison, refusing to wear the uniforms of common criminals, insisting on treatment as prisoners of war; some are on the run; some have given up, sick of the fear and the running and the endless violence the rest are still fighting. People who fight guerrilla wars have no time for parades.

And even if they did, the Provos would not be invited to walk the streets of New York. To some Irish-Americans they are an embarrassment: reminders of a tangled bloody past, long left behind. They have been condemned by Ted Kennedy, Tip O'Neill, Pat Moynihan and Hugh Carey; their American supporters have been told that they are contributing to brutal outrages. There is no Irish equivalent of the United Jewish Appeal: nobody sells IRA bonds, or fills Madison Square Garden as New Yorkers once did in support of the Haganah. The Provos fight alone, condemned as the Irgun was condemned, as fanatics, zealots or murderers.

There are many Irish-Americans—and others—who believe the line that what is happening in the North is more sectarian strife: Catholic against Protestant. Anyone who has spent time there knows that this is only marginally true. The heart of the matter is economic: in the North, 95% of the land is owned by 3% of the people; at every moment over the past 200 years when Catholic and Protestant had begun to join hands in unity, they were split by that agent or the ruling class called the Orange Order. If people can be taught to fear or hate each other on religious grounds, they will not form trade unions, they will not unify against common poverty, they will not battle injustice.

"If the British Army were to attack the Protestant population, the Provisional IRA would unquestionably attack the British Army," a Provo leader named Iver Bell once told writer Michael O'Sullivan. "The Provisional IRA is not a sectarian force. It goes to the defense of fellow Irishmen, regardless of their religious beliefs. We want unity with the Northern population. Had we had it, there would have been no need for this prolonged guerrilla warfare."

Bell compared the Provo tactics and intentions with Jewish resistance to the British after World War II: "They also had a divided community—Arab and Jew as opposed to Unionist and Nationalist. The other parallel is that the Jewish resistance movement was itself divided between the Haganah and the Stern Gang, the more militant group. You had a mandate from the British government to govern in what was known as Palestine. The British Army divided Arab against Jew. The Arabs were used to intimidate the Jews . . . Propaganda was directed at the Arab population telling them that if the Jews had their way, they would be liquidated, annihilated, wiped out. They were supposed to believe that the Jews were going to start eating their children. You have exactly the same situation here."

Yes, there have been sectarian killings, on both sides. Yes, there are a few Provos who could be dubbed "rosary bead revolutionaries," fighting for an Ireland that is exclusively Catholic. But the great majority of the IRA are Irish before anything else; they want a 32-county Ireland, united for the first time since the arrival of Strongbow and the Normans in the 12th century. They want a country where every citizen is free to practice his or her religion, or to have none at all. They want a country that is economically just. Some are socialists; some are capitalists; all are nationalists.

Clearly it's time for the American government to bring pressure on the Dublin and London governments to end this oldest running armed conflct. Egypt and Israel will sign a peace treaty; Vietnam is behind us; the British have left Aden, Cyprus, Kenya, Ghana, India and other colonies, and were beaten out of the United States two centuries ago. It is absurd that the working class of Belfast and Derry must continue to shoot the working class of Liverpool and Leeds. It's time to have all parties—Dublin, London, the IRA, the leaders of the Unionist Party, and the Protestant paramilitary groups—sit down at a conference table and settle it at last.

On May 10, Rep. Mario Biaggi will hold a Peace Forum in Washington, under the auspices of the Ad Hoc Committee on Ireland, which includes 122 American congressmen. All parties to the conflict will be invited; if they are sensible human beings, all will attend, and perhaps the talking can begin.

Until then, we will be saddled with the pain of history, pain that so seldom finds its way into the St. Patrick's Day Parade, or the inane talk of leprechauns and colleens that goes with it. The pain, the hope, the defiance of the Irish were perhaps best expressed by the poet Padraig Pearse, one of the leaders of the 1916 rising, who was later executed by the British:

Life springs from death: and from
the graves of patriot men and women
spring living nations.
The Defenders of this Realm
have worked in secret and in the open.
They think that they have pacified Ireland.
They think that they have purchased half of us
and intimidated the other half.
They think that they have forseen everything,
think that they have provided against everything;
but the fools, the fools, the fools!
—they have left us our Fenian dead,
and while Ireland holds these graves,
Ireland unfree shall never be at peace.●

WHAT NELSON ROCKEFELLER MIGHT HAVE ACCOMPLISHED

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. WYDLER. Mr. Speaker, much has been written and said about the late Vice President Nelson Rockefeller. I would like to add to those tributes an article which recently appeared in the News-Record of Maplewood, N.J., by Frederick H. Sontag. Among others, Mr. Sontag worked for Congressman Thomas Curtis and Congressman Fred Schwengel and is now residing in South Orange, N.J.

The article follows:

WHAT ROCKEFELLER MIGHT HAVE ACCOMPLISHED

(By Frederick H. Sontag)

Had he lived, Nelson Rockefeller could have had a profound effect on our national life in the decade ahead.

I was always convinced that once he finished his five art books and related projects, the President, the country, and his own dynamic activism would have returned Nelson Rockefeller to public service.

Consider the following issues facing the country, and how a person of his rather unique capacities might have addressed himself to them:

In the current world financial crisis, with the dollar under more severe attack than ever before, Nelson Rockefeller could have become another Bernard Baruch, the "wise man" of the 1980's. With his clout and his wide range of acquaintanceships in the areas of management, labor, and the private and public sectors, he could have helped recruit the bright, gutsy people who are going to have to try to pull us out of this country's recession, which could develop into a depression.

"Nelson Rockefeller" was much more of a household word that "Alfred Kahn," and he, more than the latter, could have become recognized as the nation's "inflation fighter."

Having been entrusted with foreign policy responsibilities in administrations since that of President Roosevelt's, Nelson Rockefeller knew more about this issue, and the threat of Communism, than many in positions of authority today.

He understood that an effective rebuilding of our intelligence system would not be helped by knocking the CIA or the FBI. He was as aware of the need to prevent another Iran-intelligence gap as anyone, and was more concerned than most about the world refugee problem.

Nelson Rockefeller was the nation's first Under Secretary of Health, Education and Welfare, in the Eisenhower Administration. He was a likely expert for any administration to call upon for firsthand knowledge and experience in the difficult work of restructuring the bureaucratic nightmare this department has become in recent years.

Rockefeller was equipped to deal with the complexity and political risks of government reorganization, an ongoing dream that a can-do executive like himself could have helped bring closer to reality.

Though Rockefeller officially bowed out of politics a couple of years ago, his influence was still felt. As recently as three weeks ago, the Republican town chairman of Ossining, N.Y. told us that he and his colleagues were arranging for Nelson Rockefeller to get Henry Kissinger to address the annual county fund raising dinner this month, which Kissinger did last week. The town chairman also said that they had considered Rockefeller's suggestion that they endorse Kissinger as a U.S. Senate candidate, but they decided against doing so.

(Professional politicians sometimes had difficulty pigeonholing "Rocky." For example, in 1978 he did not actively support Republican gubernatorial candidate Perry Duryea, and in many ways helped Democrat Governor Carey get re-elected.)

Strange though it may sound, not everyone envied Rocky his money. His former Seal Harbor, Maine, gardener remarked to the Washington Post reporter who was interviewing him last summer, ". . . I never wanted Nelson's money. Money gives people heart attacks. Let them have their money. I've got my health and enough to pay the bills. Besides, if it weren't for the rich, who would hire people like me?"

Admired by many, if not envied by all, it was the potential still ahead for the exuberant seventy-year old activist which made his abrupt departure from the scene such a jolt. Even in death he was a blockbuster.

IT WILL BE DONE: TO MAKE THE FUTURE, YOU MUST FIRST UNDERSTAND THE PAST

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

• Mr. DIXON. Mr. Speaker, recently, I had the opportunity to hear a speech written and given by Darryl Grayson, Jr., winner of the Los Angeles "Our Authors Study Club's Youth Oratorical Contest." It is my pleasure to share his remarks with you, as I believe they exemplify the understanding of our past and the great hope of the future by our young people today.

The speech follows:

IT WILL BE DONE

(By Darryl M. Grayson, Jr.)

Men of diplomacy, government, discoverers of a method of operating on the human heart, of synthesizing life-saving drugs. . . . From the very beginning of their sojourn in what became the United States of America, black men and women have achieved success in almost every field of endeavor. The names are familiar: Benjamin Bannekar, Jan Manzeliger, Garret Morgan, Charles Drew, Percy Julian. . . .

Success for such black heroes was measured not merely in terms of achievement of goals—achievement despite all the restrictions that slavery and racism imposed. The goals set, the struggle toward those goals, and those goals achieved by these and many other successful blacks are inspirational examples for the young black American who feels that he has reason to defer dreams, to lose faith, to give up hope of achievement.

The black men and women who have achieved success in business and industry, in the sciences and arts, in sports, entertainment, government. . . . These people, our black ancestors, had their beginnings in circumstances not very different from those of black youths of today; in some instances those circumstances were many times worse. It must be remembered that American racism is as old as the republic itself and that black poverty is not new. Thus all the famous blacks and their accomplishments represent yet another example of what a great people of courage and determination can achieve despite the formidable odds. And each represents, I believe, what millions of young black Americans must become if they are to demand, and win, what is rightfully theirs.

To make the future you must first understand the past. I believe Santayana was right when he said, "People who cannot remember the past are condemned to repeat it."

Contrary to widespread misinformation, the history of black Americans does not begin with their arrival in the new world on slave ships. It has its true beginning in remotest antiquity of their ancestral continent, Africa.

In the face of incontrovertible evidence, a growing number of scientists are beginning to conclude—however reluctantly—that while caucasoid man was living a relatively primitive existence; his dark-skinned counterpart in Africa was already solving mathematical problems, drawing and writing messages, building temples and homes of brick, growing crops, raising cattle, mining metals and fashioning them into useful objects, such as weapons, utensils, tools, ornaments, and objects of art. Moreover, Africa's excavated ruins of palaces, fortresses and temples tell us that during this early period, Africans organized social communities, then cities, states and, finally, empires with complex political structures, laws, and religious institutions.

The Africans were very much satisfied with their continent and their way of life. This is how they lived, and if that way of life for black people would have continued, then repeating it would have been a pleasure. But instead it became a life of tragedies and sufferings. For the white man took us away from the mother land and brought us to America to serve as his slaves. Now the story of the African-American, which is also the story of man, is a story of slavery, segregation, blood, cotton, roaches and rats, begins.

In this part of black history lies the victims, the long thick black line of victims, the casualties of wars for freedom which did not pay off in their own lives, the casualties of mobs and repressive legislation, the casualties of a sociopolitical process which condemns to death twice as many black babies as white babies and permits white men to live seven years longer than black men.

The victims are here, and so are the dreamers: the men and women, black and white, the Nat Turners and the John Browns and the Frederick Douglasses and the Harriet Tubmans, the Marshalls, the Kings, and the Malcolmns, all the men and women who repeatedly forced Americans to the high ground of principles enunciated, but not lived.

They are all here in this part of black history, the victims and the dreamers, the activists and the builders. And no one, I think, can read their story without gaining a new sense of the meaning and destiny of America. What emerges from this history is the image of a people with deep and inextricable roots in the soil of America. And that image tells us that the destiny of this land is tied up with the destiny of this people.

More than one hundred years ago, Fredrika Bremer, a European visitor, told white Americans, "The romance of your history is the fate of the Negro." Her words, today still remain true. For one hundred years now, we have evaded the implications of that truth, to the detriment of both blacks and whites. We tend to identify the American heritage with the Euro-American heritage, forgetting that America is an African as well as a European invention. African-American history is a radical reappraisal of a society from the standpoint of the men on the bottom. And this means that black people have experienced violation and exclusion as the truth of the American experience. Because of what they have been through, because of the irrefutable evidence of their scars, they are the creative negation of all the placid myths about American history. And if truth, as Jean-paul Satre noted, is the perspective of the truly disinherited, then the history of the black man is the truth or close to the truth of our reality.

Black history involved much suffering, hard struggling and brutalization. But black people strived for the freedom they wanted and which they knew they deserved. Ralph Ellison put it very well, saying: "Any group of people who could endure all that brutalization and keep together, who could undergo such dismemberment and resusciate itself, and endure until it could take the initiative in achieving its own freedom is obviously more than the sum of its brutalization.

The black people adhered to the statement made by one our adamant American forefathers, Patrick Henry who said, "Give me liberty or give me death." They fought and fought with a determination that could not be crushed. And, finally they did win their freedom. But it did not end there. To an extent we were still slaves. But they gave us a start and from there the next generation took over. Dr. Martin Luther King Jr., a man determined to have all men treated equally, kept up the fight for complete freedom. And now we, the young black people of today, have been left with that driving desire. And I urge each and everyone of you to strive for an astronomical position in today's society. We must keep up the fight. We have done it in the past, we are doing it now, and in the future it will be done.●

RUSSIAN ROLE IN AFGHANISTAN

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. WOLFF. Mr. Speaker, the tragic murder of the U.S. Ambassador to Afghanistan, the Honorable Adolph Dubs, was a profound shock to the Nation, and a deeply felt personal loss to those of us who were privileged to know and work with him.

"Spike" Dubs traveled with the Subcommittee on Asian and Pacific Affairs during a factfinding mission to Asia last year, and gained the respect and affection of us all. His wife, Mary Ann Dubs, accompanied the mission in her capacity as a State Department employee, and our mission's success was due in large part to their joint efforts on our behalf.

Mr. Speaker, the murder of Ambassador Dubs casts more than a personal shadow of tragedy, however.

Our Ambassador was murdered in the line of duty despite the attempts of his colleagues in Kabul to secure the cooperation of Afghan authorities. But, and I am sorry to have to make this point, evidence is now clear that Ambassador Dubs' murder took place in full view of advisers from the Soviet Union who likewise refused to cooperate with U.S. Embassy authorities in the crucial moments after the kidnaping, and in the hours which led up to the final, fatal assault.

I realize that the seriousness of this charge compels incontrovertible evidence. I am today offering for the Record a clear statement from the Department of State that such evidence exists. On March 9, 1979, the Honorable Douglas J. Bennett, Jr., Assistant Secretary of State for Congressional Relations, submitted the following letter:

Department of State,
Washington, D.C.

Hon. Lester L. Wolff,
Chairman, Subcommittee on Asian and Pacific Affairs, Committee on Foreign Affairs, House of Representatives.

Dear Mr. Chairman: Thank you for your February 23 letter requesting cables and an update regarding the incident which led to the death of Ambassador Dubs in Kabul on February 14.

With regard to Soviet involvement in this incident, I can advise you that we have eyewitness accounts from, among others, several of our Embassy officers in Kabul which indicate that at least four and possibly five Soviet advisers were present at the Kabul Hotel during the assault by Afghan security officers on the room in which Ambassador Dubs was being held by his captors. One of these was the security officer of the Soviet Embassy in Kabul.

We believe we have clear evidence that Soviet advisers were consulted and provided advice with respect to the actions taken at the Kabul Hotel, but the responsibility for those actions must rest with the Afghan Government. As you may already be aware, we have protested both to the Afghan Government and to the USSR regarding the handling of the events which led to Ambassador Dubs' death. We have, in addition, substantially reduced our economic assistance program in Afghanistan and terminated the planned U.S. military training for that country. These decisions were the result of an ongoing review of our relations with Afghanistan and took into account the circumstances surrounding the death of Ambassador Dubs.

We are still conducting our investigation into the death of Ambassador Dubs and are reviewing available information with a view to updating you as fully as possible as we obtain answers to various outstanding questions. May I suggest that you or a member of your staff get in touch with either Jane Coon, Country Director for Pakistan, Afghanistan and Bangladesh, or Ronald Lorton, Country Officer for Afghanistan, who can arrange a full briefing as desired.

Sincerely,
Douglas J. Bennet, Jr.
Assistant Secretary for Congressional Relations.

Mr. Speaker, the Subcommittee on Asian and Pacific Affairs has held a hearing and an executive session briefing on the situation in Afghanistan, and we have set up a special task force to continue to monitor the situation, and the investigation into Ambassador Dubs' murder.

Afghanistan, a poor and backward nation, is deserving of sympathy. Its people have not chosen their present government, and they have very little chance of freely expressing themselves.

But the repression of human freedoms in Afghanistan can now be seen to have led directly to Ambassador Dubs' murder, and for that reason, the United States has determined to reduce to a minimum its relations with that troubled land.

At our recent markup of the administration's economic and security assistance requests for Asia, the Subcommittee on Asian and Pacific Affairs approved the administration's decision to immediately terminate all U.S. military assistance to Afghanistan, including the unexpended portions of the fiscal year 1979 budget.

Only two minor AID programs to rural areas which have already been contracted for will be continued for fiscal year 1980, in hopes of better times.

Mr. Speaker, we all hope for better times in Afghanistan. The last monument Spike Dubs would want to his memory would be the permanent night of emnity to draw between our country and the people of Afghanistan.

But, under the present circumstances, there seems little option to the line of policy we are now pursuing.

At this point I would like to submit for the Record a copy of a Washington Post article of February 22, 1979, by Jim Hoagland, detailing further circumstances of Soviet involvement in the Ambassador's murder:

Soviet Role Alleged in Dubs' Death—State Department Cable Gives Details of Slaying in Kabul

(By Jim Hoagland)

"One Soviet adviser helped to arm an Afghan policeman. Two other Soviet police advisers and Bakhturin went out to the balcony. The tall, senior Soviet adviser then made hand signals from the balcony, presumably positioning the snipers across the street."

Then, according to a confidential State Department cable, Afghan police commandos poured heavy gunfire into the Kabul hotel room where U.S. Ambassador Adoph Dubs was being held hostage.

Horrified U.S. officials watched helplessly during the 40-second barrage, then burst into the shattered room to find Dubs dead.

Despite strong denials from the Afghanistan government that Soviet advisers were present at the assault on the hotel last week, the confidential 14-page cable, made available to The Washington Post says that at least three advisers played "operation roles" in the unsuccessful Afghan effort to rescue Dubs.

Written two hours after Dubs killing, and before controversy began to swirl around the Soviet role, the cable and the eyewitness accounts it contains underpin—the administration's publicly stated anger at the Soviet Union and Afghanistan over the death of the 58-year-old envoy.

Evidently concerned about Soviet and Afghan reaction, the State Department continues to withhold the cable, signed by Dub's deputy, J. Bruce Amstutz, from publication. Government sources, distressed by the Afghan denials and U.S. news accounts featuring the denials, made the cable available on the condition that they would not be identified.

Details disclosed or amplified by the reporting of U.S. embassy officials who arrived at the hotel and at the Afghan national police headquarters on Feb. 14, shortly after Dubs was abducted by four men, include:

Russian advisers gave hand signals that began and halted the gunfire. After the 40-second volley, Afghan "police snipers across the street continued to fire until two Soviet advisers gave hand signals to cut it off."

Taroun refused to talk to a U.S. Embassy official seated outside his office during and immediately after the siege, saying he was "too busy."

Two of the four terrorists who abducted Dubs were killed in the assault. U.S. officials saw a third gunman still alive being led away by police after the siege. The bodies of that man and a fourth "terrorist" were displayed at the morgue later in the day.

Afghan officials repeatedly refused to tell embassy officers that the assault was about to be launched in the minutes before it was ordered.

The story of Dubs' death in Room 117 of the drab, cavernous Kabul Hotel is being portrayed by the Afghan government as a regrettable but unavoidable response to terrorists who had given police 10 minutes to meet an impossible demand.

But State Department officials who have read the cable and supporting documentation from the embassy in Kabul say they believe that the key to the story may be the harsh anti-terrorist tactics the Soviets use at home and appear to teach abroad.

The bloody results that those no-negotiating tactics were to bring unfold in flat, almost laconic prose in the cable's chronology, which begins at 8:45 a.m. on Feb. 14 with Dubs' limousine being stopped in downtown Kabul by a man in a traffic police uniform.

Four armed men then forced their way into the car and made the chauffeur drive to the hotel. The chauffeur then was ordered to go back to the embassy with news of the kidnaping. U.S. officials arrived at the hotel by 9 a.m., about the same time Afghan police got there.

"At about 9:20, the first Soviet police adviser, a tall, balding man with a black overcoat, arrived on the scene and immediately went into consultations with the Afghan officials," the cable reports. Ten minutes later, "there was a small conference among the Americans, the Afghan police and the Soviet adviser."

The description of this conference and later conversations that directly involved the Americans, Afghans and Soviets sharply contradicts Afghan accounts that blame confusion on language and communication problems experienced by the three nationalities.

Moreover, at that conference, and for the next four hours the Americans were told that the kidnapers had not made a specific threat on Dubs' life or established a deadline, according to the cable.

Embassy political officer Bruce Flatin pleaded with the Afghans and the Soviets at the hotel not to take any "precipitious" action, and to wait for advice that the embassy had requested from Washington. As he finished speaking, "two Soviet plainclothesmen arrived on the scene, carrying several green canvas bags," the cable said.

At 10:15, Sergei Bakhturin, the Soviet embassy security officer, came to the hotel. He immediately assured the Americans of a strong Soviet interest in the ambassador's safety. One of the Afghan police officials, "promised to defend the ambassador with his own life," according to the cable.

At that point, the Americans were uncertain how many men were holding Dubs. They subsequently learned that one gunman had come downstairs to look for a key, and had been overpowered and captured in the hotel lobby.

The embassy also dispatched political officer James E. Taylor to the ministry of interior to see Taroun, the police commander. Arriving at 11:15, he repeatedly sent messages in to Taroun asking that no move be made that would endanger Dubs' life. But Taroun refused to see Taylor, and kept him waiting outside his office.

The first signs of preparations for an assault came at 11:20, when Afghan troops with commando badges began sealing off streets and setting up ladders against the side of the hotel in full view of those in Room 117. Astonished Americans "once again asked the Afghan police force for patience," and no assault materialized.

Bakhturin, emerges in the cable as the principal go-between. He told U.S. officers that the gunmen had demanded the return of their captured accomplice, a demand that was not met.

When the police asked Flatin to shout to Dubs to try to go to the bathroom or drop to the floor in 10 minutes, Flatin refused, recognizing that the Afghans were readying an assault. The police officer in charge "became very upset and insisted that he was under orders to strike immediately, "according to the cable."

It was shortly after noon at that point, and Bakhturin disclosed to Flatin for the first time that the police felt that a 1 p.m. deadline had been set by the kidnapers. The tragedy that was building becomes more visible in the cable's new tone if inevitability.

"Firemen with picks and axes arrived and joined the police. A photograph of the ambassador was displayed to all members of the security strike force. One of the commandos then asked, 'Is that the terrorist' He was told that it was the ambassador, whom he was to avoid shooting," the cable states.

The Afghan forces appeared to the Americans to be receiving orders over a radio set up in a small room off the hotel lobby. The cable suggests that Taroun was directing the assault by radio from his office.

At 12:45, "one specially armed and armored policeman lay prone on the floor before the door, pointing his weapon at the door. The Soviet advisers then stepped forward into operation roles," handing a weapon from a green canvas bag to one of the Afghan soldiers and positioning the snipers, the cable says.

"At exactly 12:50, very heavy gunfire broke out in the corridor, in the room and from across the street. Both single-shot and automatic weapons were heard.

"The entryway into the hotel room was a seven-foot-long hall whose air was filled with dense cordite smoke," the American group reported. They found Dubs' body beside a wardrobe. He had a single small caliber wound above the right eye and a large-caliber bullet wound in the heart area and had a wound in the left wrist.

The Americans hurriedly inspected the room for evidence, and took notes of the extensive damage. Three days later, when they returned for another inspection, they found that the room had been replastered and repainted, and that all traces of Adolph Dubs' killing had been erased.●

CARGO SECURITY: JOHN F. KENNEDY AIRPORT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. PICKLE. Mr. Speaker, recently I obtained a copy of a document prepared by people reviewing the cargo crime situation at John F. Kennedy Airport. The report makes some very strong charges, and goes back into history somewhat.

As best as I can tell by reading the document, it appears to be the work of congressional employees.

Mr. Speaker, the document is shocking enough to force action on a piece of legislation that I have introduced to do something about the cargo theft racket at our nation's docks and airports, H.R. 655. Right now Representatives EDWARD DERWINSKI of Illinois, RICHARD OTTINGER of New York, LARRY WINN of Kansas, SAM HALL of Texas, G. WILLIAM WHITEHURST of Virginia, HENRY HYDE of Illinois and LEO ZEFERETTI of New York are cosponsoring my bill.

I insert this report on crime at John F. Kennedy Airport in the CONGRESSIONAL RECORD:

JOHN F. KENNEDY AIRPORT

In order to obtain a full understanding of the conditions that currently prevail at John F. Kennedy Airport, it is necessary to review a series of happenings that have occurred during the past twenty to twenty-five years.

In the mid 1950's The Senate Select Committee on Improper Activities in the Labor Management Field was chartered by the upper house of the Congress, under the chairmanship of Senator John McClellan of Arkansas, with Robert F. Kennedy serving as Chief Counsel. The early investigations of this Committee revealed improper use of union funds on the part of Dave Beck, President of the International Brotherhood of Teamsters. It became apparent that there was sufficient evidence being assembled by Committee staff, for the U.S. Department of Justice to seek an indictment and prosecution of Beck.

At about the same time a New York organized crime figure of some stature, John Dioguardia (popularly called Johnny Dio) was active as the Regional Director of five or six small unions for which he had obtained charters from the United Auto Workers (AFL).[1]

These were local unions with boards of officers made up of Dio's criminal associates. The McClellan Committee on a 1958 interim report described them as follows: (P. 167)

"The locals thus chartered had a common denominator—their leadership was made up of men with lengthy and unsavory police records who had previously made their living in such rackets as bookmaking, narcotics and prostitution. A study of these UAW-AFL locals showed that Dio and those with whom he formed alliances brought 40 men into the labor movement in positions of trust and responsibility—men who, among them, had been arrested a total of 178 times and convicted on 77 of these occasions for crimes ranging from theft, violation of the Harrison Narcotics Act, extortion, conspiracy, bookmaking, use of stench bombs, felonious assault, robbery, possession of unregistered stills, burglary, violation of gun laws, being an accessory to murder, forgery, possession of stolen mail, and disorderly conduct."

Dio purported to be interested in organizing employees of cab companies, low skilled employees of auto car washes (a comparatively new phenomenon on the American scene) and employees in the service departments of automobile agencies.

Dio's role as a "labor leader" was highly suspect, there being sufficient reason to believe that he was primarily interested in extortion rather than the advancement of the American labor movement. He was criticized in the writings of Victor Riesel, nationally syndicated labor columnist. Shortly thereafter Riesel was blinded when an assailant threw acid into his face. Dio was named by one of the conspirators in this crime as the person who payed for the job. The inability to obtain corroboration of this charge made it impossible to try Dio, but several lesser lights among the conspirators went to prison on other charges. The actual assailant, Abraham Telvi, was murdered and the body stuffed into the trunk of an automobile which was abandoned close to New York City's police headquarters.

As the result of Dave Beck's legal problems (he was tried and convicted) James Riddle Hoffa began a campaign to be the successor long before the seat was officially vacant. Hoffa sought, and obtained, the voting power within the Teamsters union controlled by organized crime figures throughout the United States, and was successful in his election drive.

In the New York area this took the form of Dioguardia and his cohort of tough guys obtaining charters for seven locals in the International Brotherhood of Teamsters. They became known as the Paper Locals in that, initially, they existed on paper only, with little or no membership. Dio's men became the officers of these locals through the simple expediency of abandoning their positions in the United Auto Workers (AFL) locals and assuming similar positions in the Teamsters. The voting strength of these Paper Locals was critical to the success of a Hoffa pledged supporter becoming the leader of Joint Council No. 16 which is made up of Teamster locals throughout the southern part of New York State.

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[1] Not to be confused with Walter Reuther's United Auto Workers of the C.I.O.

"Little Harry" Davidoff, who had been in UAW local 649 made the switch with Dio and became first secretary-treasurer of local 258 of the Teamsters and then secretary-treasurer of Local 295, I.B.T. which became the union with jurisdiction in the air freight industry at Kennedy Airport. Davidoff has a criminal record dating back to 1933, including convictions for burglary, conspiracy to extort and gambling. He has also been arrested for felonious assault (knife), possession of a gun, grand larceny, robbery, extortion and vagrancy. Early in his criminal career he was linked by law enforcement officials with "Murder Inc.".[2]

Due to the rapid expansion of the air freight industry by 1966 Local 295 had a membership over 1200 workers.

Corallo too, became a Teamster officer. He gave up his position when Robert Kennedy turned on the heat. Kennedy proved that two stooges went on the payroll when Corallo went off, and that their combined salaries exactly matched his former pay.

Corallo was convicted in the early 1960's of having bribed Supreme Court Justice Keogh of Brooklyn and the Chief Assistant U.S. District Attorney in the Eastern District-N.Y.

He was subsequently convicted (circa 1967) of having bribed James Marcus, Mayor Lindsay's Water Commissioner. He was also convicted in another case with co-defendant Carmine DeSapio, former Democratic National Committeeman.

In December, 1967, the New York State Commission of Investigation conducted public hearings into air freight matters at Kennedy Airport. Their interest was described thusly:

"During 1966 the Commission received information from several sources which caused it to focus its attention on the air cargo industry in the metropolitan area of New York City.

"This information which at the time was unverified, indicated that various illegal activities were taking place in consequence of a relationship between an association of truck owners operating in the air freight industry and a teamster union local which had exclusive jurisdiction in the air freight industry. The particular area of this activity involved Kennedy International Airport."

The Commission described J.F.K. Airport.—4,900 acres leased from the City of New York by the Port Authority; 38,200 employed thereat by the Port Authority, airlines and related industries.[3]

Many thousands of other employees of service companies enter the airport daily.

Seventeen million passengers annually.

Parking for 10,000 autos.

A hotel, post office, bank and three religious chapels.

Cargo tonnage: 1967, 552,000; Esti. 1975, 1,785,000; Est. 1980, 2,500,000.

The Commission established that the truckmen's association had come under the control of John Masiello, another well identified organized crime figure. Masiello later (circa 1972) was convicted of fraud against the U.S. government, when he obtained Small Business Administration loans to build up a fleet of trucks and then bribed a post office official in order to obtain mail trucking contracts and overbilling on said contracts.

In 1974 Masiello performed an unprecedented and remarkable act. He volunteered to testify about a $12,000 bribe he had paid to Congressman Frank Brasco for help in obtaining the mail contracts. This resulted in the conviction of Congressman Brasco and caused a vacancy in the 11th District.

On October 20, 1978, having completed his federal sentence in the mail fraud case, Masiello was convicted on charges of Conspiracy to Transport Stolen Securities and sentenced, in Pittsburgh, Pa., to 5 years in federal prison.

On October 24, 1978, he was sentenced to 2 to 4 years for depositing worthless checks into, and drawing cash out of, an account he had opened in the National Bank of Westchester under the name of Anthony Masi.

With Masiello in charge of the truckmen's association and Harry Davidoff in charge of Local 295 I.B.T., the Commission described the airlines and the air freight industry as being "crushed between an anvil and a hammer."[4]

Trucking firms interested in doing air freight businesses with the airlines at J.F.K. were compelled by the teamster local to join the truckmen's association (and pay initiation fees and dues to its corrupt leadership) under threat of work stoppages. Any truckman seeking to become a member of the truckmen's association would be compelled by the Association to sign up its employees with Local 295 and pay dues to its corrupt leadership.

One of the key findings of the State Commission of Investigation, which relates to the core of the problem, was set forth on Page 63 of their final report—

"HIRING PROCEDURES

"Under the terms of its contract with Local 295, Emery Air Freight (then the major air freight company at Kennedy) was required to notify the union when it had a position available for a union member. (This was a standard clause in all Local 295 contracts). This was called an 'opening'.

"The union will be given an opportunity to refer a member in need of a job to the firm with the opening. What happened to this salutary system was that favoritism would creep in and only certain members would be referred to the better openings. It also gave the union an opportunity to place members in strategic locations.

"In the past Emery had been ordered by Davidoff to hire certain people. Emery, according to Mr. Granzow (Emery's Station Manager) instituted a system of checking these referrals from Davidoff for prior criminal records or a general security clearance. On more than one occasion, the union's referral failed to pass this background check. In spite of this failure, Emery was still required to hire the individual employee."

Another witness at the Commission hearings was Ralph F. Salerno described as a retired Supervisor of Detectives in the Central Investigation Bureau, N.Y.C. Police Department and an internationally recognized expert on organized crime.

From his testimony (P. 94 of Commission Report):—

"I would like to say in fairness to the chart and by way of complimenting the Commission, if I may, I have been associated with hearings and investigations of many kinds over the years and most of them are after the fact and are dealing with what has now become a hard core and entrenched problem. . . .

"In this particular hearing, and I think one the greatest values of this particular hearing is, that you have uncovered something at a stage where prevention is still a great possibility. You have pointed out sufficient areas for concern, but at a time when something can still be done about it."

Unfortunately, in the intervening 11 years this advantage has been lost! Today, at Kennedy Airport one is no longer discussing the possibility of prevention, but is dealing with a hard core entrenched problem.

Another key factor in crime matters at Kennedy relates to the terms of leases executed with the Port Authority. The lease assigns responsibility for providing security to the party renting the property. Therefor, the Port Authority Police (and all other law enforcement agencies for that matter) are relegated to the perimeter of the leased acreage. That means that law enforcement of all kind (against loansharking, bookmaking, etc.) is in the hands of the lessee unless they exercise the option of reporting the crime condition to the police and thus "call them in". The Commission found in 1967, and various District Attorneys of Queens County have found since, that there is an almost total absence of law enforcement action in these categories. The total effect becomes that John F. Kennedy International Airport is a "wide open" small city of more than 45,000 persons.

The principal recommendation of the State Commission of Investigation was:—

"It is therefore the feeling of this Commission that there should be established an Airport Commission, patterned after the New York Waterfront Commission, a seperate centralized body to exercise appropriate regulation of the air freight truck carriers, air freight men and other related personnel."

The legislation that resulted from this recommendation called for an expansion of the mandate of the New York-New Jersey Bi-state Waterfront Commission, which, like the Port Authority, is operated under a compact between the two states. The Waterfront Commission would have an Air Wing. The factor of critical import involved is that the Waterfront Commission screens, licenses and supervises most of the employees. There is unanimity agreement that in the theft of December 11, 1978, and in all major thefts and robberies at the airport, that success is had because of employee participation and complicity.

This proposal was opposed by many of the major airlines on the basis of:

1. Additional costs which would be imposed upon them. The Waterfront Commission costs are assessed against the shipping companies doing business in the Port of New York. The legislation requires the costs of the Air Wing to be paid by airlines in the air freight business.

2. Further bureaucratic interference in the business operations of the private sector.

3. The airlines described this move as unnecessary in that they held themselves to be ready, willing and able to effect the desired results with their own resources.

There was additional opposition from the leadership of the International Longshoremen's Association which not only objects to any expansion of mandate for the Waterfront

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[2] Dioguardia's efforts in support of Hoffa were supervised by Anthony "Ducks" Corallo, then Dio's superior in an organized crime group, and now listed by the U.S. Department of Justice as the leader of a crime "Family".

[3] By 1978 more than 45,000 persons are employed and all of the other figures have gone up commensurately.

[4] Masiello was succeeded in the leadership role of the truckmen's group by an associate Anthony "Hickey" DiLorenzo. DiLorenzo was subsequently convicted of federal crimes and imprisoned. Under our enlightened correctional policies he would be released from prison to go to his own dentist for treatment. On one such occasion he failed to return. He was a fugitive for a period of time and then was apprehended and returned to prison.

Commission but holds that its current functions should be reduced and/or abolished.

Nevertheless, the legislative bodies of both states enacted the required legislation and both governors signed the bills. Because the nature of the legislation related to interstate commerce matters is required that a Congressional resolution of approval be passed before the laws can be implemented. Successful lobbying has arrested further progress at that stage, and the Congressional approval has not been forthcoming.

The airlines, in the interim, sought to strengthen their position through the formation of the Airlines Security Council. Supported by some forty airlines, the services of a handful of former law enforcement officers were obtained to make security recommendations at the leased spaces at the airport. While it can be said that security systems and equipment have been greatly improved, the problem of significant thefts and robberies remains. The first Director of the Airlines Security Council was Joseph Sullivan, a highly regarded former Inspector of the Federal Bureau of Investigation and now security director for Japan Air Lines. In a 1974 discussion with the District Attorney of Queens County, he confirmed that the most important single factor in airport thefts is the participation and complicity of employees.

In 1975, the District Attorney's Office, Queens County, opened a limited capability branch office at the airport, in space rented at the Pan Am air cargo facility. This action was not encouraged and at least verbally opposed by those responsible for law enforcement and security at the airport. The first case was a "walk in", wherein the victim-complainant came in unsolicited. It was a loanshark case which was successfully concluded. Two important things were learned from this investigation:

1. The victim had little confidence in what was the regular law enforcement presence at the airport. He indicated that though he had come forward in desperation when he felt his life to be in jeopardy, he probably would not have gone to the authorities at the airport, nor would he have journeyed to the District Attorney's office at the court house.

2. The arrested loanshark had been in operation at the airport (in leased space rented by airlines) for more than eight years, entirely undetected and even unsuspected, by the many law enforcement agencies in the multiplicity of jurisdictions at the field.

The matter of thefts from airports[5] has been the subject of much study, with limited successful action to date. One study was conducted by a Senate committee in 1970 under the chairmanship of Senator Bible. In 1971 (and again in 1973) the Senate Permanent Subcommittee on Investigations looked into the theft of securities primarily while in mail shipment at Kennedy and other airports. The following is taken from the testimony before the Committee on June 9, 1971 by William J. Cotter, Chief Postal Inspector.

"It became evident by the early fall of 1967, through mail loss reports and other intelligence, that pouches containing registered mail were being singled out for theft at J. F. Kennedy International Airport, and subsequently at other airports around the country.

Although air carriers are responsible for the protection of mail in their custody, the survey disclosed an appalling lack of security at major fields.

To summarize, from 1967 to 1970, major criminal assaults were successfully made on mails during transit handling at certain major airports. A total of approximately $76 million in terms of securities, jewelry, travelers checks, and other valuables are reported by mailers as having been stolen. The major portion, over $71 million was in the form of securities."

Chief Cotter described one of the major figures arrested.

"On December 20, 1967, inspectors arrested Robert F. Cudak, a former Northwest Airlnes ramp employee at Kennedy Airport. It was established that Cudak had stolen the mail previously found in the possession of those arrested earlier, and had falsified his airline employment application, failing, among other things to record a prior criminal record consisting of two prison terms for larceny.

"At one major airport a screening of 3,000 employees revealed 250 with criminal records. That is one out of 12. These were air company employees, not Federal employees."

Mr. Cotter added that he felt the airlines were taking steps to improve the situation.

In May 1978, CBS–TV aired the program "Eye ON" with reporter Chris Borgen, which covered thefts at Kennedy Airport. Among the disclosures were:

Many thefts are reported as "Losses and Shortages."

While insurers frequently require individual citizens filing crime claims to include data indicating that the crime has been reported to the police, this is not a requirement in the air freight industry. Thus, the airlines are NOT required to certify to the insurer that there has been a report to the authorities.

Port Authority Police enter the leased spaces only "if requested."

Eighty percent of thefts are attributed to employee participation.

The New York City Police Department does not exercise direct jurisdiction at the airport.

It was the opinion of a Port Authority police captain that there was "no organized crime at the airport."

It was the opinion of a criminal informant, interviewed by Chris Borgen, and who admitted stealing about $46,000 worth of profit annually for his own gain, that "organized crime owned the airport."

An undercover operation by officers from District Attorney John Santucci's office had penetrated a fencing operation conducted at the offices of a trucking firm engaged by three airlines to handle passenger baggage. Evidence was uncovered indicating that there was more theft at Kennedy in three months than the airlines had reported for a period of one year.

D.A. Santucci expressed his conviction that the airlines and representatives of government agencies are involved in hiding the true picture of losses at Kennedy from public view.

Harry Davidoff, the former leader of Teamster Local 295, was tried in federal court some years ago for accepting unlawful payments from Carribbean Airlines, but was not convicted. He retired to Florida shortly thereafter, and now the union is led by his son, Mark. Mark Davidoff was arrested one year ago by the District Attorney's Office, Queens County, for extortion, when he threatened an air freight truck driver.

In December 1978, a member of Congressman James Scheuer's staff learned from a highly placed official in the U.S. Department of Transportation that:

1. Eighty percent of air freight losses are not reported as thefts, when such is actually the case, but are reported as "Shortages." This allows the suggestion that it is not known if the missing property was taken at the point of shipment, the point of arrival or in between. Thus it is not listed as a theft from the airport concerned.

2. More than 50 percent (a very conservative figure) could be reduced if something could be done about employee complicity.

He was then asked why, since the extent of losses is known to be considerable, and the extent of employee complicity is so substantial, that there has been no recommendations for correcting the condition. His reply, "It's sensitive"!!!

SUMMARY

1. Very little, if any, further study is required.

2. We know WHY we have airport thefts.

a. The target is there; valuable cargo, often including cash, and other high value goods (jewelry, etc.) which is easily fenced.

b. It is easy to be successful particularly when one can rely on employee complicity.

3. The record is that very little has been done on a voluntary basis by the airlines. Their Security Council was formed only in light of the threat, as they saw it, of an expanded Waterfront Commission jurisdiction.

An absolute refusal to be honest about the amount of criminal theft and robbery in order to avoid "bad publicity".

4. It would appear that nothing will materially change unless the change is imposed by government.

5. The law enforcement officers at airports are usually dealing with colleagues recently retired and now employed by the airlines. The airlines represent to them a fertile field for future employment. Thus you have the situation of Pentagon generals who might look forward to working for Boeing Aircraft in the future.

6. The government official who seeks to do something about this runs the risk of being accused of:

a. Being unfriendly to labor (particularly the Teamsters and the Intl. Longshoremen's Assn.)

b. Being critical of and unfriendly to law enforcement. (Port Authority Police, F.B.I. etc.)

c. Being unfriendly to airlines.

7. One alternative is to let things continue exactly as they have.

8. There are other alternatives.●

DAY OF ACCOUNTABILITY

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. DELLUMS. Mr. Speaker, last year, the Northern California Coalition for Full Employment held a "Day of Accountability" to explore not only the nature and degree of the problem of unemployment, but also the options and solutions available at this time.

I feel my colleagues will find this report most helpful in understanding the problem of unemployment from a local level and the need to continue working for full employment for the American people.

Excerpts of the report follows:

DAY OF ACCOUNTABILITY

At the very time when a broad based coalition, both in Northern California and throughout the country, worked for passage of legislation to assure "Full Employment", California voters passed Proposition 13, a constitutional amendment to reduce taxes and thereby limit the spending of State Government.

Implicit in the Humphrey/Hawkins Full Employment and Balanced Growth Act, is the assumption that Government shall be the "employer of last resort". The mandate of Proposition 13 would seem to contradict the mandate of the Humphrey/Hawkins Act, or at least to question the assumption that government, at least in California, would be able to function to alleviate chronic, structural unemployment.

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[5] It should be noted that the problem is by no means limited, to Kennedy Airport only, but is repeated at other airports, so as to be a national problem. Kennedy represents the major problem because of its volume of air shipping and the greater likelihood of valuable cargo being attractive to the criminals.

The Northern California Coalition for Full Employment's "Day of Accountability" or Public Hearings, was held, therefore, in order to explore not only the nature and degree of the problem of unemployment, but also the options and solutions available to us at this point in time.

In addition, it was hoped that information gathered at the Hearing would further the Coalition's efforts in isolating elements of a potential full employment plan for the State of California. It is our hope not only to develop such a plan for California, but to develop a plan that could serve as a model for the rest of the country.

Our Hearing was held on October 20, 1979, shortly after Humphrey/Hawkins was passed by Congress, at the State Building, in San Francisco. The pivotal question of the Hearing was "If one effect of Proposition 13 will be to negate the assumption (present in Humphrey/Hawkins) that government can and should be the employer of last resort, then who will be responsible for employing people?"

We invited speakers from both the public and the private sectors, along with elected officials, labor leaders and community leaders. We asked them to present to us their ideas for programs and proposals that could be implemented in California and in the nation, now.

The testimony, excerpts of which follow below, has been divided into three general categories:

(1) A Statement of the Problem,

(2) Official Responses to Overcome the Problem,

THE PROBLEM

A. In general

Various speakers presented equally various statements as to what the problem of unemployment is all about, who is being affected by it and what the impact of unemployment has been on local communities.

"The business of business is capital concentration." Peg McCormack, Aide to (then) Lt. Governor, Mervyn Dymally.

McCormack stated in her remarks:

"I am sorry to see that the Humphrey/Hawkins Act emphasizes the private sector. The private sector cannot employ people. . . . That is an impossibility. We have now reached a point in our economy where the private sector cannot do the employing. Since 1970, the 500 largest corporations, the Fortune 500, while concentrating 57 percent of the nation's economic activity, employed only 17 percent of the people. . . . In fact, the top ten corporations, representing 20 percent of the GNP, have lost employees while increasing profits and capital concentration six and eight times over."

A table prepared by Susan Lyttle of the San Fracisco Study Center, and included here as Attachment One, describes revenues and profits of major California corporations, as well as employment figures for these corporations as they relate to income. These findings corroborate McCormack's assertions.

"It was recognized in the 1950's and then forgotten, that fewer than all the people would be needed to produce things to meet our needs. We are now producing luxuries, many superficial and even harmful products, and we are employing fewer and fewer people to do so." San Mateo County Supervisor Fred Lyon.

Several problems were presented that were regarded as contributing to chronic, structural unemployment. These include automation, the flight of industry out of urban areas, out of parts of the country where unions are strong, and out of the country entirely, either to the non-unionized south or to Southeast Asia and other parts of the world where labor costs are less expensive than they are in the United States.

"We seem to be in competition with technology. Companies are moving towards replacing people with technology." Panelist Donneter Lane, San Francisco Council of Churches.

San Mateo County Supervisor Fred Lyon testified that our main problem: "is how to make people understand modern economic realities. A job provides the necessities of life and it also gives a sense of self worth. Make work jobs don't give a sense of self worth. . . . We are going to have to confront the work ethic and develop a sense of self worth among those people who just may not be employed."

Gil Friend of the State Office of Appropriate Technology said he disagrees with Lyon about the work ethic. "I believe that work can be a source of real and needed satisfaction," said Friend. Quoting Wendell Berry, he added:

" 'We decided to look on technology as a substitute for labor . . . we did not mean to save labor at all but to replace it and to displace the people who once supplied it. We never asked what should be done with the saved labor. We let the labor market take care of that' ".

Friend added "People often recoil from the concept of 'labor intensive' fearing back breaking, boring, alienating workplaces. However, work can be a rewarding human activity if technology is used to reduce drudgery and permit creativity."

According to Friend we have so far missed the opportunity to use technology to enhance labor and to meet human needs.

Said Dolores Huertas of the United Farm Workers:

"The cities are full of unemployed farm workers displaced by the cotton machines. If we're not careful we'll have the cities even more full of people displaced by the lettuce cutting machines and the rest of the machines they're bringing in."

Huertas asked that this Coalition recommend that no new machines be brought in that would create mass worker displacement.

RUNAWAY SHOPS

Until recently, "runaway shops" the flight of industry from one area to another, was not considered to be a serious problem in California but was regarded primarily as a problem relevant to the older cities of the industralized North East. In recent years, however, the flight of industry from California urban areas and from the State has become an increasingly serious problem.

Between 1968 and 1972, according to Congressman Fortney Stark of Oakland, 8,000 jobs were lost by that city. State Senator Milton Marks joked that the State of Nevada ought to honor the State of California for having contributed to the development of the warehouse industry in that State, where taxes are lower and unions not nearly so powerful as they are in California.

Armando Flores of the Levi Strauss Corporation acknowledged that the manufacturing jobs of that company are located almost exclusively in the South Western United States and acknowledged that the lack of strong unions in that part of the country "might have something to do with" the concentration of manufacturing facilities there. Flores also said that often his company has jobs for people which require that they relocate out of the Bay Area. "Naturally, people are reluctant to do that," said Flores.

Panelist Al Lannon, Business Agent for Local 6 of the ILWU questioned Flores about the recent move of a Levi Strauss warehouse facility in San Jose to Sparks, Nevada. Flores maintained that 90% of the workers displaced by the move were given jobs at the corporate headquarters in San Francisco. The other ten percent, he said, were offered jobs there but declined to accept them, presumably because they did not want to commute from San Jose to San Francisco.

YOUTH UNEMPLOYMENT

"One long term effect of Proposition 13 is that youths with no prior job experience will be asked to compete in the job markets with adults who have experience and for whom no jobs exist either." Sylvie Jacobson, San Francisco Civil Service Commission.

It has been clearly documented that the young and particularly the young who belong to racial and ethnic minorities are among those hardest hit by "structural" unemployment. Minority youth unemployment has been estimated to run as high as 45% of that population. In a city like Oakland, where 70% of the young also belong to minorities, youth unemployment is a problem of the first order.

Ray Conrad of the State Employment Development Department said that even if overall unemployment statistics improve the problem of structural unemployment and particularly among minority youth will continue to be a serious one and that there exists a need for "job creation mechanisms". Conrad also recommended that apprenticeship programs be linked to economic develop programs in an effort to create more jobs for the young.

THE ENVIRONMENT

Peg McCormack of (then Lt. Governor Mervyn Dymally's office) spoke out about the impact of the private sector expansion on the environment:

"The more you support the private sector to increase and expand, the more you support the kinds of activities that eat up Earth's finite resources; the more you eat up Earth's finite resources, the more you rely on fossil fuels and the more direct correlation you have to inflation. The more capital the more machines; the more capital intensity, the direct relation to unemployment. And the horror is that these policies are being perpetrated under the banner of increasing employment. And it's these very policies that lead increasingly to both unemployment and inflation and to a rapid destruction of the Earth."

B. The impact of proposition 13

Proposition 13 has had an effect on employment patterns and fiscal policy not just in California, but all across the nation. California is confronted immediately with the problems inherent in the new constitutional amendment, which include a decline in the number of available jobs in the public sector in the State.

However, we also have the potential for finding new solutions and for developing innovative programs that will help us to confront productively the resulting problems of increased unemployment and decline in service delivery.

"I am determined that Proposition 13, which is a fact, regardless of whether people are for it or against it, it's a fact and I think it has to be worked in a way in which those people at the bottom are not going to be the ones asked to give up the most." State Senator Milton Marks.

"Politicians and private sector leaders say that Proposition 13 wasn't meant to harm the powerless in our society. Yet when you look up and down the State of California, who is being hammered over the head with Proposition 13? It is the powerless, it is the minorities, it is the senior citizens; It is the students." Nancy Snow, Aide to Congressman Ronald Dellums

Eric Schlachman, Aide to Assemblyman Art Agnos, read from testimony prepared by the Assemblyman, about the effects of Proposition 13:

"Proposition 13 was nothing more than a scheme that shifted the burden for making up lost revenues to those least able to afford new and increased taxes.

"It resulted in enormous windfall profits for the largest corporations in California . . . Jarvis/Gann cut the heart and soul out of many necessary programs while the funds for their survival have been transferred to the richest segments of society.

"I feel that along with this transfer of funds goes a transfer of responsibility and particularly a responsibility to those from whom the funds have been taken: the politically and economically disenfranchised. . . .

"I recently checked with the Employment Development Department in San Francisco. I found that of those applying for unemployment insurance due to layoffs from Jarvis/Gann, 48% are minorities and 71% are women. . . .

"Some major banks have recently taken out full page ads in the San Francisco Chronicle to announce their new job creating intentions. "In response to such public relations hypes we might ask these questions: How many jobs will be created in proportion to the amount of people laid off? How many are for minorities and women? At what level are these jobs—janitors or managers?"

Sylvie Jacobson of the San Francisco Civil Service Commission foresees a "bad prognosis for the public sector as a result of Proposition 13's passage. We're living in a fool's paradise called state subsidy," she asserted, and added that after Fiscal year 79/80 city governments have no real idea about what revenues if any will be forthcoming.

According to Jacobson, the San Francisco Civil Service Commission's budget for this year is 83 percent of what it was the previous year. The proposed budget for fiscal year 79/80 is 85 percent of that 83 percent, i.e. "less and less money".

Jacobson sees the need for bilingual services and employment, as well as the needs of youth and the black community being neglected as a result of the cuts. Finally, she feels "in this competitive, cut throat market one problem is the unions insisting on layoffs strictly according to seniority. We need also to look at performance, race, ethnicity, when laying people off".

Nancy Snow, Aide of Congressman Dellums testified about the message and impact of Proposition 13. Snow felt that the passage of Jarvis/Gann offers both a challenge and an opportunity to those forces on the "left of the political spectrum":

"I see the right as raising three questions which the left has been raising for years. 1) The right is saying that we're tired of wasteful, ineffective, inefficient government as we perceive it; 2) We're tired of the priorities of this state and this nation as regards how our tax dollars are being spent; and 3) the right is saying we're tired of the incredible tax burden on us."

"The left disagrees with the right about where the waste is. The left is concerned about the priorities of our nation, about building bombs and war machinery. The left has also raised the question of undue tax burden upon certain segments of our society and that's why the left has always raised the question of tax reform within the context of equity.

"So what Proposition 13 says to me," concludes Snow. "Is here is an incredible opportunity for the progressive forces in our nation to surface to try to even out the debate and say to the right 'now that you've thrown open the gauntlet and said there shall be a lid on the amount of monetary resources that we will direct into government' then the essential debate has to occur in our communities with respect to what our values are and what we perceive as important, where we perceive the waste and ineffectiveness. Let us frame the debate around our national priorities."

Peter Szego, Aide to Santa Clara County Supervisor Dan McCorkedale said that one problem that has resulted from passage of proposition 13 is the flight of younger, skilled workers from the public sector to the private sector because they no longer see themselves as having a future in the public sector. As in San Francisco, Szego said, there has been in Santa Clara County a problem in attracting and keeping nurses at the county hospital because the wages are so much lower and the work loads so much heavier than at private hospitals. The same is true for computer technicians and other skilled workers. At the same time, he added, entry level jobs which provide opportunities for the young and the young skilled, are being eliminated through attrition as a result of the need to cut back.

Vince Courtney, Executive Secretary of SEIU Local 400, Civil Services Employees in San Francisco, also referred to the situation with regard to nurses at San Francisco General Hospital. According to Courtney, the so-called Barbagelata Formula," passed by the San Francisco Board of Supervisors several years ago, together with the wage freeze imposed on public employees after passage of Proposition 13 has contributed to the fact that Local 400 workers are among "the lowest paid in the State. We represent people who haven't had raises in years," Courtney said. "We are now 17 percent behind the prevailing public and private sector wages."

And Sheri Hirota of the Alameda County Labor/Community Coalition called Proposition 13 "a catch all for all of people's frustrations with the U.S. economic crisis, inflation and resentment of government." According to Hirota, local governments in Alameda County "used the meat axe approach in making cuts. In Alameda County, she said, many public libraries are operating at 62% capacity. Others have been closed. Bookmobiles have been eliminated and cuts have been directed at mental health programs, programs for the disabled and other disenfranchised sectors of the population, while the county used extra state aid to purchase a new computer system and a contract with a private management firm to administer the county hospital.

RESPONSES TO THE PROBLEM

Some speakers argued that the only way to full employment is with government jobs programs. These people stated that only the government can provide human services and the jobs that go with delivery of those services. Others argued that business, if given more of a chance, would and could help to fill the gap left by the decline in the public sector jobs.

A. Private sector response

Jim McKenney, Aide to Senator S. I. Hayakawa argued on behalf of the Senator that too much emphasis has been placed on public sector jobs. The private sector, with proper stimulation, he said, is the appropriate "employer of last resort".

John J. Bell, Senior Vice President of the Bank of America submitted written testimony to the Coalition, describing efforts by the Bank of America in response to the layoff of public sector workers after passage of Proposition 13. The following is a partial list from his "Summary Overview":

Bank of America created a special task force shortly after the primary to help develop and implement both immediate and long-range action plans to do whatever we properly can to offer a helping hand to Californians affected by passage of Proposition 13. . . . A number of specific actions are under way and others will be forthcoming . . .

"These are some of the action steps taken to deal with near-term problems:

"Loss of jobs by government employees The bank is helping persons whose employment is adversely affected by Proposition 13 to find suitable employment. . . . Because of normal turnover due to retirements, additions to staff, and other factors, there are usually from 600 to 700 California employment openings at any given time available at the bank. Our California branches have advised local political subdivisions that the bank is interviewing qualified persons who were released because of Proposition 13. Candidates with skills more suitable for other units in the bank are being referred to the bank's central employment offices in San Francisco, Los Angeles, San Diego and Oakland. Candidates whose interests lie in other industries are being encouraged to pursue contracts with other potential employers.

Retraining of newly hired employees: New employees coming into the bank from the public sector need training. The bank is prepared to augment its training programs as required to meet these special needs.

"Career Transition Workshop: Earlier this month the bank joined several other Bay Area companies in sponsoring a Career Transition Workshop. . . . Several bank officers participated in planning the workshop and were present to counsel the attendees.

"Temporary Summer Employment: The bank hired more than 200 additional students for summer jobs in California branches selected on the basis of urban density. These were in addition to 100 summer jobs previously planned."

Bell wrote that the Bank of America Foundation has also contributed to help fund the United Way's Proposition 13 Job Transition Center. That contribution, however, he said, was returned when the center found it had no use for the money. Nevertheless, according to Bell, the trustees of the Foundation are considering making additional contributions towards "programs related to dislocations caused by Proposition 13."

Pamela Moy, Urban Affairs Specialist for Pacific Telephone described in more detail the Career Transition Workshop referred to by John Bell. According to Moy, 30 Bay Area corporations participated in the planning and financing of the workshops. 3,000 Bay Area residents, displaced by passage of Jarvis/Gann were invited to attend the workshop which was held early in October in San Francisco. Nearly 400 persons attended. And though no job placements occurred, the majority of those attending were appreciative of the efforts and felt that the content of the workshops was useful. The purpose of the workshops was not to help people find employment but rather to assist those people directly affected by Proposition 13 in "assessing skills and compiling resumes in order to know how to approach the private sector."

Moy also said that she herself has placed 40 laid off public sector employees in positions with the Telephone Company. No new jobs have been created either by PT&T or by other Bay Area Corporations to Moy's knowledge but particular attention was paid to assisting people from the public sector to find work within the private sector.

Armando Flores of the Levi Strauss Corporation described two programs pioneered by Levi Strauss. One of the programs offers high school students the opportunity to work part time, as part of their studies, within the corporate structure, in order to acquire both training and insight.

Flores also described a program called "Opportunity Training Program, whereby we take people deficient in the skills applicable to our company and we will train them and funnel them into our corporate system."

Jim McKenney, speaking on behalf of Senator Hayakawa described the Senator's efforts to address the critical problem of youth unemployment:

"The Senator introduced S 2685 to establish a national demonstration project in which private firms in urban poverty areas would be paid federal social bonuses for hiring and training unemployed young people. The 'Youth Employment and Social Bonus Act' is intended to enlist widespread involvement among the private sector to help combat unemployment among teenagers. The Senator said his bill would implement the recommendation of the National Council on Employment Policy which has called for greater involvement of the private sector to lessen teenage unemployment."

State Senator Milton Marks also said he believed that stimulation of the private sector is one solution to the unemployment problem. Mark suggested several ways by which the private sector can be encouraged. He indicated that he was "heartened by the private sector's response in helping laid off workers after passage of Proposition 13." And he suggested that private industry think about instituting training programs to help these workers, which could be paid for out of windfall profits. He also suggested several pieces of possible legislation to encourage the business climate. Panelist Eric Craven asked Senator Marks "How are social programs to be maintained if we look increasingly to the private sector to employ people?" Senator Marks expressed the hope that the public sector would continue to be able to provide for those most in need of services.

Armando Flores of Levi Strauss said that he believes the private sector needs positive reinforcement and said that those companies which participated in the aforementioned Career Transition Workshops should be encouraged to continue to do so.

Dolores Huertas of the United Farm Workers said she knows of one area where "business has never been better, that is in agriculture." She suggested that corporate farmers, with the massive windfalls they will get from passage of Proposition 13 could be encouraged to train unemployed youths from the cities to work in the fields. "If you can bus people from Mexico and Nicaragua and El Salvador," she said "You can bus them from Oakland."

Panelist Aileen Hernandez asked Pamela Moy of PT&T whether the corporations had a responsibility to train those people deficient in skills necessary to find employment in the private sector. Moy suggested that groups like ours work to maintain community college programs since in her opinion these institutions have done an excellent job of vocational training.

Peg McCormack questioned what she called "the myth of training people for non-existent jobs." "During World War II and right after," said McCormack, "blacks were encouraged to migrate to Northern California and to Oregon because they were needed to work in the steel yards. Nobody bothered to give them achievement tests, or placement tests. There was work to do and they did it."

B. Public sector

"Public Employees are our most convenient scapegoats," Vince Courtney, SEIU Local 400.

A spokesperson for Mayor Lionel Wilson of Oakland said, "For the young and the unskilled, government offers more job opportunities because of open recruitment policies, and other things." Since passage of Proposition 13, however, he said, Oakland is attempting to move away from the concept of government as employer of last resort and "to work more closely with business to raise their consciousness about community needs."

Supervisor Fred Lyon said that "any mechanism for full employment has to come from the federal government. What we're really talking about is the distribution of goods and services and what part employment ought to play in that distribution."

Tom Leatherwood, Executive Officer of the Labor/Consumer Task Force of the State Department of Consumer Affairs feels that the passage of Proposition 13 offers an opportunity to creatively reassess our resources and to evaluate where the waste lies. Leatherwood has been working with the Public Service Employees' Unions and with the (late) Mayor Moscone's Proposition 13 Implementation Commission on a study of efficiency in municipal government. This study of efficiency, said Leatherwood, is being done from the workers' perspective so that what layoffs are necessary may be made sensibly and according to the best interests of workers, consumers and the general community.

CETA

CETA has been one proposed solution to the problem of structural unemployment. CETA legislation has had a built in "trigger" which is meant to allow for expansion of that program where unemployment is most severe. Nevertheless, CETA has been a controversial program. In addition changes are anticipated for that program in the near future; these changes include a significant reduction in the number of jobs and amounts of monies available to local communities.

Sylvie Jacobson of the San Francisco Civil Service Commission pointed out that the newest CETA legislation puts ceilings on salaries and length of times that trainees' are permitted to remain on the job. She was critical of such limitations and continued: "In reality CETA workers in San Francisco are not trainees at all; they're journeypersons, filling jobs that should be filled by permanent employees. Without them government would come to a standstill."

Figures provided by Marjorie Fishman of the San Francisco Study Center corroborate Jacobson's assertion. According to Fishman's research 1 out of every three city employee is paid by CETA.

Vince Courtney of SEIU Local 400 charged that CETA workers are being exploited:

"They (CETA workers) have not been transitioned into the regular work force in any way. . . . In fact, no real effort was made to change the rules to allow CETA people access to entry level civil service positions. They had no greater opportunity for entry level jobs than the general public. Some accountability has to be made so that a reasonable portion of these people are transitioned into regular positions."

In November of 1977 the Northern California Coalition for Full Employment prepared testimony for federal hearings on CETA. We found that there are no statistics readily available about the numbers of CETA trainees who find permanent employment when their CETA tenure expires.

We also found that in many cases CETA workers do work similar to that done by permanent full time workers, are often paid less and often have no benefits pension plans or access to collective bargaining. We testified at that time that CETA was a "well intentioned program" but is inadequate to deal with the enormity of the problems presented by structural unemployment. Though it is called a "Training Program" there are, too often, no jobs available for the "trainees" when the training period expires.

Senator S. I. Hayakawa has also been critical of the CETA program. The Senator feels that CETA's failures to "tap successfully the resources of the private sector" are one flaw in that program. According to Jim McKenney, Hayakawa Aide, "Hayakawa, who has been critical of CETA said in a statement to the Senate:

"I believe that such programs should exist but I do not believe that we can make a program big enough to take care of the entire country. We are pouring billions into programs now. Their effectiveness has not clearly been established. . . ."

Hayakawa, as mentioned earlier in this report, believes that CETA moneys and other federally funded incentives should be made available to the private sector to encouragement the employment in industry of the young. Hayakawa has also recommended to Secretary of Labor, Ray Marshall and Marshall reportedly concurred, that efforts should be made:

"To facilitate the transfer of excess CETA funds generated by Proposition 13 into private sector activities. . . . Under Maintenance of Effort Provisions of the law (said Hayakawa aide Jim McKenney) CETA employees have to be laid off at the same time as regular staffers in municipal and state administrations. As a result of the expected staff reductions, federal CETA funds earmarked for public sector employment are likely to remain unused and may eventually have to be allotted to other states or be returned to the U.S. Treasury. So the Senator suggests, as a possible solution to this, the use of provisions in the law which encourage private sector opportunities for the economically disadvantaged."

Secretary Marshall replied affirmatively to the Senator's proposal and suggested that the transfer of funds be up to the individual Prime Sponsors of the CETA program. According to McKenney, the Senator's staff is at work following up the proposal with individual Prime Sponsors.

Finally, Dean Mazinsky of the State Office of Planning and Research suggests that despite areas of agreement between environmentalists and union people, things like solar energy and weather stripping programs, there are still many areas on which the two do not and cannot agree. He suggested that this continuing lack of accord would be problematic to the progress of job development.

He suggests, however, as partial solutions the targeting of certain hard hit areas for special consideration. For example, he suggests that instead of repealing categorically a tax like the Inventory Tax, which many feel is responsible for the flight of the warehouse industry to Nevada, that it be repealed only in certain "targeted" areas, like Oakland or East Los Angeles, areas where unemployment continues to be a significant problem.

Mazinsky suggests too that in a city like Oakland, which is presently faced with the loss of a major industrial facility, the General Motors Parts Depot, that the city be allowed to keep the Emission Standards Rights of the departing facility, in order to be able to use it as an incentive to lure other industry to the city. Such Emissions Standards Rights he suggests could become the permanent property of the municipality which could use it to its benefit.

PROPOSED SOLUTIONS AND ALTERNATIVES

A number of solutions have been proposed in an effort to systematically reduce unemployment. The most visible and the most sweeping of these efforts to date has been the recently passed Humphrey/Hawkins Full Employment and Balanced Growth Act of 1978.

The bill has been criticized by both opponents and supporters for, in its final version, "lacking teeth" which is to say, the necessary programs and funds to implement the intent of the legislation. Nevertheless, proponents of the new law believe that passage of the bill represents a firm commitment from the federal government to address both the question of unemployment and that of inflation.

Nancy Snow, Aide to Congressman Ronald Dellums, a member of the Congressional Black Caucus which was instrumental in passing the bill, suggests that Humphrey/Hawkins' passage represents a "slim victory. It does one thing and that is, it makes planning possible."

Jo Casaneve, Aide to Congressman Fortney Stark offered as testimony the Congressman's thoughts on the significance of Humphrey/Hawkins to Oakland and its unemployment problems.

The Congressman, she said, was critical of the final version of the Humphrey/Hawkins bill for its "lack of programs to accomplish balanced growth in Oakland." He does, however, she said, feel hopeful about the fact that the bill establishes as national policy the right of all Americans to useful, paid employment.

Congressman Stark also said he was optimistic about the fact that the bill "asserts the responsibility of the federal government to use all practical programs and policies to achieve full employment."

However, the Congressman is also concerned about the actual responsibility of the President with regard to implementation of the bill. Congressman Stark pointed out that if, after two years, there is no improvement with regards to unemployment, yet another act of Congress is required for the creation of "meaningful public service jobs." The President, he said, could send such a bill to Congress and then be absolved of any future responsibility, whether the appropriations are in fact made or not made by that body.

In this context, Congressman Stark stated that "Humphrey/Hawkins is not much more than a long term guide geared to the use of existing devices."

Congressman Paul McCloskey submitted as testimony a letter signed by him and several other members of Congress, including Senator Muriel Humphrey and Congressman Augustus Hawkins, and submitted to the Washington Post. That letter asserts that ". . . . the Humphrey/Hawkins Bill is like an iceberg with a large visible mass—the issue of unemployment—and an even larger partially submerged mass—the issue of how to improve the federal government's economic policy decision making . . .

"Humphrey/Hawkins is as much an anti-inflation bill as it is an unemployment bill . . . It is time that we exhibit the courage to say what the true causes of inflation are, develop workable cures and get them vigorously into effect. Humphrey/Hawkins requires this approach in a comprehensive policy setting framework . . .

"Each one percentage point drop in unemployment is equivalent to a $25 billion saving to our country, through reduction of government payments for unemployment insurance, food stamps, welfare and other programs and through the addition of new income taxes being paid into the federal treasury."

PROPOSED LEGISLATION

"I am determined that we will see full employment in the State of California and I will work for a full employment bill for the State." State Senator Milton Marks.

Senator Marks suggested that legislation is necessary to "encourage the business climate and help people find employment." He suggested, specifically, repeal of the inventory tax and of the unitary tax.

Panelist Ellen Widdess asked if there was a bad business climate in the State. Senator Marks replied "No, but it could be better." Dean Mazinsky of the State Office of Planning and Research estimated that the business climate here is very good.

Gus Billy of the United Auto Workers also feels that the repeal of the two above mentioned taxes would serve to keep businesses from relocating out of the State.

Sheri Hirota of the Alameda County Labor/Community Coalition, like Vince Courtney of SEIU Local 400, Nancy Snow, Aide to Congressman Dellums and Eric Schlachman, Aide to Assemblyman Agnos all spoke to the need for tax reform. Both Agnos and Courtney referred specifically to the tax measure proposed by Assembly Speaker Leo McCarthy after passage of Proposition 13 which would have made that law applicable only to owners of residences but which failed to receive the necessary votes for passage.

Senator Hayakawa favors, as one way of combatting youth unemployment, establishment of a "youth differential" for the minimum wage. Patrick Mason of the California Labor Federation argued "Since the increase in the minimum wage youth employment has increased rapidly. The Department of Labor has been trying, unsuccessfully, for years, to show a relation between youth employment and the minimum wage."

Gil Friend of the State Office of Appropriate Technology suggested that the Coalition work to develop requirements for Employment Impact Statements that could "complement the far reaching and valuable contributions of the Environmental Impact Statements. An Employment Impact Statement would consider not only the effect of a government action or a government funded program on total employment, but would also assess effects on type and quality of employment, groups impacted and long range as well as short range effects."

Lenny Goldberg, Aide to Assemblyman Tom Bates said that his office is presently at work studying the possibility of introducing legislation that would attempt to modify the effects of "runaway shops." Goldberg referred specifically to legislation that has been introduced in Ohio towards that end as well as a bill presently pending in Congress, Representative Kostmayer's National Job Stabilization and Community Development Act.

California legislation, as envisioned by Assemblyman Bates, could, among other things, require prior notification by a company of its intent to close or move its facilities. Goldberg also said that such legislation could include a finance plan that would allow workers to purchase a business planning to close or relocate, or a so-called "Community Indemnification Fund." This last would require companies leaving a community to give severance pay not only to workers, as is now the practice, but also to the community for loss of tax revenues and increased local costs for welfare, unemployment insurance and crime. Goldberg added, however, that such legislation would require widespread community support.

Gus Billy of the United Auto Workers spoke about the General Motors Parts Depot soon to close in Oakland. Billy said he too favors legislation that would keep plants from leaving communities where unemployment is high. Billy suggested that the government be encouraged to subsidize industries as an incentive to remain in the inner cities where plant closures would represent undue hardship for such communities.

Dolores Huertas of the United Farm Workers suggested legislation requiring corporations to file impact reports to show the effects of automation on society and in the economic conditions of a community where such automation is being proposed. This legislation, she said, has been a priority for the UFW for the past four years.

Lenny Goldberg, Aide to Assemblyman Tom Bates spoke about, the Assemblyman's efforts to get passed his legislation limiting companies' rights to require mandatory overtime by workers. Goldberg said that this legislation, if passed would create a number of jobs. * * * shorten the work week to thirty-five hours.

Until recently the motion has prevailed regarding the incompatibility of environmental concerns with concerns for jobs and unemployment. Recent research, however indicate that concern for the environment and concern for working people may in fact be highly compatible. The recent push for solar energy by both environmentalists and trade unions is one example about how concern for energy conservation and pollution can be channeled so that productive alternatives are emphasized.

And Tom Leatherwood of the Department of Consumer Affairs has been at work on a project that would be implemented by the Public Utilities Commission and would create 2,500 jobs in weatherstripping and insulating residences.

JOB RESTRUCTURING

Panelist Tish Sommers of the California Commission on Aging questioned several speakers about the possibility of job restructuring, a practice which allows employees the option of working only part-time and sharing one full time position with another worker. Older persons, said Sommers, favor the development of such options because it allows them limited access to the labor market.

Lenny Goldberg, Aide to Assemblyman Tom Bates said that the Assemblyman's bill to limit mandatory overtime is a step towards such "job restructuring." Goldberg said that Bates is "definitely interested" in the issue. One problem, as he sees it, however, is how such programs could be implemented in the private sector by means of legislation.

Peter Szego, Aide to Santa Clara County Supervisor Dan McCorkedale said that such restructuring has actually been tried, successfully in Santa Clara County and with the participation of the Municipal Unions. Workers there, he said, can opt for reduced work hours with benefit payments continued.

REINVESTMENT

"I'd like to suggest that it might be worthwhile to divert at least part of our attention away from government and business as key actors in this drama and focus on the potential for economic development initiatives by labor organizations and community groups, separately and in coalition." Gil Friend, State Office of Appropriate Technology

Assemblyman Tom Bates has been interested in legislation that would promote the use of public workers' pension monies for investment in local mortgages, which Bates believes would stimulate the state economy and create a number of jobs in the building trades.

Reinvestment of public monies and of union monies into local economies is one of the new strategies emerging in an effort to deal with the decline of urban communities, flight of industry and loss of government revenues for employment and human services.

In 1977 the Senate Select Committee on Investment Priorities was established to explore the possibility of creating a State Bank in an effort to keep California monies in California. Senator John Dunlap who headed that Committee introduced legislation on behalf of a State Bank. That legislation was not successful.

In addition, Senator Dunlap recently failed to be reelected to the State Senate. Nevertheless, John Harrington, Consultant to the Committee, continues to work with the California Reinvestment Task Force, and he has compiled this testimony about the potential for various reinvestment ideas:

". . . According to a book recently published by Beacon Press and authored by Jeremy Rifkin and Randy Barber entitled The North Shall Rise Again, public and private pension funds in this country are growing at a rate of 10–12 percent annually and total over $500 billion. Pension funds already own between 20–25 percent of the stock of companies on the New York and American Stock Exchanges, and control over 40 percent of the U.S. corporate debt capital.

"In California, state and local public employee retirement systems, the University of California, California State University and Colleges auxiliary organizations and state and local government 'surplus' or temporarily idle funds control over $40 billion in capital. Public pension funds alone in California hold an investment portfolio worth over $23 billion. The $40 billion figure does not include private employee pension funds."

". . . In California, an alternative investment task force has been assembled by the Select Committee, comprised of public and private labor organizations, financial institutions, economists, and consultants, elected local officials and nonprofit research organizations. The task force . . . is developing a strategy and high yield investment alternatives for institutional investors, such as housing, small business, solar and agriculture, which will maintain and expand employment opportunities and enhance both urban and rural community economic development within California. . . ."

Tom Leatherwood described the possibility of developing investment strategies like so-called "linked deposits" whereby state money is linked only to corporations which are not tied to runaway shops or investment in South Africa or the Philippines. Such "linked deposits" are seen as one more way of obtaining control over local resources.

In Alameda County Supervisor John George has been working on the same issue. He suggests use of city pension monies to be used for local investment and suggests that local governing bodies take steps in that direction. He suggests furthermore that cities like Oakland purchase contracts exclusively from small local businesses and particularly from those businesses owned by or employing minority workers.

COALITION BUILDING

The building of organizations of people and organizations of diverse constituencies but with certain common points of interest was described as one major strategy towards developing programs and legislation that could begin to address the problem of chronic unemployment.

Nancy Snow, Aide to Congressman Dellums said she believes "Proposition 13 provides the left with an incredible opportunity to surface and raise the debate about values and waste, addressing the same issues the right is addressing but in a human context."

She too addressed the need for coalitions to develop an alternative approach to programs and policies at the municipal level, to raise discussion about humanistic values, but so far she does not, she said, see such a debate emerging.

Eric Schlachman, speaking for Assemblyman Art Agnos said "We must mobilize at the grass roots level. Without such mobilization our legislative efforts will prove fruitless. We cannot sit back and wait for the corporate profits to 'trickle down' to the unemployed. We must take action now."

Wilson Riles, Jr., aide to Alameda County Supervisor John George described local efforts to establish a "Congress of Human Needs." "Passage of Proposition 13" said Riles, "made us realize that there were certain services that had a public mandate and would not be cut. These were the police and fire fighting services. We decided then that an organization was necessary to develop that same kind of public support for human services, which typically are the first to go when budget cuts are required."

Riles also emphasized the need for long range planning around human services.

And Peter Szego, Aide to Supervisor Dan McCorkedale of Santa Clara County also pointed out that without broad based public support well intentioned public officials can do very little. Szego also spoke to the need for long range planning on the part of citizens groups.

Finally, Aileen Hernandez, speaking on behalf of the Northern California Coalition for Full Employment described the need for thoughtful actions and programs in order to implement legislation like the Humphrey/Hawkins Bill. "That bill," said Hernandez "is what we make it."

COMPARISON OF INCOME AND EMPLOYMENT IN MAJOR CALIFORNIA CORPORATIONS

	Millions of dollars		
	Assets	Net income	Number of employees
BankAmerica Corp.:			
1977	81,989	396	72,922.
1974	59,717	257	62,377.
	Assets risen 2 times employees.	Income 5 times employees.	
Crocker National Bank:			
1977		54	13,697.
1974		25	10,420.
		Income more than doubled.	Employees increased by ⅓.
Wells Fargo & Co.:			
1977	15,359	86	13,393.
1974	12,522	47	12,186.
	+25 percent	+90 percent	+8 percent.
Del Monte Corp.: Sales:			
1977	1,484	51	8—43,000 (seasonal) 33,000 perm.
1974	1,043	39	7—41,000 (seasonal) 32,000 perm.
	40 percent increase	30 percent increase	3 percent increase.
Hewlett Packard: Net sales:			
1977	1.4	122	35,100.
1974	0.99	84	30,200.
	+50 percent	+50 percent	+16 percent.
Lockheed: Sales:			
1977	3,373	55	55,100.
1975	3,387	45	62,100.
	Down	+18 percent	Down.
Levi-Strauss: Net sales:			
1977	1,559	130	37,170.
1973	653	12	30,000.
	+140 percent	More than 10 times as much.	+23 percent.
Safeway Stores:			
1977		102	139,865.
1974	6,774	84	117,221.
		+20 percent	+18 percent.
IBM: Sales and service rental revenues:			
1977	18,134	2,719	310,155.
1974	12,675	1,838	292,350.
	+50 percent	+50 percent	+5 percent.
Tenneco: Sales and revenue:			
1977	4,928	310	62,000.
1974	3,712	257	65,000.
	Up ⅓	+20 percent	Down 4.5 percent.
Crown Zellerbach: Net sales and other operating income:			
1977	2,318	109	; 31,850.
1972	1,130	36	21,000.
	+200 percent	+300 percent	Up ⅓.
Southern Pacific:			
1977	3,901	118	44,500.
1975	3,724	75	43,300.
		Up 50 percent	Up 2.3 percent.
1977 pretax income increased 36 percent over 1976; net income increased 8 percent.			
PG & E: Operating revenue:			
1976	2,647	302	24,583.
1972	1,351	215	25,661.
		+90 percent	Down 4 percent.
Pacific Telegraph & Telephone: Revenues:			
1976	3,681	352	93,774.
1972	2,408	220	95,029.
		+60 percent	Down 2 percent.

Source: Moody's 1978, 1975

LIST OF PANELISTS

Chairperson: Myan Baker, Women Organized for Employment; Member, Steering Committee, Northern California Coalition for Full Employment.

1. Clifford Boxley, Director, PROBE Agency, Redwood City. CA.

2. Eric Craven, Secretary to Airport Commission, San Francisco, CA; Member Steering Committee, Northern California Coalition for Full Employment.

3. Aileen Hernandez, Urban Consultant; Black Women Organized for Action.

4. Oliver Jones, Associate Director, NAACP West Coast Region; Attorney; Member Steering Committee Northern California Coalition for Full Employment.

5. Donneter Lane, San Francisco Council of Churches.

6. Al Lannon, Business Agent, Local 6, ILWU; Member Steering Committee, Northern California Coalition for Full Employment.

7. Patrick Mason, Director of Research, California Labor Federation.

8. Gus Newport, Berkeley Citizens Action Steering Committee Member; Manpower Development specialist, Department of Labor.

9. Guy Phillips, PHD. Economist; Director, Public Interest Economics, West.

10. Carl Pope, Associate Director, Sierra Club.

11. Tish Sommers, California Commission on Aging.

12. Ellen Widdess, Attorney; Labor Liaison, Friends of the Earth.

LIST OF TESTIFIERS

I. THE PRIVATE SECTOR

Pamela Moy, Urban Affaires Specialist, Pacific Telegraph & Telephone, Armando Flores, Levi-Strauss Corporation.

Submitting written testimony, John Bell, Senior Vice President, Bank of America.

II. ELECTED OFFICIALS

Jim McKenney, Aide to Senator S. I. Hayakawa.

Peg McCormack, Aide to (then) Lt. Governor Mervyn Dymally.

State Senator Milton Marks.

Nancy Snow, Aide to Congressman Ronald V. Dellums.

Joe Casaneve, Aide to Congressman Fortney Stark.

Written Testimony submitted by Congressman Paul McCloskey.

Written testimony submitted by John Harrington, Consultant to (then) State Senator John Dunlap's, Senate Select Committee on Investment Priorities.

Lenny Goldberg, Aide to Assemblyman Tom Bates.

Eric Schlachman, Aide to Assemblyman Art Agnos.

San Mateo County Supervisor Fred Lyon.

Wilson Riles, Jr., Aide to Alameda County Supervisor John George.

Peter Sziego, Aide to Santa Clara County Supervisor Dan McCorkledale.

III. GOVERNMENT OFFICIALS

Ray Conrad, State Employment Development Department.

Gil Friend, State Office of Appropriate Technology.

Tom Leatherwood, Director, Labor/Consumer Task Force, State Department of Consumer Affairs.

Dean Mazinsky, State Office of Planning and Research.

Sylvie Jacobson, San Francisco Civil Service Commission.

IV. UNION OFFICIALS

Gus Billy, United Auto Workers.

Vince Courtney, Executive Secretary SEIU Local 400.

Dolores Huertas, Vice President, United Farm Workers.

V. COMMUNITY GROUPS

Alameda County Labor/Community Coalition.

San Francisco Study Center.

In addition to ongoing experience and findings of coalition membership.●

PUBLIC SERVICE PROGRAMING AND THE HISPANIC COMMUNITY

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. GARCIA. Mr. Speaker, I would like to submit Congressman Edward R. Roybal's speech before the Conference on Public Service Programing and the Hispanic Community, for the attention of the Congress of the United States.

I believe that my colleagues will find, as I found, that Congressman Roybal's remarks are not only interesting, but important, as well:

Congressman Edward R. Roybal's Speech Before the Conference on Public Service Programiing and the Hispanic Community

It is a pleasure to be here with you. This promises to be a groundbreaking conference on a subject that has been too long ignored. The University of Maryland and the Johnson and Johnson companies are to be commended for hosting this event.

Over the next two days as you address the complexity and difficulty of the issue before us—public service programing for the Hispanic community—I would like to share with you my perspective on our Hispanic community and the challenges you face. By now most of you have either read or heard that Hispanics in the United States will soon be this nation's largest minority. If Black awareness symbolized the 60's, and if the 70's have been characterized by the women's movement, then surely the 80's will be the decade when we become increasingly aware of our Hispanic population. Right now Hispanics number between 12 to 16 million. We are found in all major sections of this country, and we are experiencing the most rapid population growth of any group.

Despite our emergence as the second largest minority and the potential we represent, old myths about our community still persist. Not, I grant you, at the level that all "Mexicans are short and wear mustaches" but at other levels.

For example, Hispanics are not a rural population. Quite the contrary, Hispanics are disproportionately urbanized with over 85 percent of the Hispanic population living in urban centers. In urban areas such as Los Angeles, New York, and Miami the necessary communications infrastructure is already in place. Spanish media in these areas is alive and flourishing. We need to utilize the expertise and knowledge of Spanish media. They have much to offer us.

Just as Hispanics are not predominantly rural, they are not all recent arrivals. Many persons in this country assume that the problems we face are simply those of recently arrived immigrants. Often the analogy is made with immigrants at the turn of the century. Yet this too is an oversimplification. Some Hispanics have been here before the Pilgrims and others have arrived within the past five months.

However, the problems the community faces—undereducation, police harassment, unresponsive bureaucracies—go back decades. In any Hispanic community, you will find a mix of generations both strengthening and complicating facile descriptions of our community.

Another myth concerning our community is that we are somehow a homogeneous group. But there are major differences between Cubans, Chicanos, and Puerto Ricans that go beyond mere differences in linguistic accents. The problems of Chicanos in the Southwest have a history to them that perhaps have not been experienced by Cubans. Census data tells us that Puerto Ricans face the most severe socio-economic problems. Cubans are not the most heavily urbanized group. These differences have to be taken into account. On the other hand, the trend at the national level is to search for the common denominator—that of being Hispanic. We are perhaps witnessing the development of a truly national Hispanic community.

Ladies and gentlemen, Hispanics are perhaps the most variegated group in American life. Not only are there regional differences, but differences exist in other significant areas. Take income, for example. The popular stereotype is that all Hispanics live in barrios and are below the poverty level. While we are shockingly over-represented at poverty levels—twice as likely as our majority counterparts—still nearly 60 percent of our population is above the poverty line. Thus public service programming faces the awesome challenge of delivering services to a diverse population with unique characteristics and strengths.

So far I have stressed the myths that exist in regard to our community. There are some factors, however, that are not myths and need to be taken into account when discussing public service delivery to our community.

The first of these is bilingualism. Spanish is the second language of the United States. As a matter of fact the United States is one of the largest Spanish-speaking countries in the world. Indicative of this is that one out of five Hispanic adults in the work force are monolingual in Spanish. I repeat, 20 percent of all working Hispanics are not fluent in English. Obviously this will have significant impact on any form of service delivery.

Where appropriate, Spanish needs to be taken into consideration as the medium to use. Let us not, however, equate all Hispanic programming with Spanish programming.

English as a medium to reach the Hispanic community has its proper place. For example, a study performed in the Los Angeles area revealed that 73 percent of those surveyed watch *both* Spanish and English TV stations. We fall into a trap if we think all Hispanics only speak Spanish and are not fluent in English. For, if we think this way, then simple translations are the answers to all of our problems. Ladies and Gentlemen, I submit to you this type of answer is a gross oversimplification to the problem at hand. The issue of which language to use—and when—is one of the problems I hope you will be dealing with in the course of this conference.

Aside from language we have to recognize another essential component of our Hispanic community: Simply that it is bicultural. We often forget that the United States has a special relationship with all of Latin America. The proximity of all Latin countries, the common border we share with Mexico, the special relationship we have with Pureto Rico—all in keeping Hispanic culture in the U.S. vibrant and alive. Bicultural sensitivity is a must for all public service programming. Yet how do we achieve this?

The most immediate solution is to increase the number of Hispanics involved in public programming and programming in general through employing more Hispanics in broadcasting. Only 2.6 percent of the total number of people currently employed in public television are Hispanics. Of all public radio employees, only 1.7 percent are Hispanic. More than half of public radio and 15 percent of public television stations have no minority employees.

At the policy-making level the situation is even worse. One third of public TV and 60 percent of public radio stations have no minorities in their top three job categories. In the three national public broadcast organizations, only *one* of the 15 top decision-makers is a minority. These stations are supported in large part by public funds and they should be taking leadership in this area. Ladies and gentlemen, I submit to you that these are shocking statistics that give a clue to the state of public programming in the Hispanic community.

Another more long range solution to develop public service expertise in the Hispanic community is to encourage Hispanic ownership of both public and commercial broadcast stations.

Currently only one commercial television station is owned by Hispanics and only one Hispanic public TV station has been granted a permit. Of over 7,600 commercial radio stations in our country, only 14 are owned by Hispanics. There are no Hispanic public radio licenses. Yet, conversely, it is estimated that 95 percent of all Hispanic households *can* be reached by radio. I suggest that, where conditions are appropriate, agencies such as the Small Business Administration and the FCC should consider policies that would assist Hispanics to obtain the necessary resources for ownership and control.

While expertise and sensitivity can be provided by Hispanic employees in policy making positions we need also to know more about the audience we serve in more rigorous ways. By now it should be no surprise to any of us that what we know of Hispanic viewing and listening habits is very little. I was surprised in reviewing the Carnegie Commission's Report of audience viewing habits that it did not have one word about our Hispanic population. Other minorities were mentioned but you can look in vain for information and data on our Hispanic community. In all fairness, the report does mention that we need to improve our techniques for understanding minority viewing habits. You, more than I, know what this encompasses, and how we've been remiss in this area. It seems to me that in the area of public service programming this is a critical issue. What role models, for example, are the most effective in communicating to our Hispanic community? Are there major differences between age groups in our community in accepting certain types of models? I could go on, but our level of knowledge is such that we need to carefully consider the surprising lack of information we now have.

Ladies and gentlemen, you are involved in a commendable effort. As a public official I have always considered that people—not programs—are the most important thing. If we keep this in mind we will be assured of reaching our common goal—of providing genuine public service to a community that for too long has been excluded from the benefits that most Americans take for granted. Thank you.●

LET US GET CARRYOVER BASIS REPEALED

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. ABDNOR. Mr. Speaker, of particular concern to me in my efforts to repeal the carryover basis provisions found within our Federal estate tax system is the discriminating manner in which the carryover basis will affect small family farmers and ranchers.

If the carryover basis provisions of the Tax Reform Act of 1976 are allowed to be implemented, the double taxation effect of this law will eliminate virtually all hopes a farmer and his wife might have of passing on a profitable operation to their children. Farms which have passed within a family from generation to generation will be seriously jeopardized.

It has come to my attention that the highly respected publication Farm Journal has publicized its similar concerns about the effects the carryover basis will have on farm families. An article entitled "Let's Get Carryover Basis Repealed," appeared on page 32–X of the mid-February issue. The article provides an excellent account of the unjustifiable taxing procedures and the burdensome record-keeping required by this law.

I direct the attention of my colleagues to this article and would ask that serious consideration be given to the points contained in this analysis.

Farm Journal has graciously granted me permission to reprint this article for the RECORD and it appears as follows:

LET'S GET CARRYOVER BASIS REPEALED!

(Here's a tax law that can clobber farm heirs. Congress has agreed to reconsider, so you need to speak up before mid-March.)

Every heir who inherits property has a stake in legislation that Congress may reconsider next month. Farm heirs stand to suffer from this law more than most taxpayers, so they need to speak up while there's still time. The provision in question is called "carryover basis," one of the most complicated tax rules anyone ever thought up.

Basis, generally, is the original cost of property used in figuring capital gains or losses for tax purposes. Carryover basis, then, means that the basis of the deceased owner—with some adjustments—"carries over" to the heir. It's likely to be low, depending on how long the deceased owner held it. The result is that if the heir ever sells the property, he is faced with capital gains on appreciation.

This is a new idea in estate tax law—to pay taxes on appreciation that accrued before the property came into your hands. Carryover basis is a revenue gimmick passed by Congress in 1976. In effect, it prevents accumulation of wealth.

The carryover-basis rule also means double taxation. For one thing the total value of the property is taken into account in figuring the estate tax. Then, when the inherited property is sold, income tax results—sometimes in substantial amounts. That's when the property appreciated in value from the time the deceased person purchased it until it is sold. Estate tax and income tax are paid on the same property.

Why does it hit farm heirs so hard? Because the price of land has inflated more than, say, most stocks or bonds since the effective date of the law. Dec. 31, 1976. The law calls that "the fresh-start date," which means the heir pays tax on appreciation since that date even if he didn't own the property then. Also, the farther we get away from the fresh-start date, the greater the tax bite due to carryover basis will be because of a complicated formula in the law.

How deep a tax bite does carryover basis take? We're beginning to get glimmers. At a recent tax school in Reno, Nev., attorney Orville W. Bloethe of Victor, Iowa, put the pencil to a case. He showed that carryover basis made a difference of $17,893 in the taxable income of an average-size farm estate in Iowa.

If inflation continues, as most people expect, tax costs will escalate. Attorney Samuel P. Guyton of Denver believes it could be about 1990 before heirs see how really devastating carryover basis is.

Another reason this provision is so "diabolical," paraphrasing a Colorado accountant: The law's formula requires 61 separate calculations to arrive at the carryover basis of each piece of property—every parcel of land, every piece of equipment, every lot of stored grain, even some individual animals, securities, household goods. There are a few exceptions. Life insurance is not carryover-basis property, for instance.

"Determining the date of acquisition and cost of all property in an estate is an almost impossible task. In most cases, it simply can't be done; yet the 1976 law requires it." Bloethe says, speaking from experience.

Congress granted a moratorium on the carryover-basis provision last fall in the Revenue Act of 1978, and agreed to take another look at its handiwork. That's not surprising because of the complaints of lawyers, accountants and executors who call the law "a mathematical monstrosity" . . . "fiendish and unworkable" . . . "an administrative nightmare."

Because of the moratorium, opponents of the law have until Jan. 1, 1980—about 10 months—to persuade Congress to repeal or alter carryover basis. This won't be easy. Why? President Carter opposes repeal and further postponement. The chairman of the powerful House Ways and Means Committee. Al Ullman (D., Ore.), believes there should be some tax on appreciation when property changes hands through inheritance. So do many of his colleagues. Several staunch advocates of repeal have retired.

Meanwhile, if Congress doesn't act we get carryover basis back next Jan. 1 when the moratorium ends.●

THE TRACTORS ARE GONE, BUT THE FARM PROBLEM IS NOT

HON. WILLIAM L. DICKINSON

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. DICKINSON. Mr. Speaker, I am distressed that many of the reports concerning the 1979 farmers' tractorcade to Washington have presented a distorted view of the farmers' activities while they were at the Capitol. Many reports played up the disruptive actions of a very small minority of the group while failing to adequately analyze and report on the economic plight which brought the farmers here.

Very little word got back home of the great humanitarian role played by the farmers and their tractors during the second worst Washington snowstorm in recorded history.

I recently wrote a weekly news column on my feelings about the tractorcade and would like to share it with my colleagues:

TRACTORCADE

WASHINGTON, D.C.—As I look out my office window in the Rayburn House Office Building, I get a grand, panoramic view of the Mall which lies westward from the Capitol toward the Washington Monument, between Independence and Constitution Avenues.

For about 30 days during January and February, the Mall served as a giant parking lot, or containment area, for 3,500 farmers and their 2,200 tractors and support vehicles that came to Washington in the 1979 Tractorcade of the American Agriculture Movement. The tractors were corralled in an area that the farmers called the "Washington Concentration Camp," an enclosure made up of bumper to bumper buses and trucks. Officials said they locked up the tractors so they could not be used to obstruct traffic in Washington.

The tractors are gone now except for about 50 or so that are parked on paved areas near the west side of the Capitol. They are being kept here to remind us that the unique farm problems the farmers brought to Washington for solutions are still not corrected.

Critics of Tractorcade complained that the farmers adopted the protest tactics of the '60's. A very small number of incidents were publicized out of proportion to make it appear that the farmers were a very disruptive group. Wild claims were made that the farmers had done two million dollars in damage to the Mall. We now know that the damage was only a small fraction of those blown-up estimates, and the farmers themselves have volunteered to provide most of the labor for the repairs. What other group of Washington protesters ever cleaned up after themselves? I don't remember any!

All of the criticisms were greatly exaggerated. The closest that the 97 percent of us who are not farmers ever get to the production of food is what we "harvest" in the super market. How else could the tiny minority of Americans who are farmers focus attention on their problems except through something as dramatic as the Tractorcade? I doubt if they could.

I am going on my fifteenth year of service in Washington; I have been here through both the civil rights and anti-war demonstrations and I have never seen a group which was more orderly or law abiding. I recall that many groups have come to Washington to burn and desecrate our flag, but the farmers were one of the rare groups which came proudly waving the flag—and maybe the only group I recall which began every meeting or rally with a prayer to Almighty God and the Pledge of Allegiance to the Flag.

The farmers came to Washington to tell the government that they are in a cost-price-inflation squeeze that is especially damaging to the small family farmer. They pay inflated 1979 prices for the things they must purchase in order to produce, but many of their products still sell for 1948 prices. They must buy retail, but are forced by government regulated market systems to sell wholesale. The expensive tractors and equipment some of the farmers drove to Washington were mistaken as signs of affluence. However, that equipment really represented the major investment and indebtedness required in high risk modern farming.

Unless we are willing to trust all of our food production to monopolistic megafarm corporations which would remove competition from the food pricing process, we had better do what is necessary to save the family farm. I am glad the farmers came to Washington to tell a story that needed telling. I am especially proud of our Alabama farmers. They conducted themselves as gentlemen and in the most businesslike fashion. I only hope that the Administration and Congress will render the help they need.●

THE BAKKE FALLOUT

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. DELLUMS. Mr. Speaker, our Nation has had half a year to analyze the decision of the Supreme Court on the noted Bakke case. There are those who feel that the cause of civil rights was neither advanced or detracted from as a result of that decision. I differ from that opinion, Mr. Speaker, and state that affirmative action has been dealt a serious setback.

I would like my colleagues to consider carefully the thoughts of Dr. Jack A. Kirkland, professor of sociology at Washington University in St. Louis, Mo., on this subject. I believe it is an example of some very clear thinking on just what the Bakke decision means to this Nation:

THE BAKKE FALL-OUT

(By Jack A. Kirkland)

I hope that someone has taken down the names and organizations of the self proclaimed, media appointed, and duly installed Black Leaders who have publicly stated that the Bakke decision is not a set-back for us.

The bottom line is doubly underscored to illuminate the fact that the individual who obtains the highest score on the multi-biased college entrance examination has the best opportunity to go on to professional school. For the Black individual, it's presumed that he has hurdled the obstacles of racism and academic genocide, and the snares of entrapment at an earlier level in neighborhood schools of low socio-economic status be they segregated, desegregated or "integrated."

There are those who insinuate that Bakke was a no decision case, while others impart the belief that it was a mixed or split decision. However, the informed know that this flash of lighting is to be an indicator of the great clap of thunder to follow. To be killed by an air rifle or a howitzer is to be just as dead, the motivation of the incident or the attending sympathy notwithstanding.

Yes, there is language in the decision that race can be taken into consideration. It was also in the language of the Declaration of Independence and the Constitution, yet we are where we are today because it was callously ignored. When racism is at the very core of a society, the life blood upon which it incipiently feeds, it would seem only logical that those who control institutions, those who benefit magnanimously from the practice of elitism, those who have mastered the art and science of exclusion, expulsion, and expungement of a people; those having once ordained themselves the policemen of a system, would be folly to turn around and lock themselves up, even when they are blatantly as guilty as they were during abject slavery; in the quasi-slavery of the share cropping era, in the subtle slavery fostered now by the denial to us and ours, of union cards, the passports to decent labor and its mainstream, solace need not be summoned. When the culprit comes to court, the scene is likened to that of the delight found in the eyes of a bad boy accused of a felony who mournfully comes into the chamber and looks up to the pleasure that Momma is the judge.

The leadership that would have us believe that the clock has not been turned back at least a quarter of a century, that our hopes have not been dashed, and that our dreams are not only deferred, but are in the process of being terminated, are lying to us. They are of the same lineage which would have had us overlook the promise of a reward for all that we did to make America the wealthiest nation on the face of the globe, the prize of 40 acres and a mule. They would have justified this dastardly deed better than "the man" as an ill-fated and unreasonable compromise fostered under duress and therefore not legally binding. E.E.O.C. programs across the land can now be spelled out for what they infer, effective, elimination of "coons". As a people we see the light but instead of being guided, we are blinded by it. Truth, written upon every bloody page of our history in this country has shown us that we cannot look the gift horse in the mouth. Indeed, we cannot even stand too close to him, lest he will arbitrarily and summarily bite and kick. With our great push of integration, we haltingly, reluctantly received desegregation. We saw previously white and black schools merge, mostly poor black schools with poor white ones, with a student body almost as disenfranchised as ourselves, save that they did not know it, because they assumed the dividends for color sufficient. We witnessed white principals remaining in their positions while black administrators of similar rank were demoted to disciplinarians and assigned hall patrols. Excellent black teachers went on to teach white children and many others were put out to pasture and phased out of livelihoods. Just a little later we discovered that formerly all black schools were being entrenched with white students to the point that many land grant colleges are now approximately half white.

Those black schools which now turn out great numbers of professionals, will soon find that the majority of seats now held by black academicians will be vacated for whites under the guise of desegregation, the Bakke decision, and the first seats going to the "best students." What is to impede this erosion? Correspondingly, the more seats that are taken, more black advances will be disallowed, and there will be fewer blacks of high scholastic caliber and qualification to worry about. As fewer of us show up at the top the quicker we enter into the final phase of the second reconstruction.

In the attempt to undo segregation, a noble and spirited undertaking, we may have attributed to our own undoing. Understanding this society, we note that the time required for litigation of a "land mark" case is sufficient for the violent keepers of the status quo to see how a 180 degree curve can be brought full circle, how revolutionary intent and institutional reform and progress can be leg chained and locked in on the delayed lane of evolutionary movement. Thus, what can look good in the beginning can well seal our own fate if we are less than vigilant. School, when it was originally denied to us, was the avenue to a job. Today, it is the gateway to a career. The difference is that the latter can be handed down to our children. It can enable a people to buy a part of America, and in this country, to most people, unfortunately, this means peoplehood.

In the light of the United States Supreme Court decision that one can work beyond the age of 65, the Bakke decision that grades count mostly, regardless of what may have happened on the way to or in the process of pursuing an education, this means that the best jobs available will be kept by whites undergirded by the assurance that those who will replace them will be white. Confirmation is found in another United States Supreme Court ruling that makes but a slight impact on the cardinal rule of seniority. Once again the music of the merry-go-round is heard, to get a job you must have a decent education, to go to a good school you must live where one is located, to reside in a decent community you must have an excellent income. It should be apparent to any prudent individual that the requirement for a career is being placed beyond our scope of achievement, fiscally and scholastically.

Hourly, our situation grows worse than bondage, for then, as bad as it was, we had the advantage of being necessary. We cannot today make this simple declaration. The "petty power brokers", those who stand between the poor blacks and the lesser poor ones, thanks to credit cards and the fact that appearances belie substance, the ones who did not march during the turbulent sixties but who derived all the gains and the first partakers of the crumbs, those deprived of the raw, hard, infamous black experience, how can they shape their lips to say that Bakke was not a defeat? If it were not, please spare us a victory. Whoever they are who state such nonsense, the British are looking for them to explain the success of Dunkirk, and several United States Presidents are in hot pursuit to have them discuss the smashing success of the military interlude called Viet Nam. Perhaps this same leadership, which sees black removal from urban centers daily as structurally sound homes, previously condemned, are removed brick by brick to make way for re-development and another set of residents of a different hue. Perhaps this incipient act need not be labeled conspiracy nor give us any reason for the contest of an outcry.

Perhaps I'm reading the signs all wrong, merely because our children are handicapped academically, our youth are unemployed, our young women cannot find husbands for their children because work is a prerequisite to responsibility, our people die like flies from frustration under the rubric of hyptertension, as they see marginal gains diminish with the quickness of a sun rise. And they see drug wars constantly and shoot-outs in the streets, not always, but frequently because honest work was not an alternative, and the land of our fathers ebbing away, and is shrewdly taken by the modern day "carpet-baggers" aided and abetted by the law, acre by acre along with our hopes, as well as those special values which made us a most distinctive group in America, perhaps I protest too much. Conceivably, I have missed what others see. I will seek out our leadership for view of that path to which they have access and share with them the good news about Bakke. But meanwhile, I recommend that we do not abandon the quota system until we have obtained it. A minimum does not set the maximum, so let us have what we are due. We can then negotiate for what is fair. Let us then retire those voices among us, regardless of age, who give aid and comfort to those who depose us and let us search for untiring and unobligated leadership that is strong, competent, and credible.

I trust that we all know that the day is almost spent and the time is late. The vineyards of human rights leaves room only for workers, who see and report correctly their observations without fear of who it will offend. It is a simple axiom; those in jobs looking for a better one, cannot do the one assigned.●

H.R. 1—UNWORKABLE, UNENFORCIBLE

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 19, 1979

● Mr. CAMPBELL. Mr. Speaker, last Thursday the House Administration Committee opened hearings on H.R. 1, providing for taxpayer financing for House general elections, with testimony from the Federal Election Commission and the Treasury Department. That the provisions of H.R. 1 are unworkable and unenforcible was brought home strongly by FEC Chairman Joan Aikens. I commend her testimony to my colleagues and suggest that there is serious food for thought in Chairman Aikens' presentation:

STATEMENT OF THE FEDERAL ELECTION COMMISSION BEFORE THE HOUSE ADMINISTRATION COMMITTEE, U.S. HOUSE OF REPRESENTATIVES ON H.R. 1, A BILL TO PROVIDE FOR FINANCING OF GENERAL ELECTION CAMPAIGNS FOR THE HOUSE OF REPRESENTATIVES

Mr. Chairman and Members of the Committee:

I am Joan D. Aikens, Chairman of the Federal Election Commission, and with me today is Robert O. Tiernan, Vice Chairman of the Commission. The Committee has asked us to testify today on the Commission's experiences in administering the presidential public financing system as well as on the Commission's opinion with regard to the implementation of congressional public financing under the provisions of H.R. 1. We have been asked to give projected cost estimates of administering the program outlined in H.R. 1 and estimates of the amount of matching payments to eligible candidates. In addition, the Committee has asked us to comment on several areas including the certification process for matchable contributions under H.R. 1, enforcement of expenditure limitations and documentation of expenses. We are pleased to appear before you today, and we hope that the Commission's experiences will be of assistance to the Committee.

At the outset, we would like to point out that the Commission takes no position on the substantive merits of establishing any system of public financing for Congressional elections. We do, however, think that our experiences and the knowledge gained during the course of administering public financing in the 1976 Presidential election are valuable in evaluating the administrative impact of any proposed system of public financing.

Not all candidates who ran in the 1976 presidential primaries actually qualified for public funds, and few of those who qualified approached the maximum funding theoretically possible under the primary matching system. Fifteen candidates qualified for a total of $24.7 million in primary matching. Only one candidate received the maximum $5 million (Governor Reagan) and only one other came close (President Ford with $4.6 million). The remaining 13 candidates received between 5% and 75% of their maximum potential entitlement.

It is interesting to note that while contributions up to $20 were eligible for matching, the average contribution submitted for matching was $28.86. Of the total primary funds spent by these 15 candidates, the FEC estimates that approximately one-third of this was public matching funds and two-thirds represented private contributions.

We think the Commission's experience in handling the initial certification of presidential primary candidates and processing the subsequent flow of requests for matching funds would be helpful to your assessment of Congressional public financing proposals. The primary goal of the Commission in developing policies and procedures to implement presidential public financing was to ensure public confidence in the proper distribution and use of public funds. We think that this goal was met. It is the Commission's position that any system of congressional public funding must maintain this public confidence and assure that the integrity of the system is sustained.

The Commission believes that there is a need in any public funding system for effective safeguards. These safeguards are instrumental for establishing the system's integrity. In the presidential funding system, a certification process was established for reviewing requests by candidates for matching funds prior to certifying payment to the Treasury. This process involved a review of the records submitted by the candidate to determine whether sufficient documentation existed for the contribution and to determine whether the contribution, on its face, appeared to be matchable. The Commission imposed on itself a two week "turn-around" time from the date of the candidate's submission to the completion of the review process.

In addition to the certification process, Congress required the Commission to conduct post-election audits of all candidates who received matching funds and placed the responsibility for repayment with the candidate. (See 26 U.S.C. § 9038.) The Commission views such safeguards as important to the operation of any system of public financing.

Hence, it is the Commission's opinion that any public financing system for congressional candidates should include a workable certification process as well as a specific program for post election audits of candidates who accept public funds. In addition, responsibility for repayment should clearly be placed with the candidate.

Under any certification process handled by the Commission, the candidate should be required to submit adequate information to the Commission to enable us to determine whether a contribution is matchable. Moreover, the Commission should have adequate time to review each candidate's submissions so that no certification will be made based on contributions which are not matchable. In addition, as part of this certification process, the Commission should be able to review the candidate's system of bookkeeping to minimize difficulties which may develop later in the campaign. A proper certification process would enable the Commission to protect the integrity of the public financing system and provide the candidate with funding in a prompt and efficient manner.

As to post election audits, these should be thorough and should extend to both the private and public campaign funds of the candidate and his authorized committees. Due to the number of candidates involved in a congressional public financing system, it would not be feasible to conduct such an audit of every congressional candidate who accepts public funds. However, there should be a specific mandatory program developed for such congressional candidates. This audit program should be in addition to audits conducted by the Commission on a discretionary basis or audits conducted after a determination that there is reason to believe a candidate has violated any provision of the campaign law or public financing statute.

There would be three basic goals for such an audit program. First, there must be a determination that only matchable contributions were matched with public funds. Second, the Commission must determine that a candidate did not receive public funds in excess of the amount to which he or she was entitled. Finally, it must be determined that matching funds were expended only for qualified campaign expenses.

If as a result of a mandatory audit, it were determined that public funds were given for nonmatchable or illegal contributions, or in excess of the entitled amount, or if they were used for non-campaign purposes, such funds must be returned to the public treasury in the form of a repayment. Recapture of federal funds is obviously an important enforcement tool in a public financing system. Placing the liability on the candidate for the repayment of improperly received or spent federal dollars aids in protecting the integrity of that system.

As was indicated earlier, the Committee conveyed to us several questions which it wished us to address in our testimony. We have given in-depth answers to those questions in writing (Appendix A). My statement today will give a brief outline of the answers to those questions.

At the outset, it should be noted that certain provisions of H.R. 1 are somewhat ambiguous. While we realize that the sponsors of the measure may not agree with the Commission's interpretation of these provisions, we will be indicating in our testimony our interpretation of the proposal.

1. CHECKOFF FUND

The Commission contacted the Treasury Department to determine the most current figures for the Presidential Election Campaign Fund. That office informed us that as of December 31, 1978, the total amount available in the fund is $100,331,985.70. These figures are updated monthly.

Specific projections for 1979 are not available until the end of March or April, 1979. A spokesman for the Monitoring Office of the Treasury Department has stated that the Fund expects to realize approximately $42,000,000.00 from the 1978 tax returns. Therefore, it is projected that the Fund will have available as of Jan. 1, 1980 $142,331,985.70.

2. PROJECTED AMOUNTS OF MATCHING PAYMENTS UNDER H.R. 1

The Commission has calculated projected figures for the amount of matching payments which might be required under H.R. 1. It is important to note that these figures are estimate, which obviously vary according to the number of congressional candidates who are eligible for funding.

The Commission believes that a reasonable estimate of the number of candidates who will be requesting funds under H.R. 1 is 876. This estimated figure represents 2 candidates per district and is based on two factors. First, during the 1976 and 1978 elections there was an average of 2.1 candidates per race. Second, it seems reasonable to assume that if H.R. 1 were enacted candidates representing the two major parties would appear on the ballot.

The Commission estimates that if 876 congressional candidates request funds under H.R. 1, the total amount of matching payments will be approximately $35,033,094. In calculating this estimate, the Commission used information from the Reports of Financial Activity of 1978 House candidates. These reports showed that House campaigns broke down into various levels of financial activity. Many campaigns raised and spent less than $5,000, while others spent over $100,000. In addition, many contributions received by candidates would not be matchable under H.R. 1.

The Commission also calculated a projected figure for 1095 candidates, should H.R. 1 result in an increase in candidates. The total projected amount of matching payments for that number of candidates would be $44,387,811.

3. PROJECTED ADMINISTRATIVE COSTS OF H.R. 1

In developing administrative costs estimates for the implementation of H.R. 1, the Commission used as its basis the two levels of candidate activity discussed above—876 candidates and 1095 candidates. In addition, the Commission developed its cost estimates on the basis of three different levels of enforcement and audit activity.

The first level of enforcement and audit activity is based on a March 8, 1979 letter to the Commission from the sponsors of H.R. 1. This letter indicates that the Commission is to have a very minimal role in the implementation of H.R. 1, particularly in the certification process. The second level of enforcement activity would involve a more complete review of candidate submissions than under the first level of enforcement. The review would take place after the submission has been certified.

The third level of enforcement would provide for increased informational activity by the Commission and also for strict review and analysis of the campaign disclosure reports filed by all congressional candidates.

The estimated figures calculated by the Commission on the basis of these varying enforcement levels and varying numbers of candidates range from $1,755,810 to $8,138,806 for both FY 1980 and FY 1981 combined. The increase in personnel ranges from 47 to 183 permanent positions and from 0 to 18 temporary positions.

We must emphasize that under none of these levels of enforcement will the candidate's submission be reviewed for sufficiency of documentation prior to certification.

4. CERTIFICATION PROCESS

Any certification process developed under H.R. 1 should be designed to provide the Commission with sufficient information to determine whether contributions to a candidate are matchable. Thus, the contributor's name and address would be necessary, as well as such information as the amount and date of the contribution. In addition, since only a portion of contributions by individuals who reside in a state other than the state in which the election is held would be matchable, the candidate would have to segregate out of state contributions in his submission to the Commission.

Moreover, it would be necessary under H.R. 1 to determine whether the candidate seeking public funding has qualified for the general election ballot and whether there is an opposing candidate in the race. Therefore, the candidate should be required to file with Commission a copy of his certificate of nomination. In addition, the Commission would need information indicating whether the candidate is opposed.

The Commission notes that H.R. 1 does not limit matchable contributions to those made by written instrument. The Commission suggests that this requirement be added. The practice of matching cash contributions would not seem prudent in view of the fact that they are very difficult or impossible to verify.

A substantial difficulty with H.R. 1 is the limited time in which the Commission must certify matching payments to a candidate. H.R. 1 provides that the Commission must certify payments no later than 48 hours after a candidate files a request for repayment to the Commission. Operating under a 48 hour time limit would mean that the Commission will not be able to review any matching fund submission by any candidate, nor would the Commission be able to determine whether the submission included proper documentation.

The March 8 letter from the sponsors of H.R. 1 indicates that the Commission will have a minimal role in the certification process. The letter states that the Commission is to certify payments without a comprehensive review of the submission, but rather a review to determine whether the "submission included proper documentation of contributions." We must emphasize that operating under a 48 hour time limit will mean that the Commission can not determine whether a submission includes proper documentation. All the Commission can do in 48 hours is to verify that the submission is accompanied by copies of written instruments and an alphabetical list of contributors.

This approach constitutes a drastic departure from the type of review that the Commission undertakes for Presidential primary candidates. As was stated earlier, submissions by those candidates were subjected to a thorough review to determine whether the contributions submitted for matching were indeed matchable.

In light of the March 8 letter, H.R. 1's certification process would place the Commission in a position of certifying Federal funds without any review of whether the candidate is entitled to those funds. Without such a review, the Commission would be unable to withhold any portion of a payment for contributions which are not matchable. Although the Commission might at some later point demand a repayment from a candidate who had improperly claimed matching funds, as a practical matter, it would be difficult to obtain actual repayment because in most cases the candidate would have long since depleted his campaign funds.

If the Commission is to insure the integrity of the congressional public financing system, a certification process similar to that established for presidential primary candidates is necessary.

5. SUSPENSION OF EXPENDITURE LIMITATIONS

The Commission is very concerned with the provisions of H.R. 1 regarding suspension of expenditure limitations. These provisions would present the Commission with very difficult enforcement problems. H.R. 1 imposes an expenditure limitation of $150,000 on congressional candidates who accept public financing. This limitation, however, will be suspended if an opponent makes total expenditures exceeding $75,000, makes expenditures exceeding $25,000 from personal or family funds, or receives more than $75,000 in contributions.

The opponent is required to notify the Commission no less than 48 hours after exceeding the specified amounts.

The Commission's enforcement of this provision would be totally dependent on reports filed with a candidate's opponent. Given the short time period involved—from August 1 to election day, approximately 3 months, the Commission would be totally unable to independently ascertain the amount of an opponent's expenditures or contributions. The only means available to the Commission to ascertain such amounts would be through a cursory review of one quarterly report filed by candidates on October 10.

H.R. 1 also provides for suspension of the limitations on expenditures at the request of the candidate who accepts public funding if independent expenditures or costs of communication by a union or corporation with respect to the election involved exceed $50,000; however, no suspension would result if the candidate who requests the suspension received the benefit of ⅓ or more of those expenditures. Every person who makes independent expenditures or incurs communication costs of $5,000 must report the expenditures within 48 hours to the Commission, and thereafter report at $2,500 intervals.

The Commission suggests that this provision be eliminated because it would be virtually impossible to administer and enforce. As with expenditures by an opponent, the Commission would not be able to ascertain the level of independent expenditures or communication costs in a race without resorting to information which could only be supplied by the expender. Moreover, the Commission would have no way of judging whether an expenditure inured to the benefit of a candidate. Since amounts of communication costs and independent expenditures have not been very significant in past elections, this provision does not seem necessary at this time. If expenditures in those categories rise, Congress could then add a provision to deal with the problem.

Finally, H.R. 1 provides for the suspension of expenditure limits where an ineligible candidate makes expenditures exceeding $25,000 "from his personal funds or from the personal funds of any member of the immediate family of such candidate." Under current contribution limitations, members of a candidate's family can not individually contribute in excess of $1,000 to that candidate's campaign. The Commission is unable to discern whether the H.R. 1 limitation is intended to alter the current contribution limitations. Without further clarification of this point, it will be difficult for the Commission to enforce the limitation on expenditures from personal or family funds.

6. DOCUMENTATION OF EXPENDITURES

On the basis of Commission policy and experience in administering the Presidential matching fund program, the Commission would not require the candidate to furnish any documentary evidence of expenditures in addition to the documentation required under Title 2 recordkeeping provisions. Title 2 statutory requirements specify that a candidate must keep for expenditures exceeding $100 a receipted bill stating the particulars of the transaction. If the receipted bill is not available, a cancelled check plus a bill or invoice from the payee may be substituted.

In practice, the Commission permits presidential candidates to document their qualified campaign expenses with far less than Title 2 documentation. In many instances, an expenditure may be documented by a cancelled check alone.

Presidential candidates are, however, required to furnish at the Commission's request an explanation of the connection between the expenditure and the campaign. This explanation is in addition to the documentary evidence which the candidate must supply. It is necessary to show whether an expenditure is campaign related and hence a qualified campaign expense as defined by statute.

Statutory provisions applicable to presidential primary candidates define the term qualified campaign expense to mean an expenditure which is "in connection with" the candidate's campaign. Therefore, since candidates are required by statute to spend their funds on qualified campaign expenses only, their expenditures must be campaign related.

H.R. 1 does not use the term qualified campaign expense, but instead uses the term "election campaign expenses." The Commission assumes that both terms are intended to have the same meaning. We suggest that the term qualified campaign expense be incorporated into H.R. 1 and that it be made clear that a candidate must spend campaign funds on only campaign related expenditures. In situations where a candidate does not do so, a repayment should be required. Otherwise, a candidate would be permitted without statutory restriction to spend funds on non-campaign purposes.

7. RESTRICTIONS ON THE USE OF PRIVATE CAMPAIGN FUNDS

The Commission submits that public policy considerations dictate that candidates receiving matching funds should be required to use both private contributions and public funds for only campaign related expenses. If a candidate is permitted to use private campaign funds for non-campaign related purposes, that candidate will then require more public funds to meet campaign expenses. Thus, the use of private campaign funds for non-campaign purposes results in a drain of public funds to compensate for amounts improperly spent.

The Commission does require Presidential candidates receiving matching funds, to use both private contributions and matching funds only for campaign related expenses. Statutory provisions dealing with the Presidential public funding system specify that, if the Commission determines that any amount of any payment made to a candidate from the matching payment account was used for any purpose other than to defray qualified campaign expenses or to restore funds used to defray qualified campaign expenses, the candidate must repay the amount of fund so used.

There is no provision in H.R. 1 to require the repayment of matching funds which are used to restore funds spent on non-campaign purposes. The Commission suggests that a provision similar to 26 U.S.C. § 9038(b)(2)(B) be included in H.R. 1.

In conclusion, I would like to state that the Commission recognizes that Presidential campaigns are vastly different from congressional campaigns in that the latter obviously operate on a much smaller scale. Because of this difference, we realize that it may not be feasible to apply exactly the same procedures to the public financing of both types of campaigns. The Commission would certainly be receptive to any alternatives which would provide for efficient administration of congressional public financing, while simultaneously protecting the integrity of that system. The Commission and its staff would be happy to provide technical assistance to Congress in its consideration of such alternatives.

We appreciate this opportunity to testify today. The Commission makes no specific recommendations concerning the type of system Congress may wish to adopt, but suggests some areas which we feel merit consideration based on our recent experiences with the Presidential campaigns. We will be glad to provide further projections concerning cost and program administration based on the recommendations of this Committee. In any case, the Commission will continue its efforts to insure the integrity of any public funds distributed to federal candidates, be they presidential contenders or, if Congress so decides, to those seeking office in the Senate and House of Representatives. Mr. Chairman, Mr. Tiernan and I will be happy to answer any questions you or the members of the Committee may have. Thank you.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in the meetings as they occur.

An interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 20, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 21

8:00 a.m.
Armed Services
Research and Development Subcommittee
To resume closed hearings on proposed military procurement authorizations for fiscal year 1980, receiving testimony on funds for anti-submarine warfare programs of the Department of Defense.
224 Russell Building

9:00 a.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
1114 Dirksen Building

9:30 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Health, Education, and Welfare.
1318 Dirksen Building

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To resume oversight hearings on the implementation of P.L. 94–282, establishing the Office of Science and Technology Policy.
235 Russell Building

Judiciary
Constitution Subcommittee
To hold hearings on S. 506, proposed Fair Housing Amendments Act.
6226 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold a business meeting on pending calendar business.
324 Russell Building

Appropriations
Defense Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the defense establishment.
1223 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of Territorial Affairs.
1224 Dirksen Building

Armed Services
Manpower and Personnel Subcommittee
To receive testimony on proposed fiscal year 1980 authorizations for manpower for training, education, and student loans programs of the Department of Defense.
212 Russell Building

Energy and Natural Resources
To resume hearings on possible initiatives to reduce U.S. dependence on imported oil.
3110 Dirksen Building

Finance
Tourism and Sugar Subcommittee
To hold hearings on S. 463, to implement the International Sugar Agreement and to insure stable domestic sugar prices.
2221 Dirksen Building

Foreign Relations
To resume hearings on proposed fiscal year 1980 authorizations for foreign assistance programs.
4221 Dirksen Building

10:30 a.m.
Banking, Housing, and Urban Affairs
To hold joint hearings with the Joint Economic Subcommittee on Priorities and Economy in Government on the contract profit policy of the Department of Defense.
5302 Dirksen Building

Joint Economic
Priorities and Economy in Government Subcommittee
To hold joint hearings with the Committee on Banking, Housing, and Urban Affairs on the contract profit policy of the Department of Defense.
5302 Dirksen Building

Judiciary
To hold hearings on S. 679, to abolish Federal diversity's jurisdiction based on U.S. citizenship.
2228 Dirksen Building

Rules and Administration
To receive testimony on and consider budget requests for fiscal year 1980 for the Federal Elections Commission, and on other legislative and administrative business.
301 Russell Building

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S–407 Capitol

2:00 p.m.
Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Commission on Security and Cooperation in Europe, Board for International Broadcasting, Federal Maritime Commission, Marine Mammal Commission, and the Presidential Commission on World Hunger.
S–146, Capitol

3:00 p.m.
Foreign Relations
African Affairs Subcommittee
To receive a briefing, in closed session, on the situation in Rhodesia.
S–116, Capitol

Labor and Human Resources
Health and Scientific Research Subcommittee
To mark up S. 230, proposed Nurse Training Amendments, S. 497, proposed Emergency Medical Services Systems Amendments S. 527, proposed National Science Foundation Authorization Act for Fiscal Years 1980 and 1981, S. 544, proposed Health Planning Amendments, and S. 590, proposed Clinical Laboratory Improvement Act.
4232 Dirksen Building

MARCH 22

9:30 a.m.
Armed Services
To continue mark up, in closed session, of S. 429, authorizing supplemental funds for fiscal year 1979 for the Department of Defense.
212 Russell Building

Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To hold oversight hearings on the administration's anti-inflation program, and to review the nature and causes of inflation.
5302 Dirksen Building

Commerce, Science, and Transportation
Business meeting, to discuss the status of the U.S. Multilateral Standards and Aircraft Codes.
235 Russell Building

Environment and Public Works
Resource Protection Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Resources Conservation Recovery Act of 1976 (P.L. 94–580).
4200 Dirksen Building

Finance
To markup S. 505, to control increases in hospital revenues (Hospital Cost Containment), and S. 570, to establish a system of stand-by percentage limits on allowable rates of increases in hospital revenues.
2221 Dirksen Building

Governmental Affairs
Civil Services and General Services Subcommittee
To hold hearings on S. 532, proposed Pension Policy Commission Act, and on proposed legislation to authorize funds through fiscal year 1981 to continue the Commission's work.
357 Russell Building

Judiciary
To hold oversight hearings on the activities of the Federal Bureau of Investigation, Department of Justice.
2228 Dirksen Building

Judiciary
Constitution Subcommittee
To hold hearings on proposed authorizations for fiscal year 1980 for the U.S. Commission on Civil Rights, to be followed by continuing hearings on S. 506, proposed Fair Housing Amendments Act.
5110 Dirksen Building

Veterans' Affairs
To resume hearings on S. 330, to provide for a judicial review of the administrative actions of the VA, and for veterans' attorney fees before the VA or the courts.
6226 Dirksen Building

10:00 a.m.

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Health, Education, and Welfare.
S-128, Capitol

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Environmental Protection Agency.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the U.S. Geological Survey.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
S-126, Capitol

Energy and Natural Resources
Energy Research and Development Subcommittee
To hold hearings on S. 14, proposed Reclamation Reform Act.
3110 Dirksen Building

Labor and Human Resources
To hold hearings on the nomination of Marjorie Fine Knowles, of Alabama, to be Inspector General, Department of Labor.
4232 Dirksen Building

Select on Ethics
To hold an open business meeting.
S-206, Capitol

2:00 p.m.

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Commission on Civil Rights and the Federal Trade Commission.
S-146, Capitol

Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
1223 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To continue hearings on S. 14, the Reclamation Reform Act.
3110 Dirksen Building

Select on Intelligence
Budget Authorization Subcommittee
To continue closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol

2:30 p.m.

Labor and Human Research Subcommittee
To mark up S. 230, proposed Nurse Training Amendments, S. 497, proposed Emergency Medical Services Systems Amendments, S. 527, proposed National Science Foundation Authorization Act for Fiscal Years 1980 and 1981, S. 544, proposed Health Planning Amendments, and S. 590, proposed Clinical Laboratory Improvement Act.
4232 Dirksen Building

3:00 p.m.

Foreign Relations
To receive a briefing, in closed session, on the impending SALT treaty.
S-116, Capitol

MARCH 23

9:00 a.m.

Commerce, Science, and Transportation
To hold hearings on a proposed joint government/industry program of advanced automotive technology development.
235 Russell Building

9:30 a.m.

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To continue hearings on proposed legislation authorizing funds for programs of the Resource Conservation Recovery Act of 1976 (P.L. 94-580).
4200 Dirksen Building

Finance
To continue markup on S. 505, to control increases in hospital revenues (Hospital Cost Containment), and S. 570, to establish a system of stand-by percentage limits on allowable rates of increases in hospital revenues.
2221 Dirksen Building

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To hold hearings on S. 600, to preserve the diversity and independence of American business.
6226 Dirksen Building

9:45 a.m.

Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To continue oversight hearings on the administartion's anti-inflation program, and to review the nature and causes of inflation.
5302 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Environmental Protection Agency, and the Consumer Information Center.
1318 Dirksen Building

Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
1223 Dirksen Building

Foreign Relations
To resume hearings on proposed fiscal year 1980 authorizations for foreign assistance programs.
4221 Dirksen Building

Governmental Affairs
Federal Spending Practices and Open Government Subcommittee
To hold hearings on S. 5, proposed Federal Acquisition Reform Act.
3302 Dirksen Building

MARCH 26

9:00 a.m.

Finance
Tourism and Sugar Subcommittee
To resume hearings on S. 463, to implement the International Sugar Agreement and to insure stable domestic sugar prices.
2221 Dirksen Building

9:30 a.m.

Energy and Natural Resources
Energy Regulation Subcommittee
To hold oversight hearings on the competitive situation in the retail gasoline market.
3110 Dirksen Building

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the Antitrust Division, Department of Justice.
2228 Dirksen Building

Judiciary
Constitution Subcommittee
To hold hearings on S.J. Res. 28, to provide for the direct popular election of the President and Vice President of the United States.
6226 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on preclinical and clinical drug testing by the pharmaceutical industry.
4232 Dirksen Building

10:00 a.m.

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of Labor, and related agencies.
S-128 Capitol

Banking, Housing, and Urban Affairs
To resume hearings on S. 85, to strengthen the ability of the Federal Reserve Board to conduct monetary policy, promote greater conpetitive equality, enhance the safety and soundness of the banking system, and improve the efficiency of the Federal Reserve payments system.
5302 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold hearings to examine strategic petroleum reserve regional storage.
3302 Dirksen Building

MARCH 27

9:00 a.m.

Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on the activities of the National Highway Traffic Safety Administration and on proposed legislation authorizing funds for fiscal year 1980 for the National Traffic and Motor Vehicle Safety Act (P.L. 89-563), and the Motor Vehicle Information and Cost Savings Act (P.L. 92-513).
5110 Dirksen Building

9:30 a.m.

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Judiciary
Constitution Subcommittee
To continue hearings on S.J. Res. 28, to provide for the direct popular election of the President and Vice President of the United States.
318 Russell Building

Labor and Human Resources
To hold hearings on S. 420, to strengthen State workers' compensation programs.
4232 Dirksen Building

Labor and Human Resources
Child and Human Development
To mark up S. 239, authorizing funds for programs administered by Domestic Volunteer Service Act (ACTION).
6226 Dirksen Building

10:00 a.m.

Agriculture, Nutrition, and Forestry
Environment, Soil Conservation, and Forestry
To hold hearings on the President's intention to reorganize the natural resource functions of the Government.
324 Russell Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Indian Affairs.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
S-126, Capitol

Banking, Housing, and Urban Affairs
To continue hearings on S. 85, to strengthen the ability of the Federal Reserve Board to conduct monetary policy, promote greater competitive equality, enhance the safety and soundness of the banking system, and improve the efficiency of the Federal Reserve payments system.
5302 Dirksen Building

Finance
To hold hearings on S. 350 and S. 351, to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
9221 Dirksen Building

2:00 p.m.

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony from Members of Congress on proposed budget estimates for FY 1980 for the Departments of State, Justice, Commerce, and the Judiciary.
S-146, Capitol

Energy and Natural Resources
To hold hearings to investigate circumstances surrounding SOHIO's decision to drop plans for moving Alaska oil by pipeline from California to Texas.
3110 Dirksen Building

MARCH 28

9:00 a.m.

Commerce, Science and Transportation
Consumer Subcommittee
To continue oversight hearings on the activities of the National Highway Traffic Safety Administration and on proposed legislation authorizing funds for fiscal year 1980 for the National Traffic and Motor Vehicle Safety Act (P.L. 89-563), and the Motor Vehicle Information and Cost Savings Act (P.L. 92-513).
5110 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To hold hearings on proposed legislation on biomedical research programs.
Room to be announced

Special on Aging
To hold an open business meeting.
S-126, Capitol

9:30 a.m.

Commerce, Science, and Transportation
To hold oversight hearings on the trucking industry economic regulation by the Federal Government.
235 Russell Building

Human Resources
To continue hearings on S. 420, to strengthen State workers' compensation programs.
4332 Dirksen Building

Human Resources
Education, Arts, and the Humanities Subcommittee
To resume hearings to explore the areas of basic learning skills used in elementary and secondary schools.
457 Russell Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 10, authorizing the Department of Justice to initiate suit to enforce constitutional rights to institutionalized persons.
1114 Dirksen Building

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the Criminal Division and the Executive Office for U.S. Attorneys, both of the Department of Justice.
2228 Dirksen Building

10:00 a.m.

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

Banking, Housing, and Urban Affairs
To continue hearings on S. 85, to strengthen the ability of the Federal Reserve Board to conduct monetary policy, promote greater competitive equality, enhance the safety and soundness of the banking system, and improve the efficiency of the Federal Reserve payments system.
5302 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Finance
To continue hearings on S. 350 and S. 351, to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

2:00 p.m.

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

MARCH 29

9:00 a.m.

Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices
To resume hearings on S. 399 to revise the Federal Crop Insurance Program.
324 Russell Building

9:30 a.m.

Human Resources
Health and Scientific Research Subcommittee
To continue oversight hearings on health programs administered by the National Institutes of Health.
4223 Dirksen Building

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the Immigration and Naturalization Service, Department of Justice.
1208 Dirksen Building

Judiciary
Constitution Subcommittee
To continue hearings on S. 10, authorizing the Department of Justice to initiate suit to enforce constitutional rights to institutionalized persons.
1202 Dirksen Building

Veterans' Affairs
To hold hearings to receive legislative recommendations for FY 1980 from AMVETS, Paralyzed Veterans of America, Veterans of World War I, blinded veterans, and Purple Heart.
6226 Dirksen Building

10:00 a.m.

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for ACTION—International Program.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the National Aeronautics and Space Administration.
1224 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the National Endowment for the Humanities.
1224 Dirksen Building.

Commerce, Science, and Transportation
To hold joint hearings with the Energy and Natural Resources Subcommittee on Energy Resources and Materials Production on S. 493, proposed Deep Seabed Mineral Resources Act.
3110 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold joint hearings with the Committee on Commerce, Science, and Transportation on S. 493, proposed Deep Seabed Mineral Resources Act.
3110 Dirksen Building

10:30 a.m.

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Departments of Labor and HEW.
S-128, Capitol

2:00 p.m.

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
S-146, Capitol

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To hold oversight hearings on the National Park Service's concession policy.
3110 Dirksen Building

Judiciary

To hold hearings on the nominations of David O. Belew, Jr. of Texas, to be U.S. District Judge for the Northern District of Texas; Robert M. Parker, of Texas, to be U.S. District Judge for the Eastern District of Texas; Mary Lou Robinson, of Texas, to be U.S. District Judge for the Northern District of Texas; Harold B. Sanders, Jr., of Texas, to be U.S. District Judge for the Northern District of Texas.

2228 Dirksen Building

MARCH 30

9:00 a.m.

Judiciary

Antitrust, Monopoly and Business Rights Subcommittee

To resume hearings on S. 600, to preserve the diversity and independence of American business.

6226 Dirksen Building

9:30 a.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.

3110 Dirksen Building

Judiciary

Constitution Subcommittee

To resume hearings on S.J. Res. 28, to provide for the direct popular election of the President and Vice President of the United States.

457 Russell Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the National Aeronautics and Space Administration.

1318 Dirksen Building

APRIL 2

9:30 a.m.

Energy and Natural Resources.

Energy Research and Development Subcommittee

To resume hearings on proposed fiscal year 1980 authorizations for the department of Energy.

3110 Dirksen Building

Human Resources

To resume hearings on S. 420, to strengthen State workers' compensation programs.

4232 Dirksen Building

10:00 a.m.

Veterans' Affairs

To hold hearings on the nomination of Allan L. Reynolds, of Virginia, to be Inspector General, Veterans' Administration.

457 Russell Building

10:30 a.m.

Commerce, Science, and Transportation

To hold hearings on proposed legislation to authorize funds through fiscal year 1985 for the Fishery Conservation Management Act (P.L. 94–265), and the Anadromous Fish Conservation Act (P.L. 93–362).

235 Russell Building

APRIL 3

9:30 a.m.

Human Resources

To continue hearings on S. 420, to strengthen State workers' compensation programs.

4232 Dirksen Building

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for programs administered by the Department of State.

4232 Dirksen Building

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for FY 1980 for the Office of the Secretary and the Office of the Solicitor.

1224 Dirksen Building

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.

3110 Dirksen Building

2:00 p.m.

Energy and Natural Resources

Parks, Recreation, and Renewable Resources Subcommittee

To resume oversight hearings on the National Parks Service's concession policy.

3110 Dirksen Building

APRIL 4

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation.

1318 Dirksen Building

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

International Finance Subcommittee

To hold hearings on the implications of the proposed multilateral trade agreements for U.S. exports.

5302 Dirksen Building

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on S. 640, authorizing funds for fiscal year 1980 for certain maritime programs of the Department of Commerce.

235 Russell Building

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To continue hearings on proposed fiscal year 1980 authorizations for the Department of Energy.

3110 Dirksen Building

APRIL 5

9:00 a.m.

Veterans' Affairs

To hold hearings on proposed legislation extending certain veterans' health benefits programs through FY 1980.

5110 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation

To hold oversight hearings on the activities of air freight transportation industry and to evaluate the impact of recent air cargo deregulation.

235 Russell Building

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for foreign assistance programs.

1114 Dirksen Building

Appropriations

HUD-Independent Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation, and the Office of Science and Technology policy.

1318 Dirksen Building

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.

1224 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

318 Russell Building

Banking, Housing, and Urban Affairs

International Finance Subcommittee

To resume hearings on the implications of the proposed multilateral trade agreements for U.S. exports.

5302 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

318 Russell Building

APRIL 6

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To mark up 357, proposed budget estimates for fiscal year 1980, S. 354 and proposed supplemental appropriations for fiscal year 1979, both for NASA.

235 Russell Building

Energy and Natural Resources

Energy Research and Development Subcommittee

To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.

3110 Dirksen Building

10:00 a.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

11:00 a.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

APRIL 9

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold hearings on S. 663, to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.

457 Russell Building

Labor and Human Resources

Alcoholism and Drug Abuse Subcommittee

To mark up S. 440, proposed Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act, and S. 525, proposed Drug Abuse Prevention, Treatment, and Rehabilitation Act.

4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

To resume joint hearings with the Energy and Natural Resources Subcommittee on Energy Resources and Materials Production on S. 493, proposed Deep Seabed Mineral Resources Act.

3110 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To resume joint hearings with the Committee on Commerce, Science, and Transportation on S. 493, proposed Deep Seabed Mineral Resources Act.
3110 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold hearings on proposed authorizations for fiscal year 1980 for the U.S. Coast Guard, Department of Transportation.
235 Russell Building

APRIL 10

9:30 a.m.
Veterans' Affairs
To hold oversight hearings on the role of the Federal Government in providing educational employment.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Fish and Wildlife Service.
1223 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
Room to be announced

Finance
To mark up S. 350 and S. 351, to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

APRIL 11

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 663, to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
457 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Federal Emergency Management Administration.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on S. Res. 59, proposed Small Savers Equity Resolution.
5302 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To continue hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Finance
To continue markup on S. 350 and S. 351, to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

APRIL 12

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Treasury.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Mines.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. Res. 59, proposed Small Savers Equity Resolution.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation to implement railroad deregulation.
235 Russell Building

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To resume oversight hearings on the National Park Service's concession policy.
3110 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

APRIL 24

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Land Management.
1223 Dirksen Building

APRIL 25

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold oversight hearings on the Civil Aeronautics Board plan to implement the Airline Deregulation Act (P.L. 95-504).
235 Russell Building

Human Resources
To hold oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.
4232 Dirksen Building

Veterans' Affairs
To mark up S. 330, to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts, and on proposed legislation extending certain veterans' health benefits programs through FY 1980.
412 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Department of the Interior, to hear congressional witnesses.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To resume oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.
5302 Dirksen Building

APRIL 26

9:30 a.m.
Human Resources
To continue oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.
423 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Office of Surface Mining Reclamation and Enforcement, Office of Water Research and Technology.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To continue oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.
5302 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

APRIL 27

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

APRIL 30

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To hold oversight hearings on the implications of the Randolph-Sheppard Act Amendments of 1974.
4232 Dirksen Building

MAY 1

9:30 a.m.
Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Park Service.
1223 Dirksen Building

MAY 2

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Smithsonian Institution.
1223 Dirksen Building

MAY 3

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for HUD.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 7

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 8

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

MAY 9

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

MAY 10

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, March 20, 1979*

The House met at 12 o'clock noon.

The Reverend Dr. W. Franklin Richardson II, senior minister, Grace Baptist Church, Mount Vernon, N.Y., offered the following prayer:

O Eternal Spirit and Cosmic Shepherd, we need Thee now and always. Hear us as we pray, and avail us the privilege of Your presence, for the living of these days.

We thank Thee for this Nation and for those who at this moment enjoy the privilege of national leadership. Help them to use the control of power with a conscious allegiance only to Thy will. Moreover we are thankful for the opportunities that Thou hast laid at our doorstep, for the abundant resources of technology, ecology, and anthropology that Thou hast endowed us with. Help us never to forget that "those to whom much is given much is required." Give us the courage and commitment to use them to create a climate of peace between nations and peoples of the world, and jobs and housing at home.

Grant us the openness of heart that will usher in the day, when we will celebrate our differences of sex, ethnicity, religion, and color without distinction.

Expectantly, this is our prayer, Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE REVEREND W. FRANKLIN RICHARDSON II

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, it is a great personal pleasure for me today to have as our guest my good friend, the Reverend W. Franklin Richardson II, pastor of Grace Baptist Church in Mount Vernon, N.Y., who has just delivered the opening prayer. I would like to acknowledge the reverend's presence and thank him for his inspiring prayer. Reverend Richardson is accompanied by his wife—the former Inez G. Nunnally of Goochland County, Va. He has two children and is also accompanied by one daughter today. Before coming to Grace Baptist Church in 1974, Reverend Richardson served as pastor of the Rising Mount Zion Baptist Church and St. James Baptist Church of Richmond, Va. He is the son of Mr. and Mrs. W. F. Richardson of Philadelphia, Pa., where he was born and attended West Philadelphia High and the Community College of Philadelphia before going on to Virginia Union University in Richmond.

Reverend Richardson is a community leader who has initiated numerous community housing and economic development and improvement projects. He is commissioner of the Mount Vernon Housing Authority. I am always happy to have the benefit of his thinking on issues affecting Westchester and the Nation. His radio ministry is witnessed Sunday mornings on WRTN-FM, and is aired in New York, New Jersey, and Connecticut. You may recall that the Grace Baptist Church choir was telecast nationally on the CBS Christmas Eve Special a couple of years ago. Grace Baptist Church is 90 years old, has a 2,000-member congregation and is known and respected throughout the Nation.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO FILE REPORT ON H.R. 2676, EPA RESEARCH AND DEVELOPMENT AUTHORIZATION FOR FISCAL YEAR 1980

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology may have until midnight tonight to file a legislative report to accompany H.R. 2676, Environmental Protection Agency research and development authorization for fiscal year 1980.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

MIDDLE EAST PEACE INVOLVES COSTS AND COMMITMENT

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, as the terms of the Middle East peace negotiations unfold, it becomes apparent that the cost to the American taxpayers will be in the range of $6 billion. Americans must assume that the peace would involve costs and commitment.

I commend President Carter for his vigorous, painstaking peace initiative. I hope that the Congress and the American people will support this effort.

Peacemaking, however, is not a spectator sport. I am chagrined that Europe with its high-flying francs and marks and Japan with its high-flying yen plan no contribution to a peace which is strategically more important to them than it is to America. The peace is vital to the security of the oil sources on which these nations must depend.

If budgetary problems occur in providing for the cost of the Mideast peace—it seems to me we must carve it out of what we provide for NATO or for the defense of Japan.

As we provide for security for the oil lifeline, critical to the survival of Europe and Japan, they must assume more responsibility for their own defense.

☐ 1205

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE CONFERENCE REPORT ON H.R. 2439

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on H.R. 2439, the budget rescission bill for 1979.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

ARMS TO YEMEN: WHAT EMERGENCY?

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, last Thursday I introduced House Concurrent Resolution 78, which protests the administration's use of its waiver authority in order to speed up the sale of $400 million worth of arms, and perhaps up to 300 U.S. men, to North Yemen. The resolution requests that Congress be given 30 days in which to review the details of that sale in order to determine whether such action was indeed in the best interests of the United States.

One of the arguments against the use of the waiver was that, in fact, an emergency did not exist. The administration officials themselves had indicated this was a "political signal." Again, I would point out that "political signals" do not constitute the kind of emergency envisioned by the Arms Control Act. I think that sets a dangerous precedent.

Just the other day, it was indicated that the military crisis between the two Yemens is over, and I think that also indicates that it is very questionable whether an emergency existed at all. We are now hearing other statements from administration officials that involve providing additional arms in the Middle East. I think it is very important for the Congress to be very careful to make sure its oversight authority pursuant to these laws is exercised.

I urge support of my resolution.

RADIO-TV EFFORTS BEGUN YEARS AGO

(Mr. PEPPER asked and was given permission to address the House for one minute and to revise and extend his remarks.)

Mr. PEPPER. Mr. Speaker, I rise to give words of consolation to the new Members of this House. In 1945, as a Member of the Senate, I introduced a resolution providing that the proceedings of the Congress should be broadcast by the electronic media we had, namely, radio. Later, it was amended to include television.

Yesterday, due to our great Speaker, activities of this House in session were broadcast to the country by television, and will hereafter be available to the country and we will have access to the Nation. It was a great accomplishment toward the perfection of our democracy.

I just wanted to commend this great innovation and to assure the new Members, that if they will just stay here long enough and be a Member of this House—the more progressive of the Houses of the Congress—they have a good chance of getting all their legislation enacted.

LEGISLATION PROVIDING FOR ACCELERATED DEPRECIATION

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, today I am introducing a bill to provide for accelerated depreciation.

The report released by the Joint Economic Committee on Monday of this week puts great emphasis on the need for an increase in productivity. The report states as follows:

> An increase in productivity is the key to improvement in our economic standard of living and to the reduction of inflation.

The Council of Economic Advisers in their 1978 report termed the productivity slowdown "one of the most significant economic problems in recent years."

In my judgment a substantial contributing factor to the slowdown in productivity is the growing lack of capital investment in modernization of our industrial economy.

The bill I am introducing today will allow a much faster recovery of capital by allowing a taxpayer to write off Government-mandated nonproductive equipment in 1 year, to depreciate the tools of manufacturing, production or extraction in 5 years and the structures used for production equipment in 10 years.

This week's report of the Joint Economic Committee supports legislation of this type by stating as follows:

> Inflation and tax provisions. Some of the provisions of the corporate income tax code which were designed in a noninflationary economy, act as a deterrent to investment in the current inflation. Depreciation allowances based on historical cost do not allow sufficient deductions to recover replacement costs.
>
> As for investment incentives, several are available. The corporate tax rate can be cut to increase the rate of return on all factors of production in a nondistorting fashion. Depreciation allowances can be speeded up or adjusted for actual replacement cost to offset the distortion created by inflation.

THE CARTER ADMINISTRATION'S $1 BILLION CUT IN HIGHWAY AND MASS TRANSIT FUNDING

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, the Carter administration is trying to pull another fast one. When they sent their supposedly lean austere budget to Congress, it cut about $1 billion out of the funding for highway and mass transit; and on the face of it, that looks like a fiscally responsible move. But when one digs deeper into the budget documents, another picture unfolds. Page 723 of the Carter budget shows that the balance in the highway trust fund at the end of fiscal year 1978 was $11.6 billion—money already collected from highway users on the promise that it would be used for transportation. But the administration, by cutting transportation funding, will actually increase the balance in the trust fund to $14.1 billion in fiscal year 1980.

So, Mr. Speaker, the Carter administration is attempting to fund their deficits in the general funds by not spending tax dollars already collected from highway users to improve America's transportation system.

Mr. Speaker, the American people have a right to know that their highway tax dollars already collected from them are being diverted and used to underwrite the Carter deficit in other unrelated areas.

☐ 1215

INDIANA STATE HAS 33 WINS AND NO LOSSES

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, last fall slightly more than 250 Division 1 members of collegiate basketball teams started playing. About 5 months later that number is down to six—two that will play tomorrow night in the National Invitational Tournament in New York City, and four this weekend in Salt Lake City. I am sure my colleagues in the House would like to be aware of the fact that three of those six are from Indiana and two of the six are from the congressional district I represent.

Tomorrow night the championship of the NIT will be decided between Indiana University whose district I represent and Purdue University whose district I surround. As of this date Indiana State, who boasts 33 wins and no losses, my alma mater, will be vying for the national championship in NCAA in Salt Lake City. I am sure my colleagues would like to have that information.

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to my colleague, the gentleman from Notre Dame, who almost made it.

Mr. BRADEMAS. I thank my friend, the gentleman from Indiana, for yielding. I made some observations in the House yesterday on the same subject, and although it is not often that my colleague, the gentleman from Indiana (Mr. MYERS) and I find ourselves in agreement, this is one occasion on which, Mr. Speaker, I am delighted to associate myself with his remarks.

Mr. MYERS of Indiana. I thank the gentleman for his remarks.

I might add we hear a lot about other conferences here, but the NIT will be decided between two Big Ten teams, one from Indiana, and I am sure all of my colleagues would like to hear that.

Mr. Speaker, I yield back the remainder of my time.

SPECIAL ORDER TODAY TO DISCUSS BALANCED BUDGET CONSTITUTIONAL AMENDMENT ISSUE

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, many of us would agree that the major domestic issue in the Congress this year is the subject of a balanced Federal budget. There are a number of constitutional amendments that have been proposed to call for a constitutional amendment to require a balanced Federal budget and to call for a limit on spending.

I am today introducing such a proposal, and I invite the attention of the Members to that proposed constitutional amendment. In addition, I am taking a special order this afternoon at the close of legislative business for a free going discussion on the subject of the balanced budget constitutional amendment issue. I hope that as many Members as possible will be on the floor to discuss in a broad range way that subject and any related to the principle of holding down Federal spending and putting the Government's fiscal house in order.

Mr. Speaker, I yield back to the remainder of my time.

SPECIAL COUNSEL PAUL J. CURRAN

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, this morning the United States Department of Justice announced the appointment of a special counsel, Paul J. Curran of New York, to investigate the dealings between the National Bank of Georgia and the Carter peanut warehouse. I applaud this step by the Department of Justice because it provides an independent review over these troubled financial dealings.

I have two concerns, however, that the special counsel's independence might be jeopardized. First of all, the charter given to Mr. Curran by the Department of Justice gives Mr. Curran no independent prosecutorial authority and, second, Mr. Curran is not protected from removal at will by the Department of Justice, I would hope that the Department of Justice will allow Mr. Curran to maintain an independence in the tradition of Special Prosecutors Cox and Jaworski. Should his independence be jeopardized in any way, I hope that the American public will express its outrage in an appropriate manner.

Mr. Speaker, I yield back the remainder of my time.

□ 1220

THE PRESIDENT'S COURAGEOUS BUDGETARY DECISIONS

(Mr. GLICKMAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. GLICKMAN. Mr. Speaker, as we move ahead on the timetable provided under the Budget Act for the Congress to "work its will" on the President's budget proposals, I want to take a moment to compliment the President for making some courageous budgetary decisions and to urge each of my colleagues to recognize the importance of making some very tough decisions ourselves in the next few months.

I am quite sure that each and every one of us has our complaints about the President's budget. I know that after it was released, I issued a press release criticizing some of the priorities reflected in the budget. I still feel that way, but I do recognize that his decisions, just like ours, were not easy ones.

The budget rescission proposals the President sent to the Congress in late January and on which we acted recently were a good example of his willingness to make tough decisions. Those proposals included some cuts in programs viewed by many as "sacred." He proposed cuts in nursing programs, for an NIH laboratory, for career education funding. Those are the kinds of programs that the Congress has consistently supported and I am sure the President knew there would be angry Members of this body and in the Senate. I am sure he realized the administration could likely have a fight on its hands.

I am glad the President has shown the fortitude to scrutinize each line item of the budget, not feeling compelled to protect some from cuts just because they hold symbolic significance or just because they will anger a few of us. If we will not look at those "symbolic" programs, if we will not face up to special interests, we will never have a tight but effective budget.

I am sure I will not agree with every proposed cut the President makes, but I hope he continues to make these recommendations, in his budget messages and in rescission and deferral proposals. They make us give Federal programs the hard look they should be given. We need to cut wasteful and ineffective spending everywhere it exists within the Federal Government, and I commend the President for pursuing that end.

ANOTHER UNDERHANDED BETRAYAL OF NICARAGUA

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, it has now been revealed that the administration is taking steps to cut off further United States and foreign bank credit to Nicaragua, in an attempt to force its current Government into economic chaos or bankruptcy.

I cannot imagine a more calculated and underhanded further betrayal of a valued pro-U.S. country.

The administration has promoted all manner of credit and economic aid to nations that are cool or openly hostile to the United States.

Many of these nations are part of the Soviet imperialist drive for world domination.

The administration pulled out all the stops for U.S. credit and trade with Communist China, one of the most repressive regimes in our lifetime.

The administration's efforts to topple the Government of Nicaragua are reprehensible and immoral.

I hope that leaders in Congress and among our business and financial community will express their outrage at such action, which reflects so badly upon the integrity and faith of all the American people.

DISPENSING WITH CALL OF PRIVATE CALENDAR ON TODAY

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to dispense with the call of the Private Calendar today.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5 of rule I and clause 3 of rule XXVII, the Chair will now put the question on the motion to suspend the rules and the question on the adoption of the resolution; on which further proceedings were postponed on March 19, 1979, in the order in which that bill or resolution was considered.

Votes will be taken in the following order:

H.R. 1301, de novo; and

House Resolution 118, yeas and nays.

INTERNATIONAL SHIPMENT OF LOTTERY MATERIALS

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill, H.R. 1301.

The Clerk read the title of the bill.

The question is on the motion offered by the gentleman from California (Mr. DANIELSON) that the House suspend the rules and pass the bill, H.R. 1301.

The question was taken.

Mr. MOORHEAD of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 270, nays 140, not voting 22, as follows:

[Roll No. 42]

YEAS—270

Abdnor
Addabbo
Akaka
Albosta
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonker
Brademas
Brooks
Broomfield
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Carney
Carr
Chisholm
Clay
Cleveland
Coelho
Coleman
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Courter
D'Amours
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derrick
Derwinski
Dickinson
Dicks
Dixon
Donnelly
Dougherty
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Findley
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Giaimo
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hanley
Harris
Hawkins
Heftel
Hillis
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kindness
Kostmayer
Kramer
LaFalce
Lederer
Lehman
Leland
Livingston
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
Lungren
McCormack
McDade
McHugh
McKinney
Maguire
Markey
Marlenee
Marriott
Matsui
Mavroules
Mazzoli
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Myers, Ind.
Myers, Pa.
Neal
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pepper
Perkins
Peyser
Price
Quayle
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shuster
Slack
Smith, Iowa
Snowe
Snyder
Solarz
Spellman
Stack
Stanton
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Symms
Synar
Thomas
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Waxman
Weiss
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Yates
Young, Mo.
Zablocki

NAYS—140

Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bethune
Bouquard
Brinkley
Brodhead
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carter
Chappell
Cheney
Clausen
Clinger
Collins, Tex.
Conable
Conyers
Coughlin
Daniel, Dan
Daniel, R. W.
Dannemeyer
Devine
Dodd
Dornan
Duncan, Oreg.
Duncan, Tenn.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Fish
Flippo
Forsythe
Fountain
Gephardt
Gibbons
Ginn
Gonzalez
Grassley
Gudger
Guyer
Hall, Tex.
Hance
Hansen
Harkin
Harsha
Heckler
Hefner
Hightower
Holt
Hutto
Ichord
Jenkins
Kelly
Kemp
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Lewis
Lloyd
Loeffler
Lott
McClory
McCloskey
McDonald
McEwen
McKay
Madigan
Martin
Mathis
Mattox
Mica
Montgomery
Moorhead, Calif.
Murtha
Natcher
Nedzi
Nelson
Pease
Pickle
Preyer
Pritchard
Pursell
Quillen
Regula
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Rudd
Satterfield
Sebelius
Shelby
Shumway
Simon
Skelton
Smith, Nebr.
Solomon
Spence
St Germain
Staggers
Stangeland
Stenholm
Stump
Tauke
Taylor
Trible
Vanik
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zeferetti

NOT VOTING—22

Alexander
Ambro
Anderson, Ill.
Bonior
Bowen
Breaux
Cavanaugh
Crane, Daniel
Crane, Philip
Deckard
Diggs
Dingell
Ferraro
Flood
Hinson
Kogovsek
Leach, La.
Marks
Runnels
Santini
Stockman
Treen

□ 1240

The Clerk announced the following pairs:

On this vote:

Ms. Ferraro and Mr. Flood for, with Mr. Leach of Louisiana against.

Mr. Runnels and Mr. Dingell for, with Mr. Hinson against.

Until further notice:

Mr. Ambro with Mr. Daniel B. Crane.

Mr. Santini with Mr. Breaux.

Mr. Bonior of Michigan with Mr. Deckard.

Mr. Diggs with Mr. Philip M. Crane.

Mr. Alexander with Mr. Treen.

Mr. Bowen with Mr. Kogovsek.

Mr. Cavanaugh with Mr. Marks.

Mr. Anderson of Illinois with Mr. Stockman.

Messrs. SOLOMON, GONZALEZ, LEWIS, and GUDGER changed their vote from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

ESTABLISHING A SELECT COMMITTEE ON COMMITTEES

The SPEAKER. The unfinished business is the question of agreeing to the resolution (H. Res. 118).

The Clerk read the title of the resolution.

The SPEAKER. The question is on the resolution (H. Res. 118), on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 208, nays 200, not voting 24, as follows:

[Roll No. 43]

YEAS—208

Addabbo
Akaka
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnard
Barnes
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, Phillip
Carr
Cheney
Chisholm
Clay
Cleveland
Coelho
Collins, Ill.
Corcoran
Corman
D'Amours
Danielson
de la Garza
Dellums
Derrick
Derwinski
Devine
Dicks
Diggs
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Frenzel
Frost
Garcia
Gephardt
Giaimo
Ginn
Gonzalez
Gore
Gray
Hall, Ohio
Hall, Tex.
Hamilton
Harkin
Harris
Hawkins
Heckler
Hefner
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hutto
Ireland
Jacobs
Jeffords
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kogovsek
Kostmayer
LaFalce
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
McCloskey
McCormack
McHugh
McKay
Maguire
Markey
Martin
Mathis
Matsui
Mattox
Mavroules
Mica
Mikulski
Mikva
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Nelson
Nowak
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Preyer
Price
Quillen
Ratchford
Reuss
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Solarz
Spellman
Stack
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Tauke
Traxler
Udall
Van Deerlin
Vento
Volkmer
Walgren
Weaver
Weiss
Whitley
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—200

Abdnor
Albosta
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bereuter
Bethune
Bouquard
Brinkley
Broomfield
Brown, Ohio
Burgener
Burton, John
Butler
Byron
Campbell
Carney
Carter
Chappell
Clausen
Clinger
Coleman
Collins, Tex.
Conable
Conte
Cotter
Courter
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Findley
Fish
Forsythe
Fountain
Fowler
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hammerschmidt
Hance
Hanley
Hansen
Harsha
Heftel
Hightower
Hillis
Holland
Holt
Hopkins
Hubbard
Hughes
Hyde

Ichord
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, Okla.
Kelly
Kemp
Kildee
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lujan
Lungren
McClory
McDade
McDonald
McEwen
McKinney
Madigan
Marlenee
Marriott
Mazzoli
Michel
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
Neal
Nedzi
Nichols
O'Brien
Oakar
Panetta
Pashayan
Paul
Pickle
Pritchard
Pursell
Quayle
Rahall
Railsback
Rangel
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Roybal
Rudd
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
St Germain
Staggers
Stangeland
Stanton
Stenholm
Stratton
Stump
Symms
Taylor
Thomas
Thompson
Trible
Ullman
Vander Jagt
Vanik
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whittaker
Whitten
Williams, Ohio
Wilson, C. H.
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—24

Alexander
Ambro
Anderson, Ill.
Boggs
Bowen
Breaux
Cavanaugh
Conyers
Coughlin
Crane, Daniel
Crane, Philip
Deckard
Dingell
Fenwick
Ferraro
Flood
Hinson
Leach, La.
Marks
Miller, Calif.
Nolan
Runnels
Stockman
Treen

☐ 1255

Mr. ENGLISH and Mr. DICKINSON changed their vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COUNCIL ON WAGE AND PRICE STABILITY EXTENSION

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 156 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 156

Resolution providing for the consideration of the bill (H.R. 2283) to amend the Council on Wage and Price Stability Act to extend the authority granted by such Act to September 30, 1981, and for other purposes

Resolved, That upon the adoption of this resolution it shall be in order to move, sections 402(a) and 303(a)(4) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2283) to amend the Council on Wage and Price Stability Act to extend the authority granted by such Act to September 30, 1981, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from South Carolina (Mr. DERRICK) is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield 30 minutes to the gentleman from Maryland (Mr. BAUMAN) for purposes of debate only, pending which I yield myself such time as I may consume.

☐ 1300

Mr. Speaker, House Resolution 156 provides for the consideration of H.R. 2283 to extend the Council on Wage and Price Stability Act as amended.

This is an open rule providing for 1 hour of general debate with the time to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance, and Urban Affairs. The resolution also provides for one motion to recommit.

House Resolution 156 provides for waivers of sections 303(a)(4) and 402(a) of the Congressional Budget Act in order for the bill to be considered.

Section 303(a)(4) states that it shall not be in order to consider any bill which provides new entitlement authority for a fiscal year until the first concurrent resolution of the budget for that fiscal year has been adopted. Section 3 of the bill would extend the existing authorities of the Council on Wage and Price Stability from September 30, 1979, to September 30, 1981, including entitlement authority contained in section 2(c) or (g) of the original legislation, as amended. The Committee on Banking, Finance and Urban Affairs has advised the Rules Committee that the committee will offer a floor amendment to limit payments made pursuant to the bill until the appropriation legislation is enacted. Section 402(a) of the budget act provides that it shall not be in order to consider any bill which authorizes the enactment of new budget authority for a fiscal year unless that bill has been reported on or before May 15 preceding the beginning on such fiscal year. Section 2 of the bill would authorize the enactment of additional new budget authority for fiscal year 1979. The Budget Committee has concluded that this supplemental authorization satisfied the emergency standards embodied in section 402 of the Budget Act and has indicated their support for the waiver.

H.R. 2283 extends the authority granted by the Council on Wage and Price Stability Act to September 30, 1981; authorizes appropriations of $8.483 million for fiscal years 1980 and 1981; and requests a suppemental appropriation for this fiscal year of $4.752 million. I would like to point out that the prohibition against mandatory controls in section 3(b) of the act is still intact.

Mr. Speaker, I urge my colleagues to adopt House Resolution 156 so that we may proceed to the consideration of H.R. 2283.

Mr. BAUMAN. Mr. Speaker, the rule before us has been adequately described by my distinguished colleague from South Carolina. It is an open rule that permits the House to work its will. It has a few minor details to reflect the thinking of our new chairman of the Committee on Rules such as not permitting the minority to offer a motion to recommit with or without instructions. That is neither here nor there because we do not have the votes in the Committee on Rules to change things like that.

I do think the bill itself merits some comment. Only in the wonderland that is the Congress of the United States could we possibly think we are addressing the problem of inflation by not only extending for 2 years an agency that is virtually useless and ought to be abolished but by increasing its budget by 300 percent to $8.48 million per fiscal year and its staff from 39 permanent employees to 233.

☐ 1305

This is the typical way in which the Congress of the United States addresses important issues such as inflation. Those figures do not even square with Jimmy Carter's inflation guidelines which are revised periodically, as we all know.

It is amazing to me that we in the Congress, having been here for 2½ months dealing with the problem of inflation, have repeatedly addressed the issue, twice having voted on the national debt and twice having voted against adopting a method to balance the budget. So it would seem that our liberal brethren would at least have the self-discipline to think before they come before us today with this sham, this fraud, this band-aid on a major blow-out that does nothing about inflation.

Here we are with a 9- or 10-percent annual inflation rate, just about half what they have in Great Britain, which should give us absolutely no comfort at all, and the suggested answer is to multiply the number of employees, increase the budget 300 percent and expand this needless agency. And they think it is going to take care of everything.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to my distinguished and eloquent colleague, the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I am very much interested in the figure of $846 million, if that is the sum I think the gentleman quoted.

Mr. BAUMAN. The figure is $8.46 million.

Mrs. FENWICK. Is it $8.46 million?

Mr. BAUMAN. Yes, that is right.

Mrs. FENWICK. What are they doing with it? How is it spent?

Mr. BAUMAN. That will be addressed in detail by my colleagues on the Committee on Banking, Finance and Urban Affairs, which has the jurisdiction. But a great deal of it will go to pay the salaries of the almost 200 new employees added to the staff. It has also been proposed that it will be spent on holding hearings around the country, hearings that will be held so the public can come in and comment on inflation and finger the real culprits of inflation, presumably big business, big labor, and maybe even big government.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's yielding.

Has there been any explanation as to what these employees are going to do?

Mr. BAUMAN. I would yield to the gentleman from Florida (Mr. KELLY), who may have some idea about that. I suspect we are going to do more of the same kind of dramatic breast-beating that the "big banana," Mr. Cahn, has been indulging in.

Mr. ROUSSELOT. In other words, it is an inflation of words, but there is no real curb?

Mr. BAUMAN. No, there is no real check on inflation provided in this bill, it will only add more.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for yielding.

Mr. KELLY. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Speaker, I rise in opposition to H.R. 2283 because a further extension of the Council on Wage and Price Stability will serve no useful purpose other than shifting the blame for inflation from our Government's fiscal and monetary policies—where it really belongs—to the private sector which is the chief victim of inflation.

We should vote against the bill because the Council has failed miserably to accomplish the purposes for which it was created. Congress made the Council responsible for monitoring and analyzing inflationary activities throughout the economy. However, throughout the history of hearings on the Council on Wage and Price Stability there has been no testimony that the agency has done anything that has reduced inflation. To the contrary, the annual inflation rate is 6.5 percent higher today than in October 1977, when we last voted to extend the Council on Wage and Price Stability.

By voting to extend the Council for another 2 years, at authorization levels 300 percent higher than the current limits, we will be unleashing on the workers and businesses of America a program of "volunteer" wage price standards that are voluntary in name only, arbitrary, unfair and burdensome on the most productive sector of our economy.

The administration's wage and price guidelines are a diversionary tactic, a smokescreen, to cause the public to think that they are responsible for inflation when it is caused by excessive Government deficits and spending. Labor and business are relatively minor contributors to inflation, compared to Government. Labor and business are productive. Government is not.

Alfred Kahn, the Nation's top inflation fighter, himself acknowledged that disproportionally greater inflation had taken place in the costs of five basic necessities—food, energy, housing, health and transportation—"because, in large measure, the problems in these areas arise out of existing government regulation."

Inflation induced by governmental actions pervades every facet of this country's economic life. I would like to list just a few examples:

First. Excessive Federal Government deficits financed by excessive taxing and borrowing. Our long-term debt and contingent obligations now exceed $7 trillion dollars. Our "austerity" budget of 1980 actually represents a $38.2 billion increase over the previous year.

Second. Costly Federal regulations which increase the cost of doing business by $100 billion annually.

Third. Taxes that discourage productivity-increasing investment in research and development.

Fourth. Increases in social security taxes which are now taking more from the taxpayers than they can ever hope to get back.

Fifth. Increases is federally imposed minimum wages. The most recent jump was 9.3 percent. This is both inflationary and will cause those who can afford it least to lose jobs: the young, the poor, and the unskilled.

Sixth. Increases in Federal farm price supports.

Seventh. Unemployment insurance taxes.

Eighth. Workmen's compensation increases.

Ninth. Government waste arising out of duplication, bureaucratic bungling, corruption, and fraud.

Tenth. A welfare system that is costing billions and encouraging millions of Americans to settle into permanent dependency on the dole.

Eleventh. Urban development programs that create instant slums and isolate the poor in Government-subsidized ghettos.

Twelfth. Davis-Bacon Act requirements that mandate prevailing union wage scales on federally funded construction projects.

Any benefits that could be derived from compliance with the current "voluntary" wage and price guidelines pale in comparison with the good that would ensue if our inflation watchdog agency addressed itself more to curing Government-caused inflation.

The very existence of COWPS, given its current task of securing compliance with the administration's wage price guidelines, stands as a threat to employer and employee of a mandatory controls program. Mandatory controls have been tried in the past and they were dismal failures. They threaten our free economy because they intervene in the decisions that must be made in the marketplace.

The current crop of "voluntary" guidelines allow politicians to dictate wage and price policies to workers and businesses in America. The built-in sanctions permit Government agencies to harass and intimidate people and businesses into compliance. The "voluntary" program with it costly reporting requirements and an expanding monitoring bureaucracy has all the hallmarks of a mandatory wage and price control program.

These controls will, at best, bring some short term slowing in the rate of increases in prices and wages in some areas. But no Government entity, however large, can adequately control or monitor the millions of market decisions that shape the wage-price policies of individual businesses.

At worst, the "voluntary" guidelines will pave the way for comprehensive controls which will straitjacket our economy, delaying, perhaps indefinitely, the capital investment decisions that need to be made now to restore our competitiveness in the world markets.

Controls requiring another layer of wasteful form filling will add to the cost of doing business without increasing productivity. They may lead to shortages and lower product quality without making a significant dent in the cost of living for American consumers.

I will not support an extension of COWPS at the higher funding levels because it has turned away from the task of ferreting out and dealing with the real causes of inflation. What the Council is doing now is pointing the barrel at the victim while the real culprit in the inflation war is allowed to operate unimpeded.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I will ask, will the gentleman from Florida (Mr. KELLY), who is always very articulate on this subject, tell us what these new staff people are going to do to stop inflation. Was that explained to the committee?

Mr. KELLY. Mr. Speaker, if the gentleman will yield, it was; yes.

Mr. BAUMAN. I yield to the gentleman from Florida.

Mr. KELLY. I thank the gentleman for yielding.

Mr. Speaker, it was explained in detail that the additional 200 members of the staff would administer the illegal portion of the voluntary wage and price guidelines.

Mr. ROUSSELOT. The illegal portion?

Mr. KELLY. Yes.

Mr. ROUSSELOT. What does that mean?

Mr. KELLY. Well, it means that the General Accounting Office has said that the voluntary wage and price guidelines are illegal because there is no lawful basis for the President to have propounded the program, and the additional 200 people on the staff are to administer that portion of the President's voluntary wage and price controls.

Mr. ROUSSELOT. So they will be engaged in illegal work?

Mr. KELLY. According to the General Accounting Office.

Mr. BAUMAN. Mr. Speaker, that was one point the gentleman from Maryland missed mentioning, that this enormous spending increase will go for illegal, unauthorized activities which are now being challenged in court by a number of the Members of Congress. But other than that, the bill is paid to have some merit by its supporters.

Mr. ROUSSELOT. So, if the gentleman will yield further, it would not hurt for us to vote down the rule?

Mr. BAUMAN. Yes, that would be a good start, to send a message to the leadership that we are not going to even debate or consider nonsense of this nature.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I thank the gentleman for yielding.

I was wondering if the gentleman from Florida (Mr. KELLY) will help refresh my memory. It seems to me that the United States just recently went through a bad experience, finding out the hard way that wage and price controls do not work, and that it is just like putting a little soup on the back burner and turning the stove up underneath.

Is inflation not caused by the printing presses down here at 14th and Independence Avenue?

Mr. KELLY. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Speaker, the testimony of the chairman of the Council on Wage and Price Stability was that in the last 10 years the monetary and fiscal policy of the Government was the principal cause of inflation and the distortion of the American economy.

Mr. SYMMS. In other words, the volumetric expansion of the money supply by the fiscal and monetary policies of the United States is what causes inflation, in other words, the printing presses and expanding credit?

Mr. KELLY. Mr. Speaker, if the gentleman will yield further, this statement by the gentleman is supported by the testimony before the committee.

□ 1310

Mr. SYMMS. Mr. Speaker, I thank the gentleman very much.

If the gentleman will yield further, I think what we are really doing here is putting vaseline on a cancer, to give false hopes to the people out here that somehow some voluntary wage and price committee can somehow talk prices down, when actually rising prices are no more than the end product of inflation.

So it looks to me that we could start off here today by just voting this rule down and save $8 million; is that correct?

Mr. BAUMAN. It would be a step toward saving some small amount, an easing of the taxpayers' pain.

Mr. SYMMS. $8 million. And turn those people on the Price Stability Board out to some place where they might seek some gainful employment and get an understanding of this.

Mr. BAUMAN. The gentleman understands the liberal thinking in Washington that when you want to solve a problem you form a commission.

Mr. KELLY. Mr. Speaker, if the gentleman will yield, I think the answer is a little more than $2 million to $8 million per year. And this is an extension for a period of time of 2 years. So, the gentleman's figure of $8 million is very conservative. Did the gentleman intend to be conservative?

Mr. SYMMS. If the gentleman will yield, I would just as soon get rid of this whole program. It is a farce, it is a masquerade, it is a charade, as the gentleman from Maryland pointed out. We know that wage and price controls do not work. The President of the United States himself just returned from Camp David last evening and said he wanted no mandatory wage and price controls. He is asking to get wage and price controls if he does not get rid of this potential poisonous rattlesnake while it is in the embryo stage. It looks to me that the smart thing to do would be to smash it right now and get rid of it and get rid of the idea, and stop inflation by correcting the irresponsible monetary and fiscal policies of the U.S. Government that originate here in this Chamber.

Mr. BAUMAN. The gentleman has, as usual, provided a vivid example of Western American thinking that aptly describes the situation.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. I thank the gentleman for yielding.

Mr. Speaker, am I also to understand that this bill contains a provision which will encourage voluntary reporting by vigilante-type groups in this country, to make sure that we have "voluntary compliance" with the edicts of the council.

Mr. BAUMAN. It is my understanding that there will be an attempt made to embody that sort of vigilante approach. I think the sponsors thought this method would serve to turn in the offenders who are causing inflation. One might find the Congress collectively served with a summons if this were the case.

Mr. CAMPBELL. It is not unreasonable to assume that if we create these public interest groups, that they will go out and grind their axes against whomever they choose to grind them against, and that this $8 million might not be enough for this Council to process these complaints which will increase the workload that is placed upon the council in this effort to have "voluntary wage and price control".

Mr. BAUMAN. I am sure the resulting blizzard of paperwork will make the winter of 1979 look slight by comparison. This agency has the possibility of becoming an economic OSHA, with all of the attendant problems.

Mr. DERRICK. Mr. Speaker, does the gentleman from Maryland (Mr. BAUMAN) have requests for further time?

Mr. BAUMAN. No, I do not, Mr. Speaker.

Mr. DERRICK. Mr. Speaker, the people of this country recognize the No. 1 domestic issue as being inflation. We can stand here today and argue about what we are going to do and what we are not going to do. But what we are doing with this legislation, that this rule provides for, is to take a positive step in the right direction.

What are the alternatives? The alternatives are to do nothing, which, I gather, is what the gentlemen on the other side of the aisle propose or to establish mandatory wage and price controls. After all, we tried that back in the early 1970's, and we know that mandatory controls do not work.

The voluntary wage and price standards program thus seems to me to be the best and only truly viable alternative we have before us.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Speaker, I do not think that the choice is to do nothing, as the gentleman states it. I think the question here is: Do we want to have this charade of a board here? Do we want to have this Council? Or do we really want to get to the root of the cause of inflation?

□ 1315

This council is just going to stimulate more inflation, because we have to pay more Government employees with printing-press dollars. That would arrest you in Idaho if you counterfeited money the way the U.S. Government does it. Counterfeiting is in the Constitution as illegal, but all we are doing here is adding all this $800 million or whatever dollars, and making a blizzard of paperwork.

As the gentleman from Maryland points out, the alternative to this is, let us put our own house in order and balance the Federal budget this year. That is what the American taxpayers are crying for. They do not want wage and price controls. There are many things Congress could do. We could deregulate large segments of industry in this country so that competition could come in and compete in the marketplace and drive prices down in the competitive spirit of the volunteer marketplace.

All this is going to do is have the Government go out and threaten industries, threaten labor unions, threaten different segments of our economy with the threat of wage and price controls. If anything, it will cause prices to go up because people will decide that they had better make their decisions early in anticipation of the day wage and price controls will come on, so they think that while there are no teeth in this, they had better raise prices now to get ahead of it.

So, this is a self-defeating piece of legislation which actually destroys the goal it sets out to do. The gentleman's goal is very noble, to control inflation, but a voluntary wage and price board is going to increase price inflation, which is a result of monetary inflation because the people, seeing the price in the marketplace, will have the idea that it looks like the Congress is getting ready to place wage and price controls, so, "let's get ahead and raise the cost."

So, I would advise the Members of the House to vote this thing down, and they will be doing something to help inflation.

Mr. DERRICK. I appreciate the gentleman's remarks. I would like to say that I credit the American people with reasonably pure motives, and I think they are looking for some direction from this Congress and some direction from this Government, for leadership. Direction and leadership are what we are about to get here this afternoon. We can talk and talk and do nothing, or adopt some drastic program which will not cure the problem and may lead to recession or chronically high unemployment, or we can adopt the legislation that is here before the Congress which provides sound and sensible leadership in the area of inflation.

Mr. SYMMS. How about stopping the expanding of the money supply by voting to balance the budget? We can do that any time we want to.

Mr. DERRICK. If you people over there will leave us alone long enough, we will get the balanced budget.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding. I will say that I listened to some of the testimony as a member of the Banking Committee, and when I came here today I was inclined to vote for the rule if we do have a vote on the rule, but now, after listening to debate, I am inclined to say, that my first visceral reaction when I heard the President's message about his volunteer wage and price control was correct, that he had indeed placed the emphasis on the wrong syllable.

Instead of voluntary wage and price controls which are not going to work—and I said that at the time because George Meany would not go for that, and he has not; and they are very cosmetic at best—it seems to me that if the President wanted to do something really dramatic to stabilize the American dollar abroad and to bring inflation under control, he could have sent us a balanced budget. Then, we would have started at square one with a balanced budget. And, if we in Congress found that we could not adopt a balanced budget, we could have voted spending programs which would have put the budget out of balance as an emergency measure. We would then have to state the case for voting a budget deficit as a matter of economic necessity and fiscal responsibility. I do not believe we are going to be able to balance the budget this year. I think, being realistic, we are not going to be able to complete the job this year. But if the President had really wanted to propose an effective alternative, this is such an alternative.

He could have sent us a balanced budget and said, "This is where we start." It would have been dramatic notice to the world that we do intend to do something about inflation, and I think other countries would have responded. So, I think on reflection that we probably should vote this rule down and the bill back to the Banking Committee for more work.

Mr. DERRICK. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 305, nays 102, not voting 25, as follows:

[Roll No. 44]

YEAS—305

Abdnor
Addabbo
Akaka
Albosta
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, Phillip
Byron
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Coelho
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Dicks
Diggs
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hillis
Holland
Hollenbeck
Holtzman
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kostmayer
LaFalce
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marlenee
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Nebr.
Snyder
Solarz
Spellman
St Germain
Staggers
Stanton
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wyatt
Wydler
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—102

Archer
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Bethune
Brown, Ohio
Burgener
Butler
Campbell
Carney
Cheney
Clinger
Coleman
Collins, Tex.
Coughlin
Courter
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Emery
Erdahl
Erlenborn
Forsythe
Gaydos
Gibbons
Gingrich
Goldwater
Goodling
Gramm
Grassley
Grisham
Guyer
Hammerschmidt
Hance
Hansen
Harsha
Hightower
Hinson
Holt
Hopkins
Ichord
Jeffries
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McDade
McDonald
Marriott
Miller, Ohio
Moorhead, Calif.
Murphy, Pa.
Pashayan
Paul
Regula
Ritter
Robinson
Roth
Rousselot
Rudd
Satterfield
Sensenbrenner
Shumway
Shuster
Smith, Iowa
Snowe
Solomon
Spence
Stack
Stangeland
Stenholm
Stump
Symms
Tauke
Taylor
Thomas
Trible
Walker
Whitehurst
Whittaker
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—25

Alexander
Ambro
Anderson, Ill.
Breaux
Burton, John
Crane, Daniel
Crane, Philip
Deckard
Dingell
Ferraro
Flood
Ford, Mich.
Hagedorn
Horton
Kogovsek
Leach, La.
Lent
Madigan
Marks
Moffett
Nolan
Runnels
Stockman
Treen
Wright

□ 1335

The Clerk announced the following pairs:

Mr. Leach of Louisiana with Mr. Anderson of Illinois.

Ms. Ferraro with Mr. Philip M. Crane.

Mr. Ford of Michigan with Mr. Horton.

Mr. Dingell with Mr. Treen.

Mr. John L. Burton with Mr. Hagedorn.

Mr. Breaux with Mr. Daniel B. Crane.

Mr. Alexander with Mr. Deckard.

Mr. Flood with Mr. Stockman.

Mr. Runnels with Mr. Marks.

Mr. Nolan with Mr. Lent.

Mr. Wright with Mr. Madigan.

Mr. Ambro with Mr. Moffett.

Mr. VANIK changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2283) to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1981, and for other purposes.

The SPEAKER pro tempore (Mrs. SCHROEDER). The question is on the motion offered by the gentleman from Pennsylvania (Mr. MOORHEAD).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2283, with Mr. DERRICK in the chair.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill will be dispensed with.

Under the rule, the gentleman from Pennsylvania (Mr. MOORHEAD) will be recognized for 30 minutes, and the gentleman from Connecticut (Mr. MCKINNEY) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, taken by itself the legislation before us is simple and straightforward.It extends the life of the Council on Wage and Price Stability for 2 years, to September 30, 1981, and increases the agency's dollar authorization for the current fiscal year and the next 2 fiscal years. The increases, as we all know, is to permit an expansion of the staff of this small agency so that COWPS can monitor the new program of nonmandatory price and wage standards announced by the President last October. Let me note that the planned staff of slightly over 230—233 to be exact—is far smaller than the thousands that were necessary to enforce mandatory wage and price controls in earlier periods.

While the legislation itself is simple, we cannot debate it in a vacuum. We must inevitably render some kind of judgment on the experimental price and wage program which is now being administered by COWPS. Let me share with the Committee a few of my thoughts on that program.

First, and probably foremost, none of us is claiming that this price-wage program is going to defeat inflation all by itself. We do not even claim it will produce an early and major reduction in the rate of inflation though it should help. The reason for this program is not that it is a miracle cure for inflation but that it is an important backup to the more traditional tools of fiscal and monetary restraint, at a time when inflation has acquired a powerful momentum of its own.

We know from the experience of the 1974–75 recession that a severe restriction of demand can produce high unemployment without coming close to eliminating inflation. A multitude of private and Government studies have concluded that it would take years of painfully high unemployment and subpar operation of the economy to wring out the inflation, if something in addition to fiscal and monetary policy is not employed. This program of wage and price restraint is the added tool, which seeks to tackle the momentum aspect of inflation. The tool is of no use if fiscal and monetary policy are too expansionary, but they are not. They are both aimed at moderating demand with the explicit purpose of checking the inflation. The program administered by COWPS is designed to make monetary and fiscal policy work better and more quickly, not replace them.

Second, Mr. Chairman, I think we should recognize the frankly experimental nature of this program. In the past we have had detailed, mandatory controls on several occasions—and we all know their many drawbacks—and we have had one period, 1962–66, of very general voluntary "guidelines" for wages and prices. But we have never before had a nonmandatory program that is rather detailed and elaborate. It is sufficiently precise so that price or wage behavior can be judged as in compliance or not in compliance, but no one can go to jail or be fined for failure to comply. We simply do not know yet how this experiment will work. The early evidence is mixed and certainly is not conclusive. A large majority of the Banking Committee—the vote was 29 to 10—concluded that this was an experiment worth trying, to help solve this baffling, elusive problem of inflation. We all know that there exists in parts of the economy private power to set prices or wages almost independently of the state of supply and demand. This is the power that makes momentum inflation possible—an inflation that is not in the classical textbooks. We have to try to deal with it, and I think this program is a promising effort to do so.

Next Mr. Chairman, let me make quite clear what this program cannot do. This is most important in the context of very recent developments on the inflation front. A program of this kind cannot control the prices of raw agricultural products, such as the price of beef (and I might add parenthetically that mandatory controls could not, either). It obviously cannot control world oil prices. It cannot control the exchange rate of the dollar, and thus the cost of imports. It cannot control interest rates. It cannot control prices of metals and other raw products, established in world markets. And once again I might add, neither can mandatory controls stop prices like these from rising.

As it happens, Mr. Chairman, our price indexes—and our real cost of living—are being influenced in a big way and a bad way right now by these very prices. Some of them enter directly into the cost of the necessities of life—food, housing, energy, and medical care. These sectors themselves are not exempt from the program—profit margins and markups in the whole food chain after the products leave the farm are covered, for example—but some raw components of these prices are necessarily exempt. Thus we have a paradox: This program could achieve total compliance and yet, in the short run at least, inflation could still get worse. But that does not render this program useless. In the longer run, the basic price-wage spiral remains a very crucial element in the inflation problem, and this program does endeavor to deal with that. The news will not always and inevitably be bad in the prices we cannot deal with through a program of this kind; but when the news turns better on that front, we will still have the momentum inflation unless we try to do something about it.

We on the Banking Committee naturally have some reservations about the program, which we have spelled out in the committee report—particularly the danger that it may bear down harder on wages than on prices. But despite these reservations, we feel this experimental program deserves a real chance to show what it can do. A vote against this bill amounts to throwing up your hands in despair—or else putting all your chips on a very restrictive fiscal and monetary policy with all of the accompanying risks of recession or worse. To me the choice seems very clear.

Mr. MCKINNEY. Mr. Chairman, I yield myself such time as I may consume.

□ 1345

Mr. Chairman, it is very pleasant for me to return to this House. There was a time when I questioned whether I would return or not. I must say that it was something of a cultural shock to get off of the train from Florida in the morning, with my bag of oranges in one hand, and now find myself on the floor of the House of Representatives with another bag altogether in the other hand. But it is nice to be back.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MCKINNEY. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. I thank the gentleman for yielding.

Mr. Chairman, I want to say that I think the entire House welcomes the gentleman from Connecticut (Mr. MCKINNEY) back, no one more so than the chairman of the committee on which the gentleman serves as ranking minority member.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. MCKINNEY. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

Mr. Chairman, may I say to my colleague, the gentleman from Connecticut (Mr. MCKINNEY), how delighted I am to see him back in the House, serving his constituency and all of the people of

Connecticut as well as he does, and it is a real pleasure to have the gentleman back so hale, hearty and welcome.

Mr. McKINNEY. I thank the dean of the congressional delegation from the State of Connecticut in the House of Representatives, who, by the way, took his own time and his own money and lost a little sleep and stood in the airport for quite a long time to fly up to Connecticut to make me legitimately a Member of the 96th Congress. I thank the gentleman for that.

Mr. RATCHFORD. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I am delighted to yield to the former speaker of the house for the State of Connecticut, with whom I served as a minority member.

Mr. RATCHFORD. Mr. Chairman, I wish to simply say that my education down here has been vastly lacking because it has been totally partisan. I wish to welcome back a Member who has given a bipartisan flavor to the Connecticut General Assembly, and I hope the gentleman will find time in his schedule to see to it that the newest Member of the Connecticut Delegation is not cast in a total partisan tone. Welcome back. It is great to see you here.

Mr. McKINNEY. I thank the former speaker of the house of the State of Connecticut. I would say to my good friend, the gentleman from Connecticut (Mr. RATCHFORD), that in those days we had nowhere to go but the State House and the State of Connecticut. I think the State did it, and I hope we can do it on the bipartisan issue today.

As I said before, the world sort of watches this body. It is fascinating, to me, because in the last few months I have not been a captive of the Washington Post or the New York Times. I have had a little time with the Tampa Tribune, I have driven through the State of my good friend from Florida, through a town called Zephyrhills, I have read many local newspapers in Connecticut, and I have seen a whole group of people outside of what we call the international press looking at the Congress and saying: "What are you going to do about inflation in this country?" And it is interesting to note that there have been times in these last 3 months when I have wanted to hide my head and say not that I was a Congressman of the United States, when I saw lettuce at $1.10 a head, but, rather, that I was just someone else coping with inflation.

This agency we are going to vote on today is the only agency that the Members in this House or the President of the United States has given the mandate to control inflation to. Congress today has its first opportunity to demonstrate that we share a concern about inflation.

Mr. Chairman, as I return to active duty in the House, what better baptism of fire would I have than the fight to extend the Council on Wage and Price Stability, the Government's only agency mandated to fight inflation. If I am going to get invloved in the issues, there is no better place to start than with the primary concern of most Americans—inflation.

Congress today has the opportunity to demonstrate to the public that we share that concern. The bill before us, H.R. 2283, would extend the life of this Council until 1981 and would increase the authorization level during that period. There is also a committee amendment to the bill which I oppose as an unnecesary piece of legislation, but otherwise I am in support of H.R. 2283.

Any voluntary, anti-inflationary program depends on cooperation among the basic components: business, labor and Government. There is a natural element of distrust between business and labor in such a program. This can only be allayed by our demonstration that the Government means to make its part of the program work. Passage of this legislation will get the point across that Congress intends to do something about inflation: Defeat of this legislation will indicate that it is business as usual, take what you can. It should be obvious to us what road we want to follow.

I am a strong supporter of the Council on Wage and Price Stability. I appreciate the outspokenness of its Chairman, Alfred Kahn, and its Director, Barry Bosworth. These gentlemen realize that the credibility of their agency rests on the forthrightness of their statements and I have never known them to hedge, even when talking about Mr. Kahn's "bananas and kumquats." By being an advocate of the Council on Wage and Price Stability I am saying that I support the role of the Federal Government in addressing the inflation problem that confronts our country. A program based on voluntary participation from the private sector must also have some input from the public sector.

The Council on Wage and Price Stability is charged by Congress with the monitoring of the private and public sectors. The testimony heard by the Economic Stabilization Subcommittee says that a substantial portion of the recent inflation is attributable to governmental actions. Obviously not all of these actions are in the regulatory area; many of the accusations are leveled at legislative actions for which Congress must take the blame. But if the Council pursues its congressional mandate, and the charge given to it by the President under recent Executive orders, more emphasis can be given to the role that the Government plays in mandating inflationary increases throughout the economy.

Today the ball is in our court. Congress can find a way to duck the issue; it has in the past. Or it can confront reality and vote to extend the Council on Wage and Price Stability as an expression of our commitment to reduce inflation. The American people, and the rest of the world, are waiting to see if we have any convictions. How we vote on this legislation can have a lasting impact on how our constituents, and the world community, view the U.S. Government's anti-inflation policy. I think we must support this legislation to demonstrate the willingness of our Government to cooperate with the private sector, both labor and business, in beating back inflation.

☐ 1350

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I will be delighted to yield to my colleague from Ohio.

Mr. STANTON. Mr. Chairman, I appreciate my colleague from Connecticut yielding.

Mr. Chairman, I rise in support of H.R. 2283, which extends the life of the Council on Wage and Price Stability for another 2 years. This legislation also provides for an increase in the Council's authorization for the remainder of fiscal 1979 and for fiscal years 1980 and 1981. Quite frankly, those budget increases concern me, and they will most likely be the target of some amendments offered by the minority. I urge my colleagues on the majority side to listen to the arguments and remember that the American people do not want more Government and they want us to hold down the level of Government spending.

Above all, the people of our Nation do want less inflation. To achieve that goal, we, the Congress of the United States, must do what we can to restore public confidence in our Government's ability to deal with inflation. The Council on Wage and Price Stability plays a key role in demonstrating that a basic strategy to reduce inflation exists.

If we are to gain the cooperation of business and labor in meeting this challenge, the Federal Government needs to show its resolve through firm leadership. When Congress extended this Council in 1977, the minority views of the committee report asked for a greater show of support from the administration for COWPS' monitoring role. President Carter has responded by giving the Council additional visibility and increased responsibilities in his anti-inflationary program.

I would like to urge that the Council not concentrate its efforts on the private sector's actions. There is a statutory responsibility for the Council to monitor the Government process and to focus public attention on those Federal actions it considers inflationary. Testimony from all of the witnesses who appeared before the Economic Stabilization Subcommittee supports the charge that the Federal Government, through administrative and legislative actions, is a major contributor to inflation. COWPS has been reviewing proposed regulatory actions and commenting on their potential inflationary impact: This is their mandated role. No one is asking for the Council to have authority to block or to delay these rules, but we do feel that the President should be aware of both sides of the argument before implementing new standards. In the same vein, Congress should be giving closer attention to the cost impact of new legislative programs. If inflation is the No. 1 concern of the American people, then finding a means of reducing it should be our primary objective.

The Council on Wage and Price Stability is not going to win the battle by itself. But it does demonstrate a commitment by the Government to deal with the problem. For COWPS to be effective it should meet its mandate to monitor the public and private sectors and publicize inflationary actions. It should not be saddled with additional burdens that will dilute its effectiveness, such as the committee amendment authorizes, and inflate its budget requirements. The committee amendment represents unnecessary and inflationary legislation. The Council has more than enough to do without those meaningless responsibilities.

In closing, I would like to urge my colleagues to support this legislation and extend the Council on Wage and Price Stability with its existing statutory responsibilities as an indication of Congress determination to act in a responsible fashion in fighting inflation and also as a demonstration of our willingness to cooperate with labor and business to win that fight.

If the gentleman will yield further, I think the gentleman has stated the one strongest reason, certainly, for Members on our side of the aisle to vote for this legislation. This is also taking into consideration that there are several meaningful amendments that will be brought out in the course of the 5-minute rule which I personally, and many on our side, will support. We should try to amend this legislation the best way we can.

Why some of us will support it on final passage, as the gentleman from Connecticut has so well stated, is that in our report on the initial legislation 2 years ago, in 1977, the minority views said that President Carter was not doing enough on inflation. He wanted this Council for that purpose, and he was not using it. Therefore, we wanted to give him this particular legislation for monitoring purposes. We would support it. If it was good then, it is even stronger now, and so I salute the gentleman in the well for pointing it out.

Lastly, Mr. Chairman, may I join his many friends in telling the gentleman from Connecticut how pleased I am that he is back with us. He is a strong and stalwart Member of the House of Representatives. He was missed, and I am delighted to see him back and looking so well.

Mr. McKINNEY. I thank the ranking minority member, the gentleman from Ohio.

Mr. EVANS of Delaware. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Delaware.

Mr. EVANS of Delaware. I thank my friend for yielding. Let me say that with or without oranges from Zypherhills, he is certainly welcome back to this body.

Mr. Chairman, it is by now clear that inflation is not a simple one-dimensional problem in this country. Federal fiscal, monetary, regulatory, and cost-push legislative policies have all contributed to the explosive acceleration of prices over the last decade. One of the primary causes of inflation is without a doubt the crushing, unnecessary, and duplicative burden placed on the private sector by the various agencies of the Federal Government.

Dr. Arthur Okun, former Chairman of the Council of Economic Advisers under President Johnson, testified in our hearings on this bill about the "often neglected area of anti-inflationary policy (involving) the pervasive impact that Federal agencies have on costs and prices in many sectors of the economy." Eighty-three regulatory agencies are currently spewing out a veritable briarpatch of regulatory redtape while failing to devote adequate consideration to the economic rationale and inflationary impact of their directives.

In 1977 when we were asked to support a 2-year extension of the Council on Wage and Price Stability, I supported the bill, not because I thought it could or would be used to monitor prices and wages, but because I was led to believe that the administration had every intention of continuing to use the Council as a watchdog to eliminate the unnecessary costs of Government regulations. Both the majority report and the minority views reflected our concern with these costs and our intention that the Council "take actions to * * * minimize the inflationary impact of Government action." We even had assurances from Messrs. Blumenthal, Lance, and Schultze that the Council was the best equipped agency in government to perfrom this function.

During the 1977 hearings, we heard of some of the Council's work. It was obvious that the Council had been exercising some independent judgment to raise some very good questions about some costly regulatory proposals. We thought we had assurances from the administration that this work would continue. Unfortunately, during our recent hearings on this bill, all witnesses were agreed that far too little attention has been paid to the Council's recommendations. The obvious result is that the costs of Government regulation, have continued to add unnecessarily to inflation.

The Council's recent efforts to publicize examples of Government policies which contribute to, or accommodate inflation, have generally not been accepted in the final regulatory decisionmaking processes. Lamenting this fact Paul McCraken, former Chairman of the Council of Economic Advisers, testified, if somewhat facetiously, that perhaps we should give the Council a veto power over all Government agencies' regulations. Of course, the fact is that if the administration was sincere about eliminating unnecessary regulatory costs, the President's veto power could, and indeed should, be exercised through the OMB or the new Regulatory Council. Unfortunately, we have seen no evidence of any determination to follow through on this opportunity to reduce our inflation rate.

Since these agencies have proven themselves incapable of properly evaluating the tradeoffs between reasonably protecting the public welfare and unnecessarily contributing to our inflation problem, I am hopeful that the Council will save some of its energy for careful evaluation of the inflationary impact of Federal regulatory policies. The Congress has on several occasions given the Council a specific statutory directive to perform this function. By more active involvement in these agencies' activities, the Council will undoubtedly improve the cost-effectiveness of their regulatory decisions and focus public attention on the fact that the Federal Government—and not the private sector—bears the primary responsibility for the intolerable rate of inflation in this country today.

□ 1355

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 3 minutes to the distinguished chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Chairman, I thank the gentleman for yielding.

I want to join in the bipartisan joy about the return of the gentleman from Connecticut, Mr. STEWART MCKINNEY. It is not pleasant to be sidelined for several weeks, as the gentleman from Connecticut was; but I hope the very spontaneous and evident love which both sides of the aisle hold for him, and which is manifest right now, will assuage the gentleman's disability a bit. The gentleman from Connecticut looks great, and we are delighted to have him back.

Mr. Chairman, I am very proud to support the handiwork of the gentleman from Pennsylvania (Mr. MOORHEAD), the gentleman from Connecticut (Mr. MCKINNEY), and their hard-working committee.

Our Committee on Banking, Finance and Urban Affairs tries to operate on a bipartisan basis as much as it can. With regard to its outlook on monetary policies, it very often does see—and I do not often cite this authority—the editorial page of the Wall Street Journal, such as on this morning, when they pointed to the unanimous report of our committee on monetary policy.

So it is, Mr. Chairman, with the Council on Wage and Price Stability.

I like what the gentleman from South Carolina (Mr. DERRICK) had to say before in the debate on the rule, that if anyone has any doubt about whether to vote for this measure, he should consider the alternatives. The alternatives are mandatory, compulsory, rigid wage and price controls which nobody in this body wants or would vote for, or chaos, a situation in which individual self-interest is allowed to run rampant over the common good. We do not want that either.

Mr. Chairman, the bill before us etches out a kind of incomes policy such as that used in about the only two countries I can think of which have really done a good job in fighting inflation: Austria and the Federal Republic of

Germany, where their equivalent of a wage-price council has kept their cost of living within reasonable bounds.

So it can be here. I hope that the bill will include the committee amendment, which requests that the Council use voluntary groups, business, labor, and consumers, to the maximum extent and let them in on the hearing process.

That is how we make a social contract. That is how we get a feeling that we are not a dog-eat-dog society, but a society in which all persons or groups come together for the common good. Therefore, I would very much hope that that will stay with us.

I think, too, that people like Alfred Kahn and Barry Bosworth, the unfortunates who are in charge of this "win no friends" kind of program deserve our praise and commendation for doing a hard job under difficult circumstances.

Therefore, Mr. Chairman, I ask for a good, ringing vote of support for the measure.

Mr. Chairman, H.R. 2283, a bill to extend the Council on Wage and Price Stability for another 2 years and to authorize the Council to expand its permanent staff in order to monitor the voluntary wage/price restraint program, is most important legislation.

In the first place, let me remind my colleagues that in addition to monitoring the President's price and wage standards program, the Council on Wage and Price Stability is specifically mandated to analyze the programs and policies of the Federal Government to identify their inflationary impact. The Banking Committee, in its report accompanying H.R. 2283, emphasized that in extending the life of the Council, it expects the Council to continue its work in the most important area of analyzing Government programs.

I believe the Council should be given the additional staff it has requested—a request which, as you know, the House Banking Committee supported by a vote of 29 to 10. This additional authorization relates to the most controversial feature of the bill we are considering today, the voluntary wage/price standards program.

Of course, I cannot stand here today and state that if we give the COWPS the additional staff it requires, the inflation rate will decrease dramatically by some date certain. However, I do believe if we do not provide the Council with the authority it needs to go on with the administration's program, the Congress will be signaling to the American people that we are giving up on the program very soon after it was undertaken. President Carter announced the voluntary wage/price program just 5 months ago and implementing standards were promulgated less than 3 months ago. A few wage settlements have been concluded since the beginning of the program—small ones, admittedly, not the large pattern-setting contracts which still lie ahead—but these settlements, encouragingly, have been within the President's guidelines. On the price side, the base period figures were submitted a month ago, and the COWPS' monitoring indicates that a majority of the large manufacturers are keeping their price increases within the guidelines. COWPS is now working with those who appear to be outside the guidelines, and working on the standards to avoid a sudden surge at the beginning of the second 6-month period, which starts April 1.

There are two other indicators which encourage me that both business and labor will make a good faith effort to make this program work. The Council on Wage and Price Stability reports that it is spending a good deal of staff time providing technical assistance, at the request of businessmen and collective bargaining representatives, to assist these groups in working out the mechanics of staying within the standards in making their price and wage adjustments. Similarly, in reading the transcript of the hearings held by the Economic Stabilization Subcommittee, I was pleased to note that those business organizations who opposed the program hastened to add that despite their disagreement with the program, they intend to attempt to comply. I sense that there is a psychology for wanting the program to work. The President's program is a detailed and complex program which needs more time for the fair test that I believe it deserves. This was the considered judgment of the Banking Committee by a vote of 29 to 10. I urge my colleagues to support the Banking Committee and vote for H.R. 2283, as amended by the committee.

Mr. McKINNEY. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Chairman, I thank the gentleman for yielding.

I would also like to join with my colleagues in welcoming the gentleman from Connecticut (Mr. McKINNEY) back home to the House.

Mr. Chairman, today the House is asked to approve a large increase in appropriations for a Government agency which is a proven failure. The basic philosophy behind its existence is a fiction which we should not perpetuate.

The Carter administration today asks for an additional $21 million to fund the Council on Wage and Price Stability through fiscal year 1981.

The purported objectives for the Council's existence are to monitor inflationary actions in the private sector and to determine the inflationary impact of activities and programs of the Federal Government.

The first objective is a contradiction in terms. Inflation is not caused by the private sector; it is only reflected there. Inflation is caused by Government policies, and Government policies alone.

The second justification for the Council's existence is duplicative. We already know what effect Government activities and policies have on inflation. Deficit spending by the Federal Government, financed by excessive expansion of the money supply, is the primary cause of inflation. Federal regulations add to inflationary pressures.

There is no need for the Council to spend time and tax dollars pondering a question for which the answer is already known.

The House should reject this raid on the Treasury, and let it be made clear to the President that Congress does not support the perpetuation of this economic fiction.

We can do more to control inflation today by eliminating the appropriation for this worthless agency—and the deficit spending it will necessitate—than the Council will do in a lifetime of existence.

□ 1400

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. BLANCHARD).

Mr. BLANCHARD. Mr. Chairman, I wish to support and echo the remarks of our distinguished subcommittee chairman, the gentleman from Pennsylvania (Mr. MOORHEAD), and the ranking minority member, the gentleman from Connecticut (Mr. McKINNEY), in support of extending the life of the Council on Wage and Price Stability.

In listening to the dialog, I think it is important to point out what was not said as well as what was said in support of the Council. A careful reading of the record will reveal that no one who has spoken in support of the Council has said that it is the end-all in fighting inflation, or that they have a plan, a quick fix, a proposal that, if adopted, if followed, would stop inflation. It would seem to me that these are the types of leaders that we ought to listen to.

We have been grappling with inflation off and on for quite some time. Almost every economist in the world has indicated that inflation has been and will continue to be the plague of Western civilization unless we begin to try out some new ideas and do some sophisticated thinking. What we do not need are slogans, slogans from the political right and from the political left, the easy answer.

I think the President's proposal, while it is not very glamorous, quite frankly, offers an intermediate approach, an approach which in comparison to the alternatives deserves our support. The renewal of the Council is an integral part of that proposal, and so is wage insurance. That matter is not before us today, but I think all of us ought to bear in mind that it would be very difficult to get voluntary cooperation from working men and women without some assurance that if prices go up, they will be protected. I think the wage insurance proposal which is pending before the Committee on Ways and Means deserves careful consideration by the House, and it really will be essential to allow the President's program to have a chance to work. I hope we bear that in mind today when we vote overwhelmingly, I hope, in favor of extending the Council on Wage and Price Stability.

Mr. Chairman, I also want to extend my welcome back to the gentleman from Connecticut (Mr. McKINNEY).

Mr. McKINNEY. I thank the gentleman from Michigan.

Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Chairman, today I would like to speak out in opposition to wage and price controls. We are asked today to quadruple the budget for the Wage and Price Council, hardly a way to fight inflation. Even this year, between now and November we are asked to increase the Council's budget by $4.7 million. In 1974 the Council was brought into existence, and in the past 5 years it has spent over $6 million. During this time the Consumer Price Index has increased 58 points, meaning to me that COWPS has not been very successful in holding back inflation.

Not only that, and not coincidentally, the M-1 has increased by $77 billion, a 27-percent increase in the money supply during this period. Now, after 5 years of effort by this Council, we are living in an age of double-digit inflation destined to be replaced probably by triple-digit inflation. This is not something new or different that we are looking at today. This is something which is ancient. We have had wage and price controls since the time of the ancient Egyptians when they controlled the price of wheat, which subsequently led to the complete state ownership of all land. Back in the days of Babylon, they had wage and price controls. The Hammurabi Code was written primarily to control wages and prices. In Rome in A.D. 301 there was a death penalty set for those who did not abide by wage and price controls. A contemporary historian of that time wrote that "the people brought provisions no more to market," after wage and price controls were instituted. That is what happens all the time. The stronger the wage and price controls get, the fewer the provisions there are.

Even in recent history we have had many examples of wage and price controls, including the French Revolution and the American Revolution. All examples known have failed to help stop inflation.

When Paul McCracken was before our subcommittee for testimony, I asked him if he had any historic examples of when wage and price controls worked, and he told me that he did not know of any time that they ever accomplished what they intended to accomplish.

□ 1405

Economically they are foolhardy. They do not accomplish what they are supposed to. We place controls initially on the more vital industries and this does one thing, it causes shortages in those industries.

We are attacking symptoms. We are not attacking the real problem. The real problem is that the money has gone bad, not that prices are high. The money is bad and unless we direct our attention to the money, we will never solve the problem of inflation.

The pricing structure cannot be meddled with. It is the steering device in a free market. If we mess with this, it is like destroying the vital nerve. We cannot manipulate the pricing structure. It is an absolute necessity for the system of allocation through voluntary purchasing of the consumer to perform.

If we do not honor this absolute right of the consumer to buy or withhold his buying, the market fails to work and this is why wage and price controls are so dangerous. With total controls you destroy the market. Allocations of scarce resources cannot occur. We then create artificial shortages.

The other thing is that when you have partial controls, you cause misdirection if you have one industry controlled and another one that is not. If this occurs we encourage the transfer of capital from one industry into another. For instance if you have controls on cars in order to give the consumer a low-priced car and you do not control trucks, all the capital and all the productivity goes out of the very industry you are trying to protect for the consumer; so inevitably, wage and price controls hurt the very industries and the very people you are attempting to help.

Not only this, if you have an industry where you have marginal businesses, those are the first ones to be hurt. The minority groups and those who have been dependent on assistance such as through SBA loans are the very ones to be wiped out, because they have a narrower profit margin with which to work. Therefore, you are hurting the very individuals that we are making so many attempts to help. With this capital going over into other industries and to other people we promote monopolies, because the stronger industries inevitably become stronger.

Wilhelm Röepke states that the wage and price controls will do only one thing: It will cause "repressed inflation," that is, we will cause shortages, lines to form; half empty stores; we will have rationing and then we will have a black market. All we have to do is look at the rent controls and the controls in the petroleum industries and we can see what will happen to a whole nation and to all the products that we are dependent on. If you just take a look at what controls on prices do in housing. One would never support controls of any sort on any other parts of the economy. Partial controls always fail.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. McKINNEY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. PAUL. Mr. Chairman, total controls will lead to total destruction of the marketplace, and worse yet, it will lead to the total destruction of our freedom. The foundation for freedom is based on a free market system. We cannot legislate control on people and property as this proposed law does.

I would like to close with a quote that Herman Goering said back in 1946, as a prisoner:

> Your America is doing many things in the economic field which we found out caused us so much trouble. You are trying to control people's wages and prices—people's work. If you do that you must control people's lives. And no country can do that part way. I tried it and failed. Nor can any country do it all the way either. I tried that too and it failed. You are no better planners than we. I should think your economists would read what happened here. . . .
>
> Will it be ,as it always has been that countries will not learn from the mistakes of others and will continue to make the mistakes of others all over again and again?

I urge the defeat of this legislation.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio (Mr. ASHLEY), formerly chairman of this Economic Stabilization Subcommittee.

Mr. ASHLEY. Mr. Chairman, it seems to me that the facts are apparent. There is one source that does not lend itself to controversy, and I am talking about the fact that the administration, rightly or wrongly, embarked on a four-pronged approach to counter inflation, taking aim through the Federal Reserve monetary policy. There can be no question it is taking aim at the taxing and spending fiscal policy. It has proposed real wage legislation.

Fourth, it has put in place a voluntary wage and price restraint program.

Now, we hear from the opposition that this is overloading the system, that wage and price restraints will not work, so they should be scuttled.

At the outset, where is there evidence that voluntary wage and price restraints will not work? Precisely the reverse is the evidence to date.

□ 1410

Mr. Chairman, there are now something over I believe 300 of the 400 to 500 that have supported and are supporting voluntary price restraint programs. That is not bad for starters. The program only started in October.

We know that on the wage side unions, where there have been negotiations, large unions have settled on the guideline suggested by this program. There is no evidence that the program will not work. The evidence is just to the contrary, that this program can work. Perhaps that is where the fear of some of the opposition comes from.

It is said by some in opposition that the exclusive Federal concern and the exclusive Federal effort should be with fiscal policy generally and with Government spending in particular. Well, Congress is doing something about spending. They did it last year. It very substantially reduced the amount of Federal deficit and it is doing the same thing this year as we all know.

It is a fact, if I may direct this to those in opposition, that wage and price behavior is not always responsible. I am talking about wage settlements just as much as I am talking about irresponsible price actions that are taken.

We have heard of administered wages. They did take place in our private sector. We have heard of administered prices. They do take place.

What is the matter with having a voluntary overview of what is going on? Or is that not in the public interest?

Well, the reason, it is said, is because this leads to, as the previous speaker described it, a system of total controls. We can flail at that windmill all day. Total controls do not work. We are not talking about total controls. We are talking about a voluntary system of wage and price restraints that do not even apply totally across the board in any event, but only to the larger participants in our private sector.

Of course, we have go to do this. Of course, we have got to have a combined effort on the part of the Federal Government and indeed the private sector if we are going to get a handle on inflation.

Mr. McKINNEY. I yield 3 minutes to my colleague from Louisiana (Mr. LIVINGSTON).

Mr. LIVINGSTON. Thank you, Mr. Chairman.

I thank my colleague for yielding to me.

Mr. Chairman, I rise in opposition to this bill reauthorizing the Council on Wage and Price Stability and granting an enormous increase in the Council's staff and budget and I would like to congratulate my colleague from Texas on his highly accurate statement.

Instead of fighting inflation, the Council is contributing to it. At a time when the entire country is crying for a balanced budget, the administration is proposing to add almost $5 million to the Council's budget for fiscal year 1979, and to add an additional $1.5 million again in 1980 and again in 1981.

From an original staff of 39 persons, the administration is now saying they must have 233 people to staff this agency. The proof is in the pudding. Inflation is still going up.

Mr. Chairman, I protest this action. The only way we can truly fight inflation is to cut the Federal budget and stop regulating our economy into extinction. Yet, increased regulation is exactly what the Council on Wage and Price Stability intends to accomplish. Despite the President's current stand against wage and price controls this action opens the door for exactly such action.

The Council promises more bureaucracy, more paperwork, more controls—and more inflation. If we are to take a stand on inflation, I believe we should start here. This agency is unnecessary. Its continued existence is an attempt by the Federal Government to coerce businesses and wage earners to do what only the Government can do: Stop the inflation spiral by cutting Federal spending. Federal regulation, and Federal control.

It is a Catch 22—it will not work. Yet we are asked to vote $7 million for this fisal year and $8.5 million for the next so the administration can say it is "fighting inflation." I would rather fight inflation by cutting the budget and I would like to see Congress start right here.

If we have heard the people, if we heed their wishes, if we are serious about balancing the budget and reducing the overwhelming public debt of this country, then we should start here and now.

Mr. Chairman, I wholeheartedly oppose reauthorization of the Council on Wage and Price Stability and I urge my colleagues to vote against this legislation.

□ 1415

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I rise in strong support of the bill to extend the Council on Wage and Price Stability Act.

I think that we have before us a chance to provide an opportunity for the Government to get its act together. The original conception of the Council on Wage and Price Stability and the original charge, of course, were to coordinate the separate aspects of the American economy and the Federal aspect as to how they affect inflation. That was the reason this was voted in, to existence in one agency, to act, and coordinate these activities. The agency has created a voluntary program with the President's direction. We have this Council with additional charged responsibilities.

In doing so, of course, the necessity has arisen for the additional funds. If we look at the total expenditure of the Federal Government for the fiscal year 1978, we see it is proposed to be approximately $530 billion. The expenditure for Council, as proposed for fiscal year 1980, is recommended to be $8.5 million.

I suggest that COWPS has the potential to provide some leadership. It has done so through looking at the various policies of agencies; it has done so by looking at the policies that are occurring in the private sector.

I have heard the cry again today that we should balance the budget, and certainly there has to be an effort to look at Federal spending and at what our priorities are. But before the committee, when we were considering authorization, both Professor McCracken and Mr. Okum testified as to what the impact of balancing the budget. They suggested that from the $29 billion deficit proposed for 1980, it would be something like two-tenths to three-tenths of 1 percent in terms of the effect on the Consumer Price Index.

I submit to the Members that our constituents would not accept an 8.7- or 8.6-percent increase in inflation. We are going to deal effectively with inflation through a voluntary program.

The only other means to accomplish the purpose that has been proposed in terms of influencing the economy is to have an onerous government of large bureaucracies. That has been tried, and it has not proved satisfactory to the American people.

So I think we must proceed on a voluntary basis. I think the Council is moving full steam ahead to accomplish its purposes. It is doing it through the regulatory review process, and it is doing it through the monitoring of wage and price controls. It has set up the standards, and they are trying to be equitable and fair.

I might add that, despite some of the concerns we have heard, the wage program, as testified by Mr. Kahn and Mr. Bosworth before the committee, is working. In spite of the opposition to wage programs, the program is working, and wages are being held within one-tenth of the percentage points as related to actal standards.

Mr. Chairman, I submit this goal can be accomplished through a variety of means if we get behind this and push. I think we owe it to our constituents, we owe it to our country, and we owe it to the economy to support the efforts of the administration to extend the Council on Wage and Price Stability.

Mr. McKINNEY. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. GREEN).

Mr. GREEN. Mr. Chairman, let me first join my colleagues in welcoming back the gentleman from Connecticut (Mr. McKINNEY). Having been privileged to work closely with the gentleman last year on the New York City financial legislation, I am doubly happy that he is back with us today.

□ 1420

Mr. Chairman, I rise in support of H.R. 2283, although I confess that the support is reluctant support. Whether we like it or not, the Council on Wage and Price Stability is the only anti-inflation game in town. To skill it now would send a message throughout this country and the rest of the world that we are not serious about coming to grips with the inflation we face. Defeat of this bill may, therefore, damage the recovery of the dollar in world markets. I thus urge my colleagues to reauthorize the Council and, in so doing, take advantage of the good while recognizing the bad.

The bad elements of the Council's activities are the so-called voluntary wage and price guidelines, whose legality is at present being examined by the courts. This inflation, very clearly, is not caused by wages and prices, which simply respond to inflation. Everyone knows that this inflation is the result of massive Federal deficits doing a period of strong economic activity. These deficits have been monetized by the Federal Reserve System, which has been unwilling to see political unacceptable crowding out of private borrowing efforts.

The good to be found in the Council is its mandate from the Congress to monitor the inflationary impact of Federal regulations and programs. In light of the extensive testimony that the Subcommittee on Economic Stabilization and the full Banking Committee has heard as to the inflation-causing track record of the Federal Government, this aspect of the Council's activity has the potential to provide real help to the people by calling our attention to federally mandated inflation.

I hope that the Council will focus its efforts heavily in this area, because it can be of tremendous import in the fight on inflation.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield such time as he may consume to the gentleman from Oregon (Mr. AUCOIN).

Mr. AuCOIN. Mr. Chairman, today the House considers reauthorizing the President's Wage and Price Council. I support the President in his efforts to control inflation, and I believe he should have every possible tool at his disposal. I do not want to stand in the way of strong executive action to curb our most critical domestic problem—inflation. Therefore, I will support extending the authority of the Wage and Price Council.

I must make clear, however, that I do not support mandatory wage and price controls. There should be no mistake about the guidelines—they are mandatory for firms that now have, or may have in the future, a government contract. For firms forced to comply—and that includes almost every large firm in America—the guidelines hurt, not help, the inflation fighting effort.

Government policies alone will not end inflation. It will take concerted and cooperative action from every American. Everyone in business, in labor, and in Government must carry a fair share of the burden. We need to do away with the "I've got to get mine" attitude and share in some long overdue belt tightening.

For individuals to join in the inflation fight, they need the help and encouragement of Government. It can provide that climate by helping individuals and enterprises make the most efficient use of their human and economic resources.

Not only do we need to free up new ideas, we need to make capital available to put those ideas to work. Last year's Revenue Act contained changes in tax policy to encourage capital formation. But there are still other steps needed—such as eliminating double taxation of dividends—to help eradicate the antisavings bias in the U.S. Tax Code.

Increased investment in new plant and machinery would help pump up the lagging rate of productivity growth. Indeed, this aspect of our economic problems—lagging productivity—troubles me more than any other.

Productivity growth during the last few years has been only one-half the average of the postwar period—1.6 percent in 1977 and only three-tenths of 1 percent in 1978.

Let me put this in more human terms. The average American household now receives $3,700 less income for better housing, food, clothing, savings for the future, and tax payments for government services as a consequence of the decline in productivity. Nine years from now, it is estimated the average American household will lose another $4,800 if the trend is not reversed.

For business and industry, the President's wage and price guidelines only serve to compound the problem by discouraging investments in more efficient and productive plants and machinery. Under the guidelines, firms are expected to conform either to a price deceleration standard or to a profit margin standard. Either procedure puts the squeeze on profit margins. And this bleak profit picture makes it difficult for firms to attract capital. It also reduces prospects for financing improvements through reinvesting profits.

For individuals, the guidelines on wage increases hamstring higher productivity that should be rewarded by higher pay.

The case of one large electronics firm in my district illustrates the problem. Employees in the company can receive frequent increases in pay for performing well. Large increases are especially common for new employees as they quickly become trained in their jobs—and, therefore, become more productive.

The rub came when the company had to freeze wages to comply with the President's voluntary wage and price guidelines which give no special attention to productivity. The result in the long run will be discouraged and disgruntled employes who no longer are rewarded sufficiently for their efforts. Consequently, productivity may not decline but it would not grow at accelerated rates, and that's a loss we cannot afford.

One final note on the guidelines. Many industries in this country—particularly building materials firms—are operating at or near plant capacity. By discouraging new investment, the guidelines help perpetuate capacity shortages. Those shortages, coupled with higher costs of producing goods at the margin of industry capacity, drive up costs—and prices. This is a particularly critical problem in the homebuilding sector where the average price of a new home jumped 14 percent during 1978.

Mr. Chairman, I encourage the President to reexamine his commitment to wage and price guidelines. In the long run, the guidelines would not help us cure inflation. Instead, we need to concentrate on building positive incentives to increase productivity and to create new capital. We can start by expanding into new and growing world trade markets, by stimulating invention through support for research and development, by ridding the Government of wasteful spending habits, and by throwing out Government regulations that only serve to crimp inventiveness.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. LUNDINE).

Mr. LUNDINE. Mr. Chairman, I support a strong, comprehensive effort to combat inflation in this country, and believe that a well-structured voluntary program can work. This legislation, in authorizing increased funding and staffing for the Council on Wage and Price Stability, is urgently needed to enable the administration to implement the full antiinflation program announced last October.

This program, in addition to setting forth specific standards for wage and price increases, involves proposals to reduce Federal spending, limit the hiring of Federal employees, minimize the costs of Federal regulatory requirements, and provide incentives for voluntary compliance with the guidelines. The proposed incentives include real wage insurance, to protect groups of workers who meet the pay standard in the event that inflation remains high, as well as the use of certain economic sanctions by the Government in cases where wage and price standards are exceeded.

In some of these areas, the Council has direct responsibility for basic program operations; in others its functions is to coordinate, evaluate, and furnish information and expert assistance to other Government agencies. The overall program clearly depends on the Council's ability to effectively perform a wide range of activities and secure the staff it needs.

I commend the committee and the subcommittee for approving this authorization, without restrictive amendments, to equip the administration to proceed with its program. I recognize that a key component of the plan—real wage insurance—requires separate action by the Congress and personally hope that approval of this important incentive will be forthcoming.

There has been considerable controversy in recent weeks over whether the administration can legally use procurement policy as a means of encouraging compliance with the standards. The administration, relying on an interpretation by the Department of Justice, did not seek clarification of its authority in this area. The issue is currently before the courts.

In supporting this measure, I have assumed the proposed enforcement procedures will be used to carry out the program. I consider incentives for compliance an essential part of an effective voluntary program, and do not believe they conflict with existing prohibitions against mandatory wage-price controls. While the committee did not directly resolve this issue, I would note that it did reject an amendment that would have placed criminal penalties on Government officials who deny contracts to companies that do not comply with the standards.

☐ 1425

Mr. McKINNEY. Mr. Chairman, I yield 2 minutes to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, it is with considerable trepidation that I voice my opposition to H.R. 2283, which provides for a 2-year extension of the Council on Wage-Price Stability.

Inflation is the No. 1 problem confronting our Nation and I know that all of us are committed to eliminating this economic ailment that is having such disastrous effect on so many Americans. It is not easy to stand up here today and speak against legislation to extend the life of an agency that has the noble purpose of moderating the rate of inflation.

If I thought it had even the remotest chance of attaining this worthwhile goal, I would support it. However, the council's past record leaves me no choice. It has failed to achieve its stated objectives. If anything, its existence may have contributed to the worsening inflation we have experienced over the past several years.

The gentleman from Michigan said that we should try innovative programs to overcome inflation. Well, the traditional Government response to a faltering program is to increase the funding and staff. That is what we are being asked to do today.

Yes, as the gentleman from Ohio said, we are trying a four-pronged attack, why are we being asked to triple the funding and multiply the number of regulatory personnel by six times?

It is a hopeless cause as long as the council concentrates on the symptoms of inflation and does not emphasize its major causes—Government regulatory activities and irresponsible fiscal and monetary policies.

The continuation of the council and a move by the administration toward more stringent economic controls will only result in increased inflation and economic disruptions.

I urge my colleagues to join with me in defeating H.R. 2283.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Chairman, today, this Congress faces the first real test of its commitment to making the fight against inflation its No. 1 priority. If we succeed in this venture, we will earn the respect of our constituents and of our foreign allies. If we fail to translate campaign rhetoric into concrete actions, the credibility of this Congress and the power and prosperity of this Nation will be forever undermined.

The instincts which sparked the American Revolution over 200 years ago are rising to the surface once again. People are no longer willing to tolerate the activities of a distant government which does not address their most basic needs. Inflation has stripped away the security which millions of Americans have always enjoyed, and has dashed the hopes of disadvantaged groups which were beginning to share in this country's prosperity. Going to the local supermarket has become a more painful experience than visiting a dentist.

Ironically, although inflation has been appropriately labeled the country's foremost domestic problem, there are currently only 39 men and women responsible for monitoring compliance with President Carter's voluntary wage and price guidelines. Today we have the opportunity, and the responsibility, to correct this deplorable situation. H.R. 2283, the Council on Wage and Price Stability Act extension, permits the Council to expand its full-time staff to 233 persons to improve its role as coordinator and watchdog of the current wage-price guidelines. By expanding its highly trained staff, the Council will be able to widen the scope of its activities to insure that the guidelines set by President Carter are being followed by business and labor alike.

I am aware that this Chamber has become forbidden ground for the use of these words. But without the authority to set caps on the wage-price spiral, the administration is like a fighter with his hands tied behind his back and his legs chained together. All he can use is his mouth. If the exhortations of the administration are not heeded, the Council on Wage and Price Stability may have to become the enforcer of mandatory controls. I anticipate that some of my distinguished colleagues will oppose the bill before us because they believe it is a back-door attempt to pave the way to wage-price controls. But all they offer instead are recession and unemployment as a more palatable means of cooling inflationary forces. Standing in this Chamber, we risk losing sight of the devastating effect on people's lives a 1-percent increase in unemployment causes. In order to protect business profits, some proposals sacrifice individuals, because they are considered more expendable. Those opposing the Council's staff increase are voting to reject voluntary efforts, and are inviting the imposition of the controls they abhor.

Each of us bears a responsibility to combat inflation, not only as Members of Congress, but as members of families as well. None of us is immune to the effect of escalating prices. To reject this bill, we must face not only our constituents, but our own children and grandchildren, whose only expectations have become keeping up with the inflation rate. Today's bill in itself can do only a little in pushing down the forces of inflation. But our vote will send a message across this country, and the American public will hear us loud and clear.

In approving this increased authorization, it should be our expectation that tangible benefits will be derived from the expanded staff at the Council on Wage and Price Stability. The American public and this Congress will not condone spending money just so that the council can collect more statistics to be filed away in Government vaults.

But even 233 persons, no matter how well equipped, cannot chip away at the inflation rate alone. It will require the efforts of a million times that many, every American citizen, to halt the havoc inflation plays on our economy and our way of life. We can infuse more funds into the council, and add more staff members, but these efforts become futile if no attempt is made to impose self-restraint in price increases and wage demands. This restraint applies to the Government as well as the private sector. It is the specific mandate of the Council to examine Government programs and regulations in order to measure their impact on inflation. This function must become a high priority, as it has become evident that Government spending and regulations are prime culprits in fostering inflation.

Several times in its history, this country has knocked over obstacles to progress and prosperity through voluntary action. I hope that the history books will be able to state that this is another of these times. Compulsory controls violate the spirit of this Nation. The Council on Wage and Price Stability Act specifically prohibits the implementation of mandatory ceilings on wages and prices. But if Americans ignore the urgency of following the voluntary guidelines, or if wages are more stringently monitored while prices continue their unabated rise, I will not hesitate to sponsor legislation for mandatory wage and price controls.

☐ 1430

Mr. McKINNEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I am disappointed that the report on this legislation does not deal with what I perceive to be a conflict of interest which now exists on the Council on Wage and Price Stability. In the past the council has rarely if ever met, and has actually consisted of Director Barry Bosworth and his staff of highly trained economists who monitored inflationary trends and forces and produced studies and analyses on these. Now, the council is dominated by an activitist chairman, for the first time, who also serves as the President's chief adviser and spokesman on inflation. Unfortunately, this dual role of the chairman detracts from the council's previous reputation for tough-minded independence and professionalism in identifying the causes of inflation.

In arguing for the extension of the council in April of 1977, Chairman Charles Schultze, OMB Director Bert Lance, and Treasury Secretary Michael Blumenthal wrote the following to the House Subcommittee on Economic Stabilization:

> No other agency or agencies of Government are in a position to perform the role of the Council. It is an independent agency. It is free from political and bureaucratic pressures that would face bureaus within other agencies if they tried to perform similar tasks.

One must now ask whether the council today enjoys that same independence and freedom from political and bureaucratic pressures under the domination of Chairman Kahn who also serves as the President's chief policy adviser and spokesman on inflation. I do not raise this issue to detract in any way from the credentials or competence of Chairman Kahn. He is an honorable, intelligent and capable chairman. But I would submit that so long as he both directs the council and engages in administration policymaking as an adviser to the President, the independence, integrity and credibility of the council's work is undermined. For no longer is the council by any means independent and free of political and bureaucratic pressures; it is thrust into the very midst of such pressures.

There can be no better illustration of this point than Mr. Kahn's comments as reported in the Washington Post last Friday. Mr. Kahn is quoted as warning that the Administration will move swiftly on sweeping deregulation of the trucking industry if the Teamsters union wins a new contract "substantially" in excess of the administration's anti-inflation wage guidelines. Mr. Kahn went on to say that the administration would be "more modest" in its eventual deregulation proposals if the guidelines were not breached.

While the administration may have every right to use this "carrot and stick" approach to securing compliance with its wage guidelines, I seriously question whether the chairman of the Council on Wage and Price Stability should be employing this threat. If the council is truly fulfilling its role to determine the inflationary impact of both wage increases and certain regulatory activities of the Government, its chairman should not be playing one off against the other like a politcal horse trader. If excessive wage demands and continued regulation of the trucking industry are both inflationary, he should be pressing for both wage restraint and trucking deregulation. The President certainly did not equivocate on this in his inflation address of last October 24 when he promised to work with Congress to bring more competition to the trucking industry. To quote from that speech:

> Of all our weapons against inflation, competition is the most powerful. Without real competition, prices and wages go up, even when demand is going down. We must therefore work to allow more competition wherever possible so that powerful groups—government, business, labor—must think twice before abusing their economic power. We will redouble our efforts to put competition back into the America free enterprise system.

And yet, Mr. Kahn, the President's chief inflation fighter, would now have us abandon, or at least soft-pedal, this most powerful weapon against inflation in return for wage restraint. One can imagine the precedent this approach will set for other unions and industries who want or do not want a particular bill or regulation. But, more importantly, one wonders how much an approach as enunciated by the Chairman of the Council on Wage and Price Stability will affect the inflationary analyses of his staff. Should the Council staff now be prepared to put out a report demonstrating that deregulation and competition are not such powerful tools against inflation after all, so long as wage guidelines are not breached?

Members may recall that last August I raised a strong protest aagainst administration efforts to muzzle Council Director Bosworth. After meeting with AFL-CIO President George Meany, Labor Secretary Marshall announced that all future pronouncements on pending wage negotiations would be cleared by a coordinating committee to be headed by him, and that Mr. Bosworth would no longer speak out without authorization. It was my feeling that such muzzling or censorship ran contrary to the independence and mandate of the Council and jeopardized its credibility.

From all I can gather, that coordinating committee or censorship board no longer exists, if it ever did. It could be its mere formation had a sufficient deterrent effect on Mr. Bosworth. It could be the muzzling plan collapsed when it failed to muzzle Mr. Meany whom it was designed to placate. It could be our protests against the muzzling rendered it inoperative. As much as I would like to take credit for the disappearance of this muzzling committee, I suspect the committee was really rendered obsolete by the appointment of Mr. Kahn last October as Chairman of the Council as well as the top inflation policymaker and spokesman. The Council was effectively coopted and absorbed into the administration policy process, thus obviating the need to insure that its pronouncements were not contrary to administration policy. It is unlikely now that Mr. Kahn, as the administration's chief inflation policy spokesman, will contradict his own policy. But it is also unlikely that Mr. Bosworth, who is now a subordinate of Mr. Kahn, will make any statements which contradict his boss.

To use an analogy, it is as if the chairman of the House Budget Committee were put in charge of the Congressional Budget Office. Does anyone think we would get the same independent and objective analyses out of the CBO that we now get? I doubt it.

In conclusion, Mr. Chairman, I do not think we have given sufficient thought to what the new role of the council should be under the President's enlarged, anti-inflation program, or what role the chairman of the council should play. To the extent that the council is pulled deeper into the political and bureaucratic policymaking process, the product of its work will become more suspect, and with it the credibility of the administration's entire anti-inflation program. The American people want a firm and fair hand on the inflation-monitoring rudder, not a fast hand at the political poker table. The stakes are just too high.

Mr. McKINNEY. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. KELLY).

Mr. KELLY. Mr. Chairman, may I say to the ranking minority member of the Subcommittee on Economic Stabilization, the gentleman from Connecticut (Mr. McKINNEY), that I am glad the center of the universe Zephyrhills has been able to bestow such beaming health on such an esteemed person.

Mr. Chariman, I do not want anyone in this chamber to wake up or stir themselves because I am not going to do anything to change the thrust of what is happening here.

What we are doing, in case anyone should be interested at all, is that we are carrying on with business as usual. We are now, at the present time, constructing a $22 million scapegoat. This body, the Congress of the United States, and this administration and some of the administrations which have preceded it have mismanaged the affairs of the U.S. economy, and the country is in a great deal of trouble at present.

Obviously, the public, being as rational as it is, could not expect that Congress and the administration would want to put the blame where the blame is due, so we have to find someone to blame. As a result, what are we going to do? We are going to put the blame on the private sector. Obviously, the Government is going to try to blame the business people in this country for causing all the inflation. Surely, Government, the administration and the Congress, are doing the very best they can to do something constructive; but those bad businessmen just will not let the Congress and Government do it.

This would wash if the people did not have enough sense to know the difference between a 12-quart bucket and a No. 3 washtub.

However, the situation is pretty clear here since the greatest inflation fighter in this Nation today, Alfred Kahn himself, has uttered these things before the committee when this matter was up for consideration.

This question was put to Mr. Kahn, the Chairman of the Council:

> If you had to name one entity that contributes more to inflation and a distortion of our economy, would we both agree that it is the government? Wouldn't we?

This was Mr. Kahn's response:

> I would have to say monetary and fiscal policy in the last 10 years.

Mr. Chairman, the man who is responsible for this Council himself admits that it is the Government and the Government alone which is causing inflation. The Government as it is administered by this Congress is the cause of inflation, and it is not the businessmen.

Mr. Chairman, my colleague, the gentleman from Ohio, pointed out the fact that 300 members of the Fortune 500 have said they are going to comply. Of course. Because Government is going to call them bad names in public if they do not, so they are being coerced to say that they will go along.

However, it is all an exercise of providing a scapegoat, and that is all it is, because the Council on Wage and Price Stability has nothing to do with monitoring or commenting upon or evaluating or analyzing the fiscal and monetary policies of the United States, and these are the things which cause inflation and nothing else does.

Mr. Chairman, I refer the Members to the legal provision on which the Council proceeds. It is the Council's responsibility, under the act, to monitor and analyze inflationary activities throughout the economy.

That really sounds great. However, the provisions of the law state that it can only deal with the private sector, and the impact of regulatory activity of the Government, and that they must stay away from analyzing, commenting upon, or having anything to do with the real causes of inflation.

That, Mr. Chairman, is the mismanagement of the American economy by this Congress and by this administration, and that is what all of this comes down to.

□ 1435

So let us not disturb ourselves. Let us buy a $22 million scapegoat so the big spenders in Congress and the administration can roll on, business as usual, because that is what we are about, and let us not hesitate. If there would just be anyone here who would be interested in the rational management of the affairs of this country, he would vote this thing down because it is just simply an expensive boondoggle. During the time that it has been in existence since the last time we extended it, the inflation rate has come from 4.7 to 11.2 percent, and there has not been one person come in here and shown any constructive purpose.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, it strikes me as a little bit odd that we should be debating this legislation to extend the Council on Wage and Price Stability. If there was an amendment up here to make this into the Council on Wage and Price Instability, I certainly would support it, because I think we are extending the authority of an organization that has obviously completely and totally failed to do the job that it was supposed to do.

If you hired a doctor last October, and you found yourself increasingly ill every succeeding month, I do not think you would hire him on for another year or another 2 years. Yet that is exactly what we are doing in this legislation.

I have forgotten just when this thing was created and Mr. Kahn was appointed, but it was along in October of last year and around then I think we had something like 7 or 8 percent inflation. Today we have got 11 or 12 percent inflation.

This thing does not work. It has failed, and it is a joke. I think we ought to recognize it. How long do we have to wait? Mr. Kahn says:

> Oh, yes, the prices are going up, but give us more time. Wait until next June or July and then see whether we have done our job.

But we cannot afford to wait. We need a new approach to this problem. Voluntary price control makes about as much as voluntary taxes. We have involved in our price structure some of the most important economic forces in the country; and we are simply not giving to turn those forces around by saying, "Be good little people, and just do as Uncle Sam tells you to do."

The problems we are confronting today in social security, in the budget, and in everything, extend from the constantly increasing inflation in this country. We have not got it under control on this voluntary basis and I say what we have got to do is to go to the same thing that we do with taxes: Make them mandatory. This may not be a very popular proposal and I may be the only Member of this body who is in favor of it. But the American people are in favor of mandatory controls. Every poll that has been taken demonstrates they want this spiraling inflation stopped, even if it means mandatory controls. They do not listen to many of these economic arguments about how such controls have not worked. The truth is they have worked. President Nixon put mandatory price and wage controls into effect in 1971. We did not think he was going to use the legislation that we gave him. But he used it, and if we take a look at the economic record, we will see that during the little bit over a year that those controls were in effect, the price level rates rose by about 2 percent over that period. When he took them off after the 1972 election—he did not care, as long as he got by the 1972 election—then prices rose steeply after that time.

So mandatory can obviously work. Oh, of course price controls themselves do not get at the basic causes. But first of all we need to stop this constant spiralling and then we can get at the basic causes like balancing the budget and changing our monetary and fiscal policy, if you like.

But we need time to do these tougher economic jobs. But as long as we are using only this voluntary system, with all of these economic forces working on us—the steel companies and all the rest of them are going to continue to push the cost of living up. Steel prices go up 7 percent. The Teamsters are reportedly going up 9 or 10 or 12 percent in their wages. And so the old price spiral continues.

So, I will offer an amendment at the proper time to restore the legislative authority that President Nixon used in 1971 and put this Council on Wage and Price Stability to work enforcing that kind of tough legislation, instead of issuing the inane statements that they have been issuing that do nothing to solve the problem, and only seem to convey an impression of total helplessness to control our own economy.

□ 1440

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding this time to me.

I should say at the outset that it is not often that the gentleman from New York (Mr. STRATTON) and I, are in agreement, but this is one of those rare occasions.

To me, the most disturbing part of this afternoon's discussion and debate is that the members of my party have accepted without argument, for the most part, the pernicious arguments, coming from the people on the other side of the aisle that mandatory controls do not work.

Now, the fact is that the committee report itself demonstrates without any question at all that the only thing that has ever worked in the history of this country has been mandatory controls and that voluntary controls not only have never worked, but have never even been tried, because everybody accepted the fact that voluntary controls are not controls at all.

Indeed, in 1971, facing reelection at a time of unbridled inflation, that staunch defender of a free market and opponent of controls, Mr. Nixon himself, forgot his dogma and the high guru of economists in his administration, Mr. Alan Greenspan, chairman of his Council for Economic Advisers, opted for mandatory controls.

Now, it seems to me that if the Republicans at that time could recognize economic fact and reality, then the Democratic party at this time of economic crisis ought to have the capacity to do the same thing.

The people of this country are pleading for real help. They know that voluntary guidelines have not worked and will not work.

I have introduced legislation (H.R. 786), which would not impose mandatory controls, but would give the President of the United States standby power to impose mandatory controls on any sector of the economy where he felt it is essential and necessary. If we really want to stop inflation we ought to give him that kind of power.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

H.R. 2283

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Council on Wage and Price Stability Act is amended to read as follows:

"SEC. 6. There is authorized to be appropriated to carry out the provisions of this Act not to exceed—

"(1) $6,952,000 for the fiscal year ending September 30, 1979, which shall remain available until expended;

"(2) $8,483,000 for the fiscal year ending September 30, 1980; and

"(3) $8,483,000 for the fiscal year ending September 30, 1981.".

Mr. MOORHEAD of Pennsylvania (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk concluded the reading of the section.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, strike out lines 1 and 2 and insert in lieu thereof the following:

That section 3(a) of the Council on Wage and Price Stability Act is amended—

(1) in paragraph (8), by striking out "and" at the end thereof;

(2) in paragraph (9), by striking out the period at the end thereof and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

(10) hold regional hearings on the Council's standards, regulations, and other major actions which affect general consumer interests; and

(11) enlist voluntary individual and group participation from the public to help monitor the performance of the Council's anti-inflationary programs.

SEC. 2. Section 6 of the Council on Wage and Price Stability Act is amended to read as follows:

☐ 1445

Mr. MOORHEAD of Pennsylvania. I rise in support of the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. MOORHEAD of Pennsylvania. It is really self-explanatory. It says the Council shall hold regional hearings and shall enlist voluntary individual and group participation from the public to help monitor the program.

Mr. Chairman, I think that this is a useful amendment and I have a letter from the Council on Wage and Price Stability referring to this amendment which was offered in committee by the gentleman from Minnesota (Mr. VENTO).

The letter from the Council says:

> The Council has no objections to the intent of the amendment offered by Representative BRUCE VENTO calling for regional hearings and voluntary public participation in the monitoring of inflationary developments.

I will be delighted to yield to the gentleman from Minnesota (Mr. VENTO), the author of the amendment.

Mr. VENTO. I thank the gentleman for yielding.

I appreciate the gentleman's support. I appreciate obviously the support of the Council and the administration in terms of this amendment.

Now I want to explain that this amendment grew out of my concern based on testimony that was presented before the Subcommittee on Economic Stabilization.

It grew out of the concern expressed by Mr. Kahn in terms of their efforts to obtain cooperation on a voluntary basis with various groups that are interested in monitoring their program, and it grew out of the necessity to provide an opportunity for education, for dialog, for rapport of the activities of the standards of the Council on Wage and Price Stability with the general public.

We have here I think a heavy duty to make certain that communication is obtained, that it is facilitated. This amendment would certainly accomplish that.

I feel strongly, that the Council on Wage and Price Stability's program will only be successful insofar as it can reach out and tap the voluntary resources in the various communities throughout this Nation to have a successful program that deals with inflation. That is precisely the purpose of this amendment, and precisely what it can do.

If you will look at the Council on Wage and Price Stability and recognize the number of employees that are encompassed in the structure and authorized, by this legislation and hopefully by a supplemental bill which will follow to pay for the staff they have begun to hire, the expertise they need, in order to carry forth this modest program, you will recognize they have a role there in terms of public participation.

For instance, the Office of Chairperson, they have 17 percent; the Office of Director, 5 employees, the Government Program Regulations, incidentally, is increased up to 24 employees; Price Monitoring is 89; Pay Monitoring, 36; Public Information is increased to 16; Planning and Policy, 12, and so forth.

There is another mixture of almost 35 employees in various other capacities.

We recognize if we are going to be successful in terms of the program in getting across the concepts, the only way we can do that is with the strong public support and positive support of various groups in our economy, whether business groups, union groups, or consumer groups, but you have to get out there and communicate with them. That is the purpose of the regional hearings. They can go out and start to answer questions and tell people about the program that they have.

Secondly, you have to provide a positive opportunity for groups to develop meaningful data, to report in a meaningful way to the Council.

Not everyone can afford to come to Washington to communicate their viewpoint to the Council on Wage and Price Stability. Some groups can but many others cannot. Not all are going to have the expertise for instance to write a letter yet much better the input if it is done in a way and the data is collected in such a way that it is meaningful. I point out that this amendment gives the Council on Wage and Price Stability considerable flexibility. The standard and regional bases are looked at after they have been implemented. There is no hurdle here or stumbling block to the facilitation and the implementation of the standard. Furthermore there is no requirement as to how they deal with the different groups and it deals with a wide variety of groups in terms of providing the opportunity for participation.

☐ 1450

So I think we want to amplify public concern and public participation. We do not want to stifle that by eliminating amendments such as this. We want to put it on a realistic basis. I feel this amendment does that. I think it deserves the support of the Members. Some of the fears that have been raised will, I hope, be satisfied with my explanation.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the committee amendment.

Mr. Chairman, it is very seldom that I disagree with my friend, the gentleman from Minnesota (Mr. VENTO) on this issue of fighting inflation. But I have to say that I think his amendment to this legislation which comes to us in the form of a committee amendment is superfluous. That would be the greatest understatement that I could possibly make.

I would refer the Members to a statement of President Carter back on April 15, 1977, when he discussed the role of the Council on Wage and Price Stability in fighting inflation. He said:

> It will also continue to hold occasional public hearings on major inflation developments, as a means of improving public understanding and providing the public with an opportunity to make its views known.

So already in a voluntary way and with the instruction of the President, this amendment is part of the mandate of the Council on Wage and Price Stability.

However, I would suggest that if we are to follow through with the gentleman's amendment, which we see before us now as a committee amendment, we are going to get ourselves in some very serious trouble.

No. 1, this is a very small agency, one whose resources and manpower are already so overburdened with the mandate of the Government that I do not think it is possible or realistic to consider having them carry out this type of traveling road show. I think they have enough of a job telling the Congress, telling the public, and telling business and labor who is running amok within the field of inflation.

Consider the effectiveness of these proposed hearings on a regional level, especially after the implementation of these different actions.

The Council is already hard pressed to conduct briefings and briefing sessions to explain to the public, as well as to business and labor, as I stated before, what the problem is. Such an additional burden would not increase the impact in the anti-inflation fight. Rather, it would dilute their duty of monitoring inflation and telling us where the problems are. It would dilute their role in fact in fighting inflation. It would place undue emphasis on actions in the private sector while giving lesser attention to Government inflationary actions.

The problem we have heard from speaker after speaker is right here. The problem is monitoring and telling the American people where the problem is on the outside. The Government is not the only "bad player" on the inflationary scene. The consumer, you and I, also play part of the role by not knowing what the facts are, not knowing where we are getting gouged, and not knowing who is living up to the guidelines.

On top of that, Mr. Chairman, nowhere in the Council on Wage and Price Stability budget is there any allowance for this type of hearing. Nowhere in their organizational chart is there any allowance for the people to do this.

In fact, I made reference earlier to Mr. Kahn's use of "bananas and kumquats" instead of the words "recession," "inflation," and "depression." The poor man is so busy in front of Congress—I think he has been here 154 times—I do not know how he can monitor anything. When he does come in front of Congress, our colleagues on the other side of the aisle, sometimes all of us, throw up our arms and say, "Don't use that nasty word. Don't say it."

Now we are going to require him to go around the country and make regional appearances and have a traveling roadshow on top of all of everything else.

I would suggest to the Members that we go right back to where we started on this whole matter, and that is to give Mr. Kahn and Mr. Bosworth the time to concentrate on where the evils are. They should concentrate on the evils in government, the evils in overspending on our part, the evils in overregulation, and the evils on the part of business not always being quite where it should be, as well as the evils of labor.

What Mr. Kahn and Mr. Bosworth have got to do is to sort out what I call an impossible triangle. All the people in government say it is all the problem of business and labor, the people in labor say it is the problem of government and business, and all the people in business say it is the problem of government and labor.

Let us get the facts out in front of us. Let us not further complicate this already understaffed and overworked—hopelessly overworked—agency by sending them out on road tours.

Last year I went out on a very successful road tour to the hometown of my good friend, the gentleman frm Minnesota (Mr. VENTO). I think that did something; it proved something. It showed how a city could survive.

I think the problem Mr. Kahn and Mr. Bosworth have is right here in this community, where most of the problems in this country stem from.

Mr. Chairman, I urge the defeat of the committee amendment.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I want to welcome back my good friend and colleague and my traveling companion, the gentleman from Connecticut (Mr. McKINNEY), to the Congress, although I do disagree with him on this.

We are going to have an opportunity to work together and talk this through. Certainly I want to point out that it is not our intention to overburden the Council by the implementation of standards.

I think the intent here to somehow make a scapegoat of the Council on Wage and Price Stability is really unjustified. We have to look at the situation and consider the complex dealings with Government. I would point out that we have an authorization of 16 employees dealing with Government cost problems, and I also point out the 89 employees would be trying to deal with prices; then we have about half that number dealing with the wage aspects.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. McKINNEY) has expired.

(By unanimous consent, Mr. McKINNEY was allowed to proceed for 1 additional minute.)

□ 1455

Mr. McKINNEY. I would just like to point out to my good friend one other real problem. There is something else this country is looking for us to do something about, and that is called the energy problem. What I am afraid you are going to do with this type of an amendment is to parochialize the inflation fight. We have already parochialized the energy problem to the Northeast, the Southwest, the Northwest. There seems to be nowhere in the world we can go to get the cure for something that is destroying the United States of America. I would hate to see us regionalize the fight on inflation. What is good for the orange grower is not necessarily good for other groups. This has to be a problem looked at from a national basis, controlled on a national basis and monitorized on a national basis.

Mr. VENTO. It is not my intent to polarize the policies and standards as they apply to the varied regions. I think the Council has intended and thinks they are to some extent accomplishing the purpose of my amendment. I am trying to mandate it so that they do get out there, and I suppose in that sense the gentleman may have some argument with the mandate.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. McKINNEY) has expired.

(On request of Mr. HYDE, and by unanimous consent, Mr. McKINNEY was allowed to proceed for 1 additional minute.)

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, as I understand this amendment, the monitors will be monitoring the monitors. But it would seem to me that this Economic Stabilization subcommittee of the Banking Committee has that assigned task. Does not this subcommittee have the task of oversight concerning the Council on Wage and Price Stability?

Mr. McKINNEY. That is absolutely right. The gentleman is correct.

Mr. HYDE. So then we have a statutory monitoring or oversight function. We would have the monitoring function of these consumer groups out in the field, and then we have the very function of this Council to monitor. So we have three monitors. I just wonder where the *Merrimac* is.

Mr. McKINNEY. I think, if the gentleman will give back the time he so graciously obtained for me, what we would have is everyone saying, "Stop inflation there; don't stop it here."

Mr. HYDE. I thank the gentleman.

Mr. BARNARD. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the committee amendment.

Mr. Chairman, I also want to welcome back my colleague, the gentleman from Connecticut (Mr. McKINNEY), and I would like to say that I am delighted that he has come back with all of the vim and vigor and vigilance in opposing an unnecessary piece of legislation.

No one doubts the good intentions of the authors of this amendment or the action of the Banking Committee in passing it, but it is another example of how Congress can overreact.

Mr. Chairman, I rise to oppose the amendment to add provisions to the bill authorizing public monitoring of compliance with the voluntary anti-inflation guidelines. Part of this amendment is unnecessary, and the rest of it is unwise and counterproductive.

If this amendment is approved, numerous vigilante-type groups will spring up and try to judge a company's compliance from surveys of supermarkets and individual stores. Since each company's compliance is based on a weighted average of price increases for its entire product line, there is no way that any independent group will be able to judge without knowledge of all products, including industrial ones, in all areas of the country, and the prices asked for those products in the past.

To give you an example, soon after the guidelines were established, I received a letter from one of my constituents who was very upset about the price of Campbell's tomato soup. It seems that he went into the market one week and bought a can for 29 cents, but the next week, the same soup cost him 49 cents. As a result, he was hopping mad and wanted me to do something to the Campbell's soup people to make them abide by the guidelines. It turned out that the soup had been on sale at 29 cents a can, and normally cost 49 cents.

If this amendment is passed, we are going to have hundreds upon hundreds of people who search stores looking for individual items that have gone up over 7 percent. They are not going to take into account commodity price increases, wage and benefit changes, or other factors that allow prices to rise by more than 7 percent and still allow the producers to be in compliance with the guidelines. In addition, they will not be in a position to judge whether a retail store is using the standard price guidelines or the "percentage margin" standard.

The result will be misunderstandings, bad feelings, and a loss of trust between business and consumer. It would be a grave mistake to encourage this witch hunting and give it official sanction.

I have favored public participation in Government decisions for as long as I have been a Member of this body. However, I believe that it should be in a responsible and useful manner, and not in such a way that would flood the Council with meaningless statistics.

The law in its present form already requires hearings be held for public scrutiny of inflationary problems of the various sectors of the economy in section 3, paragraph 4. As the individual consumption sector is the most important part of our economy in dollar terms, this paragraph already requires the Council to hold public hearings on the effects its actions have on consumer interests. It has been normal government practice for some time to hold regional hearings on matters that affect the public, and I am sure that all of us agree that the Council must hold these hearings across the country, much as they are now holding regional workshops on the implementation of the guidelines. If they are not, let it be stated right now that it is the legislative intent of paragraph 4 of section 3 that they do hold these hearings in the many regions of the country. With that done, it is simply up to us to see that the existing mechanism under the law is used. There is no need to tack on another part that duplicates what is already part of the law.

Mr. Chairman, this amendment would

simply hinder the voluntary anti-inflation effort. This is an issue that is too important to open up to demagoguery and misguided, if well intentioned, efforts. I ask that my colleagues join me in defeating this amendment.

☐ 1500

Mr. KELLY. Mr. Chairman, I move to strike the last word, and I rise in opposition to the committee amendment.

It is hard to believe Mr. Chairman, that any Member of this Congress could think that we need to find out from the public whether they think that we are undergoing a series of inflationary impacts to our economy. I do not know about the rest of the Members of this body, but I got the message from the people in my district and from every other section of the United States that we are suffering from inflation, and I do not think that we need to expend the money to have someone go out and find out if the people think we are experiencing inflation.

I think really what the purpose of this particular amendment is, is to provide for a more effective way for the Council on Wage and Price Stability to act as a scapegoat for the mismanagement of the American economy. Oftentimes it is a fact that the public fails to appreciate why prices are what they are. The public fails to realize that every mismangement that is imposed on this Nation by the Government must be collected for at the time items are sold, whether they be large or small. So that, every item that is sold on the American market must have the task of collecting the increase in taxes that were imposed on the workers by inflation; the increase in wages that were imposed by congressional mandate in the form of minimum wage increases without any thought of increases in productivity; every impractical regulation that is imposed by Government must be collected for at the time every item is sold.

And so, what the backers of this whole Council concept want to do is to try and blame the private sector for all of the inflation that has come about in this country. This particular device would just simply cause the public to feel that if the can of soup which was earlier referred to goes up, then the store manager must be the culprit. Even though it may be that the store manager did not have anything to do with the price going up, that it was something that was passed down to him from 47 different sources.

And so, this is unnecessary. It is mischievous. It is intended to simply cause the focus of attention to be directed from the mismanagement of our Government and its economy by this Congress and the administration, and to try and blame the private sector. It is just an opportunity to accentuate the bad features of a bad piece of legislation. I urge that the amendment be defeated.

Mr. Chairman, we have heard much these past few years about using the Government to protect the consumer. A far more urgent problem is to protect the consumer from the Government.

The Vento amendment proposed to hold meetings around the country so that voluntary groups and individuals can monitor business adherence to the Council's so called anti-inflation program. At a time when the Nation and this Congress is demanding budget restraint and elimination of unnecessary spending is it prudent to provide an expense-paid forum for Nader Raider groups at the taxpayers' expense?

That is the good news.

The bad news is that the volunteer price monitoring would be unfair, counterproductive, and ultimately mischievous.

Unfair—because the only prices the vigilantes can monitor will be retail prices. Private monitoring will not look to commodity prices; that is, steel, agricultural products, wage and benefit increases or to Government fiscal and monetary policies which have a far more direct and significant impact on inflation than the pricing decisions of retailers.

Make no mistake, the volunteer-vigilantes will only concentrate on the local store, the local retailer. To make the local retailer in your district the whipping boy for our national inflationary woes is the worst kind of public policy.

The regional meetings are misguided and mischievous. Each company price standard applies to the average of all its prices, rather than to the price of any individual item. A casual observer of the prices of a few items has no way of knowing whether the company is in compliance or not. Like other businesses, retailing's compliance with the price standard does not require it to control individual items, but rather to moderate average price increases. It is absurd and ridiculous to expect a few part-time regulators to interpret price guidelines when the Wage and Price Council has difficulty judging its own compliance formulas.

If you want a platoon of self-appointed price vigilantes harassing the retailers in your district, then vote for the Vento amendment. If you want another costly, bureaucratic government program inspired by narrowly focused Nader-type groups set loose to attack favorite targets in your district—then vote for the Vento amendment.

The vigilante approach to wage and price controls is unfair, ineffective, costly and probably the worst legislative idea of 1979. Vote "no" on the amendment and consign Mr. VENTO's idea to the obscurity it so richly deserves.

☐ 1505

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the committee amendment.

Mr. Chairman, I think that there obviously have been a great deal of "buzz" words used to describe some of the amendments. I did try to address some of those concerns in my initial statement.

Mr. Chairman, let me just go over some of the concerns. First of all, there is a suggestion that the Council already has authority to do this. The Council, of course, can hold public hearings, as necessary, to provide for public scrutiny of inflation problems, which we are talking about specifically, not just about general problems of inflation.

This amendment provides for a discussion of the standards which have been established in terms of dealing with inflation.

I might point out to my friends that it is not just the way in which it affects prices, but the way in which it affects the wage standards, the Government standards, the other standards which are developed in terms of the total anti-inflationary programs which the Council may develop.

I might point out, too, that the Chairman of the Council, Mr. Kahn, in testifying before our committee, made a couple of salient points.

On page 21 of his testimony, at the bottom, he says the following:

> Even at the increased level we are requesting, the numbers are small indeed, particularly in light of the public response that the program has generated so far. We simply must be responsive to people who wish to comply and to help—be they representatives of big labor or small, big business or small, or just the private citizens complaining about an increase in the price of bread.

Mr. Chairman, those are the Chairman's words. He said further:

> The public is sadly ill-informed about the many hidden costs of our protected society. The contribution of each single price-inflating policy to the overall inflationary result will always seem small, hardly worth fighting over; the people who are injured by it will ordinarily be widely dispersed and ill-organized and the stake of each individual policy or action will be small. In contrast, the beneficiaries will typically be relatively few and well-organized, and the stake of each will be large.

Mr. Chairman, I think that this attempt today is, in many instances, a misinformed attempt to stifle public participation in just the sort of standards we want, standards which we should attempt to evaluate in terms of the regional hearings, which are intended to provide a positive opportunity.

There seems to be a suggestion that somehow we can stop free association or participation by preventing this amendment from being enacted. Does that mean that we are going to prevent other groups from monitoring prices? Absolutely not. We could take this amendment out of the bill, but we will not prevent consumer groups from monitoring prices; we will not prevent business from monitoring wages; and we will not prevent unions from monitoring prices.

We cannot do that by defeating this amendment. However, we will prevent the Council on Wage and Price Stability from having a chance of working with those groups. In other words, my amendment mandate that they work with these groups so that those who want to make a positive approach and those who want to have a positive effect in this instance will not be prevented from doing so.

Mr. Chairman, some Members are saying, "We do not want you to function positively; we want you to function negatively."

Mr. Chairman, I am asking the Members to provide a framework, to provide a mandate to the Council on Wage and Price Stability so that it will go out into the field to hold hearings and will get out of Washington. They will do that. I think it is encouraging; I think it is their responsibility; and I think the minority in general wants that.

When we look at the minority report, there are several instances in which they are seeking cooperation, where they recognize the limits of the 233 people working in Washington, D.C., in terms of dealing with the standards.

The report recognizes that situation. The Members who signed it should also recognize it.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, I thank the gentleman for yielding.

The necessary message is the one that Congress gets, and the Council on Wage and Price Stability is not the one which needs the message. The Congress is the one which needs the message.

If we have not gotten the message about the American people being fed up with governmental mismanagement and inflation, then certainly this device is not going to help. Because all we are getting ready to do is just to spend more money.

Mr. VENTO. Mr. Chairman, I thank the gentleman for his insight. I think the Congress has the message.

We are talking about the standards of the Council on Wage and Price Stability and what its activities are. That is what we are focusing on here.

Some may think that that is inadequate, that the standards they set up in dealing with total inflation problems are inadequate. I agree with them that that, in and of itself, these standards are not enough.

□ 1510

We need hospital cost containment. We need more vigorous enforcement of antitrust laws in the Department of Justice. We need the other programs that are lined up in terms of dealing with and fighting inflation, whether it is dealing with imports or dealing with the trade deficit. Those are serious problems, as is the monetary problem.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this chance to discuss briefly what I consider to be an add-on to this bill that makes it worse. This just adds on the kind of extra bureaucratic nonsense that people out in the general society are trying to tell us we should stop doing to them.

The gentleman from Minnesota (Mr. Vento) who very eloquently talks for his add-on bureaucracy—and that is what he is asking for—talks about buzz words. I read his little language here, and he has lots of buzz words in here about the consumer. He also has a phrase called "other major actions which affect general consumer interests." What does that mean? What does that mean, can the gentleman tell us?

Mr. VENTO. If the gentleman will yield, yes. It means the other actions that the Council might take in pursuit of these particular standards.

Mr. ROUSSELOT. Like what?

Mr. VENTO. The action of the Council. They already have a number of these.

Mr. ROUSSELOT. Did they ask for this language?

Mr. VENTO. The Council? I worked this language out with the Council on Wage and Price Stability.

Mr. ROUSSELOT. This specific language, "other major actions which affect general consumer interests"—what is that going to do for them?

Mr. VENTO. I think this language is not narrow.

Mr. ROUSSELOT. It certainly is not narrow. It is the widest language possible.

Mr. VENTO. Would the gentleman from California like to have me answer the question?

Mr. ROUSSELOT. Yes. What does it do?

Mr. VENTO. It tries to encompass and envision the point that the Council will have an ongoing role in terms of dealing with inflation problems and they ought to go out and hold regional hearings for the actions they take. Indeed, they are trying to do that, and I would hope that the gentleman would favor this. I submit that the involvement of the public and voluntary contribution will limit the establishment of the bureaucracy. That is the point of the amendment, so I would ask the gentleman to look at it from that point of view.

Mr. ROUSSELOT. Those are fine buzz words. I do not think that does anything for the Council, but I thank the gentleman for zero. I thank him for trying to explain his additional buzz words.

My understanding is that the committee heard no testimony on what the add-on costs of these regional meetings would be—nothing. I am informed by the Committee on Appropriations that they have had no testimony to find out what the impact of this language would be. I can tell my colleagues on the basis of past experience of adding these kinds of buzz words and this kind of beautiful language for extra regional hearings—whatever those are going to mean—if you want to have a hearing, go have one in your own district and invite in all the consumer groups and have them talk to you. We all get them anyway when we go back home, as most of us do every other weekend or so.

The point is we do not know what this thing is going to cost, and I think on that basis alone we ought to turn down this amendment. It makes a bad bill much worse, in my judgment, and adds nothing to really help stop inflation. That is what the purpose of this bill is supposed to be, although I do not think it does it. But this added amendment by Mr. Vento does nothing.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my distinguished colleague, the ranking member of the Committee on Banking, Finance and Urban Affairs.

Mr. STANTON. I appreciate my colleague's yielding.

I think it should be very clear for the record that several times it has been mentioned in connection with the amendment that this will give us regional hearings. I think the membership should know that we will have regional hearings with or without this amendment on the subject of inflation sponsored by this Council. I bring that to the Members' attention, because in Ohio very recently the question came up that the Council wanted to come out and monitor the general subject of inflation. The Lieutenant Governor was going to handle it, and the Governor said, No, I will personally cooperate with the committee in handling this all-important subject, inflation. They are going to have a regional hearing out in Ohio, and they do not need this particular amendment in order to accomplish it.

So I join the gentleman and those who have gotten up to speak strongly against the amendment. It is totally unnecessary. I can envision the vast, overwhelming amount of money, which they may or may not get, depending upon further amendments here this afternoon, going toward these things, and it would be getting far away from the goal that some of us in supporting this legislation would want to utilize this money for. I just hope we will vote down this amendment.

□ 1515

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. VENTO. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee of the Whole appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1525

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Minnesota (Mr. Vento) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 128, noes 282, not voting 22, as follows:

[Roll No. 45]

AYES—128

Addabbo
Akaka
Annunzio
Aspin
Bailey
Baldus
Barnes
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Bolling
Bonior
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Cavanaugh
Conyers
Corman
Cotter
D'Amours
de la Garza
Dellums
Diggs
Dixon
Dodd
Donnelly
Downey
Drinan
Eckhardt
Edwards, Calif.
Ertel
Evans, Ind.
Fascell
Florio
Ford, Mich.
Garcia
Gephardt
Giaimo
Gray
Hall, Ohio
Hanley
Harkin
Harris
Hawkins
Holtzman
Howard
Kastenmeier
Kildee
Lederer
Lehman
Leland
Long, Md.
Lowry
Lujan
Lundine
Maguire
Markey
Matsui
Mattox
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Nedzi
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper
Price
Rahall
Ratchford
Reuss
Richmond
Rodino
Roe
Rosenthal
Roybal
Sabo
Schroeder
Seiberling
Shannon
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Staggers
Stark
Stewart
Stokes
Studds
Thompson
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Williams, Mont.
Wilson, C. H.
Wolff, N.Y.
Wolpe, Mich.
Wright
Yates
Zablocki
Zeferetti

NOES—282

Abdnor
Albosta
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Ashley
Atkinson
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bereuter
Bethune
Bevill
Boggs
Boland
Boner
Bonker
Bouquard
Bowen
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Carter
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Fary
Fazio
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Marlenee
Marriott
Martin
Mathis
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Panetta
Pashayan
Paul
Perkins
Peyser
Pickle
Preyer
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rose
Rostenkowski
Roth
Rousselot
Rudd
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stack
Stangeland
Stanton
Steed
Stenholm
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Traxler
Trible
Ullman
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.

NOT VOTING—22

Alexander
Ambro
Anderson, Calif.
Applegate
Breaux
Crane, Daniel
Crane, Philip
Dingell
Edgar
Ferraro
Flood
Leach, La.
McHugh
Marks
Nolan
Rangel
Runnels
Scheuer
Stockman
Thomas
Treen
Udall

☐ 1540

The Clerk announced the following pairs:

On this vote:

Mr. Flood for, with Mr. Leach of Louisiana, against.

Mr. Rangel for, with Mr. Philip M. Crane, against.

Mr. Runnels for, with Mr. Thomas against.

Messrs. ROBERTS, STRATTON, and NICHOLS changed their vote from "aye" to "no."

Mr. LELAND changed his vote from "no" to "aye."

So the committee amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1545

AMENDMENT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYLIE: On page 2, line 22, strike the following: ", which shall remain available until expended".

Mr. WYLIE. Mr. Chairman, I do not believe that I will need the full 5 minutes to explain this amendment. It should be easily understood. As has been said, on page 2 at line 22, my amendment would strike out the words "which shall remain available until expended." What my amendment would do would be to prohibit the carryover of unexpended balances in funds not spent by September 30 of 1979.

This bill would authorize a total of $6.9 million for fiscal year 1979, which is an increase of $5.19 million over the appropriation for fiscal year 1979. That is a 300-percent increase for this year alone. In addition to that, if all the money is not spent by September 30 of this year, without this amendment any unexpended balance would be carried over until next year. That is contrary to the Budget Control Act which we have already enacted. It is contrary to our efforts and is an exception to our efforts to place a lid on our fiscal year budgets.

As I say, this is a 300-percent increase for salaries and benefits for an increase of 194 employees from 39 employees to 233 employees to monitor the private sector wages and prices. Almost none of this money, or almost none of these employees would be used to control or monitor Government-mandated inflationary actions. The funds would be used, as I said, for a cosmetic educational campaign.

☐ 1550

Now, during the committee hearings, it was said, by the Congressional Budget Office and I quote:

> Until such time as the Council can hire the additional personnel needed (194 additional employees), it is using the employees detailed from other agencies and money from the President's unanticipated needs fund.

Now, there can be no doubt as to what the carryover money is to be used for, after I have read that statement from the Congressional Budget Office. It is to carry over moneys to hire additional employees, as I have said, to monitor private sector wage and price control mechanisms. Over and beyond that, it does violence to the Budget Control Act. It is an exception to our efforts to fix a lid on a fiscal year budget, and I believe that we are increasing the Council's budget enough beyond September 30, 1979.

We are increasing the authorization, as I said a little earlier, from a fiscal year 1979 appropriation of approximately $1.7 million to over $6.9 million for this fiscal year, and in the next fiscal year there is another $8.4 million and the following fiscal year another $8.4 million would be authorized; so I think that it is in our best interests not to have this carryover authority in the legislation.

I think that by conducting this cosmetic wage and price campaign the effort will be to detract from the real cause of inflation, which is Government spending and Government regulation.

I ask support for my amendment.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I am glad to yield to my friend, the gentleman from Ohio, the ranking minority member.

Mr. STANTON. Mr. Chairman, I think the gentleman has got an excellent amendment. It came up in the committee.

Let us explain it this way and see if the gentleman corrects it, see if the gentleman states I am not right.

Last year this Council appropriated $2,210,000. We changed that up to $6,952,000; is that correct, from $6,952,000?

Mr. WYLIE. Congress authorized $2.2 million. The Committee on Appropriations appropriated $1.7 million.

Mr. STANTON. But in its authorization, we moved it to $6,952,000.

Mr. WYLIE. That is correct, just for the last half of this fiscal year.

Mr. STANTON. Six months, until September 30.

Mr. WYLIE. Precisely correct.

Mr. STANTON. You do not touch that amount?

Mr. WYLIE. I do not touch that amount.

Mr. STANTON. If they want to expand this from 23 or 39 employees to 233 that they anticipate with this legislation, you do not affect that.

Mr. WYLIE. I do not affect that.

Mr. STANTON. All the gentleman's amendment does is strike out the words, "remain available until expended"; is that correct?

Mr. WYLIE. Yes, and the basis on which the Council on Wage and Wage Stability says it needs this authority is that it might not be able to spend the $6.9 million by September 30, 1979.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(At the request of Mr. STANTON, and by unanimous consent, Mr. WYLIE was allowed to proceed for 1 additional minute.

Mr. STANTON. Mr. Chairman, if the gentleman will yield further, after September 30, then we go into the next fiscal year and this committee hopefully, maybe no, but hopes to authorize $8,483,000 for that year; is that correct?

Mr. WYLIE. Well, I have not touched that; that is right.

Mr. STANTON. I think it is an excellent amendment and certainly deserves a quick voice vote.

Mr. WYLIE. I thank the gentleman very much for his support.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment was offered in the full committee and was considered and defeated by a voice vote. If the Members will look at the bill itself on page 2 at the bottom, sections 1, 2, and 3, they will notice that the language which the gentleman from Ohio objects to does not appear for either fiscal year 1980 or fiscal year 1981.

Fiscal year 1979 is unusual because it is a start up year. The agency has been operating with personnel borrowed from other agencies, and just tidiness in taking the money paid back might cost us money if we were to pay it a year early to comply with those amendments.

☐ 1555

Let me briefly read to the Committee a letter to me dated March 19, 1979, by Barry Bosworth, director of the Council on Wage and Price Stability.

Finally, I understand that an amendment may be proposed that requires the Council to spend all of its FY 1979 supplemental appropriations by September 30, 1979—the end of the fiscal year. Normally, we would have no objections whatsoever to this stipulation.

Insert that this is proven by the fact they do not make this request for fiscal year 1980 or fiscal year 1981.

For FY 1979 alone, however, we would prefer to have funds remain available until expended. Some of these funds, as you know, will be used to reimburse other Council member agencies for personnel, equipment, and other services they provided us at the outset of the anti-inflation program. This repayment will be a complicated process that we would prefer not to rush at the end of the fiscal year. The language in the bill as it now stands will allow us to continue this repayment process in the most equitable manner possible.

For good bookkeeping, for sound management, this amendment should be defeated and I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

Under any other circumstances I probably would be supporting my colleague's amendment. However, I call to the attention of this House this is a very unusual situation for this year and this year only. All of us have experienced in working with the agencies when they try to gear up to take on a much increased job. I think it is only fair that we give them the latitude for this one year to carry over some money and make sure we close the door tightly in subsequent years.

I oppose the gentleman's amendment. I support the bill in its entirety without any further amendment.

Mr. Chairman, I rise in support of the bill, H.R. 2283, to extend for 2 years the authority of the Council on Wage and Price Stability, but I do so with some reservation.

During the Banking Committee's consideration of this proposal, I expressed my concern about the need for a special exemption for low-wage workers. Similarly, today, I would be remiss if I failed to reemphasize the importance of not creating a scapegoat for our inflation problem. That is, any anti-inflation proposal or related legislation is unacceptable if it fails to recognize the unique experience of the working poor. For it is this group that, past and present, has borne without recourse the costs of inflationary pressures reflected in rising health, fuel, and food prices. Moreover, to the extent that we do not give adequate consideration to the needs of the working poor, we create forces that invariably undermine and render ineffective the various voluntary proposals to combat inflation.

The shifting of emphasis by the administration and the Congress from unemployment to inflation tends to permeate policies and the resulting programs created to monitor and analyze inflationary developments. Ironically, the people who were supposed to have been helped by the earlier administration programs end up suffering twice: not only do they not benefit from unemployment programs, but they also are expected to suffer from anti-inflation programs. Additionally, the working poor who often struggle to make ends meet, frequently are not eligible for Government assistance. Once inflation is warranted higher priority than unemployment, there are direct attempts to reduce inflation to the detriment of low-income workers. As such, many of the anti-inflation proposals operate on the premise that unless low-income workers accept wage restraint, inflationary pressures cannot be brought under control.

Often, the response by some businesses is to lay off workers whom they view as attributing to rising costs and reduced profit margins. I would submit that the working poor is the group least responsible for our present inflation problem. But whenever an economic crisis emerges in this country, it appears that the working poor is asked to accept the largest share of the responsibility for solving the problem.

Since these persons do not have any recourse against rising prices or unemployment, which they can expect to experience with some predictable regularity, they should not be expected to bear the costs associated with controlling inflation. Most working poor families do not own homes or other capital assets, which often serve as hedges against inflation. Therefore, they should not be asked to accept unemployment—lest they will have become the perennial scapegoat for our economic woes.

I applaud the Banking Committee for incorporating language in its report to reflect the special problems of these workers, a group typically earning less than $4 an hour. The Council on Wage and Price Stability was designated to promulgate and monitor the voluntary program of specific wage and price standards. During the first year of the program, they would evaluate wage increases for this group. If workers earn less than $4 an hour, and are able to win wage and fringe benefit increases of more than 7 percent, there would be no violation of the pay standard by the employer granting the increase.

Although the Banking Committee does not recommend any specific figure for the low wage exemption, the $4 figure is a benchmark and thus would exempt approximately 40 percent of the hourly paid workers in the labor force. In the case of one-worker families of four, whose wages are at the $4 or lower level, their annual incomes are well below the minimum or lower-level budget for urban families established by the Labor Department. Given the present trend of rising prices, it would require hourly earnings in excess of $5 this year for a single wage-earner to earn the lower-level budget for his family.

In 1971, when Congress acted to amend the Economic Stabilization Act of 1970, it created a special exemption under the economic controls program for the wages of the working poor, and directed that wage increases to such persons would not be subject to restraints. Indeed, the past sagacity of the Congress should not be eroded in the proposal before us. Therefore, I would urge my colleagues to support this bill, particularly the thrust of this report language, lest we place a disproportionate burden for controlling inflation on the poor and near-poor.

Mr. WYLIE. Will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I will be glad to yield to my friend from Ohio.

Mr. WYLIE. As I understand it from the language in the letter you just read from Mr. Bosworth he is saying that employees were borrowed for the Council on Wage and Price Stability from other departments and now the Council on Wage and Price Stability must pay them back. This unexpended balance is to go to pay them back for those employees they have already used?

Mr. MOORHEAD of Pennsylvania. No. If the gentleman will yield, the money will go there anyway. It is a question in your amendment as to whether there will be in this complicated bookkeeping and rush to get this money paid back and all the other accounts straightened out. It is very complicated because of its start-up process. We may end up wasting money or not being able to properly account for it if we force this hurry-up September deadline on that payment. This is the reason for that language, to be paid in that year and that year only.

Mr. WYLIE. These employees who were borrowed from other departments have not been working for their health. They have been paid by the Federal Government up to now, which seems to me to be a good procedure. It just seems to me to be all the more reason why we do not need this carry-over provision which would say that the money shall remain available until extended on into the next fiscal year and the next fiscal year beyond.

I think that is all the more reason for supporting my amendment. I thank the gentleman for yielding.

Mr. MOORHEAD of Pennsylvania. The gentleman from Ohio might note that originally the Council sent up a bill with open-ended authorization. It was my belief that the duty of the legislative committee was to put a ceiling on appropriations and it is for this reason we insisted on a dollar figure. By doing what I think is our duty, I think we overreact if we accept the gentleman's amendment and have the danger of falling into a situation where we spend money we do not need to spend.

Therefore, I again urge defeat of the amendment.

Mr. McKINNEY. Will my good friend the gentleman from Pennsylvania (Mr. Moorhead), the chairman of the subcommittee, yield?

Mr. MOORHEAD of Pennsylvania. I will be delighted to yield.

Mr. McKINNEY. I find myself in somewhat of a quandary here. What we are seeing is, the Council on Wage and Price Stability is going to repay an agency for employees that that agency has paid, even though they did not need those employees because they have loaned them to the Council on Wage and Price Stability. Perhaps one of the ways we can cut some funding is to turn to those various different organizations who loaned those employees who have gone home with their breadbasket every 2 weeks and say, "You did not need them in the first place, you paid them and loaned them to the Council on Wage and Price Stability, so what are we going to reimburse for?"

☐ 1600

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Moorhead) has expired.

(On request of Mr. McKinney, and by unanimous consent, Mr. Moorhead of Pennsylvania was allowed to proceed for 2 additional minutes.)

Mr. McKINNEY. Mr. Chairman, if the gentleman will yield further, perhaps what we ought to do at that point would be to turn around to the Committee on Appropriations and the Committee on the Budget and say, "Look, these agencies are loaning people back and forth, right and left. They obviously do not need them in the home shop. Why should not they be reimbursed?"

Then maybe if we agree to the amendment offered by the gentleman from Ohio (Mr. Wylie), I would suggest perhaps the rush could be avoided by just not paying back those agencies. If they have been able to loan these employees to the Council on Wage and Price Stability and pay them out of their funds, No. 1, they do not need the employees, and, No. 2, they do not need the budget. It looks like a good place to cut costs.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I will say to the gentleman from Connecticut (Mr. McKinney) that this does not cut the costs. What it will do is foul up the bookkeeping, and we would not be able to monitor how they spend the money because they would be in a different situation.

I do not say to the gentleman that the Council has to shut its doors. I think they would have some pretty sloppy management if the amendment is agreed to.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, I would suggest to my good friend that they will get the $6 million this time and the $8 million next year. What really amazes me is that we are telling them this would result in sloppy bookkeeping, and it is sloppy bookkeeping, it seems to me to pay twice for the same employee. What they are doing is giving another department money for that same employee, the one the department did not need in the first place. Maybe we ought to amend the repayment process right out of this bill.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, if that is the gentleman's purpose, this amendment would accomplish that.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I will be glad to yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, this gives me a glorious opportunity to thank the gentleman from Connecticut (Mr. McKinney) for his support and to welcome him back to the House floor today. I know the gentleman went through a lot to get here.

I will say to the gentleman that he has been sorely missed. He is one of the most effective Members of this body, and I thank him for his support of my amendment.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I call for a vote on the amendment.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words, and I rise briefly in support of the amendment.

Mr. Chairman, there has been a great deal of discussion during the time I have had a chance to serve on the Committee on the Budget of stopping the practice of improperly utilizing "unexpended balances." By supporting this amendment, we are eliminating an unnecessary unexpended balance.

My colleague, the gentleman from Ohio (Mr. Wylie), is to be complimented for bringing this amendment to the attention of the body, and I hope my other colleagues who claim they disagree with the concept of leaving so much loose money available in what are known as unexpended balances will support the amendment.

Mr. Chairman, I support the concept on the basis that it is an appropriate time and place to knock this unexpended balance out.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I was intrigued by that last argument. Is the gentleman from California (Mr. Rousselot) suggesting that in the budget of the Committee on Armed Services, where there are some $21 billion of uncommitted—not unexpended but uncommitted—funds, those funds ought to be rescinded?

Mr. ROUSSELOT. Mr. Chairman, my judgment is that the unexpended balances in many of the agencies, including the Defense Department, should be checked. As a matter of fact, several of our colleagues on the Committee on the Budget, including the gentlewomen from Maryland (Mrs. Holt), have commented on this in the past, that we really ought to know if these unexpended balances are needed and if such balances are really items that we should be carrying forward automatically.

The gentlewoman from Maryland (Mrs. Holt) as we know, serves on the Committee on the Budget and on the Committee on Armed Services, and she has brought this to the attention of the Committee on the Budget. Other members of the Committee on the Budget have done the same in the past.

I think it is an area we need to check. Here is a specific area where we can check it definitely, and my colleague, the gentleman from Ohio (Mr. Wylie), is to be commended for offering the amendment.

Mr. WEISS. Mr. Chairman, I thank the gentleman for stating his position.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. Wylie).

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to section 1?

AMENDMENTS OFFERED BY MR. KELLY

Mr. KELLY. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. KELLY: on line 25, strike out "; and" and on page 3, strike lines 1 and 2.

On page 3, line 5, strike "1981" and insert in lieu thereof "1980".

The CHAIRMAN. The Chair will state that one part of these amendments goes to section 3. Does the gentleman from Florida (Mr. KELLY) request that the amendments be considered en bloc?

Mr. KELLY. Yes, I do, Mr. Chairman.

Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

☐ 1605

Mr. KELLY. Mr. Chairman, there is no need for a lengthy explanation of this amendment, because the amendment simply extends the Council on Wage and Price Stability for 1 year through 1980, rather than 2 years through 1981, as in the bill at the present time. The reason for limiting the extension for 1 year is the cost of operating the Council has tripled, and it has not and in any way been demonstrated that the Council on Wage and Price Stability is helping the inflation problem. As a matter of fact, since October of 1977, when we extended the Council on Wage and Price Stability before in October of 1977, the inflation rate has gone from 4.7 to 11.2 October 1977 and January 1979. There is certainly no indication there that the Council is in any way benefiting the management of the economy. I think the contrary would be indicated from the facts.

Mr. Chairman, since it has not been demonstrated that the Council has really had any positive impact on inflation, it would seem that at the greatly accelerated cost we would extend the Council for just 1 year and then the Congress would have an opportunity to evaluate the intervening 18 months to determine if it then appears as though the Council has done some good. If the Council is not doing any good, just think what a glorious opportunity this would be for the Members of Congress to do what they have promised—and that is to reduce the cost of Government, and especially an opportunity to reduce the cost of Government when we are not getting anything for our money. I think that this may be a little crass, but it is important to remember that the chairman of the Council on Wage and Price Stability himself said that the two factors, the monetary and the fiscal policies, are the root causes of inflation, and the Council does not have anything to do with the root causes of inflation. Therefore, to extend it for 1 year would just be modest insanity, and I would think that the best we could do would be to indulge in modest insanity in extending this Council for just 1 year rather than the plain insanity of extending for 2 years.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. KELLY. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague's yielding.

Did I understand that the Senate Banking Committee merely extended the life of this operation for a year? Is that correct?

Mr. KELLY. That is my understanding. I think that we have to remember that many times great wisdom comes from the other body.

Mr. ROUSSELOT. I do not want the gentleman to get carried away.

Mr. KELLY. It is so seldom that we have the opportunity.

Mr. ROUSSELOT. But I think in this case the gentleman is probably correct. Does the gentleman recall the rationale they used in only extending it 1 year?

Mr. KELLY. The one that occurs to me is that there has been no demonstrated good.

☐ 1610

Out of deference to the President, who wishes to direct attention to the private sector instead of the mismanagement of the economy by this administration and this Congress. They would, out of deference to him, extend for the 1 year.

Mr. ROUSSELOT. So the gentleman is offering this amendment just out of deference to the President to kind of keep it going for a year?

Mr. KELLY. Well, I am really offering the amendment out of deference to the taxpayers that have to pay for the whole thing, and I am expecting them to pay for half of something that is not any good, which would be better than paying for the whole that is no good.

Mr. ROUSSELOT. That certainly sounds reasonable. I accept that.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, this amendment to limit the existence of the Council on Wage and Price Stability to 1 year was offered in the Committee on Banking, Finance and Urban Affairs, and was defeated. It was defeated because the members of the committee realized that it would be extremely difficult for the Council to attract good, able personnel if it were only a Council for 1 year's life. Mr. Bosworth has written me expressing the opinion of the Council on this. He said:

> Enactment of this amendment would make our Council's work much more difficult, and we are strongly opposed to it. We have deliberately held the size of the Council small, but in so doing we are counting on recruiting people of the highest professional caliber. It will be much harder to ask people of this sort to leave their present positions, be they from universities, the private sector or different government agencies, with the ability to offer them employment for only one year. If inflation is the number one domestic problem, then we need the tools to properly address this problem.

Mr. Chairman, I think that if we want to give a message to the American people that the Congress of the United States is serious about stopping inflation, then certainly the Members should not vote for this amendment, because this is a weakening amendment. This is one of the strongest parts of the President's program against inflation.

I can assure the Members of this House and the Members of the committee who are here present that we will have frequent sessions with representatives from the Council on Wage and Price Stability. I plan on doing this at least on a 6-month interval, so we will have plenty of time.

Mr. Bosworth continues:

> We are always glad to appear before your subcommittee or any Congressional committee, for that matter, to respond to questions about the Council's activities and to explain what we plan to do about the future. We feel that the uncertainties and budgetary dislocations that would take place with only one year are totally extreme and unnecessary measures.

I urge the defeat of this amendment. If we are against inflation, we should be against this amendment.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. Of course I yield to the gentleman from Florida.

Mr. KELLY. Am I not correct in saying that the overwhelming weight of the testimony before the committee was that it, in fact, is the Government through the monetary and fiscal policies that is the real cause of inflation, and that this Council has nothing—utterly nothing—to do with either of those important factors in imposing this tremendous inflation on the American public, and that this tool in fact is a tool that has nothing to do with the problem? Is not that the great weight of the testimony?

Mr. MOORHEAD of Pennsylvania. Here is the situation: To cure inflation, we have to have restraint in fiscal policy, restraint in monetary policy; and then the third leg of this will be a strong and effective Council on Wage and Price Stability. One of them alone will not do it. The way to make fiscal and monetary policy more effective is to have an agency which can stop this momentum of inflation, prices chasing wages and wages chasing prices.

☐ 1615

That is the importance of this bill. We need a strong Council. A 1-year Council cannot be that strong, so let us say to the American people that we are going to go ahead on all three fronts, fiscal, monetary, and the Council on Wage and Price Stability.

Therefore, Mr. Chairman, I urge the defeat of this amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding.

Did I understand my colleague, the gentleman from Florida (Mr. KELLY), who sits on this committee, to say that there really was not much evidence that this Council was doing that much to stop inflation?

Did the gentleman say that?

Mr. KELLY. Mr. Chairman, if the gentleman will yield, I did say that, and I did say that what I said was supported by the overwhelming testimony which was presented before the committee.

Mr. ROUSSELOT. The overwhelming amount of testimony?

Mr. KELLY. Overwhelming, including very effective testimony from the Chairman of the Council on Wage and Price Stability himself.

Mr. ROUSSELOT. He said that?

Mr. KELLY. He did.

Mr. ROUSSELOT. My gracious.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, let me reclaim my time.

The Chairman of the Council on Wage and Price Stability said that fiscal policy and monetary policy were very important and that the Council's function was to help that policy succeed.

Again, Mr. Chairman, I urge the defeat of the amendment.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Moorhead) has expired.

(On request of Mr. Rousselot and by unanimous consent, Mr. Moorhead of Pennsylvania was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, may I ask the gentleman from Pennsylvania (Mr. Moorhead) what Mr. Kahn said that they had done to stop inflation. What did he say?

Mr. MOORHEAD of Pennsylvania. He said that they had a number of wage increases; they had a moderating influence.

Mr. ROUSSELOT. Such as what? Which ones, did he mention?

Mr. MOORHEAD of Pennsylvania. He did, but I cannot remember them.

Mr. ROUSSELOT. They must have been important.

Mr. MOORHEAD of Pennsylvania. Also in the matter of some industry price increases.

We have to have diversity in this inflation fight. We cannot just fight on one front, not on just monetary or just on fiscal, but on all three fronts. That is the only way in which we have a hope of making this fight against inflation which is hurting all American people. It is essential that we have a strong Council on Wage and Price Stability. To cut it back to 1 year would weaken it and make it more difficult for them to get competent personnel. We would be saying that we are not really serious in our fight against inflation.

Therefore, Mr. Chairman, it is very important that this amendment be defeated.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Moorhead) has expired.

(On request of Mr. Kelly and by unanimous consent, Mr. Moorhead of Pennsylvania was allowed to proceed for 1 additional minute.)

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, is it not also true that the Chairman of the Council on Wage and Price Stability said that they just needed a little bit more time, that he expected there would be some obvious and demonstrable results from their efforts on the Council within the next few months, and he indicated something like the next 6 or 8 months?

My amendment gives them 18 months. Is that not well within the framework of what the Chairman asked for?

Mr. MOORHEAD of Pennsylvania. But the gentleman fails to get the point, and that is that he cannot get the best personnel if he can only offer them a 1-year contract.

Mr. KELLY. If the gentleman will yield further, if they are not doing any good, what difference does it make to us how good they are?

Mr. MOORHEAD of Pennsylvania. I submit that this is a matter of difference between the two of us. I believe the Council is doing some good and will do more in the future; but we should help them do good for the American people, and the defeat of the amendment will be a vote for the American people.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it hurts me, after the felicity and kind words expressed by my good friend, the gentleman from Florida (Mr. Kelly), to say that I have to oppose him. However, I find it a little difficult to go against what was the opinion of Representatives Stanton, McKinney, Hyde, Fenwick, Steers, Hollenbeck, Brown of Michigan, Hansen, Grassley, Leach, and Evans of Delaware in 1977, in the month of May, when we said—and as the gentleman from California (Mr. Rousselot) says, that was a long time ago—that the reasons stated for keeping this a 2-year funding operation are very clear. One cannot hire anyone of any competence on a 1-year basis. We have seen that time and time again.

If we are talking about inflation, we probably have wasted more money by hiring people, buying more desks, pens, and pencils, and getting stationery and then dissolving the agency than we have by having an agency come into being and do the job properly.

□ 1620

I would suggest that 1 year just is not enough time.

Mr. Chairman, at this time I submit page 16 of the report to the House dated May 13, 1977, for inclusion in the Record:

> A two year extension for the Council underlines the importance of its role in restoring stability of our economy. For American businessmen and labor to have confidence in the government's ability to control inflation, they must be able to see a consistent and sustained effort to meet these problems. The elimination of our sole anti-inflation agency or limiting its future to one more year gives little credence to our vows to limit increases in the cost of living, the number one concern of most Americans.
>
> The most positive step that this Congress can take to restore effectiveness to the Council on Wage and Price Stability is to grant a two year extension. One immediate effect will be to insure a continuation of the present staff and the ability to attract additional well-qualified people to fill vacancies. Extending the Council through fiscal 1979 with a stronger staff will underline the intention of this government to follow a consistent program to reduce inflation.
>
> These factors alone will not insure the success of CWPS in controlling or reducing inflation. However, if we are to make any progress in that direction, a strong Council on Wage and Price Stability is necessary to check the unimpeded erosion in the American standard of living that has resulted from ever increasing pressures of inflation.
>
> J. William Stanton.
> Stewart McKinney.
> Henry J. Hyde.
> Millicent Fenwick.
> Newton Steers, Jr.
> Harold Hollenbeck.
> Garry Brown.
> George Hansen.
> Charles Grassley.
> Jim Leach.
> Thomas B. Evans, Jr.

Mr. LEVITAS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment although I am not certain how I will vote on final passage of this legislation. The reason I support this amendment, and I think it is a very important amendment, is that we are dealing with a potentially dangerous commodity. We are dealing with the vehicle which would have the potential to establish mandatory wage and price controls, because we now have in place an organization which is putting out voluntary guidelines under some form of regulatory authority, which they do not have; but it will just take one simple piece of legislation to transform voluntary into mandatory. When you are dealing with a dangerous commodity, whether it be dynamite, nitroglycerin, poison, or mandatory wage and price controls, it is very important that you deal with it in small quantities. You do not want to have a lot of nitroglycerin or a lot of dynamite or a lot of poison around. In order to make certain that we keep this potentially hazardous substance in short supply, or to put this potentially dangerous animal on a short leash, the only way in which we can do it is by having a limited funding period.

It is my understanding that the amendment would permit 18 months of funding. Eighteen months is plenty of time to see what type of operation this Council will accomplish. What could we do with the rest of the money, somebody would ask. It is already in the budget. What could we do with the rest of the money? I would suggest one thing we might consider doing is buying some of those old worn-out, stored "WIN" buttons which have been placed somewhere in Washington in storage. Crank out the WIN buttons and let the people of America proudly wear WIN buttons as a means of fighting inflation. I am sure we will get a lot of support for that from the other side of the aisle.

It seems to me that if we go too far in funding this Council on Wage and Price Stability, which should have been abolished three years ago, what we are doing is laying open the opportunity for having mandatory wage and price controls visited upon us in the very near future.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I will be happy to yield to my friend, the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding.

The gentleman said that mandatory wage and price controls might be some kind of nitroglycerin. Does the gentleman feel that the record of this Council from October until the present, with the tremendous increase in inflation that has taken place, is any kind of a record of success?

Mr. LEVITAS. I think that the success of the Council on Wage and Price Stability has yet to be seen. I believe that the only thing that could be worse than what we have at the present time is a system of mandatory price controls.

Let me just make this one point. If the gentleman will remember, during the period of mandatory price controls, phases 1, 2, 3, 4½ and so forth, at the end of that period of time we had a higher rate of inflation than existed at the time it was thought necessary to put in mandatory controls to begin with.

Mr. STRATTON. If the gentleman will yield, I have the record here of the percentage increases. In 1970 it was 5.5. President Nixon got worried and put on price controls. In 1971 it was only 3.4. He kept them on through 1972. It was 3.4. After the election he took them off without doing anything about the basic causes, and it went up to 8.8 in 1973 and 12.2 in 1974. If we put on controls, we can stop this constant spiraling and balance the budget and straighten up the economy. It seems to me that the present system has not worked. The gentleman would not hire a doctor for another year who kept making him worse every month after month after month; would he?

Mr. LEVITAS. Let me say this, if I thought for a moment that this Council on Wage and Price Stability could in and of itself cure the problem of inflation, I would not advocate 18 months of funding; I would advocate 18 years of funding. The fact of the matter is it has not, and it will not, but what may happen is it will put mandatory controls on, and when we do that, we are going to have a worse inflation rate, a bigger bureaucracy, and more money rather than less being paid out by the American taxpayer.

□ 1625

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(At the request of Mr. STRATTON, and by unanimous consent, Mr. LEVITAS was allowed to proceed for 2 additional minutes.)

Mr. STRATTON. Mr. Chairman, if the gentleman will yield further, the difficulty with controls, we had mandatory controls in World War II and in the Korean war and they worked. We had an unusual situation, we could not allow all manufacturers just automatically to put up the price and unions to force up the price and we kept the economy stable. We have an unusual situation today with what is happening in the Middle East. The only way we can keep this constant spiraling down is to put on controls and then allow the Congress to deal with the basic problem, which is the national deficit, no question about that; but I do not think you can do it with voluntary controls. They have not worked and the record shows they have not worked.

Mr. LEVITAS. If the gentleman will permit me to observe, the fact of the matter is that the last time we had an experience with mandatory price controls, with bureaucrats trying to decide how much wages should be and how much prices should be, it was a failure. It was a failure because it cannot work. Even under wartime conditions where you have an entirely different economy in which a major portion of your resources are being devoted to national defense, even there it was not an altogether perfect system; but in time of peace all we are talking about is more bureaucracy, decisions about how much things cost and how much a worker can charge for his labor being decided by people who have never had to run a business and never had to work for a living.

I think we ought to let the marketplace work, and the cooperative spirit of the American people within the guidelines may do the job. I have great confidence if anybody can do it, Alfred Kahn and Barry Bosworth are two people who can.

Mr. STRATTON. I would like to go back to that 3.4 percent of the inflation that we had in 1971 and 1972. The reason it did not work is that President Nixon, once the election was over, did not care and he took off everything.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

(By unanimous consent, Mr. LEVITAS was allowed to proceed for 30 additional seconds.)

Mr. LEVITAS. Mr. Chairman, if my friend, the gentleman from New York, would realize exactly what he is saying, sure, as long as those controls were on there, as long as you are talking about controls forever, you are going to keep prices and wages down; but the moment you let the marketplace work again, this capped-up energy is going to explode and you have even higher inflation than you had to begin with. That is the reason I am opposed to this.

Mr. STRATTON. Not if we reduce our deficit and get back to a balanced budget, I say to the gentleman.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to support the amendment. I feel that this is an agency which is operating at best on the borderline of legality and that under those circumstances it is obligatory on us to keep it on as short a leash as is practical.

Now, the suggestion has been made earlier that we should not do that because somehow the agency will not be able to get good employees if they cannot be assured of their employment for more than a year.

I would have to say that anyone who is about to be hired by this agency ought to understand that a case has been brought against this agency which suggests that the activities for which a majority of the employees that it seeks to hire are illegal and that if the courts uphold that contention, and there is a long line of Comptroller General opinions in support of that contention, these employees will have little or no work to do. It is not reasonable to expect that the Congress will appropriate money to pay them if they have nothing to do.

I would also suggest that those employees would be aware of the fact that as a result of the amendment offered by the gentleman from Ohio that we have just adopted, but in any event, the appropriations are going to be 1 year appropriations, so that there can be no certitude of employment from 1 year to the next.

Under those circumstances, it seems to me the argument that the employees of this agency can be looking forward to any long tenure with this agency, God forbid, is really a fallacious one and that we should recognize our duty to oversee this most unusual agency, which has promised us that we shall start to see the benefits of its new approach within a period which was described last fall as from 6 to 9 months. We should therefore be looking at the end of that period to see whether the agency is delivering under this new program as promised and we should then act accordingly, either to continue the agency if it is working, or to terminate it or reduce its staff if, in fact, it is not proving effectual.

□ 1630

Mr. ROUSSELOT. Would the gentleman yield?

Mr. GREEN. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague yielding.

You are on the committee; maybe you can help us. There has been a lot of discussion today about this problem as borderline, as you say, illegal activities. Could you describe those a little bit so the Members of the House would benefit, what those are?

Mr. GREEN. I have read the amicus curiae brief which has been prepared or has in fact been submitted by Members of Congress and that brief makes a case that the use of the contracting powers of the Government to threaten people who do not conform to the so-called voluntary wage and price controls is illegal.

The long line of Comptroller General opinions to which I referred, including one referring to this specific Agency, similarly hold that use of contracting powers of the Government for purposes other than those that Congress has authorized them to be used for, is illegal. So that is what I have reference to.

Mr. ROUSSELOT. I appreciate the gentleman's explanation so that is even more reason to take another hard-nosed look at this Agency in 18 months time, and why it is essential that we vote then for this amendment.

Mr. GREEN. And certainly if the court should hold against the Agency, as the Comptroller General's opinion gives reason to believe they would do, we would not want a lot of employees sitting around there with a program they are enjoined from enforcing.

Mr. BADHAM. Would the gentleman yield?

Mr. GREEN. I will be happy to yield.

Mr. BADHAM. I thank the gentleman for yielding and I appreciate the gentleman's support of what I think is a very worthwhile amendment. I think it should be perhaps added at this point, and I would hope the gentleman would agree, that perhaps, rather than looking, as the gentleman from Pennsylvania might have led the House to believe, looking for people who want to come to Washington to embark on a new career and never leave home, that they are the best we can get. Perhaps it might be worthwhile to encourage the absolute top people in Government and the absolute top people in private industry to come to Washington for a short period of time, unload their expertise, help the Congress, help the people, and then leave and go home.

I think a 1-year period would allow us to get the very best in public life and the very best in private life who perhaps cannot afford to work on a public salary of the kind that we have in Washington. Perhaps they feel they are indeed proven in the financial field, they are worth more than that. I refer to those gentlemen who are substantially more worthwhile on a financial basis than we can afford to pay in Washington, hopefully they might come. If they do they would only have to take a 1-year period away from their other more remunerative pursuits.

Does the gentleman not agree with that, that we might even get better if we limit the time?

Mr. GREEN. I do agree with the gentleman, and I thank him for his very cogent remarks.

Mr. WEISS. Will the gentleman yield?

Mr. GREEN. I do yield to the gentleman from New York.

Mr. WEISS. I am looking at the report on page 17 and there is a supplemental view signed by five Members. The fifth name is the gentleman's name and it indicates the total and complete support of the legislation before us.

Now did the question not come up earlier, this figure in the committee, did the gentleman change his mind?

Mr. GREEN. No. I would not describe the supplemental views to which the gentleman refers as enthusiastic support of this agency. I think many of us have felt that since the administration embarked on this course, we have little choice but to see it through. I had supported, within the committee, first, the amendment which we are now debating on the question of limiting the extension to 1 year and, second, an amendment which would have extended the authorization for 2 years but limited the funding authorization to a single year.

□ 1635

I do not consider any of that support in any way inconsistent with the rather unenthusiastic support of the agency which I consider to be the tone of the supplemental remarks.

Mr. WEISS. Mr. Chairman, I appreciate the gentleman's clarifying the situation for me.

Mr. GREEN. Mr. Chairman, I thank the gentleman from New York (Mr. WEISS).

Mrs. HECKLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as delighted as I am today to see in the Chamber the distinguished ranking minority member of the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs and to see him in such fine fettle—and indeed though his presence gladdens my heart—his point of view on this amendment disappoints me dearly.

I would like to say that I feel that we are in a situation in which we have a student in school who is just barely making the grade, not quite passing, and who in my judgment, under normal academic standards, would be put on probation. That is exactly where I would place the Council on Wage and Price Stability—on probation.

Look at the runaway inflation we have experienced in the last few months.

Just recently I had a chance to put a question to the director of the Joint Economic Committee on the question of runaway food prices and, more specifically, on a subject that is consuming the attention of the members of the Committee on Agriculture of the House—a proposed increase in the sugar support program which will cost the consumers of America approximately $300 million in the first year.

I asked Mr. Barry Bosworth, the Director of the Council on Wage and Price Stability, what he thought of that program. Mr. Kahn, the inflation czar for the administration, had said that this proposal is highly inflationary, and that the sugar proposal as advanced by the administration will increase the prices on innumerable products that the consumer must purchase and will provide a new inflationary impact on the already strained food budget of the average family.

Now, what has Mr. Bosworth, the director of the council, done about food prices, and especially about inflation, in the area of sugar price controls and sugar price supports which the administration now wishes to increase? Mr. Bosworth answered my question by saying:

> The administration's proposal in the sugar situation, as made to Congress, is inflationary and will raise sugar prices, and there is no doubt about that.

What has Mr. Bosworth said to the Committee on Agriculture of the House? The Council on Wage and Price Stability has been absolutely mute. They have said nothing; they have spoken not at all. They have not raised a single objection to a policy that even Mr. Kahn has said will increase consumer prices by $300 million in the first year.

Now, is this an adequate performance for this council, and will more personnel and a bigger budget improve its performance? I suggest not.

It seems to me that the council can serve a very useful function, and that it can be a partner in fighting inflation, which is what we all wish. But at the present time this council is not a watchdog for the public; it is in fact a lap dog for the administration.

I would like to change the mandate of the council to stop the bureaucratic kowtowing that we have seen over the sugar bill and in other instances and give it the commitment to speak for the people with candor and fearlessness and let the chips fall where they may. Then they can let this Congress fight inflation.

To me, we need the council. It is a mechanism whereby we can monitor the inflationary increases and hopefully prevent them and stop actions in this Congress that contribute to inflation such as this sugar act. But first and most important—we must put the council on probation, put the lap dog on a short leash, and hope it can perform as a watchdog, which is what we all intended it to be when we passed the statute which brought it into being.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment because I think we have to have a Council on Wage and Price Stability, and we are blessed by having as our chairman one of the more candid and forthright members of any agency, one of the few who will give us a straight answer when we ask him a question and one of those few who will speak up for what he believes to be true.

□ 1640

The remarks of the gentlewoman from Massachusetts are well taken. We know that there are actions of the Government and its agencies that are costing the people millions every single day. I would like to draw attention to one simple fact. Under the Interstate Commerce Commission, fresh agricultural produce is exempt. All food is not. The Poultry Association many years ago took to the Supreme Court a ruling of the Interstate Commerce Commission that plucked and eviscerated chickens were not fresh agricultural products. Fortunately for the consumers of America, the Supreme Court said they were, and the cost of distributing those chickens dropped 35 percent. Because why? Because they were carried not by franchised, certificated carriers, but by independents. The counter argument is: How do you get food in every hamlet? But is there a hamlet missing milk or eggs? Of course there is not. Or eviscerated chickens either. If we are serious—and we have to be serious about inflation, and what is more compelling than the whole question of food?—we should be exempting all food tomorrow.

I do think we have one of the finest directors in Mr. Kahn, and I want the record to show that we urge him to exempt all food; and then, if the record remains the same, the cost of distributing food to the people of America will drop by 35 percent. That is the kind of action in one limited area only that would be a tremendous benefit to the consumers of America.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I probably did not pay close enough attention, as the gentlewoman is always so articulate. But how does exempting food from this whole mechanism help stop inflation? Food is a big factor in the inflationary spiral.

Mrs. FENWICK. The distribution is part of it. Does the gentleman know how much the farmers get on a loaf of bread? About 3 cents.

Mr. ROUSSELOT. They get a very small amount of the entire cost.

Mrs. FENWICK. Exactly.

Mr. ROUSSELOT. It is less than 10 percent. But I am asking the gentlewoman the question: If you exempt food from this process, that is supposedly saving us all of this inflation. I do not believe that.

Mrs. FENWICK. I want to exempt it, not from this process, but from the regulations of the Interstate Commerce Commission. I would like a regulation from this council to that effect.

Mr. ROUSSELOT. Does the gentlewoman think they would do that?

Mrs. FENWICK. I think it should be on the record, so that the council and the members of the council would see that this recommendation would be made. I think it is difficult politically. I know the forces which will be raised against it. But somehow we must do it and I have to say it.

Mr. ROUSSELOT. Why would the gentlewoman then be against this amendment? If they have not done that, then they could come back in a year.

Mrs. FENWICK. I think it needs 2 years. I do not think we could have the kind of council with the kind of people we need on it if it is for 1 year only.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Florida (Mr. KELLY).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 252, noes 159, not voting 21, as follows:

[Roll No. 46]

AYES—252

Abdnor
Addabbo
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bereuter
Bethune
Bouquard
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Coughlin
Courter
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dodd
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Fazio
Findley
Fish
Flippo
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harris
Harsha
Heckler
Hefner
Hightower
Hillis
Hinson
Holt
Hopkins
Horton
Hubbard
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKay
Madigan
Maguire
Marlenee
Marriott
Martin
Mathis
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Neal
Nelson
Nichols
O'Brien
Panetta
Pashayan
Paul
Preyer
Pritchard
Pursell
Quayle
Quillen
Railsback
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Rudd
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Mo.
Zeferetti

NOES—159

Akaka
Albosta
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Corman
Cotter
D'Amours
Danielson
Daschle
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Fisher
Fithian
Florio
Foley
Ford, Mich.
Garcia
Gaydos
Giaimo
Gore
Gray
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Hawkins
Heftel
Holland
Hollenbeck
Holtzman
Howard
Huckaby
Johnson, Calif.
Kastenmeier
Kildee
LaFalce
Lederer
Lehman
Leland
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McKinney
Markey
Matsui
Mikva
Mineta
Minish
Mitchell, Md.
Moakley
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Price
Rahall
Reuss
Richmond
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Simon
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Waxman
Weiss
Wilson, Tex.
Wright
Wyatt
Yates
Yatron
Zablocki

NOT VOTING—21

Alexander
Ambro
Anderson, Calif.
Bowen
Breaux
Crane, Daniel
Crane, Philip
Davis, S.C.
Diggs
Ferraro
Flood
Ford, Tenn.
Kogovsek
Leach, La.
McHugh
Marks
Miller, Calif.
Moffett
Rangel
Runnels
Treen

☐ 1700

The Clerk announced the following pairs:

On this vote:

Mr. Leach of Louisiana for, with Ms. Ferraro against.

Mr. Runnels for, with Mr. Rangel against.

Mr. TRAXLER changed his vote from "aye" to "no."

Mr. SHELBY changed his vote from "no" to "aye."

So the amendments were agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there other amendments to section 1?

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: On page 2, line 21, strike "$3,952,000" and insert in lieu thereof "$4,108,000."

Mr. ROUSSELOT. Mr. Chairman, this is a simple straight-forward technical amendment. I am sure the committee intended to have this dollar amount stated at 4 million plus. If you will recall in earlier discussions, on line 24 of the bill, the committee cost is $8,400,000 for 1 year. All I have done with this amendment is to have the remaining 6 months of this year comply with that figure of $8 million just adding it; so all that I have done here is to make sure that the 6 months remaining for this year comply with what the committee has suggested for 1980; so I urge my colleagues to support this amendment because it makes it comply with what the committee suggested for the year 1980.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the expanded activities of the Council on Wage and Price Stability began right after the President's announcement of October 24, so that the Council has been in existence much longer than one-half of the year and the figure that was proposed by the committee was based on testimony presented to the subcommittee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—ayes 45, noes 82.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments to section 1?

If not, the Clerk will read section 2.

The Clerk read as follows:

SEC. 2. Section 7 of the Council on Wage and Price Stability is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1981".

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 3, strike out "2" and insert in lieu thereof "3".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the last committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 4, insert "Act" after "Stability".

The committee amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 2?

Are there other amendments to the bill?

AMENDMENT OFFERED BY MR. MOORHEAD OF PENNSYLVANIA

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOORHEAD of Pennsylvania: H.R. 2283 is amended by adding at the end thereof the following new section:

SEC. 4. The Council on Wage and Price Stability Act is amended by adding at the end thereof the following new section:

"SEC. 8. Notwithstanding any other provision of this Act, no payment under this Act may be made except to such extent, or in such amounts, as are provided in advance in appropriation Acts."

□ 1710

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, under a rule we adopted, a requirement of section 303(a)(4) of the Budget Act was waived. However, I am now offering an amendment to cure this technical defect in the Council on Wage and Price Stability Act.

My amendment would provide no payments could be made under the act except to such extent and in such amounts as are provided in advance in the Appropriation Act.

Mr. Chairman, I know of no objection to the amendment, and, therefore, I call for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MOORHEAD).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. STRATTON

Mr. STRATTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON: On page 3 at the end of line 5 insert the following new section:

SEC. 4. (a) Strike out section 3(b) of the council on Wage and Price Stability Act.

(b) Insert in the Council on Wage and Price Stability Act a new section 4 as follows:

SEC. 4(a). PRESIDENTIAL AUTHORITY.—Within sixty days of the date of enactment of this Act the President shall issue such orders and regulations as he may deem appropriate to stabilize prices, rents, wages, salaries, profits, dividends, interest rates, and other comparable economic transfers at levels not less than those prevailing on October 1, 1978. Such orders and regulations shall provide for—

(1) the making of such adjustments, as may be necessary to prevent gross inequities;

(2) wage and salary increases or adjustments, after October 1, 1978, based on the application of cost of living and productivity formulas;

(3) price, rent, or interest rate increases or adjustments, after October 1, 1978, based on cost or productivity increases; and

(4) profit or dividend increases, after October 1, 1978, attributable to increased productivity, efficiency, or sales or revenues.

(b) DELEGATION.—The President may delegate the performance of any function under this Act to the Council.

(c) PENALTY.—Whoever willfully violates any order or regulation under this Act shall be fined not more than $5,000.

(d) INJUNCTIONS.—Whenever it appears to any agency of the United States authorized by the President to exercise the authority contained in this Act to enforce orders and regulations issued under this Act, that any person has engaged, is engaged, or is about to engage in any act or practice constituting a violation of any regulation or order under this Act, it may bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such act or practice, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the agency, any such court may also issue a mandatory injunction commanding any person to comply with any regulation or order under this Act.

(e) EXPIRATION.—The authority to issue and enforce orders and regulations under this Act expires at midnight September 30, 1983, or upon any earlier date provided in a concurrent resolution of the Congress, but such expiration shall not affect any proceeding under section 104 for a violation of any such order or regulation committed prior to October 1, 1983, or for the punishment for contempt for a violation of any injunction issued under section 105 committed prior to October 1, 1983.

(f) TRANSMITTAL OF DETAILED PLAN.—

(i) Not later than thirty days after the date of enactment of this Act, the President or his delegate shall transmit to the Congress a plan setting forth detailed proposals for the implementation of the authority conferred by this Act, including specific descriptions of the manner in which such authority would be exercised and the organizational and administrative provisions which would be used.

(ii) The plan required under this section shall—

(1) be generally fair and equitable;

(2) provide for a comparable level of control of all sectors of the economy; and

(3) impose comparable duties and sacrifices on individuals and organizations in all segments of the economy.

(iii) The President or his delegate shall make and transmit to the Congress from time to time such revisions of the plan transmitted under this section as may be necessary.

And renumber the following sections accordingly.

Mr. MOORHEAD of Pennsylvania (during the reading). Mr. Chairman, I reserve a point of order against the amendment offered by the gentleman from New York (Mr. STRATTON).

The CHAIRMAN. The Clerk will first complete the reading of the amendment.

(The Clerk continued the reading of the amendment.)

Mr. STRATTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. BAUMAN. Reserving the right to object, I do so, Mr. Chairman, because there might be some question of germaneness pertaining to this amendment, and unless we have copies, I would prefer that it be read.

Mr. Chairman, I object, since no copies are available.

Mr. STRATTON. Mr. Chairman, if the gentleman will withhold his objection, I am doing this in the interest of time.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. MOORHEAD) has reserved a point of order on the amendment.

The gentleman from New York (Mr. STRATTON) will proceed.

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, did the gentleman from Maryland (Mr. BAUMAN) object?

Mr. STRATTON. Mr. Chairman, the text of the amendment is included in H.R. 767, copies of which are, I believe, available.

The CHAIRMAN. The Chair will inquire, was there an objection to suspending the reading of the amendment?

Mr. BAUMAN. Mr. Chairman, further reserving the right to object on the request to dispense with further reading of the amendment, may I inquire, is the gentleman from New York offering his amendment to the text of H.R. 767?

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, what I am doing is offering the text of H.R. 767 to a revised section 4 of the bill. I beg your pardon, Mr. Chairman; let me amend that. It is a new section 4, since the gentleman from Pennsylvania (Mr. MOORHEAD) has already had a new section adopted, so this would become section 5 at the end of the bill, a new section added to the bill.

Mr. BAUMAN. Mr. Chairman, I do not wish to cut the gentleman from New York (Mr. STRATTON) off, so I will not object to the request for dispensing with the reading, since I now have a copy of the amendment.

However, Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Maryland (Mr. BAUMAN) reserves a point of order on the amendment.

Mr. BAUMAN. Mr. Chairman, I withdraw my reservation of objection.

Mr. ROUSSELOT. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania (Mr. MOORHEAD) that the amendment be considered as read and printed in the RECORD?

There was no objection.

The CHAIRMAN. The gentleman from New York (Mr. STRATTON) is recognized in support of his amendment.

Mr. STRATTON. Mr. Chairman, this amendment is the one that I indicated earlier I intended to offer.

It provides simply the same standby authority for the President of the United States to impose mandatory price and wage controls that President Nixon had in 1971 when he imposed wage and price controls at that time.

I think it is fairly obvious, as I said earlier, Mr. Chairman—and those who were not in the Chamber to hear me, I am sure, got it over the magic of television—that the Council on Wage and Price Stability has not done its job. This is a "council of price instability."

In the 6 months since Mr. Kahn was appointed and this process of so-called voluntary controls went into effect, inflation has gone up four or five or six points. In fact, we see absolutely no impact whatsoever, and the American people, as has been said time and time again by my friends on this side of the aisle, are fed up with inflation. They want it ended. They do not want to see prices continually and constantly going up.

The best that Mr. Kahn can offer—and he comes originally from my State; he comes from the great Cornell University—is that he says, "Well, give us a few more months. Wait until June or July, and then perhaps we will have reduced it by one-half of 1 percent, and then you will know it is beginning to click."

All of our problems—the cost-of-living increase on pensions, the cost-of-living increase on retirement, as well as all these problems we are confronting in social security—all stem from constant, steady inflation; and what we must do is get it under control—now, not 3 months from now.

Oh, the conventional wisdom is that price and wage controls have never worked.

I know that, with all the youth in this body, not many recall World War II or the Korean war; but controls did work at those times. Very effectively.

□ 1715

The fact of the matter is that they also worked when President Nixon imposed them in 1971.

I have here a list of the inflation factors over the past few years. In 1970, when President Nixon first thought about the question of inflation, the inflation rate stood at 5.5 percent. In 1971, August, to be exact, he imposed wage and price controls, and the inflation factor in 1971 was only 3.4 percent. In 1972, with controls continued until after the election, the rate remained 3.4 percent. The only problem with Mr. Nixon's imposition of controls was that he made no effort to try to solve some of the other problems. The minute the 1972 election was over, he took controls off. So in 1973, with controls off inflation was 8.8 percent, and in 1974 it went to 12.2 percent. So controls do work. They can stop the kind of cost-push inflation, we see today the spiraling kind of thing that is happening. Of course, that does not mean that the imposition of controls alone is going to solve the problem. It simply means that controls can give us time to do something about the basic causes: Reduce the deficit, balance the budget, and get our monetary problems under control.

You say, "Well, controls only fight the symptoms." What is wrong with that? If you go to the hospital with a fever, the doctor gives you an aspirin. The aspirin is only fighting the symptoms. But your fever stays down so that you are not ravaged. But sooner or later the doctor has to find the real trouble, whether it is hepatitis or whatever it might be. Similarly the mandatory controls that we impose will ease the burden on our own budget, which now goes up now steadily with inflation. It will ease the burden on the homeowner and the consumer. In the meantime, we here in Congress must try to do the job that the gentleman from Florida (Mr. KELLY), and all of the other gentlemen on this side, have been urging us to do this afternoon, which is to bring the budget into balance. And when we have done that we can take the controls off.

I ask Members, just go back home and talk to your people. I think Members will find that, as every poll has demonstrated, the American people are not satisfied that Mr. Kahn is doing a darn thing about fighting inflation or that the Carter administration has accomplished a darn thing in fighting inflation. The American people are willing to accept mandatory controls if they will just stop our runaway inflation.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Pennsylvania (Mr. MOORHEAD) wish to pursue his point of order?

Mr. MOORHEAD of Pennsylvania. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from New York (Mr. STRATTON) for two reasons.

First. The amendment offered by the gentleman from New York (Mr. STRATTON) which seeks to strike down section 3(b) of the original act, is well beyond the fundamental purpose of this act, which is the gathering of information and voluntary programs to fight inflation. Certainly the amendment offered by the gentleman from New York (Mr. STRATTON), which is a mandatory program, is outside of such fundamental purpose of the act.

Second. If the amendment is adopted, it will establish a precedent which allows amendments striking limiting language, such as section 3(b) of the original act, and then inserting language of an entirely different scope, of a much broader application, and allowing, once limiting language is stricken, the broadening of the scope which would put a chilling effect on all attempts by the Congress to insert limiting sections, specifically, in a particular law.

For those reasons, Mr. Chairman, I urge the Chair to sustain the point of order.

□ 1720

The CHAIRMAN. Does the gentleman from Maryland wish to be heard on the point of order?

Mr. BAUMAN. Mr. Chairman, I wish to speak on the point of order.

I would also point out that in addition to the argument offered by the gentleman from Pennsylvania, the scope of the amendment is so broad that it goes well beyond the particular authorities that the present statute, Public Law 93–387, contains, and is therefore nongermane. First of all, the present statute allows the President to establish the Council which is the subject of this legislation. The gentleman's amendment shifts the power completely to the President, who may or may not under his amendment place this power in this or any other agency of Government, as appears on the second page of his amendment.

Furthermore, it permits the President to delegate to any officials or departments the powers his amendment suggests, which goes beyond the scope of the current law, and also provides for criminal penalties and injunctions upon application to the district court, none of which is in the present law and is beyond its scope.

It also sets up an expiration date, which the present law does not contain. So, in many specifics, it is well beyond the scope of the present act, and nongermane for that reason.

The CHAIRMAN. Does the gentleman from New York desire to be heard?

Mr. STRATTON. I do, Mr. Chairman.

I would say to the gentleman from Maryland that actually in H.R. 767, page 2, line 18, I have deleted the reference to such officers, departments, and agencies, and have simply indicated that the President may delegate the performance of any function under this act to the Council.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield ?

Mr. STRATTON. Not at this time.

I am a little bit surprised that the gentleman——

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, a point of order.

The gentleman asks that we not read his great amendment, and yet we were told it was exactly the same as submitted in H.R. 767. He has just now told us it is not, and therefore on that basis alone we were misled.

Mr. STRATTON. I would not mislead the gentleman from California, as he well knows. This was stricken out in the printed version, but the Member from New York had very little time in which to draft copies, and as a result the essence of it was contained in H.R. 767. I am a little surprised, Mr. Chairman, that the gentleman from Pennsylvania would try to knock this amendment out on a point of order——

The CHAIRMAN. Will the gentleman direct his argument to the Chair, please?

Mr. STRATTON. I am trying to direct it to the Chair, Mr. Chairman.

The CHAIRMAN. And to the point of order.

Mr. STRATTON. I am surprised that the gentleman from Pennsylvania would try to knock it out on a point of order because, as far as I know, only the gentleman from New York (Mr. Weiss) and myself are in favor of this particular approach, and I do not think the gentleman from Pennsylvania needs to worry about the outcome of the vote.

But, I do thank him and I appreciate his having reserved the point of order so that at least the case could be presented, but I think that this is a fundamental question which the House ought to face and ought to have an opportunity to vote on.

This bill that we are being asked to approve today is a bill to establish and to continue a Council on Wage and Price Stability. As I have indicated, this particular Council has not achieved wage and price stability. I have amended the legislation, Mr. Chairman——

The CHAIRMAN. The Chair wishes to accord the gentleman from New York every courtesy, but in fairness to the gentleman the Chair is ready to rule.

Mr. STRATTON. Mr. Chairman, I have not had a chance to present my argument. If the Chair is ready to rule. I would hope that he would defer the ruling at least until I have a chance to point out what I think is the point.

The CHAIRMAN. If the gentleman from New York would proceed moderately.

Mr. STRATTON. I am proceeding not only moderately, but expeditiously, Mr. Chairman.

This is a bill to amend the Council on Wage and Price Stability and to extend the authority granted by such act. My bill is designed to provide a method whereby the Council on Wage and Price Stability can achieve this price and wage stability within the period determined by the original act. Therefore, in my judgment it simply represents an additional duty imposed on the Council which will perhaps enable it to achieve the objective that, so far, it has not achieved.

The CHAIRMAN. The Chair is ready to rule.

The amendment, to be germane, must accomplish the purpose of the bill by a closely related method to that in the bill.

The amendment would amend section 3(b) of the Wage and Price Stability Act. That subsection presently contains the disclaimer that nothing in the basic act, which is being extended and amended by the pending bill, should be construed to confer mandatory wage and price control authority upon the Council or to affect separate authorities under the Emergency Petroleum Allocation Act. In lieu of that disclaimer, the pending amendment would confer upon the President or Council mandatory wage and price control authorities.

The authorities being extended by the pending bill are of a readily definable class—they are all advisory or informational in nature. On the other hand, the amendment confers authorities of a different class—authorities which are mandatory in nature. For the same reason that the Chair feels it would not be germane to impose direct wage and price controls on specified levels of income or commodities as an amendment to this bill, it is not in order to confer direct mandatory authority upon an executive official to impose such controls.

On June 19, 1952, Chairman Mills held not germane to a bill extending authority in law to settle labor disputes by negotiation and collective bargaining, an amendment to the same law empowering the President to take possession of plants closed by work stoppages.

The Chair sustains the point of order.

□ 1725

AMENDMENT OFFERED BY MR. WEISS

Mr. WEISS. Mr. Chairman, I offer an amendment.

The Clerk proceeded to read the amendment.

Mr. WEISS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ROUSSELOT. Reserving the right to object, Mr. Chairman, may I ask the gentleman how long his amendment is?

Mr. WEISS. If the gentleman will yield, Mr. Chairman, it is about the same length as the last amendment was.

Mr. ROUSSELOT. Four or five pages?

Mr. WEISS. No, about two pages.

Mr. ROUSSELOT. Mr. Chairman, we have no copies of this amendment on this side of the aisle. Therefore, I am constrained to object unless we can get one. Could the gentleman send a copy over here?

Mr. WEISS. I think that we can, but——

Mr. ROUSSELOT. Then, Mr. Chairman, I object.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Further reserving the right to object, Mr. Chairman, I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, it is my intention, as soon as the reading of this amendment has been completed, to move that the Committee rise.

Mr. ROUSSELOT. Mr. Chairman, I will yield to the gentleman from Pennsylvania for that purpose.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I move that the Committee do now rise.

Mr. WEISS. That is with the amendment pending; is that correct?

Mr. Chairman, would the amendment have the same status as it had before the motion to rise was made, that is, with a request pending to have the amendment considered as read?

The CHAIRMAN. The Chair will state that the reading of the amendment has not been dispensed with. Therefore, we would remain in the same position.

Mr. WEISS. Absolutely; that is fine.

The CHAIRMAN. The question is on the motion offered by the gentleman from Pennsylvania (Mr. Moorhead).

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Derrick, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2283), to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1981, and for other purposes, had come to no resolution thereon.

THE 96TH CONGRESS—THE OVERSIGHT CONGRESS

(Mr. LONG of Louisiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LONG of Louisiana. Mr. Speaker, observers have been speculating that the 96th Congress will be known as "the oversight Congress." In the current political climate where "fiscal restraint" and "government efficiency" have become watchwords, it is most appropriate that we concentrate on improving present programs rather than drafting any new ones at this time.

The President, the leadership of both parties, and the voters are rightfully demanding that Congress assure existing programs are working effectively and efficiently—and that they are being carried out according to the intent of Congress.

It is with a strong sense of responsibility that the Subcommittee on the Legislative Process of the Committee on Rules takes up this timely issue. This new subcommittee, which I have the honor of chairing, will soon be holding hearings as part of its consideration of measures requiring systematic program review.

Our current effort at oversight can perhaps best be described as Congress neglected stepchild. The Legislative Reorganization Act of 1946 gave standing committees responsibility for continuous oversight, and this authority was later strengthened by provisions of the Legislative Reorganization Act of 1970 and the Congressional Budget Act of 1974. But despite 30 years of mandated responsibility for oversight, it remains an orphan which Congress has never quite accepted as its own. Congress has never fully incorporated the systematic review of Government programs as regular procedure. Crowded out of the House by its older and more established sister, the authorization of new programs, regular oversight has not yet assumed its rightful, permanent place in the process of program implementation. Our efforts at oversight, while often laudable, have been sporadic—usually in reaction to problems after they occur rather than in a continual search for weaknesses before crises are at hand.

The role of our subcommittee is to find a regular place for oversight at the congressional table. Foremost in our mind is not just the need for better and more systematic review of programs most of us agree on that—but also the need to successfully integrate program review into our busy committee and floor schedules. Performed regularly and economically, program review can complement our other legislative duties—enabling us to fund those programs run most efficiently and showing us the pitfalls of current programs before embarking on new ones. An ill-conceived procedure for program review, however, is likely to hinder the completion of our other legislative tasks, forcing us to again relegate oversight to its current status of neglect. We must find a middle course that fulfills Congress oversight responsibilities without undermining the legislative process.

New procedures for program review will affect all Members regardless of party or committee assignment. Far-reaching proposals have been recommended and introduced. As our subcommittee considers these proposals in the coming months, I seek the advice and support of all Members.

RESOLUTION AUTHORIZING SETTING UP OF A BUST IN HONOR OF DR. MARTIN LUTHER KING, JR.

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, I am today introducing once again a resolution to authorize the setting up of a bust or statue of Dr. Martin Luther King, Jr., in the Capitol.

I am proud to say that we have 165 cosponsors for this legislation. It has passed the House in two previous Congresses, but has not been acted upon by the Senate.

I hope that it will again move quickly through the House and that this year it will also pass the Senate.

I first introduced this resolution in the 92d Congress with 61 cosponsors. Before introducing it again in the 93d Congress, I consulted with the Congressional Black Caucus. After extensive consideration the caucus agreed that Dr. King was the most appropriate black American to honor. I again introduced this resolution in the 94th Congress with 161 cosponsors. It passed in the House and a similar version passed in the Senate. However, Congress recessed before the minor differences could be resolved in conference. I introduced this resolution once more in the 95th Congress with 160 cosponsors. It too passed the House but ran into difficulty in the Senate Rules Committee, and was not enacted by the end of the Congress. Today I am introducing this resolution with 165 cosponsors, including again the support of the entire Black Caucus.

It is altogether fitting that we so honor Dr. King. He was a man who might have lived out a worthwhile but obscure life as a minister. Instead, he was beckoned by the challenge to win equality for all the people of this country.

On December 1, 1955, Mrs. Rosa Parks, a seamstress with tired feet, was arrested in Montgomery, Ala., for refusing to give up her seat on a local bus to a white man. Her arrest triggered the first great civil rights test of power, and launched Dr. King's quest for equality. Dr. King, then an unknown minister in Alabama, led the Montgomery black community that year. Mrs. Park's arrest ended 382 days later with the capitulation of the Montgomery bus line to the doctrine of racial equality. Dr. King had begun his march.

In the years that followed, Dr. King's influence grew. He set out to correct specific injustices, but also to educate our country and win the hearts and minds of our people. His marches awakened our country and aroused our sympathy.

Who can forget that horrible spectacle in 1963 when Dr. King and his marchers, dressed in their Sunday clothes, met fire hoses, truncheons, and police dogs in Birmingham. A few months later, in his famous "I have a dream" speech, Dr. King addressed thousands of people gathered at the Lincoln Memorial, and said:

> When we let freedom ring, we will speed the day when all God's children, black men and white men, Jews and Gentiles, Protestants and Catholics, will be able to join hands and sing the words of the old Negro spiritual: "Free at last/Free at last/Thank God Almighty, we're free at last."

In 1964 Dr. King became the 14th American and the youngest man ever to win the Nobel Peace Prize.

A firm believer in Christian ideals and Gandhi's principle of peaceful nonviolent protest, Dr. King set out to fulfill a dream to give life to this country's highest ideals. He spoke for the present and the future, of "getting to the mountaintop" and "reaching the Promised Land." He was indeed one of the truly great figures of our American history.

But there are other reasons why this memorial should be authorized for placement in the Capitol.

Do you know that of all the black Americans who have contributed to our country's greatness, not one is featured among the 681 works of art in the halls of the Capitol? Is it any wonder that, in the absence of any such recognition, so few black families are to be seen among the millions of tourists who flock to our Capitol Building each year? Is it not distressing that a nation, striving to set right the wrongs of the past, has blotted out, here at the very seat of our Government, any recognition of the role of black people in building this great country?

This memorial to Dr. King would present a perfect opportunity to begin to correct that injustice. This civil rights leader deserves to receive this official recognition and appreciation.

Although Dr. King's violent death is a tragic blot on our recent history, his life was a shining example for us all. He had the courage of his convictions, and for over a decade his hopes and his dreams guided the Nation in the struggle for equal justice, equal opportunity, and basic rights. He carried that struggle as far as any man or woman in this century.

A permanent memorial to Dr. King in the Capitol would remind America and the rest of the world over the years to come of the inspiring leadership of this great man.

I hope the distinguished House Administration Committee, and specifically its Subcommittee on Libraries and Memorials, will see fit to take prompt action on this resolution, as they have twice before, so that it may come to the floor as soon as possible.

I am honored to have as cosponsors of this resolution the following Members:

COSPONSORS OF MARTIN LUTHER KING STATUE BILL

1. Mr. Addabbo.
2. Mr. Akaka.
3. Mr. Albosta.
4. Mr. Anderson of California.
5. Mr. Anderson of Illinois.
6. Mr. Bailey.
7. Mr. Baldus.
8. Mr. Barnes.
9. Mr. Bedell.
10. Mr. Beilenson.
11. Mr. Benjamin.
12. Ms. Boggs.
13. Mr. Boland.
14. Mr. Bolling.
15. Mr. Bonior of Michigan.
16. Mr. Bonker.
17. Ms. Bouquard.
18. Mr. Brademas.
19. Mr. Brodhead.
20. Mr. Brown of Ohio.
21. Mr. Brown of California.
22. Mr. Buchanan.
23. Mr. John L. Burton.
24. Mr. Phillip Burton.
25. Mr. Carr.
26. Mr. Cavanaugh.
27. Mr. Cheney.
28. Ms. Chisholm.
29. Mr. Clay.
30. Mr. Coelho.
31. Ms. Collins of Illinois.
32. Mr. Conte.
33. Mr. Conyers.
34. Mr. Corman.
35. Mr. Corrada.
36. Mr. Cotter.
37. Mr. Coughlin.
38. Mr. Dellums.
39. Mr. Diggs.
40. Mr. Dixon.
41. Mr. Dodd.
42. Mr. Downey.
43. Mr. Drinan.
44. Mr. Duncan of Tennessee.
45. Mr. Duncan of Oregon.
46. Mr. Eckhardt.
47. Mr. Edgar.
48. Mr. Edwards of California.
49. Mr. Ertel.
50. Mr. Evans of the Virgin Islands.
51. Mr. Fascell.
52. Mr. Fauntroy.
53. Mr. Fazio.
54. Ms. Fenwick.
55. Mr. Findley.
56. Mr. Fish.
57. Mr. Fisher.
58. Mr. Flood.
59. Mr. Foley.
60. Mr. Ford of Tennessee.
61. Mr. Fowler.
62. Mr. Frenzel.
63. Mr. Frost.
64. Mr. Gibbons.
65. Mr. Gilman.
66. Mr. Gingrich.
67. Mr. Ginn.
68. Mr. Gore.
69. Mr. Gray.
70. Mr. Green.
71. Mr. Guarini.
72. Mr Gudger.
73. Mr. Harris.
74. Mr. Hawkins.
75. Mr. Heftel.
76. Ms. Holt.
77. Ms. Holtzman.
78. Mr. Horton.
79. Mr. Howard.
80. Mr. Hughes.
81. Mr. Jacobs.
82. Mr. Jenrette.
83. Mr. Johnson of Colorado.

84. Mr. Kastenmeier.
85. Mr. Kildee.
86. Mr. Kogovsek.
87. Mr. Kostmayer.
88. Mr. LaFalce.
89. Mr. Lederer.
90. Mr. Lee.
91. Mr. Leland.
92. Mr. Long of Maryland.
93. Mr. Long of Louisiana.
94. Mr. Lowry.
95. Mr. Luken.
96. Mr. Markey.
97. Mr. Marks.
98. Mr. Matsui.
99. Mr. Mavroules.
100. Mr. Mazzoli.
101. Mr. McCloskey.
102. Mr. McHugh.
103. Ms. Mikulski.
104. Mr. Mikva.
105. Mr. Miller of California.
106. Mr. Mineta.
107. Mr. Mitchell of New York.
108. Mr. Mitchell of Maryland.
109. Mr. Moffett.
110. Mr. Moorhead of Pennsylvania.
111. Mr. Murphy of New York.
112. Mr. Murphy of Illinois.
113. Mr. Myers of Pennsylvania.
114. Mr. Neal.
115. Mr. Nolan.
116. Mr. Nowak.
117. Mr. O'Brien.
118. Mr. Ottinger.
119. Mr. Panetta.
120. Mr. Patterson.
121. Mr. Pepper.
122. Mr. Peyser.
123. Mr. Price.
124. Mr. Pritchard.
125. Mr. Rahall.
126. Mr. Rangel.
127. Mr. Ratchford.
128. Mr. Reuss.
129. Mr. Richmond.
130. Mr. Rodino.
131. Mr. Roe.
132. Mr. Rose.
133. Mr. Rosenthal.
134. Mr. Roybal.
135. Mr. Sabo.
136. Mr. Scheuer.
137. Mr. Seiberling.
138. Mr. Shannon.
139. Mr. Sharp.
140. Mr. Simon.
141. Mr. Solarz.
142. Ms. Spellman.
143. Mr. Stanton.
144. Mr. Stark.
145. Mr. Stewart.
146. Mr. Stokes.
147. Mr. Studds.
148. Mr. Swift.
149. Mr. Thompson.
150. Mr. Traxler.
151. Mr. Trible.
152. Mr. Udall.
153. Mr. Van Deerlin.
154. Mr. Vento.
155. Mr. Volkmer.
156. Mr. Walgren.
157. Mr. Waxman.
158. Mr. Weiss.
159. Mr. Williams of Montana.
160. Mr. Wilson of Texas.
161. Mr. Charles H. Wilson of California.
162. Mr. Wolff.
163. Mr. Wolpe.
164. Mr. Won Pat.
165. Mr. Yates.

□ 1210

A CRITIQUE OF DETROIT'S FUEL-GUZZLING CARS

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, last week the Detroit auto corporations told a House subcommittee they could not meet a gas mileage standard of 27.5 mpg by 1985. It would cost $80 billion if they had the ingenuity and initiative to do it, which they admitted they do not. General Motors sounds more and more like the Post Office.

The car makers said there was too much sleet and snow and driving rain to make their appointed rounds. Actually, most of their creative thinkers have been hired away by the Department of Health, Education, and Welfare, for they said they could not meet emission standards either.

General Motors does rival the Post Office in efficiency, but that is because Government subsidies to General Motors are greater. If the Post Office had the investment tax credit, accelerated depreciation, and capital gains, together with defense contracts, I truly believe the Post Office could match GM for sloth and inertia. But General Motors remains first among the great bureaucracies in this Nation.

Some have suggested the Post Office go back to the more speedy delivery system once offered by Pony Express. I disagree. I think the Post Office does a better job than the Pony Express. But when these same critics suggest the car makers go back to the Model T, I scoff openly. Could Detroit build the Model T today? Of course not. To make such a demand on our car makers would be unreasonable, another unrealistic government regulation. The Model T was a fine car, and to make such a car is far too much to expect today from the advertising agencies who are the brains of the car industry.

Ask Detroit to write an ad to sell cars and you will have a lineup of genius such as has not been seen in this country since Henry Ford worked alone in his garage. But ask them to make a car that runs at all, much less runs with fuel efficiency and you have imposed far too great a burden on these men whose job is to make cars that do not last very long.

The automotive industrialists at one point excelled in planned obsolescence. Now they do it naturally. They make cars that fall apart as if they learned the technique at their mother's knee. What we owe these great men! It is not easy to pour such managerial skills into junk.

I am not downgrading car men. The Chevrolet division, while it cannot make a fuel-efficient engine, in a scant 20 years has saddled us with a bewildering and costly array of 11 fuel-guzzling engines. and has increased the number of transmission gas sops from 2 to 21. They are experts in that kind of progress, progress that arranges for us to pay more and get less.

Can we afford Detroit? Of course we can. We keep the Post Office operating, we can keep the Detroit car industry operating. Naturally, we must lower standards and increase subsidies, but Detroit has an historical value worth preserving, every bit as important as the Willard Hotel.

Is it possible we might go to war, send our sons to die in the Mideast, to make sure the fuel-guzzling Detroit cars have the vast amounts of oil and gas they need to operate? That is a question the American people may have to answer.

DRAFT DRAFT DODGERS FIRST

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, in recent months there has been an accelerated campaign by Carter administration spokesmen to condition the public to a possible resumption of the military draft. In typical Carter style, some float the idea while others oppose it so the President can go either way on the issue.

Among other voices, both Secretary of Defense Brown and Secretary of the Army Alexander have been heard regarding problems that have arisen in the Armed Forces' current voluntary manpower program.

There has also been a steady drumfire of articles and columns, obviously inspired by administration sources and clearly aimed at preparing the American people for some sort of Executive action down the line to reinstate selective service.

My own position on issues relating to our country's military preparedness is well-recorded. I have always supported whatever measures were necessary to maintain the strength of our Armed Forces so that they can carry out their primary mission of safe guarding the Nation's security.

In that regard, it may well be that there will come a point at which the deterioration of our Armed Forces might require increased military manpower.

However, the current campaign being orchestrated by the White House to soften up the public for a resumed military draft is ill-conceived in view of the Carter administration's own past record on enforcing military conscription laws.

We can now see what Jimmy Carter's wholesale amnesty for draft evaders at the outset of his administration did in terms of eroding the position of the armed services and undermining the integrity of the Nation's laws.

Let me ask the question directly: Can an administration that granted wholesale amnesty to those who evaded the draft now either logically or morally reinvoke a selective service system for young Americans?

If we come to the point where conscription is reinstated as a means of maintaining the strength of our armed services, should those who once flouted the draft law and were amnestied remain exempt from any military service while a new crop of young Americans are asked to step forward to serve their country?

Those who in the past have defended the draft evaders of the Vietnam war might well consider these logical and moral questions hanging over any effort to resume the Selective Service System.

It seems to me that this administration has placed itself in an untenable position with regard to any future military conscription. I doubt if even the Carter White House public relations experts can work up an obfuscation by which the President can explain to the American people why a draft law he allowed thousands of Americans to violate should now be applied, with full force, to other young Americans.

For my own part, I raise these questions only because the recent state of publicity and commentary regarding possible resumption of the draft seems to overlook the dilemma raised by the precedent of Jimmy Carter's having granted amnesty to the Vietnam draft evaders.

I have no doubt that it is a dilemma that will necessarily make the job of our Armed Forces more difficult now and in the years to come.

Whether it will become necessary to reinstate the draft to meet the country's military needs, I cannot say. What I do know, however, is that those least qualified to address themselves to this issue are members of the Carter White House or administration who made a mockery and a travesty of the Nation's draft law enforcement in the recent past. Possibly the draft dodgers and draft evaders, regardless of their present age, should be the first, repeat first, ones to be drafted by the Carter administration if the compulsory military training is reinstituted.

SPECIAL COUNSEL PAUL J. CURRAN

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, today the Justice Department announced that it will appoint a Special Counsel to investigate the Bert Lance loans to the Carter peanut warehouse business.

I am pleased that the Justice Department has at least taken this step to bring this investigation to a conclusion.

They have appointed a highly qualified former U.S. attorney, Paul J. Curran, with an appropriate prosecutorial background.

Unfortunately, the Justice Department has appointed this highly qualified man, and then set up a series of restrictions which will make it impossible for him to do an independent job.

The Justice Department has decided that Mr. Curran shall not have the very powers that are most important to a prosecutor. He will not be allowed to make final decisions about who to prosecute, he will not be allowed to grant immunity to potential witnesses, and he will not be allowed to have the final decision about who shall be indicted.

These decisions will all have to be first approved by the Assistant Attorney General for the Criminal Division. This takes the most important decisions of this case out of the hands of the Special Counsel.

He will simply not have the freedom he needs to insure that this investigation will be brought to its fullest conclusion, no matter how close it gets to the White House.

As a minority member of the House Judiciary Committee, I wanted to see an investigator appointed who would have true independence of action. That is why I would have liked to see a Special Prosecutor appointed. If there is anything in these Bert Lance-Carter warehouse stories that merit investigation, then they merit full investigation by an impartial source.

Otherwise you have an investigation into possibly the executive branch overseen by personnel hired and fired by the executive branch.

The Justice Department also has the power to fire the Special Counsel whenever it chooses. It fails to spell out exactly what he can be fired for.

This is simply not good enough. This is is a half-baked loaf the Justice Department has given us, and it will not do. They have given us the man, but not the job.

They must appoint a Special Prosecutor.

□ 1730

BALANCED FEDERAL BUDGET

The SPEAKER pro tempore (Mr. JENRETTE). Under a previous order of the House, the gentleman from Illinois (Mr. McCLORY) is recognized for 60 minutes.

Mr. McCLORY. Mr. Speaker, I have taken this time to engage in a discussion with a number of my colleagues on a subject which, in my view and in the view of many, will be the major domestic issue during the 96th Congress. The issue is most frequently described as a "constitutional amendment to require a balanced Federal budget." That description may be somewhat simplistic and sometimes arouses criticism. Those whose interest is in Federal spending programs or increased appropriations for one purpose or another—and who regard Federal deficits as of secondary interest—or of no concern to them at all—are the chief critics.

Some argue that a balanced budget does not guarantee a reduction in Federal spending as indeed it does not. Others point out that the budget contains so-called offbudget expenditures which are not currently included in the Federal budget and these have the effect of establishing Federal deficits beyond those which appear in the Federal budget itself.

The most frequent criticism against a constitutional amendment is simply this: Why does not the Congress handle the budget problem by legislation—by voluntary restraints—and thus avoid the stringent requirements of a constitutional amendment which could create some potentially unfortunate problems in the future?

As students of this subject have established, historically in our Nation, and elsewhere in the world, revenue estimates were invariably dealt with before expenditure estimates were established. In other words, our Founding Fathers and early political leaders of our Nation as well as of other nations embraced a philosophy of balanced budgets which would have made consideration of a constitutional requirement to balance expenditures against anticipated revenues superfluous.

Indeed, it was not until recent years that we adopted an economic philosophy probably influenced primarily by the late Lord Keynes that Federal deficits could be a good thing and that as a temporary device to ward off economic recession, deficits might be created which would be eliminated during more prosperous times. Unfortunately, the device of Federal deficits became the pattern and the Executive and the Congress both have appeared to display an indifference to the dire economic effects of large perennial national deficits.

The demand for a constitutional amendment to balance the Federal budget is not just some gimmick or some hastily contrived political scheme. The movement has been developing over a long period of time by thoughtful individuals thoroughly familiar with our private enterprise economic system, knowledgeable of their own personal economic affairs as well as the requirement to "balance the budget" of their businesses, communities, and States—or face the dire economic consequences.

A recent Gallup poll revealed that 80 percent of the American people favor a constitutional amendment to require a balanced Federal budget. The more recent Associated Press-CBS poll showed that more than 70 percent of those interviewed want a balanced budget amendment.

Mr. Speaker, the balanced budget and Federal deficits subjects are reviewed in a report prepared recently by John D. Fisk, analyst in government finance of the Economics Division of the Library of Congress. Excerpts from his report No. 79-19E are attached to these remarks, and I ask unanimous consent that they may be included.

Many of us regard Federal deficits and an unbalanced Federal budget as a principal cause of our present economic ills. Certainly, when we spend more money than we take in and are compelled to print dollars in order to pay for current expenditures, the value of the dollar diminishes. According to a chart which I have and which was prepared by the Department of Labor the dollar which was valued at 100 cents in the year 1900 was worth only 15 cents by 1976. It must have dropped even lower since that time.

During the same period, Federal deficits have increased so that our national debt now totals $830 billion. The national debt itself represents a per capita obligation of every man, woman, and child in the Nation of more than $4,000. Of course, if the dollar still had the same value today as it had back in 1900, this obligation would be more in the area of $500 per person.

Mr. Speaker, I am sure that when we established the Congressional Budget Office, many of us hoped that this would impose the kind of budgetary restraint which we felt was needed in order to restore confidence in our ability to manage our own Federal fiscal business. However, as we know, the legislation establishing the House and Senate Budget Offices did not pass until after we were confronted with these huge annual deficits. Consequently, the Congressional Budget Office has been compelled to work with a Federal budget which was already way out of balance before their authority was even established.

I am sure that those of us who worked to create the Congressional Budget Office recognize the importance of this basic principle: That we should establish on an annual basis a top limit on Federal spending and that we should fit our annual expenditures within that limit. Likewise, of course, we intended that expenditures should be matched by revenues and that if additional expenditures were to be authorized, the revenues for defraying such additional expenditures should be provided.

As I said, the creation of the Congressional Budget Office came too late and the discipline of that legislation has proven to be inadequate.

In urging adoption of a proposed constitutional amendment to require a balanced Federal budget, a primary purpose must be to impose the kind of discipline on the Congress and the Executive which is required in order to bring about this goal.

Mr. Speaker, I do not want to suggest that I am holding to a particular simple answer to the balanced budget problem. I am not even certain that any one of the proposed constitutional amendments which have been introduced is the one which I will support. I believe that it is possible that a constitutional amendment to provide a limit on Federal spending or to mandate that increases in Federal spending shall be measured by increases in the gross national product or some other alternative might be the preferable solution to our present dilemma. However, what is clear to me is this: we must impose upon ourselves substantial discipline with respect to requiring more responsible management of the fiscal business of the Federal Government. This, in essence, is the legitimate and primary purpose of the balanced budget movement and it is the one which I hope we can discuss in some detail here today on the floor of the U.S. House of Representatives.

EXCERPTS FROM CONGRESSIONAL RESEARCH SERVICE REPORT

B. Legislation to balance the budget in the eighteenth and nineteenth centuries.

In the late eighteenth and early nineteenth centuries, customs duties were ordinarily more than sufficient to cover the minimal expenditures of the Federal Government. During these years before the Civil War, deficits were rare. The majority of the deficits which did occur were attributable to the War of 1812, the Mexican War of 1846 to 1848, the recession of 1837 to 1839, and the recession of 1857 to 1858. Excluding these years, only about ten deficits occurred between 1789 and the Civil War.[1] This financial abundance precluded congressional interest in legislation to balance the budget.

General agreement on the desirability of a balanced budget also contributed to a lack of congressional interest in legislation to balance the budget. Most statesmen publicly stated that outlays should not be allowed to exceed receipts; some even argued for surpluses to repay the national debt. Alexander Hamilton, serving as the first Secretary of the Treasury, suggested in 1795 that the national debt should be repaid within 30 years. Later administrations, such as Jefferson, Monroe, Adams, Jackson, and Taylor, agreed with this philosophy. Economists such as John Stuart Mill and the American, John McVickar, basically supported this opinion.[2] The common nineteenth century practice of setting aside money in a sinking fund for retirement of the national debt also suggests that there was little controversy over this issue. This general consensus made legislation requiring a balanced budget unnecessary.

One of the first legislative approaches to a balanced budget occurred under the Grant administration (1869–1877). This attempt occurred in response to the depression of the early 1870's. In 1973, Rep. Henry L. Dawes introduced a resolution requiring a reduction in estimated expenditures by departmental heads "to the end that all possible effort at reduction be exhausted before new burdens be imposed upon the people."[3] Rep. James Garfield offered a substitute resolution "that placed directly upon President Grant the responsibility for having estimates revised."[4] The House of Representatives adopted the Garfield substitute.[5] Congressional approval of legislation mandating lower expenditure estimates in 1873 can be attributed to the adverse financial conditions of the times. In 1873 and 1874, Federal receipts fell off markedly and budget surpluses were unusually small. Secretary of the Treasury William Richardson recommended "the greatest economy in appropriations and expenditures for the future."[6]

After the recovery from the recession of the 1870's, deficits were not troublesome until 1894. In fact, the administrations of Chester Arthur, Grover Cleveland, and Benjamin Harrison found surpluses to be a problem. Grover Cleveland even proposed a tax reduction to deal with this "indefensible extortion" and "culpable betrayal of American fairness and justice."[7]

C. Legislation to balance the budget in the twentieth century

At the end of the nineteenth century, the Federal Government experienced a series of deficits due to increased Federal spending for the Panama Canal, the Spanish-American War, public works, and pension benefits. Eleven deficits occurred between 1894 and 1912. This series of deficits did not result in the passage of legislation to balance the budget; instead, Congress responded with budgetary and financial management reforms. In 1893, Congress set up the Dockery Commission to examine financial management practices. In 1897, the Cockrell Committee was set up. These investigations were followed by reforms in accounting and the apportionment system. (The apportionment system is the process in which monies are distributed by the Offices of Management and Budget to Federal agencies in order to insure effective and orderly use of appropriated funds.) President Theodore Roosevelt set up the Keep Commission in 1905, and President Taft established the Commission on Economy and Efficiency in 1910. These commissions studied the budget process and management practices in the executive departments.[8]

Congress responded to the deficits between 1894 and 1912 with one act that attempted to prevent budget deficits, although this act did not specifically require a balanced budget. The Sundry Civil Appropriation Act was passed by Congress in 1909, and became Public Law 60–328. This act instructed the Secretary of the Treasury and the President to suggest measures to reduce expenditures or raise revenues if a deficit appeared probable. If this was not feasible, new loans or taxes should be suggested. Though this act did not require a balanced budget, it implied that an attempt to balance the budget should precede the issuance of new debt. Ultimately, the act was unsuccessful in achieving this goal.[9] World War I soon distracted attention away from the subject of a balanced Federal budget, as Congress chose to concentrate on the war effort.

After World War I, Congress again focused its attention on debt retirement and on budgetary reform. The Victory Liberty Loan Act of 1919 created a sinking fund for debt retirement. Between 1920 and 1930, the public debt outstanding was reduced by $8.1 billion, from $24.3 billion to $16.2 billion.[10] In 1919, an important budget reform bill was passed by Congress; however, President Wilson vetced the bill. In 1921, Congress passed and President Harding signed the Budget and Accounting Act, an important milestone in budgetary reform. The attention paid to debt retirement and budgetary reform just after World War I, in combination with the absence of deficits between 1920 and 1930, resulted in little congressional interest in legislation to balance the budget during the 1920's.

The Great Depression of the 1930's led to large uninterrupted deficits between 1931 and 1940. These deficits typically ranged from $2 billion to $4 billion.[11] Both Congress and the executive struggled to achieve improvements in economy and efficiency, while growing expenditures occurred for recovery and relief programs. These expenditures prompted debate over the appropriate role of the Federal Government in fiscal policy. By the middle of the decade, Congressmen were introducing legislation requiring a balanced budget. In 1935, Sen. Millard E. Tydings introduced a resolution prohibiting appropriations from exceeding revenues unless new taxes or debt were authorized. Any debt incurred would have to be liquidated within 15 years.[12] No action was taken on this resolution. In 1937, Sen. Tydings reintroduced this resolution as S.J. Res. 36. Again, Congress did not act on the proposal.[13]

Rep. W. D. McFarlane took a different approach to balancing the budget. On March 18, 1936, Rep. McFarlane introduced H.R. 11895. This resolution would have given the President authority to change tax rates in order to cover any proposed deficit in his annual budget. The House Ways and Means Committee did not act on the bill.[14]

Since the beginning of World War II, members of Congress have expressed almost continual interest in the subject of a balanced budget, though no legislation specifically requiring a balanced budget was passed until the 95th Congress. This interest can be attributed to the frequency of budget deficits during this period. In the 39 years between 1940 and 1978, 31 deficits occurred.[15] Congress has responded to these deficits with budgetary reform and with legislation to limit Federal spending.

In the 1940's, Sen. Tydings continued to introduce legislation to balance the budget. In 1943, he introduced S.J. Res. 97, a constitutional amendment requiring that appropriations not exceed receipts. Rep. Disney introduced an identical bill (H.J. Res. 195) in the House. Congress did not act in either bill.[16] In 1947, Sen. Tydings and Sen. Bridges introduced S.J. Res. 61, a constitutional amendment similar to the earlier proposal. This bill was reported to the Senate floor, but received no further consideration.[17]

In 1949, Congress came closer to passing a resolution relating to a balanced Federal budget. On Sept. 23, 1949, Sen. McClellan introduced S.J. 131. This resolution required the President to submit a balanced budget for fiscal 1951. In addition, the President would submit a second budget as he saw fit. Congress could then compare the two budgets in order to identify possible expenditure reductions and revenue increases. Senators McClellan, Ferguson, Byrd, Eastland, and Stennis offered S.J. Res. 131 as an amend-

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Footnotes at end of article.

ment to H.R. 1689, the Executive Pay Raise Act. On Sept. 29, 1949, the amendment passed the Senate without a dissenting vote; however, this proposal was dropped in conference.[18]

In the 82nd Congress, the issue of an alternative balanced budget was again considered in the Senate. The Senate Committee on Government Operations in 1952 reported favorably S. 913, a bill creating a Joint Committee on the Budget. The Committee also approved an amendment to S. 913, requiring the submission by the President of two budgets, one of which had to be balanced. During the consideraton of S. 913 on the floor, the Senate rejected the proposed amendment requiring an alternative balanced budget.[19]

Legislation requiring a balanced budget has been introduced in every Congress since the 84th. Hearings have been held on proposals to balance the budget, most recently in the 94th Congress before the Subcommittee on Constitutional Amendments of the Senate Committee on the Judiciary.[20] To our knowledge, none of these bills introduced between the 84th and 94th Congress have received serious consideration on the floor of either house. Instead, Congress seems to have concentrated on income tax surcharges, expenditure ceilings, public debt limit legislation, and budgetary reform. Though none of this legislation specifically required a balanced budget, some bills and amendments were intended to limit Federal expenditures. Other legislation established a balanced budget as a goal, without specifically requiring that outlays not exceed receipts. One example of the later type of legislation is H.R. 8363, the Revenue Act of 1964.

The House Ways and Means Committee began hearings on H.R. 8363 early in 1963. This tax reduction bill was intended to stimulate the economy in a time of economic slack. It was assumed that the reduced tax rates would lead to an increase in tax receipts. In the House passed version of H.R. 8363, section one of the act declared that increased receipts should be used to eliminate the deficit and reduce the public debt. In addition, the act stated:

> ". . . To further the objective of balanced budgets in the near future, Congress, by this action, recognizes the importance of taking all reasonable means to restrain Government spending. . . ."

The Senate struck this provision from the bill, but agreed to its reinsertion by the conference committee. On Feb. 26, 1964, President Johnson signed the Revenue Act of 1964, making it Public Law 88–272.[21]

Other legislation between the 84th and 94th Congress was intended to limit and control Federal spending, without resorting to mandatory balanced budgets. For example, a continuing appropriations bill for 1968 was amended in conference to include ceilings on Federal spending. The act stated:

> ". . . Federal obligations and expenditures in controllable programs for the fiscal year 1968 should be reduced by no less than $9,000,000,000 and $4.000,000,000, respectively, below the President's budget requests. . . ."

In addition, the act provided for two percent reductions in estimated obligations for personnel costs, and ten percent reductions in estimated obligations for all other costs in every agency and department. This legislation was signed by the President on Dec. 18, 1967, becoming Public Law 90–218.[22]

III. LEGISLATION IN THE 95TH CONGRESS PROPOSING A BALANCED BUDGET

The 95th Congress chose a different approach to limiting Federal spending. It was less concerned with reforming the budget process than some previous Congresses, and more concerned with legislation that required a balanced budget. This concern can be partially attributed to California's Proposition 13.

In the 95th Congress, two pieces of legislation with provisions relating to a balanced budget were passed by Congress and signed into law. One of these laws was P.L. 95–435 (H.R. 9214), authorizing U.S. participation in the supplementary financing facility of the International Monetary Fund. An amendment to balance the budget was introduced on July 31, 1978 by Sen. Harry F. Byrd which stated:

> "Beginning with Fiscal Year 1981, the total budget outlays of the Federal Government shall not exceed its receipts." [23]

The Senate agreed to this amendment by a vote of 58 to 28. On September 14, 1978, the House agreed to a motion to instruct its conferees to accept the Byrd amendment. The final conference version of the International Monetary Fund bill included this provision requiring a balanced budget by fiscal 1981. The President signed this bill into law on Oct. 10, 1978.

A second bill passed by the 95th Congress with a provision relating to a balanced budget was the Full Employment and Balanced Growth Act of 1978 (commonly known as the Humphrey-Hawkins bill). On March 15, 1978, Rep. John M. Ashbrook offered an amendment to H.R. 50, the House version of the Humphrey-Hawkins bill. Ashbrook's amendment would not have required a balanced budget; however, it would have established a balanced budget by 1983 as a goal of the Federal Government. In addition, the amendment would have required the maintenance of this goal after 1983. Reps. Max Baucus and Butler Derrick offered an amendment to the Ashbrook amendment in the form of a substitute. Their amendment established a balanced budget as a goal of the Federal Government, but set no target for this goal. Rep. Ashbrook offered an amendment to the Baucus-Derick amendment reinserting into H.R. 50 his goal of a balanced budget by 1983. The Ashbrook amendment to the Baucus-Derrick amendment was defeated by a vote of 215 to 205. The Baucus-Derrick amendment offered as a substitute was agreed to by a vote of 411 to 3. The Ashbrook amendment, as amended by the Baucus-Derrick amendment, was accepted in a voice vote. As a result, when the House sent H.R. 50 to the Senate, The Full Employment and Balanced Growth Act of 1978 contained a goal of a balanced budget, but with no particular target date for achieving this goal.

The Senate took up the House version of the Humphrey-Hawkins bill at the end of the second session. Various portions of H.R. 50 were amended by the Senate, but the goal of a balanced budget remained in the bill. No target date for balancing the budget was included in H.R. 50 as passed by the Senate. The Senate completed action on the Humphrey-Hawkins bill on Oct. 13, 1978, agreeing to H.R. 50 by a vote of 70 to 19. The House approved the Senate amendments to H.R. 50 by a division vote of 56 to 14. The President signed the Full Employment and Balanced Growth Act of 1978 on Oct. 27, 1978, making it P.L. 95–523.

S. 50, the original Senate version of the Full Employment and Balanced Growth Act of 1978, never received consideration on the floor of the Senate because the House version was accepted by Congress. Nevertheless, the Senate Banking Committee considered and amended this version of the Humphrey-Hawkins bill. One amendment accepted by the Senate Banking Committee established a balanced budget as a goal of the Federal Government, without a target date for achieving this goal. This language adopted by the Senate Banking Committee was similar to the language in H.R. 50 as signed into law.[24]

The issue of a balanced budget was also considered by the 95th Congress during the debate over the tax cut bill, P.L. 95–600 (H.R. 13511). On Oct. 9, 1978, Sen. Sam Nunn offered an amendment to the tax cut bill which proposed reductions in individual income tax rates during the period 1980 through 1983. These reductions would only go into effect if Federal spending met certain requirements. One of these requirements was a balanced budget by 1982. (The budget would be balanced only if outlays in the second concurrent resolution on the budget did not exceed receipts in that resolution.) The Senate agreed to the Nunn amendment by a vote of 65 to 20. On Oct. 12, 1978, the House agreed to instruct its conferees to accept the Nunn amendment by a vote of 268 to 135. However, the Nunn amendment did not become law. The conference committee dropped the Nunn amendment, and the House and Senate accepted the conference committee's decision.

During the course of the 95th Congress, a large number of bills proposing a balanced budget were introduced, but not acted upon. Some bills, such as H.J. Res. 56, would require that receipts exceed outlays until the national debt was repaid. After repayment of the debt, outlays could not exceed receipts except in times of war or national emergency. Other bills, such as H.J. Res. 41, would prohibit outlays from exceeding receipts, but would not require repayment of the national debt. Other proposals would prohibit appropriations, instead of outlays, from exceeding receipts. H.J. Res. 14 falls into this category.

FOOTNOTES

[1] U.S. Department of the Treasury. Statistical Appendix to Annual Report of the Secretary of the Treasury on the State of the Finances, fiscal year 1977. pp. 4–7.

[2] Lewis H. Kimmel. Federal Budget and Fiscal Policy 1789–1958. 1959. pp. 1–60.

[3] Louis Fisher. Presidential Spending Power. 1975. pp. 19–24.

[4] Ibid.

[5] Ibid.

[6] U.S. Department of the Treasury. Annual Report on the State of the Finances, fiscal year 1873. p. ix.

[7] Kimmel, op cit., p. 73.

[8] For a discussion of these investigations and reforms, see: Fisher, op. cit., pp. 27–31.

[9] Jesse Burkhead. Government Budgeting. 1965. p. 17.

[10] U.S. Department of the Treasury. Statistical Appendix to Annual Report of the Secretary of the Treasury on the State of the Finances, fiscal year 1977. p. 65.

[11] U.S. Department of the Treasury. op. cit., p. 9.

[12] J. Wilner Sundelson. Budgetary Methods in National and State Governments. 1938. p. 414–415.

[13] Legislative Reference Service. Library of Congress. Digest of Public General Bills. 75th Congress. First Session. 1937. p. 97.

[14] John B. Braden. Legislation to Balance the Budget—Past and Present. Congressional Research Service, Library of Congress, 1975. p. 3.

[15] U.S. Department of the Treasury. op. cit., pp. 9–12.

[16] George B. Galloway. Reform of the Federal Budget. Legislative Research Service, Library of Congress, April 1950. pp. 78–79.

[17] Legislative Reference Service, Library of Congress. Digest of Public General Bills. 80th Congress. First Session. 1947. pp. xv, 107.

[18] U.S. Congress. Senate. Committee on Government Operations. Financial Management in the Federal Government, v. II. (Committee print prepared by the U.S. General Accounting Office). 1971. pp. 346–7.

[19] Ibid., p. 227.

[20] U.S. Congress. Senate. Committee on the Judiciary. Subcommittee on Constitutional Amendments. Balancing the Budget. Hearings, 94th Congress, 1st Session, on S.J. Res. 55 and S.J. Res. 93. Sept. 23 and Oct. 7, 1975.

[21] U.S. Congress. Senate. Committee on Government Operations, op. cit., pp. 4–6.

[22] Ibid., pp. 6–7.

[23] Congressional Record, v. 124, No. 117. July 31, 1978. p. 23411.

[24] U.S. Congress. Senate. Committee on Human Resources and Committee on Banking, Housing, and Urban Affairs; Report to Accompany S. 50. 1978. Rept. No. 95–1177.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield at that point?

Mr. McCLORY. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague yielding. I appreciate his calling this important issue to the attention of the whole House today. It is an important issue and especially the point he has just mentioned and that is that Congress has not acted and has not performed correctly under the regular budget resolutions each year.

The gentleman is absolutely correct. The American people are demanding that we put that constraint in the Constitution so that we can be assured that the Congress will act responsibly in the future. I compliment my colleague for bringing this to the attention of the whole House and making it clear that there are a large number of Members of this House who have always supported the concept the gentleman is now discussing and that we have wanted this discipline to be included in the machinery of the House for some time. I compliment him for doing it.

Mr. Speaker, I never expected to see the day when I could stand in this Chamber and hear statements that are so fiscally conservative as to make my own conservative philosophy pale by comparison. But it has happened. Now, please do not think I mind, I am delighted to see my colleagues embracing the tenets of fiscal conservatism so resolutely, it would appear that they are undergoing a kind of religious transformation. They are the new "born again" budget balancers.

However, when the geese change direction, politicians have been known to fly to the head of the flock. My Governor in California, Jerry Brown did this last June successfully. In the aftermath of proposition 13, a statewide poll revealed that many voters actually believed that it was Messrs. Jarvis and Brown, and not Jarvis and Gann, who were behind the tax-cutting amendment. Thus, Jerry spread his political wings. Not only did he change direction, but also he moved into the forefront of the tax-cutter's flightpath. Some of his proposals to limit the growth in Government even make sense. He sounds like me. I am sorry that I cannot say the same about some of my colleagues in this august body. It appears that in their haste to renavigate their political courses into closer proximity to the mood of the public, they are forgetting that words mean nothing. Only votes count. Naturally, I will be around to remind my colleagues of this from time to time, particularly when I introduce a resolution to eliminate the deficit in the next fiscal year during our forthcoming debates on the first and second concurrent budget resolutions.

Balancing the Federal budget, as many of my friends here already know, is a subject dear to my heart. From my perspective it is bad enough to have as much Federal spending as we do already, but borrowing to increase that spending even more, is tantamount to a sin. To make matters worse the very people who are responsible for breaking the budget are now touting how fiscally conservative they will be this session of Congress.

In the interest of encouraging fiscal conservatism, latent though it might have been just a short time ago, I welcome all the new "born again" budget balancers to the fold, and I urge them to carefully evaluate the various balanced-budget proposals that have been put forward, and will be put forward, with the understanding that balancing the Federal budget represents only the tip of the Federal spending iceberg. We can balance the budget on the backs of the taxpayer, but such actions will not confer a halo upon our heads for fiscal responsibility when we return to our districts and are greeted by irate constituents demanding tax relief and less government. Nor will there be any halos for those who have blindly voted against balancing the budget, after having fallen for the kinds of arguments Walter Heller, the economist, has been known to advance. His position has been that budget deficits can pump purchasing power into the economy. Therefore, they can stimulate economic growth when there is slack in the economy. If any of you think this statement is true, then I suggest that you take a close look at the data. Throughout our history, large Federal deficits caused, by a growing Federal budget, have neither systematically reduced the rate of unemployment, nor have they systematically stimulated the economy. If anything, unemployment tends to be higher, and economic growth lower when deficits are large.

Despite all the myths around, we must face the cold facts as to what budget deficits are, and are not. Budget deficits represent an obligation that the Government has to those citizens from whom it has borrowed. It is an obligation to levy taxes on the general citizenry upon the maturity of the debt. In some instances the budget deficit is financed via the Federal Reserve bank's printing presses, and this can be inflationary. Historically, however, the Fed's role in financing the debt has not been as great as many people have been led to believe. The blame for our current inflation is only partially attributable to our large deficits. The real problem with running budget deficits is that in most cases they are simply an expedient way of transferring wealth from one segment of society to another segment by forcing future generations to pay for the tab.

Unfortunately, today's generation of taxpayers is already paying part of the tab. With deficits growing, the Federal Government's obligation to increase tax rates has also been growing. As a consequence our Nation's financial managers have been systematically turning down high risk projects with paybacks too far off in the future. The bottom line has been that investment has been dropping off over a period of years, and along with it productivity. The only reason investment is perking up now is because of the tax cuts we enacted last session. With after-tax incomes for business and individuals, higher after the tax cut, the economy is surging along quite nicely. In short, all the things we said last summer about the positive effect tax cuts can have on incentives in the marketplace have come true.

Obviously in light of the positive effects tax cuts can have on the economy, we must not undermine the tax cutting movement by forcing the Congress to raise taxes to balance the budget. Across-the-board tax cuts will naturally lead to "paper" deficits because the Treasury is simply not able to calculate the supply-side effects that cutting tax rates have on the economy. Therefore, balanced budget proposals which make tax cutting impossible and tax increases inevitable must be avoided.

Mr. Speaker, there can be no doubt of the need to balance the budget. Large deficits associated with increased Federal spending serve only to stifle investment because of the expectation of higher taxes in future years. Nor can there be any doubt that the Founding Fathers ever intended to provide the Congress with a free ride to spend to their heart's content by virtue of inflation and the progressive tax code. They adopted provisions to limit the Federal Government but adoption of the 16th amendment has led to theemergence of powerful special interest groups in society who are competing for larger and larger shares of a growing Federal spending pie. Mr. Speaker, I will introduce an amendment to the U.S. Constitution which requires that there be a balanced budget; and requires that Congress offset the effect inflation has on the collection of tax revenues; provides that the Congress will only be able to spend more than the amount it collects upon favorable action by a three-fifths majority of both Houses of Congress; and tax increases will require three-fifths majority.

In the amendment I propose, it will be easier for the Congress to enact tax cuts than spending increases and tax increases. Spurring economic growth, and in the process expanding the tax base is a far better way to increase tax revenues, than by raising taxes from a shrinking tax base.

It is true that this course of action which I am proposing is somewhat unconventional, but I hope that my colleagues in this House will agree that it is a wise one—long overdue. This amendment will make it more difficult to increase spending and taxes. More importantly, it will enable us to decrease taxes, without violating the balanced budget rule.

By limiting spending and balancing the budget, this plan enables all Members of Congress to feel more comfortable in voting in favor of cutting the heavy burden of taxes which is destroying economic incentive and productivity in our society. It also gets to the heart of the fears that many of my colleagues and constituents are expressing over rising deficits. These fears are justified. Congress has been known to legislate spending programs that are wasteful, tax increases which are economically counterproductive, and tax rebates that do not improve incentives in the marketplace. It is for this reason that we need a plan to guard against legislative proposals which, although well intended, can lead to deficits which are inflationary—if financed by the Federal Reserve Bank—or to deficits which result in a redistribution of income with the bill being paid by future generations.

Mr. McCLORY. Mr. Speaker, I thank the gentleman from California, who is a long time champion of the principle of a balanced Federal budget and I commend him on his contribution here today and his contribution at other times in endeavoring to secure fulfillment of the principle of a balanced Federal budget.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Arizona.

Mr. RUDD. Mr. Speaker, I thank the distinguished gentleman in the well for yielding. I want to express my appreciation for the gentleman taking out this timely special order on this most important subject that has become a subject of great concern to every citizen of this country.

Mr. Speaker, nothing has been more deceptive in recent months than the attempts of some politicians and administrative officials to find convenient scapegoats for the inflation which has brought such economic havoc to our Nation.

The American people are now demanding responsible action by their representatives. I believe that it is imperative that we act now or the action may be taken from us, to eliminate deficit spending and act toward balancing the Federal budget.

POLITICAL RHETORIC

At every turn, we have Government officials trying to lay the blame for inflation with businessmen, laborers, professional people, and other productive wage earners in our country. But the American people are not the cause of inflation. Wage and price increases are symptoms of our economic malaise, not the cause. People do not cause inflation, Government does.

In particular, deficit spending policies by the Federal Government along with excessive expansion of the money supply, are the cause of inflation. All of the political rhetoric in the world will not change that fundamental economic conclusion.

All manner of schemes have been proposed seeking to obscure this real cause of inflation. The administration has proposed hospial cost containment legislation, for example, when the hospitals' problems are exacerbated by Federal regulatory policies and other inflationary pressures, which drive up the cost of quality medical care.

Wage and price controls—supposedly voluntary—are proposed, implying that somehow labor and business can hold down the inflationary spiral, despite Government spending and regulatory excesses.

A complicated real wage insurance has been sent to Congress, again suggesting that workers and business, rather than Government, are the cause of our inflation problems. People and their business enterprises are the victims, not the perpetrators of inflation. These misguided administrator proposals, and others like them, have been suggested perhaps with good intentions, but they serve only to camouflage the cause of the problem: Continued rampant deficit spending by the Federal Government and expansion of the money supply.

DEFICIT SPENDING EQUALS INFLATION

Two well-known and highly respected economists have summarized the problem well. Henry Hazlitt, noted economic scholar and author of "What You Should Know About Inflation," has succinctly summarized the single cause of inflation—

> The direct cause of inflation is the issuance of an excessive amount of paper money. The most frequent cause of the issuance of too much paper money is a government budget deficit. The majority of economists have long recognized this, but the majority of politicians have studiously ignored it . . .

Mr. Speaker, I would suggest that the time has come to reappraise the bankrupt Keynesian economic philosophy, which justifies these deficit-spending Government policies. It is becoming abundantly clear that the people of this country, if not their representatives have, indeed, recognized the correlation between deficit spending and the inflation that is destroying our purchasing power.

As of today, 28 States have petitioned the Congress for a balanced budget amendment to the U.S. Constitution. The public opinion polls show overwhelming support for such an amendment. It is time for the Congress to recognize the economic correlation which the people have already discovered, and work to eliminate deficit spending.

ONLY ONE WAY TO CURE INFLATION

Nobel prize winner Milton Friedman gave a similar assessment and prescription for recovery last November.

> There is only one way to cure inflation. There aren't any alternatives. The only way to cure inflation is for the government to spend less and to print less money. It is the increase in the amount of money in circulation that is the primary cause of inflation. That comes from Washington and nowhere else. The attempt to impose voluntary price and wage controls is simply in my opinion an attempt on the part of the government to shift the responsibility for its own mistakes to labor and to business.

The blame must be placed where it belongs—not with the American people, who are the innocent victims—but with the Federal Government.

The Congress can change the economic policy of the country, and we must.

The American people are demanding responsible action by their representatives. I believe that it is imperative that we act now to eliminate deficit spending and act toward balancing the budget.

Mr. Speaker, I thank the gentleman for yielding.

□ 1740

Mr. SHUSTER. As the gentleman knows, and I would like to report to the entire House, the Republican Policy Committee met today and overwhelmingly voted to support the statement that calls for vigorous support of a constitutional amendment to require both a balanced budget and impose a limit on Federal spending.

I think it is of particular significance that, coupled with this overwhelming support by the Republican Policy Committee for this constitutional limit on spending, 74 percent of the Republican Members of this House are already on record in support, through cosponsoring, of a constitutional amendment to limit spending.

The American people have a right to know that it is the Republicans who support a constitutional limit on Federal spending. By contrast, only 29 percent of the Democrats in the House have cosponsored such legislation and indeed the Carter White House just recently has created a task force to lobby against the nationwide sentiment for this amendment.

While Republicans support the American people in trying to gain more control over big government, the Democrats support big government in trying to gain more control over the American people.

□ 1745

It should further be noted that in the past 25 years we have seen balanced budgets only four times, and it is of particular significance that the four balanced budgets which did occur—in 1956, 1957, 1960, and 1969—all occurred in Republican administrations, simply because of the longstanding Republican commitment to the principles of balanced budgets and limited government.

Indeed both the Republican platform and the legislative agenda of the Republican House have strongly supported a balanced budget and reduced taxes.

So if there is any question about any mixed signals, the action today by the Republican Policy Committee, coupled with the action of 74 percent of the Republican Members of the House, should certainly erase any questions as to mixed signals, because the Republicans in this House overwhelmingly are in support of a constitutional amendment to require a balanced budget and to require a limitation on spending.

Mr. Speaker, I include in the Record at this point in its entirety the Statement of the Republican Policy Committee:

Republican Policy Committee Supports Constitutional Amendment to Balance the Budget and Limit Federal Spending

The Republican Policy Committee vigorously supports a Constitutional Amendment to require a balanced budget and impose a limit on federal spending.

For almost half a century, the Democrat-controlled Congress has perpetuated a "spend now—pay later" policy that has burdened the American people with run-away inflation, high taxes, and a national debt exceeding $800 billion. Republicans have consistently called for a balanced budget and lower spending—initiating dozens of votes in the House of Representatives over the last several years—which the Democrats have voted down.

If the Democrat majority in Congress had been responsive to the true interests of the American people, there would be no need for a Constitutional Amendment to balance the budget and limit federal spending. Instead, the Democrat big spenders in Congress have voted to engage in deficit spending in 21 of the past 25 years and have increased federal spending as a percent of GNP from approximately 17.5% in 1955 to 22.1% in 1979. The four balanced budgets in 1956, 1957, 1960, and 1969 all occurred in Republican Administrations simply because of the long standing Republican commitment to the principle of balanced budgets and limited government. Both the Republican platform and the Legislative Agenda of a Republican House have strongly supported a balanced budget and reduced taxes.

The Democrat refusal to eliminate deficits and reduce federal spending has led to the current tax payers' revolt. The American people know that a family, a business, or a government cannot continue to spend more than it takes in without serious economic consequences. They know the continuous deficit spending policies of the Democrats is one of the fundamental causes of inflation, which shrinks the value of the dollar, drives up the cost of living, destroys jobs, dampens investment in new plants and equipment, reduces productivity, lowers the standard of living of the American people, and generally saps the economic vitality of our country.

The American people recognize that big government and excessive federal regulations from Washington are hurting them. They are rising up in protest. The latest Associated Press-NBC poll showed that 70 percent of those interviewed favored a balanced budget amendment. A recent Gallup poll put the ratio at six to one. Twenty-nine states have passed resolutions calling for a constitutional convention to consider an amendment to balance the budget. The American people want action. The public's demand for a constitutional convention to require a balanced budget is a colossal vote of no confidence in the Democrat politicians who control Washington. Americans are beginning to see with increased clarity that the Democrat party is a party of big government and bureaucratic regulation. Although Republicans represent a minority in Congress, they represent the majority view of the citizens of this country.

The Republican Policy Committee reminds voters that they can get a balanced budget the quickest—by electing a Republican majority to Congress in 1980. Republicans support the American people in trying to gain more control over big government while Democrats support big government in trying to gain more control over the American people.

The Republican Policy Committee believes that a Constitutional Amendment initiated by Congress is a quicker and preferable method to the Convention approach. We recognize that a Constitutional remedy will not be enacted overnight, and must be sufficiently broad to stand the test of time. Just as the 16th Amendment, through its power to directly tax income, created a new Constitutional force toward taxing and spending, it is time to redress that imbalance and create a countervailing Constitutional force towards restraint in taxing and spending.

The Republican Policy Committee believes it is crucial that a Constitutional Amendment not only require a balanced budget, but that it also place a limit on federal spending to fight inflation and stop passing on our debts to our children, so that the working people of America can keep more of what they earn, to spend as they see fit. We also believe that such an amendment must be "phased in" and contain a "safety valve" which requires a "greater than majority vote" for Congress to engage in deficit spending or remove the limitations on spending to meet an emergency.

Several proposals of merit have been introduced in the House to achieve these ends. We call upon the Judiciary Committee to complete its hearings on this issue expeditiously and bring this legislation to the floor of the House for consideration.

Republicans call upon the Democrat majority in Congress to act promptly on this historic issue. If they do not, the American people will mandate action through a call for a Constitutional Convention.

Mr. McCLORY. Mr. Speaker, I want to thank the gentleman from Pennsylvania (Mr. SHUSTER) and congratulate him as chairman of the Republican policy committee on his leadership and on his staunch support of this principle and for guiding and directing through the policy committee this extremely important statement, which in my view reflects not only the views of the Republican Members of this boby but the views of Republicans throughout the Nation and the overwhelming sentiments of the American people across the Nation.

I think we are responding today not just to a political philosophy; we are responding today to a broad-based public demand for action in this body to bring the kind of discipline which, it seems to me, is essential to responsible fiscal management of the business of our Federal Government.

Mr. SHUSTER. Mr. Speaker, I thank the gentleman for those words.

Mr. Speaker, if the gentleman will yield further, following up on the point he just made. I would suggest that while Republicans represent a minority in this House, they represent and reflect the majority view of the American people on this grave issue.

Mr. McCLORY. Mr. Speaker, I concur with the gentleman from Pennsylvania (Mr. SHUSTER). I thank the gentleman for his contribution and for his tireless work in support of this objective.

Mr. GRASSLEY. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Iowa (Mr. GRASSLEY), who is likewise a staunch proponent of the balanced budget principle.

Mr. GRASSLEY. Mr. Speaker I thank the gentleman from Illinois for yielding. I want to thank him also for bringing this issue to the floor for discussion, because it is an issue on which the overwhelming majority of the American people agree, and it is about time that we act on it.

The people are expected us to act, and consequently I pray that we will act. I know that under his leadership we will.

The point I wanted to make—and I want to make it by way of complimenting the gentleman from Illinois (Mr. McCLORY)—is that I thank him for zeroing in on the main issue of bringing fiscal discpline to the Congress. The only way to do that is by changing the machinery of government to force that fiscal discipline on us.

I want to thank the gentleman from Illinois (Mr. McCLORY) for bringing that key point out, because it is so easy for the detractors of the balanced budget movement to ask: "Where are you going to cut?" or "What taxes do you want to increase to have a balanced budget?"

There are all sorts of things they might want to throw at us as excuses as to why we should not have a balanced budget. The point of discipline is just exactly the main point. I think that it is high time that we do bring about the fiscal discipline ourselves rather than waiting until a later day when the situation gets worse, when we may find ourselves in the same boat England found herself in about 3 years ago when they had serious financial conditions—and they still do. At that time they had to go to the International Monetary Fund to borrow money. Otherwise they could not borrow—by "they" I mean the Labor Party, the dominant party in the English Parliament—and they could not bring about the fiscal discipline they had to have.

In the process of going to the International Monetary Fund to borrow short term, they had forced upon them certain budget restrictions by the International Monetary Fund in order to qualify for the loan. When those restrictions were forced upon them by the International Monetary Fund, then the Labor Party in the Parliament did find the way of accomplishing the goals that they otherwise were unable to accomplish of their own volition.

I think it is sad that a great country, with the history that England has had, has had to have that fiscal discipline forced upon it from the outside. I hope we do not have to wait that long until we are in a sense destroying ourselves, to the point where we have to have forces outside of our control bring this discipline to us.

□ 1750

We have the opportunity. We ought to have the courage to accomplish it and, in a sense, then pass on to future generations the same great tradition we always have. Unless we do have that courage, we will not pass on that tradition.

Mr. McCLORY. I thank the gentleman from Iowa. I know that the gentleman is a very careful student of this subject and has expounded on the floor of the House many times the importance of adopting the principle of a balanced budget. I agree entirely with the gentleman that the discipline which was forced upon Great Britain as a result of its poor economic policies is likewise the kind of discipline which is going to be imposed upon us by others if we do not impose it upon ourselves.

I might say that some foreign bankers have already undertaken to lecture the U.S. economic managers with respect to the management of our own economy and have suggested in a very forceful way that we should restrain our Federal spending and we should take other economic steps which can help curb inflation and bolster the dollar.

May I say further that, while I describe this as the principal domestic issue in our country today, it is an international issue too, because when we consider what has happened to the dollar in the money markets around the world, when we see that the American dollar does not have the same respect that it had just a few years ago, we realize that our reputation as a nation has diminished as a result of our profligate economic policies. It seems to me that what we are discussing here today is bringing some sense and some order and some stability to our Federal Government and its management of the economic and fiscal business of the Government.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I want to thank the gentleman from Illinois (Mr. McClory) for taking this special order. I regret that so few of my colleagues are here for the occasion—perhaps it is a case of spring fever. Tomorrow is the first day of spring, but I would like to remind my colleagues that Spring brings more than flowers. It also brings tax returns. And there is nothing like seeing in black and white, just how much of your annual salary goes to support the Government to stir a man's soul. It was less than a year ago that something was stirring in my home State—a juggernaut with the unlikely name of proposition 13. There were many in Government who scoffed at the idea of limiting taxes. Today there are no scoffers, only believers. Those of us who have been preaching the gospel of cutting taxes are neither proud nor exclusive. We welcome all converts and rejoice that others have seen the light. Unfortunately there seems to be one holdout, at least, who has yet to be "born again," in a fiscal sense.

To those nay-sayers and prophets of doom, I urge that they listen to reason. In California we have had a constitutional requirement for a balanced budget for many years. It has not prevented the State from serving the people. It has prevented the State from amassing a public debt on the scale we voted on in this Chamber just last week. The President and others have said that requiring a balanced budget is an irresponsible act. Not at all. Balancing the budget is the responsible course of action. Irresponsibility is when you spend money you do not have. If you do that in private life, you might well get hauled off to jail, eventually. If you do it in Congress, it seems, you just get reelected.

Well, the public has finally seen through that game. There is no question in my mind that if this Congress fails to adopt a responsible method of balancing the budget, you are going to see a whole bunch of new faces on this floor when the 97th Congress convenes. And if you will not listen to reason, perhaps you will listen to another voice . . . the sound of millions of American taxpayers who are fed up with the way we have been acting in Congress.

The sound of 29 States who have gotten behind the drive for a balanced Federal budget. A sound that is only going to get louder, not softer, as spring grows into summer, and summer into fall. If we have not acted by this time next year, it will be taken out of our hands. I urge my colleagues to get in front of this drive, or get out of the way.

☐ 1755

Mr. McCLORY. I thank the gentleman from California, and I applaud him on his very eloquent and very colorful statement. He and his other colleagues from California know better than any of the rest of us here, I think, the sentiments of the average voter, the average citizen, with respect to the impact of excessive taxation, excessive governmental expenditures, and the message which came in the resounding result of proposition 13 last year cannot be mistaken, it seems to me. It must be attributed in part to the new momentum and new emphasis which is being placed on the importance of adopting a constitutional amendment to require a balanced Federal budget or some equivalent restraint with respect to the expenditures by the Federal Government.

As the gentleman points out, the principle which we apply here with respect to Federal deficits is a principle which does not apply in any other walk of life, in business or in his State or any community. There is no logical basis why the economic principle which governs every other aspect of our economic lives should not be a principle which is made applicable here.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. Mr. Speaker, I yield to the gentleman from California (Mr. Lungren).

Mr. LUNGREN. Mr. Speaker, I would like to rise in support of a constitutional amendment to balance the Federal budget. I think this is the single most important piece of legislation Congress can enact this session.

I am already the cosponsor of one bill to require a constitutional amendment to balance the budget, and to pay off the national debt.

I follow in the footsteps of 29 States which have called for a constitutional convention to consider this question, and the majority of the American people who favor a balanced Federal budget.

Unfortunately, the only ones who are not very enthusiastic about this proposal are the Congress and the President.

Vice President Mondale came out early in March saying the White House is "vigorously opposed" to a constitutional amendment to balance the Federal budget.

This weekend, the Washington papers ran stories of a new White House Task Force created to make sure a constitutional convention on this subject never convenes.

And when the Governor of my State, Jerry Brown, was here recently lobbying for such an amendment—he received nothing but ridicule from Members on his side of the aisle.

He was talking to the wrong people. He should have been talking to the Republicans in Congress.

A majority of Republican Members now have either sponsored or cosponsored bills to require a constitutional amendment to balance the Federal budget.

The California Republican delegation is overwhelmingly in favor of such an amendment.

And the freshmen Republican class passed a resolution supporting a constitutional amendment to balance the budget.

As cochairman of the Republican freshman class task force on this subject, I can tell you what our concerns are.

As just recently elected Members, we have not been initiated into the Washington propaganda against this concept.

We have just been initiated by the taxpayers into their angry mood over excessive Government spending.

And although a balanced budget constitutional amendment may not be the perfect cure-all to our problems, it is the symbol around which we need to rally.

The series of committee funding resolutions we have recently passed, voting ourselves huge increases in budget and committee staff, shows that this angry mood of the taxpayers has not yet hit the Congress.

We obviously need an outside disciplining force, such as this amendment.

And anyone who doubts that, has only to look at the difference between American public opinion as a whole—which supports the concept of a constitutional amendment to balance the budget—and the opinion of those who work for the Government in the Metropolitan Washington area.

A recent local radio station did a poll and found that 56 percent of those who live in the Washington-Maryland-Virginia metropolitan area are opposed to this amendment.

Many of them work directly or indirectly for the Government and do not want their purse strings cut, which is a sentiment clearly at odds with that of the rest of the country.

But we cannot hide our heads in the sand much longer. If the Congress does not do something about this, the taxpayers will force us to with a constitutional convention.

I am glad to see that the chairman of the Judiciary Committee, Peter Rodino, has finally decided to hold hearings on this subject beginning March 27.

I hope those hearings will be full, fair, and give an honest airing of the arguments supporting a balanced budget constitutional amendment.

Let us not be like the California State Legislature—which could not quite bring itself to believe that the public really wanted proposition 13.

☐ 1800

Really what we are doing here is observing a large roller coaster coming down the pike with people riding on it, and either we can jump on that roller coaster and attempt to try to direct it appropriately or we can stand in its way and say, "No, it is never going to be," and then be run over by it; or we can jump to the side and say, "It is not important enough for us to consider. Let it go its way without any effort being made by the Members of this House."

That would be a tragedy.

Again, Mr. Speaker, I want to thank my colleague, the gentleman from Illinois (Mr. McClory) for having taken this special order. I can tell the Members that I, along with many Members of this Congress, will work with the gentleman from Illinois to see that this is made a reality.

Mr. McCLORY. Mr. Speaker, I thank the gentleman from California (Mr. Lungren).

The gentleman brings a very persuasive new voice to the Congress, and it is one which I and many others welcome here. I might say that the gentleman has served in the State Legislature in California and is therefore, especially familiar with the sentiments throughout that State.

I would also like to point out to the gentleman that I will be working on our side of the aisle to see that the hearings are complete, that they are comprehensive, that they are objective; but at the same time that they are conducted with dispatch so that we resolve this issue at the earliest possible date.

I am certain that we can do that. The hearings will begin next Tuesday and Wednesday, with very high-level witnesses to come before the committee, and they will be followed by other witnesses of similar caliber.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Speaker, I thank the gentleman for yielding.

With respect to the concern that there may be some apprehension that hearings conducted by the chairman of the Committee on the Judiciary, the dean of the New Jersey delegation (Mr. Rodino), might not be fair or might not be complete, I would just like to state that I believe that throughout this country there is not any Member of either body of Congress who, by his own record, has shown that hearings which he may hold would indeed be full, fair, and complete in every detail.

I am sure that, bolstered by the gentleman from Illinois (Mr. McClory), we can have every confidence in the gentleman from New Jersey (Mr. Rodino) and should not worry or have apprehensions publicly about the integrity of the Dean of the New Jersey delegation.

Again, I thank the gentleman for yielding.

□ 1805

Mr. McCLORY. I thank the gentleman from New Jersey.

Let me state, quite frankly, that the chairman of the committee has been very cooperative with me. We are working together both on lining up witnesses and trying to schedule hearings to have this issue disposed of. I judge that the chairman of the committee is very anxious to go into these hearings, not indicating what side of the issue he may come out on when it is ultimately resolved, but to tackle the issue, and to tackle it responsibly and promptly, and to see to it that we do the job. I think he does recognize that this is perhaps the key domestic issue in the 96th Congress at least in the year 1979, and while some have expressed apprehension that the hearings might be dragged out, with the expectation that somehow this issue would go away, I do not believe that that enters into the attitude of the chairman of the committee at all. I concur with the gentleman that the gentleman from New Jersey (Mr. Rodino) is going to act responsibly, and I am going to work with him to help resolve this issue at the earliest time possible.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from California.

Mr. LUNGREN. I thank the gentleman for yielding.

In response to what was said, I do not want it felt that I was trying to disparage in any way the gentleman from New Jersey, (Mr. Rodino). I was trying to point out that there had been press reports to that effect. I want to make it very, very clear here that there is cooperation between the gentleman from Illinois (Mr. McClory) and the gentleman from New Jersey (Mr. Rodino) and that these hearings will be full, will be fair, will be complete, and, most importantly, will move with dispatch so that we can have a resolution of this question.

Mr. McCLORY. Let me just add in line with that that we have very responsible staff also working with us on both sides of the aisle. We are very proud of staff members Charles Kern on the Republican side and Alan Parker, Chief Counsel for the committee on the majority side. Both of these gentlemen are working cooperatively to bring the best possible information and the best possible testimony to the committee. I am sure that they will be working to see that the schedule moves along and that the issue gets resolved.

At this time I yield to the gentleman from Louisiana (Mr. Livingston).

Mr. LIVINGSTON. I thank my colleague, the gentleman from Illinois, for yielding. I would like to join all of my colleagues preceding me and add my voice to what was said. I would like also to congratulate the gentleman in the well, Mr. McClory, for his efforts in bringing this issue to the attention of the Members in this special order. This is a vitally important issue.

Mr. Speaker, because of spiraling inflation, the people of this country are demanding a constitutional convention to force Congress to do what it should have been doing all along—balance the Federal budget and eliminate the scourge of American monetary policy—deficit spending—which directly leads to an economic condition which cripples those very people that government seeks to help—the poor and the elderly—the people on fixed incomes.

I have some sincere doubts that a constitutional convention is the answer to our problems, but I do believe that it may just take such dramatic action to force Congress to make the difficult decisions it must make if we are to have a balanced budget. That is why I am cosponsoring several resolutions calling for an amendment compelling the Congress to balance the budget.

Like many of my distinguished colleagues in the House, I have tried to make it a general policy to vote against increases in the Federal budget, vote against big spending programs, vote against waste—but those votes were not enough. My votes have generally not expressed the sentiment of a majority of this body.

But, now the people are speaking out all over this country; and I trust that they will be heard and that unless we act, they will prevail. If we do not take strong action to require a balanced budget, the people will take that action for us.

Mr. Speaker, I will vote for a constitutional amendment to balance the budget because I believe it is the right thing to do. It is a clear, strong, unequivocal vote for fiscal responsibiilty, for restraint, for concern that American tax dollars not be squandered.

For that reason, I sincerely hope that my colleagues will support such a constitutional amendment. In Henry Clay's words:

> Government is a trust, and the officers of the government are trustees; and both the trust and the trustees are created for the benefit of the people.

As trustees, we must uphold the trust and show the people that we are serious about conserving their money, balancing the Federal budget, and eliminating federally sanctioned deficit spending.

□ 1810

Mr. McCLORY. Mr. Speaker, I thank the gentleman very much and I commend the gentleman as a cosponsor of this subject and for all the hard work and efforts he has put into advancing the principle of the balanced budget.

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman for his comments and sincerely thank him for bringing this to the attention of the public once again.

● Mr. O'BRIEN. Mr. Speaker, I rise today in support of a constitutional amendment to require a balanced Federal budget. I believe that this is an idea whose time has come, and although many of my colleagues are not ready for this remedial action, I believe that it behooves this membership to give this matter its very serious consideration.

Amending the U.S. Constitution is a very serious step, and a difficult process designed by our forefathers to prevent arbitrary and parochial changes. I particularly believe that the Constitution should not be amended to dictate matters for which there are legislative channels. The amendment that we are discussing today is such a case. The U.S. Congress is instructed, by this Constitution, to appropriate every cent that is spent by the Federal Government. Had this power invested in this body been exercised judiciously, there would be no need for such an amendment. I do not argue that this is a very strident measure to impose upon Congress. But I think through our own lack of restraint, because of many years of irresponsible deficit spending for which we are now paying a heavy price, we have brought this restrictive action upon ourselves. Quite frankly, we owe the American people an explanation. I regret even more deeply that this matter is only now being considered by this body because the impetus is being provided by the citizens themselves through their local legislators because this body has been so unresponsive. For 4 years I have been a cosponsor of an amendment that would require a balanced Federal budget. I have supported legislation that would do the same. Yet, this has never even merited consideration by this House. It is, and it should be, embarrassing to this body that we will be holding hearings on such a proposed amendment because more than half of the States in the Union have indicated through their local legislatures that this is what they want. A nation wracked by ruinous inflation is demanding a stop-gap effort to eliminate permanently the deficit spending that we have so blithely authorized for most of the last 50 years. Yes; we can quibble about the validity of such petitions that are being presented to us by the States, but we cannot deny their intent. We can also, in our lofty style, state that we cannot be forced into a constitutional convention. This body is a master of dilatory tactics. But how much longer can we go on ignoring what has become a national referendum? No matter how you slice it, the American public is indicating to us, through grassroot movements, through organized tax revolts, through local legislatures, that they want something done about the price that they are paying for their Government. I believe that each one of us, when asked what we are trying to do to stop inflation, to bring Government spending under control, should be able to say that we were willing to make the first step ourselves; not because we were shamed or coerced into it, but because we are willing to make a positive, if painful, effort to relieve some of the burden this country bears because of inflation.

In conclusion, Mr. Speaker, I would like to state that I am not speaking as a fiscal authority. I do not presume to possess economic erudition, a grasp of the Keynesian theory, or other such lofty ideals. But I would like to share the same thoughts with you that I do with my constituents:

No nation, like no individual, can live beyond its means indefinitely. You just do not spend money that you do not have. We have been mortgaging our future for too many years at usurious rates of interest. And I think the time has come to make up our minds that our national checkbook has no more room for red ink.●

● Mr. SYMMS. Mr. Speaker, I thank my good colleague, Mr. McClory, for calling for this special order today on balancing the budget. I am also pleased that the Judiciary Committee will be holding hearings next week on the various balanced budget resolutions.

It is apparent that the grassroots drive for a balanced budget is finally reaching Washington, and the Congress is beginning to respond. I spoke before the Idaho Legislature on January 22, 1979, asking their assistance to help in promoting the enactment of a constitutional amendment requiring a balanced Federal budget. I am submitting to the Record the legislature's request for a balanced budget, House Concurrent Resolution No. 7, at the end of this statement.

I think Congress is beginning to recognize the need to balance the budget. The ravages of inflation are clear to all of us. Since 1967, the purchasing power of the dollar has been cut in half. And 81 percent of the American public support a constitutional amendment to require a balanced budget. For the first time, a majority of Americans understand that the Federal Government is to blame for inflation. In 1978, we saw the passage of proposition 13 in California, the 1-percent initiative in Idaho, and six other State tax reductions or limitations. Yet, the Congress in 1978 passed a budget which proposed spending $39 billion more than estimated revenues.

Because the Congress seems unable to cut the deficit, the State legislators in 29 States have taken the matter into their own hands and passed resolutions over the past 4 years calling on Congress to enact an amendment forbidding deficit spending except in times of declared emergency. These resolutions are not merely advisory, however. They go on to stipulate that should Congress fail to pass such an amendment that Congress must call a constitutional convention for the "sole and exclusive" purpose of passing a balanced budget amendment and sending it out to the States for ratification.

These 29 States are not taking great risks with the basic document of our Nation's Government, the U.S. Constitution. They have written limits of the convention into the calls. Former Senator Sam Ervin of North Carolina, the constitutional expert who wrote a set of rules for the establishment of such a convention supports this movement and is convinced that a constitutional convention not only should be limited but must be limited to a specific amendment. The American Bar Association also concurs that the Congress has the right to establish procedures for calling and conducting a constitutional convention.

I am of the personal opinion, however, that if enough States pass resolutions to this effect, Congress will act on the issue itself rather than actually go through with a convention. I am hopeful, though, that there will be continued work by private citizens and legislators on the State level to require Congress to curb the spending practices that have pushed our country to the edge of economic disaster.

I ask my colleagues to read Idaho's resolution which I have submitted below:

In the House of Representatives, House Concurrent Resolution No. 7 By State Affairs Committee

A concurrent resolution for the purpose of requesting appropriate action by the Congress, either acting by consent of two-thirds of both houses or, upon the application of the legislatures of two-thirds of the several States, calling a constitutional convention to propose an amendment to the Federal Constitution to require, with certain exceptions, that the total of all Federal appropriations may not exceed the total of all estimated Federal Revenues in any fiscal year.

Be It Resolved by the Legislature of the State of Idaho:

Whereas, with each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the Legislatures of two-thirds of the several states the Congress shall call a Constitutional Convention for the purpose of proposing amendments. We believe such action vital.

Now, therefore, be it resolved by the members of the First Regular Session of the Forty-fifth Idaho Legislature, the House of Representatives and the Senate concurring, that the Legislature proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article to the Constitution of the United States, and that the legislature requests the Congress to prepare and submit to the several states an amendment to the constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and

Be it further resolved, that, alternatively, the Legislature makes application and requests that the Congress of the United States call a Constitutional Convention for the specific and exclusive purpose of proposing an amendment to the Federal Constitution requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and

Be it further resolved, that this application by this Legislature constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the Legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical in subject matter to that contained in this resolution then this petition for a Constitutional Convention shall no longer be of any force or effect; and

Be it further resolved, that this application and request be deemed null and void, rescinded, and of no effect in the event that such convention not be limited to such specific and exclusive purpose; and

Be it further resolved, that this Legislature also proposes that the Legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; or require the Congress to call a Constitutional Convention for proposing such an amendment to the Federal Constitution; and

Be it further resolved, that the Clerk of the House of Representatives be and he is hereby directed to forward copies of this resolution to the Secretary of State and presiding officers of both Houses of the Legislatures of each of the other States in the Union, the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Congress of the United States representing the State of Idaho.●

● Mr. BAFALIS. Mr. Speaker, I want to take this opportunity to thank my colleague from Illinois, the Honorable ROBERT MCCLORY, for making available this time so my colleagues and I can have this opportunity to fully discuss a constitutional amendment to balance the budget and reduce spending.

This discussion is needed because the American people are angry. They are angry about waging a constant battle with inflation—and losing that battle.

They are tired of seeing prices go up faster than wages. They are tired of seeing their take-home pay depleted because wage increases merely push them into higher tax brackets without giving them any more spendable income.

They are tired of struggling on social security and perhaps a small pension and having to choose between heating their home or eating decent meals.

They are tired of skyrocketing home construction costs which push them further and further away from the American dream of owning their own home.

They are tired of escalating college tuitions which threaten their dreams of providing an education for their children.

And they are tired of factories and businesses putting off planned expansion and modernizations because of high interest rates—high rates caused by the pressure of massive Federal borrowing.

In short, the people are tired of what the Congress has done to the economy—and to their lives.

They have shown their anger openly when asked by pollsters to rate the Congress.

Every poll in recent years has shown the Congress slipping in prestige—down below doctors and lawyers, below businessmen, below used-car salesmen.

Until now, it has dropped so low it is evident the people just have no respect for the Congress at all.

And why should they?

It has been the Congress, with its refusal to say "no" to anyone, which has brought our economy to the brink of disaster.

It has been the Congress, with its willingness to borrow against the future and thereby avoid the tough choices of the present, which has brought about the drop in the value of the dollar, both at home and abroad.

I know many of my colleagues in the House have reservations about the wisdom of an amendment to the Constitution mandating a balanced Federal budget.

To them, I can only say, it was the Congress itself which brought about the drive for such a mandate. The people no longer have any faith in the ability of the Congress to spend the people's tax dollars wisely and frugally.

They want—they demand—restraints placed on the Congress to insure their money is spent wisely. And they know the best—in fact, the only way—to do that is through a constitutional amendment such as the one I and a number of other Members have already introduced.

The Constitution was written to protect the American people from possible excesses by the Government. And they want it clearly spelled out that they are to be protected from the excessive spending they have been forced to endure recently.

As Members of the U.S. House of Representatives—that body which prides itself on being the closest to the people—we have an obligation to take the steps necessary to restore not only the people's faith in the Congress, but also in our economy.

We can best do that by acting expeditiously on a constitutional amendment to mandate a balanced Federal budget each and every year—except, of course, in times of war or national emergency.

Every balanced budget amendment proposed in the House carries with it the provision for waiving the balanced budget requirement in times of war or national emergency.

And that will provide us the flexibility needed to deal with bona fide national emergencies. Yet it is strict enough to keep us from some of the willy-nilly actions of the past which destroyed the public's faith in us.

If we ignore this opportunity, if we procrastinate in hopes the public fervor will die down, we run the grave risk of alienating the electorate even further—of driving them to the point where all confidence in all government is lost.

Should that happen, the future of this representative democracy is imperiled.

Yet it need not be. In my opinion, the benefits of a balanced budget far outweigh the few problems such a mandate would create.

First, it will force us to whittle Government down to size, to make it far less ponderous and much more manageable. And, in doing that, we will make it more responsive to the people it serves.

Second, by getting Government out of the private money market, we will free up billions of dollars desparately needed by factories and businesses all across the Nation to expand, modernize, and grow. Big businesses and small will have the wherewithal to do those things they have long planned but could not afford because of the high interest rates.

And that means more jobs—jobs building the new plants and jobs modernizing the old businesses. Plus jobs in those new and expanded plants and stores.

That, in turn, would mean more revenue for the Federal Government—revenue we can use to take better care of those who need it, the senior citizens, the infirm, and the disabled; revenue to modernize our military establishment so it can better protect us in a world of danger; revenue to provide a better environment for us all.

We all know of unmet needs, of people who need help we cannot provide.

What better way to accomplish that than by giving our economy the boost it needs?

And, at the same time, prove to the American people that the Congress is responsive to the needs and wishes of the people it represents? ●

● Mr. DUNCAN of Tennessee. Mr. Speaker, I rise to add my voice to that of my colleagues in support of a constitutional amendment requiring a balanced budget. Since I became a Member of this House, this has been an issue that I have taken a serious interest in. Frankly, there were times in years past when I all but gave up hope that we might one day return to a sound, business-like way of conducting our Government's financial policy.

Today I am encouraged to see that the ideal of a balanced budget has again become popular, and enjoys such wide bipartisan support. I hope this fashion will not pass with time. We have the opportunity to prove to the American people that our call for a balanced budget is not just rhetoric designed to gain votes, but that we are serious in our effort to bring Government spending under control. In these times of decreasing trust in our political system, and its ability to find solutions to our problems, it is important that we do not fail.

There are some who argue that a constitutional amendment is neither proper or necessary, that by passing one we are putting the Government in a fiscal "straitjacket," and that Congress can discipline itself. None of these arguments convinces me that we should not pass such an amendment.

An amendment, properly drafted, is necessary. It will legally bind the Congress to its duty to be accountable to the taxpaying public which cannot, and will not tolerate higher taxes. The presence of some of our new colleagues in this House is testimony to that sentiment across the country. It was disheartening to hear on the news a few days ago that the administration is now projecting a smaller deficit than was originally predicted. The reason is that inflation, fueled by excess Government spending, has pushed the average family into a higher tax bracket. They have more money, but prices are higher and so are taxes. We are no better off than before, and we all know that one way to help bring this under control is to drastically reduce our deficit.

We are not putting the Government in a 'straitjacket" either. Every balanced budget amendment that I am aware of contains provisions that would allow deficit spending in times of genuine national emergency.

It is also said that Congress must discipline itself without resorting to so-called "gimmicks" like balanced budget amendments. I have great faith in this House, but I would remind everyone present of the immense pressure we receive from groups seeking increases in their operating budgets. There has been such a proliferation of federally funded programs in recent years, that we must use every means possible to force ourselves to make hard decisions about how much we are spending, and in what program.

Finally, Mr. Speaker, the Constitution is the proper place for such an amendment. For the most part, the other amendments speak to the fundamental rights of American citizens. At issue in this debate is the question of Government accountability to the taxpayer. I consider an accountable, fiscally responsible Government to be a fundamental right for every American citizen.

Thank you.●

● Mr. ROBINSON. Mr. Speaker, as a longtime sponsor of a proposed constitutional amendment to require a balanced Federal budget except during wartime or similar national emergency, as well as a variety of related bills. I certainly wish to be on record as lending strongest support to efforts to get this vital legislation passed by the Congress without further delay.

Only a few days ago, it was pointed out on the floor of this House that we have created $105 billion more debt in the last 10 years than we created in the first 180 years of our history. A majority in the Congress has insisted on continuing this incredible deficit-spending spree despite periods of economic recovery and despite its stimulation of soaring, double-digit inflation that is proving ruinous to most Americans.

It is a national disgrace that our Federal debt has been allowed to rise to such colossal proportions—some $800 billion dollars and still skyrocketing—that just paying the interest on it has become the third most expensive item in the entire Federal budget. We will have to pay some $57 billion dollars in interest this year on this monumental borrowed sum, and it is more than we will be spending for the Departments of Agriculture, Commerce, Energy, Interior, Transportation, Justice, and State combined.

On March 15, we came within just two votes of forcing the House to consider a requirement that the Federal budget be balanced by 1981. It is an important indication that more and more Members of Congress are beginning to realize the necessity of stopping the wild spending that has so seriously jeopardized the health of our economy and the standard of living of our people.

However, many Americans remain unconvinced that the Congress will actually mend its profligate ways, and plug the flood of red ink that has been gushing from the national legislative spigot. I regret to say that this skepticism is amply justified in view of the fact that Congress has managed to balance the budget only one time in the last 19 years.

Furthermore, there is every dismaying prospect that this 96th Congress may be the first in history to increase the Federal debt eight times before it adjourns next year.

It appears crystal clear that the only real way that a majority in Congress can ever be forced to exercise the will and selfdiscipline necessary to balance our national ledgers is to ground this requirement in the iron foundation of the U.S. Constitution. It offers the best insurance that there will be compliance with today's overwhelming public demand for reduced Federal spending, reduced taxes and reduced Federal interferences in the lives of the people.

I welcome the start of hearings on March 27 before the Subcommittee on Monopolies and Commercial Law of the House Committee on the Judiciary on various proposed ways to achieve a balanced budget. But it is clear we will have to keep the pressure on for the people, or this first serious opportunity we have received to remedy the Nation's financial ills will be allowed to lapse by those in control of Congress who would rather talk economy than practice it.●

● Mr. WHITTAKER. Mr. Speaker, I believe in a government responsive to the American people. I am sure that you share this belief, and I trust that my colleagues here do, too.

But the American people are finding it increasingly hard to believe that we are trying to be responsive to their needs. I am speaking of the failure of the President and of the Congress to balance the Federal budget—or at least to set a firm date in the near future when we will adopt a balanced budget.

Our last balanced Federal budget was in fiscal year 1969. Yet we all know that our constituents want us to balance the budget, to cut away waste in Government, to make their tax burdens more reasonable.

An AP/NBC poll taken in early February showed that 70 percent of all Americans favored a constitutional amendment to balance the Federal budget, with only 18 percent opposing such an amendment. Twenty-nine States have either asked the Congress to call a constitutional convention for the purpose of proposing a balanced budget amendment, or have asked the Congress to propose one itself for ratification by the States.

Many among my colleagues have said that they do not want to take the path of amending the constitution to bring about a balanced budget. Instead, they ask the American people to believe them when they say that the budget will be balanced as soon as we are able to do so.

A constitutional amendment would not be necessary if we in the Congress were measuring up to the task of cutting the budget on our own. But, at the same time that large majorities of the people are calling for fiscal constraint, we are in the process of approving large budget increases for our own congressional committees.

Of the first 16 committees to have their budgets come before the Congress, 15 asked for an increase. The smallest of those increases was 8 percent; the largest increase was 2,603 percent.

I am supporting a constitutional amendment to require a balanced Federal budget because I think it is the best way to insure fiscal sanity here in the Congress. The recent allocations of money to our congressional committees are evidence enough that far too many Congressmen lack the resolve necessary to carry out their promises of belt-tightening.

It's not some trivial matter; this is one of the most important issues the Congress can address this year. We are now paying $60 billion a year just in interest on our $839 billion national debt. And the inflation rate has jumped considerably, lessening the purchasing power of the dollar. In just the last 11 years, prices have doubled. And at our present inflation rate, prices will double again in only 9 years.

Economists are now telling us what the American people have known for some time—that these large Federal deficits are a major cause of our inflation. The people want us to cut the budget, and we know full well that cuts can be made.

One place that needs cut is the budget that provides for Federal regulators. With 84,700 people estimated to be on the Federal payroll to write regulations, the savings here would be tremendous.

But the key point is this—we must live up to our responsibility of representing the wishes of our constituents. They want a balanced Federal budget. It is our job to give them one.●

● Mrs. HOLT. Mr. Speaker, I urge you to reflect on the question of why a great and swelling number of American citizens are demanding constitutional limits on Government spending. The answer is clear: They have lost faith in the will or ability of Congress to protect their earnings and savings from the appetite of Government.

The fact that 29 States have demanded a constitutional amendment to require a balanced Federal budget is a very sad commentary on Congress. You may have some disagreement with the form of the amendment that is being proposed, but you cannot dispute the strength of this popular movement.

Instead of responding affirmatively to this roar from an angry public, too many of our leaders have reacted with fear and opposition.

We hear that a constitutional limit on fiscal policy would bind the Government in a straitjacket. This is not a very effective argument to use against a popular movement that intends to bind the Government. There are two ways to balance a budget, reduce spending or increase taxes.

We are told that people who work and save are acting selfishly by demanding constitutional limits on what Government can take from them. The issue here is liberty. The citizen knows that Government is taking an excessive share of his substance for purposes determined by Government, depriving the citizen of choice and opportunity in the use of the fruits of his labor.

The American people are not selfish. In fact, we have a history of unrivaled generosity and charitable undertakings, but there are limits. People have their own families to support, their own aspirations to fulfill, their own financial security to seek. The growth of Government spending is crippling their ability to meet their personal responsibilities.

By discouraging saving and investment, the burden of Government is also crippling the ability of our economy to compete in the world market and create jobs for Americans.

Some 190 years ago when the States were considering ratification of our Constitution, some voices protested that the document failed to limit the power of Congress to tax. The great patriot Patrick Henry raised that issue, as did other opponents of ratification in the several States.

We know that the Constitution has been the most successful charter in history for protecting the liberties of the people, but we also know that our cherished freedom is threatened as never before by the Government's power to spend, tax, and create public debt.

This is the session of Congress in which we must act to limit the power of this institution to devour the earnings and savings of the people.●

GENERAL LEAVE

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

WHEN TILLAGE ENDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 45 minutes.

● Mr. JEFFORDS. Mr. Speaker, "When tillage begins," observed Daniel Webster, "other arts follow." But what would his comment have been about the growth or decline of civilizations in those places—those nations—which permit their tillage to end?

Not a useless question, for tillage is ending in many crucial places in the greatest agricultural nation of the world. A living example of this situation are the hundreds of farmers, many of them outstanding young farmers recently in Washington appealing to Congress for a little better break in the marketplace. They are faced with high capital cost (over inflated land values) which force them out of business or, at the very least, into the practice of poor land management by forcing marginal lands into production. And it is a bitter irony, this failure in the midst of plentitude. A price-depressing bumper crop in wheat and some other agricultural products, together with rising costs of farming, have induced not a few farmers to end their tillage on their own volition. This may or may not be a personal crisis for those leaving the land. In Illinois the farmers say that their land can produce three things: Corn, soybeans, or Miami Beach—if they sell it off for development. Such are the rewards of failure for a lucky few. For the rest, failure is often the reward of success as the mountains of wheat in Goodland, Kans., dramatically attested to summer before last. More grain will never get to Goodland, plowed under by bitter farmers. There are no developers hankering after their land, and if they refuse to pile up the wheat, there is nothing to stop the piling up of debt.

Part of the American solution to this problem—too much food from the land—is to be recklessly extravagant with our land; to convert it to urban uses, to cut it into pieces with highways, to inundate it with water supply projects, or just to let it wash away in summer or blow away in winter. And why not? Surely one solution to the problem of agricultural glut is to reduce the amount of agricultural land that causes it—and to reduce the numbers of farmers farming it. The problem is perceived, and dealt with almost automatically. The solution is already underway. But one must be cautious. For all too often, the real problem comes later—which is to figure out how to avoid the disaster brought about by the solution.

Recent Department of Agriculture research on the conversion of rural land to agriculture—precluding uses may not seem like a disaster yet, but it must cause some concern. The research shows that possibly up to 5 million rural acres a year are being developed or otherwise irreversibly converted to other uses. If this rate continues, and it is expected to, analysts predict that the best cropland reserves—a scant 24 million acres, less than 10 percent of the land now in production—may well be used up within less than a decade. At that point, low-yielding soils will have to be pressed into service. Rural land conversion will, for the first time in American history, begin to affect the very abundance of yield that now preoccupies most policymakers. Meanwhile, the Nation's agricultural estate, worth over $500 billion at today's prices, will inflate in value at least 10 percent per year—meaning that the cost of an agricultural acre will double every 7.2 years. In some places that doubling takes place every 2 or 3 years.

In short, the best of the acreage is getting smaller and smaller and pricier and pricier. This means that to maintain productivity and profitability, more will have to be gotten from each acre. But can it? Recent GAO reports are even questioning our ability to rebound to 1973–74 record levels. While the cropland base has been shinking and its cost ballooning, yields per acre have recently been leveling off. A combination of several factors may be producing this result. Among them: A high degree of variability in our climate; a measurable agricultural impact from air pollution and acid rain; increased costs for fuels, fertilizers, water, labor, machinery, and other supplies creating cutbacks in efficiency; genetic weakness, and a host of other ills. Though agricultural technology is moving ahead to counteract these difficulties, even the most optimistic of technologists warn of a slowing down of technological breakthroughs as compared to the incredible advances during the postwar period.

It is generally agreed regardless what philosophical or political puzzle is finally utilized that all the technical approaches used today will be needed in the future. The upcoming critical need for food dictates that the time in the history of this planet is at hand to keep soil movement at an absolute minimum. A recent study by the Council for Agricultural Science and Technology shows that one-third of America's cropland currently suffers soil erosion losses too great to be sustained without a productivity decline. Average soil erosion losses nationally are estimated to be between 9 and 12 tons per acre per year, and in some cases as high as 60 tons or more. It is estimated that 4 billion tons of sediment are carried by runoffs into our waterways annually, and another billion tons lost by wind.

Thus a kind of vicious circle is made complete: The land base shrinks, land prices increase, yields are low, costs go up, profitability declines, farmers move off the land, tillage ends, often permanently.

A contemporary economist would call this "adjustment." But a future historian—a later-day Daniel Webster—might see it more as a "tragedy."

And it may be wise to put what has been called "the greatest body of prime farmland on the face of the globe" into an historical perspective. Since the coming of age of this country as a world power, arguably a hundred years ago, that power has been based on our ability to exploit natural resources. But the iron that was dug out of the Mesabi Range has long since been depleted. And today the American steel industry is in disarray, its plants elderly—if not obsolete, its world markets diminished, its costs out of line. The same is true of other mineral resources and manufacturers. Yankee inguenity developed into technological supremacy in both gadgets and the machinery of war. But in technology many other countries have duplicated and sometimes exceeded our own genius. Our military might has been reduced, necessarily, to a matter of parity in the balance of power. Meanwhile, the low-cost fuels that gave rise to much of our world leadership are vastly reduced. The price tag this year for imported oil: $45 billion.

Yet, the resource we started with—hundreds of millions of acres of prime agricultural land across a whole continent—may be, in the end, a more important asset in maintaining our position of leadership in the world than any number of Mesabi Ranges, or oil fields, or roaring factories. The worldwide issue today is food. And, in this regard, the leadership of the United States cannot permit tillage to end even in the least of agricultural States or communities, for agriculture and the land base which supports it is our most durable source of strength and world leadership. And there are some patriots among us who recognize this. For example, in the State of Oregon, agricultural land is being protected by confining urban development to designated "growth areas." In Waterloo, Iowa, and

Pueblo, Colo., farmers have insisted on strict controls to keep inappropriate land uses out of farm areas. In Burlington County, N.J., and Suffolk County, N.Y., governments are offering to buy "development rights" from farmers in order to make it worth their while to keep their land in farm use.

How much of a problem is the loss of farmland? How crucial is this loss of productive capacity to the United States? And, how does this capacity relate to the maintenance of this country as a world power? These are important questions that simply cannot be glossed over by an economist's explanation that what is happening is simply a matter of "adjustment." More importantly, it seems clear to me that the entire Nation has a stake in the health of our agricultural sector and its land. Therefore, it is not fair for the Nation to expect farm communities to shoulder the whole burden.

In the 95th Congress, I introduced legislation aimed at dealing with "Farmland Protection," which proposed to elevate this serious issue to a level of national concern. During hearings on H.R. 11122, it was stated that between now and the turn of the century we must produce more food than previously produced since the dawning of time. That is a very heavy statement, and if true, let us not be caught in a duplication of the "towering inferno"—partying on the 13th floor with our productive base all burned out.

Last week, I reintroduced similar legislation (H.R. 2551) to the 96th Congress with 41 cosponsors. The height of awareness has increased considerably during the past 2 years on this issue. We spend a great deal of time and effort evaluating last year's product and thinking about what we might do to increase the interest and attention at the local level relative to this issue. The bill we developed is designed to do that.

First of all, the testimony presented last year made it very clear that the major culprit in the taking of good farmland is the Federal Government and its general lack of concern in carrying out its numerous activities. Thus, this legislation puts the burden on all segments of Government to develop and implement consistent positive policy which will overcome its current belligerent approach to this critical and loss issue.

Second, we do not know the facts as to how much land we are losing each year. Many people say that information is available and perhaps it is, but when you try to put your hands on it you find the facts are just not there. We need to document the facts to see what actually is happening.

Therefore, the bill establishes a Study Committee made up of farmers, locally elected officials, and Agriculture Committee members from the House and Senate all appointed by the President to take a look at the problem and to measure accurately the extent of our overall farmland loss. This study will only last for 3 years and at that time the duties of the Commission will be terminated permanently.

At this point, I would like to applaud President Carter and Secretary Bob Bergland for their development of an interagency study committee on this problem. If I see full implementation of their efforts, I will reevaluate the inclusion of this section of the legislation.

In addition, the bill would authorize the appropriation of $60 million over a 3-year period for demonstration projects at the local level to test techniques for reducing the amount of land converted out of agricultural usages. What might work in Connecticut might not work in Iowa or Texas and the demonstration projects would allow local communities to determine this.

We have tried to frame this bill around the idea that the solutions to problems such as this are best handled at either the State or local level. The only role the Federal Government should have after getting its own house in order, is to provide both technical and funding assistance and only under circumstances where it is actually requested by State or local communities.

I would also like to briefly mention the rationale behind farmland protection programs.

There are numerous reasons why communities and States have adopted or are considering adopting farmland protection programs. In many cases, a number of separate factors have generated interest in the issue.

The pattern of suburban development in this country since the end of World War II has characteristically involved "leapfrog" development in which developers skip over close-in vacant land, preferring less costly, and usually less intensively regulated farmland on the urban fringe. Such development patterns often result in more costly municipal services, and higher energy costs than development which takes place in close proximity to already developed areas.

A second rationale for farmland protection programs has been called the "impermanence syndrome." Leapfrog development on the metropolitan fringe together with urban and industrial development in rural areas lead farmers to perceive that their land (or adjacent land) is very likely to be developed in the next 10 or 15 years. As a result farmers are not likely to make major investment in facilities or equipment if they expect that the viability of their farm operation will be threatened by development pressures. As an area becomes increasingly developed, farmers may have to foot higher property taxes; labor costs go up; crop damage may be encountered from their new suburban or industrial neighbors; and the farmers may lose basic support industries and agricultural infrastructure that previously facilitated day-to-day farming operations.

A third reason for farmland protection programs concerns the viability of U.S. food producing capability itself. During the 1970's, growing world concern about long-term food supplies has stimulated interest in protecting agricultural land resource base in the face of increasing dependence on the U.S. food exports—both to supply world food needs and to offset the balance-of-payments drain caused by increasing costs for imported oil.

World demand for U.S. food has increased greatly in the last few years, and cropland utilization has increased accordingly.

I would also like to make an additional observation. Even as American farmers have increased cropland acreage planted, USDA's Soil Conservation Service (SCS) has significantly reduced its earlier estimates of the amount of potential cropland that is available to expand production. In its 1967 "Conservation Needs Inventory," the SCS estimated that an additional 266 million acres of potential cropland could be planted in excess of the land in crops at that time. In 1976, however, SCS, on the basis of a partial updating of its earlier inventory, was far more conservative about potentially available cropland. Its 1976 estimate was that only 111 million acres could be safely added to the 400 million acres the agency found to be in crops in 1975. An update to be released soon will show the situation increasingly critical. GAO reports that 24 million acres could be brought into production immediately, and would require little attention to prevent erosion and to produce satisfactory yields; 54 million acres were found to have a high potential for conversion to cropland, but would require some special soil and water management; a final 33 million acres of land was estimated to have a medium potential for conversion to cropland. These "medium potential" lands could have severe erosion and water disposal problems unless special management practices were applied, and would be more costly to convert. The SCS found it "questionable" whether land in addition to the 111 million acres could be converted to cropland.

If the SCS downward estimate of potentially available cropland is, indeed, accurate, then the rate of conversion of cropland to other uses takes on additional importance because the land available to replace the converted land will be taken from this inventory. Most analysts have tended to contrast the small annual loss of cropland—about 2.7 million acres offset by about 1.3 million acres brought into the cropland base annually—with the enormous amount of land in crops and, indeed, a 2.7-million-acre annual loss of cropland appears small when compared with the 385 to 400 million acres presently in crops.

In this post-surplus era, however, when the key consideration has been how to bring new land into production as quickly as possible, it is probably more meaningful to compare cropland loss with land potentially available to be used as cropland. The results of such a comparison are somewhat sobering. At the current level of annual cropland loss, all of the 111 million acres of land that the SCS estimates could be used for cropland would have to be brought into production in the next 40 years just to maintain the amount of land currently planted in crops. Moreover, it would take less than a decade for the more easily converted land to be brought into production: For the remaining land, the cost of bringing the land into production would rise, and the need for special soil and water management practices would increase. Furthermore, the natural productivity of much of the potential cropland may be less than that of cropland lost to development, over a third of which is estimated to be prime cropland.

Whether or not the conversion of cropland to other uses will in fact have significant long-term impacts on American agriculture remains to be seen, however. Technological advances, for example, could mitigate or even all but eliminate reductions in production stemming from farmland loss.

This concluding section seeks to provide a kind of political "positioning" of the bill, emphasizing what both critics and supporters overlook—that it is a cautious proposal. Because the loss of agricultural land is so keenly felt in many areas of the country—primarily the urban and urbanizing States of the east and west coast and the upper midwest—there has been a good deal of pressure brought to bear on the Congress and the Carter administration to take more dramatic steps than my proposal currently envisons or to insure that the bill envisions more than it really does. There are always three courses of action open to policymakers: To do nothing, to study the problem further, or to take an indicated action. The Department of Agriculture's research indicating the rapid loss of cropland reserves when multiplied by financial crisis in the agricultural sector and by environmental and resource constraints on productivity seems to rule out the first course. To turn a blind eye to such problems would be irresponsible. At the same time, to take some indicated action is not persuasive either. What action?—one might ask. On the one hand, Federal action to induce a greater degree of land-use regulation raises the specter of inappropriate Federal intervention into powers reserved constitutionally to States and localities. On the other hand, direct or indirect Federal aid to farmers in the form of compensation for deeded rights in land to preclude conversion to other uses, while responsive to fifth amendment guarantees (just compensation), would nevertheless require such mammoth sums that it could, if applied uniformly and fairly to all farmland owners, be fiscally irresponsible and inflationary.

There is, most likely, no one way to protect the agricultural land base. As H. L. Mencken has observed:

> For every human problem there is a solution that is simple, neat, and wrong.

Through the work of the study committee envisioned by this proposal and its demonstration projects, the answers to the farmland dilemma will, one hopes, not be wrong because the bill proposes a conservation middle course to study the problem further. And to the extent possible it would like the study to take place in the field, using real events, real places, real people as its subject. This is a cautious approach and yet responsive to the evidence that it is essential for this Nation to protect "the greatest body of prime farmland on the face of the globe."

I encourage and would welcome the cosponsorship, by my colleagues, of this important legislation. For your convenience the complete context as well as a summary follows:

H.R. 2551

A bill to establish internal Federal policy concerning protection of certain agricultural land; to establish a Study Committee on the Protection of Agricultural Land; to establish a demonstration program relating to methods of protecting certain agricultural land from being used for nonagricultural purposes; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Agricultural Land Protection Act".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress hereby finds that—

(1) each year between two and three million acres of land are being converted from agricultural uses to nonagricultural uses which is an alarmingly high conversion rate since the United States only has a cropland reserve of one hundred and eleven million acres of which only twenty-four million acres is immediately convertible to tillage;

(2) further increases in agricultural production cannot be projected because of changing weather patterns, soil erosion (caused by wind and water in excess of five billion tons annually), air pollution, competition for water, genetic vulnerability, increased costs and scarcities of fuels and fertilizers, and other factors;

(3) the decrease in agricultural land threatens the ability of the United States to produce food in sufficient quantities to meet the domestic needs of the United States at reasonable prices or to meet increasing world demand for food;

(4) information on the quantity and location of agricultural land being converted from agricultural uses to nonagricultural uses is incomplete and, therefore, unavailable to States and units of local governments which need such information to make informed decisions concerning utilization of their agricultural land;

(5) many Federal agencies conduct programs which utilize agricultural land for nonagricultural purposes or which otherwise have adverse effects on agricultural land; and

(6) information on the types of programs which are best suited for protecting and maintaining the quantity and quality of agricultural land is also incomplete and the feasibility and effectiveness of implementing such program needs to be studied and tested on a much broader geographic basis. Programs which appear highly successful in a given location may not meet with similar success at other points in the United States.

(b) It is, therefore, the purpose of this Act—

(1) to establish a committee—

(A) to study agricultural land, especially the quantity, quality, location, availability, and ownership of agricultural land;

(B) to study the relationship between the national concerns including but not limited to energy, the economy, the environment, urban growth and development, foreign relations and trade, and humanitarian aid; and

(C) to recommend to the President and each House of the Congress methods of retaining, protecting, and improving agricultural land and of ensuring that all major activities of the Federal Government are consistent with this policy;

(2) to establish the following programs under the Secretary of Agriculture:

(A) a program to develop, test, and demonstrate methods of protecting and maintaining the quantity and quality of agricultural land; and

(B) a program to provide technical assistance to States and units of local government concerning methods of protecting and maintaining the quantity and quality of their agricultural land and to provide financial assistance to such governments on a demonstration basis, for the purpose of selecting, and developing plans to implement, methods of protecting and maintaining the quantity and quality of their agricultural land.

TITLE I—FEDERAL AGENCY COMPLIANCE

DECLARATION OF PURPOSE

SEC. 101. The purposes of this title are—

(1) to recognize and respect the rights and responsibilities of private landholders in making land use decisions and the rights and responsibilities of State and units of local government in developing public policies regarding non-Federal land use;

(2) to provide for—

(A) the management of Federal lands in a manner which requires Federal agencies to consider the effects such management has on adjacent private and public agricultural land; and

(B) the coordination of such management with the management of adjacent private and public agricultural lands;

(3) to conduct Federal land oriented programs so that such programs contribute to the Nation's short- and long-range needs to assure adequate supplies of food, fiber, wood, water, and agricultural land; and

(4) to promote retention of agricultural land for agricultural purposes in any case in which conversions of land (A) are proposed by a Federal agency, (B) are licensed by, or require approval by, a Federal agency, or (C) are inconsistent with State or local government agricultural land retention programs.

DEVELOPMENT OF INTERNAL POLICIES

SEC. 102. (a) The Congress authorizes and directs that, to the fullest extent possible—

(1) the policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies set forth in this title; and

(2) all agencies of the Federal Government shall—

(A) identify and develop methods and procedures, which will insure that presently unquantified agricultural values may be given appropriate consideration in decisionmaking along with economic and technical considerations;

(B) study, develop, and describe appropriate alternatives to recommended courses of action in any proposal which involves unresolved conflicts concerning alternative uses of agricultural land;

(C) recognize the worldwide and long-range character of problems concerning agricultural land and, where consistent with the foreign policy of the United States, lend apropriate support to initiatives, resolutions, and programs designed to maximize international cooperation in anticipating and preventing a decline in the quantity and quality of mankind's agricultural land;

(D) make available to States, units of local government, institutions, and individuals, advice and information useful in restoring, maintaining, and enhancing the quantity and quality of agricultural land; and

(E) initiate and utilize agricultural information in the planning and development of agricultural land oriented projects.

(b) Each responsible Federal official shall provide early notification to, and solicit the views of, any State or any Federal land management entity or any other person concerning any action significantly affecting the quantity or quality of agricultural land or any alternative thereto which may have significant impacts upon such entity or person.

CONFORMITY OF ADMINISTRATIVE PROCEDURES

SEC. 103. All agencies of the Federal Government shall review their present statutory authority, administrative regulations, and current policies and procedures for the purpose of determining whether there are any deficiencies or inconsistencies therein which prohibit full compliance with the purposes and provisions of this title and shall propose to the President not later than July 1, 1980, such measures as may be necessary to bring their authority and policies into conformity with the intent, purposes, and procedures set forth in this title.

CONFORMITY OF FEDERAL ACTIONS

SEC. 104. Each Federal agency conducting or supporting any activity or development project, or administering a regulatory authority affecting agricultural land, shall conduct such activity, or development project, or administer such regulatory authority, in a manner consistent, with agricultural land retention programs established by a State or unit of local government.

TITLE II—STUDY COMMITTEE ON PROTECTION OF AGRICULTURAL LAND

ESTABLISHMENT

SEC. 201. (a) There is hereby established a committee to be known as the Study Committee on Protection of Agricultural Land (hereinafter in this Act referred to as the "Committee").

(b) The Committee shall be composed of such number of members, not less than ten, as the President considers necessary to carry out the objectives of this title. After consultation with the Secretary of Agriculture, the chairman of the House Committee on Agriculture, and the chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, the President, within ninety days after the effective date of this Act, shall appoint the members of the Committee from among persons who are specially qualified to serve on the Committee by virtue of their education, training, or experience.

(c) The Chairman and Vice Chairman of the Committee shall be designated by the President at the time of their appointment to the Committee.

(d) Members of the Committee shall be appointed for the existence of the Committee.

(e) A vacancy in the Committee shall be filled in the manner in which the original appointment was made.

DUTIES

SEC. 202. (a) The Committee shall—

(1) develop and gather such information as is necessary to allow States and units of local government to make informed decisions concerning agricultural land;

(2) conduct an intensive study of—

(A) the quantity, quality, location, availability, and ownership, of agricultural land in the United States;

(B) the relationship of such land to the supply, demand, and production of food;

(C) the relationship between the national concern for agricultural land and other national concerns (including but not limited to the economy, the environment, population growth, urban growth and development, foreign relations and trade, and humanitarian aid);

(D) the effects of urbanization, industrial development, and other nonagricultural activities (such as air and water pollution, soil contamination, and losses due to theft, trespassing, and vandalism) on agricultural land and agricultural productivity.

(E) the effects of agricultural operations (such as noise, dust, odors, and pesticide contamination) on urban areas and on individuals residing in and around urban areas;

(F) the effects of existing Federal laws and regulations on the use of agricultural land and agricultural productivity;

(G) the effects of variable and unpredictable factors (such as climate, agricultural technology, air pollution, genetic vulnerability, and soil salinity) on productivity of agricultural land;

(H) the acquisitions of agricultural land by persons who are not engaged in farming activities in the United States including acquisitions by agricultural land investment funds, trusts, foreign citizens or agents of foreign citizens, or other similar entities and the effects of such acquisitions on agricultural production;

(I) the effects of competition between agricultural and nonagricultural demands for water;

(J) methods of protecting and improving agricultural land, including an analysis of the relative costs and benefits of such methods;

(K) methods of reducing the quantity of agricultural land, especially in and around urban areas, being converted from agricultural uses to nonagricultural uses; and

(L) the relationship between future supplies of energy and fertilizer resources and the production of food from available agricultural land; and

(3) periodically informing the Secretary of Agriculture of the activities being carried out by the Committee under this title and the results of such activities.

(b) In carrying out its duties under this title, the Committee shall use the research conducted by the Department of Agriculture, the land inventory carried out under section 302 of the Rural Development Act of 1972 (Public Law 92-419), the research and other programs carried out under title V of such Act, the appraisal and other programs carried out under the Soil and Water Resources Conservation Act of 1977 (Public Law 95-192), and other programs carried out under the laws of the United States in an effort to minimize duplication of activities. The Committee may advise, and make recommendations to, the Secretary of Agriculture with respect to any program carried out by the Secretary and referred to in the preceding sentence.

(c) In carrying out its duties under this title, the Committee shall hold such hearings as the Committee considers necessary to allow public participation.

REPORTS OF THE COMMITTEE

SEC. 203. (a) On or before July 1, 1983, the Committee shall transmit to the President, to each House of the Congress, and to the Secretary of Agriculture its final report. The Committee, in preparing such report, shall consider information and recommendations from the public provided under section 202 (c) of this Act and, before transmitting it, shall make it available to the public and invite public comments thereon.

(b) The final report shall, at a minimum include findings, conclusions, and recommendations of the Committee concerning—

(1) methods of ensuring that major actions of the Federal Government are consistent with the retention, protection, and improvement of agricultural land; and

(2) methods of retaining, protecting, and improving the quantity and quality of agricultural land and the relative costs and benefits of such methods.

TERMINATION

SEC. 204. Sixty days after the date on which it submits its final report under section 203, the Committee shall cease to exist. All records and papers of the Committee shall thereupon be delivered to the Administrator of General Services for deposit in the Archives of the United States.

PAY AND TRAVEL EXPENSES OF MEMBERS

SEC. 205. (a) Members of the Committee who are full-time officers or employees of the United States or Members of Congress shall receive no additional pay on account of their service on the Committee.

(b) Members of the Committee, other than those referred to in subsection (a) of this section, shall receive $100 for each day (including traveltime) during which they are actually engaged in the performance of the duties of the Committee.

(c) While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

ADMINISTRATIVE PROVISIONS

SEC. 206. (a) The Committee may appoint and fix the compensation of a staff director and such additional personnel as may be necessary to enable it to carry out its duties. The director and personnel may be appointed without regard to the provisions of title 5, United States Code, covering appointments in the competitive service, and may be paid, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates. Any Federal employee subject to the civil service laws and regulations who is employed by the Committee shall retain civil service status without interruption or loss of status or privilege. In no event shall any employee receive as compensation an amount in excess of the annual rate of basic pay payable for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(b) The Secretary of Agriculture, at the request of the Committee, shall, to the extent practicable, conduct such research as the Committee considers necessary to carry out its duties.

(c)(1) The Committee may—

(A) conduct such research and studies as it considers necessary to carry out its duties through grants made under contracts or other arrangements with persons (including public or private institutions or organizations) who are determined by the Committee to be qualified by knowledge or past experience to conduct such research and studies; and

(B) if necessary, transfer funds to and accept funds from other Federal agencies from sums appropriated pursuant to this title to carry out such of its duties as the Committee determines can best be carried out in such manner.

(2) Any contract or other arrangement made with any person for the conduct of research or study under this subsection shall contain or be subject to such conditions and requirements (including fiscal control and fund accounting procedures) as the Committee may determine to be reasonable and consistent with the objectives of this title. Such research or study must be completed on or before September 30, 1982.

(d) As may be necessary to enable it to carry out its duties, the Committee may obtain the services of experts and consultants in accordance with section 3109(b) of title 5, United States Code, at rates of pay which are fixed by the Committee and which do not exceed $100 per day.

(e) Upon request of the Committee, each department, agency, and instrumentality of the United States shall furnish to the Committee, on a reimbursable basis or otherwise, such information concerning agricultural land as the Committee considers necessary to carry out its duties. The Committee may request that the departments, agencies, and instrumentalities of the States furnish to public and private institutions or organizations, on a reimbursable basis, such information concerning agricultural land as the Committee considers necessary to carry out its duties under this Act.

(f) Upon request of the Committee, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Committee to assist the Committee in carrying out its duties.

(g) The Committee may, for the purpose of carrying out the provisions of this title, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Committee deems advisable. The Committee may administer oaths or affirmations to witnesses appearing before it.

TITLE III—DEMONSTRATION PROGRAM

ESTABLISHMENT

SEC. 301. (a) The Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary") shall, during the three-year period beginning on the effective date of this Act, provide financial and technical assistance to States and units of local governments for the purpose of developing, demonstrating, and testing methods of reducing the quantity of agricultural land (including agricultural land in and around urban areas) being converted from agricultural uses to nonagricultural uses.

(b) Assistance provided under this title shall be subject to such conditions and requirements (including fiscal control and fund accounting procedures) as the Secretary may determine to be reasonable and consistent with the objectives of this Act.

APPLICATION

SEC. 302. Any State or unit of local government interested in conducting a project developing, demonstrating, or testing a method of reducing the quantity of agricultural land being converted from agricultural uses to nonagricultural uses may submit to the Secretary an application at such time, in such form, and containing such information as the Secretary may, by rule, require. Such application shall, at a minimum, contain a description of the proposed project.

APPROVAL OF APPLICATIONS

SEC. 303. (a) The Secretary shall establish and publish in the Federal Register criteria on the basis of which applicants are selected to receive assistance under this title. Such criteria shall give priority to applications under which the Secretary is satisfied that—

(1) timely information useful to the Committee in carrying out its duties under this Act will be provided at a reasonable cost;

(2) new reliable information concerning agricultural land will be provided at a reasonable cost; and

(3) the policy of providing the Committee with a range of projects to study in terms of geographical locations and methods of reducing the quantity of agricultural land being converted from agricultural uses to nonagricultural uses will be furthered.

(b) The Secretary may only provide assistance under this title with respect to an application—

(1) which is approved under the criteria established under subsection (a) of this section;

(2) under which the applicant has agreed to complete the project described in the application on or before September 30, 1982.

(c) The Secretary may only provide assistance under this title with respect to no more than two projects demonstrating or testing (any individual method of reducing the amount of agricultural land being converted from agricultural uses to nonagricultural uses).

AMOUNT OF ASSISTANCE

SEC. 304. (a) Subject to the provisions of subsection (b) of this section, the amount of assistance which may be provided under this title with respect to any project shall be determined by the Secretary but may not exceed 50 per centum of the cost of preparing, establishing, demonstrating, conducting, and testing such project. The remainder of such costs shall be provided by the applicant in a manner which the Secretary determines is satisfactory. In determining the share of costs provided by the applicant, the Secretary must include the value of services provided by the applicant in planning, preparing, and issuing reports concerning, such project.

(b) The Secretary may not provide more than 20 per centum of any funds appropriated pursuant to this title for any fiscal year as assistance with respect to each project being carried out under this title during such fiscal year.

PARTICIPATION OF THE COMMITTEE

SEC. 305. The Secretary shall consult the Committee in planning and carrying out the demonstration program under this title and shall keep the Committee informed concerning the progress of projects being conducted under this title and the results of such projects.

REPORT OF THE SECRETARY

SEC. 306. On or before April 1, 1983, the Secretary shall prepare and transmit a report to the President, to each House of the Congress, and to the Committee. The report shall, at a minimum, contain a detailed statement of the findings and conclusions of the Secretary concerning the effectiveness of methods of reducing the quantity of agricultural land being converted from agricultural uses to nonagricultural uses, together with the Secretary's recommendations for such legislation or administrative action as the Secretary considers necessary to reduce the quantity of agricultural land being so converted.

TITLE IV—TECHNICAL ASSISTANCE PROGRAM

SEC. 401. (a) The Secretary, acting through the Soil Conservation Service of the Department of Agriculture, shall provide to States and units of local government—

(1) technical assistance concerning methods of protecting agricultural land and reducing the quantity of such land being converted from agricultural uses to nonagricultural uses; and

(2) financial assistance to enable such governments to select, and develop plans for implementing, methods of protecting agricultural land and reducing the quality of such land being converted from agricultural uses to nonagricultural uses.

(b) As a part of the technical assistance provided under this section, the Secretary shall disseminate the latest information available concerning the study and other activities being carried out by the Committee under title II of this Act and concerning the demonstration projects being conducted under title III of this Act.

(c) (1) The amount of financial assistance which the Secretary may provide to a State or unit of local government under this section shall not exceed 50 per centum of the costs of developing a plan for protecting agricultural land and reducing the quantity of agricultural land being converted in such State or unit from agricultural uses to nonagricultural uses.

(2) Such financial assistance shall be subject to such conditions and requirements (including fiscal control and fund accounting procedures) as the Secretary may determine to be reasonable and consistent with the objectives of this section.

TITLE V—GENERAL PROVISIONS

DEFINITIONS

SEC. 501. For purposes of this Act—

(1) The term "agricultural land" means any land (including cropland, pastureland, rangeland, or forestland but excluding urban built-up land or water) which has the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops, or a specific high value food or fiber crop, and is also available for these uses. It has the soil quality, growing season, and moisture supply needed to economically produce sustained high yields of corps when treated and managed, including water management according to acceptable farming methods. In general, agricultural lands have an adequate and dependable water supply from precipitation or irrigation, a favorable temperature and growing season, acceptable acidity or alkalinity and acceptable salt and sodium content. They are permeable to water and air. Agricultural lands are not excessively erodible or saturated with water for a long period of time, and they either do not flood frequently or are protected from flooding.

(2) The term "State" means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

(3) The term "unit of local government" means the government of a county, municipality, town, township, village, or other unit of general government below the State level (determined on the basis of the same principles as are used by the Bureau of the Census for general statistical purposes).

LIMITATIONS

SEC. 502. Nothing in this Act authorizes, or may be construed to authorize, the Federal Government or any department, agency, or official thereof—

(1) to restrict or otherwise regulate in any way the use of privately owned land;

(2) to deprive landowners of their rights to property or to income from the sale of property; or

(3) to abrogate, restrict, or in any way diminish existing authority and responsibilities of the various States and units of local government respecting land use, zoning, taxation, or any other aspect of the regulation, utilization, and disposition of public or private lands within their respective jurisdictions.

EFFECTIVE DATE

SEC. 503. The provisions of this Act shall become effective October 1, 1979.

AUTHORIZATIONS FOR APPROPRIATIONS

SEC. 504. (a) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of title II of this Act for each of the four consecutive fiscal years beginning with the fiscal year ending on September 30, 1980.

(b) There are authorized to be appropriated to carry out the provisions of title III of this Act $15,000,000 for the fiscal year ending on September 30, 1980, $25,000,000 for the fiscal year ending on September 30, 1981, $20,000,000 for the fiscal year ending on September 30, 1982, and $500,000 for the fiscal year ending on September 30, 1983.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of title IV of this Act for each of the four consecutive fiscal years beginning with the fiscal year ending on September 30, 1980.

SUMMARY OF AGRICULTURAL LAND PROTECTION ACT—H.R. 2551

Title I—Federal Agency Compliance/Development of Internal Policy:

Recognizes that many federal agencies conduct programs and fund projects which utilize good agricultural land for nonagricultural purposes or which otherwise have adverse effects on agricultural land.

Directs all federal agencies to develop and implement internal policies and procedures to ensure that agricultural land is given priority consideration when any federal project is contemplated. In addition, directs the President to ensure that these internal policies are consistent and in proper coordination.

A key provision of this title states that any Federal agency conducting a project or administering a regulatory activity affecting agricultural land must do so in a manner consistent with any agricultural land protection program established by a State or local unit of government.

Provides for need to recognize and respect the rights of private landholders in making any decisions at the federal level which may effect their land.

Title II—Study Committee on Protection of Agricultural Land:

Provides authority to the President to establish a Study committee to gather information on agricultural land and to make it available to states and local units of government.

President will consult with the Chairman of the House and Senate Ag. Committee and Secretary of Agriculture in establishing the committee.

Membership on the Study Committee would include good representation of farmers, farm organizations and state and locally elected officials.

Duties of the committee will include looking at the quantity, quality, location, availability and ownership (including foreign ownership), effects of existing federal laws, effects of urbanization and industrial development, effects of competition between agricultural and nonagricultural demands for water plus other key relationships such as energy, fertilizer resources, climatic conditions, foreign relations and trade and humanitarian aid, etc.

It is expected that the duties of the Study Committee could be carried out with present available staff, keeping the overall costs to a minimum. The Study Committee would cease to exist in 4 years.

Title III—Demonstration Program:

Authorizes the Secretary of Agriculture to make grants to states and local communities on a 50-50 matching basis to test methods for protecting agricultural land.

Authorizes funding on a three year basis at 15 million the first year, 25 million the second year and 20 million the third year. Also authorizes additional one half million for the Secretary of Agriculture for evaluation and publication of the results of these demonstration programs.

Allows for and encourages a variety of approaches to protecting agricultural land and limits to 20% the amount of funds appropriated under Title 3 that can be utilized in any one project approved during that fiscal year.

Allows a maximum of two projects researching any single method or approach to retaining agricultural land.

Title IV—Technical Assistance Program:

Authorizes the Soil Conservation Service in the Department of Agriculture to provide technical assistance to States and local units of government on methods of protecting agricultural land.

Also provides financial assistance to states and local government to develop plans and methods for protecting agricultural land.●

SUPPORT FOR THE NAVAL RESERVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. EMERY) is recognized for 5 minutes.

● Mr. EMERY. Mr. Speaker, once again the administrtaion's defense budget includes a proposal to reduce the Selected Naval Reserve. This proposal, which would result in a reduction in strength from 87,000 personnel to 48,700 would cause unnecessary instability within the Reserve and will seriously affect mobilization capabilities.

This reduction, which the House opposed last year, would represent the elimination of nine Seabee battalions, four ASW helicopter squadrons, two air composite squadrons, two light attack helicopter squadrons, three amphibious ships, perhaps 20 reserve destroyers, and a host of other support units which the Navy has clearly defined requirements for.

It infuriates me to know that certain administrators in the Department of Defense or in OMB, without any apparent consideration of the importance of the Reserves to the Navy mission, chose to ignore oft repeated congressional support for the Naval Reserve. In fact, for the past 2 years, the Congress has specifically instructed the Defense Department to stabilize the Naval Reserve at 87,000 personnel. It seems that some individuals over in DOD have either not gotten the message or simply refuse to conform to the expressed wishes of the Congress.

It is incomprehensible to me that when our reservists train and contribute to almost all of the Navy's missions including providing 14 percent of Navy tactical air, 35 percent of maritime air patrol, 66 percent of coastal riverine forces, and 100 percent of U.S.-based logistical air capability, someone could recommend the elimination of 39,000 billets in the Reserve force.

It is inconsistent that the DOD would recommend such reductions in the Naval Reserve at a time when the Secretary of Defense, in his own posture statement before the Armed Services Committee stated:

> Maintaining personnel levels in the reserve force continues to be the most difficult problem we are experiencing in ensuring reserve readiness.

And, it is certainly alarming to see these proposed reductions when the Chief of Naval Operations, in testimony before the Armed Services Committee stated:

> Revitalization of the Naval Reserve is one of the principal objectives I have set for myself . . . lest there be any doubt, . . . I believe the Naval Reserve is an essential part of the Navy's wartime fighting capability . . . Its importance must continue to grow as the margin between the active Navy's capabilities and those of the Soviet competitor narrows. . . . I have made a personal commitment to support the Naval Reserve aggressively as a vital element in today's total Navy capability.

Mr. Speaker, the Naval Reserve is not some "gold-plated" luxury which can be toyed with at will with no effects on our overall capabilities. The Naval Reserve is an essential element in the Navy's equation to meet its maritime responsibilities.

At this time in our history, when we are confronted with a growing threat from Soviet naval power, we should be aiming to strengthen our naval assets such as the Reserve, not reduce them. Modernization should be the objective, not termination.

Rather than look for excuses to eliminate Naval Reserve units, the DOD should be addressing two of the more important problem areas in the Naval Reserve with an eye toward immediate revitalization and modernization. These areas include the ASW helicopter squadrons and the Fleet Reserve.

Currently, the ASW helicopter squadrons in the Reserve provide 100 percent of the Reserve CV close-in ASW capability. These squadrons give the Navy the ability to respond to wartime surge requirements against the large Soviet submarine threat. These squadrons also provide sea rescue service and could be utilized to support the Reserve Merchant Ship Defense System which would provide ASW protection for cargo ships equipped with modular flight decks. Although DOD skeptics have made negative comments regarding the capabilities of the SH-3 helicopters employed by these squadrons, the capabilities of these squadrons to perform necessary missions should not be doubted. At any rate, dissatisfaction with aircraft should not be a justification for eliminating whole squadrons. What should happen is that the already capable SH-3s be upgraded in capability or replaced with more capable aircraft such as the LAMPS system.

The Fleet Reserve, which currently deploys 23 overaged World War II destroyers, clearly does not measure up to the current-day threats posed by potential maritime adversaries. But, instead of eliminating 23 ships which could perform some important functions, the Fleet Reserve should be given newer ships including the Perry-class guided missile frigate which would allow the Reserve to assume a more credible role in convoy protection and ASW missions.

Mr. Speaker, the proposed reduction in the Naval Reserve is a bad decision and bankrupt of any military strategy or imagination. I urge my colleagues to review this matter and lend their support to the Naval Reserve by opposing this reduction. This Nation, and our Navy, need a strong Naval Reserve.●

THE SELECT COMMITTEE ON COMMITTEES

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, due to a previous commitment in Illinois yesterday, I was unable to be present on the House floor during consideration of House Resolution 118, the resolution which will establish a Select Committee on Committees. I intend to vote for passage of this resolution today for various reasons.

First, in this area of balanced budgets and restrained Federal spending, House Resolution 118 can create efficiency and better government for all Americans, thereby reducing Government expenditures.

Second, it has been my experience in Congress and before that time with the Illinois State Legislature that our committee structure is so critical to the legislative process that it periodically needs to be updated and reordered to correspond to current conditions.

The energy issue, which is on all of our minds, is one obvious example of the present inefficiency in House proceedings. No fewer than five committees handled various pieces of the President's energy package in the 95th Congress. As a result, a special ad hoc committee had to be established to develop a bill for our consideration.

Third, the Members of the other body have, in the past, taken on the task of reorganizing their committee functions in a way which should be used as an example for House reform. Moreover, the Bolling Commission of 1973–74 created an atmosphere for change which was unfortunately swept aside to a great degree by those who felt legislative reform was a mistake at that time.

I hope we are a little more flexible in this Congress as this new committee conducts its work and makes its recommendations for structural reform in our legislative process. Not everyone will be completely satisfied with the resulting proposals. There will be some in our ranks who will be very dissatisfied, but the goal of the committee members should be to restructure the committee jurisdictions, and hopefully committee rules, to meet the wants and needs of an increasingly changing—and I might add, politically cynical—country.

Mr. Speaker, in closing, I would encourage my colleagues to vote for House Resolution 118. This is not the ordinary special interest select committee. The Select Committee on Committees will determine how successful this House and the Houses in the future will be in coping with an ever-changing America.●

EASING THE IMPLEMENTATION OF STATE "WORKFARE" PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 5 minutes.

● Mr. GRASSLEY. Mr. Speaker, today I am introducing what I consider to be a very short and straightforward piece of legislation dealing with the topics of welfare reform and States' rights.

All that this simple—its only one page—measure would do is to allow any State that wants to impose work requirements as a condition of eligibility for aid to families with dependent children to do so. The bill is significant for what it does not do: It does not force any State to impose such a work requirement; it does not set standards or guidelines for the implementation of such a program; it does not allow for the cutoff of Federal funds to a State which wants to impose a work requirement.

Mr. Speaker, the idea that able-bodied people should be required to work for their welfare money is spreading rapidly across the United States. Several States, notably Utah, have tried to implement these so-called "workfare" plans, but they have run into criticism and bureaucratic roadblocks from the Department of Health, Education, and Welfare. Utah's plan, the Work Experience and Training Program, was to put people to work while they were drawing their welfare checks. The State of Utah actually lost almost a milion dollars because HEW withheld the Federal share of Utah's program for Aid to Families with Dependent Children before a compromise was worked out by placing the Utah program under HEW's Work Incentive Program.

A State should not be required to get HEW's permission before it can proceed with a "workfare" plan. The purpose of my bill is to make it easier for those States that want to implement work requirements, as a condition for eligibility of assistance, to do so. Again, the bill does not force any mandatory program of this type on a State, and it does not set any guidelines for the emplementation of a work requirement program—these decisions are left up to the States.

Our Nation's public assistance programs have their roots in the efforts of local people helping their less fortunate neighbors. Their efforts were usually on a private, then local, and later the State level. Now, these programs have expanded into an administrative nightmare on the national level. Efforts to reform and reconstruct our Federal welfare system are as old as the system itself, but I feel this measure is a major step in returning assistance to the State and local levels by making it clear that States do have the option of tying work requirements to receiving public assistance.

The bill follows:

H.R. 3105

A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work requirements as a condition of eligibility for aid to families with dependent children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 402 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d) Nothing in this part or part C, or in any State plan approved under this section, or in any regulation prescribed to implement this part or part C or any such State plan, shall be construed to prevent a State from imposing (on such terms and conditions and in such cases as the State may find to be necessary or appropriate, whether or not such terms, conditions, and cases are consistent with subsection (a)(19) or part C) a requirement that an individual or relative, or any other person (living in the same home) whose needs are taken into account in making the determination under subsection (a)(7), perform employment as a condition of eligibility for aid to families with dependent children.".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to months after the month in which this Act is enacted.●

DR. SEMYON GLUZMAN, IMPRISONED SOVIET PSYCHIATRIST, SHOULD BE RELEASED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 10 minutes.

● Mr. GREEN. Mr. Speaker, in January, a "Psalm" reached the West from a prison camp in the Soviet Union. Its opening lines are:

O Lord, I sing thy praise
In the turmoil and darkness
Of the heathen temple.
Thou art, O Lord, indescribable, incomparable,
Invisible and omnipresent. . . .
And here am I who speak of meaning,
The meaning of my life in thy world.
Mine is the right to decide,
Choice and action,
Thou art word and meaning, thou the observer.

This Psalm was written by Dr. Semyon Gluzman, a 32-year-old Ukrainian psychiatrist who was imprisoned in the U.S.S.R. 7 years ago. His crime? Refusal to cooperate with the KGB to certify human rights and political activists as mentally ill.

Semyon Guzman's story is one of tremendous courage and conviction. After his imprisonment, Gluzman and human rights activist Vladimir Bukovsky wrote "A Manual of Psychiatry for Political Dissidents," a guide for fellow dissidents describing techniques to prevent being classified as psychotic by government psychiatrists, and smuggled it to the outside world. Gluzman has continuously agitated for freedom while in prison, going on self-imposed hunger strikes in protest of cruel treatment of his fellow prisoners. As a result, he has been harshly treated by prison guards, and has been kept in solitary confinement in a punishment cell.

The striking facts of Dr. Gluzman's case have generated great concern for his situation in the United States and throughout the world. Several thousand psychiatrists, mental health workers and physicians have signed protest petitions, and the Board of the American Psychiatric Association passed a resolution condemning his situation on behalf of its members at their national convention last spring. For the past several years in May on the anniversary of his imprisonment, an "International Gluzman Day" has been proclaimed in the United States and other countries to protest his treatment at Soviet Embassies. During last year's event, I attempted to deliver petitions signed by the American medical community to the Soviet Mission in New York, but was refused entry.

On May 15, 1978, Dr. Gluzman was removed from his prison cell. His whereabouts were unknown until this January, when reports reached the outside world that he was alive but in very poor health and deteriorating rapidly. His 7 year strict prison term is scheduled to end sometime this spring or summer, and then he faces 3 more years of internal "exile."

Lest the Soviet Government underestimate the depth of human rights concerns in the United States, I have today introduced a resolution with Congressmen KEMP, BINGHAM, and BIAGGI, and 53 of our colleagues imploring the U.S.S.R. to release Dr. Gluzman and allow him and his family to emigrate to Israel. We hope that by this strong show of concern by Members of Congress from all parts of our Nation, it will be evident that Dr. Gluzman's freedom is of the utmost importance to great numbers of people.

Semyon Gluzman's new "Psalm" speaks in beautiful poetry of his indomitable religious belief and drive for freedom. After years of harsh confinement he holds out hope for the future. We in the Congress must do all that we can to help his dreams become realized, and I urge other Members of the House to join in this effort.

For the benefit of my colleagues, following is the full text of Semyon Gluzman's "Psalm," and our joint resolution.

PSALM

(By Dr. Semyon Gluzman, January, 1979)

O Lord, I sing thy praise
In the turmoil and darkness
Of the heathen temple.
Thou art, O Lord, indescribable, incomparable,
Invisible and omnipresent . . .
And here am I who speak of meaning.
The meaning of my life in the world.
Mine is the right to decide,
Choice and action,
Thou art word and meaning, thou the observer.
I love thy grass, O Lord,
The sun, and murmurs in the night.
The woman whom I have yet to meet,
The book I have yet to write.
I love the fragrance,
the sounds,
the colours
Of flowers, of the sea, of birds. Of freedom.
But still more I love meaning:
That the tree may grow from the earth,
Man from boy
And word from Truth.
The meaning of the sweet grape,
The salt sea,
The bitter cloud,
But not of the sweet lie
And bitter freedom.
I have learnt to see sweetness
In barbed wirethorns,
In Ural snows,
In smiling prison guards.
I have understood that even
Four months' fact may be sweet,
Without grapes, without the sea
In the smells,
sounds
sights
Of the concentration camp
I have felt and understood
The sweetness of Freedom.
My word grew from my truth,
My truth from my meaning,
But word, truth, meaning and I myself
From thy world, O Lord.
Mine is the right to decide
And I have chosen.
Without having met Woman
Without having written the book,
In the cold, amidst violence,
I have chosen, O Lord,
The meaning of Freedom.

H.J. RES. 265

A joint resolution imploring the Union of Soviet Socialist Republics to release Doctor Semyon Gluzman from prison and permit him and his family to immigrate to Israel

Whereas the reputation of Doctor Semyon Gluzman as a physician of outstanding psychiatric medical ability spread throughout the Soviet Union to the consternation of Soviet leaders;

Whereas Doctor Gluzman refused to cooperate with the KGB in certifying human rights advocates as mentally ill;

Whereas, subsequently, the doctor was arrested on charges of being a Zionist propagandist and an anti-Soviet agitator and found guilty and sentenced to prison for seven years, to be followed by three years in exile on October 19, 1972;

Whereas Doctor Gluzman's family received an invitation to join relatives in Israel;

Whereas for humanitarian and medical reasons Doctor Semyon Gluzman should be released from prison, and permitted with his family to immigrate to the State of Israel: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That President Leonid Brezhnev of the Union of Soviet Socialist Republics authorize the immediate release of Doctor Semyon Gluzman from prison and grant permission for him and his family to immigrate to Israel; and be it further

Resolved, That a copy of this resolution be forwarded to the Secretary of State of the United States of America for conveyance to President Leonid Brezhnev of the Union of Soviet Socialist Republics.●

TRADE SUBCOMMITTEE REVIEWS EXPORT CONTROL POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

● Mr. BINGHAM. Mr. Speaker, the Subcommittee on International Economic Policy and Trade, which I have the honor to chair, has for some weeks been reviewing generally the Export Administration Act which expires in September of this year and which must be renewed and perhaps revised. This is an extremely important piece of legislation which provides the executive branch with authority, subject to various congressional guidelines and limits, to control exports for purposes of national security, foreign policy, and short, domestic supply. It also contains specific provisions limiting the export of Alaskan oil and prohibiting compliance by Americans with foreign boycotts.

Several bills have been introduced proposing major amendments in this legislation. I introduced legislation on March 1 (H.R. 2539) which would substantially revise national security and foreign policy export control procedures. Two bills are before the Subcommittee which propose amendments to the short supply provisions of the Act with respect to export of Alaskan oil (H.R. 2344) and cattle hides (H.R. 275).

Mr. Speaker, the Subcommittee hopes to mark up this legislation the week of April 2. For the convenience and guidance of Members, a summary of the Subcommittee's remaining hearing schedule prior to mark-up follows:

Wednesday, March 21, 3, 2255 RHOB, administration and public witnesses on export of Alaskan oil.

Thursday, March 22, 2, 2255 RHOB, administration and public witnesses on national security and foreign policy controls on U.S. exports, and oil exports.

Monday, March 26, 2, 2172 RHOB, public witnesses on national security and foreign policy controls on U.S. exports.

Tuesday, March 27, 2, 2200 RHOB, Members of Congress and public witnesses on technology transfer.

Wednesday, March 28, 3, 2255 RHOB, administration witnesses, implementation of U.S. anti-boycott laws.

Thursday, March 29, 2 (or whenever full committee adjourns), 2255 RHOB, administration witnesses, on all pending bills amending the Export Administration Act.●

BIELARUSIAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, March 25 is the 61st anniversary of the Declaration of the Independence of Bielarus. We in the U.S. Congress have been elected by a free people and, therefore, we have an obligation to take this opportunity to focus the world's attention on the conditions under which the Bielarusian people are forced to live and speak out most energetically in behalf of their freedom.

The Bielarusian Coordinating Committee of Chicago, Ill., is dedicated to the restoration of human liberty in Bielarus and I commend its members and friends for their outstanding efforts to awaken the consciousness of free people everywhere and to lighten the burden suffered by the people of Bielarus. The committee is sponsoring a Bielarusian independence commemorative banquet and program on March 25, at the Regency Inn, 5319 West Diversey Avenue, in Chicago, beginning at 12:30 p.m., and I extend to all those in attendance my warmest best wishes as they continue to contribute mightly to the United States and its ideals of freedom and human dignity.

The Bielarusian people have been known under most confusing and improper terminology in English as Byelorussians and White Russians, and the Bielarusian coordinating committee has informed me that this terminology is incorrect and offensive to Bielarusian national pride because it was taken from the Russian language and not the Bielarusian language.

Mr. Speaker, a statement on the occupation and oppression of Bielarus by Soviet Russia issued by the Bielarusian Coordinating Committee of Chicago follows, as well as a copy of the act of March 25, which was approved in 1918 by the third constituent charter of the Council (Rada) of the Bielarusian Democratic Republic, and which set in motion the independence of the Bielarusian people:

Statement

Bielarus was proclaimed a free and independent state on March 25, 1918 in Minsk, the capital of Bielarus, but was not able to survive the Russian Bolshevik onslaught for too long. On orders from Lenin, a Byelorussian SSR was created in the Bielarusian City of Smolensk on January 1, 1919 in order to counter and to topple the duly elected Bielarusian government in Minsk. Although the Communists had succeeded in their attempts and Bielarus is still Communist controlled and dominated by Moscow, the Bielarusian people have not given up their earnest hope for their own controlled, free, and independent state of Bielarus. March 25 has become the symbol of Bielarusian national consciousness, the symbol of national pride, and the symbol of Bielarusian unity in diaspora. March 25 has been commemorated every year by Bielarusians throughout the Free World to show support and solidarity in the just aspirations of the Bielarusian people in their Russian Communist controlled homeland and to inform the world of their desires to be free of Russian domination and control.

Bielarus is the original name of the country and is better known in the English-speaking world under its Russian name as Byelorussia. Bielarus is a republic of the U.S.S.R. Despite the fact that Soviet Byelorussia is a member of the United Nations and is considered by the Soviet Government to be a "sovereign republic", with its "own constitution, parliament, legislative code, national emblem, flag and anthem", the Bielarusians are not free to decide for themselves and are greatly discriminated against by the Russians. In the Soviet Byelorussia, the Bielarusians comprise 80 per cent of the total population, but they have been deprived of their native language.

At least three-fourths of all schools, even those on the lower level, operate in the Russian language of instruction, and there are no textbooks and no dictionaries of Bielarusian-English, Bielarusian-German, Bielarusian-French, and Bielarusian-Spanish languages and so on, and vice versa. The Bielarusians are being deprived of their national and human rights. The Russian life style, the Russian customs and traditions, the Russian national traits, and the Russian way of thinking are being forced on the Bielarusian population. The Byelorussian Soviet Government cannot negotiate and sign any treaties, including commercial transactions, and it was excluded from the Helsinki Conference in 1975 and the Belgrade Conference in 1977–1978. Bielarusians are also excluded from the exchanges between East and West in the fields of culture, arts and sciences, education and sports, and those who succeed individually to be included in the Soviet representations are presented as Russians.

Act of March 25

A year ago the peoples of Byelorussia, together with the peoples of Russia, threw off the yoke of Russian tsarism, which had oppressed Byelorussia most of all and, without asking the people, precipitated our land into the conflagration of war which totally destroyed Byelorussian cities and villages. Now we, the Council (Rada) of the Byelorussian Democratic Republic, have cast off from our native land the last vestige of national dependence which the Russian tsars imposed by force upon our free and independent land. From this time on, the Byelorussian Democratic Republic is proclaimed an independent and free state. The peoples of Byelorussia themselves, under the aegis of their Constituent Assembly, shall determine the future national relations of Byelorussia.

By virtue of this, all former national relations lose their force—relations which made it possible for a foreign government to sign the Treaty of Brest for Byelorussia, thus destroying the Byelorussian people by partitioning their land.

By virtue of this, the government of the Byelorussian Democratic Republic will establish relations with interested parties by proposing to them a review of that part of the Treaty of Brest which concerns Byelorussia and the signing of peace treaties with all belligerent states.

The Byelorussian Democratic Republic should include all those lands where the Byelorussian people constitute a numerical majority, namely: the Mahileu (Mogilev) region, the Byelorussian parts of the regions of Miensk (Minsk), Horadnia (Grodno) (including the cities of Horadnia, Bielastok, and others), Vilna, Viciebsk (Vitebsk), Smalensk, and Charnihau (Chernigov), as well as adjacent parts of neighboring gubernias inhabited by Byelorussians.

The Byelorussian Democratic Republic confirms all those rights and freedom of the citizens and peoples of Byelorussia which were proclaimed by the Constituent Charter of March 9, 1918.

Proclaiming the independence of the Byelorussian Democratic Republic, its Council expresses the hope that all freedom-loving peoples will assist the Byelorussian people to achieve fully their political and national ideals.●

TRAGIC CLOSING OF THE RENEGOTIATION BOARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

● Mr. GONZALEZ. Mr. Speaker, at the end of this month the Renegotiation Board will be forced to close its doors and, tragically, the war profiteers and their lackeys will be standing on the sidelines cheering. I have been a defender, advocate, and strong supporter of this watchdog Government agency for 14 years; but the question that keeps coming into my mind, and the question I believe each Member must ask himself is, why there is such a strong push to be sure this agency is done away with?

Surely there are other agencies that would save the Government much more money if they would be abolished and, in fact, this is one of the few that actually brings money back into the coffers of the Treasury. So then, why is there such a push to put an end to this agency whose purpose is to watch over one of the strongest industries in the world, the U.S. defense industry.

There are a number of allegations made against the Renegotiation Board that I believe have distorted the true picture surrounding the activities of the Board, and I am taking this opportunity to present the other side.

The first, and most often used argument in support of ending the Board is the cost. Those opposed to the Board continue to say that it costs the Government more to operate the Board than they receive in return. Based on the budget figures that I have, this is not true. In fact, the Board's budget is very small. In 1978 they spent $6,158,720 and their request for 1980 is only a little over $7,000,000. Yet in the last 5 years the Renegotiation Board has reported excessive profit determinations after State taxes to be in excess of $38 million per year and this figure certainly exceeds the cost to run the Board. And we cannot ignore the recent figures submitted by the Board which states that in the last 12 months they have made excessive profit determinations of $82,000,000.

While we are talking about cost, another argument frequently touted by the defense industry is that even if excessive profits do exist, the cost of compliance is so great that the savings to the Government is minimal. The industry has cited cost compliance figures anywhere from $40 million to $400 million, but there is really no basis for these figures. The General Accounting Office has spent a great deal of time and money studying the costs claimed by various contractors and concluded that they were completely unable to determine how much defense contractors actually spend on complying with the renegotiation process. This is due mainly because most of the information the Board needs is information concerning costs, profits, and losses allocated either to Government or commercial business and most of this data is kept by businesses regardless of whether or not they are involved with the renegotiation process.

Another familiar allegation in opposition to the Board is that we presently have safeguards in the procurement process such as truth in negotiation and cost accounting standards. True, these safeguards do exist and are needed, but why then does the Renegotiation Board continue to find excessive profits, even after contracts are scrutinized under these procedures. The Board continues to find excessive profits because, while these regulations make procurement a more orderly and objective process, they do not prevent or eliminate excessive profits.

One important point that should be stressed at this time is that there is very little competition in the defense industry. For example, in 1978, 63.8 percent of all defense contracts were awarded to sole sources, and our Nation spent $57.7 billion on military procurement in 1978. This is more than we spent during the Vietnam war which in the peak year of 1968 was $43.8 billion.

Speaking of war years, another often heard argument against the Renegotiation Board is that it was set up to deal with wartime contracts executed in haste at a time when the Government had no option to pursue competitive bidding and full freedom of choice amongst suppliers, and it should only be used during these trying times. This proposition has been refuted a long time ago both by the Supreme Court which upheld the constitutionality of renegotiation and by the Congress which extended the coverage of the act in peacetime seven consecutive times from 1954 to 1964, at the requests of Presidents Eisenhower, Kennedy and Johnson, and now Carter.

The opponents of the Board have continually made a great deal over the backlog of cases pending before the Board. The present backlog, whose value is approximately $162 million, include such industry giants as General Dynamics, Litton, Westinghouse, Hughes Aircraft, and others, who would no doubt be delighted to see the Board close its doors on March 31. But I cannot see what bearing this backlog should have on doing away with the Board. Renegotiation is a complicated procedure that takes a great deal of expertise and thus backlogs are inevitable. However, it should be noted that this backlog undoubtedly grew during the recent period and was mainly due to a shortage of personnel as well as a recent Board policy of a more thorough going investigation of filings by large defense contractors.

Mr. Speaker, we cannot sit by and watch the Renegotiation Board close its doors. It has to be brought to the attention of the American people that this Board is their sole protection against defense contractors making exorbitant profits at public expense. I am not saying that defense contractors are not trustworthy, but according to a GAO study put out in 1975, no matter how effective procurement procedures may be, excessive profits will still occur.

I hope that within the next 2 weeks the House will take action to continue this Board. If we do not the American people will be losing the only tool they have to defend themselves against excessive profits in the defense industry. The opponents of the Renegotiation Board have a powerful lobbying force so the battle to retain this agency, which costs less to operate in one year than a single helicopter, will not be an easy task. I encourage all of my colleagues to take a close look at the Board and its purpose before concluding it is not needed. If the Renegotiation Board comes to an end we will be denying to the American people the trust placed in us to expend their tax dollars to benefit many and not to enrich a few.

We cannot afford to be felled by the war profiteers.●

HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1979

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHLEY) is recognized for 5 minutes.

● Mr. ASHLEY. Mr. Speaker, I am today introducing by request the administration's proposed Housing and Community Development Amendments of 1979. This bill would authorize funds for the assisted housing programs and other necessary HUD authorizations for fiscal year 1980 and would also extend the authorities of the Secretary of Housing and Urban Development to insure under the National Housing Act.

This bill will be the focus of hearings before the Subcommittee on Housing and Community Development of the House Committee on Banking, Finance and Urban Affairs beginning March 26 and concluding March 29. Following is the text of the bill.

H.R. 3097

A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing and Community Development Amendments of 1979".

TITLE I—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION

REHABILITATION LOANS

Sec. 101. (a) Section 312(d) of the Housing Act of 1964 is amended by striking out "and not to exceed $245,000,000 for the fiscal year beginning on October 1, 1978" and inserting in lieu thereof "not to exceed $245,000,000 for the fiscal year beginning on October 1, 1978, not to exceed $130,000,000 for the fiscal year beginnnig on October 1, 1979, and such sums as may be necessary for the fiscal year beginning on October 1, 1980".

(b) Section 312(h) of such Act is amended by striking out "1979" each place it appears and inserting in lieu thereof "1981".

COMPREHENSIVE PLANNING

Sec. 102. The second sentence of section 701 (e) of the Housing Act of 1954 is amended by striking out "and not to exceed $57,000,000 for the fiscal year 1979" and inserting in lieu thereof "not to exceed $57,000,000 for the fiscal year 1979, not to exceed $40,000,000 for the fiscal year 1980, and such sums as may be necessary for the fiscal year 1981".

NEIGHBORHOOD SELF-HELP DEVELOPMENT

Sec. 103. Section 705 of the Housing and Community Development Amendments of 1978 is amended by adding ", and such sums as may be necessary for the fiscal year 1981" immediately after "1980".

LIVABLE CITIES

Sec 104. Section 807 of the Housing and Community Development Amendments of 1978 is amended by striking out "and not to exceed $10,000,000 for fiscal year 1980" and inserting in lieu thereof "not to exceed $10,000,000 for fiscal year 1980, and such sums as may be necessary for fiscal year 1981".

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Sec. 105. (a) Section 103(c) of the Housing and Community Development Act of 1974 is amended by striking out "a sum not in excess of $400,000,000 for supplemental grant assistance under section 119 for each of the fiscal years 1978, 1979, and 1980" and inserting in lieu thereof "for supplemental grant assistance under section 119 a sum not in excess of $400,000,000 for each of the fiscal years 1978 and 1979, and a sum not in excess of $675,000,000 for the fiscal year 1980".

(b) Section 104(b)(3) of the Housing and Community Development Act of 1974 is amended to read as follows:

"(3) The Secretary may waive all or part of the requirements contained in paragraphs (1), (2), and (3) of subsection (a) if (A) the application does not involve a comprehensive community development program, as determined by the Secretary, and (B) the Secretary determines that, having regard to the nature of the activity to be carried out, such waiver is not inconsistent with the purposes of his title.".

(c) Section 106(m) of such Act is amended by striking out "or fiscal year 1979" and inserting in lieu thereof ", fiscal year 1979 or fiscal year 1980".

TITLE II—HOUSING ASSISTANCE PROGRAMS

LOW-INCOME HOUSING

Sec. 201. (a) The first sentence of section 5(c) of the United States Housing Act of 1937 is amended—

(1) by striking out "and" immediately after "October 1, 1977,"; and

(2) by inserting immediately after "on October 1, 1978" the following: ", by $1,140,661,275 on October 1, 1979, and by $1,140,661,275 on October 1, 1980,".

(b) Section 9(c) of such Act is amended—

(1) by striking out "and" immediately after "on or after October 1, 1977,"; and

(2) by inserting immediately before the period at the end thereof the following: ", not to exceed $741,500,000 on or after October 1, 1979, and not to exceed $848,000,000 on or after October 1, 1980".

OPERATING ASSISTANCE FOR TROUBLED MULTI-FAMILY HOUSING PROJECTS

Sec. 202. (a) Section 201 of the Housing and Community Development Amendments of 1978 is amended—

(1) by inserting immediately before "assisted" in subsection (c)(1)(A) the following: "covered by a mortgage insured under the National Housing Act (or formerly so insured and assigned to the Secretary) and is";

(2) by striking out "except that, in the case of any such project which is not insured under the National Housing Act such assistance may not be provided before October 1, 1979;" in subsection (c)(1)(A);

(3) by striking out ", together with the mortgagee in the case of a project not insured under the National Housing Act," in subsection (d)(3); and

(4) by inserting immediately before the period at the end of the first sentence of subsection (h) the following: ", not to exceed $82,000,000 for the fiscal year 1980, and not to exceed $90,000,000 for the fiscal year 1981".

(b) Section 236(f)(3)(B) of the National Housing Act is amended—

(1) by inserting immediately after "October 1, 1978," in the first sentence the following: "or credited to such fund prior to October 1, 1978 but remaining unobligated on October 31, 1978,"; and

(2) by striking out "September 30, 1979" in the third sentence and inserting in lieu thereof "September 30, 1981".

TITLE III—PROGRAM AMENDMENTS AND EXTENSIONS

EXTENSION OF FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

Sec. 301. (a) Section 2(a) of the National Housing Act is amended by striking out "October 1, 1979" in the first sentence and inserting in lieu thereof "October 1, 1981".

(b) Section 217 of such Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1981".

(c) Section 221(f) of such Act is amended by striking out "September 30, 1979" in the fifth sentence and inserting in lieu thereof "September 30, 1981".

(d) Section 235(m) of such Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1981".

(e) Section 236(n) of such Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1981".

(f) Section 244(c) of such Act is amended—

(1) by striking out "September 30, 1979" in the first sentence and inserting in lieu thereof "September 30, 1981"; and

(2) by striking out "October 1, 1979" in the second sentence and inserting in lieu thereof "October 1, 1981".

(g) Section 245 of such Act is amended by striking out "September 30, 1979" where it appears and inserting in lieu thereof "September 30, 1981".

(h) Section 809(f) of such Act is amended by striking out "September 30, 1979" in the second sentence and inserting in lieu thereof "September 30, 1981".

(i) Section 810(k) of such Act is amended by striking out "September 30, 1979" in the second sentence and inserting in lieu thereof "September 30, 1981".

(j) Section 1002(a) of such Act is amended by striking out "September 30, 1979" in the second sentence and inserting in lieu thereof "September 30, 1981".

(k) Section 1101(a) of such Act is amended by striking out "September 30, 1979" in the second sentence and inserting in lieu thereof "September 30, 1981".

EXTENSION OF FLEXIBLE INTEREST RATE AUTHORITY

SEC. 302. Section 3(a) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968, as amended, is amended by striking out "October 1, 1979" and inserting in lieu thereof "October 1, 1981".

EXTENSION OF EMERGENCY HOME PURCHASE ASSISTANCE ACT OF 1974

SEC. 303. Section 3(b) of the Emergency Home Purchase Assistance Act of 1974 is amended by striking out "October 1, 1979" and inserting in lieu thereof "October 1, 1980".

TEMPORARY MORTGAGE ASSISTANCE PAYMENTS

SEC. 304. (a) Section 230 of the National Housing Act is amended by—

(1) designating "SEC. 230." as "SEC. 230. (a)";

(2) inserting after "by recasting the unpaid balance," in the first sentence of subsection (a) as so designated, the following: "or has previously made monthly payments due under the mortgage pursuant to subsection (b),"; and

(3) adding at the end thereof a new subsection (b) as follows:

"(b)(1) As an alternative to the acquisition of a loan and security therefor under subsection (a), the Secretary may, in the Secretary's discretion, make all or part of the monthly payments due under the mortgage directly to the mortgagee on behalf of the mortgagor in cases involving default caused by circumstances beyond the mortgagor's control which render the mortgagor temporarily unable to correct a mortgage delinquency and to resume full mortgage payments. Payments may be made only in accordance with the provisions of this subsection and shall be subject to any additional requirements the Secretary may prescribe.

"(2) No payments may be provided hereunder unless the Secretary has determined that such payments are necessary to avoid foreclosure and that there is a reasonable prospect that the mortgagor will be able—

"(A) to resume full mortgage payments upon termination of assistance under this subsection;

"(B) to commence repayment of the payments made hereunder at a time designated by the Secretary; and

"(C) to pay the mortgage in full by its maturity date or by a later date for completing the mortgage payments previously approved by the Secretary under section 204(a) of this Act.

"(3) Payments under this subsection may be in an amount determined by the Secretary, in the Secretary's discretion, up to the amount of the principal, interest, taxes, assessments, ground rents, hazard insurance, and mortgage insurance premiums due under the mortgage, and the initial payment may include an amount necessary to make the mortgage current. Payments may not exceed amounts which the Secretary determines to be reasonably necessary to supplement the amounts, if any, which the mortgagor is capable of contributing toward the mortgage payments.

"(4) Payments may be provided for a period of not to exceed eighteen months, inclusive of any period of default for which payments are provided. Such period may be extended, in the Secretary's discretion, for not to exceed eighteen additional months where the Secretary has determined that, because of unforeseen changes in the mortgagor's financial circumstances, such extension will be necessary to avoid foreclosure and that there is a reasonable prospect that the mortgagor will be able to make the payments and repayments specified under subsection (b)(2)(A), (B), and (C). The Secretary shall establish procedures for periodic review of the mortgagor's financial circumstances for the purpose of determining the necessity for continuation, termination, or adjustment in the amount, of the payments. Payments shall be discontinued at any time when the Secretary determines that, because of changes in the mortgagor's financial circumstances, the payments are no longer necessary to avoid foreclosure or that there is no longer a reasonable prospect that the mortgagor will be able to make the payments and repayments specified under subsection (b)(2)(A), (B), and (C).

"(5) All payments shall be secured by such obligation as the Secretary may require, and such obligation shall include a lien on the mortgaged property. Payments shall be repayable upon terms and conditions prescribed by the Secretary, and such terms and conditions may include requirements for repayment of any amount paid by the Secretary toward a mortgagee's expenses in connection with the payments or repayments hereunder. The Secretary may establish appropriate interest charges on payments made under this subsection which shall be payable notwithstanding any provision of State or local law which limits the rate of interest on loans or advances of credit, except that interest shall not be charged at a rate which exceeds the maximum interest rate applicable with respect to mortgages insured pursuant to section 203(b) of this Act.

"(6) Payments under this subsection may be made whether or not the Secretary has previously taken action to avoid mortgage acquisition or foreclosure, except that payments may be provided with respect to a mortgage previously assisted under this subsection only under limited conditions prescribed by the Secretary.

"(7) All expenditures made pursuant to this subsection shall be made from the insurance fund chargeable for insurance benefits on the mortgage covering the property to which the payments made hereunder relate, and any payments received hereunder shall be credited to such fund. For purposes of this subsection, expenditures may include amounts paid by the Secretary toward a mortgagee's expenses in connection with payments or repayments hereunder.

"(8) No payments shall be made under this subsection after September 30, 1984, except that payments which have been commenced on or before such date may be continued beyond such date as provided under paragraph (4) of this subsection.".

(b) The caption of section 230 of such Act is amended to read as follows:

"TEMPORARY MORTGAGE ASSISTANCE PAYMENTS AND ACQUISITION OF MORTGAGES TO AVOID FORECLOSURE".

INCREASE IN SECTION 235 MORTGAGE LIMITS IN REVITALIZATION AREAS

SEC. 305. Section 235 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(o) The Secretary may insure a mortgage under this section involving a principal obligation which exceeds, by not more than 25 per centum, the maximum limits specified under subsections (b)(2) or (i)(3) of this section if the mortgage relates to a dwelling in an area designated by the Secretary as an area undergoing significant revitalization activity and the Secretary determines that such action is necessary to enable eligible families already residing in such area to remain in the area as homeowners.".

RESEARCH AUTHORIZATIONS

SEC. 306. Title V of the Housing and Urban Development Act of 1970 is amended by striking out in the second sentence of section 501 "and not to exceed $62,000,000 for the fiscal year 1979" and inserting in lieu thereof "not to exceed $62,000,000 for the fiscal year 1979, not to exceed $53,000,000 for the fiscal year 1980, and such sums as may be necessary for the fiscal year 1981".

FEDERAL HOUSING ADMINISTRATION GENERAL INSURANCE FUND

SEC. 307. Section 519(f) of the National Housing Act is amended to read as follows:

"(f) There are authorized to be appropriated such sums as may be necessary from time to time to cover losses sustained by the General Insurance Fund.".

HOUSING FOR THE ELDERLY OR HANDICAPPED

SEC. 308. Section 202(a)(4)(B)(i) of the Housing Act of 1959 is amended by striking out "and to $3,300,000,000 on October 1, 1978" and inserting in lieu thereof "to $3,300,000,000 on October 1, 1978, and to $3,800,000,000 on October 1, 1979,".

LEGISLATIVE REVIEW PROCEDURES

SEC. 309. Section 7(o)(3) of the Department of Housing and Urban Development Act, as added by section 324 of the Housing and Community Development Amendments of 1978, is amended by striking out the second sentence.●

NATIONAL MUSEUM DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, in 1977 the International Council of Museums designated May 18 as an annual International Museum Day. Museum Day provides an opportunity for public recognition that museums are important for cultural enrichment and the development of mutual understanding, cooperation, and peace among peoples.

Museum Day has been designated by the international museum community as a time when museums around the world may celebrate, in concert, their valuable contributions to the preservation of man's natural and cultural heritage. Museums collect, preserve, and study specimens and objects of material culture. The international council expressed the hope that this annual observance "will help increase the role of the museum in using the universal language of the original object in order to develop international understanding."

Observance of National Museum Day on May 18 is a valuable mechanism for museums of all disciplines and sizes to increase the public awareness of the role, resources and needs of museums. Museums serve as research centers for scholars as well as centers of education for the public. Museums share the common responsibility of discovering, preserving and interpreting man's heritage while at the same time pointing to this future. They are essential public institutions.

In order that this Nation may participate in the international celebration of Museum Day, I hope that the Congress of the United States will adopt a resolution declaring May 18, National Museum Day. Many of the Nation's museums are already planning community activities, and Governors in several States have issued museum day proclamations.

I am today introducing, with the cosponsorship of Mr. BRADEMAS and Mr. THOMPSON, a resolution to designate May 18 as National Museum Day. We will shortly be sending a letter to all our colleagues in the House requesting that they cosponsor this resolution. We hope that they will respond affirmatively.

Mr. Speaker, I include at the conclusion of these remarks the text of this resolution:

H.J. RES. 262

A joint resolution to declare May 18, 1979 to be "National Museum Day"

Whereas museums hold in trust for future generations a substantial part of humankind's material patrimony produced and preserved by the skill of our ancestors and our contemporaries—

Whereas museums encourage curiosity in the very young, offer enlightenment and education to the student, and provide a continuing source of enjoyment and cultural enrichment for all;

Whereas museums are centers of research for scholars and contribute significantly to our knowledge of history, science, and the arts;

Whereas museums enhance the quality of life in our communities and provide a sense of continuity and perspective which reinforces the cultural opportunities offered by schools, colleges, universities, libraries, and other institutions of learning; and

Whereas the museums of our Nation deserve recognition for their contribution to the preservation of the natural and cultural heritage of the United States and to the furtherance of understanding concerning the peoples of the United States and the peoples of other countries in the past, present, and future: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the president is authorized and requested to issue a proclamation designating May 18, 1979 as "National Museum Day" and calling upon the people of the United States, state and local government agencies, and interested organizations to observe that day with appropriate ceremonies, activities, and programs.●

THE SCARS OF VIETNAM HAVE NOT HEALED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I want to call to the attention of our colleagues a very informative and interesting article which appeared in the Washington Star on March 8, 1979.

The article treats with laudable compassion the ongoing psychological suffering which still plagues many of our Vietnam war veterans. As a member of the Vietnam veterans in Congress, a loose-knit and bipartisan group, I have become increasingly convinced that our Government has failed miserably in meeting the legitimate readjustment needs of the soldiers who fought in our most unwise and unpopular war.

Many combat veterans of the Vietnam war, most of whom are now in their early thirties with families to support, still retain the deep-seeded effects of the war. Higher suicide rates, greater dependence on alcohol and drugs, even a tendency to commit violent crime, all are indices of the current state of psychological torment which burdens these brave veterans. Our failure in Congress to adequately address the needs of these veterans is to be deplored, and the failure of the country to treat Vietnam veterans with dignity and respect represents a very sad chapter in the American history. It is as if we have all subconsciously conspired to ignore the war, because of the trauma associated with it, without realizing that, in the process, we are ignoring those who did their duty and served the Nation with pride.

The article, entitled "Mental Scars of Vietnam Still Mark Many Veterans" follows:

MENTAL SCARS OF VIETNAM STILL MARK MANY VETERANS

(By Christopher Hanson)

Up to half a million Vietnam veterans were so psychologically disfigured by the war that they badly need therapy even today, according to some experts on war neurosis. They cite Stephen Gregory as a case in point.

"I'm still in Vietnam and I want to come out," said Gregory from the witness stand of a Rockville courtroom last week. The highly decorated combat veteran seized eight hostages at gunpoint in a Silver Spring bank two years ago. He was pleading for probation from his six-year prison term so that he could undergo intensive psychotherapy.

In what may be a precedent-setting decision, Judge John Mitchell granted the request and sent Gregory to Perry Point Veteran's Hospital for special therapy.

Gregory—who released his hostages unharmed—is not the only veteran recently to explode in frightening proof that Indochina battles can still rage in the mind. And his is not the only criminal case where the psychological impact of Vietnam has been taken into account.

In Massachusetts last May John R. Coughlin, 33, an ex-Marine with a severe drug and alcohol problem, stood in a veterans' cemetery plot blasting away with a sawed-off shotgun at a nearby police station. He reportedly shouted, "The gooks are here, kill them, kill them!"

Police managed to subdue him unharmed. And the prosecutor, accepting a psychiatrist's diagnosis of Coughlin as suffering from "traumatic war neurosis," agreed to drop charges if Coughlin continued to respond to treatment.

In Cleveland recently, a former Navy medical corpsman, frustrated by his employer's failure to provide GI benefits, armed himself with a pistol, seized hostages in the firm's corporate office, and only released them after securing a promise from authorities that he be allowed to go on TV and air his grievances. The jury accepted in part "a diminished capacity" defense argument that traumas inflicted by Vietnam combat goaded him to commit the crime.

Gregory and the two other veterans suffer from "delayed stress neurosis," an illness virtually confined to Vietnam veterans, according to Dr. John Wilson, an expert on combat-related mental illness who testified Friday.

And they are only the most dramatic examples of the condition, said the psychologist, who has interviewed hundreds of cases. He predicts that by 1985 up over 500,000 Vietnam veterans will be suffering from the syndrome, which has just become a recognized diagnosis of the American Psychiatric Institute.

The symptoms: severe guilt over war actions and over the fact that he survived when others died; extreme depression; ultra-vivid flashbacks to combat; self destructiveness; hostile feelings; and a persistent mistrust of authority.

These general symptoms are not unique to Vietnam, said Wilson. But with disturbed World War II veterans, the symptoms tended to fade as their experiences receded in time. With Vietnam veterans, on the other hand, they are usually more intense and can erupt up to 10 years after the soldier has left the battlefield.

Why are the symptoms delayed and harsher among Vietnam veterans?

The war was extremely unpopular at home, explained Wilson. Civilians were unwilling to talk about the veterans' war experiences, and treated the returnees as pariahs instead of heroes.

So the guilt, the horrors remained inside returning veterans, who became deeply alienated from the rest of society. Gregory, for instance, complained that even his family was uneasy when he talked about the war, that his sister said of his medals, "Did you get those for killing people?"

When he was in uniform among civilians after his return, said Gregory, "You'd see people kind of pointing at you, snickering, stuff like that . . . I just didn't feel right . . . I think I was embarrassed in some way because of what I represented at the time."

Vietnam era soldiers were young—on the average six years younger than World War II GIs, according to Wilson—and endured traumas and were involved in atrocities "right in that point in the life cycle when they form their identities.

"There was no clear progress in the war. This put the guy in a sort of existential quagmire. He asked 'Why is the war going on, what is the point of the killing?' And then, 'Why am I doing it, why am I here, who in the hell am I?' He lost his old beliefs and his sense of self-worth, and upon return to civilian life had little opportunity to find them again."

Among the results of these perplexing doubts have been high rates of suicide and divorce, according to the Washington-based Council of Vietnam Veterans. The suicide rate for Vietnam veterans under 34 is 23 percent higher than their peers, said spokesman Steve Champlin, citing a White House study. Thirty-eight percent of veterans who were married before they shipped out were divorced within six months after their return, he added.

The Veterans Administration has recognized the unique psychological problems of Vietnam veterans by advocating passage of the $12 million Readjustment Counseling Bill, which would liberalize the law, making veterans with less than acute psychoses eligible for therapy. The bill is now stalled in a Senate committee due in part to a jurisdictional dispute.

The 19-member Vietnam Veterans in Congress has proposed an alternative bill that would provide nearly four times as much funding, and would allow veterans to seek help in community health facilities outside the VA, which many of them are said to distrust.

Over 10 years ago, Max Cleland, the disabled Vietnam veteran who now heads the VA, said to a Congressional committee. "The inevitable psychological depression after injury, coupled with doubts over whether it was worth it, comes months later, like a series of secondary explosions, after the excitement of the battlefield is far behind, and the (support) of your comrades-in-arms, a thing of the past, when the individual is left alone in his self doubt."

Today, not months but years after the battles, one wonders how many Vietnam veterans with psychological injuries are saying—with Steven Gregory—"I'm still in Vietnam and I want to come out?" ●

SHATTER THE SILENCE, VIGIL 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. Howard) is recognized for 15 minutes.

Mr. HOWARD. Mr. Speaker, in November 1977, my wife, Marlene, and I had the good fortune to be in the Middle East during the historic visit of President Sadat to Israel. I had been appointed as part of a 15-member bipartisan congressional delegation headed by House Majority Leader Jim Wright. Needless to say, we were caught up in the jubilant mood of the Israeli people at that time. However, our celebration was cut short when the serious problem of Soviet Jewry wishing to emigrate to Israel was brought to my wife's attention at the Absorption Center in Jerusalem.

A woman who had been at the Wailing Wall on a hunger strike heard that a delegation of congressional wives was to tour the Absorption Center. She came to tell the sad story of her efforts to get permission for her son to leave the Soviet Union. It was a touching moment to listen to a mother so distraught over the future of her son who is a virtual hostage in the Soviet Union. We promised her that we would do all we could to help.

Since that time, I, joining with many of my committed colleagues, have spoken out repeatedly against the violation of the basic human rights of Jewish people in the Soviet Union. Harassment, in the form of the denial of employment, education and the pursuit of political or religious freedom proves to be a hardship for these oppressed people.

Therefore, I announce "Shatter the Silence, Vigil 1979." This project is a continuation of previous efforts headed by Representatives Brodhead, Drinan, Eilberg and Holtzman. In the past, these projects have been called "Vigil for Freedom," "Helsinki's Unfulfilled Promise" and "Orphans of Exodus." As these titles suggest, our vigil, in conjunction with the Union of Councils for Soviet Jews, aims to improve emigration for Soviet Jews. We strongly urge greater efficiency within the Soviet emigration system, a system whose strict requirements, long waits and arbitrary official decisions has proved to be a major obstacle to asylum of the Jews.

Our statistics show that the number of emigrants allowed to leave the Soviet Union in 1978 was 29,200, as compared to 1977 when 17,337 people were granted permission to emigrate. This increase is impressive and may well be attributable to the U.S. support of the Soviet Jewish emigration movement, however, these figures must not obscure the fact that the Soviet Union continues to evade their commitment to the Helsinki Final Act of 1975. The Israel Government has stated that it sent 140,000 vysovs (invitations necessary to begin the application process for emigration) to Soviet Jews in 1978.

Taking into consideration "lost" vysovs into the hands of the KGB, possible duplicates, and Jews too fearful to use the vysovs, one Jewish organization located in New York estimates conservatively that about 50,000 vysovs were used by Soviet Jews. From that figure one can calculate conservatively that about 100,000 Jews applied for emigration, assuming that each vysov covers an average of two to three people. It is evident that there is a great discrepancy between the number of Jews we estimate to have applied and the Soviet assertion that only 1.6 percent of the total number of Jews applying have been refused permission to leave.

Clearly, there is a great need to see the exit requirements for Soviet Jews and to end the official and unofficial harassment of people who strive to gain their individual freedom. Our concern for these people, the "refuseniks," will be expressed over the next several months, when Members rise to address the House concerning cases of Soviet Jews that they have chosen to assist.

Today I would like to bring to my colleagues' attention the plight of Moisey Tongonoky. Born in 1952, Moisey first applied to emigrate to Israel with his parents and sister in 1973. All members of the family were allowed to leave, except Moisey. Since Moisey has no professional skill other than that of a mechanic, the only possible reason for refusal appears to be his past military service. He was drafted in 1971 for the usual 2-year term of service, but during his tour of duty he contracted jaundice and was given a medical discharge from the army having served only 10 months as an ordinary recruit.

In October of 1977, Moisey once again approached the local emigration authorities. An official informed him that he lacked the pertinent documents for his application. Frustrated, Moisey asked why he was not informed of the error. In response to his question he was sentenced to 15 days confinement for hooliganism.

My wife and I have written to President Carter, Vice President Mondale and the State Department about Moisey's plight. We have also contacted President Brezhnev and Ambassador Dobrynin asking for their help to restore Moisey's basic human rights that are guaranteed under the Soviet Constitution and the Helsinki accord. We have corresponded with Moisey in the Soviet Union and with his family in Jerusalem. It is our hope that the appeals we have made and will continue to make in Moisey Tongonoky's behalf will assist in reuniting the Tongonoky family and other families in similar circumstances.

☐ 1815

PANAMA CANAL PROBLEM: MAJOR MODERNIZATION AN IMPERATIVE NECESSITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. Flood) is recognized for 30 minutes.

● Mr. FLOOD. Mr. Speaker, the question of the major increase of capacity and operational improvement of the Panama Canal has a long and involved history. The first positive step in this direction was the authorization by the Congress in 1939 on the eve of World War II of what was designated as the third locks project.

The original plan for that undertaking provided for the construction of an additional set of larger locks (140′ x 1,200′) for larger vessels near each of the existing locks (110′ x 1,000′) and for connecting the proposed new locks with existing channels by means of bypass channels.

Construction started in 1940 on a rush basis. After the attack on Pearl Harbor more urgent war needs for manpower, materials, and vessels caused the suspension of construction after the expenditure of $76,357,405. The principal parts completed were two huge lock site excavations near Gatun and Miraflores, a bed for relocating the Panama Railroad to the east of the proposed new Gatun Locks, and a rail-vehicular bridge across the Miraflores Locks. No excavation was accomplished at Pedro Miguel. All of this work was accomplished under the "maintenance" factor of existing treaty provisions (Congressional Record, July 24, 1929, p. 9834).

Mr. Speaker, for additional background information on this and other aspects of Panama Canal history, special attention is invited to an extensive bibliography on "Isthmian Canal Policy of the United States" in the Congressional Record of March 23, 1955, page 3610, prepared by Representative Clark W. Thompson, former chairman of a special subcommittee of the House Committee on Merchant Marine and Fisheries to investigate the financial operations of the Panama Canal and author of the Thompson Act of 1950, which placed the enterprise on a self-sustaining basis. That bibliography lists many authoritative sources and would be most helpful to those seeking reliable references.

A post World War II project for improving navigation in the Panama Canal was the enlargement of Gaillard Cut from 300 feet minimum width to 500 feet. Started in 1959 and completed in 1970 at a cost of some $95,000,000, this important work brought the total expenditures toward major modernization of the existing canal to more than $171,000,000.

The suspension of work on the third locks project in 1942 enabled its restudy in the Panama Canal organization in the light of operating experience in both peace and war. Those studies resulted in the evolution of the terminal lake-third locks plan for the future canal (CONGRESSIONAL RECORD, August 25, 1978, pp. 27878–27882.)

This plan provides for the following:

First. Completion of one set of larger locks near Gatun;

Second. Removal of the bottleneck Pedro Miguel Locks from their position at the south end of Gaillard Cut;

Third. Consolidation of all Pacific Locks in continuous steps near Aguadulce, which is just south of Miraflores to match the capacity of the Gatun Locks;

Fourth. Creation of a summit level terminal lake in the Pacific sector of the canal; and

Fifth. Raising the maximum summit lake level 5 feet from 87 to its optimum height of 92 feet; thus doubling its operating range.

The lock arrangement in the Pacific end of the canal would then correspond with that of the Atlantic end, thereby providing uninterrupted two-way navigation between the Atlantic and Pacific locks. In addition, it can be accomplished with every assurance of success.

Recognized by experienced ship canal engineers, navigators, including Panama Canal pilots, economists, and other qualified experts as the best solution of the canal problem at least cost, it won the approval of President Franklin D. Roosevelt as a postwar project but is still in a suspended status.

In a 1975 memorial to the Congress on "Panama Canal Sovereignty and Modernization" by the Committee for Continued U.S. Control of the Panama Canal, 3704 University Drive, Fairfax, Va. This distinguished body stated that competent, experienced engineers have officially reported that all engineering considerations which are associated with the plan are favorable to it. In addition, this committee stressed that such solution would:

First, enable the maximum utilization of all work so far accomplished on the Panama Canal, including that on the suspended third locks project;

Second, avoid the danger of disastrous slides;

Third, provide the best operational canal practicable of achievement with the certainty of success;

Fourth, preserve and increase the economy of Panama; and

Fifth, can be constructed at comparatively low cost.

Mr. Speaker, as I have stated many times, the major modernization of the existing Panama Canal under the terminal lake-third locks solution can be constructed under existing treaty provisions. It does not require a new treaty. These are paramount considerations and should be controlling.

As to the expenditure of public funds on an interoceanic canal, the people of the United States and the Congress have always opposed the huge expenditures involved in such undertaking except in territory under the sovereign control in perpetuity of the United States. Any other policy would place our country in the untenable position of being saddled with grave responsibility without adequate authority in a land of endemic revolution and endless political turmoil.

At this point, Mr. Speaker, I would stress that the 1977 giveaway treaties, although approved by the Senate and ratified by the President, were not authorized by the Congress and have not been concurred in by the House of Representatives. Eminent constitutional lawyers have emphasized that any treaty that cedes U.S. territory and other property without the concurrence of the House is void. (Senate Committee on the Judiciary, Subcommittee on Separation of Powers, Hearings, part 3, Nov. 3, 1977, pp. 332–38.)

To clarify many misleading statements that have been made concerning major canal improvement, I would emphasize that in the proposed modernization there are two problems: First, increase of capacity; and second, its long needed major operational improvement. Though separate, the two are closely related.

There are two aspects in the capacity problem: First, increasing capacity in the number of transits; and second, increasing canal capacity to handle larger vessels.

As to increasing the number of transits, certain relatively minor changes of nonbasic character in the existing canal have enabled the transit of additional numbers of vessels but they do not increase canal capacity for handling larger vessels in the existing locks (110′ x 1,000′) or solve serious problems of operations.

The principal urgently needed operational improvements demonstrated by the transit of many thousands of vessels of various types since 1914 are the removal of the Pedro Miguel locks from their position squarely across the south end of Gaillard Cut, the creation of a summit level lake in the Pacific end of the canal to serve as expansion chamber for traffic, and correlated channel improvements in Gatun Lake, especially at channel bends—views repeatedly voiced by experienced Panama Canal pilots.

Mr. Speaker, the future need for the transit of larger tankers with fuel oil from Alaska to the industrialized east coast stresses the importance of major modernization as an imperative necessity. The current situation in Iran, with the possibility of prolonged loss of oil from that source, emphasizes that the time for further procrastination is over.

In order to provide the long needed increased transit facilities, my most distinguished and well-informed colleagues, Representatives JOHN M. MURPHY of New York, ROBERT K. DORNAN of California, PHIL CRANE of Illinois, and GEORGE HANSEN of Idaho, and I have introduced proposed legislation to resume construction on the suspended canal modernization project as modified and improved within the frame of continued undiluted U.S. sovereign control over the Canal Zone.

The indicated measure follows as part of my remarks:

H.R. 1930

A bill to provide for the increase of capacity and improvement of operations of the Panama Canal within the framework of continued sovereign control of the canal and the Canal Zone by the United States, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Panama Canal Modernization Act".

SEC. 2. The Congress hereby finds and declares that—

(1) the United States of America is a high contracting party to the Hay-Pauncefote Treaty of 1901 in force with Great Britain;

(2) the Hay-Pauncefote Treaty serves as the basis for daily regulation and management of the Panama Canal, including the establishment of tolls for use of the canal;

(3) the Hay-Pauncefote Treaty imposes upon the United States obligations to uphold "the general principle of neutralization" of the Panama Canal; to maintain it "free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise"; to insure that "the canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it"; and "to protect it against lawlessness and disorder";

(4) under the direction of the President, the Department of State, despite the obligations of the United States under the Hay-Pauncefote Treaty and without authorization by the Congress, has negotiated two treaties with the Republic of Panama ceding the Canal Zone and Panama Canal to that country;

(5) such cession would render the United States incapable of fulfilling its obligations under the Hay-Pauncefote Treaty;

(6) although such treaties have been approved by the Senate and ratified by the President, the Congress has not approved legislation necessary to implement them and to cede the Canal Zone under article IV, section 3, clause 2 of the Constitution;

(7) the United States is a party to a treaty with the Republic of Colombia signed April 6, 1914, by which that country recognizes the title to the Panama Canal and Panama Railroad as "vested entirely and absolutely in the United States of America, without any incumbrances or indemnities whatever", and by which the United States guarantees that "the products of the soil industry of Colombia passing through the canal, as well as the Colombian mails, shall be exempt from any charge or duty other than those to which the products and mails of the United States may be subject", an obligation we could not fulfill upon the surrender of the Canal Zone and waterway to the Republic of Panama or to any international organization;

(8) the undertaking of the United States in constructing, maintaining, operating, sanitating, and protecting the Panama Canal has proven to be of enormous benefit to the people of the United States, the Republic of Panama, and the entire world;

(9) the interests of defense and interoceanic commerce, and the increasing dimensions of ships, require an increase of canal capacity and operational improvement of existing facilities and installations;

(10) the greater marine operational and logistical capability resulting from a modernization of the canal based on decades of actual experience in transiting over half a million vessels would permit increased canal revenues, improve efficiency and economy of

operations, simplify canal management and defense, increase capacity for handling larger ships, lessen transit time, increase safety through diminished navigational hazards, reduce fatigue factors for pilot personnel, minimize dispatching problems, and provide a summit level lake anchorage and traffic reservoir at the Pacific end comparable to the Gatun Lock-Lake arrangement at the Atlantic end, allowing unrestricted operation of all locks, elimination of traffic bottlenecks, mitigation of the effect of fog on canal operations, and lessening of lockage water surges in Gaillard Cut;

(11) in addition to stimulating United States trade, industry, and employment, canal modernization would bring major benefits to intercoastal and international commerce and to hemispheric states, including reduced cost per cargo-ton to United States and foreign producers, suppliers, and consumers of the world's goods, as well as to canal users; generate greater economic wellbeing for the American nations through improved trade and communication; strengthen hemispheric security through the canal's increased capacity for marine operations, and increase prosperity and economic opportunity for the people of the Republic of Panama by virtue of the enormous outlays for new construction involved in this Terminal Lake—Third Locks Project in the Canal Zone;

(12) canal modernization by the United States, initially called the Third Locks Project, was authorized by Congress in 1939 at a cost not to exceed $277,000,000, was started in 1940, but was suspended in 1942 because of World War II priorities;

(13) $76,357,405 was expended on that project before suspension, and later an additional $95,000,000 was expended on the enlargement of the Gaillard Cut, making a total of $171,000,000 already expended toward the major modernization of the existing canal;

(14) no new treaty or agreement with the Republic of Panama was necessary for the United States to initiate such modernization in 1939 inasmuch as the United States, in accordance with the Spooner Act of 1902, and the treaty of 1903 with the Republic of Panama, paid that republic $10,000,000 for control of the Canal Zone; the Republic of Panama by the treaty of 1903 granted to the United States in perpetuity full sovereign rights, power, and authority over the Canal Zone, "to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority" (a grant recognized and not changed by subsequent treaties of 1936 and 1955 between the two nations); Panama by said treaty recognized as absolute the title of the United States to all lands and properties and rights purchased from the several companies holding railroad or canal concessions on the Isthmus of Panama; and under said treaty the United States took title to all remaining privately owned land property in the zone, purchasing such tracts from individual owners;

(15) completion under this Act of such modernization as modified and improved by additional experience with canal operations and current technology requires no new treaty arrangements with the Republic of Panama; and

(16) it would be both unwise and a shedding of its responsibility to the citizen-taxpayers of the United States for the Congress to authorize any funds for modernization of the Panama Canal should there be any relinquishment or surrender of the sovereign rights, power, and authority currently exercised exclusively by the United States over the Canal Zone and the waterway.

SEC. 3. (a) Except as provided in section 15, the Governor of the Canal Zone, under the supervision of the Secretary of the Army, is authorized and directed to prosecute the work necessary to increase the capacity and improve the operations of the Panama Canal through the adaptation of the third locks project set forth in the report of the Governor of the Panama Canal, dated February 24, 1939 (House Document Numbered 210, Seventy-sixth Congress), and authorized to be undertaken by the Act of August 11, 1939 (53 Stat. 1409; Public Law 391, Seventy-sixth Congress), with usable lock dimensions of one hundred and forty feet by one thousand two hundred feet by not less than forty-five feet, except as recommended otherwise by the Board created under section 4 of this Act, and including the following: elimination of the Pedro Miguel locks, and consolidation of all Pacific locks near Agua Dulce in new lock structures to correspond with the locks capacity at Gatun, raise the summit water level to its optimum height of approximately ninety-two feet, and provide a summit-level lake anchorage at the Pacific end of the canal, together with such appurtenant structures, works, and facilities, and enlargements or improvements of existing channels, structures, works, and facilities, as may be deemed necessary, at an estimated total cost not to exceed $1,500,000,000, which is hereby authorized to be appropriated for this purpose, except that the initial appropriation for fiscal year 1980 shall not exceed $75,000,000.

(b) The provisions of the second sentence and the second paragraph of the Act of August 11, 1939 (53 Stat. 1409; Public Law 391, Seventy-sixth Congress), shall apply with respect to the work authorized by subsection (a) of this section. As used in such Act, the terms "Governor of the Panama Canal", "Secretary of War", and "Panama Railroad Company" shall be held and considered to refer to the "Governor of the Canal Zone", "Secretary of the Army", and "Panama Canal Company", respectively, for the purposes of this Act.

(c) In carrying out the purposes of this Act, the Governor of the Canal Zone may act and exercise his authority as President of the Panama Canal Company and may utilize the services and facilities of that company.

SEC. 4. (a) There is hereby established a board, to be known as the "Panama Canal Advisory and Inspection Board" (hereinafter in this Act referred to as the "Board").

(b) The Board shall be composed of five members who are citizens of the United States of America. Members of the Board shall be appointed by the President, by and with the advice and consent of the Senate, as follows:

(1) One member from private life, experienced and skilled in private business (including engineering).

(2) Two members from private life, experienced and skilled in the science of engineering.

(3) One member who is a commissioned officer of the Corps of Engineers, United States Army (retired).

(4) One member who is a commissioned officer of the line, United States Navy (retired).

(c) The President shall designate as Chairman of the Board one of the members experienced and skilled in the science of engineering.

(d) The President shall fill each vacancy on the Board in the same manner as the original appointment.

(e) The Board shall cease to exist on that date designated by the President as the date on which its work under this Act is completed.

(f) The Chairman of the Board shall be paid basic pay at the rate provided for level II of the Executive Schedule in section 5313 of title 5, United States Code. The other members of the Board appointed from private life shall be paid basic pay at a per annum rate which is $500 less than the rate of basic pay of the Chairman. The members of the Board who are retired officers of the United States Army and the United States Navy each shall be paid at a rate of basic pay which, when added to his pay as a retired officer, will establish his total rate of pay from the United States at a per annum rate which is $500 less than the rate of basic pay of the Chairman.

(g) The Board shall appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, a Secretary and such other personnel as may be necessary to carry out its functions and activities and shall fix their rates of basic pay in accordance with chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates. The Secretary and other personnel appointed by the Board shall serve at the pleasure of the Board.

SEC. 5. (a) The Board is authorized and directed to study and review all plans and designs for the Third Locks project referred to in section 3(a) of this Act, to make on-the-site studies and inspections of the Third Locks project, and to obtain current information on all phases of planning and construction with respect to such project. The Governor of the Canal Zone shall furnish and make available to the Board at all times current information with respect to such plans, designs, and construction. No construction work shall be commenced at any stage of the Third Locks project unless the plans and designs for such work, and all changes and modifications of such plans and designs, have been submitted by the Governor of the Canal Zone to, and have had the prior approval of, the Board. The Board shall report promptly to the Governor of the Canal Zone the results of its studies and reviews of all plans and designs, including changes and modifications thereof, which have been submitted to the Board by the Governor of the Canal Zone, together with its approval or disapproval thereof, or its recommendations for changes or modifications thereof, and its reasons thereof.

(b) The Board shall submit to the President and to the Congress an annual report covering its activities and functions under this Act and the progress of the work on the Third Locks project and may submit, in its discretion, interim reports to the President and to the Congress with respect to these matters.

SEC. 6. For the purpose of conducting all studies, reviews, inquiries, and investigations deemed necessary by the Board in carrying out its functions and activities under this Act, the Board is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Board is given power to designate and authorize any member, or other personnel, of the Board, to administer oaths and affirmations, subpena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Board may deem relevant or material to the performance of the functions and activities of the Board. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

SEC. 7. In carrying out its functions and activities under this Act, the Board is authorized to obtain the services of experts and consultants or organizations thereof in accordance with section 3109 of title 5, United States Code, at rates not in excess of $200 per diem.

SEC. 8. Upon request of the Board, the head of any department, agency, or establishment in the executive branch of the Federal Government is authorized to detail, on a reimbursable or nonreimbursable basis, for such period or periods as may be agreed upon by the Board and the head of the department, agency, or establishment concerned, any of the personnel of such department, agency, or establishment to assist the Board in carrying out its functions and activities under this Act.

Sec. 9. The Board may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

Sec. 10. The Administrator of General Services or the President of the Panama Canal Company, or both, shall provide, on a reimbursable basis, such administrative support services for the Board as the Board may request.

Sec. 11. The Board may make expenditures for travel and subsistence expenses of members and personnel of the Board in accordance with chapter 57 of title 5, United States Code, for rent of quarters at the seat of government and in the Canal Zone, and for such printing and binding as the Board deems necessary to carry out effectively its functions and activities under this Act.

Sec. 12. All expenses of the Board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Board or by such other member or employee of the Board as the Chairman may designate.

Sec. 13. There are hereby authorized to be appropriated to the Board each fiscal year such sums as may be necessary to carry out its functions and activities under this Act.

Sec. 14. Any provision of the Act of August 11, 1939 (54 Stat. 1409; Public Law 391, Seventy-sixth Congress), or of any other statute, inconsistent with any provision of this Act is superseded, for the purposes of this Act, to the extent of such inconsistency.

Sec. 15. (a) This Act shall not take effect until the date the Speaker of the House of Representatives and the President pro tempore of the Senate receive written notice from the President that thenceforth during his term or terms of office, no further actions will be taken for the surrender by the United States of the Canal Zone and the Panama Canal, in whole or in part, to the Republic of Panama, or to any international organization.

(b) The provisions of this Act shall remain in effect only so long as all the sovereign rights, power, and authority granted in perpetuity to the United States by the Republic of Panama in articles II and III of the convention between the United States and the Republic of Panama signed on November 18, 1903, and reaffirmed in the General Treaty of Friendship and Cooperation signed March 2, 1936, and the Treaty of Mutual Understanding and Cooperation signed January 25, 1955, remain unaltered.

Sec. 16. The assets created by the expenditure of the funds authorized by this Act shall be considered by the Panama Canal Company as depreciable or nondepreciable in accordance with the provisions of subsection (b) of section 412 of title 2 Canal Zone Code (76A Stat. 27) as amended. The Company shall in its calculations of toll rates include as annual expense such amounts as will over the period of seventy-five years allow for a payback to the United States Treasury of 100 per centum of the funds appropriated in consequence of the provisions of this Act, except that in recognition of the defense value of said assets, and in conformity with the purposes of subsection (e) of section 412 of title 2 Canal Zone Code (76A Stat. 27), interest during construction shall not be included for purposes of repayment.●

● Mr. MURPHY of New York. Mr. Speaker, my distinguished colleague from Pennsylvania (Mr. Flood) has placed before this body a legislative proposal which seeks to develop the suspended third locks projects in the Panama Canal. I am among those who have cosponsored this legislation, and I urge my colleagues to support the proposal to resume construction on this modernization project as modified and improved within the framework of continued undiluted U.S. sovereign control over the Canal Zone, as stated in the bill.

Mr. Flood has ably pointed out to you the extensive history of the project, and the considerable expenditures already spent before the World War II suspension. The additional post-war improvements, completed in 1970, still leave a great deal to be done to provide uninterrupted two-way navigation between the Atlantic and Pacific locks, and which can be accomplished under existing treaty provisions.

As you are aware, hearings held by my Merchant Marine and Fisheries Committee have raised numerous questions about the validity of the treaties approved last year by the Senate. We are attempting to resolve most of those serious questions in our hearings, but the most important is whether the transfer of U.S. property without the concurrence of the House may occur. Certain objections of the Panamanian representatives who appeared before the committee, regarding their understanding of what the treaties actually provide for, raised further serious doubts as to the clarity and intent of those documents.

Cargo transit of the Panama Canal is a most urgent issue, whether or not the treaties are found to be valid, and we cannot ignore the existing difficulties in the total capacity of the canal and the need for improvements to accommodate the larger fuel tankers from Alaska to the east coast markets.

As my colleague Mr. Flood has pointed out, this legislation calls for such improvements within the frame of continued U.S. control over the Canal Zone. With that in mind, we can delay no longer in providing the impetus to resume construction of this urgently needed increase in transit facilities.●

● Mr. PHILIP M. CRANE. Mr. Speaker, my colleague from Pennsylvania (Mr. Flood) has introduced important legislation concerning the Panama Canal. This legislation seeks to develop the suspended third locks project, within the framework of continued, undiluted U.S. sovereign control over the Canal Zone.

I have cosponsored this piece of legislation and urge my colleagues to follow suit and support this proposal. Completion of this project is essential if increased and uninterrupted seaborne commerce—especially for the very large crude carriers—supertankers—is to transit the Isthmus of Panama. This legislation calls for the modifications and modernization necessary for that goal to be realized. Achievement of increased cargo capacity is essential for the Panama Canal to remain a viable and valuable asset to the United States and free world commerce.

Another aspect worthy of note is the strategic military value of the Panama Canal. Given the fact that in order to provide reinforcement and resupply of NATO forces in Europe, the U.S. Navy must depend on the use of the canal for the transit of sea-lift ships from the Pacific Ocean to ports in the Gulf of Mexico and on the Atlantic Ocean.

Disposal of this critical piece of territory and the property therein without the consent of the Congress as a whole would be contrary to the provisions of the Constitution. Further, the action would not reflect the majority interests of the American people. In summary then, this bill would be of substantial value to the United States and I wholeheartedly endorse the project.●

● Mr. DORAN. Mr. Speaker, I wish to join with my colleagues in praise of the efforts of Congressman Daniel Flood.

In supporting the implementation of the Panama Canal treaties we are being asked to vote away a critically strategic maritime chokepoint. We are entering an area of unprecedented dangers. Our vulnerability to disruptions in the flow of raw materials and the growth of Soviet naval power will make possession and modernization of the Panama Canal even more important to our Nation's security. But, instead we are being asked to relinquish control of this vital waterway in an effort to placate a regime that has proven to be hostile to American interests. Moreover, we are asking the American people to pay for this regime to take the canal at a cost of $4 billion to the American taxpayers. I would remind my colleagues that the administration declared, last year, that the treaties were to cost the American people nothing. As time passes, the calculations as to what it would cost climb steadily.

Mr. Speaker, I would like to call the attention of my colleagues to one other feature of our negotiations with Panama with respect to this vital waterway. After 2 years of discussion and debate, there are still problems and meaning and interpretation. It is not all clear that the Panamanians and the American Government see eye to eye on these treaties. They are, and will be, a continuing source of soreness and mischief.

Mr. Speaker, I am not, in principle, opposed to a new treaty with Panama. But I cannot see how the proposed arrangements will satisfy our just national interests.●

● Mr. HANSEN. Mr. Speaker, my colleague from Pennsylvania (Mr. Flood) has introduced legislation which seeks to redevelop the suspended third locks project in the Panama Canal. I have cosponsored this legislation, and I strongly urge my colleagues to support this proposal to resume construction on this modernization project, which has been modified and improved, within the framework of continued undiluted U.S. sovereign control over the Canal Zone.

Many of you are aware that recent hearings of the Panama Canal Subcommittee of the House Merchant Marine and Fisheries Committee have raised several serious questions about the validity of the treaties, which were approved last year by the Senate, as well as numerous different interpretations of treaties by the Panamanians. The most important question, however, is whether the transfer of property without the concurrence of the House of Representatives is constitutional.

Without positive House action, the taxpayers and consumers of this Nation are about to suffer the worst single assault on their pocketbooks in history.

The Senate approved the Panama treaties in 1978 with ringing assurances that there would be no cost to U.S. taxpayers. But hard realities have now replaced the "Alice in Wonderland" State Department fantasies as we see U.S. taxpayers facing a mountainous $4 billion price tag just to pay the transfer costs for giving away the Panama Canal.

The legislation to implement the ill-advised Panama Canal treaties is now before Congress and due to be acted on very soon. Now is the time for Congress to take control of this situation to guarantee that there will be no treaty implementation obligating the United States to a massive transfer of property and huge long-term expenditure of taxpayers' money without an act of Congress.

Continued uninterrupted cargo transit of the Panama Canal is also of great concern, and we cannot ignore the existing difficulties in the total capacity of the canal and the need for improvements to accommodate the larger fuel tankers from Alaska to the east coast markets.

As Congressman FLOOD has pointed out, H.R. 1930 provides for such improvements within the framework of continued U.S. control over the Canal Zone.●

THE SELECT COMMITTEE ON POPULATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SCHEUER) is recognized for 5 minutes.

● Mr. SCHEUER. Mr. Speaker, the House will be voting on House Resolution 38, to reestablish the Select Committee on Population for the duration of the 96th Congress. This resolution is identical to the one which established the select committee in 1977.

During the past year, the Select Committee on Population has made a concerted effort to work closely with the standing committees which have jurisdiction over population-related matters. We believe that the select committee's most valuable contribution is in demonstrating the impact of demographic change on key public policy issues under consideration by the Congress.

We have made concerted attempts to bring the standing committees into the planning process for our hearings and to encourage their direct participation as well. The five substantive reports issued by the committee during 1978, written with the policymakers in the executive branch as well as in the Congress in mind, have been transmitted to the relevant standing committee and subcommittee chairmen and to the pertinent executive department Cabinet secretaries.

We hope to continue and to strengthen these working relationships, if the select committee is reconstituted for an additional 2 years.

Mr. Speaker, I request permission to insert in the RECORD samples of correspondence which the select committee has had with chairmen of the standing committees and subcommittees and Cabinet Secretaries. I hope these letters will be useful to my colleagues in the consideration of House Resolution 38.

The first letter, to Hon. Paul Rogers, is an example of the letters which were sent to virtually all the standing committees of the House inviting them to participate in our hearings.

The second letter, to Chairman PETER RODINO is an example of the letters transmitting the select committee's reports. Similar letters were sent to the chairmen of the following committees:

Agriculture; Appropriations; Subcommittee on Labor-HEW; Subcommittee on Foreign Operations; Armed Services; Banking, Finance and Urban Affairs; Subcommittee on Housing and Community Development; Education and Labor; Foreign Affairs; Interstate and Foreign Commerce; Subcommittee on Health and the Environment; Subcommittee on Immigration, Citizenship and International Law; Post Office and Civil Service; Public Works and Transportation; Ways and Means; and the Subcommittee on Social Security.

The third letter, to Secretary of Commerce Juanita Kreps, is a sample of the letters to Cabinet Secretaries outlining the select committee's recommendations relevant to them. Similar letters were addressed to:

Secretary of Labor Ray Marshall; Secretary of Agriculture Bob Bergland; Secretary of State Cyrus Vance; Secretary of Health, Education, and Welfare Joseph Califano; AID Administrator John Gilligan; and OMB Director James Mc-Intyre.

The letters follow:

FEBRUARY 10, 1978.

Hon. PAUL A. ROGERS,
Chairman, Subcommittee on Health and the Environment, Committee on Interstate and Foreign Commerce, Washington, D.C.

DEAR MR. CHAIRMAN: As Chairman of the Select Committee on Population, I am writing to seek your participation, and that of your Subcommittee staff, in the planning and presentation of the Select Committee's upcoming hearings on fertility and contraception in America. The hearings will include an examination of research into reproductive and contraceptive technology, and are scheduled for February 21, 22, and 23; February 28 and March 1 and 2; and March 7, 8, and 9.

I apologize for our tardiness in inviting your participation in these hearings, but since the Select Committee staff was not organized and appointed until the first of December 1977, our planning process has taken place under very severe time constraints. In addition, the January recess prevented our Members from meeting and approving our 1976 work plan until just a few days ago. Despite the short time remaining prior to the Select Committee's first major hearings, I hope that our study of domestic fertility and contraception will be a completely cooperative effort between the Select Committee and your Subcommittee. One of the Select Committee's primary objectives is to study issues, and produce findings and recommendations, which will be helpful in the exercise of your Subcommittee's legislative jurisdiction.

In this connection, I would like very much to meet with you within the next few days, so that we might discuss a possible agenda, suggested witnesses, and the possibility that you might Chair some of the upcoming hearings which cover areas within your Subcommittee's legislative jurisdiction. I have also asked Maris Vinovskis, our staff task force leader for these hearings, to contact your Subcommittee staff about these matters.

I look forward very much to your full participation, and that of your Subcommittee staff, in the presentation of an interesting and useful series of hearings on domestic fertility and contraception.

With every warm best wish,

Yours,

JAMES H. SCHEUER,
Chairman.

SELECT COMMITTEE ON POPULATION,
Washington, D.C., February 7, 1979.

Hon. PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary, Washington, D.C.

DEAR PETE: We are pleased to submit for your attention the following reports, issued by the Select Committee on Population in 1978:

World Population: Myths and Realities.

Fertility and Contraception in the United States.

Legal and Illegal Immigration to the United States.

Population and Development Assistance.

Domestic Consequences of United States Population Change.

Final Report.

The Select Committee on Population has, of course, no legislative authority; it is our charge and our goal to serve as a resource to the standing committees of the House with jurisdiction over population-related matters. Hearings held by the Select Committee, however, provided a forum for both detailed examination of key national issues and broad-based oversight of existing population-related programs. In addition, it is our hope that the reports of the Select Committee will provide a worthwhile background for Committee Chairmen as they prepare their agendas for the 96th Congress.

In close consultation with you and your staff, the Select Committee held an extensive set of hearings on the question of immigration. We believe that the report based on these hearings, Legal and Illegal Immigration to the United States, offers a comprehensive analysis of the immigration problem. Since it is our goal to serve as a resource to the standing committees, we are passing on to you some of the relevant recommendations made by the Select Committee which we hope will be useful to the Judiciary Committee and its Subcommittee on Immigration, Citizenship and International Law. If you intend to hold hearings in any of the areas the Select Committee covered, please let us know of any quiet, helpful and supportive role the Select Committee—its Members or staff—might play.

One of the most striking features of our hearings was the repeated assertion by witnesses that there are inadequate data available to assess the impact of immigration on various U.S. institutions and government programs. For this reason, the Select Committee on Population favors expanded Federally-sponsored research on the dimensions and impact of immigration to the U.S., and recommends the expenditure of up to $10 million for this purpose. These funds would be allocated among the Justice Department (INS), the Bureau of the Census, the Department of State, the Department of Labor, the Social Security Administration, and particularly the Center for Population Research (CPR) of the National Institute for Child Health and Human Development (NICHD) of the Department of Health, Education, and Welfare. Since the C.P.R. is the lead agency of the Federal government in population research, we feel that they should take the responsibility for insuring that adequate studies be undertaken in this area.

The limited research completed in the area of immigration has been severely hampered by a deficient data base, which has precluded any longitudinal studies of the impacts of immigration to the U.S. In an effort to correct this, the Select Committee has recommended automation of all data storage * * *

Select Committee on Population,
Washington, D.C., February 9, 1979.
Hon. Juanita M. Kreps,
Secretary of Commerce,
Washington, D.C.

Dear Madam Secretary: The Select Committee on Population (SCP) has issued a Report which examines the impact of the "baby boom" and the subsequent "baby bust" on various social institutions and the impact of changing migration patterns on the provision of services for individuals in localities which are gaining or losing population. A copy of the Report, entitled The Domestic Consequences of United States Population Change, is enclosed.

In October, we wrote to you with regard to one of the issues mentioned in the Report: the discrepancies among population projections on subnational areas prepared by the Federal Government. We were very pleased to receive your response and to learn of the attention being directed to this important issue by the Office of Federal Statistical Policy and Standards.

We believe that as Secretary of Commerce and as Chairman of the Statistical Policy Coordination Committee, you will be interested in several other recommendations contained in the Report. The Select Committee also made recommendations regarding national data collected and national projections prepared by the Census Bureau. In particular, we state in the Report:

Many analysts believe that in the future fertility rates in the United States will fluctuate rather than follow a steady trend. In view of the importance of these fluctuations for all social policies, the Census Bureau should update its projections frequently to take into account possible fluctuations in fertility rates. (p. 9)

Federal agencies which prepare long-range projections, such as the Census Bureau and the Social Security Administration, should consider using a wider range of assumptions in projecting the extreme cases. An example might be to treat recent declines in both fertility and mortality not as short-term aberrations, but as the beginning of new long-term trends. (p. 9)

The Census Bureau should develop more information on the future elderly population—its size, characteristics, and location—and make this information available to agencies which plan service facilities for the elderly. (p. 11)

The Census Bureau should report more fully on the long-term consequences of projected population trends for various institutions, and the Demographic Analysis Division of the Census Bureau should be provided with sufficient funds and staff to perform this task. (p. 12)

(We understand that this division exists essentially on paper only, with few or no staff and little or no budget.)

The Select Committee found that the most salient feature of the elderly population is its heterogeneity. Rising life expectance means that there can be several generations within the elderly classification.

Of the 6.9 million increase in the elderly population in the 1980s and 1990s, almost three-fourths will be in the 75 and over age group. (p. 4)

Accordingly, the Select Committee believes that the national data base concerning the elderly should be expanded, in particular, by:

Tabulating and publishing data on the elderly wherever possible by 5-year age groups, and at least by 10-year age groups. Where necessary, the agency involved should consider expansion of the sample, or oversampling of the elderly to obtain a reliable data base:

Conducting long-term surveys, to understand better life changes that take place in the aging process; and

Considering a national survey of the elderly as a means of developing integrated information on the interactions of health, income, social, and other characteristics which determine the complex and interrelated needs of the elderly.

The Select Committee on Population (SCP) also made recommendations about responding to the consequences of changing migration patterns:

American society is still structured around the assumption of continued population growth, and little is known about how best to manage the population decline which is currently taking place in some localities. The Select Committee on Population recommends the support of research on the "management" of decline with a view to training administrators to anticipate and plan more efficiently for changes in population size, both upward and downward. (p. 11)

Because population decline is not entirely a regional phenomenon and because the concept of balanced national growth is ill-defined, Federal aid should be targeted to distressed individuals and localities regardless of their regional location. (p. 12)

The use of population size alone as a criterion for Federal aid to localities ignores the effects on the demand for services of changing population characteristics associated with growth or decline. The SCP recommends a review of Federal formulas for aid to localities and consideration of other factors which better measure the need of localities and their residents for Federal assistance.

Information on migration in the United States is deficient and research in this field is fragmented. A study of Federal research on internal population movements is recommended to investigate, in particular:

The capabilities within the Federal Government for research;

Federal support for non-governmental research;

coordination of research activities and support by the various Federal agencies; and

the availability, quality, and timeliness of the data needed for such research.

The Select Committee on Population made a number of recommendations with regard to the preparation of estimates and projections of the populations of States and local areas and the use of this information by Federal agencies. Some of these were communicated to you in our October 5th letter. The recommendations are as follows:

The Committee supports the efforts of the Census Bureau to improve the review process by which State and local governments can appeal the intercensal estimates prepared by the Census Bureau for use in the General Revenue Sharing program. The Committee further supports the efforts of the Census Bureau to develop a more efficient system for local review of the 1980 Census counts prior to their publication.

A mechanism should be established to review and coordinate the use of projections by Federal agencies and to establish clear guidelines for the preparation and use of projections for State and local areas in Federal funding allocation formulas. The Committee recommends that:

Projections be based on demographically sound methodologies:

Projections be updated regularly;

Checks be applied to assure that the total of all State projections and all projections for local areas be more or less equal to reasonable projections of the total population for the country as a whole—otherwise the local and State projections become misleading or meaningless; and

State and local governments and the public be encouraged to participate in the preparation of projections.

The Statistical Policy Coordination Committee of the President's Cabinet should conduct a survey of all Federal agencies using population projections to determine how those projections are developed and used.

The Census Bureau should expand its support for research on methods of preparing:

estimates of population, demographic characteristics, and migration for States, counties, and subcounty units; and

population projections, projections of demographic characteristics, and projections of migration at the subnational level.

The Committee supports the efforts of the Census Bureau to strengthen the Federal-State Cooperative Program for Local Population Estimates (FSCP) and recommends greater efforts to familiarize State and local officials with available resources. The Committee further recommends that the Census Bureau provide funds to the FSCP representative agencies to support the demographic analysis activities being undertaken by the States. Moreover, the Committee recommends that a parallel Federal-State Cooperative Program for Population Projections be established for the purpose of developing uniform and reliable projections for States and local areas and improving the methods used in preparing these projections. (pp. 13–14)

Finally, the Select Committee on Population made some general recommendations regarding the Federal statistical system:

To improve the accuracy, timeliness, and policy-relevance of the statistical data produced by Federal agencies and departments for effective policy development, the Committee supports the efforts of the President's Reorganization Project to provide coordination and to develop an overall plan for the Federal Statistical System. (p. 13)

To protect the individual's right to privacy, the Federal Government must continue to maintain strict control of the use of administrative records in the preparation of demographic data. When seeking information from citizens, the Federal Government should strive to lessen the burden on respondents by improving questionnaires used for information gathering.

We emphasize that our recommendations reflect the Select Committee's supportive and, we hope, catalytic role within the Congress. Legislative action concerning the issues we have studied clearly lies within the jurisdiction of the appropriate Standing Committees—in this case, the Post Office and Civil Service Committee in particular. We hope our efforts will be of assistance to you and your Department as you work with the highly able Chairman of that Committee, the Honorable James M. Hanley.

We are sending this Report to you for your review and comment. We look forward to receiving your reactions and hope that we are able to meet with you informally should the House in its wisdom decide to reconstitute the Select Committee for the 96th Congress.

With best regards,
Sincerely,

James H. Scheuer,
Chairman.
Dave Stockman,
Cochairman, Task Force on
U.S. Population Change.
John N. Erlenborn,
Ranking Minority Member.
Daniel K. Akaka,
Cochairman, Task Force on
U.S. Population Change.

BAGEL CAPITAL?

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. BINGHAM. Mr. Speaker, last week, in celebration of St. Patrick's Day, our esteemed colleague, Bob Giaimo, circulated a "Dear Colleague" letter of greetings along with a very green bagel. The bagels, which were quite tasty despite their hue, were provided by Lender's, which has been baking bagels in West Haven, Conn., since 1927.

I have no objection to green bagels per se, and I have nothing against the Nutmeg State. In fact, I was born there. But I cannot let pass in silence the claim on Lender's wrappers that Connecticut is the "bagel capital of the world." Connecticut has many claims to fame. But I would have to challenge the suggestion that Connecticut is to bagels what Boston is to chowder or Philadelphia is to cheesesteak. There is only one bagel capital in the world, and as everyone knows, that capital is New York City. Perhaps a bagel and nutmeg sandwich is indigenous to Connecticut. But when it comes to bagels and especially to bagels and lox, there is only New York.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Alexander (at the request of Mr. Wright), for March 19 and 20, on account of official business.

Mr. Ambro (at the request of Mr. Wright), for today, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Grisham), to revise and extend their remarks, and to include extraneous matter:)

Mr. Gilman, for 20 minutes, today.
Mr. Miller of Ohio ,for 1 hour ,today.
Mr. Kemp, for 10 minutes, today.
Mr. Emery, for 5 minutes, today.
Mr. Corcoran, for 5 minutes, today.
Mr. Grassley, for 5 minutes, today.
Mr. Green, for 10 minutes, today.

(The following Members (at the request of Mr. Fazio), to revise and extend their remarks, and to include extraneous matter:)

Mr. Weaver, for 10 minutes, today.
Mr. Bingham, for 15 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Ashley, for 5 minutes, today.
Mr. Ford of Michigan, for 5 minutes, today.
Mr. Panetta, for 5 minutes, today.
Mr. Howard, for 15 minutes, today.
Mr. Flood, for 30 minutes, today.
Mr. Vanik, for 5 minutes, today.
Mr. Drinan, for 5 minutes, today.
Mr. Scheuer, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Gingrich) and to include extraneous matter:)

Mr. Williams of Ohio.
Mr. Solomon.
Mr. Sensenbrenner.
Mr. Gilman in two instances.
Mr. Lent.
Mr. McClory.
Mr. Gradison in two instances.
Mr. Collins of Texas in three instances.
Mr. Green.
Mr. Lagomarsino.
Mr. Symms.
Mr. Frenzel in three instances.
Mr. McKinney.
Mr. Corcoran.
Mr. Young of Alaska in two instances.
Mr. Hansen in three instances.
Mr. Anderson of Illinois in two instances.
Mr. Hagedorn.
Mr. Abdnor in two instances.
Mr. Gingrich.
Mr. Lewis.
Mr. Rudd.
Mr. Findley in two instances.
Mr. Badham.
Mr. Ritter in five instances.
Mr. Michel in two instances.

(The following Members (at the request of Mr. Fazio) and to include extraneous matter:)

Mr. Harris.
Mr. Kildee.
Mr. Benjamin in two instances.
Mr. LaFalce in three instances.
Mr. Dixon.
Mr. Skelton in three instances.
Mr. Giaimo.
Mr. Solarz.
Mr. Anderson of California in three instances.
Mr. Gonzalez in three instances.
Mr. Rodino in two instances.
Mr. Hall of Ohio.
Mr. Blanchard.
Mr. Gore in two instances.
Mr. Harkin.
Mr. Duncan of Oregon.
Mr. Edgar in two instances.
Mr. Hawkins.
Mrs. Schroeder.
Mr. Drinan.
Mr. Panetta.
Mr. Jenkins.
Mr. Bolling of Missouri.
Mr. Applegate.
Mr. Daschle.
Mr. Vanik.
Mr. Murphy of Illinois.
Mr. Scheuer.
Mr. Mitchell of Maryland.
Mr. Wolff.
Mr. Bonker.
Mr. Evans of Indiana.
Mr. Studds.
Mr. Murtha.
Mr. Garcia.

ADJOURNMENT

Mr. HOWARD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 19 minutes p.m.) The House adjourned until tomorrow Wednesday, March 21, 1979, at 3 p.m.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1978, TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following report for printing in the Congressional Record pursuant to section 4(b) of Public Law 85–804:

Department of Energy,
Washington, D.C., March 15, 1979.
Hon. Thomas P. O'Neill,
Speaker of the House of Representatives, Washington, D.C.

Dear Mr. Speaker: The following information is submitted pursuant to the provisions of Public Law 85–804, and implementing instructions contained in Federal Procurement Regulation Part 1–17.

For the calendar year ending December 31, 1978, the following actions, under the subject Act, are reported for the Department of Energy:

1. Action approved: Contractual Fairness-Formalization of Informal Commitment.

Amount requested	$7,865
Amount approved	*$7,865

*Approved pending reconsideration.

2. Actions denied: None.

Sincerely,

John E. Reid,
Director, Office of Procurement Management, Procurement and Contracts, Management Directorate.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1018. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of Defense—Military for "Retired pay, defense" for fiscal year 1979 has been apportioned on a basis which indicates the necessity for a supplemental appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations

1019. A letter from the Secretary of Housing and Urban Development, transmitting a report on the Department's experience under the Interstate Land Sales Full Disclosure Act in administering the onsite inspection statutory exemption, administering the 300 lot limited offering regulatory exemption, and reaching administrative settlements regarding various kinds of fraudulent practices, requested by a provision in the Conference Report on the Housing and Community Development Amendments of 1978: to the Committee on Banking, Finance and Urban Affairs.

1020. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the fourth annual report of the Corporation's Office of Consumer Affairs and Civil Rights, pursuant to section 18(f)(5) of the Federal Trade Commission Act, as amended; to the Committee on Banking, Finance and Urban Affairs.

1021. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations amending the Family Contributions Schedules for use during the 1979–80 award period under the basic educational opportunity grant program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1022. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of the Federal Republic of Germany for permission to transfer certain U.S.-origin military equipment to the Government of Greece, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1023. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of an export license for certain defense equipment sold commercially to Saudi Arabia (Transmittal No. MC-12-79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1024. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of an export license for certain defense equipment to the Federal Republic of Germany (Transmittal No. MC-13-79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1025. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of an export license for certain defense equipment sold commercially to Israel (transmittal No. MC-17-79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1026. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to the United Kingdom (transmittal No. 79-10), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1027. A letter from the Chairman, Federal Election Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1028. A letter from the Secretary, Commission of Fine Arts, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1029. A letter from the Executive Secretary, National Mediation Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1030. A letter from the Chairman, Board of Directors, Tennessee Valley Authority, transmitting a report on the Authority's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1031. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting reports for the month of December 1978, on changes in market shares of refined petroleum products and of retail gasoline, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

1032. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of December 1978, on the average number of passengers per day on board each train operated, and the ontime performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

1033. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the U.S. Customhouse and Appraiser's Stores, Philadelphia, Pa., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1034. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the Federal Fire Prevention and Control Act of 1974; to the Committee on Science and Technology.

1035. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38 of the United States Code to provide for the right of the United States to recover the costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State, and for other purposes; to the Committee on Veterans' Affairs.

1036. A letter from the Comptroller General of the United States, transmitting a report on the Navy's strategic communications systems (PSAD-79-48, March 19, 1979); jointly, to the Committees on Government Operations, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 2301. A bill to amend the Federal District Court Organization Act of 1978 with respect to certain administrative matters arising from the redrawing of the Federal judicial districts in the State of Illinois; with amendment (Rept. No. 96-55). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. H.R. 595. A bill to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, and to provide for the deposit of moneys received from the sale of such tin (Rept. No. 96-56). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 1543. A bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974; with amendment (Rept No. 96-57). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 2676. A bill to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1980, and for other purposes; with amendment (Rept. No. 96-58). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee of conference. Conference report on H.R. 2439 (Rept. No. 96-59). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY (for himself and Mr. Reuss) (by request):

H.R. 3097. A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BRINKLEY:

H.R. 3098. A bill to amend title 10 of the United States Code to provide essential medical and dental care to members or former members of a uniformed service and their dependents where the member or former member is entitled to retired or retainer pay or equivalent pay; to the Committee on Armed Services.

By Mr. BINGHAM:

H.R. 3099. A bill to amend the Emergency Petroleum Allocation Act of 1973 to extend price controls on domestically produced crude oil for a period of 24 months; to the Committee on Interstate and Foreign Commerce.

By Mr. CARR (for himself, Mr. Ratchford, Mrs. Schroeder, Mr. Rose, Mr. Lundine, Mr. Edgar, Mr. Fazio, Mr. Mitchell of Maryland, Mr. Moffett, Mr. Richmond, Mr. Volkmer, Mr. Gephardt, Mr. Aspin, Ms. Holtzman, Mr. Downey, Mr. Harris, Mr. Matsui, Mr. Leland, Mr. Kostmayer, Mr. Bonior of Michigan, Mr. Gore, Mr. Weaver, Mr. Dodd, Mr. Bedell, Mr. McCloskey, Mr. Vento, Mr. Traxler, Mr. Albosta, Mr. Benjamin, Mr. Kildee, Mr. Miller of California, Mr. Price, Mr. Luken, Mr. Murphy of Pennsylvania, Mr. Mazzoli, and Mr. Myers of Pennsylvania):

H.R. 3100. A bill to limit the amount of outside earned income which may be received by Members of the House of Representatives and Senators; to the Committee on Rules.

By Mr. CORMAN (for himself and Mr. Fascell):

H.R. 3101. A bill to amend title XVIII of the Social Security Act with respect to surgical procedures which can be safely and appropriately performed on an ambulatory basis; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. DASCHLE (for himself, Mr. Bonior of Michigan, Mr. Aspin, Mr. Bailey, Mr. Bereuter, Mr. Cavanaugh, Mr. Dodd, Mr. Ertel, Mr. Frost, Mr. Gore, Mr. Harkin, Mr. LaFalce, Mr. Murtha, Mr. Panetta, and Mr. Roth):

H.R. 3102. A bill to amend title 38, United States Code, to provide expanded readjustment benefits for Vietnam-era veterans by promoting employment of such veterans through job vouchers, by providing increased funding and improved programs for health and psychological care for such veterans, by improving education assistance under the GI bill for such veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DUNCAN of Tennessee:

H.R. 3103. A bill to amend the Internal Revenue Code of 1954 to provide that expenditures for woodburning stoves shall be eligible for the 15 percent residential energy credit for energy conservation expenditures; to the Committee on Ways and Means.

By Mr. EVANS of Indiana:

H.R. 3104. A bill to prohibit the Secretary of Agriculture from prohibiting the use of nitrites as food preservatives as the basis of any carcinogenic effect nitrates may be represented to have until a satisfactory substitute is commercially available; to the Committee on Agriculture.

By Mr. GRASSLEY:

H.R. 3105. A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work requirements as a condition of eligibility for aid to families with dependent children; to the Committee on Ways and Means.

By Mr. GRASSLEY (for himself, Mr. Abdnor, Mr. Albosta, Mr. Alexander, Mr. Andrews of North Dakota, Mr. Ashbrook, Mr. Atkinson, Mr. AuCoin, Mr. Badham, Mr. Bafalis, Mr. Bailey, Mr. Baldus, Mr. Bauman, Mr. Beard of Tennessee, Mr. Bedell, Mr. Benjamin, Mr. Bennett, Mr. Bereuter, Mr. Bevill, Mrs. Bouquard, Mr. Brown of Ohio, Mr. Buchanan, Mr. Burgener, Mr. John L. Burton, Mr. Butler, Mr. Cavanaugh, Mr. Chappell, Mr. Cheney, Mr. Clausen, Mr. Cleveland, Mr. Clinger, Mr. Coleman, Mr. Corcoran, Mr. Coelho, Mr. Conte, Mr. Corrada, Mr. Daniel B. Crane, Mr. Dannemeyer, Mr. Dan Daniel, Mr. Danielson, Mr. Daschle, Mr. Derwinski, Mr. Dornan, Mr. Edgar, Mr. Edwards of Oklahoma, Mr. English, Mr. Evans of Georgia, Mr. Evans of the Virgin Islands, Mr. Fazio, Mr. Fithian, Mr. Forsythe, Mr. Fountain, Mr. Fuqua, Mr. Gilman, Mr. Gingrich, Mr. Ginn, Mr. Glickman, Mr. Goodling, Mr. Grisham, Mr. Guarini, Mr. Gudger, Mr. Guyer, Mr. Hagedorn, Mr. Hall of Texas, Mr. Hamilton, Mr. Hance, Mr. Hanley, Mr. Hinson, Mrs. Holt, Mr. Howard, Mr. Hubbard, Mr. Huckaby, Mr. Hughes, Mr. Hyde, Mr. Ichord, Mr. Jacobs, Mr. Jenrette, Mr. Johnson of Colorado, Mr. Kindness, Mr. Kogovsek, Mr. LaFalce, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Leach of Louisiana, Mr. Leath of Texas, Mr. Leland, Mr. Lloyd, Mr. Long of Maryland, Mr. Long of Louisiana, Mr. McCloskey, Mr. McDonald, Mr. McHugh, Mr. McKinney, Mr. Maguire, Mr. Marlenee, Mr. Marriott, Mr. Martin, Mr. Mathis, Ms. Mikulski, Mr. Minish, Mr. Mollohan, Mr. Montgomery, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Nichols, Mr. Nolan, Mr. O'Brien, Mr. Ottinger, Mr. Panetta, Mr. Pashayan, Mr. Patten, Mr. Patterson, Mr. Price, Mr. Perkins, Mr. Robinson, Mr. Rudd, Mr. Sabo, Mr. Scheuer, Mr. Schulze, Mr. Sebelius, Mr. Sensenbrenner, Mr. Shumway, Mr. Skelton, Mrs. Smith of Nebraska, Mrs. Spellman, Mr. Stangeland, Mr. Stark, Mr. Stump, Mr. Symms, Mr. Tauke, Mr. Thomas, Mr. Thompson, Mr. Traxler, Mr. Trible, Mr. Vento, Mr. Walker, Mr. Wampler, Mr. Weaver, Mr. Whitehurst, Mr. Whitley, Mr. Whittaker, Mr. Williams of Montana, Mr. Charles Wilson of Texas, Mr. Winn, Mr. Wolff, Mr. Wolpe, Mr. Won Pat, Mr. Wirth, Mr. Yatron, Mr. Young of Florida, and Mr. Watkins):

H.R. 3106. A bill to amend the Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale or exchange of certain farmland and other rural land located in the United States; to the Committee on Ways and Means.

By Mr. HUCKABY (for himself, Mr. Whitten, Mr. Breaux, Mr. Long of Louisiana, Mrs. Boggs, Mr. Leach of Louisiana, Mr. Moore, Mr. Livingston, Mr. Montgomery, Mr. Hinson, Mr. Bowen, Mr. Lott, Mr. Bethune, Mr. Hammerschmidt, and Mr. Anthony):

H.R. 3107. A bill to establish the Tensas River National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. JACOBS:

H.R. 3108. A bill to amend the Internal Revenue Code of 1954 to provide that an individual who does not itemize deductions may deduct charitable contributions to the extent such contributions exceed $200; to the Committee on Ways and Means.

H.R. 3109. A bill to amend title XVIII of the Social Security Act to permit payment under the medicare program for certain types of foot care; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. JENKINS:

H.R. 3110. A bill to amend the Tariff Schedules of the United States to provide a duty on certain items relating to models of household furnishings and accessories, and miniature houses; to the Committee on Ways and Means.

By Mr. LIVINGSTON (for himself, Mr. Johnson of California, Mr. Lederer, and Mr. Forsythe):

H.R. 3111. A bill to direct the Secretary of the Army to study and recommend to Congress the extent of non-Federal cooperation that should be required for retaining works for dredged material at water resources development projects under the jurisdiction of the Secretary of the Army; to the Committee on Public Works and Transportation.

By Mr. McCLOSKEY (for himself and Mr. Mineta):

H.R. 3112. A bill to amend the Renegotiation Act of 1951 to provide that such act shall only be in effect when the President, during a period of national emergency, determines that having the provisions of such act in effect would be in the best interest of the country; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MITCHELL of Maryland:

H.R. 3113. A bill to amend the Small Business Act to provide that procurement programs under such act shall remain in full force and effect without regard to the enactment of any implementing bill under the Trade Act of 1974, nor any provision of law heretofore or hereinafter enacted; to the Committee on Small Business.

By Mr. PEASE:

H.R. 3114. A bill to amend the Federal Election Campaign Act of 1971 to provide for financing of general election campaigns for the House of Representatives, and to amend the Internal Revenue Code of 1954 to provide a limited additional tax credit for political contributions to candidates for Congress; to the Committee on House Administration, and Ways and Means.

By Mr. REGULA:

H.R. 3115. A bill to amend the Internal Revenue Code of 1954 to allow certain federally required nonproductive expenditures to be treated as expenses, and for other purposes; to the Committee on Ways and Means.

By Mr. SAWYER:

H.R. 3116. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. SOLOMON:

H.R. 3117. A bill to amend the Internal Revenue Code of 1954 to allow certain low- and middle-income individuals a refundable tax credit for a certain portion of the property taxes paid by them on their principal residences or of the rent they pay for their principal residences; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 3118. A bill to enable freestone peach growers to finance through their own industry a nationally coordinated research and education program to improve their competitive position and expand their markets for peaches; to the Committee on Agriculture.

By Mr. STAGGERS (by request):

H.R. 3119. A bill to extend the Solid Waste Disposal Act for 2 years; to the Committee on Interstate and Foreign Commerce.

H.R. 3120. A bill to extend provisions of the Noise Control Act of 1972 for 2 years; to the Committee on Interstate and Foreign Commerce.

H.R. 3121. A bill to amend the Flammable Fabrics Act to eliminate certain reporting requirements imposed upon the Secretary of Commerce by such act; to the Committee on Interstate and Foreign Commerce.

By Mr. VANIK:

H.R. 3122. A bill relating to the tariff treatment of certain articles; to the Committee on Ways and Means.

By Mr. WATKINS:

H.R. 3123. A bill to exempt from allocation and price regulations under the Emergency Petroleum Allocation Act of 1973 crude oil produced from deep stripper wells; to the Committee on Interstate and Foreign Commerce.

By Mr. WAXMAN (by request):

H.R. 3124. A bill to extend expiring appropriation authorizations for emergency medical services systems and health information and promotion, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WAXMAN (for himself, Mr. Walgren, Mr. Leland, and Mr. Carter):

H.R. 3125. A bill to extend for 3 fiscal years the expiring health information programs under title XVII of the Public Health Service Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHARLES WILSON of Texas:

H.R. 3126. A bill to provide price incentives for production of crude oil from tertiary recovery projects; to the Committee on Interstate and Foreign Commerce.

H.R. 3127. A bill to reduce temporarily the rate of duty on ceramic insulators used in spark plugs; to the Committee on Ways and Means.

By Mr. ASHBROOK:

H.R. 3128. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. GONZALEZ:

H.R. 3129. A bill to provide for the protection of franchised dealers of petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. GONZALEZ (by request):

H.R. 3130. A bill to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HANCE (for himself, Mr. Huckaby, Mr. Bailey, Mr. Atkinson, Mr. Volkmer, Mr. Kogovsek, and Mr. Leath of Texas):

H.R. 3131. A bill to amend title V of the Public Utility Regulatory Policies Act of 1978 to provide for preemption of certain State laws prohibiting or unduly hampering the construction of the Long Beach-Midland project or any crude oil transportation system approved under such title, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Ms. HOLTZMAN:

H.R. 3132. A bill to provide for the establishment of occupational safety and health standards to protect employees from nonionizing radiation (including the establishment of emergency temporary standards for radiation from radio frequency industrial heating devices until permanent standards are established); to the Committee on Education and Labor.

By Mr. JONES of Oklahoma:

H.R. 3133. A bill to suspend revenue sharing payments to States under the State and

Local Assistance Act of 1972; to the Committee on Government Operations.

H.R. 3134. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to allow the use of a participant's contributions to certain defined contribution plans as security for a loan from a bank or insured credit union; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. SOLARZ:

H.R. 3135. A bill to amend the Urban Mass Transportation Act of 1964 to authorize grants to be made for the reduction of noise associated with certain rail mass transportation systems, to authorize research, development, and demonstration programs for the reduction of noise associated with urban mass transportation, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. BURLISON (for himself, Mr. Price, Mr. Won Pat, Mr. Kildee, Mr. Mitchell of Maryland, Mr. Gibbons, Mr. Yatron, Mr. Young of Missouri, Mr. Hanley, Mr. Studds, and Mr. Carr):

H.J. Res. 261. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. FORD of Michigan (for himself, Mr. Brademas, and Mr. Thompson:)

H.J. Res. 262. Joint resolution to declare May 18, 1979 to be "National Museum Day"; to the Committee on Post Office and Civil Service.

By Mr. GARCIA (for himself, Mr. Baldus, Mr. Benjamin, Mr. Bonior of Michigan, Mr. Brodhead, Mr. Brown of California, Mr. John L. Burton, Mr. Corrada, Mr. de la Garza, Mr. Dellums, Mr. Downey, Mr. Flood, Mr. Gilman, Mr. Goodling, Mr. Green, Mr. Hawkins, Mr. Heftel, Mr. Horton, Mr. Jenrette, Mr. Maguire, Mr. Murphy of Pennsylvania, Mr. Nolan, Mr. Perkins, Mr. Rangel, Mr. Roe, Mr. Roybal, Mr. Scheuer, Mr. Solarz, Mr. Stangeland, Mr. Thompson, Mr. Van Deerlin, Mr. Vento, Mr. Waxman, and Mr. Weiss):

H.J. Res. 263. Joint resolution to authorize and require the President to issue a proclamation designating November 18 through 24, 1979, the week of Thanksgiving, as "National Farmworkers' Week"; to the Committee on Post Office and Civil Service.

By Mr. GRADISON:

H.J. Res. 264. Joint resolution proposing an amendment to the Constitution of the United States relative to the assignment of public school students; to the Committee on the Judiciary.

By Mr. GREEN (for himself, Mr. Addabbo, Mr. Ambro, Mr. Archer, Mr. AuCoin, Mr. Barnes, Mr. Biaggi, Mr. Bingham, Mr. Blanchard, Mr. Bonior of Michigan, Mr. Brodhead, Mr. Corrada, Mr. Drinan, Mr. Edwards of California, Mrs. Fenwick, Mr. Flood, Mr. Florio, Mr. Frenzel, Mr. Frost, Mr. Gilman, Mr. Goldwater, Mr. Guyer, Mrs. Heckler, Mr. Heftel, Mr. Hollenbeck, Ms. Holtzman, Mr. Howard, Mr. Hyde, Mr. Kemp, Mr. Kostmayer, Mr. Kildee, Mr. Lagomarsino, Mr. Lehman, Mr. Lent, Mr. Long of Maryland, Mr. McHugh, Mr. McKinney, Mr. Maguire, Mr. Markey, Mr. Marlenee, Mr. Moakley, Mr. Moore, Mr. Pepper, Mr. Peyser, Mr. Ottinger, Mr. Rangel, Mr. Richmond, Mr. Roe, Mr. Rosenthal, Mr. Scheuer, Mrs. Schroeder, Mr. Shannon, Mr. Solarz, Mr. Traxler, Mr. Waxman, Mr. Weiss, Mr. Wolff, and Mr. Yates):

H.J. Res. 265. Joint resolution imploring the Union of Soviet Socialist Republics to release Doctor Semyon Gluzman from prison, and permit him and his family to imigrate to Israel; to the Committee on Foreign Affairs.

By Mr. STAGGERS:

H.J. Res. 266. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. SEBELIUS (for himself, Mr. Murphy of Illinois, Mr. Watkins, Mr. Buchanan, Mr. Fazio, Mr. Fuqua, Mr. Wolpe, Mr. Panetta, Mr. Whitley, Mr. Winn, Mr. Carter, Mr. Ginn, Mr. Downey, Mr. Walker, Mr. Richmond, Mr. Erdahl, Mr. Vento, Mr. Johnson of California, Mr. Akaka, Mr. Cheney, Mr. Evans of the Virgin Islands, Mr. Snyder, Mr. Jones of Tennessee, Mr. Bailey, Mr. Andrews of North Dakota, Mr. Corrada, Mrs. Byron, Mr. Florio, Mr. Flood, Mr. Gudger, Mr. Frenzel, Mr. Murphy of Pennsylvania, Mr. LaFalce, Mr. Patten, Mr. McHugh, Mr. Hall of Texas, Mr. Fithian, Mr. Scheuer, Mr. Duncan of Tennessee, Mr. Dougherty, Mr. Rahall, Mr. Lagomarsino, Mr. Walgren, Mr. Spence, Mrs. Holt, Mr. Kildee, Mr. Evans of Georgia, Mr. Weiss, Mr. Waxman, Mr. Johnson of Colorado, Mr. Davis of Michigan, Mr. Vander Jagt, Mr. McCormack, Mr. Mitchell of New York, Mr. Gore, Mr. Jeffries, Mr. Hansen, Mr. Jeffords, Mr. Taylor, Mr. Marlenee, Mrs. Heckler, Mr. Symms, Mr. Findley, Mr. Wampler, Mr. Loeffler, Mr. Jenrette, Mr. McDonald, Mr. Guyer, Mr. Shuster, and Mrs. Smith of Nebraska):

H.J. Res. 267. Joint resolution to provide for designation of the first Friday of March as "Teacher Day, U.S.A."; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Missouri:

H.J. Res. 268. Joint resolution designating May 13, 1979, through May 19, 1979, as "Municipal Clerks' Week"; to the Committee on Post Office and Civil Service.

By Mr. McCLORY (for himself, Mr. Hyde, Mr. Bafalis, and Mr. Whitehurst):

H.J. Res. 269. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget, the limitation of expenditures and the reduction of the public debt; to the Committee on the Judiciary.

By Mr. BINGHAM (for himself, Mr. Addabbo, Mr. Akaka, Mr. Albosta, Mr. Anderson of California, Mr. Anderson of Illinois, Mr. Bailey, Mr. Baldus, Mr. Barnes, Mr. Bedell, Mr. Beilenson, Mr. Benjamin, Mrs. Boggs, Mr. Boland, Mr. Bolling, Mr. Bonior of Michigan, Mr. Bonker, Mrs. Bouquard, Mr. Brademas, Mr. Brodhead, Mr. Brown of Ohio, Mr. Brown of California, Mr. Buchanan, Mr. John L. Burton, Mr. Phillip Burton, Mr. Carr, Mr. Cavanaugh, Mr. Cheney, Mrs. Chisholm, Mr. Clay, Mr. Coelho, Mrs. Collins of Illinois, Mr. Conte, Mr. Conyers, Mr. Corman, Mr. Corrada, Mr. Cotter, Mr. Coughlin, Mr. Dellums, Mr. Diggs, Mr. Dixon, Mr. Dodd, Mr. Downey, Mr. Drinan, Mr. Duncan of Tennessee, Mr. Duncan of Oregon, Mr. Eckhardt, Mr. Edgar, Mr. Edwards of California, Mr. Ertel, Mr. Evans of the Virgin Islands, Mr. Fascell, Mr. Fauntroy, Mr. Fazio, Mrs. Fenwick, Mr. Findley, Mr. Fish, Mr. Fisher, Mr. Flood, Mr. Foley, Mr. Ford of Tennessee, Mr. Fowler, Mr. Frenzel, Mr. Frost, Mr. Gibbons, Mr. Gilman, Mr. Gingrich, Mr. Ginn, Mr. Gore, Mr. Gray, Mr. Green, Mr. Guarini, Mr. Gudger, Mr. Harris, Mr. Hawkins, Mr. Heftel, Mrs. Holt, Ms. Holtzman, Mr. Horton, Mr. Howard, Mr. Hughes, Mr. Jacobs, Mr. Jenrette, Mr. Johnson of Colorado, Mr. Kastenmeier, Mr. Kildee, Mr. Kogovsek, Mr. Kostmayer, Mr. LaFalce, Mr. Lederer, Mr. Lee, Mr. Leland, Mr. Long of Maryland, Mr. Long of Louisiana, Mr. Lowry, Mr. Luken, Mr. Markey, Mr. Marks, Mr. Matsui, Mr. Mavroules, Mr. Mazzoli, Mr. McCloskey, Mr. McHugh, Ms. Mikulski, Mr. Mikva, Mr. Miller of California, Mr. Mineta, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Moffett, Mr. Moorhead of Pennsylvania, Mr. Murphy of New York, Mr. Murphy of Illinois, Mr. Myers of Pennsylvania, Mr. Neal, Mr. Nolan, Mr. Nowak, Mr. O'Brien, Mr. Ottinger, Mr. Panetta, Mr. Patterson, Mr. Pepper, Mr. Peyser, Mr. Price, Mr. Pritchard, Mr. Rahall, Mr. Rangel, Mr. Ratchford, Mr. Reuss, Mr. Richmond, Mr. Rodino, Mr. Roe, Mr. Rose, Mr. Rosenthal, Mr. Roybal, Mr. Sabo, Mr. Scheuer, Mr. Seiberling, Mr. Shannon, Mr. Sharp, Mr. Simon, Mr. Solarz, Mrs. Spellman, Mr. Stanton, Mr. Stark, Mr. Stewart, Mr. Stokes, Mr. Studds, Mr. Swift, Mr. Thompson, Mr. Traxler, Mr. Trible, Mr. Udall, Mr. Van Deerlin, Mr. Vento, Mr. Volkmer, Mr. Walgren, Mr. Waxman, Mr. Weiss, Mr. Williams of Montana, Mr. Charles Wilson of Texas, Mr. Charles H. Wilson of California, Mr. Wolff, Mr. Wolpe, Mr. Won Pat, and Mr. Yates):

H. Con. Res. 80. Concurrent resolution authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. SCHEUER (for himself and Mr. Erlenborn):

H. Con. Res. 81. Concurrent resolution providing for the printing of additional copies of certain committee prints with changes of the Select Committee on Population of the House of Representatives; to the Committee on House Administration.

By Mr. HUGHES:

H. Res. 166. Resolution to require the Federal Government to give proper consideration to the energy needs of all segments of the economy, including the travel and tourist industry; to the Committee on Interstate and Foreign Commerce.

By Mr. MOAKLEY:

H. Res. 167. Resolution to amend the Rules of the House of Representatives to extend the time limit for publication of committee rules; to the Committee on Rules.

H. Res. 168. Resolution to amend the Rules of the House of Representatives to establish an optional expedited procedure for mark-up of legislation, subject to certain restrictions; to the Committee on Rules.

H. Res. 169. Resolution to amend the Rules of the House of Representatives to eliminate duplicate cost estimates; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

77. By the SPEAKER: Memorial of the Legislature of the State of New Mexico, relative to conversion of wood and agricultural waste into fuel and other energy sources; to the Committee on Agriculture.

78. Also, memorial of the Legislature of the State of Arkansas, relative to trade and

diplomatic relations with Taiwan; to the Committee on Foreign Affairs.

79. Also, memorial of the Legislature of the State of Utah, relative to transfer of Federal lands to the State; to the Committee on Interior and Insular Affairs.

80. Also, memorial of the Legislature of the State of Utah, relative to wilderness designations; to the Committee on Interior and Insular Affairs.

81. Also, memorial of the House of Representatives of the State of Arizona, relative to proposed amendments to the McCarran-Ferguson Act; to the Committee on the Judiciary.

82. Also, memorial of the Legislature of the State of Idaho, relative to benefits for veterans of World War I, to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AuCOIN:

H.R. 3136. A bill for the relief of Conrad E. Hermsted; to the Committee on the Judiciary.

By Mr. BARNARD:

H.R. 3137. A bill for the relief of William H. Spratling; to the Committee on the Judiciary.

By Mr. DORNAN:

H.R. 3138. A bill for the relief of Surip Karmowiredjo; to the Committee on the Judiciary.

By Mr. EDWARDS of California:

H.R. 3139. A bill for the relief of Pedro G. Feraro; to the Committee on the Judiciary.

By Mr. FARY:

H.R. 3140. A bill for the relief of Edward L. Simanek; to the Committee on the Judiciary.

By Mr. HANSEN:

H.R. 3141. A bill for the relief of Walter Mario Piccirillo; spouse, Emma Piccirillo; and sons, Mario Williams Piccirillo; and Roberto Piccirillo; to the Committee on the Judiciary.

By Ms. HOLTZMAN:

H.R. 3142. A bill for the relief of Michael Carl Brown; to the Committee on the Judiciary.

By Mr. LEVITAS:

H.R. 3143. A bill for the relief of Mirko Mark Sedlak; to the Committee on the Judiciary.

By Ms. MIKULSKI:

H.R. 3144. A bill to authorize the appointment of Col. Mary Agnes Hallaren, U.S. Army, retired to the grade of brigadier general on the Retired List of the U.S. Army; to the Committee on Armed Services.

By Mr. SHARP:

H.R. 3145. A bill for the relief of Kil Soo Kim; to the Committee on the Judiciary.

By Mr. ZEFERETTI:

H.R. 3146. A bill for the relief of Patrick A. and Wayne L. Thomas; to the Committee on the Judiciary.

By Mr. BARNARD:

H. Res. 170. Resolution to refer the bill (H.R. 3137) for the relief of William H. Spratling to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 10: Mr. Hall of Texas.

H.R. 15: Mr. Charles H. Wilson of California, Mr. Shannon, Mr. Eckhardt, Mr. Mineta, Mr. Evans of the Virgin Islands, Mr. Wolpe, and Mr. Gilman.

H.R. 27: Mr. Ford of Tennessee.

H.R. 117: Mr. Kelly, Mr. Kindness, Mr. Whitehurst, Mr. Symms, Mr. Hall of Texas, Mr. Winn, Mr. Paul, Mr. McCloskey, and Mr. Mottl.

H.R. 333: Mrs. Bouquard, Mr. Rousselot, Mr. Corcoran, Mr. Glickman, Mr. Martin, Mr. McDade, Mr. Goodling, and Mr. Dornan.

H.R. 684: Mrs. Byron.

H.R. 806: Mr. Dornan.

H.R. 809: Mr. Buchanan, Mr. Robert W. Daniel, Jr., Mr. Glickman, and Mr. Stark.

H.R. 810: Mr. Trible.

H.R. 989: Mr. Lee, and Mr. Lent.

H.R. 1309: Mr. Robert W. Daniel, Jr., and Mr. Glickman.

H.R. 1609: Mr. Lehman, Mr. Moakley, and Mr. Hightower.

H.R. 1745: Mr. Bowen, Mr. Lewis, Mr. Patterson, Mr. Cleveland, Mr. Stokes, Mr. Kemp, Mr. Grassley, Mrs. Fenwick, Mr. Fazio, Mr. Gradison, Mr. Gingrich, and Mr. Jenrette.

H.R. 1913: Mr. Symms, and Mr. Guyer.

H.R. 1958: Mrs. Holt, Mr. Whitehurst, Mr. Dannemeyer, Mr. Loeffler, Mr. Chappell, Mr. Nichols, Mr. Myers of Indiana, Mr. Clausen, Mr. Stump, Mr. Sebelius, Mr. Lee, Mr. Hopkins, Mr. Devine, Mr. Rousselot, Mr. Paul, Mr. Shumway, Mr. Rudd, Mr. Kramer, Mr. Evans of the Virgin Islands, Mr. Wylie, Mr. Thomas, Mr. Campbell, Mr. Montgomery, Mr. Duncan of Tennessee, Mr. Erdahl, Mr. Jeffords, and Mr. Robinson.

H.R. 1971: Mr. Bonior of Michigan, Mr. Buchanan, Mr. Carr, Mr. D'Amours, Mr. Edwards of California, Mr. Gephardt, Mr. Goldwater, Mr. Hance, Mr. Jeffords, Mr. Jenrette, Mr. LaFalce, Mr. Lloyd, Mr. Markey, Mr. McHugh, Mr. Neal, Mr. Nolan, Mr. Ottinger, Mr. Pepper, Mr. Sabo, Mr. Vento, Mr. Whitehurst, Mr. Young of Alaska, and Mr. Zablocki.

H.R. 2075: Mr. Dornan.

H.R. 2076: Mr. Glickman.

H.R. 2203: Mr. Bedell, Mr. Bonior of Michigan, Mr. Carr, Mr. Conyers, Mr. Corrada, Mr. D'Amours, Mr. Downey, Mr. Edgar, Mr. Edwards of California, Mr. Ertel, Ms. Holtzman, Mr. LaFalce, Mr. Maguire, Mr. Mineta, Mr. Mitchell of New York, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Nowak, Mr. Pease, Mr. Rangel, Mr. Richmond, Mrs. Schroeder, Mr. Seiberling, Mr. Solarz, Mr. Vento, and Mr. Walgren.

H.R. 2248: Mr. Anderson of Illinois, Mr. Ottinger, Mr. Kostmayer, Mrs. Fenwick, Mr. Dougherty, and Mr. Cheney.

H.R. 2364: Mr. Bedell, Mr. Boland, Mrs. Bouquard, Mr. Brown of Ohio, Mr. Corcoran, Mr. Daschle, Mr. Dornan, Mr. Duncan of Tennessee, Mr. Evans of Delaware, Mr. Fithian, Mr. Goodling, Mr. Heftel, Mr. Lee, Mr. Maguire, Mr. Moakley, Mr. Roe, Mr. Russo, Mr. Whitehurst, Mr. Winn, and Mr. Wolpe.

H.R. 2374: Mr. Gore, Mr. Lundine, Mr. Udall, and Mr. Wolpe.

H.R. 2412: Mr. Akaka, Mr. Barnes, Mr. Bonior of Michigan, Mr. Conyers, Mr. Corrada, Mr. Downey, Mr. Duncan of Oregon, Mr. Edwards of California, Mr. Garcia, Mr. Harkin, Ms. Holtzman, Mr. Horton, Mr. Hughes, Mr. Lederer, Mr. Lowry, Mr. McKinney, Mr. Mitchell of Maryland, Mr. Nowak, Mr. Ottinger, Mr. Patten, Mr. Pepper, Mr. Sabo, Mr. Scheuer, Mr. Seiberling, Mr. Stark, and Mr. Rangel.

H.R. 2525: Mr. Dornan.

H.R. 2654: Mr. Evans of the Virgin Islands.

H.R. 2727: Mr. Beard of Tennessee, Mr. Hance, Mr. Lujan, and Mr. Winn.

H.R. 2820: Mr. Hinson, Mr. McKinney, and Mr. Pashayan.

H.R. 2852: Mr. Pritchard, Mr. Anderson of California, Mr. Bedell, Mr. Emery, Mr. Grisham, Mr. Addabbo, Mr. Mitchell of Maryland, Mr. Davis of Michigan, Mr. Gore, Mr. Luken, Mr. Vento, Mr. Donnelly, Mr. Wolpe, Mr. Corrada, Mr. Edgar, Mr. Kildee, Mr. Bonior of Michigan, Mr. Mitchell of New York, Mr. Mineta, Mr. Derwinski, Mr. Downey, Mr. Clinger, Mr. Coughlin, Mr. Baldus, Mr. Scheuer, Mr. Edwards of California, Mr. Dixon, Mr. Frost, Mrs. Spellman, Mr. Duncan of Tennessee, Mr. Pease, Mr. Nolan, Mr. Glickman, and Mr. Hollenbeck.

H.R. 3041: Mr. Broyhill.

H.J. Res. 215: Mr. Bowen, Mr. Burgener, Mr. Corrada, Mr. Derwinski, Mr. Diggs, Mr. Duncan of Tennessee, Mr. Flood, Mr. Florio, Mr. Fountain, Mr. Grisham, Mr. Hawkins, Mr. Horton, Mr. Jenrette, Mr. LaFalce, Mr. Lagomarsino, Mr. Leach of Louisiana, Mr. McHugh, Mr. Moakley, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Patten, Mr. Perkins, Mr. Roe, Mr. Runnels, Mr. St Germain, Mr. Scheuer, Mr. Solarz, Mr. Vento, Mr. Walgren, Mr. Charles Wilson of Texas, Mr. Wampler, Mr. Wolpe, Mr. Downey, Mr. Rangel, Mr. Hutto, Mr. Huckaby, Mr. Dornan, Mr. AuCoin, and Mr. Gephardt.

H.J. Res. 216: Mr. Boland, Mr. Corrada, Mr. Dicks, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Guarini, Mrs. Heckler, Mr. Jenrette, Mr. Murphy of Pennsylvania, Mr. Myers of Pennsylvania, Mr. Perkins, Mr. Roe, Mr. Rousselot, Mr. Scheuer, Mr. Zeferetti, Mr. Dornan, Mr. Downey, Mr. Mitchell of New York, Mr. Neal, Mr. Rangel, Mr. Wolpe, Mr. Albosta, Mr. Brademas, Mr. Howard, Mr. Van Deerlin, and Mr. Gephardt.

H.J. Res. 238: Mr. Addabbo, Mr. Beard of Rhode Island, Mr. Boland, Mr. Bonior of Michigan, Mr. Brodhead, Mr. Buchanan, Mr. Burgener, Mr. Butler, Mr. Clay, Mr. Coleman, Mr. Corman, Mr. Corrada, Mr. Diggs, Mr. Dodd, Mr. Downey, Mr. Drinan, Mr. Edgar, Mr. Erdahl, Mr. Erlenborn, Mr. Fazio, Ms. Ferraro, Mr. Findley, Mr. Flood, Mr. Florio, Mr. Fountain, Mr. Frost, Mr. Gore, Mr. Green, Mr. Grisham, Mr. Gudger, Mr. Hawkins, Mr. Heftel, Mr. Hollenbeck, Mr. Horton, Mr. Jenrette, Mr. Jones of North Carolina, Mr. Kildee, Mr. Kogovsek, Mr. LaFalce, Mr. Lagomarsino, Mr. Lee, Mr. Leland, Mr. Luken, Mr. McCloskey, Mr. McCormack, Mr. McHugh, Mr. Markey, Mr. Matsui, Mr. Mazzoli, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Murphy of New York, Mr. Neal, Mr. Panetta, Mr. Patten, Mr. Pepper, Mr. Perkins, Mr. Price, Mr. Rangel, Mr. Roe, Mr. Rosenthal, Mr. Russo, Mr. Sawyer, Mr. Scheuer, Mr. Simon, Mr. Solarz, Mr. Spence, Mr. Tauke, Mr. Van Deerlin, Mr. Walgren, Mr. Wampler, Mr. Watkins, Mr. Waxman, Mr. Weaver, Mr. Weiss, Mr. Whittaker, Mr. Charles Wilson of Texas, Mr. Winn, and Mr. Wolpe.

H. Con. Res. 15: Mr. Ertel, Mr. Fauntroy, Mr. Dixon, and Mr. Albosta.

H. Con. Res. 63: Mr. McDade, Mr. Dannemeyer, Mr. Forsythe, Mr. Lagomarsino, Mr. Abdnor, Mr. Dornan, and Mr. Duncan of Tennessee.

H. Res. 138: Mr. Treen.

PETITIONS, ETC.

Under clause 1 of rule XXII,

87. The SPEAKER presented a petition of the executive board, United Rubber, Cork, Linoleum and Plastic Workers of America, Akron, Ohio, relative to children's television advertising; to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

CONGRESSIONAL SCHOLARSHIP PROGRAM

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. GRADISON. Mr. Speaker, I would like to extend formal recognition to a group of high school seniors participating in the Greater Cincinnati Chamber of Commerce congressional scholarship program, now in its 9th consecutive year. In sponsoring this program, I am undertaking to provide indepth insight into the functioning of our Federal Government to those who will undoubtedly be among the leaders of their generation. The 53 students participating faced stiff competition in order to qualify for this program and deserve to be proud of their achievement.

For the next 3 days they will meet with an impressive array of persons representing each of the three branches of our Federal Government. Not only the leadership of the House of Representatives, but also several Members of the Senate will give the students their perspective on the role and functioning of the Congress. The students will be able to question each of these leaders at some length. Tom Pettit will explain to them the responsibilities of the Press. A fellow Cincinnatian, Justice Potter Stewart, will reflect on the crucial function of the judiciary in our democracy. In addition, these young people will have the opportunity to visit the White House.

It is my strong hope that this experience will not only spur a few of these young people to someday serve in our Government, but also imbue them all with a real understanding and appreciation of its role in our society. I am pleased at this time to recognize those who were chosen to participate in the congressional scholarship program and the schools they represent. They are as follows:

Charles Klimko, Aiken High School.
Larry Cook, Anderson High School.
Jill Brunner, Colerain High School.
Darius Burdrys, Colerain High School.
Tina Teague, Deer Park High School.
Lisa Lindsay, Diamond Oaks Career Vocational School.
Mark Wainscott, Elder High School.
Chris Grotte, Elder High School.
Robert Leugers, Forest Park High School.
Veneeta Brewster, Hughes High School.
Loretta Houston, Hughes High School.
Susan Brown, Indian Hill High School.
Kevin Ricke, LaSalle High School.
Dale Harlow, Lockland High School.
Brent Laupenschlegar, Loveland Hurst High School.
Kathleen Plaut, Madeira High School.
Carmen Evans, Marian High School.
Scott Hamlin, Mariemont High School.
Jirlie Kemble, McAuley High School.
Tony Clarke, McNicholas High School.
Mark Skorcz, Moeller High School.
Laura A. Huhn, Mother of Mercy High School.
Carolyn Switzer, Mt Healthy High School.
Julia Davis, Mt Notre Dane High School.
Laura Jane Ruter, North College Hill High School.
Rick Rieger, Northwest Senior High School.
Dee Williams, Oak Hills High School.
Patricia Weller, Our Lady of Angels High School.
Laura Shaffer, Princeton High School.
Francis X. Tafuri, Princeton High School.
Ken Burke, Roger Bacon High School.
Barbara Cain, St. Bernard High School.
Tara Elizabeth Brown, St. Ursula Academy.
Thomas Paquette, St. Xavier High School.
Kim Wiseman, Scarlet Oaks Career Vocational School.
Barbara Moore, Scarlet Oaks Career Vocational School.
Kathy Gardette, Seven Hills High School.
John Schroeder, Summit County Day School.
Linda Symons, Summit Country Day School.
Scott A. Meyer, Sycamore High School.
Andrea Loveless, Taft Senior High School.
Mark Frederick Leininger, Taylor High School.
Kim Wolk, Turpin High School.
Brad Van Etten, Turpin High School.
Jane Rue, Walnut Hills High School.
Derrick Strayhorn, Walnut Hills High School.
Dennis Stadelman, Wm. Henry Harrison High School.
Grade Renee Wait, Woodward High School.
Sylvester Earle Williams, Woodward High School.
Aaron Samuel, Wyoming High School.
Lane Benford, Aiken High School.
Sheila Webster, St. Bernard High School.

CHAPERONES

Mr. Steve Baker.
Mr. Bob McKay.
Mr. Robert G. Hood.●

GOVERNMENT BY BUREAUCRACY

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. APPLEGATE. Mr. Speaker, when are we in Congress going to wake up to the realization that we have allowed ourselves to be little more than puppets of the Federal bureaucracy? This great body, conceived by the creators of our democracy, to represent the people, to write law, and to serve them in their needs, has become the servant of a nonelected and unresponsive bureaucracy. We better do something about it soon.

Government by bureaucracy has caused this Nation unnecessary expenditures of billions of dollars, accelerated the pace of this country toward inflationary and economic chaos and caused untold delays in moving the Nation ahead. The redtape is horrendous when a community or business is attempting to develop a project.

This Congress has been made a bunch of fools through its own stupidity. It should be a reasonably simple procedure for Congress to regain its rightful authority on equal levels with its two brothers of democracy, the executive and judicial branches, but then nothing this Congress has ever done is simplistic.

Commonsense should tell this Congress that this must be done if the integrity and credibility of the Congress with the people is to be regained.

Any journey must start with the first step; therefore, I ask my colleagues to push forth for hearings and ultimate passage of two pieces of legislation—No. 1, Sunset legislation, and No. 2, one house veto power over bureaucratic rules and regulations. These pieces of legislation are far from the total solution but at least provide a step in the right direction.

What is at stake?—Government by the people, for the people, and of the people Nothing less.●

EQUITY IN ANNUITIES

HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. GREEN. Mr. Speaker, the Social Security Amendments of 1977 (Public Law 95-216) and the civil service retirement survivor annuities—reinstatement (Public Law 95-318) provided that widowed annuitants who had attained the age of 60 be permitted to remarry without losing their pension benefits. Public Law 95-216 provided that widowed annuitants on social security who had attained the age of 60 be permitted to remarry without losing their social security pension benefits and Public Law 95-318 provided that widowed annuitants of civil service retirees who had remarried before July 18, 1966, have their pension benefits reinstated if such persons had attained 60 years of age.

Regrettably, when the 95th Congress made these changes in current law it failed to consider the predicament of widowed annuitants of Federal Judges 60 years of age or older who had or were contemplating remarriage.

On March 14, 1979, I introduced H.R. 2974 in order to correct this inequity in current law. H.R. 2974 amends sections 375 and 376 of title 28 of the United States Code, relating to judicial annuities, to provide that annuities under such sections shall not terminate by reason of remarriage of an annuitant after attaining 60 years of age.

This inequity was brought to my attention by Mrs. Zdena Lawrence, widow of Federal Judge Charles D. Lawrence who served with distinction in the U.S. Customs Court for more than 20 years. If enacted H.R. 2974 will remedy this inequity with respect to annuitants of justices of the Federal District Court, Federal Court of Appeals, U.S. Customs Court, U.S. Supreme Court, and other Federal judges appointed for life term.●

BILL TO APPOINT COL. MARY AGNES HALLAREN TO BRIGADIER GENERAL ON RETIRED LIST

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Ms. MIKULSKI. Mr. Speaker, today I am reintroducing a private bill to authorize the appointment of Col. Mary Agnes Hallaren, U.S. Army retired to the grade of brigadier general on the retired list.

I introduced this bill last year on the day that Mary Agnes Hallaren retired from her third career, executive director of the Women in Community Services, Inc. (WICS). Congress adjourned before it had a chance to act on the legislation. Because of the outstanding qualification of Mary Agnes Hallaren, I want to bring the accomplishments of this outstanding individual to the attention of my colleagues.

Today, Senator Tsongas is introducing similar legislation, since Mary Agnes Hallaren was born in hometown of Lowell, Mass.

This is the same Mary A. Hallaren (colonel, U.S. Army, retired) whose military career started in July 1942 when she was selected for the first officers candidate class of the newly formed Women's Auxiliary Army Corps at Fort Des Moines, Iowa.

She was Director of the Women's Army Corps from May 7, 1947, to January 3, 1953, the longest term of any Director WAC. It was largely because of her vision, courage, and dedicated leadership that the WAC became a permanent part of the Regular Army and Reserve on June 12, 1948.

Yet she was denied the rank of brigadier general because of a law that restricted the promotion of women beyond the rank of colonel. In fact, at that time in our history, the only woman who could receive the rank of colonel was the Director WAC. This law, which blatantly discriminated against women, was changed by Public Law 90–130. Unfortunately the law was passed too late to benefit Mary Hallaren. As I continue to recount her splendid career, I know that you will agree that this injustice should be corrected. My bill will not cost the taxpayers any money because I am not asking for back pay or other benefits. I am asking only for the change in rank. I think that it is a matter of simple justice to give this outstanding woman proper acknowledgement for her achievement during her military career.

Long before she became Director WAC, Mary Hallaren had shown signs of leadership and fearlessness. In 1942, she was appointed commanding officer of the First WAAC Separate Battalion, which underwent extensive overseas training in the United States, and in July 1943 arrived in Scotland under command of Capt. Mary A. Hallaren, the first WAAC battalion to serve in the European Theater of Operations in World War II. Following her tour as Director WAC, Colonel Hallaren served in the Headquarters of the European Command and the Office of the Secretary of Defense until her retirement in June 1960.

One of the most respected leaders of the Women's Army Corps, 5-foot-high Colonel Hallaren is known to the Army as the Little Colonel, formerly Captain Peewee. She is also one of the most decorated members of the WAC, having been awarded the Legion of Merit with two Oak Leaf Clusters; the Bronze Star Medal with one Cluster; the French Croix de Guerre avec l'Etoile de Vermeil; and the Legion d'Honneur.

A native of Lowell, Mass., and educated in the parochial and public schools there, Miss Hallaren started her first career as a teacher in the elementary and junior high schools of Lowell and Lexington. She learned to pilot an airplane from a group of men she had joined, who purchased a small private hedgehopper, but her 5-foot torso gave her such a hard time reaching the pedals, that she was forced to design a makeshift platform to cover the gap. One of her great regrets is that her diminutive height prevented her from qualifying to fly an Army plane.

If Mary Hallaren had been born a man, her military career would not have been limited. At this stage in our history when we are all striving to insure that all citizens receive equal treatment under the law, this gesture of bestowing the rank of brigadier general on Mary Hallaren is certainly a simple and just step. I hope my colleagues will support me in this effort.

BIOGRAPHICAL DATA ON MARY A. HALLAREN

Date and Place of Birth: 4 May 1907. Lowell, Massachusetts.

Education: Lowell State Teachers' College (Teaching Certificate); George Washington University (AB Degree); Boston University, Harvard Graduate School.

Career: Present Position: Executive Director, Women in Community Service, Inc. February 1965—

Civilian: Teacher, Elementary and Junior High School (15 years) Special Work: Remedial Reading.

Volunteer, worked with underprivileged families, contacts through schools (tutoring, etc.).

Lecturer, re walking tours in United States, Alaska, Canada, Europe, Near East, Latin and South America.

Military: August 1942, graduated from first Officer Candidate School, Fort Des Moines, Iowa.

PROMOTIONS

29 August 1942, Second Lieutenant.

7 May 1947, Colonel, Director, Women's Army Corps.

Assignments (Administrator, Advisor, Director).—

October 1942, Commander, First WAC Separate Battalion.

July 1943, WAC Staff Advisor, Strategic Air Force, England, France, Germany ('43–'45).

July 1945, WAC Staff Advisor, European Theatre of Operations.

June 1946, Deputy Director, Women's Army Corps.

May 1947, Director, Women's Army Corps.

May 1953, J–1, Hq., U.S. European Command, Indigenous Labor Agreements w/ NATO Countries, U.S. Dependent Schools, Europe.

May 1957–60, Office of Secretary of Defense (MP&R).

CITATIONS/DECORATIONS

Bronze Star Medal, Legion of Merit, Croix de Guerre avec l'Etoile de Vermeil, Oak Leaf Cluster to Legion of Merit, Commendation Medal, Commendation Medal with Medal Pendant (Oak Leaf Cluster), Second Oak Leaf Cluster to Legion of Merit, WAAC Service Medal, EAME Campaign Medal, Legion d'Honneur.●

IMITATION OR SUBSTITUTE DAIRY PRODUCTS

HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. SENSENBRENNER. Mr. Speaker, dairy products form an important staple in the diet of the American consumer. It has come to my attention that some products are now being marketed with the words "imitation" or "substitute" in conjunction with the name of a dairy product.

This practice could have an adverse affect upon the health of the American consumer in addition to its being deceiving.

I insert, as part of the Record, two resolutions adopted recently by The Holstein-Friesian Association of Wisconsin.

RESOLUTION NO. 5

Whereas: Dairy product names (e.g. milk, butter, cheese) have been developed, used and promoted by the dairy industry since its beginning, and we thus believe they belong solely to the dairy industry and should not be adopted by other food industries for their products, and,

Whereas: Other substitute products have developed their own distinctive names (e.g. margarine, mellorine) that consumers can identify for what they are, and,

Whereas: The use of the words "imitation" or "substitute" in conjunction with a dairy product name could be deceiving to consumers, in our opinion, thus working against the general health of all citizens as well as against the economic health of the dairy industry.

Therefore be it resolved, That the 5,000 members of the Holstein-Friesian Association of Wisconsin oppose the proposal of the Federal Food and Drug Administration to allow other food products that contain no dairy products to be labelled "imitation" or "substitute" dairy products, and,

Be it further resolved, That a copy of this Resolution be sent to the Federal Food and Drug Administration and to our Senators and Representatives in Washington.

RESOLUTION NO. 7

Whereas: The level of dairy imports affects the economic well-being of the dairy industry in this country, and,

Whereas: Most imported dairy products may not meet the same quality standards of sanitation as are required by those produced in Wisconsin,

Whereas: Section 22 of the Dairy Import Act provides a reasonable formula for the importation of dairy products.

Therefore be it resolved, That the 5,000 members of the Holstein-Friesian Association of Wisconsin urge their Senators and Representatives and the United States Department of Agriculture to continue to enforce legislation regarding quality standards of imported dairy products, and to maintain a sane and sensible approach to imports in accordance with Section 22 of the Dairy Import Act.●

SHCHARANSKY AND HUMAN RIGHTS

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. LUKEN. Mr. Speaker, I am pleased to join my distinguished colleagues in commemorating the second anniversary of the arrest of Anatoly Shcharansky: The world renowned Soviet dissident who currently is serving a harsh and unjust sentence in a Soviet labor camp.

Anatoly Shcharansky has been transformed into a symbol of the international human rights movement. Shcharansky, a vocal critic of the repressive attitudes and acts of the Soviet Union, has paid a drastically high price for his principles. Concepts of justice and human decency forbid our silence. If we do not voice our vigorous opposition to this reperssion and harassment then we are little more than accomplices to these repugnant actions.

I believe the time has come when the Congress of the United States must take the lead in condemning countries that are guilty of human rights violations; particularly the Soviet Union. Although a signatory of the Helsinki Rights Accords and the United Nations Universal Declaration of Human Rights, the Soviet Union has repeatedly proven by its actions that it has no regard for human rights. Governments which flagrantly ignore the rights of their citizens do not deserve the support and approval of the U.S. Congress.

The issue of human rights in the Soviet Union has continued through the years to be among the most sensitive aspects of Soviet-American relations. Many specialists on the Soviet Union and certain well-known public figures urge the American public and the Congress not to be vocal about the denial of human rights in the Soviet Union. They fear that we will upset the Soviet leadership and thus harm talks on trade and arms control. But if the Soviet Union is not even concerned about the human rights of its own citizens, of what use is an international agreement between them and us on the human rights of the world? We cannot be silent and give our approval to the denial of freedom.

The Shcharansky case is an example of the continuing repression by the Soviet authorities of Jews whose sole crime is a desire to be reunited with their families. We must continue to speak out for the nearly 200,000 who have applied for permission to emigrate as well as for those whose fear of reprisal has prevented them from requesting permission to leave.

I have been closely involved with several individual cases of refusniks during my terms in Congress. One of my proudest moments came last year when the Soviet Union agreed to release the Katz family. The tremendous local Cincinnati response to the Katz case, when combined with congressional action, resulted in worldwide attention to this case. The Soviet leadership was unable to ignore the right of the Katzes' daughter, Jessica, to receive medical treatment in the United States. This case proves that in individual human rights cases American public pressure can make a difference.

I ask all those concerned with human dignity to raise their voices in protest over Mr. Shcharansky's case and the harassment of the Soviet Jewish community. We must not stop pressuring the Soviet Union until all are free and a fundamental change is achieved. We must seek ways to make the Soviet Government listen to American pleas for human rights. We must not remain silent.●

A SECOND TRIBUTE TO ANATOLY SHCHARANSKY

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1979

● Mr. HARRIS. Mr. Speaker, for the second year in a row, I rise to speak on the case of Anatoly Shcharansky. Two years ago today this brave man was arrested and sent to jail simply for asserting his basic human rights.

We appreciate Avital coming here to discuss her husband's situation with us. I will reassure her again, at this time, that we will not let go unnoticed the grave violations of the Helsinki Final Act being committed by the Soviet authorities.

There is no question in my mind that the charges of treason and espionage filed against Anatoly are false and that this was simply a manuever aimed at undermining the entire "refusenik" effort. The Russians simply have not succeeded. Although Shcharansky has been temporarily silenced, the movement is strong and the world knows of the oppressive treatment imposed on those in the U.S.S.R. who wish to leave. Although Shcharansky has been delayed in joining his wife, and others are being detoured, we will continue our efforts in exposing the deplorable tactics. We tell you at this time, Avital, that we will continue to work on your husband's behalf. Your husband has become a symbol of Soviet resistance and a source of inspiration and courage for all who cherish the rights of freedom of speech, religion, association, and emigration.

Americans must not remain silent. We must continue to work for Anatoly Shcharansky's freedom and we must continue to struggle for worldwide observance of human rights. Our pleas will become stronger and more persistent for we know that justice, freedom, and respect must triumph over inhumanity and hypocrisy.●

UNITED STATES AND CHINA: A NEW POLICY WHICH MUST INCLUDE PROTECTION OF TAIWAN

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. BIAGGI. Mr. Speaker, I was one who did vote for final passage of H.R. 2479, legislation to "help maintain peace, security, and stability in the western Pacific and to promote continued extensive close and friendly relations between the people of the United States and China."

My support was neither complete nor enthusiastic and was achieved only after the original legislation was greatly strengthened by amendments which further insured the protection of Taiwan as part of our new China policy.

The advent of our new China policy for many of us in Congress came with surprising and unsettling swiftness. For 6 years, from the time President Nixon first visited China, negotiations regarding establishment of relations were progressing at a snail's pace. Suddenly, in late December, during congressional recess, comes this tremendous breakthrough and in rapid succession: the United States recognizes the People's Republic and Vice Premier Teng's visit to the United States.

For those of us in Congress who were fighting to maintain the integrity and security of Taiwan, it was difficult to share in the euphoria surrounding the new China policy. We recognize that the agreements were made without adequate protections for Taiwan. We were unimpressed with Peking's rhetorical commitments not to forcefully invade Taiwan. We were deeply concerned when just days after the Vice Premier departed from the United States, Communist Chinese troops had launched an invasion of Vietnam sending tremors throughout the world.

When the House began its considerations of H.R. 2479 on March 8, it was my intent to work for the inclusion of amendments which would insure that the United States did not abandon the people of Taiwan. I voted for the following amendments which were contained in the final bill.

An amendment that clarified and bolstered the provision that the United States will maintain its capacity to resist any force or other forms of coercion that would jeopardize the security of Taiwan.

An amendment which clarifies that the President must inform Congress of any threat to the peace and stability of the western Pacific area or any danger to the U.S. interests arising from threats to the security of Taiwan.

An amendment which assures that the United States will make available to Taiwan conventional defense articles in the event of a threat to its security without regard to the views of the People's Republic.

I also voted for two other amendments which were not accepted by the full House, one which would have called on the United States to directly intervene in the event that an armed invasion of Taiwan was undertaken by Peking. The other amendment would have required the President to consider the possibility of withdrawing diplomatic relations with the People's Republic if there was a threat to the security of Taiwan.

I considered these amendments to be critical to overcome a glaring omission in the President's China policy—its failure to clearly or adequately address the issue of Taiwan's security.

Throughout my 10 years in the Congress I have maintained that the protection of Taiwan is one of the most important requirements in U.S. foreign policy. In our haste to improve relations with our Communist adversaries—let us not forget that the mere improvement of relations will not remove them from the ranks of adversaries.

The United States in its new China policy has taken an important initiative, one whose primary benefit rests with the unsettling effect it has had on the Soviet Union. However, the doctrine of communism whether espoused in Moscow or Peking still has as its dominant philosophy—opposition to democracy. The numbers of captive nations under Communist controls have not diminished since détente. The adventurist tendencies of both the Soviet Union and China are as strong today as any time in modern post World War II history. Whether it be in Angola or Vietnam, expansion of the Communist influence is an ongoing entity. Blessed with this knowledge we must be ever vigilant in protecting our allies and the cause of democracy around the world. There is no more important example of this need than in Taiwan and I will maintain a strong and active interest in this issue throughout the weeks and months ahead.●

COMMUNITY SERVICE OF DR. MARY ALICE BUDGE, YOUNGSTOWN, OHIO

HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. WILLIAMS of Ohio. Mr. Speaker, on March 22, 1979, a grateful community in my district is honoring an outstanding citizen, teacher, mother, and community worker, Dr. Mary Alice Budge, associate professer of English at Youngstown State University in Youngstown, Ohio.

Dr. Budge has generously contributed her time and talent to her community by serving in a number of capacities. Currently she is vice president of the Ohio Educational Association chapter at Youngstown State University, she is on the boards of the Youngstown chapter of the American Civil Liberties Union and the American Friends Service Committee. She has spent many hours in research concerning the desegregation of Youngstown city schools.

On March 22, 1979 Dr. Budge is being recognized especially for her hard work and commitment to the Associated Neighborhood Centers in Youngstown where she has served on the board of trustees for 4 years, 2 of these years as president of the organization.

The Associated Neighborhood Centers emphasize heavily the needs of developing children and the needs of senior citizens. By her dedicated service, Dr. Budge has contributed significantly to the welfare of those deserving age groups as well as her community at large. I am happy to join with her friends and neighbors in saluting the contributions of Dr. Mary Alice Budge.●

MTN AGREEMENTS THREATEN KEY URBAN INITIATIVE

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. EDGAR. Mr. Speaker, the agreements nearing completion during the multilateral trade negotiations in Geneva threaten to undo much of the progress that has been made in the United States in targeting Federal procurement to firms located in areas of high unemployment. Members will recall that expansion of the "labor surplus area" procurement preference program was one of the major goals announced by President Carter last year as part of the administration's urban policy.

Yesterday, speaking on behalf of the Northeast-Midwest Congressional Coalition at hearings before the House Small Business Subcommittee on General Oversight and Minority Enterprise, I outlined some of the serious negative effects that adoption of portions of the MTN agreements are likely to have on the targeted procurement program. I am certain that many of my colleagues, particularly those representing areas of the country with high unemployment, share my concern and, therefore, I am inserting my testimony for their review:

Testimony of the Honorable Robert W. Edgar

Mr. Chairman, it is a pleasure to be here this morning to discuss some serious concerns raised by the Multilateral Trade Negotiations (MTN) now being concluded in Geneva and shortly to be considered by the Congress. As Chairman of the Northeast-Midwest Congressional Coalition, I am deeply concerned about the impacts the MTN will have on the economy of the Northeast and Midwest—and particularly on the Labor Surplus Area Set-Aside Program.

The concept of targeting federal procurement contracts to firms located in areas of high unemployment grew from an executive order issued in 1952 known as Defense Manpower Policy No. 4 (DMP–4). The order gave federal procurement officers the authority to restrict bidding on federal contracts to firms located in areas of labor surplus. Only in the last three years, however, has a concerted effort been made to put the targeted procurement policy to greater use.

President Carter assigned high priority to the "labor surplus area" procurement preference as part of his urban policy announced in March, 1978. The domestic agencies are establishing ambitious, laudable goals for increasing their use of this program. The President's initiative would expand the volume of procurement spending going to labor surplus areas from its present level of $228 million per year to more than $1.2 billion annually. This would be an increase of more than five-fold.

It appears that the proposed multilateral agreement on government procurement would eliminate part of the current volume of spending set-aside under this program for areas of economic distress. More importantly, it would appear that the agreement would make it much more difficult or impossible to meet the goals for expansion of the program. In short, the proposed procurement would put one of the President's key initiatives for dealing with distressed cities in serious jeopardy.

In a time of exceedingly tight budgetary restrictions, the targeting of government purchases to distressed areas provides one of the most cost-effective forms of economic development assistance available to policymakers. This is not simply a program designed to redistribute income around the nation. When inflationary pressures are pushing the prices of goods and services ever higher, concentration of government spending in economically slack regions and sections of the economy helps moderate price increases, and thereby makes everyone better off.

I have asked the Northeast-Midwest Institute to estimate as precisely as possible the quantitative impact of the proposed procurement code on the Labor Surplus Set-Aside Program. While the Institute's results are still tentative and highly fragmentary, they suggest that the impact will be substantial.

It is my understanding that the MTN agreements exempt all contracts less than about $190,000. The Administration's statement that most individual contracts would be under this threshold appears to be true: In fact, 60–90 percent of all contracts for each agency are under this threshold amount. The problem, however, is that most of the total dollar value of contracting is in contracts worth more than $190,000. In order to achieve a five-fold expansion in the Labor Surplus Area Program, procurement agents will need to make substantial use of contracts over $190,000 apiece.

The data which I have provided for you this morning represents a fragmentary breakdown of contracting values within several agencies. It is important to note the data on Table Three provided by HEW which notes a shift in contracting between FY 77 and FY 78. There is a distinct dollar shift from the number of contracts of lesser values to contracts of higher values. This shift can be explained through the simple economic effects of inflation. Increasing prices are predictable with each coming year. The MTN code is designed to set up a structure for trading over the next decade or more. All this considered, the constant MTN threshold of 190,000 dollars will serve to constrict significantly all preference programs over the next decade.

Furthermore, this expansion will need to come from civilian agencies such as HUD, HEW, and GSA because of restraining legislation such as the Maybank Amendment. This Amendment provides that the Defense Department cannot pay price differentials for programs designed to alleviate economic distress. One of the major exclusions under the MTN procurement codes is defense purchases; the one area in which the Labor Surplus Area Preference Program is almost totally inactive. This leaves agencies which engage in major labor surplus area contracting subject to the code.

According to the Special Trade Representative, the limitation of preference programs under MTM will eliminate an estimated $300 million now targeted under all preference programs. However, this estimate is based only on the past performance of preference programs. The use of this data can be misleading because it represents the historical failure of agencies to implement the preference programs. The President's directive to increase the use of these labor surplus set-asides implies that the future dollars lost to preference programs will far exceed the Administration's estimates of $300 million.

The Northeast-Mideast coalition has just released a major report by the Northeast-Midwest Institute citing some of the serious difficulties facing the Administration's efforts to implement the President's goals for an expanded Labor Surplus Area Set-Aside Program. We believe that accomplishment of the President's objectives would be difficult enough without any change in the legal basis of the set-aside program. With the proposed MTN changes, reaching these goals may be impossible.

The Administration has indicated that there are a number of exclusions to the procurement code. However, these exclusions are not likely to leave enough room for the labor surplus area set-aside to operate meaningfully. The size limitation of government contracts may leave room for small business contracts under the $190,000 threshold, but holds little potential for larger business which provide needed employment in decaying local economies. It is my understanding that most of the product-category exclusions operate only for the Department of Defense and parts of GSA so that these exclusions would not substantially help the Administration meet its goals for expanding the program.

The northeast-Midwest region has a large stake in all aspects of the MTN agreements, and especially in the procurement code. The industries in our region tend to be older, and too many of our workers fall into the "last-hired, first-fired" category that marks the unskilled and semi-skilled portions of the work force. In fact, a recent study of the MTN agreements of the Congressional Budget Office concludes that "most of the net job losses resulting from trade liberalization will take place in the urban areas of the North and East, particularly in Illinois, Massachusetts, Michigan, New York, Ohio, and Pennsylvania. Relative to their populations, the four New England states of Main, New Hampshire, Vermont, and Massachusetts will suffer the largest displacement of workers. Newly created jobs would be concentrated in the Southern, Midwestern, and Western areas of the United States." (p. 24) These industrialized urban areas already are disadvantaged by the trend of economic events. To add to this trend by undermining one of President Carter's major urban initiatives would be a double blow.

Thank you.

TABLE 1

	HEW, fiscal year 1977 (main computer file)	HUD, fiscal year 1978 [1]
Number of contracts under 180,000	4, 978	291
Percentage of total contracts	90%	66%
Dollar value of contracts under 180,000	$160, 882, 868	$11, 907, 355
Number of contracts above 180,000	567	149
Percentage of total contracts	10%	34%
Dollar value of contracts above 180,000	$336, 356, 547	$107, 501, 057

[1] These figures are the best available data and are not complete. They are considered to be an accurate sample.

TABLE 2.—*NASA fiscal year 1978*

	Number of contracts	Dollar value of contracts
0–999	5, 567	113, 000, 000
1,000–4,999	910	185, 085, 000
5,000–9,999	177	122, 844, 000
10,000–49,999	207	442, 497, 000
50,000–above	71	1, 976, 558, 000

TABLE 3.—*HEW (Public Health Service Files)*

Dollar value per contract	Fiscal year 1977		Fiscal year 1978	
	Number of contracts	Dollar value (millions)	Number of contracts	Dollar value (millions)
0–2,500	2, 937	1. 9	2, 850	1. 9
2,501–25,000	4, 051	44. 3	3, 490	38. 5
25,001–50,000	1, 358	48. 4	1, 291	46. 3
50,001–100,000	1, 527	112. 4	1, 491	108. 7
100,001–500,000	1, 761	360. 9	1, 765	367. 4
500,001–1,000,000	180	122. 7	190	135. 6
1,000,000	81	222. 4	97	268. 4

●

SYMPHONY ORCHESTRAS GET WELCOME BOOST

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. GORE. Mr. Speaker, I would like to join the American Symphony Orchestra League and the National Endowment for the Arts in saluting the Bell System for its leadership and sense of community responsibility in initiating the Bell System American Orchestras on tour program. It represents a pioneering step in corporate support of the musical arts in the United States.

Under this program, the Bell System will help sponsor the national tours of seven of America's leading symphony orchestras. The tours, which began this month and continue through 1982, will bring fine music to audiences in over 40 cities with more than 100 concerts in 1979.

Both the endowment and the league recognize the contribution made to the Nation by all of its symphony orchestras, their music directors, staffs, and volunteers. America's 1,470 symphony orchestras perform more than 60 percent of their annual concerts outside the traditional concert hall setting for the enjoyment of more than 25 million people. Of these performances, more than 25 percent are tour concerts.

To acknowledge the vital role of our country's symphony orchestras in enriching our culture, the American Symphony Orchestra League is designating October as "American Symphony Orchestras Month."

We encourage all Americans and corporations to follow the example of the Bell System by continuing and increasing their support of our orchestras, both in their home concert halls and on tour.●

LEGISLATION ON IMPORT DUTIES

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. VANIK. Mr. Speaker, I am introducing a bill which provides for duty free, suspension of duty, or reduction of duty with respect to imports of six different products. Each of the items are noncontroversial and passed the House, but failed to be approved by both Houses prior to adjournment of the 95th Congress.

Specifically, the bill cover the following subjects:

1. Permanent duty-free treatment to certain dyeing and tanning materials.
2. Suspension of duty on wood excelsior until July 1, 1981.
3. Suspension of duty on nitrocellulose until July 1, 1981.

4. Suspension of duty on 2-methyl, 4-chlorophenol until July 1, 1981.

5. Reduction of duty on certain ceramic insulators.

6. Continuation until July 1, 1981, of the existing suspension of duties on certain forms of zinc.

Since the subject matter is noncontroversial it is my hope the bill can be handled in an expeditious manner.●

PUBLIC FINANCING A SERIOUS MISTAKE

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. FRENZEL. Mr. Speaker, our new colleague, the distinguished gentleman from Pennsylvania, DON RITTER, made a splendid statement today before the House Administration Committee.

Congressman RITTER, who defeated an eight-term incumbent, was a long shot candidate. Political Action Committee contributions flowed to his opponent. But he won without public financing. Nearly all his contributions were from individuals.

Our colleague from Pennsylvania says "public financing would be a serious mistake." He says it will inhibit personal citizen involvement which is essential to a healthy political environment.

His statement was so clear, and so compelling, that I invite the attention of all Members to it. The statement follows:

PUBLIC FINANCING FOR CONGRESSIONAL ELECTIONS

Mr. Chairman, I'm deeply grateful today for the privilege of testifying on this most important matter of proposed public financing of Congressional election campaigns. I believe that my own experience in my 1978 Pennsylvania campaign serves to illustrate why I believe passing public financing would be a serious mistake.

In 1978, I ran for Congress as a long-shot "outsider". I was given little chance of winning a seat firmly held by an 8-term, 16-year incumbent. Under the theory that public financing is NOT designed to protect incumbents, I should have had no chance without public financing. Mine was the classic case of a political outsider facing impossible odds. A national columnist wrote (about me), "He waged a campaign that was almost exactly the kind Common Cause had in mind."

I won without public financing. My victory was based squarely on the kind of grassroots citizens support that supporters of public financing consider to be so healthy for our political system. They are right that grassroots involvement is healthy. But they are wrong to think that only public financing can create it. During the General Campaign, my committee raised $47,000. Outside of political party contributions, virtually all my contributions came from individual contributions within my District.

My opponent, on the other hand, according to the national columnist, raised $112,000, of which 90% came from outside the district.

Despite the success of my grass roots campaign, many people have been surprised to hear that I am not a supporter of public financing. The first reason is that, (as I proved), a challenger can win without it, if the people want him to win. But there are other reasons as well.

Financing congressional campaigns out of the federal treasury would, quite simply, take individual citizen involvement further out of the political process than is presently the case. One of the most disturbing ways would be by sharply reducing the role of the campaign volunteer, who represents one of the best traditions of American politics. It would replace the volunteer with a preprogrammed campaign operation that does not have to compete for dollars in the public forum, but instead is run by professional political operatives. The human element, in other words, would be further squeezed out of political campaigns, making incumbents little more than glorified civil servants who push a button and have their reelections automatically paid for out of the taxpayer's pockets.

In case anyone doubts that the human element would be taken out under public financing, you only have to look as far as the 1976 Presidential race, where we clearly saw the public apathy and decline in individual involvement that was the fruit of total public financing. In 1976 we saw one of the tightest Presidential horseraces in American history—yet with a lower turnout than in 1972, which had been a landslide with hardly any suspense whatever. And we saw the increased role of professionals that I spoke of, too. Other than T.V., what presence did either Gerald Ford or Jimmy Carter have in most areas? The American people were not allowed to contribute. Citizens did not volunteer. It was a colorless, bland campaign.

The role of political action committees (PACs) has become a key part of the debate over public financing. PAC involvement in congressional races is not in itself bad, nor a corrupting influence on the political process. The record shows that, in 1978, corporate and union PACs contributed only 9% of all money received by candidates. But to allow any special interest to dominate a campaign, while at the same time *discouraging* the atmosphere—which was present in my Pennsylvania race—where individual voters are motivated and involved, will simply increase the power of special interests. In my view, public financing, in any amount, will be another factor in discouraging that vital citizen participation. Taxpayers will feel they are automatically "contributing" through the federal contribution. As my colleague, Bill Frenzel has described it, that's the "I gave at the office" attitude.

I am not suggesting that the present system is perfect. What I *am* suggesting is that it does *not* prevent a grassroots challenge from succeeding, and that public financing would make matters worse instead of better. We cannot reform the electoral system by forcing an individual to support—through his tax dollars—an issue or candidate whom he may strongly oppose.

What our political system needs more than anything in order to be strong and responsive to the public good is individual involvement in the political process. If a proposal encourages that, it is beneficial. If it discourages that, it is counterproductive. Volunteer work by people who care about improving the quality of their government, and small contributions by people who want to have a voice are what our system needs more of. I submit, Mr. Chairman, that public financing will not encourage them.

As has been said, public financing will knock off any "Mom and Pop" campaign. Every new federal regulation would add another barrier to potential candidates. Candidates would be harassed by restrictions; burdened by countless forms. Public financing would complicate a system which even now only specialist lawyers and election experts understand. Many potential candidates are already turned off by the existing FEC bureaucratic hassle. To run for office would further become a nightmare of red tape. Individual involvement to help a challenger who has the support of the people is possible today. If that were not the case, I wouldn't be here before you as a Congressman.

If improvement is to come—and there is room for improvement, certainly—it will come not through having the federal government bankroll any part of a congressional campaign, but by the voluntary acts of our citizens in getting involved in the poltiical process. I urge American voters to get involved. I think they will agree that is preferable to public financing.

Rather than passing a public financing bill, we should be turning our attention to solving the real problem of campaign financing—namely the intimidating power held by the incumbent over a potential contributor to the challenger. Overzealous disclosure requirements can remove from the contributor pool those individuals with the financial ability to help a challenger, because such individuals are active with businesses or other organizations carrying out direct affairs with an existing congressional office. Incumbents can put all kinds of pressures, some more subtle than others, on those who would contribute to the opposition. Even "no pressure at all" can amount to operational "difficulties" when it comes to working with an incumbent to whom you've physically stated your opposition by contributing to his or her opponent. Had I not won my election, I would venture to say that a large number of $100 plus contributors would have faded into the woodwork and not participated in a next election because of the discomfort, real or imagined, generated by offending the incumbent.

Members of the committee, the major problem is campaign financing, caused by government regulation having taken the privacy and the discretion out of the political contribution process.

In the extreme swing of the pendulum to a "Let it all hang out" position, we've created a void into which we would now insert a new bureuacratic, government solution.

Let us exhibit wisdom in our search for a better answer than more government, an answer that will not exacerbate the problem we face.

Let us shelve this wishful thinking and concentrate on the real problem, and that is how to further the role of individual citizens in the congressional election process. Let us begin immediately to redefine and raise the individual compaign contribution disclosure limits to a more meaningful level where individual privacy and discretion are still employed.●

CITIZENS SPEAK ON GOVERNMENT SPENDING

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. MURTHA. Mr. Speaker, in Pennsylvania's 12th Congressional District we have an "Instant Poll" program which keeps me up-to-date on citizen attitudes.

In two recent questions in this mail poll, I asked about Federal spending. I think the results are very significant in terms of the present budget concerns in Congress. I would like to share them with the other Members.

Q. 1. One of the fastest growing areas of federal spending is aid to states and local communities. As part of the effort to reduce federal spending, would you favor or oppose cutbacks in money for state and local governments, even if it means cutbacks in your own community?

Favor	66%
Oppose	30%
Undecided	4%

Q. 2. Do you favor or oppose increases in the solar energy budget by 13% to $597 million as recommended by President Carter?

Favor	52%
Oppose	41%
Undecided	7%

●

JOINT RESOLUTION PROCLAIMING THE WEEK OF THANKSGIVING AS "NATIONAL FARMWORKERS' WEEK"

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. GARCIA. Mr. Speaker, today I am introducing a joint resolution that will authorize the President to issue a proclamation designating the week of Thanksgiving as "National Farmworkers' Week."

At the time of year when American families gather to express their gratitude for our abundance of food and to celebrate the traditional Thanksgiving Day holiday, it seems appropriate to honor those men and women who play such an important role in putting that food on our table.

Even with the great technological advances of our time, most farmworkers still labor with their hands to harvest not only our food, but that which we send to countries around the world to feed their poor and needy citizens. Our farmworkers have played a significant role in the historical and economic development of this country and it is beyond my comprehension that many of them are unable to afford a decent meal for their own families.

Many of our farmworkers presently live in deplorable housing and work under dangerous conditions. Nevertheless, they continue to toil the land year in and year out.

It is time for us as a nation to honor our farmworkers as a recognition of their important contributions to our country and countries around the world. We can do so by passing this joint resolution, and I strongly urge my colleagues to join with me and begin a new tradition in America.●

GREEK INDEPENDENCE DAY

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. HALL of Ohio. Mr. Speaker, on this coming Sunday, March 25, 158 years ago, after a long and arduous struggle, the Greek people achieved their independence. On this date in 1821, the vestiges of the Ottoman Empire were thrown down and the brave people of Greece proclaimed their liberty. This was entirely as it should be as Greece, as we all know, was the birthplace of democracy. Having survived many years of oppression the ever enduring culture of the Greek people was unable to be suppressed. The people of Greece, having suffered foreign domination for many years had never given up hope that they would attain this freedom and liberty. This was achieved under the leadership of that great figure, Venizelos. Since that time each generation of Greeks has had their own trial of their faith in these ideals. Each has succeeded in vanquishing their foes.

We should recognize the many great contributions that Americans of Greek ancestry have bestowed upon our Nation. A few of the greats include Mitropoulos, Papanicolau, Zachos, and Anagnostopoulos. For these contributions, I think we all should be thankful. At the same time I believe we should turn our eyes and hearts toward the people of Greece on March 25 and join them in this celebration of their independence.●

A TRIBUTE TO ANATOLY SHCHARANSKY

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 1979

● Mr. SOLARZ. Mr. Speaker, it is now 1 year since the arrest of Anatoly Shcharansky, a courageous young man whose only crime was the desire to live in peace and freedom. Instead of this freedom, he remains in strict confinement and has only narrowly escaped the death sentence. His case is but one more sad example of the failure of the Soviet Government to live up to the principles they agreed to uphold when the Helsinki Accords were signed.

I had the opportunity to meet with Anatoly's wife, Avital, last summer. I expressed my commitment then, and I would like to reaffirm that commitment now, to continue to fight for the most basic human rights for Antaly Shcharansky and his fellow Soviet Jews whose belief in their religion brings only suffering from their government.

It seems to me that the sentence of 3 years in solitary and 10 years in strict regime was overly harsh, especially since the crime of espionage charged against Anatoly Shcharansky was soundly and repeatedly denied at the highest levels by the American Government. The Helsinki Accords were negotiated to protect the rights of all people and further a more liberal immigration policy which would allow any individual the right to choose his own country. Not only has this not been the case for Soviet Jews, but those who do try to leave, as Anatoly Shcharansky did, are faced with prosecution and incarceration. Such policies must not be allowed to go.

The hardships of Anatoly Shcharansky are still growing from day to day. Our awareness of this deplorable situation and our willingness to fight against it must also keep growing until he is released and allowed to join his wife in Israel. I sincerely hope that at this time next year this dream will have become reality.●

TESTIMONY BEFORE ENVIRONMENTAL PROTECTION AGENCY

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. KILDEE. Mr. Speaker, I want to bring to the attention of my colleagues the hearings being conducted by the Environmental Protection Agency on particulate regulation for light-duty diesel vehicles. Because I believe that the proposed rule on diesel particulate emissions could have a negative impact on a substantial segment of our economy, I testified before the EPA on March 19. The text of my testimony follows:

STATEMENT OF CONGRESSMAN DALE E. KILDEE

I want to thank the Environmental Protection Agency for allowing me this opportunity to testify on the proposed rule on diesel particulate emissions. I asked to submit my comments for the official record because of my concern that the proposed rule does not adequately recognize the interrelationship between the three major components which must always be foremost in our deliberations in this area. As a legislator, I have demonstrated my deep commitment to protecting our environment, but our concern must be balanced by responsible attention to our national energy needs and to possible impact on the economy. It is my belief that the proposed rule does not adequately consider the impact on the automobile and truck industry, and thus on a substantial segment of our economy.

When the Congress grants rulemaking authority to an executive agency, it is our intent that any regulations will be carefully considered, reasonable, and based on a valid data base. I have carefully examined the proposed rule on diesel particulate emissions, and I was disappointed to discover that the proposed rule met none of these criteria.

As a starting point, I would like to point out some of the statistical problems of the rule. Since these data are the foundation from which the rule was developed, any inaccuracies could alter the conclusions which were ultimately developed.

Throughout the rule EPA uses a market penetration figure of 10–25 percent for diesel powered light duty vehicles. There is a tendency to concentrate on the 25 percent figure, which is EPA's high estimate, rather than their "best market growth estimate" of 10 percent. At the best, the emphasis on the 25 percent figure is exaggeration; at the worst, that emphasis is very misleading.

In order to determine how EPA arrived at the 25 percent figure, I carefully examined the rulemaking support paper to see why this estimate was used. There was absolutely no supporting data for this projection. As a matter of fact, the projections for diesel production do not go beyond model year 1979.

I have checked with each of the U.S.-based domestic manufacturers, and I personally can see no way in which market penetration will be 25 percent by the late 1980's. My conclusion is that there is only one domestic manufacturer which can approach that figure.

The national highway traffic safety administration confirms this estimate. In their third annual report to the Congress on the automotive fuel economy program, they estimate that the spark ignition engine will continue to constitute 90 percent of the market throughout the mid-1980's. Obviously, such a miscalculation by EPA of market penetration will affect the estimates of total suspended particulates attributable to diesel engines.

There are, however, other problems which contribute to the inaccuracy of the estimate. The estimates were based on a study done for EPA by Pedco Environmental, Inc. They used the air quality display model for projecting national figures. In the report they admit that the AQDM tends to "overpredict" the very thing which they were trying to measure.

Their choice of a test city also seemed to be governed more by expediency than by a concern for statistical validity. It would be worthwhile to mention how they chose their site. I quote from the Pedco study, "ideally, selection of a test city for a study of this type would be based on numerous criteria such as total population, population density, age of the city, diversity of industrialization, number of motor vehicles and roadway miles per capita, and other relevant variables. All of these would help to identify an average or typical large (i.e., greater than 200,000 population) metropolitan area. The selected city would then be modeled, and the resulting predicted-versus-measured area pollution concentrations would be extrapolated to the national data levels of large urban areas. Because the time constraints imposed upon the study precluded any possibility of using such a process, the criterion for selection becomes simply: 'what seemingly typical large urban area has a usable diffusion model that is current and quickly accessible to the consultant.' "

There is also another problem with the data model which may tend to exaggerate the impact of diesel particulates on the calculations of total suspended particulates. The estimates of total suspended particulates produced by diesel engines are based on a figure of a one gram per mile emission level. EPA's own figures show that all of the diesel powered light duty vehicles currently on the market are below the 1 gram per mile figure. Furthermore, the data model assumes absolutely no improvement over the one gram per mile figure between now and 1990. Since the stringency of the standards is dependent on the estimates of the particulates, the method in which the model was developed is of major importance.

The inadequacy of the data base on which the proposed regulations is based in disturbing to me. Although I am not a trained statistican, I was able to see these problems. There is little excuse for inadequate workmanship in the development of the data base. The proposed regulation could have a major impact, and I think that we all deserve better from an agency of our Government which is promulgating a rule that may cost jobs and affect our economy.

In discussing the second criterion, I would like to raise some questions about the technology involved in achieving the goals laid out in the regulation. EPA indicates that relatively minor changes in engine conformation and the addition of turbochargers will enable all manufacturers to meet the 1981 standard of .6 grams per mile of particulate emissions. Such an assumption seems to ignore the lead time requirements for development and testing of even minor engine modifications. I might point out that because of EPA notification requirements, any changes which are made to model year 1981 engines will have to be ready by this fall. Even minor changes would be difficult to achieve by this fall. Even relatively minor changes may require new tooling, something which is not even mentioned in the proposed regulation.

The problems are further complicated by the application of the oxides of nitrogen (NO_x) standard at the same time. At the present time, the only known technology for substantially decreasing NO_x is an exhaust gas recycle (EGR) system. EPA's own estimate is that the installation of the EGR increases particulate emissions by 80 percent. Their major solution to the particulate problem in model year 1981 is the installation of turbochargers. They estimate that turbochargers will decrease particulates by 33 percent. The sum of the two changes does not indicate an improvement in particulate emissions.

While I recognize that no application for a waiver of the NO_x standard has been made yet, I am also disturbed by what appears to be a prejudgment on the question of a waiver of the NOx standard. This question of whether a waiver of the NO_x standard will be sought or granted is essential to the whole issue involved in this rulemaking. Section 201 of the clean air act amendments of 1977, Public Law 95–95, specifically provides for the examination of the NO_x standard in the case of diesel engines. The Congress is not in the habit of issuing specific guidelines on rulemaking unless it feels that an issue should be carefully and seriously considered. In examining the proposed regulations and rulemaking support paper, I am left with the impression that the environmental protection agency has prejudged the issue. If so, this would seem to indicate disregard for congressional intent and the existing law.

The problems imposed by the 1981 standards are only magnified in 1983. The particulate emission standard is then lowered to .2 grams per mile. EPA suggests that this standard can be met by the development of trap oxidizers, a technology which does not presently exist. I recognize that rulemaking can have a legitimate technology forcing affect, but I wonder if sufficient attention has been given to the lead time necessary to develop this technology. When a rule is promulgated for model year 1983, we are in reality allowing only two and one half years fo rthe necessary research, development, testing, and tooling.

EPA states, "EPA does not believe that implementation of this standard will result in discontinued production of any current engine line." I might point out that the evidence seems to indicate that particulate emissions are in direct proportion to the size of the engine and the inertia weight of the vehicle. In the 1979 report to the Congress mentioned above, the National Highway Traffic Safety Administration indicates that only small diesel vehicles with an inertia weight of 2,500 pounds or less could be considered "highly likely" to meet the combination of the NO_x and particulate standards. In other words, you may be prohibiting a substantial number of diesel powered vehicles. Perhaps in your economic assessment you should also be considering the reverse side of the coin. What would be the economic impact if the diesel engines could not be produced. The 25 percent mileage improvement of diesel engines is much more significant than the estimated 8 percent mileage improvement of turbochargers which is the basis for the cost savings in the proposed rule.

I am particularly concerned that because the larger diesel engines are the most likely to fall short of the proposed standards, you may be precluding the use of diesel engines in light duty trucks, such trucks need a larger engine because of greater inertia weight and the need for capacity to carry added cargo.

In order to assist you in developing an approach which would not preclude the use of diesel engines in light trucks, I would like to offer a suggestion. Since the purpose of the proposed regulation is to achieve a smaller amount of suspended particulates, I would offer the suggestion that you examine the entire scope of the problem rather than concentrating on every single vehicle. The same purpose could be achieved by developing fleet-wide averages.

In conclusion, I feel compelled to again express my disappointment in the way in which the regulation was developed. There are statistical inaccuracies. There is lack of a sense of reality in the lead times proposed. The evidence suggests that the major domestic manufacturer of diesel engines cannot achieve the standards for either 1981 or 1983.

When I approached the examination of this proposed regulation, I honestly felt that my purpose would be to help you arrive at reasonable figures. The more that I have examined the regulation and its background, however, the more I am convinced that the environmental protection agency should start the process all over again.●

THE JEWS OF ILYINKA

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. LENT. Mr. Speaker, I rise today with a task of utmost gravity. As I have done several times in the past (CONGRESSIONAL RECORD, July 11, 1977; July 27, 1977), I call the attention of my colleagues in the House of Representatives and all freedom-loving peoples to the plight of the Jews of Ilyinka in the Soviet Union. Through information provided me by Mr. Michael Sabin of the Student Struggle for Soviet Jews, I can report that the iron vise of Soviet cruelty continues to tighten on these 130 courageous families in Ilyinka, a small isolated communal farm. Unless these brave and committed Jews are allowed to emigrate soon, their Jewish heritage may soon be ground to bits under the heel of the Soviet oppressors, according to interviews with Ester Lahmina, one of the fortunate few who reached Israel in 1975 from Ilyinka.

Though the small community clings to the Voice of Israel for spiritual nourishment, the little Jewish children are daily assaulted by challenges to their upbringing. When a small school girl, Esther Lahmina, recalled enduring the sharp ridicule of other children who, after learning that she preferred synagogue to Communist party meetings, attacked her and rubbed pig's meat in her face.

While the Soviet officials do nothing to discourage the attacks on the hearts and minds of young children, the adults fare little better. In fact, their persecutions are more direct and pervasive. At the hospital which serves the people in the area, Jewish patients are denied registration and turned away regardless of their needs. In addition, the chairman of the collective farm, Victor Tarasov, who is characterized as reminiscent of Adolf Hitler, intercepts the emigration invitations sent from Israel, despite the objections of even the Soviet immigration officials at OVIR. Without these papers, OVIR wil not accept applications. Tarasov is reported as saying that no one will ever emigrate and that if he has his way, soon all the Jews will wear crosses. Will tatooed numbers on the forearm be next?

Not only is mail intercepted and withheld, but also Tarasov imprisons those who have the audacity or innocence to exercise their inalienable rights and apply for permission to emigrate. Also, those who apply are denied work on the farms. Without work, they have no income. One tractor driver was forced to live off the pension income of his parents. Without income, they cannot buy the materials to build their own houses, one of the harsh facts of life in Ilyinka. Even if you work, the income is only about 30 rubles per month. To buy a pair of shoes requires pinching pennies for about a year to a cumulate sufficient funds.

Let us never forget the persecutions and oppressions which the indomitable families of Ilyinka must endure daily. We can never cease our efforts toward pressing the Soviet Union into full compliance with the Helsinki accords.●

PROJECT HEALTH

HON. ROBERT DUNCAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. DUNCAN of Oregon. Mr. Speaker, no issue facing the American people is more important to the future quality of life than health care. Providing adequate, competent and affordable health care while containing costs and covering the maximum number of people at the lowest per capita expenditure is the dilemma confronting all of us.

The people of Oregon, long renowned for innovative problem-solving—for example, our nationally recognized bottle bill, gas rationing based on odd/even license numbers, and so forth—have come up with a potential solution.

Project Health, already in place in Multnomah County, Oregon's most densely populated area, may be the answer. It combines the best aspects of private fee-for-service care while covering the maximum number of people at the lowest cost.

Project Health brokers the services of private providers—Blue Cross, Kaiser, Oregon Medical School, and so forth—to the medically indigent through a system of competitive bidding for contracts. Pooling a combination of Federal, State, and local funds, Project Health creates an efficiency of scale that allows large numbers of the medically indigent to obtain high quality professional care not affordable to them singly. The program covers those citizens/resident aliens ineligible for medicare or welfare with incomes up to 133 percent of the maximum welfare ceiling. (It also covers those persons with somewhat higher incomes through a system of deductibles proportional to the amount their income exceeds the ceiling.)

Applicants are given a choice among several providers' plans, on which they pay a nominal monthly fee. The fee varies depending on the option chosen. Project Health then pays the remainder of cost out of pooled funds.

Project Health offers clients three types of contracts depending on client need and present medical status: prepaid comprehensive health care: episodic/emergency care; and special service contracts.

Included in the prepaid package are 365 days of semiprivate hospital accommodation paid in full, hospital outpatient services, all inpatient and outpatient office services, full family planning, maternity, pediatrics, ambulance service, home health care, alcohol and drug addiction treatment, lab and X-ray fees, eye examination and prescription costs.

Contracts for episodic care cover urgent or emergency illnesses. Community providers who have signed with the county through Project Health furnish care to clients through a full range of inpatient services. The program then reimburses a variable percentage for the provider's usual charges based on the extent of care for the average patient on a monthly basis. The client pays the difference between the Project Health reimbursement and the provider's usual and customary charge.

Special service contracts, negotiated with community providers, provide services that the county is legally or historically obligated to provide, such as ambulance service for the indigent, medical care within the corrections system, and evidentiary examination and care for rape and sexual assault victims.

Project Health provides clients the benefits of mainstream medical services by private/semiprivate providers through a governmental scheme. It demonstrates the cost containment potential of using a pool of categorical health care funds to purchase medical services from the private sector. And it incorporates a planned application of risk sharing, competitive pricing and consumer cost participation and other marketplace mechanisms generally nonexistent in the private fee-for-service situation. Such mechanisms assure more efficient and economical service by adding incentives to keep prices competitive.

Project Health has accepted and met the challenge of finding a new solution to our national health care crisis. It serves as an excellent model for a health care delivery system on a national scale by assuring medical care to all Americans in a comprehensive, efficient, personal and affordable manner.●

INTERGOVERNMENTAL PRODUCTIVITY IMPROVEMENT

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. CORCORAN. Mr. Speaker, on March 8, with my colleague from Illinois, PAUL SIMON, I introduced the Intergovernmental Productivity Improvement Act of 1979. This bill, H.R. 2735, was jointly referred to the Committees on Post Office and Civil Service and Government Operations. For the benefit of my colleagues, the text of the bill follows:

H.R. —

A bill to amend the Intergovernmental Personnel Act of 1970 to provide for improvement in personnel productivity, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intergovernmental Productivity Improvement Act of 1979".

Sec. 2. (a) The Intergovernmental Personnel Act of 1970 (42 U.S.C. 4721, et seq.) is amended by inserting after title IV the following new title:

"TITLE V—INTERGOVERNMENTAL PRODUCTIVITY IMPROVEMENT

"DECLARATION OF PURPOSE

"Sec. 501. The purpose of this title is to establish a program to assist State and local governments to strengthen their capability to improve productivity.

"PRODUCTIVITY IMPROVEMENT GRANTS

"Sec. 502. (a) The Office of Personnel Management is authorized to make grants to a State, or general local government, or a combination of general local governments, for up to 90 per centum of the costs of developing and carrying out programs or projects to strengthen the capability to improve productivity of State and local governments. The authority provided by this section shall be employed in such a manner as to encourage innovation and allow for diversity on the part of State and local governments in the planning, implementation, and assessment of such grants.

"(b) An application for a grant shall be made at such time or times, and contain such information, as the Office may prescribe. The Office may make a grant under subsection (a) of this section only if the application therefor—

"(1) is signed by the Governor or chief executive officer of the general local government, or combination of local governments, applying for the grant;

"(2) provides for meeting a specific productivity need of the State or local governments;

"(3) provides assurance that the making of a Federal grant will not result in a reduction in relevant State or local government expenditures or the substitution of Federal funds for State or local funds previously made available for the same purposes as that grant; and

"(4) sets forth clear and practicable actions for the improvement of management capability for increased productivity, such as—

"(A) supporting specific projects or programs which enhance productivity by demonstrating how to maintain the same quantity or quality of service at the same or lower cost;

"(B) assessing State or local government needs for new or improved productivity-related systems or subsystems;

"(C) strengthening one or more areas of management to improve productivity, such as program planning and evaluation, program and policy analysis, organization, information management, cost reduction, work and performance measurement, or administrative services;

"(D) utilizing available and potential knowledge, ability, and skills of public employees and managers and private individuals and organizations to increase the efficiency and effectiveness of governmental activities;

"(E) undertaking research and demonstration projects to develop and apply better techniques to improve productivity of State and local governments, including projects conducted by State and local government employees and projects conducted by institutions of higher education or other appropriate nonprofit organizations under grants or contracts; and

"(F) increasing intergovernmental cooperation in productivity improvement with respect to such matters as information management, administrative services, and intergovernmental financial management.

"(c) A grant under this title may not be made solely for the same purposes as grants under title II or title III. However, any grant project which includes personnel management and training components may be funded under this title if the overall purpose of the project is to strengthen the capability to improve productivity.

"(d) An application for a grant from a general local government or a combination of general local governments shall first be submitted by the applicant to the Governor for review comments and recommendations. The Governor may refer the application to a State office designated, by the Governor for review. Comments and recommendations (if any) made as a result of the review, and a statement by the general local government or combination of such governments that it has considered the comments and recommendations of the Governor, shall accompany the application to the Office. Comments and recommendations of the Governor shall not be required to accompany the application if the general local government or combination of such governments certifies to the Office that the application has been before the Governor for review and comment for a period of thirty days without comment by the Governor. An explanation in writing shall be sent to the Governor of a State by the Office whenever the Office does not concur with recommendations of the Governor in approving any local government applications.

"TECHNICAL ASSISTANCE

"SEC. 503. The Office of Personnel Management may furnish technical advice and assistance on request, to any State or general local government seeking to improve its productivity. The Office may waive, in whole or in part, payments from any such government for the costs of furnishing such assistance. All such payments shall be credited to the appropriation or fund from which the expenses were or are to be paid.

"GRANTS TO OTHER ORGANIZATIONS

"SEC. 504. (a) The Office of Personnel Management is authorized to make grants to other organizations to pay up to 90 per centum of the costs of projects and programs to strengthen the capability to improve productivity of State and local governments if the Office—

"(1) finds that State or local governments have requested the proposed project or program;

"(2) determines that the capability to provide such assistance does not exist, or is not readily available, within the Federal or the State or local governments requesting such assistance, or if such capability does exist, that such government or association is not disposed to provide such assistance; and

"(3) approves the project or program as meeting such requirements as may be prescribed by the Office of Personnel Management in its regulations pursuant to this Act.

"(b) For the purpose of this section, 'other organization' has the same meaning as given it in section 304(b).

"DISTRIBUTION OF PRODUCTIVITY IMPROVEMENT GRANTS

"SEC. 505. (a) The Office of Personnel Management shall allocate the money available for grants under this title in such manner as will most nearly provide an equitable distribution of the grants among States and between State and local governments, taking into consideration such factors as the size of the population, number of employees affected, the urgency of the programs or projects, the need for funds to carry out the purposes of this title, and the potential of the governmental jurisdictions concerned to use the funds most effectively. The provisions of section 606 of this Act shall not apply with respect to funds appropriated for grants authorized by this title.

"(b) In administering grant funds under this title, the Office may allocate funds to States to be used in conjunction with funds allocated under section 606 of this Act. States are encouraged to establish statewide programs for the use of all grant funds under this Act. Grantees may use the funds provided for personnel management and training and those provided for productivity purposes in a combined manner.

"EVALUATION OF PRODUCTIVITY IMPROVEMENT GRANT PROGRAM

"SEC. 506. (a) The Comptroller General of the United States shall audit, review, and evaluate the implementation of the provisions of this title by the Office of Personnel Management.

"(b) Not less than thirty months nor more than thirty-six months after the effective date of this title, the Comptroller General shall prepare and submit to the Congress a report on his audit conducted pursuant to subsection (a).".

(b)(1) Such Act is further amended—

(A) by redesignating title V as title VI; and

(B) by redesignating sections 501 through 513 as sections 601 through 613, respectively.

(2) Sections 203(a) and 303(c) of such Act (42 U.S.C. 4723(a) and 4723(c)) are each amended by striking out "506(a)" and "513" each place they appear and inserting in lieu thereof "606(a)" and "613", respectively.

(3) Section 601 of such Act (as redesignated) (42 U.S.C. 4761) is amended by striking out "and V" and inserting in lieu thereof "V, and VI".

SEC. 3. The amendments made by this Act shall take effect on the later of—

(1) October 1, 1979; or

(2) the date of the enactment of this Act.●

MARK HANNAFORD, A GOOD FRIEND OF THE WORKINGPERSON

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. PATTERSON. Mr. Speaker, on March 25 the UAW's Local 148 from Lakewood, Calif., will honor my good friend former Congressman Mark Hannaford for the work he did during his tenure in Congress for the union families of his district and all working Americans.

Mark served California's 34th Congressional District for 4 years. Both of us were elected to Congress in 1974. Prior to his election to Congress he served as councilman and mayor of the city of Lakewood. He also taught school for 25 years and was a political science professor at Long Beach City College when he was elected to Congress. Mark's academic achievements are best exemplified by the John Hay Fellowship he won in 1961. The fellowship enabled him to study advanced work in economics and political science at Yale University.

In Congress Mark established himself as a true friend of American working men and women. His support for labor issues, which concern the average citizen, was consistently displayed by his voting record. Mark's support for labor was unbending, even in the face of criticism from local forces who view the rights of working Americans as secondary to their peculiar interpretation of what is good for America and society.

Mr. Speaker, Mark Hannaford is truly deserving of the honor bestowed upon him by the UAW's Local 148. Mark's dedication to the American labor movement is as solid as the UAW's rich and progressive history in American labor and politics.●

TRIBUTE TO CONGRESSMAN ABNER MIKVA

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. DRINAN. Mr. Speaker, I know that all of our colleagues would want to read the well-deserved tribute to Congressman ABNER MIKVA published in the New Republic for March 24, 1979.

This article, authored by the distinguished journalist, Morton Kondracke, commends President Carter's wise choice of Congressman MIKVA for a judgeship on the District of Columbia Court of Appeals.

The article follows:

CARTER'S WISE CHOICE FOR THE D.C. APPEALS COURT—GOOD JUDGEMENT

(By Morton Kondracke)

President Carter's judicial appointments are winning general praise, but one of them deserves special applause. To the nation's second most important tribunal, the US Court of Appeals for the District of Columbia, Carter has named one of the smartest people in Congress and, I think, one of the wisest and most decent people in all US politics. He is Abner Mikva, a fifth-term representative from Illinois. The media make stars out of Presidents, Cabinet officers and senators, but give short shrift to House members as too numerous to handle. Most people, liberals at least, remember how valiantly, if unsuccessfully, Paul Douglas and Philip Hart fought in the Senate against the oil depletion allowance. It was Abner Mikva, though, who led the way against it in the House Ways and Means Committee and on the House floor in 1975, and won. Tax reform tends to get reported as a fight between the president and Russell Long, but it has been Mikva, as the leader of Ways and Means liberals, who has tried to close loopholes and make tax rates more progressive. Everyone knows that Teddy Kennedy has championed 18-year-old voting and revision of the criminal code. In the House, those have been Mikva measures.

There is another reason why Abner Mikva isn't a household word. Much of the Washington press is mired in a curious, bent-over-backyard kind of conflict of interest. Reporters write comfortably about politicians they don't know or privately hate, but they're so reluctant to show favoritism to people they admire or love that they'd rather leave them out of a story than reveal their bias. Almost every good Washington reporter I know considers Mikva a truly exceptional political figure, but few have told their readers about it. Now that he is about to become a judge and probably never will run for office again, we can purge ourselves of our conflicts. I do so happily.

It's not only the press's fault that Ab Mikva isn't famous. It was fate. Mikva didn't grow up in a particularly bad time or place for political success; in fact, he became a liberal as a result of his family's deprivations in Depression-era Milwaukee and because of the political examples of its socialist mayors and the relief from misery provided by the programs of Franklin Roosevelt. He tempered his liberalism with classical economics at the University of Chicago, where he got a law degree. He clerked for U.S. Supreme Court Justice Sherman Minton, but then he decided to go back to Illinois. Prospects looked promising enough: Adlai Stevenson had just been elected governor and Paul Douglas had become senator. Mikva moved to Hyde Park, the University of Chicago neighborhood, and went to work for Arthur Goldberg's labor law firm. In 1956, he ran for state representative against the wishes of the Cook County Democratic organization, and won.

If Mikva had been a liberal reformer in, say, Wisconsin, he might be a senator now and perhaps even a presidential contender. But Illinois in those days didn't cotton to liberal reformers. It wasn't really a Stevenson-Douglas state at all. It was a Daley state in Cook County, where half the Illinois population lived, and a Paul Powell state in much of the rest, and where it wasn't one of theirs, it was Republican. Mikva instantly became the leader of a small band variously known as "the good government bloc" or the "economy bloc"—one opponent referred to Mikva as "the economy blockhead"—which could win only by forming coalitions, maneuvering shrewdly and appealing to the press and public. Mostly it acted to combat political skulduggery or (in the case of Paul Powell, the man who died with a shoebox full of cash in the closet) outright theft. Mikva and his allies also fought to stop periodic budgetary pogroms against welfare recipients and mental patients. They managed to pass a consumer credit act outlawing garnishments and a reformed state criminal code.

Mikva won the respect of those with whom he coalesced—the Daley Democrats and Republicans, rarely Powell—but he never would be a beneficiary of their political power. Out of respect for Mikva's brains and legislative skill, Daley reluctantly agreed to allow him to be chairman of the Illinois House Judiciary Committee. Out of respect for Mikva's popularity and distaste for primary election bloodletting, Daley never ran machine candidates against him. Daley may even have liked Mikva a bit for being a good family man (as opposed to what Daley thought most Hyde Park-University of Chicago liberals were). But the Daley organization did nothing to help Mikva move up to higher office, and everything to reapportion him out of his political career. When Mikva decided in 1966 that he wanted to go to Congress, he had to fight the organization again. He lost narrowly, but forced the machine to back him in 1968. He won then with 65 percent of the vote, and with 75 percent in 1970. Then in the 1971 reapportionment, Daley redrew congressional district maps to eliminate Mikva.

Instead of quitting, Mikva moved from the Chicago South Side of Evanston, a northern suburb, and fought for a traditionally Republican seat in 1972. He lost, and this was another case of fate denying him national attention. In previous terms, Mikva had been an increasingly influential member of the House Judiciary Committee. Had Mikva been in Congress in 1974, he probably would have become famous as a key figure during the Nixon impeachment proceedings, but he wasn't. He did return in 1974, winning by 2700 votes. He was reelected in 1976 by 201 votes and in 1978 by 1190. It's a mark of his political effectiveness that he won at all, considering that Republican candidates for senator and governor carried his district by 74 and 75 percent, respectively, in 1978.

Mikva has managed, by brains, energy, acumen, integrity, and human charm, to race back and forth to Chicago every weekend to keep his seat in a Republican district and still be the leader of Ways and Means Committee liberals, chairman of the reformist Democratic Study Group, the chief Judiciary Committee proponent of gun control and criminal code revision and a key backer of public financing for congressional campaigns. Mikva manages to be a tax reform, income redistribution liberal, to favor national health insurance and oppose oil deregulation, without being a woolly-brained free spender and advocate of government regulation. He is anti-protectionist and a deregulator of industries where the market can work. He wants to prohibit the sale and manufacture of handguns, but he knows that banning possession of them would create a confiscation nightmare. What sets him apart from many liberals, too, is that he doesn't only love mankind; he loves individual people, too.

Now a potentially great legislative career is about to come to an end. His friends will be spared having to worry each election night about whether, or how narrowly, the voters of Illinois's 10th District have maintained their good judgment. The court Mikva will join receives the most difficult and important national legal questions, and often frames the terms under which they are considered by the Supreme Court. No one who knows Mikva has any doubt that he and the appeals court are perfect for each other, but I'd like to think he'll go further than that in his new occupation.●

THE 28TH SESSION OF THE UNITED NATIONS COMMISSION ON NARCOTIC DRUGS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. GILMAN. Mr. Speaker, the 28th session of the United Nations Commission on Narcotic Drugs recently completed its deliberations in Geneva, Switzerland (February 12–22, 1979). The U.S. delegation, which was ably led by Ms. Mathea Falco, the newly confirmed Assistant Secretary of State for International Narcotics Matters, consisted of Peter Bensinger, Administrator of the Drug Enforcement Administration; Robert Chasen, Commissioner of the U.S. Customs Service; George Dalley, Deputy Assistant Secretary of State for International Organizations; Robert Angarola of the White House Drug Abuse Policy; Dr. Jean Paul Smith of the National Institute on Drug Abuse; and Louis Cavenaugh of the U.S. Mission to Geneva. Our distinguished colleague, the gentleman from Illinois (Mr. RAILSBACK), the ranking Member of our Select Committee on Narcotics, also attended the U.N. Commission's deliberations. Through the good offices of Ms. Falco, I submitted a statement to the Commission regarding the global dimensions of narcotics trafficking and the urgency for nations of the international community to contribute to the United Nations Fund for Drug Abuse (UNFDAC), or in the alternative to increase their contributions to UNFDAC, whose budget is dependent upon the voluntary contributions from the international community.

Mr. Speaker, narcotics trafficking is a multibillion dollar business that is conducted by international criminal syndicates whose highly organized, well-financed, and sophisticated operations reach into every region of the world, maiming the health of our citizens and corrupting our political, economic, and social institutions. Federal drug law enforcement authorities estimate that the nefarious drug trafficking business at $45 billion just in the United States.

Given the magnitude of the drug problem, I find it shocking that in 1978 only 38 nations (or aproximately 25 percent of the 151-member nations of the United Nations) raised $7,296,200 for UNFDAC's "global war" on drug abuse * * * an amount that would not even purchase one military jet aircraft. Only nine nations or nearly 6 percent of the 151 membership in the U.N.) contributed $100,000 or more to the fund: the United States ($3 million), Norway ($2,472,300) Sweden ($535,000), Saudi Arabia ($250,000), the Federal Republic of Germany ($250,000), Canada ($200,000), Japan ($200,000), and France ($100,000). The remaining 29 nations contributed a meager $188,900 (or an average of $6,746 per nation). In 1977, contributions to UNFDAC rose to $7,549,700, of which the United States contributed $4 million (or 52.9 percent of the fund's budget), compared to the pitiful pittance of $3,900,800 that was contributed to the U.N. fund in 1976, of which the United States contributed $3 million (or nearly 77 percent of the fund's budget).

As of February 21, 1979, 15 nations have pledged or contributed $4.7 billion to UNFDAC: Argentina ($10,000), Australia (A$200,000), Austria (A.Sh500,000), Canada (C$100,000), Chile ($3,000), France ($100,000), the Federal Republic of Germany (DM.500,000), Hong Kong ($21,500), India ($7,000), Japan ($300,000), Madagascar ($2,000), Norway ($60,000), Sweden ($500,000), United Kingdom (£50,000), and the United States ($3,000,000).

As I state in my remarks before the U.N. Commission:

> We cannot wage any global assault on narcotics on such a shoddy budget. Such

limited financing will not provide the equipment, the personnel and the programs needed to combat the international drug traffickers' sophisticated operations that reach into every corner of the world. We cannot effectively eradicate the illicit production of drugs at its source, educate our citizens regarding the dangers of drug abuse, and treat and rehabilitate those individuals who have become addicted to drugs, on such a pathetically small budget.

It is appalling that those nations that have substantial drug problems have made minuscule, if any, contributions to the U.N. fund. Nations that can afford to contribute to UNFDAC have made only token pledges of less than a few thousand dollars, or are conspicuously absent by not contributing a single penny to the effect to wage "war" on drug abuse and the narcotic traffickers that are infecting our citizens with their deadly drugs.

Some of the largest nations of the international community have not contributed a single penny to UNFDAC: The Soviet Union, the People's Republic of China, and the Eastern European bloc of nations have not contributed one red cent to the fund.

Certain oil rich nations—Venezuela, Kuwait, Iran, Libya—have made only token contributions or no contributions at all to UNFDAC.

Major illicit drug producers—Colombia, Bolivia, Ecuador, Peru, Turkey, Afghanistan, Burma—did not contribute a single penny to the war on drug abuse in 1978.

There is, however, one encouraging note from the private sector. The Japanese Shipbuilding Industry Foundation has announced that for 1979 it intends to contribute $200,000 to certain law enforcement aspects of the UNFDAC financed program in Burma. This represents a 25-percent increase in the foundation's 1977 contribution of $160,000 to the fund.

I also find it appalling that the U.N. General Assembly does not regard drug abuse and narcotics trafficking as a serious problem; repeatedly giving this problem a below average priority on its agenda—a position that I find totally unacceptable and unconscionable.

In December 1977, under the leadership of the distinguished chairman of the Select Committee on Narcotics Abuse and Control (Mr. WOLFF), who was a member of the U.S. delegation to the U.N., the U.N. Assembly unanimously adopted Resolution 32/125 that appealed "to governments for sustained contributions to UNFDAC by giving due consideration to the economic and social development provided in drug control programs financed by the fund." As a member of the Narcotics Select Committee, I, along with other members of the committee, have sought to urge nations to implement this resolution by contributing to the U.N. Fund. Last November, at my suggestion, our Ambassador to the United Nations (Mr. Young) held a donors meeting of U.N. member nations at the U.S. Mission to the U.N. in New York. Efforts to encourage nations in the international community to contribute to the U.N. Fund has, however, been a slow, frustrating process.

The international community must do more than adopt well-intentioned resolutions. The time for a concerted, global effort to wage "war" on drug abuse is already at hand. If we are sincere in freeing the world from the menace of drug abuse and the international drug peddlers, then the international community must develop a global, comprehensive plan for waging "war" on this evil menace. Broader distribution of contributions from the international community to UNFDAC must be forthcoming. A few nations cannot single-handedly underwrite this global problem. If the "war" on drug abuse is going to be won, it will require the concerted effort by the entire family of nations not only to contribute to UNFDAC, but to increase their contributions to the Fund. If the international community truly means what it says by adopting well-intentioned resolutions, then the time has arrived for the 151-member nations of the U.N. to take the drug problem seriously, to give it top priority on its agendas, and to contribute to UNFDAC, a major entity within the U.N. system, that is attempting to fight the drug problem.

Mr. Speaker, in the interest of bringing to the attention of my colleagues the financial status of UNFDAC, at this point in the RECORD I am inserting three documents: The complete text of my statement before the 28th session of the U.N. Commission on Narcotic Drugs, a list of those nations that contributed to the U.N. Fund in 1978, and a letter from Secretary Falco that briefly discusses the Commission's February 1979 meeting in Geneva:

STATEMENT BY THE HONORABLE BENJAMIN A. GILMAN

Mr. Chairman, delegates to the Twenty-eighth Session of the United Nations Commission on Narcotic Drugs, although I am unable to participate directly in the important deliberations of this distinguished body, I welcome this opportunity to share with you the thoughts of some of us in the Congress concerning the efforts by the international community to combat narcotics abuse and trafficking.

Drug abuse has reached epidemic proportions for both heroin producer nations and heroin user nations, for both the developed and the less developed nations. Interdicting narcotics trafficking, eradicating the illicit production of drugs at its source, alerting the world's citizenry to the dangers of drug abuse, and treating and rehabilitating those who have become addicted to drugs is a staggering problem. The enormity of the drug problem is beyond the capability of any one nation to single-handedly resolve.

Drug abuse and drug trafficking is not unique to any one nation or to any small group of nations. It involves the entire international community. It is a global problem that debilitates and brings death to all mankind. No nation, regardless of its political ideology, governmental institutions or socioeconomic status is immune to the devastating effects of drug abuse or from the insidious drug merchants who prey upon human suffering. The heavily financed, highly sophisticated international criminal syndicates reach into every region of the world. Their drug trafficking enterprises reap billions of untaxed dollars into their coffers. The tentacles of their illicit financial transactions breed corruption that not only undermines the political, social and economic structures of society but destroy the roots of that society . . . our youth.

The battle against heroin, marihuana, cocaine and other dangerous drugs is a never-ending struggle. The magnitude of the trafficking of these illicit substances is herculean. Peter Bensinger, the able administrator of the United States Drug Enforcement Administration, has estimated that the vile business of drug trafficking in the United States amounts to as much as $45 billion per year. Waging "war" on such an extensive and elusive enemy is frustrating for all nations. The U.N. International Narcotics Control Board (INCB) in its 1977 annual report, concluded:

"The amount of drugs of all kinds in the illicit traffic has shown no sign of decreasing . . . Worldwide heroin seizures for instance reached an unprecedented level in 1976. When one source dries up another may almost immediately assume greater importance so that the apparently rising illicit demand can continue to be met."

Last year before this distinguished commission, I cautioned the international community about becoming complacent over the reported decline in heroin availability, the decline in heroin-related deaths, and the decline in the levels of narcotic purity. We have learned, as the INCB stated in its 1977 annual report, that "when one source dries up another source assumes greater importance."

Two years ago approximately 80 percent of all the heroin entering the United States originated in Mexico. Presently, through joint, cooperative efforts in eradicating the illicit production of opium at its source, the amount of heroin entering the United States has been reduced to approximately 60 percent, which is still an unacceptable level.

It is now apparent that Mexico has become a transshipment state for the trafficking of Colombian cocaine. During a recent visit to Mexico, where I had the opportunity to study at first-hand the outstanding work of the Mexican drug eradication program, Mexican law enforcement authorities, in a record breaking seizure for their nation, seized 150 pounds of Colombian cocaine worth an estimated street value of $150 million and arrested a gang of Mexican and Colombian drug traffickers who have been operating in Peru, Colombia and Mexico. The cocaine reportedly was to be refined in Mexico and to be distributed to the United States and Canada.

And so the never-ending battle against an elusive enemy continues. Only last month our Federal and local drug law enforcement officers arrested a gang of international heroin traffickers who, during the past two years, have smuggled into our nation's capitol at least 100 pounds of 90 percent pure heroin from Southeast Asia worth about $30 million.

The amount of marihuana and cocaine seized by United States drug law enforcement agents, working with their counterparts in Latin America, Europe, the Middle East and Asia, is staggering: it is no longer seized by the pound but by the ton . . . by the boatload and planeload. From December 1977 through April of 1978, our Nation's drug agents seized 40 marihuana vessels flying flags from Columbia, Mexico, Venezuela, Honduras, Panama and Liberia that carried 574 tons of marihuana worth an estimated retail value of $400 million. Tens of millions of illicit hallucinogenic, stimulant and depressant dosage units are annually seized by our Federal, State and local law enforcement agencies.

Last October, law enforcement agents in New Delhi smashed an India-to-Canada hashish smuggling ring involving the seizure of 300 pounds of hashish (concealed in 15,000 flashlight batteries) estimated at $1.5 million.

From Quebec to Vancouver, Canadian law enforcement authorities are reporting increased seizures of marihuana, cocaine, and hashish. Heroin addiction in Canada and Western Europe has reached such epidemic proportions that Canadian, British, French, West German, Dutch, Swedish, and American law enforcement agents have joined their colleagues in Thailand in trying to interdict narcotics trafficking operations and to eradicate the illicit production of opium. Last September, Singaporean, Malaysian, American and European narcotics agents arrested 40 drug traffickers and seized 200 kilograms of heroin worth an estimated $20 million Hong Kong dollars, together with the seizure of large quantities of weapons in Amsterdam, Paris, Hamburg, Frankfurt, Copenhagen and Helsinki.

According to Canadian law enforcement officials, heroin trafficking represents the fifth largest industry in British Columbia, grossing at least $255 million a year and requiring over 365 pounds of smuggled heroin to supply Vancouver's addict population. These officials also state that 60 percent of the crime in British Columbia is drug-related.

Drug addiction and drug dependency has accelerated at an alarming rate throughout the world. Thailand, a major heroin producer, reports a drug addiction population estimated between 300,000 and 600,000; in Burma 20,000 individuals are registered for narcotics treatment; Iran reports an estimated 400,000 addicts and Mexico 50,000.

Egyptian law enforcement authorities estimate 3 to 6 tons of opium are consumed annually by 500,000 of that nation's drug users. The cultivation of poppy fields in Egypt has reached such grave proportions that the Director of the Egyptian Anti-Narcotics Administration, General Sami Assad Farag, recently wrote me that "There is the possibility that Egypt might become an illicit opium producing nation."

In Amsterdam, a major narcotics distributing center, overdose deaths occur at a rate of one a week among that city's 10,000 addicts and an additional 10,000 Dutch citizens are addicted to hard drugs. In France, approximately 100,000 individuals are dependent upon hard drugs; 13,000 in Switzerland; and in the United States approximately 450,000 heroin addicts reportedly spend $6 billion annually to support their habit. Reports from Japan indicate a substantial amphetamine addiction problem among that nation's citizenry.

Last November, as a member of the House Select Committee on Narcotics Abuse and Control that investigated and held hearings on drug abuse among our soldiers stationed in West Germany, I had the opportunity to see at first-hand the abundant availability and ease by which heroin, marihuana, cocaine, and other dangerous drugs are obtained in Germany. The purity of heroin obtained in West Germany averages 46 percent. I also learned from West German officials that each day one addict among that nation's 40,000 drug addicted population succumbs to an overdose. Berlin, Frankfurt, Amsterdam, Miami, Chicago, New York, Hawaii, and Vancouver have all become major narcotic distribution centers for the international criminal syndicates that profit from the human misery of drug dependency.

Unfortunately this data is only the tip of the iceberg. It does not account for the unknown number who are not reported as drug addicts. It does not include those who are not registered in drug treatment centers, or who are psychologically and physically dependent upon amphetamines, barbiturates, tranquilizers or who are are cross addicted by pills and alcohol. The data does, however, indicate what all of us know: that narcotics trafficking is big business, that it adversely affects the health and well-being of all our citizens. The critical question is: to what extent is the international community . . . the United Nations, the specialized U.N. commissions and boards such as this distinguished body . . . committed to combat effectively the onslaught of the illicit drug trafficking that is causing so much misery to our citizens and that is undermining our political, social and economic institutions and the moral values of our communities?

It has been reported that in 1978 only 38 nations (25 percent of the 151 member-nations of the United Nations) contributed or pledged a paltry sum of slightly more than $7 million, an amount that would not even purchase one offensive military aircraft. Only nine nations—the United States, Norway, Sweden, Saudi Arabia, the Federal Republic of Germany, Canada, Japan, France and Australia—contributed $100,000 or more to the United Nations Funds for Drug Abuse Control (UNFDAC). We cannot wage any global assault on narcotics on such a paltry budget. Such limited financing will not provide the equipment, the personnel and the programs needed to combat the international drug traffickers' sophisticated operations that reach into every corner of the world. We cannot effectively eradicate the illicit production of drugs at its source, educate our citizens regarding the dangers of drug abuse, and treat and rehabilitate those individuals who have become addicted to drugs, on such a pathetically small budget. It is appalling that those nations that have substantial drug problems have made minuscule, if any, contributions to the U.N. Fund. Nations that can afford to contribute to the Fund have made only token pledges of less than a few thousand dollars or are conspicuously absent by not contributing a single penny to the effort to wage "war" on drug abuse. Since its inception in 1971, the U.N. Fund's total receipts from all nations are less than $42 million, with the United States contributing almost half of that sum. The disproportionate imbalance by a few nations contributing the bulk of the Fund's financial resources still exists,, which many of my colleagues in the Congress find unacceptable. This financial imbalance must be corrected if UNFDAC is to be a viable organization effectively fulfilling its global mission.

Considering its critical nature, I find it shocking that efforts to combat drug abuse is assigned such a low priority by the U.N. General Assembly. Considering the small cash reserves projected by the end of 1979 for the U.N. Fund, together with the proposed reduction in UNFDAC programs, UNFDAC's proposed expensive move of its headquarters from Geneva to Vienna is untenable, poorly time and should be reexamined.

In December 1977, under the leadership of Congressman Lester Wolff, the distinguished Chairman of the U.S. House of Representatives Select Committee on Narcotics Abuse and Control, who was a member of the U.S. delegation to the U.N. General Assembly, the U.N. Assembly unanimously adopted Resolution 32/124, requesting this distinguished commission "to study at its next session the possibility of launching a meaningful program of international drug abuse control strategy and policies." Resolution 32/125, which was also unanimously adopted in December of 1977, appealed "to Governments for sustained contributions to UNFDAC by giving due consideration to the economic and social development provided in drug control programs financed by the Fund."

What has been done to implement these resolutions? I have been informed that not a single penny has been added to the budgets of those agencies devoted to drug abuse prevention and control. As the U.S. Representative to the U.N. General Assembly, the distinguished Senator from Connecticut (Senator Ribicoff) stated on in the General Assembly's Third Committee on November 28th, 1978:

"A resolution (32/124) was passed by the General Assembly last year calling upon the United Nations drug control units to take new and bold steps in controlling the drug menace. But not one dollar was added to their budgets. Even the voluntary contributions to the United Nations Fund for Drug Abuse Control have dwindled. By some estimates the United Nations and all other international organizations combined are providing only one-tenth of one percent of the resources necessary to control the abuse of drugs in this world."

On November 9th, 1978, at a donors meeting arranged at my request to help increase the contributions to UNFDAC, I stated to the Assembly representatives of member-nations of the U.N.:

"The time to translate our well-intentioned resolutions is at hand. We must translate our flowery speeches into action. We must pool our resources, personnel, funds, and technology if we are to effectively win the "war" on drug abuse.

"We have a common enemy . . . the highly organized, heavily financed illicit drug trafficking organizations. Accordingly, let us intensify our international efforts to combat their activities to interdict their narcotics trafficking, to eradicate their production of illicit drugs."

If the international community truly intends to wage a "global war" on drug abuse, and if we are sincere in creating a better world for all of us, then we must give the critical narcotics problem the high priority it requires. We must pool our resources, personnel, funds, technology; we must develop a comprehensive, coordinated strategy to interdict narcotics trafficking, to eradicate the illicit production of drugs at its source, to educate our citizens regarding the dangers of drug abuse, and to treat and rehabilitate those who have been addicted to drugs. The international community is far from achieving those objectives.

When we recognize that drug abuse is our common enemy and when we unite to conduct a concerted, international effort against this scourge of all mankind, then we will have started to do battle with the international criminal syndicates that feed upon a world-wide demand for illicit drugs. In the name of our future generations, I urge you and your colleagues to intensify your efforts to see to it that the U.N. Geneva Assembly regard drug abuse as top priority on its agendas, to provide UNFDAC with the necessary funds and resources to accomplish its global mission, and for the entire international community to translate its flowery resolutions into significant contributions to the U.N. Fund. When that objective is accomplished, then, hopefully the world will be a better place for all of us.

UNITED NATIONS FUND FOR DRUG ABUSE CONTROL

THE 1978 CONTRIBUTIONS

Country:	*U.S. dollars*
Algeria	3,000
Argentina	8,000
Australia	48,220
Austria	48,872
Bahamas	500
Barbados	—
Belgium	—
Brazil	5,000
Canada	200,000
Chile	2,000
Cyprus	597
Denmark	19,932
Egypt	1,000
Finland	—
France	100,000
Germany, Federal Republic of	247,824
Greece	2,000
Guyana	—
Holy See	—
Hong Kong	21,607
Iceland	2,500
Indonesia	—

THE 1978 CONTRIBUTIONS—Continued

Country:	*U.S. dollars*
Iran	—
Iraq	—
Ireland	5, 000
Israel	—
Italy	—
Ivory Coast	—
Jamaica	1, 700
Japan	200, 000
Jordan	—
Kenya	—
Kuwait	5, 000
Libyan Arab Jamahiriya	—
Liechtenstein	1, 000
Malaysia	—
Malta	516
Mauritius	500
Morocco	—
New Zealand	32, 130
Nigeria	8, 778
Norway	2, 477, 802
Pakistan	1, 003
Philippines	—
Portugal	1, 000
Qatar	—
Republic of Korea	1, 500
Rwanda	—
San Marino	1, 000
Saudi Arabia	250, 000
Senegal	3, 155
Singapore	1, 000
South Africa	—
Spain	—
Sri Lanka	500
Sudan	—
Surinam	—
Sweden	535, 070
Thailand	5, 000
Togo	—
Trinidad and Tobago	—
Tunisia	2, 338
Turkey	—
United Arab Emirates	—
United Kingdom	—
United Republic of Cameroon	—
United States of America	3, 000, 000
Uruguay	—
Venezuela	2, 000
Viet Nam	—
Yugoslavia	—
Total	7, 247, 044
Private contributions	12, 042

UNITED NATIONS FUND FOR DRUG ABUSE CONTROL, SUMMARY OF, 1978 CONTRIBUTIONS TO UNFDAC

[Paid or Pledged]

	U.S. dollars
United States of America	3, 000, 000
Other countries (U.S. $100,000 and above)	
Norway	2, 472, 300
Sweden	535, 000
Saudi Arabia	250, 000
Federal Republic of Germany	250, 000
Canada	200, 000
Japan	200, 000
France	100, 000
Australia	100, 000
	4, 107, 300
Other countries (less than U.S. $100,000)	188, 900
	4, 296, 200
Total	7, 296, 200

United States of America: 41.1 percent.
Other countries: 58.9 percent.

DEPARTMENT OF STATE,
Washington, D.C., March 5, 1979.

Hon. BENJAMIN A. GILMAN,
U.S. House of Representatives.

DEAR MR. GILMAN: I greatly appreciate your continuing participation in our efforts to increase international support for the United Nations drug control agencies. Your longstanding interest in improving the work of the UN Fund for Drug Abuse Control (UNFDAC) is widely recognized, both here and abroad. This recognition made your contributions of particular importance to our delegation's work at the recent UN Commission on Narcotic Drugs (CND).

The Commission meetings placed particular emphasis upon the Fund's work, as well as the support it receives from other governments. A copy of the U.S. statement given by Deputy Assistant Secretary of State George Dalley on these matters is enclosed. I invite your particular attention to pages 5 and 6 of this document, where Mr. Dalley refers to the statements you provided concerning the Fund. The value of our wide distribution of your views was demonstrated by the uniformly favorable comment which we received from other members of the Commission.

I was pleased to note that comments delivered by the delegation from West Germany complemented our own. The continually increasing interest in UNFDAC shown by the Germans has clearly been influenced by your efforts as part of our 1977 CND delegation, as well as by your discussions with German officials last November. I am enclosing a copy of the German presentation on the Fund to the Commission.

The efforts of you and your Congressional colleagues in support of international narcotics control are clearly paying dividends. Support for UNFDAC by other governments has steadily increased since your inteventions at the 1977 CND meetings when the U.S. was providing nearly three-quarters of the Fund's expenses. While our $3 million yearly contribution has remained constant, the share of the total contributions it represents has dropped to 42%.

Support for the Fund is clearly gaining momentum internationally, a momentum essential to continuation of the important demand reduction, crop substitution and narcotics control efforts it is undertaking. It is too early to estimate total contributions for 1979, but the $4.9 million of initial pledges made at Geneva are encouraging. Several countries increased their pledges over 1978: Australia contributed $1.25 million for the three-year period 1979–81. The Japanese Shipbuilding Foundation has promised $200,000 and the United Kingdom, contributed for the first time in years. The support of the Congress has been an essential ingredient in the pivotal U.S. role in awakening other governments to the importance of supporting UNFDAC. It is, however, vital not to allow the momentum we have generated thus far to flag by reducing our own contributions at this time.

I hope that you will be able to attend the next Commission meeting.

Best regards,

MATHEA FALCO,
Assistant Secretary for International Narcotics Matters.●

THE 26TH ANNUAL REGIONAL CONVENTION OF CENTRAL REGION OF UNITED SYNAGOGUE YOUTH

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. GRADISON. Mr. Speaker, it is with pleasure that I ask the Members to join me in congratulating the central region of the United Synagogue Youth on its 26th annual regional convention which will be held in Cincinnati, Ohio, March 30–April 1, 1979.

The central region of the United Synagogue Youth is one of 18 regions in the United States, Canada, and Israel, and its 1,200 members, located in 34 conservative synagogues in Ohio, Indiana, Kentucky, West Virginia, Pennsylvania, and Michigan, are an important part of the organization's international membership of 20,000 young people. This international organization for Jewish high school students, whose purpose is to bring about a meaningful and full reciprocal encounter of Judaism, the Jewish people and the synagogue on one side, and the Jewish teenager on the other, is aimed at serving the religious, cultural, and social needs of these young people. United Synagogue Youth's national programs include a wide ange of activities. A 6-week summer pilgrimage to Israel and a similar pilgrimage to Eastern Europe and the U.S.S.R. are featured, together with USY on wheels, a 6-week bus tour across the United States visiting national shrines and places of importance to our American heritage. In addition, members raise large sums of money for charity through the Tikun Clam program "Building a Better World," devoted to helping the sick, blind, displaced, and the Soviet Jewry resettlement program in Israel, among others. Many opportunities for study and social action are offered through a variety of publications and projects. The annual USY international convention attracts over a thousand young people in the organization. United Synagogue Youth is the largest Jewish youth organization in the world.

On the regional level, the organization's program includes all of the activities already mentioned as well as intensive study weekends, aimed at exploring topics in depth, leadership training institutes, and various conventions. Camp Crushy at Camp Levingston in Indiana, provides a week of learning, living, and studying about Jewish life.

This convention brings over 400 members of the central region together to enjoy a fun-filled weekend with a well-rounded program. The international president of United Synagogue Youth, Jeremy J. Fingerman, will pay an official visit to the convention this year. Dr. Irving S. Hellman, regional director, is entering his fifth year in this position. Mr. Robert Sugerman, youth commission chairman, is heading the adult supervision for the youth group. Rabbi Fishel J. Goldfeder, Rabbi of Adath Israel Synagogue, the host chapter, has spent many years working for the benefit of USY. These individuals help to make this convention and this youth group an important and valuable experience for Jewish teens. I look forward to many future successes and milestones for United Synagogue Youth's central region.●

PUBLIC CAMPAIGN FINANCING BILL

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. GINGRICH. Mr. Speaker, today the minority leader testified before the Committee on House Administration in opposition to H.R. 1, the public campaign financing bill. His remarks made a number of important points that I think warrant the careful consideration of all Members of the House and I insert this testimony at this point in the Record:

Testimony on H.R. 1 by Congressman John J. Rhodes

Thank you, Mr. Chairman, for this opportunity to testify in connection with H.R. 1, the bill described as providing for public financing of Congressional elections. A more accurate label, I believe, would be the Tenure of Office Act, because I can think of no measure better designed to ensure permanent tenure for Members than by discouraging challenges to them, as this legislation certainly does.

Supporters of this bill describe it as an antidote to what they see as the problem of soaring costs of campaigning for office. I would suggest, however, that, far from spending too much on political campaigns, the American public may not be spending enough on what constitutes the most direct avenue for communication and information on candidates who seek election to public office. Certainly not in comparison to what the public spends in other areas.

For example, a total of 87 million 260 thousand dollars was spent in the primary and general campaigns by all candidates—Republican, Democrat, minor party and independent—who ran for the House of Representatives in 1978. That amounted to about 40 cents per person, not really an impressive percentage of the average family's budget.

H.R. 1 would reduce the cost of campaigning by setting a spending limit of $150,000 per candidate in the general election, and make up to $60,000 available on a matching basis. There are several major flaws in this approach, beginning with a serious question as to the Constitutionality.

If the aim of H.R. 1 is to force candidates to accept taxpayer financing, the measure is clearly unconstitutional under the *Buckley v. Valeo* test. This bill, however, seems to seek indirectly what the Supreme Court has ruled may not be done directly—that is, place a limit on the amount of personal resources a candidate may spend on his or her own behalf, or raise directly from the public.

I can find no other explanation for the bill's blatant bias in favor of the candidate who accepts taxpayer funds in a contest with one who chooses not to. A candidate who decides to seek support directly from the public is faced with the following when he spends over $25,000 of his own funds, or raises or spends more than $75,000 overall.

First, the spending ceiling is off for the H.R. 1 candidate. In other words, even if the non-subsidized candidate spends less than $150,000 in total, the subsidized candidate may go over that amount. Second, the subsidized candidate is eligible for an additional $60,000 in matching funds, for a total of $120,000 in taxpayer support.

I can picture a campaign in which the candidate who decides to go it alone at the outset raises a total of $200,000. He can find himself facing a subsidized candidate who raises the same amount privately, and also has a very nice additional cushion of $120,000 in taxpayer funds because he signed the requisite papers. The weight of this legislation clearly is to make it very unattractive for a candidate who seeks to go his own way, and to make it highly attractive for a candidate to opt for public funding and to accept the spending limits.

The bill also fails to comprehend that the Nation's 435 Congressional districts are not pieces of a homogenous whole, nor are the campaign requirements and situations all identical.

RHODES TESTIMONY

The funds available under this bill would be for use only in the general election. The campaigning periods for general elections, which usually begin after the primary election, are far from uniform. They range from over seven months in Illinois, which holds its primary in March, to less than four weeks in Hawaii, where the primary is in October. Nine states hold primaries in May, eleven in June, eight in August, 23 in September. Obviously, an important factor in the cost of a campiagn is its duration.

The same number of dollars that may be more than ample for a campaign of three or four weeks can't possibly support a campaign that may run 30 weeks, especially if the longer campaign is in a high cost metropolitan district. And that brings us to the fact that the costs of mounting an effective campaign, regardless of duration, vary immensely from district to district.

The differences in media costs alone, a major component in many campaigns, can vary by a factor of three or four. For example, the cost of a 30-second spot on prime time television in New York is nine thousand dollars. The same spot costs twelve hundred in Phoenix, and only six hundred in Raleigh, North Carolina. In the print media, a full page ad in the New York Times costs thirteen thousand four hundred dollars, while the same ad would be thirty-six hundred in the Arizona Republic, and twenty-seven hundred in the Raleigh Observer.

In other words, a Congressional candidate in the New York City area would have to spend roughly 15 percent of that 150 thousand ceiling for just one 30-second T.V. spot and one full page newspaper ad. The same items would cost a candidate in Phoenix forty-eight hundred dollars, or just over three percent, and thirty-two hundred dollars, just over two percent, in Raleigh.

There are scores of other differences among the districts. One may encompass an entire state; another a few neighborhoods in a major city. One may include large numbers of apartment dwellers; another may be marked by large numbers of single family homes in smaller communities. These differences require different types of campaigns, and they starkly demonstrate that a pluralistic society such as ours cannot be squeezed into an electoral straightjacket, as this measure seeks to do, without virtually destroying the system. It simply is not possible to set a blanket figure that can apply equitably and equally to all 435 Congressional districts.

Further, this measure totally ignores the roughly 600 thousand dollars available annually to incumbents in the form of staff and allowances. Nor does it touch upon the subsidized mailings and taxpayer financed radio and television shows which enable a Member to maintain a highly visible presence in the district between campaigns.

None of this, of course, is available to a challenger. In other words, H.R. 1 assumes that both challenger and incumbent begin their campaigns on equal footing. This simplistic notion may sound fine in a civics textbook, but it just isn't so in real life, and everyone in this room knows it.

While the stated intention of H.R. 1 may be to "reform" Congressional elections, it will actually be an unmanageable, administrative nightmare whose real results will be to further remove the electoral process from the people.

H.R. 1 is nothing more than a politician's welfare bill, as the Washington Post so aptly said in its editorial of yesterday.

As the Post noted in that editorial, the drafters of this bill propose, and here I quote, "to dish out public aid to politicians willy-nilly, with few of the administrative safeguards Congress demands in connection with food stamps, student loans or any other federal payments" close quote.

The editorial concludes, and I quote, "In a Congress so touchy about fraud and waste and bureaucratic snarls, a bill that's so unmanageable would not have garnered so many supporters if it benefitted anybody else" close quote. I fully agree with the Post's recommendations as to this bill, and ask that the editorial be made a part of my testimony here today.

In sum, H.R. 1, instead of opening up the electoral process, will make it more cumbersome, will add to the bureaucracy that already is too much with us, and will further discourage citizen participation in elections. It should be scrapped.●

OPPOSITION TO H.R. 1

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. LEWIS. Mr. Speaker, the House Administration Committee held hearings today on H.R. 1, the public campaign financing legislation. The minority whip appeared on a panel with other members of the Republican leadership in strong opposition to that legislation. I commend the testimony of my colleague from Illinois (Mr. Michel) to all Members of the House and insert his statement at this point in the Record.

Statement of Honorable Robert H. Michel on H.R. 1

Mr. Chairman, I thank you for this opportunity to share with your committee my views on H.R. 1. This proposal to fund Congressional campaigns with tax dollars is complex and involves many areas of controversy. I should like in my testimony to limit my comments to two major questions, recognizing that other questions will be addressed by expert witnesses.

The first question that H.R. 1 raises in my mind is this:

Why should tax dollars be used to pay for political campaigns?

This is, perhaps the most basic question to be asked. I don't intend to engage in a polemical discussion of this subject. As it were, I could have phrased my question differently. I could have asked, "Why should hard-working Americans start sending welfare checks to Congressmen?" Or I could have asked, "Why should tax dollars that could go to help the poor and the needy or provide for our national defense go to politicians so that they may buy balloons, buttons and bumper-stickers?"

But this subject is too serious for political polemics. At a time in our nation's history when the question of economically sound government is at the very heart of political debate—at a time of post-Proposition 13 taxpayer revolts and calls for a constitutional convention for a balanced budget—at a time when every tax dollar is being scrutinized—at a time like this, how can the Congress have the consummate arrogance to tell the American people that one of the best ways to use tax dollars is to give them to Congressmen or those who want to be Congressmen?

It could be argued that tax dollars for the financing of campaigns is something the public wants. Indeed, polls are quoted by supporters of H.R. 1 suggesting the country is breathlessly awaiting the chance to dole out tax dollars for Congressional campaigns.

But is this indeed the case? Is it true that the public is so dissatisfied with the current way of financing Congressional elections that it eagerly looks forward to public financing?

Polls can tell us anything we want to hear, depending on how one asks the question. But one infallible guide to what people believe is where they put their hard-earned money. Let's therefore look at the percentage of Americans who, since calendar year 1973, have designated that one dollar of their taxes should be used to finance Presidential elections:

In 1973, 10.2% said yes; in 1974, the figure was 13.6%; in 1975, it was 24.2%; in 1976, it was 25.8%; in 1977, it was 27.5%; finally in 1978, it was 29%. These figures are taken from testimony of the Treasury Department.

After five years of intensive propagandizing for public financing, five years in which every conceivable argument has been used to convince, shame, brow-beat, scare or cajole taxpayers into designating one dollar of their tax money to fund Presidential campaigns, more than 70% have in effect said "No".

Does this sound like a populace aflame with zeal to give money so that somebody can get elected to public office? As our British friends might put it: not bloody likely. The American people with their abstentions have, by an overwhelming majority, told the Congress what some of its members don't want to hear. I don't know about you, Mr. Chairman, but in my district if somebody gets beaten by a 70–30 margin that is considered a landslide defeat.

Based on information from the Treasury, about 42 percent of all taxpayers go to professional income tax preparers to do their figuring. According to previous testimony we learned that most of those professional organizations simply take it upon themselves to check-off the $1 presidential campaign contribution for their clients.

It is not inconceivable that out of the 29 percent minority who do mark the box, somewhere around one third of them may not even be aware that they are making the contribution. This bill shouldn't be H.R. 1, it should be H and R 1, appropriately christened in honor of one of the firms which has apparently kept the check-off system afloat this long.

As H.R. 1 is now written, there will continue to be one box that can be checked off on the income tax form with designated funds going to both Presidential and Congressional campaigns.

What makes anyone think that millions of Americans who previously have not decided to check that box will now do so? And, if they do not do so, are we being asked to believe that both Presidential and Congressional campaigns can be funded with the same amount of money now used to fund Presidential campaigns alone?

I know there is a surplus of $100 million now in the Treasury from previous Presidential financing funding, but what will happen when, inevitably, that surplus is used? In short, Mr. Chairman, how are you going to fund at least 870 different races and the Presidential campaign at the same time with approximately the same amount of tax dollars now used only for the Presidential campaigns?

I ask these questions because they involve one major claim that proponents of this bill always present in making their case. They say that this is what the people want. But the evidence shows quite clearly that the people —over 70% of them—don't even want to publicly fund a Presidential campaign.

Ironically one of the major arguments in support of H.R 1 is that it will eliminate special interests. But think of it for a moment: Is it not possible, indeed, is it not probable, that special-interest candidates and one-issue candidates will qualify for funds? How, then, can supporters of this bill say that it will stop "special interests"? To the contrary, H.R. 1 will be the single biggest boon ever to come to special interests, for all they have to do is set up candidates in given Congressional districts and qualify for funds. You will have the prospect of taxpayers seeing their dollars go to the very candidates they seek to defeat. If this happens—and it will, Mr. Chairman, if H.R. 1 becomes law—you will have increasing public disenchantment with the political process. Is that what we want? I don't think so, Mr. Chairman. And it is not what the public wants either.

All the arguments of the proponents of this bill fade into insignificance in the face of overwhelming taxpayer rejection of the principles upon which this bill is based. Despite one of the most intense efforts at public brainwashing, despite the use of politically potent slogans, "from clean politics" to "stop the special interests", the American people have not checked off that little box in substantial numbers.

If proponents of this legislation are so confident that this is what the public wants, let them simply put their faith to a test. Why not have two boxes on the tax form, one designated for Presidential financing, the other for Congressional financing? Let the people decide whether or not they want their tax dollars to go directly to Congressmen or candidates for Congress with whom they may violently disagree.

Mr. Chairman, I have a hunch the proponents of this legislation will not agree to having two boxes for one simple reason: They know that the resulting fiasco would make all their claims go up in smoke as the wide gap between dollars designated to Presidential financing and dollars designated for Congressional races becomes apparent.

My second question, Mr. Chairman, is somewhat related to the first: How can we justify to the American people a bill that will create a bureaucratic nightmare?

I will not burden you with the studies and reports that have been made about the Federal Election Commission's ability to deal with the current duties imposed on it. Just two days ago, on March 17, 1979 the Washington Post ran a story captioned "with '80 looming, FEG still Auditing Carter's '76 Drive." If the FEC cannot cope with the problems it now has to deal with, how is it expected to be able to cope with over 870 new ones? The answer of course is to expand its bureaucratic empire.

So what have the sponsors of H.R. 1 done? They have sent an extraordinary letter to Chairman Frank Thompson saying that a "misunderstanding" has arisen concerning H.R. 1. And what is that "misunderstanding"? Let me read to you verbatim:

"It is the intent of H.R. 1 that the role of the FEC be as minimal as possible, while at the same time assuring integrity of the process. Thus the administrative concept embodied in the bill is similar to that of IRS with emphasis on voluntary compliance plus post election audits of a representative cross section consisting of 10 percent of the participating candidates to verify compliance."

Mr. Chairman, with all due respect to those who are the chief sponsors of this legislation, the words I have just read are extraordinary. Can it be possible that the sponsors are asking the American people to give possibly $100 million or more—estimates are all we can use at this point—and then have "minimal" oversight and spot-check audit procedures to see to it that no fraud or abuse of tax dollars is involved? Do the American people really love their Congressmen or candidates so much that an audit of only 10 percent of those getting tax dollars will satisfy the taxpayers that the money has been well-spent?

Mr. Chairman, anyone who would believe that would believe anything. The fact of the matter is that the sponsors of this legislation are caught in a Catch-22 of their own making. If they admit the bill would need a bureaucratic empire to handle its complexities, they undermine their own credibility. And, if they *don't* get a bigger bureaucracy, the possibilities of fraud and abuse of tax dollars are practically endless.

Let's look at another extraordinary statement in that same letter:

"With respect to certifying matching payments to candidates, it is the intent of H.R. 1 that the Commission would certify each matching payment within 48 hours *without* comprehensive review of the entire submission, provided the submission included the proper documentation of contributions being submitted for matching purposes and a verification, signed by the candidate and campaign treasurer, attesting that to the best of their knowledge, all aspects of the submission are in compliance with the Act and FEC regulations."

Mr. Chairman, I get the distinct impression from the language I've just read that the important consideration seems to be how quickly the Federal tax dollar can be shoveled out regardless of the authenticity of the certification for the matching funds.

And what about relying on postal deliveries that are so unreliable? Will there be "regional" FEC offices set up to expedite submission of claims and dispatch of checks? Will there be state offices? Or will all the work be done in Washington with approximately the same number of employees that now takes more than one year to audit just one candidate's records?

Suffice it to say, Mr. Chairman, this bill will make the FEC the biggest and most powerful special interest the nation has ever known, the sole determiner of political life or death in many cases. Instead of the freedom we have now, we will have a system in which the FEC has a bureaucratic stranglehold on the electoral process. If you have ever tried to appeal a bureaucratic decision, you have some idea of what is going to happen to candidates who are caught up in the FEC machine.

The bill's proponents say the bill will go far to eliminate excessive spending that goes on in elections. I say that the only thing that will happen is that the spending will simply shift from the private to the public sector.

The bill's proponents say that H.R. 1 can work without a growing bureaucratic empire. I say that on the face of it this is simply not possible. And, if an empire is created, what has happened in every area of American life dominated by Federal regulation will happen in our electoral system: Disaster!

Private donations plus full disclosure—that is the combination that will preserve the freedom of Americans to support the candidates of their choice and give the people an opportunity to examine the contributions made to a candidate to see if any abuse was involved. So far as I'm concerned the people are much better judges than the Federal bureaucracy.

THE AMERICAN PEOPLE HAVE VOTED "NO" TO PUBLIC FINANCING

Percentage of Taxpayers designating check-off on their income tax return:

[In percent]

1973	
Yes	10.2
No	89.8
1974	
Yes	13.6
No	86.4
1975	
Yes	24.2
No	75.8
1976	
Yes	25.8
No	74.2
1977	
Yes	27.5
No	72.5
1978	
Yes	29.0
No	71.0

Source: U.S. Treasury Dept. Figures, March 1979.

"H. AND R. 1 BLOCKBUSTER"

Percentage of taxpayers designating check-off after removal of estimate of "accountant-processed" returns:

[In percent]

1973	6.8
1974	9.1
1975	16.2
1976	17.2
1977	19.4
1978	20.4

Source: Estimates based on U.S. Treasury Dept. Figures for 1973 to 1978 which indicate on the average that 44% of all returns are completed by someone other than the taxpayer.●

TESTIMONY ON H.R. 1

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. BADHAM. Mr. Speaker, in hearings before the Committee on House Administration on H.R. 1, the public campaign financing bill, my colleague from Mississippi, Hon. Trent Lott, testified in opposition. In presenting his testimony my colleague made some very important points. I wish to share his remarks with all Members of the House and insert his testimony at this point in the Record.

Testimony of Hon. Trent Lott

Chairman Thompson and Members of the Committee, I am pleased to be here today to discuss H.R. 1.

As Chairman of the House Republican Research Committee, I have carefully studied this program of public financing of general elections, and, very frankly, I am quite concerned about H.R. 1 specifically and the concept of taxpayer financing of Congressional campaigns in general.

The Washington Post yesterday pointed out some of the misleading statements that supporters of this bill have made. Let me quote briefly from the editorial:

> The agency's head [Federal Election Commission chairman Joan D. Aikens] told a House committee that the proposed welfare payments could amount to $44 million, twice what the plan's sponsors had guessed. She said, that the sort of supervision the congressmen prefer would be inadequate, and that strict enforcement would require nearly doubling the agency's budget and staff. Moreover, she said, the agency would have to shovel out funds so fast that fraud and abuse could not be prevented—and recouping improper payments later would be very hard. Finally, she testified that key parts of the plan are simply unworkable."

In short, we have been led astray as to the cost of the program, the size of the bureaucracy needed to control the program, and the object of its affection, that is who will stand to benefit from it.

In addition to the problems already raised, I have several questions regarding how this legislation will work.

(1) How will it apply to open primaries?

In Louisiana last year seven of the eight House seats were filled in the primary election. Thus in seven districts, incumbents were reelected and neither they nor their challengers would have been allowed to apply for this new public financing program.

And Louisiana may not be the only state with such a system, my own state of Mississippi is considering such an election procedure.

How can this new federal program be conducted fairly for those running in states which have such laws? The obvious solution, I suppose, is to fund primaries as well as the general election. Then the problem is fairness versus cost.

(2) How will this legislation control special interest?

The way the bill reads it will be necessary to raise $1000 in contributions of under $100 to qualify for the program. That $1000 will then be matched by taxpayer funding. This leaves $193,000 that can be raised, for example, by receiving $13,000 from the party and $5000 from 36 PAC groups. Such an example complies fully with the law and PAC groups in such a case would provide $180,000 of the $195,000 campaign funding total. Obviously an incumbent could use this system to his advantage more easily than a challenger.

In fact this would be a better way for a candidate to raise his money, bookkeeping would be easier, and the legal snarls and costs often involved in campaign fund raising would be avoided.

(3) How is it fair considering the different primary schedules in the fifty states?

A candidate in Illinois has $150,000 to run an eight month campaign, where as a candidate in Hawaii has $150,000 to run a one month campaign.

The incumbent seems to gain the advantage in both places. In Illinois because it is tough to defeat an incumbent on less than $19,000 a month, and in Hawaii because most challengers can not raise $60,000 in contributions of under $100 in four weeks.

The federal government could, I suppose, take away the right of the states to time their own elections and establish a national primary day to solve such a problem.

(4) Can not incumbents force challengers to take public financing?

If an incumbent signs the agreement to accept public financing, then his challenger must also accept public financing or be limited to a $75,000 effort to defeat a $150,000 incumbent campaign.

Naturally the challenger could spend more than $75,000 but then the incumbent who accepted public financing would be allowed to qualify for another $60,000 in matching funds. Practically this means that an incumbent would have $315,000, a total of $120,000 of which came from the taxpayers' fund to counter his evil challengers. How many challengers can guarantee in the first week after the primary that they can raise $315,000, none of it from the government, to counter the incumbent's subsidized campaign?

(5) How will the spending limits be enforced, and what will the penalty be for breaking them?

Without an enormous increase in staff and bureaucracy, according to Mrs. Aiken, the spending limits will be useless.

If the penalty for breaking them is a relatively small fine and a congressional seat, some will surely be willing to take the chance. Obviously anyone elected will be accepted here.

(6) How can the problem of increasing labor union influence in elections by limiting other forms of participation be solved?

In the 1976 Presidential campaign, as Michael Malbin of the National Journal has shown, public financing, by limiting the way some money could be spent, increased the power of other big spenders who were not limited by the law. "The biggest winner was organized labor." They gave an estimated $11 million worth of aid to President Carter that enabled him to outspend President Ford substantially.

Campaign financing by limiting spending will emphasize the importance of the unreported 'in-kind" services labor unions used on behalf of Jimmy Carter in 1976, e.g. precinct workers, telephone banks (10,000,000 calls in 1976), registration drives, and subsidized mail (80,000,000 pieces in 1976).

(7) How will it work in states where there are traditionally more than two candidates on the general election ballot?

In Mississippi there are often more than the two party candidates. Since the bill does not provide for a pro rata distribution of money within a congressional district, presumably independent candidates who have no primary could raise and apply for matching funds and use all the district money before the Republican and Democrat nominees are certified.

By this time we all ought to be aware that any restrictive legislation we pass has unintended effects. It always helps some to the detriment of others. These are a few of the problems public financing legislation would cause. We should very carefully examine this legislation to find all of the unintended effects we can.

Still there are more profound effects than just the technical problems. How are we to compensate individuals for limiting their right to be involved in the electoral process? Should one group be able to determine how the people can and cannot participate in the system? What does that do to their interest in the system?

As the Post noted, public financing of Congressional campaigns is a welfare program. In this case however it is redistribution to the greedy, not the needy. Never before has Disraeli's assertion that politics is a "career of plundering and blundering" been more in evidence.

Rather than prove Disraeli right let us rely on the wisdom of Thomas Jefferson:

> "I know of no safe depository of the ultimate powers of the society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion."

Thank you, I will be happy to answer any questions you may have.●

AN END TO AN OBSOLETE FEDERAL LAW

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. SAWYER. Mr. Speaker, one of the major tasks before the Congress is to stop unnecessary Government spending and slow down the spiral of inflation. We vitally need to make certain that the Federal Government gets full value for the money it spends. It is admittedly difficult to develop specific legislation to remove costly, out-of-date regulations that add unnecessarily to the burden of inflation. That is why it is critical that we take swift and positive action when given the direction and the opportunity.

The General Accounting Office, an independent arm of the Federal Government, has just completed a comprehensive investigation which has brought to light a program which annually results in at least $715 million in unnecessary public construction and administrative costs. That program is the Federal prevailing wage law, more commonly known as the Davis-Bacon Act, and I am today introducing legislation to repeal it.

Davis-Bacon generally provides that contractors who work on construction projects which use Federal funds must pay their workers not less than the "prevailing wages" for an area. Prevailing wages are compiled by the U.S. Department of Labor and seek to find a rate of wages that is comparable to actual wages of the local area.

This action was born during the worst depression ever experienced by this Nation when construction, a majority government financed, was at a low point involving only about 800,000 workers. Competition was great and there were no minimum wage laws, no unemployment compensation program or other laws to protect the wages of workers.

During the Great Depression, the intent of the act was to prevent contractors from low-wage areas from coming into higher wage areas with workers who would displace local people. It has, however, remained on the books adding billions of dollars unnecessarily to construction projects over the years.

According to GAO, there have been significant changes in economic conditions and worker protection laws since the 1930's so as to make Davis-Bacon obsolete. As an example, Congress has enacted a number of laws to protect the wages of construction workers including requiring that minimum and overtime rates be paid and prohibiting contractors from requesting kickback of wages.

Other problems plague Davis-Bacon. The act has been and continues to be impractical to administer. In 1977, the Labor Department made "prevailing wage" determinations' for more than 15,000 federally funded projects. According to GAO, the Labor Department determined high on about 40 percent of the projects, increasing wages by $500 million and adding another $215 million in administrative costs to the Federal Government's expenditures for construction.

A further problem surrounding the wage rate determination has surfaced in the GAO evaluation. According to their report, "About one-half of the area and project determinations reviewed were not based on surveys of wages paid to workers in the locality, but upon union negotiated rates." This heavy reliance on union wages has caused even more severe disruption of construction costs in west Michigan where 90 percent of construction workers are nonunion. As a result, the rates issued by the Labor Department are substantially higher than the actual wages paid on similar private construction projects in the locality.

This has had a severe impact upon our inflationary spiral. When a contractor is forced to pay excessively high "prevailing wages," it not only tends to raise the costs of that particular project, it also tends to drive wages higher on all projects. Employees feel that they should continue to receive high labor rates after a Federal job is completed. This spillover impact on local construction wages paid on private work is perhaps the most serious effect of the Davis-Bacon Act. This private sector cost has been estimated at $1.78 billion bringing the total price tag of Davis-Bacon to $2.7 billion.

The Fifth Congressional District is not insulated from the impact of the Davis-Bacon Act. According to one public official in my district, the cost of a project funded with Federal money could have been reduced by 50 percent without Davis-Bacon. In another instance, a complete project was canceled because under the Davis-Bacon the bids were too high. This needless waste of taxpayer's money is absurd.

We can no longer talk about repeal of this archaic law, we must now have action. This bill which I am introducing to repeal the Davis-Bacon Act is an indication of my serious commitment to eliminate redtape bureaucracy and reduce this uncalled-for inflationary pressure. The time has come to repeal this expensive, unneeded, and outdated law.●

BIAGGI DENOUNCES DECISION BY LEADING AMERICAN BUS BUILDER TO REJECT BID ON TRANSBUS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. BIAGGI. Mr. Speaker, I wish to express my outrage over a published report in last week's Washington Post which stated that Grumann Flexible, one of this Nation's two major builders of transit buses has decided not to bid on the contract to manufacture the first 500 Transbuses. As my colleagues will recall, the Transbus was the vehicle chosen by the Congress to promote unprecedented levels of transportation accessibility for the millions of elderly and handicapped of this Nation.

I was the author of an amendment to the 1978 Surface Transportation Assistance Act which reaffirmed congressional support of the Transbus and required that beginning by September of this year, all buses purchased with Federal funds must begin to adapt the low floor wide door features of the Transbus. I consider the decision by Grumann to be indicative of a lack of commitment to the clearly demonstrated and documented transportation needs of the elderly and handicapped. Further, it demonstrates arrogance.

This represents another chapter in an arduously slow and frustrating battle to implement the 1970 Biaggi amendment to the Urban Mass Transportation Act which made it national policy that mass transportation must be accessible for the elderly and handicapped. For the ensuing 7 years I waged war with the Department of Transportation simply to have them promulgate regulations to implement my amendment. Finally when my former colleague Brock Adams assumed the position of Secretary of Transportation was the stalemate broken. In April 1977 Secretary Adams issued the so-called Transbus Mandate. This stated:

> ". . . effective September 30, 1979 buses purchased with Federal funds must be equipped with wide door, low floor features to permit use by the elderly and handicapped."

This represented real progress. Yet just over 1 year later a last ditch attempt to gut the Transbus was made in the form of a provision in the Surface Transportation Act delaying implementation of the mandate for some 18 months. Those of us deeply involved with this issue recognized that any further delay would effectively end the project. I sponsored an amendment striking this delay citing that Transbus was chosen after the Department spent some $27 milion on studies to determine the optimum vehicle. I went even further and worked closely with the Department to insure that where feasible areas could choose between a ramp and a lift on their buses. The amendment was approved and became part of the public law.

This we had hoped was the last tactic to delay this fundamental human right. Unfortunately we were wrong. Grumman has stated its position not to bid, General Motors is making noises that they too will not bid. This presents the Secretary with the choice of turning to foreign bus companies to bid. This is a sorry state of affairs. I call on the Secretary not to abandon the Transbus efforts. It constitutes a vital initiative as buses comprise 75 percent of mass transportation.

I am chairman of the Subcommittee on Human Services of the House Select Committee on Aging. My subcommittee has primary jurisdiction over matters related to elderly transportation and in this Congress we will be assuming jurisdiction over concerns of the elderly handicapped. Certainly accessibility is one of the foremost issues in transportation today and I intend to have my subcommittee investigate this issue very closely in full consultation with the Department of Justice.

Our record in providing full transportation services for the millions of elderly and handicapped has been mediocre if not downright poor. I have fought for 9 years to improve this record and I intend to continue.

The transbus mandate will be honored.

At this point in the RECORD, for background purposes, I insert the aforementioned Washington Post article:

FIRM DECLINES TO BID ON BUS ACCESSIBLE TO HANDICAPPED

(By Douglas B. Feaver)

One of the nation's two major builders of transit buses said yesterday that it will not bid on a contract to manufacture 503 new buses that, by federal regulation, are the only kind transit authorities can buy with federal aid after September.

The announcement yesterday by Grumman Flxible makes it probable that no American firm will seek to sell the controversial new vehicle, called Transbus. Transbus is mandated to have low floors and ramps to make it fully accessible for wheelchair occupants.

General Motors Corp., the other American builder, has been rumored for months to be out of the running in the Transbus stakes. GM spokesman Frank Ferone said yesterday, "We're still in the process of studying those specifications and in all honesty it does not appear likely that we will bid."

Bid-opening on the first Transbus order has been postponed from this month to May. Several foreign manufacturers have expressed some interest in Transbus, but it is not known if they will bid. Federal transit legislation includes a strong "Buy American" clause, but a provision would permit

Transportation Secretary Brock Adams to waive that clause.

Adams has been a strong supporter of the Transbus program and has insisted that the specifications were within the capability of American manufacturers. He said yesterday that "I am very disappointed that [Grumman Fixible] has said they do not intend to bid. I hope that General Motors, with its multimillion-dollar operation, will help us carry out the promise to make an accessible bus."

Adams said it "would be a shame if we have to go abroad." If nobody bids, he said, "Then I will have to take a look at the program. But I'm not going to falter at this point."

Thomas J. Bernard, Grumman Fixible's president, said "that we made what we think was a good-faith effort to try to be responsible." However, he said, "development of Transbus was a tremendous technological risk"; that the "terms and conditions of the contract presented an onerous business risk," and that existing buses already solve "80 percent of the accessibility problem."

Both Flexible and GM are now selling new-look buses for about $105,000 to $120,000 each. Both have contended that those buses meet most of the requirements of full accessibility plus use proven technology. Proponents of Transbus have charged that GM and Flexible have attempted to torpedo the Transbus program so they could recover development costs on their new-look buses.

Bernard said yesterday that Flexible estimated roughly that each Transbus would cost about $230,000—about twice the cost of a new bus today.

The Department of Transportation, he said, "has been seeking a more productive bus. We believe that a bus that weighs more, gets fewer miles per gallon, has fewer seats and less standing room is not a more productive bus."

The specifications for Transbus were drawn after three manufacturers built prototypes and after years of hearings and debate, Transbus has been vigorously supported by the increasingly well organized lobby for the handicapped.

When the Urban Mass Transportation Administration, one of Adams' agencies, mandated Transbus last September, it agreed that the September 1979 deadline could be changed if it proved unrealistic. UMTA grants provide 80 percent of the purchase price for new buses. Local authorities pay the other 20 percent.●

BAD NEWS FOR TEENAGE AMERICA

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. SYMMS. Mr. Speaker, I would like to submit to the RECORD a one-page public service message which appeared on page 19 of the Wall Street Journal of March 19, 1979. Alton S. Newell, chairman of the Newell Manufacturing Co. in San Antonio, Tex., makes some terrific comments about the dire and foreboding pictures of our future world that are presented to our young people, and states that these depressing scenarios are a bunch of "baloney."

I really appreciate the efforts of the Newell Manufacturing Co., and I urge my colleagues to take a few minutes to read this positive statement on the importance of the individual and "what's right with America."

BAD NEWS FOR TEENAGE AMERICA

Fate has played a dirty trick on you. You couldn't have been born at a worse time. Since you were born about 16 years ago the world has really gone to pot. You came into a world you did not make and under conditions over which you had no control. Therefore, my sympathy really goes out to you.

Just when you are ready to get your first automobile there will be no gasoline to run it. Even if you had gas you couldn't drive into the city because the air is too polluted there. If you had a car and gasoline and they let you into the city you could be murdered. Madmen are lurking everywhere. If you want to survive, you must crouch in the shadows in the asphalt jungle.

Now, on a wider scale, they tell us the rivers, lakes, and streams, and even the ocean, are all so polluted they will soon be unable to support life. Such fish as you will be able to catch will be so full of mercury they will be poison to eat. The atomic age is so fast changing our weather that our now fertile valleys will be turned into deserts. World-wide food shortage is just around the corner. Massive uprisings will take place all over the world as brother fights brother for the last morsel of food that is gleaned from the sterile earth. The nuclear power plants are spewing out radiation to the extent that many people born today will not reach maturity. Those who do survive may exist as living vegetables. The ozone layer is being destroyed. The ice caps will melt and the oceans will flood our cities and we'll be eaten up by skin cancer. Excuse me while I go jump in the bed and cover up my head.

Now, young people, if I have scared the pants off of you, you can put them back on. I have good news for you too. All of the baloney set out above has been conceived and is being broadcast by those who would destroy America. It comes from the do-gooders, and the no-gooders, the malcontents and born losers. In some cases, it comes from the brainwashed who cannot, or will not, think for themselves. Some people live under a cloud of negativism that makes them believe that, for them to succeed, someone else must fail. Their satisfaction is derived from the destruction of ideas that come from others. Where their intelligence ends they substitute noise and massive demonstrations. They get so much publicity their tribe is increasing. It is time we put them out of sight and out of mind and continue our effort to build a better world.

Let us examine more closely some of the fallacies with which we are being bombarded. Take a look at our energy effort which our President has described as the "equivalent of war". An energy department was recently organized with twenty thousand employees and a ten billion dollar budget. (Or was it vice versa?) Not one of these employees or dollars is supposed to produce any energy, but are there to regulate the exploration, production and pricing of this vital commodity produced by Free Enterprise. The government is spending more money per year regulating than the entire net profit of the petroleum industry and is hurting, not helping the efforts. Millions of acres of land that almost certainly contain billions of barrels of oil, have just recently been put off limits to oil exploration and production. Other proven reserves have been locked up by those who put more value on the tail feathers of a pelican than they do on our need to survive.

A little three inch (or is it two inch?) snail darter is holding up a hundred million dollar project. I don't believe the little fellow could care less where he swims, but I'll bet he is enjoying his influence.

More than fifty nuclear power plants are operating in America. Some of them for more than twenty years, without an accident. Now, our progress in this area has slowed to a trickle while most of the world goes ahead full blast. Our engineers and facilities are being used to build nuclear plants in other countries. We have a coal supply that can last five hundred years. Our engineers have taught other countries to make gasoline from coal. We can burn alcohol made from grain. Though a food shortage had been predicted for now, just this year millions of acres of land have been taken out of production to cut down the surplus. Last year in Australia cattlemen were killing the cows and burying them because they didn't have a good market for beef.

Three volcanos in the world have put out more pollution than all of man's activities since the beginning of time. The oxygen in the air we breathe has not varied one tenth of one percent in the seventy-five years it has been monitored. Some scientists recently took a large fish off the wall of a museum where it had been hanging for 75 years and found the same percentage of mercury they find in fish of today's "polluted" water. More than fifteen million tons of fresh water per second falls on the surface of the earth. Crime in our country will diminish when we once again make the punishment match the crime.

Now young people, I hope that I have convinced you that you don't have to sit around wringing your hands, waiting for the end to come. You can change the world. I can just hear someone ask, "what is there left to do?" I asked the same thing when I was a boy! The automobile, the airplane, the skyscrapers, were already made. It's a shame we can't see into the future, but we must realize that the future will be what we make it. Don't ever think that all things are done. Twenty-five percent of the things in the stores today were not on the shelves when you were born. We are just now entering into the electronic, the computer, and the space age. Since you were born man has walked on the moon and probed other planets with sophisticated robots. In the past few years the dreadful disease of polio has been brought under control and the last case of small pox in the world has been cured. With all the opportunities that lie ahead, what an exciting time to live!

As you look out at the teaming masses of people in the world you may want to ask "what can one person do?" Ever hear of a man by the name of Ralph Nader? A woman by the name of Madelyn O'Hare? A man named Howard Jarvis? Good or bad these people are effective and their influence has spread across America. Henry Ford put America on wheels. The Wright brothers put the world in the air. Thomas Edison had over a thousand patents to his credit. What can one person do? Just about anything they want to do, if they are willing to pay the price. Go out tomorrow and start filling the gap between what you are and what you would like to be. Set your goal on the highest star and follow it there. You can make the world a better place before you leave it, than it was when you arrived. Fasten your seat belt. It's your move!●

THERE IS STILL A NEED FOR ANTI-RECESSION FISCAL ASSISTANCE

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. EDGAR. Mr. Speaker, as chairman of the Northeast-Midwest Congressional Coalition, I testified last week before the Senate Finance Subcommittee on revenue sharing, intergovernmental revenue impact, and economic problems on the need of many communities for continued antirecession fiscal relief such as that proposed in the administration's countercyclical revenue sharing measure.

Although the national economy has improved since the 1974 and 1975 recession, many of the older industrial urban areas, most of them in the Northeast-Midwest region, continue to suffer from high unemployment and slow economic growth and stand to be severely affected if the predictions of a downturn in the economy toward the end of the year are realized. My testimony contains a number of significant statistics which point to the needs of many distressed units of government for continued supplementary fiscal assistance. Therefore, I would like to share my testimony with my colleagues in the House and Senate who have an interest in this important issue:

TESTIMONY OF THE HONORABLE ROBERT W. EDGAR

Mr. Chairman, Members of the Subcommittee, I am pleased to have the opportunity to appear before you today. I am not here to testify on the specifics of the various countercyclical proposals before the Subcommittee, but to convey the urgency and the severity of need for financial relief on the part of state and local governments. For many parts of this country, the recession is not over. And predictions are that it is going to get worse.

This thesis goes against conventional wisdom. Last year, we in Congress heard many arguments to the effect that the Nation's economic woes were over and indeed, the fiscal condition of state and local governments had improved markedly from the time of the 1974–75 recession and the national unemployment rate was the lowest it had been in some time.

As a result, opponents of the labor intensive public works bill and the countercyclical revenue sharing bill were successful in arguing that there was no longer any justification for continuing these programs, and, consequently, these programs went down to defeat in the closing days of the 95th Congress. Some went so far as to herald 1978 as the year marking the end of the urban crisis.

But the truth is that the urban crisis is *not* over in many of our cities—it continues and is likely to intensify if the gloomy predictions about the economic downturn in the latter part of the year are borne out.

The recession has not ended in many of the older industrial urban areas and the more isolated counties of this country. It certainly is not over in my city of Chester, Pennsylvania which still has an unemployment rate of 13.3 percent. Nor, Mr. Chairman, is it over in your cities of Newark or Camden which continue to have unemployment rates of 13.0 and 12.1 percent, respectively. Areas such as Buffalo, St. Louis, and Chicago also continue to have unemployment rates in excess of 9.0 percent. Nor is it over in the 14 states which had jobless rates greater than 6 percent during the last 2 quarters of 1978. Over half of these states are in the Northeast-Midwest region.

The data also shows that almost 5,000 local governments had unemployment rates in excess of 8 percent. Again, the overwhelming majority of these communities are in the Northeast-Midwest region.

Nor is the jolt of the 1975 recession over for those state and local governments which continue to experience slow employment growth, Sixty-five percent of all new jobs between 1975 and 1977 were outside the Northeast-Midwest region.

Finally, the recession is not over in those state and local governments which continue to face the difficult task of meeting high demands for services from the diminished tax base of a stagnant or declining economy. While the economic recovery relieved much of the fiscal strain on the state and local governments, it was not evenly distributed. While states with high per capita income growth have tended to benefit from our mild national recovery, states with slow income growth have faltered. Again, we see a regional difference. 84 percent of the state surplus occurred in the South and West with most concentrated in the three states of Alaska, California, and Texas. Only 15 percent occurred in the Northeast-Midwest region.

The fiscal problems of local governments often result more from longrun changes in economic activity and population movement than from cyclical shifts in the economy. Indeed, the problems of local governments may be more related to high levels of sustained unemployment than changes in the jobless rate. On the revenue side, these local governments suffer from declines in their tax bases as industry and people leave. On the expenditure side, the pressure for spending does not necessarily decline with shifts in population and employment. The cost of maintaining existing physical capital does not decline proportionately with population; often more must be spent on bridges and streets, police and fire protection. In short, the remaining population often needs more public services per capita than those who left.

One measure that distinguishes levels of financial difficulty among local governments is the existence of cumulative budget deficits. In a study commissioned by the First Boston Corporation, Philip Dearborn examined the 1976 and 1977 financial records of 28 cities. Ten cities were found to have run deficits during this period. Most of these cities, not surprisingly, were in the Northeast-Midwest region. Conversely, municipal surpluses were found to be increasing faster in the South and West than in the Northeast or Midwest.

Another way of looking at local economic performance is to examine the overall cash position of local governments. Local governments, like businesses, experience financial emergencies when they run out of cash. Here again, the cash position of local governments in the South and West also grew faster than those in either the Northeast or Midwest.

Not surprisingly, cities in the Northeast which had the most deficit spending and were in the worst cash position, also had the highest tax rates.

A recent Treasury Department study which analyzed the fiscal effects of withdrawing antirecession fiscal assistance from fiscally distressed urban communities focused on the 48 largest cities and classified them according to high, moderate and low fiscal strain. High fiscal strain was related to large declines in population, relative per capita income, property values and increases in per capita own source revenue and long-term debt. Of the 16 cities in the Northeast-Midwest region included in the study, 8 registered as high strain; 7 as moderate strain; and 1 as low strain.

It was against this background of differential economic activity and growth that President Carter, last week, added that enactment of countercyclical legislation to his 1979 domestic agenda. In his message to Congress, the President stated:

"Fortunately, nearly four years of national economic recovery have produced great progress in restoring the fiscal health of most of these communities. However, a number of communities still are experiencing severe fiscal problems and need more time to recover."

In fact, this new fiscal assistance legislation should prove more beneficial to the Northeast-Midwest than the program which expired last October. That program would have "triggered-off" when the national unemployment rate went below 6 percent either for one quarter or for the last month of a quarter. On the other hand, the new version will continue to provide aid to jurisdictions with high individual rates of unemployment regardless of the national unemployment rate. Removing the national 6 percent cut-off and retaining a base appropriation will insure that those places which have not fully recovered from the recession still would receive aid.

However, I do have some problems with the Administration's proposal—the legal minimum trigger is too high, too few governments are eligible to receive assistance, and the total allocation for fiscal year 1980 is only equal to what New York City would have received under the Administration's previous Supplementary Fiscal Assistance proposal. But I am not here to nitpick about these provisions. Rather, I am here to talk about what would happen to fiscally distressed units of state and local government if this program is not enacted. First local taxes will have to be raised in the communities which can less afford increase. Second, and most importantly, the hardest pressed communities will have no defense against an almost certain economic downturn.

While the Administration forecasts that we will see only a gentle turndown in the economy by the fall the Congressional Budget Office has issued a much gloomier forecast.

Several other major economic forecasters also predict a recession. Chase Econometric's expects a real negative growth rate to begin in the second quarter of this year and continue through the third and fourth quarters. Chase also predicts the unemployment rate to average 6.6 percent in 1979 and reach 7.4 percent by the end of the year.

Data Resources, Inc. (DRI) predicts a negative growth rate for the third and fourth quarters and an average 1979 unemployment rate of 6.5 percent. DRI anticipates that rate to rise to 7.1 percent by the end of the year.

If these predictions are realized and there is a recession, a reduction in funding of the antirecession programs would more severely affect the older, more industrial sections of the country.

Reporting on the continuous waves of recession experienced in the early to mid-1970's the Advisory Commission on Intergovernmental Relations stated that "the recessions of the 1970's were largely confined to New England, Mideast and Great Lakes states." More recently, ACIR predicted that "If (another) slowdown were to occur for any extended period, the fears about the possible decline of older industrial regions might well be realized."

I would like to close my remarks by urging this Subcommittee to act promptly to report out a fiscal relief measure. Without such action on the part of the Senate Finance Committee, the Speaker has warned us that we will see a rerun of last session's 11th hour attempt to move the legislation to the House floor.

Thank you.●

PRESERVING FREE ENTERPRISE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. ABDNOR. Mr. Speaker, a recent essay contest sponsored in South Dakota high schools by the Karl E. Mundt Historical and Educational Foundation and the Greater South Dakota Chamber of Commerce, amply demonstrated that young people of today are concerned about the preservation of our system of government. I am pleased to commend to my colleagues the prize winning composition of Mark Timmerman, a senior at Watertown, S. Dak., high school.

Why Our Free Enterprise System Must Be Preserved and Strengthened—Mark Timmerman, Watertown High School, Watertown, S. Dak.

Many leaders of very powerful nations of the world have eliminated or tried to eliminate the free enterprise system from their way of life in their country.

Elimination of the free enterprise system in our country, I feel, would prove to be disastrous. The reason is two fold. First, the United States Constitution was set up in a way that people would be free. Of course, along with the free enterprise system came the other basic freedoms we so desperately thrive on; those being freedom of speech, press, religion and petition. By eliminating the free enterprise system we would be moving away from our basic idea of freedom in our country, thus, losing many of our freedoms that we have enjoyed for over two hundred years. On this same train of thought, I feel the down-shifting of our free system would harm the rest of the free world. If the United States, by far the strongest country in the free world, was viewed by other free countries as a country losing the basic freedoms, they too would lose their free system.

My second reason for feeling why we must preserve our free enterprise system is that if it were eliminated it could only be replaced by the opposite system—the state owned economy. Examples of state owned economic situations can be found in major countries of the world. The two biggest are the Union of Soviet Socialist Republics and The Republic of China. Quickly glancing at these two countries it is easily seen that the state owned economy is not the best system. The reason that the people don't like the system is because they lose their free choice of jobs and the freedom to succeed to their abilities. This can be seen by the fact that production in those two countries is forty percent below that of United States workers per capita. The USSR and China have already recognized this problem. To try to help alleviate the problem they have in many areas of commerce implemented the free enterprise system. This proves once again that we now have the superior alternative in economic systems.

I have already established the fact that the free enterprise system must be preserved. Now I will turn my thoughts to the strengthening of the free enterprise system. Before I do this it must be realized that our form of free enterprise is not completely free. The fact is that our free enterprise system has many laws and restrictions, thus, our system cannot be considered completely free.

We must realize, however, that those laws and restrictions were put there for a very good purpose and without them we probably wouldn't have a free enterprise system today. To fully realize this need for the restrictions I turn to an example where they were actually needed. A good example of this would be in the early 1800's, the time of the great financier Pierpont Morgan. It seems that the free enterprise system was working so well for Morgan that he was swallowing up one major corporation after another, leaving him with more power than the United States Federal Government. Because of these happenings, laws had to be made to break up giant conglomerants, thus strengthening our free enterprise system.

Through past examples we can see the real need to strengthen our free enterprise system. We must show some authority over it, whether it means applying, or in many cases, repealing laws dealing in this area. Our elected officials then should make a never ending effort to help strengthen our free enterprise system.

In conclusion, the needs to preserve and strengthen the free enterprise system are clear. We, as citizens, must not only enjoy our free way of life but, continuously improve it for the future.●

GEORGIA VFW—VOICE OF DEMOCRACY AWARD-WINNING SPEECH

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. JENKINS. Mr. Speaker, Miss Martha Ann Carlson of Toccoa, Ga., is the 1979 Georgia VFW—Voice of Democracy first place winner. I am very impressed by her thoughts on America and her dedication to the promising future of our great land. I am happy to share her speech with my fellow Members of Congress.

What Is America?

What is America? Hot dogs, apple pie and Chevrolet? Pioneers? Computerized education, wars, space exploration? Camp David, a Republican form of government? The use of solar energy? George Washington, a cure for cancer and M.S.? Why do I care about this America? I care because America enables me to have a past, she molds my present, and she determines my future.

Why do I care about yesterday's America? If my forefathers hadn't cared about their freedom, they never would have left everything back in their native land to come to a new world. I care because they cared enough to leave friends and family to come to a new land where they would be free. I am proud of my great great grandparents for doing this because it means freedom for me.

America is a land where I can speak freely, worship freely, live where I like, have the type of occupation I want, and where my future family can grow up and have these same freedoms: The preamble to the Constitution states ". . . to secure the blessings of liberty to ourselves and our posterity."

This insures all Americans, regardless of race, sex and origin, freedom; now, and in the future. Why do I care? Because my forefathers were thinking about future generations when they were writing the Constitution. They were concerned about freedom for us as well as for themselves.

Why do I care about today's America? Because America is trying to keep the world from war. She is trying to restore domestic tranquility; she holds together when a part of her vast nation is in trouble. America is giving me an education, a job, places to go for relaxation and enjoyment. I care because America is looked up to for advice and to settle disagreements. I also care, because America is helping out this generation, so that we will be able to help future ones.

I live in a respectable country that is free. That makes me proud. I care because I am a free teenager. America has gone through many changes since 1776 and she will go through many more. I'm glad I will be around to see some of them.

Why do I care about tomorrow's America? I care because this is where my family will grow up. My posterity will grow up here. I want them to be able to enjoy the same things I enjoy now. Also, today's teenagers will be tomorrow's leaders. I feel that as an American I owe it to the next generation to set a good example for them to follow. We should start preparing now so that tomorrow will be even better than today or yesterday.

America! What a great land! It will do many things for different people, but they will all have one thing in common that America has done for them. America has enabled every person to have a past and be aware of it. America has molded everyone's present by the different changes through which she has gone. And America will determine everyone's future through more changes. Why do I care? Because all of these things are a part of me. America involves what my forefathers did, what I do now, and what I will do in the future.●

VIETNAM VETERANS ACT

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. DASCHLE. Mr. Speaker, on behalf of the Vietnam veterans in Congress, I am introducing the Vietnam Veterans Act of 1979.

This act will provide better opportunities and care for the veterans who fought during the Vietnam war by addressing the most significant needs and problems these veterans now face. Due to the controversial nature of the war, these needs and problems have largely been ignored. I believe strongly that the Vietnam veteran deserves and requires improved attention from their Government. I want to emphatically state, however, that it does not mean at the expense of other war veterans.

This legislation is an ambitious piece of legislation. It addresses the most critical needs of our Vietnam veterans. Considering the billions of dollars wasted in Vietnam, I feel strongly that this legislation is but a small measure of compensation to our Vietnam veterans who sacrificed so much for such an unpopular cause.

The contents of the act are as follows:

TITLE I—EMPLOYMENT

This section addresses the unemployment problems Vietnam veterans have experienced by providing for a job voucher program utilizing education benefits these veterans may have but are not going to use.

TITLE II—HEALTH & PSYCHOLOGICAL CARE

Title II deals with health and psychological care. VA estimates alone show 1,500,000 veterans in need of readjustment counseling and a special Presidential Commission studying Vietnam veterans found about the same number in need of drug or alcohol treatment. This portion deals with these problems and also allows theatre veterans to go outside the VA for help. This will not only expedite treatment but will alleviate the need for an additional bureaucracy within the VA.

TITLE III—EDUCATION

Due to the past inadequacy of the GI bill, the low completion rate of veterans in college, and the fact that 3.2 million veterans will be delimited this year, the GI bill needs to be updated. Therefore, this portion extends the delimitation date of the GI bill for 5 years, and also repeals the obstructionary state matching requirement under the loan program.

TITLE IV—HOUSING

This section meets the problems veterans have had with the point system by bypassing lending institutions and providing loans directly to individual veterans.

TITLE V—COMMISSION TO STUDY VETERANS BENEFITS

This section will be set-up by the President and shall report to the President and the Congress a statement about their findings, conclusions, and recommendations for legislation and Administrative action as it considers appropriate concerning veteran's needs, concerns, and applicable benefits that they are entitled to.

Mr. Speaker, the Vietnam Veterans Act is a measure of gratitude for the services of these men and a demonstration of our understanding of the responsibility we hold for their just compensation. It will affirm our commitment to these veterans who have suffered greatly as a result of the unique problems of the Vietnam conflict.●

THE TAIWAN "BOOM"

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. SOLOMON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Despite recent moves to grant diplomatic recognition to the People's Republic of China and to downgrade our relations with Taiwan to nongovernmental status, Taiwan is, and probably will remain, a key U.S. trading partner and a cornerstone of the Asian economy. A February 18 Washington Post article by Hobart Rowen clearly illustrates this point, and I include it in the RECORD for the benefit of my colleagues:

TAIWAN BOOM MAY INTENSIFY

(By Hobart Rowen)

Despite the fanfare over the resumption of normal relations with the Peoples Republic of China—and the supposed business bonanza that this holds open for U.S. and other Western countries—a continuing, even accelerating, boom on Taiwan may be one of the surprise stories of the next five or 10 years.

At least, that's the hope of many Carter administration officials who believe that the changed political status of Taiwan vis-a-vis the U.S. should not prevent the continued growth of what has been one of the most dynamic economies in Asia.

As Secretary of State Cyrus Vance put it to a group of American businessmen last month, "Taiwan will continue to prosper. It is now our eighth largest trading partner, and there will be no change in the way private business is conducted with Taiwan."

In fact, many administration officials think that once things settle down, Taiwan will be in a unique position to reap benefits from the expansion of the People's Republic's trade with the rest of the world.

Frank Weil, assistant secretary of Commerce for trade affairs, said in an interview: "I think there's a good chance that the Chinese on Taiwan are going to play an important role in the normalization and industrialization process in Asia."

For the immediate future, Taiwan has such a long lead that it will be many years before the PRC catches up to it, American businessmen agree. "In the most crass sense, the current and immediate opportunities are in Taiwan, and no one is going to give them up," said an American corporate executive. Or, as Raymond C. F. Chen, president of Ford Lio Ho Motor Co., told a reporter in Taipei; "This is a bird in the hand; the mainland is two in the bush."

In fact, from the perspective of the Taiwanese business community, the competitive threat of the moment is not the PRC, but Korea, which is chipping away at Taiwanese export markets in the same way that Taiwan was cutting into Japan's business a few years ago.

The spectacular growth of the Taiwanese economy, with a population of only 17 million against the PRC's one billion, is one of the success stories of Southeast Asia. With Japan as a model, Taiwan has developed its electronics, textiles, metals and machinery industries, and has boosted its standard of living to the point where its per capita gross national product is the third highest in Asia. Cheap labor and massive financial investment have been the keys.

At about $1,100, the Taiwanese gross national product per capita income now is almost three times that of the PRC's $400. Moreover, as a recent study of the Overseas Development Council here points out, Taiwan at the same time has enjoyed a relatively high quality of life.

As measured by the ODC, an index of the quality of life in Taiwan stood at 87 (on a scale of 0 to 100), while that for the PRC was only 71. For example, life expectancy at birth is now 70 years in Taiwan and 65 in the PRC. The Taiwanese record compares favorably with those of wealthier Middle East countries and European nations with more sizable economies—and is substantially better than that of Mexico, which has a similar per capita income.

Taiwan's foreign trade amounted to $23.3 billion last year, which is about 15 percent greater than the PRC's $19.5 billion, and business interests in Taipei predict that Taiwan's foreign trade will hit $80 billion by 1985.

United States-Taiwan trade last year was nearly $7.5 billion, or about one-third of the Taiwanese total, with U.S. imports of $5.1 billion, and sales of $2.3 billion, for an American deficit of $2.8 billion. (Total U.S.-Taiwan trade, by the way, was about 7 times U.S.-PRC trade.)

The American stake in Taiwan is substantial, at $516 million in direct investment in 278 different projects in electronics, chemicals, food processing, metals, textiles, footwear and other industries. In addition, according to the U.S. Treasury, private U.S. banks had $4.1 billion in loans outstanding as of June 30, and the Export-Import Bank had extended a net amount of $1.8 billion in credits at the end of last year. World Bank investments in Taiwan are about $250 million.

But Walter Hoadley, executive vice president and chief economist of the Bank of America, said in a telephone interview that the Taiwanese are "realistic, hard-working and pragmatic people" who know that somewhere down the line their economy will face competition from the massive economic potential of one billion people on the mainland. And they will have to depend on their internal strength, not outside investment, to do it.

Hoadley noted the typical Asian concentration on "time, patience and face," and suggested the Taiwanese will focus attention in the next few years on accelerating their economic advance. "When you get right down to it, Taiwan's ultimate bargaining power (on its political status) with the PRC could depend on it outperforming the mainland," he said.

Weil and other U.S. government officials put much store in the fact that PRC Vice Premier Teng Hsiao-Ping gave some interviewers—including U.S. Sen. John Glenn (D-Ohio)—the feeling just before Teng's visit to the United States that the PRC might be content to allow Taiwan to develop a relationship analagous to the close ties the PRC maintains with Hong pong and Macao. Peking could make the usual noises about its rights to the various territories while continuing to milk the economic relationships with off-mainland outposts.

Hoadley thinks that the notion of Taiwan as a sort of Hong Kong is completely realistic. Much, of course, depends on Taiwan's willingness to sublimate its disappointment and anger over being "dumped" by the United States to concentrate on solidifying business and commercial relationships that will make it politically and economically stronger.

Asian scholars believe that will require Taiwan to avoid any rash actions such as a unilateral declaration of independence and fulfillment of promises by the United States to shun a military relationship with the PRC, while maintaining Taiwan's defensive military strength.

Washington Post correspondent Jay Mathews noted in a Hong Kong dispatch on Dec. 21 that Taiwan already has begun to increase underground trade and foreign contacts with mainland China that even might lead to formal negotiations in the distant future.

The PRC sold Taiwan about $25 million worth of goods through Hong Kong in the first six months of 1978, mostly mainland herbs highly prized in Taiwan. This semisecret trade doesn't include a large volume of goods being smuggled between Taiwan and the mainland.

Since normalization between the U.S. and the PRC was announced, wall posters have appeared in Peking suggesting exchanges of mail and tourist visits between families on the mainland and Taiwan.

Even before normalization, the PRC sent delegates to a scientific conference in Tokyo, at which representatives from Taiwan were also present. Later, the PRC didn't object, as they would have in past years, to a Thai airlines request to make stops in Taipei as well as Peking.

Another clue of potentially great significance for Taiwan's future came in Teng's interview with Time magazine published Jan. 29. In that, Teng said not only that Taiwan might maintain some armed forces of its own but that, "As for trade and commerce with foreign countries, they can continue."

That would seem to answer the question raised by some skeptics of whether the PRC might seek to blackball business enterpreneurs from the West who also choose to maintain their relationships with Taiwan.

In fact, this has not happened to businessmen who earlier in the game did exactly what the U.S. has done—extended diplomatic recognition to the PRC while maintaining full relations with Taiwan in everything except the formal diplomatic sense.

Thus, Japan's trade with Taiwan has grown 233 percent since Japan normalized its relations with the PRC. Australia's grew by 370 percent; and Canada's, by 539 percent.

So far, Taiwan has played it cool. The government has not leaped to embrace any of Teng's overtures. But after the initial shock and outrage at American recognition of the PRC, things have settled down. President Chiang Ching-kuo seems to be steering away from any provocation that would lead Peking to boycott companies doing business with Taiwan. And as American officials point out, after first saying no, Taiwan is going along with the nongovernmental "institute" formula that replaces the former diplomatic relationships. If it all works out, for American businessmen it could be the best of two worlds.●

BALANCED BUDGET FALLACIES

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. BOLLING. Mr. Speaker, Walter W. Heller once more has stated very clearly the complicated truth about a much over simplified major matter of public policy. Dr. Heller's article appeared in the March 16, 1979, issue of the Wall Street Journal. I commend it to every Member's attention and submit a copy for printing in the RECORD.

BALANCED BUDGET FALLACIES

(By Walter W. Heller)

In an era of dissatisfaction with big government, high taxes, and stubborn inflation, it is not too surprising that the Gallup Poll shows a six-to-one majority favoring a balanced-budget amendment to the Constitution. And it must be a strong temptation for elected officials—if they want to be reelected—to do a Jerry Brown and embrace such a proposal.

But this is one case where the majority is simply wrong—not in seeking some curbs on government, for that is their inherent right in a democracy—but in seeking to do so by putting the federal government in a fiscal straitjacket. This is a clear-cut case where responsible political leadership consists in leading voters out of the valley of error and seeking better and sounder ways to achieve their goals.

Since the major thrust for the balanced budget amendment (and some of its half-siblings) comes from a misinformed public, it may be useful to examine some of the fiscal fallacies that seem to underlie public thinking on this subject.

Fallacy Number One: "Individuals, families, and households have to run a balanced-budget—so why shouldn't Uncle Sam?" People forget that typically when they buy a car or a boat, or, most obviously, a house, they are doing anything but running a balanced budget. At times, they run deficits—often huge deficits—relative to current income. So they are asking Uncle Sam to adhere to a rigid and austere standard that they don't observe themselves.

Fallacy Number Two: Closely related to the first fallacy is a second one that runs something like this: "We consumers (homeowners, corporations) pay back our debts, but Uncle Sam just keeps piling up his debts without end."

The surprising—to some even jolting—truth is that in the period since World War II, the federal debt has been the slowest major form of debt. As the following table shows, the federal debt today is less than three times the size it was in 1950, while consumer installment debt is nearly 14 times, mortgage debt 16 times, corporate debt 12 times, and state-local debt 13 times.

Even with the unprecedented run-up of federal debt in the face of two recessions in the 1970s, the doubling of that debt since 1970 is just about matched by the rise of state-local debt, while corporations, consumers, and homeowners have expanded their debt at a considerably faster rate than Uncle Sam.

Postwar growth of majojr forms of debt (in billions)

Type of debt	1950	1978	Ratio of 1978 to 1950 (×)
Consumer installment	$22	$299	13.6
Mortgage (1–4 family homes)	45	732	16.3
Corporate (non-financial)	71	834	11.7
State-local	22	[1] 390	13.2
Federal (in hands of public)	217	611	2.8
GNP	288	2,110	7.4

[1] Estimate.

SOURCES: "Economic Reports of the President"; "Economic Indicators"; Federal Reserve System Flow-of-Funds estimates.

None of this is meant to justify the present level of federal deficits or debts nor to suggest that the federal debt poses no problems. But the foregoing figures do serve to put the federal debt in perspective.

Fallacy Number Three: "State and local governments have to live by the balanced-budget rule, so why shouldn't Uncle Sam?"

True, states and localities have to balance their budgets annually, except for capital outlays, for which they can borrow. But federal budgetary accounting throws current and capital outlays (as it should) into the same pot. So balancing the federal budget means matching total outlays with current tax revenues, which is quite different from the balanced-budget concept for states and localities.

Let me underscore another decisive difference between state and federal budget impacts: A state or local budget can be balanced by tax hikes or spending cuts without jarring the whole U.S. economy. The federal budget cannot. If the national economy starts to slide, joblessness rises, income and profits fall, and the federal budget automatically goes into deficit as revenues shrink and spending rises. Try to balance it by boosting taxes or forcing cuts in spending, and the result will inevitably be to draw that much more purchasing power out of an already soft and sluggish economy.

This would send the economy into a deeper tailspin, thereby throwing more people out of work, further cutting tax revenues and boosting unemployment compensation, food stamps, and similar entitlement expenditures thus throwing the budget even more out of whack. A dog chasing its own tail comes to mind.

Fallacy Number Four: "Unlike private and state-local deficit financing, federal deficits are a major, perhaps even the major, source of inflation." Both analysis and evidence fail to support this proposition.

Except where federal deficits pump more purchasing power into an already prosperous or overheated economy, they do not feed inflation. When the economy is slack or in a recession, when there are idle workers and idle plants and machinery to be activated by additional demand for goods and services, tax cuts or spending hikes that enlarge the deficit help the economy get back on its feet.

In other words, there are both destructive federal deficits and constructive deficits, depending on the state of the private economy. What we should seek is fiscal discipline—avoidance of waste, inefficiency, boondoggling and unnecessary government programs—but not at the cost of strangling the federal government in its attempts to serve as a balance wheel for the national economy and an instrument for avoiding that greatest of economic wastes, namely, idle workers, machines and factories.

Even a cursory inspection of the data on deficits and inflation shows little relation between the two, for example:

Milton Friedman reminds us that 1919–20 produced "one of the most rapid inflations" in U.S. history when the budget was running a large surplus, while 1931–33 saw "one of the most extreme deflations we had in history" when "the federal government was running a deficit."

From 1959 to 1965, federal deficits were the order of the day, yet price inflation was little more than 1% a year.

In the face of huge deficits in 1974–76, inflation dropped from over 12 percent to less than 6 percent.

Fallacy Number Five: "Well, even if deficits aren't as bad as we thought, the federal budget is out of control, and the only way to get it under control is to slap some kind of a constitutional lid on it."

Once again, the facts run to the contrary. As a proportion of the gross national product, the budget is being reduced from 22.6 percent in 1976 to 21.2 percent in 1980. As against 12.2 percent annual increases in spending for 1973–78, the rise from 1979 to 1980 will be only 7.7 percent. And according to the Congressional Budget Office staff, President Carter's proposed $531 billion budget for 1980 falls $20 billion short of the amount that it would cost simply to maintain current services under current law.

Quite apart from the numbers, the popular clamor for "getting the budget under control" seems to ignore two important facts:

For the past four years, the Congress has been operating under a new budget procedure that has brought vastly more discipline and responsibility into the budget process. In other words, the mechanism for getting the budget under control is already in place and is working.

Both the White House and the Congress have heard and heeded the message implicit in Proposition 13, calls for constitutional budget limits, and the like. Whether one likes it or not, budget austerity is the political order of the day.

Fallacy Number Six: "The balanced-budget mandate is a simple, sure-fire way to force the White House and Congress at long last to match spending and tax revenues."

The simple truth is that this simplistic approach is beset with simply prohibitive difficulties of definition, administration and evasion.

A mandate to balance taxes and expenditures first has to define them. Does spending include outlays of Social Security and highway trust funds? (It didn't until 1968.) Does it include lending activities? If not, moving things from expenditures into loan programs would be an inviting loophole. Imagine the Founding Fathers two centuries ago trying to draw a dividing line between "on-budget" and "off-budget" expenditures. No less an authority than House Minority Leader John Rhodes has noted that "it would be so easy to end-run it."

Administering the mandate would be a nightmare. In January each year, the President submits a budget for a fiscal year that ends eighteen months later. Given the unexpected twists and turns of the economy, revenues may well fall below the forecast path. Imagine the scramble to adjust the budget as revenues misbehaved or unexpected shifts occurred in the costs of farm programs, Medicare, cost of living adjustments in Social Security benefits, and so on.

It does not take too much imagination to foresee Congress, caught in the balanced-budget vise, shoving some expenditures off into the private sector (e.g., by requiring private industry to support laid-off workers) or onto consumers by relying more on higher farm price supports and acreage set-asides and less on federal deficiency payments.

So many exceptions, exclusions, and special emergency provisions would be necessary to make the amendment workable that it would no longer be meaningful. The drafters of the amendment would find that they were writing a prescription for congressional action, not a constitutional mandate. A meaningful amendment would not be workable and a workable amendment would not be meaningful.

Even if some magic formula could be found to hold the government's nose to the balanced budget grindstone, it would be an affront to responsible democratic government to do so. The essence of that government is to adapt economic, social, and other policies to the changing needs of the times and the changing will of the majority. It is the job of the Constitution to protect basic human rights and define the framework of our self-governance. Taking the very stuff of democratic self-determination out of the hands of legislative bodies and freezing them into the Constitution would not only hobble our ability to govern ourselves but dilute and cheapen the fundamental law of the land.

Given that the constitution approach is unwise, unworkable and unworthy of democratic self-government, one hopes that the White House and Congress will work out a statutory solution that will be responsive to the public will without imposing destructive shackles on their ability to govern.●

THE 189TH ANNIVERSARY OF THE UNITED STATES PATENT ACT

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. LAGOMARSINO. Mr. Speaker, next month, on April 10, will be the 189th anniversary of the first United States Patent Act, signed into law by President George Washington in 1790. It was enabling legislation, putting into action one-half of the eighth clause of section 8 of article I of our Constitution. The second half came a month later, when the first Copyright Act became law.

Both of these laws were enacted at a time when our struggling young Nation needed a surge of new technology to help it catch up with the rest of the world, with stronger nations already well established. The inspired men who drafted our Constitution knew that the only hope of achieving this kind of speed lay in the creative minds of our own authors and inventors, and empowered Congress to give special inducements to them.

Our need for new technology, to help us compete with the rest of the world, is very urgent in the United States of America today, as I believe we all realize. Now as in 1787 we must look to our American inventors to supply that need; so it is necessary and proper that we should make an earnest inquiry of the inventors themselves, to learn what it is they are looking to the U.S. Government to supply, to speed their work in meeting the technology challenge of today and the years ahead.

It happens that I have in my district the headquarters of a large and growing organization of inventors, named Inventors Workshop International, the IWI. They bought an historic old hospital property in Ventura, and are now in process of restoring it, and remodeling its interior to serve their needs. (I know it was historic, because when it was a hospital I was born there.)

A month ago, on February 10, the IWI founder and president, Melvin L. Fuller, in his annual address to members at a meeting in Torrance, offered a valuable insight into the situation of working inventors as our laws and our courts affect it. I am arranging to have most of it reprinted in the RECORD, as an extension of my remarks, and I commend it to your attention:

A PIECE OF STRING

(President's Address by Melvin L. Fuller to annual Awards Dinner of Inventors' Workshop International, Torrance, Calif., February 10, 1979)

It is gratifying to me, as an inventor, to speak to you other inventors, you who as members make Inventors' Workshop International the strong organization it is today.

It is especially gratifying that, as your president, I can speak for inventors. It is my earnest belief that ONLY an inventor, chosen by other inventors, is really in any position to speak for inventors.

One thing we inventors have in common is that, as creative men and women, we are the hope of this great Nation of ours, the United States of America, to stay ahead of the world in science and technology, the "useful Arts," as they are identified in the U.S. Constitution. Along with authors, we inventors are the only two kinds of individuals especially seen, by the creators of our Constitution, as the officially identified hope of America in a highly competitive world.

More than that, those farsighted men in the 1787 convention looked upon authors and inventors as the Nation's only hope, to make it possible for America to compete—and not only to compete successfully, but to surpass. It loomed up so important, to them, that it even overcame their antagonism to any kind of monopoly, to a certain extent. They would restrict it to a limited time, but within that limited time they would permit an author to have complete control of his writings, excluding anyone he might desire from the right to publish them. Likewise, within a limited time, they decreed that an inventor should have the same kind of exclusive control over the use of his own discoveries.

This constitutional right to exclusive control over our creations is something we share in common with all the inventors who have used the United States Patent System since 1790, and all who may use it in the future.

The way the law reads right now, it gives us a seventeen-year head-start on everybody else, in trying to make cash-money or other personal gains out of our patented invention.

In return for this special treatment, they imposed upon us inventors a very special obligation. This was, to so utilize our creativity and our follow-through inventive abilities as to "promote the progress of science and the useful arts."

This obligation is something we all have in common, my fellow inventors, and I think we all need to keep it in mind. This national goal of promoting science and the useful arts was the one and only reason why our special status as inventors was written into clause 8, section 8 of Article One of the Constitution.

They wanted results.

They wanted a special kind of results.

It was for these most important results that they were willing to pay the price of leaving a gap in their hatred of monopoly.

I find it hard to discover any genuine "progress of science and the useful arts" in a great many of the gadgets and gimcracks that have been given the official blessing of the Patent Office examiners, especially in recent years, and sometimes the courts have difficulty in this, as well.

Now, don't get me wrong. I am not referring to some federal district court, in which a judge may have to rule on some object too complicated for him to have any chance of understanding it. I mean that wonderful body of nine powerful men, the United States Supreme Court. Sometimes a patent case is beyond the understanding of even their noble minds.

For instance, back in 1882, Justice Bradley's opinion in the case of *Atlantic Works* vs. *Brady*, had some biting words to say about inventions that did not seem to him to be important enough for a U.S. Patent. He said "It was never the object of those laws to grant a monopoly for every trifling device, every shadow of a shade of an idea, which would naturally and spontaneously occur to any skilled mechanic or operator in the ordinary progress of manufacturers. Such an indiscriminate creation of exclusive privileges tends rather to obstruct than to stimulate invention. It creates a class of speculative schemers who make it their business to watch the advancing wave of improvement, and gather its foam in the form of patented monopolies, which enable them to lay a heavy tax upon the industry of the country, without contributing anything to the real advancement of the arts. It embarrasses the honest pursuit of business, with fears and apprehensions of concealed liens and unknown liabilities to lawsuits and vexatious accountings for profits made in good faith."

Doesn't that bring tears to your eyes, in sympathy for some poor manufacturer whose skilled mechanic might have seen the better way to do a thing, and might not have seen it? But Justice Bradley had more to say on this, and again I quote from the 1882 opinion:

"The attempts through the years to get a broader, looser conception of patents than the Constitution contemplates have been persistent. The Patent Office, like most administrative agencies, has looked with favor on the opportunity which the exercise of discretion affords to expand its own jurisdiction. And so it has placed a host of gadgets under the armor of patents—gadgets that obviously have had no place in the constitutional scheme of advancing scientific knowledge. A few that have reached this Court show the pressure to extend monopoly to the simplest of devices."

Justice Bradley's idea of devices which were unimportant and not entitled to the protection of a patent because they were so simple included these, in that 1882 formal Supreme Court opinion (I'll just summarize a few of them, briefly): Doorknobs made not of metal or wood but clay shaped to look like metal or wood, rubber caps on pencils as erasers, freezing fish in something like an ice-cream freezer, to preserve them, putting rollers on a machine to make it movable, placing rubber hand grips on bicycle handlebars. There were others mentioned by him at the time, but these are enough. When you see frozen fish in a supermarket, does that seem too simple and unimportant to you?

"But" you might say, "that was 1882, and nearly a hundred years ago, and I am living in the here and now." Don't kid yourself. A decision of the Supreme Court has almost eternal life. It was only back in 1950 that Justice Douglas, writing for himself and Justice Black, quoted that 1882 opinion by Justice Bradley, and then added some more recent words. He said, and this time I quote Douglas in 1950:

"It is not enough that an article is new and useful. The Constitution never sanctioned the patenting of gadgets. Patents serve a higher end—the advancement of science.

An invention need not be as startling as an atomic bomb to be patentable. But it has to be of such quality and distinction that masters of the scientific field in which it falls will recognize it as an advance." And that was when he quoted the Bradley decision of 1882.

As lawyers before they were judges, these men were trained and experienced in being persuasive. And since they were on the Supreme Court they certainly must be considered authoritative. Whether they are right or wrong, what they write does have the ring of authority, because the words they write becomes part of the law, until some other later Court disagrees with them. We are supposed to agree with them.

Frankly, to some extent I do agree with them. I think we can all agree that our Patent System is cluttered-up with thousands of inventions that never did amount to anything much, and never will amount to anything much, and having to include them in our patent search makes the getting of a new patent more cumbersome, therefore more expensive. Looking at it from the outside, as he was and had to be, the Supreme Court Justice might be justified in calling some of these patents "flimsy" or even "spurious."

We can sympathize with his official feeling of holy frustration.

There is a catch to it, though, as inventors know only too well. No matter how smart he might be as a lawyer and a politician, and no matter how learned he may be as a judge, of the Supreme Court or any other court, all that does not qualify him to know what it takes to put an invention together. A man may be however great and magnificent in his own field of work, or two or three fields of work, but his mind still has its human limitations. Outside of his own special area of knowledge, he may not be able to detect how splendid or far-reaching an unfamiliar new invention may prove to be.

For just one example, take the case of Chauncey Depew, who was one of our intellectual and financial giants at the turn of the century. He was one of the smartest railroad lawyers in the world, and first president then chairman in the New York Central and other Vanderbilt railroad systems. An orator, a Senator, a scholar full of wit and charm, there still were some things he did not know. A doctor came to him one day for encouragement and help on his new invention in telegraphy, and Chauncey Depew turned Alexander Graham Bell down; the telephone would never be more than a toy, in his pompous and worldly-wise opinion.

Now for a totally different kind of an example, I pull a little item out of my pocket. Yes, as you see, it is nothing but a piece of string. Just an ordinary piece of string. When that famous writer of short stories, the Frenchman Guy DeMaupassant, wanted something truly without value for one of his characters to pick up, out of the dirt at his feet, he had the man pick up a piece of string. Later he was accused, by an enemy, of having picked up instead another man's lost pocketbook containing five hundred francs. He had tried to hide the string, so nobody could see that he, a grown and respected citizen, had stooped to pick up something as worthless as a piece of string. (He had done it because he did not want to see even that go to waste.)

Worthless? Just because it does not have a label on it, from Gucci maybe, or Sears-Roebuck? But consider what this world would be, if we did not have this invention known as "string," or "twine string," or some other kind of string. In various forms and made of various materials, but always with the same basic scientific principle of entertwined fibers—whether of cotton or flax, or steel or copper, or hemp or whatever—it ties up our packages, forms our clothing, anchors our boats, operates our elevators, makes our sails. And even a fragment of it, like this in my hand, can be used for some purpose.

What do you think an associate justice of the Supreme Court might have said about DeMaupassant's piece of string?

The fact is that the value of an invention, to the world as a whole and to our own part of the world, is not to be judged by a district judge, or the Supreme Court with all nine men agreeing, or by any other official. Nor is it to be judged by what you think of it, or what I think of it.

The only true and final judge of the value of an invention is the marketplace. No matter what some Supreme Court may officially decree at any one time, the Inventor's Constitutional Charter does not require that an invention, if it is to be entitled to a patent, must satisfy some judge or university professor that it is truly an advancement in science.

Actually, to achieve progress in the useful arts, you have to use the principles of science, as any inventor knows by experience. And the more you use such scientific knowledge as you have, the more scientific knowledge you are going to have. By using your scientific knowledge, you can't avoid progressing in its use.

This is what that clause in the Constitution means. It does not call for each separate invention, or each separate piece of an author's writing, to be within itself a visible advance in science and the useful arts. That is the function of the Patent System itself, invented by this clause in the Constitution. It is the Patent System and the Copyright System—as Congress was empowered to create them—that was expected to "promote Progress in Science and the Useful Arts."

Those wise and inspired men who wrought-out our Constitution were smart enough to know this important truth about humanity—that not every product of the creative brain of an author or inventor will be a world-beating winner. There are bound to be some absolute flops. People being what they are, it can be confidently expected that there will be a lot of flops for every creative product that comes forth a winner.

The Constitution-drafters knew this, because they included some of the most wondrously creative minds in our history. The Constitution itself is proof of it—never before in the world's long history had such a workable plan of government been produced. Yes, they knew the failings and limitations of creative people, but they also knew that if these same people could be induced somehow to keep everlastingly busy about their creative new things, the result would just simply have to be what they were after—progress in science and the useful arts.

So they authorized Congress to set up a system which should have a chance to accomplish that purpose. Dangle something really juicy in front of the creative people who had the ability to become authors and inventors, and make it juicy and attractive enough that they actually would get busy and create.

That was what the system they authorized was expected to accomplish. The juicy and attractive bait they wanted Congress to dangle in front of our hungry eyes was absolute control, for a limited term of years, over whatever we inventors might create, whether great or small, whether wonderful or foolish. We would be able to exclude everybody else from using our invention without our permission—that was the kind of bait that they thought would make us get busy.

It would, too, if the Congress and the Courts would let us be enticed as freely as the drafters of our Constitution intended. I say to you here tonight, and I say to the Congress and the Courts from the Supreme Court all the way down: Leave it to the marketplace to decide whether an invention is valuable or not. This is the proper function of the American system of Private Enterprise—and it really does function.

Who is a judge to know of an invention's value to all the people, just because he wears a long robe and has a lifelong job? If an invention—and I do mean any invention—had not seemed valuable enough to somebody that he thought it was worth stealing from the patentee, the case would never have been brought into that court or any court in the first place.

It would not have been brought into court because the invention was not worth stealing, regardless of how wonderful its inventor or first manufacturer thought it must be.

There is, of course, another side to this. It also depends on how expensive it will be, to steal it. If the inventor has engaged a patent attorney who knows enough about the ways of invention thieves to draw up a patent application which will crowd-out the thieves unless they are prepared to spend a lot of money, the would-be pirate will consider very carefully before he will let his corporation gamble the cost of it.

Yes; I insist and insist again, and over and over again, that the real value of an invention is determined by the marketplace, in the good old pattern of American Private Enterprise. This month we honor the anniversaries of the birth of two American Presidents who contributed greatly to the value of inventors to this Nation, because they contributed greatly to the Patent System. It was George Washington who stirred the First Congress into fast action, and at his urging the original United States Patent Act became law on the tenth of April, in 1790. And Abraham Lincoln, the only President to hold a patent on his own invention, was a constant supporter of our great Patent System.

That system has worked wonders for the People of the United States in the past one hundred eighty-nine years, and it was in their behalf that it was authorized by the Constitution. In their behalf, I urge that the President, and the Congress, and the Supreme Court and all other courts, work mightily to build up our Patent System, that the inventions of our inventors may continue to bless America and the world. Let these officials not try to decide whether some invention is magnificent or foolish, because this their human minds cannot know in advance.

Instead, let them strengthen the Patent System to mobilize the talents and abilities of all us inventors, and inventors yet to be born, to entice us to get busy and invent. The Constitution set it up. Let our officials in Washington get on the ball and follow it up! ●

RETREAT ON ETHICS REFORM

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. PANETTA. Mr. Speaker, the recent approval by the U.S. Senate of a postponement of the outside earnings limitation is a grave disappointment to many of us in the House who worked so hard in the last Congress to gain support for this and other ethics reforms.

When the President has asked Americans to hold their wage and price increases to a paltry 7 percent a year and when Congress is considering cutting many important social programs or holding them at no growth levels, I find it hard to believe that the American people will sympathize with the Senators' complaints about the impact of inflation on their standards of living. The pay raise granted in 1977 amounted to an 18 percent pay increase. Retaining the existing ceiling of $25,000 in outside income, instead of the proposed $8,625 limit, raises this percentage figure far higher.

Recently, the Los Angeles Times reviewed the Senate's action in an incisive editorial, which I would like to insert for the benefits of my colleagues. I share the editors' view that the Senate acted inappropriately both in removing the outside income limitation and in acting without so much as a rollcall vote on the subject. I commend the editorial to my colleagues' attention and I urge the House to stand fast against a similar move here.

THE SENATE'S SNEAK PLAY

Majority Leader Robert C. Byrd was not on the floor of the U.S. Senate last week when a covey of his colleagues covertly gave themselves what amounts to a $16,375-a-year boost in earnings. It was done by scuttling a new $8,625 limit on what members can rake in for moonlighting—a limit that they solemnly swore to impose on themselves two years ago if President Carter would let them have a $12,900-a-year increase in salary.

Carter kept his share of the bargain, and senators have been collecting the fatter paychecks for 25 months, but their action last week postpones the imposition of the $8,625 moonlighting limit for at least four years, and restores the old ceiling of $25,000. That adds up to $16,375 more in potential income.

One would assume that Byrd would be furious at the revolt in the ranks. He was, after all, one of the leading advocates of the new limit on extracurricular loot and, presumably, he told Carter that the Senate would honor the *quid pro quo*.

But no. When reporters caught up with the West Virginia Democrat the day after the deed was done—without hearings, without a roll-call vote, with only the briefest of notice and with no more than 20 members present—the majority leader said that his colleagues were absolutely right in doing what they did.

As for his own commitment to the President, Byrd said, "I changed my mind." And, had he been on the floor, his anonymous voice would have been among the other anonymous voices yelling "aye."

But what did he think of the furtive way in which it was done? Byrd found no fault with it. To the contrary, he said it might not have gone through at all had there been a roll call requiring the senators to record their votes.

The reporters next sought out the rectitudinous Republican minority leader—Howard H. Baker Jr. The Tennessean has always been quick to suspect financial hanky-panky on the part of others and, even now, is demanding a special prosecutor to look into the Carter family's peanut business.

Certainly Baker would rail against Byrd's cynicism and against the bad faith of the Senate.

But no. He said he agreed with Byrd that his colleagues were right, "inflation being what it is," in welshing on their agreement with the White House.

Inflation being what it is, members of the Senate are much better off than most working Americans. The $12,900 raise that they were able to con Carter out of two years ago amounts to more than 18% a year—more than double the President's current anti-inflation guideline.

That raise brought their government paychecks up to $57,500 a year, plus generous fringe benefits and travel and office allowances.

Just the statutory boost of $12,900 a year is close to the total income of the average American family.

So much for inflation, and so much for the heartbreaking complaints of certain senators that they can no longer struggle along on their government pittance and might have to send their wives off to work if the rules restrict their incomes from moonlighting.

The moonlighting, of course, consists mostly of speeches before special-interest organizations that approve of a senator's voting record, and the fat fees that they pay raise questions of propriety. And much of the moonlighting is done on company time—the taxpayer's time.

Let it be said that we do not think, even now, that senators are overpaid. The ablest of them are worth more—and that is one of the reasons that we were in favor of the salary increase two years ago.

What we object to is the stealthy manner in which the Senate broke its word. The bypassing of committee procedures, the short notice and the voice vote were meant to catch the media by surprise, and to protect the identity of those voting "aye." It is now apparent that Byrd and Baker were silent co-conspirators in the plot to take the money and run, and it does them no credit at all.

Attention now turns to the House of Representatives. Will it follow the Senate in breaching its contract with the President and the taxpayers

Speaker Thomas P. (Tip) O'Neill Jr. was unwilling to criticize the Senate, but he doubts that "the votes are there" to follow suit in the House.

The Massachusetts Democrat would be wise to restrain the avaricious among his troops. Only a third of the Senate will have to defend their duplicity to the voters next year, but all members of the House who choose to run will face reelection. And they would be hard put to explain a sneaky vote to line their own pockets.●

OIL SHORTAGE

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. GONZALEZ. Mr. Speaker, the question relating to the shortage of oil in our country has become quite bewildering. We hear from the Department of Energy that the Nation is short 500,000 barrels a day and creeping toward 800,000 barrels. The Congressional Research Service says the shortage is only 80,000 barrels a day while the big oil companies say that the shortage is 2.5 million barrels a day worldwide and thus deliveries must be apportioned to be sure that everyone gets his fair share. But while all of these figures are being reported and questioned something very real is happening attributable to this shortage and that is that many service station operators across the country are losing their businesses because their franchises are not being renewed.

This situation occured right after the Arab embargo of 1973 and it appears that it is happening again. At that time I introduced a measure to protect these service station operators and I am again proposing such a measure. I strongly feel that we need a measure that will provide these small businesses with some means of protection from distributors and major refiners who are attempting to push them out of business because in many cases it would be more profitable if the station were owned directly.

The bill I am proposing provides that a refiner or distributor may not cancel, fail to renew, or otherwise terminate a franchise unless he gives notification 90 days prior to the cancellation date together with the reasons for the cancellation and the remedies available to the service station operator.

My measure also prohibits cancellation of a franchise unless the service station operator failed to comply with any reasonable requirement of the franchise, failed to act in good faith in carrying out the terms of such franchise or unless the refiner or distributor withdraws entirely from the sale of petroleum products—other than crude—in commerce for sale other than resale in the United States.

There is also a provision in the bill that allows any retailer who feels that he has been unjustly treated to apply to Federal court for damages or injunctive relief.

Mr. Speaker, I do not know exactly how many service stations around the country are being forced to close their doors, but the situation is again ripe for this type of action. Legislation is urgently needed to protect small American businessmen from being forced out of work and I urge my colleagues to support my efforts in this regard.●

MAYOR RODGERS

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. RODINO. Mr. Speaker, this St. Patrick's Day was a particularly significant occasion for me because of a special honor bestowed on a fellow statesman, Mayor Frank Rodgers of Harrison.

Mr. Speaker, the "Friends of Brian Boru" in Newark presented their "Irishman of the Year" award to the dean of New Jersey's mayors, Frank Rodgers, in recognition of his public achievements and concern for individuals in the community.

I am privileged to have maintained a long-time friendship with this decent and compassionate man who has been mayor of Harrison since 1947. He has worn many hats in his long career of service to the citizens of Hudson County. As a matter of fact, his career reads like a civics lesson on local government. He currently holds the positions of State senator and clerk to the Hudson County Board of Freeholders as well as that of mayor. In the past he has served with distinction on the New Jersey Racing Commission, the Garden State Parkway and Arts Center Commission and as Superintendent of Roads for Hudson County.

Frank Rodgers is liked and respected by all of us in New Jersey who believe that government service on the local level truly can make a difference to help better people's lives. His example is an inspiration to our youth and his continuing service is a credit to our community.

Despite his ever-present modesty, the community continues to honor him for his hard work and dedication. It was especially fitting that Americans of Irish heritage honor Frank Rodgers this St. Patrick's Day because I know that he is particularly proud of his Irish roots. However, all of us who have been touched by his warm hand concern feel a special pride in this recognition.●

JOHN WALSON, SR.—FOUNDER OF CABLE TELEVISION

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. RITTER. Mr. Speaker, recently I had the privilege of attending a gathering in Lehigh County to honor a man who has earned a significant place in American communications history.

John Walson, Sr., president and chairman of the board of Service Electric Cable Television in my district, has been recognized as the founder of cable television in the United States. During his remarkable career, Mr. Walson has proved that an energetic person can, through hard work and imagination, make a mark for himself in a way that benefits countless other people. In his chosen field of communication, Mr. Walson has done just that, and March 2 was declared John Walson Day in Lehigh County in honor of his 30-year career.

Mr. Walson, a native of Forrest City, Pa., combined his education in the field of engineering with a longtime interest in electricity to build a career that started with electrical appliances and eventually led to a realization of the problems faced by communities surrounded by mountains and unable to receive television signals. His early efforts in Mahony City, Pa. to demonstrate television receivers by picking up signals from Philadelphia stations on a mountaintop antenna and running the signals by wire to his warehouse in the valley below led to a realization of the vast potential for using cables to relay television signals that had previously been inaccessible. By adding new antennas and boosters, and by stringing wire to individual homes, Mr. Walson was able to create the Nation's first cable TV system in 1948.

From that beginning, Mr. Walson worked tirelessly to expand the cable TV concept, eventually building the largest individually owned cable TV system in the Nation, operating in 150 communities.

During the past 30 years Mr. Walson has served as director of the National Cable Television Association, the Pennsylvania Cable Television Association and numerous civic organizations.

Mr. Speaker, the career of John Walson is cause for great pride on the part of the Lehigh Valley. I would like to repeat my congratulations to Mr. Walson for his impressive accomplishments. Because of his pioneering role, millions of Americans can enjoy the benefit of access to television today. John Walson is indeed a part of communication history.●

THE 118-PERCENT TAX DISINCENTIVE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. MICHEL. Mr. Speaker, we have all heard horror stories about the tax system we now have. I recently came across a story that tells of a 118-percent tax on income. Does this sound impossible? In order to demonstrate the unfairness of our tax system and to prove that it can indeed demand in taxes more than we have in income, at this time I wish to insert in the RECORD an article from the Los Angeles Times, "118-Percent Tax Tends To Discourage Work."

The article follows:

118-PERCENT TAX TENDS TO DISCOURAGE WORK

It may be a little hard to sympathize with someone in a 50-percent-plus tax bracket who complains Uncle Sam is taking away the incentive to work. But suppose the tax bracket were 104 percent? Or 118 percent?

According to the Internal Revenue Code, the top tax on earned income is 50 percent, the top rate on all other income is 70 percent. So how can anyone get caught at 104 percent or 118 percent?

A recently retired executive of a major U.S. corporation maintains it's not only possible, it's happening to him.

This former executive concedes that he is well off without working. His protest is made more in principle than in need. What he has done is accept some directorships and other consulting jobs that will bring him paychecks totalling $15,000.

Sitting down to figure just how much of that $15,000 he might have to spend, our retired executive came up with a startling conclusion. He will have $722 less to spend than if he'd just stayed home. He arrives at that figure this way:

Income tax at the 50-percent maximum rate on earned income	$7,500
Additional income tax on other income because the $15,000 pushes unearned income into a higher bracket	1,507
Lost Social Security benefits ($1 for each $2 earned over $4,000)	5,500
Social Security self-employment tax on $15,000	1,215
Total	$15,722

The executive made another calculation. He figured what it cost him just to take his latest directorship, worth $7,500. Because he'd already used up his $4,000 maximum earnings before losing Social Security benefits, he came out even worse.

The total taxes and lost benefits from the $7,500 directorship added up to $8,883. That's an effective tax rate of 118.4 percent—before state taxes.

"We often read in the news media how Great Britain takes more than 100 percent of its citizens' income in some cases," he writes, "but we seldom realize that the U.S. Government does the same thing." He suggests that few congressmen realize this because they usually deal with Social Security and income tax matters separately.

The problem extends beyond the well-heeled and powerful. Though the impact of taxes and lost Social Security benefits are less dramatic, it can be substantial even on an individual with a taxable retirement income of, say, $10,000. Were he to take a job paying another $10,000, his effective tax on that sum would be more than 50 percent.

As our retired executive asks, why should the government want to create such a huge disincentive to work beyond age 65? Some would argue it should do so because of unemployment in the nation and the need to free jobs for others. But this argument overlooks the fact there are shortages of skilled people in many fields. It also overlooks the heavy financial burden a growing retired population, combined with inflation, is putting on Social Security and private pension plans. Encouraging later retirement would provide some modest relief, perhaps some needed boost to national productivity.

Few would argue that Social Security benefit shouldn't be reduced to offset earned income, as they are now until a person reaches age 70. The question is whether the current combination of taxes and benefits reductions isn't too large.

A simple answer, as the retired executive observes, would be to place a ceiling on the total cost in taxes and lost benefits so it wouldn't exceed 50 percent—or even 70 percent—of earned income.●

JEREMIAH F. O'CONNOR

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. RODINO. Mr. Speaker, I want to point out an article which appeared in the New York Times describing a distinguished public servant from my home State of New Jersey.

Mr. Jerry O'Connor, the freeholder director of Bergen County, is known in northern New Jersey for his personal commitment and concern for the citizens of Bergen County. I am very pleased to see that his leadership on the Board of Chosen Freeholders has been recognized because his career is a fine example to young men and women who want to better their communities through government service.

Mr. Speaker, I would like to include a copy of the New York Times article from March 11, 1979 into the RECORD.

The article follows:

A MAN OF MANY HATS TO DOFF ONE OF THEM

(By James F. Lynch)

HACKENSACK.—Until Jeremiah F. O'Connor was elected to the Bergen County Board of Chosen Freeholders in 1974, the position of Freeholder Director had been rotated each year, with an incumbent seeking re-election usually filling the role as a public-relations device to stay before the public.

Mr. O'Connor changed that concept and is now in his fifth straight year as director of the nine-member board. However, this is a record that is unlikely to be extended, for Mr. O'Connor has said that he will step aside for someone else next year.

"To rotate the leadership merely leaves a vacuum of leadership," Mr. O'Connor commented the other day. "I don't think you should rotate the director's job just so that everyone is happy. If you're elected, you have a job to do, and leadership is part of that job."

Noting that his election marked only the second time in 60 years that the Democrats had controlled the Freeholders, Mr. O'Connor said that the "timing was right" for the changed concept on the board.

"It was a time of fiscal crunch," he recalled. "We needed to consolidate and control the bureaucracy and make it more centralized under the elected officials. As a result, we were able to achieve greater efficiency through stronger budgetary control."

Attracted to politics by John F. Kennedy's campaign for President, Mr. O'Connor served on the Board of Adjustment in Saddle Brook before being elected a Councilman there and then Mayor in 1965. That was the same year that he was elected to a two-year term in the State Senate, thus giving him experience at the local, county and state levels of government. He also served for six years on the Division of Local Finance, a state agency that supervises the bonding proposals of municipalities.

"I'd have to say that a local mayor has the toughest single job in government today," Mr. O'Connor said when asked to compare the various posts he has held.

"The demands for services, because of the complexity of society, are growing. The problems of the Northeast, the aging population, the energy shortage, and all the other problems that are brought to a mayor for solution have made that job a fierce one. The mayor does not have the taxing powers to be able to meet the demands for services."

According to Mr. O'Connor, the only forums where taxpayers can address elected officials directly are "in the Council chambers of a municipality and at Freeholder meetings.' As he put it:

"The Legislature doesn't meet the public, except at public hearings on bills. In some ways, the legislators are insulated from the public, and I think it's unfortunate that we are nominating people for these posts who haven't had experience at the municipal level and therefore don't understand the interrelationship of government."

Despite the "insulation," Mr. O'Connor said that he enjoyed his service in Trenton.

"It was intellectually stimulating," he recounted. "It was challenging to know that you could introduce bills and try to get significant laws passed. As a Freeholder, though, I have more input; I'm involved with the whole process. If someone calls up and has a problem with welfare, I can pick up the phone and try to get something done that will resolve the situation."

As a sponsor of the state law that gave the vote to 18-year-olds, Mr. O'Connor does not think that the present drive to raise the drinking age is on the right track.●

WILLI UNSOELD

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. BONKER. Mr. Speaker, Willi Unsoeld was an extraordinary person. He inspired people. They found renewed faith and confidence just being around him. To go climbing with Willi Unsoeld was an adventure. It was to excel.

But Willi Unsoeld was more than a world famous mountain climber. He was a genuine, warm, loving person. There was a spirituality about him. Here was a man at peace with himself and the world.

Early this month, this famous and unpretentious man became the victim of a climbing accident in Washington State's Mt. Rainier. It was ironic that this giant of a man could succumb to the likes of Mt. Rainier. He had conquered much greater.

It was an honor to have such a popular figure as a constituent, but it remains a God-given privilege to have Willi Unsoeld as a friend.

To say he will be missed sounds trite. He will be an enormous loss to everyone who crossed his path. But his greatness and humor, his joy and capacity for love will not be easily or quickly forgotten. Willi Unsoeld will remain indelibly in the hearts of everyone who ever knew him.

Mr. Speaker, of much that has been written about him, I have selected an article from the Washington Teamster dated March 9, 1979, for inclusion in the CONGRESSIONAL RECORD.

The article follows:

WILLI UNSOELD

(By Bill McCarthy)

Life's thin thread. Glancing at the front page of a newspaper such as the March 5, 1979, *Seattle Post-Intelligencer* can make a person feel very mortal and fragile. There was a large picture of a Charlton Hestonesque man, and—next to it was a dire headline: "Two Climbers Die—Unsoeld Killed by Rainier Avalanche." The Hestonesque man of course was Willi Unsoeld.

Life is certainly fleeting. Sunday, March 4, in the morning, Unsoeld was a happy, strapping outdoorsman, in the prime of his life at 52 years of age. He was leading a group of 29 climbers, most college students, on the 7th day of a long hiking and camping excursion along Mt. Rainier's winding trails when the unthinkable happened.

The P.I. report explained: "The group of 22 was descending the mountain through Cadaver Gap at about the 11,000-foot level when the avalanche swept down at 2 p.m. . . . several in the original party of 29 had come down earlier. Only two, Unsoeld and (Janie Diepenbrock, an Evergreen State College student from Sacramento) were buried by the snowslide, officials said. The remainder of the party pulled them out in 15 minutes, but both were dead."

Unsoeld, a professor at Evergreen, was a genuine American hero, an internationally famous mountain climber who scaled Mt. Everest in 1963. He had a relentless self-drive and disregard for his own safety—for instance, he did get to the top of Everest but in doing so he lost nine toes.

He showed an intellectual desire that matched his physical drive. He received a degree in physics from Oregon State University in 1951, a doctorate in philosophy from the University of Washington in 1959, and he was a life-long teacher. He was on the Evergreen faculty from 1971 until his death.

He lived his mountaineering experiences precariously balanced on sheer cliffs, over chasms, on slippery glaciers, under rocks and snow banks—only inches from demise. Finally, his luck ran out. Unsoeld, the master climber, was in the end crushed by treacherous Mother Nature, whose unpredictability can fool the smartest experts. Cadaver Gap did not get its name for nothing.

Some will say Unsoeld went the best way an adventurer can go—fast, doing what he loved to do most. But it would have been nice to have had him around to impart his rugged individualist philosophy to another generation or two of young people.

Heroes are hard to come by in America these days. It is painful whenever one dies, especially if the death is premature and tragic and the victim was a local figure.●

EXPANSION OF COUNCIL ON WAGE AND PRICE STABILITY

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. HANSEN. Mr. Speaker, tomorrow this House will continue consideration of a bill authorizing an enormous expansion of the power of the Council on Wage and Price Stability to impose wage and price controls on our already over-regulated economy. This proposed expansion is to take the form of a vast increase in budget to hire many, many more bureaucrats.

The purpose of the whole exercise is to shift the blame for inflation to the public. In fact, the blame for inflation lies entirely with the Government. It is our past recklessness in spending, financed by excessive monetary expansion by the Federal Reserve, that has resulted in ever-rising prices.

Attempting to shift this blame to the public, and specifically to businesses, is fraudulent and cowardly. Worse, it makes business all that less productive as our producers strive to cope with fumbling Government restrictions. I have always held that it is the small guys, the least vocal and least powerful, who are most hurt by inflation and other deceitful Government policies.

This morning, a most interesting short article appeared in the Wall Street Journal that gives one example of this result. It shows how the pricing controls in the aluminum industry have hurt most the little producers who can least afford the losses. In view of the debate scheduled for tomorrow, I commend this article to my colleagues.

The article follows:

ALUMINUM MAKES SCRAMBLING TO ADJUST TO REVISED, STRICTER PRICING GUIDELINES

(By Amal Nag)

PITTSBURGH.—Aluminum makers are scrambling to adjust to the government's recently revised, more restrictive price guidelines. But while the industry's big producers are pondering how to best take advantage of the tightened rules, many smaller producers and some buyers of the metal complain they must cope with an unexpectedly disrupted aluminum market.

Aluminum Co. of America, Reynolds Metals Co., Kaiser Aluminum & Chemical Corp. and Alcan Aluminum Corp.—The Big Four North American aluminum producers—all say they are "reviewing" the guidelines announced last Thursday. But it's clear the more restrictive price rules have scotched plans to take, through a one-time boost next month, most of the approximately 4.8 percent average price increase the industry is allowed.

That's because the guideline changers prohibit companies from immediately taking all the increases they're allowed in the second half of the government's program, which begins April 1. Companies must defer as much as half of the increases allowed in this period until the final quarter of the program, which begins July 1.

For instance, Alcoa, which had earlier announced April price rises averaging about 4.5 percent if spread across its entire product line, faces the prospect of somehow temporarily reducing those increases. While the No. 1 aluminum maker could reduce the average price by simply halting the sale of some products, analysts indicate that a rollback of some announced prices is practically certain.

Also, Alcan Aluminum, the U.S. subsidiary of Canadian-based Alcan Aluminum Ltd., deferred announcing a widely expected round of price increases last Friday. Alcan boosted the price of aluminum-can-body sheet by about 5.5 percent, effective immediately, on new orders, but said it was reviewing other price increases it was considering before the new guidelines were announced. The can-body sheet increase will use only a small portion of Alcan's total allowed increase.

Other, smaller producers are also changing their plans. Revere Brass & Copper Inc., for instance, noted that when it announced increases in its aluminum ingot price, effective this month, it warned buyers that prices for fabricated products would be rising soon, too. Currently, however, a Revere spokesman says, with the prospect that these prices will be held down, "everything is up in the air."

Buyers are also feeling the confusion caused by the revised guidelines. As each producer decides to raise prices on different products, buyers are tempted to abandon longtime suppliers in search of lower prices. But because markets for some products are extremely tight, producers can't assure new customers that all orders will be filled.

"This multitiered pricing system is going to be bad for all buyers," said one aluminum customer. Compounding the problem is the fact that the buyers can't be sure any longer which prices are rising or by how much.

"Different producers will raise prices on different products to fit the guidelines," complains a major East Coast buyer. "No one's even speculating on who's going to raise what price."

The uncertainty about prices the big producers will choose also poses problems for smaller producers. The small aluminum makers often produce only a limited number of products, and because they carry little market clout, they can't raise the prices of those items unless the big producers do, too. With the big producers choosing to raise prices only on selected products, smaller aluminum makers whose products aren't included in the price boosts are finding themselves stuck with shrinking profit margins.

"It's hard to increase our prices on those products and find anybody to pay for them," said John Eason, executive vice president of Revere's aluminum operations.●

KEITH DORNEY—FOOTBALL AND SCHOLASTIC ALL-AMERICAN

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. RITTER. Mr. Speaker, on Friday, I will be pleased to attend a dinner in the Lehigh Valley honoring a fine athlete and an outstanding young man: Penn State's football star, Keith Dorney. We in the Lehigh Valley are very proud of Keith, and I would like to include in the RECORD my remarks about Keith's career.

My first notice of Keith Dorney came sometime between 1973 and 1975. At that time, he was playing both football and basketball at Emmaus High School and I was living right near the high school. I used to read in the paper about Keith's early athletic accomplishments. During those years, we in the community were quickly recognizing his superior abilities. And, as time passed, and as Keith grew, and grew, and grew, so did his reputation—spreading throughout the Lehigh Valley, the State, and eventually the entire country.

Keith Dorney is a young man who has always been a highly motivated individual. One dedicated to getting the absolute most out of his abilities, both athletically and academically. Keith's dedication to his athletic abilities was demonstrated over and over again during his football career at Penn State, and is evidenced by his numerous all-American awards. Keith's dedication in the classroom, while not nearly so well publicized, is evidenced by his academic all-American award and a 3.3 cumulative academic average in Penn State's School of Business Administration; an accomplishment especially significant in light of the enormous demands placed upon Keith by his participation in football.

Keith Dorney and Penn State Football—tonight the two seem almost synonymous. But, it was not always that way. During Keith's senior year at Emmaus, coaches from around the country bombarded the Dorney home with pitches for their schools—around 80 altogether. But, it was Penn State who impressed Keith as being the most sincere. After all, it was they who set up a special visit for Keith, and still wanted him, even with his broken thumb. Local fans, proud of Lehigh Valley football and proud of Penn State, were pleased and excited to hear of Keith's decision to play his college football in his home State.

Now, with that stage of Keith's football career over, next up is the pro draft. And, would it not be nice if Keith could continue to play nearby for the Philadelphia Eagles. But, we here tonight, along with Keith, realize the chances of that happening are not very good. With his abilities, Keith will very likely go early in the draft—to one of the teams involved in that process known as "rebuilding." Taking part in that kind of program, or any program with an NFL team, will present a new challenge for Keith Dorney. But, we all know he will meet it head on, much like he meets opposing linemen, and just like he has met challenges on and off the field at Emmaus High School and Penn State.

Keith Dorney is more than a football All-American and academic All-American. He is the kind of young citizen whose example we like to have people follow, young and old. And, he is the kind of person we in the Lehigh Valley can all be very proud of.●

EXEMPT SMALL BUSINESS PROGRAMS FOR CERTAIN PROVISIONS OF MULTILATERAL TRADE AGREEMENTS

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. MITCHELL of Maryland. Mr. Speaker, today marks the first anniversary of the House of Representatives passage of H.R. 11318, now Public Law 95-507, the most significant piece of legislation ever enacted to benefit the socially and economically disadvantaged business community.

On October 24, 1978, President Carter, at 3:15 p.m., signed that bill into law, an act which many believed to be a major step toward his promise to triple minority procurement and contracting opportunities within the Federal Government. I believed then that the socially and economically disadvantaged of this society were finally on the road to economic parity. Today, the balloon of my optimism burst, scattering the hopes, promises, and expectations to the winds of betrayal.

This morning, the Subcommittee of General Oversight and Minority Enterprise of the Committee on Small Business held a hearing on the recent multilateral trade agreement process, orchestrated and designed by Special Ambassador Robert Strauss, under powers bestowed upon him by the Trade Act of 1974. The hearing was convened as a result of a Washington Post article of March 5, 1979, addressing the thrust of a multilateral trade agreement that would stifle contract and procurement preferences afforded to small and minority enterprises.

Subsequent to the Post release, the subcommittee, of which I am a member and chairman of its task force on Minority enterprise, met to assess the impact of the trade agreement on the small and minority business sector. Two weeks, thousands of angry telegrams and letters, a special explanatory document and subcommittee testimony from the Ambassador later, I am convinced that an otherwise sound and progressive trade agreement reeks with an insidious mechanism to undermine and undercut the efforts that have been gained on behalf of the socially and economically disadvantaged business sector. To my mind, the sanction of this trade agreement would amount to a betrayal of black and minority business in this country. And, the weight of the betrayal is that of the President's.

I say this is a betrayal for several reasons. First, Ambassador Strauss calls the shots in engineering the multilateral trade agreement, and I seriously doubt that President Carter had knowledge of this sellout of minority business. Second, Ambassador Strauss had full knowledge of the President's commitment to minority business.

The President had publicly praised the set-aside for minority business under round II of the local public works law.

The President had publicly announced his order for Government agencies to triple the amount of business they did with minority firms. The President made that announcement on March 27, 1978.

The President signed Public Law 95-507 on October 24, 1978 and publicly praised the minority business enterprise provisions of the law at the time of signing.

Ambassador Strauss knew of the President's commitment to minority business yet he proceeded to undermine minority business in the proposed multilateral trade agreement.

It is cruel and ironic that this sellout should occur 1 year after the U.S. House of Representatives passed this legislation which was signed into law last fall.

It will take a massive outpouring of opposition from the affected groups to prevent the pernicious portions of the trade agreement from being approved. I intend to lead the opposition. We are up against the multinational corporations, and their administration and legislative allies, who will benefit from this arrangement which will undermine opportunities for small and minority businesses, but we have faced formidable foes before and we have won.

In an effort to prevent such insidiousness in the future, I am introducing a bill today that would amend the Small Business Act to provide that procurement programs under the act remain in full force and effect without regard to the enactment of any implementing bill under the Trade Act of 1974, or any other provision of law before or thereafter enacted. I call upon this body's support in this effort.●

CONTACT CONGRESSIONAL COMMITTEES TO CURB WASTE

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. BENJAMIN. Mr. Speaker, I share with my colleagues an ever-increasing criticism from constituents on Government misjudgment, waste, fraud, and abuse of Federal funds and programs.

This criticism is coupled with a distrust and growing lack of confidence in the entire Federal system. Our constituents look to their elected representatives to halt this unnecessary drain on their tax dollars.

Where do we begin to make a dent in this major problem and restore confidence in our Federal Government? While there are many acceptable approaches, I urge and request that my colleagues transmit reported instances of abuse and mismanagement of Federal funds to the attention of the appropriate congressional committees and agencies for review and necessary action.

The 96th Congress has been hailed as the "Oversight Congress." I believe that this action will aid our committees in their required review of Federal programs under their jurisdiction.

I realize that all reports of the news media are not entirely accurate at all times. However, the published articles will trigger appropriate congressional investigation when necessary.

To date, I have transmitted numerous articles and communications to the appropriate authorizing and appropriations subcommittees and Federal agencies. Some have proved erroneous and I thank my colleagues and the applicable agencies for their time and logical response.

Some are apparently under review and I trust that I will receive an adequate response shortly.

Some are being pursued by the appropriate congressional committees and agencies and the results of the probes may well cure the problem and identify miscreants for more appropriate action.

Unfortunately, others have been answered with an agency response which is less than clear, concise, and comprehensive—in fact, quibbling might be a more adequate description. In those cases the agency can rest assured that they have lost my support until such time as I receive an adequate answer in understandable language and am assured that the problem is or will be corrected.

I will continue to bring reported instances of fiscal irresponsibility involving Federal funds to the attention of my colleagues, the appropriate congressional committees and agencies, and will refer all cases to an investigative arm for action. I encourage my colleagues to participate in this endeavor and would especially appreciate being apprised of instances which might fall under the jurisdiction of the Appropriations Legislative Branch Subcommittee.

In conclusion, and to illustrate my point, I commend my colleagues' attention to the following Chicago Tribune article on the apparent abuse of VA education benefits under the GI bill. I have forwarded copies of this article to the authorizing committee and the Veterans' Administration for their review and any necessary action. I am also hopeful that our veterans' organizations, which so often demand our support, will pursue this report to assure that veterans' funds are being appropriately expended.

VA PAYING INMATES FOR FREE SCHOOL

The Federal government is paying 186 Illinois prisoners thousands of dollars each month for educational expenses even though prisons provide their schooling free.

The payments could total $311 a month for those attending grade school, high school, or college classes at least 12 hours a week.

The school is funded through the G.I. Bill, handled by the Veterans' Administration. The prisoners are eligible for the funds if they received an honorable discharge from military service.

"Once the government gives him [the prisoner] the money, it's his money and there's nothing anybody can do about it," said Donald Harvey, warden at Pontiac Correction Center.

Although the number of students varies from semester to semester, prisoners at nine Illinois institutions—including Stateville and Marion—are receiving the benefits.

"We determine if the veteran is eligible, and these men are eligible under federal law," said Vern Rogers, a VA spokesman. "We are only adhering to the letter of the law."

Payments are made to the individual veteran, not to the school, Rogers said.

Funds are also provided for books and supplies, which the prisons also provide free.

Inmates who are married and have children could receive up to $20,000 for attending classes full time for four years.

An inmate who served at least six months in the armed forces would receive at least $311 a month for attending classes fulltime, plus $59 if he is married and an additional $52 for a child. An extra $26 is added to the allowance for each additional dependent.

"If the federal government thinks this person is entitled to federal money, this institution can't tell the person how to spend it," said Harvey.

"If an inmate wants to buy a television set or new stereo with the money, he's free to do it," he said.●

THE DEDICATION OF CLIFFORD HOUSE

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. McKINNEY. Mr. Speaker, adequate housing for the elderly and handicapped is a goal for which we often strive, but all too seldom meet. Today, it is my pleasure to note a successful step toward that goal. On March 8 Bridgeport, Conn. celebrated the dedication of its Congress Plaza housing tower for the elderly and handicapped. One hundred and one units in the center city area will go a long way toward meeting the needs of the city's aged and I am proud to bring this project to the attention of my colleagues.

Funded with construction loans from the Connecticut Housing Finance Authority (CHFA), rental assistance through HUD's section 8 program and FHA mortgage insurance, this project is a sterling example of meaningful cooperation between State, Federal and local agencies, each assuming its fair share of the burden. Those attending the dedication also had special praise for the local project developer, Peter Kapetan, and his company, Kapetan Associates.

Finally, in the spirit of our commitment to address the long-neglected needs of the elderly residing in our cities, the Congress Plaza housing project in Bridgeport was named after Mr. Arthur Clifford who served as the first chairman of Bridgeport Redevelopment Agency. I am proud of this accomplishment and fervently hope it is the beginning of a national trend toward better housing for the aged and handicapped.●

A POLICY THAT WILL DESTROY THE FEDERAL BUREAU OF INVESTIGATION AND THE CENTRAL INTELLIGENCE AGENCY

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. RUDD. Mr. Speaker, I have just received a copy of a letter to President Carter which, to my mind, spells out in a very precise way the essential danger and misguided nature of the administration's current policy concerning our Nation's intelligence operations and national security—past, present, and future.

The letter was written by a distinguished Washington attorney, Edward P. Morgan, who is a legal scholar in this area and has also served as a special agent for the Federal Bureau of Investigation.

Mr. Morgan stated in his covering letter to me—

> It is truly lamentable that at a time when this nation needs the *strongest* possible FBI and CIA to combat the onward rush of Soviet imperialism, we find the *weakest* administration in our history—ostensibly hell-bent upon nullifying the effectiveness of both these great institutions.

Mr. Speaker, I could not agree more with that assessment. I would like to include Mr. Morgan's good letter to the President at this point in the RECORD:

WELCH & MORGAN,
ATTORNEYS AT LAW,
Washington, D.C., March 12, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: I am a deeply concerned American citizen, who has practiced law in Washington for 30 years and at one time was a Special Agent of the Federal Bureau of Investigation.

Over two years ago, some 150 agents or

former agents of the FBI were advised by Department of Justice attorneys that they were "targets" for criminal prosecution by reason of alleged invasions of privacy in connection with investigations to apprehend infamous bombers identified with the so-called "Weatherman" organization. This action had an unbelivably chilling impact upon the FBI and its morale. Yet, after months of investigation, only two indictments were handed down, both of which are instructive.

On April 7, 1977, former Special Agent John J. Kearney was indicted less than three months *after* former Attorney General Edward H. Levi, after an exhaustive inquiry, had publicly stated on January 14, 1977, in relevant context—

That prosecutions were ill-conceived inasmuch as agents had "substantial basis for thinking" their actions were lawful; that it would be "unfair" to prosecute under such circumstances; that erroneous assumptions in this area "were in large part the fault of the government"; that the Department of Justice's "own attitudes must have appeared at least equivocal"; that prosecution would be a "hyprocritical" act by the Department of Justice; and that the Department itself "stands indicted" for its failure to provide adequate guidelines to agents.

Most certainly, in contemplation of the foregoing strictures against any prosecution of CIA or FBI agents, one would assume that the alleged case against Agent Kearney was indeed particularly heinous.

And yet, after a cost of $158,000 to Agent Kearney (which he didn't have) and 12 months of mental and emotional anguish, the indictment against him was dismissed by the Department of Justice on April 10, 1978, for the stated reason that his "level of authority and responsibility was below or equal to that of several men who will not be prosecuted." What remained unsaid was the fact that the Department knew that it could not convict Kearney in consideration of *United States* v. *Barker and Martinez*, 546 F. 2d 940, decided May 17, 1976, holding, in net effect, that an agent has a defense to a charge such as that involved where he acted out of a good faith reliance that his actions were properly authorized.

Significantly, the *Barker-Martinez* case was decided over ten months *before* Mr. Kearney was indicted. Accepting the good faith of the would-be prosecutors, it must be assumed that, in indicting Kearney, they had failed to heed the controlling legal precedent precluding a conviction.

Undaunted, upon the selfsame day (April 10, 1978) that the Kearney indictment was dismissed, the Department's "prosecutive team" proceeded to indict (in a joint indictment) L. Patrick Gray (former Acting Director of the FBI), W. Mark Felt (former Acting Associate Director) and Edward S. Miller (former Assistant Director).

Now, nearly one year later, they have not been brought to trial. Interestingly, continuances have been requested by the prosecution itself by reason of the fact that a prosecution would reveal sensitive intelligence data that should not be publicly exposed.

Moreover, Messrs. Felt and Miller are defending on the ground that anything they may have done was approved by Mr. Gray, a valid *Barker-Martinez* defense; whereas Mr. Gray is defending on the comparable ground that anything he may have done was approved by higher authority, presumptively by the Attorney General or the White House.

This litany of the "prosecutive team's" marching up the hill, only to march down again, is symptomatic of the basic problem; i.e., the entire thesis for this prosecution is ill-conceived, improvident and legally unsupportable. The FBI was engaged in an effort to apprehend the fugitives of the Weatherman Underground, who are dedicated Communists identified with foreign revolutionary groups. They, admittedly, were guilty of many deadly bombings, including the Pentagon and U.S. Capitol. Enclosed is a treatise from authoritative sources, tying the Weatherman, in terms of ideology and training, to the international Communist revolutionary and terrorist conspiracy, which is the handmaiden of Soviet imperialism. The present distinguished Director of the FBI has recently asserted that the Weatherman organization is—"the closest thing we have in the United States to international terrorism."

What follows as material is the fact that these substantial foreign connections of the Weatherman render the case involving Felt, Miller and Gray to be one involving *national* security as distinguished from mere domestic security. In the *Barker-Martinez* case, Judge Wilkey stated:

"We all know that physical entry for the purpose of auditory search has been authorized by President and Attorney General for forty years in national security related cases."

The Attorney General to this very moment asserts this authority for warrantless searches in national security cases—and the Supreme Court has not disavowed his authority in this respect. *United States* v. *U.S. District Court*, 92 C. Ct. 2125, 2132 (1972). Inasmuch as *national* security, involving an organization with substantial foreign connections, was clearly involved, there is, simply stated, no case against Messrs. Felt, Miller and Gray.

In consequence, it is an appalling picture to find these fine public servants being put through the anguish of the damned for an offense that doesn't exist and for efforts to apprehend vicious killers by bombing, indubitably the most dastardly and promiscuous taking of human life by a despicable outfit trained abroad in revolutionary terrorist tactics.

Before ending this letter, which is already much too long, I do wish to list seriatim some compelling reasons why, at least in my judgment, your prerogative as the nation's Chief Executive should be exercised to occasion the dismissal of the Felt-Miller-Gray indictment pursuant to the undoubted discretionary authority of the Attorney General.

I

Mr. President, the free world is literally burning about our feet with a progressive threatened diminution of America's prestige and security unparalleled in the history of the Republic. As never before, we must have a strong FBI (and CIA)—which is an utter impossibility if FBI agents are to be prosecuted for alleged felonies in discharging their duties to protect the life and property of our people from dastardly bombings by sheer degenerates doing the bidding of foreign forces committed to our national destruction.

It has well been said that any government unable, unwilling or incapable of protecting its people from their avowed enemies is unworthy to exist.

II

The nation's press has referred broadly to your disillusionment that the CIA had failed to advise you of the perilous build-up of forces that occasioned the revolution in Iran, with its untold dangers to our security in the world as yet not fully assessed. But really, Mr. President, can we fairly have expected anything else, what with the CIA having been brought to its knees and its effectiveness nullified by ill-conceived widely-publicized attacks upon it, all to the injury of our national security?

Is the same thing to be done to the FBI? If so, with what weapons shall we brace ourselves against the inexorable ever-expanding worldwide march of Soviet imperialism?

For over 50 years, the vanguard of Soviet imperialism has been a conspiratorial international Communist apparatus, variously masking itself in many different countries. This apparatus has adapted and adjusted to the variable *tactics* of Soviet imperialism—moving inexorably, however, toward its ultimate *strategic* goals. Free world nations, notably the United States, have no effective counter to this insidious apparatus—apart from their counterintelligence forces, pertinently our CIA and FBI. These agencies must not be further weakened, lest the United States stand naked before an implacable foe dedicated to the total destruction of our free enterprise system and democratic institutions. Their integrity, efficiency and resourcefulness must not be compromised. Upon them our liberty depends!

III

The FBI is a para-military organization. Its agents must act with immediacy upon countless occasions without question in the certain conviction that their good-faith efforts, believed legally authorized, will not subject them to the stigma and ruin of prosecution. On the very day that an agent must consult a lawyer or a law book in this setting, *on that day the FBI dies!* And with it, the finest law-enforcement organization the world has ever known. I feel certain that this is not a legacy which you wish to leave.

IV

Following the threat of prosecutions over two years ago, the morale of the FBI fell to a deplorable low. Fortunately, in the interim since that time, you displayed the great good judgment of naming Judge William H. Webster to head the Bureau. Slowly, quietly and effectively, Judge Webster has to a high degree restored the FBI's morale and redirected it in new and vital areas. Frankly, it is very possibly on the road to being an organization greater than ever before.

However, Mr. President, there is one thing I can tell you with assurance. If the pending prosecution goes forward—and particularly if a conviction eventuates through some miscarriage of justice—we can all kiss goodbye even the hope that the FBI will ever again be anything but a pusillanimous organization. All the great work of Bill Webster will be down the drain!

V

Nothing is more precious than due process of law and nothing is more anathema to our concepts of justice and fair play than prosecutions based upon retroactive or *ex post facto* application of the law. The simple fact is that the FBI to this very day has not been given any statutory guidelines in the delicate field of activity touching upon individual rights to privacy. If indeed there is to be some "new ethic" to the espoused and enforced, let us forthrightly and honestly assert it for the guidance *prospectively* of the FBI and its agents.

VI

Apart from situations involving offenses essentially *malum prohibitum* in character, the American accusatorial system of criminal jurisprudence contemplates that the element of criminal intent of *means rea* will be proved in support of a felony. This critical element, *criminal intent*, is wholly lacking in the assertedly offensive conduct of Felt, Miller and Gray. In an analogous situation, former CIA Director Richard Helms admittedly was responsible for warrantless physical intrusions by the CIA in Arlington, Virginia. Nonetheless, the Department of Justice declined prosecution of Helms for the reason that criminal intent was lacking. Interestingly, Helms also asserted the position that he had good-faith reason to believe that warrantless physical intrusions were legally authorized.

Why, it may be asked, if equal justice under law has any meaning, can the declination of prosecution in the case of Helms be squared with the pending proposed prosecution of Felt, Miller and Gray? Simply stated, it cannot!

VII

You have been in the forefront of a highly-commendable crusade for "human rights."

Yet, persons apparently bent on destruction of our great institutions, notably the FBI and CIA, have sought to sell the absurdly specious thesis that actions of these agencies touching upon the so-called right of *privacy* are equated with violations of human rights. Nothing could be farther from the truth. Human rights embrace rights inherent in man's dignity as a human being, including sheer genocide most graphically evinced in the slaughter of 6,000,000 Jews by Nazi Germany. It is untenable and ridiculous to equate human rights with a right to privacy. Indeed, the Supreme Court has failed to this very day to fully articulate and explicate the parameters of a citizen's right to *privacy*—doubtless for the very good reason that no right of privacy can have primacy over the right of the state to secure and obtain evidence relevant to offenses fraught with a potential to destroy broadly the very life, liberty and property of our citizens if not the body politic itself. This is the offense of which the Weatherman were guilty.

VIII

In the foregoing setting, it should be repeated, as earlier pointed out, that the crimes of the Weatherman clearly involved *national* security. The Department of Justice at this very moment asserts that warrantless physical intrusions are permissible in national security matters.

Paradoxically and unbelievably, Felt, Miller and Gray stand indicted by the Department of Justice for *an offense that does not exist*—by the Department's own declarations. Indeed, as Attorney General Levi publicly stated—

"What really stands indicted is the government as an institution [pertinently, the Department of Justice itself]; specifically, its failure to provide adequate guidance to its subordinate officials, almost consciously leaving them to 'take their chances' in what was an extremely uncertain legal environment."

IX

As cogently stated by Judge Leventhal in the *Barker-Martinez* case:

"Our system is structured to provide intervention points that serve *to mitigate the inequitable impact of general laws* while avoiding the massive step of reformulating the law's requirements to meet the special facts of one harsh case. *Prosecutors can choose not to prosecute, for they are expected to use their 'good sense . . . conscience and circumspection' to ameliorate the hardship of rules of law.*"

Even if, contrary to fact, a clear offense of substantial proportions was involved, the Felt-Miller-Gray indictment manifestly constitutes an inequitable impact of general laws or concepts vis-a-vis privacy—and cries out that the Attorney General should dismiss the indictment in the name of elementary justice, fair play, "good sense . . . conscience and circumspection." [Language first voiced by the United States Supreme Court in *United States* v. *Dotterweich*, 320 U.S. 277, 285 (1943)]

A great nation does not consciously destroy those institutions that make it great. Let us end our day of shame that is the Felt-Miller-Gray indictment!

X

It is of some associative relevance to say that the responsible *voting* population of this nation supports the FBI and looks to it as a bastion of their security. If not terminated, the ultimate adverse political impact of this ill-founded prosecution can well be severe. After all, whoever got any political mileage out of destroying a national monument—without justification!

With expressions of esteem,

Cordially,

EDWARD P. MORGAN.●

THE HARP SEAL HUNT

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mrs. SCHROEDER. Mr. Speaker, a brutal rite of spring is the harp seal hunt which began March 10 this year. By the time the hunt is over on April 24, as many as 180,000 young pups will have been killed. The trinkets, souvenirs, and furs are pretty. The hunt is not. I would like to enter in the RECORD the attached letter which my 8-year-old daughter wrote to Canadian Prime Minister Trudeau, and a pertinent article from the March 5, 1979, issue of the Christian Science Monitor.

DEAR MR. TRUDEAU: We are going to boycott Canada if you don't stop this sickning thing. How would you like to be clubed in the neck with a giant fish hook. I'm an animal lover and I saw the whole process on chanel seven and it's gross please stop this slaughter! All these poor innocent helpless seals are killed because a rich man or woman or child wants a pear of boots or a coat it's stupid what have they done to diserve it. We will boycott Canada we won't by anything from you.

From

JAMIE SCHROEDER.

[From the Christian Science Monitor, Mar. 5, 1979]

SEAL HUNT—EFFECT ON SPECIES

(By Sara Terry)

BOSTON.—At the eye of the turbulent storm of protest surrounding Canada's annual seal pup slaughter—set to begin March 10—lies a much calmer biological debate:

What is the long-term impact of hunting a species which has been cut from an estimated peak of 3 million to 4 million to nearly a third of that today?

Many scientists say that question can be answered with data now available. Others argue that a wide range of uncertainties, including the exact number of harp seals, makes it presently impossible to arrive at clear-cut answers.

Most of those involved, however, seem to agree on one point: The harp seal is in no danger either of becoming extinct or of winding up on an endangered species list.

But from there the debate takes off.

The scientific queries are only the tip of the iceberg of controversy engulfing the hunt of the Northwest Atlantic harp seal herd, which takes place on the ice floes off Newfoundland. For years, ecological and animal protection groups have waged an emotional campaign, calling the killing of the brown-eyed, pure white pups an unnecessary cruelty.

The Canadian Government, however, has countered by claiming that the centuries-old hunt, which has a quota this year of 180,000 pups, is an economic necessity. The seal pelts are used in making trinkets, souvenirs and furs.

But the scientific debate largely centers around the methods and figures the government uses to determine a harvest quota.

According to Mac Mercer, associate director of the Fisheries Research Branch of the Canadian Department of Fisheries and Oceans in Ottawa, the 1979 quota has been set at a level which will allow the current herd (estimated to be between 1.3 and 1.4 million) to continue a pattern of slight increase which has developed in recent years.

In fact, he claims, the quota could be increased from 180,000 to as high as 240,000 pups, according to recommendations made last November by a panel of government-selected scientists. Those scientists estimated that between 345,000 and 358,000 pups will be born this year, Mr. Mercer says.

Many scientists disagree with those figures, including Dr. David Levigne, a zoology professor at the University of Guelph in Ontario who has studied the harp seal for several years.

"The 180,000 quota is too high relative to what we know of harp seals," says Dr. Levigne, who claims that the world's two other harp seal herds—one in the White Sea and one off the east coast of Greenland—may be in "worse" condition than the Northwest Atlantic harp seals hunted off Newfoundland.

"At the present time ,it's not a question of whether the [Northwest Atlantic] herd will survive or die, but whether it will increase or decrease," he continues.

Adds Dr. Bob Hofman of the United States Marine Mammal Commission, "The Canadians and Norwegians have made a decision . . . with a lot of human value judgments involved. And we're questioning the validity of that determination.

"We can't tell now with a high degree of reliability how the harvest will affect the herd," says Dr. Hofman, who explains that the Commission has just contracted to have a year-long analysis made of all the data and models used to set the pup quota.

The issue, he says, is one of "population management"—finding the maximum number of pups which can be taken each year without causing an overall decline in the herd's population. Along with that concept, he says, is the need to analyze how man's impact on the harp seal affects the entire ecosystem to which the seal belongs.

However, argues Dr. Keith Ronald, dean of the College of Biological Sciences at the University of Guelph and a member of the Committee on Seals and Sealing (a government advisory body), "more is known about the harp seal than almost any other wildlife species.

"The population may be threatened if it isn't managed properly in the future," he says. "But that could happen to any species. This is a conflict between marine mammals and man, and where the two compete, the marine mammal usually loses.

"But we may be in a position this time where the marine mammal will not lose," he predicts. "There's been enough confrontations and public outcry over the harp seal that nobody can dare make a mistake now of the kind that would make this animal extinct."●

THE 1979 TATTOO

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. WOLFF. Mr. Speaker, I am proud to report to the Congress of the magnificent production of the 1979 Tattoo staged and directed by Comdr. Kenneth R. Force, U.S.M.S., and presented by the U.S. Merchant Marine Academy of Kings Point, N.Y., under the auspices of Rear Adm. Arthur B. Engel, U.S.C.G. (Ret.).

My pride is based, not merely on the extraordinary performance given by the Academy, but by the continual achievements of the Merchant Marine Academy over the years. Today, the Kings Point Academy has more than 15,000 graduates, many of whom have served with distinction throughout the spectrum of the maritime industry—as ship's officers, steamship company executives, admiralty lawyers, marine underwriters, naval architects, oceanographers, and as career officers in the U.S. Navy and Coast Guard in virtually every rank from ensign to admiral.

Webster's dictionary gives a modern definition of "Tattoo" as "military evolutions of spectacular character performed to the accompaniment of music." It is the spectacular character of the Academy that makes it a privilege for me to serve as a member of the Board of Visitors of the U.S. Merchant Marine Academy and to have this great institution in my congressional district.●

H.R. 2366, TO AMEND THE FEDERAL RAILWAY SAFETY ACT OF 1970

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. BONER of Tennessee. Mr. Speaker, on the 26th of February 1979, I introduced H.R. 2366 which is an amendment to the Federal Railroad Safety Act of 1970. The earlier legislation contained provision which contemplated State participation in the investigation of railroad safety regulations which had been promulgated by the Federal Railroad Administration. One of the main purposes of the passage of this legislation 9 years ago was to institute some degree of uniformity in safety regulations. This was done so that the multistate carriers would have only one set of regulations to which they had to comply.

Both the National Association of Regulatory Utility Commissions and the National Governor's Conference in 1970 at their national conventions endorsed the Senate version of this legislation which would have allowed the States to adopt and enforce the Federal standards in State courts in a similar fashion to the system of shared enforcement responsibilities which exists between the States and the Federal Government through the Natural Gas Pipeline Safety Act of 1978. The House version of that of the Railroad Safety Act provided for injunctive relief in Federal district courts. In passing the final bill the Congress adopted the conference report which provided that a State may petition the Federal district court to assess and collect penalities or grant injunctive relief if the Department of Transportation does not assess penalities or seek injunctive relief within 90 days of the occurrence of the violation. There are two ways under the act that a State may participate:

First. Through the process of annual certification, and

Second. Through agreements entered into with the Secretary.

While several State commissions began, as soon as the opportunity became available, to attempt to participate these efforts were, and continue to be unsuccessful. It was found that in those States which did not have an effective railroad safety program prior to the enactment of the Railroad Safety Act the legislation proved to be both helpful and beneficial. However, to those States which had an effective State railroad safety program the Federal legislation is a hinderance rather than a benefit. In the State of Tennessee, for example, employs 10 full-time railroad inspectors. If Tennessee were to participate in the railroad safety program, either through certification or agreement, they would be limited to two full-time railroad inspectors. This would hinder the Public Service Commission's show cause and enforcement process, and it would further require the Commission to wait 90 days before seeking an injunction in Federal district court. Our experience in Tennessee has shown that since the enactment of the Federal Railroad Safety Act in 1974 the number of derailments has more than doubled.

Mr. Speaker, my legislation, if enacted, will facilitate the more effective enforcement of Federal railroad safety standards and regulations by providing a structure for cooperation between the Federal Railway Administration and the State commissions. The intent of this legislation is to insure a swift and adequate means to correct dangerous railway conditions which might exist throughout the Nation.●

NUCLEAR SAFETY

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. MURPHY of Illinois. Mr. Speaker, the closing of five nuclear plants by the Nuclear Regulatory Commission (NRC) comes at a time when our country urgently needs to reduce its dependence on foreign oil. The shutdowns were ordered to make sure that the plants' cooling pipes are capable of surviving a severe earthquake. It should be noted that reactors are typically built to withstand very strong earthquakes and that none of these plants is located in an earthquake-prone area.

Mr. Speaker, the Chicago Tribune has made some fine observations about the safety of nuclear power, and the Nation's need for such energy, in light of NRC's recent action. I would like to draw my colleagues' attention to this excellent editorial:

Overkill in Nuclear Safety?

Was it a well honed sense of responsibility or a touch of bureaucratic overkill that prompted the Nuclear Regulatory Commission to shut down five big electrical generating power plants on the east coast this week because of questions about safety?

Generally, any doubts in this field must be resolved on the side of safety. Nuclear power carries too much potential for too horrifying harm to too many people to do otherwise.

Still, the hazards about which the Nuclear Regulatory Commission is concerned in this instance seem so theoretical as to be almost nonexistent. A computer model used to analyze what would happen to cooling pipes in the power plants in event of repeated earthquake shocks was found to be inaccurate. When the computer analysis is corrected, it may—or may not—show that some changes in the pipes are necessary for the requisite margin of safety.

But none of the nuclear plants is located in an earthquake area. No earthquake has been known to have occurred anywhere near. The commission itself estimates that chances of an earthquake in these regions is only 1 in 10,000 to 1,000,000—an assessment that prompted Sen. J. Bennett Johnston [D., La.], chairman of the Subcommittee on Energy Conservation and Regulation, to call the shutdown "absolutely asinine."

Another complication is that it will take 100,000 barrels of oil a day to produce the 4.1 million kilowatts of electric power generated by these nuclear plants. They will have to remain shut for several weeks while the new computer analysis is made and if modifications are considered necessary, perhaps for several months more. The Nation is already suffering a 500,000 barrel-a-day oil shortage.

The development and increased use of nuclear energy is vital to the United States, especially with the uncertainties about oil supplies from the Middle East. Every reasonable safety precaution must, of course, be taken—but we need nuclear energy too urgently to hold up its production over risks that are virtually nonexistent.●

TURKEY MUST BE RESCUED

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. FINDLEY. Mr. Speaker, I would like to call to the attention of my colleagues the excellent editorial which appeared in the Denver Post on March 5, 1979. It sums up the tremendous problems facing Turkey today, the implications of those problems for the United States, and the immediate steps this country must take to reverse this dangerous and destabilizing situation affecting our NATO ally:

Turkey Must Be Rescued

Turkey's problems, by any gauge, are so vast and so complex that no easy remedies are available. The inflation rate, fueled by a budget deficit that has quintupled in a year, exceeds 50 percent. It has foreign debts of $12 billion and almost no foreign exchange to pay for imports such as oil or industrial machinery. As a result, manufacturing output has been cut in half and exports have dried up. More than 20 percent of the work force is unemployed.

Thus, there is mounting frustration among Turkey's 42 million people; deepening economic troubles feed social and political violence.

There has been economic mismanagement in Turkey, or course, but much of it existed long before [Prime Minister Bulent] Ecevit came to power in January of 1978. Were he to tighten the economic screws on his people now to the degree the International Montetary Fund has demanded as a quid pro quo for bailing him out, he would face the likelihood of full-scale social revolution that could destroy Turkey as a modernizing nation.

What is needed now if Turkey is to remain a viable ally of the Western world is an international rescue operation whose scope has not been equaled since 1945. How much would it take? By all accounts, perhaps $10 billion to $15 billion over a five-year period, mostly in loans and credits.

The United States, West Germany, France and Great Britain would have to put up most of the money, although such Arab states as Saudi Arabia and Kuwait have shown interest.

Until now, the United States has been holding firm on a $300 million loan as the extent of its commitment. This is an unrealistically low figure if Turkey is to be saved. It should be increased to a figure more in line with Turkey's desperate needs. Such action would encourage our allies to open their purses a bit wider.

And what's to be gained? Well, our overall losses in the Iranian debacle are sure to run many times the amount Turkey now needs. And can one measure the value of a needed ally in dollar terms? Probably not.

Washington must mount an operation to rescue Turkey from chaos at once. We cannot afford to temporize until Turkey, like so many of our erstwhile allies, lies prostrate and dismembered.●

TENSAS RIVER NATIONAL WILDLIFE REFUGE

HON. JERRY HUCKABY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. HUCKABY. Mr. Speaker, today I am introducing legislation to include certain lands in the State of Louisiana in our National Wildlife Preservation System, and thus be designated as the "Tensas River National Wildlife Refuge." I am very pleased that my esteemed colleagues from the States of Louisiana, Arkansas, and Mississippi have joined me in this virtuous effort.

The Chicago mill and lumber lands, located along the Tensas River in Tensas, Franklin and Madison Parishes of Louisiana have been appropriately termed "the Redwoods of the South" in that they represent America's last opportunity to create a viable national wildlife refuge for bottomland hardwoods. At one time, millions upon millions of acres of the lower Mississippi River flood plain consisted of these rich, dense woodlands. All types of fish, waterfowl, birds, and game use this type of forest as their life support. In turn, fishermen, trappers, hunters, and timbermen also use the bottomland forest to support their way of life. Now both the people and the animal life that have always depended on bottomland hardwoods are rapidly becoming extinct.

When President Jefferson consummated the Louisiana Purchase in 1803, the lower Mississippi flood plain contained over 50 million acres of bottomland hardwoods. By 1960, this figure had been reduced to less than 20 million acres. Today, there are just 1.6 million acres of bottomland hardwoods remaining in what is left of the lower Mississippi River flood plain. Furthermore, most of these 1.6 million acres are in scattered tracts averaging well under 1,000 acres a piece.

The problem, of course, is the rapid and almost total conversion of bottomland hardwoods into agricultural lands. The rich flood plain soil that produces these trees is also ideal for agricultural purposes after the forests have been cleared and the land drained. No one can argue that America does not need more agricultural development, but like the Redwoods of the West, the South has to maintain a link with its past and the way of life associated with a Southern heritage.

The Chicago mill and lumber lands are the South's last chance to provide that link. The Chicago mill and lumber tract consists of approximately 240,000 acres in Louisiana, Arkansas, and Mississippi, but the bulk of the land is one continuous block totaling almost 120,000 acres along the Tensas River in Tensas, Franklin, and Madision Parishes of Louisiana. Of those 120,000 acres, only 20,000 have been cleared. The remaining 100,000 acres represent the finest bottomland hardwood forest left in America today.

It was on this very tract that Teddy Roosevelt hunted bear in 1906 and the last ivory-bill woodpecker was seen in 1943. When the Louisiana Department of Wildlife and Fisheries leased this property from 1955 to 1966, it was by far the most popular of all of the wildlife management areas in the State of Louisiana and still ranks as one of the finest hunting, fishing, and trapping spots in the entire South. There is existing authority that permits hunting and fishing on national wildlife refuges at the director's discretion, and the U.S. Fish and Wildlife Service has indicated that this type of recreation in this area would not detract from its value as a national wildlife refuge.

In addition to our genuine interest in preserving this unique natural system for future generations, there are some economic benefits to be reaped. Unlike the redwoods of the West, bottomland hardwood forests can withstand selective cutting and the Chicago Mill and Lumber Co. presently operates 2 sawmills which employ approximately 300 people and produce 40 million board feet of timber each year. If the land becomes a national wildlife refuge, selective cutting will continue and the mills will remain in operation. However, if the lands are cleared, these sawmills will eventually lose their supply of timber and be forced to shut down. This could have a detrimental impact on the local economy.

In the event that there occurred a decrease of timber production due to the designation of the area as a national wildlife refuge, the loss of revenue through timber receipts would be offset by Federal payments to the municipalities under the refuge revenue-sharing program.

I would like to make it clear, Mr. Speaker, that in initiating legislation to include the Chicago mill and lumber tract in our National Wildlife Refuge System, I made certain that the boundaries were drawn so as to exclude already existing cleared lands. I fully support the development of agricultural interests in this area and sincerely believe that farming and wildlife protection can harmoniously coexist.

This large island of alluvial hardwood forest located amid a broad expanse of agriculture serves as a permanent home for many forms of wildlife. Reliable reports of cougar and bald eagle sightings are still received today from this area and its backwater lakes and sloughs continue to serve as a home for the American alligator. It is particularly noted for its large populations of deer, turkey, bobcat, otter, beaver, squirrel, rabbit, fox, raccoon, and waterfowl. A healthy population of black bear still thrive in the canebreaks and deep swamps of this area. Deer numbers probably exceed one deer per 10 acres. Literally millions of passerine birds utilize this area as a wintering spot or as a resting place on their annual flights down the great Mississippi Valley flyway twice a year. Many other members of the avian population utilize these forests on a permanent basis. Over 387 species of birds have been recorded within the boundaries of Louisiana and a great many of these use this area in some manner. Its backwater sloughs, lakes, and bayous are home for a great diversity of aquatic life including fish, reptiles, and mollusks.

Thus, from a natural, social, and economic point of view, the preservation of these lands would benefit and be supported by national, regional, and local interests. The biological potential of this area is unquestionably one of the greatest found anywhere.

The rich alluvial soils have the capability of once again producing forests of such stature as to be unsurpassed by any trees of our Eastern forests. We must move quickly to preserve this great hardwood forest, because certainly there is no similar wildlife ecosystem that is more deserving of public ownership and protection than this unique tract of bottomland forest.

Therefore, Mr. Speaker, I think I speak for my colleagues of Louisiana and the bordering States, by urging your support and expeditious consideration of my bill.

The text of the Tensas River National Wildlife Refuge is as follows:

H.R. 3107

A bill to establish the Tensas River National Wildlife Refuge

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF FINDINGS AND PURPOSE

SECTION 1. The Congress finds that—

(1) the great forests of hardwoods, which once covered more than vast acreages along the lower reach of the Mississippi River Valley, are rapidly being destroyed;

(2) the remaining forests constitute a unique ecological, commercial, and recreational resource, providing a combination of forest products, habitat for a diversity of fish and wildlife and opportunities to the public for scientific research and for such recreational activities as hunting, fishing, hiking, boating, and wildlife observation; and

(3) the area within which the Tensas River National Wildlife Refuge will be located contains one of the largest remaining tracts of dynamic hardwood forests in the Mississippi River Valley.

(b) The purpose of this Act is to establish the Tensas River National Wildlife Refuge.

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) the term "refuge" means the Tensas River National Wildlife Refuge;

(2) the term "Secretary" means the Secretary of the Interior; and

(3) the term "selection area" means those lands and waters located along the Tensas River in Franklin, Madison, and Tensas Parishes, Louisiana, depicted on the map entitled "Tensas River National Wildlife Refuge, Selection Area," dated and on file at the United States Fish and Wildlife Service.

ESTABLISHMENT OF REFUGE

SEC. 3. (a)(1) Within one year after the date of the enactment of this Act the Secretary shall—

(A) designate not more than 100,000 acres of land within the selection area as land which the Secretary considers appropriate for the refuge; and

(B) publish in the Federal Register a detailed map depicting the boundaries of the land designated under subparagraph (A), which map shall be on file and available for public inspection at offices of the United States Fish and Wildlife Service.

(2) The Secretary may make such minor revisions in the boundaries designated under paragraph (1)(B) as may be appropriate to carry out the purpose of this Act or to facilitate the acquisition of property within the refuge.

(b) Within 4 years after the date of the enactment of this Act, the Secretary shall acquire (by donation, purchase with donated or appropriated funds, condemnation, or exchange) lands, waters, or interests therein, within the boundaries designated under subsection (a)(1)(B).

(c) The Secretary shall establish the Tensas River National Wildlife Refuge, by publication of a notice to that effect in the Federal Register, whenever sufficient property has been acquired under this section to constitute an area that can be effectively managed as a refuge. The boundaries of the refuge shall be the boundaries designated under paragraph (1)(B) of subsection (a), subject to such minor revisions as may be made under paragraph (2) of such subsection.

ADMINISTRATION

SEC. 4. The Secretary shall administer all lands, waters, and interests therein acquired under this Act in accordance with the provisions of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd–668ee). The Secretary may utilize such additional statutory authority as may be available to him for the conservation and development of wildlife and natural resources, the development of outdoor recreation opportunities, and interpretive education as he deems appropriate to carry out the purposes of this Act. The Secretary shall give special consideration to the management of the timber on the refuge to ensure continued commercial production and harvest compatible with the purposes for which the refuge is established and the needs of fish and wildlife which depend upon a dynamic and diversified hardwood forest.

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. There are authorized to be appropriated for the fiscal year ending September 30, 1980, and for subsequent fiscal years, such sums as may be necessary to carry out the purposes of this Act.●

THE STATE OF BLACK AMERICA 1979

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. HAWKINS. Mr. Speaker, after reading "The State of Black America 1979," I felt compelled to insert into the RECORD a reprint of excerpts from the introduction and recommendation section of one of the most objective and useful documents I have read about the nature and dimensions of the problems encountered by black Americans and the poor. Compiled by several distinguished academicians and social scientists, under the auspices of the National Urban League, Inc., "The State of Black America 1979" should be read in its entirety by as many people as possible, and especially by governmental policymakers.

In my opinion, many people and policymakers, in specific, hold a number of basic misconceptions about the nature of our current economic problems and just how these problems affect the nature of life in Black America. Life for most black Americans, instead of being comparably comfortable—as many may think—is in fact, quite difficult, and in all too many instances reduced to a matter of basic day-to-day survival.

The income gap between blacks and whites is widening and black unemployment is at its highest level in history. Median income for black families is $9,242 as compared to $16,740 for white families; 28 percent of black families are poor, compared to 7 percent of white families. Unemployment in black America, including those who have given up looking for work and those who are forced to hold part-time jobs because they can not find full-time employment is 23.1 percent. In the context of working toward a full employment economy for all, these statistics, as well as data explored in the areas of education, health, national urban policy, black political participation, and affirmative action demand immediate responses and urge meaningful action to address the endemic problems afflicting black America. A reprint of excerpts from "The State of Black America 1979" follows:

EXCERPTS

INTRODUCTION

(By Vernon E. Jordan, Jr.)

As 1979 begins, it is apparent that the most serious problems confronting Black America are its intolerably high level of unemployment, especially among young blacks; the threat of a recession; the continuing assaults on the principles of affirmative action, and the creeping malignant growth of a "new negativism" that calls for a weak passive government and indifference to the plight of the poor. These are not problems that lend themselves easily to solution, but their existence is a clear signal that "The State of Black America-1979" is a most troubled one that poses a challenge to the American people as the decade of the 70s draws to a close.

The challenge is to find within ourselves the wisdom to understand the price we all must pay when so many of our people are still locked in poverty and shorn of hope. The challenge is to make that commitment of resources and boldness that will enable us to deal effectively with those hindrances that still prevent millions of our citizens from sharing in the fruits of our society that most Americans take pretty much for granted. The challenge is to repair the damages caused by historic neglect so that this nation can be what it has the potential to be but has never been—a truly open pluralistic integrated society.

None of this can occur, however, unless there is objective knowledge of the nature and dimensions of the problems encountered daily by black Americans and the poor. It is to add to the needed knowledge that the National Urban League has for the past four years issued its "State of Black America" report to the American people. This year we have called upon several distinguished academicians and social scientists to provide us with their independent and thoughtful analysis of the important events that occured within Black America in 1978 in a number of crucial areas. We acknowledge their contributions with thanks.

THE ECONOMY AND EMPLOYMENT

1. Federal job training and job creation programs that would increase earnings, productivity and tax revenues should be expanded and not reduced. The goal of reducing the federal deficit cannot be met if higher unemployment adds billions in lost tax revenue and in mandated insurance expenditures.

2. The Administration's efforts to curb escalating costs should be concentrated on those items—such as food, energy, health and housing costs—that are staples of low-and-moderate income family budgets. The imposition of selective price ceilings would lower the inflation rate while providing aid to inflation's prime victims.

3. Necessary cuts in federal spending should be made in areas other than those that are critically important to the poor such as health, income maintenance, etc.

4. The Administration should implement the employment section of the Humphrey-Hawkins Act and Congress should authorize and appropriate the monies necessary to reduce joblessness.

5. The trend of job movement to suburbs and the sunbelt requires new policies that will make suburban job opportunities available to low and moderate income families through housing programs, improved public transportation and vigorous enforcement of affirmative action and equal opportunity mandates.

URBAN POLICY AND HOUSING

6. The federal government must acknowledge the severe problems confronting the black urban poor during the urban revitalization process as they (the urban poor) search for employment and decent affordable housing in American cities. Necessary provisions must be included in the national urban policy to address their interests.

7. The federal government must adopt a strong anti-displacement policy. Displacement must be considered as a negative impact to be guarded against when designing and administering federal policies and programs. Urban policy initiatives must be amended to address displacement and to eliminate its potential for contributing to the problems of the urban poor.

8. The federal government must monitor the impacts of urban reinvestment on urban employment. Programs must be amended and developed that will enable the poor and unemployed to adjust to the changing dynamics and employment opportunities of today's urban economies.

9. Specific proposals (omitted from the national urban policy) targeted at meeting the housing needs of the poor and minority residents of cities must be included in that policy and as a federal commitment to ensure that all American families have the opportunity to live in decent housing at affordable prices must also be maintained.

10. The Administration should re-dedicate and increase efforts to achieve a comprehensive urban policy that will address the many problems of the urban life, rather than acquiescing in the current piecemeal approach.

AFFIRMATIVE ACTION

11. The Bakke decision cannot be allowed to be used as a justification for any diminution in affirmative action efforts, either on the part of government, educational and other institutions, and private industry. This will require that such efforts be monitored

closely and that where necessary, appropriate remedies be sought.

12. The Bakke decision cannot be allowed to be used as a justification for the reduction of a minority presence in public and private institutions. These institutions must be carefully monitored to determine that the letter and spirit of affirmative action policies are carried out at every departmental level.

13. The Attorney General should delegate to the Solicitor of Labor the authority, by his own attorneys, to seek court enforcement of the obligations imposed upon government contractors under Executive Order 11246, as amended.

14. There should be immediate enactment of legislation and/or administrative rules and regulations which will provide a generalized standard authorizing goals and timetables, and such other color-conscious relief applicable to all public and private institutions which have not been found by a court of competent jurisdiction to be in violation of the law. Such legislation and/or procedure could be modeled after and applied on the same basis as existing rules and regulations under Executive Order 11246, as amended, and would have the resultant impact of clarifying and expanding civil rights laws.

15. In the alternative, or in conjunction with the recommendation above, HEW and other agencies should require all grant recipients to file an acceptable affirmative action plan.

16. The Humphrey-Hawkins Act should be amended, or a separate statute passed to provide for "Affirmative Action Adjustment Assistance" to those employing entities which, when faced with last hired/first fired layoffs adversely affecting minorities, voluntarily make adjustments in their seniority systems so that minorities would not be adversely affected. Such an Affirmative Action Adjustment Assistance Act could be modeled after the Trade Adjustment Assistance Act currently administered by the Department of Labor which protects both employers and workers adversely affected by tariffs.

17. Funds should be provided to assist those schools which continue to support and operate minority and disadvantaged programs where such programs meet standards enunciated by HEW. This may require additional legislation both to set guidelines for the standards as well as to supply funds.

EDUCATION

18. A moratorium should be placed on all testing programs which do not equitably delineate and evaluate the roles, responsibilities and the performances of administrators and teachers as well as students.

19. The President should appoint a blue ribbon panel to assess and make public the aggregate effect of state minimum competency testing programs specifically as such tests impact black students. This panel should also be empowered to determine a more equitable and effective approach to strengthening instruction in our public school systems.

20. A long-term and consistent program of federal support for historically black colleges should be developed which takes into account the nature of the economically depressed student body which attends such schools.

21. At the college level, student aid programs should be revised so that more funds are made available as grants, scholarships, fellowships and work-study opportunities, rather than as loans. The increase in such funds greatly benefit poor students and would widen their choices of colleges and universities.

22. A policy should be developed to provide assistance for adult learners. Such a policy should call for financial need to be evaluated independently of standard student assistance forms and family income. In determining such financial assistance special consideration should be given to black and Hispanic adult learners.

23. Community colleges can perform a crucial function in increasing access to post-secondary experiences for the urban poor (white ethnics, blacks, Hispanics) who would otherwise not be able to continue beyond the high school level. Federal funding to enrich curricula, improve instructional levels and increase articulation between two-and-four-year institutions is urgently needed.

24. The federal government should not relent in its insistence that institutions of higher learning receiving federal monies, adopt and implement effective affirmative action plans for both faculty and students. In the absence of such plans, federal funds should be withdrawn from the institution.

25. The federal government should develop an innovative approach through the Office of Education's Urban High School Task Force to focus attention on developing a definition of and a measurement for 'Employability Skills' which are transferable in the marketplace in terms of both in-school preparation and on-the-job-training programs.

HEALTH AND SOCIAL WELFARE

26. The President should acknowledge his responsibility to the poor by asserting strong leadership in their behalf for a welfare reform program which will guarantee a decent standard of living to every individual and family through combination of real job opportunities and adequate health and welfare benefits.

Any bill found acceptable to the Administration should center on expanded job opportunities and liberalized cash benefits package for individuals and families.

27. HEW should take special steps to insure that all victims of the current economic slump are informed about and receive assistance in obtaining the financial, health, education and employment benefits to which they are entitled.

28. The Congress should enact into law a National Health Insurance Plan which has universal and mandatory coverage, comprehensive benefits and assures equal access to quality health care to all Americans, regardless of race, economic condition or place of residence.

29. The President and the Congress should insure that the new budget includes sufficient funds to support special initiatives, community education and outreach, black medical schools minority students, inner-city hospitals, community health and mental health programs, and other appropriate efforts which seek to close the gap between the health status of whites and non-whites.

30. The federal government should move to develop family support services targeted to and indigenous to communities served, and whose role is oriented to prevention rather than treatment of social and inter-personal problems.

YOUTH

31. A cabinet level Presidential Youth Commission should be created with a mandate to formulate policy and programs and foster adherence to national objectives for youth.

32. Congress should authorize a continuing research program to assemble data needed for planning national education and work incentives for youth. It should also authorize the investigation by permanent Congressional subcommittees, of questions bearing on enhancing youth development.

32. A national youth development system should be established to provide non-traditional developmental opportunities to all youth between the ages of 14 and 21.

POLITICAL PARTICIPATION

33. A system of universal registration for Presidential and Congressional elections that would enable a citizen to vote on Election Day by appearing at the polls with proper identification, should be adopted. The system would bring into the electoral process many individuals now excluded because of cumbersome registration procedures.

34. States should be encouraged to use Election Day registrations for state and local elections as well.●

PRESERVING FREE ENTERPRISE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. ABDNOR. Mr. Speaker, South Dakota high school seniors recently had the opportunity to express their views and concern for the preservation of the free enterprise system in an essay contest sponsored by the Karl E. Mundt Historical and Education Foundation and the Greater South Dakota Chamber of Commerce. In her prize-winning essay, Suzanne Schaub of Roncalli High School in Aberdeen, S. Dak., called the system "an absolute necessity." I commend it to the attention of my colleagues:

FREE ENTERPRISE: AN ABSOLUTE NECESSITY

Free enterprise is an essential feaure of capitalism, the system of economic organization and control, existing in the United States today. As the "heart of capitalism", free enterprise implies the constant search for greater opportunities. It allows for the satisfaction of human desires, the production of useful goods, and the opportunity for profit.

Even though businesses must comply with certain governmental restrictions regarding matters, such as union members, zoning laws, standards of education, experience, and skill, there is far more freedom to select an enterprise than in any other known system. In this system of business, decisions are made by private persons with the views of themselves or their stockholders in mind. It does not involve government officials who are not interested in the success of any one company. The majority of United States citizens do not wish to be subjected to a communistic or socialistic power. Such an influence would deflate the individual's incentive to compete and to obtain profits.

Competition grants to the individual, a freedom of choice and a vast variety of products to choose from. As a result of this competition among business enterprises, the production of goods and quality of services is constantly being improved. Competing businesses strive to surpass each other's sales. Frequently a plateau is reached in their existing situation, and they are challenged to produce new methods or products. Through free enterprise, people are supplied with the products and services which they want and need.

The driving force behind free enterprise is that of the profit motive. Profit is a method of organizing economic activity. Human qualities, such as creativeness, judgment, stamina, foresight, and inspiration are energized as the individual labors to achieve a profit. When profit is involved, risky, uncertain, innovative understakings may be stimulated. Profits are used in numerous ways. As a result of profits, re-investment in businesses which include new facilities, equipment and employees, is possible. By means of the individual's net income, taxes are paid to the government. Charities are funded, and dividends are distributed by the way of profits. Many use their gains to hold their businesses as cash reserves in case of a future slowdown. Unemployment benefits are supplied through profits, as well as money for research.

Another advantage of the free enterprise system is that of being allowed to possess private property. All man's needs reauest the use of property for satisfaction. When men use their minds productively through their right to property, they take responsibility and enjoy success for doing so. In his essay, "The Moral Necessity of Property", Walter J. Wessels commented, "With the pluralism private property allows, men are free to test the vitality of different lifestyles and to adopt whatever mixture seems appropriate to them."

Freedom of enterprise, "the backbone of society", stresses economic individualism. Each man has the liberty to pursue his self-interests. In this society, a man does not necessarily have to follow in his father's footsteps. He has the right to exercise choice in selecting an occupation. In another essay, by David Kelley, the following was stated, "If man's self-esteem derives from his productiveness, it will best be served by the system most conducive to the latter. Our standards lead us, by the several paths we have traced, to capitalism, the political economy of freedom."

Free enterprise may not be the "perfect" economic system, but it does maximize productivity and permit maximum individual self-direction and self determination. As one of this society's most valuable freedoms, the system of free enterprise must be *jealously* guarded. It is the system of a society which places its interests and values in its people. The people of this nation must make their goal to preserve and encourage this precious system of free enterprise.●

THE PRICE WE PAY FOR WILDERNESS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, we have been told many times of the value of wilderness areas and that we must set such areas aside for future generations. Further, we have been informed that designating wilderness areas is like putting money in the bank; the resources will be saved until we have some use for them.

Unfortunately, those who would mandate massive wilderness areas are ignoring two important facts: Some of the resources are needed now; and proper management, as opposed to preservation, will allow us to use those resources and still insure that some are left for future generations.

On March 17, an article appeared in the Washington Star that described the price we are paying for RARE II, d-2, and other wilderness proposals. I think that we should all look carefully at the wilderness question and ask if we want preservation or proper management.

I ask that the following article be printed in the RECORD.

The article follows:

[From the Washington Star, Mar. 17, 1979]

WILDERNESS RESERVES AFFECT PRICE OF HOME

(By Michael Sumichrast)

Congress currently is debating a question that faces every industrialized society: To what extent does the population have a right to natural resources?

In this instance, the issue concerns timber. Should it be left to the beavers? Or should the people have the same access to it?

In a recent New York Times poll, 43 percent of those interviewed erroneously believed that cars can be driven and timber cut in a national wilderness area. Once land is designated as "wilderness," there is no place to hook up a camper, and there are no roads to drive it on.

Last year, the Carter administration placed 116 million acres in Alaska in the wilderness deep freeze for up to three years and permanently set aside 56 million more in "national monuments." Then Agriculture Secretary Robert Bergland this year proposed an additional 15 million acres for wilderness and asked for "further study" on 11 million acres more.

Now legislation is being considered that will set the management direction of more than 200 million acres of public lands. One bill deals with 140 million acres in Alaska, with 85 million acres slated for wilderness withdrawal. The second would decide the management direction—wilderness or multiple use—for 62 million acres in 38 states and Puerto Rico.

The Alaska bill alone affects a land area nearly 1½ times the size of California. It takes from possible use 40 million acres with a high potential of oil and natural gas, withdraws 70 percent of the land rated highly favorable for mineral discovery by the Bureau of Mines and closes off the oil and gas-rich Arctic Wildlife Refuge area from exploration.

It also takes 6.5 million acres of the Tongass National Forest in southeastern Alaska out of timber production, leaving a number of loggers without jobs and creating havoc in general for the lumber industry. And lumber is a primary ingredient of housing.

Reflecting the reduced availability of timberland, the stumpage prices for timber the government sells from national forests jumped 20 to 45 percent last year, depending on the species of wood. And further increases are predicted this year.

This seems absurd when you consider that the United States, with enormous timber reserves, allows more timber to decay than is harvested.

Lumber accounts for more than 30 percent of the hard construction costs of a typical house. It is used extensively because it is cheap in comparison to steel, aluminum or concrete. And it is one reason that housing is more accessible in this country than it is in countries where lumber is less readily available.

Because of increased stumpage prices, softwood lumber production by U.S. manufacturers has changed little in the last 10 years. At the same time, however, lumber imports from Canada have doubled to 28 percent of softwood consumption here.

It's difficult to see how this helps put a dent in the $30 billion deficit in our balance of payments. It doesn't of course, but it will add anywhere between $500 and $1,000 to the cost of an average new house. It also will add to the cost of rehabilitations, remodeling even a picket fence.

You'll see what I mean the next time you go to your neighborhood lumber yard or hardware store. Ask for a price on 2-by-4 studs, or better yet, a simple tomato stick. You'll be staggered.

But not as much as home builders, who buy lumber, plywood and millwork by the truckload.●

A VISIT WITH ROG MORTON

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. BAUMAN. Mr. Speaker, many of us still recall with fond memories a gentle man from the Eastern Shore of Maryland who, for 16 years, served his Nation as a Congressman, party leader, and Cabinet member under two administrations. This man, Rog Morton, earned the praise, admiration, and affection of those with whom he worked.

Today, Rog has returned to the Eastern Shore, but not to sit in idle retirement. In typical Rog Morton fashion, he has taken up a new profession, this time as boat builder. Hard by the Wye River, on a large stretch of tranquil marshland, Rog now lives and works. The Washington Post magazine recently featured Rog's new life in an article, and at this point I insert it in the RECORD for the benefit of his many friends. For those who might wish to communicate with Rog, his address is Route 1, Box 546, Easton, Md. 21601.

SUNSET AT PRESQU'ILE

(By George C. Wilson)

Rogers Clark Ballard Morton is telling his visitor how good it feels to be back "home" on the Eastern Shore. This time for good. We are sitting in his office stuffed with mementos of two of his many lives—the old one of politician and the new one of boat builder. The office itself, inside a converted outbuilding on the farm, is down-country plain, especially compared to the plush ones Morton knew as millionaire businessman, as Maryland congressman, as Republican national chairman and as cabinet secretary.

The window alongside Morton's desk looks out over a tawny marsh easing its way down a slope to the edge of the magnificent East Wye River. The river's embrace of the land at this spot is almost total, prompting some Frenchman back in Colonial days to name the area "presqu'ile," that is, "almost-an-island."

"I used to get over here some part of every weekend, just to get away from that rat race in Washington," Morton explains in looking back at the life of official Washington when he commuted to work from another home in Alexandria.

"You never could get out of the rat race as long as you were in Washington. You couldn't just go home and leave it. You went home with a briefcase as big as that box, full of junk," he continues, in a wave at a box the size of a footlocker at the end of a GI's bunk. "And when you weren't going through the papers you had brought home, you were going to some stupid thing that you didn't want to go to."

The typical government executive—whether in Congress or the Executive Branch—begins his day seeing one spear-carrier after another, subordinates whose weapons are stuffed briefcases. The hours that follow are crammed with papers to read and sign; "must" appointments to go to; "must" people to see and impress; personnel questions large and small to decide—questions that range from raises for the staff to whether the next trip should be routed through the home area of an influential representative or senator; and policy to make. Time slips away. Ultimately the executive must sign many of the papers without reading them or else take them home to read.

"Oh, you can't have been involved in Washington to the extent I was and not miss anything," hastily adds Morton, sensing through his ever-extended antennae that his comments about Washington might sound too harsh to his old friends there. "I miss some of the associations. I had a tremendous lot of friends over there."

That he did. Nobody ever hated Rog Morton. People got angry at Rog Morton and frustrated with him. But nobody, certainly, could hate a man who loped along through life, laughing at himself and everybody else along the way. He inherited enough money through the family's Ballard & Ballard flour mill in Louisville, Ky., to isolate himself from the masses. But he genuinely loved to get down among them rather than stay high up in some executive suite. He started out in one, but soon left.

After Army service in World War II, Morton rose to the top of the Ballard & Ballard hierarchy, becoming the firm's president in 1947. The firm merged with Pillsbury in 1951, making it easier for Morton to do something on his own. He itched to leave Louisville, partly because his older brother, Thruston, eclipsed him there. And he dreamed of the Chesapeake Bay, the waters the Morton brothers had explored in the family yacht.

"I love the water and I love to farm," explain Morton in giving two of the reasons he left the Louisville establishment to start afresh on the Eastern Shore as a stranger. Then he gives the third one—the little brother problem.

"I was sort of in his shadow out there," Morton acknowledges in a reference to Thruston, who started his own long service in Washington by being elected to the House. "In 1952, there was a big move for me to run for Congress and take his seat" when Thruston left the House to become assistant secretary of state for congressional relations. "They even suggested just putting my last name on the ballot so everybody would think it was Thurston. That irritated the hell out of me. So I came over here with the idea of farming." That was in 1953.

Morton found the beautiful farm he lives on today. It is far enough west of U.S. 50 and north of Easton, Md., to escape the dubious blessing of modernization of the Eastern Shore. The locals told him that the Colonial, white-frame farmhouse he bought overlooking the Wye was once the home of Francis Scott Key, author of "The Star Spangled Banner." Leasing other farms and a feed lot, Morton was soon raising crops and cattle on some 1,400 acres around Presqu'ile.

The broad-shouldered, 6-foot 8-inch Kentuckian stood out as plainly as Bloody Point Light as he moved around the Eastern Shore. He had brought his own store of political stories with him from Louisville and learned many more from the Eastern Shore folk as he clanked around in farm boots. Farmers, crabbers, hunters, housewives—as well as the Eastern Shore establishment—all got to know Rog Morton. His humor was warm. "We call this place Abercrombie and Cherry's," he once said of Cherry's surplus store in Eastern when the goods and prices got fancy. Politicians sought him out for counsel. He gave it freely, then finally succumbed himself to Potomac fever, telling himself he could help the Bay if he got into the House of Representatives.

"I had only looked at Washington from the outside, through my brother," Morton recalls. "I wanted to get inside and see what went on. I also had really got hipped on this bay, this shore, these marshes. I had had biological training and knew what could be done to help the Bay. I wanted to get sewers in." Morton's biological studies were part of the medical schooling he took before deciding not to follow his father's profession of physician.

Enough voters in Maryland's First Congressional District, which traditionally elects Democrats, forgave Morton in 1962 for being a Republican that he went to Washington the following January as their representative. They seemed to think he did a good job for them there, for they reelected him to four additional terms.

"Oh, I didn't set the woods on fire," said Morton of those first Washington years, "but I did learn you could get a hell of a lot done if you didn't worry about who was going to get the credit." (He lists some of the things he helped accomplish for the Bay: those sewers; a clean-up of Bethlehem Steel's Sparrows Point operation at the head of the Bay; establishment of Assateague barrier island as a national park; a model of the Chesapeake Bay for the Army Corps of Engineers so communities could help preserve the Bay by understanding it better.) "I never played it partisan when dealing with the people in my district. I think I gave the people a sense of confidence that they were well represented in Washington. I never lost my doggone sense of humor. And I have a perfectly clear conscience. I know I was a congressman never on the take."

Serving in the House failed to break Morton's Potomac fever. He went from being a representative to chairman of the Republican National Committee to secretary of the interior to secretary of commerce to campaign manager for former President Ford. He sat over in the Interior Department watching with consternation as Richard Nixon, whom he helped nominate at the 1968 Republican National Convention in Miami, drowned in the Watergate scandal. Morton by this time had bought a house in Alexandria and, for a while, had a place near the Cannon Office Building on Capitol Hill. Presqu'ile became a weekend recuperative stop, rather than a home, in those Washington years.

By 1974, when he was secretary of interior—"I loved Interior"—and was soon to become secretary of commerce against his wishes, Morton was pondering how he could get back to Presqu'ile full time. He still wanted to do something productive there rather than just sit in front of a sinking fire. Farming was out. He had disposed of most of his holdings, retaining only 160 acres around the main house on the Wye. Building boats. Now that would be fun. He had always loved boats and thought he spied a niche in the market which a small yard could fill.

Why not, Morton mused to himself, build a boat that would be comfortable but a miser on fuel in this day of skyrocketing oil prices? Give a family a boat that could glide along the Inland Waterway at 8 or 10 knots while burning only three or four gallons an hour, instead of the 15 to 30 gallons gulped by the luxury powerboats that race along at 20 knots. A small boatyard could even order the fiberglass hulls from one of the companies that specialized in molding them; then build the rest of the craft from the skin inward. Morton tried the idea out on Peter Hersloff, a neighboring stockbroker whose family had built boats on Long Island. Hersloff, like Morton, yearned to try his hand at building boats.

We leave Morton's office at the farm to what came of that dreaming and brainstorming. The boatyard takes only a corner of Morton's Presqu'ile farm. But the boats being built there by Morton-Hersloff are impressive. They have the high bow of the Maine lobstermen, yet are finished off inside with lovely woodwork—some of which Morton used to do himself. The buyer tells Morton what he wants in his boat, and the yard does the rest for the price of labor, materials plus a $12,000 fee.

"We have to hold your hand a little bit," Morton explains as we watch two workmen in the barn converted into a boat shed. "Some of the things people say they want in their boats are just not practical for the water." Morton-Hersloff boats are not cheap, ranging from $40,000 to $120,000, but are competitive with factory-made boats of the same size.

Leaving the shed, we walk down the dirt road toward the pond in the marsh to see if ducks are swimming there. Morton had caught sight of them sliding out of the sky toward the pond earlier in the day. Moonie (for Moonshine), a black Labrador retriever, tags along. Morton is still tall, but looks amazingly thin in comparison to his Washington days. He developed cancer of the prostrate years ago. Doctors thought they had contained it, though friends now say the cancer is spreading. Morton does not complain about his illness specifically, just the way it limits him. It has left his arms too weak to do much carpentry. But it is enough to spend the twilight back in Presqu'ile. Thruston kids him in phone calls from Louisville about becoming a boatbuilder so late in life.

"Peter [Hersloff] is president. I'm vice president and treasurer. The business is built around a personality. It's not the kind of business you can pick up and sell. IBM don't want it," Morton acknowledges with a grin. The yard is barely in the black.

"But in my condition," continues the 64-year-old Morton in an oblique reference to his cancer, building boats "provides the opportunity to work within walking distance of the house, gives me good exercise, and provides a base for me to see people so I'm not out here totally isolated." (Morton's two children, David C. Morton, a Brooklyn architect, and Anne McCance of Alexandria, are now only visitors to the farm. Morton's wife of 40 years, Anne Jones, lives with him at Presqu'ile, though the Mortons usually escape the bitterest part of the Eastern Shore winter by repairing to another home in the Florida keys.) Best of all, the boatbuilding business keeps him close to the Bay and marshes he has found restorative for more that a quarter of a century now.

"I tell people my initials C. B. stand for Chesapeake Bay. I'm relaxed, retired, having a good time building boats, trying to do well. I want nothing. That's my story."●

GOOD WORK IN YEMEN

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. FINDLEY. Mr. Speaker, I call to the attention of my colleagues the recently agreed to cease-fire in Yemen and the agreement of both North and South case of South Yemen, I hope that this means total withdrawal from North Yemeni territory. The cease-fire is the result of the diplomatic efforts of the Arab League, inspired by Saudi Arabia, Kuwait, Syria, and Iraq. These nations informed South Yemen in no uncertain terms that they would not tolerate its aggression against North Yemen. It is also the result of prompt action by the Carter administration in countering the Soviet threat in Yemen.

On March 9, 1979, President Carter notified Congress that he intended to expedite delivery of approximately $400 million in military equipment to North Yemen. He took this decision on the basis of U.S. national security interests. Normal procedures to transfer this U.S. equipment to North Yemen had already begun. Informal notification to that effect reached Congress on February 16. The administration decided, however, to waive the usual congressional formal notification period and quicken the pace of the transfers after South Yemen, with Soviet assistance, attacked North Yemen on February 23.

I supported the President's decision for reasons I shall elaborate later. And despite the press attention to congressional opposition to this expedited transfer, my views were those of the majority of Members, Democrat and Republican, present at the March 12 hearing on the North Yemen situation before the Subcommittee on Europe and the Middle East, Committee on Foreign Affairs.

I supported this decision for the following reasons:

North Yemen is a nation friendly to the United States. It was under direct attack by South Yemen, aided by Soviet, Cuban, and East German military advisors and Soviet equipment. Moreover, North Yemen has very close ties to Saudi Arabia. There are more than 1 million Yemeni workers in Saudi Arabia. Turmoil in their own country could well provoke instability across the border in Saudi Arabia. A threat to North Yemen, therefore, poses a threat to Saudi Arabia. The United States has enormous interests at stake in the entire region and particularly in Saudi Arabia because of its oil, its diplomatic clout in the Middle East, and its geostrategic location.

The United States cannot continue to countenance Soviet aggression without lifting a finger to stop it. Ethiopia, Afghanistan, and Cambodia are states where Soviet inspired violence has installed client regimes. The Soviet Union is directly involved in this South Yemeni attack on the North.

A year ago, a coup in Aden, aided by Cuban-piloted Migs brought to power a regime more favorable than the last to the Soviet Union. Since that time, the Soviet Union increased its shipment of military equipment to South Yemen significantly. Notably, there was a sharp increase in shipments of Soviet military equipment to Aden in February 1979 just prior to the South Yemeni attack on the North Yemens. Soviet and Cuban advisers have been with South Yemeni forces fighting near the front. Despite U.S. requests to the Soviet Union to facilitate a cease-fire, the Soviet Union was not responsive or helpful.

The United States must reverse the perception of U.S. weaknesses and failure in the region, or lose its credibility. Short comings in U.S. intelligence gathering and policymaking contributed to the "loss" of Iran. The U.S. vacillated about whether to send a carrier to the Persian Gulf in December, ordering the mission, then countermanding the order. We responded meekly to Soviet warnings not to interfere in Iran. U.S. officials conceded "privately" to the press that we could do little to stem the course of events in Iran. This perception of U.S. weakness and indecision complicated the Egyptian-Israeli peace process and gave Saudi Arabia the impression that the United States would do little to help it in a similar situation. It is a partial explanation for Saudi Arabia's own reticence in supporting U.S. interests.

There is no doubt that the future of a strategic piece of real estate is in question. The Soviet Union now has one client state—Ethiopia on the west littoral of the Red Sea. If North as well as South Yemen were in its camp, it would control the other side as well. It could thus potentially close the Bab el-Mandeb Straights, jeopardizing the free transit of the Red Sea and access to the Suez Canal and the Gulf of Elat. This would indeed be a grave situation.

There are concerns about transferring this military equipment which includes F-5's, tanks, and armored personnel carriers to North Yemen, a poor and underdeveloped country. At this point, it is not clear who will pilot the planes. It could well be that non-Yemenis may have this job. But the greater concern is the overall perception of U.S. resolve to defend its interests and those of friendly nations in this region in the face of open and blatant Soviet aggression.

I sincerely hope that this initiative undertaken by the Carter administration is not an aberration from its previous policies of weakness and indecision in dealing with dicey situations. I hope, for the sake of this country, that it marks a new determination and commitment to assure U.S. interests. This commitment must be multifaceted and include diplomatic and economic initiatives and improved coordination with our allies in Europe and the Far East to protect our mutual interests in this region.●

FISHERIES INDUSTRY IN ALASKA

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, I would like to take this opportunity to call attention to a remarkable new book about the fishing communities of western Alaska.

"Highliners," by William B. McCloskey, Jr., is a highly compelling account of the fisheries industry in my State, by a man who knows his subject well. Mr. McCloskey spent several seasons as a fisherman in the wild waters of the far north.

The fisheries industry is a vital component of the Alaskan economy, ranking second only to the petroleum industry in economic value to the State.

That the fisheries industry should be so important to Alaska seems almost inevitable. After all, two-thirds of the coast-line of the entire Nation is found in Alaska. And 550,000 square miles of nutrient-rich continental shelves—most of the world's seafoods are generated on such shelves, by the way—provide the habitat for the vast diversity of commercial species taken by Alaska's fishermen. For comparison, there are 300,000 square miles of shelves off the coasts of the rest of the States of the Union.

Most Americans are probably aware that Alaska has a thriving shellfish industry. Alaskan crab is in ever-increasing demand around the country. But I wonder how many people realize that crabbing is just one element in our State's highly diverse fisheries industry. In fact, Alaska's fishermen harvest for market more major species than all other mainline American fisheries combined.

Alaska also boasts the second and third largest fishing ports in the country in terms of landed values. Those ports are respectively, Kodiak and Dutch Harbor.

But there is more to the fisheries industry than just numbers, just economic statistics. Commercial fishing in Alaska is a way of life, a hard, demanding, dangerous, and rewarding way of life pursued by men and women of independent spirit.

It is always the human story that engages our imaginations, and the special magic of Mr. McCloskey's book "The Highliners," is that it tells the human story of the Alaska fisheries industry so well. The following is an excerpt from the introduction to Mr. McCloskey's book:

THE HIGHLINERS

(By William B. McCloskey, Jr.)

The American fisherman, both in Alaska and on the other coasts, is a different creature than the man on the Japanese and Russian fishing ships, despite what they might share of the fishing experience. The American owns his own boat or works for a crew share directly under the man who does; the Japanese is a salaried employee for a huge conglomerate; the Russian an employee of the state. The American works on a boat ranging in size from a 30-odd-foot purse seiner to a 110-foot crabber, as part of a deck crew that seldom exceeds five. The smallest Japanese vessel is a 90-foot salmon gillnetter with a crew of a dozen, the largest a 650-foot factory ship with a work force of more than 500. Both the American and foreign vessels often fish around the clock, but the foreign crews with their greater numbers do it in shifts. The Americans work gear as individuals and as seamen, while the foreign crewmen are often as specialized in their duties as a standard millhand.

Thus the concept of an American fishing "industry" is loose at best, comprising the freelance interests of many boatmen and processors. A fishery of this sort has no collective resource beyond the biological research of government agencies, and no coordinated battle plan. Compare this to Japan, where the government supports two colleges and more than sixty high schools of fishing, and where large conglomerates such as Taiyo, Nippon Suison, and Marubeni control and operate in a single package their boats, seafood plants, research teams, and marketing facilities. These fishing conglomerates work so closely with the cabinet-level Japan Fisheries Agency that the one seems an extension of the other. With such an interlock of Japanese capital and administration, support is always available to develop the most modern fishing ships and equipment, and the risks inherent in a single fishery are buffered by options on a corporate scale.

The Soviet fishing fleets, as might be imagined, are financed and controlled entirely by the government. The Soviet Ministry of Fisheries runs the show by regions, allotting budgets and projecting requirements. The ships (many more modern even than those of the Japanese) have been built under five-year and seven-year plans, with a concious effort of achieving a strong Soviet fishing fleet. As soon as Soviet ships entered the fisheries off the U.S. coasts, they began to abuse the tacit fishing privilege by equipping "trawlers" with electronic surveillance equipment, and they still do. The Soviet multi-year plan for fishing ships began before the Cuban missile crisis of October 1962 had revealed a Soviet weakness in seapower. The plans locked after this event into the larger strategic goal of building the Soviet Union into the maritime power that it is today of military, merchant and fishing ships.

In the United States, the men who fish the sea are still of a type other callings have rendered tame and dependent. Even with all the power winches and hydraulic gurdies a fishing boat now can carry, the work is heavier and longer than most men can bear. It also requires wit and intelligence along with sea-sense, since as seafood stocks diminish more skill is required to seek them out. American fishing boats remain small, both against the foreign fishing operations and against the sea itself. In New England, the fleet is old and demoralized by the massive foreign overfishing of Georges Bank and adjacent grounds. The abundant fisheries for shrimp in the Gulf of Mexico, tuna off California, and the menhaden off the Carolinas and Virginia are vital each in its way, but they fish only a single species, in relatively placid waters.

This leaves the newly aggressive and varied fishery that centers in Kodiak and extends via Dutch Harbor into the Bering Sea. The men who work it lead lives closer to death than most Americans. As with fishermen in all northern waters, they endure as a matter of course the drench and wind and cold. On violently unstable decks which require enormous energy merely to keep balance, they handle machinery that by a slip can eat relentlessly an arm or leg, with nets that can sweep them over the side into water too cold for survival, using hooks and knives that can slice to the bone through layers of clothing. They harvest more major species than all the other mainline American fisheries combined, in waters more treacherous than even the North Atlantic. Unique among American fishermen, they see the present as a springboard rather than a roadblock.

You who mourn the lost self-confidence and self-sufficiency of the American frontier, look here.●

INFLATED WAGE RATES PROBED

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. HAGEDORN. Mr. Speaker, I was disturbed to receive a bulletin mailed to my office from the Building and Construction Trades Department of the AFL-CIO that in effect attacked the integrity of the U.S. Congress and the General Accounting Office, the investigative arm of the Congress.

A copy of vol. 1, No. 1, of "The Builders" has been sent to those on the Building and Construction Trades Department mailing list. I certainly am not a member of the department or the parent labor organization, but I was glad to receive this mailing so I could know first-hand just how the representatives of certain construction unions view the legislative attempts being made to repeal the Davis-Bacon Act.

One of the principal reasons why our Federal budget has been increasing at such tremendous rates over the past few years is the continued funding of special interest legislation that may have been justified at one time, but has since become outdated and unnecessary. The Davis-Bacon Act is an excellent example of this type of anachronistic legislation. When it was first passed in 1931 during the Depression, it was felt to be needed to prevent low-cost itinerant contractors from undercutting local contractors on Federal building projects by requiring the payment of prevailing area wages. Today, the provisions of the act apply to some 80 related statutes which involve federally-assisted construction projects.

What happens more often than not in compiling the prevailing wage rate is that the Department of Labor uses the negotiated wage scale as the prevailing wage scale. Instead of letting the free market forces determine what wages are paid for construction projects, the Davis-Bacon Act forces higher than necessary wages to be paid on many projects and they are paid by the American taxpayer directly through tax dollars.

The Department of Labor has become a protector of the union wage scale over the years. It seems obvious that a true prevailing wage for each construction trade should take into account the wages actually being paid to all workers of that craft on truly similar projects in the immediate area. But one of the tools the Department uses to determine the prevailing wage is the 30-percent rule. Any wage rate received by at least 30 percent of the workers in a particular classification becomes the prevailing wage. The effect is that, in any area where unions have organized 30 percent or more of the workers, the negotiated wage scale will almost automatically be adopted.

Since this is the case, it is no wonder why unions do not want to protect what has become special interest legislation in the highest degree. Their wages on Federal construction projects will not be reduced and nonunion workers will receive higher wages for Federal projects and be more in favor of "union protected" wages.

I have introduced legislation designed to repeal the Davis-Bacon Act. I have not done this because I am antiunion. In fact, in my comments to my colleagues, I have been very careful not to mention unions at all because I wanted Members to support this repeal effort because of the need to cut unnecessary Government spending and to reduce inflationary pressures. However, I cannot allow this bulletin to go by unnoticed.

What disturbs me the most about this bulletin is not the obvious union support of the prevailing wage concept. I am upset over the comments made in it about the integrity of the Congress and the General Accounting Office. This bulletin stated that the GAO draft report recommending repeal of the Davis-Bacon Act was "phony." I believe that it takes unmitigated gall for a special interest, biased organization to call a report by the GAO "phony." The GAO has spent a great deal of time, energy, effort, and money in the investigation of the Davis-Bacon Act. The officials and staff members who conducted the tremendous amount of work required in such an investigation did not go into the GAO project with any preconceived notions about what should be done. They conducted their research and studied the findings. Then, and only then, did they come to the decision that the Congress should repeal the Davis-Bacon Act. Immediately, the unions have jumped on the draft report as being "phony" and a "funny study." Well, if this is a funny study to the construction unions, I want them to know that the American taxpayers who must pay for their extra wages are definitely not laughing.

One further point made in the bulletin also infuriates me. The Builders flyer stated that Davis-Bacon was as relevant now as ever because as late as 1973, the State of Minnesota passed its own version of a Davis-Bacon law to apply to State construction projects. This shows that the unions did not do their homework because the prevailing wage program in the State of Minnesota has come under investigation by the Federal Bureau of Investigation, the Office of the Governor, the Minnesota Bureau of Criminal Apprehension, the Ramsey County attorney, and the Legislative Audit Commission because of allegations that the Minnesota Department of Labor and Industry set artificially high wage rates based on fraudulently submitted wage rates on forged and inaccurate documents.

I was a member of the State legislature when the State of Minnesota passed its version of the Davis-Bacon Act. I opposed it then and I regret that one of the reasons I did has now become a reality. With union support of such State laws and by citing the "relevancy" of the Minnesota law, this shows that they are condoning fraud and supporting a law that has resulted in wage rates that are undergoing a Federal investigation at the same time they are voicing their support.

There is no way that I can get this information into the hands of all those who have received a copy of this publication of the Building and Construction Trades Department. However, I wanted to inform my colleagues of the tactics that are being taken by this special interest group to send out propaganda in support of their weak position. I want to share with my colleagues a copy of two newspaper articles that deal with the investigation in the State of Minnesota so they can better understand the need to rid our economy of this type of law.

The articles follow:

[From the Minneapolis Star, Feb. 23, 1979]

INFLATED WAGE RATES BY STATE UNIT PROBED

(By Jim Shoop and Dave Anderson)

Allegations that the Minnesota Department of Labor and Industry has set artificially high wage rates in state construction projects are under investigation by state and federal officials.

What this could mean, according to two state legislators, is that the state, by paying higher wages without proper documentation, has spent considerably more than necessary on state construction projects.

Files that allegedly contain hundreds of forged and inaccurate wage rate documents have been impounded in the labor commissioner's office at the request of Gov. Al Quie and the two state legislators.

A number of federal and state agencies have begun preliminary investigations into the charges, including the FBI, the Minnesota Bureau of Criminal Apprehension, the Ramsey County attorney, Quie's office and the Legislative Audit Commission.

Associated Builders and Contractors Inc., a group of primarily non-union rural contractors, has been quietly fighting with the labor department over the rates for the last three years. Under the law, the rates—called the "prevailing wage"—are used to determine the minimum amount contractors must pay workers on state-financed projects.

The issue surfaced publicly for the first time last week when the two legislators—Reps. Kenneth McDonald, IR-Watertown, and Tom Rees, IR-Elko—asked the audit commission to look into the situation.

Jerome Lee, a field investigator for the Labor and Industry Department who collects information used in setting the wage rates, agrees with the contractors that the AFL-CIO wage rates established for many rural counties are not the true prevailing wages. Lee was hired by the labor department in 1976. He had transferred from the Department of Corrections after scoring highest on a Civil Service test.

Lee said it soon became obvious that the division officials, most of whom were former union business agents, took very good care of their friends. Lee told The Star he thinks the information, some of which appears on forged documents, was collected and put into the files to back up the decision to use AFL–CIO rates in counties that had not been surveyed.

Lee said that when he first met former state labor commissioner Elmer I. "Bud" Malone, the commissioner told him "the most important thing, Jerry, is to remember who our friends are."

Later, said Lee, Leo Young, head of the prevailing wage division, told him "our friends, of course, are the Democrats because they put us here, and the unions because they put them in office."

Lee and spokesmen for the contractors point to a number of questionable practices adopted by the prevailing wage division:

The division files contain a large number of "payment evidence" forms listing AFL-CIO rates for contractors who do not pay those wages, according to interviews and affidavits signed by 17 contractors.

Many of the forms contain false information about construction projects and frequently exaggerate the number of workers hired on the projects.

Many of the forms appear to be forged. Some of the names signed to them include John Doe, Jane Roe and Max Winter.

In other cases, names were made up similar to the contractor's name and in some cases, the actual name of the contractor was signed.

A 1977 survey of Aitken County was made by Lee and showed a prevailing wage substantially lower than the AFL–CIO rate—a rate under which the county was listed. However, the lower and correct rates were never accepted and published as the official prevailing wage.

In a case where a large contractor paid his Teamsters union workers less than the Teamsters' statewide contract, the department chose to use the higher-paying contract in setting wages where the contractor worked, Lee said.

The assistant attorney general assigned to the department as its legal advisor, John Murphy, said he never notified law enforcement agencies of the presence of the forged documents. Nor, he said, did he make any attempt to find out who was forging them, although he has known about the forgeries since February 1976.

Was that wrong? "I guess I don't have an answer for that, in retrospect, it might seem that it would have been best to pursue the matter."

McDonald and Rees are pushing the investigations to obtain support for their effort to repeal the so-called "little Davis-Bacon act," strongly backed by the state AFL-CIO, passed in 1973.

That law and the federal version it is modeled after requires that construction workers on government projects be paid hourly wages no lower than those prevailing for similar work in the area where the construction occurs.

The law also requires the Department of Labor and Industry to determine and publish, on an annual basis, the prevailing construction wages in each of Minnesota's 87 counties.

The contractors say the wage rates required on state projects are based on AFL–CIO union scales which are higher than those normally paid in many of the outstate counties.

Many of those contractors use non-union workers or workers belonging to the Christian Labor Association, a labor union active in rural areas which is not affiliated with the AFL-CIO. It pays scales lower than organized labor but often higher than non-union workers.

Because the state requires contractors to pay the higher AFL-CIO wages, the contractors say they must submit higher bids on state-financed projects than they would normally submit, thereby driving up the cost of a project.

McDonald said the practices discouraged many contractors from bidding on state-financed construction projects because they feared that paying two wages rates to their workers would hurt morale.

The payment evidence forms in the department's files provide spaces for listing wages paid various classes of workers, the number of each category of worker used and the county where the construction occurred.

The Star obtained copies of several of the bogus payment evidence forms submitted to to the department as recently as last November.

Six contractors whose names appear on the forms denied in interviews that they had signed them and said the wages listed for their companies were $1.50 to $5 an hour higher than they actually pay.

They also pointed out many other errors on the forms, including wages for classifications of workers they didn't use.

Malone, who resigned as labor commissioner after the new Independent-Republican administration took office, said the documents were not used in determining prevailing wages. He also said the AFL–CIO rates were used because that's what the U.S. Department of labor published as its rate for federal projects in rural Minnesota.

Young said the forms were used only as a reference to learn where various contractors were doing work so their payroll records could be inspected.

Young said he never noticed the phony names and false information in his files until it was pointed out to him by Leon Kelzenberg, Associated Builders and Contractors' current president and an estimator for Duininck Bros. and Gilchrist Construction Co., Prinsburg, Minn.

Kelzenberg said he first noticed the rates for many rural counties were inflated when they started appearing in bid proposals for state highway projects in 1975.

He visited the prevailing wage office in February 1976 to complain.

He said that when he asked officials where they got their information, he was shown to the division's files where he found a number of the "payment evidence" forms ostensibly listing the wages paid on various public and private construction projects.

Kelzenberg said he knew many of the contractors listed, was familiar with their operations and could tell immediately that the forms were fraudulent.

As Kelzenberg describes the scene, it almost became a shoving match. He demanded copies of the documents and refused to leave the office until he got them. The shouting ended, he said, when Assistant Attorney General Murphy and an Associated Builders and Contractors lawyer agreed that Kelzenberg was entitled to copies of the forms.

Kelzenberg and the Associated Builders and Contractors lawyer then took a dozen of the forms to the contractors involved and collected signed affidavits.

The contractors said they had never seen nor signed the forms and that much of the information on the forms was false.

"There were literally hundreds (of the documents) that I considered to be defective in some significant way," Kelzenberg said. "Some described projects that never existed, some described projects that were in the wrong county."

Kelzenberg said he was told by Young and Malone that the documents were not used in determining prevailing wages.

Kelzenberg said Associated Builders and Contractors then pressed for a change in the law that would permit them to challenge disputed wage determinations. An amendment setting up a formal hearing procedure was passed by the 1976 Legislature.

As a result of the Associated Builders and Contractors protest, Malone wrote a memorandum to Associated Builders and Contractors attorneys on April 23, 1976, saying that the contractors' claims "raise sufficient concern that some of the . . . forms submitted to the division may contain inaccurate and misleading data."

The memorandum ordered the prevailing wage division not to use any of the forms or other submitted documents in making wage rate determinations.

No harm had been done, the memorandum said, because in 48 counties (all but six in rural areas), the department had set the wage rates at the same levels as those set by the U.S. Department of Labor. The Minnesota department would continue to use the federal figures in those counties, the memorandum said, but actual on-site surveys would be conducted in the future on the remaining 39 Minnesota counties.

But the "federal experience," it turns out, consisted largely of reading figures sent to the U.S. Labor Department by the Minnesota Labor Department and Highway Department officials. The Minnesota labor figures turned out to be AFL–CIO rates recommended by a former state highway commissioner in a 1973 letter to the U.S. Labor Department office in Minneapolis.

Since then, Minnesota and the U.S. Labor Department's midwest regional office have been annually bouncing the same set of figures back and forth between St. Paul and Chicago. The only changes in this set of figures came when a formal challenge of the rates forced the state to conduct a field survey.

Malone rejects any suggestion that the department was, in effect, favoring the AFL–CIO. "We weren't trying to set AFL–CIO rates for the entire state of Minnesota," he said, "but only to cut down our workload. We were badly understaffed and we were simply trying to take advantage of the federal experience in this.

"When we started, we contracted everyone we felt could help us do an effective job of determining rates—the highway department, county engineers, municipalities and union business agents in both the AFL–CIO and the Christian Labor Association," Malone said.

After the law was changed to provide for an appeal procedure, Associated Builders and Contractors challenged the rates for highway construction in 20 of 48 mostly rural counties.

After making its own surveys for the first time in those counties, the state labor department substantially reduced the rates in 18 of the 20 counties.

"It was a well-conceived method for retaining as many AFL–CIO rates as possible for building and highway construction," Lee said. "They didn't change the rates until they were challenged and then there were dramatic changes. In those 48 counties, we really didn't know what the prevailing wages were because they were never surveyed.

"That was the reason the forms were so critical, the reason Young would appeal to the unions to get them in, so he could have some justification for these (wages) determinations," Lee said. "Why else would you have them in the files? Why else would the forms ask for so much specific information on wages?"

According to Gordon Langhoff, the other field investigator in the prevailing wage division, Young frequented meetings of labor officials and repeatedly passed out "payment evidence" forms and exhorted the officials to distribute them and to get them sent back in to the prevailing wage division.

It was those forms, the ones seeking individual pay rates for each category of worker, according to Lee, which came back into the labor department offices often forged and containing exaggerated pay rates.

The practice, he said, did not stop with the Associated Builders and Contractors protests in 1976 and has continued until as recently as a few weeks ago. Lee said that between last fall and the middle of this month, he saw at least 30 to 50 falsified documents sitting around the division offices waiting to be filed.

Langhoff confirms Lee's account that the department is still accepting and filing fraudulent documents. Langhoff told The Star that he saw the top sheet on a pile of documents referred to by Lee and that the information on the sheet was false.

"I remember it was right before Christmas (1978)," said Langhoff, "and I was shocked because I was told we had quit doing those things."

But Langhoff said he did not then examine the entire pile as did Lee and could not offer an opinion on the accuracy of the rest of the "payment evidence" forms in the stack.

Lee said he called a number of the contractors listed on the forms to verify his suspicion that the information was incorrect and then protested to Young. But the forms went into the files over his protests.

Later Lee photocopied a number of the fraudulent forms.

The Star obtained copies of fraudulent "payment evidence" forms collected by both Lee and Kelzenberg.

But a search of the file cabinets in the prevailing wage division turned up none of the originals of the forged documents until Star reporters described what they were looking for. Then the documents reappeared in the file.

R. Bruce Swanson, who was acting as labor department commissioner, said that the documents had been in the files all along and had been passed over by the Star reporters.

Malone was asked why the department continued to file payment evidence forms after the fraudulent forms were discovered in 1976. "We didn't want to be caught in the position of somebody coming in and saying. 'Hey, we sent you something and you didn't keep it,' " he said.

Swanson said that as deputy commissioner under Malone he was never directly involved with the prevailing wage division. "But I've been told that none of these payment evidence forms were ever used for making wage determinations for any county or any activity in the state of Minnesota. They were stored for the sole purpose of assisting the department in finding projects that had been overlooked in a survey," he said.

"But then why," says Lee, "would they have kept the forms for unsurveyed counties?"

Swanson said he didn't know and was not getting good answers from Young.

Swanson, a lawyer, said he could not understand why the forms were still being received and filed after 1976, when the department announced its policy not to use them.

"That troubles me, why you continue to collect a document that is so susceptible of accusations of fraud and misuse, when you're using it for a limited purpose," he said.

None of the officials interviewed professed to know who was forging the documents.

One contractor, Don Larson of Larson Crane Service of Worthington, said the rates listed as coming from his company "are union rates. Some union business agent filled them in and sent them in; that's what happened. I can't prove it, but I'd make a $500 wager on it."

[From the Pioneer Press-Dispatch, Feb. 17, 1979]

FBI PROBES STATE WAGE FRAUD

(By Les Layton)

The FBI is investigating charges by two Minnesota legislators that state officials wasted "millions and millions" of dollars by circumventing a 1973 law establishing prevailing wages for state highway and building projects.

David Brumble, special agent in charge of the Minneapolis FBI office, confirmed Friday an investigation has begun into allegations that fraudulent documents reflecting overstated wages were used by the Minnesota Labor and Industry Department and forwarded to the U.S. Labor Department. Brumble said he could not comment further.

The charges of waste were made by two Minnesota state representatives, Tom Rees, I-R-Elko, and Kenneth McDonald, I-R-Watertown, who contend that in addition to accepting fraudulent documents, the state agency was sloppy and lax in monitoring the prevailing wage act.

Besides the FBI, Gov. Albert Quie's staff and Legislative Auditor Eldon Stoehr have been reviewing the allegations. No audit of the state's prevailing wage program ever has been conducted. In fact, the legislative auditor's office has not audited the Labor and Industry Department since fiscal year 1973. It is supposed to do so every year "if funds and personnel permit," according to Minnesota law.

The state's 1973 version of the federal Davis-Bacon Act charges Labor and Industry with the responsibility of monitoring payrolls of contractors and subcontractors who worked on state highway or building jobs the previous year. The department then determines what wage rate should apply for future construction bids.

Here is how the state law was designed to work: If 51 percent of workers in a specific county employed on state highways, bridges or buildings during the year are being paid AFL–CIO rates, then bids the following year will be based on labor costs reflecting the union pay scale. Thus, even if a non-union contractor wins a bid for a state program, he must pay his workers the higher union pay.

If no group has a majority, the Labor and Industry Department sets a pay scale based on the largest group of workers getting the same amount an hour. This greatly favors union workers because they get a set hourly rate, while the non-union people often are paid varying wages based on experience, length of service and ability, according to Rees and McDonald.

"All ties go to the union," says Jerome Lee, one of two Labor and Industry investigators who travel the state determining what should be the prevailing wage.

If the non-union, or Christian Labor Association, rate is selected as the prevailing wage, Labor and Industry sets the pay scale at the highest non-union or CLA hourly salary.

Leon Kelzenberg, president of the Minnesota chapter of Associated Builders & Contractors, this week called that practice unfair because one laborer might be related to the contractor and getting paid $10 an hour, while all others doing the same job get $7 an hour.

Rees and McDonald, as well as non-union contractors contend AFL–CIO wage rates were used in many counties where the actual salaries normaly paid were far less than the union rate. This resulted in inflated costs and unnecessary expenditures of millions of dollars in taxpayers' funds, they said.

Lee said Leo Young, Minnesota Prevailing Wage Division director since the law's inception, pulled him off several counties almost two years ago when his payroll surveys indicated that counties classified AFL–CIO really should be changed to non-union or CLA.

Lee also charged his boss with destroying data he had collected showing that state and federal projects built in Aitken County should be bid at non-union rates rather than AFL–CIO because only about 20 percent of the workers there were being paid the higher union pay. The state still is paying the union wages in that county today.

Young denied the charges Friday, but he later admitted not publishing the Aitken County information because Aitken automatically was established as AFL–CIO by the Labor Department.

McDonald and Rees, who recently introduced legislation to repeal the state's Davis-Bacon Act, say the Labor and Industry people have relied on fraudulent information or on inadequate research to set the prevailing wages in favor of the state's strong labor forces. They also say that information has caused the Labor Department to automatically classify 48 state counties AFL–CIO.

Before Minnesota had a version of the Davis-Bacon law or did any surveys to establish fair wages for state projects, Minnesota public officials could get a county classified simply by requesting the DOL (Labor Department to do so, according to documents obtained from the Chicago Department of Labor office through the Freedom of Information Act.

An Aug. 11, 1971 letter from former Highway Commissioner Ray Lappegaard to Alfred Ganna, director of the DOL's division of wage determinations, did just that. Lappegaard said the wage rate negotiated between the AFL–CIO and the Associated General Contractors should be used as the prevailing wage for Minnesota highway construction in 48 counties rather than making "extensive inquiries in an attempt to determine the prevailing wage" rates for various state projects.

"It is our belief that determination of wage rates on a project-by-project basis and in a county-by-county area is extremely time-consuming, administratively messy, and contributes to inordinate delays," Lappegaard said in his 1971 letter to Ganna. "These delays hinder rather than help independent contractors who wish to submit bids to perform highway construction projects.

"It my further understanding that the Federal-Aid Highway Act (of 1956) provides that the Secretary of Labor shall take into consideration the recommendations of appropriate state officials in determining wages. It further provides that a state highway department shall also provide its recommendations . . ."

Lappegaard's wish soon was granted, and for years the DOL stopped surveying Minnesota counties to determine the actual prevailing wage.

Other correspondence indicates E. I. Malone, Minnesota's labor and industry commissioner, agreed with Lappegaard's recommendations.

Lappegaard, now a Data 100 Corp. vice president, explained Friday evening that neither former Gov. Wendell Anderson nor state labor leaders pressured him to seek the AFL-CIO wages for the 48 Minnesota counties and discourage the survey method.

"They (DOL officials) wanted us to make the surveys," Lappegaard said. "They did not have that data readily available for us. It was a case of telling us that motherhood and virtue are things that should prevail, but you should handle it."

Malone, appointed commissioner in 1967 by former Republican Gov. Harold LeVander and who resigned just last month, denies the legislator's allegations and says his department did the best job possible at determining prevailing wages, considering the lack of staff.

"It's probably one of the more controversial regulatory functions that any state agency has to contend with. It's a monumental responsibility," Malone said this week of the wage determination process. "We were the middle ground between labor and non-union contractors, and no matter what you do you get complaints . . . There's no way it can be done with two field people, unless you have a coordinated effort with the federal government."

The lack of staff forced Minnesota to rely on federal prevailing wage rates established by the DOL's Chicago regional office, Malone said.

The DOL's research makes Minnesota's two-man effort look exceedingly thorough in comparison, according to Rees and McDonald.

Jerry Iverson, current director of the DOL's prevailing wage determinations, said in a telephone interview this week he has only one person to survey Minnesota and Michigan projects which use any federal funds. Iverson said his staff must rely on payroll information supplied through the mail by contractors, union officials and "other people interested in our program."

Malone and Iverson agreed the only accurate way to determine prevailing wages is an on-site inspection of contractors and subcontractors' payroll records, but both said that would be impossible to do with current staffing.

Until the spring of 1976, Minnesota's Labor and Industry Department had only one labor investigator to cover the entire state and determine what the prevailing wage scale should be for state highway and building construction. It now has two.

Chicago's DOL office relies heavily on a "payment evidence" form, according to Iverson. Malone said Minnesota stopped using those forms in 1976 when he and other state administrators realized many were fraudulent and contained erroneous information.

Some of these forms obtained by these newspapers reflect anything but the accurate information, according to contractors who insisted they never sent them in or signed them as indicated by signatures on the form. One example is a payment evidence sheet sent in for a $613,107 sanitary sewer and water main extension started last November in Waseca.

William A. Winter, president of the Winter Construction Co. that did the Waseca job, said he never signed or sent the form to the Labor and Industry Department. When informed of its contents, Winter said the payment evidence correspondence contained false and highly inflated wage scales, more employees than actually worked, the wrong address of his company, fringe benefits his firm does not pay and an incorrect date for construction commencement.

The form, co-signed by a union business agent, had Winter's name signed—in handwriting almost identical to the union official's—as "William Winter." Winter says he always signs off as "Wm. A. Winter."

The form says "loaders" were paid $10.85 an hour, plus $1.10 in fringe benefits. Winter and his office manager said these workers were paid $7.50 an hour.

This information does not mean the state must pay the higher wages, McDonald and Rees said, but those inflated pay scales could be reflected in that county when prevailing wages are being calculated the following year.

A form sent to Labor and Industry for a Buffalo, Minn. highway job contained a signature which misspelled the contractor's first and last names. He denied ever sending the form, which again was cosigned by a union business agent.

The Minnesota ABC chapter, primarily consisting of firms that employ non-union workers, recently has been successful in challenging many Minnesota prevailing wage rates after hiring an attorney to get access to the state and federal files used to determine pay scales.

"A substantial majority of their so-called (state) wage reports were not signed by contractors, and some of them reported jobs that hadn't begun or didn't exist," Kelzenberg said.

Kelzenberg said when his association challenged the wage rates established for 27 counties in 1976, the Labor and Industry Department could provide wage surveys for only five counties. The union wage scales then were lowered for many classifications in 25 of the 27 Minnesota counties, resulting in major savings on state construction projects that were bid the following year.

Minnesota's prevailing wage issue really got hot during the winter of 1976 when Malone and Frank Marzitelli, acting transportation commissioner, told ABC officials there would be no more challenges considered for coming projects because the disputes were delaying bids on state and federal highway jobs. That's when the ABC, then in its first year here, hired legal counsel to battle the wage determinations.

Those battling what they considered inflationary wage scales got their day in court at a public hearing—held two days after the Nov. 9, 1976 election—which settled some of the wage disputes and for the first time gave contractors an official forum to complain and established rules and regulations to guide Labor and Industry wage determinations. Those rules, however, were not published and enacted until March 28, 1977. The next wage rates did not come out until April 30, 1977.

Other ABC and CLA challenges to wage rates also have been successful, although most of the 48 counties originally established as AFL-CIO by Lappegaard still remain tied contractors maintain that the AFL-CIO rate to the union pay scales. Kelzenberg and other is far higher than the workers normally are paid for other than state or federal work.

Kelzenberg and the two I-R legislators contend the rates were delayed because through the challenges, many counties which had the AFL-CIO rates as a prevailing wage were being changed to non-union or those lower rates paid to CLA members.

Malone, a former electrical union official and now a Northern States Power Co. executive, denied the charge, saying he responded as quickly to challenges as possible with the limited staff which he says the Legislature failed to increase when he requested more help.

R. Bruce Swanson, temporary Labor nad Industry commissioner, called the prevailing wage determination process which decides how millions of dollars are spent "absurd," but he says he has found no unethical conduct on the part of any of the staff involved with the program.

"It appears to me, on the basis of what I've heard for the last 10 days, that it is an impossible task (to accurately determine prevailing wages)," Swanson said. "The system would work with 30 guys, but it obviously doesn't work with two. . . . What we've tried to do clearly doesn't work. If the intent of the law was to physically survey 87 counties and personally review payrolls of each contractor who did work last year, that intent was never acomplished. Ever."

A review of the Prevailing Wage Division's travel expenditures shows that it spent as little as $846 in fiscal 1975 traveling around the state obtaining the wage determinations. Those totals climbed to $2,940 in 1976, $7,950 in 1977 and $5,562 in 1978.

Swanson, a former deputy commissioner who took over the department only two weeks ago, said he could not explain the decline in travel expenses between 1977 and 1978. The two labor investigators that conduct the surveys do have a state car that is not reflected in the expense totals.

Swanson confirmed he has confiscated and locked the prevailing wage files in his office after Rees became "concerned" that some of the material might be destroyed.●

TRIBUTE TO COUNCILMAN RODNEY A. NIELSEN OF REDONDO BEACH

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. ANDERSON of California. Mr. Speaker, I would like to share with you and my colleagues some of the accomplishments of one of the truly outstanding citizens of this country, Mr. Rodney A. Nielsen of Redondo Beach, Calif. Mr. Nielsen was appointed as a city councilman on September 7, 1965 and will serve in that capacity until March 31 of this year. The numerous projects and activities which he has either initiated or contributed to provide eloquent testimony to his abilities, initiative, and dedication to the welfare of the people of his city. In recognition of his many achievements, the Mayor of Redondo Beach, the Honorable David K. Hayward and the city council have approved a resolution commending Mr. Nielsen and setting forth in summary some of his most significant achievements. I would like to share this resolution with you:

A. RESOLUTION

Whereas, Rodney A. Nielsen was appointed as City Councilman from District 5 on September 7, 1965, to fill the vacancy created by the resignation of Dale O. Page; and

Whereas, Rodney A. Nielsen was re-elected as City Councilman from District 5 at the general municipal elections conducted in 1967, 1971, and 1975; and

Whereas, Rodney A. Nielsen, as the senior member of the Redondo Beach City Council, has frequently served as the Mayor Pro Tempore; and

Whereas, Rodney A. Nielsen has also served as a member of the City's Recreation and Parks Commission, Housing Authority, Parking Authority, Redevelopment Agency, and Harbor Review Board; and

Whereas, Rodney A. Nielsen has been an active representative of the City in various capacities with the League of California Cities, South Bay Cities Association, Los Angeles County Sanitation District, and the South Bay Regional Public Communications Authority; and

Whereas, Rodney A. Nielsen has been an enthusiastic supporter of community beautification and park development, contributing significantly to the landscaping of the Edison right-of-way, the development of Dale O. Page Park, Alta Vista Park, Dominguez Park, F. E. Hopkins Wilderness Park, Glenn M. Anderson Park, the Adams/Washington Sports Complex, the development of a system of parkettes throughout the city, and numerous medium landscaping projects; and

Where, Rodney A. Nielsen has been an active participant in the continued development and expansion of Redondo Beach King Harbor, the construction of the Pier Parking Structure, and the initiation and completion of the Redondo Plaza Redevelopment Project; and

Whereas, Rodney A. Nielsen has been largely responsible for the development of a comprehensive storm drainage and flood control system in the northern portions of Redondo Beach; and

Whereas, Rodney A. Nielsen has been an ardent promoter of traffic safety and traffic control in North Redondo, lending considerable support to the augmentation of law enforceable efforts, traffic signalization, and major street improvement projects such as the widening of Inglewood Avenue; and

Whereas, Rodney A. Nielsen has played a key role in the development and continuing refinement of the City's General Plan and Zoning Ordinance; and

Whereas, Rodney A. Nielsen has been a strong advocate of human service programs, lending his support to the provision of temporary interim senior citizen meeting facilities at Glenn M. Anderson Park, the development of senior citizen housing within the community, the establishment of a paramedic program, and many others; and

Whereas, Rodney A. Nielsen's 14 years of public service as City Councilman from District 5 have exemplified the highest ideals of citizenship and community participation, and strengthened the concept of local self-governance; and

Whereas, because of charter imposed term limitations, Rodney A. Nielsen must reluctantly step down from his seat as City Councilman from District 5 on March 31, 1979;

Now, therefore, be it resolved by the Mayor and City Council of the City of Redondo Beach, California, on behalf of the citizens of said city, that Rodney A. Nielsen is hereby commended for his outstanding and dedicated public service to the people of Redondo Beach.

The City Clerk shall certify to the passage and adoption of this resolution, shall enter the same in the Book of Resolutions of said city, and shall cause the action of the City Council in adopting the same to be entered in the official minutes of said City Council.

Passed, approved, and adopted this second day of April.●

SENATOR WILLIAM COHEN SAYS "NO" TO A DEPARTMENT OF EDUCATION

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. MICHEL. Mr. Speaker, I know you share with me a sense of admiration and respect for our former colleague and currently U.S. Senator from Maine, Bill Cohen. Nowhere has his commonsense and wide-ranging knowledge been more evident than in an article published recently in the Washington Star. Senator Cohen's calm and persuasive arguments against the proposed Department of Education are compelling and should be read by all our colleagues.

At this time, I insert in the Record, "Meddlesome Monster" by Senator William S. Cohen, published in the Washington Star, March 18, 1979.

Meddlesome Monster

(By William S. Cohen)

There is a strong current of opinion running across the country that Congress must take action to reduce the dramatic growth of government and its bureaucracy. The public roar in the heartland, however, has been reduced to a murmur in Washington. Marble has its acoustical advantages.

In the name of management efficiency and the need for a federal eye over the pyramid of education, Congress appears ready to take the "E" out of HEW and create a new agency, a new head, a new house, and, yes, a new foundation.

Earlier this week the Senate Governmental Affairs Committee voted overwhelmingly for a bill to create a new Department of Education. Congress, of course, has a responsibility to rest its judgment on something firmer than the shifting sands of public opinion—particularly when its action is calculated to add a new and permanent star to the growing federal constellation of heavy and heavenly bodies. Past experience, common sense, and the rules of probability must be considered as well as the "felt necessities of the times."

As one who is opposed to a separate Department of Education, however, I suggest that the imminent congressional action contravenes not only common sentiment but sound public policy as well.

There can be no dispute that many education programs are entangled in the present organizational briar patch of HEW. Name a health or welfare program that is spared this agony. But there has been no persuasive evidence indicating that the problems plaguing the federal education programs—duplicative and conflicting regulations, burdensome and unnecessary paperwork, and unclear lines of authority—would be significantly reduced were a separate Department of Education created.

To the contrary, a case can be made that were the spirit willing, a reorganization plan could be fleshed out to produce consolidations and efficiencies within the existing HEW structure.

One of the major reasons advanced by advocates of a separate Department of Education is that greater efficiency would result from the consolidation of education programs now scattered throughout the federal bureaucracy in departments as diverse as Justice and Interior.

The proposed legislation, however, does very little to promote consolidation. Many federal education programs, including school lunch, Indian and veterans' education programs, would not be transferred to the new department. Each is too deeply rooted in the subsoil of its political constituency.

While it may be advisable to place all federal education programs under one roof, this legislation does not accomplish that goal. Perhaps proponents of the new department hope that if Congress creates a shell now, the president could use his reorganization authority in futures years to transfer additional programs with only minimal congressional review or political opposition.

Since this legislation neither consolidates existing education programs nor offers any reasonbale assurances that the current administrative problems would be alleviated, we must consider what a more centralized focus would imply for educational policy in this country.

It is argued that a Department of Education would increase the status and visibility of education in the federal government and would recognize it as a fundamental national activity. Indeed, it would, but the question is whether we want to increase the federal role in education.

The diversity in our present education system is one of its strengths. This attribute stems at least in part from our strong tradition of citizen involvement in determining education policy at the state and local levels. Unlike other countries, we do not have a national "ministry of education," which establishes and controls education for all of the nation's schools. Instead, we have local school boards comprised of the community's elected representatives who make educational decisions for public schools. The federal government's role has been a limited one, particularly in determining policies

The Senate sponsors of the Department of Education have gone to great lengths to try to satisfy the serious qualms that many have concerning the possibiliy of federal encroachment on the rights of state and local governments to control education. But a Cabinet-level office is by its very nature a policy-making office and it is short-sighted to think that we can have greater federal focus, visibility, coordination, appropriations, and still retain local control over policies, standards or curricula.

Indeed, if the past is merely prologue then the future of this new agency and the taxpayers who must support it is not promising. History clearly demonstrates that whenever the federal government becomes involved in a matter previously handled by the state and local governments, the state and local role inevitably decreases. In recent years, as the federal share of education costs has risen, local school districts have become increasingly ensnared by federal regulations. This trend will only increase with the creation of a separate Department of Education. The temptation to attach strings to federal education monies is always present, and the tendency of federal agencies to promulgate endless regulations that erode or pre-empt the authority of state and local governments is a linear progression that is well documented.

Finally we should be concerned about the precedent that we are setting. Educational organizations for the most part support creation of a separate department. But other interests would also like to have cabinet representation. Small business groups for years have pressed for an upgrading of the status of the Small Business Administration to cabinet level. Women's organizations would like very much to see the creation of a Department of Women, and environmentalists no doubt would prefer to have environmental issues separated from the Interior Department's other functions and elevated to cabinet status. Many fishermen want a department of fisheries. All of these interests are very important, and to their supporters, they are deserving of increased federal recognition.

President Carter once pledged to hack through the organizational thicket of 1,900 agencies that encumber the Federal Triangle and give us a government as slim and efficient as we deserve. We cannot hope to curb the growth of bureaucracy by indulging its appetite and calling it reorganization. We deserve better.●

ANOTHER PERSPECTIVE ON TAIWAN

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. LaFALCE. Mr. Speaker, during the recent debate over H.R. 2479, the United States-Taiwan Relations Act, we heard a good deal of talk about the distinction between the free Republic of China and the Communist People's Republic of China. We were also informed that this bill represented a virtual sellout of our good friends on Taiwan.

While there is no doubt about the nature of the Peking regime—it is a Communist dictatorship—there are some doubts about exactly how free is the Taipei government. In order to gain a balanced perspective on recent events in East Asia, more attention needs to be paid to both the historical background of Taiwan and the nature of the government in power on the island.

In an article of the February 26 edition of the Rochester Democrat and Chronicle, Prof. Charles J. Wivell poses a rather intriguing question: "Will Taiwan's Chiang family meet the same fate as Shah of Iran?" As an associate professor of Chinese literature at the University of Rochester, the author is very familiar with the history of Taiwan and recent events in Taiwan. His analysis of both raises some profound and disturbing questions about a supposed bastion of democracy, and, therefore, I want to commend it to the attention of my colleagues.

WILL TAIWAN'S CHIANG FAMILY MEET SAME FATE AS SHAH OF IRAN?

(By Charles J. Wivell)

There is an important lesson to be learned by Americans from the fall of the shah of Iran and if we draw the appropriate conclusions from it, we can be better prepared to understand the kinds of problems the future holds for the people of Taiwan and for the rest of us.

The Iranian regime seemed to be so prosperous and orderly, such a staunch ally against Communism, a brake against the more extreme members of the OPEC Club.

The violence of Iranian students and their fear of the Saavak secret police were our first inklings that all was not well in Iran and that in fact there was a huge groundswell of discontent and outright animosity among the conservative majority of the population. Communism proved less fearful to the Iranians than their own rulers.

Many of the ingredients of the Iranian situation are evident to the careful observer of Taiwan in the actions and policies of the Nationalist regime on the island.

The majority of the population of Taiwan has good reason to feel alienated and oppressed by the minority ruling party.

The people on Taiwan who consider themselves to be "native Taiwanese" number some 15 million of the 17 million population and, except for some 150,000 racially mixed aborigines of Malayo-Polynesian antecedents, most of the 15 million are ethnic Chinese whose ancestors came to the island from the Southern provinces of China over the last 300 years.

The identity of this group was more intensely defined by their experience of 50 years as a Japanese colony from 1895 to 1945.

Under Japanese colonial administration Taiwan had a G.N.P. three times that of the Chinese Mainland.

The population was well-educated: over 70 percent of the people had been to primary school, and 50 years of struggling for some autonomy within the Japanese Empire had produced a generation of astute and dedicated political activists.

Mild political activity was tolerated by the Japanese authorities, but Left Wing and Communist activity was effectively squashed by the efficient military police.

When the Chinese Nationalist general Ch'en Yi took over the administration of the island from the Japanese it was a warlord's dream: a place of incredible prosperity compared with the Mainland, with a docile popuation and no Communists.

In less than two years Ch'en Yi and his carpetbaggers had ruined the island's economy, liquidated most of the middle and upper class of the island and slaughtered thousands of high school students who had been trained in Japanese schools. The Nationalists treated the Taiwanese as "tainted" by their Japanese associations.

One of the leaders of the Nationalist Party programs against the Taiwanese was Chiang Ching-kuo.

The eldest son of Generalissimo Chiang Kai-shek, Ching-kuo was Head of the Nationalist Party of Taiwan and concurrently Head of the Nationalist Secret Police.

Changes have occurred in the treatment of the island's majority by the Nationalists.

The wholesale slaughters of the 1947–1949 period gave way to more subtle forms of oppression

The million-man army which Chiang Kai-shek brought with him to the island has become superannuated and the armed services are now filled with young native Taiwanese.

The children of both the native Taiwanese and the Mainlanders have grown up in circumstances different from their elders, but group distinctions are largely preserved and "mixed marriages" are frowned upon.

New rootless populations have been added to the island since the 1949 flight of the Nationalist Government and military to Taiwan. Many of these men, discharged servicemen, ex-prisoners of war from Korea, and de-mobilized remnants of Nationalist armies from Southeast Asia, form a pathetic group of pensioners with no families and no hope for return to their mainland homes.

Advertisements placed by the Nationalist Government in the New York Times, and other U.S. newspapers to encourage investment in the island's booming economy have always stressed the highly skilled and docile work force and the fact that strikes are not permitted.

Politically, little has changed on Taiwan since the early sixties: the Nationalist Party runs the show and power is concentrated in the hands of Chiang Kai-shek's immediate family, relatives, and personal associates.

The secret police operate by the tens of thousands in every institution, business and school on the island.

Secret police agents are placed among Chinese student groups studying in foreign countries and in social organizations made up of overseas Chinese.

Political pressure is easy to apply on those who have relatives in Taiwan.

Under martial law (which has been in effect on the island since 1949) the government is free to arrest, detain and execute anyone without benefit of warrant, trial or other legal niceties.

Last year, until December 15 when President Carter announced that he intended to de-recognize the Nationalist Government on Taiwan as the legitimate government of China, election campaigns were in progress on the island.

For the first time ever, the Nationalist Government permitted non-Nationalist Party candidates to run for election to "national" offices.

There was a flurry of activity from those identifiable as native Taiwanese and even some Nationalist Party members who saw this as a chance to urge the regime to end martial law, inaugurate constitutional government based upon the Three People's Principles of Dr. Sun Yat-sen, and reduce harassment of dissidents by the secret police.

The Nationalist authorities, fearful that the volume of criticism was getting out of hand and that the non-Nationalist Party candidates threatened to emerge as a cohesive and de facto majority party, intensified harassment of opposition candidates: plainclothesmen hassled campaign speakers and leafleteers.

Some candidates were arrested for allegedly possessing "subversive literature." The dissident Nationalist Party candidates who called for implementation of the constitution and an end to martial law have been expelled from the party and labelled "disloyal fomenters of dissension."

Now, although the elections have been postponed indefinitely, the Nationalist Government continues to pursue its campaign to discredit and terrify those who were announced opposition candidates and their supporters.

Will the regime of the Chiang family on Taiwan go the same way as the shah of Iran? It certainly is within the realm of possibility.

Perhaps, although past performance of the Nationalists seems against it, the various parties involved in the Taiwan situation may work out some solution which will satisfy the reasonable aspirations of all concerned: constitutional government and human rights for the majority on the island, inauguration of a genuine multi-party system, and autonomy.●

PENSACOLA NAVAL AIR REWORK FACILITY

HON. EARL DEWITT HUTTO

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. HUTTO. Mr. Speaker, I want to take this opportunity to commend the outstanding accomplishments of the employees at the Pensacola Naval Air Rework Facility. I also want to impress upon the Congress the impacts of year-end strength ceilings in this facility.

As we are all aware, the Naval Air Rework Facilities have come under close scrutiny, along with many other defense agencies, during the past few years. Time and time again, the Naval Air Rework Facility at Pensacola has passed these reviews with flying colors. I am proud of the fine performance of this unit and can assure our taxpayers that NARF Pensacola does not fit the mold often expected of Government employees. These civil servants are among the best and most efficient in Government service.

To say that this admirable performance has been obtained despite great odds is an understatement. Ironically, the odds are being placed upon our own hard-working personnel by the administration and Congress.

In the current fiscal year the workload at NARF Pensacola has caused a situation where overtime for employees will be approximately 10.5 percent. In fiscal year 1980, current projections indicate a 7.1 percent overtime overload. I would like to note that this is well above the optimum ratio for normal facility operation. It is estimated that, if the NARF had a full complement of skilled workers, in direct proportion to workload, approximately $1.6 million in premium pay would be saved annually.

Besides the obvious cost savings, other tangible and intangible savings would result. For instance, high overtime reduces the time available for plant machinery maintenance. With a physical plant valued at over $70 million, the upkeep is important. Long-range planning is also extremely difficult under these conditions. Additionally, such excessive overtime causes fatigue, thereby promoting greater inefficiency, less production, reduced quality, and even increased risk for injury.

Furthermore, year-end strength ceilings have forced NARF Pensacola to hire substantial numbers of temporary employees. In such highly specialized fields, often the skills needed for working on a multimillion dollar aircraft are lacking or ill-fitting. Consider, if you will, the havoc created by the hiring of temporary employees on management training and on-the-job training programs. The costs in training dollars lost and personnel time invested and lost has not been calculated. We, as representatives of the people, recognize the difficulties of an ever-increasing workload and overworked staff. We, as governmental managers, recognize that even our best employees can only produce so much before a personal toll is taken.

Just last week I participated in the "roll-out" of the first pave low III aircraft at NARF Pensacola. This refurbished helicopter, capable of flying in inclement weather or night conditions, was the result of a joint Air Force/Navy contract program. Believe it or not, NARF Pensacola completed the rehab of the helicopter in less time and at less cost than could have been achieved elsewhere, within or without Government. This project was not accomplished without substantial personal sacrifice by our civilian personnel. Yes, even overtime dollars lose their appeal when days become weeks and weeks become months of 10, 12 or 14 hour days. Possibly we are asking too much of a select and highly trained group of individuals. Consideration should be given to increasing personnel at NARF Pensacola to better meet the needs of the Armed Forces.

Before closing, let me take a moment to address the little-known fact that NARF Pensacola went "in the black" in March 1978 and has so remained. Would not it be nice if more Government operations could boast this statement?

In closing let me note that NARF Pensacola is the premiere NARF facility in the Navy. This fact is largely due to the hard work of the employees at the facility. It would be tremendous, and might even catch some governmental attention, if this facility was rewarded with more personnel and other projects. I am proud to announce that NARF Pensacola stands ready to meet the challenges of the future.●

McCLORY INTRODUCES BALANCED BUDGET CONSTITUTIONAL AMENDMENT WITH SPENDING CAP, CAPITAL BORROWING LIMITATION, AND DEBT REPAYMENT

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 20, 1979

● Mr. McCLORY. Mr. Speaker, at the beginning of the 1970's, I gave my enthusiastic support to the reform movement which led to the passage of the Congressional Budget and Impoundment Act of 1974, as a means of forcing greater congressional control over spending, the establishment of priorities, and critical assessments of the relative effectiveness of different programs. Unfortunately, as we are all aware, big deficits had by then become a way of life and the 4 years since the formation of the House and Senate Budget Committees and the Congressional Budget Office have not been notable for holding down Federal expenditures or reducing deficits. Indeed, although the budget process has not been entirely the tool of the "big spenders," it is also true that it has only marginally slowed down those whose guiding philosophy is "tax and tax and spend and spend."

This year's budget forecast of a fiscal year 1980 deficit of $29 billion is widely conceded to be overly optimistic. The Congressional Budget Office itself predicts a fiscal year 1980 deficit of $41 billion.

Can you believe that there once was a time when a budget deficit was an unusual occurrence? During the years before the Civil War, deficits were rare. Those that did occur were attributable to the War of 1812, the recession of 1837 and 1839, the Mexican War of 1846 to 1848, and the recession of 1857 to 1858. Aside from these years, only about 10 deficits occurred between 1789 and the Civil War. After recovery from the recession of the 1870's, deficits were not troublesome until 1894, and some administrations even had to grapple with the problem of what to do with a surplus. Eleven deficits occurred between 1894 and 1912, due to increased Federal spending for the Panama Canal, the Spanish-American War, public works, and pension benefits. After World War I, in the decade of the 1920's, regular surpluses made it possible to reduce the public debt by $8.1 billion, from $24.3 billion to $16.2 billion.

The Great Depression of the 1930's led to large uninterrupted deficits between 1931 and 1940, which ranged typically from $2 billion to $4 billion. And in the 39 years between 1940 and 1978, 31 deficits occurred.

Last week the House voted to raise the public debt limit from $798 billion to $830 billion, the amount the Treasury projects will be needed to permit the Government to borrow enough to pay its bills through September 30. Assisted by 9 straight years of budget deficits, the national debt has more than doubled since 1970, when it stood at $382 billion. It is now almost 9,000 times as large as it was at the outbreak of the Civil War, having risen from a per capita burden of $2.80 in 1861 to a projected $4,008 in fiscal year 1980.

In the course of the last quarter century, Federal expenditures have shot upwards like a rocket to the Moon. Outlays were $68.5 billion in fiscal year 1955, doubled to $134.6 billion by fiscal year 1966, redoubled to $269.6 billion in 1974, and have nearly doubled once again to an estimated $500.1 billion—an astonishing half trillion dollars—in 1979.

Mr. Speaker, these figures are intolerable to the American people and from coast to coast the message is being sent to Washington that if the Congress and the administration do not have the political will to exercise budgetary restraint then they must be compelled to do so by constitutional mandate. Almost three-fifths of our States have asked for a constitutional convention to deal with the balanced budget issue and the election returns last fall as well as the public opinion surveys show conclusively that the American people want their elected representatives to confront this issue now.

There are signs that the message is getting through. The Monopolies Subcommittee of the House Judiciary Committee, on which I serve as ranking member, will commence hearings on balanced budget amendments on March 28 and 29, by receiving testimony from four distinguished economists, including the distinguished former Chairman of the Federal Reserve Board, Dr. Arthur Burns. The Senate Judiciary Subcommittee on the Constitution held its first hearing last week and more will be scheduled. The Senate Budget Committee held a balanced budget hearing earlier this month and our own Budget Committee is issuing denunciations which I hope greater wisdom will in time transform into endorsements.

Today I am introducing my own proposal for a constitutional amendment, which combines a balanced budget requirement with a cap on Federal expenditures and limits borrowing to capital expenditures for their useful lives. Under this proposal I would anticipate that ultimately all of our outstanding Federal debt would be tied to tangible assets.

My amendment provides that expenditures in any fiscal year, except for borrowing for capital expenditures, may not exceed revenues collected in that year or one-fifth of the average gross national product for the previous 3 years. Expenditures for this purpose would include interest payments but would exclude principal repayments on the national debt. Revenues for this purpose would exclude revenues raised by borrowing on the credit of the United States.

Borrowing for capital expenditures may only be for a period of time commensurate with the probable useful lives of the assets acquired.

Congress is directed by law to provide for a repayment of our national debt, which would be scheduled as part of fiscal policy or effected in years of unanticipated budgetary surplus.

In brief, this amendment would require balanced current accounts without including receipts from debt or repayment of debt, compelling fiscal restraint at a level reasonably related to the GNP. Congress is directed to provide for repayment of existing and new debt while systematically tying all new debt to tangible assets of equal value.

I also provide that the amendment may be suspended for any single fiscal year whenever two-thirds of the House and Senate shall deem it necessary, and the amendment is made effective with respect to fiscal years which began more than 2 years after the date of ratification.●

SENATE—*Wednesday, March 21, 1979*

(Legislative day of Thursday, February 22, 1979)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. HOWELL T. HEFLIN, a Senator from the State of Alabama.

PRAYER

The Reverend A. Purnell Bailey, D.D., associate general secretary, division of chaplains and related ministries, the United Methodist Church, offered the following prayer:

Let us pray.

Almighty God, our heavenly Father, creator and preserver of all humanity, giver of all spiritual grace, and the author of everlasting life, bless those who have gathered in this honored place to serve You and our country.

Accept our thanksgiving for the freedom and achievement You have given us. We thank You for world concerns and for the needs of others evidenced in the expressions of this body.

We turn to You in repentance and ask for Your forgiveness where we have erred from Your will. Pardon and deliver us from all our sins, which by our frailty we have committed. Help us to see through our errors the beauty of Your will.

We pray for this Nation and all nations, that in Your will we may find concord, and that we may so live together in faithfulness and patience, in wisdom and true godliness, that our world may be a haven of blessing and a place of peace.

Give us wisdom for this day as we seek justice, mercy, and peace. Grant each Senator, and all who give support to the work of the office, strength of body, mind, and spirit. Through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 21, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL T. HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

APPOINTMENT OF PAUL J. CURRAN AS SPECIAL COUNSEL BY THE ATTORNEY GENERAL

Mr. ROBERT C. BYRD. Mr. President, yesterday Attorney General Bell appointed Paul J. Curran, a former U.S. attorney for the southern district of New York, Special Counsel to conduct the remainder of the inquiry currently underway concerning various loan transactions between the National Bank of Georgia and the Carter peanut warehouse.

I am not personally acquainted with Mr. Curran, nor do I have any detailed knowledge of his record as a U.S. attorney. I am advised that he is reputed to have been a U.S. attorney with an outstanding record.

The Attorney General and Assistant Attorney General Heymann have recognized that it is vitally important for the public to believe that politically sensitive investigations are being carried forward in a searching and impartial fashion. They have also realized that although the Justice Department might be conducting the investigation in precisely that fashion, the appearance of having the Department handling an investigation affecting the President and his family would leave the public uneasy.

In making this appointment, the Attorney General recognized that the Carter warehouse inquiry involves "a combination of extraordinary and special circumstances." He was following the philosophy expressed by Congress last year when it passed the Special Prosecutor legislation included in title VI of the Ethics in Government Act. That legislation, which was endorsed by the President and the Attorney General, established that there was a narrow range of cases—allegations against the President or other high-ranking executive officials—which cannot be handled like run-of-the-mill investigations. The cost, in terms of public confidence, is too high.

The appointment of a Special Counsel from outside the Government in this case, as in the legislation, means that the matter is not frivolous and is sufficiently sensitive—to warrant independent handling.

I am disappointed that the Justice Department concluded that the Special Prosecutor legislation did not apply in this situation. I recognize that section 604 of the legislation sets forth categories of cases which are exempted from the normal operation of the statute—for example, those that were ongoing at the time the legislation became effective, or those that are currently before a grand jury, or both. But I cannot agree with the Department's argument that section 604 prohibits the Attorney General from requesting the appointment of a Special Prosecutor in an ongoing case if he deems it appropriate. In my view, section 604 was designed to insure that the Department was permitted, not compelled, to continue certain ongoing investigations that would, in the absence of the section, necessitate a Special Prosecutor. However, I recognize that section 604 is not a model of legislative clarity, and that reasonable people could disagree about its effect.

Reasonable people cannot disagree, however, that Mr. Curran's investigation should be expeditious, far-ranging, thorough, and fair. One of the important features of the Special Prosecutor legislation is that it explicitly guarantees the independence of any special prosecutor appointed under the statute by spelling out his powers and authorities and providing that he can be removed only for extraordinary improprieties. Since the Attorney General has in this case appointed a Special Counsel, instead of taking the statutory route, it is incumbent on him to assure that Mr. Curran has the independence needed to carry on an investigation which will leave no doubt in the public's mind that justice has been done.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The Attorney General has stated that—

> The special counsel will have full authority over the warehouse inquiry.

While prosecutive decisions will be reviewed by Assistant Attorney General Heymann, the Attorney General has pledged that Mr. Heymann would overrule the special counsel "only if the special counsel's decisions were so grossly inconsistent with well-established prosecutorial standards as to render the decisions unconscionable."

The Attorney General has also pledged that if any decision by the special counsel were overruled, "the matter would be fully reported to the public and Congress at the earliest stage possible * * *." We should not underestimate the force of public opinion, the press, and the Congress in assuring that Mr. Curran's independence will not be impaired.

Explicit protection against removal except for extraordinary improprieties is also essential. This is the standard of the Special Prosecutor legislation; it was also part of the charter which Attorney General Elliot Richardson gave Special Prosecutor Archibald Cox in 1973. I expect that a similar written charter for Mr. Curran will be forthcoming this week; and a guarantee against arbitrary removal must form a crucial aspect of Mr. Curran's independence.

Let us remain fair, impartial, and nonpartisan. Let us insist on honesty in government, from the highest to the lowest. But let us always remember that to achieve integrity in government we must proceed with integrity and with fairness.

I hope—and I urge—that Mr. Curran will proceed expeditiously, courageously, and evenhandedly to fully discharge the responsibility which has been laid upon him.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. STEVENS. I thank the Chair.

POLL SHOWS FEW SUPPORT SALT TREATY

Mr. STEVENS. Mr. President, recently many Americans have been reading about the various polls suggesting that a majority of people in this country favor a new agreement limiting strategic arms. The results of these polls have been particularly surprising to me who, having just returned from a trip home to Alaska, found that many of my constituents called for stronger protection of American interests than that presently provided for in the proposed SALT II treaty.

An opinion poll released last week indicates, however, that only 20 percent of the American public support the specific terms of the proposed SALT II treaty between the United States and the Soviet Union. The poll was conducted by the Committee on the Present Danger, a private group of distinguished Americans including Dean Rusk, former Secretary of State; Paul Nitze, former Deputy Secretary of Defense and former negotiator on previous arms accords; and Richard Pipes, a Harvard University professor.

Specifically, the poll suggests that 8.6 percent of those polled indicated their strong objection to the treaty; 8.3 percent indicated their strong support of the treaty, and 11.7 percent said they backed the accord "on balance." It is very interesting to note, however, that 41.7 percent of the respondents wanted more protection for the United States before commiting themselves to the treaty.

I believe this poll is an accurate reflection of the opinion of the majority of Americans and think other Senators will find it of interest. I ask unanimous consent that this poll, provided by the Committee on Present Danger, be printed in the Record.

There being no objection, the poll was ordered to be printed in the Record, as follows:

Public Attitudes on Salt II

The Committee has been increasingly puzzled by the reported results of national polls, commissioned by networks and newspapers, which assert that American public opinion is overwhelming in support of SALT II. We have been especially puzzled, and even disbelieving, in the face of the other published data showing that the American public is deeply and increasingly suspicious of Soviet good faith and intentions and also increasingly concerned that the United States is declining in military strength relative to the Soviet Union.

Inspection of the actual polling questions, which were not usually carried in the newspapers, revealed that the respondents were being asked whether they favored the concept of arms limitation without reference to any of the specific provisions of the actual treaty under negotiation. For example, here is the question asked by CBS and The New York Times:

"Do you think the U.S. should or should not negotiate a treaty with the Russians to limit strategic military weapons?"

It is not surprising that 63% responded "Yes." And here is the question asked by NBC and the Associated Press:

"Do you favor or oppose a new agreement between the United States and Russia which would limit nuclear weapons?"

Again, the expected happened—81% said "Yes."

The only wonder is that there wasn't 100% affirmative response.

Both questions dealt with a hypothetical treaty—a treaty that, by implication, would place equal limits on both sides and would be enforceable and verifiable.

The AP/NBC poll also asked another question:

"Do you think any such agreement limiting both sides' weapons would strengthen our national security or weaken it?"

Again an equal, mutual limitation, if not quite stated, is strongly implied.

Highly generalized, hypothetical and simplistic questions with no effort to measure gradations of response provide data which furnish little insight into relevant public attitudes and are apt to be completely misleading.

If you ask the wrong questions, you get the wrong answers.

Therefore, in accord with our basic purpose of achieving a national discussion of the foreign and national security policies of the United States and with our continuing research and educational activities directed toward that objective, the Committee on the Present Danger last month commissioned a nationwide scientific poll of American attitudes toward SALT II and related issues, providing highly specific questions and a range of highly specific responses.

The poll was made by telephone during the period beginning 23 February and ending 3 March 1979. The polling was conducted for the Committee by George Fine Research, Inc. of New York City, a highly respected and experienced independent polling organization which has conducted previous polls on other subjects for The New York Times, The Washington Post, and the Columbia Broadcasting System (CBS).

The poll encompassed 1,211 respondents and secured responses to 12 substantive questions (7 multiple choice and 5 true/false). The respondents represented a scientifically developed sample of the American people above 18 years of age. The margin of error in polls of this nature and size is generally recognized to be at plus or minus 3 percent.

Here are all the questions which were asked in the poll, and the results. (Attached)

MAJOR CONCLUSIONS OF THE COMMITTEE

1. The American people are skeptical about SALT II, don't know much about it and, clearly, are not prepared to support the treaty without additional safeguards.

We have been reading and hearing from the Administration and the media that a large majority of Americans back the new SALT treaty and that support for it is at the highest level in three years. To the contrary, this current poll demonstrates that only 8.3% of those polled strongly support SALT II; approximately the same number (8.6%) strongly oppose it. Another 11.7% support it "on balance" despite their feeling that the treaty is "somewhat disappointing." So the total of those who now support it, strongly or reluctantly, is only 20%—1 out of 5. On the other hand, 41.7% would like to see more protection for the United States before they would be ready to support SALT II and 29.6% say that they don't know enough about the treaty to have an opinion yet. Thus, 79.9% oppose SALT II, are not ready to support it without additional safeguards for the U.S., or say that do not yet know enough to have an opinion. (See Question No. 1.) Further, 71% of those who do have an opinion on SALT II are either opposed to it or want more protection in the treaty for the United States.

2. A large number of Americans do not have sufficient information on SALT II to reach a considered judgment. This is demonstrated not only by the 29.6% who state it in Question 1 but also by the answers given to the true and false statements about the proposed SALT II treaty in Question No. 4. A substantial majority of those answering true or false to each of these statements gave the wrong answer. The correct answers to A, B, C, D, and E are False, False, False, False and True. Yet, with the "Don't knows" excluded, 56% said A was True, 75% said B was True, 67% said C was True, 71% said D was True and 68% said E was False. The majority was wrong every time—and by a huge margin.

The public is not merely uninformed about SALT II (then they could be expected to give the right answer 50% of the time)—they are actually misinformed about the treaty and its provisions.

3. When Americans become aware of important elements of the emerging SALT II treaty that are causing concern to many experts, definite opposition to, and doubts about, the treaty increases dramatically. For

example, the information about Backfire increases the percentage of those definitely opposed to the treaty from 8.6 to 42.4%. Similarly, when asked if they would support a treaty that was not wholly verifiable, the definite opposition increased from 8.6 to 45.4% (See Questions 5, 6 and 7.)

4. As our Committee has long pointed out (see "Where We Stand on SALT," 6 July 1977) a national decision on SALT II should not be reached except in full awareness of the state of the U.S.-Soviet Military Balance and, even more importantly, the adverse trends in the balance. In this connection, the responses to multiple choice Question No. 3 are particularly disturbing although not wholly surprising. The correct answer was given by only 9.8% of those polled. The correct answer to how much of the country's total economic output goes to national defense is "5% or less." Yet 78.8% of those polled thought that we spent 3 to more than 7 times as much as we actually do.

5. Finally, the poll results demonstrate beyond doubt that an open and searching national debate is essential on the critical matter of SALT II. This means that the Administration should give the American people the unvarnished facts about the treaty—what it will do and what it will not do. The Administration has an obligation to explain the actual provisions of the treaty so that it can be judged on its merits and not in a climate of insufficient information or, even worse, actual misinformation.

Questions and results of poll on SALT II conducted for the committee by George Fine Research, Inc., 23 February to 3 March 1979

1. The United States is now negotiating a strategic arms agreement with the Soviet Union in what is known as "SALT TWO." Which ONE of the following statements is closest to your opinion on these negotiations:

	Percent
I strongly support SALT II	8.3
SALT II is somewhat disappointing, but on balance, I would have to support it	11.7
I would like to see more protection for the United States before I would be ready to support SALT II	41.7
I strongly oppose the SALT II arms agreement with the Russians	8.6
I don't know enough about the SALT II Treaty to have an opinion yet	29.6

2. I am going to mention several U.S. aims in foreign policy. Please tell me which one YOU think is most important:

	Percent
A Strategic Arms Agreement with Russia	18.1
A peace treaty between Egypt and Israel	29.9
Strengthening ties with Communist China	9.1
Strengthening NATO's ability to defend Europe against possible Russian attack	15.4
A stable government in Iran friendly to the U.S.	17.0
Don't know/Refused	10.6

3. What percentage of this country's total economic output do you think now goes to national defense? Would you say that it is:

	Percent
5 percent or Less	9.8
15 percent	25.9
25 percent	26.3
35 percent or More	26.6
Don't Know	11.3

4. I am going to read you several statements about the proposed SALT II Treaty. Please tell me whether you think each statement is true or false.

[In percent]

	True	False	Don't know
a. The Treaty would require the U.S. and Russia to reduce military spending	47.5	37.5	15.0
b. The Treaty would restrict the explosive power of nuclear warheads on both sides	65.2	21.8	13.0
c. The SALT II Treaty would require each side to reduce its capabilities for making a nuclear attack on the other	58.1	28.6	13.3
d. All arms restrictions in the Treaty will be subject to full verification regarding compliance	57.6	23.8	18.7
e. The Treaty would not regulate the number of strategic nuclear missiles or warheads to be retained or manufactured by each side	27.1	57.1	15.9

5. The Soviet Union has a modern bomber called the "Backfire" which is capable of attacking the U.S. with nuclear weapons. If the proposed SALT Treaty does not count the "Backfire" bomber as a Soviet strategic nuclear delivery system, would you then be:

	Percent
Definitely opposed to the treaty	42.4
Somewhat inclined to oppose the treaty	30.7
In support of the treaty, nevertheless	16.4
Don't Know/No Opinion	10.5

6. By the end of the proposed SALT Treaty, that is—by 1985, the ability of Soviet ballistic missiles to destroy American missile sites and other protected military targets is expected to be ten times that of U.S. ballistic missiles' ability to destroy similar targets in Russia. In view of this information, which of the following statements comes closest to your feelings about the SALT Treaty:

	Percent
I am much more inclined to oppose the Treaty	26.5
I am somewhat more inclined to oppose the Treaty	21.1
I am somewhat more inclined to support the Treaty	10.7
I am much more inclined to support the Treaty	7.1
It does not change my position	24.9
Don't Know/No Opinion	9.7

7. If you were convinced that there was no adequate way for the United States to check on whether or not the Russians were living up to one or more parts of the agreement, how would this affect your position on the SALT Treaty? Would you then:

	Percent
Definitely oppose the agreement	45.4
Be more inclined to oppose the agreement	31.6
Still support the agreement	14.7
Don't Know/No Opinion	8.3

8. With what you now know about the proposed Strategic Arms Agreement, if one of your Senators voted against the Treaty, which of the following would be your reaction:

	Percent
I would definitely oppose him for re-election	7.9
I would be more inclined to oppose him than now	9.7
I would be more inclined to support him than now	8.0
I would definitely support him	6.1
It wouldn't make that much difference; I would make up my mind on his overall record	60.9
Don't Know/Refused	7.3

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator from New Mexico needs to go to a committee hearing. I am going to continue to reserve my time and I will follow him.

Mr. STEVENS. Mr. President, I yield the balance of the minority leader's time to the Senator from New Mexico.

I thank the majority leader for his courtesy.

The ACTING PRESIDENT pro tempore. I believe that under the previous order the Senator is recognized for 15 minutes, plus the minority leader's time, if he so desires.

Mr. DOMENICI. Mr. President, do I understand then that I have my 15 minutes plus the remainder of the minority leader's time?

The ACTING PRESIDENT pro tempore. Plus 5½ minutes.

Mr. DOMENICI. Mr. President, I do not think I will need it all, but I thank both the majority and minority leaders for their generosity.

GOVERNMENT LAND BEING CONVEYED TO NONPROFIT INSTITUTIONS

Mr. DOMENICI. Mr. President, since I have more than 15 minutes, I wish to take 1 minute to make a point completely apart from the speech I will make and its content, and just challenge the office in the White House, Mr. McIntyre's office, OMB, to solve a problem and convince the American people they are really serious about getting rid of administrative nightmares around the Government.

I shall cite to the Senate a problem. More than 6 months ago, Mr. Solomon, over at GSA, made what I consider an administrative policy decision that says that on Government land which is being conveyed to nonprofit institutions for a school, or a hospital, or the like, the ongoing policy provides one can use it for that purpose for 30 years, after which time he becomes the owner, that is, the Government conveys it after 30 years of use for the nonprofit purpose.

This is no longer law, says Mr. Solomon, we want it in perpetuity, use it for that purpose and we get to take it back any time.

Well, over in HEW for many years they have had a 30-year rule. Now we have 60 or 70 schools and institutions waiting around for more than 6 months for these two departments to resolve their differences, and nothing is happening.

Since we have a regulation and a policy that are in conflict, they send it over to the White House for them to resolve it. Today, I will ask all of them to solve it in the name of commonsense.

This is a perfect example of why the American people are frustrated. Why cannot these three men sit down and solve these problems, instead of letting them linger and fester out in the country, with the average person failing totally to understand what is holding up Washington?

ENERGY INDEPENDENCE FOR THE UNITED STATES

Mr. DOMENICI. Mr. President, the most critical date in this Nation's fight for energy independence, and a strong economic future, looms on the near horizon: June 1. On that day, President Carter can, with the stroke of his pen, take the biggest single step anyone can take in our battle to free ourselves from the bonds of the OPEC cartel: He can allow current price controls on domestically produced crude oil to expire under terms of the Energy Policy and Conservation Act (EPCA).

Rarely would the death of a Federal regulatory program be more welcome. Present controls, by artifically depressing the price of oil, and by subsidizing imports through the entitlements program has given us the worst of all possible worlds: increased imports, lower domestic production, wasteful consumption, and economic barriers to alternatives such as solar energy.

A review of the testimony before committees of the Senate and House, of the analyses of prominent members of this administration reveals a clear and unequivocal mandate to end price controls and to move to a free-market situation. Almost no one aware of the ravages that this Nation is putting itself through under the present control system has argued for extending controls.

Let me briefly review for my colleagues just what the present situation is. The United States now uses about 18 million barrels a day, of which more than 8 million barrels are imported. Imports are nearing the 50-percent mark, the strongest possible indictment for the past 6 years of energy policy, since imports were substantially less when we began the famous battle for energy independence in 1973. If our forefathers had handled the first war of independence this well, we all would be British subjects today.

While America has fiddled, our allies in Western Europe and elsewhere have burned. They tire of our waffling, of our inability to conserve, of the precipitous decline in the value of the dollar. Just last week, West Germany's Chancellor expressed deep frustration with American leadership and suggested that Germany is doing a better job. What the Chancellor said publicly is characteristic of what other European leaders say privately about American indecisiveness.

Nothing more clearly dramatizes this inability to focus on the problem, and to take logical steps to solve it, than the debate last week on this floor, when some of my colleagues suggested that the best start on solving the energy problem was to fire Secretary of Energy James Schlesinger. As long as the debate dawdles on personalities, as long as we allow ourselves to remain two warring factions in what has become a "Holy War," full of its own mythologies and rituals and code words, then for that long we will continue to allow this Nation to remain hostage to a tiny cadre of countries.

I propose today a comprehensive package of proposals that would begin to meet the demands of the energy problem. Some of these proposals are ones that the President can implement administratively—most prominently, decontrol of domestic crude oil. Others would require legislative action in the energy field. And, a third category of proposals that deals with the social effects of new energy programs.

Woven throughout this package are four major themes: The need to decontrol, the need to conserve, the need to bring on alternative sources of energy and, finally, the need to be alert to the social consequences of moving to a rational energy policy.

Mr. President, as leaders in this country, we have done an absolutely miserable job. Fully 50 percent of the American people do not know today that we import half of our crude oil; or, if they have heard it, they do not believe it; or if they hear it and believe it, they think it is some kind of sham. Well, it is no sham; it is real.

Foreign countries now control the United States. If there is a war in the Middle East, if the cartel decides that they want to strangle America, all they have to do is to say, "No more oil." They did it to us once. It was called the famous embargo. We did not believe it could happen. It did happen. It is now estimated that we could not get along 6 months if those foreign countries, in concert, intentionally or unintentionally failed to deliver crude oil to the free world, and thus to America.

In those intervening years, we have done little or nothing. We have become more dependent, not less dependent. We import more now than we did then. It is an absolute indictment of our failure to communicate this problem and resolve it.

Mr. President, in my statement to this point, I have indicated clearly that the President of the United States has the authority to decontrol crude oil, and he should do it. He should do it selectively, but by September of 1981, it all should be decontrolled. That is not enough. We cannot just say, "Do it." We have to suggest some other things.

The inflationary impact of that action is debatable. According to Charles Schultze, the inflationary impact might very well be offset by the probable effect of the continuing decline of our policy if we fail to decontrol. In other words, we are likely to get more inflation by failure to decontrol than by decontrol.

It is unequivocal that we are subsidizing foreign oil by an entitlements program, by a foreign tax structure. We have to get rid of that and get on with producing energy at home—crude, to start with. I will go into detail later as to how much more we would produce, and it would be substantial. Those who do not believe it are living in a fairy land, not in a real world.

We know there are great quantities of oil to be found and produced, but we are not going to produce it under a controlled system that makes a farce of the enterprising nature of the American system, ties it in knots, provides incentives in the wrong places, and controls and regulates so that we come up with the wrong answers instead of the right ones.

There is no question that the President can do what I have described—deregulate some immediately, all gradually.

Congress has to do some things. We should end the foreign tax credit for the oil companies, at least that portion that is directly related to the mere buying of crude oil overseas. That would yield a significant new tax to the coffers of America, and it would offset some of the new profits that producers would receive from this deregulation.

Congress, in order to show the American people its good faith and that it is concerned about the size and growth of the oil companies, should prohibit mergers by these oil companies with any company that is not in the energy business; so that while we get on with decontrol, permitting them to get more resources, we are going to prohibit them from using these resources to acquire companies that are unrelated to the production of energy. We have to do that; the President cannot. I submit that we should get on with it.

With respect to the foreign tax credit, the President cannot act; we must. We presently leave it up to IRS, and they are regulating. It is too important a policy issue for that. Congress should decide how to handle that and should get rid of any incentive that moves in the direction of foreign investment in the field of energy development, as contrasted with an incentive to do it here at home in the various sources of energy we have available which we can bring on board.

We must proceed vigorously with alternatives. Research into a new automobile engine must continue in full force, as well as research into geothermal energy. We must make some decisions on nuclear energy so that we will get on with using it. It is important that we get out of this era of indecisiveness and make some decisions.

I am one who is very cognizant of the fact that if we decontrol, we are going to the marketplace to control the use and the supply and demand, and we might never need emergency measures such as rationing. However, I think we should give those powers to the President as standby alternatives in the case of an emergency. We should do that.

Ultimately, however, when we are through analyzing all these schemes, the best one is the marketplace.

Having said that, I know some people are going to be hurt by it, the poor and the elderly on fixed incomes. I believe we should focus our attention on solving those problems through appropriate assistance to those kinds of needy groups and not focus the solution to the energy crisis with price controls that stymie a $3 trillion economy, because we are afraid it might hurt someone.

Let us help those who it will hurt, and let us let it hurt those who can afford to be hurt. They must understand and suffer some injury or we will not solve the problem.

Affluent America, middle-income America, America that can afford it has to flat out be told they are going to pay more for energy, and that is the best conservation mechanism around. They will use less.

We are so afraid about an increase of 2 or 3 cents on gasoline. As we know all of Europe pays over $2.25 a gallon. They bit the bullet right after the embargo and when the prices went up they said let the prices go up. They are using far less per capita than we are. They are driving far less.

Yet that part of their economy that has to do with transportation is still buoyant and ours will be also.

As I go through my statement, in summary, the President has a responsibility and strangely enough by the quirk of EPCA and its expiration at this point in history he, with the stroke of a pen, can take the most positive action. We then have to take some action. I have outlined what I think we should do.

I believe for our poor and our people on fixed-income there are many things we can do and there will be many approaches, but I urge that we solve that problem with programs aimed at that problem and we not hold the energy problems of America captive to that problem. Perhaps we can give an energy bonus under the SSI system or social security, so that those people on fixed income will get a bonus while we are going through this period of increased cost of petroleum and petroleum products. That is one way.

I have suggested that here and the Senate passed once on the floor a $75 credit for social security for those who are on fixed incomes.

There are many ways, as I indicate.

Mr. President, and Members of the Senate, I know that our President is engaged in detailed debate in his administration and consideration of alternatives and options available to solve the energy problem.

I rise today, and it is obvious from my remarks that I think this is the most significant American economic problem. In fact, the more I think about it I am prepared to say probably next to the great depression it is America's most significant economic problem.

If we do not solve it, catastrophe looms for America. So, in my own right as a Senator, I wish to sound that kind of noise here today for my fellow Senators and those who care to listen, but I also do it, because I want to let the President know that I for one will speak out loudly in support of bold action on his part. I do not have all the answers. I do not think we will begin unless he is bold enough to say we have to decontrol and let the marketplace handle crude oil and related products.

We have to start with that. I urge him to do it. I believe he will find more support in America than he thinks and from talking to fellow Senators I believe he will find more support here than he might think.

Yes, it will be debated. Yes, he will be accused. Yes, there will be demagogues. There will be those who say it is all for the oil companies, that they are the ones who are going to profit. But let us not forget. They are American and they are taxed by us. They are under our control. And if they are doing wrong we can right it. But we cannot hold the energy crisis captive to a regulatory scheme that will keep us in jeopardy and will never let us get out.

Let me close by saying for those who are fearful of it and what its ravages might be, let me give a figure. It is estimated that over the period of time of deregulation it may add $13 billion to the price of petroleum products. Let me suggest last year we had a tax cut of about $13 billion. It is over with. It has not had any great hurrahs. It has not had any great economic ripples. They are about equivalent. One, we kind of gave back that much, so I hold it out as an example, that in a $3 trillion economy it hardly stirs a ripple on the real economic waterfront.

It will stir plenty of rhetoric and plenty of demagogues, plenty will be on witch hunts and plenty will try to assess blame.

But I personally believe it is time we tell it like it is and we come up with some solutions which no matter how hard they are on the American people are apt to succeed and get us out from under the domination by a few sheiks and a few countries that have joined together and call themselves the oil cartel.

I. ADMINISTRATIVE ACTION DECONTROL OF DOMESTIC CRUDE OIL

President Carter should mercifully allow EPCA's controls on the prices of domestically produced crude oil to expire. Here is the timetable I would propose for such decontrol.

The President should remove restrictions currently imposed by the composite price formula. This formula has been used as a toy by two administrations to penalize or reward the oil industry. The result has been a demoralized domestic oil industry with no economic incentive to increase production from existing wells.

Second, the President must remove immediately all price controls on all oil discovered since he submitted the national energy plan to Congress. Any oil produced from a well spudded after that date should be getting the market price. Next, the President should decontrol prices on all oil currently produced by tertiary techniques. In addition, definitions of stripper oil and marginal properties should be enlarged to encourage more production from these wells. Since this involves relatively little oil—stripper oil, for example, only represents 14 percent of current domestic production—the consumer would suffer no major shock. Decontrol of oil produced from wells drilled after April 1977 would increase oil prices about 1 per cent.

Third on my timetable is the treatment of upper tier oil. The oil price impact of allowing all production in this category to go to world levels would be 3.7 percent. I support allowing this price increase over a gradual, but short, period of time. I believe that by the end of this calendar year, this decontrol should occur.

Fourth, and perhaps most controversial, lower tier oil must be decontrolled eventually. Production from these old wells would bring a windfall to producers. I strongly believe ameliorating actions should be taken by this body and our colleagues in the House. However, since the President cannot unilaterally change present law, I will merely propose that he decontrol all lower tier oil by termination of all price controls in September, 1981. We must avoid a repetition of the mistake we made when we passed EPCA—shooting for a hypothetical, and unpredictable, world price, and then missing that price. When we decontrol, we should decontrol. Only in this way will be ended such aberrations as the present entitlements program and its subsidy for those who import foreign crude oil.

SUPPLY RESPONSE

I argue for decontrol of domestic oil because I believe that we must increase American production and lessen our reliance on foreign sources. Is my presumption correct? Let us look briefly some expert judgments.

The Department of Energy estimates that raising only 60 percent of lower tier crude oil prices to upper tier prices would, within a single year, increase production in existing domestic fields by 400,000 barrels a day—nearly the same amount as that lost to America by the cutoff of Iranian oil imports. It also estimated that providing only 20 percent "deep stripper" relief would increase domestic production by 72,500 barrels a day by January of next year; that updating the base period control level (BPCL) would increase domestic production by another 120,350 barrels a day by January, and by releasing some secondary production from price controls by January would bring America an additional 60,175 barrels a day, from existing fields.

At the present time, the annual gap between U.S. prices and the world price is about $13 billion. In an economy of almost $3 trillion, this is a trivial amount. As John Berry of the Washington Post recently observed, this is a little less than the effect of the tax cut we passed last year—a tax cut that has hardly brought hosannahs of gratitude from over-burdened taxpayers in this country. We hear much about "biting the bullet" and solving these and other problems. The fact is that any bullets in Washington today are largely unscarred by teeth marks. The only thing we've bitten around here is each other.

INFLATIONARY IMPACT OF DECONTROL

As a member of the Senate Budget Committee, I have made it a point to ask every single witness that has appeared before us to date if he or she favored decontrol of domestic oil. Not one witness that I have asked opposes it in principle, though some have jobs that temper their enthusiasm a bit. Members of the administration, counselors to this administration, advisors to other administrations, private economists in business, private economists in universities, and even budget analysts all agree—we must decontrol if we are to save the dollar and begin a rational energy policy that will have the support of our allies in the world. A partial lineup of those favoring decontrol includes: Kahn, Blumenthal, Miller, Schultze, McIntyre, and such economists as Walter Heller and Alan Greenspan, as well as many others.

Strangely enough, they all concur that the inflationary impact of decontrol would be minimal. The worst estimate, by a member of this administration, held that decontrol immediately of all domestic crude oil would increase the CPI (Consumer Price Index) by about 0.6 to 0.8 percent. Other estimates, based on a more subtle understanding and analysis of how the world works, indicate that the inflationary impact would probably be 0. That is right, under the scenario many believe most likely to occur, this terrible sticking point in our energy policy—decontrol of oil—would have no inflationary impact at all. Why? Because the dollar would be strengthened overseas, and to the extent that prices of gasoline rose, for example, savings probably would occur in other areas that would result in a complete inflationary washout.

Let us remember: We have put ourselves in the present situation by choice. Those who extract this tribute from us can raise their prices with impunity only because we fail to act. I believe that decontrol could lead to a real decrease in crude oil prices in the long run, if we also implement other measures. The inflation argument is a political bogeyman, Used for purposes of muddying already murky waters further and inflaming passions. At its worst, inflation under decontrol will increase by less than the effect of new taxes on the economy. At best, inflation will not be encouraged, and perhaps even checked, by decontrol. And if we do nothing, our domestic inflation is left to the tender mercies of the OPEC oil ministers.

CRUDE OIL IMPORT QUOTAS AND AUCTION AUTHORITY

In my judgment, the President can also take action in at least one other important area without congressional mandate—import quotas on crude oil.

Since the President has pledged our allies to cut on an emergency basis this Nation's use of crude oil by 5 percent, we must make absolutely sure that this 5-percent cutback occurs in foreign imports.

Thus, I believe the President should use the authority he now has under the 1962 and 1974 Trade Acts to gradually reduce the amount of imports allowed until we reach a full 5 percent. He should phase in this import reduction coupling it with increased production from decontrol, as I recommended earlier, and the mandatory conservation I will recommend later. This coupling of actions makes measures that might appear initially unworkable actually quite rational and complementary. I believe the troika of decontrol-import-quota-conservation will be a powerful strike force in our energy battle.

The notion of import quotas is now new. From 1957 to 1973, America had a system of import quotas that limited imports of crude oil to 12 percent of American production. This policy was founded on the ill-conceived notion that the domestic oil industry needed protection and that America had adequate reserves for the foreseeable future. Ironically, now that America really needs a quota system to reduce imports and break the cartel, the oil industry is mum on the subject.

A second corollary to import quotas is establishing an auction for import permits for those who wish to sell America crude oil. At present we see a strong cartel, free of any internal or external competitive pressures, exporting all the oil they wish in the certain knowledge that America will import it, virtually regardless of price. I believe that a scheme that introduces a little competitive flavor to the import game would be very beneficial in the long run. Indeed, a secret bid system, coupled with import quotas, would at least raise the specter that some of those nations who build their new economies on part of that $48 billion this Nation sends abroad every year to pay for oil might find they need us as much as we need them. That is, in the future it may once again become a critical part of some nations' economic future to export to America. We must make sure that we are prepared for that day, and encourage it, by coupling import quotas with a secret auction for import permits. I realize that certain segments of the oil industry might oppose this plan. So be it. I hope the President will act quickly in this area. If he needs additional authority, and I do not believe he does, then I believe Congress should move to give him such authority.

II. LEGISLATIVE ACTIONS

So far I have discussed only those actions that the President can take administratively. Now I will move to those measures that require congressional action. I have heard it said recently by a distinguished colleague that almost no plan can get approval of our Energy and Natural Resources Committee in the Senate, let alone approval of a compeling majority in the full Senate. I believe we must not be dissuaded from developing legislation, despite the fact that I recognize the scars left from the historic natural gas deregulation war of last year are scarcely healed. Indeed, I have a few scars as a central participant in that affair. But I wear them proudly and I am willing to fight again this year for more intelligent energy action.

REMOVAL OF SUBSIDIES

A major policy issue that decontrol addresses head-on is that of present subsidies that currently reward foreign producers. Think about this—present policy actually works to subsidize the very nations and producers who now hold us hostage. This is worse than an outrage; it is a Kafkaesque absurdity.

Under the entitlements program mandated by present controls on prices, importers of foreign oil get a direct subsidy of $1.35 for every barrel of oil they buy from a foreign producer. That program is idiocy and would end immediately under decontrol, removing a strong incentive for importing foreign oil.

A second subsidy, more pernicious because more subtle, is the granting of foreign tax credits for taxes paid by oil companies to foreign nations. In this case, because of foreign policy concerns and IRS rulings, the bulk of prices paid to foreign producers is in the form of a tax. Producing nations used to impose a royalty on foreign extractors of their oil. Subsequently, the oil companies determined that it was more favorable in the profit-and-loss column if these nations imposed a tax, rather than a royalty, since the oil companies could then get a 100-percent tax credit against their U.S. tax liabilities. Again, we have a case where we are encouraging the use of foreign oil with the subsidy this time coming from the Federal Treasury. I believe we should end the foreign tax credit for oil companies in its present form. The President cannot take this action unilaterally. He needs the mandate of Congress and we should give it to him as a top priority.

CONSERVATION MEASURES

Here is another bullet that has gone largely unbitten in America. We simply are not conserving enough. We still waste too much, in large part because we are failing to pay the true replacement cost of the energy we waste. Decontrol, obviously, begins to bring a little of the sweet pain of conservation to those who find the pleasure of wasting energy irresistible. But, decontrolling, ending import quotas, and ending subsidies are not enough.

President Carter has fulfilled the mandate of EPCA and sent us a variety of programs to force conservation in the case of an emergency. I submit that until this Nation becomes largely energy self-sufficient an emergency does exist, chronically and unarguably. Therefore, I recommend that the Congress endorse the President's building temperature proposals as a permanent plan that should be implemented as soon as possible. In addition, although many States will dislike it and some businesses may suffer, we need limitations on gasoline sales.

Rationing, as proposed by the President this year, clearly is unworkable. I believe we can devise a better rationing plan—given the fact that any rationing scheme will be difficult and work a hardship on some segments of society. But, I believe that we must have a rationing scheme as a standby. The hardship that will be worked on Americans by the cutoff, for example, of crude oil from Saudi Arabia without a standby plan would make the hardships of rationing seem like a holiday in comparison. I hope that the administration will rethink the rationing plan it has sent us and improve upon it, including the principle of maintaining traditional state use.

ALTERNATIVES TO FOSSIL FUELS

The third major theme of an energy package must be encouragement for developing new sources of energy. Decontrol and conservation will work for a while, but our supplies of oil and gas are finite and if this Nation is going to secure the blessings of a growing economy for our children, then we must move to alternatives to our present reliance on oil and natural gas. In this area, I believe the Congress has done well. I believe we can do more and I believe the administration can do more, however.

I strongly support the full spectrum of nuclear, solar, geothermal, and more exotic forms of new energy. I hope that the bill I supported several years ago, which helped establish the present Federal-private business cooperative venture to find a new kind of automobile engine, brings results. I believe it will, if Congress keeps the pressure on. I think that our mandate to the auto companies to increase gasoline efficiency of present cars is a positive step forward, although we may have to review the environmental impact of such technologies as diesel fuel use. I think we will see savings as more and more Government agencies truly encourage passive solar systems that the average man and woman can understand and use. I believe we still need greater incentives to recycling wastes and to encourage use of waste materials as energy sources.

But, in the transition from traditional fossil fuels to newer fossil fuels, such as heavy oils, shale, and coal conversion, and finally to far-off technologies like fusion energy, America must simply face up to the dilemma of nuclear fission powerplants. We are far behind our ideal building schedule for new reactors. The President's goal of quadrupling the number of light-water reactors to generate electricity is far off its timetable. We have failed to reform siting and licensing laws. We have failed to deal in a coherent manner with the nuclear waste problems we will confront and that we are starting to face now. We see the entire nuclear assumption of a quarter of a century questioned by segments of our society. Sadly, this often emotional and skewed debate occurs at that very time we need nuclear energy most desperately. We prattle of coal use, and how that option will save us from the terrible sword of nuclear dependence. Yet, scientists tell us almost unanimously that substantial use of coal will bring health and social problems several magnitudes more severe than use of nuclear energy.

Accordingly, the nuclear option must remain a top energy priority for the next 20 to 30 years.

III. SOCIAL EFFECTS

In a world where energy costs will rise rapidly, regardless of American actions, certain segments of our society will bear heavier burdens than others. The poor and those elderly on fixed and small incomes must be insulated, as much as possible, from rising energy costs.

IMPACT ON THE ELDERLY AND THE POOR

One of the most difficult battles fought by the old in our society is the fight to remain independent. The elderly wish to live in their own homes for as long as possible and to avoid premature institutionalization and unnecessary movement from their own homes. One major roadblock in their struggle is increasing energy costs.

Shortly after becoming ranking minority member on the Senate Special Committee on Aging, I urged the committee to undertake a series of hearings designed to focus attention on this serious problem. As a result of those hearings, we established quite clearly the adverse impact rising energy prices have on older Americans living on fixed incomes. In addition, it is clear that the nonelderly poor also find their budgets destroyed by constantly increasing fuel costs.

Repeated examples have been given the Congress of persons who find their bills for light, heat, and cooking amounting to 25, 50, and even 100 percent of their rent or costs of home ownership. When such aggravated costs hit any of us, it causes a serious problem. But, when these cost increases strike the old and the poor, they create intolerable hardship.

Several suggestions have been made to the Senate as possible solutions to this problem. Here are some that seem to have particular merit:

Use of an increased Federal gasoline tax of 2 to 3 cents per gallon to establish a fund to aid the elderly and the infirm, distributing such funds through the present social security system;

Passage of a law providing a $75 per year refundable tax credit to low-income households headed by an elderly person. My amendment to establish such a credit passed the Senate last year as part of the Energy Tax Act, but was dropped in conference with the House. This concept should become part of law;

Use of funds accumulated by termination of the foreign tax credit for oil operations to establish a fund to aid low-income families;

Development of an energy stamps system, similar to food stamps.

Obviously, many other suggestions could be devised. The point is simply this: We must recycle increased corporate taxes so that the old and poor be aided, regardless of whether we use a new entitlements system, the present tax system, or the present social security/SSI program.

The most important part of our entire program, however, is that decontrol must occur and then, as a separate issue, we must deal with whatever social effects decontrol may or may not precipitate. We should not condition decontrol on prior passage of systems to offset social problems that might result. Decontrol remains the critical first step.

ANTIMERGER LIMITATIONS

Aside from the general impact that rising energy prices will have on consumers, and on the poor and elderly, we must not be blind to the impact that growth of the energy companies has on our economic and social system. Fear of the extraordinary absolute size of the oil industry seems to be legitimate. We need to protect ourselves from the massive cash flow that a small number of companies will experience in the course of implementing the triad of a decontrol-import auction-conservation program. The American people have the right to expect that oil industry profits will be reinvested in future energy sources, and not the acquisition of real estate, circuses, and other extraneous purchases of the past.

Therefore, I propose that Congress pass legislation that will prohibit mergers between energy companies, as well as prohibit mergers between energy companies and nonenergy businesses. The sooner we act in this area, the sooner the American people will feel that we are heeding their concern about the oil companies of the world. Future expansion of the oil industry should be internally generated, not the result of feeding on those around them.

In addition, Congress must keep a sharp eye on potential windfall profits that might accrue to oil companies under the decontrol plan I have outlined. Suggestions have been made that we institute a windfall profits tax or a plowback provision. These measures, it is argued, should guarantee that new profits under decontrol would go toward either finding new supply or offsetting the social burdens of decontrol. These are difficult questions, in large part because of the creative accounting so prevalent in major oil companies today. I truly believe that such schemes will fail simply because such profits may never materialize on the balance sheet. That is why I have, instead, offered revocation of the foreign tax credit and increased gasoline taxes, coupled with the antimerger legislation above. This seems to me sufficient protection for us and sufficient burden for the oil industry.

IV. SUMMARY

DECONTROL AND END SUBSIDIES

Mr. President, I believe that President Carter must act immediately to decontrol domestic crude oil prices and end present subsidies on imported oil. He has promised to do that and he should fulfill that promise.

The President should also use his authority to impose import quotas on crude oil and establish a system of secret auctions for import licenses. Congress must remove the foreign tax credit for oil companies.

CONSERVATION

Congress must act to approve the building temperature conservation measures the President has sent us and to work out a rationing scheme that will serve the Nation in time of acute national energy crisis.

ALTERNATIVES

Congress must continue to encourage development of alternative energy sources, especially nuclear emergency.

PROTECTION OF SOCIETY

Congress must act to protect the poor and elderly and to protect society as a whole from dangers inherent in the domination of our economy by energy-related companies.

Mr. President, I do not flatter myself by thinking that what I have proposed is new. But, I believe that the notions set forth here are programs that can work and will work as a package. Above all, I believe that Congress is the main culprit in our present energy mess—the Congress and a Nation of "energy junkies" who cannot control their appetite for more and more energy, regardless of the long-term catastrophe that voracious appetite will bring. I believe the American people will follow leadership—grudgingly at times, true. But I also believe the American people recognize that no one is now leading them. Too many politicians still believe that a painless solution will emerge for our energy problems. We talk about biting the bullet and we end up flapping our gums.

We must simply be willing to tell Americans the truth—we have a hard row to hoe. If we do not choose to act, then we may not have any row to hoe. We have a failure of policy, and we have a failure of political will. Bad policy can be changed, and even survived. Loss of political will is almost always fatal to a nation. Above all else, making the hard political and policy decisions now will show an increasingly skeptical America and world that we can still act for long-term good. Without that reassurance, almost nothing else we do will matter.

Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. Three minutes.

Mr. DOMENICI. Does the Senator from Vermont wish me to yield?

Mr. STAFFORD. Will the Senator yield me 3 minutes?

Mr. DOMENICI. I yield the remainder of my time to Senator STAFFORD.

I yield the floor.

Mr. STAFFORD. Mr. President, I appreciate the distinguished Senator yielding.

ANNOUNCEMENT—INTERNATIONAL PARLIAMENTARY UNION

Mr. STAFFORD. Mr. President, I take part of this time to announce that as announced earlier by the majority leader there was an election yesterday of the U.S. Congress delegates to the International Parliamentary Union and a slate of officers has been elected, and it is being sent to the Union's Secretariat in Geneva.

But my particular purpose in the minute here is to point out that there will be a meeting of the International Parliamentary Union in Prague, Czechoslovakia, and the U.S. delegation to that meeting will be leaving here on Saturday, April 14, currently planned at 10 o'clock in the morning, and will be returning on Sunday night, April 22, or sometime Monday morning, April 23.

There will be at least five committees considering matters of international importance to this country and the rest of the world. So it should be a very interesting meeting during the 6 days of sessions in Prague, and I hope that Senators will be interested in going.

I urge any of my colleagues from the Democratic side of the aisle to contact the Secretary of the Senate, Mr. Stanley Kimmitt, so that their names can be referred to the majority leader, and any Members from the Republican side who may be interested should contact Mr. Bill Hildenbrand for submission of their names to the minority leader.

HOW BILLBOARD REMOVAL LAW BECAME BILLBOARD PROTECTION

Mr. STAFFORD. Mr. President, this week's issue of Congressional Quarterly contains a most interesting article discussing the status of the so-called Highway Beautification Act. The thrust of the article is that the beautification law has become nothing more than a billboard protection law.

Or, as one bilboard lobbyist described it, quoting a friend in Congress, it is legislation that "protects highway advertising as well as allows certain signs to be removed." That is exactly what the law now provides: full protection for those billboards that the industry wants to keep, full compensation whenever a sign outlives its usefulness.

Earlier in this session, I introduced S. 344. This is a bill that recognizes the fact that the Beautification Act has been a flop. S. 344 allows States the flexibility of dropping out of the Federal program and going their own way—either erecting billboards or removing them—or remaining inside the Federal program. What could be fairer?

Because this issue is an important one for its own sake, as well as for the fact that it is so symbolic of the failure of Federal regulations, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW BILLBOARD REMOVAL LAW BECAME BILLBOARD PROTECTION

The billboard industry wrote the words. Two influential members of Congress delivered the message.

The results: A flip-flop in Federal Highway Administration policy that made the billboard industry eligible for an estimated $18 million in taxpayer money and turned the Highway Beautification Act into what amounts to a billboard protection law.

The obscure regulatory flip-flop provides a case study of the impact of behind-the-scenes pressure from individual members of Congress and lobbying groups on a federal agency's decision-making.

At issue is the Federal Highway Administration's interpretation of one small provision of a transportation funding bill enacted last fall in the hectic closing days of the 95th Congress.

The provision, part of the 1978 Surface Transportation Assistance Act (PL 95-599), amended the 1965 Highway Beautification Act (PL 89-285) to require federal compensation for all roadside billboard signs removed by state and local governments, no matter what the reason for their removal. (1978 Weekly Report pp. 2409, 3273; 1965 Act, Congress and the Nation Vol. II, p. 476)

Under prior law, federal compensation was required solely for signs removed for highway beautification.

The change in the law was sought by the billboard industry. However, the Federal Highway Administration's (FHWA) interpretation of the new law did not jibe with the industry's wishes.

An angry billboard lobby complained to the House Public Works Committee. Chairman Harold T. Johnson, D-Calif., and Surface Transportation Subcommittee Chairman James J. Howard, D-N.J., passed the word along to the FHWA. FHWA changed its interpretation, and the billboard industry got its way

As a result, taxpayers were faced with two unpleasant prospects: Preserving 9,000 roadside signs that otherwise would have been torn down, or spending $18 million that otherwise would not have been spent.

LONGSTANDING CONTROVERSY

The controversy over billboard compensation has been raging for more than a decade in Congress, FHWA and the courts.

Federal highway beautification money is funneled through the states, each of which oversees its own program and is required to match a portion of the federal contribution.

The billboard industry has maintained consistently since passage of the 1965 Act that the federal government is required to provide compensation for every billboard taken down since that time, for whatever reason, and whether removed by federal, state or local action.

The Federal Highway Administration has maintained that compensation must be paid solely for signs removed by state programs for highway beautification.

FHWA's position has enabled many local governments to use their zoning authority to remove billboards for reasons other than highway beautification and not pay compensation.

FHWA's position also has permitted the federal government to concentrate its limited funding in areas it considered most needy, and has left local governments free from federal involvement in local zoning affairs. FHWA's view has been upheld by numerous state and federal courts, including the U.S. Supreme Court.

As of mid 1978, about 100,000 of an estimated 200,000 illegal signs had been taken down under the state programs with the help of federal funds.

No figures are available on the number of signs taken down by local action without federal compensation.

To get from Congress what it could not get from the courts and FHWA, the billboard industry approached individual members of Congress to ask for a change that ultimately resulted in the 1978 amendments to the Highway Beautification Act.

NO EFFECTIVE DATE

One of the 1978 amendments was the provision requiring federal compensation for billboard removal regardless of the cause of the action. However, the bill didn't specify when the change was to become effective.

To answer that, FHWA in a Dec. 5 memo to its regional offices declared that the provision should be applied only to signs ordered to be removed after Nov. 6, 1978, the date on which President Carter signed the transportation funding bill into law.

Three months later, however, a new memo came forth from FHWA.

Following a series of meetings and telephone calls between FHWA and the House Public Works Committee, FHWA issued a revised policy incorporating the change the billboard industry wanted. "Since its issuance," FHWA said in a March 6 message to regional administrators, the Dec. 5 memo "has been the subject of considerable discussion with the House Committee on Public Works and Transportation. The committee has expressed concern that the Dec. 5 memorandum does not reflect the true scope of the 1978 amendments."

Under the revised policy issued by FHWA on March 6, a new category of signs became eligible for federal compensation—those signs "that were the subject of pending litigation" on Nov. 6.

$18 MILLION IN TAX FUNDS

According to an FHWA estimate, the new policy added an estimated 9,000 signs to the pool of those whose removal would require federal compensation.

The 9,000 signs were those whose condemnation by local government action—for local zoning purposes rather than for highway beautification—had been challenged but not resolved in lawsuits as of Nov. 6. They included an estimated 800 signs in New Mexico, 400 in Maine, 1,300 in North Dakota and as many as 5,000 in Louisiana.

Coincidentally, a Feb. 21 U.S. Supreme Court decision had confirmed North Dakota's right to condemn signs without federal compensation. However, because those signs had been involved in litigation as of Nov 6, the signs now can remain standing.

At an average value estimated by FHWA at about $2,000 per sign, the policy change overnight made taxpayers liable for new compensation payments of approximately $18 million.

KEEPING THE SIGNS UP

The money isn't likely to be spent, however.

"It probably won't cost the taxpayers any money, because the signs won't come down," commented Vernon A Clark, president of the Outdoor Advertising Association of America (OAAA).

The reason for this is because the Carter administration has asked that no money be given the Highway Beautification program in fiscal 1980.

Ironically, this means the federal government probably will end up using its revised interpretation of the beautification program to block removal of signs already condemned by state and local governments.

If a state decided to buck the federal policy and remove signs on its own, the penalty would be harsh.

Under the provisions of the Beautification Act, if a billboard is taken down—for whatever purpose—and federal compensation is not paid, the federal government must penalize the offending state by withholding 10 percent of its federal aid highway funds.

POLICY IMPACT PLAYED DOWN

The impact of the policy change and how it came about are being played down by Rep. Howard, top FHWA officials and the billboard lobby. Rep. Johnson could not be reached for comment.

"If those [FHWA] people believed they were right, I don't think they would have budged just because of a little heat from Congress," commented the OAAA's Clark. Clark declined to comment on any other aspect of FHWA's action, or his association's role in that action.

However, William "Red" Reynolds, executive director of the Roadside Business Association, another billboard industry group, outlined for a reporter the events following FHWA's Dec. 5 memo.

"When we saw the Dec. 5 memo," Reynolds said, "we indicated to the Public Works Committee that we objected to that, and we asked that some new language be drafted."

Next, Reynolds said, "Someone on the Public Works Committee—I can't recall who— came back to me and asked if the revised language was adequate, if it did the job, and I took it to my [Roadside Business Association legislative] committee, and they said it was okay, and we agreed to it."

The policy revision suggested by his association, Reynolds said, was incorporated in the committee draft and subsequently included in the policy memo issued by FHWA in March.

Howard said he supported the additional federal compensation requirement because it would have been "unfair" to take down the signs without federal compensation. "I would just feel that you've got to be fair in this," he said.

He said he wants locally condemned billboards to come down, and will attempt to get fiscal 1980 money for highway beautification back in the budget so that the $18 million can be paid out and the billboards taken down.

He saw nothing improper in acting to ensure that the industry's view be embraced by FHWA policy. That view "would have gotten credibility only if the congressional intent did not conform with what the FHWA had issued in the first place," he said.

FHWA reacted to a reporter's queries concerning the policy change by assembling a staff of eight officials to answer questions, including Deputy Administrator John S. Hassell Jr., who defended closed meetings with members of Congress and their staffs concerning the interpretation and enforcement of laws as "the routine of the way we do business."

"There was nothing illegal or improper about it," Hassell said of FHWA's actions. The agency's initial policy statement resulted from a misunderstanding, he said. "We used verbiage that was not fully understood in its impact." He called the revision a "refinement, not a basic change."

Hassell acknowledged that the change in enforcement policy could mean "a great expense" to the government, and that Nov. 6, 1978—the day the new law was signed by the president—would have been "preferable" to making the law retroactively.

Nonetheless, he argued, because the new law neglected to establish an effective date, "there are several ways to construct its meaning."

The FHWA officials freely admitted that a series of telephone conversations and meetings between them and Reps. Johnson and Howard had preceded FHWA's policy shift, but none was able to cite the subject matter, specific place, time or date of any one meeting or phone call.

"Between me and you and the lamppost," an FHWA official familiar with the controversy later commented, "you were fed a line of out-and-out lies."

KOSTMAYER, STAFFORD ANGERED

Though the 1978 legislative changes in the Highway Beautification Act and the recent FHWA policy change on billboard compensation have attracted scant public attention, they have drawn some fire from Senate Public Works Committee ranking Republican Robert T. Safford, R-Vt., and Rep. Peter Kostmayer, D-Pa., who unsuccessfully opposed the legislation weakening the 1965 Beautification Act last year.

Kostmayer's attempt to delete the weakening amendments from the surface transportation funding bill was defeated in the House by a 76–199 vote. (1978 Weekly Report p. 2611).

After learning of the new FHWA policy statement concerning federal compensation, Kostmayer wrote Transportation Secretary Brock Adams March 9 that he was "dismayed at the weakness and unprofessional attitude displayed by members of your staff. If they want to work for the billboard industry or the Public Works Committee, they ought to hire on with those fellows. In the meantime they are working for the taxpayers of this country, and it's something they ought to keep in mind."

Kostmayer said he intended to work to reverse the weakening of the beautification program.

Stafford on Feb. 6 introduced a proposed Federal Highway Beautification Assistance Act of 1979 (S. 344) which would dismantle the remainder of the federal program and turn the entire beautification function over to the states.

"There are many reasons for dismantling the Highway Beautification Act of 1965," Stafford remarked on the Senate floor Feb. 6. "The purposes this act was intended to achieve have been to a large degree perverted. The act has become more a protection for billboards than the cause for their removal."

Turning the program over to the states, he explained, would allow states that want to preserve their billboards to keep them and states that want to continue to remove them to do so without federal interference.

PROGRAM CRITICISMS

"The way it's been perverted is just unreal," commented Dr. Charles F. Floyd, a national authority on highway beautification and professor and chairman of the University of Georgia Real Estate and Urban Development Department.

In Georgia, he noted, billboard companies had been given contracts using federal highway beautification funds to clear brush from the roadsides. He said the companies had used the funds to cut down trees—also purchased with federal beautification funds—that were blocking the view of their billboards.

Floyd also claimed—and a FHWA official confirmed—that many of the billboards torn down so far under the federal program had been located on the least-traveled roads.

"They take the signs offered by the billboard companies first," Floyd said. "Naturally the companies are going to offer the ones they don't want anymore. Instead of aiming for the highest cost-benefit ratio, you're aiming for the lowest cost-benefit ratio."

GAO: "OBSTACLES TO BILLBOARD REMOVAL"

Mr. STAFFORD. Mr. President, last year the General Accounting Office issued a report entitled "Obstacles to Billboard Removal." In part, the study made the following recommendation:

> In the light of the problems and limited progress by most states in removing nonconforming signs, it appears that the objectives of the Highway Beautification Act will not be accomplished in the near future. GAO therefore recommends that the Congress reassess the program. If the Congress wants to strengthen the removal program, GAO recommends that it amend the act to encourage the States to—
>
> Remove all signs except those on-premise and landmark signs or
>
> Remove all signs, except on-premise signs, landmark signs, and signs in areas of actual commercial or industrial use.

This analysis was made before Congress last year extended the requirements for compensation to possibly as many as 1,000,000 additional billboards and signs. The views of the GAO, taken in the light of the 1978 act, demonstrate clearly that we must act soon on my legislation, S. 344, which would create greater flexibility, allowing States to free themselves from the chains of Federal billboard regulation.

Mr. President, I ask unanimous consent that the summary of the GAO report be printed at this point in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Obstacles to Billboard Removal

The Highway Beautification Act has served as a catalyst in efforts by the States to curb proliferation of new signs and to remove some existing signs along Interstate and primary highways. GAO evaluated the program at Federal Highway Administration headquarters and State offices in 10 States.

To understand this report, definitions are necessary. Signs which are located on-premise, or in zoned and unzoned industrial and commercial areas, and meet State permit requirements as to size, lighting, and spacing according to the State-Federal agreement are classified by the Highway Administration as legal and can be freely erected and maintained. As a result of these exemptions permitted under the act, many signs will remain after the program is completed.

In 12 years since the act's passage, States have reported removing about 440,000 signs at a cost of about $82 million to the Federal Government. Most had been erected illegally—erected in locations contrary to State laws—and were removed relatively easily.

However, the States have been less effective in removing about 298,000 nonconforming signs—these are signs that had been erected legally but do not comply with States laws passed after the Federal act.

As of March 31, 1977, only about 78,000 of these had been removed. It could take an additional 21 years to remove all the nonconforming signs and could cost over a billion dollars.

GAO believes that the program as it is now structured may not achieve the overall objective of preserving natural beauty along the highways. The general lack of support for the program, the legal complexities that may result between States and sign owners, the numerous exemptions granted under the law, and the differences in State and local rules all appear to hamper achieving the aesthetic results of sign removal.

For example, in some States about 90 percent of the signs yet to be removed are on primary routes. Many are along the highways leading into small communities and commingled with numerous other legal signs. Many advertise local businesses—restaurants, insurance agencies, and car dealers—and churches. Undoubtedly these activities and the public benefit from sign messages, and their users will look for places to erect new signs.

This situation comes about because of the exceptions to the sign removal law. Perhaps the most significant is signs that are on premises and are exempt from removal. Another major factor—zoning—also affects the number of signs on highways.

In some cases, signs in commercial- or industrial-zoned areas are in environments where there are no commercial or industrial businesses—the rural land is merely zoned for such business. A more appropriate criterion for allowing such signs would be the actual use to which the land was put rather than how it was zoned. This would restrict such signs to areas that have already suffered visual blight from industrialization.

Strong economical and political considerations have brought about the exceptions currently granted in the law. It may not be practicable to require the removal of all signs in commercial- and industrial-zoned areas. To the extent that these areas are industrialized, highway signs may not create the visual blight they do in rural areas. However, areas zoned commercial and industrial, but lacking development, should not be allowed to retain their signs.

RECOMMENDATIONS TO THE CONGRESS

In the light of the problems and limited progress by most States in removing nonconforming signs, it appears that the objectives of the Highway Beautification Act will not be accomplished in the near future. GAO therefore recommends that the Congress reassess the program. If the Congress wants to strengthen the removal program, GAO recommends that it amend the act to encourage the States to—

Remove all signs except those on-premise and landmark signs or;

Remove all signs, except on-premise signs, landmark signs, and signs in areas of actual commercial or industrial use.

The Department of Transportation believes that prohibiting signs in commercial and industrial areas may not accomplish a great deal aesthetically and that the Congress would probably not accept the imposition of further controls in those areas. It agrees, however, that actual land use would be a more appropriate criterion than zoning.

PROGRESS UNDER THE PUBLIC BUILDINGS COOPERATIVE USE ACT (PUBLIC LAW 94-541) CONTINUES TO BE SLOW

Mr. STAFFORD. Mr. President, the General Services Administration files periodic reports with Senator Moynihan and myself evaluating that Agency's implementation of the Public Buildings Cooperative Use Act (Public Law 94-541).

The Agency's latest report, dated March 12, 1979, lists some of those activities. Because of the sparseness of this and earlier reports, plus information presented at committee hearings last week, I am compelled to express my continued concern over the slow pace of activities under the Cooperative Use Act. The Agency appears to be ignoring generally the opportunities for acquiring older buildings for new Federal office space; this aspect of the Cooperative Use Act is not even mentioned in the March report, as it was ignored in earlier reports.

Second, the law seeks to encourage the leasing out of ground-floor space, at commercial rates, in Federal buildings as a way to encourage greater public use of those Federal buildings. This, too, has generated a great lack of enthusiasm at GSA. Only miniscule amounts of space is being made available.

Of the several thousand Federal buildings, GSA now reports that it is considering mixed-use in only 20 buildings. Of these 20, only 12 are buildings that exist in the GSA inventory; the remaining ones are either under construction or will be taken over from other agencies. And of the 12 buildings, GSA has identified potential mixed-use space larger than 50 feet by 50 feet (2,500 square feet) in only 4 buildings. GSA is doing best where it has major renovation projects. In those cases, a total of 84,000 square feet is being made available. In the other 9 buildings in the GSA inventory where mixed use is being considered, space for potential mixed-use totals just 17,155 square feet. That is not much space—an area equal to 170 feet by 100—for the entire Nation.

Why has the law proved such a flop? It seems to me that this program is symptomatic of many of the problems that exist within the bureaucracy. GSA has failed to sell the concept of mixed use to the public. Their "advertisements" for such space consists often of notices posted, rather like "wanted" posters, on the bulletin boards of Post Offices. And then there is the attitude of GSA bureaucrats. My staff has been told by high GSA officials that the Agency simply cannot and will not take the trouble to develop mixed-use plans in existing Federal buildings.

I wish that attitude to change. The law says it should change. I urge GSA to begin to move ahead aggressively with work under the Cooperative Use Act. This law provides a tool to save the taxpayers money, and to make Federal buildings serve the public more effectively.

I ask unanimous consent that the portion of the March GSA report that is within the scope and authority of the Cooperative Use Act be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

IN ADDITION TO THE 6 OUTLEASES PREVIOUSLY REPORTED, WE HAVE LISTED BELOW LOCATIONS WHERE POTENTIAL MULTIUSE SPACE HAS BEEN IDENTIFIED

BUILDINGS WHERE SPACE HAS BEEN IDENTIFIED FOR POSSIBLE OUTLEASE

Building, city and State	Square feet	Remarks
Federal building and courthouse, Springfield, Mass	7, 400	New construction project. Space to be completed in spring 1981.
Federal building, Boston, Mass	22, 050	New construction project. Space to be completed in fall 1982.
26 Federal Plaza, New York, N.Y	1, 800	Day care center. HEW is assisting GSA.
Old Post Office, Washington, D.C	28, 000	Region to hire consultant to develop prospectus for master developer.
Federal building, Savannah, Ga	13, 600	New construction project. Space to be completed in October 1981.
Federal building, Fort Lauderdale, Fla	4, 250	Developing tenant plan.
Post office, Louisville, Ky	Not known	USPS vacated space. HUD, courts, IRS will occupy bulk of space available.
U.S. custom house, Chicago, Ill	250	The 1 respondent to advertisements decided against. Possible Coast Guard recruiting station requirement.

Building, city and State	Square feet	Remarks
Federal building, 105 South 6th St., Mount Vernon, Ill	450	No response to flyers or advertisement on June 12, 1978. Notice placed on local post office bulletin board.
A. J. Celebrezze Federal Bldg., 1240 East 9th St., Cleveland, Ohio	470	No response to flyers or advertisement on June 11, 1978. Notice placed on local post office bulletin board.
Post office and courthouse, Government Place, Cincinnati, Ohio	625	No response to advertisement on June 11, 1978. Notice placed on post office bulletin board.
Courthouse, Madison, Wis	2,000	New construction project. Space to be completed in February 1981.
St. Louis Post Office (aka U.S. custom house), 8th and Olive, St. Louis, Mo	50,000	Flyers to be sent to business community in April 1979. Brochure to be developed by May 1979. Outlease plan developed after input from A/E's in level III competition and Downtown St. Louis, Inc.
Terminal Annex Bldg., Dallas, Tex	21,010	Region now negotiating with USPS for acquisition of building. Funds to acquire 1981.
Federal building, 1114 Commerce St., Dallas, Tex	6,000	Building undergoing major renovations. Space will be available in July 1980.
Federal building, El Paso, Tex	13,035	New construction project. Building unfunded. Space will be completed in summer 1983, at earliest.
Federal building and courthouse, Shreveport, La	1,400	Rejected offer due to conflict with Randolph/Sheppard Act.
Federal Building, Aberdeen, S. Dak	3,685	Possible requirement by INT–BIA for the space.
Federal building, San Jose, Calif	15,000	Building to be completed October 1981. Will develop multiuse plan in conjunction with city officials so it is compatible with redevelopment plan.
Federal complex, Anchorage, Alaska	4,225	Expect to award to 3 offerors by Mar. 15, 1979. Gift shop, bank, barber/beauty shop. To occupy by June 1979.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. STAFFORD. Mr. President, will the Senator yield me additional time?

ORDER DELAYING CONSIDERATION OF DEBT LIMIT BILL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the laying down before the Senate of the debt limit bill be delayed for 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF LEADERSHIP

Mr. ROBERT C. BYRD. Now, Mr. President, may I be recognized under the standing order?

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. STAFFORD. Mr. President, will the majority leader yield?

Mr. ROBERT C. BYRD. I yield to the distinguished Senator from Vermont.

Mr. STAFFORD. I thank the majority leader. I appreciate that, I say to the majority leader.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond the hour of 10:45 a.m., with statements therein limited to 3 minutes each.

Mr. ROBERT C. BYRD. My time has expired, has it?

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. ROBERT C. BYRD. I thank the Chair. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended for not to exceed 10 minutes, under the same conditions.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Is there further morning business?

ORDER FOR CHANGE OF VOTE

Mr. STONE. Mr. President, recently, during the consideration of amendments to H.R. 2439, the first budget rescission bill, I voted incorrectly on the amendment of the Senator from Massachusetts (Mr. KENNEDY). Changing my vote would not affect the outcome of the vote on the amendment. I therefore ask unanimous consent that the permanent RECORD be changed so that I am recorded as having voted in the negative on Legislative Rollcall No. 18.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ETHICS COMMITTEE REPORT ON SENATOR BROOKE

Mr. DOLE. Mr. President, yesterday we received the final report of the Senate Ethics Committee regarding our distinguished colleague—and my very good friend—Ed Brooke. Need I remind you of the committee's overall judgment?

They concluded that Senator Brooke's mistakes, which Ed candidly acknowledged many months ago, were insufficient to warrant any disciplinary action by this body. That is good to know. It is good for the public to hear.

But it does not return Ed Brooke to his rightful place in this Chamber. It does not wipe clean a slate smudged by accusatory journalism and a near-hysterical atmosphere where guilt is presumed and any public official, no matter how distinguished his record of service, is willingly rejected at the first hint of alleged wrongdoings.

To my colleagues, I say this: We have learned a lot from what happened to Ed Brooke. But it has been an expensive lesson. For we have permitted a good and humane man to suffer while most of us raised no more than faint protests against his travail.

The issue is larger than any individual. May we never forget that this room is a sanctuary of free government, and that government must be based on justice and fair play—for the governors as well as the governed. Anything less renders democratic institutions mere channels of mob rule.

I think we all might search our consciences this morning—and every morning—lest we ever permit such an injustice to stain our reputation again. We are U.S. Senators, who cannot sanction anything less than justice, or history, I fear, will not treat us kindly.

In conceding defeat at the polls last November, Ed Brooke quoted the author and playwright Lillian Hellman. He told us then, as he demonstrated throughout his career, that he "could not cut his conscience to fit the fashion of any season." It is a standard we might all emulate.

Mr. President, I ask unanimous consent to place Senator Brooke's statement of March 20, 1979, in the RECORD, together with Robert G. Kaiser's story in today's Washington Post.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR EDWARD W. BROOKE

Today, ten months of senatorial time and several hundred thousand dollars of taxpayer money has led to the conclusion that I made a misstatement about the source of a loan while representing the people of Massachusetts in the United States Senate. A Senate seat has been lost, a career jeopardized, and family, friends and associates been wrung through an emotional ordeal almost beyond imagining, all in order that the Ethics Committee could repeat what I myself told the public and press last May 26th.

The committee does not specify what I know to be the truth, and what neither my wife nor family has disputed; namely, that the misstatement was made in an effort to keep my mother-in-law's name out of a crumbling marriage. The committee does not specify what I and others know to be the truth, namely, that the deposition in which I made the misstatement was taken out of court, and that two separate district attorneys and a special investigator found no trace of illegal conduct in this action.

Neither did the committee see fit to examine in print the unconscionable behavior of its former counsel, Richard Wertheimer, whose abrupt resignation and unsubstantiated allegations were the largest single fact contributing to my defeat at the polls last November.

The committee did agree that I was innocent, as I have claimed all along, of any knowledge of my mother-in-law being on medicaid. It dismissed other allegations for insufficient evidence, or none at all. With the single exception of the original misstatement, which I acknowledged and apologized for nearly ten months ago, the committee has searched in vain for anything more serious than poor record keeping.

Now that the investigation has ended, may I ask what has been gained?

The people of Massachusetts and of the nation will judge my contribution to their lives. When the shouting and the tumult die, when the newspaper headlines have faded and the personal animosities subside, ultimately history will judge whether Ed Brooke served my constituency—and the Senate itself—with the ethical and moral judgment both deserved.

I am content to submit my performance to the test of time.

Ethics Unit Clears Ex-Sen. Brooke of Wrongdoing

(By Robert G. Kaiser)

After an investigation lasting 10 months, the Senate Ethics Committee said yesterday that the transgressions of former senator Edward W. Brooke (R-Mass.) were not serious enough to warrant any punishment.

The committee said it could find no evidence of any wrongdoing on Brooke's part except for a sworn misstatement regarding his personal finances that Brooke previously admitted was false.

Allegations of improper behavior on Brooke's part contributed substantially to his defeat in November by Paul Tsongas (D-Mass.). Brooke was the only black member of the Senate.

"I'm not bitter," Brooke said repeatedly in a telephone interview yesterday, adding that he regarded the Ethics Committee's report as a vindication.

"It all started mushrooming," Brooke said of the allegations against him that appeared persistently last year, mostly in newspaper accounts. "I got caught up in it, and I didn't know where it was coming from."

Later in the interview, Brooke acknowledged that, in fact, he did know where it all started—in a messy divorce proceeding with his long-estranged wife, Remigia. During a bitter battle over the division of their assets, Brooke swore in a deposition taken by his wife's lawyer that he owed a man $49,000 when, in fact, he owed only $2,000.

That $47,000 discrepancy, the Ethics Committee said yesterday, amounts to "the giving of false testimony under oath by a United States senator," and is "improper conduct which reflects unfavorably on the United States Senate."

But, the committee found, this was not "sufficiently serious to justify the severe disciplinary actions specified" in Senate rules—censure, expulsion, or a recommendation that a senator be stripped of seniority or positions of responsibility.

Since Brooke is no longer a senator, however, the committee's role in his case is moot. Because he is not a senator, "no further investigation pursuant to the committee's rules of procedure is required," the panel said.

The committee said it had found "credible evidence which provides cause to conclude that violations within the jurisdiction of the committee have occurred."

"I can't condone a misstatement under oath," Brooke said yesterday. But he noted that it had taken place "outside the courtroom," and added that "if you're ever in a divorce, you'll discover that they're more interested in your assets than your liabilities."

Brooke's defeat last fall was a source of sadness and discomfort to friends and admirers in the Senate. One of them noted yesterday that the liberal Republican had been less effective in the last four years of his Senate career than he had been earlier, but that he remained a tough fighter on issues that mattered most to him.

For example, he was the leader of successful efforts in the Senate to fight off efforts by the House to ban any federal spending at all on abortions for poor women.

Black leaders say privately that Brooke was a quiet but effective operator on behalf of issues helpful to minorities, often using his Washington apartment for unpublicized but important strategic planning sessions.

The Ethics Committee report said the committee could not pass judgment on some of the complicated financial dealings it considered for want of sufficient information. One of these was a payment of $27,500 that Brooke said was a loan, but which, the committee said, might have been a return on an earlier investment. Whatever this was, Brooke failed to report it properly, the committee said.

The committee cleared him of charges that he falsely claimed his daughters as dependents on tax returns, and that he was aware of improper receipt of Medicaid benefits by his late mother-in-law.

The committee noted that Brooke's records and financial reports were often incomplete, but said most of them were "due to the careless fashion in which the reports were prepared." The committee did not explain its use of the word "most."

The report did not address the role of its former special counsel Richard J. Wertheimer, who resigned dramatically last Oct. 13—three weeks before election day—and charged that Brooke's lawyers had withheld and altered documents important to the inquiry.

Brooke demanded a hearing on this accusation before the election. This was held, and Wertheimer used the occasion to release a 54-page statement detailing charges of withholding and altering documents. The committee on Oct. 25 cleared Brooke personally of any wrongdoing in this regard.

"That Wertheimer thing really was the nail in the coffin," Brooke said yesterday, complaining again about the timing and nature of the incident.

USDA'S ASCS EMPLOYEES SERVE THE NATION'S FARMERS

Mr. HELMS. Mr. President, it is my pleasure to cosponsor S. 383, a bill introduced by my colleague from Tennessee (Mr. SASSER), to provide opportunities to employees of the Agricultural Stabilization and Conservation Service that are available to their counterparts in other Federal agencies.

The Agricultural Stabilization and Conservation Service is the agency of the U.S. Department of Agriculture that administers specified commodity and related programs designed for production adjustment, resource protection, and price, market, and farm income stabilization.

ACSC employees work on the county level with farmers and constitute a professional service and administrative branch of the Department of Agriculture. They work for the farmer members of the county ASCS committees and administer Federal programs assigned to the committees by the Congress, the Secretary of Agriculture, and the President. However, they are not included under the civil service system because they technically work for the county ASCS committees.

The Congress has extended to county ASCS employees the same retirement, leave, insurance, and other benefits provided to all civil service employees, as well as the opportunity to transfer to other agencies of the Department of Agriculture.

S. 383 would permit these dedicated employees the privilege to transfer to other agencies of Government. They would not be restricted to just USDA. Upon such transfer they would be able to take with them all their benefits, leave balances, leave earning capacities, and years of Federal service.

Mr. President, this bill extends no special privileges to ASCS employees—it will not permit them to bypass any eligibility requirements or otherwise impact adversely upon any other Federal employee who has time in service and grade at other agencies. It simply gives them equity with their peers in other agencies.

ASCS employees are among the most dedicated, loyal, hard working, and useful employees in the Federal service. Farmers have nothing but praise and a tremendous respect for them. I hope we can enact this legislation, and urge every Senator's most earnest consideration of it.

AMBASSADOR ROBERT C. HILL

Mr. HELMS. Mr. President, rapidly changing events in the world situation, the decline in the credibility of U.S. leadership among our friends and allies, and the restriction of foreign policy options remaining open to us all remind us of the necessity for creative and dynamic diplomatic representation of our Nation abroad. When the balance of power shifts, or when internal pressures are brought to bear against friendly governments, it is often the U.S. Ambassador who is on the frontline, risking his life for the sake of world peace. In recent weeks, we have been reminded of that fact on more than one occasion.

But the impact does not necessarily fall upon our diplomats immediately. Sometimes the strain created by representation in the midst of international tension does not exact its toll until many months later, often after the Ambassador has left his post. Such a man was the late Robert C. Hill, Ambassador to five nations, who died last November a few weeks before the convening of this Congress.

Bob Hill was a man not only of talent, but of rare courage. He had the ability to pursue U.S. interests first and foremost without flinching, yet at the same time he acquired the deep respect of the countries in which he served. He was Ambassador to Spain, Costa Rica, El Salvador, Mexico, and Argentina. It was Bob Hill who conducted the delicate negotiations for our base rights in Spain, and gained the undying admiration of the Spanish. It was Bob Hill who represented us in Argentina throughout the period of transition from the corrupt government of Madame Peron to the restoration of security under the Videla government and the suppression of the international campaign of terrorism intended to bring about anarchy and communism in Argentina.

I visited Bob Hill twice in Buenos Aires, and I personally witnesed the conditions upon which he strove to maintain the flag of the United States at the U.S. Embassy there. Because of the violence of the destabilization campaign conducted by the Mirista terrorists, the Embassy was forced to maintain security precautions equal to that maintained at our Embassy in Saigon at the height of the Vietnam war.

Because of the constant threat of kidnapping and bombing—incidents which were frequent at that time—the home and person of the Ambassador were protected 24 hours a day by sophisticated electronic equipment, as well as by U.S. Marine guards who were issued heavy personal armament and had orders to use it if necessary.

I well remember the convoy of high-speed, armored vehicles by means of which Bob and I traveled to visit distinguished Argentinians and government officials. I remember, too, the coolness with which he informed me that the chair in which I sat for luncheon at the Embassy was the very spot where a bomb had landed and exploded shortly before he arrived in Buenos Aires. But despite such threats, Bob went every day to and from his office in the U.S. Chancery in downtown Buenos Aires.

Because of his commitment to justice and human rights, Bob Hill won the affection and loyalty of all Argentinians who were seeking to rescue their country from the threatened economic, social, and political anarchy. Bob Hill knew the situation in Argentina, and he cared about the right of the ordinary Argentine citizens to live in peace and security, at a time when such problems were little understood back in Washington. Unfortunately, what little understanding there was in Washington seems to have evaporated in recent months, despite the restoration of security. Since Bob Hill left Argentina, our relations with Argentina, indeed with most of Latin America, have degenerated to a low ebb. Without men of Bob Hill's sensitivity, courage, and understanding, a great barrier is growing between the United States and Latin America that may well take years to dismantle.

But during Bob Hill's tenure as Ambassador to Argentina, our commitment to peace and freedom was understood, and his personal relationship to Argentina was excellent. I remember the July 4th reception at the U.S. Embassy in 1976, when practically the entire leadership of the Argentine Government, from President Videla on down, as well as the most respected business and intellectual leaders of Argentina, crowded the elegant salons of the Embassy to pay tribute to Ambassador Hill, and to the United States of America.

Had Bob Hill lived, he could well have been Secretary of State in a sympathetic administration. He had the ability and the strength of personal character, as well as the broad experience, for such a post. For he was not only a distinguished diplomat, but a distinguished businessman as well, who had long taken a keen interest in the affairs of the Republican Party.

Bob was chairman of the Republican National Committee Foreign Policy Task Force from 1965 to 1968, and was a member of the Republican Coordinating Committee's Task Force on National Security in 1967 and 1968. He had also served as Assistant Secretary of State for Congressional Relations, and Assistant Secretary of Defense for International Security Affairs.

But the strain and pressure under which he lived in Argentina eventually caught up with him. He retired from his post in mid-1977 to his home in New Hampshire, with his gracious and beautiful wife, Cecilia, expecting to continue to play a role in the service of his country. To our great sadness and dismay, however, he succumbed last November. He was a unique and courageous diplomat who will long be remembered.

Mr. President, I ask unanimous consent that the following articles and comment on the death of Ambassador Hill be printed in the Record at the conclusion of my remarks: Article from the Washington Post of November 29, 1978; an editorial from National Review of January 19, 1979; an article from the publication "American Relations" published by the Institute of American Relations; and an article from the New Hampshire Union Leader concerning the expressions of grief of State leaders.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the National Review, Jan. 19, 1979]

ROBERT C. HILL, RIP

We are delinquent in not having noticed the death, on November 29, of Robert Hill, whose last diplomatic post was as ambassador to Argentina, having served as ambassador to Spain, Costa Rica, El Salvador, and Mexico.

Robert Hill was very much a Republican, indeed at one point in his career he was chairman of the Republican National Committee Foreign Policy Task Force. He was resolutely a native of New Hampshire, where he attended Dartmouth College, going on to take a law degree at Boston University and enter the banking business. But politics grabbed him, and he served as liaison for Secretary Dulles to Congress, a responsibility that no doubt sharpened his powers of conciliation. Throughout his career he was known as a man of intense passion (to contain the barbarians), of deft skill, and of huge, irrepressible humor. Although he was altogether convincing while wearing top hat and tails, he was as convincing acting the mimic, rising from the dinner table exuberantly to report on exchanges between Dulles, Senator Fulbright, Senator Tobey, Dwight Eisenhower, Richard Nixon. He knew them all, knew their frailties and their strengths, and sought always, while serving, to maintain his perspective—as a devoted husband and father and patriot, intoxicated by the ironies and the humor of the bitter century he lived in. At 61 he died much, much too young. He could have left us an instructive, madly amusing, entirely revealing book. But he was at the margin, discreet, retiring, modest. It goes without saying that he will be greatly missed by his friends. It is sad to note that he was demonstrably more grateful to his country than vice versa. In a better world, he would have suffered his fatal heart attack while serving his country as an active ambassador.

[From the Washington Post, Nov. 29, 1978]

ROBERT C. HILL, 61, DIES; ENVOY TO FIVE NATIONS

LITTLETON, N.H.—Robert C. Hill, 61, who had served as U.S. ambassador in five countries, died Tuesday at his home following a heart attack

Mr. Hill had been ambassador to Spain, Costa Rica, El Salvador, Mexico and Argentina. His diplomatic career began in 1943 with service in India.

A native of Littleton, he had retired from the diplomatic service after serving as ambassador to Argentina under presidents Nixon and Ford.

A graduate of Dartmouth College and Boston University Law School, Mr. Hill was a banker by profession.

In addition to his ambassadorial posts, he served as assistant secretary of state for congressional relations in 1956–57.

He served one term in the New Hampshire House in 1961–62.

He resigned as ambassador to Spain in 1972 to run for the Republican nomination for governor of New Hampshire, but dropped out of the contest before the primary.

He was chairman of the Republican National Committee Foreign Policy Task Force from 1965 to 1968, and was a member of the Republican Coordinating Committee's Task Force on National Security in 1967 and 1968.

Mr. Hill was married to the former Cecilia Gordon Bowdoin of Baltimore. They had two sons. He also leaves his mother and two brothers.

IAR DIRECTOR ROBERT HILL, EX-AMBASSADOR, DIES AT 61

Robert C. Hill, who had served as U.S. ambassador to five nations, died at his home in Littleton, New Hampshire of a heart attack on November 28.

A native of Littleton and a graduate of Dartmouth College and Boston University Law School, Mr. Hill was a banker by profession. He achieved his greatest recognition, however, as a diplomat serving as U.S. envoy to Spain, Costa Rica, El Salvador, Mexico and Argentina.

Mr. Hill served with great distinction in these posts and was exceedingly well-liked by the people in the countries in which he served.

A gracious and soft-spoken man, he was also a hard-headed realist about the forces at work in the world. In a proclamation ordering the state's flags to be flown at half-mast, New Hampshire Gov. Meldrim Thomson recognized this quality when he called Mr. Hill one of the nation's "most proficient figures against the corrosive forces of communism."

Given his intellect and understanding, it is lamentable that Robert Hill was not called upon to play an even greater role in the formulation of U.S. foreign policy.

He nevertheless served his country well and will be sorely missed by the many here and abroad who knew him—including the directors of this organization.

The officers of the Institute of American Relations are proud that Robert Hill served on our Policy Board and we extend our sincere sympathy to his family.

STATE LEADERS EXPRESS GRIEF

CONCORD.—Gov. Meldrim Thomson, Jr., has ordered the United States and New Hampshire flags flown at half-mast until Friday as a "mark of respect" for Ambassador Robert C. Hill of Littleton, who died early Tuesday.

The governor was among several prominent officials who have remarked on the death of the ambassador.

Gov.-elect Gugh Gallen said Ambassador Hill "was a neighbor and a very dedicated public servant so this comes as a very deep shock."

Gallen, like Hill a Littleton resident, was informed of the death upon arrival yesterday at the legislative office building. "I am very scrry for the family and the state has lost a very vital resource," said Gallen.

Gov. Thomson cited the ambassador's years of dedicated service to his country.

"New Hampshire has lost one of its most distinguished citizens with the death of Ambassador Robert C. Hill.

"The nation not only has lost one of its truly remarkable and effective ambassadors, but one of its most knowledgeable and proficient fighters against the corrosive forces of communism.

"I join with his many friends here, throughout the nation and the world, in extending profound sympathy to his wife, Cecilia, and to the members of his family.

"As a mark of respect for one of New Hampshire's all-time great citizens, I am ordering the state and national flags to be flown at half-mast on all state buildings from now until the services for Ambassador Hill are complete.

William Loeb, publisher of the New Hampshire Sunday News and Manchester Union Leader, remarked Tuesday. "This writer has lost a friend who will leave a gap in life that can never be filled. Much more importantly, the state and the nation have lost a man who yet could have served the nation in the critical times when we so desperately need outstanding leadership.

"Bob Hill would never have flinched from any challenge. He didn't have to go to Argentina to be the ambassador there, our most dangerous diplomatic assignment, at considerable personal financial sacrifice, yet he served as ambassador in that strife-torn nation because he thought that he could do some good for the United States.

"Bob Hill would not have had it otherwise. He was first and always and foremost a battler for the United States of America."

Former Governor Wesley Powell remarked, "Bob Hill was a terrific ambassador for the United States to Argentina, particularly in a time of real crisis for that country and real danger to Bob and his family.

"We can all be proud of his service to our country."

Former Governor Sherman Adams said, "Robert Hill was a fine diplomat. The high quality of his service, the strength and skill he brought to the many posts he held will, be sorely felt in their loss."

A TRIBUTE TO DEWEY BARTLETT

Mr. HATCH. Mr. President, few things can ever be more saddening than the loss of a friend for whom one feels both an immense admiration and an intense personal affection. For Dewey Bartlett, who until but a few months ago walked and reasoned and debated and laughed among us on this august floor, I felt the kind of admiration and affection that can only be inspired by a certain kind of man.

Dewey Bartlett's example of quiet, joyful Christian faith, especially in the face of the adversity, pain and anguish occasioned by life's ultimate struggle, served to remind us all that virtue is indeed its own reward because it alone dignifies the soul with the divine aspect.

Yet, Dewey Bartlett was more than one strong voice among the many distinguishing this assembly, though he was certainly that. And he was more than a man of firm principle, vast intelligence and earnest dedication to the truth, though, surely, he often defined for the rest of us the essence of such governance. So, too, was he more than an embodiment of that vision of the true senator Publius held forth in 1787 in the Federalist Papers for our continued instruction today, the "wise and temperate man."

As a Christian, Dewey Bartlett showed us the enduring meaning of Saint Paul's "Good Man" of the Book of Romans. As a Senator, Dewey gave to his fellow Americans the strength and assurance of the Good Man speaking well of the noble things.

AMERICA'S FUTURE: A QUESTION OF STRENGTH AND WILL

Mr. HATCH. Mr. President, we all know that the United States is not exporting enough to pay for what it imports. An ever-expanding trade deficit is weakening our dollar in the international money market. A weakened dollar decreases the cost of our imports. This fuels domestic inflation into a cycle which feeds on itself. Mr. President, we need strong leadership to break the pace of our runaway inflation and our deficit budget. Overregulation, massive imports and a nonexistant export policy all combine to erode America's world respect. Mr. President, we must put our house in order if we are to be viewed as dependable allies.

Mr. President, David Rockefeller, the chairman of the Chase Manhattan Bank, recently observed that we "must restore our rightful role in the world by reasserting the strength of our currency and our economy and reaffirming the commitment of our leaders and our people to economic growth and prosperity."

Mr. President, many of Mr. Rockefeller's remarks made in that speech are relevant to my contention that America must rise up and show her strong colors. I ask unanimous consent that the relevant extracts of Mr. Rockefeller's remarks be printed in the Record, and I commend them to my colleagues.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

America's Future: A Question of Strength and Will

In the postwar years, the United States has played a pivotal—and for the most part, a highly constructive—role in the world. Today, friends and foes alike question whether we know where we want to go; whether we still have the will to be an effective force in the world. Indeed, our friends wonder if we are, any longer, dependable allies. If this perception continues, the result would be mounting instability and insecurity for us and for others.

In my view, there are several specific areas of unsatisfactory American performance that contribute to this negative view and that should engage our urgent attention. On the economic front, a whole series of issues confronts us.

From the "dollar gap" in the years immediately after World War II, when other nations could not earn enough U.S. dollars to finance their imports from this country, we have plunged into the "dollar glut," when our once-strong currency is battered, bruised and belittled.

Closely tied to our dollar problem is the massive imbalance we suffer in the trade of industrial goods with other developed countries. We are losing either the capacity or the will to compete effectively in the very area where traditionally we have been strongest—goods that are capital intensive requiring high technology. This is what we have to worry about and, more importantly, work at.

To a degree, because of this trend, America has been running persistent deficits in its balance of trade, hitting a record $28.5 billion last year. In contrast, Japan enjoyed its largest trade surplus in 1978 and West Germany a near-record surplus. The U.S. trade deficit has contributed to huge sums of unwanted dollars clogging the international economic system. Following the inexorable laws of supply and demand, the value of our currency has been cheapened.

Of course, our trade deficits are not the only reason for the depreciation of the dollar and diminishing confidence in America. Foreigners are also concerned about our apparent inability or unwillingness to put our economic house in order here at home. They see that our rate of inflation is among the highest in the industrialized world. They see, too, that year after year the only question about the deficit in our federal budget is how big it will be. The goal of balance seems perennially elusive.

As a result, the international monetary system has been shaken and America's global leadership has been weakened. What the American people and their government must come to understand is that the value of the dollar is tied to our productivity and to the discipline with which we manage our affairs.

On the economic front, a large part of the problem is of our own making. For example, American business must become more vigorously oriented toward exports, which now account for a much smaller percentage of their sales than they do for most companies in other industrialized nations. We have enjoyed the luxury of a vast domestic market that now encompasses 220 million people and a Gross National Product of some $2.1 trillion. Too many firms have remained content just to satisfy this market, without hustling in the rough terrain of international trade, and ultimately this dulls their competitive edge in a world of ever-stiffer competition. Furthermore, this forfeits opportunities to bring our trade into balance and eventually, as we have seen time and again, foreign enterprises develop sufficient prowess to beat our goods on our own turf. This, in large part, is a responsibility of the American business community.

Nor is protectionism the answer to this problem. It only invites retaliation and, in any case, the competition of trade sharpens performance and benefits the consumer. I am encouraged that President Carter and other U.S. government leaders thus far have resisted the negativism of nationalistic notions and have opposed the prejudice of protectionist preachings. But we cannot be alone in repudiating protectionism. When I say that America must be more oriented toward exports, I have to add that others—particularly Japan—must be as receptive to the entrance of our goods as we are to theirs. One reason for the enormous trade deficits the U.S. runs with Japan, is the formidable array of Japan's nontariff barriers, that serve to exclude our exports. I know that much has been done to reduce these barriers, but I tell you in candor that more needs to be done.

Here at home, our government must get busy putting America's economic house in order. The President has made some commendable moves to reduce the deficit in the Federal budget. Already, he is being challenged in Congress and elsewhere on many of his actions. Yet, clearly, some programs—many of them, deserving—will have to be limited or even curtailed. Some people—many of them deserving—will feel slighted in what they will receive. But, in adopting these policies. I do not believe that our government or our nation shows signs of having become any the less compassionate or committed. In the long run, no one will benefit if we flee from reality and refuse to recognize the long-term consequences of today's irresponsible actions. In my judgment, the America we enjoy today should be second to only one thing—the America our children will enjoy tomorrow. In this context then, I would hope that President Carter remains firm in his resolve to hold spending in check.

Other things also must be done if we are to dampen the forces of inflation, that have such horrendous consequences for all our people. The only way to achieve economic growth without the penalties of fiscal fakery is to increase productivity. And here, America's record has fallen dismally near the bottom of the heap among industrialized nations.

It is not coincidental that this country is also at the low end of the scale in the percentage of its income devoted to capital investment. This is the seed corn of prosperity, and we are failing to husband ours wisely and plant it in fertile ground. Without more capital formation, we cannot build more productive plants, develop new technologies, and pioneer in products and services that enhance the lives and economic gains of the people.

Business investment in this country is inhibited because we are among the most severe in the world when it comes to taxing capital gains and corporate income, to allowing for depreciation of assets and to extending tax credits for investments. No economy can flourish with capital malnutrition, and I'm persuaded that to change our present condition, we need legislative reforms and need them urgently.

One particularly worrisome fact is that American industry is devoting a shrinking share of its income to research and development. We are lagging behind many industrialized nations in the relative importance we attach to R&D. This deficiency is already cutting our edge in technology and inventiveness and is denying us the fruits that the inquiring mind can create.

What's more, a larger-and-larger share of research and development budgets are having to go into what is called "defensive research," the endless hunt for better ways to comply with proliferating federal regulations rather than more efficient production.

Mounting outrage is being voiced over the regulatory rampage in Washington, for which Chase's economists now estimate the cost of administration, enforcement and compliance to exceed a colossal $100 billion a year. These regulations can be a tremendous drain on capital and operating income, but seldom if ever do they contribute one iota to productivity.

I don't dispute that some regulations in the fields of environmental conservation, health and safety, and consumer protection are beneficial. However, better efforts are needed to weigh the costs and the benefits; more regard must be shown for competing priorities; the conflicts among various regulations must be resolved and the jurisdictional overlaps eliminated. Greater flexibility must be allowed, so that proximate results can be achieved by the least costly means; and more often we should settle for what is satisfactory instead of aiming for what is perfect, regardless of the expense.

Quite aside from having to cut the financial burden of excessive regulations, we must reduce the tedious length, mind-boggling detail and bewildering complexity with which they are written. Trying to grasp them all exceeds the capacity of the human brain and makes fearful inroads on managerial time and talents. Now the federal government is indicating that failures in compliance could mean criminal charges being brought against corporate officers. So, as I see it, the situation amounts to this: If you try to comprehend the avalanche of regulations you may be driven to the "nuthouse;" if you don't, you may be taken to the "jailhouse!"

Finally, our pressing problems demand that we take stock as a people. Leaders cannot lead where the people will not follow. We have to foster a larger sense of unity and purpose in our land. We cannot forever let the tragedy of Vietnam and the trauma of Watergate paralyze our thinking, inhibiting us from accepting our proper role in the world and denying to our institutions the flexibility and initiative they need to exercise that role.

America exalts the individual—and we should all be thankful for that—but the security of the individual is rooted in the vitality of his society, and each of us has dues he must pay and obligations he must discharge.

These then are several of the more profound challenges that I see confronting our nation, its leadership and its citizens. We must restore our rightful role in the world by reasserting the strength of our currency and our economy and reaffirming the commitment of our leaders and our people to economic growth and prosperity.

I have no doubt but that we will meet our national challenges with the same sense of conviction and commitment that have established our nation in its first two centuries as the world's beacon of economic and moral leadership. Clearly, today we are playing in a new ballgame with new rules. As Henry Kissinger recently observed, "For the first time in American history, we can neither *dominate* the world nor *escape* from it."

Economically as well as politically, the U.S. must exercise constructive leadership, recognizing that, today, we can neither dominate nor escape the global marketplace. Only in concert with other nations can we hope to achieve a freer, safer and more prosperous world that should be the goal of all nations and all people.

IS HISTORY REPEATING ITSELF?

Mr. HATCH. Mr. President, our Nation's private sector economists have long provided competent economic information and forecasts to those of us here in the Senate who set the country's fiscal policies. They provide a great service to the Nation and their views are always welcome for the insight they bring with them.

One such economist and businessman from the private sector who provides us such insightful analysis is Lawrence A. Kudlow of Paine Webber in New York. Mr. Kudlow has recently written on the subject of "Is History Repeating Itself" and his words, in part, include the following:

> Political economic events around the world are now moving at a breathtaking pace, producing changes at a rate much faster than anyone anticipated. The weakening of U.S. geopolitical position has been further revealed by the leftist takeover of the American Embassy in Iran, and then the assassination of the American ambassador to Afghanistan. As has unfortunately been the case in recent times, the official U.S. response to these extraordinary acts of totalitarian aggression is a muted one, suggesting further erosion of American power and standing.
>
> Bond yields are dominated by the inflation rate expected over longer time periods, and signals from Washington continue to suggest that the framework of U.S. financial policy continues to be dominated by the usual demand management finetuning approaches that have produced slower investment and output growth over the past decade, accompanied by rising unemployment, inflation, and interest rates. The inability of the U.S. to establish a more productive domestic political economic model is matched by the failure of government to evolve a more realistic and resolute foreign policy strategy, and in these familiar circumstances history suggests that financial market declines will again prove to be a reliable barometer.

As Mr. Kudlow notes, an economy is only so strong as the citizen's faith in it. Federal policy and the image of a resolution in the White House are working against our best efforts toward economic recovery. It would do all of us well to reflect on the lessons implicit in Mr. Kudlow's analysis, and at this time I ask unanimous consent that it be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

Is History Repeating Itself?

Politically economic events around the world are now moving at a breath taking pace, producing changes at a rate much faster than anyone anticipated. The weakening U.S. geopolitical position has been further revealed by the leftist takeover of the American embassy in Iran, and then the assassination of the American ambassador to Afghanistan. As has unfortunately been the case in recent times, the official U.S. response to these extraordinary acts of totalitarian aggression is a muted one, suggesting further erosion of American power and standing.

The circumstances of global turbulence on the political front are historically mirrored by similar turbulence in world money market conditions, and in the wake of recent developments it has become increasingly likely that future events during the months ahead will again prove the reliability of this dictum. Commodity prices have jumped sharply in recent weeks, partly due to strengthening demand conditions, but largely in response to anticipations of rising global inflation. Raw industrial prices have increased in excess of 6 percent in the last four weeks, thus pointing toward accelerated consumer price inflation over coming months.

Even more important, energy prices are now expected to rise substantially more than earlier estimates. The turmoil in Iran has already diminished oil production in that key state, and fast-moving political events have greatly dimmed future prospects of a quick return to normalcy. It is now becoming increasingly clear that the organization of the National Front Khomeini government has been primarily manned by radical young mullahs and seminary students, people with leftist leanings and little or no sympathy for western economic concerns. Therefore, the spirit of moderation and rational analysis which generally dominated past Iranian oil prices decisions is not likely to persist in the future.

Indeed, the political framework of the group of Middle East oil production nations appears to be shifting leftward. Certainly this has always been the case with respect to Iraq, Libya and Algeria, and now the political center in Iran is moving steadily on a leftward path. Moderate countries such as Saudi Arabia and Kuwait are increasingly vulnerable to a spreading of the civil disorder that continues in Iran, and the powerful thrust of revolutionary momentum will keep moderates on the defensive.

In short, there now exist fewer and fewer incentives for Middle Eastern oil price decisions aimed at preserving any modicum of U.S. and the western alliance. The emerging socialist thrust among the OPEC nations leaves in its wake a decidedly anti-west, anti-capitalist residual, a development that portends a combination of lower oil production and higher oil prices.

In another part of the globe American foreign policy has apparently failed to make significant inroads with respect to Mexico and the newly discovered billions of Mexican oil reserves. Mexican President Lopez steadfastly insists on linking the American export of oil and gas to a number of other concerns, and thus it is quite unlikely that the shortfall in OPEC reserves will be offset by additions from Mexico.

Thus far, five of the thirteen OPEC states have raised oil prices above limits originally scheduled for the first quarter of 1979, and it is generally expected that the remaining members will move similarly during the weeks immediately ahead. At around $21 a barrel the spot price of crude oil in Rotterdam stands 65 percent above the original $12.70 a barrel benchmark, and even in the event of spot price weakness in future months, the actual percentage gain in oil prices during the year ahead is likely to exceed the earlier 14.5 percent estimate by a wide margin.

Against this background the winter/spring inflation rate, as measured by wholesale and consumer price indexes, is likely to jump considerably above the underlying 8 to 8½ percent inflation rate caused by monetary trends of the past two years. Non-monetary price influences stemming from external shocks in areas such as oil, food, commodities, or the like, are capable in the short run of distorting the more persistent long run pattern of price increases due to the fundamental imbalance between money supply and demand. With this in mind, the winter and spring quarters appear vulnerable to a rate of price increase ranging between 10 and 12 percent.

The unanticipated rise in inflation can be expected to increase nominal credit demands as business firms seek additional cash to finance the same level of real output. In this event, the combination of sharply rising prices and expanding credit demand will exert upward money market pressures during coming months, and the Federal Reserve is likely to tolerate increasingly higher Federal funds rate targets in an effort to stabilize and then offset the price shock. Additionally, the authorities are likely to raise the discount rate in pursuit of the higher level of short rates, as well as to protect what may become an increasingly vulnerable currency.

Complicating matters even more is the possibility that monetary aggregate growth may strengthen during the months ahead, thereby reversing to some extent the sharp rate of decline experienced over the past four months. The average level of float appears to have declined by about $5 billion, and if the trend holds it will add considerably to the money stock. Also, the Federal Reserve Board has indicated its intention to revise the narrow money stock (M1) to include NOW accounts and ATS accounts. By our reckoning, this will add about $5 billion to the stock, and bring the annual rate of M1 growth in IV/78 from 4.4 percent to above 6.0 percent, thus lessening a bit the rate of monetary decline experienced during the October–December period. Looking ahead, the inflation induced expansion in the demand for credit is likely to create renewed upward pressure on demand deposits, thereby also adding to the rate of M1 increase.

Taking both international and domestic factors into account, money and credit market patterns during the next six months may well resemble the 1974 experience, when non-monetary shocks on the heels of a lengthy period of monetary stimulus pushed all market rates of interest considerably higher in what might be best described as a kind of spasm effect. External shocks can provide a powerful short-run force in financial markets, and participants during the period ahead must guard against the possibility of such a disturbance.

At present it does not appear likely that short rates will jump another 300 to 400 basis points, such as occurred from late March to late July in 1974, but the combination of past monetary trends and current non-monetary disturbances suggests the possibility that money market conditions might generally firm 100 to 200 basis points over the next 6 months. With respect to long rates, there is every reason to assume that the expected rise in money and credit aggregates, along with the likelihood of a spasm effect on inflation, will provide new upward pressure on yields in coming months. Government bond yields have already jumped nearly 20 basis points since the end of January, and futher increases of up to 50 basis points appear probable between now and midyear.

Bond yields are dominated by the inflation rate expected over longer time periods, and signals from Washington continue to suggest that the framework of U.S. financial policy continues to be dominated by the usual demand management fine-tuning approaches that have produced slower investment and output growth over the past decade, accompanied by rising unemployment, inflation, and interest rates. The inability of the U.S. to establish a more productive domestic political economic model is matched by the failure of government to evolve a more realistic and resolute foreign policy strategy, and in these familiar circumstances history suggests that financial market declines will again prove to be a reliable barometer.

VOLUNTARY GUIDELINES—OR ELSE

Mr. HATCH. Mr. President, the Council on Wage and Price Stability has issued what amounts to an ultimatum to private companies that they either comply with the Carter administration's "voluntary" wage-price guidelines, or can expect to be investigated by COWPS and other Federal investigatory agencies. In other words, despite being in violation of no law or regulation, these companies will be subject to the scrutiny of assorted Federal bodies for failure to abide by the suggestions of the economic gurus in the White House. I will be waiting anxiously for the civil libertarians, who have fretted so much about abuse of executive power in recent years, to marshal their forces in opposition to the administration's innovative efforts at circumventing the procedural trivialities of the legislative and regulatory processes.

What follows are two extremely perceptive articles on the bullying, and probably illegal, tactics of the present administration. As observed by Representative Clarence Brown, however, it is not simply the administration that is at fault. He notes:

> The fifteen-foot shelf of federal regulations passed by Congress has put a vast arsenal of weapons for punishment in any administration's hands.

The potential coercive powers now concentrated in the Executive Office accord great credibility to any administration that threatens private individuals and businesses with retaliation for failing to abide by their "informal" advice.

Mr. President, I ask unanimous consent to print these articles in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the Wall Street Journal]

THE CASE AGAINST CONTROLS

(By Laurence H. Silberman)

On November 1, several days after his televised speech to the nation, President Carter quietly issued an Executive Order imposing wage and price controls on the American economy. Once again we see that the most damaging consequence of governmental efforts to limit wages and prices is not, as is often argued on this page, that controls distort markets. Nor is it even that public attention is diverted from the true causes of inflation so that the day of reckoning is postponed—and made more painful for being postponed.

Our periodic flirtations with income policies have economic costs but the *institutional* costs are much greater. The President, by devising a jerry-rigged scheme, has illustrated what I believe to be a general principle: Efforts to control wages and prices, at least in the American experience, inevitably erode respect for the law. Even worse, in this case, is the fact that the President's program is without statutory support and thus illegal.

When we say we are a government of laws rather than of men, we mean we wish to reduce to a minimum the government's operational flexibility in administering laws. Since law, by definition, is a limitation on private action, we seek maximum predictability as to its meaning.. The less precisely law is fashioned or administered the greater the loss of individual liberty.

Wage and price controllers quickly find the enormous scope of human behavior they wish to regulate forces them to reach for maximum flexibility. Predictability and therefore respect for law, ineluctably suffer.

Individual wages and prices are influenced by many diverse factors; general rules quickly prove inadequate. Controllers must, perforce, constantly change their standards and their procedures. Because they are engaged in a virtually futile war with economic laws, they are led to adopt guerrilla tactics rather than a frontal strategy. Thus, they characteristically sneak behind wage and price lines to apply governmental pressure on supposed wage and price strong points.

To achieve acquiescence with "voluntary" wage and price guidelines, the controllers employ express or implied threats of various unlovely governmental actions should American citizens imprudently insist on their legal rights. This leads to deliberate efforts to confuse legal compulsion with voluntary behavior.

NIXON CONTROLS

In 1973, for example, the exhausted Nixon administration wanted to decontrol much of the economy but didn't want wages and prices to rise as if they were decontrolled. The government tried (with some success) to befuddle Americans by calling attention to "voluntary" guidelines for the decontrolled part of the economy and brandishing "sticks in the closet" to be employed if persons "volunteered" to incorrect behavior. This was particularly confusing because at the same time the government was legally controlling other parts of the economy.

This administration has carried the policy of confusion even further by issuing voluntary guidelines buttressed by very involuntary-looking regulations. Simultaneously the administration has claimed legal authority to enforce those guidelines against government contractors. As a result, even the chief controller, Alfred Kahn, recently confessed he didnt know whether the program was voluntary or compulsory. All of this is done without statutory authority. Indeed, it is done in the teeth of contrary congressional policy, in an area which congressional policy has always dominated.

Congress has invariably provided Presidents with specific legislative authority to impose wage and price controls when it so wished. The 1970 act, which authorized President Nixon to adopt wage and price controls, has, of course, expired.

Moreover, the Wage and Price Stability Act of 1974, on which President Carter specifically relied for his authority to issue his Executive Order, provides that "nothing in this Act (1) authorizes the continuation, imposition or reimposition of any mandatory controls with respect to prices, rents, wages, salaries, corporate dividends or any similar transfer."

Ironically, the Council on Wage and Price Stability, the organization that is to implement the President's Executive Order, was actually created by that Act. Congressional policy then is clear. The President is denied authority to impose mandatory wage-price controls.

To be sure, the President claims only to have initiated a voluntary program of wage-price guidelines. He continues in Orwellian rhetoric to eschew "mandatory controls." But, the lynchpin (bootstrap?) of the President's scheme is his use of his procurement authority.

The Executive Order, which assiduously avoids the word "voluntary," is entitled "Prohibition Against Inflationary Procurement Practices." Under its terms, government contractors will be obliged to agree to a contractual clause certifying compliance with the President's program. Those who refuse to sign will be deemed unresponsive bidders.

Of course most large corporations are government contractors. (The Executive Order, in contrast to the guidelines, is not limited to contracts of over $5 million.) True, government lawyers claim that corporations can insulate their government contracting business. But which corporations would dare signal a disposition to ignore the guidelines for the balance of its business?

The President, in truth, has deliberately sought to use his procurement authority over government contractors as the legal pillar upon which he can construct a wage-price roof over the entire economy. But the pillar is cracked; it is legally unsound.

The President has statutory authority only to condition government contracts on the observance of terms which further the government's procurement interests. The administration will argue that the procurement portion of its program is separable from the "voluntary" portion and, thus, can be defended as a legitimate exercise of the President's procurement authority, i.e., lower prices for government purchases.

The President's program, however, would force government departments to pass over lower bidders who are not in compliance with the program in favor of higher bidders who are in compliance. This practice hardly serves specific procurement interests. Insofar as the administration contends that compliance with the program will result in an overall lower price level, it concedes that its aims go beyond government procurement.

The President's procurement authority was the basis for E.O. 11246, which prohibits employment discrimination on the part of government contractors and therefore expands the pool of qualified labor. This order was upheld by the Third Circuit court of appeals in the famous "Philadelphia Plan" case because the court saw no clash between the Civil Rights Act and the Executive Order or its application. Many argue that the "goals" imposed by the Executive Branch, if examined more than superficially, do, indeed, violate the congressional policy of nondiscrimination.

The Fifth Circuit Court of Appeals in Weber vs. Kaiser Aluminum has recently drawn just that conclusion. But when the Philadelphia Plan was litigated a distinction between goals and quotas forbidden by the Civil Rights Act was still respectable. Moreover—and this is crucial—Congress has continually voted appropriations to implement Executive Order 11246 and its predecessors. Therefore, the Third Circuit was not faced with a direct conflict between the President and the Congress. The President's November 1 order now presents such a conflict.

PROCUREMENT POWER

In fact, the President has sought to do indirectly—through the use of the government's procurement power—what Congress forbade him to do directly. Perhaps he plans to seek retroactive congressional approval through a supplementary appropriations bill. Perhaps he calculated that if his action were challenged in court by the time a final decision was reached, he would already be in a "new phase" of economic stabilization.

Or perhaps—and this is the most disheartening alternative—he reasoned it unlikely that large government contractors (large corporations) would challenge his order.

Why is it that the President's sweeping assertion of power has gone largely unchallenged? The AFL-CIO has, it is true, given the President the back of its hand; but the President's order does not directly reach unions—only government contractors. As for large corporations, the direct targets of the President's program, there are four reasons for corporate silence.

1. Some corporations did quite well during the last period of controls, particularly those that wished to hold on to a declining market share. We should not be surprised that the weakest competitors in the market place would benefit by seeking favored regulatory position.

2. Other corporations quite logically see the President's program as an aid in collective bargaining which will offset pricing discomforts. Although wage-price controls clearly will not affect overall wage levels—at least in anything but the shortest term—they can affect the distribution of wage increases.

BRIDGE-BUILDING

3. Some corporate executives are so busy "building bridges" to government that they pay insufficient attention to the traffic passing over the bridge.

4. But the most important factor upon which the government can rely in assuring business acquiescence is perfectly rational fear. The President's Executive Order directs COWPS to publish the names of companies (but not of unions) not in compliance with its standards. The prospect of being held up for public condemnation would give pause to any businessman. More chilling, however, is the possibility that the government—the entire panoply of regulatory bodies—would take publication as a signal to "lean" on the offending company.

This is hardly far-fetched, because the initial fact-sheet distributed by the White House at the time of the President's speech ambiguously referred to the regulatory agencies as enforcement tools. Although the Executive Order makes no such provisions—perhaps because someone reminded the President that misuse of law enforcement agencies is grounds for impeachment—the damage has been done. No corporate chief executive could, at this point, be assured that opposition to the President's wage-price program would not enmesh his corporation in expensive regulatory harassment.

Paradoxically, this country is awash with proposals for reform of corporate governance predicated primarily on the notion that larger corporations have excessive political power. The truth, as corporate silence in the face of the President's actions makes clear, is that such claims are grossly exaggerated.

Corporate vulnerability combined with the rickety legal nature of his program has induced the President to demand corporate public promises of compliance: loyalty oaths instead of law. This whole business is a sad misuse of governmental power and such misuse can be contagious. Where, therefore, is the ACLU? And, where, I should like to ask, is the American Bar?

The Servility of Business

(By Clarence J. Brown)

Most business leaders are fond of speaking about Adam Smith's "morality of the market-place" that rewards the purveyor of highest quality products at the most competitive price. It is good graduation speech material—implying that "better mousetrap" competition is the regulator that brings the maximum reward to buyer, seller and society at large.

And so it may have been back in the day when an American President could say with little fear of political reprisal. "The business of America is business."

But times have changed. Now the business of America is government. And there is every evidence that leaders of business have accepted that as a one-way street. Business schools are even teaching courses called "Doing Business in a Regulated Environment."

The ultimate servility of busines was amply demonstrated during the extended recent debate on the nation's energy policy—particularly the natural gas compromise.

As various industries began to analyze the legislation, they reacted negatively; the proposals basically would mean that fuel use decisions of the nation's major industries will be made from now on in Washington rather than by economic logic at the factory management level. They were horrified by the prospect of total federal control of natural gas pricing patterned after federal control of oil prices, which has resulted in a decline in domestic production and an increase in consumption of more expensive oil from foreign sources.

So they exercised the right the Constitution guarantees every citizen: They complained to their Congressmen. They explained that the energy proposals would be adverse to the nation's interest and their own. They argued it would further reduce America's domestic energy production by tying up in red tape those independent entrepreneurs who find almost all the new gas supplies. They explained how laying all the cost of expensive gas on only industrial users (incremental pricing), instead of spreading it to all who use the gas, would be harder on some factories than others and cause massive shifting of jobs. And they suggested that a six-fold increase in the cost of gas regulation would add to the already massive cost taxpayers and consumers pay and would damage American competitiveness in foreign markets.

HAVING EFFECT

Like the flood of concern over other legislative flops, those lobbying efforts were havings some effect. By the time the August recess began it looked as if the Congress would vote down the natural gas bill.

But that was before the White House invited the chief executive officers of major U.S. corporations to Washington for breakfast with the President and a little straight talk about the realities of doing busines in a regulated environment.

And they all came. After all, the heads of the world's largest profit-making corporations don't get invited that often to break bread with the head of the world's largest not-for-profit operation.

And they heard some not-so-subtle threats. The steel industry executives were told, according to press reports, that if they didn't back off opposition to the administration's flawed energy package, the administration might not set a high priority on the problems of the steel industry when tariff negotiations were next under way with the Japanese. The CEOs of textile companies and others similarly afflicted by foreign imports got the idea about the use of "administrative judgment" in an area vital to their survival.

Several businesses, which were only able to operate during the last natural gas shortage because present law gave them the right to buy emergency gas supplies above controlled prices, were told that the "independent" Federal Energy Regulatory Commission might not approve such transactions for companies which had fought the President's gas legislation.

An official of the Department of Energy told an official of a medium-sized oil company that DOE hoped his company officials would not interpret vigorous pursuit of regulatory discipline of the company by the department as harassment for the company's continued opposition to the gas bill.

And so it went with the hundred and more stalwart captains of the nation's greatest companies who visited the White House—and many others who were called by phone. The message (always subtle and low-key, but unmistakable) came through to company executives whether it was received firsthand or secondhand. It was transferred from board meeting to board meeting by common directors. One of the largest corporations in the nation sent out the word to its lobbyists to desist any activities on the energy bill. Afer all, it was common knowledge that the Federal Trade Commission was giving the company a careful screening.

The target of a take-over attempt by another company, committed to resisting the take-over, recognized that the attempt finally may be determined by the Securities and Exchange Commission. The company's lobbyist, who had abruptly ceased his discussion of the gas bill on Capitol Hill, explained to a curious member of Congress that his company's position on the gas bill was now a "private matter" because it would not want to risk offending the administration when its case came before the SEC.

In this day and age when public decisions touch all our lives, private viewpoints on public issues are a little like other private acts—who cares! But such privacy on public issues is not a victimless crime. If a law is going to have a significant job impact on employes, cost impact on consumers, profit impact on stockholders or hurtful impact on our nation's ability to compete abroad, should not the business leaders be expected to advise their employes, customers and stockholders of the situation? And don't the Congressmen who represent those employes, customers and stockholders have the right to know the impacts on the interests of their constituents who will be affected?

As a matter of fact, don't the companies that will be affected have a moral obligation to speak up on the issue?

There is little doubt that Executive Branch interference with discretionary judgments of statutorially independent agencies is improper. In some cases it is specifically a crime: tampering with Federal Communications Commission cases involving the licensing of radio and television stations, for instance.

While many discretionary decisions have been vested in the President of the United States—such as the setting of target prices in tariff matters—to simplify the process of ongoing negotiations with other nations, it was never contemplated that such powers would be used to reward or punish political loyalty or to silence opposition to a legislative agenda. Collegial agencies were specifically established to avoid such improper executive influence.

In the game of stare-down over the natural gas bill, the leaders of American free enterprise had looked into the eyes of a weak President—and blinked. And it was not an "imperial" President riding high in the polls. This capitulation by the leaders of capitalism occurred weeks before Camp David when President Carter was hovering at about the same popularity as President Nixon after the House Judiciary Committee voted for impeachment.

ARSENAL OF WEAPONS

The excuse for such pusillanimity is that the 15-foot shelf of federal regulations passed by Congress has put a vast arsenal of weapons for punishment in any administration's hands. And the justification for doing business this way in a regulated environment is that, according to press reports, similar events occurred not only in the Senate during consideration of the natural gas bill, but also in the House during consideration of the public works bill override. Post-elective-service job opportunities were said to have been dangled before Congressmen by the administration in consideration of the administration position.

Executive Branch decisions about the location of federal breeder reactor research, defense contracts and public works projects cancellations are obvious considerations in critical votes by those who want the area they represent to be aware of their clout in Washington.

That desire for clout is no less an ambition of the political action committees of the business community. A study of their contributions shows little or no relationship to the regulatory or economic philosophy of the congressional recipients. The political dollars go to those who are in power, and the more power they have, the more money the business community delivers.

Since the natural gas debate, the President has announced a program to stop inflation by setting out "voluntary" wage and price guidelines to be enforced by the application of Executive Branch discretion. That is, industries that do not observe the wage/price advisories will find themselves with more import competition than those that do. Unions asking wage settlements above the voluntary levels may see federal projects in their industry reduced. Beyond the announced sanctions, what assurance do we have that the President will not resort to a misuse of regulatory power such as sending OSHA or EPA inspectors after a company raising its prices?

Why shouldn't the President use such weapons in the economic arena when they worked so well in the legislative arena?

Unless, of course, someone speaks up.

THE COST OF REGULATIONS

Mr. HARRY F. BYRD, JR. Mr. President, James R. Shepley, president and chief operating officer of Time, Inc., a diversified publishing company, in his annual report to stockholders, quoted a leading economist as saying that the price the American people are asked to pay for regulations should not exceed the benefits they get from them.

As Mr. Shepley points out, if that sensible rule were applied, the American people would either be paying much less or receiving much more.

By some estimates, the American public is paying somewhere around $100 billion a year for all forms of regulation.

The cost of paperwork alone is estimated to be as high as $40 billion.

Mr. Shepley concedes, and I agree, that such estimates are necessarily rough—and possibly to some extent exaggerated—but the benefits being realized from Government regulation are not commensurate with the price currently paid for them.

And it is the public which pays the cost.

President Shepley, in his statement which is captioned, "Red (Tape) Alert," made this astonishing statement:

> Time Inc.'s bill for paperwork and complying with government regulation is . . . equivalent to approximately half the amount paid to all common stockholders in dividends last year.

Mr. Shepley then adds:

> We think some of that money could be put to better use.

So do I; and so do the American people, if I judge their views accurately.

After all it is the public that pays the bill—for it is the public to whom all businesses pass along the costs required by 90 different agencies issuing regulations requiring some 4,000 different forms to be filled out by business alone.

Mr. Shepley's report to the stockholders of Time, Inc., came just as the Business Roundtable, an organization representing major American corporations, released results of a survey of regulatory costs borne by 48 firms.

The report, prepared by Arthur Anderson & Co., found that in 1977 the companies studied spent $2.6 billion to meet the requirements imposed by five Federal agencies and one statute, the Employee Retirement Income Security Act (ERISA).

The agencies whose regulations were studied were the Environmental Protection Agency, Equal Employment Opportunity Commission, Occupational Safety and Health Administration, Department of Energy, and Federal Trade Commission.

The study operated on the principle of "incremental cost"—that is, expenditures which the companies would have made without a regulatory requirement were eliminated from accounting.

The study made no effort to project the regulatory costs for business as a whole, but it is worth noting that the participating firms, while important ones, comprise a relatively small segment of the economy. Their total net income after taxes was $16.6 billion, so the costs of regulation amounted to 15.7 percent of income.

Even though the study's sample is relatively small, it certainly indicates that a high cost is being paid for Federal regulation.

What we need is an outcry throughout the Nation, and especially in Congress, against excessive regulation and paperwork.

The congressional reaction is likely to be in proportion to the public reaction.

COMMENTARY ON RHODESIAN ELECTIONS

Mr. HARRY F. BYRD, JR. Mr. President, several articles have appeared in the press over the past few days which merit special attention and describe well the true state of affairs in Rhodesia and the bankruptcy of American and British policy toward that country.

First, Winston S. Churchill, the grandson of Sir Winston Churchill and a conservative Member of Parliament, wrote perhaps the best article I have seen on this question. It was published in the Richmond, (Va.), Times-Dispatch on March 18, 1979, under the title "Where Better To Start Defending the West's Interests Than Rhodesia?"

Second, in the Washington Star of March 16, 1979, William F. Buckley, Jr., provided an interesting and perceptive commentary on the double standard of the West in judging Rhodesia and other African countries, entitling his comments "Rhodesia and the Hypocrites."

Finally, Mr. President, again the Washington Star on March 20, 1979, published an excellent column on Rhodesia written by Dr. Ernest W. Lefever. who is director of the Ethics and Public Policy Center at Georgetown University. Dr. Lefever's article is entitled "U.S. Folly on Rhodesia." Dr. Lefever makes the interesting point that like the new Rhodesian Constitution, the constitutions of Tanzania, Zambia, and Kenya, each contains specific electoral arrangements that give minority Europeans or Asians specific and proportionally higher representation in government. He wonders why there is not greater moral indignation over the presence of 28,000 Cubans in Angola than there apparently is at the Department of State over the proposed presence of 28 whites in the Rhodesian Parliament.

Mr. President, I urge the Senate to consider the views expressed in each of these three articles, and I ask unanimous consent that they be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

WHERE BETTER TO START DEFENDING THE WEST'S INTERESTS THAN RHODESIA?

(By Winston S. Churchill)

LONDON.—The past weeks have seen a dramatic shift in the balance of power against the most vital strategic areas for the United States, Western Europe and Japan —all countries heavily dependent on imported oil.

Yesterday, Iran was a buffer against Soviet expansionism, the guardian of stability in the Gulf and the West's prime source of non-Arab oil. Today, it no longer forms part of the Western Alliance and sinks back into Marxist chaos and oppression, gravitating rapidly into the Soviet orbit.

Thanks to the Soviet Union's victory in Iran, provided by the communist Tudeh Party which it controls and abetted by the pusillanimous attitude of the West, the Soviets are well on their way to achieving one of their two central short-term policy objectives.

Though the Soviet Union has already gained the advantage over the United States in every parameter of nuclear power, with the exception only of the numbers of warheads (even here it is rapidly closing the gap) and though it today deploys against Western Europe three times as much conventional strength as the NATO allies, it does not yet seem to be ready for a showdown in Europe—although that time may be fast approaching.

Instead, despite the fact that the Soviet Union is increasing its military might with a momentum unparalleled in the history of the world—adding more tanks to its arsenal each year than the 2,500 total deployed by Nazi Germany in May 1940—it is using its newfound naval power and global airlift capability to subvert and control Third World countries, especially those of key strategic significance by reason of their natural resources or geographical position.

"Our aim," President Leonid Brezhnev confided to President Siad Barre of Somalia while that country was still allied to the U.S.S.R., "is to gain control of the two great treasure-houses on which the West depends—the energy treasure-house of the Persian Gulf and the mineral treasure-house of central and southern Africa."

With the fall of the shah and his replacement by a Khomeinist or communist regime, the Soviets are well on their way to achieving their first objective. President Carter and Prime Minister James Callaghan appear determined to concede the second by their refusal to accept the internal settlement in Rhodesia or to recognize the multiracial interim government, although honor-bound to do so by the terms of Dr. Kissinger's 1976 agreement with the government of Prime Minister Ian Smith.

The Anglo-American proposals of 1976, accepted by Smith, provided for the establishment of a multiracial interim government and for elections to be held within two years, leading to the handling over of power to a majority-rule government.

The British and American governments, for their part, undertook that "upon the establishment of the interim government, sanctions will be lifted and all acts of war including guerrilla warfare will cease. . . . Substantial economic support will be made available. . . ."

The Rhodesians have honored their side of the bargain, though it is true they have fallen some six months behind on the proposed timetable, above all due to the intensity of guerrilla warfare being waged against them. Though it was foolhardy and irresponsible of the British and American governments to undertake that all acts of war would cease, both governments have conspicuously failed to honor even those aspects of the agreement over which they do have control; namely, recognition, the lifting of sanctions and the provision of economic aid.

Now the the British foreign secretary, Dr. David Owen, and U.S. Secretary of State Cyrus Vance suggest that their governments will not even recognize the majority-rule government of Zimbabwe-Rhodesia (as it is to be known) that will come to power following the elections on the basis of universal adult suffrage due to take place on or before April 20.

They claim that because of the serious internal security situation and the fact that a small proportion of the black population is outside the country in terrorist camps in neighboring Zambia and Mozambique, the Rhodesian elections will not cover the entire potential electorate and, therefore, cannot be accepted as valid.

What humbug and double standards! Where in all of black Africa is to be found a government that tolerates more than a single party, let alone submits to free and fair elections?

Instead, they insist on the implementation of the so-called Anglo-American "plan"—unilaterally substituted for the dishonored Kissinger agreement. Under this plan, the Rhodesian Security Forces, more than 75 percent of whom are black, are to be stood down and internal security—and, by the same token, political power—is to be handed over to the Marxist terrorist bands of Robert Mugabe and Joshua Nkomo, whom the Soviets and other Warsaw Pact countries have been training, arming and indoctrinating for years as their surrogates.

The United Nations—the vast majority of whose member governments trample democracy underfoot—would be invited to supervise elections, leading to the handing over of power to either Mugabe or Nkomo, both of whom have in advance declared their determination to establish a single-party Marxist dictatorship.

This is the brilliant master-strategy conceived by the British Foreign Office and the U.S. State Department for furthering the cause of democracy and Western interests in Africa!

If the aim were to produce the maximum chaos and bloodshed in the short term (the tens of thousands of blacks who have volunteered for the Rhodesian Security Forces will be the first to be butchered), civil war between the Mashona majority of Mugabe and the Matabele minority of Nkomo in the medium term and Soviet domination in the longer term, no policy could fit the bill better than the Anglo-American plan.

Owen and Vance must know that the black people of Rhodesia have no wish to be handed over to the tender mercies of a Marxist terrorist dictatorship in alliance with the Soviet Union. Why then, in defiance of all Western interest, are they so hell-bent on doing just that?

Prime Minister Callaghan and his socialist government in Britain are determined to sell out the interests of the people of Rhodesia to the allies of the Soviets in the same way that 40 years ago the Chamberlain government sold out the peoples of Czechoslovakia to the Nazis.

But why should the United States be led by the nose in this way? Today, as in the '30s, appeasement is the order of the day on both sides of the Atlantic and, far from living in an age of "détente," as we are constantly reassured, we are rushing headlong towards a catastrophe of unimaginable proportions.

It is urgent that the West start once again to defend its interests, for it is certain no one else will. Where better to start than in Rhodesia? Nothing could do more to improve the prospects of a rapid and peaceful evolution of power in South Africa itself than for the white South Africans to see majority rule working successfully in Zimbabwe-Rhodesia and enjoying the support and friendship of Britain and the United States.

A change of heart by the British and American governments could, even now, ensure that the ballot box prevails over the bullet and the Western interest over the Soviet.

Do we owe the peoples of southern Africa—leave aside our own interests—any less?

U.S. FOLLY ON RHODESIA

(By Ernest W. Lefever)

As one who has often visited southern Africa and who last December observed what was perhaps the first genuine, multi-party election in Africa's history, I commend your editorial (Sunday, March 11) in support of the Hayakawa-McGovern resolution calling for a U.S. team to observe the Rhodesian elections in April. The December election in South West Africa/Namibia may be instructive.

In that sparsely settled territory four times the size of Britain, 92.9 per cent of the eligible voters—English, Afrikaners, Germans, Ovambos, Hereros, Namas, Bushmen, and others—registered. Of these, 83.3 per cent voted despite threats by SWAPO, the Cuban-assisted and Soviet-equipped guerrilla force based in Angola. Some 83.7 per cent of the voters supported moderate parties committed to a democratic Namibia. The five-day election took place in an atmosphere of racial harmony. Of the hundred plus foreign press and other observers, virtually everyone found it a model election. Politically, it was a body blow to SWAPO.

The situation is more difficult in Rhodesia because the so-called Patriotic Front terrorists have harassed a larger portion of the country. Also Cuban-trained and Soviet-equipped, these Marxist-oriented guerrillas based in Zambia and Mozambique have slaughtered missionaries and shot down two unarmed civilian planes in their effort to overthrow the interracial interim regime in Salisbury. Yet competent observers believe that most Rhodesians will be able to vote safely.

In Rhodesia as in South West Africa, the election is open to all parties willing to operate by constitutional and peaceful means. The Patriotic Front, like SWAPO, is determined to prevent orderly transition to majority rule. Both guerrilla groups, knowing they do not have majority support, have refused to compete peacefully for political power.

Since Congress has tied the lifting of economic sanctions against Rhodesia to tangible movement toward majority rule, it makes sense for impartial observers to see if the April elections represent such movement. Yet the State Department in its inscrutable double-think opposes this simple device and appears to regard the elections as illicit. This is a great irony. U.S. policy tends to legitimize the terrorists, who are brutally trying to sabotage the only available constitutional path to democratic, majority rule.

This issue is clear. It is not race or independence, but what kind of regime will wield power in Zimbabwe. If the Front prevails, the probable result will be a Marxist state like Angola, which violates human rights at home and pursues an adventurist policy abroad. With its 28,000 Cuban mercenaries and a large number of Russian and East German "advisors." Angola has become a staging ground for terrorist efforts to destroy the possibility of peaceful change in southern Africa.

If the constitution prepared by Ian Smith and the three black nationalist leaders—who command majority support—is ratified by the April election, there is a chance, perhaps slim, that Rhodesia-Zambabwe may become the first democratic, multi-party government in Africa. The prospects would brighten if Washington and Britain supported the democratic forces and surrendered their posture of malicious neutrality, which encourages Soviet conquest by proxy in this region of strategic importance for the United States and NATO.

True, the proposed constitution does not establish instantly a perfect, one-man-one-vote regime. It provides for 28 white seats in a legislature of 100. But this idea is endorsed by the black party leaders, who believe it will help ensure a smooth transition and discourage white flight with its disastrous economic consequences.

Further, several other black states, notably Tanzania, Zambia, and Kenya, have electorial arrangements that give minority Europeans or Asians a disproportionately higher representation in government.

There are those who express greater moral indignation over the proposed presence of 28 whites in the Rhodesian parliament than over the actual presence of 28,000 Cubans in Angola. They are more critical of less-than-perfect elections in southern Africa than of the absence of elections altogether in a score of black African states. Such are the vagaries of a split-level ethic reinforced by white guilt.

RHODESIA AND THE HYPOCRITES

(By William F. Buckley, Jr.)

Every time one concludes that the United Nations has exhausted its capacity to outrage, there is another meeting of the Security Council. This time around the Security Council passed a resolution the metamorphosis of which is itself interesting.

As originally proposed by seven members of the council, the resolution called for two things. The first, that the U.N. refrain from sending representatives to Rhodesia to observe the elections scheduled for April 20 on a new constitution. The second, that member states deny permission to non-governmental organizations to send observers.

One deduces that in the course of the discussion, someone reminded the proposers that here and there in the world are a few states which exercise no authority over what private organizations elect to observe or not to observe. That dizzying datum, no doubt, dismayed the most feverish critics of Rhodesia, whose struggle for the emancipation of Rhodesian blacks has so exhausted their idealistic energies that they have forgotten to emancipate their own citizens. Of the seven nations proposing the boycott of the Rhodesian elections only one practices democracy of any recognizable form.

Recently reports on life in Rhodesia have been published in two journals whose hostility to the regime of Ian Smith is legendary. In London's *Spectator*, columnist Richard West wrote that "It is now only a few months since Ian Smith's government abolished the last segregation laws with regard to schools, urban housing, bars, hotels, and the like. Yet now Rhodesia, pariah of western civilization, enjoys far better racial relations than most countries in Africa and even some countries outside, notably Britain." He contrasts the civility and amiability of Rhodesian race relations and the safety of its cities with those of England, to England's disadvantage. Perhaps, as one commentator has acidulously observed, "Some day integrated Rhodesia will be sending arms to West Indians in London and Birmingham."

And The New York Times' John Burns writes, "As for self-rule, many (Rhodesians, black and white) find British and American standards unusually exacting. Zambia's President Kenneth Kaunda recently won reelection after barring his leading rival by amending the election rules. Tanzanian President Julius K. Nyerere is notorious for the political detainees in his prisons. Neither Angola nor Mozambique, both Marxist, has held free national elections. Whatever its failings, the April election in Rhodesia is likely to be freer than many others, and the new Rhodesian constitution contains broader protections of human rights than those of most African states."

Well, then, how did the enlightened Western superpowers behave at the Security Council? France, Great Britain and the United States abstained. Once again, the Pontius Pilate vote. What the United States did, in effect, was to say: We do not desire to know what happens in Rhodesia on April 20 because we are precommitted to turning the government over to Marxist terrorists, that being what black African leaders seem to want.

It took those same leaders nine years to turn against Idi Amin. It will presumably take them that long to turn against President Robert Mugabe of Rhodesia—or will he style himself emperor, after the fashion of Bokassa, whose means of governing he is bound to emulate?

The opinion-makers in the United States will settle for nothing less than a Mussolini-type ending for Ian Smith and his advisers. Nothing appears to sadden our commentators more than any sign of racial progress initiated by whites. The estimable John Chancellor, on his television news program, greeted the abolition of the segregation laws with the comment that it does very little good to eliminate segregation laws when the fancy schools, restaurants and hotels are beyond the economic reach of the black inhabitants of Rhodesia.

But where is income irrelevant to access to the finest schools, hotels and restaurants? Rhodesia's per capita income compares favorably with that of the African states that wage war against it. It would compare far more favorably if the West were to conclude its wrongheaded boycott.

We live in an age when we boycott a nation struggling to achieve biracial constitutionalism, while extending (at last count) $40 billion of credit to the Soviet Union which persecutes Jews and Christians and after 62 glorious years of experimentation has failed to come up with a single reliable human right, which—of course—is why it is never criticized by the Security Council of the United Nations, the mother-lode of contemporary diplomatic hypocrisy.

SENATOR JEPSEN'S EXCELLENT TESTIMONY ON CARRYOVER PROVISIONS

Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Finance Committee, of which I am chairman, on Monday, March 12, held hearings on the carryover basis provisions of the estate tax law.

Under carryover basis, the original cost of an asset "carries over" from the decedent to the beneficiary. A tax upon appreciation of the asset is imposed whenever it is sold. Often the sale will occur during the administration of the decedent's estate.

Carryover basis was enacted, as a last minute measure, as part of the 1976 Tax Reform Act.

The 1976 carryover basis provisions are highly technical and have proved impossible to administer.

The last Congress agreed to a proposal, which I sponsored, to defer the effective date of carryover basis until December 31, 1979.

Carryover basis represents a fundamental change in the Tax Code.

The recent hearings before the Subcommittee on Taxation and Debt Management were the first opportunity for the Senator from Iowa (Mr. JEPSEN) to testify before a congressional committee. He picked a crucial and important topic. He convincingly details the adverse impact of carryover basis, particularly upon small businesses and farms.

Senator JEPSEN had an opportunity, in his recent campaign, to hear first hand the concerns of taxpayers about the heavy Federal tax burden. Taxpayers in farm States such as Iowa realize that carryover basis would be a severe blow to the family farm.

Because of inflation, farm land values have sharply increased. At death, the estate of the owner of a farm is faced with an estate tax based upon the current inflated value of the farm. The sale of some of this land to pay estate taxes will, under carryover basis, generate an income tax in addition to the estate tax.

Senator JEPSEN participated in a panel which included attorneys representing the bar associations of the States of Iowa, Colorado, and Illinois.

Each of these States has many ranches and farms. Unanimous testimony of the panel was that carryover basis would be extremely detrimental to the farmers and ranchers of each of these States. I commend Senator JEPSEN for his fine testimony.

So that other Members of the Senate may have an opportunity to review it, I ask unanimous consent to have Senator JEPSEN's testimony printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE HONORABLE ROGER W. JEPSEN

Mr. Chairman, thank you for the opportunity to testify before your subcommittee today on a matter of great importance to the people of Iowa: revision of the carryover basis provision of the Tax Reform Act of 1976.

Later this morning you will be hearing from expert witnesses far more competent than I to discuss technical aspects of the law, including Mr. Arley Wilson of the Iowa State Bar Association. Therefore, I will confine my remarks to more general aspects of the problem as I see them.

The Tax Reform Act of 1976 marked the high point in the drive for tax reform. While there are certainly innumerable aspects of the tax law which deserve reform and revision, the drive for tax reform which culminated in the Tax Reform Act of 1976 was really just a euphemism for soaking the rich. The goal of the reformers was quite simply to increase the tax burden on the "rich" so that taxes could be reduced for the poor. Since it was not feasible to increase statutory tax rates on the rich it was decided to attack "loopholes," and thereby raise the effective rate of taxation on high incomes.

The fuel for this tax reform effort was the erroneous notion that many, or even most, people with high incomes pay very little if any taxes. The logical corollary to this is that the poor are paying more than their share.

The true situation is quite different. According to the latest IRS figures those in the upper 50% of gross income classes, with incomes of $9,561 or more in 1976, paid 93.3% of all individual income taxes. Those in the top 25% of gross income paid 72.3% of income taxes. And those in the highest 10% of gross income paid 49.9% of all individual income taxes. By contrast, those in the lower half of gross income classes paid a mere 6.7% of total income taxes in 1976.

I am not suggesting, of course, that taxes be increased for those with lower incomes. I am merely suggesting that the emphasis on tax reform is misplaced. This is how we got ourselves into this carryover basis mess.

My understanding is that the rationale for changing the previous "stepped-up" basis for taxation of assets at death was that it constituted a tax loophole for those who died before disposing of their assets. In other words, you had to die first before being able to take advantage of this so-called loophole.

I have a lot of problems with this kind of rationale. In the first place I don't like the term tax loophole, or the newer term tax expenditure. These terms imply that the government has some preordained right to your income and if you are allowed to keep some of it by a provision of the tax law that there is something wrong with this.

Another problem I have is the implication that tax breaks, such as they are, are primarily available only to the rich. Actually, most tax breaks accrue to those with moderate incomes. Examples of these are the deduction for mortgage interest on owner-occupied homes, the deductability of property taxes on owner-occupied homes, the exclusion of employer contributions for medical insurance, medical care, and pension contributions. Those tax breaks which do appear to primarily benefit those with upper incomes, on the other hand, are much fewer in number than one would suspect, tend to have considerably less fiscal impact, and are often associated with things the government clearly wants to promote, such as charitable giving.

In the latest Federal budget, the tax expenditure for capital gains at death is listed as $9 billion in fiscal 1979 and $10 billion for 1980. By implication, the Treasury is saying that if carryover basis were fully implemented that taxes on the American people would increase by $9 to $10 billion. Although I question the basis on which these estimates are derived, nevertheless implimentation of carryover basis rules would amount to a significant tax increase.

I think this is entirely inappropriate at a time when individual income taxes are rising at the rate of $10 to $12 billion per year solely due to inflation, social security taxes have taken a giant leap, and the American people are revolting against the high level of taxes and spending.

This is the most important point I would like to raise today regarding this carryover basis problem: It is nothing more than an effort to raise taxes and redistribute income in the name of tax reform. This and similar so-called reforms are now associated in the public's mind with tax increases. Thus it is not surprising that Secretary of the Treasury Blumenthal has said "there is a big constituency in the country for tax reduction but not for tax reform, except as reform is used as a code word for reduction."

I agree.

Just to show the committee how far this reform thing can go if it is allowed to continue, let me draw your attention to Special Analysis G of the President's 1980 budget. This section discusses tax expenditures in detail including an explanation of particular items that are not yet subject to tax. In reading over this discussion there is a very strong implication that such items ought to be taxed. Let me quote one part:

"Imputed income from owner-occupied housing and other sources. A theoretically pure income concept would include imputations for income received in kind from the occupancy of a home owned by the taxpayer and for in-kind income from the ownership of other durable assets."

In other words, as I read it, if you live in your own house you are somehow escaping taxation to the extent that you ought to be paying rent to yourself and be taxed on the income! How utterly absurd a concept!

Under such logic the amount of taxes a person could theoretically be forced to pay escalates to infinity. Presumably, every time you mowed your lawn, or painted your house, or did any work for yourself at all the IRS could compute the value of such labor as though you hired yourself to do it and taxed such imputed income for tax purposes.

Lest anyone think that an absurdity such as this is not a real possibility, given the mentality of those in the Administration or its allies at the Brookings Institution, let me remind you that last year the Commissioner of Internal Revenue, Jerome Kurtz, launched a campaign to tax fringe benefits. The Congress was ultimately forced to restrain the IRS from such action by law. The logic of Kurtz's proposal is really no different from what I have just postulated. He wanted to say that if a person was given a parking space at work his gross income for tax purposes should be increased by an amount equivalent to what it would have cost that person to pay for parking. He even admitted that this approach to employee compensation could be extended to include such things as discount meals in company cafeterias, home grown food by farmers, medical and life insurance, and many other things that would have drastically increased the tax burden on working people.

I have gone rather far afield from a specific discussion of carryover basis, but I wanted to make it clear that carryover basis is only one aspect of a larger problem, which is the intrusion of the federal government into more and more areas of our personal life. The worst intrusion of all is when our personal property is confiscated from us. In my area of the country—Iowa—the people are extremely concerned that family farms and businesses will be lost forever due to already heavy estate taxes. Things like carryover basis can only make the situation worse. They are also upset about the incredible complexity and paperwork involved in complying with such laws. The people I represent want to pay their fair share of taxes but feel they are being forced to pay more than their fair share. Indeed, they feel that federal taxes today constitute virtual confiscation.

In closing, after which I will defer to my friend, Arley Wilson, who will discuss more technical aspects of the law, I would just say that anyone who does not believe there is a tax revolt in this country is simply living in a delusion. The people do not want carryover basis reformed so it will work, they want it abolished. They don't want tax reform, they want tax reduction. Unless we as legislators deal with this reality then we will justly deserve the wrath of the people.

SAFETY IN SKIING

Mr. HATCH. Mr. President, a recent issue of the Brigham Young University newspaper, the Daily Universe, carried a front page article on skiing safety and the efforts made by the National Ski Patrol to point out the importance of safety on the slopes.

Because the National Ski Patrol System is so expertly trained in first aid and emergency rescue, we forget that it is responsible for averting countless injuries through its program of safety education and rules enforcement. The need to enforce the rules of skiing is further emphasized in an editorial published in the Far West Ski News. In a direct way, this editorial states that adherence to the rules and courtesy of skiing is essential for everyone to enjoy this great sport and it solicits an even greater role for the Ski Patrol in this aspect of its job. I ask unanimous consent that the article from the Daily Universe and the Far West Ski News be printed at this point in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Patrol Gives Tips on Skiing Safety

(By Blake Garside)

Using common sense and avoiding dangerous situations will help skiers prevent most accidents, according to members of the Ski Patrol.

Steve Jorgensen, the Brighton patrol director, explained several ways to avoid accidents before and after skiers hit the slopes.

"People must realize what they can do to minimize their chances of an accident," he said. "For example, they need a constant equipment check of skis, boots, safety straps and especially bindings. Another essential part is physical conditioning, an area university students are particularly guilty of."

Jorgensen said most BYU students do not get proper exercise because of the amount of time they spend in class. "When they get up here their muscles are stiff and totally unprepared to handle the physical strain of the hill," he said. "A student should get involved in a pre-season physical conditioning program to get him or her ready for the slopes."

A 13-year skiing veteran, Jorgensen said, "We here at Brighton have an average 500 to 600 skiing accidents per year, which averages out to be 2 percent per skier visit. The people who are most prone to accidents are the low intermediates just learning to go fast, the novices and the older people."

Typical accidents, said Douglas Christenson, Alta ski patrol director, "are the leg and knee variety, reporting about 50 percent. Next most common are life threatening injuries dealing with the back and head, at 30 percent. The other 20 percent are lacerations.

"These accidents can't really be pinned down to a certain time of the day. but I will say this," Christenson explained. "A majority come toward the end of the day when the skier is trying to get in that last run. His body and muscles just can't take the stress and strain, and that's when he is susceptible to injury."

Ski rescues are usually carried out with a toboggan. If it's a serious injury, the person is taken off the hill by the "Life Flight," the LDS Hospital emergency helicopter.

"When we reach an injured person as ski patrolmen, emergency first aid is applied immediately," Christenson said. "The person is taken down the hill and, if the injury is serious enough, the Salt Lake County paramedics arrive and take over."

All ski patrollers are certified in advanced first aid and cardio-pulmonary resuscitation (CPR). "They are trained extensively in skiing proficiency, first aid, and toboggan handling through our in-house training," Christenson said.

All ski resorts are required to have a ski patrol, and most patrols have a combined membership of about seven paid professionals and 80 volunteers. Brighton has five full-time professionals, plus 60 volunteers. Alta has a staff of 18 full-time professionals and 15 part-time patrolmen.

"I hope students and the public will show some common sense when they're up on the slopes this season and just be aware of the dangers that are around them," Christenson said. "One other caution I would advise skiers to be aware of is always be prepared for weather changes. Please call the weather service before you come and let's have a safe skiing season."

Protect Our Skiers

(By Janelle Dykes)

It's an epidemic. Suddenly everyone is talking about out-of-control skiers. Some short comments in this column last month produced an avalanche of letters, phone calls and comments. One member (see letters column, this page) made an excellent point. He noted that though he agreed with my opinion the FWSA members don't contribute excessively to the out-of-control skier population, it's our members that these idiots are injuring. He urged a Protect Our Skiers campaign and asked ski areas to "get tough" with their customers who endanger others.

Doug Pfeiffer, who returned to California to manage a Snow Summit ski shop after more than a decade as an editor of national ski publications, expressed the opinion that part of the blame can be placed on the new rigid, hick-backed, plastic ski boots. Before the plastic boot revolution, a skier who sat back on his skis crashed within a few yards of his technical failure. Now, his boot backs hold him upright and he careens down the hill—gathering speed all the way—till he crashes into a relatively immovable object, which may be a tree, lift tower or your kid sister.

But clearly, as Pfeiffer went on to point out, much of the blame must rest squarely on the shoulders of the skier himself. California ski slopes are overcrowded, and somehow that brings out the most selfish facet of the already self-centered Me Generation. The problem isn't limited to skiing, of course. I watched a gentleman clearly old enough to know better pull the bottom box of lightbulbs out of a towering stack stored above a store display rack. At least 150 boxes crashed to the floor. He blamed it on the store for stacking them that way, but if he'd looked just two feet lower before he grabbed, he'd have seen the identical lightbulbs displayed for sale within easy access.

And as I drove down here today, I missed being sideswiped by inches as a lunatic-driven Camero careened through several lanes of slow-moving traffic. Three minutes later, I pulled up behind the car at a stoplight. Obviously the wild driving was for excitement only—it didn't save any time.

So what do we do about this irresponsibility when it takes over the ski slopes? Ski area operators have already tuned into the problem. Mammoth Mountain has set up special Slow Skiing Zones. Anyone caught not moving with the flow of ski traffic gets their lift ticket pulled. Mountain High gives a dollar off on lift tickets to skiers who can pass a rudementary ski safety quiz. The Far West Ski Association hopes to raise money for creation of a new ski safety film.

More ski area development plan I've read recently speaks to the need for separate slopes for beginners, intermediates and experts. Many areas seek to open alternate routes for experts to reach the bottom of the hill alleviating the current traffic jams at lunch and closing time. Out-of-control skiers become less of a hazard to others when slopes are less crowded. Years ago my younger brother and I loved to "schuss" down Loveland Basin, Colorado's top-to-bottom beginner's slope on days we played hooky from school. We were hardly more than beginners ourselves. But I never recall having to weave around other skiers, though we would switch our reversible parkas (remember those? flowers on one side, solid on the other?) as we entered the liftline to foil the ski patrol. Encroaching old age has cooled my affection for fast skiing, but I understand the appeal. Crowded slopes, however, make such exploits both foolhardy and criminally irresponsible. The State of California made the last description legal fact by making it a crime to leave the scene of a ski accident except to summon assistance.

Peer pressure may help in some cases. Nobody likes to be singled out as a lunatic while waiting in the liftline, and maybe the showoffs will feel less important if their idiocy earns them anger instead of awe.

It's a hard problem to solve. No one likes the idea of slopes crawling with ski cops issuing speeding tickets, but with the liability insurance problems faced by area operators and manufacturers, hoardes of out-of-control skiers may well force the areas' hand. Last year, FWSA members responding to a questionnaire expressed a willingness to have the new Hit-and-Run ski law strictly enforced. Perhaps the ski areas should take the growing concern among skiers as a mandate to toughen their attitude toward those who ski out-of-control.

Responding to the same questionnaire, one member suggested the only surefire method for ridding the slopes of Kamakazie lunatics. He said, "Get the Ski Patrol out on the sundeck with telescopic rifles and blast the ★¢&%$★★!'s off the slopes!" Hopefully a little more consideration for our fellow skiers can save us from that.

Mr. HATCH. Mr. President, the national ski patrol system also sponsors workshops and distributes literature on the proper maintenance and use of equipment, skis, boots, bindings, and poles. The Far West Ski News editorial alludes to "technical failure" as the cause of many accidents, a cause the national ski patrol system would like to help guard against. Ski patrollers will gladly double check the equipment of any skier, expert or beginner, without charge in an effort to prevent accidents.

A major Utah newspaper, the Ogden Standard-Examiner, has joined in support of S. 43, the National Ski Patrol System Recognition Act. The editorial appearing in the March 2 issue succinctly sums up the many accomplishments of the national ski patrol system and its need for a congressional charter. To share it with you, I ask unanimous consent that the editorial be printed in the Record.

There being no objection. the editorial was ordered to be printed in the Record, as follows:

National Ski Patrol Act

Legislation won on its way through Congress to establish the National Ski Patrol System as a federally-chartered agency would be most helpful to the health and safety of the nation's millions of winter sports enthusiasts.

The measure was introduced by Sen. Orrin Hatch, R-Utah, and is co-sponsored by 22 colleagues including Senators Malcolm Wallop and Alan R. Simpson from Wyoming, James A. McClure of Idaho and Paul Laxalt of Nevada.

Proponents point out that the National Ski Patrol, founded in 1938, now has more than 23,000 members in 42 states. It is both non-political and non-partisan and would remain that way if granted the proposed federal charter.

The patrol has saved countless lives by promoting greater safety practices on ski slopes throughout the U.S.A.

Its members, risking their own lives, have dug through avalanche debris to rescue unfortunate victims. They have worked through stormy nights to find lost skiers.

And their brightly-colored jackets, so visible on the ski hills, have always been seen—quickly—at the scene of any accident, especially those requiring first aid or transportation of injured skiers to hospitals.

Enactment of Sen. Hatch's measure—officially labeled as Senate Bill No. 43—would give the National Ski Patrol System the same important recognition as an American asset as already accorded the Red Cross, Boy Scouts and Girl Scouts.

It would also provide national standards and organizational methods that would enhance the value of this hard-working group.

This is of prime importance in view of the steady increase in popularity of winter sports all over the country.

The bill has an international aspect, too, since the Ski Patrol is the agency best equipped to exchange training information and techniques with similar agencies in other nations.

We urge both houses of Congress to enact the National Ski Patrol System Recognition Act of 1979 as an important contribution to safer winter recreation.

Mr. HATCH. Mr. President, 25 of our colleagues have already joined as sponsors of S. 43, recognizing the importance of the National Ski Patrol not only to the aid and rescue of accident victims, but to the promotion of safety in skiing. I urge all of my distinguished colleagues to consider what the National Ski Patrol means to the winter sports enthusiasts and ski areas in your States and join us in support of this bill. I ask unanimous consent that the bipartisan list of sponsors be printed in the Record.

There being no objective, the list was ordered to be printed in the Record, as follows:

Sponsors of S. 43, the National Ski Patrol System Recognition Act

(In alphabetical order, as of March 1, 1979)

1. William L. Armstrong, R–CO.
2. Henry Bellmon, R–OK.
3. William S. Cohen, R–ME.
4. Alan Cranston, D–CA.
5. Dennis DeConcini, D–AZ.
6. Robert Dole, R–KS.
7. John A. Durkin, D–NH.
8. Mike Gravel, D–AK.
9. Mark O. Hatfield, R–OR.
10. Jesse Helms, R–NC.
11. Ernest F. Hollings, D–SC.
12. Gordon Humphrey, R–NH.
13. Paul Laxalt, R–NV.
14. Patrick J. Leahy, D–VT.
15. Warren G. Magnuson, D–WA.
16. James A. McClure, R–ID.
17. John Melcher, D–MT.
18. Daniel Patrick Moynihan, D–NY.
19. Donald W. Riegle, D–MI.
20. Harrison Schmitt, R–NM.
21. Alan Simpson, R–WY.
22. Robert T. Stafford, R–VT.
23. Ted Stevens, R–AK.
24. Malcolm Wallop, R–WY.
25. Harrison A. Williams, Jr., D–NJ.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

EXTENSION OF THE PUBLIC DEBT LIMIT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 2534, which the clerk will state by title.

The legislative clerk read as follows:

A bill (H.R. 2534) to provide for a temporary increase in the public debt limit, and for other purposes.

The Senate proceeded to consider the bill.

Mr. TALMADGE. Mr. President, I ask unanimous consent that during Senate consideration of H.R. 2534, the following staff members of the Committee on Finance and the Joint Committee on Taxation be permitted on the floor:

Committee on Finance: Michael Stern, William Morris, Edward Hawkins, Joseph Humphreys, Charles Bruce, Jack Curtis, and James Heinhold.

Joint Committee on Taxation: Bernard Shapiro, Mark McConaghy, Michael Bird, James Wetzler, and Randy Weiss.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, the distinguished acting Republican leader is now in the Chamber. With his approval, I make the following unanimous-consent request:

I ask unanimous consent that with the exception of Calendar Order No. 45 on the Executive Calendar, the Senate go into executive session to consider all the other nominations on the calendar, consider them en bloc, confirm them en bloc, a motion to reconsider en bloc to be laid on the table, that the President be immediately notified of the confirmation of the nominations, and that the Senate return to legislative session.

Mr. STEVENS. Reserving the right to object, and I do not believe I will object, I would like to ask the distinguished majority leader if we could have an understanding that the statements to be made by Senator Percy and Senator Thurmond with regard to specific nominations could appear in the Record as each of these are printed in the Record?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. They will be printed in the Record. At a later time, we could have a brief moment of executive session so that could be done then. Would that be agreeable? Maybe we will not need that. I will just make a unanimous-consent request that the statements they make will appear in the Record at the point of the nominations.

Mr. ROBERT C. BYRD. Yes. I include that in my request.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. And that would include the motion to lay on the table.

Mr. ROBERT C. BYRD. That is correct.

Mr. STEVENS. Thank you, Mr. President.

(Nominations confirmed en bloc are as follows:)

Department of State

Joan Margaret Clark, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malta.

Loren E. Lawrence, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Jamaica.

Richard Elliot Benedick, of California, Coordinator for Population Affairs, to be Ambassador.

Francis J. Meehan, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Czechoslovak Socialist Republic.

U.S. Fire Administration

Gordon Vickery, of Washington, to be Administrator of the U.S. Fire Administration.

National Railroad Passenger Corporation

S. Lee Kling, of Missouri, to be a member of the Board of Directors of the National Railroad Passenger Corporation for a term expiring July 18, 1981.

U.S. Railway Association

Thomas P. Salmon, of Vermont, to be a member of the Board of Directors of the U.S. Railway Association for the remainder of the term expiring July 8, 1982.

The Judiciary

Phyllis A. Kravitch, of Georgia, to be U.S. circuit judge for the 5th circuit.

John G. Penn, of Maryland, to be U.S. district judge for the District of Columbia.

Abraham D. Sofaer, of New York, to be U.S. district judge for the southern district of New York.

Robert E. Keeton, of Massachusetts, to be U.S. district judge for the district of Massachusetts.

John Joseph McNaught, of Massachusetts, to be U.S. district judge for the district of Massachusetts.

David Sutherland Nelson, of Massachusetts, to be U.S. district judge for the district of Massachusetts.

Foreign Claims Settlement Commission of the United States

Richard W. Yarborough, of Texas, to be a member of the Foreign Claims Settlement Commission of the United States for a term of 3 years from Oct. 22, 1978.

Commission on Civil Rights

Louis Nunez, of Maryland, to be Staff Director for the Commission on Civil Rights.

Department of Justice

Gary Louis Betz, of Florida, to be U.S. attorney for the middle district of Florida for the term of 4 years.

Henry S. Dogin, of New York, to be Administrator of Law Enforcement Assistance.

Department of Commerce

Sidney A. Diamond, of Arizona, to be an Assistant Commissioner of Patents and Trademarks.

The Judiciary

Rya W. Zobel, of Massachusetts, to be U.S. district judge for the district of Massachusetts.

Communications Satellite Corporation

Jesse Hill, Jr., of Georgia, to be a member of the Board of Directors of the Communications Satellite Corporation until the date of the annual meeting of the Corporation in 1979.

Joan Fleischmann Tobin, of the District of Columbia, to be a member of the Board of Directors of the Communications Satellite Corporation until the date of the annual meeting of the Corporation in 1980.

Jesse Hill, Jr., of Georgia, to be a member of the Board of Directors of the Communications Satellite Corporation until the date of the annual meeting of the Corporation in 1982.

Federal Communications Commission

Anne P. Jones, of Massachusetts, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1978.

STATEMENT ON THE CONFIRMATION OF HENRY S. DOGIN, OF NEW YORK, TO BE ADMINISTRATOR OF LEAA

Mr. PERCY. Mr. President, I would like to take this opportunity to offer my strong support for the recent nomination of Henry S. Dogin to be Administrator of the Law Enforcement Assistance Administration. Originally nominated and confirmed as Deputy Administrator for Policy Development, Mr. Dogin has served as Acting Administrator since November of last year. Even in that short period, he has reaffirmed his credentials as a strong and dynamic leader in the law enforcement field.

Mr. Dogin's nomination as Administrator of LEAA is the latest in a long line of accomplishments in his distinguished career. Immediately prior to coming to LEAA, Mr. Dogin served as first deputy commissioner of the New York State Division of the Criminal Justice Services. In addition, Mr. Dogin has served in several posts at the Department of Justice, including Deputy Assistant Attorney General of the Criminal Division from 1973 to 1975.

It was during Mr. Dogin's tenure as Acting Administrator of the Drug Enforcement Administration (DEA) that I first became aware of his competence as a law enforcement official and talent as an administrator. As Acting Administrator during 1975 and 1976, Henry Dogin became head of DEA at a time when the credibility and morale of the agency was at an all-time low. He initiated several far-reaching and significant reforms which ranged from a serious effort to end the long-standing and bitter conflict with the U.S. Customs Service; to instituting a new career development program within the DEA; to upgrading the status and quality of the highly important Office of Inspection (responsible for investigating integrity problems internal to the agency), to attempting to focus the Federal drug enforcement effort on major interstate and international violators rather than the street-level pushers or small users.

Mr. Dogin's tenure at DEA clearly contributed to making that agency more effective in fighting drug abuse, one of the deplorable problems facing our country today. His success at DEA was underscored when he received the Department of Justice Exceptional Service Award in 1975.

I am confident that Mr. Dogin will serve with the same sensitivity, foresight, dedication, honesty, and professionalism that he has exhibited in the past. During the past 4 months, while working in the capacity of Acting Administrator, he has already taken steps which demonstrate that he is familiar with some of the most pressing problems that confront the American law enforcement community.

For example, Mr. Dogin has directed his agency to sharpen and intensify its efforts regarding arson-for-profit, one of the fastest growing and most serious problems in America today. As has been borne out in hearings before the Permanent Subcommittee on Investigations, on which I serve as ranking minority member, the alarming increase in the frequency of this crime demands more attention from our Nation's law enforcement agencies. Mr. Dogin's actions have established that he recognizes the need for action in this matter; under his guidance, the Department of Justice recently sponsored a workshop on arson which brought together law enforcement officials, local authorities, firefighters and representatives of the insurance community from all over the country. I applaud his recognition of the problem and urge him to continue his efforts in dealing with this crime which threatens the revitalization of many of our major cities.

I congratulate Mr. Dogin on his appointment and urge the Senate to support his nomination as Administrator of LEAA.

STATEMENT ON THE CONFIRMATION OF HENRY S. DOGIN, OF NEW YORK, TO BE ADMINISTRATOR OF LEAA

Mr. THURMOND. Mr. President, I am pleased to add my support to the rest of the members of the Senate Judiciary Committee who have ordered reported favorably without opposition, the nomination of Henry S. Dogin to be Administrator for the Law Enforcement Assistance Administration.

Mr. Dogin comes to this very important position with qualifications that are almost unmatched and which make him uniquely qualified to asume the position for which he has been named. Since last fall Mr. Dogin has served as Deputy Administrator for Policy Development and has been Acting Administrator. He has quickly grasped hold of the reins of the agency and has set a positive course for returning stability to an agency that has been without political leadership for almost 2 years.

Mr. Dogin was for several years a prosecutor in New York State having done his law work at Columbia University Schol of Law. In 1971, when the New York regional office of LEAA was established, Mr. Dogin became the Deputy Regional Administrator and served there for 2 years with distinction. In 1973, he was called to the Justice Department where he became Deputy Assistant Attorney General in the Criminal Division for Administration and among other responsibilities, was in charge of the organized crime task forces. In 1975, he was the Acting Administrator of the Drug Enforcement Administration at the Department of Justice. He served during troubled times in that agency and was able to make very significant contributions to the organizational effectiveness and efficiency of DEA.

Since 1976, he has served as the State Planning Agency director of the LEAA program in New York State. This is the State agency, funded with LEAA funds, which administers the LEAA block grant program. New York State, of course, receives LEAA funds according to the population formula as do all States. This means that New York receives the second largest allocation of these funds, second only to California. In this capacity, Mr. Dogin has had a major responsibility in the administration of the LEAA program.

Mr. President, this unique combination of criminal justice and administrative experience makes Mr. Dogin an excellent choice to assume the responsibilities of the Office of the Administrator of LEAA.

STATEMENT ON THE CONFIRMATION OF SIDNEY A. DIAMOND TO BE AN ASSISTANT COMMISSIONER FOR PATENTS AND TRADEMARKS

Mr. President, we now proceed to the nomination of Sidney A. Diamond of Arizona to be an Assistant Commissioner of Patents and Trademarks.

The Patent and Trademark Office is one of our most interesting and important Government agencies. It stands at the crossroads of law, business, and technology.

On the patent side of the Patent and Trademark Office's operation, there is the patent system, an institution almost as old as the Nation itself, the first patent law having been enacted in 1790. It is a system which has served its constitutional purpose—"to promote the progress of science and useful arts"—by stimulating not only invention and innovation, but also investment in the practical application and commercialization of new products and processes. These together lie at the heart of America's dramatic progress from an agrarian Nation to a great technological and industrial leader.

However, there is currently great concern for the innovative process in our country today. An advisory committee to the ongoing Domestic Policy Review on Industrial Innovation has recently reported that the number one priority in terms of how the patent system might be strengthened to help solve this problem is to upgrade the Patent and Trademark Office. We certainly hope that the President will thoroughly investigate this problem. Certainly we in the Congress of the United States must become more interested in the patent system and in the role of the Patent and Trademark Office in that system.

The incentives provided by the patent system to invent, innovate, disclose, and commercialize new technology have played an indispensable role in the scientific achievement and economic growth of this Nation. In a literal sense, the history of this Nation's economic and social progress is recorded in the over 4 million U.S. patents which the Patent and Trademark Office has issued since 1790.

Our trademark system is equally important to our country and probably far more familiar to the people of the United States, and the world. Each day every person comes into contact with literally thousands of trademarks—each time someone asks for a "Coke" or "Pepsi" soft drink; looks at an "Accutron" wristwatch; starts a "Chevrolet" automobile—they are affected by our trademark system.

Today trademarks are a part of the everyday scene for almost everyone. They have been adopted by companies all over the world as a means of identifying their products or services in order to distinguish them from those of its competitors. Trademarks also provide a means by which consumers can make intelligent choices. It would indeed be difficult to do our shopping if everything came packaged in a plain brown wrapper.

The role of consumer protection that trademarks play should be underscored. Trademarks protect the public so that it may be confident that, in purchasing a product bearing a particular trademark which it favorably knows, it will get the product which it asks for and wants to get. Moreover, the exclusive rights in a trademark protect the owner of a mark who has spent energy, time, and money in developing a quality product which is presented to the public.

Not all trademarks are registered in the Patent and Trademark Office. Federal registration is not mandatory. However, registration in the Patent and Trademark Office provides several advantages, including:

It gives notice to the world of a claim to the mark;

It creates presumptions of ownership and the exclusive right to use;

It may eventually represent conclusive evidence of the right to exclusive use; and

It may be the basis for obtaining registrations in certain foreign countries.

However, although our trademark system is important and must be efficiently operated by the Patent and Trademark Office, this new upsurge in trademark applications has not been met by increasing the capacity of the Patent and Trademark Office to handle it. In fact, the capacity of the trademark operation has, in recent years, been reduced. If the trademark operation cannot promptly register applications within, say, the 3-month time to first actions of the recent past, how long can the trademark system remain effective? Will business enterprises wait for 1 year or 2 years for trademark protection, or will they abandon the system?

If confirmed as the Assistant Commissioner for Trademarks, Sidney Diamond will be responsible for meeting these new challenges to the trademark system. We are confident that Mr. Diamond can perform this task of national importance with distinction.

Sidney Diamond is a trademark expert with both a national and an international reputation as attorney, author, and lecturer. A native of New York City, he has been living for the past 8 years in semiretirement in Tucson, Ariz., spending much of his time on bar association activities. Among other things, he has served during his career as chairman of the American Bar Association's section of patent, trademark and copyright law, vice president of the Copyright Society of the U.S.A., and chairman of the editorial board of the Trademark Reporter, published by the U.S. Trademark Association. The Nation is fortunate that a man of such talents is willing to leave his home in Tucson and devote himself to Government service.

STATEMENT ON CONFIRMATION OF THOMAS P. SALMON, OF VERMONT, TO BE A MEMBER OF THE U.S. RAILWAY ASSOCIATION

Mr. LEAHY. Mr. President, I want to offer my congratulations today to my good friend and former Vermont Governor Thomas P. Salmon who today was confirmed as a member of the U.S. Railway Association Board of Directors. Tom will be a tremendous asset to this important administration.

Tom Salmon's accomplishments are well known in my home State and throughout the country. As Governor of the Green Mountain State from 1972 to 1976, he was noted as an environmentalist and an administrator. Since his departure from the political world in 1978, he has been working in private practice in Rockingham, a small Vermont town on the Connecticut River.

I have given Governor Salmon my total support for a post on the rail board. The future of rail freight in this country is at a turning point, and I am sure that Tom, with his expertise in fiscal management and his innovative ideas, will be a valuable addition to the USRA Board. As this board oversees the operations of the Consolidated Rail Corporation (ConRail) in the coming years, the system will be in good hands with Governor Salmon.

LEGISLATIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume legislative session.

EXTENSION OF THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll. The assistant legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PUBLIC DEBT LIMIT AND DEBT MANAGEMENT

Mr. TALMADGE. Mr. President, this bill, H.R. 2534, deals with the public debt limit and two matters which relate to debt management. The Committee on Finance reviewed the bill as reported by the Ways and Means Committee prior to House action in one of its recent meetings. Having agreed to the provisions in the bill, the committee decided to request that the bill, if passed by the House without change, be kept at the desk to expedite its consideration.

PUBLIC DEBT LIMIT

The first provision in the House-passed bill deals with the public debt limit. At present, the limit on the amount of public debt is $798 billion, and authority to issue $398 billion of this total is available temporarily through March 31, 1979. After that date, the temporary authority will expire, and only the permanent authority to issue $400 billion in debt will continue to be available.

This bill, which the House passed last week, increases the debt limit to $830 billion through September 30, the end of this fiscal year. This limit is $6 billion below the amount specified as the appropriate public debt limit in the second budget resolution that was passed last September. This limit also is $6 billion below the amount requested by the administration for meeting the Federal Government's fiscal year 1979 financial obligations which Congress approved before the start of this fiscal year.

Both the proposed level of debt and the period during which it will be available have been selected to meet Federal fiscal needs until after Congress completes action on the second budget resolution for fiscal year 1980. At that time, in the second half of September, Congress will be able to set a public debt limit for fiscal year 1980 that is consistent with the budget priorities which will be reflected in the budget resolution and the appropriations bills.

Thus, the debt limit increase in this bill does nothing more than assure that the Federal Government will be able to meet its past obligations until the members have been able to shape future budgets to their satisfaction.

If a bill is not passed before the end of March, a series of events will take place. The Federal Government will be required to suspend two auctions of Federal debt scheduled for March. At the same time, trust funds will lose about $260,000 in interest over 4 days because surplus funds could not be invested in U.S. securities. All other obligations probably can be met through March from the normal cash flow from tax revenues and fees.

These management changes do not describe the full story. Secretary of the Treasury Blumenthal wrote in a letter of March 12, 1979, to Chairman ULLMAN of the House Ways and Means Committee that—

> Postponement of those auctions poses risks to the stability of the United States capital markets and the international position of the dollar.

In the auctions, holders of maturing issues tend to replace them with the new issues; rollovers account for significant percentages of the new issues. Delays in the auction lead investors to make other commitments for their funds which tend to increase the interest rate on U.S. securities and cause sudden large shifts in money and debt instruments for purely temporary accommodations. Interest rates will tend to fall if large sums of money move out of governments into private instruments. When the auction does take place, it is probable that a higher interest rate will be needed on U.S. securities in order to reverse the flow of funds: On the $3.5 billion issue of 2-year notes, an interest rate higher by one-quarter of 1 percent costs $8.75 million a year.

To the extent agencies of foreign governments and firms engaged in international business are not able to rollover their holdings of the maturing issues, they could decide to invest their funds in other currencies. That action would cause the value of the dollar to fall, thus offsetting some of the gains made during the past 4 months.

If enactment of this bill is delayed past this month, the public debt limit will fall to $400 billion on April 1. Secretary Blumenthal has written that the cash balance may be large enough to meet payments through April 3. After the day on which the cash balance runs out, the Federal Government will face the prospect of default of its obligations: It will not be able to reissue maturing debt or issue new debt including savings bonds, pay interest on outstanding debt, pay social security and other entitlement benefits, pay employee wages and salaries, pay business firms under contract to supply goods and services, or pay on grants and other commitments to State and local governments. Each of these individuals, firms and governments will have to draw on its own resources by borrowing or disinvesting.

(Mr. HARRY F. BYRD, JR., assumed the chair).

Mr. TALMADGE. For these reasons, it is necessary not to delay any further passing this debt limit increase.

INCREASE IN LIMIT ON LONG-TERM AUTHORITY

The second provision in the House-passed bill deals with the authority of the Treasury Department to issue long-term bonds. Since 1970, Congress has allowed the Treasury Department to issue bonds which carry interest rates above the statutory ceiling of 4¼ percent. This ceiling applies to U.S. debt with maturities longer than 10 years which are held by the public. When Congress agreed to an administration request for an additional exception, it acted only with respect to the immediately prospective financial requirements.

At the present time, the exception provides authority for $32 billion of these bonds to be outstanding. The Treasury Department estimates that $2 billion in current authority has not yet been used, and an additional $8 billion in authority would be needed for the Treasury Department to complete its financing program for fiscal year 1979.

In the past, Congress has accommodated administration requests for an addition to this exception with just enough to meet requirements in the immediate future, being wary of granting too much authority for long-term bond issues at any one time.

The committee agrees with the House action to provide the administration with an additional $8 billion in authority up to $4 billion which is just enough authority to carry out its bond program in the immediate future.

DISCRETIONARY AUTHORITY TO RAISE SAVINGS BONDS INTEREST RATES

The third provision in the House-passed bill deals with the discretionary authority available to the Treasury Department to raise interest rates on savings bonds. In recent months, the value of redemptions of savings bonds has been greater than the value of the bonds. The administration believes that, if this trend continues, an increase in the interest rate of savings bonds above the present 6-percent limit will be required to make U.S. savings bonds an attractive investment once again.

Accordingly, the committee approves the House provision that grants the Secretary of Treasury additional discretionary authority to raise the interest rate on U.S. savings bonds by raising the limit from 6 to 7 percent. Approval by the President is required before the Secretary of the Treasury can use this discretionary authority.

The Committee on Finance recommends that the Senate pass this bill without amendment.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DeConcini). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 111

Mr. DOLE. Mr. President, I appreciate the statement just delivered by the distinguished Senator from Georgia.

I think perhaps, since our distinguished chairman (Mr. Long) cannot be available until a little later on, that I would like to call up amendment No. 111 and ask for its immediate consideration. Mr. President, I do call up amendment No. 111.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. Dole), for himself and Mr. Armstrong, proposes amendment No. 111.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, after line 16, insert the following:

Sec. 5. (a) It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) which provides for any further increases in the statutory limit of the amount of public debt beyond the statutory limit in effect on May 1, 1980, for any period during any fiscal year beginning after September 30, 1980—

(1) until the second required concurrent resolution on the budget for such fiscal year has been agreed to pursuant to section 310 of the Congressional Budget Act of 1974, and

(2) unless—

(A) the appropriate level of the total budget outlays for such fiscal year as set forth in such concurrent resolution is equal to or less than the recommended level of Federal revenues for such fiscal year as set forth in such concurrent resolution, or

(B) such concurrent resolution is agreed to in both the House of Representatives and the Senate by a vote of more than two-thirds of the Members voting (a quorum being present).

(b) The provisions of this section shall take effect on the date of the enactment of this Act.

Mr. DOLE. Mr. President, it might save some time later on if I explain the amendment, then we can go over until Senator Long arrives. I will be happy to discuss it further when Senator Long is able to be here.

Mr. President, amendment No. 111 is an amendment to H.R. 2534, the Public Debt Limit and Debt Management bill.

Mr. President, my amendment is similar to that offered by a bipartisan group of House Members led by Representatives Lott, Gramm, and Jones.

PUBLIC DEBT

The amendment increases and extends the combined temporary and permanent debt at the same level as that contained in the House-passed bill through September 30, 1979. So from that standpoint there is no change. Unlike the House amendment, it does not address the matter of any additional increases in the debt limit for fiscal year 1980. The amendment provides that beginning with fiscal 1981 there may be no more debt limit increases unless the second concurrent resolution on the budget provides for a balanced or surplus budget or more than two-thirds of both the House and Senate agree to a resolution that projects a deficit.

BALANCED BUDGET

This proposal provides a unique, early opportunity to implement the Harry Byrd amendment to Public Law 95-435. The Byrd amendment stated the congressional desire for a balanced budget by fiscal year 1981. It was passed by a substantial margin in the Senate. This amendment is a positive first step toward a balanced budget yet it contains the flexibility needed in any such proposal. It permits the budget to be in a deficit if two-thirds of both Houses of Congress agree.

The proposal is consistent with the administration's own most recent projections of a surplus in fiscal year 1981. The March update of the President's budget prepared by the Office of Management and Budget projects a small surplus in 1981, as I recall, it is about $300 million.

The amendment also allows sufficient time for the administration and Congress to plan for the difficult choices a balanced budget will impose.

Finally, the proposal permits increases after the budget is balanced. This is necessary because even with a balanced budget the public debt is likely to increase because of off-budget items, trust fund investments and cash-flow shortfalls.

Mr. President, the House amendment was strongly supported by a bipartisan group. It was narrowly defeated on a vote to change the rule. That vote was 201 to 199.

GROWTH IN FEDERAL SPENDING

This is an important opportunity for the Congress to show the American people that it also is in favor of a balanced budget. While not having the binding effect of a constitutional amendment, this amendment at least is a first step to solve the serious problem of deficit budgets.

Despite repeated increases in taxation, Federal spending has persistently outstripped available revenues. Since 1950, the Federal budget has been balanced in only 5 years. Even more alarming is the fact that the budget has not been balanced at all during this decade. Deficit spending seems to have become the norm for Federal fiscal policy. Thus, deficits are incurred regardless of whether business conditions are poor or whether the economy is booming.

At the same time, Federal budget deficits have been increasing in size. This has brought about a dramatic growth in the already staggering national debt. In 1970, the national debt has more than doubled to $798 billion. The administration is currently seeking authorization to increase the total national debt by another $38 billion to $836 billion just to finance our debt needs through the end of this fiscal year.

I might suggest that it is not just a cause of concern since this administration came to power. It has been a cause of concern for the past several years in any administration. It is not the fault of President Carter. It is not the sole fault of President Carter, nor was it the sole fault of any of his predecessors. But it is an area I think the American people are demanding we address, and that we address responsibly.

INFLATION

The President has correctly identified inflation as our most serious domestic problem. Inflation has been called the cruelest tax of all because it hits the poor and elderly the hardest. The Federal Government itself is largely responsible for the problem since substantial and persistent Federal deficit spending is one of the root causes of inflation. When the Government runs a deficit, it pumps more money into the pocketbooks of its citizens than it collects from them in taxes. Since more money is "chasing" the same number of goods, in the long run the price of goods must increase.

In order to finance its deficit spending, the Federal Government must borrow enormous amounts of additional capital each year. Last year the Government borrowed $72 billion to finance deficits and this year it will borrow another $67 billion. This heavy governmental borrowing has a significant adverse effect on the money markets by creating an upward pressure on interest rates and by displacing investment that would otherwise be made in the private sector. Thus, Federal deficit spending diverts capital from more productive investment in the private sector, further aggravating the serious shortage of private investment capital.

Mr. President, I urge all of my colleagues to join together to support this important first step toward balancing the budget.

Mr. President, I ask unanimous consent that the distinguished Senator from Texas (Mr. Tower) and the distinguished Senator from New Mexico (Mr. Domenici) be added as cosponsors to the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that Jack Nutter, Bob Lighthizer, and Rod Dearment of the Finance Committee staff be granted the privileges of the floor during the consideration of the debt limit bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I yield to the distinguished Senator from Georgia.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I ask unanimous consent that the Senator from Alaska (Mr. Stevens) be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, with the approval of the distinguished manager of the bill, Mr. Talmadge, I ask unanimous consent that the pending amendment may be set aside temporarily, if another Senator wishes to call up another amendment; that this process may be repeated as long as it meets with the approval of the distinguished Senator from Georgia (Mr. Talmadge), with the understanding that he can interpose an objection at any point; that this process may proceed as long as Senators wish to call up amendments and have them debated, with the understanding that there would be no votes thereon until such time later in the day when the distinguished Senator from Georgia (Mr. Talmadge) and the distinguished Senator from Louisiana (Mr. Long) are prepared to proceed to votes, if that time does come.

Mr. TALMADGE. Mr. President, will the distinguished majority leader yield?

Mr. ROBERT C. BYRD. I yield.

Mr. TALMADGE. Mr. President, the distinguished chairman of the Finance Committee is en route from Louisiana to the floor of the Senate. It is anticipated that he will arrive here at or about 2:30 p.m.

The pending amendment is the Dole amendment, No. 111. Of course, no other amendment can be offered or considered unless the distinguished Senator from Kansas withdraws that amendment temporarily, as he has agreed to do.

Other amendments are at the desk: Amendment No. 110, offered by Senator Armstrong; amendment No. 112, offered by Senator Packwood; amendment No. 113, offered by Senator DeConcini.

I have no objection to what has been proposed by the majority leader and the distinguished Senator from Kansas.

It might save time if the Senators would discuss their amendments now, with the proviso that the Senator from Louisiana, the distinguished chairman of the committee, will have ample time to debate them when he arrives on the Senate floor; with the further proviso that no votes should be held on these amendments until the distinguished chairman of the committee arrives. That is perfectly agreeable with me.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. DOLE. Mr. President, I have discussed this with Senator Armstrong, and I think he would prefer to wait until we have disposed of amendment 111, before he offers amendment 110.

We are now checking with Senator Packwood with reference to amendment 112. Senator DeConcini is occupying the chair, and I understand that he would be willing to offer his amendment, so that we could make some progress.

I will check with Senator Packwood.

Mr. ROBERT C. BYRD. I add to my unanimous-consent request that, at such time as Senators no longer rise to call up an amendment or debate an amendment, other Senators who wish to speak out of order on a matter may do so, until Mr. Long arrives.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Georgia and the distinguished Senator from Kansas.

Mr. TALMADGE. I thank the distinguished majority leader.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, in accordance with unanimous-consent agreement which was agreed to by the Senate and proposed by the distinguished majority leader, I ask unanimous consent that the Dole amendment, No. 111, be temporarily laid aside and that the distinguished Senator from Arizona (Mr. DeConcini) have an opportunity to call up amendment No. 113 and discuss it at this time.

I ask unanimous consent that at the conclusion of the remarks by the distinguished Senator from Arizona, the Dole amendment, No. 111, then be made the pending business before the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

Mr. DeCONCINI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Talmadge). Without objection, it is so ordered.

AMENDMENT NO. 113

Mr. DeCONCINI. Mr. President. I call up amendment No. 113.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. DeCONCINI. Mr. President, I ask unanimous consent that further reading of the amendment to dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, after line 14, add the following new sections:

Sec. 5. In exercising its powers under Article I of the Constitution, and in particular its powers to lay and collect taxes, duties, imposts, and excises and to enact laws making appropriations, the Congress shall seek to assure that the total outlays of the Government during any fiscal year do not exceed the total receipts of the Government during such fiscal year.

Sec. 6. No later than the twentieth day after the close of each fiscal year, the President shall—

(1) ascertain the total receipts of the Government during such fiscal year, not including any receipts derived from the issuance of bonds, notes, or other obligations of the United States, and not including any receipts from any income tax surtax imposed under this article;

(2) ascertain the total outlays of the Government during such fiscal year, not including any outlays for the redemption of bonds, notes, or other obligations of the United States; and

(3) if the total receipts described in paragraph (1) are less than the total outlays described in paragraph (2), determine the percentage rate of income tax surtax, to be imposed as provided in section 3, which is necessary to provide an additional amount of revenue equal to the amount by which such total receipts are less than such total outlays, and transmit to the Congress, by special message, the rate of income tax surtax so determined.

Sec. 7. Subject to the provisions of section 8, an income tax surtax, at the rate determined and transmitted by the President under section 6—

(1) shall be effective for the calendar year following the close of the fiscal year with respect to which the determination was made, or for so much of such calendar year for which such surtax is not suspended under section 8, and

(2) shall apply, as an additional income tax for the period for which it is in effect, with respect to the income tax liability of each taxpayer which is attributable to the portion or portions of such taxpayer's taxable year or years which fall within such period.

The income tax liability attributable to a portion of a taxable year falling within a period shall be based upon the ratio of the number of days in the taxable year within such period to the total number of days in the taxable year.

Sec. 8. In the case of a grave national emergency declared by Congress (including a state of war formally declared by Congress), the income tax surtax which would otherwise be in effect for a calendar year under section 7 may be suspended for such year, or a portion thereof, by a concurrent resolution agreed to by a rollcall vote of two-thirds of the Members present and voting of each House of Congress, with such resolution providing the period of time, if less than the whole calendar year, during which such surtax is to be suspended.

UP AMENDMENT NO. 48

Mr. DeCONCINI. Mr. President, I further ask unanimous consent that my amendment No. 113 be modified as follows:

On page 2, line 16, strike "3" and insert in lieu thereof "7".

The PRESIDING OFFICER. The Senator has the right to modify his amendment, and it is so ordered.

Mr. DeCONCINI. Mr. President, the focus in the existing budgetary process is almost exclusively on expenditures. We estimate revenues and try to adjust outlays accordingly. But there is no direct and explicit mechanism for coordinating revenue decisions with particular authorization and funding decisions. To be sure, the congressional budget process directs attention in a general sort of way to these relationships. But, to all intents and purposes, the process of forming tax policy still involves a different set of actors, roles, and interests than do the budgetary and appropriations processes. Moreover, even when tax policy remains relatively constant, revenues may fluctuate owing to economic circumstances. The upshot is that the revenue side of the budget is, as a practical matter, uncontrollable. And, if budget receipts cannot be definitely known, they can, in a sense, be ignored, for recourse can always be had to additional borrowing to cover the costs of expanding existing programs or instituting new ones.

This temptation to resort to the easy expedient of deficit financing is rendered all the more appealing by the fact that at any given time approximately 80 percent of the Government's expenditures are uncontrollable.

It is, of course, always difficult to reach agreement as to where the requisite changes and reductions should be made. Reasonable people may well disagree as to the merits of this or that program or this or that agency taking a substantial reduction.

Moreover, every program has its clients, its supporters, and its advocates, and certainly its merits.

Taken in combination, these factors mean that a strategy which relies solely on reducing Government spending to achieve a balanced budget suffers from severe handicaps.

The amendment I am introducing today would establish a procedure for coordinating tax and spending decisions and thus serve to make the real costs of governmental programs unmistakeably clear. It would, therefore, create a direct and compelling incentive for keeping a much tighter rein on Federal expenditures. It would, I believe, help to insure the kind of tough discipline that will be necessary to get Federal overspending under control and reverse the tendency toward unlimited growth in the public sector.

The amendment I offer would require the President to impose a surtax in any year following a year in which there is a deficit. This provision would be binding on the President even if Congress subsequently enacted a deficit budget. While my amendment does not have the binding effect of a constitutional amendment, it will be binding unless specifically repealed by a subsequent act of Congress, or unless by a two-third vote of each House, Congress declared a national emergency.

Mr. President, I think it is long overdue, as the Senator from Kansas pointed out this morning, that this Congress set a precedent, early in the 96th Congress, of a definite commitment toward a balanced budget. It appears to me, and I hope certainly to a majority of the Senate, that we have to move in this direction. Certainly it is going to impose greater responsibilities on each Member of this body to take the time and effort to review programs and expenditures that we have constantly gone over under the committee system. That is what we are here for, and I think the Senate can address the problem as well as the House of Representatives.

I urge that the amendment be adopted.

I would point out that recent polls by the highly respected Gallup organization, the New York Times-CBS News, and the Associated Press-NBC News indicate overwhelming public support for a constitutional amendment to require a balanced Federal budget.

In the Gallup poll, the question was asked:

> **Would you favor or oppose a constitutional amendment that would require Congress to balance the Federal budget each year—that is, keep taxes and expenditures in balance?**

This question was asked in July 1978 and again in February 1979. The Gallup poll shows that in 1978, 81 percent favored such an amendment, 11 percent opposed it, and only 8 percent had no opinion.

In 199, the Gallup poll showed that 78 percent favored the amendment, with 12 percent opposing, and 10 percent having no opinion.

The New York Times-CBS News poll asked the question:

> Would you favor or oppose a constitutional amendment requiring a balanced national budget except in times of emergency?

That poll was taken in January, 1979, not long ago. It showed 73 percent of the public in favor, 16 percent opposing, and 11 percent having no opinion.

The Associated Press and NBC News poll question is very similar:

> Would you favor or oppose a constitutional amendment which would require the Federal Government to balance the budget?

That was taken in February 1979, and here we had 70 percent in favor, 18 percent opposed, and 12 percent with no opinion.

I ask unanimous consent that a summary of these polls, breaking the polls down by political parties and along demographic lines, be printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

PUBLIC ATTITUDES ON A BALANCED BUDGET AMENDMENT

Recent polls by the highly respected Gallup organization, the New York Times—CBS News, and the Associated Press—NBC News indicate overwhelming public support for a constitutional amendment to require a balanced federal budget.

The questions asked were:

Gallup: "Would you favor or oppose a constitutional amendment that would require Congress to balance the federal budget each year—that is, keep taxes and expenditures in balance?" July 1978, February 1979.

New York Times—CBS News: "Would you favor or oppose a constitutional amendment requiring a balanced federal budget except in times of emergency?" January 1979.

Associated Press—NBC News: "Would you favor or oppose a constitutional amendment which would require the federal government to balance the budget?" February 1979.

[In percent]

Poll	Favor	Oppose	No opinion
Gallup 1979	78	12	10
Gallup 1978	81	11	8
NYT/CBS News	73	16	11
AP/NBC News	70	18	12

The New York Times—CBS News poll also found "that the proposed budget-balancing amendment had a remarkably uniform level of support across the country and demographically." They also found that:

Those identifying themselves as:

Favor an amendment

	Percent
Republicans	72
Democrats	74
Conservatives	78
Liberals	77

The 1979 Gallup poll asked the people who said they opposed an amendment this question: "Would you favor or oppose such an amendment if provision were made for emergency expenditures?"

	Percent
Favor	6
Still oppose	5
No opinion	1

According to Gallup only 5 percent of those polled oppose such an amendment if provisions are made for emergency expenditures.

Gallup's 1978 demographic breakdown follows:

BUDGET BALANCING AMENDMENT

QUESTION: "WOULD YOU FAVOR OR OPPOSE A CONSTITUTIONAL AMENDMENT THAT WOULD REQUIRE CONGRESS TO BALANCE THE FEDERAL BUDGET EACH YEAR—THAT IS, KEEP TAXES AND EXPENDITURES IN BALANCE?"

[In percent]

	June 16-19, 1978		
	Favor	Oppose	No opinion
National	81	11	8
Sex:			
Male	81	12	7
Female	82	10	8
Race:			
White	82	11	7
Nonwhite	78	8	14
Education:			
College	72	23	5
High school	87	7	6
Grade school	79	4	17
Region:			
East	82	10	8
Midwest	83	9	8
South	80	11	9
West	82	14	4
Age:			
Total under 30	82	11	7
18 to 24 yr	81	11	8
25 to 29 yr	83	10	7
30 to 49 yr	82	13	5
50 and older	80	10	10
Income:		18	2
$20,000 and over	80	9	6
$15,000 to $19,999	85	8	10
$10,000 to $14,999	82	7	9
$7,000 to $9,999	84	9	13
$5,000 to $6,999	78	13	9
$3,000 to $4,999	78		
Under $3,000	76	9	15
Politics:			
Republican	79	13	8
Democrat	83	10	7
Southern Democrat	82	8	10
Other Democrat	83	11	6
Independent	82	12	6
Religion:			
Protestant	83	10	7
Catholic	81	11	8
Occupation:			
Professional and business	75	22	3
Clerical and sales	77	19	4
Manual workers	87	5	8
Nonlabor force	79	9	12
City size:			
1,000,000 and over	81	9	10
500,000 to 999,999	81	11	8
50,000 to 499,999	84	12	4
2,500 to 49,999	82	13	5
Under 2,500, rural	78	11	11
Labor union families	88	7	5
Nonlabor union families	80	12	8
Federal Government is:			
Spending too much	84	10	6
Spending too little	76	14	10
Spending right amount	76	16	8
Budget balancing amendment:			
Latest	81	11	8
1976	78	13	9

Mr. HELMS. Mr. President, will the able Senator yield?

Mr. DECONCINI. I yield.

Mr. HELMS. Mr. President, I commend the Senator from Arizona on both his statement and for what I perceive to be the purpose of his amendment. I do not know whether he intends to press the amendment or not, but I suspect his motivation is to make a point that very much needs to be made around here. I very much doubt that either he or I favor a tax increase—but the Senator has made his point.

I might say to the Senator that the very first legislation I introduced when I came to the Senate in 1973 was a proposed constitutional amendment to balance the Federal budget. I recall the hoots and jeers which greeted it: "Oh, we can't balance the budget." There were still some followers of Lord Keynes around here at that time, you see.

Well, now almost everyone is aware of the consequences of the deficit financing policies of the Federal Government.

The Senator alluded to the confusion involved in even keeping track of the deficits versus the debts. I might mention that I have prompted considerable discussion of that in my own State, because I make it a point, at least once each month, to specify down to the penny the total national debt as of a given day, compared with the same day 1 year earlier. The Federal debt is running between a $65 billion and a $75 billion increase year after year, I would say to the Senator, at the same time that the American people are being told that the "budget deficits" are being reduced. It is the old shell game.

The only way truly to measure the deficits of a family, of a business, or of a government is to specify the debt on a date a year ago and specify the debt today. The difference between the figures on those dates is the true deficit. I say to the Senator, the true Federal deficit is running between $65 and $75 billion a year, regularly.

The Senate needs to face up to what the American people are rightly demanding. One way or the other, it must be done if this Nation is to survive. That is, as I understand it, what the Senator is proposing in his amendment. He is demanding that if Congress does not have the courage to cut spending, then Congress ought to have to take the heat for increasing taxes. I do not favor raising taxes. It is not the way to go. But the Senator has made his point.

Mr. DECONCINI. Mr. President, I thank the Senator from North Carolina. In the last 10 years, as the Senator knows, the budget has only been balanced, with a slight surplus, in 1969—one time. In 1977, we had a tremendous deficit of $48.1 billion, exceeded only in 1976 by a deficit of $53.8 billion and, of course, in 1975 by the record high of $70.5 billion. One can easily understand how people are beginning to believe that the Federal Government is out of hand, and how they feel that the Federal Government is not responsible.

I ask unanimous consent that a Congressional Research Service report showing Federal Government receipts and expenditures for the years 1948 to 1977 be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

FEDERAL GOVERNMENT RECEIPTS END EXPENDITURES, 1948–77

	Billions of dollars [1]			Billions of constant 1972 dollars [2]		
Year	Receipts	Expenditures	Surplus or deficit (−)	Receipts	Expenditures	Surplus or deficit (−)
1948	43.2	34.9	8.3	81.3	65.6	15.6
1949	38.7	41.3	−2.6	73.6	78.6	−5.0
1950	50.0	40.8	9.2	93.2	76.1	17.1
1951	64.2	57.7	6.5	112.2	100.8	11.3
1952	67.3	71.0	−3.7	116.0	122.5	−6.4
1953	70.0	77.1	−7.0	118.9	130.9	−12.0
1954	63.7	69.7	−6.0	106.7	116.8	−10.1
1955	72.5	68.1	4.4	118.9	111.7	7.2
1956	77.9	71.9	6.0	123.9	114.3	9.6
1957	81.9	79.6	2.2	125.9	122.4	3.5
1958	78.6	88.9	−10.2	119.0	134.6	−15.5
1959	89.8	90.9	−1.1	133.0	134.7	−1.6
1960	96.1	93.1	3.0	140.0	135.5	4.4
1961	98.0	101.9	−3.8	141.5	147.1	−5.6
1962	106.1	110.4	−4.2	150.5	156.5	−6.0
1963	111.4	114.1	.2	159.8	159.4	.3
1964	114.9	118.1	−3.2	158.0	162.5	−4.4
1965	124.3	123.8	.5	167.3	166.5	.7
1966	141.8	143.6	−1.7	184.7	187.1	−2.3
1967	150.4	163.6	−13.1	190.4	207.1	−16.6
1968	174.7	180.5	−5.8	211.6	218.6	−7.0
1969	196.9	188.4	8.5	227.1	217.3	9.8
1970	192.0	204.1	−12.1	210.2	223.5	−13.2
1971	198.6	220.6	−21.9	206.8	229.7	−22.8
1972	227.4	224.7	−17.2	227.4	244.7	−17.2
1973	258.2	264.9	−6.7	224.1	250.4	−6.3
1974	288.6	299.3	−10.7	248.7	258.0	−9.2
1975	286.2	356.8	−70.5	225.1	280.6	−55.5
1976	331.4	385.2	−53.8	247.7	288.0	−40.2
1977	374.4	422.5	−48.1	264.4	298.4	−34.0
1978			−59.3			

[1] Source: Department of Commerce, Bureau of Economic Analysis.

[2] Calculations by CRS.

Mr. HELMS. Mr. President, I might recall an episode one day on this floor a few years ago when the Senate had been voting tremendous increases in spending bills, I sent forward a little amendment which did not please many Senators. The amendment stipulated that the salaries of the Members of the Senate and the House of Representatives would be reduced by the same percentage that Congress failed to balance the budget.

Mr. DECONCINI. That might be sound.

Mr. HELMS. I got seven votes. I was surprised that I got the other six. But the point was made. Senators ought to face the music, one way or another, on this big spending.

I commend the Senator for having made his point.

Mr. ROBERT C. BYRD. Mr. President, if no Senator seeks recognition, I am, in accordance with the suggestion which has been made to me by Mr. TALMADGE, about to recess the Senate for a while.

Mr. DECONCINI. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. DECONCINI. Mr. President, will the Senator from Georgia entertain a unanimous-consent request that after we go back to the Dole amendment No. 111, that thereafter the pending business of the Senate will be the DeConcini amendment. No. 113, as modified.

Mr. TALMADGE. I have no objection to that proceeding.

Mr. DECONCINI. I ask unanimous consent that that be agreed to.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona? Without objection, it is so ordered.

Mr. DECONCINI. I thank the Chair.

ROUTINE MORNING BUSINESS—ORDER FOR RECESS FROM 12:30 P.M. UNTIL 2:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond 12:30, at which time the Senate stand in recess until the hour of 2:30 p.m. today, when the Senate will resume the consideration of the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Does the Senator from West Virginia wish to put a limit on the time of statements during routine morning business?

Mr. ROBERT C. BYRD. No; I do not, Mr. President. I have reason not to do so.

Mr. HELMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the period for the transaction of routine morning business Senators may be permitted to speak.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CHILES. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR JOINT REFERRAL—S. 5

Mr. CHILES. Mr. President, I ask unanimous consent that S. 5, the Federal Acquisition Reform Act, be referred to the Senate Armed Services Committee as well as to the Senate Governmental Affairs Committee. Presently the referral is only to the Governmental Affairs Committee.

The simultaneous referral will give the Armed Services Committee, with the knowledge and experience it has developed through its oversight of defense procurement, time to review S. 5. By making the referral now, both committees will have additional time to study the measure.

Last year, S. 1264, the predecessor bill to S. 5, was referred to the Armed Services Committee. A special working group, headed by Senator MORGAN and Senator GOLDWATER, held 2 days of hearings on the bill, but Congress adjourned before further action could be taken.

I want to stress that this would not be a joint referral; the committees need not report identical measures or file identical reports. Nor is one committee obliged to act on the bill within a certain period of time after the other committee acts on it. There is no need for such a discharge provision, since I am confident that the Armed Services Committee will be able to act on this bill.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Reserving the right to object, Mr. President, I assume the Senator has checked——

Mr. CHILES. Mr. President, I have checked it with the members of the Armed Services Committee and the referral is all right.

Mr. HELMS. Very well.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I was not on the floor at the time of the request of the distinguished Senator. Was this request cleared with the leadership?

Mr. CHILES. Mr. President, I cleared it with the Armed Services Committee. I assumed that is what I needed to do. It is a procurement bill. It was referred to the Armed Services Committee last year. It is the same bill.

Mr. ROBERT C. BYRD. Mr. President, I would like to reserve the right to object for the time being.

May I say to the distinguished Senator I have no personal reason for objecting to this particular request, but the requests have been increasing and I have indicated that such requests are getting to be a problem. I would like for them to be cleared with the leadership on both sides and with the chairmen of the various committees.

This is a matter I am going to take up at the first opportunity I can have a meeting with the committee chairmen. What I say is certainly not to be taken as being a personal objection to the Senator's request, but it is something I have expressed concern about recently on a number of occasions.

The PRESIDING OFFICER. Concerning the request being previously granted, does the Senator from Florida desire to withdraw his request,

Mr. CHILES. I withdraw it.

Mr. ROBERT C. BYRD. Just temporarily.

The PRESIDING OFFICER. The request is withdrawn.

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. CHILES. Mr. President, I renew my unanimous-consent request that S. 5, the Federal Acquisition Reform Act, be referred to the Armed Services Committee and the Committee on Governmental Affairs.

Mr. ROBERT C. BYRD. Reserving the right to object, and I shall not object, the distinguished Senator from Florida has assured me that this has been cleared with the chairman of the Governmental Affairs Committee. I, therefore, have no objection.

Mr. BAKER. Mr. President, reserving the right to object, may I ask the distinguished Senator from Florida if that has been cleared with the ranking Members on our side? I am sorry, but it really is a matter of concern on our part. I wonder if he could withhold it until I can check with our ranking Members to be sure there is no objection on this side.

Mr. CHILES. Fine.

The PRESIDING OFFICER. The request is withdrawn.

Mr. ROBERT C. BYRD subsequently said:

Mr. President, I ask unanimous consent that S. 5, the Federal Acquisition Reform Act, be referred jointly to the Committee on Armed Services and the Committee on Governmental Affairs. This request has now been cleared.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROCEDURE ON REQUESTS FOR JOINT AND SEQUENTIAL REFERRALS

Mr. ROBERT C. BYRD. Mr. President, while on the subject of referrals, I ask unanimous consent that, at any time a request for joint referrals, sequential referrals, et cetera, is made, the Chair ask the Senator making that request if that particular request has been cleared with the leadership on both sides of the aisle, meaning the majority and minority leaders. I ask unanimous consent that the Chair be instructed to make that inquiry of any Senator making such a request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. If it has not been, I ask the Chair, in my name, to reserve the right to object temporarily until I give that authority.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. If the Senator will yield to me, I make a similar request with respect to any similar clearance on this side of the aisle. I ask unanimous consent that the Chair might reserve until my designee or I can reach the floor.

Mr. ROBERT C. BYRD. Will the Senator honor me in this regard, to withdraw his request, because my request is fully protective of the minority leader?

Mr. BAKER. If the majority leader assures me he will protect me in that request, I withdraw it.

SENATOR BAKER ADDRESSES NAACP THIRD ANNUAL UNITY DINNER IN MEMPHIS

Mr. BAKER. Mr. President, yesterday evening, it was my privilege to address the third annual unity dinner of the Memphis Branch of the NAACP. I wish to report to my colleagues in the Senate that the dinner was an extraordinary success, and it is my hope that this will be the beginning of a tradition which will extend for many years into the future. This tradition is one of visible and active cooperation among the several parts of the Memphis-Shelby County community. I was most pleased to see the level of cooperation by Memphis business and commercial communities, to see the broad range of support in both the white and black communities, to observe the obvious commitment of the professional and governmental communities in Memphis for this worthwhile event.

Among those responsible for making this dinner such a success were cochairmen Fred Smith of the Federal Express Co. and Dr. Willie Herton, superintendent of the Memphis city schools. Congratulations are also in order for Warner Dickinson, president of the Memphis NAACP; Maxine Smith, executive secretary of the Memphis NAACP; Vasco Smith, a member of the Shelby County Board of Commissioners; and Wilbert Bond, president of the Tennessee NAACP. The dinner was especially honored by the attendance of the executive director of the national NAACP, Dr. Ben Hooks, a native Tennessean and a former commissioner of the Federal Communications Commission, who serves with great distinction in his new post in the NAACP.

Another highlight of the evening was the presentation of the Freedom Fund Award to two very worthy recipients: Mr. R. S. Lewis, Jr., and Mr. Bill Matthews, Jr.

Mr. President, I wish to take this opportunity to extend my congratulations to that organization for a successful event last night and to observe my special privilege of participating in that program.

I hope and trust the people of Tennessee will continue to play a major role of leadership in promoting the unity and brotherhood so much in evidence in Memphis last night.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Massachusetts.

CHANGE OF TIME FOR RECESS

The PRESIDING OFFICER. Under the previous order, the Senate was to stand in recess at this time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order be waived for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRIBUTE TO JEAN MONNET

Mr. KENNEDY. Mr. President, Jean Monnet once remarked:

> The main concern of many very remarkable people is to cut a figure and play a role. They are useful to society, where images are very important . . . But, in general, it is the other kind of people who get things moving—those who spend their time looking for places and opportunities to influence the course of events.

Jean Monnet was one of those who got things moving, who forsook the limelight to pursue his quest for a united Europe. Tireless in his unending effort and unflagging in his optimism, he was one of the great statesman of this century. When President Kennedy met Jean Monnet in 1960, he was impressed by this buoyant enthusiasm and dedication.

There are few men and women in this century who can equal M. Monnet in his vision of a Europe at peace, united in economic and political cooperation benefiting not only the region but the entire world.

This Frenchman of boundless energy, moreover, shaped that vision into a reality. During his 90 years, M. Monnet recognized the potential of the ill-fated League of Nations and built upon that to create first the successful European Coal and Steel Community, and later the European Economic Community. It is fortunate that he was able to witness the campaign in recent months for the first elections ever to be held for an all-European Parliament this coming June.

In recent years M. Monnet commented of his efforts with the European Community:

> There is only one way of building Europe at any given time. We are still in the phase of the European Community, of the delegation of sovereignty to common institutions: this is the only way to ensure independence and progress for our people and peace in this part of the world.

Monnet sought to look beyond the immediate interest of the nation-state and to serve the general interest of the European Community as a whole. "In a Federation," Monnet felt, "no State can secede by its own unilateral decision. Similarly, there can be no Community except among nations which commit themselves to it with no limit in time and no looking back."

Today, then, we mourn the passing of a man who expressed such foresight and vigor in determining the future character of Europe. Jean Monnet serves as an example to us all, as legislators and as citizens of a selfless attitude, an open and challenging mind, and relentless determination in the pursuit of a more humane world.

REFUGEE ACT OF 1979

Mr. KENNEDY. Mr. President, last week I introduced major legislation (S.

643) to reform the refugee provisions of our immigration law, and to establish a U.S. refugee resettlement and assistance policy.

Hearings were held on this bill before the Judiciary Committee last week, receiving testimony from former Senator Dick Clark, who is now the President's Coordinator for Refugee Affairs in the Department of State, as well as statements from representatives of the American Council of Voluntary Agencies and State and local agencies involved in refugee resettlement programs.

Mr. President, our Nation has a proud record of accomplishment in offering a helping hand to refugees. And I believe our national policy of welcome to the homeless has served our country and our traditions well.

But we need to do this job better—to resettle refugees more humanely, and with greater planning and reduced costs.

For too long our policy toward refugee assistance has been ad hoc, with refugees being admitted in fits and starts, and after long delays and great human suffering, because our existing immigration law is inadequate, discriminatory, and totally out of touch with today's needs.

The Refugee Act (S. 643) will update our law governing the admission and resettlement of refugees. It will help insure greater equity in our treatment of refugees. It will rationalize and put in the statute how we treat all refugees, and make our law conform to the United Nations Convention and Protocol relating to the status of refugees—which we signed in 1969.

As the Washington Post concluded in a recent editorial,

> This new legislation would establish for the first time a comprehensive United States approach to refugee resettlement and assistance. Its aim is to ensure that American refugee policy serves both the general national interests of the United States and the specific personal requirements of thousands of individuals in distress. Few bills worthier of support are likely to come before Congress this year.

Mr. President, I ask unanimous consent to have printed in the RECORD, for the benefit of my colleagues in studying the proposed legislation, the Washington Post editorial and the prepared statement of the Honorable Dick Clark, which was presented at the Judiciary Committee hearing last week.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TESTIMONY OF DICK CLARK BEFORE THE SENATE JUDICIARY COMMITTEE

Mr. Chairman, I want to take this opportunity to thank the Secretary of State for being here today with me—and for being so supportive of our efforts to improve our refugee policies and programs. In seeking solutions to the current refugee crisis, he and the President had the wisdom and foresight to see that bold steps were necessary. Cy's views were instrumental in creating an office of U.S. Coordinator and devising comprehensive legislative proposals.

I would also like to mention what a pleasure it is to present our refugee policy and introduce our legislation before your committee, Mr. Chairman. Your interest and diligent efforts on the part of refugees around the world have been an inspiration for all of us. I hope that our common interest in improving our programs and alleviating human suffering will lay a solid basis for cooperation. In particular, I look forward to hearing your views on the proposed legislation before you, the Refugee Act of 1979. This bill represents the Administration's views on the most appropriate framework for a comprehensive and long-term policy on admitting and resettling refugees in the United States.

I think it is appropriate at this point to introduce to you the people accompanying me today, who have all played important roles in putting together this bill. They are Michael Egan, Associate Attorney General: Peter Bell, Deputy Under Secretary of HEW for International Affairs; and Frank Sieverts, Deputy Assistant Secretary of State for Refugee and Migration Affairs.

The United States has long distinguished itself by an active concern for refugees. Throughout our history we have helped citizens of other nations uprooted by wars and disasters. We have welcomed those who have fled from persecution on account of race, religion, or political opinion. We have helped them learn a new language, acquire new skills, and settle into new homes. In turn, these refugees have enriched our national life, mailing remarkable contributions to their new homeland. The United States must continue to offer assistance to those who flee persecution.

Furthermore, refugee programs are an important element in our foreign policy. The refugee crisis is a pervasive problem that strains the resources of the international community. In offering assistance, we can ease the pressures on friendly governments in Southeast Asia created by the arrival of refugees from Vietnam, Laos, and Cambodia. Elsewhere, our programs support the victims of conflicts while the search for peace continues. Our aid to refugees offers a beacon of hope to people fleeing repression in Eastern Europe, and it figures in our relations with the Soviet Union. In addition, our aid sets an example for other countries and reinforces our position as a nation of leadership and humanitarian concern.

Until now, we have carried out our refugee programs through what is essentially a patchwork of different programs that evolved in response to specific crises. The resulting legislative framework is inadequate to cope with the refugee problem we face today. It was originally designed to deal with people fleeing communist regimes in Eastern Europe or repressive governments in the Middle East in the immediate post-war period and the early Cold War years. This framework still assumes that most refugees admitted to the United States come from these two geographic areas, or from communist-dominated countries.

The current law assumes that refugee problems are extraordinary occurrences. It provides for only a very limited number of refugees to enter the United States each year, on a conditional basis. But it also recognizes the Attorney General's power to parole additional individuals into the United States in case of unusually urgent humanitarian circumstances.

In recent years, we continually have seen dramatic conflicts and internal developments force new groups of people to flee for their lives. The numbers of refugees are growing on every continent. While the plight of the boat people in Southeast Asia presents today's most dramatic case, it must not blind us to the hardships of refugees fleeing oppression and persecution in Eastern Europe, Africa, the Middle East, and Latin America. To deal successfully with these difficult challenges, our policies and programs must recognize that refugee problems unfortunately have become a regular feature of our world.

If we are to respond to this unprecedented refugee situation, our refugee policy must expand the definition of refugees beyond the present reliance in immigration law on narrow geographic and ideological criteria. Human suffering recognizes no such distinctions.

Let me give you an indication of the magnitude and diversity of different refugee populations we face today.

The UNHCR estimates that there are more than two million refugees in Africa, some fleeing racism, some civil war, some unspeakable human rights violations, and some religious persecution. These refugees generally do not face hostility in their countries of asylum, and they hope to return home eventually.

The more than 200,000 Indochinese now in camps in Southeast Asia are in a desperate situation. Most of them have limited possibilities for local resettlement because of traditional animosities, and already grave economic and population problems in their countries of first asylum. Others still in Laos, Cambodia and Vietnam will risk their lives in attempting to escape by land or sea. The unstable political climate in Indochina threatens to intensify the problem of large refugee populations in neighboring countries in Southeast Asia.

The Soviet Union is permitting greater numbers of Jews to emigrate, and a large portion of these is seeking entry into the United States.

Two hundred thousand Arakanese Muslims have fled from Burma to Bangladesh. and the arrangements are being made for the repatriation of those who wish to return.

There are chronic problems among Palestinian refugees.

The recently increased flow of political refugees from Cuba to the United States will add to the refugee population here and elsewhere in the hemisphere.

And finally, there are other groups of needy refugees in Latin America.

These examples demonstrate the scope and changing nature of the current refugee crisis. I'd like to add at this point that my staff has prepared a worldwide assessment of the refugee problem, which I am submitting for the record.

Until now, our refugee laws have hampered our ability to accommodate the demands for resettlement in the United States in anything but a makeshift way. The current law, as you know, restricts the number of admissions per year to an unrealistically low ceiling of 17,400. And those accepted are only granted conditional entry. They must be examined by an Immigration Officer in a non-Communist dominated country. And they must show that they have fled from a Communist or Communist-dominated country or a country in the Middle East.

These geographic and ideological criteria effectively exclude many refugees, particularly from the Western Hemisphere and Africa. As a result, over the past 23 years we have repeatedly had to deny needy refugees or resort to parole authority, which was originally intended only for extraordinary circumstances. Parole is granted at the discretion of the Attorney General, but a procedure has gradually developed that involves consultation with members of the House and Senate Judiciary Committee.

THE PROPOSED LEGISLATION: ADMISSION POLICY

The combination of conditional entry and parole procedures has become increasingly cumbersome and inadequate over the years. In both the Administration and Congress we have come to see the need for a comprehensive and long-term policy. Building on Congressional initiatives in the 95th Congress—including yours, Mr. Chairman—we feel that the proposed Refugee Act of 1979 represents the most appropriate way to provide such a policy.

The Bill makes several sweeping changes in the existing piecemeal approach to admissions. To begin with, it acknowledges the size and diversity of current refugee populations by extending the definition of refugee beyond narrow geographic and ideological criteria. It essentially adopts the definition of the UN Protocol Relating to the Status of Refugees, to which we are a party. It defines a refugee as someone outside his or her country who is unable or unwilling to return to that country because of persecution or a well-founded fear of persecution on race, religion, nationality, membership of a particular social group, or political opinion. This definition corresponds more closely to the situation that we now face.

The bill also provides a more equitable way of determining who is eligible to be resettled in the United States from the pool of people who qualify as refugees. It authorizes the President to establish groups or categories of refugees to be admitted to this country—called "refugees of special concern." Among the factors considered in this determination are:

—Whether the refugees have cultural, historical, or especially family ties to the United States;

—Whether dire circumstances suggest the United States should immediately offer refuge to those who have no reasonable hope of resettling anywhere but the United States and whose lives are in danger;

—Whether we have a special responsibility because of previous U.S. political involvement with the refugee or his country of origin.

The next major change in our admission policy is a provision for more flexible procedures. Under our proposed bill, most refugees will fall in the more-or-less predictable "normal flow" of refugees each year. The normal flow provision allows the admission of up to 50,000 refugees. The President has the authority to allocate the numbers to specific groups or categories. He is also empowered to raise the total ceiling before the beginning of the fiscal year, after consultation with the Congress, if he determines that that foreseeable resettlement needs and the national interest warrant an increase. The President may also determine to admit fewer than 50,000 refugees in a given fiscal year—letting the unused numbers lapse.

In cases of unforeseen emergencies after the beginning of the fiscal year, the President can also invoke an emergency admission procedure after consultation with the Congress. Under this provision, the President must determine that the admission of the refugee is not possible under the normal flow provisions, and is justified by grave humanitarian concerns, or is otherwise in the national interest. The emergency group admission procedure will essentially replace the Attorney General's current authority to parole large groups of refugees into this country. Actually, it is intended to fill the gap that repeated stretching of parole authority never successfully accomplished. For the first time, it will also establish explicit criteria for emergency group admissions. And it will set a statutory requirement for Congressional consultation on such admissions.

Let's look at the history of Vietnamese refugees to compare the practical differences between the existing and proposed refugee admission policy.

Following the fall of South Vietnam in the spring of 1975, 133,000 Indochinese were paroled into the United States within a few months. In 1976, 11,000 Indochinese were paroled into the United States, followed by 15,000 in 1977 and 7,000 in the first half of 1978. We are now in the final stages of the most recent parole program, which authorized the entry of an additional 25,000 Indochinese refugees between June of 1978 and May 1, 1979, augmented by an additional parole of 21,875 announced in December 1978.

It became apparent soon after the initial 1975 parole program that a steady fairly predictable stream of refugees would be leaving Indochina for the foreseeable future The Executive Branch, however, was put in the position of waiting repeatedly until the number of refugees in the countries of first asylum reached crisis proportions and then declaring an "emergency" which required yet another special parole program.

If the proposed Act had been in effect since 1975, the emergency group admission provisions would have been employed only for the initial mass exodus of 1975. In the succeeding period, situations which were previously termed "emergencies" would—with one exception—all have been handled under the normal flow provisions, without the need for repeated ad hoc consultations with Congress in an atmosphere of crisis. The one exception relates to the large increase in the number of "boat people" fleeing from Vietnam in the fall of 1978. This sudden jump—primarily after the beginning of the fiscal year—demonstrates the need for the continued flexibility of the emergency group admissions procedure.

RESETTLEMENT IN THE UNITED STATES

Now let's turn to the next step in the process—the way we offer resettlement assistance to refugees once they arrive in the United States. Like our policy on refugee admission, our domestic assistance program also evolved in response to specific humanitarian crises around the world. The growth of domestic programs, through repeated statutory amendment, has resulted in a wide range of separate programs. Each has offered different services, although the common goal has clearly been to help the refugees become self-sufficient and contributing members of American society.

The following are some of the major programs—most of which have been funded by HEW:

The Cuban program has provided support to Cuban refugees in need of public assistance since 1961. Until fiscal 1978, this program offered full federal reimbursement to states for cash and medical assistance, extensive federal support for local educational systems attended by Cuban refugee children, and adult English and vocational training. Last year Congress approved a 6-year phasedown of federal reimbursement for these services.

The Indochinese program, dating from 1975, has provided essentially similar support. But it has only been renewed on a year-to-year basis.

For refugees other than Cuban or Indochinese, assistance is largely in the form of grants to voluntary agencies. About three quarters of these refugees are Soviet Jews, but this group also includes refugees from other places such as Chile, Lebanon, and Ethiopia. Until FY 1979, there was no special federal assistance to aid in their resettlement beyond the initial placement and resettlement grant that was given to the voluntary agencies. During fiscal 1979 up to $1,000 per refugee is being provided to voluntary agencies, which must match this grant with private resources, dollar for dollar. The per capita grants are intended to cover the same range of benefits as is available in the other two programs through the reimbursement of public and private agencies. Under this program, there is no special federal reimbursement to the states.

This individualized approach to refugee assistance served us reasonably well in the past, when the refugee flow came primarily from a limited number of countries in any given year. But this approach is no longer adequate to deal with the increasing flow of refugees from every continent. We believe it is necessary to have a coherent domestic assistance program that can respond equally well to a wide range of circumstances across the globe, and to all refugees, regardless of nationality. This situation cries out for rationality. With a comprehensive refugee policy we can better meet our responsibilities to all refugees in a prompt and consistent manner.

Before outlining some of the key provisions in the new bill on domestic assistance, I would like to add that none of our programs would be possible without the generous participation of a number of voluntary resettlement agencies. From the beginning, our refugee programs have been based on the assumption that refugees will have a much easier time adjusting to life in this country if they are assisted primarily by the private and voluntary sector, rather than by public assistance alone. The voluntary agencies have provided a key link in the partnership between the government and the private sector. These agencies have responsibility for placing the refugee with a sponsor—often a church or synagogue. The sponsor arranges housing, helps with locating a job, and eases the transition into a totally new culture. The voluntary agencies offer the personalized attention and human care that contribute so much to a refugee's resettlement. They also provide an entree into social support networks that is sometimes beyond the reach of government agencies. We intend to build upon the experience of the voluntary agencies as we move toward a national refugee policy, as well as to strengthen their role in the resettlement process.

Our years of experience with domestic refugee programs have taught us important lessons that we have used in developing this legislation.

First, refugees have the greatest need for federal assistance in the early years of the resettlement process, if at all. At the same time, federal assistance eases the strain on state resources during the very time when refugees are most in need of help.

Second, there should be a time limit on federal support. To a degree, this encourages refugees to adapt quickly, and it notifies both public and private agencies that federal support for these programs will be of limited duration.

Third, and perhaps most important, the relationship between the federal government, state and local governments, and the national voluntary agencies must be preserved and strengthened. By working together closely, we believe we can best serve the needs of all refugees with the resources available.

We think Title III of the legislation before you represents a framework for the most effective domestic resettlement process. And it does so in a comprehensive yet flexible way, recognizing that all refugees have certain common needs and should be eligible for common benefits. All refugees are eligible for the following services during the first two years after their arrival, under the terms of the bill:

It provides grants to the public or voluntary agencies for the placement, care and resettlement of refugees.

It provides money for special project grants to assist adult refugees with English, vocational training, and social services.

It provides money for projects for special educational assistance for school-age refugee children.

It provides full federal support for a complete range of child welfare services for children who enter this country without the presence of a close adult relative. This support would be available until the child reaches age 18, or older if consistent with state practice. Other children would be eligible for such federally supported child welfare services during the first 24 months they are in this country.

It provides full federal reimbursement for cash and medical assistance provided by the states to needy refugees for 24 months following their arrival in this country.

Aside from the benefits provided by the legislation, refugees are also eligible for assistance such as Supplemental Security Income and food stamps, which are available to all qualified Americans through other appropriations under current law.

In our view, this legislation offers a sound approach to the tremendous challenge of resettling large and diverse groups of refugees in this country. It allows us to take into consideration their particular needs as well as our own resources in easing this often difficult transition. It recognizes our experience—that refugees are eager to become self-sufficient and contributing members of society. After the initial transition period, their participation in the work force is very high. And their needs for public assistance are usually limited and temporary in nature. They contribute in an incalculable way to the economic, social and cultural richness of the country.

BUILDING ON THE LEGISLATIVE FRAMEWORK

At this point, I would like to add that the success of our comprehensive refugee policy will depend on a number of factors. The most important is the legislation before you. This will provide a basic framework for all our efforts. For the first time, we will have the means and flexibility to respond to the challenges of the growing refugee situation. We will be able to improve our capacity based on long-term, realistic programs, rather than temporary, piecemeal measures.

But the legislation is only a beginning. At home we will continue to rely on the cooperation and assistance of state and local governments and particularly the voluntary agencies. For to a large extent, our ability to accept refugees in the United States depends on our ability to find specific resettlement opportunities throughout the country.

Overseas we also depend on a partnership with voluntary agencies, international organizations and other governments. The present refugee crisis is an international humanitarian problem. It ignores national boundaries, and it requires concerted efforts by the entire international community.

As in the past, we will continue our support for the refugee programs of international organizations, such as the United Nations High Commissioner for Refugees and the International Committee of the Red Cross. One of my tasks as U.S. Coordinator will be to review the international activities we help fund to see how they can be strengthened.

The U.N. High Commissioner for Refugees received $145 million in contributions from member states in 1978. The U.S. contribution of $44 million was about one-third of the total. The UNHCR programs affect refugees worldwide, from the reception and care of refugees in areas of first asylum through resettlement in third countries, or voluntary repatriation. One program of particular importance to the United States is the High Commissioner's operation of the camps for Indochinese refugees and extensive efforts to find them resettlement opportunities in other countries. Another important program is for refugees throughout Africa.

Certain of the humanitarian relief efforts of the International Committee of the Red Cross are also of benefit to refugees. For this reason we have decided to make a major increase in our contribution to this organization, particularly to support projects in southern Africa. The International Committee on European Migration plays important roles in arranging for the transportation of refugees, including those from Indochina, and in finding settlement opportunities, particularly in South America. The UN Relief and Works Agency is responsible for providing the essential support services to camps of Palestinian refugees. While the quality of the programs of these agencies is generally high, we should work to improve their capacity for planning and managing and should urge them to expand their access to funds from other sources.

Some overseas programs we run ourselves. AID, for example, has managed and overseen significant programs designed to assist refugees in southern Africa and facilitate their eventual resettlement. And the Department of Justice, State, and Health, Education and Welfare, with significant support from the Cuban community in the United States, have managed the movement of refugees from Cuba to the United States.

Other governments also play a significant role in care and resettlement of refugees. Some run major programs of their own; the work of the Federal Republic of Germany on behalf of ethnic Germans from Eastern Europe is a notable example. France, Australia, and Canada have resettled many Indochinese refugees. Others are strong supporters of international agencies and their programs. Some governments inevitably play a major role because of their geographic location—the countries of Southeast Asia and southern Africa immediately come to mind. Each refugee problem calls for a different solution, and various states contribute in different ways.

Despite the participation of many other governments and international agencies, the U.S. share of the current refugee problem entails a substantial financial burden. Therefore among the most crucial elements of our refugee policy we must include strenuous diplomatic activity to alleviate the causes of refugee migration and equally strenous activity to get other governments to assume a greater share of the burden. Increased emphasis on this aspect of our work means different types of activity:

Encouraging other governments to work with us in finding political solutions to regional political disputes that are causing refugees to flee;

Exerting diplomatic influence, in cooperation with other governments, to induce repressive states to moderate their practices;

Working with the international agencies, such as the UN High Commissioner for Refugees, to improve their programs and management of resources, and urging other governments to give their full support to these ends; and,

Encouraging other governments to carry their own fair share of the burden, in terms both of providing resettlement opportunities and making financial contributions to international efforts.

FACING PRIORITY NEEDS

In the next year, there are five principal ways we can improve our refugee programs. I am committed to implementing these steps:

We must pass legislation that meets the needs I have outlined: giving us a fair and workable definition of refugees, making realistic provision for the admission of larger numbers of refugees, and regularizing our domestic programs.

We need to strengthen the management of our refugee programs—first by coordinating the planning efforts by the different departments and then by overseeing the operation of specific programs.

We must put a higher priority in our foreign policy on refugee issues. This means greater efforts to get other governments to carry their fair share of the burden, and earlier and more persistent attention to the conflict, strife and persecution that give rise to refugee problems.

We have to ensure that the international agencies, such as the UN High Commissioner for Refugees, improve their own capacity to plan for and manage the large programs that have become a tragic characteristic of our time.

Finally, we need to assure ourselves that the work of the voluntary agencies goes forward effectively and efficiently.

This obviously adds up to a difficult challenge. Achieving these goals will depend on cooperation from everybody involved in U.S. refugee efforts, including the Congress. In the short period I have been serving as U.S. Coordinator for Refugee Affairs, I have been struck by the widespread support for these objectives, as well as the willingness to contribute the necessary ideas and hard work. I look forward to working with this committee and hearing your views on our refugee programs and legislation.

[From the Washington Post, Mar. 12, 1979]

ACTION ON REFUGEES

The moment is right for a change in the 27-year-old basic law setting the terms on which the United States fulfills one of its primary obligations to the international community and to its own ideals—taking in refugees. Downtown, the president has the necessary commitment, and the relevant executive-branch departments, especially State and Justice, have finally achieved the necessary consensus. On Capitol Hill, Sen. Edward Kennedy's ascent to the chairmanship of the Justice Committee eliminates a longstanding Senate bottleneck; and an essentially like-minded Elizabeth Holtzman now holds the key House Judiciary subcommittee chairmanship—Chairman Peter Rodino is supportive, too. They were consulted in the drafting of the new refugee bill the administration is submitting now.

The bill would alter the post-World War II era definition of refugee, one which favored people fleeing communist countries (and the Middle East), and install a more universal standard based on uprootedness rather than ideology. The reason for this is not that henceforth the United States should trim its hospitality to refugees from communist regimes, which still, after all, generate large numbers of refugees. The reason is that, in recent decades, Americans have sharpened their sensitivity to the plight of refugees created by other lands. It is a sad comment on the turbulence of contemporary politics that the refugee condition, stemming from a deep conflict between individuals and their homeland regimes, is as pervasive as it is. The United States, with its tradition of openness and its global political involvements, cannot fail to adjust its definition of refugee to these dismal new circumstances.

The new bill would not simply open the gates, though it likely will be attacked—disingenuously—on those grounds. A basic annual quota of 50,000 refugees would be set. This is about double the number of refugees who will arrive this year anyway; it is somewhat more than the 30-year average; it is barely 10 percent of regular legal immigration and a tiny fraction of the illegal flow. In other words, the numbers are nominal. Realistic studies show, moreover, that the economic burden imposed by arriving refugees is more than compensated for by the contribution they eventually make to their adopted land. The new bill would regularize financing of the federal share of the resettlement process.

The most controversial part of the new legislation will probably be its proposals for dividing power between the president and Congress when it comes to responding to emergency flows of refugees over the 50,000 line. These flows are inherently difficult to plan for but, once they happen, the uprooted people, adrift and often destitute, must be cared for expeditiously. If these two requirements, especially the second, are heeded, it should be possible to find a formula combining acceptable measures of executive flexibility and congressional control.

This new legislation would establish for the first time a comprehensive United States approach to refugee resettlement and assistance. Its aim is to ensure that American refugee policy serves both the general national interests of the United States and the specific personal requirements of thousands of individuals in distress. Few bills worthier of support are likely to come before Congress this year.

FUEL BILLS AND THE POOR: CAN WE MEET THE CHALLENGE?

Mr. KENNEDY. Mr. President, an article in the Wall Street Journal graphically confirms the physical and financial hardships low-income households have faced this winter. Last week I inserted in the Record a document showing the effect of rising fuel costs on the New England poor. This article gives examples from many parts of the "snowbelt," the most telling being the Milwaukee families who ended up paying all but 7 percent of their income on fuel and housing bills.

In 1978 the increase in fuel bills by itself caused the poor as a whole to lose $8 billion in purchasing power. Those who would argue that higher prices induce conservation ignore the fact that most poor families have taken all the measures possible to curtail their energy use.

As the article points out, a handful of us have pushed through Congress $200 million, each of the last 3 years, to help the poor pay their fuel bills. But while nearly 3 million people used the emergency assistance program last year, and one-half million substandard homes have been weatherized, the overall program is "too little, too late." I hope that this administration and the Congress will choose to greatly increase the fuel bill assistance program this session, because for the poor there is no choice.

I ask unanimous consent to have printed in the Record "Cost of Keeping Warm Poses a Real Hardship to Millions of the Poor," from the March 21 Wall Street Journal.

There being no objection, the article was ordered to be printed in the Record, as follows:

Cost of Keeping Warm Poses a Real Hardship to Millions of the Poor

(By John R. Emshwiller)

For most Americans the "energy crisis" is just an annoyance. But Clara Bowers of Lancaster, Pa., felt its full force on a recent cold Sunday.

That day, the 62-year-old, partially blind widow ran out of kerosene for her space heater. Money to buy more had run out earlier. Mrs. Bowers needed about $60 a month for fuel and, what with the cost of rent, food and other necessities, she couldn't scrape it up from her $267 in monthly disability and pension payments. She was forced to leave her home of 42 years and live with her daughter.

Thanks to an emergency fuel shipment arranged through Lancaster County's Office of Aging, Mrs. Bowers is back in her home. But she is worried about the future. "I don't want to leave my home, but it's hard to keep going," she says. "I'm only human and I have to stay warm."

For millions of low-income Americans, it is a struggle just to heat and light their homes. "Poor people are being stretched to the breaking point," says George Grier, a private consultant in Washington who has done a number of studies on the energy problems of the poor.

SIMPLE ARITHMETIC

The reason for this is simple arithmetic. Energy costs are rising far faster than poor people's ability to pay for them. There are roughly 25 million Americans who live below the federal poverty level—$3,140 a year for a single person living in a city ($64 less than Mrs. Bowers's annual income). Among these people it now is common in many parts of the country during the winter to spend 20 percent to 30 percent of monthly income on heating and utility bills.

In thousands of cases, that figure approaches 50 percent. A study by a federally funded antipoverty agency in Milwaukee last winter found that 800 particularly hard-hit households were paying an average of 41 percent of their monthly income on heat and utilities. When rent or mortgage payments were counted, these people paid an average of 93 percent of their income on shelter costs. In one case, the study said, a couple living on $348 a month had $10 left for food and other essentials.

Many poor people, who are often elderly, "must choose between heating and eating," says Bruce Ratner, commissioner of the New York City Department of Consumer Affairs. Each winter, many poor people simply freeze to death.

This squeeze seems certain to get worse as a result of the present fuel-price surge brought on partly by the hiatus in Iran's oil exports. While those at the bottom of the economic ladder bear the brunt of the suffering, others are starting to feel the repercussions.

PEOPLE NEED HELP

Michigan Consolidated Gas Co., which sells natural gas to about 960,000 residential customers in the Detroit area, says writeoffs for unpaid bills have risen nearly fivefold since 1974. That has contributed to a sharp decline in the company's earnings. "We are reaching the point where a lot of people are honestly unable to pay their bills and need help," says a spokesman for American Natural Resources Co., which owns Michigan Consolidated.

So far, help has reached relatively few. Government programs to help poor people pay their utility bills and improve the insulation in their homes have been attacked as underfunded and poorly executed. "Nobody has yet come to grips with the problem," says Richard Saul, chief of energy programs for the Community Services Administration, the federal antipoverty agency.

That's partly due to the speed with which the problem has struck. The cost of home heating oil, for example, is nearly three times what it was in 1970, a rise that dwarfs the increases of the prior two decades.

For most Americans, the impact has been cushioned by the extremely low base that energy costs started at. While higher energy, prices are taking bigger chunks of almost everybody's budget, studies indicate that middle-income Americans are still paying only about 5 percent to 10 percent of their incomes on heating and lighting.

DRASTIC MEASURES

But the poor never had much of a cushion, and now whatever cushion there was is, in many cases, completely gone. Some poor people are forced to take drastic measures.

Take 59-year-old Rudolph Alexander of Elmira, N.Y., a widower who lives with his ailing mother. With gas and electric bills taking about half his $206-a-month income, Mr. Alexander has cut back to one meal a day to make sure his mother has food. He also never burns more than one light at a time.

A Pennsylvania woman says she has had to sell some of her furniture to meet rising utility bills. "Some of these things have been in my family for 50 years," she says. She asks that her name be withheld to avoid embarrassing her relatives.

More people have started tampering with their electric and gas meters to avoid being charged. Consumer groups tell of women stealing food and clothing for their children because they can't afford to buy them after paying for heat and light. One elderly woman reportedly tried stealing $200 from a bank to pay for her utilities.

Poor people try to cut home energy consumption, but this is often difficult and can be dangerous. Many live in substandard homes that leak heat almost as fast as the radiator turns it out. The Department of Energy estimates that eight million homes of poor people have little or no insulation. For the elderly, letting the temperature in the house drop even into the low sixties can be deadly.

That's because many older people are susceptible to "accidental hypothermia," a rapid drop in body temperature that can be fatal. While firm statistics don't exist, there are estimates that thousands die each year from the condition.

Some relief efforts are being tried. Consumer groups and federal officials are pushing state public-utility commissions to ban cutoffs of heat and light during the winter for nonpayment of bills.

Such shutoffs have increased sharply in many areas. Public Service Electric & Gas Co., which serves most of New Jersey, says its shutoffs last year totaled 70,000, a 69 percent rise since 1973. Cutoffs by Michigan Consolidated Gas have nearly tripled in the past five years.

While winter shutoffs have been curbed in many states, there are few outright bans. Opponents argue that under outright bans, some people who can afford to pay their bills will avoid paying them. "We don't want to give deadbeats a hunting license," says a spokesman for the New York Public Service Commission.

Some of the curbs on cutoffs seem to be dictated by a curiously arbitrary compassion. For instance, Illinois won't allow service to be halted on days when the temperature is 20 degrees or under. However, shutoffs can be made at any temperature above that. "You can still get pretty cold at 21 degrees," says Henry Scheff of Chicago, who represents a coalition of consumer groups, churches and labor unions pushing for state cutoff bans around the country.

Regulators are also trying to alter rate systems that penalize those who use less energy. For instance, a typical Consolidated Edison Co. customer in New York City who uses 150 kilowatts of electricity pays $15.63 in the winter while another customer using 250 kilowatts, 67 percent more, pays only 54 percent more.

New Jersey regulators have been unsuccessfully grappling with proposals to reduce rates for the poor, possibly by charging higher rates to others. But it is estimated that such an effort would cost the state or the other customers of the utility $100 million a year. "There is a question of whether we have the power to charge others more because some people can't afford to pay their bills," says Edward Hynes, a commissioner on the New Jersey Board of Public Utilities. "It is a tremendous dilemma."

Given the magnitude of the problem, large-scale federal help is essential, many observers contend. So far, relatively little has come.

Some adjustments have been made, though, in such existing federal welfare programs as food stamps. And for the past three years Congress, largely through the efforts of some Northeastern legislators, has appropriated $200 million annually to help poor people meet their energy needs during the winter. This program, although it reached some 2.7 million people last year, has been widely criticized.

The main complaint is that the funding level doesn't come close to meeting the need. "It is a $200 million non-solution to a problem that needs billions," says Mr. Saul of the Community Services Administration, which administers the program.

The federal government also has a program to improve insulation in homes of the poor. So far, it has made only limited headway. Since 1973, about 500,000 substandard homes have been "weatherized"—about 6 percent of those estimated to need it. As things stand, it could take decades to do the rest.

The level of future aid is uncertain. The Carter administration is proposing to slash the funds for helping the poor with their winter heating needs to $40 million from the $200 million level of the past three years. Government officials contend that the lower level should be enough to meet a narrower objective currently given the program. That objective, one official says, "is only to deal with emergency situations that pose a danger to people's health and safety."

As for the continuing problem of rising energy bills for the poor, federal policy makers don't believe there are any simple answers. They note that over the past several years, increases in some programs, such as Social Security and welfare have helped offset energy cost increases. They contend that further help should come through a comprehensive revision of the state-federal welfare system, including higher benefit levels.

Only yesterday an advisory committee to the Department of Energy made public a draft report calling for a new $3.2 billion annual program to help the poor with their home energy needs. "We concluded that current programs are woefully inadequate," says Anthony Maggiore, an antipoverty official in Milwaukee and member of the advisory committee.

But some observers doubt that large amounts of new help will come any time soon. "Programs for poor people were never popular," says Alan S. Davis, director of energy projects for the National Consumer Law Center. "With the Proposition 13 mentality now in the country, they are probably at their lowest ebb."

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Public Law 86–380, appoints the following Senators to the Advisory Commission on Intergovernmental Relations: the Senator from Tennessee (Mr. Sasser), and the Senator from Delaware (Mr. Roth).

RECESS UNTIL 2:15 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2:15 p.m. today, with the understanding that at that time Mr. Sasser be recognized for not to exceed 15 minutes, to speak out of order; that then the Senate, at 2:30, resume its consideration of the debt limit measure.

There being no objection, the Senate, at 12:41 p.m., recessed until 2:15 p.m.; whereupon the Senate reassembled when called to order by the Presiding Officer (Mr. Zorinsky).

The PRESIDING OFFICER. Under the previous order, the Senator from Tennessee is to be recognized for a period not to exceed 15 minutes.

OIL PRICES—HIGHER AND HIGHER

Mr. SASSER. Mr. President, today I should like to share with my colleagues some of my thoughts on the current perception that a crisis exists in oil supplies in this country. Quite frankly, my observations do not add up to the same things we are being told by Energy Secretary Schlesinger and the major oil companies. It appears to me that Secretary Schlesinger and the major oil companies are now singing off the same sheet of music.

Their theme song might well be entitled "Higher and Higher"—because that is where oil prices are going if we listen to them.

Secretary Schlesinger is leading a refrain that is all too familiar to some of us. He is saying that the solution to our energy problems lies in higher prices which, in turn, will stimulate more production and lead us away from dependence on imported oil. It sounds simple, but we have tried decontrol of other energy commodities, such as natural gas, and I, for one, believe the remedy is not what we expected.

I am not convinced that adding to the profits of the major oil and gas companies will guarantee increased production.

The argument that the oil companies need extra profits to explore for new oil just does not hold water. We know, for example, that Mobil Oil Co. used some of the profits it gained from higher prices—those left over after it gets through with the newspaper ads—to buy the Montgomery Ward Co. We also know that the Atlantic Richfield Oil Co. now owns Anaconda Copper. ARCO also bought the Observer, a newspaper in England. It is these sorts of actions by the big oil companies that make my constituents wonder whether increased oil company profits bring greater supply.

In testimony last week before a House committee, oil company executives freely admitted they could not guarantee that increased profits would result in more oil exploration.

I believe that if we are going to produce our way out of energy shortages, we must first look at the development of alternative energy sources. We need to speed up as much as possible commercialization of solar energy. We need to mine more coal, and there are other options, such as our nuclear capability, that we must utilize. We will have to make a more sincere effort to bring our long-term options such as solar and fusion energy into the near term.

During the formulation of the national energy plan, Secretary Schlesinger said we need to shift our dependence from oil and natural gas to coal. Now that the price of natural gas is up and going even higher, the Secretary is telling us that we need to shift again—this time back to natural gas. I believe he is looking at a short term oversupply of natural gas which will evaporate in 2 to 3 years. And that is shortsighted, Mr. President, in my judgment.

Our energy policy and our energy efforts require the best of leadership, planners who will look at the long-term realities of our energy future—establish consistent policy—and work closely with Congress and the American people to develop the confidence we are so thoroughly lacking today in our energy administration.

If we expect the American people to accept the necessary sacrifice to break away from dependence on OPEC oil, then we must give them confidence in their leadership.

Instead, we hear grandiose talk of making Secretary Schlesinger an energy czar, moving him closer to the President and farther away from Congress and the people. In my judgment, we should not think of making Schlesinger a czar when he is the architect of our present chaos in our energy policy in this country.

I am reminded of the series of "political generals" that bedeviled Abraham Lincoln during the War Between the States. These were generals who were promoted for the wrong reasons and who had a penchant for either maintaining stationary positions or running in circles. They were absolute disasters for President Lincoln's plans and intentions.

When the Iranian oilfields initially stopped production in December, Secretary Schlesinger reported that imports from Iran accounted for only 3 percent of our oil consumption. This small fraction coupled with increased production from Saudi Arabia and other producing nations should have represented at best a minor disruption in our oil supplies.

However, what the Congress and the American people are being led to believe now is that we are facing a crisis of major proportions. Secretary Schlesinger and the Department of Energy are preparing emergency plans for rationing gasoline, telling us that gasoline prices will reach $1 per gallon before the year ends, and considering mandatory thermostat settings.

The major oil companies are announcing curtailments in allocations to service stations on the order of 10 to 15 percent. These same companies are dependent on Iranian oil for only 2 to 4 percent of their supply.

The stocks or reserves of the oil companies are reported to be higher than they were at this time last year. Oil company profits are also reported to be higher in the first quarter of 1979 than for the same period last year.

The reaction of oil companies in a time of uncertainty is to protect their inventories. This action will only make matters worse by enhancing the atmosphere of panic and shortage and encourage the fear that leads to "topping off the tank." Literally millions and millions of gallons of gas will be sitting in driveways and garages across the country in the tanks of motorists who are panic stricken.

I also hear reports of tankers loaded with oil literally millions of barrels sitting at anchor off shore waiting for higher oil prices.

These actions by the oil companies are driving up the price of oil in the spot market and increasing the probability that OPEC will set an even higher price on their oil when they meet later this month.

Against this backdrop of uncertain supplies—but all too certain price increases—the Secretary of Energy is looking for means of raising domestic oil prices even higher.

One plan which the Secretary has pushed is to end all controls on domestic oil prices. The DOE itself has estimated that this will result in added revenues of $15 billion to the oil industry during the first year an increase of as much as 1 percent in the inflation rate.

The Congress deregulated natural gas prices last year and so far we have no assurance of increased supplies.

As a matter of fact, I am told that driling for new wells, new natural gas wells, the first 2 months of this year under the new Natural Gas Policy Act is below what it was during the first 2 months of last year under regulated prices.

During hearings earlier this month, Federal Energy Regulatory Commission Chairman Curtis testified before my Subcommittee on Intergovernmental relations. In his testimony Curtis referred to the Natural Gas Policy Act as a "wager," saying that there is still no guarantee that deregulation will produce the additional natural gas that Schlesinger predicted it would produce. Another promise we have yet to see fulfilled is the stabilization of the dollar which Secretary Schlesinger assured us would result from deregulation of natural gas.

Mr. President, the painful result of deregulation of natural gas has been higher prices to consumers. The city of Memphis, Tenn., underwent a 20 percent rate increase in February of this year and may face still another rate hike before the year is over. In the city of Chicago, natural gas rates are up 25 percent. This is what the deregulation of one of our energy sources is doing to consumer prices.

Just last month, at the insistence of Secretary Schlesinger, Congress permitted the DOE to decontrol jet fuel. Secretary Schlesinger told us this would have little effect on price or availability. Two weeks after decontrol, prices on the spot market for jet fuel had risen from $0.60 to $1.07. In a case which has come to my attention in middle Tennessee, the owner of an air freight company has been unable to purchase jet fuel for its fleet of jet aircraft. The 16 oil companies which he has contacted have told him to a man that they are below 100 percent of their allocations on existing contracts and cannot take on new customers.

Another proposal which Secretary Schlesinger has advocated is the sale of Alaskan oil abroad—a move which would allow the oil companies to circumvent U.S. price controls, again increasing their profits. What would the impact of this action be on American consumers? It appears to me, Mr. President, we would be more dependent instead of less on OPEC imports.

One of our most promising means of reducing the hold of the OPEC cartel on world prices for oil is to encourage diversification of world oil production. We have an opportunity to assist our neighbor, Mexico, in developing its vast reserves of oil and gas. A move in this direction would be beneficial to ourselves and all oil consuming nations.

Secretary Schlesinger has discouraged this option by declaring that our priorities should be on developing domestic gas first, and only then consider buying and promoting development of other countries' reserves, such as our neighbor, Mexico. I feel that unless we help insure the market for their gas, maximum production of Mexican oil will be slowed and our eventual access to it thwarted.

I believe Secretary Schlesinger has bungled U.S. efforts to maximize Mexican oil production and has forced the President to devote his own personal energies and attention to alleviating a problem created by his Energy Secretary.

Secretary Schlesinger is operating under the assumption that rapid increases in oil prices will dramatically reduce our consumption and make us less vulnerable to future shortages. The current perception of a shortage of oil creates just the climate in which to promote these proposals to increase domestic oil prices.

As a matter of fact, the Secretary of Energy reminds me of a modern-day Chicken Little, because every other day he is up here in Congress testifying that a piece of the sky has fallen and hit the Secretary of Energy on the head.

The United States total energy consumption increased only 1.8 percent last year over 1977 levels. The previous year's increase was 2.5 percent and pre-1973 rates were 5 percent or greater. Our petroleum consumption increased only 1.6 percent in 1978. These reductions in rate of increase in demand represent successful conservation programs.

My question is: How much more conservation can we expect to see as a result of rapid escalation of oil prices?

My concern is that we are underestimating the impact of such rapidly increasing prices on consumers and on our rate of inflation. Increasing energy costs this winter have already resulted in many of our low and fixed income Americans being unable to meet their utility bills.

Secretary Schlesinger's tour of duty as Secretary of Energy has been littered with mistakes, miscalculations and misstatements. He lives in a strange world over there—an Alice in Wonderland World where mad hatters seem to be busily engaged in creating strange policies that defy the reality of the real world.

The Department of Energy, wittingly or unwittingly, is playing into the hands and pockets of the big oil companies.

The American people must know that the national leadership has their best interests in mind in policy formulation.

We must give them confidence that they are being treated fairly and that the National Government is not setting them up for a big gouge by "Big Oil."

The stocks of the oil companies are up.

Profits are up.

Where is the protection for the American consumer?

Where is the protection of the public interest?

These are the things we have to think about, Mr. President, and these are the reasons we must have competent and inspired leadership in the Department of Energy. I do not think that to elevate a "political general" as a reward for failure is a solution to our problems.

EXTENSION OF THE PUBLIC DEBT LIMIT

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of the pending business, which will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 2534) to provide for a temporary increase in the public debt limit, and for other purposes.

The PRESIDING OFFICER. The pending business is amendment No. 111, offered by the Senator from Kansas (Mr. Dole).

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, I yield such time as he may need to the distinguished Senator from Tennessee, to put something in the Record.

HIGHER OIL PRICES

Mr. SASSER. I thank the able and distinguished Senator from Utah for yielding.

Mr. President, I would like to share with my colleagues and place in the Record an article which was written by my friend and colleague, Albert Gore, Jr., Congressman from the Fourth Congressional District of Tennessee. This article appeared in the Washington Post editorial section on Monday, March 19. I ask unanimous consent that the article be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SASSER. Mr. President in this article, Representative Gore presents his well formulated views on the current crisis in oil supply and price. He also raises some thoughtful questions on the wisdom of some Department of Energy proposals which have been a source of concern to me as well. This article represents the type of concise and perceptive thought that those of us who know my distinguished colleague from the Fourth District of Tennessee have come to expect from him.

EXHIBIT 1

THE IMPENDING OIL "PRICE CRISIS"

(By Albert Gore, Jr.)

The underlying facts about America's energy crisis sometimes appear to change before our very eyes. Who was not surprised, for example, to be told last year that Mexico may well have more oil than Saudi Arabia? And it was only six months ago that a worldwide "glut" of oil was a topic of discussion.

Then came the revolution in Iran, which suddenly reduced world oil production, triggering price hikes and disarray in world oil distribution. It dramatically underscored the continuing need to reduce our voracious consumption of oil. The balance of payments impact alone is devastating. Moreover, we have no certainty that our foreign suppliers will be willing or able to maintain current production rates. While oil production outside the Middle East has been increasing, we are far too dependent on countries with political axes to grind. And it should be clear to all that sooner or later steadily increasing demand must exhaust finite supplies.

In the midst of the growing sense of panic about world oil supplies, I asked the Library of Congress to help establish the magnitude and character of the current oil shortfall. The results of that now controversial study made a strong but limited point: World production of oil is virtually the same today as it was for the first nine months of 1978.

Although the world is missing five million barrels per day from Iran, approximately four million barrels per day of increased production are coming from OPEC nations, chiefly Saudi Arabia, Iraq and Nigeria. And another one million barrels per day of increased production are coming from Mexico, the North Sea, and from several less-developed countries. This leaves a cumulative production shortfall of 80,000 barrels per day.

Those figures are not disputed by the Department of Energy. Rather, DOE challenges the selection of the first three quarters of 1978 as a base period for estimating the current shortfall. As restated in a recent Washington Post editorial ["The Oil Shortage is Real," March 5], the central objection of DOE is: "Early 1978 was an abnormal period; the industry had overshot in building inventories and was holding down purchases while it worked off excessive stocks."

However, worldwide stocks in the first quarter of 1979 are estimated by DOE at 4.317 billion barrels, compared to 4.276 billion barrels in the first quarter of 1978. Similarly, unclassified CIA figures on U.S. oil stocks show 1.32 billion barrels at the beginning of 1979 compared to 1.31 billion barrels at the beginning of the base period. DOE says oil stocks were abnormally high in early 1978. But they are even higher now.

Therefore, if world production is virtually the same and stocks are larger, then the current shortfall must be attributed to 1) increased demand and 2) the oil companies' unwillingness—for whatever reason—to draw down stocks at the same rate as last year.

Clearly, demand has increased in the months since the Iranian cutoff and is responsible for part of the shortfall. Should the United States and the world experience an economic boom this year, energy demand would grow more rapidly and the supply shortfall would be increased. But most analysts do not expect the growth pattern DOE optimistically projects. Unfortunately, an economic downturn now seems more likely.

On the second point, I do not believe that "corporate conspiracies" have engineered a "fake shortage." The actions of the multinational oil companies are normal for an oligopoly. Each company is primarily interested in protecting its share of the market. However, it would be unwise to assume that their natural desire to maximize this opportunity for a windfall profit will necessarily serve the public interest. As The Post stated in its editorial, the companies "are making matters worse" by protecting their inventories in a "tight and rising market."

To the extent that their decisions to build inventories have enhanced the atmosphere of shortage panic, multinationals have contributed to the current high prices in the spot market, weakened consumer resistance to higher prices and increased the probability that OPEC will move to a new price plateau at its March 26 meeting. As a result, I believe that the impending "price crisis" has become more serious than the current supply shortfall.

Secretary Schlesinger seized upon the current shortfall to build support for policies deliberately designed to produce much higher consumer prices, which he genuinely believes will help avoid more serious shortages in the future. However, the danger of raising prices too high quickly has been seriously underestimated, and the conservation benefits overstated.

Sharply higher prices risk simultaneous recession and double-digit inflation. The poor would be devastated; those barely making it now would be pushed beyond their limits. Yet once again, as in 1973–74, the oil companies would thrive, their profits inflated in direct proportion to the crushing economic burden on the country as a whole. In my opinion, our policy should reflect a greater concern for equity and a greater effort to avoid further drastic price increases.

EXTENSION OF THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of H.R. 2534.

Mr. HATCH. Mr. President, I congratulate the Senator from Kansas (Mr. DOLE) and the Senator from Colorado (Mr. ARMSTRONG) for their initiative in introducing this amendment. It is a proposal that will help set our Nation on a sound economic course once again.

Can there be any question in the minds of my colleagues here in the Senate that the time has come to put an end to the mindless economic policies that we have followed for the past decade and a half? This bill to raise the debt limit is just one more example of Congress failure to deal with the economic ills that are destroying the prosperity of the American people.

The Federal budget has shown a surplus in only 5 of the fiscal years since 1950, and those surpluses were small. From fiscal year 1950 through fiscal year 1959, the average deficit was $1.7 billion per year. From fiscal year 1960 to fiscal year 1969, the average deficit, Vietnam included, was $5.7 billion per year. In the first 9¼ fiscal years of this decade, from fiscal year 1970 through fiscal year 1978—including the transition quarter when we shifted the Federal fiscal year by 3 months—the average deficit was $30 billion per year.

All this Federal borrowing has put terrific pressure on the credit markets. The Government debt absorbs huge amounts of private savings, drives up interest rates, and strangles growth. To prevent a depression, the Federal Reserve has been forced to buy much of the debt. The resulting flood of new money has produced the inevitable inflation. In the 1950's inflation averaged just over 2 percent per year. In the 1960's Vietnam included, inflation averaged just over 3 percent per year. From 1970 to 1978, inflation has averaged over 8 percent per year, with peaks shooting into double digits. This year is just as bad. In fiscal year 1979, we are headed for a $37 billion deficit and 9-percent inflation.

What does all this mean in human terms? Almost $300 billion in deficits in this decade have diverted saving out of investment and job creation. Even after depreciation, that money could have purchased enough new plants and equipment to provide 3 to 4 million additional jobs at current wages, or alternatively, nearly $3,000 a year in additional wages for the average worker, at current levels of employment. Furthermore, additional workers and salaries would have done more to protect the social security trust fund than the tax increases we have just experienced. The lower inflation would have saved millions of Americans from hardship, and kept them from being pushed out of their homes by rising real estate taxes and income taxes. And the dollar would not be facing a crisis at home and abroad.

How much longer can this trend continue? How much longer can the American economy withstand this type of recklessness? How much longer can the American people be asked to carry the load?

The amendment proposed by my distinguished colleagues will go a long way in loosening the stranglehold that the Federal Government has placed on the economy. The amendment cannot erase the damage that has been done. It cannot relieve the suffering that has already been injected upon the American public. But it can set the foundation for future economic growth and stability, for an end to cruel inflation rates, for the restoration of the dollar overseas.

For these reasons, Mr. President, I support the amendment, and I ask unanimous consent that my name be added as a cosponsor of this amendment to require a balanced budget.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HATCH. Mr. President, as we all know, there are two ways to balance the budget: by lowering spending or by raising tax revenues. If Congress chooses the latter, we can expect only slow economic gains. The higher tax brackets we all face today have crippled saving and investment. If taxes are raised even further to eliminate future deficits, even more of our Nation's resources will be diverted from the private sector into the hands of the Government. Let there be no mistake: by supporting this amendment, I am not supporting higher taxes.

I hope to see Federal spending fall from its current levels of 23 percent of

GNP down to the normal peacetime levels of 18 or 19 percent. By doing so, we could not only balance the budget, but lower taxes as well. Then we would have the economic growth we need to provide the jobs, the opportunities for advancement, and the revenues and social services we need to heal and defend this great country.

Mr. President, Government spending can be reduced. It can be reduced without denying services to those who really need them. As a member of the Senate Judiciary Committee, I was quite impressed with the testimony of Deputy Attorney General Benjamin R. Civiletti last Thursday when he outlined the amount of fraud and waste that can be identified and eliminated within the Federal Government.

According to Mr. Civiletti, fraud and waste account for as much as 10 percent of Federal expenditures. It can be found, as Mr. Civiletti says, "wherever we look deeply". I submit, Mr. President, that it is time we started looking deeply. A vote against this amendment to balance the Federal budget will be a vote to perpetuate the spending levels that harbor this type of fraud and waste. The budget can be balanced and it can be balanced in a responsible manner.

Mr. President, I believe my colleagues will find great interest in the Associated Press article which appeared in last Friday's Salt Lake Tribune which clearly and accurately summarizes Mr. Civiletti's testimony. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"CAN'T BLOCK WASTE," UNCLE SAM ADMITS

WASHINGTON.—The Justice Department estimates as much as 10 percent of the tax dollar is wasted or stolen, Congress was told Thursday.

Deputy Attorney General Benjamin R. Civiletti told the Senate Budget Committee the Justice Department guesses between $1 and $10 of every $100 in federal expenditure is lost to fraud and abuse. That would mean a loss of at least $5 billion and up to $50 billion this year.

Fraud and abuse in the handling of federal programs and money are so widespread they can be found "wherever we look deeply," said Civiletti, the nation's No. 2 law enforcement officer.

NO WAY TO KNOW

Comptroller General Elmer B. Staats, who heads the General Accounting Office, told the committee he doubts anyone will ever be able to estimate with any precision the cost of waste and theft in federal programs.

But, he added, because there are so many government programs, so many complexities, so many transactions and so many opportunities, "indications are that waste, fraud and abuse are of mammoth proportions."

Sen. Edmund S. Muskie, D-Maine, chairman of the Budget Committee, and Sen. Henry P. Bellmon of Oklahoma, its senior Republican, expressed fear Americans will become so disgusted with waste and mismanagement of their tax dollars that the nation's tradition of providing for those in need will be undermined.

CITES RECENT POLL

Muskie cited a recent poll which he said showed most of those surveyed think at least 48 cents of every federal dollar is wasted.

But Staats, Civiletti and Inspector General Thomas D. Morris of the Department of Health, Education and Welfare noted significant progress in the battle against fraud and waste.

Staats reported on the first six weeks of operations of the GAO's toll-free "hot line," 800-424-5454, which citizens have used to give 3,000 tips on government waste and theft.

Of the 2,401 tips receiving an initial screening, Staats said, 1,488 appear to require investigation or audit, including 957 allegations of wrongdoing.

STEALING TO CHEATING

Nearly 44 percent of the 957 allegations involve federal employees, with accusations ranging from outright stealing to cheating on timecards. He said 19 percent point to individual recipients of federal aid, such as welfare.

"The allegations of wrongdoing that were received to date involve the funds of every one of the 12 Cabinet departments of the federal government and involve activity in Washington, D.C., and 48 of the 50 states," Staats said. No complaints came from Vermont or Wyoming.

Mr. HATCH. Again, Mr. President, I praise my distinguished colleagues for their bold step in introducing this amendment. Time is running out for Congress to reestablish a posture of fiscal responsibility.

I might add, in closing, that we have now reached a point where we are talking about a $830 billion national deficit. That deficit was only $100 billion in 1962, $200 billion in 1972, $400 billion in 1976, and just 3 or 4 years later we are now talking about $830 billion. Something has to be done. But that is only part of the problem.

Mr. Staats, the Comptroller General of the United States; Mr. Civiletti, the Deputy Attorney General; and Mr. Harris, of the Auditor General's Office, testified that not only do we have fraud and waste in Government of somewhere between $5 billion and $50 billion a year, but that transfer payments, payments which are commonly called transfer payments, which mean that we transfer the payments from the productive sector of society to the nonproductive sector of society, approach $360 billion a year in our budget.

I might add that most of these are what we call uncontrollables. Uncontrollables are budgetary items that we cannot do anything about, or so Congress Members say. The fact of the matter is we can do an awful lot about them if we will just exercise oversight and try to do something to get this thing under control.

But when you have that much in transfer payments, transferred out of the productive end of society to the nonproductive end of society, you are talking about some real problems.

I was absolutely shocked to hear about them. When we talk about the entitlement programs in this country, these are programs in many ways that have automatic costs of escalation, that escalate every year, and no one looks into them to see which ones should be taken out and which ones should be kept alive, and no one—but no one—tries to put a cap on this type of expenditures so that we can maybe keep, from a governmental standpoint, the cost of Government down and stop the runaway inflation that we have today.

But as if the $830 billion national debt is not enough, think of the entitlements, these uncontrollables. We have a $4 trillion to $7 trillion unfunded debt. Those are debts that we must pay in the future but for which we have no projected revenues to pay them—$4 trillion to $7 trillion. The low estimate is 4; the high estimate is 7. And I submit it is probably closer to the 7 than the 4.

Some say that our whole economy is worth only $6.5 trillion at book value. So you are talking about saddling our children now and well into the future with these profligate debts that have been caused by a profligate Congress.

As if that is not bad enough, as if the $830 billion national debt is not bad enough, as if the $4 to $7 trillion unfunded debt is not bad enough, consider, if you will, just a few years ago 21 billion of our dollars were held by foreign nations through Eurodollars and the like, $21 billion, and we were concerned, because we thought that type of holding would denigrate the American dollar, would depreciate the dollar and make it less worthwhile and less worthy of the standard it has been in the world monetary community for so many years.

Today, it is admitted, and I might add sadly admitted, that there are somewhere between 600 billion and 1 trillion of our dollars, through Eurodollars and the like, floating all over the world. Small wonder that our dollars are suffering so much and having so much difficulty and that our economy is so buffeted—an economy that is run, if not by madmen, certainly by people who have not been giving much consideration to the economics of government.

It is time for Congress to start doing something about it. The best message we could send in America today, in the light of the anguish of the American people, is that we are going to put a lid on the debt of this country by not passing this debt ceiling expansion and by showing to all Americans that we mean what we say when we say that we really want to cut taxes, balance the budget, and do what is right for our fellow taxpayers and the citizens in this country.

I hear arguments all the time on the Budget Committee that it depends on whose ox is gored as to whether or not we need these programs, and I suppose there is an element of truth in that; but you cannot tell me, when top level people in government come and say that we have between $5 and $50 billion of waste in government of moneys we cannot even account for, that we cannot find at least $5 to $10 billion, $15 or $20 billion of that waste and cut it out of the Federal budget, and start balancing this budget while at the same time cutting taxes and giving stimulation to the private sector so that it can take off and expand, so that we can outproduce inflation.

This economy is capable of outproducing inflation, and in the process ultimately becoming more capable of taking care of social needs that have been sadly neglected in the past, and which today are being satisfied only by inflated dollars, that are not doing as much as they could do if we balanced the budget, got inflation under control, stopped the flow of dollars all over the world, and of course, worked on this unfunded debt that must be paid for in the future with not only effective oversight but effective legislation.

I urge my colleagues in the Senate to join in supporting the Dole-Armstrong amendment and the future amendment to be offered by Mr. ARMSTRONG, of which I also wish to be a cosponsor.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. HATCH. I am delighted to yield.

Mr. ARMSTRONG. Mr. President, I appreciate the Senator's yielding, and I just wished to express my appreciation and that of others who are sponsoring the pending amendment, to the Senator from Utah for his encouragement and support, and also to compliment him on the clarity and forcefulness with which he has set forth the problem which I think virtually every American, certainly the vast majority, consider to be the No. 1 problem facing our country, inflation. This is at the same time when so many people, even those who try to pass themselves off as experts, are trying to pin the blame for rising prices on all kinds of unrelated factors, on crop failures, on the weather, on big business, on big labor—you name it—and trying in every way to escape the responsibility which really rests squarely in the Senate and in the other body for the wasteful spending, the deficits, that have resulted and have caused the inflation.

I think the Senator's statement is very meaningful, and I compliment him on it and congratulate him for his leadership in this important matter. I thank him for the support of the amendment.

Mr. HATCH. I thank my friend and colleague, who is doing such an admirable job in his first term in the Senate of leading this fight, and for whom I have deep and profound friendship and respect.

Mr. President, I ask unanimous consent that the name of the Senator from Virginia (Mr. WARNER) also be added as a cosponsor to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 49

(Purpose: To amend the Employment Act of 1946 to require that submission of a balanced budget, and for other purposes)

Mr. PROXMIRE. Mr. President, I have discussed this with the distinguished Senator from Kansas (Mr. DOLE), the sponsor of the pending amendment. It is my understanding that it is acceptable to him to have his amendment temporarily laid aside and an amendment which I will send to the desk called up, with the understanding that when my amendment is disposed of his amendment will become the pending business again.

I ask unanimous consent that that be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, I send my amendment to the desk.

The PRESIDING OFFICER. The pending amendment of the Senator from Kansas and the amendment of the Senator from Arizona, which was to follow, will be temporarily set aside.

Mr. PROXMIRE. I thank the Chair.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE) proposes an unprinted amendment numbered 49.

Mr. PROXMIRE. Mr. President, I will explain the amendment, and I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following new section:

SEC. 5. (a) Section 7 of the Employment Act of 1948 is amended by adding at the end thereof the following:

"(d)(1) Except as provided in paragraph (2), the total amount of estimated outlays set forth in the budget submitted by the President under section 201 of the Budget and Accounting Act, 1921, for any fiscal year shall equal the total amount of estimated receipts which would result if the increase in real economic growth for the period or periods on which the economic assumptions for such fiscal year are based were 3 per centum, as determined by the Council of Economic Advisers.

"(2) Notwithstanding the provisions of paragraph (1), the President may submit, together with the budget submitted in accordance with paragraph (1), an alternative budget which does not meet the requirements of paragraph (1), and the Congress may consider such an alternative budget, if, the President determines that a national emergency which requires the submission of such an alternative budget exists, and the Senate and the House of Representatives agree to a concurrent resolution (with two-thirds of the Members of each House concurring), stating in substance that the Congress concurs in the President's determination.".

(b) The amendment made by subsection (a) shall apply with respect to the budget submitted by the President for the fiscal year beginning October 1, 1980, and thereafter.

Mr. PROXMIRE. Mr. President, this amendment is identical with a bill which I have introduced which has extraordinary support in the Senate, I think, and a great breadth of ideological support. The cosponsors include the distinguished Senator from Delaware (Mr. ROTH), my colleague, Senator NELSON, the Senator from South Dakota (Mr. PRESSLER), the Senator from Rhode Island (Mr. CHAFEE), the Senator from Georgia (Mr. NUNN), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from New Mexico (Mr. DOMENICI), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Missouri (Mr. DANFORTH), the Senator from Arizona (Mr. DECONCINI), the Senator from Nebraska (Mr. EXON), the Senator from Arizona (Mr. GOLDWATER), the distinguished occupant of the chair, Senator ZORINSKY; the Senator from North Carolina (Mr. HELMS), the Senator from Rhode Island (Mr. PELL), and the Senator from Oregon (Mr. HATFIELD).

Mr. President, it is no accident that this amendment is so widely supported, because it is an amendment which does meet, it seems to me, the objections of virtually everybody who is on both sides of the argument for a balanced budget. It would achieve a balanced budget, and it would do so, it seems to me, in the most thoughtful and effective way.

Let me just say a few words about the need for this amendment first before I describe its contents.

Mr. President, this country suffers, as we all know, from roaring, raging, rampaging inflation. I think that every one of us realizes that that is the No. 1 problem confronting us today, directly confronting this body, and the one we must act on; the one that not only precedes any other in priority but affects unemployment and affects so many other considerations. Let me repeat: It is roaring, raging, rampaging inflation.

One of the reasons for this is the rise in the national debt brought about by routine gigantic deficits in the Federal budget.

These deficits must be financed by Government borrowing. Government borrowing, to the tune of $830 billion, as authorized by the provisions of this bill, obviously puts pressure on the credit markets and adds to price levels.

In the last 4 fiscal years alone, we have added almost $200 billion ($197.6) to the deficits, an average of almost $50 billion a year.

The interest on the public debt this year is $59.8 billion, an amount which exceeds the entire fiscal year 1951 budget.

The interest on the debt is not the only cause of inflation. But it is an important contributing cause to inflation. A drop in both public spending with its offsetting reduction in the size of the deficit in fiscal years 1979 and 1980 would contribute significantly to the fight on inflation.

Because inflation is the country's No. 1 problem and because the deficit is a contributing cause of inflation, and because public spending in excess of public receipts is the cause of the deficit itself, I am today sending to the desk an amendment which is identical to my bill. S. 331, as I have described and will describe in greater detail in a moment.

What this amendment would do would be to require the President to submit a budget which would be in balance IF the economy grew at 3 percent or more.

The fundamental, underlying basis for this bill is very simple. In good years economically, the Federal budget should be in balance or show a surplus. In bad years, the federal budget should properly run a deficit.

Over the business cycle the budget should roughly be in balance, with surpluses in good years offsetting deficits in years of slow growth or economic decline.

We all know that if the budget is balanced or in surplus when there is slow growth and rising unemployment, matters are made worse. But too many people fail to understand or acknowledge that if we continue to have deficits in years of strong economic growth, that stimulates price rises and inflation, adding to our economic problems.

I do not believe we should have a balanced budget every year. But we should, on the average, have a reasonable balance between surpluses and deficits over the business cycle.

That is what my bill and this amendment does. I believe it is economically sound, because it provides a stimulus when needed and provides a balanced budget or surplus when the surge in the economy puts pressure on prices and either causes or promotes inflation.

I might say that a former Chairman of the Council of Economic Advisers, Paul McCracken, a distinguished economist from Michigan, one of the ablest economists in the country and a thoroughly moderate and understanding man, has written me saying that this is by far the best solution to the serious problem that confronts us of the need for balancing our budget, on the one hand, and the need for a degree of flexibility and for meeting the problems of recession and slow growth, on the other.

The amendment calls for the President to submit a budget which would be in balance if the economy grew at 3 percent a year beginning in fiscal year 1980.

The 3-percent figure for economic growth is chosen for a very important reason. That is the long-term growth rate of the economy of this country.

Consider this, Mr. President, in the last 17 years, the Government budget has run a deficit in 16 of the 17 years. In only one year was there a surplus, a very small surplus.

If this amendment had been in effect, there would have been a balance or surplus in 12 of the 17 years—years when the economy grew at 3 percent or more—and five deficits.

If the requirement were for a balance or surplus when the economy grew at a 4-percent rate or more in real terms, which some economists believe we can achieve and which I would certainly consider as an amendment to my proposal, there would have been a budget balance or surplus in 10 of the last 17 years and a deficit in 7 years.

The people of the country are alarmed about inflation and Government spending. This has led to the call for a Constitutional Convention to consider an amendment to the Constitution to require a balanced budget at all times except in national emergencies when both Houses of Congress by votes of two-thirds do not require it. As we know some 23 States have passed such a resolution.

Both from an economic and political point of view that seems to be a rash undertaking.

Politically it could lead to an open-ended Constitutional Convention where anything could happen, even to the point of repealing the Bill of Rights.

Economically, to call for a balanced budget each and every year would place the economy in a straitjacket and is economically unsound.

It would result, of course, in driving us into a deeper and deeper recession, or put the Congress in the embarrassing position, year after year, when we had slow growth or recession, of voting to lay aside the constitutional amendment. Of course, there would be great difficulty under some circumstances in doing that. So it would be a way of frustrating the kind of economic growth that should be encouraged.

That is why I have introduced a bill, rather than a constitutional amendment, and why it calls for a balanced budget when the economy is growing at 3 percent or more in real terms rather than every year.

I think it is a sound idea. No doubt it can be improved. I welcome constructive criticism. Perhaps the balanced budget should be pegged at 4 percent rather than 3 percent of real growth or even 2.5 percent. There may be other refinements needed as well. I am proposing this amendment so that Members of the Senate and the public can think about it, discuss it, criticize it, and perhaps perfect it.

But I warn Senators that if we do not act to bring about a more rational fiscal policy, to provide a balanced budget at least in years of strong economic growth, and reduce the size and the onerousness of the Federal Government, we will get a constitutional amendment requiring a balanced budget each and every year which would be a disaster both economically and politically.

It is up to us to recognize the problem and it is up to us to find constructive answers.

The public feels so strongly about inflation and public spending, and rightly so, that to do nothing in this situation is to court disaster.

Now let me address two criticisms of my amendment and give my reply.

First, it is said, would not this amendment impede the recovery from a recession when the economy might well grow at more than 3 or 4 percent in the early years of recovery. Would it not be self-defeating to require a balanced budget or surplus during those periods of strong growth in the early recovery years?

Some economists argue that that is the case, that we ought to come out of our recessions more vigorously than simply with a growth of 3 or 4 percent.

My answer is, "No." One of the basic reasons we now face such strong inflationary pressures is that we have come out of recessions like gangbusters with spending programs that insured deficits for years to come, even in periods of exuberant growth.

The recovery from the recession of 1974 and 1975 is just an example. In 1976, 1977, and 1978 the economy grew in real terms (1972 prices) at 5.7 percent, 49 percent, and 3.9 percent, respectively But did we have a surplus in each of these years? During those 3 years, instead of having a balanced budget or modest surplus, we had deficits of $66.4 billion in fiscal year 1976, $45 billion in fiscal year 1977, and $48.8 billion in fiscal year 1978.

Mr. President, is there any wonder why we have inflation at the rate we have it today? Is there any wonder why we have a call on the part of so many Americans for a balanced budget? The polls show that 70 percent of the people in this country now are asking for a balanced budget. I think we cannot be blind to that fact.

These huge deficits—$160 billion in the 3 recovery years—are themselves a principal cause of the present inflation. They have added enormously to the inflation.

We would have been much better off to have had a balanced budget or modest surpluses in these years in order to sustain growth without runaway inflation.

The second argument we hear is that it might be alright to have a full employment balanced budget—that is, a balanced budget when unemployment is at 4 percent or below.

The answer to that is straightforward. That means a deficit almost every year. For 10 years, since 1969, when unemployment was 3.5 percent, because of the Vietnam war, unemployment has been above 4 percent. To peg a balanced budget on 4 percent unemployment, is to have a deficit almost every year.

In fact, that is the argument that many economists use; namely, that the budget should be balanced only during optimum periods.

Whether we know it or not, whether we like it or not, this is precisely what we have done. We really are now operating on the basis of assuming that we should get, that we can get, that we must get, to a level of unemployment of 4 percent.

I am all for that, but I think we must recognize that to try to do it this way is going to mean enormous deficits, a tremendous burden of service on the national debt for the American people, and a situation which is highly inflationary during that period.

But the American public, concerned with inflation, will not accept that premise and they are right. Furthermore, in a $2 trillion economy, the economic effects of a $15 or $30 billion shift from deficit to a balanced budget is not going to prolong a recession significantly. Furthermore, we could offset a somewhat stricter fiscal policy with a looser monetary policy.

In fact, if we had done that in recent years we would have been much better off. Interest rates would be much lower. Housing and investment might well have been stronger and higher. And inflation would most certainly have been much less.

For all these reasons I commend the amendment to the Senate for its consideration and, I hope, ultimate approval.

(Mr. BAUCUS assumed the chair.)

Mr. PROXMIRE. Mr. President, I want to read to the Senate the very brief letter I have from Dr. Paul McCracken who, as I said, was Chairman of the Council of Economic Advisers and is now a professor at the graduate school of business administration at the University of Michigan. He writes as follows:

> This is in response to your letter of February 12 regarding your speach on the floor of the Senate Monday. Of the various "budget-balancing proposals" this is the one which strikes me as providing the best blend of fiscal restraint and ability to operate fiscal policy. There is no question but what the emergence of what now must be called the old Keynesian conventional wisdom threw

> an important baby out with the bath water—namely, fiscal discipline.
>
> My concern about most budget balancing proposals is that they tend to immobilize the operation of fiscal policy, at the same time not necessarily providing effective expenditure constraints. It does seem to me that your proposal is an interesting attempt to find the middle way.

Mr. President, I want to ask my good friend from Louisiana, the distinguished manager of the bill, some questions on this. I realize that the pending measure may not be the proper vehicle for my proposal, and I want to assure him I do not intend to press this to a vote, but I would like to ask him in connection with this particular amendment this question: Does the Senator realize that what I am proposing here is not an amendment that would mandate a balanced budget year after year whether we are in recession, slow growth, or exuberant growth?

Mr. LONG. Mr. President, I have not had the opportunity to do justice to the Senator's amendment. Therefore, I will have to take the Senator's word for what the amendment does. As the Senator so well knows, every Senator is the best expert on his own amendment. The Senator from Wisconsin is the best expert on his amendment. So I will take his word for it, that it does what he says it does.

I want the Senator to know that I share his philosophy, that at a time when we have a prosperous economy, at a time when the Nation has relatively full employment, we ought to have a balanced budget. I will explain, as this debate goes along, why I feel that the budget process was established to provide a way that we would achieve this goal.

I thought the whole idea of the budget process was to give us a balanced budget when the economy is prosperous. When I voted for the budget process and creation of the Budget Committee, I thought that is what I had voted for. I thought I had voted to say that, year in and year out, unless there is some compelling reason why we should not do it, we ought to have a balanced budget. I think the Senator from Wisconsin, perhaps, felt the same thing when we voted for the budget resolution. I believe Senator Sam Ervin, who at that time was in this body, issued a statement saying he was proud to participate because he thought that the budget process established by that budget law was going to guarantee that hereafter we would balance the budget, pay off the national debt, and do all kinds of things that fiscal conservatives think are essential for this country.

I should like to associate myself with the fiscal conservatives in that respect.

Mr. PROXMIRE. Let me tell my friend from Louisiana that I appreciate that very much. What this amendment that I am proposing does is provide that the President will submit a budget which would be in balance in the event that the economy grows. It does not require any forecasting at all. For example, he might submit a budget with expenditures of $520 billion. In the event we grow, as they predict now, in 1980 at a 2-percent rate or something of that kind, maybe the budget would be in deficit. But if they grow at 3 percent, the budget would be in balance.

Nobody can predict what will happen in 1980. If we have exuberant growth under these circumstances, grow at a 4-percent rate, we have a surplus. If we grow at a really big rate, 6 percent, or if we have inflation at a lower level of growth, we have a balanced budget.

On the other hand, suppose we move into a recession situation. Automatically, without any further action by Congress, we would have a deficit, which we should have, which would stimulate the economy. The deeper the recession, the bigger the deficit, which is appropriate, because we would have an appropriate stimulating effect.

That is why I say the distinguished former Chairman of the Council of Economic Advisers, Paul McCracken, says this is by far the best compromise he has seen and he endorses it. I am delighted to hear the Senator from Louisiana mirror my views on what we thought the Budget Act was going to accomplish and, unfortunately, did not. I hope the Senator will have a chance to look at the amendment and can consider it as time goes on, because I think it is an amendment he can be enthusiastic about.

He would agree with me, I think, that we need some flexibility in fiscal policy. We have gone just too far when we have, year after year, 16 out of 17 years of generally good growth since 1962, 16 deficits and only 1 small surplus. That is wrong. This amendment would correct it.

Mr. LONG. Mr. President, the Senator, of course, makes an argument that is tremendously appealing, and I share the Senator's desire that we should have fiscal responsibility and that we should balance the budget and, hopefully, reduce the national debt over a period of time. At the same time, I believe that he shares my view that there are things that are more important on occasion than balancing the budget. For example, when you have a war on your hands, it is important that you try to win it. When you find yourself in a deep recession, you ought to do what you can to get out of it.

I think the worst economic mistake that any President made in this century—at least during my lifetime—was that when Herbert Hoover found this Nation going into one of the worst depressions in all history, he proceeded to try to balance the budget. As fast as he would reduce Federal spending and put more people out of work off the Federal payroll, the spending cuts would add to the downward spiral and just accelerate the pace at which the Nation declined into a depression. By more and more people being put out of work, the Government lost more and more revenue. So as fast as he cut spending to try to balance the budget, he had to cut it more to offset the declines in revenues caused by the depressed economy. The result was that this Nation found itself in such a horrible depression that people would not trust the Republican Party in control of the Congress for many years, and they would not trust the Republicans sufficiently to put a Republican in that White House from about 1932 until 1952. It took a great wartime hero to get them back in there again, because the people remembered the disaster that happened in the Hoover administration. So the Senator, I am sure, shares my view that there are times when there should be a deficit.

Mr. PROXMIRE. The Senator is correct, and of course this is exactly what this amendment would do. In a depression, this amendment would provide for an appropriate deficit that would stimulate the economy. But in a period such as we have had for the last 20 years, there would be, most of the time, a substantial surplus and it would automatically correct—that is what I like about this proposal—it would automatically correct this situation. It would automatically mean that if we move into recession—and we cannot predict that; the Senator from Louisiana, able as he is, or no economist can say, really, whether 1980 is going to be a good year or a bad year. We do not know. This amendment would provide assurance that if it does turn out to be an exuberant inflationary year, we would then have a surplus and if it turns out to be a recession, we will have the deficit we ought to have.

Mr. LONG. Mr. President, the Senator, I believe, shares my conviction that Gerald Ford has always been an honest man. As long as I have known the man, any other faults you might want to find with him notwithstanding, you would have to say the man is honest. He is intellectually honest, and he is honest in the full definition of the word. Gerald Ford also, you might say, from the point of view of hippies, is a square. He believes in the balanced budget in the traditional sense, and he advocated that for many years. So when he became President, he let it be known that he was going to balance the budget and he was going to control inflation.

We had those economic summit meetings. I am sure the Senator participated in some of those.

He had more economic experience than I did, so he obviously made a contribution. After that presentation, the President came down and said: "Here is the answer; we will all put these WIN buttons on. WIN means 'Whip Inflation Now.' " He said: "As my old father said, take what you want, but eat all you take; don't take any more than you need from the platter." In other words, save rather than spend.

So about a month later. everybody quit buying, and all the automobile companies were shutting their plants, and Lynn Townsend, the Chairman of the Chrysler Corp., when closing that plant said:

> No wonder people won't buy Chrysler automobiles when the President himself goes on nationwide television and tells the people not to buy anything. You can imagine why people would not go into debt $7,000 to buy a Chrysler, so it is easy enough to understand why we are having to close our plants down.

So, as the plants closed and more and more people went on the unemployment rolls, we came back here in January and President Ford called me in and said he wanted to ask me to help put through a big tax cut. I am sure the Senator recalls that.

It gave us an enormous deficit, over

$60 billion. He asked me what I thought about it and I said:

> Well, Mr. President, I think you are doing the right thing. If you had just sat there, the same thing might happen to you that happened to Herbert Hoover, when he just sat there and let the country go into the worst depression that ever occurred in my lifetime, the worst depression of all capitalistic history.

So I think he did the right thing to do that, even though that man fully believed in a balanced budget.

I think the Senator is making a very good point when he says that you should not try to have a balanced budget when the Nation is in a recession. When your productivity is falling off, people are out of work and the economy is not performing the way it ought to perform, it is more important to get the people back to work than it is to balance the budget at that point.

When the country is doing well, the Senator is right, at that point, we ought to have a balanced budget.

Mr. PROXMIRE. I say to my good friend from Louisiana that the advantage we have in this amendment is the moderation it imposes.

As the Senator is very familiar, when you have a situation like 1975 and some of the other times when recession has been very bad, with people out of work, there is a tendency to overdo it and to put on the books programs that do not come through with spending for 3 or 4 or 5 years. The Kennedy proposals in 1961–62 did not really bite until 1976, and they were inflationary because they came in so late.

What this amendment would do would be provide that we have a deficit that will help us get out of the recession all right, but that deficit would be self-limiting, so when we move out of the recession, we move toward a balanced budget and toward a surplus when we get into the exuberant area. It is automatically stabilized.

I thank my friend from Louisiana. He has been extremely helpful.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment (UP 49) is withdrawn.

Mr. PROXMIRE. Mr. President, under the previous order, as I understand it, the Dole amendment will now become the pending business of the Senate.

The PRESIDING OFFICER. The Senator is correct.

THE GENOCIDE CONVENTION: NOT WITHOUT PUNCH

Mr. PROXMIRE. Mr. President, opponents of the Genocide Convention often make the argument that, since the treaty is primarily symbolic, we need not give it serious consideration. Let us take a good look at this argument.

First, we need to make it clear that a symbolic treaty is not without influence. As a nation which has ratified the Genocide Convention, we would be in a far better position to exert pressure and mobilize world opinion to cases where genocide is alleged. Our voice, added to the 83 other nations who have already ratified the Genocide Convention, would have a significant deterrent effect in situations where genocide may be an actual threat.

Second, while it is true that the primary point of the Genocide Convention is a moral point, we live in an age where it is increasingly important for the world at large to come to a consensus on common moral priorities. In a world where nuclear holocaust poses a potential threat to the continued existence of the world's leaders be united in their respect for fundamental human rights. The Genocide Convention deals with the most basic of those rights—the right of a racial, religious, ethnic, or national group to live—and a universal respect for this right is of the utmost importance.

Third, symbolic or otherwise, it is time that we officially adopted a policy that makes genocide a crime under international law. We need to aline ourselves with all our major allies who have ratified the Convention instead of the Ugandas and South Africas who have not.

Mr. President, I do not believe that the Genocide Convention will put an end to all human rights violations; that was never its intention. The treaty is a narrowly targeted document whose primary purpose is to exert moral pressure on ourselves and the rest of the world. It is a small step—but one in the right direction, and one we should take. I earnestly urge this body to end its 30-year delay and ratify the Genocide Convention now.

Mr. President, I yield the floor.

ETHICS COMMITTEE PROBE OF SENATOR BROOKE

Mr. WEICKER. Mr. President, Ed Brooke can now hold his head high and never again be subjected to the innuendo associated with the investigation conducted by the Ethics Committee.

I am happy with the committee's decision to drop the probe but deeply saddened by the fact that the proceedings, and the manner in which they were conducted, cost the U.S. Senate and the people of the great State of Massachusetts a brilliant and compassionate voice which never shirked or wavered on key issues important to us all.

The many years Ed Brooke served in the Senate will testify to his legacy of ethical and moral standards of the highest order. Equally important, Ed Brooke's friendship and counsel will be dearly missed.

Ed Brooke was subjected to a smear job, costing him his Senate seat in the past election. In the final analysis, when he lost, we all lost.

EXTENSION OF THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of H.R. 2534.

The PRESIDING OFFICER. The question is now on amendment No. 111 offered by the Senator from Kansas (Mr. DOLE).

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without obection, it is so ordered.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that Gregg Dow of my staff be granted privilege of the floor during pendency of this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I simply wish to take a few minutes to talk about the amendment. I do not know what the final disposition may be. But since the distinguished Senator from Louisiana was unable to be present, I think it is fair to say that the amendment simply provides that beginning with fiscal year 1981 there may be no more debt limit increases beyond the May 1, 1980 level unless the second concurrent resolution on the budget provides for a balanced budget or surplus budget or more than two-thirds of the House of Representatives and Senate agree to a budget resolution which projects a deficit.

I might also say that the amendment will not affect the combined temporary and permanent debt limit level provided for in H.R. 2534, which is $830 billion, which will cover our debt needs through the end of fiscal year 1979.

The amendment does not address the question whether there should be any additional increase in the debt limit for fiscal year 1980. We will decide that probably sometime prior to September 30.

It seems to me that we could become involved in a lot of procedural questions and whether or not we might be violating the Budget Act and whether or not because of some unanimous-consent agreement entered into back on August 4, 1977, as I recall, that everything that happens somehow has to be approved by the Budget Committee. We are talking about the public debt. It is clear to this Senator that the Finance Committee has jurisdiction of the public debt. It has nothing to do with the Budget Committee or the Budget Act itself.

It may be that one way to defeat a balanced budget is to figure out some procedural way to prevent it from ever coming to a vote. I hope that will not happen.

We have a number of States calling for a constitutional convention. That may not be the best course to pursue. But I only suggest that if by some procedural maneuvering we are not given the right to have an up-or-down vote on the amendment itself, that is going to be construed by the States that have yet to consider whether or not they should make a call for a convention to mean that Congerss will not act on that when faced with the question. We will dodge the question with some procedural effort.

If there is a point of order made which relies on this so-called consent order dated August 4, 1977, as I read that order, all it does is divide jurisdiction between the Budget Committee and the Governmental Affairs Committee. It does not do anything and should not do anything about the jurisdiction of any other committee, whether it is the Finance Committee or the Agriculture Committee or any other committee.

When this order was approved Senator MUSKIE described the order as follows:

> This order simply seeks to recognize the joint interests of the Budget Committee and the Committee on Governmental Affairs in an orderly development of any revisions to the congressional budget process.

Now we are told that everything affects the budget process. We cannot have a balanced budget because it affects the budget process. We cannot even inquire of the executive to send us a balanced budget, as provided by the Packwood amendment, because it affects the budget process.

As I read the order, and it does have the words in paragraph 3, "Public Debt," for some reason we are now precluded from even customary jurisdiction in the Finance Committee. It is a Finance Committee bill. It has always been a Finance Committee bill. The Finance Committee is given jurisdiction over increases in the national debt. And the Armstrong-Dole amendment merely places a restriction on any further increases in the debt limit beginning in the fiscal year 1981.

That is the recommendation of the distinguished Senator from Virginia, Senator HARRY F. BYRD, JR., that was passed last year.

I might also add that we had a big debate in the Chamber last October, I believe it was, between the distinguished chairman of the Finance Committee and the distinguished chairman of the Budget Committee. We got into the out-year argument, whether or not you could cut taxes in the out years, and they said, "Yes, you can do that."

This is an out-year matter. We are talking about fiscal year 1981. That is an out year. And I think it is not now properly in the Budget Committee's jurisdiction.

This proposition was established last year, as I have said, in the debate on the 1978 Revenue Act, and more specifically on whether or not Senator ROTH could offer the so-called Roth-Kemp bill which started cutting taxes in 1981, and that falls into one of the exceptions in section 303, something, whatever, in the Budget Act.

So I just hope that we are going to have a chance to demonstrate early in this session are we for or against a balanced budget.

That is all the vote is going to be. If there is a point of order made and we appeal the ruling of the Chair, that is still the question—are we for or against the balanced budget? If we do not want Congress to have a balanced budget, then I guess we would sustain the point of order. The questions of fiscal policy and balanced budget incorporated in the Armstrong-Dole amendment are the most important issues that are going to come in this year, or any time in this Congress.

It seems to me we should not have to force our colleagues to debate the issue and not some procedural aspect of the Budget Act. If we fail to get a vote on the merits of this proposal, it is going to be a sign, as the Senater from Kansas indicated, to the American people and the State legislative branches that we are not committed to fiscal responsibility; that we like to talk about it, but "do not make us vote for it."

It seems to me, beyond that, it is looking at the very credibility of the Senate itself. I hope we can have some agreement on time and some agreement to take up the matter and discuss it, because it is a very simple question: Do you want or do you not want a balanced budget beginning with fiscal year 1981?

If we do we have an opportunity; the only references to the budget process in the Armstrong-Dole amendment are those which are used as a benchmark for future debt limit increases. The amendment does not force any change in the budget process. It makes future debt limit increases conditioned on the achievement of a balanced budget or on a two-thirds vote of both Houses.

Thus the amendment directly affects only the debt limit. We are talking about the debt limit, not about the budget process. I am not seeking to amend the budget process. So I hope we are not hung up on some legalistic argument that the American people do not understand. They understand the national debt. They understand $830 billion is a lot of money. They understand there is a lot of talk about it by Democrats and Republicans, as to a balanced budget and cutting spending.

They are not going to understand if we are overruled on some procedural motion or some point of order based on some obscure consent agreement given August 4, 1977, with no debate and no discussion.

It takes care of the Appropriations Committee, too. Everything affects the budget process. We are either going to have one committee in Congress or several committees in Congress. You do not have to agree on a balanced budget, but I hope we are going to have some agreement on getting a vote up-or-down or at least on a motion to table, but not to be ruled out of order on some point of order because somebody might conceive that it stretches the budget process or violates the Budget Act.

Everything affects the budget process. I hope we can reduce the budget. Maybe we cannot reduce the budget because that might violate the budget process. We never reduced the budget before, so we would be violating the budget process, if that argument holds.

So it seems to me the issue is clear. We had all the debate last October 14, 1978. I voted with my chairman, Senator LONG, because he was right.

It seems to me that when we look at that debate, when we look at the statement made on August 4, 1977, when we look at the amendment itself, we understand we are not addressing the budget process. As I said, we are using it just as a benchmark for future debt limit increases.

I know we are not prepared to vote at this moment, but I hope that at the appropriate time we can discuss the merits and not some technical point of order that not many will understand even in the Chamber.

Mr. ARMSTRONG. Mr. President, will the distinguished Senator yield?

Mr. DOLE. I yield.

Mr. ARMSTRONG. I want to associate myself with the remarks of the Senator from Kansas and to compliment him on his perspicacity, because the Senator has really put his finger on the issue, which is the credibility of the Senate and the Congress of the United States.

There is a growing belief in the country that when we are confronted with a hard decision we are going to find some way to duck the issue, some way to shuffle it off to committees, some way to postpone it, slough it off, and fail to come to grips with the problem.

This has happened on many occasions, but a very recent and flagrant example of that was when the Senate adopted, on the 9th of October last year, the Senator will recall, a motion sponsored by some 20-odd Members of this body which would have had the effect of arriving at a balanced budget in 1981, of cutting taxes, and of restraining the growth of Federal spending to declining proportions of the gross national product, a very well-advised, very reasonable, responsible amendment, which was passed in this body by a vote of 65-to-20.

The House of Representatives, the other body, then proceeded to instruct its conferees on the bill by an overwhelming vote, by a margin of 2-to-1, to accept the Senate amendment.

Yet somehow in the dark of the night, in the waning days of the last session of the Congress, the issue was never squarely addressed by both Houses. The indications were by 3-to-1 and 2-to-1 as being in favor of tax cuts, spending restraint, and a balanced budget, and yet when Congress went home last November it had not happened. It was just another episode in a long series that does call into question whether we are really serious about coming to grips with this problem.

I completely agree with the Senator from Kansas on his appraisal, and I certainly hope the Dole amendment, which is now the pending business before the Senate, will be argued on its merits and not shuffled off on some parliamentary maneuver.

I thank the Senator for yielding.

Mr. DOLE. I thank my distinguished cosponsor of the amendment.

I ask unanimous consent that the Senator from Indiana (Mr. LUGAR) and also the Senator from Iowa (Mr. JEPSEN) and the Senator from North Carolina (Mr. HELMS), be made a cosponsor of the balanced budget amendment.

Mr. DOMENICI. Mr. President, not too long ago the chairman of the National Taxpayers Union said that supporters of the prevailing economic orthodoxy are not prepared by recent experience to argue the case that deficit spending is beneficial.

He was right.

As a member of the Budget Committee, I have heard expert after expert claim that the budget cannot be balanced because Congress lacks the forward vision to protect revenues and outlays with any degree of certainty. But as the chairman of NTU, Mr. James Davidson, has noted, it is claimed that we can indeed predict when the economy will fall into a nosedive and require the fiscal tools to pull us out of recession. He has said that this is rather like saying someone who is too blind to wield an ax should be trusted as a surgeon.

This is why I have come to the conclusion that an automatic trigger device should be embedded in legislation dealing with the fiscal policies of Federal Government.

And this is why I join in introducing this amendment to the public debt limit bill.

The arguments in favor of this amendment are very convincing. A balanced-budget requirement would make Government more accountable.

A balanced-budget requirement would greatly reduce the "crowding out" effect in the Nation's money markets during those periods when business needs to borrow to expand and create new jobs but Government has already borrowed all that is available to lend in order to cover its own deficit.

A balanced budget would provide a powerful inducement to seek out waste in Government with greater vigor and with a more jaundiced eye cast on programs of dubious merit.

A balanced budget would all but eliminate the need for the Federal Reserve to "create" money, and thus add inflationary fuel to the Nation's economy.

Years ago, we here in America decided that economic and social progress comes from everyone pulling together. We reasoned that everyone pulls hardest when his or her own self-interest is directly involved.

The validity of that reasoning has been proved by the performance of the United States in one of the greatest societal miracles of all time; maximizing first, the Nation's overall progress and second, the upward mobility of every one of our citizens within this open democracy.

That miracle is simply too profound to be allowed to sink in an ever-worsening spiral of inflation. We have proven the difficulty of controlling the deficit through rational debate.

An amendment such as this, Mr. President, is an idea whose time has finally come.

Mr. PACKWOOD. Mr. President, I ask unanimous consent to add as cosponsors to my amendment No. 112 Senators PRESSLER, DOMENICI, LUGAR, and DOLE.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Iowa.

Mr. JEPSEN. I thank the Chair.

Mr. President, at this time I would like to state my strong objection to increasing the temporary public debt limit.

I feel that by passing such legislation we would simply be admitting our failure to deal with the problem of excessive spending. For years we have told ourselves we can spend ourselves rich. This is as silly as a drunk trying to drink himself sober.

A few years ago the Congress attempted to deal with the spending problem by instituting a new budget process. The first fiscal year in which the budget process was in effect the Federal Government ran the largest deficit in its history, $66.4 billion in fiscal 1976. Since then we have had deficits of $45 billion in fiscal 1977, $48.8 billion in fiscal 1978, and $33.2 billion in fiscal 1979. In a few weeks the Congress will approve a budget resolution containing at least another $28.4 billion deficit. Thus the conclusion is inescapable that the budget process is a dismal failure.

In fact, it has been argued that the budget process actually encourages budget deficits. This is because deficits are no longer produced haphazardly but are scientifically derived. The Congressional Budget Office decides what level of economic stimulus the economy needs and this becomes the accepted deficit level.

Personally, I feel that anytime there is a budget deficit it is harmful, not helpful, to the economy. First, deficits put pressure on money markets, crowd out private investors and raise interest rates. Second, budget deficits indirectly cause inflation when the Federal Reserve monetizes the debt in an attempt to reduce high interest rates. And thirdly, deficit spending has led to an unwarranted increase in the size of Government, because it allows the Government to irresponsibly command more and more real resources from the private sector.

Of course, the great virtue of deficit spending to politicians is that it allows them to appear to offer the people something for nothing. The people are offered program and benefits they want but are led to believe that there is no cost, because taxes are not raised to pay for them. Unfortunately, there is a cost, a heavy cost, because the money that Government spends does not come from the toothfairy, as Milton Friedman likes to say. It must either be borrowed, leaving less for productive investment in the private sector, or it is created by the Federal Reserve, thereby reducing the value of money and causing inflation.

I believe that we may have finally reached the point where people recognize the heavy price paid for past deficits, in terms of rising prices, slower economic growth, declining productivity, higher taxes, and even unemployment. Just yesterday, the President's chief assistant, Hamilton Jordan, told the National Press Club that the reason for our present economic problems is that President Johnson financed the Vietnam war with deficits rather than taxes.

Although the Vietnam war was certainly a contributing factor to the deficits that the Federal Government ran between 1965 and 1975, it cannot be used to explain the growth in Government spending since 1975. Yet the period since 1975 has shown the highest rate of growth in Government spending since the Korean war. In 1975 Federal Government outlays increased 21 percent, in 1976 they increased 12.3 percent, in 1977 9.9 percent, and in 1978 increased 11.9 percent. This is a cumulative increase of 38 percent in 4 years. Over the same period, inflation rose 21.2 percent. This means that if Federal spending had only grown at the rate of inflation since 1975—that is to say, 21.2 percent—we would not only have a balanced budget, but a $7 billion surplus.

In other words, it would not have been necessary for any cuts to have been made in any existing programs since 1975, in either real or nominal terms, for us to have achieved a balanced budget by fiscal 1978.

The reason why this is possible is that inflation causes tax revenues to increase at a faster rate, approximately 1.6 percent for every 1 percent inflation. Thus the Congressional Budget Office estimates that inflation and real income growth will increase income taxes on the American people by $8 billion in 1980, $18 billion in 1981, $34 billion in 1982, $51 billion in 1983 and $71 billion in 1984.

This inflation-tax increase lies at the heart of President Carter's budget strategy for the next 2 years. The figures in his fiscal 1980 budget prove that his promise to balance the budget in 1981 will be accomplished on the backs of the taxpayers. They show that in 1980 personal income tax revenues are expected to rise 1.9 percent faster than personal income, in 1981 they will increase 8.3 faster, and in 1982 taxes will increase 6.2 percent faster than personal income.

Therefore, I believe that we must do several things in order to balance the budget in a responsible manner. First, we must slow the growth of Government spending, preferably to less than the rate of inflation. Since this will mean a real reduction in Government spending across the board we must also begin to cut away at programs which no longer serve a useful purpose and eliminate fraud and waste in all other programs. This will insure that adequate funds are available for critical needs. We might begin, for example, by adopting some of the recommendations made by the General Accounting Office, which would save $8.2 billion per year, according to the Comptroller General.

At the same time we must adopt policies which encourage real economic growth in this country. We must insure that the private sector, which is the ultimate source of our Nation's wealth, is healthy and is growing faster than Government. This means across-the-board tax cuts are needed, regulations must be eliminated or reformed, and that inflation be controlled by reducing Government spending and monetary growth.

In closing I will just say that I believe it is perfectly appropriate to begin our pursuit of the goals I have just outlined by voting down the temporary debt limit increase. Although it may cause some short-term difficulties for the Treasury, we will be sending a message, in the clearest, loudest way possible, to the American people and the world that the Congress means business about controlling spending and inflation. The result will be a stronger economy.

I ask unanimous consent to have printed in the RECORD a table showing comparisons of spending outlays and the CPI.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year	*Spending outlays	(CPI) Consumer Price Index	Percent increase in outlays	Percent increase in C.P.I.
1960 -----	$92.2	88.7		
1961 -----	97.8	89.6	6.1	1.0
1962 -----	106.8	90.6	9.2	1.1
1963 -----	111.3	91.7	4.2	1.2
1964 -----	118.6	92.9	6.5	1.3
1965 -----	118.4	94.5	0	1.7
1966 -----	134.6	97.2	13.7	2.9
1967 -----	158.2	100.0	17.5	2.9
1968 -----	178.8	104.2	13.0	4.2
1969 -----	184.5	109.8	3.2	5.4
1970 -----	196.6	116.3	6.5	5.9
1971 -----	211.4	121.3	7.5	4.3
1972 -----	232.0	125.3	9.7	3.3
1973 -----	247.1	133.1	6.5	6.2
1974 -----	269.6	147.7	9.1	11.0
1975 -----	326.2	161.2	21.0	9.1
1976 -----	366.4	170.5	12.3	5.8
1977 -----	402.7	181.5	9.9	6.5
1978 -----	450.8	195.4	11.9	7.6

* Billions.

THE POLITICS OF TAXATION

Mr. JEPSEN. Mr. President, I would like to call to the attention of my colleagues an important article by Prof. Richard E. Wagner of Virginia Polytechnic Institute called "Capital, Consumption, and Tax-Transfer Politics."

Professor Wagner makes some extremely interesting points regarding Federal tax policies which discourage savings and investment. Ultimately, we will all pay the price for adopting such wrong-headed tax policies, in the form of higher unemployment, declining growth in personal income, and a lower standard of living.

Mr. President, I believe there is a changing attitude in America regarding tax policy. The day of soaking the rich" is over, as the Revenue Act of 1978 demonstrates. This was the first tax bill passed by Congress in many years which was directed not at redistributing income but at encouraging economic growth. Unfortunately, as Professor Wagner's article points out, we still have a long way to go.

Mr. President, I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAPITAL, CONSUMPTION, AND TAX-TRANSFER POLITICS

(By Richard E. Wagner)

The central concern of wise and proper tax policy seems commonly understood to be the distribution of tax burdens. Much of this understanding is grounded in a belief that the present tax system is biased in favor of those with above-average incomes, particularly those whose incomes come from capital, the accumulation of which was the product of previous saving. Upon congressional approval of the tax reduction legislation later signed by President Carter, an article in the Washington Post announced: "A Middle-Class Congress—Haves over Haves-Nots." This legislation was said to signify a substantial change from previous tax legislation because the bulk of the tax reductions this time were said to be given to people with above-average incomes. Such items as the reduction in the maximum rate of tax on corporation income, the increase in the exclusion of capital gains from the income tax, and the granting of 79 percent of the estimated value of the tax reductions to the top 50 percent of taxpayers were presented as evidence of this shift.

It would be easy to dispute the "facts" that lay behind this assessment. In 1970 the highest 50 percent of taxpayers paid slightly less than 90 percent of the total income tax burden, and by 1976 they were bearing slightly more than 93 percent of the burden. By giving these taxpayers only 79 percent of the tax reduction, the legislation has actually made their burdens still heavier. But disputation is not my interest here. My interest instead lies in the appropriate central concern of tax policy. Economic life s a positive, rather than a zero-sum affair, and the central problem of economic order is the attainment of an institutional order most conducive to prosperity. Lest a negative-sum destruction of prosperity occur, the central concern of tax policy must be prosperity, which requires that taxes be assessed in terms of their impact on incentives to produce, to save, and to accumulate.

Our income tax system essentially taxes saving twice as heavily as it taxes consumption. Between two people with the same earnings, the one who saves more will pay a higher rate of tax. The difference in tax treatment arises from the ability of saving to generate earnings in the future through capital that is created. While earnings that are consumed are taxed only at the time they are earned, earnings that are saved are taxed in two different ways. One way is at the time of earning, as with consumption. The other way is through the taxation of the yields from the saving as they accrue in the future. While these latter acts of taxation do not actually take place until the yields are realized, it is the original act of saving that creates the liability.

Some simple arithmetic can illustrate this proposition. If income is taxed at 50 percent, $200 of earnings will leave $100 for consumption. If this amount is saved instead, the total anticipated tax burden will rise to $150, so long as the anticipated rate of return is equal to the rate of discount. If the anticipated rate of return on saving is 10 percent, the anticipated annual yields of $10 will carry with them anticipated tax burdens of $5, which gives a present value of tax liability of $50. Should the anticipated rate of return be 20 percent, the anticipated annual yields will carry with them anticipated tax burdens of $10. At a 20 percent rate of discount, the present value of the tax liability will still be $50. While the share of income that is consumed is taxed at 50 percent, the share that is saved is taxed at 100 percent.

A single taxpayer with taxable income of $30,000 who saves nothing will pay a tax of $8,400, using the rate schedule for 1978. Another single taxpayer who has the same income but who saves $7,500 can anticipate bearing a tax burden of $11,775, which is 40.18 percent higher. For any particular anticipated rate of return and rate of discount, the anticipated present value of the tax on the act of saving is $3,375, which is the product of the 45 percent marginal rate applicable at that level of income and the amount of saving, $7,500. In consequence, the average rate of tax rises from 28 percent in the absence of saving to $39.25 percent in the presence of $7,500 of saving. Put differently, at the 45 percent marginal rate bracket, the marginal rate of tax on saving is actually 90 percent. When the marginal rate of tax reaches 50 percent, which is $34,200 of taxable income for single taxpayers, the rate of tax on saving will have reached 100 percent.

This simple arithmetic avoids some difficult questions. For instance, anticipations are unique to each person, and there is no necessary equivalence between the rate of return a person might anticipate from an act of saving and the rate of discount he might act upon with regard to the future. If the anticipated rate of return is less than the rate of discount, the present value of the anticipated future taxes on saving will be less than it would be if both rates were the same. Conversely, if the anticipated rate of return exceeded the rate of discount, the present value of the anticipated future taxes implied by the act of saving will be more than it would be if both rates were the same. Despite the possible complexities that could be introduced, the central point is valid: Acts of saving, and hence capital accumulation, are discriminated against by our income tax system. To avoid double taxation, either saving or the yield from saving must be exempt from the tax.

CAPITAL GAINS DISCRIMINATION

The taxation of capital gains at a lower rate than ordinary income is widely described as a particularly large loophole that favors the wealthy. This presumption is based on the Haig-Simons definition of income as the sum of consumption and changes in net worth. As Robert Haig put it: "Income is the money value of the net accretion to economic power between two points of time." [1] Suppose a person with an income of $20,000 possesses assets valued at $200,000, the latter being valued at $100,000 the previous year. Using the Haig-Somons definition, income would be $120,000, consisting of two components: (a) the $20,000 ordinary income, and (b) the $100,000 capital appreciation. Within this conceptual framework, a tax system that taxed capital appreciation less heavily than it taxed ordinary income would confer a tax privilege on capital appreciation.

To understand the issues raised by capital appreciation, it is necessary to get behind the nominal, monetary magnitudes to an understanding of the real meaning of these magnitudes. Capital and income are two primary, distinct economic magnitudes. Capital refers to the valuation at some date of a stock of productive assets; income refers to the value of a flow of services emanating from the productive assets between two dates.[2] The value of the two magnitudes are related by a rate of interest. A capital asset that yields a net income of $10,000 will tend to be valued at $100,000 when the rate of interest is 10 percent and at $200,000 when the rate is 5 percent.

A dairy farm may yield an annual net income of $30,000. When the rate of interest is 10 percent, the net capitalized value of the farm will be $300,000. Let us suppose that one year later the capital value of the farm is $400,000. To understand the issues at stake for tax policy, it is necessary to examine the reason for the increase in capital value. One possible reason is a decline in the rate of interest to 7.5 percent. In this instance the higher capital value signifies no accretion to real economic power, to use Haig's wording. To tax the appreciation is actually to destroy economic value. The size of the dairy has remained the same, as has the yield emanating from the dairy. All that has happened has been a general decline in the rate of time preference, with the future coming to be valued more strongly relative to the present.

A second possible reason for the higher capital value is an increase in net income to $40,000. This could result from either an increased productivity or an increased demand for dairy products. At a 10 percent rate of interest, the $10,000 increase in net income implies a $100,000 increase in capital value. The increase in capital value, in other words, is merely a reflection of the increase in income. It is double counting to consider both the increased net income and the increased capital value as accretions to economic power.

When the increased income is taxed under the income tax, to tax the capital appreciation also is actually to tax the increased income a second time. Stated differently, to tax both income and capital appreciation is to tax income at twice its announced rate. At a 50 percent rate of tax, the $10,000 increase in net annual income will elicit a $5,000 increase in annual tax liability. The present value of these tax liabilities will be $50,000, which is 50 percent of the capital appreciation. The income tax claim of 50 percent in effect sets aside 50 percent of the capital appreciation, with the yield being used to pay tax. If the 50 percent tax is also levied against the capital appreciation, the rate of tax will actually be 100 percent. A tax of $55,000 in the year the capital appreciation takes place, followed by taxes of $5,000 on the higher income in subsequent years, means imposing a tax liability of $100,000 in present value terms, which is a 100 percent rate of tax.[3]

The taxation of capital gains, therefore, involves the same double taxation of saving and capital as does the failure to exempt saving or the yield from saving from the income tax.

One further possible reason for capital appreciation is currency depreciation. The resulting rise in prices will increase the nominal value of capital assets, even though there has been no change in either the real amount of such assets or their productivity. Since income taxes on capital gains are based on nominal values, it is possible to have real rates of tax in excess of 100 percent. A 10-year period of 7 percent inflation will increase a price index by 96.7 percent. Suppose an asset purchased at the beginning of this period for $25,000 is now sold for $50,000. Since the initial purchase price expressed in current dollars is $49,180, the real capital gain is only $820. Nonetheless, $10,000 of the nominal gain will be subject to income tax. For a person in the 45 percent rate bracket, the resulting tax liability of $4,500 will be 549 percent of the real capital gain. Indeed, positive taxes can be paid on real losses in capital value. If the selling price of the asset were only $49,000, a real loss of $120 would have resulted. Nonetheless, the nominal capital gain of $24,000 would have resulted in a tax liability of $4,320.

The recent increase in the exclusion of capital gains from 50 percent to 60 percent has been widely assailed as expanding a tax loophole. But no loophole has been expanded, for any taxation of capital appreciation in a system of income taxation is double taxation. The increase in the rate of exclusion is actually a reduction in the extent of excessive, double taxation of saving and capital, with such excessive taxation being fully eliminated only when capital appreciation is excluded entirely from the income tax.

TAX-TRANSFER POLITICS

While it may be admitted that present tax institutions place penalties upon, rather than provide a loophole for, those who save and accumulate, it might be argued that such penalties are desirable because it is desirable to redistribute wealth, and such tax policies are a convenient means of doing so. Indeed, when looked at from relatively short periods of time, tax policy would seem to deal primarily with the distribution of tax burdens and disposable income. The fundamental issues concerning whether or not to exempt capital appreciation from the income tax would seem to be ones of distribution. When looked at from a longer period of time, however, tax policy is seen to deal primarily with the production—and destruction—of wealth. The excessive taxation of saving and capital actually reduces the consumption opportunities available generally within a society.[4] Tax policy becomes, as it were, an effort to give some people larger shares of what turns out to be a pie that becomes ever smaller relative to the pie that would otherwise have existed.

While tax policies that promote capital destruction—and a reduction in the incentive to accumulate is still capital destruction, though it might be described as relative rather than absolute destruction—are negative sum, there are some political forces operating to create such policies. Tax-transfer politics can fit readily into the framework of majoritarian democracy. The expropriation of wealth provides momentary gains to the expropriators. Though expropriation reduces the incentive to accumulate wealth, the opportunities for expropriation are larger the wealthier a society. With 50 percent of the taxpayers now paying less than 7 percent of the taxes, and with millions of other voters being absent from the tax rolls entirely, the existence of representation without taxation provides opportunities for politics to evolve into a bread-and-circuses spectacle.[5]

This short-run, negative-sum aspect of politics is reinforced by some peculiar problems of knowledge. While absolute capital destruction can create an initial period of raising standards of living, ultimately these standards must decline. Consequently, absolute capital destruction will lead eventually to the present being compared unfavorably with the past. The memory provides a basis for comparison. With relative capital destruction, standards of living can still be rising, only less rapidly than they could be. What these standards could have been under a different institutional order is, however, not grounded in any experience, but can only be created as a product of the imagination.[6] With experience or the memory being unable to provide a basis for comparison, capital destruction will evoke weaker expressions of citizen discontent.

This point can be illustrated quite simply.[7] Suppose $10,000 is invested, with an anticipated annual return of 20 percent. The annual yield will be taxed at 50 percent, with the revenues used to finance transfer payments. The exposition can be simplified by assuming that the yield remaining after tax is also invested. The first year the investment yields $2,000, of which $1,000 is taxed away and the remaining $1,000 reinvested. The second year there is $11,000 of capital, the gross yield on which is $2,200. The tax is $1,100, which leaves the same amount to be reinvested. The third year there is $12,100 of capital, which yields $2,420 in gross income. Tax collections are now $1,210, with an equal amount being reinvested to produce a capital base of $13,310 to start the fourth year.

In each year the budgetary process appears to deal essentially with a zero-sum redistribution of wealth from savers to consumers. In the first year, the primary budgetary question appears to be whether to impose a tax of $1,000 upon recipients of capital income, with the proceeds used to finance, in one way or another, the consumption activities of other people. In the second year, the same question about distribution seems to be the primary issue of budget policy, only the amount in question is $1,100, and with this amount rising to $1,210 the third year. The central aspect of the budgetary process seems to be the use of taxes on capital income to finance the consumption of the beneficiaries from government expenditure.

This simple zero-sum situation vanishes, however, once the entire process is examined over a sequence of years. If the yield from saving were not taxed, $2,000 would have been invested at the end of the first year. In turn, the resulting capital base of $12,000 would have generated a yield of $2,400 the following year. Continuing the illustration one more year, the capital base of $14,400 at the start of the third year would have yielded $2,880, which would have left capital of $17,280 at the end of the year. When seen in this perspective, tax policy has been responsible for the destruction of capital, and the value of capital destroyed has exceeded the amount of taxes collected. Instead of the accumulation of $7,280 of capital over the three-year period, only $3,310 has been accumulated. The $3,310 of expenditure has been financed by the destruction of $3,970 of capital. And the size of the capital destruction relative to the size of the expenditure increases starkly with the passage of time.

If 40 years are allowed to pass, wealth will be $453,000 and tax collections will have been $442,000. Since the amount of wealth would have been $14,800,000 in the absence of tax, the tax collection of $453,000 was responsible for the destruction of $14,437,000 of capital. The outcome of the policy of taxing saving to finance consumption is, as this illustration shows, strongly negative sum, though the peculiar problems of knowledge remain to contribute to the survival of short-run expediency.[8]

A CONCLUDING NOTE

The savers and accumulators are the primary benefactors of any society. As an old,

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Footnotes at end of article.

wise adage once noted: "Without frugality none can be rich, and with it few would be poor." As Ludwig von Mises put the point:

"Every single performance in this ceaseless pursuit of wealth production is based upon the saving and preparatory work of earlier generations. We are the lucky heirs of our fathers and forefathers whose saving has accumulated the capital goods with the aid of which we are working today. We favorite children of the age of electricity still derive advantage from the original saving of the primitive fisherman, who, in producing the first nets and canoes, devoted a part of their working time to provision for a remotor future. If the sons of these legendary fishermen had worn out these intermediary products—nets and canoes—without replacing them by new ones, they would have consumed capital, and the process of saving and capital accumulation would have had to start afresh. We are better off than earlier generations because we are equipped with the capital goods they have accumulated for us.[9]

Contemporary tax policy seems to be too riveted to questions of distribution; the debate over progressivity and related matters seems to have been conducted too much in terms of its impact on the distribution of income and wealth. The struggle over the tax burdens to impose on saving and capital has been interpreted essentially as a matter of distributional concern, but the capital destruction that results from the double taxation of saving and capital means less wealth for everyone. It would seem appropriate for tax policy to become much more concerned with the attainment of the common prosperity. Economic life is, after all, a positive-sum affair, though this positive-sum character also implies the potential for it to degenerate into a negative-sum calamity. Policies and institutions that do not penalize saving and capital accumulation are not arrangements for favoring some segments of the population at the expense of others. Rather, they are arrangements that enhance the well-being of all segments.

FOOTNOTES

[1] Robert M. Haig, "The Concept of Income—Economic and Legal Aspects," reprinted in *Readings in the Economics of Taxation*, ed. Richard A. Musgrave and Carl S. Shoup (Homewood, Ill.: Irwin, 1959), p. 75; originally published in *The Federal Income Tax*, ed. R. M. Haig (New York: Columbia University Press, 1921), chap. 1. See also, Henry C. Simons, *Personal Income Taxation* (Chicago: University of Chicago Press, 1938).

[2] See, for instance, Irving Fisher, *The Nature of Capital and Income* (New York: Macmillan, 1906); and Israel M. Kirzner, *An Essay on Capital* (New York: Kelley, 1966).

[3] While capital appreciation is, of course, taxed only upon realization, the economic impact of the tax is basically independent of the timing of realization or the payment of tax. Therefore, I have made no distinction here as to whether the appreciation is realized or unrealized, for to do so would only complicate the discussion.

[4] For brief survey on this point, see Michael J. Boskin, "Is Heavy Taxation of Capital Socially Desirable?" *Tax Review* 39 (October 1978): 43–46.

[5] A seminal treatment of these qualities of politics may be found in James M. Buchanan and Gordon Tullock, *The Calculus of Consent* (Ann Arbor: University of Michigan Press, 1962).

[6] See, for instance, G.L.S. Shackle, *Decision, Order, and Time in Human Affairs* (Cambridge: At the University Press, 1961).

[7] This illustration is adapted from Irving Fisher and Herbert W. Fisher, *Constructive Income Taxation* (New York: Harper, 1942).

[8] The recent concern over the negative impact of social security upon saving and capital accumulation presents exactly the same problem. Living standards have been rising while social security has been in existence; however, they have risen less rapidly than they would have in the absence of pay-as-we-go program of social security. Since the loss of wealth has never been experienced, it can only be conjectured. See Martin S. Feldstein, "Social Security, Induced Retirement, and Aggregate Capital Accumulation," *Journal of Political Economy* 82 (October 1974): 905–26.

[9] Ludwig von Mises, *Human Action*, 3rd ed. (Chicago: Regnery, 1966), p. 492.

Mr. JEPSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under authority of the order of the Senate of March 19, 1979, the Secretary of the Senate on March 20, 1979, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on February 20, 1979, are printed at the end of the Senate proceedings.)

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

REPORT ON THE STATUS OF HEALTH INFORMATION AND HEALTH PROMOTION—MESSAGE FROM THE PRESIDENT—PM 42

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Title XVII, Section 1705(a) of the Public Health Service Act (Title I of P.L. 94–317), I am transmitting the initial "Report to Congress on the Status of Health Information and Health Promotion."

This report has been prepared by the Secretary of the Department of Health, Education, and Welfare and submitted to me as required by law. This report describes the initial activities and future plans authorized by this legislation.

The cost of preparing this report was approximately $1,500, as measured by the use of staff time.

JIMMY CARTER.

THE WHITE HOUSE, *March 21, 1979.*

MESSAGES FROM THE HOUSE

At 10:03 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2154. An act to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for acquisition of strategic and critical materials be authorized by law, to establish a National Defense Stockpile Transaction Fund, and for other purposes.

The message also announced that, pursuant to the provisions of section 4(a), Public Law 95–412, the Speaker has appointed Mr. RODINO, Ms. HOLTZMAN, Mr. McCLORY, and Mr. FISH as members of the Select Commission on Immigration and Refugee Policy on the part of the House.

HOUSE BILL REFERRED

The following bill was read twice by title and referred as indicated:

H.R. 2154. An act to revise the Strategic and Critical Materials Stock Piling Act, to require that appropriations for acquisition of strategic and critical materials be authorized by law, to establish a National Defense Stockpile Tranaction Fund, and for other purposes; to the Committee on Armed Services.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–855. A communication from the Secretary of Agriculture, reporting, pursuant to law, relating to the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480); to the Committee on Agriculture, Nutrition, and Forestry.

EC–856. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Questionable Payments and Loan Defaults in Sugar Programs," March 16, 1979; to the Committee on Agriculture, Nutrition, and Forestry.

EC–857. A communication from the Deputy Director, Office of Management and Budget, Executive Office of the President, reporting, pursuant to law, that the Department of Defense—Military "Retired Pay, defense" has been apportioned on a basis which indicates the necessity for a supplemental appropriation for the fiscal year 1979; to the Committee on Appropriations.

EC–858. A communication from the Administrator, General Services Administration, transmitting a draft of proposed legislation to authorize the disposal of tin from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

EC–859. A communication from the Under Secretary of Defense, Research and Engineering, transmitting, pursuant to law, a report of Independent Research and Development and Bid and Proposal Costs Incurred by Major Defense Contractors in the years 1977 and 1978; to the Committee on Armed Services.

EC–860. A communication from the Under Secretary of Defense, Research and Engineering, transmitting, pursuant to law, a report on Independent Research and Development and Bid and Proposal Costs Incurred by Major Defense Contractors in the years 1977 and 1978; to the Committee on Armed Services.

EC–861. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 55 of title 10, United States

Code, to authorize the use of CHAMPUS inpatient cost-sharing rates for surgery performed on an outpatient basis; to the Committee on Armed Services.

EC-862. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), reporting, pursuant to law, on 5 construction projects to be undertaken by the U.S. Army Reserve; to the Committee on Armed Services.

EC-863. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on various communications systems used by our strategic submarine force and questioning the need for the extremely low frequency system; to the Committee on Armed Services.

EC-864. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to repeal section 309 of title 37, United States Code, which authorizes additional pay for performance of administrative duty; to the Committee on Armed Services.

EC-865. A communication from the Chairman, National Commission on Neighborhoods, transmitting, pursuant to law, a report entitled "People, Building Neighborhoods," March 19, 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC-866. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, its fourth annual report on the Board's functions with respect to section 18(f) of the Federal Trade Commission Act; to the Committee on Banking, Housing, and Urban Affairs.

EC-867. A communication from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting pursuant to law, a report for the month of December 1978, relating to (1) the average number of passengers per day on board each train operated, and (2) the on-time performance at the final destination of each train operated, by route and by railroad; to the Committee on Commerce, Science, and Transportation.

EC-868. A communication from the Chairman, Interstate Commerce Commission, transmitting, pursuant to law, a report on the effectiveness of the Rail Passenger Service Act of 1970 (Public Law 91-518); to the Committee on Commerce, Science, and Transportation.

EC-869. A communication from the Chairman, Federal Deposit Insurance Corporation, transmitting, pursuant to law, the fourth annual report of the FDIC's Office of Consumer Affairs and Civil Rights; to the Committee on Commerce, Science, and Transportation.

EC-870. A communication from the Assistant Secretary, Conservation and Solar Applications, Department of Energy, reporting, pursuant to law, delay in submitting a preliminary report on the potential for U.S. export of solar photovoltaic power systems; to the Committee on Energy and Natural Resources.

EC-871. A communication from the Assistant Attorney General, Antitrust Division, Department of Justice, transmitting, pursuant to law, a report on the Voluntary Agreement and Plan of Action to Implement the International Energy Program; to the Committee on Energy and Natural Resources.

EC-872. A communication from the Assistant Secretary of Energy, Resource Application, transmitting, pursuant to law, the annual report of the Bonneville Power Administration; to the Committee on Energy and Natural Resources.

EC-873. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, notices of meetings relating to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-874. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Middle River, Maryland, Federal Depot, in the amount of $4,756,000; to the Committee on Environment and Public Works.

EC-875. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Salt Lake City, Utah, United States Post Office and Courthouse, in the amount of $2,411,000; to the Committee on Environment and Public Works.

EC-876. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Philadelphia, Pennsylvania, United States Customhouse and Appraiser's Stores, in the amount of $4,638,000; to the Committee on Environment and Public Works.

EC-877. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Washington, D.C., Housing and Urban Development Building, in the amount of $826,100; to the Committee on Environment and Public Works.

EC-878. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes the acquisition of space by lease in Los Angeles County, California; to the Committee on Environment and Public Works.

EC-879. A communication from the Director, Office of Congressional Affairs, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report entitled "Identification of Unresolved Safety Issues Relating to Nuclear Power Plants"; to the Committee on Environment and Public Works.

EC-880. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the U.S. Post Office—Courthouse, 10th Street and Georgia Avenue, Chattanooga, Tennessee, in the amount of $1,382,000; to the Committee on Environment and Public Works.

EC-881. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Chicago, Illinois, John C. Kluczynski Federal Building, in the amount of $2,127,000; to the Committee on Environmental and Public Works.

EC-882. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Denver, Colorado, Federal Building and U.S. Courthouse, in the amount of $2,910,000; to the Committee on Environment and Public Works.

EC-883. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus for alterations at the Federal Building and U.S. Courthouse, Commercio and San Justo Streets, San Juan, Puerto Rico, in the amount of $5,889,000; to the Committee on Environment and Public Works.

EC-884. A communication from the Administrator, General Servįces Administration, transmitting, pursuant to law, a prospectus for alterations at the St. Louis, Missouri, 4300 Goodfellow Boulevard, Building #110, in the amount of $4,193,000; to the Committee on Environment and Public Works.

EC-885. A communication from the Assistant Secretary for Legislative Affairs, Department of the Treasury, transmitting, pursuant to law, a report on the role of the multilateral development banks in increasing food production and improving nutrition in developing countries, March 9, 1979; to the Committee on Foreign Relations.

EC-886. A communication from the Director, ACTION, Agency for Volunteer Service, transmitting a draft of proposed legislation to further amend the Peace Corps Act; to the Committee on Foreign Relations.

EC-887. A communication from the Director, of Personnel Management, transmitting a draft of proposed legislation to amend chapter 87 of title 5, United States Code, to increase the amounts of regular and optional group life insurance available to Federal employees and provide optional life insurance on family members, and for other purposes; to the Committee on Governmental Affairs.

EC-888. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a report on disposal of foreign excess property; to the Committee on Governmental Affairs.

EC-889. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Does the Federal Incentive Awards Program Improve Productivity?" March 15, 1979; to the Committee on Governmental Affairs.

EC-890. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Fragmented Management Delays Centralized Federal Cataloging and Standardization of 5 Million Supply Items," March 15, 1979; to the Committee on Governmental Affairs.

EC-891. A communication from the Acting Assistant Secretary (Administration), Department of the Treasury, transmitting, pursuant to law, a report on a proposed new system of records; to the Committee on Governmental Affairs.

EC-892. A communication from the Assistant Secretary of Transportation, for Administration, transmitting, pursuant to law, a report relating to the administration of the Privacy Act; to the Committee on Governmental Affairs.

EC-893. A communication from the Under Secretary of State, transmitting, pursuant to law, a report relating to the administration of the Privacy Act; to the Committee on Governmental Affairs.

EC-894. A communication from the Assistant Secretary of the Treasury, for Administration, transmitting, pursuant to law, a report relating to the administration of the Privacy Act; to the Committee on Governmental Affairs.

EC-895. A communication from the Director, Office of Procurement Management, Procurement and Contracts Management Directorate, Department of Energy, reporting, pursuant to law, on actions under the Federal Procurement Regulation Part 1-17; to the Committee on Governmental Affairs.

EC-896. A communication from the Deputy Assistant Secretary for Indian Affairs, Department of the Interior, transmitting, pursuant to law, a proposed plan for the use and disposition of the Bois Forte Band of Chippewa Indian judgment funds in the award in Docket 18-D before the Indian Claims Commission; to the Select Committee on Indian Affairs.

EC-897. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-898. A communication from the Director, ACTION, Agency for Volunteer Service, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-899. A communication from the Executive Secretary, National Mediation Board, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-900. A communication from the Comptroller of the United States, transmitting, pursuant to law, a report entitled "Reducing Federal Judicial Sentencing and Prosecuting Disparities: A Systemwide Approach Needed," March 19, 1979; to the Committee on the Judiciary.

EC–901. A communication from the Chairman, Federal Election Commission, reporting, pursuant to law, on the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–902. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Efforts to Increase Minority Opportunities in Skilled Construction Craft Unions Have Had Little Success," March 15, 1979; to the Committee on Labor and Human Resources.

EC–903. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the supply and distribution of and requirements for nurses; to the Committee on Labor and Human Resources.

EC–904. A communication from the Administrator, Veterans Administration, transmitting a draft of proposed legislation to amend chapter 19 of title 38, United States Code, to permit the unrestricted assignment of a beneficiary's interest in the proceeds of a Government Life Insurance policy in cases involving contested claims, and to increase the amount an attorney may receive for representing a claimant in such cases; to authorize the Administrator to establish a program of dividends for certain types of National Service Life Insurance; to authorize the Administrator to use a flexible interest rate in cases where the beneficiary of Government Life Insurance receives the proceeds of such insurance under certain settlement options, and for other purposes; to the Committee on Veterans' Affairs.

EC–905. A communication from the Comptroller General of the United States, reporting, pursuant to law on a deferral of Department of the Navy budget authority that has not been reported to the Congress pursuant to the provisions of the Impoundment Control Act of 1974; to the Committee on Appropriations, the Committee on the Budget, and the Committee on Armed Services, jointly, pursuant to order of January 30, 1975.

EC–906. A communication from the Comptroller General of the United States, reporting, pursuant to law, on the President's sixth special message for fiscal year 1979 that was transmitted to the Congress pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations, the Committee on the Budget, the Committee on Finance, the Committee on Commerce, Science, and Transportation, and the Committee on Environment and Public Works, jointly, pursuant to order of January 30, 1975.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PELL, from the Committee on Rules and Administration. without amendment:

S. Res. 108. A resolution authorizing the printing of additional copies of part 1 of the Senate report entitled "Developments in Aging: 1978" (Rept. No. 96–38).

S. Con. Res. 15. An original concurrent resolution authorizing the reprinting of the Senate report entitled "First Concurrent Resolution on the Budget—Fiscal Year 1979" (S. Rept. 95–739) (Rept. No. 96–39).

S. Res. 111. An original resolution to pay a gratuity to Larry J. Larsen.

By Mr. STEVENSON, from the Select Committee on Ethics:

Report on "Initial Review of Former Senator Edward W. Brooke, of Massachusetts" (Rept. No. 96–40).

By Mr. CHURCH, from the Committee on Foreign Relations, with amendments and amendments to the preamble:

S. Con. Res. 8. A concurrent resolution providing for impartial observers of the forthcoming elections in Rhodesia (Rept. No. 96–41). Referred to the Committee on Rules and Administration.

By Mr. LONG, from the Committee on Finance: Report on "Legislative Review Activity" (Rept. No. 96–42).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WILLIAMS. from the Committee on Labor and Human Resources:

Dennis R. Wyant, of Maryland, to be Deputy Assistant Secretary of Labor for Veterans' Employment.

By Mr. CRANSTON, from the Committee on Veterans' Affairs:

Dennis R. Wyant, of Maryland, to be Deputy Assistant Secretary of Labor for Veterans' Employment.

(The above nomination from the Committee on Human Resources and the Committee on Veterans' Affairs was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR STAR PRINT—SENATE RESOLUTION 109

Mr. WEICKER. Mr. President, because the text of Senate Resolution 109, which was introduced by me on March 15, contained certain errors, I ask unanimous consent that the corrected text of Senate Resolution 109 be star printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. STEVENS:

S. 698. A bill to amend the Internal Revenue Code of 1954 to permit a deduction based upon the cost of living in certain States in determining adjusted gross income; to the Committee on Finance.

S. 699. A bill to amend the Internal Revenue Code of 1954 to exempt from tax a portion of the income of individuals not employed by the Federal Government who live in a State in which Federal employees receive an allowance based on living costs and conditions of environment; to the Committee on Finance.

By Mr. DANFORTH:

S. 700. A bill extending the Investment Credit to Certain Research and Experimental Expenditures; to the Committee on Finance.

By Mr. COCHRAN:

S. 701. A bill to require that the Secretary of Energy notify any State of any investigation of any site in such State for the construction of any radioactive waste storage facility and allow such State to prevent the construction of such facility on such site by an action of the State legislature or a statewide referendum; to the Committee on Energy and Natural Resources.

By Mr. DeCONCINI:

S. 702. A bill to establish alternatives to criminal prosecution for certain persons charged with offenses against the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. GRAVEL (for himself, Mr. Robert C. Byrd, Mr. Randolph, Mr. Huddleston, Mr. Johnston, Mr. Ford, Mr. Stennis, Mr. Long, Mr. Glenn, Mr. Cochran, Mr. Bentsen, and Mr. Tower):

S. 703. A bill authorizing the construction, repair, and perservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Environment and Public

By Mr. DOLE:

S. 704. A bill to amend the Federal Election Campaign Act of 1971 to extend the Statute of Limitations to a period of 4 years; to the Committee on Rules and Administration.

By Mr. KENNEDY (by request):

S. 705. A bill to amend title XV of the Public Health Service Act to revise and extend the authorities and requirements under that title for health planning, to provide for assistance to hospitals in discontinuing inappropriate services, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. MATHIAS:

S. 706. A bill to reimburse the city of Frederick, Maryland, for money paid by the citizens of such city to save and hold harmless valuable military and hospital supplies owned by the United States Government; to the Committee on the Judiciary.

By Mr. BENTSEN (for himself and Mr. Boren):

S. 707. A bill for the relief of certain aliens; to the Committee on the Judiciary.

By Mr. CHILES:

S. 708. A bill for the relief of Elizabeth Berwick and Alexander Berwick, husband and wife; to the Committee on the Judiciary.

By Mr. CANNON (by request):

S. 709. A bill to authorize appropriations for the Coast Guard for fiscal years 1980 and 1981, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. KENNEDY (for himself, Mr. Metzenbaum, Mr. Ribicoff, and Mr. Hayakawa):

S. 710. A bill to amend the Interstate Commerce Act to remove the authority of the Interstate Commerce Commission to approve collective ratemaking agreements among motor carriers, to amend the Clayton Act to subject rate agreements among motor carriers to the antitrust laws, and to amend the Interstate Commerce Act to provide pricing flexibility for motor carriers; to the Committee on Commerce, Science, and Transportation, if and when reported, to the Committee on the Judiciary for not to exceed 30 days, to be reported without amendment, by unanimous consent.

By Mr. BURDICK (for himself, Mr. Inouye, Mr. Melcher, Mr. Baucus, Mr. Randolph, Mr. Young, Mr. Morgan, Mr. Cohen, Mr. Domenici, Mr. Leahy, Mr. Cannon, and Mr. Heinz):

S. 711. A bill to amend title VII of the Public Health Service Act to provide for making of grants to schools of medicine and osteopathy to assist them in the establishment and operation of educational programs in geriatrics; to the Committee on Labor and Human Resources.

By Mr. CANNON (by request):

S. 712. A bill to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes.

By Mr. TALMADGE (by request):

S. 713. A bill to provide a voluntary self-help program designed to assist producers of agricultural products to protetc themselves against loss of production when natural or uncontrollable conditions adversely affect production and to assure consumers that producers will be able to continue to produce food and fiber; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. STEVENSON:

S. 714. A bill to prohibit contributions by certain multicandidate political committees to candidates in elections for Federal office, and for other purposes; to the Committee on Rules and Administration.

By Mr. BELLMON:

S. 715. A bill to permit State and local governments to collect State and local taxes on alcoholic beverages and tobacco products sold or consumed on military and other Federal reservations; to the Committee on Finance.

By Mr. PRYOR:

S. 716. A bill to amend the Retired Federal Employees Health Benefits Act, as amended, with respect to the Government contribution toward subscription charge; to the Committee on Governmental Affairs.

By Mr. TALMADGE (by request):

S. 717. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for two years; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. NELSON (for himself and Mr. Riegle):

S. 718. A bill to reduce the cost of future reclamation projects, to supplement and clarify the Federal reclamation laws, to promote the settlement of family farmers in Federal irrigation projects, to provide for acreage equivalency between class I lands and lands of lesser productive capability, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON (for himself, Mr. Heinz, and Mr. Lugar) (by request):

S. 719. A bill to clarify the treatment of banks and other depository institutions under State and local revenue laws; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DURKIN (for himself, Mr. Pell, Mr. Ribicoff, Mr. Leahy, Mr. Melcher, Mr. Stafford, Mr. Cohen, and Mr. Helms):

S. 720. A bill to amend the Internal Revenue Code of 1954 to make certain woodburning equipment eligible for the residential energy credit; to the Committee on Finance.

By Mr. BAYH:

S. 721. A bill to amend the Civil Rights Act of 1957 to authorize appropriations for the United States Commission on Civil Rights for fiscal year 1980; to the Committee on the Judiciary.

By Mr. DURKIN:

S. 722. A bill to amend the Internal Revenue Code of 1954 to provide tax relief to residential users of refined petroleum products; to the Committee on Finance.

S. 723. A bill to promote competition in the marketing of petroleum products by providing for a moratorium on further control or acquisition of marketing outlets by petroleum producers and refiners, and for other purposes; to the Committee on the Judiciary.

By Mr. PRYOR:

S. 724. A bill for the relief of Pedro Abad; to the Committee on the Judiciary.

By Mr. STONE:

S. 725. A bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress; to the Committee on Governmental Affairs.

S.J. Res. 50. A joint resolution proposing an amendment to the Constitution with respect to compensation of Senators and Representatives; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. STEVENS:

S. 698. A bill to amend the Internal Revenue Code of 1954 to permit a deduction based upon the cost of living in certain States in determining adjusted gross income; to the Committee on Finance.

S. 699. A bill to amend the Internal Revenue Code of 1954 to exempt from tax a portion of the income of individuals not employed by the Federal Government who live in a State in which Federal employees receive an allowance based on living costs and conditions of environment; to the Committee on Finance.

Mr. STEVENS. Mr. President, today I am introducing legislation to rectify an inequity that is inherent in our tax code. The two bills which I am proposing would allow taxpayers residing in States with above average living costs to be taxed on an equal footing with the rest of the Nation. The first bill would allow a tax deduction based on the cost of living in certain States and the second bill would allow non-Federal employees, working in States where Federal employees receive an income exclusion based on the cost of living, to be eligible for the same exclusion.

Mr. President, as with the majority of our laws, the tax laws are based on their general applicability to all Americans. There is an assumed average; a concept of the type which we apply when speaking of Americans as a group and, thus, which we apply when establishing laws for this group. Congress has shown its sensitivity to the diversity that is inevitable in a country of our size and population, and has amended these laws to account for the atypical and the uncommon situation. This is done in an effort to make the tax code more equitable.

One inequity, however, remains to be rectified. The tax code is based on the average cost of living in the United States. The tax brackets are progressive so that the higher one's income, the higher the rate of taxation. The code's progressivity has come to be an accepted and basically unchallenged part of the tax system, but we employ a basic assumption to the applicability of the tax code which is untenable. That assumption is that what constitutes a "high income," and thus what is taxed at a higher rate, is the same in different parts of the country. It assumes that what $30,000 will buy in Washington, D.C. equals what it will buy in Barrow, Alaska. The cost and price structures of these areas are not correlative and yet the tax code treats them as if they were comparable. Taxpayers living in high cost areas whose high income levels reflect the cost of living in their State are taxed as if their income level represented a greater purchasing power. They are penalized, therefore, by virtue of their residences. In Alaska, for example, we have the dubious honor of paying the highest per capita tax in the country, nearly double that of the next highest taxed State. As my colleagues are undoubtedly aware, this does not represent a high level of affluence but rather nominal incomes adjusted for the high cost of food, shelter, and clothing. Alaskan citizens, especially those on fixed incomes, are faced with an unfair hardship which deters prospective residents and business concerns from settling in my State. Other high cost areas are also affected, such as Hawaii and many eastern cities. The legislation I propose would remedy this by allowing an individual to deduct a percentage of the total amount of personal exemption equal to the percentage by which the cost of living in that State exceeds the national average.

As an alternative measure, I am proposing that non-Federal employees residing in high cost States be allowed an income adjustment to account for these costs. Presently, the Federal Government provides a 25 percent cost-of-living adjustment to civil service employees who reside in Alaska. This nontaxable adjustment is added to the base pay of Federal employees, but is not available to non-Federal employees. Therefore, the tax burden upon workers in the private sector is inequitably repressive and relief is required to equalize their tax responsibility with those federally employed. Both bills which I have introduced in this regard contain limitations upon Federal employees who received a nontaxable cost-of-living allowance.

I believe that these bills will provide much needed Federal tax relief to the beleaguered taxpayer of my State and certain other States where the cost of living is significantly above the national average. Moreover, these bills should help to accelerate the economic and social progress of these States by stimulating business relocation therein and not discouraging prospective residents from moving there. Accordingly, I urge the careful consideration and adoption of this legislation.

Mr. President, I ask unanimous consent to have the bills printed in the Record.

There being no objection, the bills were ordered to be printed in the Record, as follows:

S. 698

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as 222, and inserting after section 220 the following new section:

"Sec. 221. Cost-of-Living Deduction.—

"(a) Allowance of Deduction.—In the case of an individual, there shall be allowed as a deduction a percentage of the personal service income (within the meaning of section 1348(b)(1)) received during the taxable year equal to the cost-of-living percentage (determined by the Secretary under subsection (c)) for the State in which he resides during the taxable year.

"(b) Limitations.—

"(1) Residents of more than 1 state.—The amount of the deduction allowable under subsection (a) shall be adjusted appropriately for any period of time during a taxable year during which the taxpayer was not residing in the State with respect to which a deduction is allowed under such subsection. In the case of a taxpayer who, during any taxable year, resides in more than one State with respect to which a deduction is allowed, the amount of the deduction shall, under regulations prescribed by the Secretary, reflect the proportionate periods of time during which he resided in such State.

"(2) Non-calendar year taxpayers.—In the case of a taxpayer whose taxable year is not the calendar year, the amount of the deduction shall, under regulations prescribed by the Secretary, reflect proportionately the calendar years which fall within this taxable year.

"(3) Federal employees.—The provisions of subsection (a) shall not apply to amounts received by an employee of the Government of the United States as pay and allowances from the Government.

"(c) Cost-of-Living Percentage.—

"(1) Determination.—On or before December 1 of each calendar year, the Secretary shall determine the cost-of-living percentage for each State which shall be equal to the excess of—

"(A) the cost-of-living index for a State for the first 9 months of such calendar year, adjusted to reflect such index on an annual basis, over

"(B) the price index for the United States for such 9-month period, adjusted to reflect such index on an annual basis.

"(2) Definitions.—For the purposes of this subsection—

"(A) Price Index for the United States.—The term 'price index for the United States' means the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics.

"(B) Cost-of-Living Index for a State.—The term 'cost-of-living index for a State' means the average of an index for the 3 largest cities or standard metropolitan statistical area within the State which is—

"(i) established by the Secretary after consultation with the Bureau of Labor Statistics, and

"(ii) based on items taken into account in determining the price index for the United States.

"(d) Finality of Determinations.—Determinations by the Secretary under subsection (c) shall be final and shall not be subject to review by any other officer of the United States or by any court.

"(e) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.".

(b) Section 62 of such Code is amended by inserting immediately after paragraph (14) the following:

"(15) Deduction for cost-of-living.—The deduction allowed by section 221.".

(c) The table of sections for such part VII is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 221. Cost-of-living deduction.
"Sec. 222. Cross references.".

(d) The amendments made by this Act shall apply to taxable years beginning after December 31, 1978.

S. 699

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as 129, and inserting after section 127 the following new section:

"Sec. 128. Partial Exclusion of Income of Individuals Residing in Certain States.

"(a) General rule.—In the case of an individual who resides and is employed in a State in which employees of the Government of the United States receive an allowance under section 5941 of title 5, gross income does not include a percentage of personal service income (within the meaning of section 1348(b)(1)) received during the taxable year equal to the percentage of basic pay received by employees of the Government of the United States as an allowance under such section.

"(b) Limitations.—

"(1) Federal employees.—The provisions of subsection (a) shall not apply to amounts received by an employee of the Government of the United States as pay and allowances from the Government.

"(2) Residents for less than a taxable year.—If an individual does not reside in such a State for the entire taxable year, the provisions of subsection (a) shall apply only to personal service income attributable to the period during which such individual resides in such State.

"(c) Regulations.—The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section.".

(b) The table of sections for such part III is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 128. Partial exclusion of income of individuals residing in certain States.
"Sec. 129. Cross references to other Acts.".

Sec. 2. The amendments made by this Act shall apply to taxable years beginning after December 31, 1978.

By Mr. DANFORTH:

S. 700. A bill extending the investment credit to certain research and experimental expenditures; to the Committee on Finance.

R. & D. TAX CREDIT

Mr. DANFORTH. Mr. President, on Thursday, January 25, I introduced a trade bill which is intended to provide fair and effective enforcement of this country's antidumping and countervailing duty laws. The Finance Committee is currently considering those measures while working with the administration in designing the legislation which will implement the trade treaties negotiated in Geneva.

Today, I am introducing a bill which is directed at another aspect of this country's trade problem—the need to increase our exports to other countries.

Faced with a balance of trade deficit of nearly $30 billion annually, we must do everything possible and within reason to encourage exports. There is no easy or guaranteed way of succeeding, but we must do more than wring our hands and hope that things will improve. After all, the purpose of the multilateral trade negotiations is to reduce international barriers to trade. Would not it be ironic if we succeed in reducing barriers, but U.S. industry is unable to take advantage of these new opportunities? The MTN treaties should increase the opportunity for imports into the United States. Will we increase our exports? That is the critical question. It is one I intend to address often this year in the context of several legislative initiatives.

It is widely recognized that one of the contributing factors to our declining foreign trade position is the erosion of the technological advantage that U.S. industry has historically enjoyed vis-a-vis the rest of the world. A related problem is the marked slowdown in the growth rate of U.S. productivity (economic output per unit of labor force input). I am convinced that both of these economic problems are, to a significant degree, directly related to the sluggishness in this country's commitment to research and development investment and the simultaneous upswing in R. & D. investment by our major trading partners.

To halt this trend, I am introducing today a bill which will encourage new investment in R. & D. by making available a 10 percent tax credit for all R. & D. spending by the private sector.

The success of American exports is directly related to the growth in American technology which in turn is directly related to the willingness of American business to invest in research and development. The tax credit I am proposing today will provide real stimulus for increased R. & D. spending.

The correlation between the intensity of research and development activity in American industries and the export performance of these industries has been demonstrated by Donald B. Keesing of Columbia University. He showed that there is a direct relationship between a particular industry's investment in research and development (both in terms of money invested in R. & D., and scientists and engineers employed) and its share of the world trade market.

A similar correlation between research and development activity and productivity growth was recognized by the National Center for Productivity and Quality of Working Life. In one report the Center stated:

> Industrial R. & D. outlays tend to be positively correlated with productivity growth. . . . The current slowdown in productivity growth rate is partially due to the declining rate of expenditures on R. & D.

What has happened to R. & D. spending in the United States? The available evidence shows that there has been virtually no growth in the past 10 years.

Data assembled by the National Science Foundation illustrate this point as follows:

In 1964, R. & D. spending constituted 3 percent of GNP. In every year since then, R. & D. spending, as a percent of GNP, has declined. In 1977 it stood at 2.2 percent, and the National Science Foundation Board projects that it will fall to 2 percent of GNP by 1985.

In constant dollars, 1977 outlays were actually 4 percent below 1967 spending levels (this is in contrast to the fact that between 1961 and 1967 R. & D. outlays increased at an annual rate of 6 percent).

There has been no growth in R. & D. since 1968 when measured by the number of scientists and engineers engaged in R. & D. activity.

It is also important to consider the nature of this R. & D. spending. Several factors over which the private sector has little control have had an impact on how companies spend their R. & D. money. In each case, the spending does little to improve long-range productivity growth. For example:

The energy crisis has diverted private R. & D. spending into energy conservation and the search for new energy sources;

Federal rules and regulations—particularly those relating to the environment, occupational safety and health, and consumer protection—have diverted R. & D. efforts into areas of compliance with Federal standards.

The very high underlying rate of inflation in the economy has helped to accentuate business uncertainty about the future. As a result, a larger share of R. & D. spending is being used to seek innovations with a much shorter profit payout than would be the case in a more stable economy.

Meanwhile, our international trading rivals are increasing the share of their economies that they are spending on research and development. In recent years, both Japan and West Germany have outspent the United States (as a percentage of GNP) in nondefense R. & D. Another measure of this trend is patents. U.S. patent rights awarded to foreign interests increased 91 percent between 1966 and 1976; currently 37 percent of all U.S. patents issued annually are awarded to foreign entities.

Is this lag in R. & D. spending just a temporary phenomena? Not according to the Treasury Department's international trade expert, Gary Hufbauer. Testifying before a congressional hearing in 1978, he stated:

> I think the erosion (of U.S. technological innovation) has, in a sense, just begun. Given the normal course of events, unless there is some fundamental change, it will probably increase in the years to come.

What can Government do to encourage research and development activity? One part of the answer could be to increase direct Government spending in research and development activities.

The Federal Government has always been a critical source of R. & D. spending, particularly in the area of basic research (that is, the search for fundamental knowledge), where Federal spending accounts for about two-thirds of this country's total basic research effort.

Direct Federal spending on R. & D. barely kept up with inflation through the late 60s and early 70s. In constant (1967) dollars, Federal spending on R. & D. was $13.6 billion in 1963, peaked at $16.5 billion in 1967, and is estimated at $13.8 billion in 1979. In his budget for the fiscal year of 1980, President Carter proposes to spend $30.6 billion (current dollars) on R. & D. overall. However, this is only $13.5 billion in 1967 dollars and represents a decline from the 1979 level. I am not prepared at this time to pass judgment on the merits of the President's recommendations, but the gross figures concern me.

I ask unanimous consent to have printed in the RECORD at this point a table which shows the pattern of Federal spending on R. & D. since 1963. It is taken from Special Analyses, Budget of the United States Government, Fiscal Year 1980.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

RESEARCH AND DEVELOPMENT

(Federal spending 1963-present)

(Dollars in billions)

Year	Total	Adjusted* total
1963	12.5	13.6
1964	14.2	15.3
1965	14.6	15.5
1966	15.3	15.7
1967	16.5	16.5
1968	15.9	15.3
1969	15.6	14.2
1970	15.3	13.2
1971	15.5	12.8
1972	16.5	13.2
1973	16.8	12.6
1974	17.4	11.8
1975	19.0	11.8
1976	20.7	12.1
1977	23.9	13.2
1978 est	26.2	13.2
1979 est	29.4	13.8
est. 1980	30.6	13.5

*CPI=100 in 1967.

Mr. DANFORTH. Mr. President, whereas I hope that we will monitor closely direct Federal spending on R. & D., the purpose of the legislation I am introducing today is to encourage more private spending on R. & D. After all, Government's contribution to R. & D., though critical, accounts for less than 2 percent of patentable innovations. It is the private sector that really makes the difference. The National Center for Productivity reached the following conclusion:

> Productivity growth has been achieved primarily as a result of private initiatives taken for private economic gain. In our mixed and interdependent economy, however, few efforts are exclusively private; the government plays an important supportive role.

The purpose of the bill I am introducing today is to encourage the private sector to increase research and development spending. It would do this by giving a 10 percent tax credit for each dollar a business spends in research and development. This tax treatment is identical to the 10 percent investment tax credit available for private spending on capital investment. In effect, we are saying that spending on R. & D. is equally meritorious with spending on new equipment.

The proposal is very simple. It would utilize definitions and accounting procedures which are currently in use. It would be a constructive and appropriate way for the Federal Government to work in partnership with the private sector in an area of fundamental importance to the future well-being of our economy.

Mr. President, I ask unanimous consent that the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 700

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Internal Revenue Code of 1954 is amended as follows:

(a) Qualified Investment for Research and Experimental Expenditure—Paragraph (1) of section 46(c) (relating to qualified investment) is amended by inserting immediately after subparagraph (b), the following new subparagraph:

"plus (c) the amount of qualified research and experimental expenditures (as defined in section 48(q)) paid or incurred by the taxpayer during such taxable year."

(b) Definitions—Section 48 (relating to definitions and special rules) is amended by inserting immediately after subsection (p), the following new subsection:

"(q) Qualified Research and Experimental Expenditures—for purposes of this subpart, the term 'qualified research and experimental expenditures' has the same meaning as the phrase 'research and experimental expenditures' contained in section 174."

(c) Effective Date—the amendments made by this section shall apply to expenditures made in taxable years beginning after December 31, 1979.

By Mr. COCHRAN:

S. 701. A bill to require that the Secretary of Energy notify any State of any investigation of any site in such State for the construction of any radioactive waste storage facility and allow such State to prevent the construction of such facility on such site by an action of the State legislature or a statewide referendum; to the Committee on Energy and Natural Resources.

Mr. COCHRAN. Mr. President, I am introducing today a bill that addresses a very serious and potentially dangerous problem—the disposal of nuclear waste material.

It is time that a Federal policy is established to resolve the questions that have arisen in conjunction with storage of the highly radioactive byproducts of our nuclear technologies. My State of Mississsippi happens to have located within it a number of salt domes which are regarded as potential sites for deposit and storage of nuclear waste materials. Apparently, serious consideration is being given to these sites by the Department of Energy.

During the past 2 years, I have received an ever-increasing number of inquiries from my constituents expressing serious concerns relative to their safety should these materials be stored near their communities. Obviously, there is great concern regarding the dangers associated with salt dome storage of nuclear wastes.

On January 25, I received a concurrent resolution which had been adopted by the Senate and House of Representatives of Mississippi expressing concern that the State be allowed to fully participate in the Department of Energy's study and potential decision on the use of Mississippi salt domes for storage of nuclear waste.

At least 14 States have now passed resolutions in one form or another regarding the issue of nuclear waste storage. This is a strong indicator of the corresponding concern on the part of many thousands of citizens in those States who feel threatened by these potentially dangerous waste materials.

Mr. President, it is time that we resolved the problems associated with nuclear waste storage. The legislation I am introducing today will provide the

States concerned an opportunity to participate in the decisionmaking process to determine where these potentially dangerous wastes may be stored.

This legislation is identical to a bill I cosponsored in the 95th Congress while a Member of the House of Representatives. It will provide States with the right to veto any siting within their boundaries by action of the State legislature or by submitting the questions to the people in a statewide referendum.

By providing the States with this option, the Federal Government may be forced to focus available expertise on the unanswered questions regarding hazards that may be now unknown. I believe that once we have devised a safe method for nuclear waste disposal—whether it be salt dome deposit or some other alternative—the public will accept the need for it. However, until that time, we must insure that the public is not endangered by a wrong decision at the Federal level without full participation of those affected by the decision.

I was particularly pleased to read a few days ago that a government review group admits that technical and social problems associated with waste disposal remain unsolved.

The Interagency Review Group, in its final report to the President, also supported the idea of getting a State to agree before a disposal site is located within its borders.

It is my strong hope that the Senate will favorably consider my bill, Mr. President, and act to protect the very legitimate interests of the States in this decisionmaking process.

By Mr. DeCONCINI:

S. 702. A bill to establish alternatives to criminal prosecution for certain persons charged with offenses against the United States, and for other purposes; to the Committee on the Judiciary.

FEDERAL DIVERSION ACT OF 1979

● Mr. DeCONCINI. Mr. President, today I am introducing the Federal Diversion Act of 1979. This bill was passed by the Senate unanimously in the 95th Congress after being recommended for passage unanimously by the Judiciary Committee. Hearings held in the 95th Congress reviewed the history of pretrial diversion programs in the United States on both the Federal and State levels. In reviewing the genesis of the diversion concept, the Subcommittee on Improvements in Judicial Machinery came to the conclusion that much of the theoretical basis for diversion was not supportable by existing research. However, the subcommittee found much pragmatic justification for increasing the number of Federal programs. The subcommittee determined that the Federal Diversion Act would be a significant addition to the Federal criminal justice system.

Briefly, pretrial diversion operates in this manner:

Soon after arrest (for instance, at the bail/release interview), the accused is interviewed and screened by the pretrial diversion agency to determine eligibility for the diversion program. The bill requires that the accused not be charged with a violent crime and not be a recidivist to be eligible. Names of eligible persons are submitted to the U.S. attorney for a final determination of suitability.

The Attorney General, by regulation, and the U.S. Attorney, by his or her prosecutorial discretion may establish further suitability criteria. If accepted, the accused, his attorney, and the U.S. attorney design a program that may consist of medical treatment, psychological treatment, restitution, residence in a halfway house, community service, or other elements.

While the accused is participating in this program, charges against him or her are suspended. If the accused successfully completes the plan and has not been arrested for other offenses, the U.S. attorney dismisses the charges. If not, the accused has a very limited right to appeal the decision to prosecute.

While early literature on pretrial diversion suggested that such programs would result in reduced recidivism rates and reductions in court calendar backlogs, no clear data was presented to the subcommittee to support these claims. What the subcommittee did discover was a rather significant gap in the options available to a prosecutor in a certain class of cases. These cases are offenses serious enough to require action by the criminal jutice system, yet the circumtances of each case mitigate the seriousness. Formal prosecution, with the onus of a criminal conviction resulting, is inappropriate.

Historically, the justice system responded to these cases by dismissal of the charges, lectures by the police without arrest, or full prosecution. The ad hoc diversion system arose from the general unsuitability of these other responses: The prosecutor would agree to dismiss charges if the accused exhibited good behavior over a period of time.

This informal process is unsatisfactory for a number of reasons. The prosecutor's authority to conduct diversion is not clearly established. Lacking court involvement or representation of the accused by counsel, the process provides no protections for procedural rights. Most important, the informal process is arbitrary, discretionary, and unevenly applied.

The subcommittee addressed these difficulties and concluded that the need for a statutorily mandated pretrial diversion program was real. Further, while the subcommittee found statistical validation lacking, evidence suggests that a national program, consistently utilized in appropriate cases, could possibly reduce court backlog and effect justice cost savings, and possibly prevent some first-time offenders from becoming recidivists.

Mr. President, I urge my colleagues to review the report of the subcommittee on the bill from the 95th Congress. I ask unanimous consent that the text of the legislation be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 702

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Diversion Act of 1978".

Sec. 2. The Congress finds and declares that (a) the interests of operating the Federal criminal justice system efficiently, protecting society, and deterring individuals charged with violating criminal laws from future criminal acts can be served by creating alternatives to prosecution; and (b) such alternatives can be accomplished in appropriate cases without losing the general deterrent effect of the criminal justice system.

Sec. 3 (a) Title 18, United States Code, is amended by adding immediately after chapter 209, a new chapter 210, as follows:

"Chapter 210—DIVERSION

"Sec.
"3201. Definitions.
"3202. Admission to diversion program.
"3203. Voluntariness of waiver of rights.
"3204. Inadmissibility of diversion information.
"3205. Continuation and dismissal of charges.
"3206. Termination; review; completion; withdrawal.
"3207. District planning group.
"3208. Authority of the Attorney General.

"§ 3201. Definitions

"As used in this chapter, the term—

"(1) 'eligible individual' means any person against whom a prosecutable case exists for any offense against the United States where—

"(A) the alleged offense did not involve the threat of infliction of serious bodily injury to other persons;

"(B) it is reasonably foreseeable that the person will not commit violent acts if admitted to a diversion program;

"(C) the person has not exhibited a continuing pattern of criminal behavior;

"(D) the person meets the criteria established by regulations issued by the Attorney General and guidelines established by the attorney for the Government in the district where the indictment, information, or complaint is filed; and

"(E) the person is admitted to participation in a diversion program by the attorney for the Government in the district in which the indictment, information, or complaint is filed;

"(2) 'diversion program' may include, but is not limited to, medical, educational, vocational, social, and psychological services; corrective and preventative guidance, training, and counseling; provision for residence in a halfway house or other suitable place; other services designed to protect the public and benefit the individual; restitution to victim of the offense or offenses charged; and uncompensated service to the community;

"(3) 'diversion plan' means a written agreement, signed by the eligible individual, defense counsel, diversion administrator, and the attorney for the Government, that states those elements of a diversion program in which the eligible individual will participate to assure that he will lead a lawful life, and states the length of time required to complete the plan; but, in no event shall a diversion plan exceed twelve months except to allow the person admitted sufficient time to make restitution; and

"(4) 'diversion administrator' means a person designated by the Attorney General, after consultation with the district planning group, as administrator of the diversion program.

"§ 3202. Admission to diversion program

"(a) The diversion administrator or his assistants shall, to the extent possible, upon arrest or the issuance of a summons or as soon thereafter as possible, review the allegations against each person charged with a criminal offense against the United States and interview each person who he believes may be eligible for diversion. The diversion administrator shall then make a report to the attorney for the Government on the eligibility of each person charged. A person who has not had the allegations against him reviewed may request to be considered for admission by application to the diversion administrator. The attorney for the Government may require further investigation by the diversion administrator of a person being considered for admission with the consent of that person. If the attorney for the Government determines that a person is suitable, the diversion administrator shall prepare a diversion plan. Upon agreement of the attorney for the Government, diversion administrator, eligible person, and defense counsel about the elements of the plan, the attorney for the Government shall assign supervision of the plan to the diversion administrator. A determination of eligibility or suitability by the attorney for the Government shall not be subject to review except as otherwise provided by law.

"(b) The diversion administrator shall report to the attorney for the Government on the progress of the person in carrying out his plan in a manner and at times the attorney for the Government and diversion administrator deem appropriate and shall at the same time provide a copy of each such report to the person and defense counsel.

"§ 3203. Voluntariness of waiver of rights

"No person shall be admitted to a diversion program unless he has voluntarily agreed to participate and has received a copy of his diversion plan, and has voluntarily waived, in the presence of a judge or magistrate and with the advice of counsel (except in a case where counsel has been voluntarily waived), all applicable statutes of limitations and his right to speedy trial for the period of diversion.

"§ 3204. Inadmissibility of diversion information

"Whenever a person is admitted to a diversion program and his diversion plan is later terminated or the person withdraws and prosecution is resumed, any statement made or other information given by the person in connection with the determination of his eligibility or suitability for the program, any statement made by the person while participating in the program, and any statement, report, or other information concerning his participation in the program shall not be admissible against the person on the issue of his guilt of the offense that was the basis for diversion in any judicial proceeding in which he is accused of the offense. This section shall not be construed to limit the admissibility of any information for purposes of impeachment.

"§ 3205. Continuation and dismissal of charges

"In each case involving a person who is admitted to a diversion program under this chapter, this criminal charges against the person shall be continued without final disposition for the period agreed upon in the diversion plan, unless the admission is terminated, completed earlier. or the person withdraws pursuant to section 3206 of this chapter. Upon the expiration of the diversion period, the attorney for the Government shall file a dismissal with prejudice as provided in section 3206(c). Nothing in this paragraph shall be construed to limit further investigation of the offense charged or presentation of evidence to a grand jury during the diversion period.

"§ 3206. Termination; review; completion; withdrawal

"(a) If the attorney for the Government finds the person is not fulfilling his obligations under the plan, or has discovered facts previously unknown to him demonstrating that the person is not suitable for diversion, the attorney for the Government may resume prosecution. The attorney for the Government shall make a written statement of the factual basis for his determination to resume prosecution and transmit copies to the person and to defense counsel. The person and defense counsel shall thereafter be notified of their opportunity to appear before the attorney for the Government and the diversion administrator to contest the determination within a reasonable time as established by the Attorney General.

"(b) If the person fails to contest the determination of the attorney for the Government within the time specified, no further review of the determination shall be granted. If, on the appearance of the person and defense counsel before the attorney for the Government and the diversion administrator, the attorney for the Government determines that prosecution shall be resumed, the person may petition the court for review. If the court finds that no fact exists upon which the attorney for the Government could base a determination to resume prosecution, the court shall order that the person be allowed to fulfill his obligations under the plan or shall dismiss the charges if the court finds that all such obligations have been fulfilled. In a proceeding under the provisions of this subsection, evidence shall be admissible regardless of its admissibility in a trial on the offense.

"(c) If the diversion administrator certifies to the attorney for the Government at any time during the period of diversion that the person has fulfilled his obligations and successfully completed the plan, and if the attorney for the Government concurs, the attorney for the Government shall file, by leave of court, a dismissal with prejudice of the indictment, information, or complaint against the person.

"(d) A person participating in a diversion plan may withdraw at any time, and the attorney for the Government may resume prosecution.

"(e) Whenever a diversion plan is terminated or the person withdraws before completion of the plan and the prosecution is resumed resulting in a conviction, the court shall consider the length and nature of the defendant's participation in the plan and may credit such participation as time served toward any sentence of probation or incarceration.

"§ 3207. District planning group

"(a) The district planning group established by section 3168(a) of this title, together with other individuals as the chief judge may appoint, shall constitute a diversion advisory committee. The chief judge may appoint individuals representing agencies to which persons are referred under a diversion program pursuant to this chapter. The group shall plan the implementation of the diversion program for the district and review on a regular basis the administration and progress of such program. The committee shall report to the Attorney General at times and in a manner as the Attorney General shall prescribe.

"(b) Members of the committee shall not be compensated, but may be reimbursed pursuant to section 3208 for reasonable expenses incurred by them in carrying out their duties as members of the committee.

"§ 3208. Authority of the Attorney General

"(a) In carrying out the provisions of this chapter, the Attorney General shall—

"(1) reimburse agencies of the judicial branch of the Government for the cost of services of United States probation officers, pretrial service officers, and employees other than judges, magistrates, or Federal public defenders, necessary to carry out the purposes of this chapter;

"(2) employ and fix the compensation of such persons as he determines necessary to carry out the purposes of this chapter, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive services and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

"(3) acquire such facilities, services, and materials as he determines necessary to carry out the purposes of this chapter; and

"(4) enter into contracts and other agreements without regard to advertising requirements for the acquisition of such personnel, facilities, services and materials which he determines necessary to carry out the purposes of this chapter.

"(b) In addition to the responsibilities described in subsection (a), the Attorney General shall—

"(1) issue, within one hundred and eighty days after the effective date of this section, regulations for use by United States attorneys governing recommendations of persons to diversion programs;

"(2) conduct research and prepare concise annual reports for the President, the Congress and the Judicial Conference showing the progress of all diversion programs in fulfilling the purposes set forth in this chapter;

"(3) provides for the audit of any funds expended under the provisions of this chapter other than funds expended to provide for defense counsel;

"(4) be authorized to accept voluntary and uncompensated services; and

"(5) promote the cooperation of the Department of Justice on local diversion programs, and all agencies which provide education, training, counseling, legal employment, or other social services under any Act of Congress to assure that eligible individuals admitted to diversion programs can benefit to the extent possible.".

(b) The table of chapters for title 18, United States Code, and for part II of title 18, United States Code, are each amended by inserting immediately after the item relating to chapter 209 the following:

"210. Diversion -------------------- 3201".

SEC. 4. (a) Section 3169(a) of title 18, United States Code, is amended by inserting after "Chief United States Probation Officer for the district," the words "the diversion administrator for the district if other than the chief probation officer,".

(b) Section 3168(b) of title 18, United States Code, is amended by striking the word "pretrial".

SEC. 5. For the purposes of carrying out the provisions of this Act, there is authorized to be appropriated for the fiscal years ending September 30, 1980, 1981, 1982, and 1983, the sum of $3,000,000.●

By Mr. GRAVEL (for himself, Mr. ROBERT C. BYRD, Mr. RANDOLPH, Mr. HUDDLESTON, Mr. JOHNSTON, Mr. FORD, Mr. STENNIS, Mr. LONG, Mr. GLENN, Mr. COCHRAN, Mr. BENTSEN, and Mr. TOWER):

S. 703. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; to the Committee on Environment and Public Works.

WATER RESOURCES DEVELOPMENT ACT OF 1979

● Mr. GRAVEL. Mr. President, today I am introducing legislation authorizing the study, advanced engineering, and design and or construction of certain public works projects for navigation, flood control, and other purposes on rivers and harbors in the United States and Trust Territories.

The bill I introduce today was carefully developed to include only those projects and project modifications which have been planned and reviewed to the degree that they are now ready for congressional authorization.

We have gone over 2 years now without authorizing legislation for water resources development. A number of beneficial projects have experienced costly delays.

The President has stated that the current system of authorization is lengthy, uncoordinated among agencies and much in need of reform. In part I agree with President Carter—reform is needed and the current system is lengthy. However, water resources legislation and established agency policies and regulations have been developed over a number of years to address a multitude of varying water problems. If we are to bring about meaningful reform we must consider the interrelationships of uses and formulate a policy which is responsive to the wide spectrum of water resources needs in this country. I strongly believe any water policy reform must strike a balance between sound economic development and maintaining the quality of our natural environment. I should hope working together we can solve these problems and formulate a national water policy which adequately addresses the differing uses and requirements for water throughout the Nation. This is a monumental undertaking which deserves the time and effort required to do it right. In the meantime water resources development cannot be held in abeyance or hostage for cosmetic or special interest changes to existing legislation and policies.

I ask the support of my colleagues in formulating sound water policy legislation and development of water resource projects which will continue to benefit the Nation.

At this time, I ask unanimous consent that the Water Resources Development Act of 1979 be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 703

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—WATER RESOURCES DEVELOPMENT

SEC. 101 (a). The Secretary of the Army, acting through the Chief of Engineers, is hereby authorized and directed to cause surveys to be made as described at the following locations, and subject to all applicable provisions of section 217 of the Flood Control Act of 1970 (Public Law 91-611):

Bayou Pierre and the Buffalo River

A survey recommending remedial measures for flood control, bank stabilization, sedimentation, and related purposes for Homochitto and Buffalo Rivers, Saint Catherine and Coles Creeks, Bayou Pierre, and other major tributaries draining into the Mississippi River between Bayou Pierre and the Buffalo River, Mississippi.

Saint Francis Lake

A survey recommending remedial measures for flood control and related purposes for Saint Francis Lake and Floodways in Poinsett County, Arkansas.

Halifax River

A survey recommending remedial measures for improvement of the quality of water and related land resources with particular emphasis on the feasibility of modifying impediments interfering with the river's flow for Halifax River, Florida.

Illinois River

A survey recommending remedial measures for bank stabilization for the Illinois River in the vicinity of Hardin, Illinois.

Kuskokwim River

A survey determining the feasibility of erosion control improvements for the Kuskokwim River at Bethel, Alaska.

Kinnickinnic River

A survey recommending remedial measures for flood control and related purposes for the Kinnickinnic River, Milwaukee County, Wisconsin.

(b) The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to study the siltation problems on the Mississippi River upstream of River Mile 327, at Quincy Bay, Broad Lake, including the access channel thereto, and Triangle Lake areas located in the vicinity of Quincy, Illinois, with a view toward determining the feasibility of alleviating immediate and long-term siltation problems in the interest of navigation, environmental quality, water quality, recreation, fish and wildlife, and other such water resource needs. Such study shall be conducted in cooperation with interested Federal and State agencies and the Secretary of the Army, acting through the Chief of Engineers, shall report thereon to the Congress with his recommendations, to include proposed items of non-Federal cooperation within three years of the initial funding of the study.

(c) The Secretary of the Army, acting through the Chief of Engineers, is hereby authorized and directed to make studies in cooperation with the governments of the Trust Territory of the Pacific Islands and the Commonwealth of the Northern Mariana Islands for the purposes of providing plans for the development, utilization, and conservation of water and related land resources of such territory and Commonwealth. Such studies shall include appropriate consideration of the needs for flood protection, wise use of flood plain lands, navigation facilities, hydroelectric power generation, regional water supply and waste water management facilities systems, general recreation facilities, enhancement and control of water quality, enhancement and conservation of fish and wildlife, and other measures for environmental enhancement, economic and human resources development, and shall be compatible with comprehensive development plans formulated by local planning agencies and other interested Federal agencies.

(d) The Secretary of the Army, acting through the Chief of Engineers, shall make such studies as may be necessary to determine the feasibility of measures to prevent and abate streambank erosion along the Tensay River, Alabama, in order to protect Blakely, Alabama, listed on the National Register of Historic Places from such erosion. Such studies shall be made in consultation with the Historic Blakely Foundation. The Secretary of the Army, acting through the Chief of Engineers, shall report the results of such studies to Congress, together with recommendations.

(e) The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to undertake a study of North East Texas, including, but not limited, to Grayson, Collin, and Denton Counties, to determine the need for storage of water in single and multi-purpose projects required to meet anticipated demand in the region, at an estimated cost of $5,000,000. Such study shall include consideration of treatment facilities and such regional conveyance systems, as necessary, and the interconnection of existing and proposed water storage projects. The Chief of Engineers is authorized to undertake the phase I design memorandum stage of advanced engineering and design for separable projects as the Chief of Engineers determines appropriate. Before initiation of such phase I stage, the Chief of Engineers shall advise Congress of the determination to do so.

(f) The Secretary of the Army, acting through the Chief of Engineers, is authorized to conduct a survey of the Buffalo Harbor, New York, to determine the feasibility of navigation improvements to support the proposed bulk commodity transshipment facility and modifications to realine the Buffalo River, New York, to accommodate passage and safe navigation of new and larger ships operating on the Great Lakes and to make recommendations in a report to be submitted to the Congress.

(g)(1) The Secretary of the Army, acting through the Chief of Engineers, shall make a study of the possibility of rehabilitating the hydroelectric potential at former industrial sites, millraces, and similar types of facilities already constructed, of the possibility of converting such sites for use as new, small hydroelectric projects, and of expediting the licensing of such projects. The Secretary of the Army, acting through the Chief of Engineers, shall also provide technical assistance to local public agencies and cooperatives in any such rehabilitation at sites studied or qualified for study under this section.

(2) There is authorized to be appropriated to carry out this section, $5,000,000 per fiscal year for the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982.

(h) The Secretary of the Army, acting through the Chief of Engineers, shall, in cooperation with other departments, agencies, and instrumentalities of the United States, and with State and local governments, determine the extent of shoreline erosion damage in the United States causally related to the regulation of the waters of Lake Superior by the International Joint Commission—United States and Canada, in response to an emergency application by the United States made on January 26, 1973, and to report to Congress, not later than the second year following the initial appropriation to carry out this section, the results of such survey, together with recommendations of a methodology for, and a determination of, the cost of indemnifying individual shore-line property owners, and a recommended schedule for such indemnification. There is authorized to be appropriated to carry out this section not to exceed $2,000,000.

(i)(1) The Secretary of the Army, acting through the Chief of Engineers, shall undertake a program of research to increase his capability to control river and harbor ice, and to assist communities in breaking up such ice that would otherwise be likely to cause or aggravate flood or other damage or severe streambank erosion.

(2) The Secretary is further authorized to provide technical assistance to local units of government to implement local plans to control or break up river ice and harbor ice. As part of such authority, the Secretary is authorized to purchase, utilize, and, if requested by local units of government, loan any necessary ice-control or ice-break equipment to such local units of government.

(3) The sum of $5,000,000 is authorized to be appropriated to the Secretary in each of the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982, to implement this section.

SEC. 102. (a) The Secretary of the Army, acting through the Chief of Engineers, is hereby authorized to undertake the phase I design memorandum stage of advanced engineering and design of the following water resources development projects, substantially in accordance with, and subject to the conditions recommended by the Chief of Engineers, except that cost-sharing shall be in accordance with existing legislation and established agency policies in effect at the time of first appropriation for construction, in the reports hereinafter designated:

Grays Harbor

The project for navigation at Grays Harbor, Washington: Report of the Chief of Engineers, dated December 22, 1977, at an estimated cost of $1,000,000.

Westchester County Streams

The project for flood control Mamaroneck and Sheldrake River Basins, New York and Byram River, Connecticut: In accordance with the recommendations of the Board of Engineers for Rivers and Harbors dated July 12, 1978, at an estimated cost of $1,140,000.

Harrisburg, Pennsylvania

The project for flood control in Harrisburg, Pennsylvania: In accordance with the recommendations of the Board of Engineers for Rivers and Harbors in its report dated June 21, 1978, at an estimated cost of $825,000.

New York City Water Supply

The project for water supply within the New York Metropolitan area, substantially in accordance with the recommendations of the Board of Engineers for Rivers and Harbors report, dated January 18, 1978, titled Northeastern United States Water Supply Study. Such phase I design memorandum stage shall also include stage I, New York City Water Tunnel numbered 3. Nothing in this section shall be construed so as to authorize either the study or construction of any facility which would have, directly or indirectly, any effect on the water supply (including underground water) of Suffolk and Nassau Counties, New York. There is authorized to be appropriated to carry out the purpose of this subsection not to exceed $10,000,000.

Gulfport Harbor

The project for navigation, Gulfport Harbor, Mississippi: Report of the Chief of Engineers, dated January 16, 1978, at an estimated cost of $1,805,000.

(b) The Secretary of the Army is authorized to undertake advanced engineering and design for the projects in subsection (a) of this section after completion of the phase I design memorandum stage of such projects. Such advanced engineering and design may be undertaken only upon a finding by the Chief of Engineers, transmitted to the Committees on Environment and Public Works of the Senate and Public Works and Transportation of the House of Representatives, that the project is without substantial controversy, that it is substantially in accordance with and subject to the conditions recommended for such project in this section, and that the advanced engineering and design will be compatible with any project modification which may be under consideration. There is authorized to carry out this subsection not to exceed $5,000,000. No funds appropriated under this subsection may be used for land acquisition or commencement of construction.

Oakland Outer Harbor

The project for navigation, Oakland Outer Harbor, California: Report of the Board of Engineers for Rivers and Harbors, dated June 21, 1978, at an estimated cost of $230,000.

Missouri River

The project for improvements on the Missouri River, South Dakota, Nebraska, North Dakota, and Montana, substantially in accordance with the recommendations of the Board of Engineers for Rivers and Harbors report dated January 18, 1978, at an estimated cost of $2,400,000.

Brazos Island Harbor

The project for navigation improvement at Brazos Island Harbor, Texas: In accordance with the report of the Board of Engineers for Rivers and Harbors dated November 3, 1978, at an estimated cost of $280,000.

SEC. 103. Sections 201 and 202 and the last three sentences in section 203 of the Flood Control Act of 1968 shall apply to all projects authorized in this section. The following works of improvement for the benefit of navigation and the control of destructive flood waters and other purposes are hereby adopted and authorized to be prosecuted by the Secretary of the Army acting through the Chief of Engineers, substantially in accordance with the plans and subject to the conditions recommended by the Chief of Engineers, except that cost-sharing shall be in accordance with existing legislation and established agency policies in effect at the time of first appropriation for construction, in the respective reports hereinafter designated:

Kodiak Harbor

The project for navigation improvements of Kodiak Harbor, Alaska: Report of the Chief of Engineers, dated September 7, 1976, at an estimated cost of $8,597,000.

Puget Sound

The project for navigation on the Blair and Sitcum Waterways, Tacoma Harbor, Washington: Report of the Chief of Engineers, dated February 8, 1977, at an estimated cost of $20,497,000.

Territory of Guam

The project for flood control on the Agana River, Territory of Guam: Report of the Chief of Engineers, dated March 14, 1977, at an estimated cost of $3,494,000.

Chetco River

The project for construction of navigation improvements at Chetco River, Oregon: Report of the Chief of Engineers, dated May 2, 1977, at an estimated cost of $4,666,000.

Root River Basin

The project for flood control, Root River Basin, Minnesota: Report of the Chief of Engineers, dated May 13, 1977, at an estimated cost of $4,900,000.

Panama City Beaches

The project for beach erosion control and hurricane flood protection, Panama City Beaches, Florida: Report of the Chief of Engineers, dated July 8, 1977, at an estimated cost of $16,300,000.

Des Moines River Basin

The project for flood control, Des Moines River Basin, Iowa and Minnesota: Report of the Chief of Engineers, dated July 22, 1977, at an estimated cost of $7,900,000.

Cazenovia Creek

The project for flood control, Cazenovia Creek, Buffalo Metropolitan Area, New York: Report of the Chief of Engineers, dated September 8, 1977, at the estimated cost of $1,600,000.

Little Wood River

The project for flood control, Little Wood River, vicinity of Gooding and Shoshone, Idaho: Report of the Chief of Engineers, dated November 2, 1977, at an estimated cost of $2,536,000.

Greenville Harbor

The project of navigation, Greenville Harbor, Mississippi: Report of th Chief of Engineers, dated November 15, 1977, at an estimated cost of $20,400,000.

Great Lakes-Saint Lawrence Seaway

The project for extension of the navigation season of the Great Lakes and Saint Lawrence Seaway: Report of the Chief of Engineers, dated November 16, 1977, at an estimated annual cost of $6,127,000.

Rahway River Basin

The project for flood control of Robinson's Branch at Clark, Scotch Plains, and Rahway, New Jersey: Report of the Chief of Engineers, dated October 10, 1976, at an estimated cost of $12,650,000.

The project for flood control on the main stem of the Rahway River and Van Winkles Brook, Springfield, New Jersey: Report of the Chief of Engineers, dated October 24, 1975, at an estimated cost of $7,951,000.

Chehalis River Basin

The project for flood control on the Chehalis River at South Aberdeen and Cosmopolis, Washington: Report of the Chief of Engineers, dated February 8, 1977, at an estimated cost of $12,570,000.

Bushley Bayou

The project for flood control and other purposes for the Bushley Bayou area of the Red River backwater area, Louisiana: House Document Numbered 93–157, at an estimated cost of $29,000,000 except that construction shall not be initiated until a plan for mitigation of damages to fish and wildlife in connection with such project has been approved by Congress.

Columbia River

The project for construction of a second powerhouse at McNary Lock and Dam, Columbia River, Oregon and Washington: Senate Document Numbered 95–81, at an estimated cost of $548,000,000.

Wears Creek

The project for flood protection for Jefferson City on Wears Creek, Missouri: House Document Numbered 94–628, at an estimated cost of $32,342,000.

Libby Reregulating dam

The project for installation of power generating facilities at the Libby Reregulating Dam, Kootenai River, Montana: Report of the Chief of Engineers, dated July 18, 1977, at an estimated cost of $43,054,000.

San Francisco Harbor

The project for light-draft navigation in the Fisherman's Wharf area, San Francisco Harbor, California: Report of the Chief of Engineers, dated February 3, 1978, at an estimated cost of $10,710,000.

Ohio River Basin

The projects for flood control, Hocking River at Logan and Nelsonville, Ohio: Report of the Chief of Engineers, dated June 30, 1978, at an estimated cost of $7,650,000.

Middle Atlantic Coastal Region

The project for beach erosion at Coney Island, Borough of Brooklyn, New York: Report of the Chief of Engineers, dated August 18, 1976, at an estimated cost of $2,019,000.

Saint Johns Bayou

The project for flood protection and other purposes for Saint Johns Bayou and the New Madrid Floodway, Missouri, in accordance with the recommendations of the Chief of Engineers in Senate Document 95–87 at an estimated cost of $23,700,000.

Johns Creek Tributary

The three floodwater control structures on the Johns Creek Tributary, and the program of land treatment for erosion and sediment control in the Nonconnah Creek Basin in accordance with the plans and recommendations set forth in the joint report of the District Engineer and State Conservationist contained in Senate Document 95–96 at an estimated cost of $10,000,000.

Cleveland Harbor

The project for harbor modification at Cleveland Harbor, Ohio in accordance with the report of the Chief of Engineers dated January 30, 1978, at an estimated cost of

$30,000,000. Such construction shall be undertaken in stages. The initial stage shall consist of construction of that element of the project to deepen and widen the East Basin, at an estimated cost of $22,400,000. The existing dredged material containment site known as site 14 may be used for the containment of excavated material from such construction. Construction of the final stage shall include one or more harbor entrances, but shall not be undertaken until completion of model studies and approval by the Chief of Engineers, including his determination that such further works are engineeringly feasible, and economically justified, and environmentally acceptable.

Jekyll Island

The project for beach erosion control at Jekyll Island, Glynn County, Georgia: House Document Numbered 94-533, at an estimated cost of $3,399,000.

Savannah Harbor

The project for navigation, Savannah Harbor, Georgia: in accordance with the report of the Board of Engineers for Rivers and Harbors dated June 29, 1977 an estimated cost of $7,831,000.

Cabin Creek

The project for Cabin Creek, West Virginia: Report of the Board of Engineers for Rivers and Harbors, dated January 17, 1978, at an estimated cost of $22,010,000.

SEC. 104. The Secretary of the Army acting through the Chief of Engineers is hereby directed to modify the following previously authorized projects for flood control, hurricane protection, navigation and other purposes.

Galveston Bay

The project of Galveston Bay at Baytown, Texas, authorized in section 191 of the Water Resources Development Act of 1976, Public Law 94-587, is modified to provide that: (a) The price be paid for property rendered uninhabitable due to encroachment of flood waters caused by land subsidence in the project area will be based on an appraisal at fair market value disregarding damage caused by flood waters and vandals; and (b) owners occupying their property at the time of flooding rendered said property uninhabitable are eligible for all benefits under section 203 of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 91-646), without regard to any other occupancy requirements of that section. Such owners shall also be considered displaced persons for the purposes of obtaining all other benefits of said Act.

Hobucken, Core Creek

The project for navigation for the Atlantic Intracoastal Waterway bridges, Virginia and North Carolina, authorized by section 101 of the River and Harbor Act of 1970 (84 Stat. 1818) is hereby modified in accordance with the recommendations of the Chief of Engineers in House Document Numbered 94-597 with respect to Hobucken, Core Creek, and Fairfield bridges at an estimated cost of $19,796,000.

Ellicott Creek

The project for the Sandridge Dam and Reservoir, Ellicott Creek, New York, for flood protection and other purposes as authorized in section 201 of the Flood Control Act of 1970 is hereby modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct a combination of channel enlargement work and diversion channels along Ellicott Creek mostly in the Town of Amherst generally in accordance with the report of the Board of Engineers for Rivers and Harbors dated July 20, 1978.

Obion Creek

The West Kentucky tributaries feature, Mississippi River and tributaries project (Obion Creek) Kentucky, authorized by the Flood Control Act approved October 27, 1965, is hereby modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to acquire for the United States at least 6,000 acres of woodland for fish and wildlife management, recreation and environmental purposes in the flood plain of the Obion Creek Basin, Kentucky, at an estimated cost of $2,285,000.

Barbers Point Harbor

The project for the Barbers Point Harbor, Hawaii, authorized by the River and Harbor Act of 1965 (79 Stat. 1092) is hereby modified to require a non-Federal cash contribution of 4.4 per centum of actual Federal construction costs, to be paid in estimated annual installments as construction proceeds, the final costs to be adjusted after actual costs have been determined. An additional non-Federal cash contribution shall be paid each year, equal to 50 per centum of the excess, if any, of the actual net revenue from the non-Federal sale of coral dredge material for that year over the net estimated revenue from the sale of such project material for that year as determined in the computation of the 4.4 per centum cash contribution requirement. The procedure and the unit values used for determining excess net revenues shall be approved by the Secretary of the Army. Agreement to make contributions as provided for in this section shall be entered into between the non-Federal interests and the Secretary of the Army prior to initiation of construction.

Honolulu Harbor

The plan for the harbor improvement at Honolulu Harbor, Oahu, Hawaii, authorized by section 301 of the River and Harbor Act of 1965 (79 Stat. 1092) is hereby modified to delete the requirement that local interests contribute in cash, prior to initiation of construction, a lump sum amounting to 2.6 per centum of the estimated first cost of the general navigation facilities for the project, ascribed to land enhancement through deposition of dredged material.

New London

The project for hurricane protection and flood control at New London, Connecticut, authorized by the Flood Control Act of 1962 is hereby modified to provide that the Secretary of the Army, acting through the Chief of Engineers, is authorized to credit against the requirements for non-Federal interests those costs paid by the city of New London, Connecticut, before the date of enactment of this Act for feasibility studies and engineering design of the pressure conduit, construction costs for one hundred twenty one and five tenths feet of pressure conduit and construction costs for five hundred feet of dike equivalent, exclusive of cost for five hundred feet of shore edge slope protection, all a part of the authorized project.

Lynnhaven Inlet

The navigation project for Lynnhaven Inlet, Bay, and connecting waters, Virginia, authorized by section 101 of the River and Harbor Act of 1962 (76 Stat. 1173, 1174) is hereby modified to provide that the United States shall pay for the remedial work to Long Creek Canal which the city of Virginia Beach, Virginia, was required to carry out as a result of such navigation project, at a cost not to exceed $1,662,000.

Lower Mississippi River

The project for flood control and improvement of the Lower Mississippi River, adopted by the Act of May 15, 1928 (45 Stat. 534), is modified and expanded to provide that the Secretary of the Army, acting through the Chief of Engineers, shall construct an auxiliary structure or take such other measures as the Chief of Engineers deems appropriate to insure the stability, dependability, and safety of the Old River Control Complex, Louisiana, authorized in the Flood Control Act of 1954 and to regain the operational capabilities of such Complex, all in accordance with the plan in the report of the District Engineer, New Orleans District, dated October 14, 1977, and entitled "Flood Control, Mississippi River and Tributaries, Old River Control, Louisiana, Auxiliary Structure, Letter Report".

Wenatchee

The project for flood control, Wenatchee, Washington, canyons 1 and 2, authorized by resolution of the Committees on Public Works of the House of Representatives and Senate on December 15 and 17, 1970, respectively, is hereby modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to acquire lands, easements, rights-of-way, and to carry out relocations for such project on condition that local interests enter into a legally binding agreement, prior to construction, to reimburse the United States for the total costs of such acquisitions and relocations, and to repay such costs in not more than fifty equal annual installments, including interest on unpaid balance. The rate of interest on the unpaid balance shall be that specified in section 301(b) of the Water Supply Act of 1958 (Public Law 85-500).

Houston Ship Channel (Greens Bayou)

The project for navigation at Houston Ship Channel (Greens Bayou), Texas, authorized under section 301 of the River and Harbor Act of 1965 (79 Stat. 1091) is hereby modified to authorize and direct the Secretary of the Army, acting through the Chief of Engineers, to perform such dredging operations as are necessary to maintain a forty-foot project depth in that section of Greens Bayou from mile 0 to mile 0.34 as described in House Document Numbered 257, Eighty-ninth Congress.

Los Esteros Lake

The project for Los Esteros Lake, Pecos River, New Mexico, authorized by section 203 of the Flood Control Act of 1954 (68 Stat. 1260), is hereby modified to authorize the expenditure of not to exceed $200,000 for the recovery of cultural resource data, in addition to any amounts authorized for this purpose pursuant to the Reservoir Salvage Act of 1960, as amended (88 Stat. 174).

Lucky Peak Lake

The project for Lucky Peak Lake, Idaho, authorized by the Flood Control Act of 1946, as modified by the Water Resources Development Act of 1976, is further modified to provide for an increase in the diameter of the additional dam outlet authorized in such 1976 modification to twenty-three feet and provide that the Secretary of the Army shall (1) authorize any entity having the necessary license from the Federal Energy Regulatory Commission to construct such outlet in accordance with the said entity's plans, as approved by the Secretary of the Army, and to use such outlet for the generation of electricity, (2) provide that all property rights in such outlet, subject to the provisions of this section, shall be conveyed to and remain with the United States, and (3) reimburse such entity for an amount equal to the estimated cost, as determined by the Secretary of the Army, of the original outlet as authorized by the Water Resources Development Act of 1976. Such cost shall be determined as of the time of the construction of the twenty-three foot outlet.

Chatfield Lake

The project for flood control and other purposes on the South Platte River Basin in Colorado, authorized by the Flood Control Act of 1950 (64 Stat. 175) is hereby modified to authorize the Secretary of the Army, acting through the Chief of Engineers, upon the request of and in coordination with the Colorado Department of Natural Resources and upon the Chief of Engineers, finding of feasibility and economic justification, to reassign a portion of the storage space in the Chatfield Lake project to joint flood control-conservation purposes, including storage for municipal and industrial water supply, agriculture, and recreation and fishery habitat protection and enhancement. Appropriate non-Federal interests shall agree to repay the cost allocated to such storage in accordance with the provisions of the Water Supply Act of 1958, the Federal Water Project Recreation Act, and other Federal laws as the Chief of Engineers determines appropriate.

Lake Pontchartrain

The project for hurricane-flood protection of Lake Pontchartrain, Louisiana, authorized by section 204 of the Flood Control Act of 1965 (Public Law 89–298) is hereby modified to provide that where the levees in Jefferson Parish in existence on the date of enactment of this section include pumping stations originally constructed by local interests, which stations form an integral part of that levee protection, the Secretary of the Army, acting through the Chief of Engineers, is authorized to construct features, such as flood wall with sluice gates or other means, to insure that, by the most economical means, the level of protection within Jefferson Parish provided by the hurricane-flood protection project will be unimpaired. Requirements for non-Federal cooperation for the additional work authorized by this section shall be on the same basis as levee improvements for hurricane-flood protection on this project.

SEC. 105. (a) The authorization for projects as described at the following locations is terminated after the date of enactment of this Act:

Trexler Dam and Lake

The authorization for the Trexler Dam and Lake project, Lehigh County, Pennsylvania, as part of the Delaware River Basin project pursuant to section 203 of the Flood Control Act of 1962, is terminated upon its removal from the comprehensive plan for the Delaware River Basin by the Delaware River Basin Commission.

Nansemond River

The portion of the project for the Nansemond River, Virginia, from the United States Highway 460 Bridge at Suffolk, Virginia, to the upstream project limits at river mile 18.66, a distance of approximately two thousand five hundred feet, authorized by the first section of the Act entitled "An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and other purposes", approved August 11, 1888 (25 Stat. 410), and modified by the first section of the Act entitled "An Act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved July 3, 1930 (46 Stat. 922), is not authorized after the date of enactment of this section.

Helm Reservoir

The project for Helm Reservoir authorized by section 203 of the Flood Control Act of 1968 (82 Stat. 739) as part of the Wabash River Basin Comprehensive Plan, is not authorized after the date of enactment of this Act.

Kickapoo River

The authorization of the Kickapoo River, Wisconsin flood control project, provided by section 203 of the Flood Control Act of 1962 (76 Stat. 1173, 1190) is hereby terminated. The Secretary of the Army, acting through the Chief of Engineers, shall immediately undertake such modification and landscaping of the uncompleted project for safety, aesthetic, and ecological purposes as the Secretary deems necessary. Such modification shall include, but shall not be limited to, demolition and removal of the outlet control structure and the right abutment. The Secretary of the Army, acting through the Chief of Engineers, shall take no action to dispose of works and interests in lands related to the project which are under his jurisdiction for eighteen months following the date of enactment of this Act. If Congress, by law, has not otherwise provided for the disposal of the project lands within eighteen months of the date of enactment of this Act, The Secretary of the Army, acting through the Chief of Engineers, shall immediately proceed to dispose of such lands and interests under his jurisdiction pursuant to the applicable provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484).

(b) Each resolution adopted by the Committee on Environment and Public Works of the Senate, or the Committee on Public Works and Transportation of the House of Representatives, or their predecessors, during the Eighty-ninth Congress or any earlier Congress for review of any flood control, river and harbor, or other water resource report shall not be in effect after the date of enactment of this section unless funds were expended for carrying out such resolution during the Ninetieth Congress or any subsequent Congress prior to the Ninety-sixth Congress.

(c) The Secretary of the Army, acting through the Chief of Engineers, shall, within one year of the date of enactment of this Act, submit a report to Congress with recommendations on the desirability and feasibility of a method with respect to studies authorized by resolutions of the House Committee on Public Works and Transportation or the Senate Committee on Environment and Public Works and on a means of deauthorizing such studies when they are no longer needed.

SEC. 106. (a) The Water Resources Development Act of 1976 (Public Law 94–587) is amended as follows:

(1) The paragraph under the heading "PEMBINA RIVER BASIN" in section 101 is amended by striking out "Report" and all that follows down through and including "Chief of Engineers." and inserting in lieu thereof the following: "Report of the Chief of Engineers, dated February 2, 1978, at an estimated cost of $430,000.".

(2) The last sentence of subsection (c) of section 101 is amended by striking out "and 1979." and inserting in lieu thereof a comma and the following: "1979, 1980, 1981, and 1982.".

(3) Subsection (b) of section 120 is amended by striking out "and September 30, 1979, September 30, 1980, September 30, 1981, and September 30, 1982,".

(4) Section 134(a) is amended by striking "1977" from the last sentence and inserting in lieu thereof "1985".

(5) Section 156 is amended by striking out "fifteenth" and inserting in lieu thereof "fiftieth".

(6) The first sentence of section 160 is amended by striking out all that follows after "recommendations" and inserting in lieu thereof the following: "of the Chief of Engineers in the report dated February 8, 1977, at an estimated cost of $25,000,000, including sufficient engineering design studies to provide the basis for definite and accurate decisions on site selection, project scale and scope, and the benefits and costs of the project.". The last sentence of section 160 is hereby repealed.

(7) The last sentence of subsection (d) of section 167 is amended by striking out "and 1979." and inserting in lieu thereof a comma and the following: "1979, 1980, and 1981.".

(8) Section 181(a)(2) is amended by striking out "(A)" and by striking out ", and (B)" and all that follows down through and including the period at the end thereof and inserting in lieu thereof a period.

(9) Subsection (f) of section 202 is amended by striking out "and 1979." and inserting in lieu thereof a comma and the following: "1979, 1980, 1981, 1982, 1983, and 1984.".

(b) The Water Resources Development Act of 1974 (Public Law 93–251) is amended as follows:

(1) Section 32(e) as amended by Section 155 of the Water Resources Development Act of 1976 (Public Law 94–587), is further amended by striking out "$50,000,000" and inserting in lieu thereof "$75,000,000".

(2) Section 32 is amended by adding at the end thereof a new subsection: "(f) In addition to the other authorities in this section, the Secretary of the Army, acting through the Chief of Engineers, shall provide technical assistance to retard streambank erosion to any person or agency requesting such assistance, if the applicant is experiencing, or can be expected to experience, erosion-threatening dwellings or loss of property. The Secretary may also provide to an applicant who would be likely to be affected by flooding downstream from property threatened by erosion if the owner of such property agrees to allow the applicant to perform erosion-retarding work.

(3) Section 54 is amended as follows: Subsection (c)(1) is amended by striking out "for a period of five fiscal years" and by adding at the end thereof the following: "Such programs shall be completed by September 30, 1982.". The last sentence of subsection (d)(1) is amended by striking out "ninety days" and inserting in lieu thereof "six months" and by striking out "five-year". The last sentence of subsection (e) is amended to read as follows: "The final report shall be submitted within six months after the last fiscal year of funding and shall include a comprehensive evaluation of the national shoreline erosion control and demonstration program.". Subsection (f) is amended to read as follows: "(f) There is authorized to be appropriated to carry out this section not to exceed $11,000,000.".

(4) Section 62(c) is amended by striking out "$330,000" and inserting in lieu thereof "$500,000".

(5) Subsection (a) of section 66 is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and thereafter to maintain such channel free of such trees, roots, silt, debris, and objects.". Subsection (b) of section 66 is amended by adding at the end thereof the following new sentence: "Non-Federal interests shall pay 25 per centum of the cost of maintaining the channel free of such trees, roots, silt, debris, and objects.".

(6) Subsection (a) of section 92 is amended by inserting "(1)" immediately after "(a)"; in the third sentence thereof, by striking out "Each installment" and inserting in lieu thereof "Except as provided in paragraph (2) of this subsection, each installment"; and by adding the following new paragraph: "(2) The Secretary of the Army, acting through the Chief of Engineers, shall, upon the request of Saint Bernard Parish, Louisiana, modify the agreement entered into between the Secretary and Saint Bernard Parish pursuant to this section so that each installment to be paid by Saint Bernard Parish as its part of the non-Federal cost of the hurricane-flood protection project on Lake Pontchartrain, Louisiana, shall be one-fiftieth of the remaining unpaid balance as set forth in such agreement plus interest on such balance, and the total of such installments shall be sufficient to achieve full payment of such balance, plus interest, within fifty years of the initiation of project construction.".

(7) Subsection (b) of section 94 is amended by striking out "$600,000" and inserting in lieu thereof "$6,300,000".

(8) Section 108(k) is amended by strik-

ing out "$103,522,000" and inserting in lieu thereof "$140,000,000".

(c) The River and Harbor Act of 1970 (Public Law 91–611) is amended as follows:

(1) Section 107(b), as amended, is further amended by deleting in the third sentence the phrase: "to the Congress not later than September 30, 1979." and inserting in lieu thereof: "on the upper four Great Lakes and their connecting channels to the Congress not later than September 30, 1980, and on the low reach below Lake Erie not later than September 30, 1981." Such section 107 (b) is further amended by striking out "$15,-968,200" and inserting in lieu thereof "$17,-000,000".

(2) The second sentence of subsection (b) of section 116 is amended to read as follows: "The Secretary of the Army, acting through the Chief of Engineers, shall, before beginning any operation to maintain the channel authorized by this section, enter into a separate agreement with the appropriate non-Federal interests which is applicable only to that operation and which requires such non-Federal interests to pay 25 per centum of the cost of such maintenance operation.".

(d) The Flood Control Act of 1970 (Public Law 91–611) is amended as follows: Section 221 is amended by: (1) Deleting the period at the end of the sentence contained in section 221(f) and adding the following words at the end of that sentence: "or to contracts with non-Federal interests for recreational development under the provisions of the Federal Water Project Recreation Act of 1965 (Public Law 89–72) or section 4 of the Flood Control Act of 1944. Agreements to hold the United States free from damages due to the construction, operation or maintenance of a water resources project may be made contingent upon the legislative appropriations process of the state.". (2) Inserting the following new sentence at the end of section 221(b): "Where the non-Federal interest is the State, and the State's constitution does not permit the State to commit itself to future repayment in accordance with the provisions of the Water Supply Act of 1958 (Public Law 85–500), or to establish a mechanism for such repayment, the source of funds for repayment of the costs of water supply storage under such Water Supply Act may be limited to revenues received by the State from the sale of water from such storage.".

(e) The River and Harbor Act of 1960 (Public Law 86–645) is amended as follows: Subsection (b) of section 107 is further amended by striking out "$2,000,000" and inserting in lieu thereof "$3,000,000".

(f) The River and Harbor Act of 1958 (Public Law 85–500) is amended as follows: Section 104(b) as amended is further amended by striking out "$5,000,000" and inserting in lieu thereof "$6,900,000".

(g) The Act approved March 29, 1956 (Public Law 455 of the 84th Congress, 70 Stat. 65), as amended, is further amended as follows: (1) By striking out all after the phrase "cost of $88,000,000" and inserting in lieu thereof a period and the following: "The replacement and expansion of the existing industrial canal lock and connecting channels in the area of the existing lock is hereby authorized. The conditions of local cooperation specified in House Document Numbered 245, Eighty-Second Congress, shall apply to the construction of the replacement or additional lock and connecting channels, except that the additional costs, as determined by the Chief of Engineers, of lands, easements and rights-of-way acquisition and relocation of residences, industries, and utilities beyond those costs at the Meraux site (Violet), including such costs attributable to the relocation, replacement, modification, or construction of bridges or tunnels, shall be borne by the United States. All other costs of relocation, replacement, modification, or construction of bridges and tunnels (at a cost not to exceed $94,500,000) required as a result of the construction or the replacement of additional lock and connecting channels shall be borne by the United States; and before construction of bridges and tunnels may be initiated the non-Federal public bodies involved shall agree (1) to hold and save the United States free from damages resulting from construction of the bridges and tunnels and their approaches, (2) upon completion of construction, to accept title to such bridges and tunnels and approaches and thereafter to operate and maintain the bridges and tunnels and their approaches as free facilities.". (2) The Secretary of the Army, acting through the Chief of Engineers, is directed to make a maximum effort to assure the full participation of members of minority groups, living in the affected areas, in the construction of the replacement or additional lock and connecting channels authorized by this section, including actions to encourage the use, wherever possible, of minority owned firms. The Chief of Engineers is directed to report on July 1 of each year to the Congress on the implementation of this section, together with recommendation for any legislation that may be needed to assure the fuller and more equitable participation of members of minority groups in this project or others under the direction of the Secretary.

(h) The Flood Control Act of 1954 (68 Stat. 1256, 1266), is amended as follows: Section 208, as amended is further amended by adding "(a)" after "Sec. 208." and adding a new section "(b)" as follows: "(b) Upon request of the Governor of a State, or appropriate official of local government, the Secretary of the Army, acting through the Chief of Engineers, is further authorized to provide designs, plans, and specifications, and such other technical assistance as he deems advisable, at Federal expense, to such State or political subdivision for its use in carrying out projects, for removing accumulated snags and other debris, and clearing and straightening channels in navigable streams and tributaries thereof.".

(i) "An Act authorizing Federal participation in the cost of protecting the shores of publicly owned property", approved August 13, 1946, as amended, is further amended as follows:

(1) Section 3 is amended by striking out "$1,000,000" and inserting in lieu thereof "$2,000,000". The amendment made by this section shall not apply to any project under contract for construction on the date of enactment of this Act.

(2) The second paragraph under the center heading "BRAZOS RIVER BASIN" in section 10 is amended by inserting "or water supply" after "irrigation".

(j) The Flood Control Act approved August 18, 1941 (33 U.S.C. 701n), is amended as follows: Section 5 is amended by inserting at the end thereof the following: "The Chief of Engineers is also authorized to accomplish advance measures using amounts in the emergency fund, when in his discretion local and State efforts are unable to complete emergency work for control of lava flow, in order to provide the minimum necessary protection to prevent loss of life and serious damages to improved property when such volcanic activity is reasonably imminent.".

(k) Section 1114 of title 18, United States Code, is amended by inserting "or any uniformed civilian official or uniformed civilian employee of the Corps of Engineers of the Department of the Army assigned to perform investigations, or law or regulatory enforcement functions in connection with civil activities of the Department of the Army," immediately after "Foreign Service,".

SEC. 107(a) The Secretary of the Army shall, on or before March 1, 1979, establish an authority to be known as the Tennessee-Tombigbee Human Resource Center (hereinafter referred to as the "Center").

(b)(1) The Center shall be under the direction of a Board of Directors with offices; as provided in subsection d(1) of this section, located in the vicinity of the Tennessee-Tombigbee Waterway project (hereinafter referred to as the "project").

(2)(A) The Board of Directors shall consist of nine members, one to be selected by the head of each of the following departments, agencies, instrumentalities, and organizations from among officers, employees, or members of such department, agency, instrumentality, or organization.

(i) United States Army, Corps of Engineers;

(ii) the Department of Commerce, Office of Minority Business Enterprise;

(iii) the Department of Labor;

(iv) the Tennessee-Tombigbee Waterway Development Authority;

(v) the Minority Peoples Council;

(vi) the National Association for the Advancement of Colored People;

(vii) a representative to be jointly selected by the Governors of Tennessee, Alabama, and Mississippi;

(viii) American Federation of Labor/Congress of Industrial Organizations; and

(ix) the Equal Employment Opportunity Commission.

(B) The representative selected by the Governors and the representative of the Corps of Engineers shall serve as cochairmen of the Board of Directors.

(3)(A) The staff of the Center shall consist of an executive director selected by the Board of Directors, a majority concurring, and such additional staff as the Board shall deem necessary to assist the Board in carrying out the purposes of this section. The executive staff shall be selected by the executive director subject to the approval of the Board of Directors. "The members of such staff shall be provided compensation and other employment benefits comparable, as determined by the Board, to those provided individuals in similar positions in the Federal Civil Service.".

(c) The purposes of the Center shall be—

(1) to monitor minority employment on the project to determine whether minority employment goals are achieved;

(2) to monitor project contracting to determine whether minority firms are afforded a reasonable opportunity to participate in project contracts and subcontracts;

(3) to monitor planning and policies which affect or control the construction, design or operation of the project to determine whether minorities are appropriately represented and whether project facilities and benefits are equitably distributed among communities affected by the project;

(4) to provide information and assistance to minorities and minority-owned firms regarding the availability of employment and construction opportunities; and

(5) to assist in the coordination of programs which affect the utilization of minority resources.

(d) The Center is authorized and directed to—

(1) establish and maintain a central office and staff as is necessary to carry out the purposes of this section, including such branch offices as are necessary to serve as information clearinghouses, all to be located within the vicinity of the project;

(2) to prepare and submit an annual report to the Secretary of the Army who shall submit such report together with the Secretary's comments to Congress, which report shall be submitted to Congress by January 1 of each year;

(3) to consult with appropriate Federal and State agencies, federally funded organizations, and private organizations, including the Federation of Southern Cooperatives, and the National Rural Center, for the pur-

pose of determining that adequate training is avaliable to minorities and to assist in the coordination of programs for recruitment and training; and

(4) to enter into such contracts and agreements as are necessary to carry out the purposes of the Center.

(e) The annual report of the Center shall include—

(1) an inventory of project employment indicating the proportion of minorities employed at various skill and pay levels;

(2) an inventory of project contracts indicating the proportion of contracts and subcontracts awarded to minority enterprises;

(3) a description of minority involvement in Federal, State, and local organizations which control or influence decisions regarding the design, location, or operation of facilities of the Tennessee-Tombigbee Waterway project, including an analysis of the effect of such decisions upon the distribution of project benefits, including secondary benefits, among communities affected by the project;

(4) a description of policies and programs of the Corps of Engineers and other Federal and State agencies which have been undertaken or are planned for the purpose of enhancing the utilization of or which affect the utilization of minority resources in the construction of the project, including an evaluation of such programs and policies; and

(5) the findings of the Board of Directors with regard to the adequacy and effectiveness of programs and policies related to project construction and operation and planning for secondary project benefits from the standpoint of the utilization and development of minority resources.

(f) (1) The United States Army, Corps of Engineers and all other Federal or federally funded organizations shall provide the Center with such relevant information as may be requested by the Center in connection with the performance of its functions.

(2) In furtherance of the purposes of this section the Center is authorized to consult with such agencies, individuals, and organizations as the Board of Directors deems appropriate, including the Tennessee-Tombigbee Construction Assistance Center, the National Rural Center, the Federation of Southern Cooperatives, and the Southwest Tennessee Area Development Association.

(g) There is authorized to be appropriated to carry out this section, other than subsection (h), not to exceed $1,500,000 per fiscal year for the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982.

(h) The Secretary of the Army, acting through the Chief of Engineers, is authorized to provide for training to increase skilled personnel in the crafts required for the construction of the project and to provide facilities for this training at the project area. There is authorized to be appropriated to carry out this subsection, not to exceed $1,000,000.

(i) Section 185 of the Water Resources Development Act of 1976 is hereby repealed.

SEC. 108(a) The Secretary of the Army, acting through the Chief of Engineers, is hereby authorized to carry out the plan for Trimble Wildlife Area replacement, in substantial accordance with the report of the Chief of Engineers dated September 22, 1976, with such changes as the Chief of Engineers determines necessary, at an estimated cost of $4,614,000.

(b) The former owner of any land acquired by the United States under authority of this section shall be permitted to harvest any annual agricultural crop planted on such land during the calendar year 1979.

SEC. 109. The Secretary of the Army, acting through the Chief of Engineers, is authorized to modify any water resources development project for mitigation of damages to fish and wildlife if the estimated cost of such modification, does not exceed 10 per centum of the estimated total cost of such project or $7,500,000, whichever is the lesser. No appropriation shall be made for any such modification of a project if such modification has not been approved by resolutions adopted by the Committee on Environment and Public Works and Transportation of the House of Representatives. For the purpose of securing consideration of such approval, the Secretary of the Army shall transmit to Congress a report of such modification, including all relevant data and all costs.

SEC. 110. The Secretary of the Army, acting through the Chief of Engineers, is authorized to preserve, restore, interpret, and maintain those historic properties located on water resource development projects under the jurisdiction of the Department of the Army if such properties have been entered into the National Register of Historic Places.

SEC. 111. The Secretary of the Army, acting through the Chief of Engineers, is authorized to acquire real property by condemnation, purchase, donation, exchange, or otherwise, as a part of any water resources development project for use for public park and recreation purposes, including but not limited to, real property not contiguous to the principal part of the project.

SEC. 112. The Secretary of Transportation is authorized and directed to prepare and transmit to Congress a list of those bridges over the navigable waters of the United States constructed, reconstructed, or removed during the period January 1, 1948, to January 1, 1979.

SEC. 113. The laws of the United States relating to the improvement of rivers and harbors, flood control, beach erosion, and other water resource development enacted after November 8, 1966, and before January 1, 1979, shall be compiled under the direction of the Secretary of the Army and the Chief of Engineers and printed for the use of the Department of the Army.

SEC. 114. The Secretary of the Army, acting through the Chief of Engineers, shall amend the contract between the State of Illinois and the United States for use of storage space for water supply in Rend Lake on the Big Muddy River in Illinois to relieve the State of Illinois of the requirement to make annual payments for that portion of the maintenance and operation costs applicable to future use water supply storage as is consistent with the Water Supply Act of 1958 (Public Law 85–500), until such time and in such proportion as the storage is used for water supply purposes.

SEC. 115. Those portions of the Trent River in the City of New Bern, County of Craven, State of North Carolina, bounded and described in Committee Print Numbered 95–56 of the Committee on Public Works and Transportation of the House of Representatives are hereby declared to be nonnavigable waters of the United States within the meaning of the laws of the United States.

SEC. 116. The navigation project for Santa Cruz Harbor, Santa Cruz, California, authorized in section 101 of the River and Harbor Act of 1958 (Public Law 85–500) is hereby modified to provide that 100 per centum of the cost of operating and maintaining the sand bypassing facility authorized as part of such project shall be paid by the United States. In addition, such project is further modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct an impermeable core within the existing jetties at such harbor, and to undertake such maintenance dredging outside the boundaries of the authorized project as may be necessary to prevent or mitigate shoaling, surge, and related problems in the harbor.

SEC. 117. For the purposes of the Act entitled "An Act to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes" approved June 21, 1940 (33 U.S.C. 511 et seq.), the Port of Houston Authority bridge over Greens Bayou approximately two and eight tenths miles upstream of the confluence of Greens Bayou, Texas, and the Houston Ship Channel is hereby declared to be a lawful bridge for all purposes of such Act. The total of all Federal funds authorized to be expended under any provision of law as the result of the declaration made in the preceding sentence shall not exceed $400,000.

SEC. 118. (a) The Secretary of the Army, acting through the Chief of Engineers, shall design and construct, at full Federal expense, such flood control measures at or in the vicinity of Pikesville, Kentucky, and of Grundy, Virginia, on the Levisa Fork of the Big Sandy River; Pineville, Kentucky, on the Cumberland River; and Williamson and Matewan, West Virginia, on the Tug Fork of the Big Sandy River, as the Chief of Engineers determines necessary and advisable to afford these communities and other flood damaged localities and their immediate environs on both the Levisa and Tug Fork of the Big Sandy River and Cumberland River a level of protection against flooding at least sufficient to prevent any future losses to these communities from the likelihood of flooding such as occurred in April 1977, at an estimated cost of $100,000,000. Non-Federal interests shall hold and save the United States free from damages due to the construction works, and maintain and operate all the works after their completion in accordance with regulations prescribed by the Secretary of the Army.

(b) The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to undertake measures in the interest of flood control including, but not limited to, dredging, clearing, and snagging, in the main stems and tributaries of the Tug and Levisa Forks of the Big Sandy River, Virginia, West Virginia and Kentucky, and the main stem and tributaries of the Cumberland River upstream of Cumberland Falls, Kentucky, at an estimated cost of $10,000,000.

(c) Congress hereby finds that the benefits attributable to the objectives set forth in section 209 of the Flood Control Act of 1970 exceed the cost of the flood control measures authorized by this section.

SEC. 119. (a) Any agency of the United States with the authority and responsibility to grant or review any license or permit needed to utilize hydroelectric power at existing dams or former industrial sites shall make every effort to simplify application procedures and to expedite the consideration of any license or permit that may be necessary for the construction or operation of such facility, or for the sale of power from such facility.

(b) The Comptroller General of the United States shall report to the Congress within one year of the enactment of this Act on the implementation of this section, his evaluation of any continuing institutional problems involved in hydroelectric development at existing dams or former industrial sites, and his assessment of the need for additional congressional action to facilitate hydroelectric development at existing dams or former industrial sites.

SEC. 120. (a) Many regions of the Nation confront water shortages that can be expected to continue or to increase, and because such shortages are, in part, aggravated by a lack of any coordinated national policy for the efficient and productive use and reuse of water, the Congress declares that there is a national interest in the development of new water supplies, on an economical basis, for domestic, municipal, industrial, and other public purposes through Federal construction of single and multiple purpose water supply projects.

(b) In carrying out a policy to encourage a more efficient use and supply of water as a way to benefit municipal, industrial, and agricultural development, wetland preservation, fish and wildlife protection, and other national purposes, the Secretary of the Army, acting through the Chief of Engineers is authorized and directed to survey, plan, and recommend to the Congress for construction, single and multiple purpose water supply projects to meet existing and anticipated future demand including treatment and conveyance facilities, consistent with the policies set forth in this section. No such survey and study shall be undertaken unless approved by Resolution of the Committee on Environment and Public Works of the Senate or the Committee on Public Works and Transportation of the House of Representatives.

(c) The costs allocated to water supply, treatment and conveyance in any such project shall be repaid by the water users to the United States over a period not to exceed fifty years, with interest at the rate specified in section 301(b) of the Water Supply Act of 1958 (Public Law 85-500).

(d) The Secretary of the Army, acting through the Chief of Engineers, is authorized to recommend modified cost-sharing and repayment schedules for that portion of the water supplied under this section to a municipal system serving a rural community, whether incorporated or unincorporated, with a population of less than fifteen thousand, which is not part of a larger population center.

SEC. 121. The Secretary of the Army, acting through the Chief of Engineers, is authorized to renovate and improve the six Federal Government quarters existing at Dalecarlia Place, Dalecarlia Reservoir (Washington Aqueduct), Washington, District of Columbia, as the Secretary acting through the Chief of Engineers, determines to be necessary, at a cost not to exceed $180,000.

SEC. 122. (a) The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to construct at Federal expense a public recreation area on the north shore of the Ohio River at or in the vicinity of Rockport or Grandview in Spencer County, Indiana.

(b) Prior to construction appropriate non-Federal interests shall agree to operate and maintain such structures and facilities for public park and recreation purposes.

SEC. 123. After the date of the enactment of this section, the Secretary of the Army shall have all of the authority which the Secretary of the Air Force has immediately prior to such date over Trilbey Wash Detention Basin (McMicken Dam) and Outlet Channel, Maricopa County, Gila River Basin, Arizona. The Secretary of the Army, acting through the Chief of Engineers, is authorized to take necessary remedial measures to assure structural integrity and flood control capacity of the Trilbey Wash Detention Basin (McMicken Dam) and Outlet Channel, Maricopa County, Gila River Basin, Arizona, constructed under authority of section 304 of Public Law 209 of the 83rd Congress, at an estimated cost of $7,500,000.

SEC. 124. The Secretary of the Army, acting through the Chief of Engineers, shall relocate the water supply intake facility on the Missouri River at Springfield, South Dakota, which facility is subject to severe sedimentation at an estimated cost of $2,000,000. Notwithstanding any other provision of law, the total cost of relocating such facility shall be paid by the United States.

SEC. 125. The Secretary of the Army, acting through the Chief of Engineers, shall include in the survey report on the enlargement of the navigation project for Galveston Harbor and Channel, Texas, the costs and benefits of improvements initiated by local interests after the date of enactment of this section which the Chief of Engineers determines are compatible with and constitute an integral part of his recommended plan.

(b) Upon approval by the Congress of such survey report, the Secretary of the Army, acting through the Chief of Engineers, shall reimburse the local interests, in accordance with subsection (d) of this section, for the funds expended to construct such portions of the project as are included in the approved project, if prior to such construction the detailed plans and specifications of such portions of such project were approved by the Chief of Engineers, if during such construction the Chief of Engineers inspected the work in progress, and if, after such project has been approved by Congress and after such construction has been completed, the Chief of Engineers approves such construction as in accordance with the approved project.

(c) The cost of work for which reimbursement is authorized by this section shall be determined in accordance with section 8(a) (2) of the Act of March 2, 1919 (33 U.S.C. 624).

(d) The Federal share of the cost of work for constructing the harbor and channel improvements authorized for reimbursement by this section shall be as follows:

(1) 100 per centum of the cost of a forty-foot or shallower project depth.

(2) 80 per centum of the cost of a forty-one-through forty-five-foot project depth.

(3) 66⅔ per centum of the cost of a forty-six-through fifty-foot project depth.

(4) 50 per centum of the cost of a fifty-one-foot or deeper project depth.

(e) The authorization to reimburse local interest contained in this section shall expire three years from the date of enactment of this section unless local interests begin construction of any portion of the project which is included in the approved project within such three-year period.

(f) Notwithstanding any other provision of this section, the total authorization to carry out this section shall not exceed $25,000,000.

SEC. 126. The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to undertake the advanced engineering and design for a flood control project at Milton, Pennsylvania, including, but not limited to, final construction plans at a cost not to exceed $2,500,000.

TITLE II—HYDROELECTRIC POWER DEVELOPMENT FUND

SEC. 201. Section 203 of the Water Resources Development Act of 1976 (Public Law 94-587) is amended to read as follows:

"SEC. 203. (a) (1) The Congress finds that the expeditious development of hydroelectric power generating facilities that are environmentally sound to assist the Nation in meeting existing and future energy demands is in the national interest.

"(2) The Congress therefore declares that the expertise of the Chief of Engineers can and should be utilized, in accordance with this section, for the benefit of local public bodies in the development of projects in any case where the Secretary determines that 90 per centum or more of the benefits of the project are attributable to hydroelectric power generation when the project is fully operational.

"(b) There is hereby established in the Treasury of the United States a Hydroelectric Power Development Fund (hereafter in this section referred to as the 'fund') to be and remain available for expenditures authorized by this section. The fund shall consist of (1) repayments by non-Federal public authorities of expenditures made from the fund, (2) any appropriations made to the fund, and (3) interest on moneys in the fund invested in accordance with subsection (d).

"(c) There is authorized to be appropriated for deposit in the fund established by subsection (b) of this section the sum of $25,000,000.

"(d) (1) If the Secretary determines that moneys in the fund are in excess of current needs, he may request the investment of such amounts as he deems advisable by the Secretary of the Treasury in direct, general obligations of, or obligations guaranteed as to both principal and interest by, the United States.

"(2) With the approval of the Secretary of the Treasury, the Secretary may deposit moneys of the fund in any Federal Reserve Bank or other depository for funds of the United States, or in such other banks and financial institutions and under such terms and conditions as the Secretary and the Secretary of the Treasury may mutually agree.

"(e) (1) The Secretary is authorized, for any project that meets the requirements of subsection (a) (2) of this section, to obligate moneys in the fund to pay for, or reimburse expenditures for, the cost of the phase I design memorandum made by a non-Federal public authority pursuant to this subsection. The Secretary is authorized to enter into an agreement with a non-Federal authority to pay from the fund the cost to such non-Federal authority of preparing a phase I design memorandum on condition that such non-Federal authority repay such cost to the fund if (A) the phase I design memorandum report demonstrates the feasibility of constructing the project, and (B) the non-Federal authority within three years of the date of completion of the report, is either able to borrow money for construction costs based upon the security of the project or its revenues or actually commences construction of such project. If either of the conditions in clause (A) or (B) is not met, such costs shall be borne by the United States and the report on such project shall be submitted to Congress. The Secretary is also authorized to accept funds from a non-Federal authority for costs incurred for preparing phase I design memorandum if the Secretary first agrees with the non-Federal public authority to reimburse such costs from the fund (i) if the report demonstrates infeasibility of the project, or (ii) if the report is feasible, the non-Federal public authority is not able to borrow money to pay construction costs of the project, including the costs of the phase I design memorandum, based on the security of the project or its revenues within three years of the completion of the phase I design memorandum. Payments by the Secretary from the fund shall be subject to appropriations acts. Payments by the Secretary under this subsection for phase I reimbursement shall include reimbursement of any interest expense of the non-Federal public authority resulting from bonds or notes such authority has issued to finance the phase I design memorandum and for any other expenses normally associated with the issuance and administration of revenue bond and note financings. Failure to complete a phase I report being prepared in accordance with the provisions of this subsection within a reasonable time in accordance with the schedule fixed in the phase I design memorandum agreement entered into by the Secretary with a non-Federal public authority due to Federal actions or inactions not primarily occasioned by the actions or inactions of the non-Federal public authority, including, but not limited to, Federal inaction in failing to appropriate at any time amounts necessary to reimburse such costs and expenses in accordance with the schedule fixed in the phase I design memorandum agreement, shall also constitute a determination that such report demonstrates the project is infeasible for purposes of this subsection except that if such project is constructed within five years of the date of such determination of infeasibility, the non-Federal authority shall repay to the fund all phase I costs. The Secretary shall hold and apply any moneys in the fund available for reimbursement of the phase I costs of a particular project of a non-Federal public authority for which the Secretary has extended non-Federal funds, in accordance with the terms of a phase I design memorandum agreement entered into by the Secretary with the non-Federal public authority for the benefit of the holders of bonds or notes issued to provide such non-Federal funds. The Secretary shall transmit a copy of a completed phase I report, including a proposed agreement between the Corps of Engineers and the non-Federal public authority setting forth the terms and conditions for construction of the project, in accordance with the provisions of this section, to Congress and to the non-Federal public authority not later than thirty days after the date of completion of the report. If the proposed agreement for construction of the project is entered into and approved pursuant to subsection (g) within two years of completion of the favorable report, the project shall be constructed in accordance with subsection (g) if the non-Federal public authority is able to borrow money to pay construction costs of the project, including the costs of the phase I design memorandum, based on the agreement and the security of the project or its revenues within three years after completion of the favorable report. The Governors of the States or their designee may use the phase I design memorandum report prepared in accordance with the provisions of this subsection as they determine necessary to undertake construction of a project by a non-Federal public authority. The United States shall not be liable for the payment of any damages resulting from a non-Federal authority's use of the phase I report and the construction of any project by a non-Federal public authority in connection therewith, other than damages due to negligence of the United States.

"(f) The Secretary, in accordance with a contract between the non-Federal public authority and the Secretary, is authorized to construct projects eligible under subsection (a)(2) of this section, including engineering and design, land acquisition, site development, and off-site improvements necessary for construction.

"(g)(1) Prior to initiating any construction work under the authority of this section, the agreement submitted to Congress in accordance with subsection (e) must be approved by resolution of the Committee on Environmental and Public Works of the Senate and of the Committee on Public Works and Transportation of the House of Transportation of the House of Representatives. The non-Federal authority shall pay the full anticipated costs of constructing the project determined by the agreement at the time such costs are incurred, together with normal contingencies and related administrative expenses of the Secretary, and such payments shall be held by the Secretary for payment of obligations incurred by the Secretary on a project for construction under this section.

"(2)(A) The United States shall pay all costs over the anticiapted costs fixed in the agreement with the non-Federal public authority, if such costs are (i) occasioned by acts of nature, (ii) occasioned by failure on the part of the Secretary to adhere to the agreed schedule of work or a failure of design or (iii) are necessary to be paid by the United States to permit operation of the project in accordance with the initial determination of feasibility. Payments by the Secretary of such costs shall be subject to appropriations acts.

"(B) Any Federal funds paid under subparagraph (A) of this paragraph shall be repaid to the Treasury with interest by the non-Federal public authority from revenues received from the sale of power. Payments shall commence following retirement of all bonds issued by the non-Federal public authority for the project. Interest payable under this subparagraph shall be at the rate the Federal Government must pay on such obligations at the time of payment pursuant to such subparagraph (A).

"(h) As used in this section the term 'Secretary' means the Secretary of the Army, acting through the Chief of Engineers.

"(i) This section may be cited as the 'Hydroelectric Power Development Act of 1979'.

TITLE III—DAM INSPECTION AND SAFETY PROGRAM

SEC. 301. Section 1 of Public Law 92-367 is amended by repealing the final sentence.

SEC. 2. Section 2 of Public Law 92-367 (86 Stat. 506) is amended by striking the "and" after "inspection" and striking the period after "properly" and inserting the following: "and (5) dams located within a State having an approved program under section 8 of this Act.".

SEC. 3. Public Law 92-367 (86 Stat. 506) is amended further by adding at the end thereof the following new sections:

"SEC. 7. There is authorized to be appropriated to the Secretary of the Army, acting through the Chief of Engineers (hereinafter referred to as the 'Secretary'), $15,000,000 for each of the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982. Sums appropriated under this section shall be distributed annually among the States on the following basis: one-third equally among those States that have established dam safety programs approved under the terms of section 8 of this Act, and two-thirds in proportion to the number of dams located in each State that has an established dam safety program under the terms of section 8 of this Act to the number of dams in all States with such approved programs. In no event shall funds distributed to any State under this section exceed 50 per centum of the reasonable cost for implementing an approved dam safety program in such State.

"SEC. 8. (a) In order to encourage the establishment and maintenance of effective programs intended to assure dam safety to protect human life and property, the Secretary shall provide assistance under the terms of section 7 of this Act to any State that establishes and maintains a dam safety program which is approved under this section. In evaluating a State's dam safety program, under the terms of subsections (b) and (c) of this section, the Secretary shall assure himself that such program includes the following:

"(1) a procedure whereby, prior to any construction, the plans for any dam will be reviewed to provide reasonable assurance of the safety and integrity of such dam over its intended life;

"(2) a procedure to determine, during and following construction and prior to operation of each dam built in the State, that such dam will be operated in a safe and reasonable manner;

"(3) a procedure to inspect every dam within such State at least once every two years;

"(4) a procedure for more detailed and frequent safety inspections, if warranted;

"(5) the State has or can be expected to have authority to require those changes or modifications in a dam, or its operation, necessary to assure the dam's safety;

"(6) the State has or can be expected to develop a system of emergency procedures that would be utilized in the event a dam fails or for which failure is imminent together with an identification for those dams where failure could be reasonably expected to endanger human life, of the maximum area that could be inundated in the event of the failure of such dam, as well as identification of those necessary public facilities that would be affected by such inundation;

"(7) the State has or can be expected to have the authority to assure that any repairs or other changes needed to maintain the integrity of any dam will be undertaken by the dam's owner, or other responsible party; and

"(8) the State has or can be expected to have authority and necessary funds to make immediate repairs or other changes to, or removal of, a dam in order to protect human life and property, and if the owner does not take action, to take appropriate action as expeditiously as possible.

"(b) Any program which is submitted to the Secretary under the authority of this section shall be deemed approved one hundred and twenty days following its receipt by the Secretary unless the Secretary determines that such program fails to reasonably meet the requirements of subsection (a) of this section. If the Secretary determines such a program cannot be approved, he shall immediately notify such State in writing, together with his reasons and those changes needed to enable such plan to be approved.

"(c) Utilizing the expertise of the Board established under section 11 of this act, the Secretary shall review periodically the implementation and effectiveness of approved State dam safety programs. In the event the Board finds that a State program under this act has proven inadequate to reasonably protect human life and property, and the Secretary shall revoke approval of such State program and withhold assistance under the terms of section 7 of this act until such State program has been reapproved.

"SEC. 9 (a) In order to assure that owners of dams will be able to obtain liability insurance at reasonable rates, and to protect persons located downriver of dams, the Secretary, or the head of any agency of the United States designated by the Secretary, shall provide to any insurer, subject to conditions established by regulation, reinsurance or guarantees of any insurance provided to the owner of a dam to protect such owner from liabilities incurred in the event of the failure of such dam. Reinsurance or guarantees provided under this section shall reimburse an insurer for those liabilities in excess of an amount agreed upon between the Secretary, or his designee, and the insurer.

"(b) Any reinsurance of guarantees provided under this section shall be available only in a State which has an approved dam safety program under the terms of section 8 of this Act.

"(c) Agreements on reinsurance or guarantees under this section shall provide that the failure of the owner of any dam to carry out expeditiously any modification or procedure required by a State under the terms of its dam safety program shall result in the cancellation of any reinsurance or guarantee provided by the Secretary, or his designee.

"(d) There is authorized to be appropriated such sums as may be necessary to carry out this section.

"(e) Not later than eighteen months after enactment of this Act, the Secretary and the Secretary of the Treasury shall report jointly to the Congress with an analysis of the effects of this section, together with any recommendations for a more comprehensive dam safety insurance program to assure the availability of insurance to owners of dams inspected under a State program approval under section 8 of this Act, in an effort to lessen or eliminate the need for any disaster assistance in the event of the failure of such a dam.

"SEC. 10. There is authorized to be appropriated and remain available the sum of $20,000,000 to be placed in a revolving fund by the Secretary, such funds to be available for loans, on terms established by the Secretary, to any owner for any dam required to make repairs, to replace, or to make other safety improvements in such dam under any safety program approved under section 8 of this Act, if such owner can demonstrate to the Secretary that other funds are not reasonably available.

"SEC. 11. (a) There is authorized to be established a Federal Dam Safety Review Board (hereinafter referred to as the 'Board'), which shall be responsible for reviewing the procedures and standards utilized in the design and safety analysis of dams constructed and operated under authority of the United States, and to monitor State implementation of this Act. The Board shall review as expeditiously as possible the plans and specifications on all dams specifically authorized by Congress prior to initiation of construction of such dam, and file an advisory report on the safety of such dam with the appropriate agency, the appropriate State, and the Congress. The Board is authorized to utilize the expertise of other agencies of the United States and to enter into contracts for necessary studies to carry out the requirements for this section. There is authorized to be appropriated to the Board such sums as may be necessary to carry out this section.

"(b) The Board shall consist of seven members selected for their expertise in dam safety, including one representative each from the Department of the Army, the Department of the Interior, and the Department of Agriculture, plus four members, appointed by the President for periods of two years on a rotating basis, who are not employees of the United States. At least two members of the Board shall be employees of the States having an approved program under section 8 of this Act. The Chairman of the Board shall be selected from among those members who are not employees of the United States.

"SEC. 12. The head of any agency of the United States that owns or operates a dam, or proposes to construct a dam in any State, shall, when requested by such State, consult fully with such State on the design and safety of such dam and allow officials of such State to participate with officials of such agency in all safety inspections of such dam.

"SEC. 13. The Secretary shall, at the request of any State that has or intends to develop a dam safety program under section 8 of this Act, provide training for State dam safety inspectors. There is authorized to be appropriated to carry out this section $1,000,000 for the fiscal year ending September 30, 1980, and $500,000 during each of fiscal years ending September 30, 1981 and September 30, 1982.

"SEC. 14. The Secretary, in cooperation with the National Bureau of Standards, shall undertake a program of research in order to develop improved techniques and equipment for rapid and effective dam inspection, together with devices for the continued monitoring of dams for safety purposes. The Secretary shall provide for State participation in such research and periodically advise all States of the results of such research. There is authorized to be appropriated to carry out this section $1,000,000 for each of the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982.

The Act entitled "An Act to authorize the Secretary of the Army to undertake a national program of inspection of dams", approved August 8, 1972 (Public Law 92-367; 33 U.S.C. 467), is amended as follows:

(1) In section 2 insert "(a)" immediately after the words "the Chief of Engineers shall carry out a national program of inspection of dams for the purpose of protecting human life and property.".

(2) Add at the end of section 2, the following new subsections:

"(b) In order to carry out the purposes of this Act, the Secretary, or his authorized representative, upon presenting appropriate credentials to the owner, operator, or agent in charge is authorized—

"(1) to enter without delay and at reasonable times any damsite, structure, appurtenance, or any work area, or other area used in connection with operation of the dam; and

"(2) to inspect and investigate during regular working hours and at other reasonable times, and within reasonable limits and in a reasonable manner, any such damsite and all pertinent conditions, structures, machinery, apparatus, devices, equipment, and materials therein or thereon; and to require any owner, operator, agent or employee, or designer, contractor or builder, to provide information regarding the design, construction, operation, and maintenance of the same; and to have access to any records, blueprints, plans, or other pertinent documents pertaining to the design, construction, operation, and maintenance of the same.

"(c) Except as to cases the court considers of greater importance, any judicial proceedings involving this Act before a district court of the United States, and appeals therefrom, take precedence on the docket over all cases and shall be assigned for hearing and trial or for argument at the earliest practicable date and expedited in every way.".

(3) Section 6 is amended by inserting a new (2) as follows and by renumbering (2) as (3):

"(2) to create any liability for agents or contractors for damages caused by such action or failure to act beyond the amount of any contract entered into pursuant to the Act;".

● Mr. ROBERT C. BYRD. Mr. President, I am pleased to be a cosponsor of the Water Resources Development Act of 1979. This bill authorizes water resource projects vital to many areas of our Nation.

One of those areas is the Tug Fork River Valley of West Virginia. This vital energy-producing area is highly flood-prone. In April 1977, the Tug Fork Valley was devastated by a 500-year flood that caused $150 million of damage, and untold misery. It was a miracle that no lives were lost. Nine months later, on January 26, 1978, the Tug Fork again experienced flooding, resulting in damage estimated by the Army Corps of Engineers at approximately $9 million. Floods are now occurring on the Tug Fork on the average of every 15 months. This area contains 5 percent of the Nation's recoverable coal. If we are to achieve some measure of energy independence, it can happen only through increased production in areas such as in the coal-rich Tug Fork Valley of West Virginia. The people who mine coal must have a place to live that is safe from flooding.

Section 118 of this bill authorizes flood protection measures, including those known as plan V. It also authorizes $10 million for a program of snagging and clearing work to provide, on a stopgap basis, some reduction in the severity of flooding on the Tug Fork until the construction of flood protection measures can be completed.

Mr. President, water authorization bills, including an authorization for Tug Fork protection passed the Senate three times in the 95th Congress: On June 22, 1977; May 4, 1978; and October 15, 1978. None of these measures was enacted into law.

Mr. President, I would like to commend my colleague from West Virginia, Senator RANDOLPH, the chairman of the Committee on Environment and Public Works, as well as Senator GRAVEL, chairman of the Subcommittee on Water Resources, for their work in putting together this bill, which is vital to this Nation. There are many competing interests involved in the development of water resources. Senators RANDOLPH and GRAVEL have given of their time and energy to work toward a sound piece of legislation. In many ways, the history and economic growth of this country can be traced by where water resources were available. This legislation will provide or improve water resources that will enable our country to continue to grow. I know Senators RANDOLPH and GRAVEL will continue their diligent efforts as the Water Resources Development Act of 1979 proceeds through their respective committee and subcommittee and on to final enactment.

Time is of the essence. I am pleased that the Environment and Public Works Subcommittee on Water Resources will hold hearings on this bill on April 26 and 27. I am hopeful that the committee will report it to the floor quickly, where I will work to schedule it for action at the earliest possible moment.●

WATER RESOURCES DEVELOPMENT IMPORTANT TO THE UNITED STATES

● Mr. RANDOLPH. Mr. President, the development and management of the Nation's water resources has long been recognized as an essential Government function.

This commitment will, and should, endure regardless of changes which may come about as a consequence of the administration's new water policy proposals coming before Congress for consideration this year.

Civil works activities fully warrant continuance as practical Federal investments in the country's present interests and its future prospects.

It is in that context that legislation is being introduced—the Water Resources Development Act of 1979. I sponsor that measure with able Chairman MIKE GRAVEL of the Water Resources Subcommittee and my valued colleague, Majority Leader BOB BYRD, because I feel that it addresses in a comprehensive and very effective way the pressing needs in our State and in the Nation as a whole.

Before discussing the general provisions of the legislation I give a brief reference to its important implications for West Virginia.

It provides, first of all, for authorization of a $100 million emergency flood control program for the Tug Fork Valley—a plan which has been approved by the Senate three times in the past 2 years and failed only through lack of final House action on the previous bills in which it was included.

The plan is intended to safeguard the valley from the type of damage occuring during extreme flooding in April 1977, and I hope that we are successful with the proposal this time. Federal outlays, I emphasize, for disaster relief from the 1977 flood, have been equivalent to the cost of the planned protection. Our efforts should be directed toward eliminating the repeated flooding that regularly strikes this valley. A full-scale protection project would avoid human suffering and loss: It also makes fiscal sense.

The bill provides specific authorization for $10 million in clearing, snagging and channel work in the Tug and Levisa Forks of the Big Sandy River in West Virginia and Kentucky and the Cumberland River in Kentucky to provide short-range flood control benefits. The funding for that work is already available under a 1978 appropriation.

The other principal West Virginia item in the bill is a demonstration reclamation and rehabilitation project in the Cabin Creek drainage area of Kanawha County at an estimated Federal cost of $22 million. The plan provides for erosion and sediment control, flood damage prevention, water supply and quality control, State and local community improvement programs and recreation and wildlife enhancement. The project is designed to address water and land use problems stemming from surface and deep mining on rough terrain and to deal with associated social and economic problems.

As is the case in West Virginia, the legislation also directs itself to the most pressing priorities in other areas by providing for new or amended authorizations.

The measure likewise seeks to update Corps of Engineers project requirements, providing for deauthorization of several projects where changing conditions or withdrawal of support has eliminated justification, and setting procedures for elimination of project study resolutions which are outdated.

Solutions to some of the underlying problems represented by projects in the bill are—as in the case of Tug Fork—long overdue.

Part of the difficulty can be traced to our inability to obtain final action on any new general projects authorization bill since 1976. You will recall that we adopted measures in the Senate in 1977 and again last year—but final House action could not be secured on those measures.

That failure attaches special importance to early consideration and positive action on this legislation.

I stress that this bill has been fashioned to meet fiscal realities, carrying a price tag of about $1.1 billion—approximately 60 percent as high as the one the Senate passed last year. I hope this lesser amount will contribute to prospects for its early passage.

The views of Senators will be welcome during subcommittee hearings and will, I assure you, be carefully considered.●

CLEVELAND HARBOR AND HOCKING RIVER AUTHORIZATION

● Mr. GLENN. Mr. President, I am delighted to join with my distinguished colleague, Senator GRAVEL, the chairman of the Senate Water Resources Subcommittee, in introducing legislation so vital to the interests of Ohio and the entire Nation.

This bill contains authorization of $30,400,000 for Cleveland Harbor construction and $7,650,000 for flood control in the Nelsonville and Logan areas of Ohio. This legislation has been most carefully drafted. Projects included are those determined to be of the very highest priority. Thus Cleveland Harbor and Hocking River have been planned and reviewed and rereviewed to the point that further delay would be counterproductive—not only in terms of economic penalties being paid in those areas which would directly and indirectly benefit from these projects, but in terms of continually inflating costs of construction and/or dredging.

I concur in the judgment of the distinguished list of Senators joining Senator GRAVEL and myself in introducing this vital legislation. Surely, further delay in proceeding to construction does not promote the development of an improved water resource policy we all desire; indeed, further delay can only encourage an erosion of the support such policy improvement now enjoys.

Cleveland and its neighboring cities in northern Ohio constitute one of the Nation's most significant industrial regions, particularly in basic industries such as steel. Cleveland Harbor is currently unable to accommodate the 1,000-foot ore carriers that have become essential parts of economically feasible steel manufacturing elsewhere.

The inability to handle modern ore carriers thus places this major port at a great competitive disadvantage that could, over a period of time, mean significant unemployment and the weakening of a viable and vital industry employing many thousands. Estimates of jobs which would be directly protected by harbor improvement range in the vicinity of 35,000.

Dredging the harbor would permit the introduction of these larger ore carriers into the Cleveland steelmaking area, permitting transportation of ore at more favorable rates and protecting American jobs in a very competitive industry.

Last year, the Youngstown, Ohio, area suffered the loss of 5,000 steelmaking jobs, and the hardship caused by these closings was the cause of grave national concern. Great publicity was given to the great human suffering and inability to provide basic governmental services, such as education, fire, police, water, and transportation.

The President stated that we must do everything possible to enhance the competitiveness of the domestic steel industry. Projected improvements in Cleveland Harbor contained in this legislation, will help American steel and other vital industries remain competitive, reduce our balance-of-payments deficits, bolster the dollar and help fight inflation—in addition we will save thousands of jobs and the direct income and tax revenues they represent.

Certainly, it is better to provide economic incentives on the Federal level to save jobs and increase the economic health of an area than to expend Federal/State/local funds on unemployment, welfare, retraining and other assistance programs once the jobs have been destroyed or lost.

The Cleveland area steel industry needs these harbor improvements immediately to stay healthy and grow. Delaying it could have severe economic consequences on an area of the country very dependent on these basic industries. I might add that this project has enthusiastic support of the area's congressional delegation, the steel industry, the Port of Cleveland Authority, plus labor, industry, civic, and political groups.

Completing this important project would also permit the introduction of other large bulk carriers to Cleveland Harbor, assisting reasonably priced shipping of other basic commodities and finished goods to and from Ohio.

Ohio exports over $7 billion in finished industrial products annually and over $1 billion in agricultural products. The importance of a modern, competitive harbor to this extremely vital region of Ohio and the Nation cannot be overstated.

Last year, the Senate adopted my amendment to authorize $27 million for the Cleveland project. At that time, I pointed out that studies were completed by the Corps of Engineers which placed a benefit-cost ratio of 7:1—an excellent endorsement of the Cleveland Harbor project's potential economic contribution to Ohio and the Nation.

It is my hope, Mr. President, that this legislation will quickly pass the Senate, that it will pass the House relatively unchanged, and the President will sign the bill into law as soon as it reaches his desk. The economy and workers of the Cleveland/Youngstown region have waited long enough for us to begin work on Cleveland Harbor. The need is evident and the solution is at hand—let us get on with the job.

In closing, I also want to make mention of the need for expedited work to commence on the Ohio River basin flood control project—Hocking River. This legislation authorized $7,650,000 for this project and we should also get moving to secure the flood-control benefits which will accrue once this vital work is completed.●

By Mr. DOLE:

S. 704. A bill to amend the Federal Election Campaign Act of 1971 to extend the statute of limitations to a period of 4 years; to the Committee on Rules and Administration.

EXTENSION OF STATUTE OF LIMITATIONS

● Mr. DOLE. Mr. President, today I am introducing a bill to amend the Federal Election Campaign Act of 1971 to extend the statute of limitations to a period of 4 years.

PURPOSE OF AN AUDIT

The purpose of an audit of candidates' finances by the Federal Election Commission is to determine if public funds were spent properly and to insure that the spending was accurately documented. The process of gathering the documentation necessary for an audit is complicated and time consuming.

CURRENT EVENTS

One current example of the amount of time that an audit can require is the fact that 2½ years after the 1976 Presidential election, the Federal Election Commission has not issued its required audit of Presidential campaign finances. To further dramatize this situation the Federal Election Commission has not completed campaign audits on numerous Presidential candidates who eventually dropped out of the Presidential race before the nominating convention in 1976.

PURPOSE OF THE BILL

As a result of the complicated and time-consuming nature of a campaign audit, it is possible that the statute of limitations under the Federal Election Campaign Act could run on campaign violations before the audit was completed by the Federal Election Commission.

TAX DOLLARS

The Senator from Kansas knows that the American people are deeply concerned about the manner in which their tax dollars are spent. It is our responsibility to insure that the concerns of the American people in the manner in which their tax dollars are spent is protected. Their interests cannot be protected if the statute of limitations slips by and alleged violators of election laws cannot be prosecuted, simply because the Federal Election Commission has not completed its audit. We can better protect the tax dollars of the American people by extending the statute of limitations for an additional year which should provide the Federal Election Commission with sufficient time to complete an audit of even the most complicated campaign finances.

Mr. President, I urge my colleagues to expedite this proposal by prompt Senate approval.●

By Mr. MATHIAS:

S. 706. A bill to reimburse the city of Frederick, Md., for money paid by the citizens of such city to save and hold harmless valuable military and hospital supplies owned by the U.S. Government; to the Committee on the Judiciary.

● Mr. MATHIAS. Mr. President, I have always maintained that it takes 5 years for a bill to become law. But the bill I am reintroducing today is the same bill I have presented to every Congress since 1961. The bill I refer to calls for the reimbursement of the people of Frederick, Md., for a debt incurred in 1864 by their great grandparents in the service of our Nation—a debt borne by successive generations of Frederick citizens until finally in 1951 it was paid off out of taxes levied on them.

I have introduced this bill in the past nine Congresses, because I am committed to seeing justice done no matter how long it takes. I have been persistent, because no Congress thus far has acted to redress the grievous injustice done the citizens of Frederick which my bill would remedy.

Others have been no less persistent in this great cause. A bill to reimburse Frederick was first introduced in the 51st Congress in 1889 by Representative Louis McComas, great grandfather of the late Congressman Goodloe Byron. Since that time, a bill has been introduced in each Congress by a Maryland Congressperson or Senator.

I myself will not regale my colleagues for the 10th time in the U.S. Congress with all the facts of the case, facts which prove, I think, that were it not for the quick thinking and patriotism of the citizenry of Frederick the course of the Civil War could have been very different.

I am confident that, with the briefest retelling of this story, the wisdom and the sense of justice of the Members of the 96th Congress will work together to resolve this claim once and for all time.

Mr. President, early on the morning of July 9, 1864, Gen. Jubal A. Early rode into the city of Frederick, from his Confederate headquarters at the city's perimeter. He had several thousand troops deployed to the north and south of the area for the engagement with Union forces at the Monocacy River. The Union troops were under the command of Gen. Lew Wallace, who later was to write the epic Ben Hur.

On that day, the following demand was presented to the mayor of Frederick:

> By order of the Lt. General Cm'd'g, we require of the mayor and town authorities of Frederick City two hundred thousand dollars ($200,000) in current money for the use of this army.

Frederick met this demand, and as a result, supplies vital to the Union cause were not confiscated.

On October 1, 1951, almost 28 years ago, the last of the debt incurred by the city to pay the ransom demanded by Confederate Early was finally liquidated by the citizens of Frederick.

These two events, separated by 87 years, are the circumstances which outline the creating of a just and equitable claim by the people of Frederick against their Federal Government, a claim which has gone unfulfilled, a claim which is a blemish on the record of justice we value as a nation.

The people of Frederick, recognizing the threat to the Union cause, maintained steadfast in their loyalty to the Federal Government and, at great personal sacrifice, saved these vital Union supplies. This act of patriotism was costly to the people of Frederick. With a town tax revenue of only $8,000 per year at the time, they nevertheless pledged the ransom in order that Government supplies valued between $1 and $1.5 million remain outside of the Confederate group. The city of Frederick shouldered the financial burden of the Government supply ransom for 87 years and the cost to the city of the forced debt entailed deprivation of municipal services except through higher taxes and borrowed money. I know of no other city, in the United States, North or South, which can make this claim.

This debt rightly belongs to the U.S. Government and not to the people of Frederick. It was Government stores that were saved and the day-long negotiations between the people of Frederick and the Confederate leadership delayed the Confederate advance toward Washington, D.C.—a delay which allowed the Union forces time to strengthen their strategic position in defense of the Capital.

Mr. President, Frederick is not making a claim for the value of private property damaged or destroyed by the enemy, although Congress has enacted bills on numerous occasions authorizing the claims of private citizens for the value of their private property destroyed by the enemy.

The Congress has for many years recognized the merits of claims by native Americans that arise from colonial days and has reimbursed owners of fishing vessels for fines which had to be paid for the violation of fishing area limitations of various South American countries.

Frederick is justly entitled to reimbursement for the actual costs of the following items:

1. Bonds and certificates issued to the five banks from which the General Early money was obtained as security for the loan to the city on July 9, 1864, held by banks 1868–88.
2. Interest paid at 6-percent per annum by the city upon the bonds and certificates to the banks, 1868–88, such interest being derived from taxes imposed by the city.
3. Interest on the tax loss to pay interest 1868–88, at 4-percent per year.
4. Tax exemption granted five banks from general special tax levy of 20 cents per $100 on capital stock, 1868–88.
5. Interest at 4-percent on tax loss in granting exemption to banks, 1868–88.
6. Interest at 4-percent per annum on above costs to City to repay five banks for their respective loans, the bank loans having been made to the City in 1864, and compromise settlement agreement on debt payment of $125, 225.21 of above bonds and certificates accepted July 1, 1868, paid July 1, 1888, by refunding debt, 1888–1970.
7. Interest paid by City on 24 percent of refunding bond issues of 1888 in amount of $512,500 at 4-percent interest, bank bonds refunded in amount of $123,000, 1888–1917. Tax loss to pay interest on 24-percent at 4-percent, 1888–1917.
8. Interest at 4-percent per annum on tax loss to pay 24-percent of interest 1888–1917, bonds having been partially amortized, 1888–1917.
9. Interest at 4-percent on interest paid on bonds and on tax loss incurred to pay interest, 1917–70.
10. Interest paid on 24-percent of refunding bond issue of October 1, 1917, at 4½-percent, attributable to refunded bank bonds, of issue of $380,000, October 1, 1917, to October 1951.

Tax loss to pay interest on 24-percent at 4½-percent, 1917–51.

11. Interest at 4-percent on interest paid on bonds and on tax loss incurred to pay interest, 1951–70.

History records that many cities were destroyed during the Civil War, yet few of them incurred such a prodigious debt as that of Frederick in its attempt to protect supplies for which there was a dire need. Frederick sacrificed money which it did not have in order to defend Federal supplies at a time when President Lincoln indicated to Union generals the critical need of clothing and supplies for Union troops engaged in defensive deployment.

The bill I propose will terminate the

financial obligation for the genuine service to the country by the city of Frederick. Mr. President, I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 706

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the city of Frederick, Maryland, a sum not to exceed the actual cost to the city, including interest thereon when incurred, to make the payment as hereinafter stated, on the debt incurred until October 1, 1951, and simple interest at the rate of 4 per centum per annum on the cost to the city to liquidate the debt as incurred, until reimbursement is paid of the amount determined by the Secretary of the Treasury to be due as defined herein, as of the date of payment in full satisfaction of the claim of the city against the United States for reimbursement for the money paid by the city on July 18, 1864, upon demand of Lieutenant General Jubal A. Early (commanding general of the Confederate Armed Forces of over twenty thousand troops then surrounding the city) and under rumored threats that all property in the city would be destroyed; the demand having specified $200,000, and in the alternative medical supplies of $50,000 at current prices, commissary supplies to the same amount, ordnance supplies with the same, and quartermaster's supplies of a like amount (all of such being the property of the United States Government as part of the supply depot and hospital of the command headquarters of the Union Armed Forces in Frederick for the deployment of Union troops at strategic points along the Maryland shores of the Potomac River in western Maryland as a defense against invasion by Confederate troops across the Potomac and in defense of Washington from attack through Maryland, and to supply Union troops moved through the command area during the war; none of such demanded supplies being the property of Frederick) and with all Federal troops (including advance guard and their mobility supplies) having evacuated the city to be deployed for the imminent battle of the Monocacy, the city and the Government supply depot being left defenseless; after pleading negotiations throughout the day with the Confederate command, which failed, and under stress of the rumored threats of destruction, the city demanded the money required of the banks of the city to be delivered to the Confederate general, the city promising the lending banks that the citizens of the city would be taxed to reimburse the banks, and taxes were imposed over a long period by the city to amortize the debt and through a series of refunding bond issues of the city, finally liquidated in the year 1951, at rates of interest of 6 per centum, 4 per centum, and 4½ per centum and upon delivery of the money by the banks to the city and delivered to the Confederate general late in the day, by orders of the Confederate general none of the Government property was destroyed nor molested, and not only was Government property saved harmless, but the daylong negotiations, between city officials and Confederate officers, gave time for better strategic deployment of the limited Union Armed Forces at the Monocacy and the arrival of some reinforcements, and most importantly the relatively short battle of Monocacy, together with the stubborn resistance and difficulty of Frederick in raising the $200,000 demanded, lost a day in the march upon Washington by the Confederate Armed Forces and gave time for the successful reinforcement of the Union defense of Washington—thus the claim of Frederick is for action taken not only to save United States Government property from being destroyed, but also, at great financial cost to the citizens of Frederick to carry the debt, which contributed greatly in saving Washington from direct attack by over twenty thousand of the Confederate Armed Forces and allowed time for arrival of reinforcements for the Union Armed Forces for the defense of Washington.●

By Mr. BENTSEN (for himself and Mr. BOREN):

S. 707. A bill for the relief of certain aliens; to the Committee on the Judiciary.

● Mr. BENTSEN. Mr. President, I rise today to introduce legislation that will allow several hundred Mennonites to remain in the United States and pursue their way of life.

The Mennonites are a hard-working, peaceable, God-fearing people who have immigrated to the United States in search of a better life. They have migrated across the globe in their quest for religious freedom, traveling from their ancestral home in the Netherlands to Germany, Russia, Canada, Mexico, and finally to the United States.

These good and decent people had been led to believe that by purchasing land in our country, they would be allowed to remain as citizens. The cause of their problems since they entered is murky and uncertain. I do not introduce this legislation to lay the blame on anyone. Rather, I propose relief that will prevent them from being deported. I will not stand idly by while the U.S. Government, which has so much trouble deporting Iranian students who have shown a violent disregard for our laws, prepares to kick out of our country members of this peaceable, hard-working community.

The Mennonites came to America, like millions before them, in the hope of adding to the rich history of our country. They learned that, contrary to their belief, they were not legal aliens. They learned that, contrary to their belief, the water rights did not come with the land rights. They learned that, contrary to their belief, they might not be able to join the society they had turned to for help.

Mr. President, I introduce this private legislation in the hope that the Senate Judiciary Committee, and the Congress as a whole, will examine the facts and see that justice is done. This case presents unique and extraordinary circumstances. It is worthy of our close and careful attention.

America has historically been a home for those who suffered elsewhere. Our roots are across the globe. Our ideals have been a beacon of hope for the oppressed. Our system, with all of its problems, is the best there is.

The Mennonites have settled in Texas and Oklahoma, and have been welcomed by those who know them. They are a gentle people. They truly cherish the religious and political freedom that we often take for granted. Their desire to join us is living proof of the vitality of the American ideal.

Mr. President, the unfortunate circumstances surrounding their entry into the United States can be largely remedied by this legislation, which would grant them permanent resident status and allow them to remain. Given their history of perseverance and dedication, I am confident that, given a chance, they can surmount the obstacles they face and make a significant contribution to our country.

I urge my colleagues to support this legislation. I ask unanimous consent that a recent New York Times article, describing this situation in some detail, be included at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DREAMS OF A SETTLEMENT SOUR FOR MENNONITE IMMIGRANTS

(By John M. Crewdson)

SEMINOLE, TEX., March 5.—A small community of Mennonites that fled here from Mexico two years ago because of land seizures and religious persecution is discovering that what looked like a safe and promised land is actually a harsh landscape dotted with troubles and empty promises.

Although no one told them so when they came, the Mennonites have learned since their arrival in Seminole that they entered the United States illegally, and there is scant hope that they will be allowed to stay. On top of that, they are about to lose the 10 square miles of farmland that was to be their settlement and the half-million dollars that has been plowed into the land thus far.

The Mennonites have some reason to feel betrayed by the Immigration and Naturalization Service that let them into the country and then insisted that they leave, by the real estate men who sold them land they have found to be overpriced and underwatered, even by their own bishop, Heinrich Reimer, who encouraged and arranged details of the move.

But they are enduring their adversity with customary stoicism and with a faith born of four generations of persecution and nearly continual migration, from their ancestral home in the Netherlands to Germany, then Russia, Canada, Mexico and, finally, Seminole.

FAITH AND DOUBT

"Some say it will be O.K., some doubt," said Peter Dueck, a softspoken man who teaches at one of two Mennonite schools here. "We will see."

A dustbeaten sign on the highway near Mr. Dueck's school declares that this town on the West Texas plains is "the City with a Future." But at this time of year, when the raw winter winds toss the coarse, dry soil into the sky, the country suggests a Martian landscape, with a sky that is merely a lighter shade of the earth's reddish brown.

Seminole, on the northern edge of the oil-producing Permian Basin, has survived thus far because there is enough underground water for cultivating the plots of parched land that are not cluttered with slow-moving oil wells. But the oil and the water are both running out.

When the 123 Mennonite families came here in search of land, Seminole welcomed them with open arms, relishing the prospect of putting land back into production and improving the quality of its labor force.

"They're a source of labor that we are deficient in here, and they're pretty nice people," Mayor Bobby C. Clark said the other day. "We love 'em."

INSULAR AND INDUSTRIOUS

The Mennonites, industrious and pious, are not hard to love. Traditionally insular, cheerful but quiet, they run their own schools, speak German, Spanish and English, train their children to follow the trades of their parents and take great pride in such collective endeavors as cheese- and cabinetmaking. Many of the men still farm, but the majority are skilled craftsmen: carpenters, machinists, welders.

From cheese-making and other trades, the Mennonites accumulated enough capital in Mexico to put down $445,000 on the old Nix family farm 20 miles outside Seminole. But most of the 500 Mennonites who came here arrived with tourist visas that expired after only three months, and efforts to regularize their status since then have not been successful.

"They just don't qualify for the immigrant visa," said Silas Jervis, a spokesman for the immigration service in Washington. He added that giving them special treatment would raise the question of "how you can throw out 800,000 brown-skinned Mexicans each year and allow 500 white-skinned Mexicans to stay here."

SENATOR OFFERS HELP

Senator Lloyd M. Bentsen, the Texas Democrat, has said he will introduce a bill to permit the Mennonites to remain in the United States permanently, and the immigration service has consequently given the group a temporary reprieve from deportation.

The legislation's chances are not good, however. The Senator sponsored a similar bill in the last Congress but it was never acted upon, and an aide said the prospects are not much better now.

The Mennonites' misfortunes grew worse just a few days ago when Dennis Nix, the rancher whose land they bought two years ago for $1.7 million, filed a foreclosure notice over their failure to meet a $125,000 payment.

The land was purchased in January 1977 by Bishop Reimer in behalf of 255 Mennonite families. But 132 of the families are still in Mexico, barred by the immigration service from joining those in Seminole, and they are unable to help pay for land they cannot live or work on.

Peter Bergen, a church leader here, said that the chances of coming up with the $1.2 million needed to pay off the mortgage were "very slim," and that the Mennonites stood to lose the $575,000 they have invested because it is unlikely a buyer could be found.

WATER RIGHTS WITHHELD

The Mennonites have discovered that the price of $264 an acre that they paid Mr. Nix was "about $70 over the going price," Mr. Bergen said. Moreover, he said, it was not known until after the deed was recorded that the sale did not convey water rights—crucial to farming in this nearly rainless area—for more than half the land. It turned out that oil companies had obtained rights to the water for use in forcing the last oil out of depleted wells.

Only seven Mennonite families are able to live on and farm the land now; the others have had to move into town.

Mr. Bergen said that he and a few other Mennonites had discussed filing a lawsuit to recover their money, but that the majority of the church members had been against such a move. "We don't like to go to court," he said. "It's not our way."

But the church members do have a complaint, he said, against the real estate man who handled the sale and "assured us of permanent residence."

According to Mr. Bergen, Mr. Dueck and others, two of the men, Bob Goodson and Jim Perry, told the Mennonites while most of the group was still in Mexico that all they needed to do to enter the United States legally was to purchase land here.

Seth Woltz, the Seminole realtor who handled the sale, denied any misrepresentation and said, "We didn't even know how they got in here."

Mr. Goodson, who lives in Oklahoma, said that although the Mennonites entered the country with tourist visas, they brought with them most of their worldly possessions and it was evident that they were coming to stay.

"The border patrol let them in. The whole thing was cleared by Charley Perez," he said, referring to the district director of the immigration service in El Paso, the border city through which most of the Mennonites arrived.

Mr. Jervis said an internal investigation of the matter failed to produce any evidence that immigration officials had acted improperly in allowing the Mennonites into the United States.

LAWYER HIRED FOR VISA PROBLEMS

The Mennonites retained a lawyer, Lawrence Augustine, himself a former district director of the immigration service, to help with their visa problems, but Mr. Augustine's expenses were ultimately paid by Mr. Woltz and his two partners in the sale.

"He's the one that got them in all this trouble," Mr. Woltz said of the lawyer. "He told 'em he would get 'em their green card." The "green card," which these days is red, white and blue, is the credential issued to resident aliens.

Mr. Augustine, who has been dismissed by the real estate men, said that "at no time did I promise anybody permanent residence." He added that he believed then, and still believes, that despite the huge backlog of Mexicans seeking to emigrate to the United States, most of the Mennonites could have secured legal residence.

Throughout most of this, the principal Mennonite representative dealing with the immigration authorities, the real estate men and Seminole city officials was Mr. Reimer, then a bishop of the church.

Mr. Goodson asserted that if the Mennonites "were misled at all about anything, they were misled by their own bishop," and Mr. Bergen said that most of the church members, who have since defrocked Mr. Reimer, agreed that his role in the matter was far from clear.

Mr. Reimer, who has no telephone, could not be reached for comment, but Mr. Bergen said he had taken a job with Seminole Mennonite Enterprises, of which Mr. Woltz is president.●

By Mr. CANNON (by request):

S. 709. A bill to authorize appropriations for the Coast Guard for fiscal years 1980 and 1981, and for other purposes; to the Committee on Commerce, Science, and Transportation.

COAST GUARD AUTHORIZATIONS, 1980 AND 1981

Mr. CANNON. Mr. President, I introduce today, at the request of the Secretary of Transportation, and on behalf of myself, a bill to authorize appropriations for the Coast Guard for fiscal years 1980 and 1981 and for other purposes.

I ask unanimous consent that the text of the bill, the letter of transmittal and the section-by-section analysis of the bill be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 709

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are authorized to be appropriated for the United States Coast Guard for the fiscal years 1980 and 1981:

(1) For necessary expenses for the operation and maintenance of the Coast Guard including those relating to the Capehart housing debt reduction.

For fiscal year 1980—$1,037,175,000 and such additional sums as may be necessary to meet unforeseen circumstances.

For fiscal year 1981—such sums as may be necessary.

(2) For acquisition, construction, rebuilding, and improvement of aids to navigation, shore and off-shore establishments, vessels, aircraft, and pollution abatement including equipment and necessary administrative expenses relating thereto:

Aircraft

For fiscal year 1980—$90,955,000.

For fiscal year 1981—such sums as may be necessary.

Vessels

For fiscal year 1980—$134,272,000; for fiscal year 1981—such sums as may be necessary.

Shore and off-shore establishments, aids to navigation, pollution abatement, administrative expenses

For fiscal year 1980—$59,134,000; for fiscal year 1981—such sums as may be necessary.

(3) For alteration or removal of railroad and highway bridges in order to eliminate obstructions to navigation in the navigable waters of the United States: for fiscal year 1980—$14,900,000; for fiscal year 1981—such sums as may be necessary.

(4) For necessary expenses for basic and applied scientific research, development, testing, or evaluation of programs and activities of the Coast Guard: for fiscal year 1980—$21,825,000; for fiscal year 1981—such sums as may be necessary.

Sec. 2. The Coast Guard is authorized an end strength for active duty personnel of 39,027 for fiscal year 1980; except that the ceiling shall not include members of the ready reserve called to active duty under the authority of section 764 of title 14, United States Code.

Sec. 3. Average military training student loads for the Coast Guard are authorized as follows:

(1) Recruit and special training: Students = Student years: for fiscal year 1980—3,940 students.

(2) Flight training: for fiscal year 1980—110 students.

(3) Professional training in military and civilian institutions: for fiscal year 1980—438 students.

(4) Officer acquisition: for fiscal year 1980—940 students.

Sec. 4. Subsection 42(a) of title 14 United States Code, is amended to read as follows:

"(a) The total number of commissioned officers, excluding commissioned warrant officers, on active duty in the Coast Guard shall not exceed 6,000."

Sec. 5. For the recovery of overseas vessel inspection costs from merchant vessel categories not covered by the Port and Tanker Safety Act of 1978 (P.L. 95–474) and notwithstanding the provisions of section 1 of the Act of June 19, 1886, as amended (46 USC 331), the Secretary of the Department in which the Coast Guard is operating may prescribe by regulation reasonable fees for an inspection or examination conducted outside the geographic limits of the United States. The owner or operator of a vessel so inspected or examined is liable for these fees. Fees received shall be credited to the general fund of the Treasury.

Sec. 6. (a) Subsection 432(g) of title 14, United States Code, is amended by striking out "$7,500" in the fourth sentence and inserting "$15,000" in its place so that, in pertinent part, it reads as follows:

". . . In no case shall basic compensation exceed $15,000 per annum. . . ."

(b) The Coast Guard may issue retroactive pay to its remaining civilian lighthouse keeper in an amount equal to the difference between what the keeper actually received and what he would have received under the General Schedule salary rates had there not been a statutory limitation of $7500 on his annual salary. This amount is to be calculated from the time at which his salary reached the statutory limitation to the date of enactment of this act.

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., February 27, 1979.

Hon. WALTER F. MONDALE,
President of the Senate, Washington, D.C.

DEAR MR. PRESIDENT: This letter transmits proposed legislation, "To authorize appropriations for the Coast Guard for fiscal years 1980 and 1981 and for other purposes".

The proposed bill contains the Coast Guard's request for authorization of appropriations, personnel strengths, and "student loads" for fiscal years 1980 and 1981 (Sections 1–3). It increases the ceiling on commissioned officers in the Coast Guard (Section 4). The proposed bill also extends, and makes uniform, the Coast Guard's authority to set and collect fees for the overseas inspection of all merchant vessels (Section 5). Finally, the proposed bill raises the statutory limitation on the Coast Guard's last civilian lighthouse keeper's salary to $15,000 (Section 6).

In compliance with the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93–344), a request for authorization of appropriations for FY-1980 was submitted to Congress in 1978, as part of a legislative proposal which also requested authorization of appropriations for FY–1979. When the FY–1979 authorization bill was introduced and eventually enacted, there were no references to the 1980 fiscal year requests. Since the FY–1980 request has not been acted upon, we are resubmitting it as part of the attached legislative proposal.

Sections 1 through 3 of the legislative proposals are responsive to Section 5 of P.L. 94–406 which requires authorization before funds may be appropriated to or for the use of the Coast Guard for operational expenditures, capital acquisition and construction, bridge alterations, and research and development. For reasons of simplicity, individual items within each of the above categories have not been listed. However, the appropriate committees will be furnished detailed information identifying each item for which authorization of appropriations is requested. Furthermore, the Department will be prepared to supply any other information requested by the Congress.

Sections 1 through 3 of the bill also respond to Subsection 6(a) and 6(b) of P.L. 94–406 which require authorization of the Coast Guard's "end strength" and "average military training load" respectively.

Section 4 of the proposed bill amends P.L. 30–385 (14 USC 42(a)) by increasing the ceiling on commissioned officers in the Coast Guard from 5,000 to 6,000. The last increase in the officer ceiling was in 1968, and was thought to be sufficient for 5 years. Since then, as a result of legislation such as the Ports and Waterways Safety Act, the Federal Water Pollution Control Act, and the Fisheries Conservation and Management Act, the Coast Guard has been required to assume numerous new regulatory and enforcement responsibilities. Presently, there are over 4,900 officer billets authorized. To fully staff this number of billets the Coast Guard would be forced to exceed the 5,000 officer ceiling during the period between the commissioning of new officers in the spring and the retirement of some senior officers in the summer. Raising the ceiling to 6,000 would give the Coast Guard sufficient flexibility to continue to properly manage its programs. The proposal would not in itself actually increase the number of officers on active duty but would only authorize increases in the number of officers as program and personnel strength increases are authorized. There is no cost associated directly with this section.

Section 5 of the proposed bill will align both tank vessel and non-tank vessel inspection programs and provide flexibility in managing them. It authorizes the prescription of reasonable fees for the overseas inspection of all categories of merchant vessels not covered by the Port and Tanker Safety Act of 1978. Such fees would be collected by the Coast Guard (not the Treasury Department) as part of the inspection process.

Section 6 of the proposed bill would amend subsection 432(g) of title 14, United States Code, by raising the statutory limitation of $7,500 on the annual pay of lighthouse keepers to $15,000. It further proposes paying the Coast Guard's only remaining, full time, civilian keeper, at Coney Island Light, back pay of about $2,900, which represents the difference between what the keeper actually received after his salary reached the statutory ceiling in 1974 and what he would have received under the General Schedule salary rates had there been no such limitation. When he retires, there will be no need to maintain this special pay schedule for keepers. Equity dictates this request. This individual has over 40 years of continuous service and cannot, by law, be replaced by hiring another civilian. He is presently eligible for retirement, although he has indicated his intention to remain until age 70. Because his retirement annuity will be based on the highest three consecutive years of earnings, this individual's retirement pay will be adversely affected unless legislative relief is granted.

It would be appreciated if you would lay this proposal before the Senate. A similar proposal has been submitted to the Speaker of the House of Representatives.

The Office of Management and Budget has advised that enactment of this proposed legislation is in accord with the President's program.

Sincerely,

BROCK ADAMS.

SECTION-BY-SECTION ANALYSIS

Section 1.—This section authorizes $1,037,175,000 for FY 1980 Coast Guard operating expenses and includes an authorization for additional money to meet unforeseen circumstances in order to preclude the need for a supplemental authorization bill. This section also includes authorization for acquisition, construction, and rebuilding of: aircraft (FY 1980—$90,955,000); vessels (FY 1980—$134,272,000); shore and off-shore establishments, aids to navigation, pollution abatement, and administrative expenses (FY 1980—$59,134,000); and removal or alteration of bridges (FY 1980—$14,900,000). Finally, there is included authorization for research and development (FY 1980—$21,825,000). The section also authorizes "such sums as may be necessary" for FY 1981 in the above categories.

Section 2.—This section authorizes an active duty personnel level of 39,027 for FY 1980. This is a reduction of 304 persons from the level authorized by Congress for FY 1979.

Section 3.—This section authorizes the student year levels for recruit training (FY 1980—3,940); flight training (FY 1980—110); professional training (FY 1980—438); and officer acquisition (FY 1980—940). This represents a slight reduction in students from the authorization for FY 1979 for recruit training and officer acquisition, an increase of two for professional training, and an increase of 15 from FY 1979 for flight training connected with the introduction of the Coast Guard's new Medium Range Surveillance Aircraft in FY 1980 and an increase in its Fixed Wing Navigational Training Program.

Section 4.—This section amends P.L. 30–385 (14 USC 42(a)) by increasing the ceiling on commissioned officers in the Coast Guard from 5,000 to 6,000. The last increase in the officer ceiling was in 1968.

Since then, as a result of major national policy-setting legislation such as the Ports and Waterways Safety Act, the Federal Water Pollution Control Act, and the Fisheries Conservation and Management Act, the Coast Guard has been required to assume numerous new regulatory, law enforcement and water pollution avoidance responsibilities. Presently, there are over 4,900 officer billets authorized. To fully staff this number of billets the Coast Guard would be forced to exceed the 5,000 officer ceiling during the period between the commissioning of new officers in the spring and the retirement of some senior officers in the summer. Raising the ceiling to 6,000 would give the Coast Guard sufficient flexibility to continue to properly manage its programs. The proposal would not increase the number of officers on active duty but would only authorize increases in the number of officers as specific program and personnel strength increases are authorized. There is no cost associated directly with this section.

Section 5.—This section will align both tank vessel and non-tank vessel inspection programs and provide flexiblity in managing them. It authorizes the Coast Guard to prescribe reasonable fees for the overseas inspection of all categories of merchant vessels not covered by the Port and Tanker Safety Act of 1978. This section should aid the Coast Guard in being responsive to the needs of vessel safety and the protection of the marine environment.

Section 6.—This section would amend subsection 432(g) of title 14, United States Code by raising the statutory limitation of $7,500 on the annual pay of lighthouse keepers to $15,000. It further proposes paying the Coast Guard's only remaining full time civilian keeper, at Coney Island Light, backpay of about $2,900 which represents the difference between what the keeper actually received after his salary reached the statutory ceiling in 1974 and what he would have received under the General Schedule salary rates had there been no such limitation. When he retires, there will be no need to maintain the special pay schedule for keepers. This individual has over 40 years of continuous service and cannot, by law, be replaced by hiring another civilian. He is presently eligible for retirement, although he has indicated his intention to remain until age 70. Because his retirement annuity will be based on the highest three consecutive years of earnings, this individual's retirement pay will be adversely affected unless legislative relief is granted.

By Mr. KENNEDY (for himself, Mr. METZENBAUM, Mr. RIBICOFF, and Mr. HAYAKAWA):

S. 710. A bill to amend the Interstate Commerce Act to remove the authority of the Interstate Commerce Commission to approve collective ratemaking agreements among motor carriers, to amend the Clayton Act to subject rate agreements among motor carriers to the antitrust laws, and to amend the Interstate Commerce Act to provide pricing flexibility for motor carriers; to the Committee on Commerce, Science, and Transportation, if and when reported, to the Committee on the Judiciary for not to exceed 30 days, to be reported without amendment, by unanimous consent.

MOTOR CARRIER RATEMAKING REFORM ACT OF 1979

Mr. KENNEDY. Mr. President, I send to the desk a bill to amend the Interstate Commerce Act by removing the authority of the Interstate Commerce Commission to approve collective ratemaking agreements among motor carriers, to amend the Clayton Act by subjecting rate agreements among motor carriers to the antitrust laws, and to amend the Interstate Commerce Act by providing pricing flexibility for motor carriers.

Mr. ROBERT C. BYRD. Mr. President, I know what the distinguished Senator is seeking to do and I am thoroughly in accord with what he is going to do. I wonder if he would mind coupling all of the parts of his request in a single request. Would he be agreeable to doing that?

Mr. KENNEDY. I think, obviously, it will all be so incorporated.

Mr. ROBERT C. BYRD. All right.

Mr. President, I am aware of what the Senator is going to do. I have no objection. I just want to make it clear this is not a procedural mechanism for getting the bill on the calendar, and the Senator does not intend that. I know he does not intend that, but I want the RECORD to show that.

Mr. KENNEDY. Mr. President, it is no secret that there has been some difference among the Members of the Senate as to where this legislation should be referred. I have consulted with the distinguished chairman of the Commerce Committee, the Senator from Nevada, at some length about this issue. I am happy to say that we have reached an agreement that is satisfactory to both sides. This agreement resolves the current dispute by recognizing that the Committee on Commerce, Science, and Transportation has sole jurisdiction over the substantive subject matter of motor carrier regulation. I would yield to the Senator from Nevada to make a unanimous consent request that I endorse in order to resolve this question.

Mr. CANNON. Mr. President, I thank my distinguished colleague from Massachusetts. I recognize his personal commitment to the legislation that he has introduced today, and I can assure him that it will be diligently and thoroughly considered by the Commerce Committee in this session. The unanimous consent request that we are offering today is self-explanatory. Mr. President, I make the following unanimous-consent request: I ask that this bill be referred to the Committee on Commerce, Science, and Transportation. If the Commerce Committee reports the bill, it will then be referred to the Committee on the Judiciary for a period not to exceed 30 days, solely for the purpose of review by the Judiciary Committee of those parts of the bill directly amending the Clayton Act and the bill shall be reported out of the Judiciary Committee without amendment.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I reserve only to advise the distinguished chairman of the Commerce Committee and the distinguished chairman of the Judiciary Committee that this request in that form is fully cleared on this side and we have no objection.

The PRESIDING OFFICER. Is there objection to the request?

Without objection, it is so ordered.

The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I am today introducing legislation to end the right of regulated interstate trucking companies to engage in legalized price-fixing, and which will also provide greater pricing flexibility for motor carriers. The legislation will amend the Clayton Act by subjecting rate agreements among motor carriers to the antitrust laws; it also amends the ICC Act to provide a "zone of reasonableness" within which motor carriers may propose individual freight rates without interference by the ICC.

This legislation is considerably more comprehensive than the legislation I had initially planned to introduce on this subject. I have long stressed the critical importance of eliminating legalized price-fixing in the trucking industry as an essential first step in a larger effort to restore genuine competition to the industry. But beyond this, it is also essential to insure that regulated motor carriers have reasonable latitude to offer competitive prices without fear of interference by the ICC. The bill I introduce today will provide that flexibility.

Mr. President, since 1948 the regulated trucking industry has enjoyed a broad exemption from the antitrust laws. This immunity allows trucking firms to set prices in ways that would be a felony in virtually every other American industry. Today, regulated trucking firms are able to meet and decide in secret the prices they will charge shippers—and ultimately American consumers—for truck transportation.

This unique immunity from the antitrust laws was enacted over the veto of President Truman. He warned that the power it gave trucking companies and railroads would result in serious harm to the public. The words of his veto message are as true today as they were 30 years ago:

> Power to control transportation rates is power to influence the competitive success or failure of other businesses.

In 1976, Congress took steps to limit somewhat the antitrust immunity enjoyed by railroads. Yet, it did nothing to remedy the far more severe effects of that immunity in trucking. Where companies in highly competitive industries can get together and fix prices, consumers are the losers. The prices they set are always higher than they would be in a competitive marketplace.

Legalized price fixing in the regulated trucking industry has cost shippers and consumers billions of dollars in higher prices over the last 30 years. Estimates run as high as $2 billion a year. It has been particularly costly to small companies, which cannot ship in full truckload lots. Trucking companies have a virtual monopoly over this freight, because the railroads do not carry such freight in most cases, and small companies cannot afford to operate their own private fleets. As a result, there is no competitive incentive for truckers to reduce their rates to meet external competition—and the ability to fix prices legally enables them to avoid competing among themselves.

This legislation will end trucking's immunity from the antitrust laws and require that truck rates be set in open competition—not collusively behind closed doors. The bill is the result of a 16-month investigation of ratemaking practices in the trucking industry conducted by the Subcommittee on Antitrust and Monopoly. The subcommittee held 12 days of hearings in Washington and in other cities during 1977–78.

Those hearings revealed two fundamental barriers to the establishment of a competitive trucking industry. First, they demonstrated that private restraints of competition in the form of legalized price-fixing agreements enabled trucking firms to avoid price competition on the routes they serve. Second, they showed that public restraints in the form of anticompetitive ICC regulations of entry and minimum rates further restrict competition.

The legislation we are introducing addresses both the private restraints as well as the public restraints on minimum rates. These are among the clearest and most anti-inflationary steps toward a more competitive industry which must be taken.

There are few areas of the American economy in which reform is more necessary. Interstate trucking is a $56 billion a year industry. Only 40 percent of the industry is regulated by the Federal Government. The regulated segment includes carriers of manufactured goods as well as all canned and processed foods. The nonregulated segment consists primarily of carriers of unprocessed agricultural commodities and of large nontransportation companies who operate private truck fleets to haul their own products.

Consumers must depend on the trucking industry for almost everything they buy. Thus, rates for trucking services affect the price of everything we eat, wear, or use—from a can of tuna fish, to a suit of clothes or a television set.

There are more than 16,000 trucking companies hauling regulated freight. Start-up costs of new firms entering the industry are unusually low. Much of the needed equipment can be leased, and can readily be moved to take advantage of new market opportunities. Because of the large number of firms and the relatively low barriers to entry, trucking is precisely the kind of industry where real competition can keep prices reasonable and assure service to all who want it.

However, the natural competitiveness of the trucking industry has, for too long, been stifled by a combination of private price-fixing arrangements known as collective ratemaking, and by restrictive pricing and entry regulations imposed by the Interstate Commerce Commission. All of these factors have produced an artificially inflated rate structure which, particularly in today's inflationary climate, cannot be justified.

The largest trucking firms (whose routes are protected from competition by the ICC, and whose rates are collectively set by agreements with one another), enjoy some of the highest earnings of any American corporations. Over the last 8 years, the eight largest trucking firms have earned an average of more than 20 percent return on shareholder's equity—more than the top eight firms in any other major American industry, and approximately twice that enjoyed by the average Fortune 500 corporation. The average return on equity for the eight largest trucking companies in 1977 was 28.7 percent, a higher average return on equity than the top eight firms in the pharmaceutical, motor vehicle manufacturing, petroleum refining, office equipment and computers, electronics, paper and wood products, metal manufacturing, chemical, rubber, metal products, industrial equipment, aerospace, and food industries. It is not difficult to understand why much of the trucking industry is so opposed to regulatory reform. It is time to end the special treatment this industry has so long enjoyed.

The second part of this legislation, which allows carriers to set rates for truck transportation with considerably less interference from the Interstate Commerce Commission than is now the case, is equally important. This provision goes to the heart of the ICC's substantive jurisdiction over motor carrier pricing. It would create a "zone of reasonableness" in which regulated motor carriers could set their own rates without ICC approval or interference. It would mean that carriers could increase their rates up to 7 percent above or 20 percent below current levels without threat of suspension by the ICC.

Since 1953, motor carriers who have wanted to charge lower rates than their competitors have faced lengthy and often expensive litigation in the ICC and the courts to be able to do so. I do not think this kind of rigid control over pricing in an industry as naturally competitive as trucking can be justified in the light of current economic conditions.

The pricing flexibility which this legislation provides is similar to other statutes Congress has enacted for other transportation industries in recent years. The Airline Deregulation Act of 1978 contains a similar provision, as does the Railroad Revitalization and Regulatory Reform Act of 1976.

Mr. President, the No. 1 issue on the minds of the American people today is the problem of inflation. The excessive cost of Government economic regulation in the trucking industry adds to the price of everything we buy. There are many causes of inflation we cannot do anything about—such as Arab oil prices. But lessening unjustified regulation is something we can do something about to bring down prices and to curb inflation. It is important to remember that economic regulation of this industry does not just contribute to inflation; rather, it is the cause of it.

There are some who say that we should quietly accept the status quo because of the political clout of those that benefit from it. Some say we should tone down efforts to promote genuine reform because it will antagonize powerful interests. But the issue is too important to the American consumer, and to the American economy, to tolerate the existing pattern of price-fixing out of fear of political repercussions. Congress and the administration must face up to the fact that price-fixing in trucking is seriously inefficient and inflationary and—perhaps even more importantly—that it is unfair to every American working man and woman who must pay higher prices for the products they eat and wear and use because of it.

I am happy to say that with this legislation we have begun to face up to the challenge of fostering the growth of a more competitive trucking industry.

Some say we should let the trucking industry retain its antitrust immunity in exchange for a responsible wage settlement. The consumer cannot afford such an exchange. Price fixing costs consumers billions of dollars a year in higher prices. Consumer need not choose between a competitive industry and a responsible settlement. They are entitled to both.

Finally, Mr. President, I want to express my appreciation to the chairman of the Commerce Committee for his willingness to help work out what is a matter of enormous interest to him and to the members of his committee. I believe that with this arrangement, the Senate's interests in this issue will be well served.

I believe all of us are mindful—certainly, the consumers in my part of the country are—of the excellent work the Commerce Committee performed in the airline deregulation bill. Millions of Americans are benefiting from that legislation, and all acknowledge the outstanding leadership of the chairman of that committee. We are confident that this trucking bill will receive the same kind of review and examination that the airline issuc received.

Mr. CANNON. Mr. President, I thank the Senator from Massachusetts for his kind remarks.

I am very happy that we are able to resolve this matter in this fashion. I assure him that we have concerns somewhat similar to those he has expressed; and we intend, as I stated, to proceed diligently in this matter.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 710

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Motor Carrier Ratemaking Reform Act of 1979".

ICC AUTHORITY TO APPROVE CERTAIN AGREEMENT ELIMINATED

Sec. 2. 49 U.S.C. 10706(b) is amended by—

(a) deleting the word "common" and inserting in lieu thereof the words: "pipeline or water", and

(b) deleting the words "(except a rail carrier)".

MOTOR CARRIER RATE AGREEMENTS SUBJECT TO ANTITRUST LAWS

Sec. 3. Section 11 of the Clayton Act (15 U.S.C. 21) is amended by—

(a) inserting "(1)" after "(a)", and

(b) inserting at the end of subsection (a)(1), as so designated, the following new paragraph:

"(2) The antitrust laws as defined in section 1 of the Clayton Act (15 U.S.C. 12) shall apply to parties and other persons with respect to making or carrying out any agreement related to rates (including charges between carriers and compensation paid or received for the use of facilities and equipment), allowances, classifications, divisions, or rules related to them, or procedured for joint consideration, initiation or establishment of them where one of the parties to such an agreement is a motor carrier or freight forwarder."

ZONE OF REASONABLENESS

Sec. 4. 49 U.S.C. 10708 is amended by adding the following new subsection:

"(d) A rate decrease or increase proposed by a motor carrier or freight forwarder subject to the jurisdiction of the Commission under subchapters II or IV of chapter 105 of this title may not be suspended nor may it be found to be unlawful on the ground that it is not reasonable, if: the new rate is no greater than seven percent above, or twenty percent below, the rate in effect on January 1, 1979.

● Mr. METZENBAUM. Mr. President, I am pleased to join the chairman of the Judiciary Committee in introducing S. 710.

Mr. President, people are tired of the excesses and waste of Government regulation. The cry has gone up that we must cut back drastically on the degree to which Government interferes in our daily lives.

This bill will eliminate an unnecessary impediment to competition in the trucking industry. It should serve as an example of the course we must pursue in numerous sectors of our economy to eliminate the waste and inefficiency which have become the byproducts of excessive Government regulation.

Currently, motor carrier rates are set collectively by industry participants though so-called "rate bureaus." These organizations function under current ICC authority as Government-sponsored cartels. In other words, the bureaus provide an institutional framework within which rates are discussed, considered, and set by carrier representatives. In effect, this system permits legalized price fixing. The bill we are introducing today would abolish the industry's antitrust immunity and permit price-fixing arrangements to be challenged in the courts.

Frankly, Mr. President, there no longer exist any justification for the price fixing associated with collective ratemaking. At one time, these rate bureaus were sanctioned in order to protect a fledgling industry from the devastation of fierce, cutthroat market competition—predatory pricing, price discrimination and the like. Collective ratesetting seemed to tame these forces.

But the medicine has proved worse than the disease. It is now widely agreed that collective ratemaking causes shippers to pay artificially high prices—prices which are ultimately passed on to consumers. Collective ratemaking also promotes waste by preventing truckers from engaging in price competition. And finally, current collective ratemaking is not effectively controlled by the ICC. In fact, until very recently, the ICC did little else than rubberstamp rate bureau agreements.

The higher prices generated by collective ratemaking are particularly disturbing in these inflationary times. Inflation is a principal reason that the Justice Department, the Federal Trade Commission, and the President's Council on Wage and Price Stability have all called for the rejection of rate bureau agreements. James C. Miller, III, codirector of the American Enterprise Institute's Center for the study of government regulation, conservatively estimates that the cost to society of all trucking regulations, including collective rate bureaus, ranged from $1.4 to $1.9 billion. The bill we are introducing today, by establishing competition in the trucking industry, will allow market forces to determine transportation costs.

By restoring free competition in the trucking industry, we will benefit—truckers, shippers, and most importantly, the consumers, who in the end wind up picking up the tab.

Mr. President, by eliminating the trucking industry's antitrust exemption, S. 710 will force competitors to adjust prices to relate more strictly to the costs of doing business. Therefore, under competitive conditions, the firm that maintains inflated prices will soon find its share of the market lost to others that charge more reasonable rates. Of course, this is precisely how the free market efficiently allocates goods and services.

Last year, under Senator Kennedy's forceful and able leadership, the Antitrust and Monopoly Subcommittee conducted extensive oversight hearings on the whole subject of freight rate competition in the motor carrier industry. The record suggests that the antitrust immunity for collective ratemaking must be removed so that we can breathe the fresh air of free enterprise into the marketplace.

I sincerely hope that the Senate will move promptly to consider this bill, which will assure lower costs and better service as the motor carrier industry becomes more competitive.●

By Mr. BURDICK (for himself, Mr. Inouye, Mr. Melcher, Mr. Baucus, Mr. Randolph, Mr. Young, Mr. Morgan, Mr. Cohen, Mr. Domenici, Mr. Leahy, Mr. Cannon, and Mr. Heinz):

S. 711. A bill to amend title VII of the Public Health Service Act to provide for making of grants to schools of medicine and osteopathy to assist them in the establishment and operation of educational programs in geriatrics; to the Committee on Labor and Human Resources.

GERIATRIC MEDICAL EDUCATION

● Mr. BURDICK. Mr. President, along with Senators Inouye, Melcher, Baucus, Randolph, Young, Morgan, Cohen, Domenici, Leahy, Cannon, and Heinz, I am today introducing legislation that seeks to fill a well-identified gap in today's medical education. This gap is the lack of training medical students now receive in gerontology and geriatric medicine—the care and treatment of the aged.

According to an extensive, year-long study sponsored by the Administration on Aging and conducted by the Institute of Medicine, such programs are seriously needed in this country. We have a dramatically increasing number of older people who already pay a disproportionate share of the Nation's health costs. Yet, today's medical students—the men and women who must care for this growing aging population—receive only minimal training in geriatric medicine. A large body of knowledge is available in this area, but it is not adequately incorporated in today's medical school curriculum.

The bill we are introducing today would authorize $3 million per year to assist schools of medicine and osteopathy in establishing educational programs in geriatrics. This is a modest sum, but it can provide necessary seed money to get such programs off the ground. Over 30 medical schools are now trying to develop, or have developed, courses in geriatrics. With our population aging and with more people living longer and longer, however, more needs to be done. While we cannot expect doctors to stop the process of aging, a better understanding of it could mean better diagnosis, treatment, and care of our Nation's elderly.

To more fully explain the need and purpose of this bill, I would like to include in the Record a position paper of the National Advisory Council on Geriatric Medical Programs issued a few years ago. This very concisely sums up the problem and explains why programs of geriatric medicine need to be encouraged. I ask unanimous consent that the Record include at this time the names of the founding members of the council, their position paper, and the text of the bill.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 711

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 788 of the Public Health Service Act (42 U.S.C. 295g–8) is amended by adding at the end thereof the following new subsection:

"(h)(1) The Secretary may make grants to assist schools of medicine and osteopathy in the establishment and operation, within such schools, of educational programs in geriatrics.

"(2) Grants under this section shall be made to schools of medicine and osteopathy in an amount not less than an amount necessary to carry out such program for a period of not less than five years.

"(3) Any grant under this section shall be made upon such terms and subject to such conditions as the Secretary shall prescribe.

"(4) There shall be authorized to be appropriated to carry out the purposes of this subsection $3,000,000 for the fiscal year ending September 30, 1980, and for each of the next four succeeding fiscal years.".

Founding Members National Advisory Council on Geriatric Medical Programs

Robert L. Grissom, M.D., Professor of Medicine, University of Nebraska College of Medicine, Omaha, Nebraska.

Alexander Leaf, M.D., Jackson Professor of Clinical Medicine, Harvard Medical School; Chief of Medical Services, Massachusetts General Hospital, Boston, Massachusetts.

Russell V. Lee, M.D., Consultant, Palo Alto Clinic, Palo Alto, California.

Henry M. Lemon, M.D., Professor of Medicine, Head, Section on Oncology, University of Nebraska College of Medicine, Omaha, Nebraska.

Abraham Lilienfield, M.D., Professor and Chairman, Department of Epidemiology, The Johns Hopkins University School of Hygiene and Public Health, Baltimore, Maryland.

Ephraim Lisansky, M.D., Professor of Medicine, University of Maryland School of Medicine, Baltimore, Maryland.

Sherman M. Mellinkoff, M.D., Dean, School of Medicine, University of California, Los Angeles (UCLA), Los Angeles, California.

Theodore R. Reiff, M.D. (Chairman), Professor of Medicine, Head, Division of Geriatric Medicine, Director of Health Education, University of North Dakota School of Medicine, Grand Forks, North Dakota.

Eugene Towbin, M.D., Ph. D., Professor of Medicine, Associate Dean, University of Arkansas School of Medicine, Little Rock, Arkansas.

Irving S. Wright, M.D., Professor Emeritus of Medicine, Cornell University Medical College, New York, New York.

Position Paper National Advisory Council on Geriatric Medical Programs

By the end of this century there will be over 25 million people in the United States over the age of 64. Many of these will have multiple and complex interacting illnesses that require much more care per capita than younger patients. This care requires expertly trained physicians.

At the present time the medical input to a good part of the geriatric institutions in this country is quantitatively as well as qualitatively inadequate. This is not to say that there is not involvement by competent and interested physicians, but it is not an overstatement to say it is rarely sufficient.

It is generally acknowledged that the medical care of older people in this country leaves much to be desired. Geriatric medicine is, to a large extent, a neglected area of medical education and allied health professional training.

Geriatric medicine has not received the stature it should have in this country's medical training programs. Understandably this makes it exceedingly difficult to attract physicians in training to work in this area.

Actually geriatric medicine provides an excellent opportunity for the in-depth study of human disease and for the training of physicians and allied health care personnel.

Steps to provide solutions to the inadequacy of geriatric medical care are urgently needed. Attention should be directed to developing high caliber programs in geriatric medicine that will serve as models of excellence. These programs should be of such caliber as to attract a significant body of medical students, young physicians, and allied health personnel.

Excellence in geriatric medicine, like any other clinical discipline, must rest on a solid scientific foundation. It is essential that training programs in geriatric medicine include fundamental research in the problems of the aged as well as in the process of aging.

With the National Institute on Aging established within the National Institutes of Health, the time is opportune to support the development of programs in geriatric medicine in the medical institutions of this country.

PROPOSAL

The National Advisory Council on geriatric medical programs encourages the medical schools in the United States to establish interdisciplinary programs in geriatric medicine. These programs should serve as the basis for geriatric educational experience at all levels of education and training for physicians and allied health care professionals.●

By Mr. CANNON (by request):

S. 712. A bill to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for three additional years, and for other purposes.

AMTRAK IMPROVEMENT ACT OF 1979

Mr. CANNON. Mr. President, today I am introducing a bill, at the request of the Department of Transportation, entitled, "The Amtrak Improvement Act of 1979." This legislation contains an authorization for appropriations for Amtrack in order to implement the Department of Transportation's proposed new route plan and several other amendments to the Rail Passenger Service Act that are designed to improve Amtrak operations and to help contain Amtrak's rising costs. While it would be premature for me to take a position on each of the provisions of this legislation at this time, I would like to share with my colleagues my views on what I consider to be the paramount issue addressed in this legislation—the need to reduce Amtrak's route network in order to cut costs and to permit Amtrak management to concentrate its efforts on a smaller, more manageable route system.

As many of my colleagues are aware, on February 1, 1979, the Department of Transportation submitted to Congress its final report and recommendations on the Amtrak route system. The submission of this report has generated a considerable amount of interest and comment because it recommends thet discontinuance of a number of Amtrak train routes that represent a financial drain on Amtrak's resources. The Surface Transportation Subcommittee on the Committee on Commerce, Science, and Transportation, recently concluded 2 days of lengthy hearings on both the Department's final plan and the legislation I am introducing today. Having participated in those hearings and having listened to arguments on both sides of the issues, I would like to address my comments to the issue surrounding the new Amtrak route plan.

I would like to begin by reviewing the history behind the Department's proposed route plan and by setting the record straight on the reasons for requesting a new route plan. During the fall of 1977, Amtrak's board of directors approved several train discontinuances that the board, through its route and service criteria, had established were no longer required by the public convenience and necessity. Amtrak management was exercising its responsibilities in conformity with the law and in conformity with sound business practices. What was the congressional response to this action? Congress told Amtrak to continue to operate its entire route system—including those trains that were scheduled for discontinuance—until the end of the fiscal year.

Furthermore Congress instructed Amtrak to refrain from making any further frequency reductions until the Department of Transportation completed a zero-based evaluation of Amtrak's route structure. I would like to point out to my colleagues that these instructions were not contained in any legislation—rather the instructions were included in the conference report of a supplemental appropriations bill, a bill that contained an $18 million supplemental appropriation for Amtrak.

In order to formalize this review process and add additional criteria for consideration, Congress passed, and the President signed into law, Public Law 95-0421, the Amtrak Improvement Act of 1973. This legislation provided a timetable for a comprehensive review of Amtrak's route plan by the Administration, various Federal and State agencies, private organizations, affected communities and individuals, and private citizens. The first step in the process was the development by the Department of Transportation and submittal to Congress by May 1, 1978, of a preliminary route plan. In developing the preliminary plan, the Department was instructed to consider:

First current and future market and population requirements, second, any unique characteristics and advantages of rail service, third, the role that rail passenger service can play in meeting the Nation's energy and transportation needs, fourth, the relationship between costs and benefits of rail service, and, fifth, the adequacy of other transportation modes and the transportation needs of areas lacking adequate transportation alternatives.

The preliminary route plan was the subject of extensive public hearings conducted by the Rail Services Planning Office during the summer of 1978. RSPO held 52 hearings in 51 cities across the United States and received comments from over 2,100 individuals and organizations. At the end of the hearing process, RSPO issued a report evaluating the Department's preliminary route plan. The next step in the process was development of a final route plan based upon the Department's analysis as well as the recommendations of the Rail Service Planning Office. On February 1, 1979, the Department submitted to Congress its final route plan for Amtrak.

Congress is now engaged in the final leg of the route restructuring process. The final recommendations shall be deemed approved, and take effect, at the end of a period of 90 calendar days of continuous session unless either House adopts a resolution of disapproval of the entire route plan. It is estimated that the 90-day period of congressional review will end sometime around May 20.

By reviewing the history behind the route restructuring process, I want to stress to my colleagues that this proposal is the result of congressional action and not the result of an independent or arbitrary action on the part of the Department of Transportation. It was Congress that told the Department of Transportation to come up with a new route plan that made economic sense. It was Congress that told the Department of Transportation to come up with a new route plan that brought this 8-year-old "experiment" into conformity with the realities of the marketplace.

The Department of Transportation has made a careful and honest attempt to develop a route plan for Amtrak that makes sense. It is a system that will save the Federal Government $189 million in fiscal year 1980 and save $1.39 billion over the next 5 years. More importantly, however, the system will eliminate over 43 percent of the present route miles and yet maintain service to 91 percent of present ridership.

In terms of load factors and operating efficiencies, the new system will greatly increase the number of passengers who are on any given train at any given moment. While the system may not be optimal by all standards of measurement, it goes a long way toward bringing Amtrak's cost into line with available resources.

I strongly oppose those individuals who label this route reduction as the first step toward destroying Amtrak and eliminating rail passenger service. On the contrary, we run a much greater risk of losing all rail passenger service in this country if we allow our available resources to be spread too thinly over a route structure that Amtrak cannot possibly manage. The President of Amtrak, Alan Boyd, testified before the Surface Transportation Subcommittee that Amtrak must have a smaller system if it is going to have any hope of providing the public with adequate service. I believe we do much greater harm to the cause of rail passenger service by demanding higher and higher subsidies for a system that is simply not doing the job. I believe that an efficiently run, well-managed rail passenger system can play a vital role in meeting our Nation's transportation goals. I can support such a system—I cannot support an unreasonable waste of taxpayers' money on a system that in 8 years has not demonstrated in the marketplace that there is an adequate demand for its services.

Mr. President, I would like to conclude my remarks on the DOT route plan by encouraging my colleagues to read the Department's report to Congress. I believe the DOT plan provides a reasonable blueprint by which rail passenger service can be operated more efficiently and with greater public benefits and I urge my colleagues to support that plan.

Mr. President, I ask unanimous consent that the text of the Amtrak Improvement Act of 1979 be printed in the RECORD as well as Secretary Adams' letter of transmittal and the accompanying section-by-section analysis.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 712

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Amtrak Improvement Act of 1979".

DEFINITIONS

SEC. 2. Section 102 of the Rail Passenger Service Act (45 U.S.C. 502) is amended—

(1) in paragraph 4 thereof, by striking out "Act." and inserting in lieu thereof "Act until October 1, 1979, on or after which date 'basic system' means the system of intercity rail passenger service designated by the Sec-

retary under section 4 of the Amtrak Improvement Act of 1979 (P.L. 95–421) and approved by the Congress, and changes thereto made by the Corporation using the Route and Service Criteria"; and

(2) by adding at the end thereof the following new subsection: "(10) "Route and Service Criteria" means The Criteria and Procedures for Making Route and Service Decisions established pursuant to section 404(c) of this Act.".

GENERAL POWERS OF THE CORPORATION

Sec. 3. Subsection (i) of section 305 of the Rail Passenger Service Act (45 U.S.C. 545) is amended by striking out the words "security guard" each place they appear and inserting in lieu thereof the words "railroad police".

APPLICABILITY OF OTHER LAWS

Sec. 4. Section 306 of the Rail Passenger Service Act (45 U.S.C. 546) is amended—

(1) in subsection (a) thereof, (A) by striking out "." in paragraph (3) and inserting in lieu thereof ";" and (B) by adding the following new paragraph:

"(4) the issuance of securities or the assumption of any obligation or liability in respect of the securities of others.";

(2) in subsection (j) (2) thereof, by striking out "motor carrier." and inserting in lieu thereof "any domestic or international motor, air or water carrier."; and

(3) by adding at the end thereof the following new subsections:

"(l) The Corporation shall not be subject to any State or local law pertaining to pay periods or dates for payment of employees.

"(m) The Corporation shall be deemed to be qualified to do business in each State in which it performs any activity authorized under this Act. In connection therewith the Corporation shall accept service of process addressed by certified mail to its Corporation Secretary at its principal office and place of business located in Washington, D.C.".

NEW SERVICE

Sec. 5. Subsection 403 of the Rail Passenger Service Act (45 U.S.C. 563) is amended—

(1) by deleting everything in subsection (a) and inserting in lieu thereof: "After October 1, 1979, all route additions shall be in accordance with the Route and Service Criteria.";

(2) in subsection (b) thereof, (A) by deleting paragraph (2) and (B) by redesignating paragraphs (3) and (4) and all references thereto, as paragraphs (2) and (3) respectively;

(3) by deleting subsection (c) and redesignating subsection (d) as subsection (c);

(4) in redesignated subsection (c), by adding at the end thereof: "The Board of Directors shall establish the basis for determining the avoidable cost of the service provided pursuant to this section. An agreement made pursuant to this section may by mutual agreement be renewed for one or more additional terms of not more than 2 years. Funds appropriated for capital costs of the basic system pursuant to section 601 (b) (1) (B) of this Act shall not be available to purchase equipment or make capital improvements to facilities principally for the purpose of providing commuter rail passenger service.".

SERVICE CHANGES

Sec. 6. Section 404 of the Rail Passenger Service Act (45 U.S.C. 564) is amended—

(1) by redesignating it "SERVICE CHANGES"; and

(2) by deleting paragraphs (1)–(4) of subsection (b) and inserting in lieu thereof "After October 1, 1979, all route discontinuances by the Corporation shall be in accordance with the Route and Service Criteria.".

FREE OR REDUCED RATE TRANSPORTATION OF RAILROAD EMPLOYEES

Sec. 7. Subsection 405(f) of the Rail Passenger Service Act (45 U.S.C. 565(f)) is amended by deleting the third through the seventh sentences and inserting in lieu thereof the following: "Unless the Corporation and a railroad or group of railroads agree on a different basis for compensation, the Corporation shall be reimbursed by each railroad at the rate of fifty percent of the systemwide average monthly yield per revenue passenger mile. Reimbursement at this rate is in lieu of any charges for liability incident to travel of railroad employees eligible for free or reduced rate transportation and any other costs incurred by the Corporation in connection with free or reduced-rate transportation.".

AUTHORIZATION OF APPROPRIATIONS

Sec. 8. Section 601 of the Rail Passenger Service Act (45 U.S.C. 601) is amended—

(1) by repealing paragraph (2) of subsection (a); and

(2) by adding at the end thereof the following new subsection:

"(b) (1) There are authorized to be appropriated to the Secretary for the benefit of the Corporation:

"(A) for the payment of operating expenses of the basic system, including the Northeast Corridor, and for operating and capital expenses of rail passenger service provided pursuant to section 403(b), not to exceed $552,000,000 for the fiscal year ending September 30, 1980; not to exceed $591,000,000 for the fiscal year ending September 30, 1981; and not to exceed $598,000,000 for the fiscal year ending September 30, 1982;

"(B) for the payment of the costs of capital acquisition or improvements of the basic system, including such sums as necessary to make labor protection payments required pursuant to section 405 of this Act, not to exceed $171,000,000 for the fiscal year ending September 30, 1980; not to exceed $225,000,000 for the fiscal year ending September 30, 1981; and not to exceed $231,000,000 for the fiscal year ending September 30, 1982; and

"(C) for the payment of the principal amount of obligations (other than leases) of the Corporation which are guaranteed by the Secretary pursuant to section 602 of this Act, not to exceed $25,000,000 for the fiscal year ending September 30, 1980; not to exceed $25,000,000 for the fiscal year ending September 30, 1981; and not to exceed $75,000,000 for the fiscal year ending September 30, 1982.

"(D) for the purposes described in clause (A) of this subsection and in addition to the sums authorized therein, such sums as shall be necessary for the payment of unanticipated cost increases in each of the fiscal years ending September 30, 1980, September 30, 1981 and September 30, 1982.

"(2) Funds appropriated pursuant to this section shall be made available to the Secretary during the fiscal year for which appropriated except that appropriations for capital acquisitions and improvements may be made in an appropriations Act for a fiscal year preceding the fiscal year in which the appropriation is to be available for obligation. Funds appropriated shall remain available until expended. Appropriated sums shall be paid by the Secretary to the Corporation for expenditure by it in accordance with (A) the Secretary's budget request as approved or modified by Congress at the time of appropriation and (B) guidelines established by the Secretary. Payments by the Secretary to the Corporation of appropriated funds shall be made no more frequently than every 90 days, unless the Corporation, for good cause, requests more frequent payment before the expiration of any 90-day period.

"(3) The Corporation shall transmit to the Secretary for submission to Congress, beginning with 1979, such information as is required by the Secretary to comply with the Budget and Accounting Act, 1921, 31 U.S.C. 1 *et seq.*, with respect to funds appropriated pursuant to this section.".

TECHNICAL AMENDMENT

Sec. 9. Subsection 602(d) of the Rail Passenger Service Act (45 U.S.C. 602(d)) is amended by inserting the words "or clause (C) of section 601(b) (1)" immediately after the words "section 601(a)".

ADEQUACY OF SERVICE

Sec. 10. Section 801 of the Rail Passenger Service Act (45 U.S.C. 641) is repealed.

INTERMODAL TERMINAL PROGRAM

Sec. 11. The first sentence of paragraph (5) of section 4(i) of the Department of Transportation Act (49 U.S.C. 1653(i) (5)) is amended by striking out "within two years following the approval of the application for Federal financial assistance under this section." and inserting in lieu thereof "within such a time period as is established by the Secretary.".

The Secretary of Transportation,
Washington, D.C., March 5, 1979.

Hon. Walter F. Mondale,
President of the Senate,
Washington, D.C.

Dear Mr. President: Transmitted herewith is a bill

"To amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for three additional years and for other purposes."

The bill would amend the Rail Passenger Service Act to enable Amtrak to implement more easily the final recommendations for a restructured intercity rail passenger system made by the Department on January 31, 1979.

These recommendations were contained in the "Final Report to Congress: Recommendations for an Amtrak Route System" as required by Section 4 of the Amtrak Improvement Act of 1978. The Final Report contains several policy recommendations to Amtrak's Board and management aimed at stabilizing and eventually reducing the growth of Amtrak's deficit. It also identifies certain legislative changes which are required in order to enable Amtrak to operate within the recommended budget.

The most important change is a proposed multi-year authorization for Amtrak. We recognize that it is difficult to estimate with certainty the operating costs of a restructured route system without any experience in operating that system and that our estimates, especially in the out years, will require the utmost diligence on the part of Amtrak's management. Nonetheless, we think a multi-year authorization is imperative to indicate the Administration's and Congress' continued commitment to intercity rail passenger service and to provide the stability needed to permit Amtrak's Board and management to plan responsibly for future operations.

An initial three-year authorization should provide sufficient time for experience with the new system, and for proper evaluation of Amtrak's operation of it, before recommendations for the next authorization cycle are made. The bill would also improve planning for Amtrak capital acquisitions and improvements by providing for appropriations to be made one year in advance of the fiscal year in which the funds will be obligated. Amtrak's authority to use capital grant appropriations temporarily to reduce the amount of its outstanding loans is repealed. This will place Amtrak on the same basis as any other Federal program in dealing with its cash outlays.

The Final Report identified some areas where cost savings are possible. The bill addresses several of these areas. Commuter service would be put on a basis similar to 403 (b) services. The Board of Directors would determine avoidable costs, service would be provided by agreement only, which could be renewed, and Amtrak would not use its limited capital funds for purchasing or improving predominantly commuter equipment or facilities. The railroads would be required to reimburse Amtrak for free or reduced-rate transportation of their employees at a rate of fifty percent of the average monthly yield per revenue passenger mile or about three and one-half cents instead of the recently authorized level of less than one-tenth of one cent which the ICC determined was a fair rate. Unlike the present system, this would be a flat rate and the railroads would not have to reimburse Amtrak for administration costs or personal liability expenses of injured riders. With 800,000 annual riders in this category, this amendment would save Amtrak several million dollars annually.

The Final Report also concluded that future changes to the system should be made by the Amtrak Board using the Route and Service Criteria approved by Congress. Implementing this policy entails several minor amendments to the definitions section and to those sections of the Act which provide for the addition and discontinuance of new service.

In order for Amtrak to comply with a number of the policy recommendations in the Final Report, the Interstate Commerce Commission's authority over Amtrak would be lessened. The bill would repeal the ICC's authority to develop and enforce adequacy of service standards. These standards control such things as the reservation system, the hours of operation of stations, the number and kinds of cars that must make up a train, procedures for checking baggage, and penalties for late arrival of a train. They constitute an expensive external control of Amtrak's day to day operation, lead to increased Federal subsidies, are of questionable value to the traveling public, and hamper Amtrak's ability to respond to changing demand. The bill also repeals the ICC's authority to require Amtrak to institute additional 403(b) service, which is local or regional rail passenger service, beyond that included in the basic system, funded equally by Amtrak and a State, regional, or local agency. The ICC should not be permitted to substitute its judgment for that of the Amtrak Board with respect to these services.

Finally, in order to simplify the management process, the bill proposes to exempt Amtrak from two burdensome types of state laws. First, Amtrak would no longer be required to file a certificate of incorporation in each state but instead would by law agree to accept service of process on its Corporation Secretary. Second, Amtrak would be exempt from uniform pay dates established by the various states for payment of wages to railroad employees in that state. These laws usually establish both a pay period (e.g. weekly, semi-monthly) and the number of days after the close of the pay period that the employee must receive his check (e.g. 5, 10 days). Amtrak is currently forced to establish 6 pay cycles to comply with thirty-four different state pay date requirements. This is especially burdensome in a state such as Arizona where Amtrak has only six employees. Because of the short lag time (5 days) in Arizona's law, Amtrak is forced to prepare the checks manually. Under the amendment, Amtrak would pay all employees on a weekly basis with a six day time lag.

The proposed legislation will not have an adverse impact on the environment.

The Office of Management and Budget has advised that the submission of this proposed legislation to the Congress is in accord with the Administration's program.

Sincerely,

Brock Adams.

Section-by-Section Analysis of the Amtrak Improvement Act of 1979

Section 1. This section would state that the title of this Act shall be the "Amtrak Improvement Act of 1979."

Section 2. This section would make a technical amendment, designed to implement the intent of section 4 of the Amtrak Improvement Act of 1978, by updating the definition of the basic system, referred to throughout the Rail Passenger Service Act (RPSA). After October 1, 1979, the basic system would refer to the route restructuring recommended by the Secretary pursuant to section 4. It would also implement the recommendation of the Secretary that future changes to the basic system be made by the National Railroad Passenger Corporation (Amtrak) using the Route and Service Criteria, which are defined in a new subsection.

Section 3. This section would change the reference in section 305(j)(2) of the RPSA from "security guard" to "railroad police". This would result in uniformity of terms as used by other railroads and would provide Amtrak police with access to federal and state criminal and investigative data systems, support and prosecution.

Section 4. Section 4 would exempt Amtrak from having to obtain ICC approval prior to issuing securities. This is consistent with the proposed changes in the proposed Rail Deregulation Act of 1979. This section would also amend subsection 306(j)(2) of the RPSA to allow Amtrak to enter into through rates and joint fares with air and water carriers for international as well as domestic travel. It would also add two new subsections. New subsection (l) would exempt Amtrak from uniform pay dates established by the various states for payment of wages to railroad employees in that state. Under the amendment, Amtrak would be able to streamline its accounting process. It is expected that Amtrak would pay all employees on a weekly basis with a six-day lag time. New subsection (m) would statutorily establish Amtrak as doing business in each state, thus avoiding the need for Amtrak to annually file a certificate of incorporation in each state, and would establish the Corporation's Secretary as the authorized agent to accept service of process.

Section 5. This section would establish the Route and Service Criteria as the only basis for adding routes and service to the system recommended by the Secretary. It would expressly repeal Amtrak's right to add experimental or expanded service. In order to better effectuate this philosophy, and in keeping with the spirit of deregulation, this section would also repeal section 403(b)(2) of the RPSA which allows a state, regional or local transportation agency, whose request to Amtrak to institute or modify service under section 403(b)(1) has been refused, to petition the ICC to order Amtrak to comply with the request. Finally, section 5 would amend 403(c) of the RPSA, as redesignated, to create a parallel between 403(b) and commuter service by having the Board of Directors establish the basis for determining avoidable costs just as they establish the basis for determining solely related costs and associated capital costs under 403(b). Similarly, commuter service agreements, like 403(b) agreements, could be renewed by mutual agreement and would be the sole basis for operating this type of service. Section 403 (c) would also be amended to bar Amtrak from using its appropriated capital funds for purchasing equipment or improving facilities to be used principally for commuter service.

Section 6. Section 6 would reinforce section 5 of this Act and make clear that any discontinuance of routes by Amtrak must be made using the Route and Service Criteria. The section would also make a minor technical amendment to the Title of section 404 of the RPSA in recognition of the fact that the Route and Service Criteria developed under section 404(c) apply to both route additions and deletions.

Section 7. This section would modify section 405(f) of the RPSA to ensure that, although Amtrak must allow eligible railroad employees to ride at free or reduced rates, Amtrak must be reimbursed for this service by the railroads at the rate of fifty percent of the systemwide average monthly yield per revenue passenger mile. This flat rate would cover the costs of porviding this service and administering this section, as well as any liability incident to the travel of such employees.

Section 8. This section of the bill would repeal section 601(a)(2) of the RPSA which allows Amtrak to use its capital grant appropriations to temporarily reduce its outstanding loan balances. This would put Amtrak on the same cash outlay basis as any other federally supported project.

Section 8 would also add a new subsection to section 601 of the RPSA. Paragraph (1) of new subsection (b) provides an authorization of appropriations for fiscal years 1980, 1981, and 1982 to Amtrak for operating funds, capital acquisitions and improvements, including labor protection payments, and repayment of outstanding obligations (other than leases) guaranteed by the Secretary of Transportation. All funds have previously been authorized on an annual basis. Funds for the initial period would be authorized in the following amounts:

(1) For the payment of operating expenses for the basic system, including the Northeast Corridor, and for operating and capital expenses of rail passenger service provided under 403(b), $552,000,000 for the fiscal year ending September 30, 1980, $591,000,000 for the fiscal year ending September 30, 1981, and $598,000,000 for the fiscal year ending September 30, 1982.

(2) For payment of capital acquisitions and improvements of the basic system, including the payment of labor protection payments under section 405 of RPSA, $171,000,000 for the fiscal year ending September 30, 1980, $225,000,000 for the fiscal year ending September 30, 1981, and $231,000,000 for the fiscal year ending September 30, 1982.

(3) For the payment of the principal amount of obligations (other than leases) guaranteed by the Secretary under section 602, $25,000,000 for each fiscal year ending September 30, 1980 and 1981 and $75,000,000 for the fiscal year ending September 30, 1982.

(4) For the payment of additional sums to cover unanticipated cost increases in the operation of the basic system and 403(b) service, such sums as shall be necessary in each of the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982. As used in this section "cost increases" is synonymous with operating losses. The purpose of this section is to provide authorizations for supplemental appropriations since the exact cost for operation of the basic system and 403(b) service will not be known until after enactment of this bill and the implementation of the Secretary's recommended system. It is anticipated that these supplemental funds may be needed for such items as new 403(b) service, interest costs associated with repeal of Amtrak's ability to use capital appropriations to temporarily reduce debt, and unanticipated inflation.

Paragraph (2) of new subsection (b) would essentially restate the existing restrictions on these funds found in section 601(a). These restrictions require the Secretary to advance Amtrak capital funds at the beginning of each quarter for payments expected to fall due on capital goods delivered during that quarter, unless Amtrak requests more frequent payment. The amendment would also make several refinements to the section 601 (a) language. It would substitute the "Secretary's budget submittal" as approved by

Congress for the "spending plan" and delete the requirement that the guidelines be "general" and be developed on an "annual" basis. Finally, it would allow acquisition and improvement funds to be appropriated one year in advance of the time when they will be available for obligation.

Paragraph (3) of new subsection (b) would require Amtrak to submit the information necessary to support its annual appropriations requests to the Secretary for inclusion in the Secretary's annual budget and legislation process.

Section 9. This section would make a technical amendment to subsection 602(d), which reduces the total loan guarantee authority by specific debt retirement authorizations. This amendment recognizes that debt retirement authorizations are now included in both subsection 601(a) and subsection 601(b).

Section 10. Section 10 repeals section 801 of the RPSA which requires the Interstate Commerce Commission to establish and enforce adequacy of service standards for intercity rail passenger service. It is anticipated that once these regulations are repealed, Amtrak will use the tests of customer convenience and costs versus benefit to determine which services should be provided on which trains.

Section 11. This section would amend paragraph (5) of Section 4(i) of the Department of Transportation Act to allow the Secretary to determine how soon the designs and plans for intermodal terminal conversions should be completed. The present two year deadline for completion of designs and plans has created an unforeseen hardship and has resulted in several potentially useful planning projects being incomplete and essentially unusable. However, no decisions have been made with respect to seeking additional funding for implementation of these projects.

By Mr. TALMADGE (by request):

S. 713. A bill to provide a voluntary self-help program designed to assist producers of agricultural products to protect themselves against loss of production when natural or uncontrollable conditions adversely affect production and to assure consumers that producers will be able to continue to produce food and fiber; to the Committee on Agriculture, Nutrition, and Forestry.

FARM PRODUCTION PROTECTION ACT OF 1979

● Mr. TALMADGE. Mr. President, I am introducing today, at the request of the administration, the Farm Production Protection Act of 1979.

This bill would authorize the Commodity Credit Corporation, beginning with the 1981 crop year, to make available to all U.S. farmers protection against loss of production due to unavoidable or natural causes, with coverage available for up to 90 percent of the cost of production. The program would be similar in operation to the limited Federal crop insurance program in operation now, which it would replace. The Commodity Corporation would be authorized to pay a part of each farmer's premium for the protection.

It is timely that the administration has presented this proposal for consideration. There has been much criticism recently of existing disaster assistance programs for farmers as being inequitable and having inadequate benefits. In addition, the disaster payment program under the Food and Agriculture Act of 1977, which is the largest disaster program for farmers in terms of net outlays, will expire at the end of the 1979 crop year, unless extended by Congress.

The committee has already begun its work in this area. Senator Huddleston and Senator Dole have introduced bills with objectives similar to that of the administration proposal—to improve and expand the Federal crop insurance program. The Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices, chaired by Senator Huddleston, has begun hearings on the proposals.

Mr. President, a thorough and comprehensive overhaul of the Nation's farm disaster programs is long overdue.

The existing programs are confusing and cumbersome. The protection and assistance they are supposed to provide farmers sometimes overlap, but more often are inadequate or nonexistent to meet emergencies when and where they arise.

For example, the goal of the Federal crop insurance program, established in the Depression era, has been the development of a basic crop protection program for all the Nation's farmers.

It has fallen woefully short of that goal.

Today, 40 years later, Federal crop insurance exists in only one-half of the Nation's counties. Nor does the program cover all major commodities even where the insurance is available.

In my own State of Georgia, there is some agricultural activity in all 159 counties. Yet only 44 Georgia counties—fewer than a third—are presently covered by Federal crop insurance, with the possibility that another 12 will be added to the program next year.

It makes no sense to me—and it makes no sense to the farmers affected—that this insurance protection is available to some and not to others, even when they may be neighbors operating farms side by side divided only by a county line.

Drought is no respecter of county lines. In Georgia, our farmers have been hit by severe droughts back to back in the past 2 years. Farming, at best, is an uncertain business. We are told that a farmer's income is six times riskier than the income of a nonfarmer.

We simply must provide our farmers with rational and reasonable assurance that they will not be wiped out financially by the uncontrollable vagaries of nature while striving to produce the food and fiber for 220 million Americans and countless others abroad.

The administration bill that I am introducing today is not the final or complete answer. But it, along with the others that have been introduced, can provide a good basis for the development of a workable, nationwide program of disaster protection that will be available to all farmers where and when they need it.

This is priority business for the Committee on Agriculture, Nutrition, and Forestry, and I commend the Senator from Kentucky (Mr. Huddleston) for his leadership in this area.

I ask unanimous consent that there be printed in the Record the text of the administration bill, the letter from Secretary of Agriculture Bergland transmitting the bill, and a summary of the major provisions of the bill prepared by the staff of the Committee on Agriculture, Nutrition, and Forestry.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 713

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Production Protection Act of 1979".

DECLARATION OF PURPOSE

Sec. 2. It is the purpose of this Act to promote the national welfare by improving the economic stability of agriculture through a system of protecting farmers from loss because of natural or uncontrollable conditions adversely affecting production and to provide the means for the research and experience helpful in devising and establishing such production protection.

FARM PRODUCTION PROTECTION

Sec. 3. To carry out the purpose of this Act, the Commodity Credit Corporation (hereinafter referred to as the "Corporation") is authorized and empowered—

(a) Commencing with farm production for 1981, for the purpose of determining the most practical plan, terms, and conditions of protection for agricultural production, if sufficient actuarial data are available as determined by the Corporation, to protect producers of agricultural products under any plan or plans of protection determined by the Corporation to be adapted to any such product. Such protection shall be against losses due to unavoidable or natural causes, or both, including, but not limited to, drought, flood, hail, frost, wind, winterkill, lighting, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, animal disease, plant disease, and such other unavoidable or natural causes, or both, as determined by the Corporation. Production protection offered against loss may cover up to 90 percent of the cost of production of the product for a representative period subject to such adjustments as the Corporation may prescribe, to the end that the average cost fixed for farms in the same area, which are subject to the same conditions, is equitable between producers. In addition, the Corporation may offer, where deemed practicable, lower levels of protection to be selected at the option of each producer. Production protection provided under this subsection shall not cover losses due to the neglect or malfeasance of the producer, or the failure of the producer to follow established good farming practices and appropriate conservation practices. In determining the products on which such protection is to be offered, the Corporation shall take into consideration the demands of farmers for such production protection and the extent to which such production protection is available to commercial producers. The Corporation may refuse production protection in any county or area or on any farm not suited to the production of such product. Production protection may be offered to producer-owned and producer-controlled cooperative associations on agricultural products if the managerial control over the product protected is exercised by such association. The Corporation shall report annually to Congress the results of its operations as to each product protected.

(b) To determine the true risk premium that would be chargeable to each participant in this program based on a sound actuarial base.

(c) To determine the share of the true risk premium that shall be borne by the Corporation.

(d) To adjust and pay claims for losses under this Act, under rules prescribed by the Corporation. In the event that any claim for indemnity under the provisions of this Act is denied by the Corporation, an action on such claim may be brought against the Corporation under the provisions of section 4(c) of the Commodity Credit Corporation Charter Act: *Provided*, That no suit on such claim shall be allowed under this section unless it shall have been brought within one year after the date when notice of denial of the claim is mailed to and received by the claimant.

(e) To issue contracts and regulations under this Act, the terms and provisions of which are binding on the contractual parties thereto.

(f) To compromise claims brought by and against the Corporation under this Act.

(g) To collect and receive insurance premiums and expend such premiums for payments of indemnities and for such other purposes consistent with this Act as determined by the Corporation.

(h) To conduct research, surveys, and investigations relating to farm production protection and to assemble data for the purpose of estabilshing actuarial bases for farm production protection.

(i) Under such terms and conditions as the Corporation deems consistent with sound reinsurance principles, to provide reinsurance on any products or plantation insurance provided in the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Marianas by a duly authorized agency of such Commonwealth or Territory: *Provided*, That no application for reinsurance authorized herein shall be approved unless the Corporation shall have determined that the reinsurance deemed necessary is not available from recognized private sources at reasonable cost.

(j) To offer specific risk protection programs such as, but not limited to, prevented planting, wildlife depreciation, and disease and insect infestation programs, under such terms and conditions as the Corporation may determine.

INDEMNITIES EXEMPT FROM LEVY

SEC. 4. Claims for indemnities under this Act shall not be liable to attachment, levy, garnishment, or any other legal process before payment to the insured or to deduction on account of the indebtedness of the protected person or such person's estate to the United States except claims of the United States or the Corporation arising under this Act.

VOIDING OF CONTRACTS

SEC. 5. The Corporation may void the farm production protection provided any producer without affecting the producer's liability for premiums or waiving any right of the Corporation to collect any unpaid premiums if at any time, either before or after any loss, the insured has concealed or misrepresented any material fact or committed any fraud relating to the contract, and such voidance shall be effective as of the beginning of the production year with respect to the product on which any such act or omission occurred.

ADVISORY COMMITTEE

SEC. 6. The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized pursuant to the Federal Advisory Committee Act to appoint an advisory committee consisting of members experienced in agricultural pursuits or insurance in keeping with the development of protection programs. The compensation of the members of such committee shall be determined by the Secretary but shall not exceed the daily equivalent of the rate prescribed for grade GS–18 in section 5332 of title 5, United States Code, while actually employed and actual necessary traveling and subsistence expenses, or a per diem allowance in lieu of subsistence expenses, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

APPROPRIATIONS

SEC. 7. There are hereby authorized to be appropriated such sums as may be necessary to reimburse the Corporation for its net realized loss incurred under this Act for each fiscal year, as reflected in its accounts and shown in its financial report of its financial position as of the close of the fiscal year.

SEPARABILITY

SEC. 8. The sections of this Act and the subdivisions of such sections are hereby declared to be separable, and in the event any one or more sections or parts of this Act are held to be unconstitutional, the same shall not effect the validity of other sections or parts of sections of this Act.

DEFINITIONS

SEC. 9. (a) "Agricultural products" or "products", as used in this Act, shall include, but not be limited to, wheat, cotton, flax, corn, dry beans, oats, barley, rye, tobacco, rice, peanuts, soybeans, sugar beets, sugarcane, timber and forests, potatoes and other vegetables, citrus and other fruits, tame hay, livestock and poultry commercially produced for food or fiber, or any other agricultural product determined by the Corporation pursuant to subsection (a) of section 3 of this Act, or any one or more of such products, as the context may indicate.

(b) "Cost of production" means variable, machinery ownership, and general farm overhead costs plus a charge for management and a charge for land as determined by the Corporation for a given area or county.

(c) "General farm overhead" shall include costs for recordkeeping, utilities, general farm maintenance, personal property taxes, sales taxes, insurance, and similar items not specifically associated with a specific crop enterprise. Overhead costs are to be allocated to specific crops on the basis of the proportion of the value of total production derived from each crop.

(d) "Land charges" are to be calculated at a precentage (determined by the Corporation) of the current average purchase price or average rental cost of land for agricultural purposes.

(e) "Machinery ownership" costs shall include charges for replacement, interest, insurance, and taxes.

(f) "Management charges" are to be allocated to agricultural products on the basis of the proportion of the value of total production derived from each product.

(g) "Production protection" means protection of producers against loss of the cost of production of agricultural products.

(h) "True risk" means the anticipated amount of loss for a given protection plan.

(i) "Protection plan" means the protection option selected by the insured.

INDEMNITIES EXEMPT FROM INTEREST

SEC. 10. Notwithstanding any other provision of this Act, the Corporation shall not be liable or obligated to pay interest on payments or claims for indemnity authorized under this Act.

FINALITY PROVISION

SEC. 11. The facts constituting the basis for any payment under this Act, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary or by the Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government. In case any person who is entitled to any such payment dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provision of law, be made as the Corporation may determine to be fair and reasonable in all the circumstances, as provided by regulations.

APPLICATION TO OTHER GOVERNMENTAL PROGRAMS

SEC. 12. (a) Notwithstanding any other provision of law, the farm disaster payment provisions and the prevented planting disaster payment provisions for wheat, feed grains, cotton, and rice of the Agricultural Act of 1949, as amended, shall be effective with respect to the 1980 crops of wheat, feed grains, cotton, and rice.

(b) Notwithstanding any other provision of law, no person shall be eligible to receive farm disaster payments, prevented planting disaster payments, subsidized interest charges on emergency loans and payments, indemnity payments, or specific risk protection payments for production losses under any other Federal program for any agricultural product in any county of any State when, under provisions of this Act, product production protection is generally offered for such agricultural product in such county.

SEC. 13. Notwithstanding any other provision of law, no person shall be denied protection under this Act solely on the ground that he or she is under eighteen years of age if such person (1) has a bona fide interest in a crop as an owner-operator, landlord, tenant, or sharecropper, and (2) has a comaker for the contract of insurance executed: *Provided*, That any such person who enters into a farm production protection contract shall be subject to the same legal liability and have the same legal rights with respect to such contract as any person over the age of eighteen years.

TRANSFERS OF ASSETS OF THE FEDERAL CROP INSURANCE CORPORATION

SEC. 14. The assets, funds, appropriations, property, records, and policyholders of the Federal Crop Insurance Corporation shall be transferred to the Commodity Credit Corporation at such times as the Secretary shall direct. The rights, regulations, privileges, and powers, and the duties and liabilities of the Federal Crop Insurance Corporation, in respect to any contract, agreement, loan, account, or other obligation, shall become the rights, regulations, privileges, and powers, and the duties and liabilities, respectively of the Commodity Credit Corporation. The provisions of the Federal Crop Insurance Act that are relevant to current regulations of the Secretary and the Federal Crop Insurance Corporation governing the program operation of the Federal Crop Insurance Corporation shall remain in effect until such regulations are revoked, superseded, amended, or modified by regulations issued under this Act. The enforceable claims of or against the Federal Crop Insurance Corporation shall become the claims of or against, and may be enforced by or against, the Commodity Credit Corporation: *Provided* That nothing in this Act shall limit or extend any period of limitation otherwise applicable to such claims against the Commodity Credit Corporation.

OPERATING FUNCTION

SEC. 15. The administration of the various functions related to this Act may be assigned by the Secretary to such agencies of the United States Department of Agriculture as he may designate or otherwise in accordance with the Commodity Credit Corporation Charter Act. Such assignments of function shall be made in such manner as the Secretary will effectively and efficiently carry out the purposes of this Act and maintain fiscal responsibility and program integrity, provided that loss adjustment, actuarial services, and marketing and servicing are established as separate functions.

DISSOLUTION OF THE FEDERAL CROP INSURANCE CORPORATION

SEC. 16. The Secretary, representing the United States as the sole owner of the capital stock of the Federal Crop Insurance Corporation, shall institute or cause to be instituted such proceedings as are required for the dissolution of such Corporation under United States law at such time as the Secretary deems it appropriate. The cost of such dissolution shall be borne by the Commodity Credit Corporation.

REPEAL OF THE FEDERAL CROP INSURANCE ACT

SEC. 17. Except as provided in section 14 of this Act, title V of the Agricultural Adjustment Act of 1938 (known as the Federal Crop Insurance Act) is repealed, effective December 31, 1982.

AMENDMENTS TO THE COMMODITY CREDIT CORPORATION CHARTER ACT

SEC. 18. (a) Section 9 (a) of the Commodity Credit Corporation Charter Act is amended by striking out "seven" and inserting in lieu thereof "eight".

(b) Section 10 of the Commodity Credit Corporation Charter Act is amended by inserting in the second sentence after the word "experts," the following: "personnel paid by the hour, day, or month when actually employed, county representatives, and private insurance agents and companies,".

DEPARTMENT OF AGRICULTURE,
Washington, D.C., February 22, 1979.

HON. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for the consideration of Congress is a draft bill known as the Farm Production Protection Act of 1979. This bill was introduced into the past session of Congress as S. 3029 and will permit the Administration to meet its goal of a meaningful all-risk, all-county, all-producer plan for protecting producers against loss of production due to natural disaster and certain uncontrollable risks.

This Department recommends that the bill be enacted. It is a direct result of a comprehensive study of the entire question of disaster relief. There is urgency for this enactment in this session of Congress to assure the new program is operational by the 1981 crop year. Farm disaster payment provisions expire after the 1979 crop year under the Food and Agriculture Act of 1977. Our proposal provides for a one-year extension to permit phase-in of the new program.

This bill would establish a program that makes it possible to combine the insurance provisions of the Federal Crop Insurance Act, the USDA farm disaster payment programs, the subsidized interest portion of emergency loan programs of the Farmers Home and Small Business Administrations, and some indemnity payment programs to protect producers of agricultural products against loss of production due to natural or uncontrollable conditions. The Commodity Credit Corporation will be utilized to carry out the purpose of this Act and FCIC will be dissolved.

We have long recognized the need for formation of some method of providing a unified program of protection against losses due to unavoidable natural hazard. This bill could permit the accomplishment of this objective beginning with the 1981 crop year. By crop year 1983 it is projected that about $18.3 billion of protection, out of a potential of $40 billion, would be covered by the program. Cost would be comparable to the present ASCS farm disaster payments and Federal Crop Insurance programs combined. The Department estimates about $632 million would be necessary to operate the program in the first crop year of full operation. This compares to $653 million for the existing programs. The consolidation will increase the protection available to farmers per dollar of federal outlay.

A projection of fiscal year costs is shown in the attached Exhibit I.

First-year coverage offered under this Act would be primarily the disaster crops—corn, grain sorghum, wheat, cotton, rice, and barley—together with 12 other programs currently insured by Federal Crop Insurance including sugarcane, sunflowers, citrus, dry beans, soybeans, oats, flax, peanuts, tobacco, raisins, sugar beets, and rye. As rapidly as actuarial data can be developed, when the bill is enacted, it would be the intent to expand nationally into all other commercially grown crops within 10 years. In addition, specialty insurance could be developed on livestock, aquaculture products, prevented planting, etc. These initially would be on an experimental basis.

At a roughly comparable expense to the current FCIC insurance and ASCS disaster payment programs, the government would offer a greater degree of coverage to a much greater number of agricultural producers with more equitable sharing of costs of the program by producers than is the case with the present disaster programs.

The Department feels this legislation would result in a cost-benefit saving to the taxpayer over present disaster, emergency loan, and insurance programs. It is more meaningful for the farmer because of the additional protection offered than compared with present programs. We view this bill as a good cooperative blend between consumer and farmer interests with benefits to both. By assuring an adequate supply of farm products, there will be less price fluctuation for consumers.

An identical letter has been sent to the Speaker of the House.

The Office of Management and Budget advises that enactment of this proposal would be in accord with the program of the President.

Sincerely,

BOB BERGLAND.

BUDGET AUTHORITY AND OUTLAYS UNDER PROPOSED LEGISLATION [1]

	Fiscal year—					
	1979	1980	1981	1982	1983 [2]	1984
Assuming passage of legislation, March 1979:						
Budget authority	12,000	0	0	79,368	155,300	486,700
Budget outlays	21,496	73,937	149,869	486,700	588,700	690,700
Increase from existing legislation:						
Budget authority		−12,000	−12,000	67,368	143,300	474,700
Budget outlays		53,811	129,743	466,574	568,574	670,574

[1] Assumes CCC financing.

[2] Starting in fiscal year 1983, additional costs for experimental pilot programs will commence. Dollars are not included in these estimates.

SENATE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY; SUMMARY OF MAJOR PROVISIONS

This bill would repeal the Federal Crop Insurance Act (effective December 31, 1982) and, beginning with the 1981 crop year, establish a new Commodity Credit Corporation program to protect farmers from unavoidable losses to agricultural production. Specifically, it would—

(1) beginning with the 1981 crop year, authorize the Commodity Credit Corporation to make available to all U.S. farmers protection against loss of production due to unavoidable or natural causes under a program similar in operation to the present Federal crop insurance program, with coverage available for up to 90 percent of cost of production. (Production protection would be available for any agricultural product, including timber, livestock, and poultry, if there are sufficient actuarial data on the product, and if there is a demand by farmers for the protection. Also, it could be offered to cooperatives.);

(2) require that premiums for this protection be set at amounts sufficient to cover "true risks" (the anticipated amount of loss for a given protection plan), but authorize the Corporation to pay any portion or all of the premium costs;

(3) authorize the Corporation to provide reinsurance on crops in Puerto Rico and other commonwealths and territories of the United States;

(4) authorize the Corporation to offer specific risk protection programs, including prevented planting, wildlife depredation, and disease and insect infestation programs;

(5) authorize the establishment of an advisory committee to advise the Corporation with respect to carrying out the purposes of the bill;

(6) provide authority for appropriations to reimburse the Corporation for its net realized loss incurred under the bill for any fiscal year;

(7) extend the disaster payment and prevented planting payment program for procedures of wheat, feed grains, cotton, and rice through the 1980 crop year;

(8) provide that persons eligible for production protection under the bill will not be eligible to receive disaster payments or subsidized interest rates on emergency loans under other programs;

(9) authorize persons under the age of 18 to participate in the production protection program under the bill, if they have comakers for their protection contracts;

(10) transfer the assets and legal rights and liabilities of the Federal Crop Insurance Corporation to the Corporation;

(11) provide for the administration of the production protection program by such agencies of the Department of Agriculture as are designated for that purpose by the Secretary of Agriculture, or otherwise in accordance with the Commodity Credit Corporation Charter Act;

(12) dissolve the Federal Crop Insurance Corporation and repeal the Federal Crop Insurance Act; and

(13) amend the Commodity Credit Corporation Charter Act to (a) increase the membership of the board of directors from 7 to 8, and (b) exclude part-time program personnel, county representatives, and private insurance agents and companies employed by the Corporation under the bill from the laws applicable to civil service appointments.●

By Mr. STEVENSON:

S. 714. A bill to prohibit contributions by certain multicandidate political committees to candidates in elections for Federal office, and for other purposes; to the Committee on Rules and Administration.

A BAN ON PAC CONTRIBUTIONS

● Mr. STEVENSON. Mr. President, today I introduce the Campaign Contributions Act of 1979. This bill is a simple and direct remedy for an affliction of our political process—the mushrooming of political action committees and the money they pour into campaigns for Federal office.

In 1974, the number of political action committees registered with the Federal Election Commission was 516. By 1976, following the passage of the Federal Elections Campaign Amendments of 1974, which placed stringent limits on contributions by individuals, the number of PAC's had more than doubled, and in the 1978 campaign they nearly doubled again. In 1977–78, over 1,900 nonparty political committees were reported to be active. And active they were: They raised $77.3 million and spent $75.6 million. Direct contributions to Federal candidates totaled $32 million, according to still-incomplete Federal Election Commission figures.

These are not just numbers. They illustrate a revolutionary element in American politics. The rise of single-issue politics is paralleled by the rise of focused, single interest funding of campaigns. We are witnessing the subordination of the national interest to the special interest. This is not a benign influence. The increasing dependence of candidates on large PAC contributions to finance campaigns is demeaning to candidates and damaging to public confidence in the integrity and the independence of elected officials. The many reported instances where PACs contributed to candidates of both parties in contested races, or gave to all members of a particular legislative committee with jurisdiction over their interest, and the published correlations between PAC contributions and votes on particular issues add weight to these impressions. Elimination of the reality or appearance of disproportionate influence created by large contributions from political action committees is one essential means of restoring some public confidence in the impartiality of Government.

This bill would prohibit direct contributions to candidates or their authorized campaign committees by all political committees. The contribution limits created by the 1976 amendments to the Federal Election Campaign Act for the two parties' Senate and House campaign committees and the national party committees would be retained by this legislation. Contributions by those committees are logical, visible, and separate and distinct from the committees this bill would reach.

During 1978, political action committees formed at the rate of one every day. The original concept of political action committees—the pooling of funds by small contributors who felt that their individual contributions would have little effect—was well-intentioned if naive, as I pointed out at that time. But the proliferation of these artificial legal entities, and the amounts of money which they are able to funnel into selected campaigns, have made a mockery of the original intent. Pooling funds for the purpose of political education or to meet the costs of making a viewpoint known makes sense both logically and constitutionally. Pooling for the purpose of seeking to influence a candidate, or assure access to an elected official, does not. Any remaining myths about the PAC beast are dispelled by such comments as that of one PAC director who lamented the defeat of a candidate backed by his organization and noted: "You hate to lose an investment."

It is argued that PAC contributions enable an unknown challenger to get started, and thus they work to inject new blood into politics. The facts are that in the 1978 campaign approximately 60 percent of the PAC money went to incumbents; challengers received only a little over 20 percent, with the remainder funding races with no incumbent. In 1976, the figures were nearly identical: Contributions went to incumbents by a ratio of 3 to 1. PAC's back those in power.

It is also argued that outlawing PAC contributions would funnel political committee funds into independent expenditures, on behalf of or in opposition to a candidate, over which the candidate would have no control. The obvious answer is that political committees can do this now. By virtue of the Supreme Court's decision in Buckley against Valeo, such independent expenditures cannot constitutionally be limited.

This bill would not eliminate the disproportionate influence of special-interest money in our campaigns. It may be necessary and appropriate, as PAC contributions are cut back, to increase the limit on individual contributions from the present $1,000, to further redress the present imbalance. Under this bill, political action committees, or the interests they represent, will still be able to make independent expenditures aimed at influencing voters and, with full disclosure of the source of funds so used, that is their first amendment right. But they would no longer be able to influence directly, or appear to influence, candidates or elected officials. That is an important first step, and I urge my colleagues to take it now before funding of the next campaign exceeds last year's profligacy.●

By Mr. BELLMON:

S. 715. A bill to permit State and local governments to collect State and local taxes on alcoholic beverages and tobacco products sold or consumed on military and other Federal reservations; to the Committee on Finance.

● Mr. BELLMON. Mr. President, some 34 years ago, the Congress passed the Buck Act which exempts from State taxation all items of merchandise sold on Federal installations such as military bases and Indian reservations. This exemption applies to State sales taxes as well as State excise taxes. Although the overall intent behind this legislation was quite sound in 1940, and for the most part is still very sound today, I am convinced that this Congress needs to take a closer look at the Buck Act to determine if this broad exemption from State taxation should be applicable to every item of merchandise sold through military commissaries and post exchanges and on Indian reservations. To be specific Mr. President, I do not feel that the Buck Act should any longer provide a shelter from State excise taxes on the sale of tobacco products or alcoholic beverages which are sold in Federal enclaves.

Mr. President, cigarette smoking has come under heavy attack over the last several years, and in my opinion, for very good reason. There is little question as to the causal connection between cigarette smoking and such crippling diseases as cancer, heart attacks, and emphysema. In an effort to alert the American people as to the hazards of cigarette smoking, Health, Education and Welfare Secretary Califano is waging an antismoking campaign, the likes of which we may never see again. To carry on this antismoking campaign Mr. President, Secretary Califano intends to spend approximately $45.6 million in fiscal year 1980 alone. This budget request represents an increase of $14 million over the fiscal year 1979 budget for HEW antismoking programs, or roughly a 65 percent increase in proposed spending.

Mr. President, I support the Secretary of HEW's campaign against cigarette smoking. I also feel the Federal Government's policy in this regard should be consistent when viewed in relation to the Buck Act.

Mr. President, the Buck Act not only encourages our military personnel to smoke, but actually subsidizes their smoking habits by exempting State excise taxes from the sale of cigarettes and other tobacco products. So here we are, Mr. President, about to spend some $45.6 million to encourage people not to smoke while at the same time continuing exempting cigarettes sold on Federal enclaves from State excise taxes.

Much the same is true with the sale of

alcoholic beverages on Federal installations. The sale of such items are not subject to State excise taxes. Although I am not suggesting that there exists a serious alcoholic abuse problem within any of our Armed Forces, I would contend that alcoholic beverages are nonessential items for purchase by military personnel and, therefore, should not be free of State excise taxation. I do know, Mr. President, that alcohol abuse is a serious problem in this country and that the Department of Health, Education, and Welfare has requested $134 million for fiscal year 1980 to continue its efforts in discouraging alcohol abuse. So here again, Mr. President, on the one hand the Government is attempting to deal with the growing problem of alcohol abuse, while on the other hand it subsidizes the sale of alcoholic beverages on Federal installations.

Mr. President, aside from the inconsistencies that are apparent from the application of the Buck Act and our Government's efforts to deal with smoking and alcohol abuse, we must recognize that the Buck Act deprives the States of much needed revenue from the sale of tobacco products and alcoholic beverages on Federal installations which would otherwise be collected. In fiscal year 1973, the Advisory Commission on Intergovernmental Relations released a report which indicated the States were losing approximately $130 million from the sale of cigarettes alone on military installations. While the amounts of lost revenue vary substantially from State to State, the national total is very substantial.

I ask unanimous consent that the ACIR table indicating the estimated tax losses to the States due to exclusion of tobacco excise taxes for fiscal year 1973, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE A-6.—*Estimated tax loss due to exemption of tobacco sales on military bases, fiscal year 1973*

	Tobacco tax loss (in thousands)	Percent of gross cigarette and other tobacco taxes
Alabama	$3,949	8.7
Alaska	896	27.4
Arizona	768	3.0
Arkansas	1,363	3.5
California	22,583	8.9
Colorado	2,703	8.3
Connecticut	1,731	2.5
Delaware	590	4.8
District of Columbia	1,731	2.5
Florida	13,751	8.4
Georgia	5,425	7.9
Hawaii	1,993	28.0
Idaho	227	2.5
Illinois	3,281	2.0
Indiana	344	0.7
Iowa	—	—
Kansas	1,533	5.3
Kentucky	582	2.9
Louisiana	2,328	4.4
Maine	843	4.2
Maryland	1,389	4.2
Massachusetts	3,458	3.1
Michigan	1,045	0.8
Minnesota	282	0.4
Mississippi	1,688	6.7
Missouri	1,226	2.2
Montana	397	3.8
Nebraska	1,068	5.1
Nevada	619	5.9
New Hampshire	504	2.0
New Jersey	5,248	3.1
New Mexico	1,453	11.6
New York	3,931	1.2
North Carolina	881	3.7
North Dakota	686	8.8
Ohio	1,811	0.9
Oklahoma	2,348	5.1
Oregon	50	—
Pennsylvania	2,418	1.0
Rhode Island	1,603	8.7
South Carolina	2,221	10.1
South Dakota	385	4.6
Tennessee	1,201	2.0
Texas	19,344	7.9
Utah	390	5.8
Vermont	9	—
Virginia	1,693	9.9
Washington	5,802	11.0
Wisconsin	280	0.4
Wyoming	184	4.7
U.S. total	130,242	4.1

Source: ACIR, State Taxation of Military Income and Store Sales (Washington, D.C.: Government Printing Office, July 1976) pp. 14–15.

Mr. BELLMON. It is disappointing, Mr. President, that we do not have available more recent figures from the States as to the amount of revenue they are losing as a result of the Buck Act exemption. It is my understanding that the General Accounting Office is presently conducting a staff study to determine the amount of revenue lost by the States in fiscal year 1977, as a result of the excise tax exemption on the sale of tobacco products and alcoholic beverages sold on military and other Federal reservations. Unfortunately this study will not be concluded until next month.

In view of this lack of data, I recently requested several States to provide me with their latest estimates as to the revenue they lose from the sale of tobacco products and alcoholic beverages sold on Federal enclaves within their State. The following is a listing by State of their estimates. I ask unanimous consent that this table be printed in the RECORD at this time.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated tax loss due to excise tax exemption of tobacco and alcoholic beverage sales on military and other reservations

[Fiscal year 1977]

State	Tobacco	Alcohol	Total
Arizona	$3,420,160	$311,132	$3,731,292
California	16,300,000	3,000,000	19,300,000
Nevada	2,537,457	1,136,474	3,673,931
Oklahoma	3,000,000	692,117	3,692,117
South Carolina	$3,000,000	$4,000,000	$7,000,000
Texas	24,472,000	806,279	25,233,279
Washington	20,943,784	14,916,000	35,859,784

Source: Applicable State Tax Commissions.

Mr. BELLMON. While this is a limited sample Mr. President, it shows that for tobacco products alone, six of the seven States sampled have experienced an increase in lost revenue since fiscal year 1973, as a result of the excise tax exemption applicable to the sale of such products on Federal reservations. Revenue becomes all the more important during a period when the country is calling for less Federal expenditures, which necessarily will result in less Federal grants-in-aid to the States. Passage of the legislation I am introducing would be a step in the direction of allowing the States to assume greater responsibility in their fiscal affairs.

Mr. President, in October 1976, "Military Market-Commissary Edition," the Army Times Publishing Co. Research Department released a study which stated that military cigarette consumption is now more than double civilian unit consumption. This study further reported that cigarettes are the third largest sales category in the combined military resale market, following civilian clothing and meat. These figures are rather alarming Mr. President, but I'm doubtful that this data accurately represents the magnitude of cigarette consumption within the military. Instead, I think these figures tend to indicate that many military personnel are engaging in an activity known as casual cigarette smuggling. In view of the price differential between tobacco products sold through commissaries and post exchanges and those sold off-base, it becomes attractive for military personnel to purchase tobacco products for their civilian friends and relatives. This can be the only explanation as to why military cigarette consumption is more than double civilian consumption. Now, Mr. President, casual cigarette smuggling by the military may seem to be a relative harmless activity, yet it subverts the basic intent for providing the military with cheap cigarettes. We must not encourage this activity to continue. Repeal of the Buck Act exemption on State excise taxes attributable to the sale of cigarettes will address this problem. Though there is no data to indicate that such activities occur with alcoholic beverages, it is safe to assume that it does, particularly since alcoholic beverages cost less at commissaries and post exchanges than they do at civilian retail stores.

Mr. President, in view of the foregoing reasons, I am proposing legislation which would allow State and local governments to collect State and local excise taxes on alcoholic beverages and tobacco products sold on military or other Federal reservations. This bill in effect, would repeal the Buck Act exemption for excise taxes alone concerning the sale of these nonessential commodities. There is nothing in this legislation which would allow the States to impose their applicable sales taxes on the sales of these products, or any other products. This legislation deals with excise taxes alone.

Mr. President, this legislation is similar in nature to the Hayden-Cartwright Act which was passed in 1936. The Hayden-Cartwright Act concerned itself with the sale of gasoline on military and other Federal reservations. Therefore, Congress would not be breaking new ground in repealing the Buck Act exemption for the sale of tobacco or alcoholic products, as this proposal was made, and ultimately enacted into law with respect to the sale of gasoline. So, Mr. President, much in the same manner that the Federal Government allows States to collect excise taxes on the sale of motor fuel sold on military or other reservations, I am proposing the same treatment for the sale of tobacco products and alcoholic beverages.

Mr. President, if the Federal Government is to be consistent in its efforts to discourage the American people from abusing tobacco and alcohol, we cannot continue to subsidize the smoking and drinking habits of Federal employees who purchase such products on Federal reservations. Can we claim that we are benefiting the service by encouraging use of these dangerous substances which public policy discourages other citizens from using? By establishing a consistent policy in this regard, we add strength to the arguments that smoking and alcohol consumption are in fact, hazardous to one's health. If this message is to be respected, the Federal Government has no other choice, but to put its own house in order by discouraging the consumption of these products by Federal employees. Increasing the price of tobacco products and alcoholic beverages by the appropriate State excise tax will not totally discourage the use of these commodities, but it will signify that the Federal Government is practicing its own wisdom of encouraging individuals not to abuse these products to the detriment of their health. Accordingly, Mr. President, I urge the favorable consideration of this legislation by the Senate.

Mr. President, I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 715

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That (a) title 4 of the United States Code is amended by inserting after section 104 the following new section:

"TAXES ON ALCOHOLIC BEVERAGES AND TOBACCO PRODUCTS SOLD ON MILITARY OR OTHER FEDERAL RESERVATIONS

"SEC. 104A. (a) All taxes levied by any State, or any political subdivision thereof, upon, with respect to, or measured by, sales, purchases, storage, or use of alcoholic beverages or tobacco products may be levied in the same manner and to the same extent, with respect to such alcoholic beverages or tobacco products when sold by or through a facility of an appropriated or non-appropriated fund activity of a voluntary, unincorporated association, located on United States military or other reservations, when such alcoholic beverages or tobacco products are not for the exclusive use of the United States. Such taxes, so levied, shall be paid to the proper taxing authorities of the State, or political subdivision thereof, within whose borders the reservation affected may be located.

"(b) The person in charge of such facilities shall, on or before the fifteenth day of each month, submit a written report to the proper taxing authorities of the State, or any political subdivision thereof, within whose borders the reservation is located, showing the amount of such alcoholic beverages or tobacco products with respect to which taxes are payable under subsection (a) for the preceeding month and remit such taxes to the proper taxing authorities. No report or payment of taxes is required with respect to any alcoholic beverages or tobacco products purchased under circumstances where the tax is paid at or prior to the time of purchase by the seller of such alcoholic beverages or tobacco products.

"(c) For the purposes of subsections (a) and (b)—

"(1) The term 'State' includes the District of Columbia and any territory or possession of the United States.

"(2) The term 'tobacco products' means cigarettes, cigars (regardless of size), smoking tobacco, chewing tobacco, and snuff, whether flavored, adulterated, or containing another ingredient."

(b) The table of sections of chapter 4 of title 4, United States Code, is amended by inserting after the item relating to section 104 the following:

"104A. Taxes on alcoholic beverages and tobacco products sold on military or other Federal reservations."

SEC. 2. The amendments made by this Act shall take effect on the first day of the first month which begins more than ninety days after the date of the enactment of this Act.●

By Mr. PRYOR:

S. 716. A bill to amend the Retired Federal Employees Health Benefits Act, as amended, with respect to the Government contribution toward subscription charge; to the Committee on Governmental Affairs.

● Mr. PRYOR. Mr. President, at the request of the administration, I am introducing a bill to amend the Retired Federal Employees Health Benefits Act, as amended, with respect to the Government contribution toward subscription changes.

In 1960, Congress passed, and the President signed into law, Public Law 86–724 which provided a health benefits program for those Government employees who retired prior to July 1, 1960. The health benefit program was patterned after the Federal Employees Health Benefits Act of 1959 (Public Law 86–383) which provides for active employees. Under the law, the Office of Personnel Management is responsible for administering the program and has authority to contract adequate health benefit coverage for enrollees.

The new program was established in order to provide equal health coverage and medical treatment to those former Federal Government employees who completed their service and earned their retirement before becoming eligible for such benefits under Public Law 86–382. This plan is known as the uniformed plan and it offers health benefits supplementary to medicare for approximately 50,000 annuitants. As a result of extremely high increases in the cost of health care, it became necessary to increase premium rates of $4 to $12 for self-enrollment and from $8 to $24 for family enrollmnent in order to keep the plan on a self-sustaining basis.

Although the Office of Personnel Management has already amended its regulations to increase the Government's contribution to the maximum statutory amount, legislation is necessary to further reduce the burden of premium increases.

I believe the issue of providing adequate health care is of vital concern to all Americans and of particular concern to our Nation's elderly. Not only do our elderly have greater need for health services. but the services which they require are often more costly. Nearly all of the annuitants and dependents covered by this program are on fixed incomes and would experience financial hardships if forced to pay higher premiums without assistance.

The legislation which I am introducing today is an important step toward assisting a group of retired citizens meet their health care needs. This bill will increase the Government's contribution toward subscription changes for health coverage and make contributions equivalent to the beneficiary's share of medicare, which is currently $8.20, with an annual adjustment in the monthly Government contribution on July 1 of each year.

I ask unanimous consent that the text of the bill, together with the letter of transmittal to the President from the Director of the Office of Personnel Management, Alan K. Campbell, be inserted in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 716

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 4(a) and 6(a) of the Retired Federal Employees Health Benefits Act (74 Stat. 850), as amended, are amended as follows:

"SEC. 4. (a) If a retired employee enrolls for self-only in the health benefits plan provided for by section 3 of this Act, the Government shall contribute monthly toward his subscription charge an amount equal to the current monthly rate for the beneficiary's share of Part B of Medicare. The Government contribution for a retired employee enrolled for self and family shall be twice the contribution for one enrolled for self-only. The monthly Government contribution shall be adjusted annually, as necessary, to equal the adjusted monthly rate for the beneficiary's share of Part B of Medicare. A retired employee may not receive a Government contribution for more than one plan, nor may a retired employee receive a Government contribution if he is covered under the enrollment of another employee or retired employee who is receiving a Government contribution toward his enrollment. The immediately preceding sentence shall not apply with respect to the plan for supplementary medical insurance provided by Part B of title XIII of the Social Security Act."

"Sec. 6. (a) Subject to subsection (b) of this section, a retired employee who elects to obtain a health benefits plan, or to retain an existing health benefits plan, other than the plan provided for under section 3 of this Act, directly with a carrier, shall be paid a Government contribution to the cost of his health benefits plan which shall be equal in amount to the Government contribution established pursuant to section 4(a) of this Act, but may not exceed the cost to him of the health benefits plan in which he is enrolled or which he retains or, if the plan combines health benefits with other benefits, shall not exceed the cost to him of the premium fixed by the carrier for the health benefits portion of the plan in which he is enrolled or which he retains. A retired employee may not receive a Government contribution for more than one plan, nor may a retired employee receive a Government contribution if he is covered under the enrollment of another employee or retired employee who is receiving a Government contribution toward his enrollment. The immediatey preceding sentence shall not apply with respect to the plan for supplementary medical insurance provided by Part B of title XIII of the Social Security Act."

Washington, D.C.,
March 6, 1979.

Hon. Walter F. Mondale,
President of the Senate.

Dear Mr. President: I submit for consideration of Congress, and recommend favorable action on, the attached draft bill to amend the Retired Federal Employees Health Benefits Act to increase the Government contribution toward the subscription charge for health coverage. A similar proposal was submitted in the 95th Congress.

Public Law 86–724 established a Retired Federal Employees Health Benefits (RFEHB) Program for those former employees who retired prior to July 1, 1960. The law provides that the Office of Personnel Management shall contract for a health insurance plan in which these annuitants may enroll. This plan is known as the Uniform Plan and it offers health benefits supplementary to Medicare for approximately 50,000 annuitants. Pursuant to a GAO recommendation, the Uniform Plan reserves are being depleted. The Plan is experience rated and must charge sufficient premiums to cover the cost of paying the benefits provided. Accordingly, on January 1, 1979 total premium rates were increased from $4.00 to $12.00 for self-only enrollment and from $8.00 to $24.00 for family enrollment to keep the Plan on a self-sustaining basis.

The 1979 rates with and without legislation, as compared with 1978 Uniform Plan rates, are as follows:

	1978		1979			
			Without legislation		With legislation	
	Annuitant/ Government share	Total	Annuitant/ Government share	Total	Annuitant/ Government share	Total
Self	$0.50/$3.50	$4.00	$8.00/$4.00	$12.00	$3.80/$8.20	$12.00
Family	$1.00/$7.00	8.00	$16.00/$8.00	24.00	$7.60/$16.40	24.00

The Civil Service Commission (now Office of Personnel Management) amended its regulations to increase the Government contribution from $3.50 to $4.00 per month for self-only and from $7.00 to $8.00 per month for family enrollment—the maximum allowable by law. This increase became effective January 1, 1979. Further, effective August 8, 1978, the Civil Service Commission (now Office of Personnel Management) amended its regulations to provide a continuous open enrollment season which affords all RFEHB enrollees the opportunity to voluntarily transfer to a plan in the FEHB Program. This action is authorized by Section 2 of Public Law 93–246.

With the Government contribution limited by law to $4.00 for self-only and $8.00 for family enrollment, the annuitants who wish to remain in the Uniform Plan will have to bear the major portion of the premium increase themselves. An increase in the annuitant's share of the monthly premium from the 1978 rates of $.50 for self-only and $1.00 for family enrollment, to the rates which went into effect January 1, 1979, of $8.00 for self-only and $16.00 for family enrollment has meant real financial sacrifices for these annuitants, whose average monthly annuity is only $250.

To alleviate the hardship of increased health benefits premiums to these Uniform Plan enrollees, we are proposing an increase in the Government contribution toward the subscription charge for health coverage equivalent to the beneficiary's share of Part B of Medicare, currently $8.20; with an annual adjustment in the monthly Government contribution on July 1 of each year equivalent to the adjusted monthly rate for Part B of Medicare.

As a matter of equity to another 100,000 RFEHB annuitants enrolled in the other options under the RFEHB Program—the private plans and Part B of Medicare—we are also proposing an identical increase in the Government contribution toward their subscription charge for health coverage.

The estimated increased cost to the Government for the first 5 years following enactment of this legislation is approximately $7 million annually. The fiscal year 1980 budget includes this proposal.

Enactment of the attached legislative proposal would soften the impact of the premium increase on those elderly annuitants enrolled in the Uniform Plan, and would prevent it from causing them unnecessary financial hardship. In addition, it would provide some financial relief for those enrollees in the private plans and Part B Medicare. The Office of Personnel Management, accordingly, recommends the introduction of the draft bill and urges early enactment.

The Office of Management and Budget advises that from the standpoint of the Administration's program there is no objection to the submission of the proposal.

A similar letter is being sent to the Speaker of the House.

Sincerely yours,
Alan K. Campbell,
Director.●

By Mr. TALMADGE (by request):

S. 717. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 2 years; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. TALMADGE. Mr. President, I am introducing today, at the request of the administration, a bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for 2 years.

I ask unanimous consent that there be printed in the Record the text of the administration bill and the letter from the Administrator of the Environmental Protection Agency transmitting the bill.

There being no objection, the bill and letter were ordered to be printed in the Record, as follows:

S. 717

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 31 of the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. 136y), is amended by inserting before the period at the end thereof the following: "; and for the period beginning October 1, 1979, and ending September 30, 1980, the sum of $52,550,000; and for the period beginning October 1, 1980, and ending September 30, 1981, such sums as may be necessary".

U.S. Environmental
Protection Agency
Washington, D.C., February 23, 1979.

Hon. Walter F. Mondale,
President of the Senate,
Washington, D.C.

Dear Mr. President: Enclosed is our proposed bill "To extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended for two years."

The bill extends our authorities under section 31 of the Act through fiscal year 1981. These authorities expire on September 30, 1979.

This extension will enable us to continue the nonresearch programs envisioned by the Act. We have requested extension of our research and development appropriation authorities in another draft bill, "The Environmental Research, Development and Demonstration Authorization Act of 1980." The 95th Congress included appropriation authorizations for the research and development activities under the Federal Insecticide, Fungicide, and Rodenticide Act for fiscal year 1979 in two different acts—the Federal Pesticide Act of 1978 (P.L. 95–396) and the Environmental Research Development, and Demonstration Authorization Act of 1979 (P.L. 95–477). The enclosed draft bill provides appropriation authorization for our non-research program conducted under the Federal Insecticide, Fungicide and Rodenticide Act, including registration and reregistration, classification, and labeling of pesticides, establishment of tolerance levels of pesticide residues on food and feed crops, epidemiologic studies and training and certification of pesticide applicators. We recommend that this bill be referred to the appropriate Committee for consideration and that it be enacted.

Our request for appropriation authorizations in the enclosed draft bill for fiscal year 1980 for these nonresearch activities under the Federal Insecticide, Fungicide, and Rodenticide Act is $52,550,000. This is the amount requested in the President's 1980 Budget.

The Office of Management and Budget advises that enactment of this legislative proposal would be in accord with the program of the President.

Sincerely yours,

DOUGLAS M. COSTLE.●

By Mr. NELSON (for himself and Mr. RIEGLE):

S. 718. A bill to reduce the cost of future reclamation projects, to supplement and clarify the Federal reclamation laws, to promote the settlement of family farmers in Federal irrigation projects, to provide for acreage equivalency between class 1 lands and lands of lesser productive capability, and other purposes; to the Committee on Energy and Natural Resources.

RECLAMATION LANDS FAMILY FARM ACT OF 1979

● Mr. NELSON. Mr. President, today I am reintroducing the Reclamation Lands Family Farm Act. This bill is the culmination of hearings held jointly by the Senate Select Committee on Small Business and the Senate Committee on Energy and Natural Resources in 1975 and 1976, both here and in Fresno, Calif., on the subject of reclamation law. I have been involved in this issue since 1964, when I first chaired hearings on the subject for the Interior Committee. In the last Congress, along with Senators Haskell, Abourezk, and Metcalf, all members of the Energy Committee, I introduced this bill as S. 1812. With some modifications.

The Reclamation Lands Family Farm Act would institute the first major reforms in reclamation law since 1926. Reform is long overdue. Reclamation law was originally intended to help family farmers settle on the land. To do that, it provided that the Government would build irrigation projects and have the water users repay the Government at no interest. In return for this benefit, the Government required that landowners sell all their land in excess of 160 acres. The original intention of the law is still valid. If anything, we need to encourage family farming even more today than we did in 1902. The implementation of the law, however, has not been in compliance with either the spirit or letter of the law. In many reclamation projects, the Bureau of Reclamation has allowed wealthy nonfarming investors to purchase land and the lease it to large factory farm operators. In the largest reclamation project, Westlands, the average farm size is 3,000 acres. In 1902, an interest free loan was a subsidy, but not a tremendous one, since interest rates were low and water users were required to repay their obligation in 10 years. Today, water users are given 50 years to pay, and with current rates of interest, this amounts to an enormous subsidy. The Water Resources Council calculated that at an interest rate of 6.6 percent, the subsidy amounted to 82 percent of the project cost.

Part of the rest of the 18 percent is paid for by additional subsidies in the program. According to the General Accounting Office, in the Westlands District in California alone, this subsidy totaled $658 million for less than 250 farms. Interior Department figures indicate that on a per farm basis, the average annual subsidy amounts to $50,000 to $100,000 per 640-acre farm, or $1,000 to $2,000 per acre.

What has happened to reclamation law, then, is that the original purpose of encouraging family farming with modest subsidies has been replaced with a system which allows large, investor owned farms to capture extraordinary handouts from the taxpayer. Of course, there are many genuine family farmers in the reclamation program, and the law should protect them, but to continue to allow the abuses that have developed in the program is an inexcusable misuse of the taxpayer's dollar.

While we move to correct the abuses in reclamation law in existing projects, we must also give serious thought to what reclamation should do in the future. As the program now operates, we are subsidizing farmers in the West to grow crops which we are subsidizing farmers outside the West not to grow.

We are encouraging increased production in one area and trying to solve the problem of oversupply in another area. This is not sound agricultural or fiscal policy. What other Federal program allows interest free loans? Not even disaster loans are interest free. If the subsidies are going to serve a purpose, either they should encourage production we need or encourage family farming. They do neither.

For this reason, this bill establishes a new repayment program. Farmers who agree to abide by the acreage limitation will pay one-half the interest rates for similar commercial loans in the area. Farmers who want to be exempt from the limitation will pay full interest.

In order to justify the subsidy in existing projects, a strict, but reasonable, acreage limitation of 320 acres per farm of class one land or its equivalent in lands of lesser productivity is imposed, replacing 160-acre limitation.

This new limitation recognizes differences in growing conditions in various projects and provides a large enough acreage to assure the opportunity for a good income. According to the Agriculture Department, 320 acres is enough to earn a net income of $14,000 to $85,000 in typical reclamation projects around the West. Moreover, over 95 percent of all irrigated farms in the West are smaller than the limitation allows.

The bill contains other important provisions to reform reclamation law. In brief, this is what it does:

1. Under current law, each owner, including minor children and non-farming investors, is entitled to 160 acres. Under this bill, ownership would be limited to 320 acres per farm family for those families actually farming the land. Thus, two adult brothers farming together could own 640 acres, as could a father and his adult son. Land could not be purchased by minor children, and spouses would not be entitled to a separate 320 acres. For those families not actually farming, ownership would be limited to 160 acres per family.

2. Current administrative practice does not require residency for owners, although the law still does. This bill would require that those owning land as an investment live within 25 miles of their land. Those farming the land would be required to live on or near their land, but no specific mileage limitation is set.

3. Current law is silent on the subject of leasing, but administrative practice has allowed leasing without restriction. As a result, investors, many of them nonresident, purchase land and lease it to a single operator, allowing very large farming operations to be created. This bill would limit leasing by prohibiting total farm size from exceeding 320 acres per farm family.

4. Current law makes no provisions for an acreage equivalency formula. In many areas of the country 320 acres may not be adequate. This bill therefore allows the Secretary of the Interior to adjust the acreage limitation in areas with poor growing conditions so that the limitations will be large enough to allow a farm family to make a decent living.

5. Current law states that the sale price of excess land should not include any enhancement due to the construction of the project. Excess land is land in excess of 160 acres per owner, which the owners agreed to sell in order to receive the water for a ten year period. The administration of this provision has not been effective, however. This bill would stipulate that the land sale price would be the price paid for the land or its market value at the time of proposed construction of the project, indexed by the consumer price index for the period. To prevent the purchase of excess land at this controlled rate for speculative resale at market values, the price of land purchased as excess would be subject to the same control as excess land until it had been farmed continuously for ten years.

6. The bill would establish a program to help qualified farm families unable to obtain financing. The Secretary would be entitled to purchase land in reclamation projects and lease it for two to seven years to qualified families. The lessees would then have an option to buy the land at the controlled price specified above in pt. 5. A fund would be established for this purpose by the appropriation of $20 million over four years.

7. Water users in future projects would have a choice. They could pay the current market rates on their repayment obligation and be exempt from acreage limitations, or they could pay half that rate, and agree to abide by the limitation. So called ability to pay determination, however, could not be used to reduce repayment obligations.

To explain the need for this bill in detail, I would like to insert in the RECORD a copy of a statement on the bill I gave to the Energy Committee last year.

I ask unanimous consent that the text of the bill, along with a section-by-section analysis, and statement be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 718

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, divided into titles and sections in accordance with the following table of contents, may be cited as the "Reclamation Lands Family Farm Act".

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TITLE I—FINDINGS, PURPOSES, DEFINITIONS

FINDINGS AND PURPOSES

SEC. 101. (a) The Congress finds that:

(1) a populous, prosperous rural society is essential to the preservation of the national character, and rural prosperity must be based on a pattern of broadly distributed ownership and operation of productive agricultural land;

(2) the purpose of reclamation law is and has been to encourage the settlement of federally irrigated land by family farmers living on or near their land;

(3) the administration of a substantial amount of the acreage currently affected by reclamation law has not accomplished and is not likely to accomplish the statutory policy of settling family farmers on the land;

(4) the construction of reclamation projects, by law, involves substantial subsidies to landowners; and that the subsidies are intended to provide landowners with an incentive to sell excess land, presumably to family farmers, but too often land has been sold instead to nonfarming investors;

(5) there are large numbers of potentially successful family farmers, both with and without financing, who, as a consequence of practices approved by the Secretary of the Interior for the sale of reclamation land, are unable to move onto the land and thus fulfill the original purposes of reclamation law;

(6) appraisal techniques to determine the approved selling prices of excess land do not fully exclude enhancements in value attributable to projects;

(7) while vendors of excess land can dispute price approval decisions of the Bureau of Reclamation, no procedure exists for prospective purchasers to challenge these decisions; and

(8) due to a variety of weather conditions, soil qualities, and other natural characteristics affecting the productivity of farmland, it is inequitable to apply the same acreage limitations to every parcel of land.

(9) water users in reclamation projects pay an average of only 18 percent the cost of providing the water, since they repay those costs over 50 years without interest; and that such low rates of repayment constitute an inequitable economic advantage to reclamation farmers over non-reclamation farmers.

(b) (1) It is the purpose of this Act to reaffirm as law and policy that:

(A) the congressional intention in reclamation law is and has been to foster the settlement of bona fide family farmers living on or near the land in Federal irrigation projects;

(B) those who do not comply with this purpose should be excluded from the right to receive federally supplied water;

(C) the intent of the laws is to exclude project benefits from the price at which excess land initially receiving federally supplied water is sold; and

(D) there should be established procedures to assure sounder repayment practices from those receiving federally supplied water.

(2) It is the further purpose of this Act to provide that—

(A) the acreage limitation shall be applied to less productive lands in a manner, and in accordance with clear regulations, that will compensate for their less productive quality; and

(B) federal financial assistance shall be provided to potential family farmers who would otherwise be unable to own or operate the land.

(3) future water users in reclamation projects will pay a larger percentage of water costs, and those paying full costs will be excluded from the acreage limitation.

DEFINITIONS

SEC. 102. As used in this Act, the term—

(1) "family farm" means a farm (A) owned and operated or leased and operated by a family farmer; (B) of a size small enough to be maintained and operated by such family farmer and members of his family or with hired labor; (C) which provides sufficient income by itself in average or better agricultural years to enable the farmer to meet necessary family and operating expenses, including the maintenance of essential chattel and real property and the payment of debts; and (D) which is no more than 320 acres of class one land or its equivalent in lands of lesser productivity; and is within the acreage limitations for farm ownership and operation as set forth in section 202 of this Act;

(2) "a cooperative family farm" means (a) a family farm jointly owned and operated or jointly leased and operated by more than one qualified purchaser or leaseholder, each of whom is a family farmer as defined by this Act, and (b) which is within the acreage limitation as set forth in Section 202 (b) of this Act. A cooperative family farm may, as specified in Section 202(b), exceed three hundred and twenty acres of class one land or its equivalent in lands of lesser productivity.

(3) "family farmer" means an individual who (A) owns and operates, or leases and operates for his or her own account, a farm; (B) lives on or near the land which constitutes the farm; and (C) derives a major portion of his or her income during periods of normal agricultural productivity from the operation of that farm. The term does not include an individual whose participation in farming operations is primarily limited to management decisions with respect to land rented or leased to another person; but the term may include an individual, otherwise meeting the provisions of this definition, who operates a family farm in the partnership or corporate form of business organization;

(4) "qualified purchaser" means any individual who (A) is eligible under the Federal reclamation laws to purchase excess lands; (B) would be eligible, after having made such a purchase, to receive from a project or division, water for the lands purchased; (C) certifies tht lands purchased pursuant to the Federal reclamation laws, including this Act, will be used as a family farm, and that that individual will operate that farm as a family farmer; and (D) does not own land receiving or eligible to receive federally supplied water in any project or division subject to Federal reclamation laws;

(5) "Cooperative family farmer" means a family farmer who owns and operates or leases and operates for his or her own account a cooperative family farm with one or more other family farmers;

(6) "qualified leaseholder" means any individual who (A) is eligible under the Federal reclamation laws to purchase excess lands; (B) would be eligible, after having made such a purchase, to receive from a project or division water for the lands purchased; (C) certifies that lands leased pursuant to this Act will be used as a family farm, and that that individual will operate that farm as a family farmer; (D) does not have the financial resources necessary to purchase a farm of an economically feasible size; (E) has been unable to obtain adequate financing to purchase such a farm; and (F) has the ability to farm those lands as a family farmer;

(7) "dependent" means a person dependent on another person for over half of his or her support, within the meaning of the Internal Revenue Code (26 U.S.C. 152);

(8) "Secretary" means the Secretary of the Interior;

(9) "Federal reclamation laws" means the Act of June 17, 1902 (32 Stat. 388), as amended (43 U.S.C. 391), and Acts amendatory thereof or supplementary thereto, including this Act;

(10) "project" means a Federal irrigation project authorized by or subject to the Federal reclamation laws;

(11) "division" means a substantial irrigable area of a project designated as a division by order of the Secretary;

(12) "Administrator" means the Administrator of the Farmers Home Administration; and

(13) "class 1 land" has the meaning defined in paragraph 2.5.2, "Class 1", of chapter 2.5, "Land Classes", of part 2, "Land Classification", of volume V, "Irrigated Land Use", of the United States Department of the Interior Bureau of Reclamation Manual, or comparable definition contained in a subsequent manual that is officially designated as the successor in function to that manual.

TITLE II—ACREAGE LIMITATIONS AND EQUIVALENCY

LANDS OTHER THAN CLASS 1 LANDS—ACREAGE EQUIVALENCY

SEC. 201. (a) Notwithstanding any other provisions of law, the Secretary, for purposes of administering Federal reclamation laws, may establish the acreage of land held in private ownership by any one individual owner, which is eligible as nonexcess lands to receive project water from, through, or by means of project works, at one hundred and sixty acres of class 1 land, or the equivalent thereof in other lands of lesser productive potential: Standards and criteria for the determination of land classes pursuant to this authority shall be based, where possible, on land classification surveys that have been made or shall be made in feasibility studies at or before the time the project involved was begun. Where previous land classification surveys do not exist, the Secretary may establish acreage equivalency formulas on a project-by-project basis. In any classification for equivalency purposes, including those cases where preproject surveys already exist, the Secretary shall hold public hearings in the area affected before promulgating regulations. The regulations will go into effect sixty days after their final promulgation. This section shall not apply to any project, unit, or division of a project, or repayment contracting entity located in an area in which the average frost-free growing season, as determined from published Department of Commerce records, exceeds one hundred and eighty days.

(b) The Secretary is authorized upon request of the holder of an existing contract under Federal reclamation laws to amend the contract to conform to the provisions of subsection (a) of this section, and to otherwise perform any and all acts appropriate to carrying out the purposes of this Act. All such amendments shall be negotiated and executed in keeping with the purposes and procedures set forth in sections 602, 603, and 604 of this Act.

PURCHASE OF LAND FOR DEPENDENTS OF QUALIFIED PURCHASER

SEC. 202. A qualified purchaser will be eligible to purchase, and a qualified leaseholder will be eligible to lease, in addition to the one hundred and sixty acres for which he or she is qualified under reclamation law, one hundred and sixty additional acres for one dependent, with whom he or she has permanently resided for a period of at least one year prior to the date of purchase: *Provided*, That the purchaser is a family farmer as defined by this Act.

(b) In the case of an individual purchaser without dependents the Secretary may allow the purchase or lease of up to three hundred and twenty acres if the purchaser or leaseholder is otherwise qualified under reclamation law and will be a family farmer as defined in this Act.

(c) In the case of a cooperative family farm, qualified purchasers or qualified leaseholders may purchase or lease up to 320 acres, or purchase and lease land in any combination up to three hundred and twenty acres: *Provided*, That none of the qualified purchasers or leaseholders are (1) married to each other or (2) under the age of 18: *And provided further*, That each purchaser or leaseholder is a family farmer as defined by this Act, and is farming the land purchased or leased.

(d) An individual purchasing land but not operating the land as a family farmer will be entitled to purchase up to 160 acres of land: *Provided*, That no other dependent of the purchaser has previously purchased land in any project: *And provided further*, That the purchaser permanently resides within 25 miles of the land purchased.

TITLE III—EXCESS LANDS AND IRRIGATION RIGHTS

RIGHTS TO WATER AND TERMINATION OR SUSPENSION OF RIGHTS; MORATORIUM ON SALE OF EXCESS LANDS

SEC. 301. (a) One year after the date of enactment of this Act, no water from any project or division shall be delivered to any lands unless (1) those lands comprise a family farm, or a cooperative family farm, (2) those lands are described in subsection (b) of this section, or (3) those lands are within a project or division which prior to the enactment of this Act had been exempted by statute from the one-hundred-and-sixty-acre limitation. The Secretary, through the Commissioner of Reclamation, shall take appropriate steps to insure that water deliveries to lands not in compliance with the preceding sentence are terminated.

(b) In addition to lands comprising family farms, the following lands shall be entitled to receive or continue to receive water from a project or division:

(1) land currently under recordable contract;

(2) land owned by a former family farmer who has retired from active farming, who had farmed that land as a family farmer for five years or longer before retiring, and who continues to reside on that land;

(3) land owned by a family farmer who otherwise conforms and complies with the provisions of this Act, but who leases that land for not more than two years, of any ten-year period, or in instances approved by the Secretary on the basis of extreme hardship to that family farmer, for more than two years of a ten-year period;

(4) subject to the provisions of subsection (c) of this section, land acquired by foreclosure or other process or procedure in satisfaction of a mortgage or any other legal instrument securing a creditor's rights;

(5) subject to the provisions of subsection (c) of this section, land acquired by inheritance or devise; and

(6) subject to the provisions of subsection (c) of this section, land not under recordable contract purchased prior to the date of enactment of this Act and actually receiving or lawfully entitled to receive water on that date.

(7) land owned in projects or divisions authorized by Congress after the date of enactment of this act, and whose owners have agreed to pay the fully allocated costs of water delivered to them, including an interest charge not less than the rate charged for similar loans by the private sector in the community, as specified in section 402 of this Act.

(c) Lands that receive or are entitled to receive water pursuant to clause (4), (5), or (6) of subsection (b) of this section shall cease to receive or be entitled to receive water from any project or division unless those lands are sold to the Secretary pursuant to section 501 or to a family farmer to be operated as a family farm—

(1) in the case of lands described in clause (4) or clause (5) of subsection (b), three years after the date of acquisition of title to or other possessory rights in those lands by a person or persons not family farmers or for operation otherwise than as a family farm; except where land is inherited by a direct lineal descendant of the purchaser, in which case the person or persons inheriting the land will have ten years in which to come into compliance with the provisions of this subsection:

(2) in the case of lands described in clause (6) of subsection (b), five years after the date of enactment of this Act.

(d)(1) Not less than sixty days prior to terminting deliveries or entitlement to deliveries of water to any lands pursuant to this section, the Secretary shall give notice by personal service or by certified mail to the record owner or owners of those lands, to any person or persons known to have a leasehold or other lawful possessory or security interest therein, and to the head or heads of any household or households of persons known to be resident thereon. The notice shall specify the legal reason or reasons for and the intended date of the termination. Each person having a right to receive such notice shall have a right, within the period after notice and prior to termination, to present to the Secretary or his delegate oral or written argument that those lands are in compliance with this section and that deliveries or entitlement to deliveries of water accordingly should not be terminated.

(2) The Secretary, by regulation, shall establish procedures for the settlement of contested rights to water under this section. Those procedures shall provide for final determination of such rights at the administrative level not later than one year after the issuance of the sixty-day notice of intended termination. While any such contest is pending, lands involved in that contest may receive water for the duration of the growing season during which the intended termination date fell. After that growing season has ended, no deliveries of water shall be made to those lands during the pendency of the contest at the administrative level or in the courts: *Provided*, That if the Secretary shall upon inquiry find and by order declare that, in a particular case, the termination of deliveries of water would cause hardships to the recipients of water that substantially outweigh the benefits to enforcement of the policy and purpose of this Act, the date of suspension of deliveries of water during the pending contest may be deferred for not to exceed two additional growing seasons. Thereafter, no water shall be delivered to those lands until they have been duly found or adjudged to be in compliance with this section.

(e) Not later than three months after the enactment of this Act, the Secretary shall publish proposed regulations for the administration of this section and shall provide for hearings on those proposed regulations during the following six months. There shall be at least one day's public hearing in each region of the Bureau of Reclamation. The Secretary shall also provide for the filing of written comments on the proposed regulations during the six-month period following their publication. The Secretary shall promulgate final regulations, taking into account testimony heard and suggestions received, not prior to six months, not later than one year, after the date of enactment of this Act.

(f) No excess lands in any project or division receiving or eligible to receive federally supplied water shall be sold for a period of one year following the date of enactment of this Act: *Provided*, That, if the Secretary, upon inquiry finds and by order declares that, in a particular case, the moratorium on the right to sell land would cause hardships to the owner or owners of that land which substantially outweigh the benefits of the moratorium to achievement of the policy and purpose of this Act, the moratorium on land sales shall be waived in that case.

DISPOSITION OF EXCESS LANDS

SEC. 302. (a) Land sold as excess shall be sold to buyers selected by the Secretary through a lottery or other impartial means, except as provided in section 302(a). The Secretary shall promulgate regulations for the conduct of the lotteries for that purpose. The regulations shall provide that—

(1) Each prospective actual occupant of the excess land to be sold pursuant to a lottery among prospective qualified purchasers shall be entitled one and only one chance in that lottery if that prospective occupant is a qualified purchaser or a dependent in whose right a qualified purchaser may purchase land pursuant to section 202.

(2) Persons who anticipated unsuccessfully in prior lotteries shall be entitled to separate, earlier chances in each new lottery for a different parcel of land, in accordance with their seniority as lottery participants. Whenever the Secretary is called upon to determine the purchaser of a parcel of excess land by lot under this section, he shall provide first for a lottery in which the chances drawn will be only those of the present qualified purchasers who have participated unsuccessfully in the greatest number of prior lotteries for the purchase of excess land, and only if no persons come forward in that class shall provision be made for a lottery in which the chances drawn will be only those of qualified purchasers who have participated unsuccessfully in the next-greatest number of prior lotteries. The Secretary shall prepare and maintain a roster of participants in lotteries for the purchase of excess land which shall indicate the lotteries in which each person has participated unsuccessfully, for purposes of carrying out this paragraph. Persons on that roster shall be given, at their last known address, direct-mail notice of each lottery until they indicate to the Secretary that they are no longer interested in pur-

chasing excess land or have ceased to be qualified purchasers.

(3) Lottery chances and positions on the roster of unsuccessful participants shall not be transferable in any manner.

(4) Land sold through the lottery may be sold in such parcel sizes as the Secretary determines may be farmed economically for the area and the crops involved; Provided that in making this determination the Secretary will attempt to maximize the number of viable farm units in the area, and further provided that such farm units do not exceed the acreage limitations as set forth in this Act.

(b) Notwithstanding the provisions set forth in 302(a), a seller will have the right to sell his excess land to family members in a direct lineal relationship to him, to his spouse, brothers or sisters, or employees or tenants who have worked or farmed on his land for the previous five years, Provided that any such sales must be consistent with the acreage limitation provisions of this act, and further provided that any buyer be a qualified purchaser, as defined in this act. The seller's right to make such sales will expire at the end of his recordable contract.

(c) The appraisal of excess lands for sale thereof shall be made without reference to any chattel, fixture, or other property which can be liquidated by the seller in a sale unrelated to the sale of the lands, such as tractors, trucks, leasehold rights, securities and other items or materials. In all cases the price for excess land shall be no higher than the price the Secretary determines would result from taking the fair market value of the land at the initiation of actual construction of the project and indexing it by the Consumer Price Index for the period between the initiation of construction and the sale of the land.

(d) Disagreements between the seller and a qualified purchaser of excess lands covered by any recordable contract of sale as to price or any other condition of sale shall be resolved by arbitration. The Secretary shall promulgate regulations, pursuant to section 604, for the conduct of such arbitration.

SPECULATION AND PROFITEERING PROHIBITED

SEC. 303. After the date of enactment of this Act, no owner of land receiving or entitled to receive water from a project or division who purchased that land as excess lands and at a price limited by the Federal reclamation laws shall sell that land at a price greater than that owner's cost for the land, indexed by the Consumer Price Index for the period between that owner's purchase and sale of the land: *Provided*, That, if that owner has actually farmed that land as a family farmer for a period of ten years prior to that sale, the sale price may be at fair market value without reference to the Federal reclamation laws. The Secretary is authorized to approve or disapprove the price of land sold subject to this section and to institute such procedures, by regulations promulgated pursuant to section 604, as may be necessary to assure the settlement of family farmers on excess lands and to prevent speculation and profiteering in land receiving or entitled to receive water from any project or division, including speculation and profiteering by family farmers for a period of ten years.

TITLE IV—REPAYMENT OF PROJECT COSTS

PROJECT COST REPAYMENT PROVISIONS OF CONTRACTS

SEC. 401. (a) Notwithstanding any other provision of law, the Secretary, in the case of water right contracts or amendments to contracts entered into after the date of enactment of this Act, shall be required to stipulate in any such contracts that all rates and assessments to be paid by the contracting entity or the landowners in that entity shall be renegotiated every five years. The repayment capacity studies on which such rates and assessments may be based shall also be conducted every five years.

(b) Notwithstanding any other provision of law, the Secretary, in case of water right contracts or amendments to contracts entered into after the date of enactment of this Act, shall require that repayment for the distribution infrastructure systems shall commence for each section of the system when it begins regularly and permanently to deliver water. No section of the system shall be used to deliver water for more than one year unless repayment for that section has commenced.

402. In all future new contracts negotiated between landowners in a project or division and the Secretary, landowners shall be required to pay the fully allocated cost or irrigation for the project plus interest, as provided below. Payments shall not be reduced by any calculations by the Secretary of the water users' ability to pay.

Landowners may choose to pay interest at a rate equal to the prevailing commercial rates of interest for similar loans in the area, which payment will exempt them from the acreage limitation provisions of this act, or

Landowners may choose to pay one-half the prevailing rate provided they agree, through recordable contract, to abide by the acreage limitations of this Act.

TITLE V—LEASING OF CERTAIN EXCESS LANDS

PURCHASES OF EXCESS LANDS BY THE SECRETARY IN ORDER TO LEASE THOSE LANDS TO FAMILY FARMERS

SEC. 501. (a) (1) During the fiscal year beginning October 1, 1978, and each of the next following four fiscal years, the Secretary, subject to the availability of lands and appropriations, is authorized and directed to utilize all moneys appropriated for that purpose to purchase excess lands, and fixed equipment thereon, for lease to family farmers in accordance with the provisions of this section. The Secretary shall make no such purchases within any fiscal year in excess of the acreage he determines will be necessary to meet the demands of potential qualified leaseholders under this section during that and the next following fiscal year. Such purchases may be made in any size units which the Secretary determines to be necessary to enable the leaseholder thereof to farm such lands as a family farm in accordance with the provisions of this Act: *Provided*, That the ultimate division of such lands shall be consistent with the provisions of this Act concerning ownership.

(2) There is authorized to be appropriated for the fiscal year commencing October 1, 1978, and for each of the next following four fiscal years, the sum of $5,000,000 to carry out the provisions of this subsection.

(b) (1) The Secretary is authorized to lease lands purchased pursuant to subsection (a) of this section to any qualified leaseholder in an amount of acreage which the Secretary determines will be necessary to farm the land as a family farm: *Provided*, That leasehold acreages shall be subject to the same conditions and limitations as those which would apply under section 202 in the case of sales to qualified purchasers.

(2) Each such lease shall contain a requirement that the leasehold will be used as a family farm and the leaseholder will farm the lands as a family farmer.

(c) In determining the amount of rent which a leaseholder shall be required to pay, the Secretary shall require an amount sufficient to enable the Secretary to pay all costs, excluding interest, incurred in the ownership of land and the administration of the program established by this title. The Secretary, in determining the amounts, shall be authorized to adopt variable rental schedules in order to take into account both bountiful and natural-disaster conditions.

(d) Leases under this section shall not exceed, originally or by any extension or extensions, a total term of seven years, and in no case shall any such lease be issued for a term of less than two years. No leaseholder shall sublease lands covered by his or her lease unless approved by the Secretary on the basis of an extreme hardship to that leaseholder.

(e) The Secretary shall be authorized to terminate any lease for any failure to pay rents or other substantial violation thereof by the leaseholder in accordance with such regulations as he shall prescribe.

(f) In accordance with such regulations as the Secretary shall promulgate, a leaseholder shall be authorized, during the term of that lease, to make improvements within a five-acre area approved by the Secretary for that purpose. Upon the termination of that lease, the Secretary shall compensate the leaseholder for such improvements in an amount not to exceed the fair market value thereof.

(g) In those cases where two or more qualified leaseholders make application for lease of the same tract of land, the Secretary shall determine which of those applicants shall be entitled to that lease by lot in the same manner as provided under subsection (b) of section 302 of this Act for choosing among competing offers from qualified purchasers.

(h) In any case in which a qualified leaseholder certifies in a manner satisfactory to the Secretary that he or she does not have the financial resources necessary to operate the lands covered by that lease as a family farm, including nonfixed assets, such as tractors, trucks, and other items or materials, the leaseholder shall be entitled to receive financial assistance in accordance with the provisions of section 601 of this Act.

(i) In any case in which the Secretary determines, on the basis of a qualified leaseholder's use of the lands covered by his or her lease during the term thereof and such other factors as the Secretary, by regulation, shall prescribe, that that leaseholder can successfully manage and operate the lands covered by the lease as a family farm, the Secretary shall, upon application of that leaseholder submitted to the Secretary within six months prior to the expiration of the term of that lease, sell those lands to that leaseholder at the same price the Secretary paid for the land at the time of its acquisition indexed by the Consumer Price Index for the period between acquisition and sale of the land. If the leaseholder certifies in a manner acceptable to the Secretary that he or she does not have and has been unable to obtain adequate financial resources to make the purchase, the leaseholder shall be entitled to receive financial assistance in accordance with section 601 of this Act. All proceeds of those sales shall be placed in a fund to be administered by the Secretary for the purpose of purchasing additional lands for lease under the provisions of this title.

(j) Upon the purchase of land pursuant to subsection (i), the former leaseholder shall be subject to all of the conditions, limitations, and restrictions imposed by the Federal reclamation laws, including in particular title III of this act, on excess lands and qualified purchasers thereof, except that, for purposes of section 303, the former leaseholder may count up to five years of the term of his leasehold as if he had been the owner of that land during that period.

(k) Notwithstanding any other provision of law, a qualified leaseholder shall be entitled to contract for water for lands covered by the lease in the same manner and to the same extent as if that leaseholder were the owner of those lands.

(l) In any action of the Secretary involving the denial or rejection of an application for a lease under this title, the Secretary shall require that the applicant be notified of that action by both oral and written communications. If the applicant believes that the Secretary has wrongfully denied or rejected the application, the applicant shall have thirty days following that denial or rejection within which to file a petition for review of the application and denial. By regulations promulgated pursuant to section 604, the Secretary shall establish procedures for the initial processing, granting, and denial of those applications, and, following rejection, for review thereof by a different authority.

LEASING OF LEMOORE NAVAL AIR STATION LAND TO FAMILY FARMERS

SEC. 502. Within ninety days following the date of enactment of this act, the Secretary of the Navy shall transfer to the Secretary of the Interior administrative jurisdiction over the leasing of all lands owned by the Secretary of the Navy within the Westlands Water District which qualify as excess lands, for purposes of leasing those lands pursuant to this title. The Secretary of the Navy shall, however, be permitted to issue such rules and regulations as he may deem necessary for the operation of the Lemoore Naval Air Station, and the Department of the Navy shall retain title to the land. On and after that transfer, those lands shall be available to the Secretary of the Interior for disposition under this title in the same manner and to the same extent as those lands purchased by the Secretary pursuant to section 501, except that those lands with respect to which the Secretary of the Navy retains title under this section shall not be available for purchase in accordance with subsections (i) and (j) of section 501. Notwithstanding the provisions of section 501(d) of this act, the Secretary of the Interior is authorized, upon the expiration of any such lease, to renew the lease for a further term or terms.

TITLE VI—MISCELLANEOUS

GUARANTEES BY DEPARTMENT OF AGRICULTURE OF LOANS MADE BY PRIVATE LENDERS TO QUALIFIED LEASEHOLDERS

SEC. 601. (a) In order to furnish financial assistance for purposes referred to in subsections (h) and (i) of section 501, the Administrator may, in accordance with the provisions of this section, guarantee loans made by non-Federal lenders to qualified leaseholders for those purposes. No loan guarantee under this section for any such purpose may apply to so much of the principal amount thereof as exceeds 90 per centum of the cost of carrying out any such purpose.

(b) Individuals seeking guarantees of loans under this section shall submit to the Administrator applications, in a form which the Administrator shall prescribe, containing such information and assurances as may be required by the Administrator. The Administrator may approve any such application only if—

(1) there are in the application satisfactory assurances that the applicant will, if the loan is granted, keep those records, and afford such access thereto, and make those reports in the form and containing the information, as the Administrator may reasonably require; and

(2) the Administrator determines, in the case of a loan for which a guarantee is sought, that the terms, conditions, maturity, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable and in accord with regulations, including a determination that the rate of interest does not exceed the per centum per annum on the principal obligation outstanding as the Administrator determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States.

(c) In the case of any such loan guaranteed under this section, the United States shall be entitled to recover from the applicant the amount of any payments made pursuant to any such guarantee, unless the Administrator for good cause waives the right of recovery, and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

(d) Guarantees of loans under this section shall be subject to such further terms and conditions as the Administrator determines to be necessary to assure that the purposes of this section will be achieved, and, to the extent permitted by subsection (e), any of those terms and conditions may be modified by the Administrator to the extent he or she determines such modification to be consistent with the financial interest of the United States.

(e) Any guarantee of a loan pursuant to this section shall be incontestable in the hands of an applicant on whose behalf the guarantee is made, and as to any person who makes or contracts to make a loan to the applicant in reliance thereon, except for fraud or misrepresentation on the part of the applicant or such other person.

(f) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued under this section is authorized to be any amount not in excess of $50 million.

COPIES AND EXPLANATIONS OF THIS ACT TO BE FREELY AVAILABLE

SEC. 602. The Secretary, on request of any individual, shall furnish without cost to that individual a copy of this Act, together with a summary explanation of the provisions thereof written in simple English or in simple Spanish, as the requesting individual desires.

NEGOTIATIONS OF PROJECT CONTRACTS TO BE CONDUCTED IN OPEN SESSIONS FOLLOWING PUBLIC NOTICE

SEC. 603. After the date of enactment of this Act, all contract negotiations involving construction, reconstruction, enlargement, operation, repayment of costs, excess lands, rights to water, or other aspects of any project or division existing under or subject to the Federal reclamation laws, or any combination of those subjects, shall be conducted in public sessions and pursuant to public notice given in a form and manner calculated to provide the widest practical actual notice to interested parties. All parties conducting such negotiations, including but not limited to the Secretary and his delegates, shall share responsibility for implementing the policy of this section, to assure notice to and participation or observation by the public in all negotiations involving contracts, including amendatory and supplemental contracts, affecting projects or divisions.

SECRETARY'S RULES AND REGULATIONS TO BE PUBLISHED

SEC. 604. Beginning not later than one year after the date of enactment of this Act, the Secretary shall take no action pursuant to or in implementation of the Federal reclamation laws, except in accordance with published, formal rules and regulations promulgated by the Secretary. Those rules and regulations shall, in addition to other matters, be explicit in making provision for the disposition of excess lands. All such rules and regulations shall be published in the Federal Register not less than thirty days before becoming effective. All such rules and regulations, including amendments thereto, shall be subject to the provisions of subchapters I and II of chapter 5 of title 5, United States Code.

DEPARTMENT OF AGRICULTURE PROGRAMS FOR FAMILY FARMERS

SEC. 605. In order to facilitate the successful operation of the other titles and purposes of this Act, the Secretary of Agriculture is authorized and directed to make available, to the maximum extent authorized by law, to family farmers in each irrigation district, those benefits provided to farmers and stockmen under programs administered by the Farmers Home Administration, the Agricultural Stabilization and Conservation Service, the Soil Conservation Service, the Federal Crop Insurance Corporation, the extension service, and by such other agencies and offices of the Department of Agriculture as may be appropriate.

AUTHORIZATION OF APPROPRIATIONS

SEC. 606. For the fiscal year beginning October 1, 1977, and each fiscal year thereafter, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

SECTION-BY-SECTION ANALYSIS OF THE RECLAMATION LANDS FAMILY FARM ACT

TITLE I: FINDINGS, PURPOSES, AND DEFINITIONS

Sec. 101. Findings and Purposes: Reclamation law was designed to encourage family farming, but, in many districts, this has not been the case. Large subsidies have gone to investors and large-farm operators, even though there are many would be farmers willing and able to operate smaller scale family farms. The subsidies in Reclamation law are too large and need to be reduced. This law would assure that only family farmers could benefit from Reclamation law and limits the subsidies.

Sec. 102. Definitions

(1) a family farm is defined as no more than 320 acres of class one land or its equivalent in lands of lesser productivity, and which is operated or owned and operated by a family farmer.

(2) a cooperative family farm is a jointly operated farm, no larger than 320 acres per family.

(3) a family farmer owns and operates, or leases and operates a family farm and derives a major portion of his income from the farm. The term does not include those whose participation is primarily limited to management.

(4) a qualified purchaser is a purchaser who certifies that the land he or she purchases will be used as a family farm.

(5) a cooperative family farm is a family farmer who owns and operates or leases and operates a cooperative family farm.

(6) qualified leaseholder is an individual who would be eligible to own land under reclamation law but is unable to do so financially.

(7–13) "dependent", "Secretary", "Federal Reclamation Law", "project", "division", "Administrator" and "class 1 land" are defined.

TITLE II: ACREAGE LIMITATIONS AND EQUIVALENCY

Sec. 201. Equivalency. The Secretary may establish equivalency formulas to compensate for land owned in reclamation projects which is of lesser productive value than class one lands, provided that the growing season for such land is less than 180 days.

Sec. 202. Purchase of Land for Dependents of Qualified Purchaser. Qualified purchasers may purchase and qualified leaseholders may lease 160 acres in their own name and 160 acres in the name of a dependent residing with them. Single individuals without dependents can purchase 320 acres. Cooperative family farms can purchase up to 320 acres per family. Families not farming the land they own are limited to 160 acres and must live within 25 miles of their land.

TITLE III: EXCESS LANDS AND IRRIGATION RIGHTS

Sec. 301. Rights to Water and Termination or Suspension Rights; Moratorium on Sales of Excess lands.

(a). One year after enactment, no water shall be delivered unless the lands receiving the water are family farms or cooperative family farms.

(b). In addition to family farms and cooperative family farms, the following lands may receive water: land under recordable contract, land owned by a former family farmer who farmed the land for five years, land leased by a family farmer for no more than two of ten years, land now operated or acquired by inheritance or devise, provided that the land comes into compliance within 3–10 years, depending on circumstances, and land in future projects owned by landowners agreeing to pay full interest on their repayment obligation.

(c). Elaborates the time frame for certain exceptions in (b).

(d). Termination shall be proceeded by written notice 60 days in advance. Establishes procedures to contest termination of water deliveries, and to extend the period of delivery during such a contest.

(e). Establishes procedure for proposing rules and regulations for this section.

(f). Provides for a one-year moratorium on land sales to allow the regulations to be established.

Sec. 302: Disposition of Excess Lands. (a & b). Landowners selling excess lands will be allowed to sell their land to their children, siblings, spouses or tenants or employees (provided they have served at least five years), provided that they comply with the requirements of this act. Land not sold to these individuals will be sold through a lottery or other impartial means of selection determined by the Secretary, and will be sold in parcels of such a size as to maximize the opportunity to establish family farms in the area. Participants in the lottery must be qualified purchasers.

(c) Appraisals made by the Bureau of Reclamation of excess land to prevent excess profits to landowners shall be made without reference to any chattel, fixture, or other property which can be liquidated in a separate sale. The sale price of excess land shall not exceed the price at the time the land began to receive water indexed by the Consumer Price Index for the period.

(d) Disagreements on price between the buyer and seller will be settled by arbitration.

Sec. 303. Speculation and Profiteering Prohibited. Land purchased as excess may be sold at its market value only after it has been farmed by the purchaser for not less than 10 years. Until such time, it must be sold at its purchase price indexed by the consumer price index for the period.

TITLE IV REPAYMENT OF PROJECT COSTS

Sec. 401. (a) Stipulates that water rates will be renegotiated every five years.

(b) Repayment for water deliveries shall begin as each project portion is completed.

Sec. 402. In all future projects, landowners may choose to pay commercial interest rates on their repayment obligation and not be subject to acreage limitation law, or pay one-half such rates and be subject to acreage limitations.

TITLE V LEASING OF CERTAIN EXCESS LANDS

Sec. 501. (a) The Secretary is authorized to spend $20 million over the next four years to purchase excess lands sold voluntarily to him to be leased according to the provisions of this section.

(b–f) The Secretary will lease the lands so purchased to qualified leaseholders, provided they comply with the acreage limitation provisions of section 202. Rent for such lands will cover all taxes and administrative costs of the land. Leases shall not be extended for more than seven years for any one family. Administrative provisions for leasing are detailed.

(g) Where more than one qualified leaseholder applies for land, the successful applicant shall be chosen by lottery.

(h) Where a qualified leaseholder certifies that he or she does not have the funds to operate the farm, the Secretary may assist the individual as specified in section 601 (financing).

(i) If a qualified leaseholder demonstrates an ability to manage the farm successfully, he or she may buy the farm, with the assistance of loan guarantees from the Secretary. The price of the land shall be the price at the time purchased by the Secretary indexed by the Consumer Price Index.

(j) After purchasing such land, the former leaseholder will be subject to all the requirements applicable to a qualified purchaser.

(k) Qualified leaseholders may contract for water.

(l) Leaseholders denied the right to purchase are entitled to written notification. Procedures for review of the denial are established.

502. Leasing of Lemoore Naval Air Station Land to Family Farmers. Lands owned by the Navy at Lemoore Naval Air Station in the Westlands District shall be leased by the Secretary under the same provisions as in Sec. 501, except that the land may not be purchased, the leases may be renewed, and the Navy will retain all rights to restrict leases in such a way as to assure the safety of the Naval facility.

TITLE VI

601. (a) 90% guarantees of loans under subsections 502 (h) and (i) may be made by the Secretary, provided that such guarantees are for loans that are likely to be repaid. Administrative provisions for such guarantees are clarified.

602. Copies and Explanations of this Act to be Freely Available.

603. Negotiations of Project Contracts to be Conducted in Open Sessions Following Public Notice.

604. Secretary's Rules and Regulations for this Act to Be Published.

605. Department of Agriculture Programs for Family Farmers. Programs for family farmers under the Department of Agriculture will make their benefits available to reclamation farmers on a non-discriminatory basis.

606. Authorization of Appropriations. Authorizes such funds as are necessary.

STATEMENT OF SENATOR GAYLORD NELSON—THE RECLAMATION LANDS FAMILY FARM ACT

Mr. Chairman, members of the Committee, I appreciate the opportunity to appear before you today to testify on S. 1812, the Reclamation Lands Family Farm Act. This hearing marks what I hope will be the culmination of a long effort to restore reclamation law to its original purpose of settling family farmers on the land. I have been involved in this issue since 1964, first as a member of this committee and later as chairman of the Senate Small Business Committee. I have held four hearings on the subject along with Senator Haskell, who as the representative of the Interior Committee co-chaired two hearings on reclamation law with me in 1975 and 1976. Senator Haskell and Senator Abourezk are also sponsors of this bill. I deeply regret that our fourth sponsor, Senator Lee Metcalf, died before he could see this issue resolved. Senator Metcalf was, of course, Chairman of the Public Lands Subcommittee, and had committed himself to chair these hearings today. Senator Metcalf was deeply committed to reform of reclamation law. As a firm believer in the family farmer, he was deeply disturbed by the failure of the reclamation program to achieve its goals in so many areas. He possibly more than any other member of this body, understood the complexities of reclamation law.

This statement is based in substantial part on information accumulated from hearings I conducted in 1964 and 1966 as a member of the Interior Committee and from joint hearings in 1975 in Washington and 1976 in Fresno, California by the Small Business Committee and the Interior Committee. The report on those hearings by the Small Business Committee has just recently been issued.

S. 1812 would update reclamation law by revitalizing its commitment to settling family farmers on the land, by increasing the acreage limitation to an amount consistent with modern farming practices, and by instituting an acreage equivalency formula so that areas with poorer growing conditions would be treated equitably.

These provisions would, I believe, bring reclamation law back to what it was originally meant to be—and what it still should be today. Passed in 1902, the law clearly stated that its purpose was to settle family farmers on the land. Senator Clark of Wyoming, one of the prime movers of the bill, stated that "the purpose of the bill, the effect of the bill honestly administered, would be to make individual homes in small areas, and would most effectively prevent the accumulation of large holdings in the hands of sheep kings or speculators." F. H. Newell, the first Commissioner of Reclamation, stated that "The object of the Reclamation Act is not so much to irrigate land as it is to make homes ... it is not to irrigate the lands which now belong to large corporations or to small ones, it is not to make these men wealthy, but it is to bring about a condition whereby that land shall be put into the hands of the small owner, whereby the man with a family can get enough land to support that family."

The reason for this purpose is clear: it is impossible to justify subsidizing large, wealthy farmers through the provisions of federally supplied water. The government should not favor one class of farmers over everyone else unless there is a compelling policy reason to do so. The reason in this case was that without the subsidy, settling the West with family farmers would be impossible—they lacked the resources to overcome the obstacles to farming there.

To accomplish this purpose, the law limited ownership to 160 acres and required that owners reside on or near their land. Residency was interpreted as within 50 miles and the 160 acre limitation was interpreted to allow 320 acres for a man and his wife. Owners of more than 160 acres were required to sign "recordable contracts" pledging to sell their excess lands to qualified purchasers within 10 years.

Gradually the law was eroded, however, at least in some parts of the West. A 1926 Act amending reclamation law did not mention the residency requirement and the Interior Department interpreted this as a Congressional repeal of the requirement, although the doctrine of repeal by implication has received little favor in the courts. Moreover, Congress, in 1939, specifically repealed the requirement under certain conditions for veterans. Congress would not have later repealed a law if it was already repealed. Moreover, the 160 acre limitation was interpreted to mean 160 acres per person, so that it was possible to put together large groups of owners, most of whom would be non-resident, non-farming investors, who could then lease the land to an operator. In this way, it was possible to have farms of very large size technically comply with the 160 acre limitation. It has been this pattern that has caused most of the abuse of the spirit of reclamation law. It is easy to understand why the group-sale pattern has become common.

Investing in reclamation land was and is very appealing because the sale price of the land is controlled. Naturally, the provision of water vastly enhances the value of the land, since in most cases it would either be unproductive or marginally productive. To prevent people from purchasing the land sold as excess as a speculative investment—speculation in effect financed by the federal government—the law requires that the price of the land be its value at the time of the "proposed construction of the project." In practice, this control has only been weakly exercised, as discussed below, but, even so, the land is typically sold at hundreds of dollars less than its market value. An investor can purchase land at bargain rates, therefore, and lease it at market rates. If he holds the land long enough, the law allows him to then sell it at market value. I think it hardly needs to be said that such a practice is a flagrant violation of the spirit of the law and an embarrassing and expensive ripoff of the taxpayer.

This pattern of investing in land and leasing it to large operators is by far the most common in California, although it appears to occur elsewhere. Its prevalence in California can probably best be explained by the fact that factory farming is more common in California than the rest of the West. When reclamation came to the West, large scale farms were already common, and the law would have had to break up these farms in order for it to have its intended effect. In practice, ownership patterns were changed as land was sold in parcels of 160 acres or less, but, a GAO report concluded, farm operating size underwent much less change, and large scale farming remained very common.

In the rest of the West, however, reclamation projects generally were initiated in areas where there already was an historic pattern of family farming. Since this pattern was caused by economic forces, the law did not effect the size of farming operations in any substantial way. For most farms in reclamation projects in the West, the acreage limitation is not a problem. For some, however, it is. A few of these appear to be factory type farms such as the law was meant to discourage. For most, however, the limitation is simply too small, even though the farms are genuine family farms and would be even if allowed to expand to the acreage desired by their owners. The problem with these farmers generally is that they do not wish to divest ownership of their farm to their wives, children, distant cousins, or some unrelated far off investor. They see the "per person" aspect of the acreage limitation for what it is—a legal sham, a way to get around the law. What they ask for is a reasonable limitation on a per farm basis, one that takes into account variations in soil conditions and growing seasons. This is the goal of S. 1812.

What this history indicates is that reclamation law has, at best, had no effect on the size of farming operations, and consequently has not fostered family farms. At worst, it has served to encourage large-scale farms in parts of the West by providing them with cheap water, while making life very difficult in other parts of the West for genuine family farmers who need more than 160 or 320 acres because of poor soil or short growing seasons, or both.

Many people would ask at this point, however, whether there are in fact small family farmers who would like to buy the land, and, if so, what has prevented them from doing so. The answer to the first question is an unequivocal yes. In our field hearings in Fresno, California, we investigated one reclamation project where the problems enumerated here were particularly severe. Literally hundreds of family farmers and their children came to the hearings. When asked if there were people in the audience who wanted to buy the land, and had the knowhow and capital to do so, hundreds of people stood. One real estate broker alone represented 500 clients, with financing and agricultural ability, who wanted to buy the land but had been unable to do so.

What prevented these people from buying the land that they wanted to buy it in small parcels—160, 320 acres, etc Those selling the land, however, did not want to sell it that way. The sale price of their land was controlled but, as the GAO has pointed out, by insisting on selling the land in large contiguous parcels, the seller could insist on the sale of equipment and other items (an airstrip and a lease agreement in one case, for instance) as part of the sale. These items could be priced at a much higher level than their real worth, thus inflating the value of the land above its proper price. The committee I chaired received substantial and clear evidence of the frequency of this practice. The small farmer is shut out, even though many indicated to the committee that they were willing and able to pay the full price for the land.

The pattern described here can be documented by Bureau of Reclamation figures I have sought for a year and a half. At the hearings in Fresno I asked the Bureau if they knew how many farmers in reclamation projects were family farmers, by some definition of their choosing. There is no more telling indication on the failure of reclamation law than the fact that the Bureau had no idea at all, and that even when specifically asked to provide the information, they ignored the request. The very purpose of the program was to settle family farmers on the land, but the Bureau had no idea whether the program was achieving this or not.

Finally, I have received some figures, however. This information, duplicated in the table printed below, tabulates the percentage of owners who are resident and the average operating size of family farms in reclamation projects selected for their representativeness of the program.

IMPACT OF RULES AND REGULATIONS—ACREAGE LIMITATION SUMMARY OF DATA FOR SELECTED RECLAMATION PROJECTS, OCTOBER 1977

		Ownerships					Farm operations	
Region	District and type of ownership	Number	Acres [1]	Average size (acres)	Residents [2]	Percent	Operators [3]	Average size operation (acres)
PN	Quincy Columbia Basin:							
	Single	515	50,979	99	331	64		
	Joint	1,262	171,925	136	1,000	79		
	Multiple	249	38,789	156	62	25		
	Total	2,026	261,693	129	1,393	69		
	A & B Irrigation District:							
	Single	2	373	187	2	100	2	
	Joint	534	74,124	139	501	94	447	
	Multiple	18	2,299	128	11	61	10	
	Total	554	76,796	139	514	93	459	167
MP	West Water District:							
	Single	945	347,864	368	425	45	86	
	Joint	312	71,235	228	140	45	78	
	Multiple	(1,859)565	155,901	276	75	13	35	
	Total	1,822	575,000	316	640	35	199	2,889
	Panoche Water District:							
	Single	36	13,611	378	20	56	20	
	Joint	25	3,402	136	18	72	18	
	Multiple	(117)36	20,844	579	7	20	7	
	Total	97	47,857	493	45	46	45	1,064
	San Luis Water District:							
	Single	113	18,193	161	18	16	18	
	Joint	72	10,222	142	29	40	29	
	Multiple	(341)103	24,495	238	40	39	26	
		288	52,910	184	87	30	73	724
LC	Yuma Irrigation District:							
	Single	17	828	49	16	94	16	
	Joint	56	2,872	51	55	98	42	
	Multiple	104	7,193	69	93	90	75	
	Total	177	10,893	169	164	93	133	

Footnotes at end of table.

IMPACT OF RULES AND REGULATIONS—ACREAGE LIMITATION SUMMARY OF DATA FOR SELECTED RECLAMATION PROJECTS, OCTOBER 1977—Continued

			Ownerships				Farm operations	
Region	District and type of ownership	Number	Acres [1]	Average size (acres)	Residents [2]	Percent	Operators [3]	Average size operation (acres)
LC—Continued								
	Yuma-Mesa IDD:							
	Single	190	5,648	30	103	54	66	
	Joint	1,487	4,464	3	1,416	95	71	
	Multiple	249	10,948	44	134	54	134	
	Total	1,926	21,060		1,653	86	271	78
	Reservation division:							
	Single	55	1,761	32	48	82	34	
	Joint	144	4,363	30	100	70	77	
	Multiple	23	8,392	365	22	96	13	
	Total	222	14,516	65	170	77	124	117
UC	Hammond:							
	Single	42	668	16	30	72	31	
	Joint	160	2,668	17	155	97	155	
	Multiple	5	550	110	2	40	2	
	Total	207	3,886	19	187	90	188	21
	Emery County:							
	Single	9	673	75	8	89	5	
	Joint	249	1,310	5	234	94	232	
	Multiple	5	401	80	1	20	1	
	Total	263	2,384	9	243	92	238	
	Smith Fork:							
	Single	18	970	54	15	83	12	
	Joint	90	6,620	74	84	93	81	
	Multiple	11	1,738	158	10	91	10	
	Total	119	9,328	78	109	92	103	91
SW	W. C. Austin:							
	Single	129	9,562	74	92	71	9	
	Joint	248	29,426	119	197	80	97	
	Multiple	60	8,614	144	14	23	8	
	Total	437	47,602	109	303	69	114	418
	Fort Sumner:							
	Single	43	982	23	35	81	26	
	Joint	250	4,805	19	217	87	173	
	Multiple	16	713	45	9	60	10	
	Total	309	6,500	21	261	85	209	31
	Tucumcari:							
	Single	68	5,426	80	49	72	31	
	Joint	358	28,407	79	282	79	290	
	Multiple	63	7,553	120	29	46	28	
	Total	489	41,386	85	360	74	349	119
UM	Heart Mountain I.D.:							
	Single	135	5,814	43	125	93	111	
	Joint	129	21,562	167	119	92	90	
	Multiple	11	944	86	3	27	3	
	Total	275	28,320	103	247	90	204	139
	Malta I.D.:							
	Single	136	15,530	114	131	96	116	
	Joint	92	11,403	124	91	99	89	
	Multiple	19	5,088	268	17	90	17	
	Total	247	32,021	506	239	97	212	151
LM	H & RW I.D.:							
	Single	58	5,601	97	46	79	15	
	Joint	30	3,938	131	25	83	18	
	Multiple	9	1,451	161	6	67	6	
	Total	97	10,990	113	77	79	39	282
	Gering-Fort Laramie I.D.:							
	Single	194	26,303	136	173	89	86	
	Joint	129	17,237	134	124	96	80	
	Multiple	72	11,305	157	56	78	23	
	Total	395	54,845	139	353	89	189	290

[1] Includes all irrigable land for service in district, including excess land.

[2] Residency based on owners of record living within 50 mi of land.

[3] Operators based on district water billing records and general knowledge of district and Bureau field personnel of farming operations.

The table presents a striking pattern. In the three California projects listed, average farm operating size is 724, 1,064 and 2,889 acres. 30, 46, and 35% of the owners are resident. Outside California, however, average farm sizes are much smaller—the largest being 418 acres in a Texas district, while the "typical" average is around 200 acres. Moreover, in almost every district, over 85% of the owners are resident, and the smallest percentage is still 65%. In many districts almost all the owners are resident (live within 50 miles).

This data, of course, is subject to all the problems of "average" figures, but the difference between California and everywhere else cannot be explained away. Clearly, reclamation law has failed to establish family farming where family farming did not previously predominate.

The data are interesting for the light they shed on the history of the program, but they are relevant also to the question most pressingly at hand today: what should the acreage limitation be for modern farming?

Before we can answer that question, however, we must first address whether there should be any acreage limitation at all. There are those who would argue that we have no right to constrain farmers from reaching their highest level of productivity.

There are a number of important responses to this. The most essential is that we are not limiting the amount of land anyone can own, we are limiting his right to receive federally subsidized water. Irrigators repay only a portion of projects costs in almost every case, and even then, have at least a ten year grace period in which they repay nothing.

and then repay costs over 40 years with no interest. We all would like to have a mortgage such as that. The Water Resources Council has computed the average federal subsidy to irrigation projects at 82%—compared to 36% for municipal and industrial water. It is true that the dollars invested return a number of benefits, but those dollars could have been spent to give other deserving people benefits, or to reduce our taxes and keep the money flowing in the economy.

This subsidy is immense—it averages $1,000–2,000 an acre (present value over the life of the project). Without an acreage limitation, this means a 1,000 acre farm would receive a subsidy with a present value for the life of the project of $1,000,000 to $2,000,000. A 5,000 acre farm—by no means uncommon in California—would receive a subsidy of $5–10 million. We surely do not want to limit a farmer to an acreage on which he cannot make a living, but we do not want to allow the subsidy to go to a farmer farming more than he needs to make a good living either.

We also do not want to limit productivity, but study after study has shown that the optimally sized unit is that run by a family with little or no hired labor. While the size of such a unit varies by crop, there are many crops for which very small acreages are more than adequate to reach the optimal size, and almost no crops for which farms of several hundred acres are needed. Finally, the concept of maximum efficiency does not distinguish between levels of efficiency. It may be that for a certain crop, 1,000 acres is the optimal size, but 320 acres is only slightly less efficient. Moreover, for many crops, there are diseconomies of scale, although federal tax policies and the natural desire to increase profits may push farm size beyond its most efficient size. In other words, a reasonable acreage limitation does not effect productivity.

Even if the above two arguments were not so telling, however, we should take advantage of an opportunity presented here to do more than pay lip service to encourage family farming. Regardless of any arguments about efficiency, family farms make enormous contributions to their communities and to our social system—contributions factory farms could never make.

The need for a limitation, therefore, seems clear. What should the number be? We can quote from agricultural experts who will come down on all sides of the issue. I think that the most weight should be given to the report of the Department of Agriculture, however. They did a detailed study of farming in reclamation projects and concluded that 320 acres were adequate to provide a good living, even at today's low prices. Average net returns varied from $14,000 to $125,000 per year. Much of this came in the form of subsidy in the form of cheap federal water. For the Westlands District in California, for instance, the annual subsidy amounted to an incredible $76,000 per year for a 640 acre farm. Secretary Bergland, in commenting on the report, said that the Interior Department's proposed regulations were much too weak, that especially in these difficult times for farmers such an enormous subsidy to a few large farmers was completely unjustified.

The report also stated that small farms were only slightly less efficient (10% or less) than large farms.

The report recommended a project by project limitation. This would be very cumbersome administratively, however. My bill would handle the problem of equity between different projects by establishing an equivalency formula.

Perhaps of greater significance than these studies, however, is what experience shows. I previously cited information that the average farm outside of California in reclamation projects is about 200 acres. The Agriculture Department's census of farming presents data for the West for all irrigated farms. This data is summarized in the table below:

NET RETURN TO OPERATORS IN SELECTED RECLAMATION PROJECTS [1]

[In thousands]

Project	160 acres	240 acres	320 acres	480 acres	640 acres
Quincy Irrigation District	[2] $9.1–$16.9	[2] $18.5–$36.9	[2] $23.4		
Hammond project (New Mexico)	[3] 11.2				
W. C. Austin (Texas)	[4] 7.6		[4] 15.7		[4] 31.4
Tucumcari (New Mexico)	[4] 4.1	9.9	18.0		
San Luis (California)	[5] 2–13.0		[5] 8–37.0		
Imperial Valley (California)			[6] 10.5–28.1		
Heart Mountain (Wyoming)	[7] 3.6–14.3		[7] 9.2–30.5	[7] $16.4–$48.4	[7] 25.4–68.1
Milk River (Montana)	[7] —.4–3.8		[7] —.3–8.2	[7] .4–13.1	[7] 1.4–18.4

[1] Figures are taken from material requested from the Bureau of Reclama'ion. The projects are included for their representativeness of Bureau projects generally. The amounts in the columns represent net returns to operators after all expenses have been paid, and do not include any "return" for the accumulation of equity in the farm property. A variety of assumptions are made in computing the figures, which are explained below. Generally, farm prices are for 1975–76. The Bureau calculates these figures to determine ability to repay project costs. The figures are generally thought to be conservative and may understate actual returns.

[2] Lower figures represent lower land classifications.

[3] This figure applies to 180 acres.

[4] Assumes a farm size of 160 acreas and multiplies for larger amounts.

[5] Range varies with crops and total indebtedness, using average prices for 1975–77.

[6] Uses 1974–76 prices and average indebtedness; range depends on crops. Using a 10-yr average would lower the range.

[7] Low figures are for farmers with 75 percent debt load; high figures for those with no debt load.

AVERAGE ACREAGES OF ALL IRRIGATED FARMS WITH SALES OF OVER $2,500 PER YEAR FOR THE 17 WESTERN STATES

State	Average	Percent over 1,000 acres	Percent over 500	Percent over 200 acres	State	Average	Percent over 1,000 acres	Percent over 500	Percent over 200 acres
Arizona	372.0	8.9	20.9	37.8	Oklahoma	159.7	2.0	4.4	19.2
California	199.2	3.8	8.5	18.6	Oregon	171.6	2.4	6.6	20.1
Colorado	226.3	2.6	10.0	34.7	South Dakota	145.1	.3	3.5	23.8
Idaho	190.9	.2	.7	24.9	Texas	329.6	6.4	20.8	47.8
Kansas	305.6	6.2	18.5	43.6	Utah	123.2	1.0	3.1	17.3
Montana	228.2	2.9	9.1	34.8	Washington	119.1	1.1	4.1	15.5
Nebraska	197.1	1.0	6.3	33.8	Wyoming	340.1	5.8	16.0	46.8
Nevada	508.9	10.9	23.4	48.9					
New Mexico	204.0	2.9	10.0	29.6	Range	119.1–508.9	0.3–10.9	3.1–23.4	15.5–48.9
North Dakota	142.3	.6	4.3	22.7	Median value of State figures	204.0	2.9	9.1	29.6

Source: U.S. Census of Agriculture, 1974, table 12.

Explanation: The numbers above represent total irrigated acres on a farm. In this sense, they are precisely comparable to the situation the acreage limitation concerns, since the limitation also applies to the number of acres irrigated.

The average farm ranges from 119 to 508 acres. The median size farm for the states is 204 acres. The state median for farms with over 500 acres is 9.1 percent. The median state percentage of farms with less than 200 acres is 60.4. In other words, no matter how the data are manipulated, the vast majority of farms have less than 500 acres, and the clear majority have less than 200. Most people, whatever experts might say, are making it on fairly small acreages.

For all these reasons, we have proposed an acreage limitation of 320 acres of class one land or its equivalent in lands of lesser productivity. We believe that all the data show that this is a more than adequate figure for a family. We believe that the burden of proof clearly rests with those who would propose a larger figure. So far, only one other measure has been discussed, and this would limit farm size to 1,280 acres. Frankly, that is no limit at all, since under 3 percent of the farms in the West exceed even 1,000, let alone 1,280 acres. Remember, 1,280 acres would receive a federal subsidy of between $1.3 and $2.5 million dollars per farm when calculated on a present value basis for the life of the project. The 1,280 figure, moreover, is for class one land—poorer land would be entitled to even larger limits, so that outside California we are talking about 1,500–2,000 acres or more. Instead of rewriting the law so that it effects no one, we should simply be honest and repeal it, if this is our intention. The tables below shows the actual effect of the acreage equivalency provision according to different limitations, and actual farm incomes in selected projects:

ACTUAL IMPACT OF ACREAGE LIMITATION WHEN EQUIVALENCY FACTORS ARE CONSIDERED [1]

Project	Actual acreage limitation: Class 1 limitation is: 320	640	960	1,280
Pacific Northwest:				
South Columbia, Wash	482	964	1,446	1,982
East Columbia, Wash	433	866	1,296	1,732
Quincy, Wash	452	916	1,374	1,832
Crooked River, Oreg	478	956	1,434	1,912
Deschutes, Oreg	436	872	1,308	1,744
Mann Creek, Idaho	446	892	1,338	1,784
Michaud Flats, Idaho	541	1,082	1,623	2,164
Rogue River, Oreg	382	764	1,146	1,528
Pacific Northwest total	456	913	1,368	1,832

ACTUAL IMPACT OF ACREAGE LIMITATION WHEN EQUIVALENCY FACTORS ARE CONSIDERED [1]—Continued

Project	Actual acreage limitation: Class 1 limitation is:			
	320	640	960	1,280
Upper Colorado:				
Collbarn, Colo	420	840	1,260	1,680
Eden, Wyo	473	946	1,419	1,892
Weber Basin, Utah	507	1,014	1,521	2,028
Total, Upper Colorado	467	933	1,400	1,867
Upper Missouri:				
Belle Fourche, S. Dak	576	1,152	1,728	2,304
Lower Yellowstone, Mont., N. Dak	433	866	1,299	1,732
Milk River, Mont	666	1,332	1,998	2,664
Deaver, Mont., Wyo	574	1,148	1,722	2,296
Shoshone, Mont., Wyo	467	934	1,401	1,868
Heart Mountain, N. Dak	481	962	1,443	1,924
Willwood, Mont., Wyo	409	818	1,227	1,636
Hanover Bluff, Mont., Wyo	494	988	1,482	1,976
Helena Valley, Wyo	505	1,010	1,515	2,020
Total, Upper Missouri	512	912	1,535	2,046
Lower Missouri:				
Sandhills, Nebr	437	874	1,311	1,748
Kanaska, Kansas-Nebraska	396	792	1,188	1,584
Bostwick, Kans., Nebr	407	814	1,221	1,628
Cedar Bluff, Kans	421	842	1,263	1,684
Frenchman, Nebr	361	722	1,083	1,444
Middle Loup, Nebr	435	870	1,305	1,740
Total, Lower Missouri	410	819	1,229	1,638

[1] Figures are based on equivalency ratios of 0.8 foı class 2, 0.6 for class 3 and 0.4 class 4. These averages were presented by the Bureau of Reclamation to hearings before the House Interior Committee in 1976.

It is also important to restrict the subsidy only to those who farm the land. This bill does allow leasing under certain conditions, because we realize that some people can only start farming by leasing. Therefore, we allow people to buy land and lease it, provided that they own no more than 160 acres and that they reside on or near the land. We do insist, however, that those receiving water actually farm the land. The reason for this is that establishing family farmers is the purpose of the law. Without this requirement the law is meaningless.

Creating a per farm limitation could create problems for people who want to farm together, such as two brothers, or a father and his grown son. We have very carefully drafted amendments to our original bill, therefore, which would make our intention clear that every family is entitled to 320 acres, and if two families farm together, they will have 640; three 960, etc.

We do not insist that purchasers of the land be chosen by a lottery, unless the seller does not want to make a choice of purchasers. We provide for a three to five year transition period for people to come into compliance with the law, or to sell their land.

We also propose a reform of the way in which land sale prices of excess lands are controlled. The GAO has soundly criticized current Bureau procedures as inadequate and unable to determine what the price of the land should be. Current procedures, in particular, allow for sales to be contingent upon the purchase of equipment, lease rights, or other items. The sale price for these items is not regulated. This allows the seller to recapture some substantial portion on the difference between the controlled price of the land and its market value. The law states that the price of the land shall be its value at the time of the "proposed construction for the project." The benefits of federally subsidized water are not to be included in the sale price, for reasons that are obvious. We simply propose, therefore, that the sale price for excess land be the price prior to the proposed construction of the project, indexed by the consumer price index for the period. The landowner selling his excess land will have had, in the meantime, ten years of cheap water.

We also deal with the problem of land speculation. Currently, it is conceivable that someone could purchase excess land at the controlled price and then turn around and sell it at market value. This would of course, violate the spirit of the law and enrich a few people at public expense. Instead, we propose that no one could sell land purchased as excess except at a controlled price unless and until he has farmed it for ten years.

Finally, this bill would establish a small program to provide those who cannot purchase reclamation land the opportunity to do so. We would create a $25 million dollar fund, to be spent initially at $5 million per year, for the Secretary of the Interior to purchase excess land and lease it for two to seven years, at a low interest rate, to qualified family farmers. The leasee would then have the option to purchase the land at its controlled price. That money would revert back to the fund for the purchase of additional land. The Farmers Home Administration would be authorized to make low-interest loans to those seeking to purchase the land.

These are the basic provisions of S. 1812. We believe that it is comprehensive reform of reclamation law, one that is fair to the family farmer and the taxpayer. We believe it restores the original and still valid purpose of the law.

The 1902 Reclamation Act is an old law, but its principles are more valid today than ever. If Congress fails to act to revitalize this law and make it really work to encourage family farming then, frankly, our pious statements about the family farm will have been revealed as meaningless talk. I believe that this government and this Congress do believe in the family farm and I urge that this bill be favorably reported.●

By Mr. CRANSTON (for himself, Mr. HEINZ, and Mr. LUGAR) (by request):

S. 719. A bill to clarify the treatment of banks and other depository institutions under State and local revenue laws; to the Committee on Banking, Housing, and Urban Affairs.

INTERSTATE TAXATION OF DEPOSITORIES ACT OF 1979

● Mr. CRANSTON. Mr. President, in the 95th Congress, Senator MCINTYRE introduced S. 1900, the Interstate Taxation of Depositories Act at the request of the American Bankers Association, the United States and National Savings and Loan League and the Mutual Savings Bankers with the understanding that this bill represented the suggested unified approach of the financial institutions industry to the question of interstate taxation. Hearings were held November 1977 and no further action was taken on this measure.

Congress, the Federal Reserve Board, depository institutions, and a number of States have expressed concern that in the absence of uniform Federal rules, the multistate taxation of the interstate activities of depositories will produce serious disruptions in credit flows, reduce the efficiency of the banking system, and will produce adverse revenue impacts for a number of States.

Since 1971, the Congress has imposed successive moratoria on the authority of the State to impose doing business taxes on out-of-State financial depositories. These moratoria had been enacted in order to provide adequate time for the making of several studies of this complex issue and time for Congress to enact uniform Federal guidelines governing the interstate taxation of depositories. The most recent moratorium expired on September 12, 1976, without the Congress having resolved this issue. I am reintroducing the previous bill by request so that we may take up this issue in the 96th Congress.

Mr. President, I ask unanimous consent that a summary of the bill and the section-by-section explanation of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY

The jurisdictional standard of ITDA provides that a state (or a local subdivision) may tax an out-of-state depository only if that depository has a business location within the state (or local subdivision). In summary, a business location of a depository is defined as:

(1) an office in the state;

(2) the ownership of tangible personal property leased to others for use in the state;

(3) the performance of certain activities in the state by employees regularly present in the state; or

(4) the ownership of EFT facilities in the state.

The jurisdictional standard recognizes the Federal and state statutory and regulatory limitations on interstate branching and other depository activities in non-domiciliary states. Yet, it allows non-domiciliary states to tax depositories which have established business locations within their borders. Similar to P.L. 86-272, which governs the taxation of non-depositories, it exempts minor, incidental, or occasional activities (such as the solicitation of loans) which would produce minimal state revenues, but would impose heavy bookkeeping and compliance burdens, particularly on small- and medium-sized depositories. ITDA does not allow for discrimination as between Federally and state-chartered depositories.

ITDA does not require substantial changes in existing methods of taxation which the individual states now apply to their depositories. ITDA does not restrict the type of doing-business tax (net income, gross receipts, or capital stock) which a state may impose on out-of-state depositories or the rates of tax which may be applied to depositories. ITDA also allows each state to define the tax base under its chosen method of doing-business tax, subject to certain exclusions to avoid double taxation, i.e., it excludes dividends from an investments in affiliated corporations and foreign branch income which already has been heavily taxed by foreign jurisdictions.

ITDA provides division of tax base rules, which the Federal Reserve Board in its study of the taxation of depositories in 1972 recognized as being necessary to avoid overtaxation of the depository state tax base and to promote uniformity. ITDA allows any state, which has jurisdiction to tax an out-of-state depository, to adopt its own apportionment formula or other division of base rules, subject to the maximum determined by the optional apportionment formula. The two-factor apportionary formula of ITDA based on payroll and receipts reflects the particular nature of the financial business conducted by depositories.

In summary, ITDA provides a comprehenhive approach to a very complex issue. It clearly defines those activities which establish state authority to tax an out-of-state depository and provides equitable rules for determining the maximum amout of the depository tax base which may be assigned to a state. Within these limits, ITDA strives to preserve the fiscal autonomy of the states to continue existing methods of taxing depositories and to extend these rules to out-of-state institutions. By removing the uncertainties that depositories would face under the current diverse state systems of taxing depositories, ITDA minimizes the impact of tax considerations on the interstate flow of credit, which has been a long-time concern of the Federal Reserve Board and Congress.

TECHNICAL EXPLANATION OF THE INTERSTATE TAXATION OF DEPOSITORIES ACT OF 1979

General.—The Interstate Taxation of Depositories Act (ITDA) embodies concepts which are similar to those contained in various bills governing the interstate taxation of *non*-depository businesses which have been introduced in Congress. This approach provides parallel interstate tax treatment, where possible, between depositories and non-depositories. ITDA adopts specific provisions which differ from other interstate taxation bills in order to reflect the particular problems and operations of the depository industry.

Section 101.—Uniform jurisdictional standard. The Act adopts the business location standard for jurisdiction provided in the other interstate taxation bills. It is the intent of this provision that no state may tax a depository unless there is a business location in the state, and that no political subdivision may tax a depository unless there is a business location in the political subdivision. In other words, a depository must have a business location within a political subdivision before it is subject to a local doing business tax even though it may have a business location elsewhere in the state. The definition of business location is contained in Section 304.

Section 201.—Optional two-factor formula. (a) The formula is optional, which means a state may apply its own apportionment formula or other division of base rule to divide the applicable state tax base of any depository taxable (but not necessarily taxed) in two or more states. However, in order to prevent over-apportionment, the formula establishes the maximum percentage of that base which may be taxed by a state having jurisdiction—that is, the sum of the percentages in all states may not exceed 100 percent of a depository's tax base. The formula applies to the measure of doing business tax (whether net income, gross receipts, or capital) selected by the state.

A two-factor formula based on the location of payroll and receipts is used. A property factor, commonly provided in the three-factor formula used by the states to apportion the income of non-depositories, is not included. Tangible property is not as significant to financial institutions which conduct more of a service-type business, and the location of depository premises and equipment tends to be duplicative of the location of payroll. The location of intangible personal property, dependent upon the rules adopted, would be duplicative of the location of receipts or payroll, and would tend to double such factors. Moreover, problems arise as to non-income producing intangibles such as cash, reserves, balances with other banks, and collection items. Under the two-factor formula, equal weight is given to the sales or receipts factor (the marketing function) and the payroll factor, which recognizes the contribution of the deposit-gathering, lending and servicing functions, to the production of depository income or capital.

In recognition of the existing fiscal policies of the several states, no definition of tax base is provided (except that income from foreign branch operations and subsidiary dividends or investments are excluded to avoid double taxation). All income is basically treated as apportionable business income (that is, it is assigned by the formula, rather than specifically assigned to a single state) because the lending and investment activities are integral parts of the depository business.

(b) Taxable in More Than One State. In subsection (b) the concept of "taxable in more than one state" is introduced to clearly establish when the formula is applicable to a depository. The phrase "taxable in a state" prevents those states which have jurisdiction to tax a depository from claiming the portion of the tax base attributable to any state which has jurisdiction to tax but does not do so because it adopts a higher jurisdictional standard or refrains from taxing out-of-state depositories to implement state policy of encouraging credit flows into that state.

(c) Combined Reporting. The rule is intended to allow the states to continue their existing combined reporting practices. Generally, states in which the principal office of a depository is located may require the combination of the depository with other members of an affiliated group including non-depositories. Existing practices as to non-depository corporations are not changed by the Act. The prohibition upon the states as to combining out-of-state depositories with nondepository affiliates, non-U.S. corporations, and corporations which derive more than 90 percent of their income from sources outside the U.S. Similar rules on combined reporting of such corporations are contained in other interstate taxation bills being considered by Congress. Without these limitations on combined reporting, overtaxation may result due to distinct and often non-uniform methods of taxing depositories and other corporations in the various states and countries. The ITDA rule does not deprive the states of any existing authority as to non-domiciliary depositories and allows the states to continue their current policies on combination as to other members of an affiliated group. This approach also parallels the other interstate taxation bills which do not allow combination with "excluded corporations," a term which includes financial and non-U.S. corporations.

Section 202—The Payroll Factor. The payroll factor follows the other interstate bills and locates compensation in accordance with the Model Unemployment Compensation Act which simplifies recordkeeping and assigns employees to a single state. These rules are set forth in Section 306. Payroll in states in which a depository is not taxable is assigned to the principal office state so that the total of the numerators equals the denominator, thereby avoiding the tax base being assigned to a state which lacks jurisdiction to tax the depository.

Section 203(b)—Receipts Factor. Under the receipts factor, interest from loans secured by real property is assigned to the state where such property is located. Interest from other loans is assigned to the state in which the loan was originated. As defined in Sec. 316, a loan is originated in the state if the loan application is made at an office or received by an employee authorized to approve the application. Loans attributable to a state in which a depository is not taxable are "thrown back" or "recaptured" by the principal office state which prevents the assignment of the receipts to the numerator of a state in which a depository is not taxable.

Section 203(c)—Other Receipts. Service income is assigned to the state where the service is substantially performed. This avoids the difficulty of apportioning service income among several states. Rentals from tangible property, whether real or personal, are assigned to the state where the property is located. The property location rules in Section 305 apply. Because investment activities of depositories are significant, interest, dividends, and gains from securities and money market instruments are included in the receipts factor and are assigned to the state where the trading activities are conducted. Other receipts, such as sales of tangible property, are excluded from the numerator and denominator because they are outside of the normal trade or business of the depository, or they may distort the receipts factor, or they are incidental and minor.

Section 204—Local Taxes. The apportionment formula will apply to a depository having a business location in more than one political subdivision, thereby allowing the political subdivision to tax the portion of the depository's tax base attributable to its business location under the same rules. The rule for local taxes will prevent overtaxation at local levels by assuring that the sum of the apportionment percentages for all political subdivisions does not exceed 100 percent.

Section 205(a)—Exclusions From Net Income and Gross Receipts. Foreign branch income is excluded from net income and gross receipts to avoid making this income (which is subject to foreign tax at national, state, provincial, canton or local levels) also subject to tax by states and localities of the United States. The formula would not properly avoid such double taxation, because it would not properly recognize differences in exchange controls, currency fluctuations and foreign banking regulations that affect the methods of operation in foreign countries. The inclusion of foreign factors would distort the formula and would not truly reflect the income from domestic operations. Dividends received from affiliates, which were already taxed at the state and local level on the income from which the dividend is paid, are also excluded to avoid double taxation. Similarly, in Section 205(b), investments in affiliates are eliminated from a capital stock tax base.

Section 301—Doing Business Taxes. The phrase "doing business tax" is defined to include those taxes which are construed to be within the purview of Public Law 93-100. Under a recent Supreme Court decision, there are no longer any limitations upon the power of the states to impose on interstate businesses franchise taxes measured by income. Therefore, a state may impose a franchise tax measured by income on an out-of-state depository which maintains a businss location in the state. Therefore, interest from Federal obligations may be included in the tax base without amendment to the Public Debt statute.

Section 303—States. Unlike P.L. 93-100, the bill is limited only to the states of the United States and the District of Columbia. It was considered to be unwise to treat territories and possessions as "states" which is inconsistent with their special treatment under the Internal Revenue Code. Furthermore, application of the Act to territories and possessions may affect their revenues provided by taxes imposed under existing organic Acts adopted by Congress.

Section 304—Business Location. A "business location" is defined as the maintenance of an office location, the regular presence of employees, and the ownership and use of an EFTS facility. Under ITDA, a business location also includes the leasing of tangible personal property for use in the state, but leasing does not extend jurisdiction to tax income derived from unrelated lending or investment activities unless the depository otherwise maintains a business location therein.

The Act also enumerates a number of activities which in themselves do not constitute a business location in the state, and thus do not subject a depository to the state's taxing jurisdiction. Section 306(b) clarifies that a depository is not considered to have employees regularly present in the state where the employees' only activities are the solicitation of loans or those necessary to perfect a lien or enforce a loan. The performance of these activities, which are merely incidental to loans that are approved, funded and serviced outside the state, are accorded the same protection provided for the solicitation of sales by non-depositories in P.L. 86-272. Similarly, under Section 304(b) a depository will not be subject to a state's jurisdiction because of such activities performed on its behalf by independent contractors which have a business location within the state, or because of correspondent relationships or loan participations with depositories located in the state. ITDA also excludes jurisdiction based on the ownership of EFTS facilities in the state by independent contractors or based on the ownership of real property acquired through foreclosure. Basing jurisdiction on the acquisition of real property through foreclosure would deter interstate mortgage loans, particularly those acquired through secondary markets.

Section 305—Location of Property. A presumption of location is provided for moving property leased to others to avoid a depository being subject to jurisdiction to tax in a multiplicity of states and political subdivisions merely because of the temporary presence of the leased property. This rule also assigns the rental receipts from movable property.

Section 306—Location of Employee. The rules for determining the location of an employee are adopted from the other non-depository interstate taxation bills. As noted above, mere solicitation (of loans, deposits or services) by a depository employee does not constitute a business location within a state where the loans are approved and serviced outside the state, the deposits are made at an office outside the state or the services are performed outside the state. The other excepted activities of an employee allow minimal contact to perfect, hold or enforce a loan. The last sentence of Section 306(a) clarifies that the employee's activities are not "excepted" if the employer has a business location in the state.

Section 351—Prohibition Against Discrimination. This prohibition is not intended to require that uniform taxation be imposed upon banks and thrift institutions. The language of this provision protects out-of-state depositories, whether national or state-chartered, from being taxed at higher rates than similar domiciliary institutions. Therefore, the power to tax will not be used to impede the interstate flow of credit.

Section 352—Applicability of the Act. Existing provisions of Federal law requiring non-discrimination as to state and Federally chartered institutions are ratified. The second paragraph clarifies that the states in order to attract out-of-state loans, or for other reasons, may elect not to extend their jurisdiction to the fullest or may elect not to apportion income or capital to the extent allowable by the Act. As noted above, the reference to "taxable" in Section 201(c) prevents other states from recapturing this income or capital.

● Mr. HEINZ. Mr. President, I would like to address the serious problem of interstate taxation of financial institutions, a matter which carries great economic impact in a highly sensitive and vital sector of the economy and one that warrants prompt attention. The bill we are introducing, the Interstate Taxation of Depositories Act of 1979 (ITDA) represents a fair and constructive approach to this difficult and complex matter.

On September 12, 1976, the moratorium on the States' authority to impose "doing business" taxes on out-of-State depositories, expired. Since this date banks have operated in a vacuum regarding their out-of-State operations. Under existing laws, the majority of States have the authority to tax out-of-State financial institutions on a variety of nexuses. Depositories face tremendous uncertainty resulting from exposure to 51 different sets of tax rules. This uncertainty includes the potential of each State to impose on depositories its own method of taxation, interpretation of jurisdiction, and definition of "doing business" in that State. Fortunately, since the expiration of the moratorium in 1976, little action has been taken on the part of the States to exercise their taxing authority. This restraint has rested upon the anticipation that Congress would temporarily reinstate the moratorium or enact some type of interstate taxation legislation. However, 3 years have since passed with no indication of legislative action. In the absence of Federal legislation, it is likely that inequitable or inconsistent tax arrangements will appear. For this reason it is vital that the uncertainty surrounding this situation be removed and a uniform method of taxation be established.

The crucial matter here, Mr. President, is the continuation of the promotion of free flow of credit to all parts of the Nation. We must continue to have national credit fluidity, whereby mortgage funds can be channeled readily from capital abundant areas to capital shortage areas. Credit must be free to flow to all parts of the economy—commerce and industry, consumers, the public generally, and the governments, local, State, and Federal. Considering the uncertainties of the present situation, banks may curtail their loans across State lines or refrain from acquiring out-of-State mortgages. Some institutions may restrict their lending practices to avoid State jurisdiction which will impair the efficiency of the banking system. This bill removes the uncertainties that depositories would face under diverse State systems of taxation. This bill would prevent the inadvertent interference with the free flow of credit back and forth from one State to another.

The Interstate Taxation of Depositories Act of 1979 defines the banking activities subject to taxation and determines the share of tax base attributable to nondomiciliary States. ITDA provides a jurisdictional standard under which any State or political subdivision may tax a depository if it maintains a business location within that State or subdivision. ITDA does not require substantial change in States' existing methods of taxation. It does not restrict the type of doing business tax (net income, gross receipts, or capital stock) a State may impose or the rates of tax which may be applied to tax an out-of-State depository, to adopt its own apportionment formula or other division of tax base rules, subject to the maximum determined by the optional apportionment formula. The two factor apportionment formula of ITDA based on payroll and receipts reflects the particular nature of the financial business conducted by depositories.

In summary, ITDA provides a comprehensive approach to a complex issue. It clearly defines those activities which establish State authority to tax an out-of-State depository and provides equitable rules for determining the maximum amount of the depository tax base which may be assigned to a State. Within these limits, ITDA strives to preserve the fiscal autonomy of the States to continue existing methods of taxing depositories and to extend these rules to out-of-State institutions.

With that in mind, I urge my colleagues to consider this proposal. I believe it is a bill consistent with our national goals of fostering an efficient banking system and the free flow of commerce among the States.●

INTERSTATE TAXATION OF DEPOSITORIES

Mr. LUGAR. Mr. President, I am pleased to join my two distinguished colleagues, Senators CRANSTON and HEINZ in introducing S. 719. This marks the second Congress in which I have expressed an active interest in resolving the perplexing problems in the area of multistate taxation of interstate transactions.

Before I became a Member of this body, I was made aware of the complex State tax problems which arose as depository institutions of all sizes began to engage to a far greater degree in interstate transactions. I was privileged to serve as the vice chairman of the Advisory Commission on Intergovernmental Relations while it was studying State and local taxation of out-of-State financial depositories. From that vantage point, I was able to appreciate the importance of not discouraging the interstate flow of capital and the absolute necessity for comprehensive Federal legislation.

As the demand for capital has increased, many institutions following historic trade rules which allow the free flow of commerce across States lines, have participated in lending and borrowing activities virtually without regard to State boundaries. With this great expansion has grown a need to assure that these activities not be subject to duplicative or inequitable State or local taxes. To tolerate a patchwork of State tax laws would allow the creation of artificial tariff barriers along State boundaries, a concept repugnant to our forefathers and wholly inconsistent with the economical and efficient growth of interstate capital markets. The concern in the immediate sense is being expresed by financial institutions of all sizes whose lending activities go across State lines, because of their ability to supply capital to a multistate market or due to their geographic service areas which naturally include portions of adjoining States. As determined by the Advisory Commission and other informed observers it is clear that Federal legislation is necessary if multistate taxation is to be carried out on an equitable and uniform basis.

Recognizing the need for national coordination, Congress passed in 1973 a moratorium on State taxation to allow our Advisory Commission to examine this question in detail. On May 30, 1975, we submitted a final report which included our findings, the history and legal background of the study, and our recommendations for a program to deal with multistate taxation. While that report and supplemental information have been under active study, the moratorium on multistate taxation has expired.

The absence of Federal legislation in this area has caused some States to consider or actually take actions which, from a national perspective, would be detrimental to the free flow of capital. Therefore, I am pleased to join my Banking Committee colleagues today in introducing this bill as a point at which to begin the necessary debate on this issue. I look forward to the hearings on S. 719 and early action on legislation by the Congress.●

By Mr. DURKIN (for himself, Mr. Pell, Mr. Ribicoff, Mr. Leahy, Mr. Melcher, Mr. Stafford, Mr. Cohen, and Mr. Helms):

S. 720. A bill to amend the Internal Revenue Code of 1954 to make certain wood-burning equipment eligible for the residential energy credit; to the Committee on Finance.

TAX CREDIT FOR WOOD-BURNING EQUIPMENT

● Mr. DURKIN. Mr. President, I am submitting today a bill to provide a Federal income tax credit for residential wood stoves and other wood heating equipment. At a time of a world oil shortage, at a time when the costs of home heating oil and other petroleum-dependent forms of heating are rising dramatically, at a time when we are all searching for a better way to save oil. Congress could make no clearer statement to the people of New Hampshire and across the country of its concern for their well-being than to grant this tax credit.

I want to thank my colleagues, Senators Leahy, Pell, Cohen, Melcher, Stafford, Ribicoff, and Helms for joining me as cosponsors.

As my colleagues know, the Congress decided last year to give the Secretary of the Treasury the discretionary authority to extend the renewable energy tax credit to wood heating equipment. Support for this authority was across the board, and I, for one, certainly expected Secretary Blumenthal to include the wood heating equipment as a tax credit item in light of the ever-escalating cost of oil, especially in New England. During what President Carter has referred to as the "moral equivalent of war," I certainly believe we should use all our weapons at hand.

I am not alone in this view. For example, the New England and Federal Regional Council, an organization of 15 Federal Government organizations in New England, chaired by the Regional Administrator of the Department of Energy, emphatically supports wood stove tax credits. In other words, a study by an arm of this administration familiar with New England's energy problems and potential, has stated flatly that incentives for renewable energy should include wood. I ask unanimous consent that excerpts from this report be included in the Record at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DURKIN. But because the Secretary apparently does not share this view, it is now incumbent upon Congress to change this discretionary authority to a mandatory tax credit. Anything less would be a direct slap in the face of my constituents and people all across this great land who have voluntarily, and in good faith, switched from oil burning equipment to wood heating equipment, often at substantial cost, so that they can voluntarily contribute to saving on our massive national oil import bill.

The potential savings on our Nation's oil import bill—one of the major causes of inflation, a weak dollar, and our massive trade deficit—from a wood stove tax credit are immense. The University of New Hampshire conducted a study, including a telephone survey of 1,200 homes in my State, which indicate that in New Hampshire alone, we saved 30 to 60 million gallons of home heating oil last year by using wood for fuel. And with home heating oil approaching 70 cents per gallon, that is an incredible savings to the working men and women of my State.

That savings had some costs, though, for a lot of those people had to expend substantial sums of money for their wood stoves and the attendant work. For that they deserve our thanks and credit, for they are not only helping themselves, they are helping all of the American people by saving on oil imports.

They also deserve some financial credit, for the Federal Government should be doing everything possible to encourage more use of wood stoves and wood heating equipment. Just as we have decided to give people tax credit for other energy savings measures, we should provide a reward and incentive for buying and installing wood stoves.

There are other benefits, of course, to encouraging the use of wood as a fuel. It permits better forest management, and ultimately a larger rather than smaller wood supply. Properly maintaining forests in New England alone would still supply over 44 billion cubic feet of wood as a heating energy resource between now and the year 2000. This is equivalent in energy to about 2.3 billion barrels of oil or 540 million tons of coal. Stated another way, this represents the total power output of 10 nuclear plants operating from now until the year 2000.

In sum, a vast, almost incalculable energy resource exists—not in some unspecified future world—but in the forests of New England today.

Forest resources are not confined to New England or to any one section of the country, which also increases their appeal. All across our great land, huge commercial forest areas exist which can provide inexpensive, plentiful supplies of wood for residential home heating. They can be cut, prepared, and delivered relatively inexpensively, all the time cutting into our oil import bill. Every Member of Congress realized this last session, which is why the discretionary tax credit passed. All my colleagues should realize this is doubly important now, as our Nation's economic well-being and security continues to slip into the hands of the ayatollah and the Arab sheiks.

That wood stoves can be installed and can begin to help our energy problem now makes them doubly important. We are not talking about some esoteric technology that needs billions of dollars of research and development money. We are talking about an every day, useful technology that was used by our fathers, grandfathers, and generations before that to supply heat. Just as we must return to small-dam hydro for commercial energy in New England—another technology which many people thought outmoded, but which, in fact, is viable and useful today—so we can return to wood stoves to provide residential heat, not because they are an anachronism, but because they continue to be valuable. Mr. President, wood stoves and other wood heating equipment are a major weapon in our energy battle. This is a battle we must win. Giving the American people a tax credit for wood stoves, just as we are now doing for other energy conserving activities, makes sense, and it makes sense now.

Mr. President, for too long the people of New Hampshire and New England have suffered, because of misguided Federal energy policy. It costs literally hundreds of dollars more a month to heat a home in my State than in most other States, holding factors such as temperatures constant. Much of this is due to poor Federal decisions over the past two decades which have unfairly penalized the residents of New England. With heating costs soaring, the Federal Government can do no less than implement programs which bring some fairness to these people.

I urge my colleagues to support this legislation, and I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 720

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (5)(A) of section 44C(c) of the Internal Revenue Code of 1954 (relating to the definition of the renewable energy source property) is amended by adding at the end thereof the following new clause:

"(iii) energy from the burning of wood for space heating, the heating of water or cooking of food, or any combination thereof, including any controls, ducts, stove pipes, footing or other item (other than a chimney) necessary for the safe and efficient operation of any such property, but not including any fireplace,".

(b) Paragraph (6) of section 44C(c) of such Code is amended by adding at the end thereof the following new subparagraph:

"(C) Environmental restrictions on certain woodburning items.—No credit shall be allowed under subsection (a) for expenditures with respect to any property described in paragraph (5)(A)(iii) which is to be installed in any metropolitan or other area after the date on which—

"(i) the Administrator of the Environmental Protection Agency certifies to the Secretary that the emissions from such items would cause air quality in such area to be in violation of any Federal law, or

"(ii) the Secretary of Agriculture certifies to the Secretary that additional consumption of wood in connection with such property would endanger forests in that area.".

SEC. 2. The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1978.

Exhibit 1

A Report on the Potential of Wood as an Energy Resource in New England

PREFACE

This report is a product of the New England Federal Regional Council's Energy Resource Development Task Force. The Federal Regional Council (FRC) is an interagency, intergovernmental coordination group. Its purpose is to make a very complicated three tiered governmental system efficient and responsive to the needs of all citizens. The Federal Regional Council of New England membership includes the eleven principle grant making federal agencies:

Community Services Administration.
Department of Commerce.
Department of Health, Education, and Welfare.
Department of Housing and Urban Development.
Department of Interior.
Department of Labor.
Department of Transportation.
Environments Protection Agency.
Federal Energy Administration.
Farmers Home Administration.
Law Enforcement Assistance Administration.

In addition, the Army Corps of Engineers, New England River Basins Commission, the New England Regional Commission and the U.S. Civil Service Commission are participants.

The Federal Regional Council's Energy Resource Development Task Force is composed of representatives of several federal agencies, the New England Governors, the New England Regional Commission and the New England River Basins Commission. The Task Force Chairman is Robert W. Mitchell, FEA Regional Administrator. The Vice-Chairman is William Adams, Jr., EPA Regional Administrator.

Principle objectives are to:

1. Reduce the Region's high dependence on petroleum and its attendant high costs;

2. Reduce the Region's adverse weighted average energy costs as compared with the balance of United States; and thereby,

3. Improve both New England's energy posture and industrial investment climate, by providing an inter-agency process that will most efficiently meet anticipated needs and reduce the lead time required for energy development.

The '77 work of the Task Force has been carried out under the leadership of seven Federal agencies in 12 of the following 14 specific work areas covering the various aspects impacing upon the energy in New England.

Environmental Protection Agency: Bulk Power Plants, Refineries, Energy Recovery.

Federal Energy Administration: Energy Statistics & Projections, Gas Facilities Monitoring, Emergency Storage Monitoring, Wood Utilization.

DOD—U.S. Corps of Engineers: Hydro-Electric.

DOT—U.S. Coast Guard: Energy Related Marine Terminal Facilities.

Bureau of Mines: Coal.

Department of Commerce: Coastal Zone Management.

Department of Housing and Urban Development: Solar.

Unassigned: Outer Continental Shelf, Utility Corridors.

The Wood Utilization Group was formed to examine the potential of wood energy in New England. This paper addresses (1) the benefits of utilizing the forest as an energy resource, (2) the availablity of commercial forest land. (3) the harvesting and transportation of timber for wood energy projects, (4) wood energy technologies, and (5) the environmental considerations and institutional problems associated with developing the forest as an energy resource.

The purpose of this effort is to stimulate greater interest in developing the energy potential of New England's forests. It is not intended to be an all inclusive survey on the subject of wood energy; rather, it is our hope that this report will act as a catalyst toward greater wood energy usage.

While members of the Work Group all have other primary assignments to carry out within their respective agencies, the Work Group was established as an on-going activity and will continue to monitor and review wood energy development within the Region. Comments and questions from readers of FRC Reports, and new related information, are always welcome and should be addressed to the Energy Resource Development Chairman, Robert W. Mitchell, Federal Energy Addministration, 150 Causeway Street, Boston, MA 02114.

Executive Summary and Recommendations

Today the United States is more dependent on foreign oil than it was at the time of the 1973 oil embargo. Our Nation, in order to achieve a greater degree of energy independence, must develop all of its domestic energy resources. Such an effort should include a greater emphasis on the utilization of wood as an energy source.

The large quantities of unmerchantable wood (rought and rotten trees) and logging residues present in New England forests, could be used to fuel wood energy projects. Removal of this material from the forests would increase forest productivity and improve the appearance of our woodlands. In addition, wood is low in sulphur and nitrogen and its development as a source of energy is supported by environmental groups.

Development of the forest as an energy resource would also be beneficial to an area's economy, providing additional tax revenues and increasing the demand for equipment and labor in the harvesting, transportation, and processing stages of the wood energy supply system.

There exists today a unique opportunity for more efficient management of New England's forests. Utilizing the region's forests as an energy resource while sustaining timber production and preserving the wildlife habitat and the recreational uses of our woodlands are challenges that must be met.

The New England Governors, recognizing the importance of utilizing wood energy, have agreed to promote its development as part of their Regional Energy Policy. In addition, the recently formed Wood Energy Institute, whose membership includes representatives from forest industries, universities, environmental groups, and state agencies, is attempting to provide a forum dedicated to the advancement of wood energy. When a domestic energy resource has so many potential benefits, it is only logical that its development be pursued.

POTENTIAL BENEFITS OF DEVELOPING WOOD AS AN ENERGY RESOURCE

Reduced dependence on foreign oil;
Development of domestic natural resources;
Increased forest productivity;
Improved forest wildlife habitat;
Enhanced appearance of woodlands;
Additional employment opportunities;
Additional local and state tax revenues;
Favorable impact on air pollution;
Availability of wood ash for use as fertilizer;
Development of wood as an energy source is supported by environmental groups; and
Development of more efficient wood procurement systems.

Many forested areas in New England show promise of being suitable for use in wood energy projects. These include: overstocked forest lands; areas with large amounts of rough and rotten trees and/or logging residues; stands with high percentage of red maple and/or hemlock (and other species in low demand by forest industries); non-forest-industry owned acreage; and state and national forests. Even forest industry owned woodlands could be co-worked, the unused portion of the tree being chipped for energy use.

Timber harvesting and logging residues will probably be the main sources for wood energy projects. Mill residues and wood from land clearing operations, when available, could prove to be a low cost supplemental wood source.

Above ground tree harvesting appears to be the most desirable method of harvesting timber for energy at this time as all portions of the tree including the bole, tops, limbs and branches can be utilized (as opposed to the merchantable bole concept in which only the stem of the tree is used). The increased tonnage yields per acre from this harvesting method, as well as elimination of the cost of de-limbing, topping, bucking and debarking now also make selective cutting operations possible. Timber harvesting equipment and wood transportation systems now available appear to be capabale of supplying future needs.

Various wood energy technologies are available for industrial, commercial, and residential use. Wood gasifiers "direct coupled" to a boiler are being tested in a number of industries in New England and promise to be a viable alternative to oil and natural gas usage. Wood-fired boilers have been in existence for years and have proven to be an acceptable and reliable method of burning wood. A mixture of 15% methyl fuel* and 85% gasoline is being tested as an automotive fuel in a fleet of Volkswagens in Germany. This mixture does not require any engine modifications and appears to have a number of advantages over gasoline, including greater energy economy, reduced pollution emissions, and improved engine performance. For the homeowner, wood stoves are available in a great number of sizes and types.

Higher taxes on oil and gas usage proposed in the National Energy Plan, as well as future increases in the price of foreign oil, could help make wood energy even more attractive.

RECOMMENDATIONS

In order to stimulate the development of wood energy we make the following recommendations:

1. Conduct a wood energy pilot project to demonstrate the feasibility of utilizing wood as an energy source. Such a project should combine harvesting and transportation systems with a wood energy technology capable of widespread application. (See Appendix A)

2. Wood gasification technology should be supported as a viable alternative to oil and gas usage.

3. Promote economic incentives, such as tax credits and/or low interest financing for wood burning equipment, to encourage conversion to wood. (Legislation which pro-

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*Primarily methanol, which can be produced from wood, and small amounts of ethanol, propanol, and isobutanol.

motes alternative energy forms, such as wind or solar, should also include wood.)

4. Consider revision of property taxes on timber producing land that inhibit harvesting.

5. Educate the general public and in particular forest land owners about the benefits of harvesting under proper forest management.

6. Promote greater coordination of regional activities attempting to develop wood's energy potential.

* * * * *

Table 1 shows typical heating values for over dry wood (less than 10 percent moisture). A conservative choice for the average heating value of all species is about 8,500 BTU/pound (dry) or 17 million BTU/ton (dry). This means that one ton of dry wood is equivalent in energy content to about 2.8 barrels of residual fuel oil. (Other energy conversion factors are shown in Table 1A)

The potential for using this energy is explored in the following chapters.

TABLE 1.—TYPICAL HEATING VALUES OF OVEN DRY WOOD[1]

Species	Weight per cord[2]	Btu per pound	Btu per ton	Btu per cord[2]
White ash	4,034	8,920	17,840,000	35,983,280
Fir balsam bark		9,100	18,200,000	36,400,000
Yellow birch	4,121	8,650	17,300,000	35,655,300
Yellow birch bark		9,870	19,740,000	
White cedar	2,236	8,400	16,800,000	18,782,400
Elm bark		7,600	15,200,000	
Eastern hemlock	2,722	8,620	17,240,000	23,463,640
East hemlock bark		8,890	17,780,000	
Red maple	3,460	8,580	17,160,000	29,686,800
Red maple bark		8,190	16,380,000	
Oak (white)	4,433	8,810	17,620,000	39,063,540
Pine (yellow)	3,917	9,610	19,220,000	37,642,370
Pine (white)	2,352	9,000	18,000,000	21,168,000
Pine (white) bark		8,930	17,860,000	
Poplar	2,187	8,920	17,840,000	19,516,960
Poplar bark		8,810	17,620,000	

[1] Source: Bulletin 1176 Forest Fuels, Inc.

[2] A cord is a 4 ft by 4 ft by 8 ft pile of wood and is estimated to contain about 85 ft³ of wood, the remaining volume being air space.

TABLE 1A.—ENERGY CONVERSION FACTORS[1]

[Rounded to 3 significant figures]

Wood			Oil (barrels)	Coal (tons)	Natural gas (1,000 ft³)
Cubic feet	Cords	Tons			
1	0.012	0.0188	0.053	0.012	0.291
85	1	1.60	4.53	1.05	24.7
53.1	.625	1	2.83	.654	15.4
18.8	.221	.353	1	.231	5.45
81.3	.956	1.53	4.33	1	23.6
3.44	.040	.065	.183	.042	1

[1] For oven dry wood (less than 10 percent moisture).

Note: Assuming—Wood 8,500 Btu/lb (dry); 2,300 lb/cord (dry); 85 ft³/cord. Oil 6,000,000 Btu/bbl. Coal. 26,000,000 Btu/ton. Natural gas, 1,100,000 Btu per 1,000 ft³ (MCF).

Wood fuel markets

This report is devoted to the greater use of New England's forests as an energy resource. The magnitude of this resource and the availability of wood burning technologies have been established, while harvesting and transportation method appear ready to meet future demand requirements. However, aside from the rapidly expanding residential wood stove market, the use of wood as a fuel has not developed sufficiently to support the large capital investments required for modern wood procurement systems. We believe that viable residential, commercial, and industrial wood energy markets are within the realm of possibility but that incentives, such as tax credits or low interest financing, etc., are necessary to stimulate the development of these markets.

In addition, the general public, as well as businesses and financial institutions, need to be made aware of the benefits of utilizing the forests as an energy source.

Indications are that, as these markets develop and expand, even the railroads would make ready to supply wood/wood fuel products to centers of demand. For example, the railroads visualize unit trains with specialized cars to transport wood efficiently. Development of wood energy markets will help our country to achieve a greater degree of energy independence and will create additional jobs in the harvesting, transportation and wood burning technologies. Wood fuel is not a panacea for our nation's energy problem, but it is certainly part of the answer.

In summary, it can be seen that various wood energy technologies are presently available for industrial, commercial and residential use. Wood-fired boilers have been in existence for years and have proven to be an acceptable and reliable method of burning wood. Approximately 230 hogged wood boilers, ranging in size up to 500,000 pounds of steam per hour, were sold in the United States between 1965 and March of 1975.

Other wood energy technologies are about to become available. "Direct coupled" wood gasifiers are in the final test stages in a number of New England industries with sales expected to begin within the next year. "Methylfuel" (15 percent methanol and 85 percent gasoline) is being tested as an automotive fuel in a fleet of Volkswagens in Germany. This fuel appears to have a number of advantages over gasoline including greater energy economy, reduced pollution emissions and improved engine performance. Wood pelletizing is nearing acceptability. For the homeowner, wood stove and heat saving devices for fireplaces are available in a great number of sizes and types. Although we have not examined the economics of the various wood energy systems, the list of systems recently installed or being proposed, shown in Appendix A, is a good indication of their favorable economics. Wood fuel is becoming more competitive with conventional fuels; and higher taxes on oil and gas, proposed in the National Energy Plan, as well as future increases in the price of foreign oil, will make wood energy even more attractive.

ENVIRONMENTAL SUMMARY

With the reduction of a dependency on foreign fuels, it is necessary to compare pollution emissions of the alternatives. The consumption of wood products must be compared, on pollution levels, to the fuel being replaced. It, therefore, may be necessary to install particulate pollution control devices to become equivalent with existing petroleum burning conditions. The environmental effects of other operational processes will be similar to those systems that are already utilized by other forms of energy.

The overall concept of wood utilization as an energy source appears, on the whole, to be beneficial to the environment if BMP is stressed. Air pollution will be minimum and ash disposal will be beneficial for increased wood production. Increase in forest management and control would protect the local watersheds and water courses. There would be a reduction of dead and decaying wood, reducing fire hazards and organic buildup. The forest land would become more productive, decreasiing areas of stability. Dynamic habitats are beneficial to local wildlife, which would create an increase in species diversification (rather than an increase of specific species).

Therefore, large scale utilization of forests can be undertaken without serious environmental damage and can significantly improve the productivity, health, wildlife habitat and appearance of woodlands when conducted according to proper forest management principles.

A REPORT ON THE POTENTIAL OF WOOD AS AN ENERGY RESOURCE IN NEW ENGLAND

APPENDIX A—WOOD ENERGY PROJECTS IN NEW ENGLAND

The following list is an indication of the interest in wood energy and is not intended to be all inclusive.

Type of project, location, and status

Wood Gasification ("direct coupled" wood gasifier and boiler), Forest Fuels, Inc., Keene, NH, 30 hp demonstration unit.

Wood Gasification ("direct coupled" wood gasifier and boiler), Blanchflower Lumber Co., Alstead, NH, installed 1976 (Forest Fuels Wood Gasifier).

Wood Gasification ("direct coupled" wood gasifier and boiler), Sprowl Brothers, Searsmount, ME, installed 1976 (Forest Fuels Wood Gasifier).

Wood Gasification ("direct coupled" wood gasifier and boiler), University of New Hampshire, (examining ongoing potential of Forest Fuels Wood Gasifier).

Conversion of 10MW oil-fired boiler to wood, Burlington Electric Co., Burlington, VT, scheduled operation November 1977.

Solar/wood heating furnace, Maine Audubon Society, Falmouth, ME, installed winter 1975–76 (heats 5000+ square foot building).

Commercial size wood chip furnace, University of Maine, Orono, Maine, 200,000 BTU/hr. demonstration unit (heats agriculture and engineering laboratory building).

Commercial size wood chip furnace, Hancock Vocational Technology Center, Ellsworth, Maine, installed?

Fluidized bed wood-fired boiler, Waterbury State Hospital, Waterbury, VT, scheduled completion, Jan. 1978 (cost of boiler $214,000 funded by state—stockpiling wood).

Fluidized bed wood-fired boiler, Kelly Hardwood Corp., Pittsfield, MA, installed February 1976.

Other wood-fired boilers, Temple Steward Co., Baldwinville, MA, installed 1940.

Other wood-fired boilers, Nichols & Stone Co., Gardner, MA, installed in 1971 (output, 15–16,000 lbs. of steam per hour).

Other wood-fired boilers, Cersosimo Lumber Co., Brattleboro, VT, installed April 1976 (output 20,000 lbs. of steam per hour).

Other wood-fired boilers, Wilner Wood Products, Norway, Maine, installed December 1976 (converted oil-fired dutch oven broiler to wood).

Other wood-fired boilers, Robbins Lumber Co., Searsmount, Maine, installed Spring 1976 (supplies steam & electricity).

Other wood-fired boilers, Tillestson Rubber Co., Dicksville Notch, NH, scheduled operation December 1977 (output—50,000 lbs. of steam per hour to supply steam and electricity to rubber plant and neighboring Balsam Hotel).

Other wood-fired boilers, Georgia-Pacific Corp., Whitefield Paper Div., Gilman, Vermont, scheduled operation December 1977 (output, 100,000 lbs. of steam per hour).

Other wood-fired boilers, Haywood Wakefield Co., Gardner, MA, installed 1936 (boiler burns 20 percent wood waste).

Survey of Landowner Attitudes toward Chip Harvesting, Dartmouth College, Dartmouth, Vermont, ongoing.

Survey of Household Fuel Wood Use and Procurement in NH, N.H. Agricultural Experiment Station, University of NH, Durham, NH, results to be published in Fall 1977.

Computerized Inventory of Maine Biomass, School of Forestry, University of Maine, ongoing.

Firewood Workshops (on proper trees to cut, safe operation of chain saws, how to dry wood, etc., County Foresters, State of Vermont, ongoing.

Demonstration of modern timber harvesting equipment, 621 acre site, South Duxbury, VT, to be completed Winter 1977–78 (examining tonnage yields, environmental effects movie to be made, results to be published early 1978).

Wood powered, generating facility, Town of Bangor, ME, propcsed.

Wood-fired gas turbine, Maine Wood Fuel Corp., Hague International, Northern Maine Regional Planning Commission, proposed.

50 MW Wood-fired electric generating facility, Northern New England, ERDA grant given to Wheelabrator Fuels, Inc. to study the feasibility of generating electricity using wood fuel.

COST-BENEFIT COMPARISON OF VARIOUS PROVISIONS OF H.R. 5263 WITH THE PROPOSED WOOD HEATING EQUIPMENT TAX CREDIT

Proposed measure	Estimated cost to treasury (billions)	Estimated oil savings (barrels per day)	Benefit (barrels saved per $1,000 cost
Wood energy credit	(1)	360, 000	654
Transportation credits (pt. II)	$20	26, 000	1. 3
Residential credits (other than wood)	7. 1	325, 000	45. 8
Alternate energy credits (pt. III)	30. 337	1, 508, 000	50
Tax incentives for alternate fuels (pt. IV)	2. 447	265, 000	1. 08

[1] $550,000,000.

Sources of estimates: Wood energy credit—Wood Energy Institute, Waitsfield, Vt. Other items—Committee report.

EXCERPT FROM FOREST FACTS AND FIGURES

Published by the American Forest Institute using information and figures taken from "The Outlook for Timber in the United States" published by the Forest Service, U.S. Department of Agriculture, October, 1973, and other periodic publications issued by the Forest Service.

Net annual growth and removals of hardwood and softwood growing stock on commercial forest land in the United States, section, State and region, 1970 [1, 2]

[Thousand cubic feet]

Section, State, and region	Growth	Removals
North:		
Connecticut	45, 362	8, 553
Maine	710, 800	408, 700
Massachusetts	80, 999	31, 329
New Hampshire	138, 136	60, 490
Rhode Island	9, 758	2, 376
Vermont	92, 850	50, 995
Total New England	1, 077, 905	562, 443
Delaware	30, 959	11, 858
Maryland	106, 499	75, 572
New Jersey	56, 911	12, 301
New York	285, 857	114, 904
Pennsylvania	762, 820	231, 755
West Virginia	553, 665	155, 216
Total Mid-Atlantic	1, 796, 711	601, 606
Michigan	605, 111	213, 078
Minnesota	455, 635	155, 198
North Dakota	4, 973	3, 136
South Dakota (East)	4, 158	1, 859
Wisconsin	503, 637	308, 983
Total Lake States	1, 573, 514	682, 254
Illinois	92, 502	91, 096
Indiana	106, 525	65, 692
Iowa	81, 181	50, 405
Kansas	16, 002	7, 616
Kentucky	319, 214	141, 254
Missouri	302, 683	108, 835
Nebraska	16, 718	10, 156
Ohio	157, 646	113, 120
Total Central	1, 092, 471	588, 174
Total North	5, 540, 601	2, 434, 477
South:		
Alabama	947, 149	807, 183
Arkansas	778, 511	620, 108
Florida	531, 800	347, 900
Georgia	1, 356, 632	927, 939
Louisiana	743, 842	721, 637
Mississippi	966, 261	745, 962
North Carolina	885, 140	690, 716
Oklahoma	70, 066	52, 076
South Carolina	691, 354	448, 977
Tennessee	509, 100	216, 400
Texas	565, 972	461, 162
Virginia	563, 478	442, 907
Total South	8, 609, 305	6, 482, 967
Pacific Coast:		
Alaska (coastal)	31, 200	157, 090
California	630, 000	927, 000
Hawaii	(3)	2, 157
Oregon	1, 151, 000	1, 556, 000
Washington	1, 244, 400	1, 536, 070
Total Pacific Coast	3, 056, 600	4, 178, 317
Rocky Mountain: [4]		
Arizona	71, 275	87, 741
Colorado	157, 338	58, 993
Idaho	502, 963	357, 256
Montana	443, 141	324, 411
Nevada	2, 293	10
New Mexico	75, 061	44, 086
South Dakota (West)	27, 110	15, 655
Utah	36, 207	12, 740
Wyoming	45, 753	36, 155
Total Rocky Mountains	1, 361, 141	937, 047
Total all regions	18, 567, 647	14, 032, 808

[1] Data taken from Table 25, pg. 279–280, "The Outlook for Timber in the U.S."

[2] Zeroes indicate no data or negligible amounts.

[3] Growth estimate for Hawaii is not available.

[4] Estimates of area subclasses do not include 5.0 million acres of national forest lands in the Rocky Mountain States that are not included in the base for allowable cut because of such factors as unstable soils, small size of isolated patches and stringers, or special use constraints. Volume and growth data are also excluded for these areas.

Conversion factor: One cubic foot of wood (dry) equals approximately 0.05 barrels of oil in BTU value.

FUELWOOD AND ITS ENVIRONMENTAL CONSIDERATIONS

INTRODUCTION

Historically, wood served as a major fuel for domestic and industrial needs in the United States until the early 1900's. Over the ensuing years it was gradually replaced primarily by coal, oil and gas and has essentially been disregarded as a major fuel resource. It is only recently, after more than 60 years, that wood again is under consideration for wide use as a fuel for domestic and industrial purposes at least in New England. This current attitude toward wood may be attributed to the country's awareness of its dependency on dwindling national and worldwide oil supplies as was particularly heightened by the Arab oil embargo of 1973.

The embargo highlighted public and government interest in local and national energy matters. Citizen groups and government agencies participated in discussions to find means for responding to the nation's energy problems and to develop solutions for easing national dependency on foreign oil for much of its electric generation and home heating fuel.

New England was particularly affected by the embargo as it is at the end of the nation's energy supply line, has no broadly developed indigenous energy resources and in affect is dependent on both foreign and domestic fuel imports. Among responses to its energy position, the region aired its problems through citizen participation in public review of the U.S. Energy Research and Development Administration's (ERDA) current energy plan. This plan was presented at a public meeting held November 29 to December 1, 1976, in Boston, Mass. Energy options, particularly those suited to New England were discussed and woodfuel was among the energy alternatives emphasized. The focus on wood was made through public demand because ERDA's energy plan did not effectively promote this renewable indigenous energy resource. New Englanders felt that ERDA had underestimated the energy potential of wood present in the heavily forested regions of the Northeast. Estimates of this resource indicate that the annual harvest of hardwoods, amounting to about 60 million cords, is equivalent to over 20 million barrels of number 2 fuel oil. Wood, burned directly or gasified, could supply nearly 25% of New England's energy needs. In Vermont, the use of wood for home heating is estimated to have increased from 1% of all households in 1970 to about 6.7% in 1976 with over 50% supplementing heating system with wood.(1)

Growth in the use of wood for fuel as indicated by the Vermont data supports the possibility for an increase in usage of woodfuel in other sections of New England. Wood is likely to be used not only for domestic purposes but also for commercial, municipal and industrial applications including bulk power electric generation. For some areas in the region this could contribute to environmental impacts involving air, water, and solid wastes pollution among others. In anticipation of such problems, the Region I Office of EPA is currently developing a wood burning policy to ensure that woodfuel will be effectively utilized regionally in an environmentally acceptable manner. Such a policy will reflect inputs from other federal offices and state agencies.

POTENTIAL IMPACTS

Wood burning has the potential to create significant environmental impact involving not only air but terrestrial and aquatic pollution as well. This is particularly certain should the use of proper forestry management practice be neglected in harvesting trees and thereby cause terrestrial erosion, disruption of watershed areas, polluted runoffs to surface waters, and adverse alteration of wildlife habitats. Wood burning, therefore, is assessed by EPA in terms of many environmental impacts and not limited to those related only to burning and its effects on air quality. EPA's evaluation is concerned with total impacts ranging from tree cutting activities to burning operations and involving assessments of liquid, gaseous and solid wastes management.

Smoke from wood burning in households could cause local or wider air pollution and nuisance problems. However, supplying wood for domestic use might not involve disruption of large tracts of forest lands and therefore terrestrial impacts might be negligible. Unlike domestic use, wood burning in other areas as in industrial and electric generation facilities can usually operate with more efficient firing procedures followed by pollution control systems and are likely to operate with little or no air pollution. It is also possible that little or no environmental impact would result from forest activities connected with operations of these large wood burning installations even though their wood demand may be quite intensive. For example, a 50 MWe wood burning powerplant needs about 10,000 acres of trees to satisfy its annual fuel demands. With proper forest management, such a plant could be furnished with fuel over its lifetime (30–40 years) with little environmental insult. However, if such management is not followed, severe environmental disruptions could occur and would require action by EPA among others. Evaluation and characterization of these potential impacts must be carefully developed before large scale wood burning could be practical either in many industrial installations or in thousands of domestic woodfueled units.

EPA STANDARDS

As already indicated, wood burning potentially involves more than air pollution problems. However, air pollution is perhaps the more obvious, popular environmental concern related to burning and it will therefore be considered first. Among EPA's mandates for environmental protection, air quality is a major responsibility. EPA's National Air Quality Standards and programs in air pollution control are well developed and firmly integrated with state agencies to achieve regulatory control in meeting the ambient air quality standards, within each state, air quality control regions (AQCR) exist as determined through cooperative planning by EPA and each state. These regions are shown for New England in Figure 1. Responsibility for managing regulatory air quality control within the AQCR rests with each state. Implementation of such control is achieved through State Implementation Plans (SIPS) which must be approved by the EPA. States develop and designate specific air pollution control regulations for each AQCR. These regulations may be different among the various control regions even in the same state. Numerical values of the SIP limits need not be the same as EPA standards but cannot be less stringent. States must agree to regulate "new sources" of air pollution as part of the SIPS. This is usually done through review of such sources as based on performances standards developed by EPA. However, for wood fueled steam plants, EPA has not published performance standards. The EPA National Ambient Air Quality Standards which have been set for six pollutants are provided in Table 1:

NATIONAL AIR QUALITY STANDARDS [a]

Pollutant and averaging time	Primary standards [b]	Secondary standards [c]	Reference methods [d]
Sulfur dioxide:			
Annual arithmetic mean	80 μg/m^3 (0.03 ppm)		
24 hr	365 μg/m^2 (03.14 ppm)		Paraorosanilline method.
3 hr		1,300 μg/m^3 (0.5 ppm)	
Particulate matter:			
Annual geometric mean	75 μg/m^3	60 μg/m^{3}l	High volume sampling method.
24 hr	260 μg/m^3	150 μg/m^3	
Carbon monoxide:			
8 hr	10 mg/m^3 (9 ppm)	Same as primary standards	Nondispersive infrared spectroscopy.
1 hr	40 mg/m^3 (35 ppm)		
Photochemical oxidants (corrected for NO_2 and SO_2): 1 hr	160 μg/m (0.08 ppm)	Same as primary standard	Gas phase chemilluminescent method.
Hydrocarbons (corrected for methane): 3 hr	160 μg/m^3 (0.24 ppm) [e]	Same as primary standard [e]	Flame ionization detecrion using gas chromatography.
Nitrogen dioxide: Annual arithmetic mean	100 μg/m^3 (0.05 ppm)	Same as primary standard	Gas phase chemilluminescence.

[a] National standards other than those based on annual arithmetic means or annual geometric means are not to be exceeded more than once per year.

[b] National primary standards: The levels of air quality necessary, with an adequate margin of safety, to protect the public health.

[c] National secondary standards: The levels of air quality necessary to protect the public welfare from any known or anticipated adverse effects of a pollutant.

[d] Reference method as described by the EPA. An "equivalent method" means any method of sampling and analysis which can be demonstrated to the EPA to have a "consistent relationship to the reference method."

[e] Guideline to be used assessing implementation plans.

To assure that regional air quality meets ambient standards, air monitoring programs are conducted by each state. Air sampling stations are established at specific sites within the AQCR's and samples collected routinely for laboratory examination. Collection periods vary according to the pollutant sampled, e.g., 1 hour, 3 hours, 8 hours and 24 hours as indicated in Table 1. Sampling frequency ranges from daily to weekly depending on several controlling parameters including sampling costs and desired accuracy of resulting air data.

Pollutants of interest arising from wood burning are likely to include all those listed in Table 1. Because of wood's low sulfur content, oxides of sulfur are of minor concern and since combustion temperature for wood is low, generally about 1500°F or less, oxides of nitrogen may likewise be of little importance. Of the six air pollutants for which EPA has set standards, particulates and perhaps photochemical oxidants from wood burning could represent public health and environmental impacts. Oxidants would probably be more of a problem as a variety of harmful compounds could result from gaseous, organic hydrocarbons arising from incomplete combustion of wood particularly as might result domestically from inefficient stoves and fireplaces. (2) Domestic releases are likely to pose the greater problem than industrial discharges since the latter involve releases from only a few sites and from boilers usually properly designed and operating generally using effective firing and air pollution control devices. Domestic sources are likely to involve thousands of point sources representing varied burning characteristics and for which uniform effective combustion and emissions control would be virtually impossible to achieve. In addition, these sources in all probability would be set in a variety of locations of which some may have topographic and meteorologic features conducive to creating air pollution hazards from otherwise harmless releases. For example, many communities in Vermont lie in valleys in which, under atmospheric inversion, smoke from household chimneys could cause serious health impacts on local residents.

Data on actual occurrences of such potential air pollution incidents are not available as wood generally has not been widely used since early 1900 when it was replaced by coal. However, EPA is aware of the potential for wood burning pollutants as experienced from industrial disposal of wood debris including bark and sawdust in essentially contained open burning systems. Air pollution from wood burning appears, therefore, to represent more of a problem from the undesirable affects of local meteorological conditions affecting pollutant distribution and oxidant formation than from the direct discharge of pollutants alone.

No current EPA air standards specifically regulate emissions from sources burning wood alone. However, EPA is conducting research programs designed to more precisely characterize emissions from wood burning systems for development of specific additional air standards as might be needed. Present EPA air emission standards to address wood burning but only in connection with stationary sources which burn wood along with high sulfur fossil fuel. This combination is allowed so that high sulfur fossil fuel can be adjusted to a mixture containing a sulfur level low enough to comply with EPA SO_2 limits. In such applications, wood is limited in the mixture to the extent that it will not cause violation of particulates emission standards. (3)

If the demand for wood as a reasonable fuel source grows significantly in New England, SIP standards may need revision. Likewise modifications in general standards for air, water and solid wastes disposal may have to be drafted to meet potential environmental impacts. As a means to gain early insight on the probable environmental impacts related to increased and widespread wood burning in New England, the EPA Region I Office is developing a regional wood burning policy. The policy is envisoned to address any environmental issues in addition to air quality impacts. This action would enable regulatory agencies and others to ferret out and assess potential environmental problems related to increased woodfuel use before unacceptable impacts occur.

While a wood burning policy might not be appropriate for other parts of the country, it would have application in heavily forested regions of New England. Wood represents a vast renewable energy resources in the Northeast as shown by data in Tables 2 and 3. (4), (5), (6), (7):

TABLE 2.—ESTIMATES, IN MILLIONS OF CUBIC FEET, OF NEW ENGLAND TIMBER (BOLE) RESOURCE POTENTIALLY AVAILABLE ANNUALLY FOR WOOD FUEL

Resource	Maine	New Hampshire	Vermont	Southern New England	Total
Forest acres (10^6)	16.9	4.7	4.4	5.0	31
Cull trees	150	20	45	17	232
Mortality	138	14	30	33	215
Annual surplus	302	172	59	167	700
Residue	243	49	36	57	385
Total	833	255	161	274	1,532

TABLE 3.—APPROXIMATE ANNUAL EQUIVALENT POTENTIAL ELECTRIC CAPACITY (MWe) FROM TIMBER IN NEW ENGLAND AS GENERATED BY CONVENTIONAL STEAM ELECTRIC POWERPLANT[1]

Resource	Maine	New Hampshire	Vermont	Southern New England	Total
Cull trees	500	50	150	50	750
Mortality	450	50	100	100	700
Annual surplus	950	550	200	550	2,250
Residue	750	150	100	200	1,200
Total	2,650	800	550	900	4,900

[1] Assumptions from reference (8): Plant efficiency—27.4 percent; heating value: 20-percent moisture—about 6,500 Btu/lb; capacity factor—70 percent.

Harvesting timber in quantities suggested by data in Tables 2 and 3 could lead to significant environmental degradation if not properly conducted. That the capacity for creating major adverse effects on forested lands exists is recognized from past events involving natural and manmade activities impacting forested areas. Documentation of environmental disruption of forested areas in which acceptable forestry practice was not applied is available and known to environmental agencies and others at the local, state and federal levels. However, specific impacts at specific sites may not be known precisely as related to harvesting huge quantities of wood that would be required in the Northeast for energy development. These potential impacts are therefore of concern to environmental agencies in the New England area.

Air pollution is perhaps the most easily identified impact associated with wood burning. Other impacts might seem subtle by comparison but when they are properly evaluated their potential for adversely affecting the environment become clear. A recent EPA study identifies several cateories of environmental disturbances and pollutants likely to occur in connection with overall wood harvesting. (9) These disturbances range from upsetting natural wildlife habitats to destruction of watershed areas to generation of large amounts of solid wastes. Of particular interest, are impacts due to harvesting of trees through various cutting practice, i.e., clearcutting, selection cutting, shelterwood and seed-tree cutting. Among the probably impacts, increase in sediment loadings to surface waters is perhaps the most common. Such increases may be attributed to accelerated erosion brought about by tree removal and from tree debris and other organic and inorganic wastes produced by harvest activities. Sediment loadings can affect stream ecology through destruction of benthic organisms, affect fish reproduction and interfere with photosynthetic processes by limiting light penetration. Sediments can also clog streams and reservoirs, alter stream flow characteristics and inject large amounts of nutrients and pesticides into surface waters. Many of the "208" planning programs EPA is funding address these issues and provide appropriate guidance. (10), (11)

Organic pollutants more readily enter surface waters when large piles of slash and other nonmerchantable tree materials are placed or washed into surface water systems. These pollutants may also reach surface water through runoff and leachate from log storage areas. Organics can degrade water quality by increasing the biological oxygen demand and change taste, color and odors. Thermal pollution is another water impact which can occur where shade covering over surface water is destroyed by harvest removals. Under these conditions water temperatures can increase so as to reduce dissolved oxygen concentration to levels at which fish and bacteria populations would be adversely affected. Potential environmental harm which could be caused by tree removal from forested areas can be avoided or minimized through appropriate forestry management practice. But to achieve this goal, realization of the potential for adverse impacts on forest environs must be understood by regulatory agencies and the public. Acceptable practicable guides and regulatory procedures can then be developed to permit proper use of forests as a resource for renewable fuel.

CONCLUSIONS AND RECOMMENDATION

Fuelwood, among others, appears to be a useful energy resource in New England. Since the Northeast region of the country is at the end of the nation's energy supply line and heavily dependent on expensive foreign fuel imports, use of cheap indigneous, renewable wood from native forests seems appropriate. While this fuel may not be completely acceptable for electric power generation as compared to coal, hydro or nuclear, it can serve to assuage the region's fuel needs by providing space heat and energy for other applications. Wood has been used in several of the New England states for domestic space heating and has had some industrial applications. Projections for future use suggest that fuelwood will be increasingly used in domestic applications. However, such use is not without environmental risk. Perhaps the most popular observation concerning pollution from wood burning is that the single obvious insult to the environment is air pollution. Widespread use of wood can lead to increase air pollution but this can also cause other harm such as water and solid wastes pollution and degradation of terrestrial ecology.

Local, state and federal standards for protecting air water and terrestrial environs against adverse impacts exist. Control of wood burning and ancilliary activities may be more adaptable to large operations such as electric generating power plants for meeting environmental regulatory standards, than for domestic burning involving thousands of small homes units. Difficulties in achieving such control for many widespread small units might lead to environmental impacts which must be addressed.

While the economics, fuel supply logistics and existing regulatory authorities may be favorable toward wood, other aspects, particularly environmental concerns should be included before regional commitment is made to large scale use of woodfuel. There are many environmental issues which need to be considered before woodfuel is widely promoted for domestic or industrial applications. In response to addressing these environmental issues, the following recommendations seem reasonable:

1. Data base for characterization of air pollutants should be broadened to include air borne pollutants from domestic wood-burning systems including stoves and fireplaces and should consider the nature and quantities of such pollutants and their potential environmental behavior and impact. Ambient air quality and particularly SIP standards should be modified to reflect acceptable control of those pollutants for which data indicate a need for new standard limits considering adverse local topographic and meteorological conditions.

2. Delineation of forest areas from which woodfuel is to be harvested should be complete as possible including estimate of quantity of trees required for fuel, outline of cutting procedures and means of transporting timber to market. Legal, economic, topographic and other potential encumbrances which might affect tree harvesting over the long term should be evaluated before harvesting programs begin.

3. Operational plans should be developed for harvesting trees based on proper forest management techniques. These plans should be designed for management of solid waste debris and for minimizing or preventing environmental degradation of regional air quality, surface and groundwater systems, and terrestrial ecology.

4. Promotion and development of regional woodfuel programs should involve planning inputs from various government, public and private groups. Representation should at least include local, state and federal regulatory agencies, local planning boards and pertinent technical expertise from other sectors.

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MANUFACTURERS AND IMPORTERS OF WOOD HEATING EQUIPMENT

Source: The Woodburners Encyclopedia.

Editor's note. The following information has been furnished by manufacturers and exclusive importers.

Abundant Life Farm, PO Box 63, Lochmere, NH 03252, (603) 524–0891, II (Heating Stoves).

Aglow Heat-X-Changer, PO Box 10427, Eugene, OR 97401, (503) 343–7605, VII (Fireplace Accessories).

Albright Welding Co., Rte. 15, Box 108,

Jeffersonville, VT 05464, (802) 644–2987, XI (Woodsplitters).

American Stovalator, Rte. 7, Arlington, VT 05250, VII (Fireplace Accessories).

American Way, Dept. 10–OG, 190 Range Road, Wilton, CT 06897, VII (Fireplace Accessories).

Amherst Welding, Inc., 330 Harkness Rd., Amherst, MA 01002, VII (Fireplace Accessories).

Acquappliances, Inc., 135–H Sunshine Lane, San Marcos, CA 92069, (714) 744–1610, VII (Fireplace Accessories).

Ashley Automatic Heater Co., 1604 17th Ave. S.W., PO Box 730, Sheffield, AL 35660, II (Heating Stoves); III (Circulating Heaters).

Ashley Spark Distributors, Inc., 710 N.W. 14th Ave., Portland, OR 97209.

Atlanta Stove Works, Inc., PO Box 5254, Atlanta, GA 30307, or contact Whole Earth Access Co., I (Cookstoves); II (Heating Stoves); III (Circulating Heaters); V (Free-Standing Fireplace); (Fireplace Accessories).

Atlantic Clarion Stove Co., Brewer, ME 04412.

Autocrat Corporation, New Athens, Ill. 62264, (618) 475–2121, I (Cookstoves); II (Heating Stoves); III (Circulating Heaters).

Bahia Bar-B-Que, PO Box 1806, St. Paul, MN 55111.

Bellway Manufacturing, Grafton, VT 05146, (802) 843–2432, IV (Furnaces & Boilers).

Besta Heater Ovens, Box 887, Charlestown, NH 03603.

Birmingham Stove & Range, PO Box 2647, Birmingham, AL 35202, (205) 322–0371.

Black's, 58 Baine St., Brunswick, ME 04011.

Blazing Showers, PO Box 327, Point Arena, CA 95468, or Contact, Whole Earth Access Co., (707) 882–9956, VIII (Hot Water Heater).

Boston Stove Co., Dept. CJ1, 155 John St., Reading, MA 01867, VII (Fireplace Accessories).

Bow & Arrow Stove Co., 14 Arrow St., Cambridge, MA 02138, (617) 492–1411, I (Cookstoves); II (Heating Stoves); III (Circulating Heaters).

Sam Daniels Co., Box 868, Montpelier, VT 05602, (802) 223–2801, IV (Furnaces & Boilers).

Dawson Mfg. Co., Box 2024, Enfield, CT 06082.

Charles Dedrick, Inc., Stone Ridge, NY 12484.

Deforge Industries, PO Box 216, Winooski, VT 05404, (802) 863–2653, VII (Fireplace Accessories).

Didier Mfg. Co., 1652 Phillips Ave., Racine, WI 53403, (414) 634–6633.

Double Star, c/o Whole Earth Access Co., 2466 Shattuck Ave., Berkeley, CA 94704 (415) 848–0510, II (Heating Stoves); V (Free-Standing Fireplaces).

Canaqua Co., Box 6, High Falls, N.Y. 12440 (914) 687–7457, 1908 Baker St., San Francisco, CA 94115 (415) 346–0752.

Carlson Mechanical Contr's, Inc., Box 242, Prentice, WI 54556, (715) 564–2481 or (715) 428–3481, IV (Furnaces & Boilers).

C & D Distributors, Inc., Box 766, Old Saybrook, CT 06475, (203) 388–5665, VII (Fireplace Accessories); XI (Wood Splitters).

Chim-A-Lator, 8824 Wentworth Ave., So., Minneapolis, MN 55420, (612) 884–7274, VII (Fireplace Accessories).

Chimney Heat-Reclaimer Corp., Dept. Y 53 Railroad Ave., Southington, CT 06489, (203) 628–4738 (Ext. Y), IX (Heat Reclaimers).

Waldo G. Cumings, Falls Road, East Lebanon, ME 04027, (207) 457–1219, 20 Schuler St., Sanford, ME 04073, IV (Furnaces & Boilers).

Dampney Company, 85 Paris St., Everett, MA 02149, (617) 389–2805.

Damsite Dynamite Stove Co., RD 3, Montpelier, VT 05602, (802) 223–7139, II (Heating Stoves); IV (Furnaces & Boilers).

Dover Corp., Peerless Div., PO Box 2015, Louisville, KY 40201.

Dover Stove Company, Main St., Sangerville, ME 04479.

Dyna Corp., 2540 Industry Way, Lynwood, CA 90262.

Eagle Industries, Inc., Dept. D, PO Box 67, Madison, OH 44057, VII (Fireplace Accessories).

Edison Stove Works, PO Box 493, 469 Raritan Center, Edison, NJ 08817, (201) 225–3848, II (Heating Stoves).

Edmund Scientific Co., Barrington, NJ 08007.

Empire Stove—Furnace Co., Albany, NY 12207.

Energy Associates, PO Box 524, Old Saybrook, CT 06475, (203) 388–0081.

Enwell Corp., 750 Careswell St., Marshfield, MA 02050, (617) 837–0638, IV (Furnaces & Boilers).

Todd Evans, Inc., 110 Cooper St., Box X, Babylon, NY 11702.

Fabsons Engineering, PO Box F–11, Leominster, MA 01453.

Fireplaces (N.S. Limited), Suite 215 Duke St. Tower, Halifax, Nova Scotia, B3JIN9.

Fire-View Distributors, PO Box 370, Rogue River, OR 97537, (503) 582–3351.

Fisher Stoves, Inc., 504 So. Main St., Concord, NH 03301, (603) 224–5091, II (Heating Stoves).

Fisk Stove, Tobey Farm, Box 935, Dennis, MA 02638, (617) 385–2171, X (Barrel Stoves).

Forest Fuels, Inc., 7 Main St., Keene, NH 03431, (603) 357–3311.

Franklin Fireplaces, 1100 Waterway Blvd., Indianapolis, IN 46202.

Fuego Heating Systems, PO Box 666, Brewer, ME 04412, (207) 989–5757.

Futura Stove Works, Main St. Box 14W, La Farge, WI 54639, XI (Wood Splitters).

Garden Way Research, PO Box 26W, Charlotte, VT 05445, (802) 425–2137, II (Heating Stoves); VII (Fireplace Accessories); XI (Wood Splitters).

L. W. Gay Stove Works, Inc., Marlboro, VT 05344, (802) 257–0180, II (Heating Stoves).

Gemco, 404 Main St., Marlborough, NH 03455.

General Products Corp., 150 Ardale St., West Haven, CT 06516, VII (Fireplace Accessories).

Glo-Fire, Spring & Sumner Streets, Lake Elsinore, CA 92330, (714) 674–3144.

Golden Enterprise, PO Box 422, Windsor, VT 05089, VII (Fireplace Accessories).

Greenbriar Products, Inc., Box 473G, Spring Green, WI 53588, V (Free-Standing Fireplaces).

HDI Importers, Schoolhouse Farm, Etna, NH 03750, (603) 643–3771.

Heatilator, Box 409, Mount Pleasant, IA 52641, (319) 385–9211, VI (Pre-Fabricated Fireplaces).

Heat Reclamation Division, 939 Chicopee St., GPO Box 366, Chicopee, MA 01021, (413) 536–1311, Telex 95–5342, IX (Heat Reclaimers).

Heritage Fireplace Equipment Co., 1874 Englewood Ave., Akron, OH 44312, (216) 798–9840.

M. B. Hills, Inc., Belfast, ME 04915, (207) 338–4120, IV (Furnaces).

Hinckley Foundry, 13 Water St., Newmarket, NH 03875, (603) 659–5804.

Home Fireplaces (Morso Canadian Importer), Markham, Ontario L3R1GE, (416) 495–1650, 971 Powell Ave., Winnipeg, Manitoba R3HOH4, (204) 774–3834.

I (Cookstoves): II (Heating Stoves); III (Circulating Heaters); V (Free-Standing Fireplaces); VI (Pre-Fabricated Fireplace); VII (Fireplace Accessories).

Household Woodsplitters, PO Box 143, Jeffersonville, VT 05464, (802) 644–2253, XI (Wood Splitters).

Hunter Enterprises Orillia Limited, PO Box 400, Orillia, Ontario, Canada, (705) 325–6111, III (Circulating Heaters); IV (Furnaces & Boilers).

Hydraform Products Corp., PO Box 2409, Rochester, NH 03867, (603) 332–6128, I (Heating Stoves).

Inglewood Stove Company, Rte. 4, Woodstock, VT 05591, (802) 457–3238, II (Heating Stoves).

Isothermics, Inc., PO Box 86, Augusta, NJ 07822, (201) 383–3500, IX (Heat Reclaimers).

Jernlund Products, Inc., 1620 Terrace Dr., St. Paul, MN 55113.

Kenenatics, 1140 No. Parker Dr., Janesville, WI 53545.

Kickapoo Stove Works, Ltd., Rte. 1–A, LaFarge, WI 54639, (608) 625–4431, II (Heating Stoves).

Knotty Wood Splitters, Hebron, CT 06248, (203) 228–9122, XI (Wood Splitters).

KNT, Inc., PO Box 25, Hayesville, OH 44838, (419) 368–3241 or (419) 368–8791, V (Free-Standing Fireplaces); VI (Pre-Fab. Fireplace).

Kristia Associates (Jotul Importers), PO Box 118, Portland, ME 04104, (207) 772–2112, II (Heating Stoves); V (Free-Standing Fireplaces); VI (Pre-Fabricated Fireplaces).

La Font Corp., 1319 Town St., Prentice, WI 54556, (716) 428–2881, VII (Fireplace Accessories); XI (Wood Splitters).

Lance International, PO Box 562, 1391 Blue Hills Ave., Bloomfield, CT 06002 (203) 243–9700, VII (Fireplace Accessories); IX (Heat Reclaimers).

W. F. Landers Co., PO Box 211, Springfield, MA 01101, (413) 786–5722.

Lassy Tools, Inc., Plainville, CT 06062, (203) 747–2748, VII (Fireplace Accessories).

Newton Lee, Rte. 1, Box 116, Worcester, VT 05682, (802) 223–3119, VII (Fireplace Accessories).

Leyden Energy Conservation Corp., Brattleboro Rd., Leyden, MA 01337.

Locke Stove Co., 114 West 11th St., Kansas City, MO 64105, (816) 421–1650), II (Heating Stoves); III (Circulating Heaters).

Log House Designs, Chatham, NH, (603) 694–3183, Fryeburg, ME 04058.

Longwood Furnace Co., Gallatin, MO 64640, IV (Furnaces).

Louisville Tin & Stove Co., PO Box 1079, Louisville, KY 40201, (502) 589–5380, or contact, Whole Earth Access Co., II (Heating Stoves).

Lynndale Manufacturing Company, Inc., 1309 North Hills Blvd., Suite 207, North Little Rock, AK 72116, (501) 758–9602, PO Box 1154, Harrison, AK 72601, (501) 365–2378, IV (Furnaces & Boilers).

Maine Wood Heat Co., RD No. 1 Box 38, Norridgewock, ME 04957, (207) 696–5442.

Majestic Company, Huntington, IN 46750, (219) 356–8000, V (Free-Standing Fireplaces); VI (Pre-Fab. Fireplaces); VII (Fireplace Accessories).

Malleable Iron Range Co., 715 N. Spring St., Beaver Dam, WI 53916, (414) 887–8131.

Malm Fireplaces, Inc., 368 Yolanda Ave., Santa Rosa, CA 95404, (707) 546–8955, V (Free-Standing Fireplaces); VI (Pre-Fab. Fireplaces).

Marathon Heater Co., Box 165 RD 2, Marathon, NY 13803.

Marco Industries, Inc., PO Box 6, Harrisonburg, VA 22801.

Markade-Winnwood, 4200 Birmingham Rd., NE, Kansas City, MO 64117, (816) 454–5260, II (Heating Stoves); IV (Furnaces & Boilers); V (Free-Standing Fireplaces); VII (Fireplace Access.); X (Barrel Stoves).

Martin Industries, PO Box 730, Sheffield, AL 35660, (205) 383–2421, I (Cooking Stove); II (Heating Stove); III (Circulating Heater); V (Free-Standing Fireplace).

Mechanical Product Development Corp., Box 155, Swarthmore, PA 19081.

Merry Music Box (Styria Importers), 20 McKown, Boothbay Harbor, ME 04538, (207) 633–2210, I (Cook Stoves); II (Heating Stoves).

Metal Building Products, Inc., 35 Progress Ave., Nashua, NH 03060, (603) 882–4271, III (Circulating Heaters); VI (Pre-Fab. Fireplaces).

Metal Concepts, Inc., PO Box 25596, Seattle, WA 98125, (206) 365–3055, VII (Fireplace Accessories).

Modern-Aire, Modern Machine and Welding, Highway 2 West, Grand Rapids, Michigan 55744.

Modern Kit Sales, PO Box 12501, N. Kansas City, MO 64116.

Mohawk Industries, Inc., 173 Howland Ave., Adams, MA 01220, (413) 743–3648, II (Heating Stoves).

New England Fireplace Heaters, Inc., 372 Dorset St., So. Burlington, VT 05401, (802) 658–4848, VII (Fireplace Accessories).

Newmac Mfg. Inc., 236 Norwich Ave., Box 545, Woodstock, Ontario N4S 7W5, Canada, (519) 539–6147, IV (Furnaces & Boilers).

Nichols Environmental, 5 Apple Rd., Beverly, MA 01915.

Nortech Corporation, 300 Greenwood Ave., Midland Park, NJ 07432, (201) 445–6900, XI (Wood Splitters).

Old Country Appliances (Tirolia Importer), PO Box 330, Vacaville, CA 95688, or contact Whole Earth Access Co., (707) 448–8460, I (Cooking Stoves).

Pioneer Lamps & Stoves, 71A Yesler Way, Pioneer Sq. Station, Seattle, WA 98104 I (Cook Stoves).

Portland Stove Foundry, 57 Kennebee St., Portland, ME 04104, (207) 773–0256.

I (Cook Stoves); II (Heating Stoves); III (Circulating Heaters); V (Free-Standing Fireplace); VII (Fireplace Accessories); X (Barrel Stove).

Preston Distributing Co. (Poele Importer), 10 Whidden St., Lowell, MA 01852, (617) 458–6303, III (Circulating Heaters).

Preway, Inc., Wisconsin Rapids, WI 54494, (715) 423–1100.

V (Free-Standing Fireplaces); VI (Pre-Fab. Fireplace.

Radiant Grate, 31 Morgan Park, Clinton, CT 06413, (203) 669–6250.

VII (Fireplace Accessories).

Ram & Forge, Brooks, ME 04921, (207) 722–3379.

II (Heating Stoves); IV (Furnaces & Boilers).

REM Industries, 408 C Simms Bldg., Dayton, OH 45402.

Ridgway Steel Fabricators, Inc., Box 382, Bark St., Ridgway, PA 15853, (814) 776–1323 or (814) 776–6156.

VI (Pre-Fabricated Fireplaces); VII (Fireplace Access.).

Riteway Manufacturing Co., PO Box 6, Harrisonburg, VA 22801, (703) 434–7090.

II (Heating Stoves); III (Circulating Heaters); IV (Furnaces & Boilers).

Ro Knich Products, Inc., PO Box 311–E. No. Chicago, IL 60064.

S/A Distributors, 730 Midtown Plaza, Syracuse, NY 13210.

Scandinavian Stoves, Inc. (L. Lange & Co. Importer), Box 72, Alstead, NH 03602, (603) 835–6029.

I (Cook Stoves); II (Heating Stoves).

Scot's Stove Co., 11 Ells St., Norwalk, CT 06850.

II (Heating Stoves).

Self Sufficiency Products. 1 Appletree Square, Minneapolis, MN 55420.

Shenandoah Manufacturing Co., Inc., PO Box 839, Harrisonburg, VA 22801, (703) 434–3838.

II (Heating Stoves); III (Circulating Heaters); VII (Fireplace Accessories).

John P. Smith, 174 Cedar St., Branford, CT 06405, (203) 488–7225.

Solar Sauna, Box 466, Hollis, NH 03049.

Sotz Corp., 23797 Sprague Rd., Columbia Station, OH 44028.

Southeastern Vermont Community Action, Inc., 7–9 Westminster St., Bellows Falls, VT 05101, (802) 463–4447.

II (Heating Stoves).

Southport Stoves (Morso Importer) (Division of Howell Corporation), 248 Tolland St., East Hartford, CT 06108, (203) 289–6079.

II (Heating Stoves); V (Free-Standing Fireplaces).

Sturges Heat Recovery, Inc., PO Box 397, Stone Ridge, NY 12484, (914) 687–0281.

VII (Fireplace Accessories); IX (Heat Reclaimer).

Suburban Manufacturing Company, 4700 Forest Dr., PO Box 6472, Columbia, SC 29206, (803) 782–2649.

III (Circulating Heaters).

Suburban Manufacturing Co., PO Box 399, Dayton, TN 37321.

Sunshine Stove Works, RD 1 Box 38, Norridgewock, ME 04957 (914) 887–4580.

II (Heating Stoves).

Superior Fireplace Co., Div. of Mobex Corp., PO Box 2066, Fullerton, CA 92633.

VI (Pre-Fabricated Fireplace).

Taos Equipment Manufacturers, Inc., Box 1565, Taos, NM 87571 (505) 758–8253.

XI (Wood Splitters).

Tekton Design Corp. (Tasso & Kedelfabric-Tarm importer), Conway, MA 01341, (413) 369–4685.

IV (Furnaces & Boilers).

Temco, PO Box 1184, Nashville, NH 37202, (615) 297–7551.

V (Free-Standing Fireplace); VI (Pre-Fabricated Fireplace).

Thermalite Corp., Dept. PS Box 69, Hanover, MA 02339.

Thermo Control Wood Stoves, Central Bridge, NY 12035.

II (Heating Stoves).

Thermo-Rite, The Fireplace House, 1950 Wadsworth, Denver, CO 80215.

Thermograte, Inc., 300 Atwater St., St. Paul MN 55117, or contact, The Whole Earth Access Co. (612) 489–8863.

VII (Fireplace Accessories).

Torrid Manufacturing Co., Inc., 1248 Poplar Place So., Seattle, WA 98144 (206) 324–2754.

V (Free-Standing Fireplace); IX (Heat Reclaimers).

Triway Mfg. Inc., 7819 Old Highway 99, Box 37, Marysville, WA 98270.

United States Stove Company, P.O. Box 151, South Pittsburg, TN 37380 (615) 837–8631.

II (Heating Stoves); III (Circulating Heaters); V (Free-Standing Fireplaces).

Vaporpack, Inc., Box 428, Exeter, NH 03833, (603) 778–0509.

IX (Heat Reclaimers).

Vermont Castings, Inc., Box 126, Prince Street, Randolph, VT 05060, (802) 728–3355.

II (Heating Stoves).

Vermont Counterflow Wood Furnace, Plainfield, VT 05667.

IV (Furnaces).

Vermont Energy Products, 100 Broad St., Lyndonville, VT 05851, (802) 626–8842.

Vermont Iron Stove Works, Inc., The Bobbin Mill, Warren, VT 65674, (802) 496–2821.

II (Heating Stoves).

Vermont Soapstone Co., Pekinsville, VT 05151.

II (Heating Stoves).

Vermont Techniques, Inc., PO Box 107, Northfield, VT 05663, (802) 485–7905.

VII (Fireplace Accessories).

Vermont Woodstove Company, 307 Elm St., Bennington, VT 05201, (802) 442–3985.

II (Heating Stoves).

Volunteers in Technical Assistance, 3706 Rhode Island Ave., Mt. Rainier, MD 20822.

E. G. Wasburne & Co., 83 Andover St., Danvers, MA 01923.

Washington Stove Works, PO Box 687, 3402 Smith St., Everett, WA 98201, or contact, Whole Earth Access Co., (206) 252–2148.

I (Cook Stoves); II (Heating Stoves); III (Circulating Heaters); V (Free-Standing Fireplace); VII (Fireplace Accessories); X (Barrel Stoves).

Waterford Ironfounders Limited, Waterford, Ireland, Waterford 5911 Cable Iron Waterford, Telex 8763E1.

I (Cooking Stoves).

White Mesa, Inc., 110 Laguna N.W., Albuquerque, NM 87104, (505) 247–1066.

Whitten Enterprises, Arlington, VT 05250.

Whittier Steel & Mfg., Inc., 10725 S. Painter Ave., Santa Fe Springs, CA 90670.

Whole Earth Access Company, 2466 Shattuck Ave., Berkeley, CA 94704, (415) 848–0510.

X (Barrel Stoves).

Wilson Industries, 2296 Wycliff, St. Paul, MN 55114, (612) 646–7214.

Woodburning Specialties (Hunter Importer), PO Box 5, No. Marshfield, MA 02059.

III (Circulating Heaters); IV (Furnaces).

Yankee Woodstoves, Cross St., Bennington, NH 03442, (603) 588–6358.

II (Heating Stoves).

Source: The Woodburners Encyclopedia, by Jay Shelton and Andrew B. Shapiro, Vermont Crossroads Press, Box 333, Waitsfield, Vt. 05673, 1976.●

TAX CREDIT FOR WOOD-BURNING EQUIPMENT

● Mr. COHEN. Mr. President, I am pleased to join with Senator DURKIN in introducing legislation to make certain residential wood-burning equipment eligible for a tax credit. The measure we are introducing amends section 101 of the Energy Tax Act of 1978 (Public Law 618) to provide eligible wood-burning equipment with the same tax treatment now afforded solar, wind, and geothermal equipment. Under the provisions of Public Law 95–618, a taxpayer can receive a credit up to 30 percent of the first $2,000 on the purchase and installation of designated equipment which uses renewable energy sources, and 20 percent of the next $8,000. The maximum credit could total $2,200. Expenditures made on or after April 20, 1977, but before January 1, 1986, would qualify for the credit. Eligible equipment must be installed in the taxpayer's principal residence.

As many Senators will recall, the question of whether to provide a tax credit for wood-burning equipment was debated extensively when the National Energy Act was considered in the Senate. At that time, the Senate wisely agreed to extend the renewable energy tax credit to wood-heating equipment. Unfortunately, the provision was dropped in conference, although the Secretary of the Treasury was given the discretion to prescribe, by regulation, additional items which rely on "renewable energy resources." Despite the urgings of over 50 Members of the Senate and House, the Secretary has chosen not to issue regulations making wood-burning equipment eligible for the tax credit. The legislation Senator DURKIN and I are introducing today will rectify this situation by making the credit mandatory. Similar legislation has been introduced in the other body with broad bipartisan support.

Providing a limited tax credit for wood-burning systems is entirely consistent with the national objective of replacing imported oil with available domestic energy sources. The untapped energy potential of wood is enormous and can no longer be ignored by Federal energy officials. Wood is New England's most abundant energy resource, with over 80 percent of the region covered by forest.

Last month, in a report prepared for the energy task force of the New England Congressional Caucus, researchers concluded that by the mideighties, energy from wood could provide over 9 percent of the entire region's energy supplies.

Over 50 percent of Maine's energy needs could be met by this single resource, with Vermont and New Hampshire following at 39 and 18 percent, respectively. Earlier studies by the New England Federal Regional Council and the Wood Energy Institute have been equally optimistic in their assessment of the energy potential of wood.

Mr. President, the winter of 1978–79 has been a most difficult one for the citizens of Maine and New England. Energy prices have skyrocketed, and supply uncertainties have caused added alarm. Our region's energy destiny remains in the hands of foreign nations who have repeatedly taken advantage of our vulnerability in this area.

Achieving a greater degree of energy independence requires that we aggressively develop renewable and indigenous resources such as wood. We must act now to remove the manacles of energy dependency by providing incentives to our citizens to conserve energy and tap resources other than oil and gas. The bill we are introducing today takes an important step in this direction, and I am hopeful that it can be approved as soon as possible.

I ask unanimous consent to insert in the RECORD at this point the executive summary of the New England Rural Energy Sources Report which I referred to earlier in my statement.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

NEW ENGLAND RURAL ENERGY SOURCES

EXECUTIVE SUMMARY

Overview

New England has significant potential in its energy sources. Wood and water are often referred to as the region's indigenous energy resources. They are renewable, plentiful and particularly well suited for rural or decentralized application. The use of wood and water involves "ready-now" technologies—direct combustion to produce heat and steam from wood and existing dams to generate electricity from falling water. Furthermore, they are cost-competitive with conventional energy supplies.

Direct solar and wind have many of the same attributes as wood and water. They are renewable, available at no purchase cost and well suited for rural use. Solar-thermal can be used for domestic hot water and space heat while photovoltaics can convert sunlight into electrical energy. Passive solar and solar hot water are commercial technologies, but present economics are only beginning to allow the use of direct solar as an alternative to fossil and nuclear fuels. Wind energy is a source of electricity, and is less developed than direct solar.

Today New England is relatively sparing in its use of the four "solar" technologies—wood, small-scale hydro, direct solar and wind. Rural areas have benefitted from these energy sources more than densely populated regions, but even here much progress must be made. Wood is the clear leader both in terms of present usage and near-term potential (Table I). It is possible that by the mid-1980's, energy from wood could provide over 9 percent of the region's energy supplies. Reclamation of existing small-scale hydroelectric dams could add another 1 percent, with direct solar and wind energy showing little contribution in the near-term.

TABLE I.—PRESENT AND NEAR-TERM IMPACT OF WOOD, HYDRO, DIRECT SOLAR AND WIND

[Estimates only, subject to stated assumptions]

	Equivalent annual oil savings (percent of total energy demand [1])				
	Wood	Small scale hydro	Direct solar	Wind	Total
Present:					
Space heat, domestic hot water (all sectors).	10,000,000 bbl (2 percent)		< 1,000,000 bbl (solar-thermal).		10,000,000 to 11,000,000 bbl (> 2 percent).
Electrical generation (utility sector).	< 1,000,000 bbl	2,000,000 bbl [2] (0.4 percent)	Negligible (photovoltaics)	Negligible	2,000,000 to 3,000,000 bbl (< 1 percent).
Near-term potential: (mid-1980's)	55,000,000 bbl [3] (9.3 percent)	9,000,000 bbl [4] (1.5 percent)	1,000,000 bbl [5] (0.2 percent)	< 1,000,000 bbl	65,000,000 to 66,000,000 bbl (> 11 percent).

[1] Assumes 3 quads per year at present, 3.4 quads by 1985.

[2] Conventional hydroelectric dams of less than 15 MW of installed capacity.

[3] Use of all wood wastes and all excess growth from commercial species except unused commercial timber. No contribution from noncommercial species.

[4] Restoration of 1907 existing dams—New England River Basins Commission preliminary findings.

[5] Many possible scenarios—one such is 700,000 dwelling units which are 50 percent dependent on solar energy for domestic hot water.

Maine, New Hampshire and Vermont are the major users of energy from wood. It is estimated that over 50 percent of the homes in these states burn cordwood for space heat with 20 percent of all households relying on wood as their primary fuel. Furthermore, the use of wood to cogenerate electricity and useful heat is a technology whose impact is just being felt in many industrial and commercial applications, especially in the wood and paper operations of northern New England. The present use of wood (2 percent of total energy demand) is fairly evenly divided between residential and industrial users.

The use of hydro energy in New England has declined dramatically since the turn of the century. Of the over 9000 hydropower dams operating in 1900, there are fewer than 300 small-scale hydroelectric facilities (less than 15 megawatts generating capacity) operating today. Most are in Maine and New Hampshire—providing onsite power to industrial users and selling peak load power to utility companies.

There is limited information on a state-specific basis of the current use of direct solar and wind energy in New England. Estimates are that 6000 dwelling units are of solar design or use solar equipment, and that wind machines number in the hundreds.

Northern New England will be the major beneficiary of wood and hydro energy in the future (Table II). Over 50 percent of Maine's energy demands could be met by wood in the mid-1980's with Vermont and New Hampshire following at 39 and 18 percent, respectively. Approximately 4 percent of northern New England's energy requirements could be met by the restoration of over 1300 hydroelectric dams in these three states. Massachusetts also has a significant hydroelectric potential with a possible savings of nearly 1 million barrels of oil a year through the restoration of 284 small-scale dams.

TABLE II.—WOOD AND HYDRO POTENTIAL FOR THE MID-1980'S

[Same assumptions as stated in table I. Hydro potential does not include any contribution from existing, development hydroelectric dams]

	Wood			Small-scale hyrdo		
	Forest area (percent)	Equivalent annual oil savings (percent of total energy demand in 1985)		Existing undeveloped dams	Equivalent annual oil savings (percent of total energy demand in 1985)	
		Million barrels	Percent		Million barrels	Percent
Connecticut	60	1.5	1.1	204	0.3	0.3
Maine	90	32.1	50.9	537	3.4	5.5
Massachusetts	59	4.4	1.6	284	.9	.4
New Hampshire	86	6.8	18.3	598	1.6	4.3
Rhode Island	60	.6	1.6	113	.2	.5
Vermont	76	9.1	38.9	171	.6	2.6
Total	81	54.5	9.3	1,907	7.0	1.2

The preponderance of small-woodlot owners in New England presents an institutional constraint to developing the full potential of energy from wood. The present use of wood for residential space heat and industrial application is at such a level that these barriers to supply are not now critical. However, as 1000 tons per day wood-fired electrical generating units come online in the mid to late 1980's, sources of supply could be a problem unless land access and use is assured.

Although direct solar and wind energy will not be major sources of supply in the mid-1980's, they offer a long-term potential for the region. These resources will tend to be developed in the higher wind and solar radiation areas of coastal and southern New England, and will complement the wood and hydro energy resources of northern New England.

Wood

Wood is New England's most abundant energy resource with over 80 percent of the region covered by forest. For the northern tier states, the forest coverage is 86 percent.

The total energy content of all commercial forests is nearly 19 quads or over six years of energy demand for the region. This is the energy equivalence of over 3 billion barrels of oil.

The annual available surplus from commercial species of wood is over 0.6 quads, or 20 percent of the total energy of the region today. Although it is not economically sensible at this time to harvest this quantity of wood for energy use, this figure represents the available potential without adversely affecting the forest balance. If unused commercial grade timber is eliminated as an energy source, the annual resource potential is in excess of 0.3 quads (equivalent oil savings of 55 million barrels), or 11 percent of the current total energy demand. Both energy estimates would probably double if noncommercial species were included. Uses of wood range from direct combustion for useful heat and steam for electrical generation to methanol production for the transportation sector.

Today wood is burned extensively in home wood stoves and furnaces for space heat. The impact of wood burning in the industrial sector is equally significant (estimated equivalent annual oil savings of 5 million barrels), with cogeneration of useful heat and electricity particularly well suited to remote users. Estimates are that cogeneration could save up to 30 percent of the fuel which would otherwise be needed to produce heat and electricity independently.

The Burlington, Vermont municipal electric department is one major industrial user of wood. They are burning a mixture of 75 percent wood chips and 25 percent oil in a 9 megawatt (electric) converted coal boiler. Wood requirements will increase from the relatively modest 140 tons per day at present to 1000 tons per day in 1983 as a new 50 megawatt wood-fired generator comes online. Wood supplies may have to come from as far away as 50 miles.

The Department of Energy has recently declared wood combustion a "ready-now" technology deserving of Resource Manager status. Congress has also encouraged the development of energy from wood. The FY 79 budget authority for the Fuels from Biomass program is $42.4 million, a more than fourfold increase in two years. (Although biomass covers all types of organic matter, the mainstay of the program is energy from wood.) Most of the funds have been earmarked for thermo-chemical gasification research and development aimed at producing medium-BTU synthesis gas from wood. The National Energy Act provides incentives for methanol production by exempting "gasohol" blends from the 4¢ per gallon Federal excise tax. There will be an effort in the 96th Congress to extend the tax credit provision of energy legislation to cover purchase and installation of wood stoves.

The President's FY 80 budget request is $57.8 million. The increase is largely in activities with intermediate-term potential such as medium-BTU gas production from wood, and in long-range research of biomass energy systems for the year 2000 and beyond. Low-BTU gasification and direct combustion programs are reduced in funding, and there is no budget request for the Lincoln, Maine 50 megawatt (electric) wood-burning project.

Small-scale hydro

Small-scale hydroelectric development at existing dams has arrived. Or more appropriately, it is an obsolete technology whose time has come again.

Preliminary estimates suggest an upper limit, potential annual saving of between 7 and 19 million barrels of oil from reclamation and retrofit projects of small-scale hydroelectric dams. This would represent between 1 and 4 percent of the region's energy demands. It would also mean at least quintupling the present contribution of 2 million barrels of oil (equivalency) from conventional hydroelectric sources at small-scale dams operating in New England today.

Costs for small hydo are uncertain—but the Belfast, Maine project may be the best indicator yet. An existing 20 foot dam has been refurbished and retrofitted to provide a capacity potential of 100 kilowatts at an investment cost of $440 per peak kilowatt. The breakdown operating cost of this online facility is 2.3¢ per kilowatt-hour. The lower limits cited by the Department of Energy for retrofit projects are $500 per kilowatt, and 3¢ per kilowatt-hour.

There are difficulties and time delays in buying adequate insurance, negotiating power selling agreements with utility companies, meeting environmental objections, and obtaining permits. For most developers of small hydro, resources are limited and therefore delays or additional requirements make operations economically risky. The adoption of a short-form by the Federal Energy Regulatory Commission should aid in reducing the paper work and processing time required for application and licensing.

The Federal Government has been supporting this energy supply alternative. The Department of Energy has declared it a "ready-now" technology worthy of increased commercialization efforts. Budgets for demonstration funding in recent years have backed this up, with $9.5 million of the total budget authority of $28 million for FY 79 going to field-test programs. The feasibility and construction loan program, passed by Congress as part of the National Energy Act, should give New England site developers opportunities for low-interest financing of dam reclamation and retrofit projects.

The budget request for FY 80 is down $10 million—the reduction coming in nonrecurring items of the engineering development subprograms. The Administration's position is that engineering development is now the role of the privae sector, and government funding should be concentrated on ensuring rapid commercialization of available technology. Finally, there is funding requested for feasibility loans, but none for construction loans as authorized by the 95th Congress.

Direct solar

The total energy content of sunlight is enormous. More solar falls on buildings than is used inside them. The entire New England region's energy consumption is about equal to the solar energy falling on 1 percent of its land.

Many schemes for capturing and harvesting this energy are currently in various stages of development, and nearly all of these systems have been shown to work. Environmental problems are almost non-existent. The principal problem is cost—although the sun is free, solar equipment is not.

Solar-thermal, or the direct use of solar heat, is the most developed with passive solar (no external power) and solar hot water having been declared "ready-now" technologies by the Department of Energy. Moreover, these systems are economically competitive today, particularly when compared with electric resistance heating. Other solar systems will not become competitive in most applications until there are significant increases in the world price of oil.

At present, on the order of 6,000 New England dwelling units have some form of solar installation—many of which have come as a result of federal solar demonstration projects. Estimates of the near-term impact of direct solar energy in New England are highly speculative. Some energy observers believe that by the mid to late 1980's as many as 500,000 to 1 million units may have solar equipment or design, and an equivalent annual oil savings of 1 million barrels may be realized. An important element in whether this goal can be achieved is the commitment to market-pull incentives by the Federal Government and private sector. Tax credits and low-interest loans as mandated by the National Energy Act are a step in this direction, although it appears that the tax credit provisions do not extend to passive solar installations.

The direct solar budget authority for FY 79 is $383 million. Of this total, nearly one-third or $118 million is for photovoltaics. The overall budget growth from FY 78 to FY 79 is 26 percent, with most of this coming in the solar-electric (photovoltaics) area.

The President's budget request for FY 80 is $430 million, and reflects a 12 percent increase over FY 79. Photovoltaics is the major budget item at $130 million, although no funds have been requested for the federal photovoltaics demonstration program. The major budget reductions are in solar technology projects for active heating and cooling systems, and in demonstration projects for both active and passive systems. Major increases are requested for research and development of passive solar-thermal systems, solar-electric systems, and the construction of the Solar Energy Research Institute in Golden, Colorado.

Current federal policy appears to be based on the assumption that solar-thermal systems have developed to the point that further improvements and adaptations can be made by the private sector. The budget growth area for the Department of Energy is solar-electric (photovoltaics) and not solar-thermal. In particular, the Solar Photovoltaics Act of 1978 calls for an accelerated program of research, development and demonstration of solar photovoltaics. The intent is to spend $1.5 billion over a 10-year period and to establish a competitive, commercial photovoltaics industry. The direct conversion of sunlight into electrical energy by solar cell technology on a commercial basis is a worthwhile (and achievable) goal. The concern is that demonstration projects and consumer-implementation programs for ready-now technologies may not receive equal federal support.

Wind

At present, wind power is 2 to 3 times more expensive than conventional sources of energy. Therefore, it appears that questions of wind system commercialization are still somewhat premature. There are fundamental design and fabrication efforts which must succeed before wind power becomes an attractive economic alternative.

It may be that the most likely and least costly wind system is one which couples directly to the local electric grid without a storage medium. When the wind machine is producing, wind energy is used to meet demand and the excess is sold to the grid. When onsite demand exceeds wind energy supply, power flows from the grid to the consumer. The consequences are clear. Wind power is only one component of a hybrid system—with backup electricity available from commercial sources. The technical and institutional problems of selling to and buying from public utilities must be resolved to make this system work. Here, equitable rate structure arrangements may be more difficult to resolve than the electrical interface problems.

There are two island communities in New England that should receive the bulk of their electrical supplies from wind energy by mid-1979. A privately-financed 200 kilowatt (80 foot diameter blades) wind machine is already being tested on Cuttyhunk Island in Massachusetts. On Block Island, Rhode Island, the Department of Energy is constructing a 200 kilowatt (125 foot diameter blades) windmill for advanced development and test of a system suitable for remote application.

The Federal Government has demonstrated its commitment to developing low cost, dependable wind systems by increasing the technology budget by nearly 250 percent in 3 years to a level of $60 million in fiscal year 1979. Furthermore, the National Energy Act contains tax credit provisions for residential installation of wind equipment.

The budget request for FY 80 is $67 million, or an increase of 10 percent from the budget authority level granted for FY 79. Cost reduction through engineering research and development is still the primary goal of the wind program, with demonstration projects and incentives-oriented commercialization efforts planned as future activities.

Cost

For many remote or onsite applications, rural energy sources are cost-competitive with conventional forms. For example, wood and solar-thermal can be used for space heat and domestic hot water with at least marginal savings in fuel costs in many cases. However, conventional, centralized sources of energy supply are generally less expensive for the generation of electricity—the bellwether for energy-economic viability (Table III).

The price gap between electricity from wood and small-scale hydro on one hand, and from conventional sources on the other hand, has closed significantly. In fact, when distribution and transmission expenses are added to busbar (electrical generating) costs of conventional sources, there are areas of New England in which wood and hydro are less expensive alternatives. Electricity from photovoltaics and wind must be reduced in cost to be competitive at current prices for conventional fuels.

TABLE III.—CURRENT COSTS FOR ELECTRICAL GENERATION

[1977 average cost for all New England users equals 4.5/kWh]

	Wood (direct combustion)	Small-scale hydro	Solar-electric (photovoltaics)	Wind	Conventional		
					Coal	Oil	Nuclear
Dollars per peak kilowatt (new construction)	900	500 [1] to 2,000	12,000	1,500	750		1,000
Typical use factor (percent)	70	45	10	15	75	75	70
Cents per kilowatt hour (current)	3.3	3 [1] to 7	70	10 to 15	2	3.5	2
	User costs				Busbar costs		

[1] Retrofit operations.

Federal support

The Department of Energy has declared wood combustion, small-scale hydroelectric generation, passive solar and solar hot water as "ready-now" technologies worthy of commercialization support. It may take another 5 to 20 years before other forms of direct solar and wind become cost-competitive alternatives for conventional fuels.

Congressional and Administration initiatives ave given strong impetus to these four technologies (Table IV). Direct solar and wind have received the greatest funding support—reflecting the higher research, development and demonstration requirements of these long-term energy alternatives. The percentage budget increases in past fiscal years have come primarily in the solar-electric technologies of photovoltaics, small-scale hydro and wind systems, and in the wood gasification area. Indeed, there has been virtually no growth in the solar-thermal budget appropriations—apparently reflecting the belief that heating and cooling technologies have developed to the point that further improvements and adaptations can be made by the private sector.

Major commercialization or market-pull incentives are provided as part of the National Energy Act. These include solar tax credits and low-interest loans, feasibility and construction loans for small-scale hydro, and exemption for "gasohol" from the 4¢ per gallon Federal excise tax. In addition, on the regional level, institutions such as the Northeast Solar Energy Center are charged with the commercialization function of assisting businesses and entrepreneurs in bringing their technical ideas to the marketplace.

The President's budget request for FY 80 shows growth in all areas except direct combustion of wood, low-BTU gas production from wood, small-scale hydro, and solar-thermal. The requested reductions are based on the belief that these "ready-now" technologies do not need engineering development assistance from the Federal Government.

TABLE IV.—FEDERAL INITIATIVES TO ACCELERATE SOLAR TECHNOLOGIES

[Dollar amount in millions]

	Wood	Small-scale hydro	Direct solar	Wind
Budget authority:				
Fiscal year 1979	[1] $42.4	$28	$383.4	$60.7.
Fiscal year 1978	[1] $20.8	$10	$303.7	$36.7.
Increase or (decrease) (percent)	104	180	26	65.
Budget request (fiscal year 1980)	[1] $57.8	$18	$430.0	$67.
Increase (percent)	36	(36)	12	10.
Significant congressional and administration actions during the 95th Cong.	$21,900,000 in fiscal year 1979 for gasification developments.	Feasibility and construction loan program ($10,000,000 in fiscal year 1979).	Tax credits and low-interest loans.	Tax credits.
	Gasohol exempt from 4¢ per gallon Federal excise tax.	Feasibility and demo program ($9,500,000 in fiscal year 1979).	Solar equipment in federal buildings and military construction projects.	$9,500,000 in fiscal year 1979 for small-scale system development.
	National Alcohol Fuels Commission	Short-form for licensing	Long-term photovoltaics commitment—$118,500,000 in fiscal year 1979.	
	"Ready-now" technology	"Ready-now" technology	"Ready-now" technologies—passive solar and domestic hot water.	

[1] Fuels from biomass (primarily wood) figures.

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By Mr. BAYH:

S. 721. A bill to amend the Civil Rights Act of 1957 to authorize appropriations for the U.S. Commission on Civil Rights for fiscal year 1980; to the Committee on the Judiciary.

U.S. CIVIL RIGHTS COMMISSION AUTHORIZATION, 1980

● Mr. BAYH. Mr. President, I am today introducing a bill to authorize appropriations for the U.S. Commission on Civil Rights.

The U.S. Commission on Civil Rights is a temporary, independent, bipartisan agency established by Congress in 1957 to:

Investigate complaints alleging denial of the right to vote by reason of race, color, religion, sex, age, handicap, or national origin, or by reason of fraudulent practices:

Study and collect information concerning legal developments constituting discrimination or a denial of equal protection of the laws under the Constitution because of race, color, religion, sex, age, handicap, or national origin, or in the administration of justice;

Appraise Federal laws and policies with respect to discrimination or denials of equal protection of the laws because of race, color, religion, sex, age, handicap, or national origin; and

Submit reports, findings and recommendations to the President and the Congress.

Mr. President, as many in this body remember, the Congress last year reextended the life of the Commission for 5 years and added age and handicap discrimination to the Commission's jurisdiction. However, even though a majority of the Judiciary Committee had agreed to a 5-year authorization for the Commission, former Senator Scott expressed an interest in conducting an annual oversight of the Commission to be occasioned by the authorization process for each fiscal year. The Members of the other body supported this position both in their original hearings and in the conference with the Senate on the bill. The result was a 1-year—fiscal year 1979—authorization section in the bill which will be amended to include the upcoming fiscal year 1980 by the bill I have just introduced.

Mr. President, although this is a rather simple bill, it is an essential one. Its aim is simply to authorize moneys for the continuation of the activities of the Civil Rights Commission, the only agency in the Government whose sole purpose is to see to it that the civil rights laws are adhered to and that all Americans are able to enjoy the equal protection of the laws as guaranteed by the Constitution. I trust all Senators will join me in sponsoring this legislation.

Mr. President, the Subcommittee on the Constitution of the Committee on the Judiciary will hold hearings on this subject on Thursday, March 22, 1979, at 9:30 a.m. in room 5110 of the Dirksen Building.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 721

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 106 of the Civil Rights Act of 1957 (42 U.S.C. 1975e) is amended by striking out "1979" and inserting in lieu thereof "1980".●

By Mr. DURKIN:

S. 722. A bill to amend the Internal Revenue Code of 1954 to provide tax relief to residential users of refined petroleum products; to the Committee on Finance.

● Mr. DURKIN. Mr. President, the cost of home heating oil in the Northern United States, especially in New Hampshire and New England, has almost tripled in the past 4 years. This winter, because of several brutal cold spells which have plagued the Northeast, increasing demand, and because of the crisis in Iran, home heating oil prices are skyrocketing once again.

This cost explosion has had a devastating effect on the ability of the citizens of our colder States to pay their heating bills. They have watched helplessly as the price of home heating oil has increased by 25 percent within the past few months. And the Ayatollah's gift to New England should come in the form of another 20 percent increase by this time next year.

The residents of our Northern States have trimmed their budgets as much as is humanly possible, in order to meet the biting, ever-growing heating oil bill. This year, however, many families will find that they still will not be able to afford their oil bills. Clearly, what we are considering here today is the question of economic survival for many residents of New England and most Northern States.

That is why I am today introducing legislation to provide a refundable tax credit for home heating oil consumers. This credit will cover 25 percent of the annual oil bill paid by homeowners, up to a maximum of $200. The credit will be reduced by 1 percent of the consumer's income over $15,000 adjusted gross income, so that the credit will aid only those people for whom it is essential. It is refundable, so even the poor and elderly who owe no Federal income tax will be eligible for a Federal tax rebate to help defray the cost of home heating oil.

Let me explain more fully why such a credit is vital to New Hampshire, New England, and indeed, oil consumers across the Nation. New England has less than 6 percent of the entire U.S. population, yet it pays for 25 percent of all home heating oil sold in the United States. Because of the particularly cold winters found in New England and much of the Northeast, we must consume more oil, and thus, increases in the cost of home heating oil are severely injurious to New England. Furthermore, because New England must import from abroad all of its heating oil needs, the cost of heating one's home in New England is the highest in the Nation—almost 8 percent higher than the national average. The disparity in oil costs between New England and other regions of the Nation is as high as 10 percent.

The skyrocketing price of oil has had a severe economic effect on the Northeast. In the past 2 years, 88,000 financial assistance grants totaling over $15 million have been made to help those unable to pay their heating oil bills in New Hampshire, Maine, and Vermont alone.

Mr. President, I would like to emphasize the fact that this measure will help to effectively alleviate a very pressing problem in the Northern United States: That of a gross disparity between the price of oil in the Northeast and the rest of the Nation. This credit will bring us closer to the equalization of energy bills across the Nation, a stated goal of the national energy plan, and will help to cushion the adverse impact the debilitatingly high energy costs which residents of New England and much of the North have faced this winter.

As my colleagues are aware, the Senate passed this legislation during the 95th Congress. I want to thank those who supported me then, especially the distinguished chairman of the Finance Committee, Senator LONG. But as important as passage of the bill was last year, it is doubly important now. The paychecks of the people in New Hampshire, New England, and other regions of the country, are disappearing into their oil barrels. We must provide financial relief, and we must provide it as soon as is humanly possible.

Mr. President, for too long the people of New Hampshire and New England have suffered because of misguided Federal energy policy. It costs literally hundreds of dollars more a month to heat a home in my State than in most other States, holding factors such as temperatures constant. Much of this is due to poor Federal decisions over the past two decades which have unfairly penalized the residents of New England. With heating costs soaring, the Federal Government can do no less than implement programs which bring some fairness to these people.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 722

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RELIEF TO RESIDENTIAL USERS OF REFINED PETROLEUM PRODUCTS.

(a) GENERAL RULE.—Part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by inserting immediately after section 44C thereof the following new section:

"SEC. 44D. TAX CREDIT FOR HOME HEATING OIL.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year, an amount equal to 25 percent of the total cost of heating oil purchased by the taxpayer during the taxable year.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The credit allowed under subsection (a) may not exceed $200.

"(2) LIMITATION.—The credit allowed by this section shall apply only to oil purchased for a qualified use.

"(3) MARRIED INDIVIDUALS.—In the case of a husband and wife who file a joint return under section 6013, the amount specified under paragraph (1) shall apply to the joint return. In the case of a married individual filing a separate return, paragraph (1) shall be applied by substituting '$75' for '$150'.

"(4) LIMITATION BASED ON ADJUSTED GROSS INCOME.—The credit provided under subsection (a) shall be reduced by 1 percent of so much of the adjusted gross income of the taxpayer for the year as exceeds $15,000.

"(c) QUALIFIED USE.—The term 'qualified use' means use in a residence for residential purposes. In the case of use in a residence for residential purposes, the Secretary shall provide by regulations for the application of this section to condominium management associations (within the meaning of section 528(c)) or members of such associations, tenant-stockholders in cooperative housing corporations (as defined in section 216), and landlords and tenants in such a fashion that the amount allowed by subsection (a) is allowed, whether by allocation, apportionment, or otherwise, to the person paying, directly or indirectly, for the refined petroleum products so used.

"(d) TERMINATION.—This section shall not apply to taxable years ending after December 31, 1983."

(b) REFUND OF EXCESS CREDIT.—Section 6401(b) (relating to amounts treated as overpayments) is amended—

(1) by striking out "and 43 (relating to earned income credit)," and inserting in lieu thereof "43 (relating to earned income credit),", and

(2) by striking out "and 43" and inserting in lieu thereof ", 43 and 44D".

(c) CLERICAL AMENDMENTS.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately after the item relating to section 44C the following new item:

"SEC. 44D. Tax credit for home heating oil.".

SEC. 2. EFFECTIVE DATE.

The amendments made by section 1 of this Act shall apply with respect to taxable years beginning after December 31, 1978.●

By Mr. DURKIN:

S. 723. A bill to promote competition in the marketing of petroleum products by providing for a moratorium on further control or acquisition of marketing outlets by petroleum producers and refiners, and for other purposes; to the Committee on the Judiciary.

PETROLEUM MARKETING MORATORIUM ACT

● Mr. DURKIN. Mr. President, today I am introducing legislation that will prevent the Nation's independent service station operators from being forced out of business by their own suppliers, the major oil companies. Large integrated oil companies are manipulating prices and using distribution favoritism to minimize competition by driving small independent service stations into bankruptcy and out of business.

Since the Arab oil embargo of 1973, the major oil companies have been succeeding in taking a larger share of the Nation's gasoline market—not just from their own retailers, but from their own branded dealers as well. The result is record profits for the giant oil corporations, increased costs for consumers, and greatly increased small business closings.

More specifically, the legislation I am introducing today will impose a moratorium on further acquisition and control of gasoline stations by major oil companies. This bill, the Petroleum Marketing Moratorium Act, would forbid major oil companies from opening or operating any retail outlet after the date of enactment. Because similar abuses have taken place in the marketing of home heating oil, this legislation also forbids major oil companies from opening or operating any retail outlets to sell heating oil as well.

There is no question that this legislation is needed now. According to the U.S. Department of Energy, the total number of independent service stations across the country in November of 1974 was 178,900. By November of 1975, the number of dealers had dropped to 168,200. By January of 1978, there were 149,000, and as of late last year the number of independent service stations had dropped to 136,800. Although the overall number of gasoline stations has decreased in this time, independent retailers have been closing at over twice the rate of company-owned outlets. An average of 10,000 independent retailers have gone out of business each year since 1974.

The oil companies, in many instances, are taking over the gasoline retailing business by terminating their own dealers' supply and canceling leases, and then opening company-operated outlets—often at the same locations. This is blatantly unfair. Independent small businessmen cannot effectively survive in the face of such overwhelming economic force. The independent small businessman has little, if any, bargaining power.

Last year Congress passed and the President signed into law the "Petroleum Marketing Practices Act," the so-called Dealer Day in Court bill. This legislation, which I had the privilege of sponsoring in the Senate, established procedures to insure that retail gasoline franchise holders were not unfairly or arbitrarily deprived of their franchises, and thus their livelihoods. This legislation was long overdue and represents this Nation's first substantial attempt to prevent the unjust treatment of gasoline retailers.

While the "Fair Marketing Practices Act" was an important step in the right direction, it did not go far enough in protecting the gasoline retail market from the aggressive intrusion of the integrated multinational giants. In order to complete the work we began in the last Congress, further legislation is needed. I believe the legislation I am offering today will solve some of the problems we face in this area.

In addition to terminating their dealers' leases, some major oil companies sell to their own company-operated stations at far lower prices than those they charge to independent dealers. As a result, company-operated stations can sell at lower prices to the public than dealer stations, thus increasing their volume sales and profits in a time of consumer "penny pinching." In recent years, the big oil companies have been concentrating their company-operated stations in very high volume metropolitan areas, and have been taking business away from their lessee dealers in these high volume areas. This allows the major company to drive its own dealers and other dealers out of business.

This tactic is succeeding. Between January 1975 and July 1978, the average monthly sales volume at refiner-operated stations increased from 55 million gallons to over 83 million gallons, while the independent retailers average dropped from 94 million gallons to 89 million gallons. The market share of independent dealers dropped from 79 percent in November 1974 to less than 70 percent in November 1978. The market share of refiner stations rose from 13.7 percent of all gasoline sales to 18.9 percent. This is a 42 percent increase in business in just 4 years. Also with less stations, increasing gasoline prices, and escalating demand (the number of U.S. private autos went up from 96,500,000 in 1972 to over 120,000,000 in 1979), skyrocketing profits are being made. In 1972, the total dollar sales of gasoline in the U.S. was $34 billion. This increased dramatically to over $58 billion in 1978. This is close to a doubling of sales dollars and resultant profits.

Major oil companies have the power to control the retail gasoline market because they make substantial profits in the production of crude oil. Company-operated gasoline stations provided outlets for the gasoline made from this crude oil. The major oil companies can afford to subsidize their retail stations to keep crude oil moving. As competitors are driven from each street corner, the public suffers. The remaining stations can raise their prices. If all the major oil companies' competitors are driven out, there will be no limit to the price that the oil companies will be able to charge for gasoline.

Many of these company-owned gasoline stations sell gasoline only and do not provide the broad range of services and repairs supplied by the typical independent service station. For example, in New Hampshire our economy is dependent on tourism, and in our harsh winters, when road services are more than just a convenience, the service station operator is an economic and social necessity. His existence will be protected by adopting this legislation. This act will bring a halt to the unwarranted takeovers by giant companies seeking only profits.

I am a strong advocate of retail divestiture, pushing the oil companies out of retailing altogether. This approach has been proven viable and constitutional by the U.S. Supreme Court, when it reviewed Maryland's and the District of Columbia's laws. Recognizing that there is no legislative way to cure past evils or to return the business of those who were driven from the market by unfair price manipulations, illegal favoritism, anticompetitive tactics, and lease terminations, I am proposing a moratorium of further acquisition and control of gasoline stations by major oil companies.

We must draw the line. The Nation must draw the line of decency, fairness, and equity in the petroleum marketing business, which the major oil companies have stepped over again and again. It is time to act, otherwise our independent small business gas station owners will be an endangered species.

In closing, Mr. President, I strongly urge my colleagues to act favorably on this legislation and I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 723

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Petroleum Marketing Moratorium Act."

SEC. 2. It is the purpose of this Act to assist in reducing inflation, and protecting the purchase power of the dollar by making more competitive the marketing of petroleum products.

SEC. 3. As used in this Act, the term—

(1) "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, joint-stock companies, trustees and receivers in bankruptcy and reorganization, common-law trusts, or any organized group, whether or not incorporated;

(2) "production" means the development of oil lands within the United States, the production of crude petroleum and natural gas thereon, and the storage of crude petroleum and natural gas thereon;

(3) "transportation" means the transportation of petroleum products by means of pipelines, railroads, or tankers;

(4) "refining" means the refining, processing, or converting of crude petroleum, fuel oil, or natural gas into finished or semifinished products, and includes the initial sale with transfer or ownership of refined petroleum products to customers at the refinery;

(5) "marketing" means the sale and distribution of refined petroleum products other than the initial sale with transfer of ownership of refined petroleum products to customers at the refinery;

(6) "control" means actual or legal power or influence over another person, whether direct or indirect, arising through direct or indirect ownership, of capital stock, interlocking directorates or officers, contractual relations, agency agreements, or leasing agreements, in which the result is used to affect or influence persons engaged in the marketing of petroleum products;

(7) "outlet" means real property used

primarily as a place for the wholesale or retail sale of petroleum products;

(8) "operate" means engaging in the wholesale or retail sale of petroleum products, motor vehicle parts, motor vehicle equipment, motor vehicle accessories, or motor vehicle supplies, directly, or indirectly through any agent who receives any commission, compensation, or payment because of the sale of such product, part, equipment, accessory, or supply; and

(9) "major market shareholder" means a refiner who is not an "independent refiner" as those terms are defined in section 3 of the Emergency Petroleum Allocation Act of 1973, as amended (15 U.S.C. 752).

SEC. 4. Any major market shareholder directly or indirectly engaged in the production, refining, or transportation of petroleum products shall not acquire, operate, or control, directly or indirectly, any retail outlet for the marketing of petroleum products which was not acquired, operated, or controlled by such person as of the date of enactment of this Act.

SEC. 5. Any person who knowingly violates section 4 of this Act shall upon conviction be punished by a fine not to exceed $100,000, or by imprisonment not to exceed ten years, or both. A violation by a corporation is also a violation by the individual directors, officers, receivers, trustees, or agents of such corporation who have authorized, ordered, or done any of the acts constituting the violation by the corporation, in whole or in part.

SEC. 6. (a) Any person who violates section 4 of this Act shall be subject to a civil penalty of not more than $10,000 for each day during which such violation continues.

(b) The Attorney General shall bring a civil action for appropriate relief, including a permanent or temporary injunction, against any person who violates section 4. Any action under this section may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business, and such court shall have jurisdiction to restrain such violation and to require compliance.

SEC. 7. Any person injured as a result of a violation of section 4 may bring an action to enforce compliance with or enjoin any such violation and for any damages suffered as a result of such violation. Any such action shall be brought in the United States district court in any district in which the defendant is found or is an inhabitant or transacts business. Process in any such case may be served in any other district.

SEC. 8. This Act does not affect the rights and duties that matured, penalties that were incurred, and proceedings that were begun, before the date of enactment of this Act.●

By Mr. STONE:

S. 725. A bill to deny Members of Congress any increase in pay under any law passed, or plan or recommendation received, during a Congress unless such increase is to take effect not earlier than the first day of the next Congress; to the Committee on Governmental Affairs.

S.J. Res. 50. A joint resolution proposing an amendment to the Constitution with respect to compensation of Senators and Representatives; to the Committee on the Judiciary.

Mr. STONE. Mr. President, in July 1975, Congress voted to link the salaries of Members of Congress to those of general schedule Federal employees for the purpose of obtaining automatic, annual cost-of-living increases. No one would argue that Members' salaries do not need periodic revision, but in that instance, when the country was in the grips of recession and everyone agreed Federal spending had to be kept to a minimum, the timing and the method could not have been worse. It looked particularly odious to the public to see newly elected first-term Members voting themselves a raise.

During the last Congress, I introduced a bill to amend the Legislative Reorganization Act of 1946 to prevent Members of Congress from receiving salary increases during the Congress in which the increase was enacted. The bill provided that a general election must fall between the time when a congressional pay increase is voted upon and the time when it goes into effect. I am introducing the bill again in this Congress. This legislation does not address itself to the merits of any specific increase, just to the timing of any future ones.

In conjunction with this bill I am also reintroducing a resolution to amend the Constitution with regard to Members' salaries. The amendment that I am proposing is not new. The idea of placing constitutional restraints on Members' ability to increase their own salaries is almost as old as the Constitution itself.

Nearly 200 years ago, in the House of Representatives, James Madison proposed a number of amendments to the newly adopted U.S. Constitution. Twelve of those amendments were passed by the House and the Senate and sent on to President Washington in 1791 for transmission to the States. Ten of the amendments were ratified by the requisite 11 States and became our Bill of Rights. One of the two amendments that failed, should have been ratified, in the opinion of this Senator. The text of that amendment was simple and direct; it provided that, "No law, varying the compensation for the services of the Senators and Representatives, shall take effect, until an election of Representatives shall have intervened."

There are several reasons why I feel a constitutional amendment is needed in addition to the change in the 1946 Reorganization Act. The first is the permanence of a constitutional amendment. Only once in our history has an amendment to the Constitution been repealed. The accompanying bill, which would be instrumental in implementing the amendment once it is ratified and which would fill the gap between the time of passage by the Congress and ratification by the States, could be changed as easily as the Federal Salary Act of 1967 was in July 1975.

The second reason is to rectify a mistake made back in the early history of our Nation. Only 6 of the then 14 States ratified the amendment when it was offered back in 1791. The 12 amendments were offered as a group. They were to be a "bill of rights" which many States felt was a necessary addition to the Constitution. The two amendments which failed were not regarded as fundamental individual rights and, therefore, were not considered proper for a "bill of rights." Additionally, some States did not think that there should be any amendments to the Constitution because they feared it would endanger the stability of the new Government. Three of these original States did not ratify any of the first 12 proposed amendments until 1939.

Last year, in response to public sentiment about this issue, the Legislature of Wyoming ratified the original proposed constitutional amendment on congressional salary increases. I understand at least one other Western State is considering ratification. There is, of course, a question as to the validity of ratification at this late date, which is why I am reintroducing the amendment. Should the ratification eventually be found to be valid, then I would urge other States to pursue this course.

In any event, reintroduction of the amendment will serve to remind the States of the intent of the original amendment and to focus attention on this solution to the problem.

Public sentiment is now clearly antagonistic to Government. When Congress acts as it did to tie its salary to general schedule Federal employees for the purpose of obtaining cost-of-living increases, the public has reason to feel distrustful. I do not think that the Congress has often abused its power in this regard, but many people in this country are wary of the potential for abuse. As James Madison said in his statement of introduction to the amendment in the House of Representatives:

> Perhaps of all the powers granted, it is least likely to abuse; but there is a seeming impropriety in leaving any set of men without control to put their hand into the public coffers, to take out money to put in their pockets; there is a seeming indecorum in such power, which leads me to propose a change.

Time has borne out Madison's sense of the impropriety of the situation. Obviously Congress must always take ultimate responsibility for increasing Members' salaries. My amendment would not take away that responsibility, but it does give the voters an opportunity to express their views on a salary increase for all Representatives and one-third of the Senate before that increase takes effect.

Mr. President, I ask unanimous consent that the texts of the bill and the joint resolution be printed in the RECORD.

There being no objection, the bill and joint resolution were ordered to be printed in the RECORD, as follows:

S. 725

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 601 (a) of the legislative Reorganization Act of 1946 (2 U.S.C. 31) is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding paragraphs (1) and (2) of this subsection, section 225 of the Federal Salary Act of 1967, or any other provision of the law, an individual referred to in paragraph (1) may not have his rate of pay increased—

"(A) by or under any law passed during a Congress;

"(B) under paragraph (2) of this section (except to the extent subparagraph (A) of this paragraph applies), if an alternative plan transmitted by the President under section 5305 (c) (1) of title 5, United States Code, does not take effect by reason of the adoption during a Congress of a resolution disapproving such plan; or

"(C) under recommendations taking effect under section 225 of the Federal Salary Act of 1967 which were transmitted by the President during a Congress;

unless such increase is to take effect not earlier than the first day of the next Congress."

SEC. 2. The amendment made by the first section of this Act shall apply with respect to laws passed by either House of Congress after June 30, 1975, and alternative plans and recommendations regarding pay transmitted by the President after such date.

S.J. RES. 50

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), that the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years after the date and final passage of this joint resolution:

"ARTICLE —

"SECTION 1. No law varying the compensation for the services of the Senators and Representatives, shall take effect until an election of Representatives shall have intervened.

"SEC. 2. Congress shall have the power to enforce this article by appropriate legislation.".

ADDITIONAL COSPONSORS

S. 29

At the request of Mr. HATCH, the Senator from New Hampshire (Mr. HUMPHREY) and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 29, a bill to repeal the Davis-Bacon Act.

S. 43

At the request of Mr. HATCH, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 43, a bill to promote safety and health in skiing and other winter outdoor recreational activities.

S. 76

At the request of Mr. STONE, the Senator from Florida (Mr. CHILES), the Senator from Montana (Mr. MELCHER), and the Senator from West Virginia (Mr. RANDOLPH), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of S. 76, a bill to amend title XVIII of the Social Security Act to authorize payment under medicare for certain services performed by chiropractors.

S. 80

At the request of Mr. NELSON, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 80, a bill relating to dairy price support levels.

S. 94

At the request of Mr. BENTSEN, the Senator from Hawaii (Mr. MATSUNAGA) was added as a cosponsor of S. 94, to amend the Internal Revenue Code to allow homemakers to establish Individual Retirement Accounts.

S. 100

At the request of Mr. PACKWOOD, the Senators from Utah (Mr. HATCH and Mr. GARN), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 100, a bill to amend the Internal Revenue Code of 1954 to provide a deduction for expenses incurred for reforestation, and for other purposes.

S. 103

At the request of Mr. HATCH, the Senator from Virginia (Mr. WARNER), the Senator from Indiana (Mr. LUGAR), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Pennsylvania (Mr. SCHWEIKER), and the Senator from Colorado (Mr. ARMSTRONG) were added as cosponsors of S. 103, the Save Our Schools Act of 1979.

S. 112

At the request of Mr. DOLE, the Senator from Oklahoma (Mr. BELLMON), the Senator from Montana (Mr. MELCHER), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 112, a bill to repeal the carryover basis provisions.

S. 119

At the request of Mr. BELLMON, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 119, the Business Reporting Reform Act of 1979.

S. 219

At the request of Mr. PACKWOOD, the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 219, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 246

At the request of Mr. BENTSEN, the Senator from Kentucky (Mr. FORD), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 246, to amend the Internal Revenue Code of 1954 to encourage greater individual savings.

S. 252

At the request of Mr. GLENN, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 252, the Anti-Arson Act of 1979.

S. 259

At the request of Mr. NELSON, the Senator from Arkansas (Mr. BUMPERS) was added as a cosponsor of S. 259, a bill to establish the goal of reducing Federal paperwork costs by 25 percent.

S. 262

At the request of Mr. RIBICOFF, the Senator from Montana (Mr. MELCHER) and the Senator from Alabama (Mr. STEWART) were added as cosponsors of S. 262, the Reform of Federal Regulation Act of 1979.

S. 336

At the request of Mr. MATHIAS, the Senator from Kentucky (Mr. FORD) was added as a cosponsor of S. 336, a bill to amend the Internal Revenue Code of 1954 to provide that married individuals who file separate returns may be taxed at the same rate as an unmarried individual.

S. 344

At the request of Mr. STAFFORD, the Senator from New Mexico (Mr. SCHMITT), the Senator from South Dakota (Mr. PRESSLER), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of S. 344, a bill to amend section 131, title 23, United States Code.

S. 378

At the request of Mr. BELLMON, the Senator from Connecticut (Mr. WEICKER) was added as a cosponsor of S. 378, to authorize the Robert A. Taft Institute of Government Trust Fund.

S. 395

At the request of Mr. CHILES, the Senator from Oklahoma (Mr. BELLMON) was added as a cosponsor of S. 395, the Medicare Supplemental Health Insurance Information Disclosure and Protection Act of 1979.

S. 414

At the request of Mr. BAYH, the Senator from Missouri (Mr. EAGLETON), was added as a cosponsor of S. 414, the University and Small Business Patent Procedures Act.

S. 449

At the request of Mr. HATCH, the Senator from Alaska (Mr. STEVENS) and the Senator from North Dakota (Mr. YOUNG) were added as cosponsors of S. 449, the Charitable Organizations Preservation Act of 1979.

S. 462

At the request of Mr. WEICKER, the Senator from Oklahoma (Mr. BELLMON) was added as a cosponsor of S. 462, to exempt the price of natural gas imported from Mexico from regulation under any Federal or State law.

S. 489

At the request of Mr. DOMENICI, the Senator from Florida (Mr. STONE) and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 489, the Medicare Home Health Amendments of 1979.

S. 535

At the request of Mr. SCHMITT, the Senator from Kansas (Mr. DOLE) was added as a cosponsor of S. 535, the Nuclear Waste Transportation Safety Act of 1979.

S. 538

At the request of Mr. HEINZ, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 538, to amend the Tariff Act of 1930 with respect to the imposition of countervailing duties, and for other purposes.

S. 544

At the request of Mr. KENNEDY, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of S. 544, the Health Planning Amendments of 1979.

S. 598

At the request of Mr. BAYH, the Senator from Louisiana (Mr. JOHNSTON), the Senator from Oregon (Mr. HATFIELD), and the Senator from Tennessee, (Mr. SASSER) were added as cosponsors of S. 598, the Soft Drink Interbrand Competition Act.

S. 604

At the request of Mr. HATCH, the Senator from California (Mr. HAYAKAWA), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Colorado (Mr. ARMSTRONG) were added as cosponsors of S. 604, the Small Business Paperwork Cost Reimbursement Act of 1979.

S. 631

At the request of Mr. GOLDWATER, the Senator from Texas (Mr. TOWER), the Senator from Idaho (Mr. CHURCH), and the Senator from New Mexico (Mr. SCHMITT) were added as cosponsors of S. 631, to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to John Wayne.

S. 654

At the request of Mr. GOLDWATER, the Senator from Alabama (Mr. HEFLIN), the Senator from Maryland (Mr. MATHIAS), and the Senator from Illinois (Mr. PERCY) were added as cosponsors of S. 654, a bill to remove residency requirements and acreage limitations applicable to land subject to reclamation laws.

SENATE JOINT RESOLUTION 20

At the request of Mr. ZORINSKY, the Senator from Idaho (Mr. CHURCH) was added as a cosponsor of S.J. Res. 20, to increase the price support for milk, wheat, corn, soybeans, and cotton to not less than 90 percent of parity prices therof.

SENATE RESOLUTION 64

At the request of Mr. BELLMON, the Senator from Oklahoma (Mr. BOREN) and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of S. Res. 64, expressing a sense of the Senate that the President remove price controls on domestically produced upper tier crude oil and systematically remove all remaining price controls on domestically produced crude oil by September 1, 1981.

SENATE RESOLUTION 99

At the request of Mr. CRANSTON, the Senator from Illinois (Mr. PERCY), the Senator from California (Mr. HAYAKAWA), and the Senator from Maine (Mr. MUSKIE) were added as cosponsors of Senate Resolution 99, relating to the West German statute of limitations applicable to war crimes.

SENATE CONCURRENT RESOLUTION 2

At the request of Mr. GOLDWATER, the Senator from Oklahoma (Mr. BOREN), the Senator from Indiana (Mr. LUGAR), and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of Senate Concurrent Resolution 2, to uphold the separation of powers between the executive and legislative branches of government in the termination of treaties.

SENATE CONCURRENT RESOLUTION 9

At the request of Mr. GOLDWATER, the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of Senate Concurrent Resolution 9, relating to the restoration of the free exercise of religion in the Ukraine.

SENATE RESOLUTION 110—SUBMISSION OF A RESOLUTION RELATING TO CONVICTION AND CONTINUED IMPRISONMENT OF YURI ORLOV AND ANATOLY SHCHARANSKY

Mr. DOLE submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 110

Whereas Yuri Orlov, a prominent Soviet scientist, was convicted by the Government of the Soviet Union of selling "slanderous material to the West" after a trial in which he was denied the representation of his choice and the right to call witnesses on his own behalf;

Whereas Anatoly Shcharansky, a prominent computer specialist in the Soviet Union, was arrested on March 15, 1977, tried and convicted of treason in July 1978, and condemned to 13 years in prison;

Whereas the real "crime" of these two men and that of many others was to try to monitor their government's compliance with the Final Act of the Conference on Security and Cooperation in Europe, also known as the Helsinki Accord;

Whereas March 1979 marks the anniversary of the arrest of Anatoly Shcharansky; and

Whereas 2,400 United States scientists signed on March 1, 1979, a petition by which they agreed to limit their participation in Soviet-American scientific exchanges, pending the release of Anatoly Shcharansky and Yuri Orlov: Now, therefore, be it

Resolved, That the Senate hereby expresses its support for certain United States scientists who refuse to visit the Union of Soviet Socialist Republics in protest of the conviction and continued imprisonment of Yuri Orlov and Anatoly Shcharansky by the Government of the Union of Soviet Socialist Republics.

COMMEMORATION OF ANATOLY SHCHARANSKY'S IMPRISONMENT

Mr. DOLE. Mr. President, lest we forget, a remarkable young woman is visiting the United States this month, in yet one more pilgrimage to remind us of the plight of her husband, Anatoly Shcharansky, who has been languishing in Soviet prisons for the past 2 years for a crime that he did not commit.

It would be difficult to remain unmoved by the determination and by the courage of a vital Shcharansky. A young woman who had every God-given right to lead a normal life with the husband of her choice and the children she says they both want, she was separated from him only hours after their marriage ceremony took place. "I have many plans for a normal life" she says simply. The eloquence of her dreams transcends the sobriety of her words, in which one senses a quiet and dignified plea.

Last year, on May 24, in an effort to focus attention and to seek solutions to the growing problem of human rights violations in the Soviet Union, and elsewhere, I presented in this very Chamber a resolution supporting the action of certain U.S. scientists in refusing to visit the Soviet Union in protest for the conviction of Soviet scientist Yuri Orlov. I also suggested that the United States assume leadership in condemning the violation of basic human rights by the Soviet Union of its scientists and other citizens. Finally, I recommended that the President direct the heads of the departments and agencies of the Government to begin an intensive and careful evaluation of international conferences and exchanges of scientists with the Soviet Union, until such time that the Soviet Union expresses its willingness to comply with the human rights provisions of the Helsinki Accords.

On June 28, 1978, as words of the forthcoming trial of Anatoly Shcharansky reached us, I introduced an amendment calling for the withdrawal of Federal support, in connection with the National Science Foundation appropriations bill, for scientific exchanges with nations who refused to abide by the provisions on human rights of the Helsinki Final Act. This amendment was withdrawn after being termed "counterproductive" by some of my colleagues.

I was gratified to learn of the recent action, in keeping with the spirit of this amendment, of 2,400 scientists who, as reported by the Washington Star of March 15, have signed a petition to limit their participation in Soviet-American scientific exchanges, pending the release of Anatoly Shcharansky and Yuri Orlov.

I should like to submit a resolution calling on the sense of the U.S. Senate to express its support for the position taken by these scientists.

SENATE RESOLUTION 111—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution:

S. RES. 111

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Larry J. Larsen, widower of Louise W. Larsen, an employee of the Senate at the time of her death, a sum equal to three months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE CONCURRENT RESOLUTION 15—ORIGINAL CONCURRENT RESOLUTION REPORTED AUTHORIZING PRINTING

Mr. PELL, from the Committee on Rules and Administration, reported the following original concurrent resolution:

S. CON. RES. 15

Resolved by the Senate (the House of Representatives concurring), That there shall be reprinted for the use of the Senate Committee on the Budget one thousand copies of its report to accompany Senate Concurrent Resolution 80, Ninety-fifth Congress, second session, entitled "first concurrent resolution on the budget—fiscal year 1979" (S. Rept. 95-739).

AMENDMENTS SUBMITTED FOR PRINTING

CONDOMINIUM ACT OF 1979—S. 612

AMENDMENT NO. 114

(Ordered to be printed and referred to the Committee on Banking, Housing, and Urban Affairs.)

Mr. STONE (for himself and Mr. CHILES) submitted an amendment intended to be proposed by them, jointly, to S. 612, a bill to encourage broader utilization of the condominium form of homeownership, to provide minimum national standards for disclosure and consumer protection for condominium purchasers and owners and tenants in condominium conversions, to encourage States to establish similar standards, to correct abusive use of long-term leasing of recreation and other condominiums related facilities, and for other purposes.

Mr. STONE. Mr. President, today Senator CHILES and I are submitting an amendment to S. 612, the Condominium Act of 1979. This amendment would extend the bill's protection from abusive long-term leasing practices to owners of cooperatives, manufactured housing, planned unit developments and other types of residential housing.

Long-term recreation leases are a controversial practice, especially in Florida. Such leases between the developer and residential purchaser are not always bad; leases often are a reasonable way to provide otherwise prohibitively expensive amenities. But, in some cases, a developer may have retained the ownership of the recreational facilities and leased them to the residential unit owners—on a noncancellable basis—for periods of as long as 99 years. The rent on the lease is indexed to the CPI or some other scale, and, in addition, the owners are required to pay all, or substantially all, of the operating and maintenance costs of the facilities.

Since the lease payments are usually secured by a lien on the residential units, owners who cannot afford the escalating lease payments on the recreation facility are exposed to the possible loss of their homes.

S. 612, which is pending in the Senate Housing Subcommittee, would provide relief to owners of condominiums who are saddled with unconscionable leases.

But many Floridians living in cooperatives, mobile homes, and single family housing have complained to Senator CHILES and I that they are also bound by exactly the same kind of oppressive long-term leases that are troubling condominium owners, and feel they should have similar relief.

In order to address this problem fairly, we are introducing this amendment to S. 612, at the request of cooperative owners and others, to correct abuses of long-term leases associated with "residential units." Houses, apartments, cooperative units, and manufactured homes would be among the living situations defined as residential units under this amendment. These owners would be afforded the identical relief provided for condominium owners under the bill.

Mr. President, I hope that the Housing Subcommittee will hold hearings at the earliest possible date on S. 612 and the amendments to the bill.

Mr. President, I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page —, line —, add the following new clause (1) and renumber the following clauses accordingly:

"(1) 'the Act' means Titles I and II of the Condominium Act of 1979."

On page —, line —, add the following new Title:

TITLE III—RESIDENTIAL UNIT PROJECTS

SHORT TITLE

SEC. 301. Title may be cited as the "Residential Unit Lease Act of 1979."

FINDINGS AND PURPOSE

SEC. 302. (a) The Congress finds and declares that there is a shortage of adequate and affordable housing throughout the Nation; that utilization of varying forms of homeownership including those forms involving the leasing of certain facilities, can increase the supply of housing and expand the opportunities for homeownership particularly for low- and moderate-income and elderly persons and families. The Congress further finds that consumer abuses have occurred throughout the Nation in homeownership involving the leasing of certain facilities which have caused economic and social hardships for consumers, which threaten the continued use and acceptability of varying forms of homeownership and which interfere with the interstate sale of residential units and that continuation of these abuses is a national problem requiring Federal action.

(b) It is, therefore, the purpose of this Title to establish a private right of action for certain residential owners to correct and prevent abusive use of long-term leasing of recreation and other project-related facilities.

DEFINITIONS

SEC. 303. As used in this Title the term—

(1) "affiliate of a developer" means any person who controls, is controlled by, or is under common control with a developer. A person "controls" a developer if the person (i) is a general partner, officer, director, or employee of the developer, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interests of the developer, (iii) controls in any manner the election of a majority of the directors of the developer, or (iv) has contributed more than 20 percent of the capital of the developer. A person "is controlled by" a developer if (i) the developer is a general partner, officer, director, or employee of the person, (ii) directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing, more than 20 percent of the voting interests of the person, (iii) controls in any manner the election of a majority of the directors, or (iv) has contributed more than 20 percent of the capital of the person.

(2) "agent" means any person who represents, acts for or on behalf of, or in concert with, a developer in selling or offering to sell any interest in a residential unit, but such term does not include an attorney at law whose representation consists solely of rendering legal services.

(3) "association" or "residential unit owners' association" means an organization composed of residential unit owners which is contractually obligated, for the benefit of its members, to pay rent under a lease.

(4) "automatic rent increase clause" means a provision in a lease permitting periodic increases in the fee due under the lease which is effective automatically or at the sole option of the lessor, and which provides that the fee shall increase at some percentage rate or the rate of a recognized index.

(5) "cooperative association" means the organization that owns the record interest in the cooperative property or a leasehold of the property of a cooperative project and that is responsible for the operation of the cooperative project.

(6) "cooperative project" means real estate: (i) within which there are cooperative parcels subject to ownership by one or more owners, and the ownership is evidenced by a membership or share interest in the association and a lease or other muniment of title or possession granted by the cooperative association as the owner of all the cooperative property; and (ii) which is or has been offered for sale or lease or sold, or leased directly or indirectly, through use of any means or instruments of transportation or communication of interstate commerce or the mails;

(7) "cooperative property" means the lands, leaseholds, and personal property subject to cooperative ownership and all other property owned by the cooperative association.

(8) "cooperative unit" means a part of the cooperative property which is subject to exclusive use and possession. A unit may be improvements, land, or land and improvements together, as specified in the cooperative documents.

(9) "cooperative unit owner" means the person having a membership or share interest in the cooperative association and holding a lease or other muniment of title or possession of a unit that is granted by the cooperative association as the owner of the cooperative property.

(10) "cooperative parcel" means a cooperative unit, together with the undivided share in the assets of the cooperative association which is appurtenant to the unit.

(11) "developer" means (i) any person who offers for sale or sells a previously unconveyed interest in a residential unit in a residential unit project, or (ii) a person who creates a cooperative association or who offers cooperative parcels for sale or lease in the ordinary course of business, but does not include the owner or lessee of a unit who has acquired or leased his cooperative unit for his own occupancy.

(12) "ground lease" means a lease, in a leasehold cooperative project, of the real estate on or in which one or more of the units are located, the termination or expiration of which will terminate the cooperative project or reduce the number of units in the cooperative project.

(13) "interstate commerce" means trade, traffic, transportation, communication, or exchange among the States, or between any foreign country and a State, or any transaction which affects such trade, traffic, transportation, communication or exchange.

(14) "lease" includes any agreement or arrangement containing a residential unit owner's obligation, individually, collectively, or through an association to make payments for a leasehold interest or for other rights to use or possess real estate, not including mortgage or other such agreements for the purchase of real estate.

(15) "leasehold cooperative project" means a cooperative project in which all or a portion of the real estate is subject to a lease, the termination or expiration of which will terminate the cooperative project or reduce the size of the cooperative project.

(16) "offer" means any advertisement, inducement, solicitation, or attempt to encourage any person to acquire any interest in a residential unit, other than as security for an obligation.

(17) "person" means a natural person, corporation, partnership, association, trust, or other entity, or any combination thereof.

(18) "real estate" means any leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests which by custom, usage, or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. "Real estate" includes parcels with or without upper or lower boundaries, and spaces that may be filled with air or water.

(19) "residential unit" means any real estate which (i) is purchased by an individual or leased by an individual for a period of time exceeding five years, which is subject to the individual's exclusive use and possession, and which is to be used primarily for residential, personal, family or household use, including but not limited to any house, apartment, cooperative unit, or manufactured home, and (ii) is or has been offered for sale or sold, directly or indirectly,

through the use of any means or instruments of transportation or communication of interstate commerce, or the mails.

(20) "residential unit owner" or "unit owner" means the individual who has purchased or leased a residential unit and who is entitled to exclusive use and possession.

(21) "residential unit project" means real estate which has been divided into portions which include housing units and which are offered for sale as part of a common sales plan involving ten or more units.

(22) "sale" or "sale of a residential unit" means any obligation or arrangement for consideration for conveyance, by means of a voluntary transfer, to a person other than a developer of a legal or equitable interest in a residential unit other than (i) a leasehold interest (including renewal options) of less than five years, or (ii) as security for an obligation, or (iii) options or reservations not binding on the transferee.

(23) "special developer control" means any right, arising under State law, cooperative documents, or power of attorney or similar agreement, through which the developer may control or direct the association or its executive board. A developer's right to exercise the voting share allocated to any residential unit which he owns is not deemed a right of special developer control if the voting share allocated to that residential unit is the same voting share as would be allocated to the same residential unit were that residential unit owned by any other unit owner at that time.

(24) "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

EXEMPTIONS

Sec. 304. The provisions of this Title shall apply to all residential unit projects and residential units except—

(1) a residential unit sold or offered for sale by the Federal Government, by any State or local government, or any agency thereof; or

(2) a cooperative project in which all cooperative units are restricted to non-residential purposes or uses.

(3) a condominium project or condominium unit subject to the provisions of Title II.

UNCONSCIONABLE LEASES

Sec. 305. (a) Residential unit owners may bring an action seeking a judicial determination that a lease or leases, or portions thereof, are unconscionable if each lease has all of the following characteristics:

(1) it is a lease for real estate other than a residential unit but for which, by virtue of leasing of ownership of the residential unit, the residential unit owner is contractually obligated to pay rent directly or through an association; and

(2) If there is an association as a party to the lease, the lease was entered into while the association was controlled by the developer through special developer control or because the developer holds a majority of the votes of the association; and

(3) it had to be accepted or ratified by the residential unit owner, directly or through the association, as a condition of purchase of the residential unit.

Such suit must be authorized by the residential unit owners through a vote of the owners of not less than two-thirds of the residential units whose unit owners are obligated under the lease to pay rent directly or indirectly, other than units owned by the developer, or an affiliate of the developer, and such suit may be brought by the unit owners as a group or through the association.

(b) In making its determination of unconscionability, the court shall consider, but not be limited to:

(1) any gross disparity between the obligation incurred and the value of the benefit derived by the lessees, including consideration of (i) the obligations to pay rent, taxes, and insurance, and to maintain, repair and replace the property, (ii) the value of the leased property, (iii) the price at which comparable property could have been acquired, and (iv) the lessor's rate of return on investment in the leased property and the residential unit project as a whole.

(2) the unequal bargaining position of the parties to the lease;

(3) the adequacy of disclosure of the existence and terms of the lease to purchasers and the ability of purchasers to comprehend their rights and obligations thereunder;

(4) the identity of interest, if any, of original parties to the lease; and

(5) subsequent ratification or amendment to the lease agreed to by a majority of the residential unit owners other than the developer or an affiliate of the developer.

(c) If it is established that, in addition to the characteristics of subsection (a) of this section, the lease—

(1) is for a period of more than 21 years or is for a period of less than 21 years but contains automatic renewal provisions for a period of more than 21 years; and

(2) contains an automatic rent increase clause; and

(3) contains provisions requiring the lessees to assume all or substantially all obligations and liabilities associated with maintenance and use of the leased property;

then the court, in making its finding, shall consider the lease to be unconscionable, unless proven otherwise by clear and convincing evidence under the standards in subsection (b).

(d) Upon finding that any lease, or portion thereof, is unconscionable, the court may exercise its authority to grant remedial relief as necessary to avoid an unconscionable result. Such relief may include, but shall not be limited to, rescission, reformation, restitution, the award of damages and reasonable attorney fees and court costs.

(e) The remedies provided by this section are to be liberally administered to the end that the aggrieved parties are put in as good a position as if the bargaining and terms had been fair.

(f) Notwithstanding the provisions of subsections (a) through (e) of this section, exercise of any automatic rent increase clause shall be unenforceable, against residential unit owners or the association, as to future increases in rental payments occurring after the effective date of this Title in a lease having all of the following characteristics:

(1) it contains provisions requiring the lessees to assume all or substantially all obligations and liabilities associated with maintenance and use of the leased property;

(2) if there is an association as a party to the lease, the lease was entered into while the association was controlled by the developer through special developer control or because the developer holds a majority of the votes of the association; and

(3) it had to be accepted or ratified by the residential unit owner, directly or through the association, as a condition of purchase of the residential unit.

(g) It is the express intent of Congress that the provisions of this section shall apply to leases regardless of execution date, except that subsections (c) and (f) shall not apply to:

(1) ground leases entered into prior to the enactment of this Title; or

(2) any ground lease which the lessor has entered into in an arms length transaction with the developer, without there being an identity of interest between the lessor and the developer. Such identity of interest includes, but is not limited to, situations where the lessor is the developer, an agent of the developer, an affiliate of the developer, or is a member of the immediate family of the developer or affiliate of the developer.

CIVIL ACTIONS

Sec. 306. (a) Any person seeking to enforce any right under this Title may bring an action at law or in equity.

(b) Unless otherwise specified, suits authorized under this Title may be brought by one or more residential unit owners on behalf of all residential unit owners in a residential unit project or by the association in its own right or as representing all or part of the members of such association. In a class action under this Title brought by one or more residential unit owners as a representative of other residential unit owners in a residential project, the complaint shall be verified and shall allege with particularity the efforts the plaintiff has made to have the association bring such action on behalf of all residential unit owners. The class action may not be maintained if plaintiff has failed to notify the officers of the association of the intention to file the suit, or if such association is seeking in a pending suit to enforce the rights alleged in the plaintiff's suit.

(c) Every person who becomes liable to make any payment under this section may recover contributions from any person who, if sued separately, would have been liable to make the same payment.

(d) The amounts recoverable under this section may include interest paid, reasonable attorneys' fees, independent engineer and appraisers' fees, and court costs.

JURISDICTION

Sec. 307. The district courts of the United States, the United States courts of any territory, and the United States District Court for the District of Columbia shall have jurisdiction under this Title, concurrent with State courts, of suits in equity and actions at law brought to enforce a liability or duty created by this Title without regard to amount in controversy. Any such suit or action may be brought in the district wherein the defendant is found or is an inhabitant or transacts business, or in the district where the offer or sale took place, and process in such cases may be served in other districts of which the defendant is an inhabitant or wherever the defendant may be found. No case arising under this Title and brought in any State court of competent jurisdiction shall be removed to any court of the United States, except where any officer or employee of the United States in his official capacity is a party.

LIMITATION OF ACTIONS

Sec. 308. No action shall be maintained pursuant to this Title unless brought within six years after such cause of action accrued except that an action pursuant to this Title involving a lease in existence at the time of enactment of this Title must be brought within three years of enactment.

CONTRARY STIPULATIONS VOID

Sec. 309. Any condition, stipulation, or provision binding any person to waive rights in any provisions of this Title shall be void.

ADDITIONAL REMEDIES

Sec. 310. The rights and remedies provided by this Title shall be in addition to any and all other rights and remedies that may exist under Federal or State law.

SEPARABILITY

Sec. 311. If any provisions of this Title or the application thereof to any person or circumstance is held invalid, neither the remainder of this Title nor the application of such provision to other persons or circumstances shall be affected thereby.

EFFECTIVE DATE

Sec. 312. This Title shall become effective one year after enactment.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JOHNSTON. Mr. President, on Wednesday, April 25, and Thursday, April 26, the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources will hold hearings on the President's request for funding authorization for fiscal year 1980 for the energy regulatory and information gathering functions of the Department of Energy.

On April 25 the proposed authorizations for the Federal Energy Regulatory Commission and for the Energy Information Administration will be reviewed. On April 26, the subcommittee will receive testimony on the proposed authorization for the Economic Regulatory Administration. These hearings will begin at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building. Questions about these hearings should be directed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224–9894.●

HEARINGS ON: S.J. RES. 28 DIRECT ELECTION OF THE PRESIDENT AND VICE-PRESIDENT

● Mr. BAYH. Mr. President, the Committee on the Judiciary has scheduled hearings on Senate Joint Resolution 28, proposing a constitutional amendment for the election of the President and Vice President, for Monday, March 26, 1979, at 9:30 a.m. in room 6226, Dirksen Senate Office Building, Tuesday, March 27, 1979, at 9:30 a.m. in room 318, Russell Senate Office Building, Friday, March 30, 1979, at 9:30 a.m. in room 457, Russell Senate Office Building, and Monday, April 9, 1979, at 9:30 a.m. in room 318, Russell Senate Office Building.

Any persons wishing to submit written statements for the hearing record should send them to Marcia Atcheson, Subcommittee on the Constitution, suite 102–B, Russell Senate Office Building, Washington, D.C., 20510.●

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS

● Mr. CRANSTON. Mr. President, I wish to announce that the Subcommittee on Financial Institutions will hold hearings to consider proposed legislation (S. Con. Res. 5 and S. Res. 59) and issues relating to "Equity for the Small Saver." The hearings will take place April 11 and 12 beginning each day at 10 a.m. in room 5302, Dirksen Senate Office Building. For further information, regarding the hearings, interested persons may contact Carolyn Jordan at 224–7391.●

FOUR-YEAR U.S. HOUSE OF REPRESENTATIVES TERMS

● Mr. BAYH. Mr. President, the Subcommittee on the Constitution, Committee on the Judiciary, will hold a hearing on the proposed constitutional amendment providing that the term of office of Members of the U.S. House of Representatives shall be extended to 4 years (S.J. Res. 34).

The hearing will commence on April 12, 1979, at 9:30 a.m. in room 5110, Dirksen Senate Office Building. Anyone wishing to submit testimony for the hearing record should send their statement to or contact Mary K. Jolly, Subcommittee on the Constitution, 102B Russell Senate Office Building, Washington, D.C. 20510.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, March 29, 1979, beginning at 2 p.m. to hold a hearing on judicial nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate today to consider the authorization for the Federal Election Commission budget and other legislative and administrative business.

The PRESIDING OFFICER. Without objection; it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, March 22, 1979, beginning at 3:30 p.m. to hold an executive session for a briefing by administration officials on the impending SALT Treaty.

The PRESIDING OFFICER. Without objection; it is so ordered.

SUBCOMMITTEE ON AFRICAN AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the African Affairs Subcommittee of the Committee on Foreign Relations be authorized to meet during the session of the Senate today beginning at 3 p.m. to hold an executive session for a briefing by CIA and Department of State officials on the security situation in Rhodesia.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution of the Committee on Judiciary be authorized to meet during the session of the Senate on Tuesday, March 27, 1979, to consider Senate Joint Resolution 28, amendments to the Constitution to provide for the direct election of the President and Vice President of the United States.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

REQUEST FOR AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be permitted to meet during the session of the Senate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be permitted to meet on March 27, at 2 o'clock p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I earlier asked unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today and on Tuesday, March 27. I find now that clearance had not been secured from the other side of the aisle, so I ask unanimous consent that those two requests be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, if the majority leader will yield to me, I express my thanks to him for that action. It was pure inadvertence. I think on this side, we had failed to give him notation on that matter. I am grateful to him for acceding to that request on our side.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader. It was inadvertence, but not due to any mistake on his part. I just did not run it through the usual process.

ADDITIONAL STATEMENTS

MARYLAND DAY 1979

● Mr. MATHIAS. Mr. President, March 25 is the 345th anniversary of the founding of the State of Maryland. Every year I have used the occasion of Maryland Day to examine some aspect of Maryland's past that inspires or instructs. But today I would like to use the occasion to look forward rather than back, to lift our eyes from the complex problems that confront our civilization to the stars where their solutions may be found.

From its earliest days, Maryland has been associated with advanced technology, including air and space flight.

In 1784 the first hot air balloon flight in the United States was launched from the Free State.

The Nation's first gas company was formed in Baltimore in 1816.

In 1844, the first telegraph message was received in Baltimore from Washington, D.C.

The first tests of Samuel P. Langley's manned airplane occurred in 1903.

College Park, Md., was chosen as the first military aviation training field in 1909. Later College Park was used for the first U.S. Post Office airmail flight to Philadelphia, for radio-beam flying and other experimental and development flights into the 1920's.

The aircraft industry, like most things in the world of the 1930's, developed slowly but, during World War II, it mushroomed. It also gained a companion the rocket—which placed us in the space age much sooner than any of us had ever dreamed.

Marylanders suddenly found they had a space facility in their midst. It was the Goddard Space Flight Center in Greenbelt, just outside of Washington, and it was doing all manner of wonderful things including being involved in launching one of the first U.S. satellites to give the Russians competition in space, Project Vanguard and other projects through the first manned landing on the Moon. Today, Goddard is participating in the Voyager mission to Jupiter and Saturn.

The people of Maryland, of the United States, and all of mankind today are involved in a fantastic adventure we could only dream of not too many years ago. Now we can actually sit in our living rooms and look at pictures, in living color, coming from the planet Jupiter some 400 million miles away. We see the moons of Jupiter and their craters, as though we were flying close over their surfaces ourselves. It is literally a fantastic experience. But it is also a reality of our lives.

Space is the ultimate venture—the ultimate exploration—the ultimate experience.

We may spend most of our time worrying and talking about contemporary problems here on Earth, but whether we like it or not, the future is out there—out there in our solar system—in our galaxy—the universe.

We are no longer tied to Earth, although few seem to realize this more than a full decade after the first astronaut landed on the Moon.

The shuttle is scheduled to fly this year. This is the first space vehicle designed to go up like a rocket and come down again and land like an airplane. It will be used over and over again. It will take all kinds of satellites into orbit for NASA, the Defense Department, for foreign countries, and even for industry. The European Space Agency with its Spacelab, has a big part in this project and is working closely with NASA.

What will come of all this?

Just last November, a NASA satellite was put in orbit—the first one—in between the Sun and Earth where it will stay, kept in place by the gravitational Sun/Earth balance. These are the kinds of balance points where space colonies eventually will conduct experiments, do manufacturing, make astronomical observations, keep track of things on Earth such as weather, our environment, and agricultural crops, pollution, the distribution of water; watch for indications of such things as earthquakes and assist in coping with natural disasters by way of observations and communications.

I am talking only about the beginnings of our future in space which would still be Earth-oriented. Others talk in terms of colonies and way stations near Jupiter and of humans in all parts of the solar system and beyond.

They talk of mining asteroids and planets, picking up energy from them, embarking on mind-boggling journeys to explore even more mind-boggling phenomena.

Who, except science fiction writers, would have talked just a few years ago about a spaceship traveling some 625 million miles through space at speeds up to 89,000 miles an hour, to send back color pictures to Earth of planets and satellite systems—systems so far away it takes 37.8 minutes to receive the pictures from the spacecraft transmitter, which is itself flying by the planet at the incredible speed of 81,000 miles an hour?

But these incredible things are happening. And I am proud that it is Americans who are making them happen, and that many of those Americans are Marylanders.

In 1976, when we were celebrating our Bicentennial, I pointed out that—

> The launching of Sputnik focused national attention on the importance of our scientific and technical enterprise nearly two decades ago. But somewhere along the way the focus has blurred. Now, if science is to play its proper role in our society, we must restore the sound relationship it once had with government. We still are not making the commitment to basic research that a country with our resources and responsibilities should be making.

Unfortunately, that statement is as true today as it was 3 years ago. I hope it will not be true 3 years from now.

Congress has a constitutional obligation in article 1, section 3: "To promote the progress of science and useful arts." If we are to carry out this constitutional mandate, we must make an investment in basic research equal both to the role science and technology play in our Nation's welfare and to the promise of the future.

The challange of exploring and coming to terms with our universe is not greater to a people with our technologies and capabilities than the challange of creating a new world in the wilderness was to the men and women who arrived on Maryland's shores 345 years ago in those two perilously small ships, the *Ark* and the *Dove*.

I am confident that, like our ancestors before us, we are up to the challenges ahead. But we must step out to meet them boldly and with a will.●

THE TAIWAN ENABLING ACT

● Mr. CHURCH. Mr. President, during the course of its consideration of S. 245, the Taiwan Enabling Act, the Senate adopted 17 amendments to the bill as reported by the Committee on Foreign Relations. The amendments adopted, with reference to the affected sections of the bill, are as follows:

1. Amendment number 37, offered by Senator Helms to Section 101(b). This amendment specifies that the term "people on Taiwan" includes organizations and entities formed under the law applied by the people on Taiwan.

2. Amendment number 36, offered by Senator Helms to Section 105. This amendment provides that departments and agencies of the United States may perform services for the United States through contracts with commercial entities on Taiwan.

3. Amendment number 31, offered by Senator Glenn to Section 107. This technical amendment provides that Section 107 will be redesignated as Section 106(b), and that subsequent sections will be renumbered accordingly.

4. Amendment number 91 to Section 107, offered by Senator Helms. This amendment provides that the Institute shall have adequate personnel and facilities to carry out its responsibilities.

5. Amendment number 45 to Section 110, offered by Senator McClure. This amendment provides that the law applied by the "people on Taiwan" shall be considered applicable law with respect to Taiwan.

6. Amendment number 28, offered by Senators Javits and Stone to Section 111(a). This amendment specifies that for the purposes of this section the term "people on Taiwan" includes organizations and entities formed under the law applied on Taiwan.

7. Amendment number 80, offered by Senator Boren to Section 111(a). This amendment allows Taiwan to retain ownership of diplomatic real property in the United States.

8. Amendment number 44, offered by Senator Hatch, added Section 113(b). This amendment authorizes the President to allow Taiwan to have the same number of offices and compliment of personnel in the U.S. as in the past, upon the condition that the American Institute in Taiwan is reciprocally allowed such offices and personnel.

9. Amendment number 98, offered by Senator Hatch, to Section 114(a)(3). This amendment specifies that "boycotts or embargoes" shall be considered a threat to the peace and security of the Western Pacific and of grave concern to the United States.

10. Amendment number 42, offered to Section 114(b)(3), by Senators Kennedy and Cranston. This amendment directs the President to inform Congress of any threat to the "social or economic system" of Taiwan.

11. Amendment number 26, offered by Senator Dole, adds a new section after Section 114. This amendment requires the President to send a report to the Congress each year of proposed arms sales to Taiwan if they will exceed specified amounts.

12. Amendment number 33, offered by Senator Hollings, adds another new section after Section 114. This amendment specifies that nothing in this Act shall be construed as a basis for supporting the exclusion or expulsion of Taiwan from international organizations.

13. Amendment number 34, by Senator McClure, adds another new section after Section 114. This amendment specifies that neither this act nor the President's shift of diplomatic recognition from the ROC to the PRC shall be construed by any administrative or judicial proceeding to deny or revoke licenses for nuclear exports to the people on Taiwan.

14. Amendment number 85, offered by Senator Helms, to Section 206(a). This amendment authorizes the employees of the American Institute in Taiwan to perform services in keeping with the purposes of this Act and otherwise authorized by law to assist and protect the persons and property of citizens or entities of U.S. nationality in Taiwan.

15. Amendment number 83, offered by Senator Helms, to Section 304. This amendment places direct responsibility upon the Institute to carry out the purpose of this Act.

16. Amendment number 40, offered by Senator Humphrey, to Section 403. This amendment reqiures the President to notify Congress thirty days prior to the issuance of any license required by Section 38 of the Arms Export Control Act.

17. Amendment number 32, offered by Senator Hollings, adds a new Section 501. This amendment establishes a joint Senate-House Commission on Security and Cooperation in East Asia for three (3) years to monitor the implementation of this Act, the operations of the American Institute on Taiwan, the policies of the United States toward East Asia, and the relations between the United States and the people on Taiwan.●

THE IRS VERSUS CHRISTIAN EDUCATION AND THE FIRST AMENDMENT

Mr. HATCH. Mr. President, the Internal Revenue Service, as of last December, intruded upon both the constitutional rights of the Congress and the religious liberty of the American people by issuing their controversial proposed revenue procedure for tax-exempt private schools.

This proposal, for a great many constitutional and moral reasons, should be soundly rejected. It should come as a surprise to no one but an insulated Washington bureaucrat that this regulatory scheme has elicited from the American people more written protests than has any other single bureaucratic notion. The tax bureaucrats have been inundated by thousands of letters from individual citizens and hundreds of petitions and protests from citizen groups in every State of the Nation.

One of the most effective, and largest, of these citizen groups is Christian Voice, a national organization of over 100,000 concerned ministers and Christian laymen. Christian Voice has issued an excellent manual entitled "The IRS versus Christian Education and the First Amendment" which is being distributed to churches all across the Nation.

As one of the several advisers of Christian Voice drawn from the Senate, I am pleased to commend to my colleagues the excellent work being done by this dynamic Christian organization. I particularly commend to my colleagues the introduction to the manual written by Dr. Robert J. Billings, who has provided an outstanding explanation of the constitutional, moral and religious grounds upon which the IRS proposal should be rejected. I ask that it be printed in the Record.

The material follows:

Foreword

(By Dr. Robert J. Billings)

The arrogancy of a bureaucratic agency is never so obviously seen as in the recent IRS document "Proposed Revenue Procedure for Private Tax-Exempt Schools" as found in the Federal Register for August 22, 1978. With total and utter disregard for historic and constitutional church-state separation, Mr. Jerome Kurtz and his agents, the vanguard of the Carter Administration's Machavellian army, would deny Christian and private schools their unalienable, God-given rights.

To add insult to injury, this "Proposed Procedure" assumes guilt rather than innocence, considers tax-exemption a government subsidy, and contrary to the Civil Rights Act, requires private schools to adopt a racist policy; for, the proposed procedure asks that they hire some teachers solely on the basis of race, vigorously recruit some students solely on the basis of race, and offer scholarships solely on the basis of race.

Why is the IRS attempting this unwarranted encroachment upon our private schools? Is it because the private schools produce an inferior product? Is it because the students graduating are unAmerican or a blight upon our society? The answers are hard to find and even harder to explain. One obvious answer is control. Big Brother wants to control what we think and what we teach. A second answer is economics. With so many teachers walking the streets, the NEA, the FTA, and the federal government would like nothing better than to empty our private schools, thus filling the public schools and creating a necessity for hiring the out-of-work teachers.

There is also the question of academic excellence. On any standardized test, the Christian schools' student outstrips his public school counterpart by one to two years.

We must not settle for a watered-down version of this proposal, but a complete abandonment of it. We will not accept any proposal that allows a breakdown of that great wall of separation that exists between church and state.

It makes no sense to create this hardship for the private schools. In a pluralistic society, it is absolutely essential that private schools have the right to exist, that parents have the right to teach their life values to their children, and that this should be available without some bureaucrat creating an atmosphere of hostility between the public and private schools. Private school students are patriotic, God-fearing, freedom-loving, disciplined, and educated. Most of these schools accept no government subsidies or aid, saving the government countless millions of dollars.

The conclusion is simple: Let the IRS do what the Congress has mandated and stay out of legislative processes; let the IRS abide by the Constitution, especially the First and Fourteenth Amendments; and, let the IRS refuse to become a party to a church/state entanglement. As one speaker said at the recent hearings:

Let the government do their job with their money,

Let the Church do their job with God's money.

Let the church ask no money from the government,

Let the government ask no money from the church.

Let's continue to do what has worked so well for more than 200 years . . . you go your way . . . and I'll go God's.

NEW INCENTIVES FOR INNOVATION: THE UNIVERSITY AND SMALL BUSINESS PATENT PROCEDURES BILL

Mr. BAYH. Mr. President, on February 9, 1979, I was joined by 14 of my Senate colleagues in introducing S. 414, the University and Small Business Patent Procedures Act. I am happy to announce that 9 additional Senators have joined us in supporting this important bill.

I have been greatly pleased about the widespread public support that this bill has received. The problems of lagging innovation and productivity have now become so obvious that clearly the mood of the country is that it is now time for the Congress to begin addressing this very way of life. S. 414 is a good beginning in this effort.

The bill is a careful balance between the rights of the Federal Government to enjoy the fruits of its research and the equally important rights of the public to have the promising inventions made each year under our research available to it in the marketplace. The list of cosponsors of this legislation dramatically shows that this effort to create for the first time a uniform Government patent policy for inventions made under federally supported research has broad, bipartisan support.

On March 14, 1979, the Executive Committee of the Small Business Legislative Council, which represents over 4 million businesses endorsed the University and Small Business Patent Procedures Act. I hope that my colleagues who have not carefully reviewed this legislation will take the opportunity to do so and that this Congress will take the historic step of enacting a competent, uniform Government patent policy.

I submit for the Record an article which appeared in the March 15, 1979 Wall Street Journal which is an excellent explanation of the problems encountered under the present Government patent policies and their effects on innovation and the spirit of invention in this country.

The article follows:

Public Money and Private Gain

(By Arlen J. Large)

Washington.—Any discussion of what's wrong with government patent policy could well start with the saga of sick salmon.

Oregon State University researchers have developed a way of making salmon fingerlings immune from a virus disease that ravages hatcheries. The technology involves ways of weakening the live virus and spraying it on the fish. A private company estimated it would have to spend $700,000 to put the virus into commercial production. To protect that investment, it asked for a license granting exclusive rights to sell the virus for six years.

School officials were willing, but the original research had been partly financed by the U.S. Departments of Commerce and Interior. These agencies refused to go along with the six-year license, and the deal fell through. The hangup over the use of public money for potential private gain has caused "a marked delay" in bringing the fish-saving technology to market, says Ralph Shay, Oregon State's assistant dean of research.

It's the continuation of an old, old argument. Do government rules thwart the transformation of a federally financed invention into a commercial product the public can buy in the marketplace? One side holds that if the government bankrolls a discovery, then it's rightfully the people's product and should be available to everybody, with no one producer allowed a patent monopoly.

The opposing view insists that if all producers can have a government invention, then no one will want it, because there's no profit in spending a lot of money developing a marketable product that anyone can legally copy. This, it's said, is the reason why private producers have obtained licenses to exploit less than 10% of the 28,000 patents owned by the government and available for copying.

DECLINE OF INNOVATIVE SPIRIT

The argument has been merely smoldering in recent years, but it could heat up again soon in connection with a Carter administration study on how to cure an alleged decline of the innovative spirit within U.S. industry. The study, to be sent to the White House later this month, will include possible changes in patent policy. Under discussion are some changes dealing with patents generally, such as a possible extension of the current 17-year life of a patent monopoly and ways to make patents less vulnerable to being overturned in court.

But the innovation study also is prompting a new look at the narrower but hotly controversial question of who should have control of the innovative spirit within U.S. industry. financed research. Currently it's rather easy for a company to get a nonexclusive license from the government to put such an invention on the market, but this means its competitors can, too. In a report to the Commerce Department, an advisory panel of private patent experts chaired by Robert Benson, an Allis-Chalmers Corp. lawyer, said this all-comers availability is part of the innovation problem:

"If the results of federally sponsored R&D do not reach the consumer in the form of tangible benefits, the government has not completed its job and has not been a good steward of the taxpayer's money. The right to exclude others conferred by a patent, or an exclusive license under a patent, may be the only incentive great enough to induce the investment needed for development and marketing of products."

Stating the opposite view, Admiral Hyman Rickover, the Navy's veteran apostle of nuclear-powered ships, has told Congress that granting of exclusive licenses "promotes greater concentration of economic power in the hands of large corporations; it impedes the development and dissemination of technology; it is costly to the taxpayer; and it hurts small business." He maintains that "the rights to inventions developed at public expense should be made available for use by any U.S. citizen."

In practice, however, neither of the hard-line positions has been fully triumphant. The way the government grants rights to inventions it has financed is messy, with different agencies wandering all over the lot. Some 20 separate statutes and regulations govern how the various bureaucracies treat patent rights. The Pentagon, the government's biggest font of R&D contracts, generally lets an inventing company keep the rights to an invention, Admiral Rickover's view notwithstanding. The more restrictive law which created the Energy Department allows it to let a contractor keep an invention for exclusive use. But few such waivers have been granted, except to small businesses.

And the policies keep changing. The National Technical Information Service, a cubbyhole in the Commerce Department, in recent years has increasingly tried to act as a clearing house for companies interested in using government-owned patents. It publishes descriptions of inventions to which the government has retained title and invites potential producers to ask for licenses of the nonexclusive, anyone-can-have-it variety. But if there have been no takers after six months, a single company is eligible to ask for an exclusive license granting a five-year monopoly on the invention.

"We haven't been getting a hell of a lot of attention," says Douglas Campion, a patent specialist at the agency. Only a "handful" of nonexclusive licenses have been awarded for government-owned inventions, such as a special kind of paint developed by the Navy. But Mr. Campion says negotiations with several companies for five-year monopoly licenses are under way, and he predicts: "In the next few years we're going to be able to point to some real successes."

In carrying out government-financed research, university scientists occasionally come up with an invention showing commercial promise, such as a computer component developed at the Massachusetts Institute of Technology. The Health, Education and Welfare Department and the National Science Foundation, which both give a lot of research money to universities, have worked out an elaborate arrangement designed to ease the progress of these inventions into the marketplace.

Under current rules, these agencies can sign what are known as institutional patent agreements, or IPAs, with universities that have shown a knack for peddling their inventions to companies that will produce them. With such an agreement in effect, a university can become the owner of a patented invention resulting from government-financed research and can give a monopoly license to a private production company for up to five years.

After months of haggling among patent lawyers from several federal agencies, rules were proclaimed early last year with the aim of spreading the use of these institutional patent agreements through the government. This, in turn, rang warning bells on Capitol Hill, where some lawmakers feared a trend toward "giveaways" to private monopolists of inventions paid for by the public. Democratic Sen. Gaylord Nelson of Wisconsin, chairman of the Senate Small Business Committee, asked the administration to suspend the new rules while he held hearings.

At the hearings last spring, university officials made a strong defense of IPAs, and Sen. Nelson came away impressed. "Based on what I heard," he says now, "the IPAs with nonprofit organizations and universities seem pretty well designed and in the public interest. We found nothing that would indicate that there's anything wrong with them, though there may be somewhere."

The government-wide IPA rules were reinstated last July, and other agencies were free but not required to take them up. "Nothing has happened," says Howard Bremer, president of the Society of University Patent Administrators and a patent lawyer at the University of Wisconsin. "No agency that didn't have an IPA plan has adopted that approach."

The confusing rules could be tidied up in part by a bill sponsored by Republican Sen. Robert Dole of Kansas and Democratic Sen. Birch Bayh of Indiana. Generally, it would allow universities, nonprofit institutions and small businesses to own 17-year patents on inventions made under federal R&D contracts. The patent-owners, in turn, could grant exclusive or nonexclusive five-year licenses to companies that would produce the invention. The bill would, in effect, put on the lawbooks the main features of institutional patent agreements for universities, and extend them to small businesses.

PRESSURE FOR COMMON POSITION

The Dole-Bayh bill, along with the elaborate innovation study itself, puts pressure on contending factions within the administration to arrive at a common position on patent policy. Despite the sick salmon episode, the Commerce Department traditionally has advocated giving R&D contractors easy access to patent rights, and is pressing this viewpoint in the internal debate. The Justice Department, traditionally hostile to anything smacking of monopoly, says it's reassessing its position.

A more uniform patent policy applying to all federal agencies that bankroll research by private companies and universities probably would be desirable. However, it may be neither desirable nor possible to treat all inventors alike. Small companies tend to have the strongest need for a patent monopoly, which may be a precondition of getting venture capital for bringing the new product to market. Bigger companies with established market positions tend to show less interest in patent protection.

It's clear, in any case, that worries over the innovation "lag" are building pressure for change in patent policy. Donald Dunner, a Washington patent lawyer who's president-elect of the American Patent Law Association, thinks something may come of it. "Right now," he says, "the atmosphere is much different than it was just a few months ago."

ON RISKS, NUCLEAR AND OTHER

● Mr. DOMENICI. Mr. President, I submit for the RECORD an editorial from yesterday's Washington Post that highlights the problem of examining the risks of nuclear power in a vacuum. As the Post points out, the risk of producing electricity is a question of relative risks. If we do not use nuclear power we will use something else, most likely coal. Coal has clear and substantial health costs in both mining and burning it. Often unmentioned is that coal also creates a nuclear hazard. In fact, the radioactivity discharged in the flash of a coal fired plant is more than that allowed from a nuclear powerplant. Additionally, coal has a waste disposal problem. The sludge from today's scrubbers is an environmental hazard, and although the problem is less than the utility industry would have us believe, it is real.

Accordingly, Mr. President, I would like to commend the Post for adding a rational voice to the debate on nuclear power. I ask that the full text of the Post editorial be printed in the RECORD.

The article referred to follows:

ON RISKS, NUCLEAR AND OTHER

Two men were killed a few days ago when the roof collapsed in the Scotia Coal Company's mine near Oven Fork, Ky. It's the same mine in which 26 men were killed three years ago. In this week's accident, a third miner was apparently saved by the protective canopy of the machine he was operating. The mining company has been contesting the rule requiring canopies.

A day earlier, and light years distant, the federal Nuclear Regulatory Commission had ordered five power reactors shut down. A design error had come to light, suggesting that some of the piping might not withstand a severe earthquake. How severe? Reactors are typically designed to survive the most powerful earthquake that might occur over a span of 10,000 years. The NRC is doubtless correct in thinking that the American public is intolerant of risk in reactors.

The cases of the coal mine and the reactors are tied together, of course, by the demand for electricity. Coal generates almost half of the nation's electric power, and nuclear reactors about one-eighth. In all matters concerning coal, this country is comparatively relaxed about health and safety protection. But in everything that touches nuclear power, it is increasingly cautious. Americans are highly selective in their perceptions of risk.

Perhaps part of the explanation is that nuclear power is new, carrying with it unfamiliar and especially frightening new dangers and evoking new standards. Coal has been around for a long time and, though its costs to human life are large, they are familiar. Coal became part of our lives when people were poorer and life was cheaper. The usages established then still seem to influence attitudes today. It surprises no one that from time to time a mine should collapse and men die. Nor does it surprise anyone that, after ugly accidents, mines should reopen and men continue to work in them.

But, in terms of health hazards, mining coal is less dangerous than burning it. Statisticians have repeatedly shown that the air pollution resulting from coal-fired power plants results in shortened life spans in the population affected by it.

A nuclear reactor makes a small but measurable contribution to the radiation to which the public is exposed—another form for dangerous pollution. How does this hazard compare with that of coal? There have been many studies and, while the numbers are not precise, they demonstrate clearly that coal imposes a much greater cost to human health, perhaps 100 times as high—measured in terms of premature deaths.

A lot of Americans are deeply uneasy about reactors, wondering whether one will explode disastrously or perhaps begin silently leaking radiation. Yet the greater hazards of coal are generally met with the thought that it's one of the things that you just have to live with.

The sudden shutdown of the five reactors reflects the financial caution that now characterizes nuclear regulation. Those reactors have been turned off at substantial inconvenience to the nation, in the midst of an oil shortage and at heavy costs to the customers. Not many people would want it otherwise. But it's curious to think that, if the same health standards were applied to coal and the power plants that burn it, half of the country would be dining by candlelight tonight—and not voluntarily.●

BUDGET FALLACIES

● **Mr. RIBICOFF.** Mr. President, at a time when the question of a balanced budget is under discussion it is important to have a solid piece of writing on the subject. Unfortunately much of the debate, including the possibility of a constitutional amendment to force a balanced budget, has been loaded with fallacies.

Walter Heller has done an excellent job of probing the fallacies of current thinking. I submit for the RECORD his column from the March 16 Wall Street Journal which sets this issue in its proper perspective.

The articles follows:

BALANCED BUDGET FALLACIES

(By Walter W. Heller)

In an era of dissatisfaction with big government, high taxes, and stubborn inflation, it is not too surprising that the Gallup Poll shows a six-to-one majority favoring a balanced-budget amendment to the Constitution. And it must be a strong temptation for elected officials—if they want to be reelected—to do a Jerry Brown and embrace such a proposal.

But this is one case where the majority is simply wrong—not in seeking some curbs on government, for that is their inherent right in a democracy—but in seeking to do so by putting the federal government in a fiscal straitjacket. This is a clear-cut case where responsible political leadership consists in leading voters out of the valley of error and seeking better and sounder ways to achieve their goals.

Since the major thrust for the balanced-budget amendment (and some of its half-siblings) comes from a misinformed public, it may be useful to examine some of the fiscal fallacies that seem to underlie public thinking on this subject.

FALLACY NUMBER ONE

"Individuals, families, and households have to run a balanced-budget—so why shouldn't Uncle Sam?" People forget that typically when they buy a car or a boat, or, most obviously, a house, they are doing anything but running a balanced budget. At times, they run deficits—often huge deficits—relative to current income. So they are asking Uncle Sam to adhere to a rigid and austere standard that they don't observe themselves.

FALLACY NUMBER TWO

Closely related to the first fallacy is a second one that runs something like this: "We consumers (homeowners, corporations) pay back our debts, but Uncle Sam just keeps piling up his debts without end."

The surprising—to some even jolting—truth is that in the period since World War II, the federal debt has been the slowest growing major form of debt. As the following table shows, the federal debt today is less than three times the size it was in 1950, while consumer installment debt is nearly 14 times, mortgage debt 16 times, corporate debt 12 times, and state-local debt 13 times.

Even with the unprecedented run-up of federal debt in the face of two recessions in the 1970s, the doubling of that debt since 1970 is just about matched by the rise of state-local debt, while corporations, consumers, and homeowners have expanded their debt at a considerably faster rate than Uncle Sam.

Postwar Growth of Major Forms of Debt
[In billions]

Type of debt	1950	1978	Ratio[1] of 1978 to 1950
Consumer installment	$22	$299	13.6
Mortgage (1–4 family homes)	45	732	16.3
Corporate (non-financial	71	834	11.7
State-local	22	[2] 390	13.2
Federal (in hands of public)	217	611	2.8
GNP	288	2110	7.4

[1] Times.

[2] Estimates.

Sources: "Economic Reports of the President"; "Economic Indicators"; Federal Reserve System Flow-of-Funds estimates.

None of this is meant to justify the present level of federal deficits or debts nor to suggest that the federal debt poses no problems. But the foregoing figures do serve to put the federal debt in perspective.

FALLACY NUMBER THREE

State and local governments have to live by the balanced-budget rule, so why shouldn't Uncle Sam?

True, states and localities have to balance their budgets annually, except for capital outlays, for which they can borrow. But federal budgetary accounting throws current and capital outlays (as it should) into the same pot. So balancing the federal budget means matching total outlays with current tax revenues, which is quite different from the balanced-budget concept for states and localities.

Let me underscore another decisive difference between state and federal budget impacts: A state or local budget can be balanced by tax hikes or spending cuts without jarring the whole U.S. economy. The federal budget cannot. If the national economy starts to slide, joblessness rises, income and profits fall, and the federal budget automatically goes into deficit as revenues shrink and spending rises. Try to balance it by boosting taxes or forcing cuts in spending, and the result will inevitably be to draw that much more purchasing power out of an already soft and sluggish economy.

This would send the economy into a deeper tailspin, thereby throwing more people out of work, further cutting tax revenues and boosting unemployment compensation, food stamps, and similar entitlement expenditures, thus throwing the budget even more out of whack. A dog chasing its own tail comes to mind.

FALLACY NUMBER FOUR

Unlike private and state-local deficit financing, federal deficits are a major, perhaps even the major, source of inflation. Both analysis and evidence fail to support this proposition.

Except where federal deficits pump more purchasing power into an already prosperous or overheated economy, they do not feed inflation. When the economy is slack or in a recession, when there are idle workers and idle plants and machinery to be activated by additional demand for goods and services, tax cuts or spending hikes that enlarge the deficit help the economy get back on its feet.

In other words, there are both destructive federal deficits and constructive deficits, depending on the state of the private economy. What we should seek is fiscal discipline—avoidance of waste, inefficiency, boondoggling and unnecessary government programs—but not at the cost of strangling the federal government in its attempts to serve as a balance wheel for the national economy and an instrument for avoiding that greatest of economic wastes, namely idle workers, machines and factories.

Even a cursory inspection of the data on deficits and inflation shows little relation between the two, for example:

—Milton Friedman reminds us that 1919-20 produced "one of the most rapid inflations" in U.S. history when the budget was running a large surplus, while 1931-33 saw "one of the most extreme deflations we had in history" when "the federal government was running a deficit."

—From 1959 to 1965, federal deficits were the order of the day, yet price inflation was little more than 1% a year.

—In the face of huge deficits in 1974-76, inflation dropped from over 12% to less than 6%.

FALLACY NUMBER FIVE

"Well, even if deficits aren't as bad as we thought, the federal budget is out of control, and the only way to get it under control is to slap some kind of a constitutional lid on it."

Once again, the facts run to the contrary. As a proportion of the gross national product, the budget is being reduced from 22.6% in 1976 to 21.2% in 1980. As against 12.2% annual increases in spending for 1973-78, the rise from 1979 to 1980 will be only 7.7%. And according to the Congressional Budget Office staff, President Carter's proposed $531 billion budget for 1980 falls $20 billion short of the amount that it would cost simply to maintain current services under current law.

Quite apart from the numbers, the popular clamor for "getting the budget under control" seems to ignore two important facts:

—For the past four years, the Congress has been operating under a new budget procedure that has brought vastly more discipline and responsibility into the budget process. In other words, the mechanism for getting the budget under control is already in place and is working.

—Both the White House and the Congress have heard and heeded the message implicit in Proposition 13, calls for constitutional budget limits, and the like. Whether one likes it or not, budget austerity is the political order of the day.

FALLACY NUMBER SIX

"The balanced-budget mandate is a simple, sure-fire way to force the White House and Congress at long last to match spending and tax revenues."

The simple truth is that this simplistic approach is beset with simply prohibitive difficulties of definition, administration and evasion.

A mandate to balance taxes and expenditures first has to define them. Does spending include outlays of Social Security and highway trust funds? (It didn't until 1968.) Does it include lending activities? If not, moving things from expenditures into loan programs would be an inviting loophole. Imagine the Founding Fathers two centuries ago trying to draw a dividing line between "on-budget" and "off-budget" expenditures. No less an authority than House Minority Leader John Rhodes has noted that "it would be so easy to end-run it."

Administering the mandate would be a nightmare. In January each year, the President submits a budget for a fiscal year that ends eighteen months later. Given the unexpected twists and turns of the economy, revenues may well fall below the forecast path. Imagine the scramble to adjust the budget as revenues misbehaved or unexpected shifts occurred in the costs of farm programs, Medicare, cost of living adjustments in Social Security benefits, and so on.

It does not take too much imagination to foresee Congress, caught in the balanced-budget vise, shoving some expenditures off into the private sector (e.g., by requiring private industry to support laid-off workers) or onto consumers by relying more on higher farm price supports and acreage set-asides and less on federal deficiency payments.

So many exceptions, exclusions, and special emergency provisions would be necessary to make the amendment workable that it would no longer be meaningful. The drafters of the amendment would find that they were writing a prescription for congressional action, not a constitutional mandate. A meaningful amendment would not be workable, and a workable amendment would not be meaningful.

Even if some magic formula could be found to hold the government's nose to the balanced budget grindstone, it would be an affront to responsible democratic government to do so. The essence of that government is to adapt economic, social, and other policies to the changing needs of the times and the changing will of the majority. It is the job of the Constitution to protect basic human rights and define the framework of our self-governance. Taking the very stuff of democratic self-determination out of the hands of legislative bodies and freezing them into the Constitution would not only hobble our ability to govern ourselves but dilute and cheapen the fundamental law of the land.

Given the constitutional approach is unwise, unworkable and unworthy of democratic self-government, one hopes that the White House and Congress will work out a statutory solution that will be responsive to the public will without imposing destructive shackles on their ability to govern.●

TRIBUTE TO DR. G. WARREN NUTTER

● Mr. GOLDWATER. Mr. President, Mr. Lindley H. Clark, Jr., of the Wall Street Journal has written a beautiful tribute to his and my late dear friend, Dr. G. Warren Nutter. Dr. Nutter served me during my campaign for the Presidency in 1964 in an advisory way on economics and he remained close in the years that followed. America lost one of its great scholars on his passing. I thank Mr. Clark for having done this and I ask that his tribute be printed in the RECORD:

The tribute referred to follows:

DEFENDER OF THE FAITH

(By Lindley H. Clark, Jr.)

One of the mysteries of graduate school is the identity of one's fellow students—at least, it was so in my case at the University of Chicago some years ago. Sleeping, eating and studying, especially the latter, left little time for anything else.

A number of the people who must have been my classmates later rose to some distinction as economists. It makes one wish that there had been time to talk about something other than marginal utility, the quantity theory and oligopoly.

One such Chicagoan was G. Warren Nutter, who died earlier this year after a long battle with cancer. The most public part of his career was, to economics, the least important: His service from 1969 to 1973 as Assistant Secretary of Defense for International Security Affairs.

During his four years in government he worked to extricate the U.S. from the Vietnam venture that he regarded as ill-conceived, working for an administration whose National Security Advisor and State Department policy he came deeply to distrust. As he said in a speech in early 1976, "we went to war too lightly and suffered all the dreadful consequences."

Among economists Prof. Nutter—he was a member of the University of Virginia faculty from 1956 until his death—will be remembered chiefly as an eloquent defender of the American economic system. His defense was especially persuasive because it was based solidly on a deep sense of history and tireless empirical research.

In 1957, when the Soviet Union launched the first earth satellite, the U.S. reaction bordered on hysteria. A common assumption was that the Russians had surpassed us in technology, a development that led some observers to think there must be something superior in their centrally managed economy.

By chance Prof. Nutter at the National Bureau of Economic Research had been compiling statistics on the industrial output of Russia. The statistics, when published, showed that the Soviet Union, while strong and growing, was not the economic marvel that some Americans thought.

The National Bureau studies predictably provoked controversy and criticism. But the statistical work was so impeccable that now, two decades later, it still is a major source of Russian economic statistics. (The Russians themselves still are of little help on that score.)

Prof. Nutter, in his doctoral dissertation at Chicago, challenged another common thesis: That U.S. industry was becoming steadily more concentrated, more dominated by monopoly or oligopoly. The title of the work, "The Extent of Enterprise Monopoly in the United States, 1899–1939," evidences his approach: Nothing is a fact unless it can be backed up with figures.

His figures showed there had been no increase in concentration, with one major exception—the industries operating under government control or supervision.

It's safe to say that Prof. Nutter was suspicious of government. That doesn't mean that he opposed any and all expansions of government, but he wanted to see expansion justified. First and foremost, however, he wanted to be sure he knew what he was talking about.

With that in mind he undertook for the American Enterprise Institute a study, "Growth of Government in the West." AEI, where Prof. Nutter was an adjunct scholar, published the study last year.

A reader will look in vain for editorial comment in the study. About as close as it comes is an epilogue: "Growth of government seems universal in the West. . . . Whether these trends will continue, accelerate or retard is a mystery only the future can resolve.

"Meanwhile, let it be noted that, if government continues to grow in the United States at merely the established trend, within another decade or two it will rival its size at the peak for World War II, without the need of a war to make it so large."

There was never any doubt, however, where Prof. Nutter stood. In a 1976 conference on income redistribution, sponsored by the American Enterprise Institute, he commented on Arthur Okun's thesis that a more equal distribution of income could be achieved with only a small sacrifice of economic efficiency.

"To Okun," he said, "the good society is one that maximizes equality of circumstances. To me, it is one that maximizes use of voluntary agreement in organizing social activity. Neither ideal accords, I suppose, with popular sentiment today, but mine surely is closer to the historical aspirations of the American people than is his. . . .

"The adoption of the Bill of Rights was motivated by a desire to minimize coercion in the affairs of man. Our founders were certainly preoccupied with this issue, as anyone can reaffirm by taking another look at the discussions of that time. They did not concern equality but freedom, meaning freedom from government. . . ."

"Our founders" was a phrase that occurred often in Prof. Nutter's papers and speeches. In 1976, the 200th anniversary of Adam Smith's "Wealth of Nations" as well as the United States, Prof. Nutter delivered a paper pointing out the relationship between the two events.

Benjamin Franklin, it seems, was not only aware of "Wealth of Nations" but may have contributed thoughts to the book. John Adams owned the book, as did Alexander Hamilton, Thomas Jefferson, James Madison, James Monroe and others. John Adams, Prof. Nutter comments, appeared to show more admiration for Smith's moral philosophy than for his political economy—lifting (without credit) some of Smith's thoughts for a work of his own.

As a defender of freedom it's not surprising that Prof. Nutter was a foe of central economic planning. But here, as elsewhere, he based his arguments not on rhetoric but on careful study of planning, and its results, in Russia, France and elsewhere.

I wish I had known him at Chicago.●

SUPPORT OF METRIC SYSTEM EDUCATION PROGRAMS

● Mr. STEVENSON. Mr. President, in the February issue of Physics Today there appears an editorial; "Opportunity for Public Service," that proposes that physicists participate in metric system education programs as a service to the American public. Physicists and other scientists are familiar with advantages of using the metric system and perceive U.S. metric conversion efforts as facilitating world trade for the United States and eventually providing us with a more efficient system of units for everyday use.

The Metric Conversion Act of 1975 (Public Law 94–168) made U.S. conversion to metrics voluntary; it did not mandate metric conversion or set any time limits for metric conversion in the United States. However, leading U.S. industries, including the automotive, farm, construction, and computer industries, have implemented metric programs and are far along in conversion to metrics. Converting will result in cost benefits to these industries, rather than cost of conversion outweighing benefits, especially since Common Market countries have determined no longer to accept products that are not specified in metric terms.

It is U.S. policy for metric conversion to occur in the United States. However, public acceptance can only be achieved through education programs and greater public familiarity with metric units of measure. If physicists can aid in the accomplishment of U.S. metric conversion, they will be providing a valuable public service.

Mr. President, I commend the comments of this editorial in Physics Today to my colleagues. I ask that the complete text of the editorial be printed in the RECORD.

The editorial follows:

OPPORTUNITY FOR PUBLIC SERVICE

In 1975, when Congress passed the Metric Conversion Act, physicists hailed this event as a long-overdue reform that would facilitate world trade for the US and prove to be a more efficient system of units for everyday use at home. Sometime before the passage of the Metric Conversion Act we observed on this page that there was "an opportunity for the physics community to perform an important public service in the nationwide discussion of the metric system that must take place before any meaningful decision by Congress will be possible." Clearly the opportunity, or we might say obligation, for this public service on the part of physicists has become even more important.

Since the Metric Conversion Act became law, US industries have made substantial strides in metrication, and the US Metric Board, created by the act, is launching a campaign to educate the general public about the metric system. Recently, out of the blue, the General Accounting Office has published a report essentially opposing conversion to metric. The authors of the Executive Summary of the GAO report (CED–78–128A, 20 October 1978) claim that despite passage of the Metric Conversion Act, "it is *not* the policy of the US to convert to the metric system." Based on a GAO survey of US companies, they also assert that the costs of conversion in the US could far outweigh the benefits. It is easily demonstrated that these two statements represent serious distortions of facts, forcing one to conclude that the GAO report is a highly biased document that could impede the US metric conversion program. (The press, unfortunately, has already carried news reports based on the GAO's claims.)

Concerning the question raised about US policy on conversion, the GAO admits that President Ford stated in 1975, "The Metric Conversion Act of 1975, H.R. 8674, which I signed on December 23, sets a national policy of converting to the metric system . . ." The GAO report, however, attempts to argue that the President's statement is incorrect and that Congress did not intend to commit the country to metric conversion. This assertion has been firmly refuted by Congressman Olin Teague, who just before he retired as the chairman of the House Committee on Science and Technology, stated in a recent letter responding to the GAO report that in his view and that of his colleagues in the Congress the Metric Conversion Act sets forth "a clear policy for metric conversion in the United States."

The second claim by GAO that US industry questions the economic benefit of conversion is contradicted by GAO's own acknowledgement that leading corporations in major US industries, including the automotive, farm and construction equipment and computer manufacturers, are well along the road of conversion. The GAO explanation is that corporations such as General Motors decided to convert primarily because they anticipated that the Conversion Act would mandate conversion within ten years. (The final act set no time limit.)

We contacted a GM spokesman by telephone who emphatically assured us that the only reason GM is converting to metric is that it will be cost beneficial for GM, mainly through facilitating international trade and international operations. He went on to say that the cost of conversion for GM has proved to be less than 3% of the original projection, refuting GAO's contention that conversion is too costly. GM feels that a basic weakness in the GAO survey was that it failed to inquire what the costs to US business would be of *not* converting. Thus, the GAO summary did not even mention the fact that the Common Market countries have agreed that imported products will no longer be accepted unless their specifications are in metric. The summary also did not mention that the only countries in the world not yet committed to the metric system are Brunei, Burma, Liberia and Yemen.

The recent GAO report, biased as it is, contains nevertheless a sobering statistic. An opinion poll of the public at large conducted for GAO by the Opinion Research Corporation finds that twice as many people still oppose metric conversion than support it. Acceptance of metrication by the general public is lagging far behind acceptance in industry. Previous polls have shown that the more people know about the metric system the more they favor it. As the custodians of the fundamental constants, physicists can rightly be looked upon in our society as the authorities on systems of physical units. We must redouble our efforts as physicists to participate at the community level in programs to acquaint adults and school children with the metric system and persuade them of its advantages. This also gives us a chance to show people how physics is intertwined with their daily lives. As we said in the earlier editorial, whenever people can listen to physicists explaining what meters and kilograms are all about, they will also come away with a better idea of what physics and physicists are all about.●

CARRYOVER BASIS

● Mr. DOLE. Mr. President, a primary responsibility of this Congress is to resolve the issue surrounding the ill-conceived carryover basis provisions enacted by the Tax Reform Act of 1976. As the sponsor of S. 112—a bill to repeal carryover basis—I believe Congress should eliminate the onerous burden imposed by carryover basis.

TAX REFORM ACT OF 1976

Mr. President, under the law prior to the Tax Reform Act of 1976, the basis of inherited property was generally stepped up or down to its value on the date of the decedent's death. The law was simple, certain, and fair. Under the carryover basis rules initiated by the Tax Reform Act of 1976, however, the estate or beneficiaries of an estate generally take a basis in the property that is the same as the basis in the property as held by the decedent. Obviously, the income tax treatment of an appreciated asset differs significantly between prior law and carryover basis.

FINANCE COMMITTEE HEARINGS

Last week the Finance Subcommittee on Tax and Debt Management held initial hearings on the topic of carryover basis. Additional hearings had been scheduled. However, the hearings were canceled because the Treasury Department failed to submit a detailed legislative proposal to the committee. It has been reported in the media that the hearings were canceled due to an outpouring of support for carryover basis. Such reports are simply inaccurate. In fact, very few requests to testify in favor of carryover basis were received by the Finance Committee.

TAX POLICY

Mr. President, carryover basis is bad tax policy. It was enacted without adequate consideration. The adverse impact of the carryover basis provisions reflect that lack of consideration.

Carryover basis is a complicated disaster. It is an administrative nightmare. The only people who might possibly benefit from retention of carryover basis are sophisticated tax experts, who, because they are paid on an hourly basis, will realize substantial profits from the time-consuming process required to establish basis. However, I might add that a vast majority of attorneys, accountants, and fiduciaries are opposed to carryover basis. The expense, of course, is charged to the estate, thus reducing the amount of money available to the beneficiaries who are often the surviving spouse and minor children.

Even if the inordinate complexities can be eliminated, which I doubt, there still remains many difficulties with carryover basis. First of all, it is often difficult to prove basis. If the taxpayer cannot establish basis, the asset has a zero basis. This can, of course, result in an enormous tax liability upon disposition of the asset.

TAX BURDEN

The impact of carryover basis must also be examined from the standpoint of both death taxes and income taxes generated by the sale of assets to pay for estate taxes. The cumulative effect of Federal estate tax, State death tax, the Federal and State income taxes imposed upon an estate will often consume nearly all of the assets in an estate. The punitive tax result that flows from selling assets to raise money to pay death taxes is unwarranted. Testimony before the Finance Committee indicates that many small businesses and farmers will suffer as a result of carryover basis.

AGRICULTURE

The Senator from Kansas is concerned that carryover basis will have an adverse effect on our agriculture community. Federal tax laws do not distinguish between appreciation due to inflation and appreciation which represents an increase in the real value of an asset. Consequently, in the case of assets held over a long period of time, the tax is increased because the nominal values are increased by inflation. Carryover basis is no more than the administration's wish to tax inflation.

EQUITY

Mr. President, the imposition of the harsh burden of carryover basis, is explained by its proponents on grounds of equity. The Treasury frequently recites the example of two taxpayers who own an asset of equal value. One of the taxpayers dies after he sells the asset, the other dies before he sells the asset. Carryover proponents argue there is an inequitable result because the taxpayer who sells before death is subject to a capital gains tax, while the assets held by the decedent receive a step-up basis. The argument completely ignores the fact that the appreciation accrued over the life of the asset is included in the gross estate for estate tax purposes.

The equity issue fascinates scholars and Treasury officials but does not, in my opinion, weigh heavily on the minds of American taxpayers. Absent an involuntary transaction, every sale of an appreciated asset is a volitional act with known tax consequences. No one need be too concerned for the investor who chooses to take a profit subject to taxation, rather than hold the asset until death.

"ECONOMIC LOCK-IN"

Proponents of carryover also argue that prior law, step-up basis, acted as an economic "lock-in" on investment because assets were held until death. The concern about the lock-in of capital has all but been eliminated by the reduction in capital gains rates enacted by the

Revenue Act of 1978. In any case, carryover basis is certainly not the answer to the economic lock-in effect. Carryover basis merely exacerbates "lock-in"—under prior law, lock-in lasted no longer than the estate owner's life. Carryover basis perpetuates lock-in for successive generations.

A MISTAKE

The enactment of carryover basis was a mistake. It is a policy that punishes the American taxpayers. It will particularly hurt agriculture and small businesses. I hope the Senate will move expeditiously to repeal carryover basis.●

INTERNATIONALLY RESPECTED CONSERVATIONIST SAYS "NO" TO A DEPARTMENT OF NATURAL RESOURCES

● Mr. **TALMADGE**. Mr. President, notwithstanding substantial efforts by the administration to the contrary, opposition to the creation of a Department of Natural Resources is growing.

Administration staff has been busy this past week attempting to negotiate away the oposition of the timber industry, but the industry is remaining steadfastly opposed to moving the Forest Service and the National Oceanographic and Atmospheric Administration to the Department of the Interior. Water and many conservation interests remain opposed.

Just the other day I heard from Mr. Edward C. Crafts on this subject. Mr. Crafts was deputy chief of the Forest Service and then concluded his career as director of the Bureau of Outdoor Recreation in the Interior Department. He has received international acclaim for his massive conservation efforts, and the beloved Clinton Anderson once called him, "My favorite bureaucrat."

Ed Crafts shared with me a letter he sent to the Vice President on January 30, and I ask that his letter be printed in the RECORD.

The letter referred to follows:

EDWARD C. CRAFTS,
Rockville, Md., January 30, 1979.

Hon. WALTER MONDALE,
Vice President of the United States, The White House, Washington, D.C.

DEAR MR. VICE PRESIDENT: I am writing you about the proposed reorganization of natural resources functions of the Federal government mentioned by the President in his State of the Union message.

Last month, at their request, I conferred with the staff of OMB working on an options paper for the White House and was given a December 20 draft. I tried, unsuccessfully, I believe, to impress on the staff the extent of opposition that would be aroused by a proposal to transfer the Forest Service from Agriculture to a re-named Department of Interior. Thus, I am afraid the President may make such a proposal without knowledge of the depth and strength of the opposition. Thus, this letter.

I am a retired Government employee who retired in 1969 after 29 years in Agriculture, 12 of which were as Deputy Chief of the Forest Service. My last 7 years were in Interior as Director of the Bureau of Outdoor Recreation, and also Staff Director of the Lewis and Clark Trail Commission, and Executive Director of the President's Committee on Natural Beauty and the Environment. The latter was chaired first by Laurance Rockefeller and later by Vice President Humphrey.

Those years in Interior under Stewart Udall were among the happiest and most productive in my life.

I found Agriculture and Interior to be about equal in competence and dedication. Interior was more politically-oriented than Agriculture.

Having worked in both departments, I hold no brief for either one. But on the issue of the Forest Service, I believe it should be left in Agriculture, chiefly in order to centralize all Federal forestry functions on Federal and private lands, with States and private owners, and research in one agency. Portions of BLM should be melded into the Forest Service.

Enclosed is a summary of organizations and a list of some individuals who share these views. It was prepared by several persons and organizations working separately and together. A copy was sent to me, and I am forwarding it to you and Mr. Eizenstat so the policy level in the White House and, hopefully, the President will be forewarned before a final decision is reached.

I can offer as references both Stewart and Mo Udall; James Evans, Board Chairman, Union Pacific; Laurance Rockefeller; Charles Luce, Board Chairman and President of Consolidated Edison; Senator Henry Jackson; and Congressman Tom Foley. Many of my former friends in Congress are no longer there or have passed on, such as Presidents Kennedy and Johnson, Chet Anderson, Wayne Aspinall, Sen. Aiken, Vice Presidents Humphrey and Rockefeller.

I hope you will consider this letter and enclosures helpful as they are intended to be.

Respectfully yours,

EDWARD C. CRAFTS.●

JUSTICE LITIGATES ITSELF INTO BIG HOLE OVER $620

● Mr. **DOMENICI**. Mr. President, along with 17 of my colleagues, I have introduced S. 265, which would require that if an individual or small businessman is involved in litigation with the Federal Government, prevails, and the Federal Government cannot substantiate its position, he is entitled to attorney fees and costs. This legislation passed the Senate last year as an amendment which was later dropped in conference. This session I am confident it will again pass the Senate.

One of the criticisms of this bill, and a criticism which has been leveled by the Justice Department, is that the Government should not have the imposed burden of substantiating its position in litigation. The argument raised was that the present process insured fair and impartial enforcement of regulation.

Now we all know that the Justice Department has the burden of litigating cases started by various administrative agencies. Therefore, what the Department of Justice was saying is that it should not be burdened with having to substantiate its decision of whether to continue litigation or to settle any particular case.

Mr. President, the article entitled "Justice Litigates Itself Into Big Hole Over $620" clearly establishes that this burden is vital to insure regulatory reform. This is exactly the situation, litigation protracted beyond common sense, which S. 265 means to eliminate.

I ask the article be printed in its entirety in the RECORD.

The article referred to follows:

JUSTICE LITIGATES ITSELF INTO BIG HOLE OVER $620

(By Barry M. Hager)

The Justice Department has litigated itself into an embarrassing hole by refusing to pay a small attorney fees award to a Freedom of Information Act plaintiff who sued *pro se*.

By refusing to pay the non-lawyer $620 for his 31 hours of work in 1975 and 1976, Justice, after two years of litigation, has now been ordered to pay more than $5,000 in attorneys fees, costs, and interest, and is bound by two adverse precedential decisions by D.C. District Court Chief Judge William B. Bryant that could force the government to pay interest in other civil cases that it loses on appeal.

Bryant's latest decision in the case, *Norman E. Holly* v. *Robert E. Chasen*, 75–2116, held that the government, like any other losing litigant, must pay post-judgment interest for the period the judgment remains unsatisfied. The Justice Department traditionally has taken the position that the government is immune from being ordered to make such payments. Civil Division head Barbara Babcock confirmed that Justice is considering an appeal of Bryant's Feb. 2 decision.

NO SOVEREIGN IMMUNITY

Bryant ruled Feb. 2 that the plain meaning of 28 U.S.C. § 1961 is that the government must pay post-judgment interest on unsatisfied judgments. He also held, over Justice's opposition, that an award of attorneys fees is a money judgment like compensatory damages and therefore capable of accruing interest.

Bryant's decision was termed a "disaster for the government" by one attorney, because the decision on its face applies to all civil cases and is not limited to FOIA actions or the facts of this case. No one appears to know how often the interest issue arises, but the existence of Bryant's decision will operate as an incentive for other private attorneys to raise it. Any case where the government delays satisfaction of a judgment against it to appeal or for other reasons could give rise to assessment of interest costs. FOIA and Title VII employment discrimination cases are particularly likely to be affected.

If Justice were to appeal the decision, it could compound the woes brought on by the case. Holly originally sued to obtain certain documents from the Customs Service. After substantially prevailing, he applied for attorneys fees, reasoning that he had functioned as his own attorney, and asking $20 per hour. Justice resisted, claiming that only licensed attorneys could get fee awards under FOIA. In September 1976, Bryant sided with Holly, issuing an opinion endorsing the broad policy of encouraging FOIA suits by paying attorneys fees to anyone who does the legal work in such cases, whether or not that person is a member of the bar.

Justice appealed to the D.C. Circuit, was rebuffed by a unanimous panel without an opinion, sought a rehearing, and had that hearing denied within a single day. Justice then agreed to pay the $620. But Holly had turned to Ralph Nader's litigation unit to help him defend his District Court victory on appeal. John Sims of that group thus requested attorneys fees for himself, Alan Morrison, and Larry Ellsworth, all experienced FOIA litigants. The respective rates requested were $50, $90, and $75 per hour. Justice eventually acquiesced, agreeing to pay $4,280.55 in attorneys fees and printing costs for the appeal.

Holly then applied for interest of 6 percent per year for the nearly two years the original judgment had been unsatisfied. Justice resisted payment of the interest—approximately $70—and the matter again went to

Bryant. Bryant's opinion said that he had "been unable to find any legislative history which would indicate this provision (sec. 1961) intended to exclude judgments against the United States or governmental entities."

Bryant's decision would apply to any civil case in federal courts where a governmental entity loses, not just in FOIA cases. The issue of interest arises frequently enough that Justice will give strong consideration to trying to overturn the Bryant holding.

Meanwhile, Holly's attorneys have requested a payment of $315 for their additional work on the successful motion for post-judgment interest.●

PRELIMINARY NOTIFICATION OF PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such a notification was received on March 16, 1979, and ask that it be printed in the RECORD.

Interested Senators may inquire as to the details of this preliminary notification at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

The notification follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 16, 1979.

In reply refer to: I-7292/78ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Near Eastern country for major defense equipment estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES,
Director,
Defense Security Assistance Agency.

Mr. CHURCH. I further wish to inform Members of the Senate that 10 such notifications were received on March 19, 1979.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S-116 in the Capitol.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 19, 1979.

In reply refer to: I-11402/78ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle East country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 19, 1979.

In reply refer to: I-11336/78ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Near Eastern country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 19, 1979.

In reply refer to: I-5949/78ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Near Eastern country for major defense equipment estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 19, 1979.

In reply refer to: I-9111/78ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Near Eastern country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 19, 1979.

In reply refer to: I-9498/78ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle East country for major defense equipment estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 19, 1979.

In reply refer to: I-11526/78ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southeast Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., March 19, 1979.

In reply refer to: I-11235/78ct.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considered an offer to a Southeast Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

Defense Security Assistance Agency,
Washington, D.C., March 19, 1979.
In reply refer to: I–11530/78ct.
Dr. Hans Binnendijk,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Dr. Binnendijk: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

Ernest Graves,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

Defense Security Assistance Agency,
Washington, D.C., March 19, 1979.
In reply refer to: I–363/79ct.
Dr. Hans Binnendijk,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Dr. Binnendijk: By letter dated 13 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country tentatively estimated to cost in excess of $25 million.

Sincerely,

Ernest Graves,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

Defense Security Assistance Agency,
Washington, D.C., March 19, 1979.
In reply refer to: I–9437/78ct.
Dr. Hans Binnendijk,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Dr. Binnendijk: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a European country for major defense equipment estimated to cost in excess of $7 million.

Sincerely,

Ernest Graves,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

Mr. CHURCH. Mr. President, in keeping with my intention to see that such information is immediately available to the full Senate, I ask unanimous consent to have printed in the Record a notification I have just received.

The notification, with attachment, follows:

Defense Security Assistance Agency,
Washington, D.C. March 19, 1979.
In reply refer to: I–10405/78ct.
Hon. Frank Church,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-10 concerning the Department of the Army's proposed Letter of Offer to the United Kingdom for defense articles and services estimated to cost $17.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

Ernest Graves,
Lieutenant General, USA, Director, Defense Security Assistance Agency.

[Transmittal No. 7910]

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b) of the Arms Export Control Act

(i) Prospective purchaser: United Kingdom.

(ii) Total estimated value: Major Defense Equipment,* $16.4 million; other, .6 million; total, $17.0 million.

(iii) Description of Articles or Services Offered: Eighteen (18) M109A2 self-propelled howitzers and three (3) M578 tracked recovery vehicles.

(iv) Military Department: Army (VJI).

(v) Sales Commission, Fee, etc. Paid, Offered or Agreed to be Paid: None.

(vi) Date Report Delivered to Congress: March 19, 1979.●

NATIONAL ENVIRONMENTAL DEVELOPMENT ASSOCIATION

● Mr. GARN. Mr. President, the National Environmental Development Association has done a marvelous job, the last few years, in forging a coalition between management and labor to consider developmental issues, and the effect on them of Government regulation. Yesterday and today NEDA has been holding a conference on energy, environmental, and economic matters. As, always, the conference has been informative and helpful, bringing together, as it has, officials of Government, industry, and labor, all of whom have a vital interest in providing the basic necessities of life in a manner consistent with environmental protection.

Today, for instance, one of our colleagues from the House of Representatives, Congressman David Stockman, discussed his view of the Clean Air Act, and possible ways to improve the application and administration of that act.

Over the years, Mr. President, I have been intimately involved in some of the negotiations surrounding amendments to this landmark legislation, and I am quick to say that it is obvious that Congressman Stockman knows his stuff. He has a very fine grasp of the realities of clean air regulation, and keen insight into some of the regulatory dilemmas which have plagued that effort from the beginning.

Congressman Stockman outlines four basic attitudes toward the question of air pollution which cause most of the conflicts between protection of air quality and economic development. These attitudes result in regulatory strictures which are needlessly expensive and actually unworkable. They are first, that a zero health effects threshold can be found for every pollutant; second, that there is no way to distinguish between susceptible and nonsusceptible populations; third, that air quality control ought to be guided by a philosophy of zero risk to individuals; and fourth, that the air quality strategies do not recognize the law of diminishing returns. In his speech today, Mr. Stockman elaborated on these four attitudes, and I think every Member of this body could consider his remarks with great profit.

Mr. Stockman also briefly discussed problems inherent in our approach to "prevention of significant deterioration," a matter in which I have been most vitally interested since before I came to the Senate. In brief, his criticism, in which I heartily concur, is that we paint with too broad a brush in PSD control. In theory, PSD was designed to protect the visibility values of the great West and Southwest of our country, areas where the air remains clean enough to make such vistas possible. And yet through our own perversity, we run the danger of PSD reviews for plants to be located in large and congested urban areas. If we are seriously interested in preserving the view, then our standards ought to be geared to that, and not mixed up with the same kind of zero effects review that characterizes our approach to nonattainment areas.

Mr. President, Representative Stockman's remarks are certainly worthwhile, and they foreshadow lines of approach that will be taken to clean air legislation in the future. I am well aware that there is a great deal of resistance to any early consideration of clean air legislation. And yet, we are left with an act which may well prove to be unworkable, and which is certainly more expensive than needed to accomplish its goals. I invite all Members to consider Mr. Stockman's words, and to begin once more to think about air. I ask that the text of Mr. Stockman's speech to the NEDA conference be printed in the Record.

The remarks referred to follow:

Remarks of Representative Dave Stockman

The avowed purpose of the NEDA is to work for a more balanced approach to making environmental, energy and economic trade-offs in the establishment of federal regulatory policy. I am certain that at one time or another, practically everyone in this room has issued the broad call for "more balance" in the development and implementation of the laws and regulations issued under the Clean Air Act and its amendments.

Yet at the same time, I am equally certain that practically everyone in this room with an interest in the Clean Air Act has worked to pepper the basic air quality statutes with countless exceptions, exemptions, delays, reprieves, prohibitions, and other ways of introducing additional procedural complexity into the enforcement of those laws.

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*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

I would like to suggest this morning that this approach to loosening the environmental regulatory noose that is fast tightening around the industrial economy of this country is ultimately self-defeating. We must move beyond vague calls for better trade-offs and fighting brush-fire battles to gain special relief for a particular type of industry. We need to develop a firm and precise strategic grasp of just why the air quality laws in place today are threatening to end industrial growth all across the country and destroy our ability to compete in the world market. And once we gain this strategic grasp of the problem, we need to devise comprehensive and surgically clean policy remedies for that problem.

I believe that there are four basic factors at work today that are generating practically all of our problems with the Clean Air Act. I want to outline for you just what those factors are, why they are causing us problems, and what we need to change to remedy those problems.

The most fundamental problem we have is in the underlying rationale according to which the national ambient air quality standards are set. The standards are based on the absolutely untenable, unscientific notion that a zero health effects threshold can be found for every pollutant. The zero effects threshold concept is unworkable as a basis for standard-setting for at least four reasons:

First of all, the threshold concept fails to distinguish among health effects. In theory, a sore throat counts as a "health effect" to the same degree as a cancer fatality. Some examples of demonstrated health effects that have been cited for the major regulated pollutants will illustrate how this lack of distinction might cause problems. Oxides of nitrogen have been claimed to cause mild irritation of the lungs and coughing. But oxides of nitrogen may also be a precursor for the formation of nitrosamines, an established carcinogen. Obviously, the latter effect would warrant more stringent efforts to reduce public exposure than the former.

Similarly, sulphur dioxide is associated with eye irritation and mild coughs. But it may also indirectly contribute to heart attacks in some individuals.

Suspended particulates are another agent that has been associated with ailments as mild as a cough and as severe as lung cancer and emphysema. Carbon monoxide can produce headaches and dizziness—but it may also contribute to heart attacks in some individuals.

The standard most recently modified—ozone—is for a pollutant that has been associated with everything from mild discomfort on inhalation to possibly permanent changes in blood chemistry and impairment of resistance to infection.

Given this apparent vast range of health effects—everything from temporarily watery eyes to cancer—the absurdity of trying to establish a "zero health effects" threshold without first evaluating those health effects for severity, permanence and frequency of incidence becomes immediately apparent. Yet that is exactly what is mandated under the existing law. EPA has no express authority to make the essential qualitative judgments in evaluating health effects.

A second fundamental failing in the process by which the national ambient standards are set is the absence of a way for the agency to distinguish which group of sensitive individuals should determine the threshold for health effects. One example that comes to mind almost immediately is the relationship between ozone and increased frequency of asthma attacks. Clinical studies have clearly demonstrated that there is a wide variation in the sensitivity of asthmatics to ozone. The dose-response relationship thus varies radically even among the asthmatic subset of the general population.

This wide variation in sensitivity to health effects presents a dilemma to the bureaucrat looking for a threshold. How long should he persist in the search for an ever-more sensitive subset of the population that demonstrates health effects at a lower and lower dose? Setting a standard solely on the basis of the demonstration of health effects in an undefined part of the population could ultimately lead to a standard that protects only one person in the whole country. Of course, the agency would probably never push the matter to this extreme. But the complete silence of the Clean Air Act on the vital question of how far to go in the search for a vulnerable subpopulation gives immense discretion to bureaucrats to make perhaps the most critical policy choice involved in setting a standard—whom are we protecting?

A third major problem with the process by which ambient air quality standards are set is the absence of any systematic comparison of the risk levels sought by these regulations and the apparent propensity for risk evidenced in many voluntary activities in our society. EPA is mandated to enforce zero risk of harm from air pollution. In fact, because of the requirement of a margin of safety, EPA is in a sense mandated to reduce the risk of harm to individuals from air pollution to less than zero.

How does this striving for zero risk of harm from air pollution compare to some of the other risks people face in our society? Taking a couple of examples of voluntary behavior—smoking cigarettes, driving an automobile, skiing, swimming, over-eating—we see a vast disparity between the risk levels we are seeking in air pollution control and the evident risk propensity of much of the general population. The statistical risk of any individual suffering harm while engaged in one or more of these activities is demonstrably far higher than zero—for that matter, even driving an automobile has a risk of fatality for each driver of nearly one in 4,000. Yet we persist in striving for zero risk of harm from air pollutants, regardless of whether the resources applied to this task could be more productively used to reduce the harm from some other activity and regardless of the evident inconsistency of our goals in this area with the levels of risk we seem willing to tolerate in everyday activities such as driving a car.

Aside from the question of comparative risks posed by the evident contrast between what we tolerate in everyday life and what EPA can tolerate under the Clean Air Act, the magnitude of the low-order health effects from natural phenomena demonstrates how disproportionately large our emphasis on air quality has been. For example, each year an estimated 10 million people suffer sneezing, watery eyes, nasal congestion, and other discomforting symptoms as a result of the release of pollen into the air by ragweed and grasses. These symptoms an analogous in severity to what is alleged to be produced by current ozone concentrations in non-attainment areas. Yet no one in public life appears to believe that the hayweed health problem justifies a multi-billion dollar pollen control effort.

The fourth and most serious problem with the ambient air quality standards is that they do not recognize the law of diminishing returns as it applies to compliance expenditures. It is quite clear by now after several years of experience with both mobile and stationary sources that the last increment of control is far more costly than the first increment. The most significant single step in hydrocarbon control taken in the past decade was probably the elimination of external venting of engine crankcases. This step, which cost only a few dollar per vehicle, reduced auto hydrocarbon emissions by more than 30 percent. The cost per unit of emission reduction of positive crankcase ventilation may prove to be as little as one hundredth of the cost of using electronic fuel injection, three-way catalysts, and some of the other complex control equipment that will be necessary for compliance with the 0.41 gram per mile 1981 standard that is the final increment of the auto control strategy mandated in the Clean Air Act.

The rapidly rising cost curve for compliance measures can be stated in a slightly different way that puts the problem in even clearer focus: What will the lower standards permitted by the more costly compliance procedures achieve in terms of reduced health effects? The recent report of the President's Regulatory Analysis Review Group on the ozone standard notes that going from .10 ppm to .08 ppm costs $4310 per reduced person-hour of unhealthy exposure to ozone. By contrast, going from 0.20 to 0.18 costs only $160 per reduced person-hour of unhealthy exposure.

Unfortunately, the present mechanism for setting the ambient air quality standards does not permit EPA to acknowledge the elemental truths implicit in the rising cost curve for compliance. The standard cannot distinguish between headaches prevented at $4, $400 or $4000 apiece.

These four defects in the criteria governing the ambient air quality standards—the irrationality of the "threshold concept," the failure to identify which segment of the population is to be protected, the inability to make judgments about comparative risk, and the inability to consider the economics of compliance—are the precursors of a vastly larger problem. Excessively tight standards are inevitably accompanied by a relentless, inventive and irrepressible search for bureaucratic strategies to force compliance. This is inescapable because when an excessively stringent ambient standard is set, it is a relatively straightforward matter to calculate down to the last ton the emissions load for a given area or air basin compatible with its achievement.

If EPA needs to reduce hydrocarbon emissions by say 2 million tons for a given area to achieve the standard, they will find sources responsible for 2 million tons. If anyone doubts the capacity of the bureaucratic imagination in this regard, a glance at the opus entitled "Control Techniques for Volatile Organic Emissions From Stationary Sources" will suffice.

This massive volume—which is only for one type of pollutant from one type of source—identifies compliance strategies as miniscule as changing the composition of gaskets on pumps. There are plans for virtually every industry that produces or consumes hydrocarbons, everything from printing ink to gasoline, rubber and pharmaceuticals. There is a whole section devoted to the graphic arts industry, with detailed measures that can be taken to catch every last fugitive gram of emissions.

Mobile source controls provide even more room for flights of the imagination. We could have no-drive day stickers for cars, inspection and maintenance programs, downtown parking bans, one way bridges, street closings, changed business hours, and so on.

Now, virtually every one of the compliance measures that I have mentioned will arouse the opposition of some industry or organization. Some of them will succeed in deflecting some of EPA's efforts away from their sector. But in the end, this strategy is self-defeating. So long as the basic standard is excessively tight, the grams of hydrocarbon or whatever regulated pollutant is at issue that are not controlled at one source will be controlled at another. Fighting over the details of the implementation plans is ultimately a futile exercise if the standards that set the compliance targets are not changed. So while the unpopularity of transportation control plans result in state officials having a virtual veto over their implementation under the 1977 amendments to the Clean Air Act, and while Congress explicitly ruled out the control of indirect sources and created various other special exemptions to accommodate particularly vocal interest groups—the "local coal" provision being perhaps the most egregious example—the sum total of all these efforts to fight over the details of implementation plans has been to shift an increasing share of the burden of compliance onto the less politically well-endowed segments of industry because EPA still has its quota of emission reductions to fill. The compliance costs are still there. The misallocation of resources to the task of meeting an unnecessarily strict standard remains.

Taken together, the flaws in the philosophy governing standard-setting and the flaws in the process by which those standards are enforced lead to an extremely pernicious distortion in our economy. We are creating an artificial scarcity of air resources.

In non-attainment areas, the offset policy, which is the mechanism by which the artificially scarce air resources are allocated, has capitalized the right-to-pollute in existing facilities. This results in a bias against the construction of new grassroots facilities that could employ new technology, new process designs, and other productivity-enhancing improvements that are not economically feasible as modifications to an older facility.

The offset policy has created the spectacle of a major oil company going out and attempting to buy a large number of small dry-cleaning plants in order to gain enough pollution rights to build a terminal facility. It has caused another oil company to offer to pay clean-up costs for an electric generating station in order to gain an offset for another facility.

The peculiar income transfers caused by the offset policy aside, the lack of an adequate increment for growth in non-attainment areas and the bias toward maintenance of older facilities is bad news for the construction industry, building contractors, subcontractors, machine equipment suppliers, and others who participate in new construction. It is also bad for innovators, who may lack any vested rights in emissions against which to offset emissions from a completely new plant.

The most extreme example of artificial scarcity creation in our air quality policies is the "prevention of significant deterioration" mandate for areas below the national ambient standards. PSD imposes a set of standards even more strict than the national ambient air quality standards, which themselves are theoretically designed to reduce risk to below zero. This is scarcity-creation at its peak, and its concomitant is of course a program of detailed management of air resources far more comprehensive and restrictive than even those in force in non-attainment areas. Because PSD areas do not have as large a volume of emissions rights to be allocated, the value of the available air resources for industrial development becomes large enough to justify allocation down to the last cubic foot.

In order to achieve this allocation, EPA has been forced to resort to one of the triumphs of pseudo-science, the air quality model. Building calculated value upon calculated value, these computer simulations are supposedly sufficiently precise in their predictive ability to enable EPA to make judgments about the superiority of particular plant sites within a very small radius. But as anyone with experience in the area will readily admit, the simulations contain wide margins of error—on the side of still greater scarcity of air resources, of course, thus building another margin of safety on top of the margin of safety implicit in PSD, which is itself incorporating a margin of safety over the margin of safety required by the national ambient air quality standards.

The problem with a unilateral U.S. declaration of extreme scarcity of air resources is that it has no effect whatsoever on the rest of the world. Capital is like the proverbial speeding bullet; it can penetrate national boundaries with amazing facility to find manufacturing sites with cost advantages. Pittsburgh is not the natural home of steelmaking, nor is Houston the only place in which petrochemical products can be manufactured. Those towns developed as centers of industry because of proximity and access to the vast U.S. market and because they were situated properly in a vast matrix of supply sources for raw materials, labor and equipment.

If the implementation of the Clean Air Act imposes a radical new price structure on the use of air resources in the U.S. economy, the inevitable consequence will be a shift of manufacturing to more favorable sites. Pittsburgh will lose; Houston will lose; and of course the U.S. economy as a whole will lose. U.S. standards and compliance costs for air quality must bear some reasonable relationship to practices abroad. We cannot require our steel industry to pay 30 percent more than that of West Germany in order to meet air quality standards and expect to remain competitive. If we get too far out of line with the rest of the world, we will be setting the stage for the U.S. to become an industrial museum by the turn of the century. Capital will flee, and manufacturing in other parts of the world will gain an unbeatable competitive edge.

In the end, we have to ask just who it is that has an interest in non-rational standard-setting. It certainly isn't industry, consumers, construction workers or economic policymakers. The only group with an interest in unreasonably restrictive ambient standards and PSD are no-growth advocates. They've learned the lesson of OPEC: get control of a strategic natural resource, then grind production, investment and growth in the developed world to a halt.

The no-growth advocates now have our air resources in their grasp. We cannot pluck it out of their grasp until we revoke their license to make policy.

We must take away their authority to impose a tertiary air quality standard through prevention of significant deterioration.

We must take away their license to pile margins of safety on top of one another through the untenable threshold criteria for health effects mandated in Section 108 of the Clean Air Act.

EPA takes plenty of heat for the air quality control program, for the mess we have in place today that passes for air pollution policy. I think that is probably unfair. The problem is not in how the program is administered. The problem is in the fundamental policy goals that program has established. So I want to urge all of you to stop talking about the need for balance. Stop trying to poke holes in parts of the Clean Air Act and its implementing regulations. If we can change just two or three sections of the Act and come away with an air quality control policy that seeks to protect the public health and welfare instead of stopping growth, virtually all your problems will end.●

WIN TURNER

● Mr. RIBICOFF. Mr. President, Win Turner has recently retired from the Senate, where he served as counsel to six Senators for over a period of 18 years. He worked for Senators Estes Kefauver, the late Phil Hart, Senator EDWARD KENNEDY, Senator EDMUND MUSKIE, the late Senator Lee Metcalf, and Senator TOM EAGLETON. He has been a staff member of the Governmental Affairs Committee for 14 years.

In 1965, he was appointed to the Senate Government Operations Committee where he served as general counsel to the Subcommittee on Intergovernmental Relations, chaired by Senator MUSKIE. He particularly worked on developing policies and legislation relating to the coordination of Federal grants-in-aid programs, intergovernmental personnel, regional development, and utility regulation and planning.

In 1973, he was appointed chief counsel to the Committee's Subcommittee on Budgeting, Management and Expenditures, chaired by Senator Metcalf. There he worked on the problems of congressional budget control, executive management and expenditures. He was largely responsible for the initial legislation leading to the Congressional Budget and Impoundment Act of 1974 (Public Law 93-344).

The subcommittee (renamed the Subcommittee on Reports, Accounting and Management in the 94th Congress) particularly focused on studies and legislation dealing with the disclosure of corporate ownership and interlocking directorate information, utility consumer matters, advisory committees, energy reorganization and regulatory reform.

One of the major reports of the committee last Congress was on interlocking directorates among the major U.S. corporations. Win Turner was the chief author of this study. It is a comprehensive look at interlocking directorates among the Nation's largest corporations. The study analyzes 530 direct and 12,193 indirect interlocks among 130 of the Nation's top industrials, financial institutions, retailing organizations, transportation companies, utilities and broadcasting companies. The study disclosed that 123 of these major firms each connected on an average with half of the other major companies in the study. It found the 13 largest firms not only were linked together, but accounted for 240 direct and 5,547 indirect interlocks, reaching an average of more than 70 percent of the other 117 corporations.

One of the study's recommendations is to prohibit interlocking directorates between corporations with over $1 billion in sales or assets. The recommendations also call for improved collection and dissemination of data concerning interlocking directorates as well as the adoption of rules requiring public representation on the boards of large corporations.

Win Turner has the respect of the members and staff of the Governmental Affairs Committee. His contributions to the committee and to the Senate as a whole are greatly appreciated and will be long remembered.●

PUBLIC OUTCRY AGAINST AMTRAK CUTS

● Mr. SCHMITT. Mr. President, since the January 31 announcement of the Department of Transportation's proposal to drastically reduce Amtrak routes across the United States, hundreds of letters have poured into my office from New Mexico and from many other States. In addition, thousands of Americans have signed petitions objecting to the DOT proposal.

This demonstration of public sentiment should not be overlooked by the Congress. Public opinion polls have consistently shown that the American public wants good rail service and supports increased funding for Amtrak rather than drastic reductions. Recently, along with several other Senators, I introduced Senate Resolution 49, a resolution to disapprove of the proposed Amtrak route terminations. Members of this body should give careful consideration to this resolution.

Clearly, changes in Amtrak are necessary. It suffers from many problems. The route structure, however, is not the principal problem. Amtrak has no comprehensive marketing and sales strategy. It lacks the authority to deal directly with many of the employees working on Amtrak trains. Amtrak service and equipment have been poor and needs significant improvement. These other problems facing Amtrak should be addressed and solved before the system is so drastically cut.

If, after these efforts are made, Amtrak is still unable to reduce its operating deficit, I will be at the head of the line of those who propose amputating Amtrak routes. But to make these cuts before attacking the source of the problem is irresponsible. We will surely live to regret our haste. Unfortunately, it is the public that will bear the burden of our indiscretion if we fail to disapprove the DOT proposal as so many Americans are asking us to do.

Mr. President, I ask unanimous consent that several of the letters and petitions which have been sent to my office be printed in the Record.

The material follows:

Resolution

Whereas, the City of Albuquerque, County of Bernalillo and State of New Mexico conducted public hearings in Albuquerque in January, 1971, to demonstrate our need for effective intercity rail passenger transportation as part of the National Railroad Passenger Corporation's basic national system; and

Whereas, rail passenger service between Chicago and Los Angeles via Kansas City and Albuquerque has been a part of the basic national system since Congress established the National Railroad Passenger Corporation in May 1, 1971; and

Whereas, the City of Albuquerque in 1974 developed a unified, multi-modal transportation center for intercity bus and rail service as part of the redevelopment and downtown; and

Whereas, the Congress requested the Department of Transportation to conduct a study on the effectiveness of Amtrak; and

Whereas, the Secretary of Transportation's Preliminary Report recommended retention of the Southwest Limited through Albuquerque because of its consistently high ridership, revenue, and operating performance; and

Whereas, the closest public hearings on the Preliminary Report were in Los Angeles, California; and

Whereas, the Secretary of Transportation's Final Report recommends a 43 percent reduction in service for a 22 percent reduction in operating subsidy and further, recommends discontinuance of the Southwest Limited between Kansas City, Albuquerque and Los Angeles; and

Whereas, nearly 100,000 New Mexicans, 9 percent of the State's population, rode the Southwest Limited in 1978; and

Whereas, Albuquerque is the transportation center of New Mexico and ranks in the top 20 of all 474 Amtrak stations in terms of passengers generated per train per day and is 73rd in terms of total ridership generated; and

Whereas, Congress appropriated $230 million to purchase 284 new cars to reequip western trains including the Southwest Limited and that such cars, including special accommodations for the handicapped are now being delivered; and

Whereas, the State of New Mexico is preparing a State Rail Plan which addresses the need for rail passenger services; and

Whereas, the possible shortage of gasoline and other forms of fuel will require New Mexico citizens to use more public transportation; and

Whereas, discontinuance of this historical railroad passenger service through New Mexico will be a serious blow to the citizens of Raton, Las Vegas, Santa Fe, Albuquerque and Gallup, New Mexico denying them any access to passenger railroad service to other parts of this nation.

Be it resolved by the Council, the Governing Body of the City of Albuquerque:

Section 1. That the City Council recommends that this Department of Transportation proposal or any other similar proposal be rejected by the Congress of the United States.

Section 2. That the City Council opposes any proposal to discontinue daily Amtrak service on its present schedule through New Mexico and its principal municipality, Albuquerque, since such discontinuance would leave many of the citizens of this City without the convenience and necessity of such railroad service to key areas of this country.

Section 3. That the United States Congress is urged to direct studies be undertaken to improve the effectiveness of intercity rail passenger service as an alternative to service discontinuance.

Section 4. That a copy of this resolution be sent to the presiding officers of the Senate and the House of Representatives and to each member of the New Mexico Congressional delegation.

March 8, 1979.

Senator Harrison Schmitt,
Russell Office Building,
Washington, D.C.

Dear Senator Schmitt: Please persevere in your fight to stop the Amtrak cutbacks. This nation cannot afford to leave the West and Southwest totally without rail passenger service, especially in light of the current happenings in Iran. I realize, along with Brock Adams, that passenger rail service to the more sparsely populated areas of the nation is not going to bail the country out of any energy crisis, but it is a step; which is more than the current Administration has taken. And if the savings of $1.4 billion over five years is so significant to an administration with hundreds of billions in deficits, please have Secretary Adams call me and I can point out a number of places where an equal or greater amount of money can be saved. My phone number is (405)-524-4570 and he can call collect if the toll is not in his budget.

I am directly concerned about these cutbacks because my state—Oklahoma—will be one of the victims. I am sure the U.S. Department of Transportation can submit very reasonable statistics to show Oklahoma is a loser for Amtrak by almost any yardstick, be it percentages, head counts, or dollar volume. How irrelevant; we are talking about a matter of public policy and equity; whether or not a vast region of the nation is going to be without the alternative of train travel. As I recall, we are still part of the Union and entitled to some federal services other than just social programs and regulations.

I write with a heat generated by frustration on this matter. Amtrak is only part of the larger energy issue. Where is a national energy policy? Where is some plan or some desire to move toward weaning ourselves from a disgraceful and dangerous dependency on foreign petroleum? This is 1979, six years after the 1973 energy crunch and our dependency has increased. Now we are going to take one of the more efficient modes of travel away from half the nation so it will not be available when needed. Ask any transportation planner in the nation if cutbacks in service generally bolster a system. In Oklahoma City we have had a similar situation with our bus system. Chopping off lines and raising prices, strangely enough, tends to reduce the overall ridership.

The solution to Amtrak's woes is not in cutting service, but in promoting ridership and expanding service. The potential is there but we are too busy building highways that will be plowed up in the near future. What folly!

How do I know the potential is there? Simply by watching the daily rise in gas prices, and being the veteran of a recent trip via Amtrak. That was an interesting experience and I want to enlarge on it since I am sure such a high official as Mr. Adams has had no occasion to ride cross country recently.

During the Christmas holidays last year the weather was bad and I decided not to drive to a visit with relatives in Evansville, Ind. My natural inclination was to catch a plane; railroads have not been a common mode of travel during my lifetime. An air trip to Evansville was out of the question, however, with the holidays so close. I ride buses only under threat of physical coercion. How to get there without driving?

Vaguely I remembered that, hidden somewhere in the Urban Renewal wrecked landscape of Oklahoma City, there is a train station. And lo! There was such a thing as Amtrak.

The local Amtrak people were very courteous and helpful, but Amtrak does not serve Evansville. We figured out a route, however, that would get me as close as Terre Haute, Ind. where I could complete the trip by private auto.

It sounds tedious but I went. The Lone Star, soon to blink out of Oklahoma's dusty firmament if you are unsuccessful, picked me up promptly. The train was jammed and my heart sank. I have been on too many crowded airplanes to even think of comfort under such circumstances. I found a seat and settled in, gradually realizing that even though every seat was filled, this was no airborne cattle car where breathing must be alternated with your seatmate. It was very comfortable. Later I found the clubcar, which was out of everything from Coke on up. Travel had been so heavy and Amtrak so unprepared that we were close to being short on drinking water. Still everyone was genial as we sedately roared through the night playing cards and talking.

The five hour layover in Kansas City, 2 a.m. to 7 a.m., was boring, but no more so than similar layovers I have had at O'Hare in Chicago. Waiting is waiting.

Back on the train at 7 a.m., ready for the delicious breakfast served in the dining car, eaten leisurely as the unfamiliar countryside whizzed by. On to Terre Haute and then Evansville by car. The return trip via Amtrak was even better and, as the club car was fully stocked this time, a good time was had by all. I furthered my education by learning to play whist and had many pleasant conversations with friendly people in a relaxed, unhurried atmosphere. Try that on a plane.

When I returned, I was so impressed by the congeniality of train travel that I immediately began laying plans for my vacation. I plan to catch the Lone Star to Houston, layover a night and board the Sunset Limited for New Orleans to spend a few days before embarking on the Delta Queen for a steamboat ride to Natchez. Please note, this American will not drive one centimeter for an entire two-week vacation.

Here is what Mr. Adams could do, rather than abandoning half the country. He could step up passenger rail services by increasing the number of cities served, increase the number of agents and phone lines into Amtrak's toll free centers (this is very important—it should take no longer to reach Amtrak than an airline), and put some creative people to planning imaginative vacations or trips by rail. Then advertise, advertise, advertise! Just think how many millions of barrels of oil we would save if 500,000 Americans took their vacations by train. I assure you, one relaxed, pleasant train trip will reintroduce anyone to the joys of rail travel.

If the money is lacking, divert some of the fat from highway construction to Amtrak and other forms of mass transit. We have to get out of our cars before national policy is dictated by a handful of emirs and oil companies. Any area where we can make an energy savings should be supported as a matter of public policy.

I know the program I have sketched would be difficult to effect; many engineers, planners and contractors worship at the altar of highway construction and come away rich. This would not be the case with railroads, so I doubt that passenger rail service has a very powerful lobby in Washington.

If highway construction is so important, let the legislatures of the states demonstrate it by paying a larger share of construction costs. Let them set priorities on construction after they find there's no more 90/10 federal money. I wager highway construction would be more thoughtful if the people we can get at are the same people who must raise the money. This would be good government as well as good politics for Washington. Let the states have part of the gasoline tax and turn them loose to answer their constituents.

In closing, I want to say that I am not a second class citizen. Part of my tax dollars helped bail New York City out of its financial mess and I am not objecting. So the East and the Administration has no grounds for objecting to a policy of subsidy that will assure our part of the country a mixed mode transportation system.

Sincerely,

Ron Capshaw.

Hickox & Dodd,
Westborough, Mass., March 8, 1979.

Senator Harrison Schmitt,
U.S. Senate,
Washington, D.C.

Dear Mr. Schmitt: The Westborough Chamber of Commerce is opposed to any cutback in Amtrak service, and in particular, to cutbacks between Washington and Montreal.

We favor an additional section of train starting at Boston and connecting with the existing train in Springfield, Mass.

This would give overnight service between Boston, Framington, Westborough, Worcester, Palmer and Vermont and New Hampshire points and Montreal. This local service cannot be provided by air.

We also favor a daylight companion train which would cut the overhead by one half and give more flexible service, and which would justify a mail contract for the two trains for additional revenue.

Thank you for your consideration.

Very truly yours,

Harold L. Hickox, *Chairman.*

Stone Mountain, Ga.,
March 5, 1979.

Hon. Harrison Schmitt,
U.S. Senate,
Washington, D.C.

Please do not cut Amtrak services to our nation. Please consider upgrading and fully funding Amtrack services for the welfare of our people. I am sure you have heard every pro and con issue but please take into account the adverse affect on the families and communities of our nation. We need Amtrak fully funded.

Glaude R. Glaze,

Chicago, Ill.,
March 5, 1979.

Senator Harrison Schmitt,
U.S. Senate,
Washington, D.C.

Dear Senator: The final report to Congress on the Amtrak route system advocates too great a reduction of the Amtrak system. I beg you to consider that, once discontinued, these routes can never be re-established. The verge of an energy crisis is not the time to cut back on a primary alternative to the automobile.

Sincerely,

William F. Danby.

Box 4,
Ganado, Ariz., February 20, 1979.

Senator Harrison Schmitt,
Washington, D.C.

Dear Senator Schmitt: I support your efforts to keep the Southwest Limited route. Your quote that "reorganizing Amtrak routes without reorganizing its management won't improve the situation" is very true. I have taken the train from Gallup to Los Angeles or beyond annually for the last seven years, and each year the service, etc. seems to be less efficient.

I think rail transportation should be encouraged as an oil-saving device, and for those of us in isolated areas in New Mexico and Arizona the train from Gallup is really the only convenient transportation (other than auto).

I hope you continue your efforts to have Amtrak *improve* their service rather than cut back so many lines.

Thank you,

Alice Lackey.

Brattleboro Area,
Chamber of Commerce,
Brattleboro, Vt., Feb. 28, 1979.

Senator Harrison Schmitt,
Senate Commerce Committee,
U.S. Senate,
Washington, D.C.

Dear Senator Schmitt: The board of directors of the Brattleboro Area Chamber of Commerce on behalf of its membership and the community would like to express deep concern over the Amtrak Cuts as recommended by Transportation Secretary Brock Adams.

We are urging the retention of the Montrealer as part of the Amtrak system. Amtrak has been successful in the State of Vermont and is extremely important to our travel industries especially considering the very limited mass transportation available to Vermonters and with the anticipated gasoline shortages in the future we will need every form of transportation possible. The discontinuance of Amtrak would put a tremendous detrimental impact on our area.

We have expressed to our representatives in Washington our strong opposition to the discontinuance of Amtrak and know they are aware of our position. We also seek your support in this connection.

Sincerely,

Richard J. Fleming,
President.

March 4, 1979.

Hon. Harrison Schmitt,
U.S. Senate,
Washington, D.C.

Dear Senator Schmitt: This will refer to the U.S. Department of Transportation recommendation to cut Amtrak services by approximately 43 percent.

You are quoted in the Los Angeles Times as being opposed to the DOT recommendation, which would end Southwest Limited service through New Mexico. I want to commend you for this stand, and actively support your position to vote NO.

The Southwest Limited is a train which I have occasion to use; it is very important to us in Southern California. But there are many other trains which will be terminated as well, a good portion of which are in the western states. At a time when we are being asked to conserve gasoline it seems exceptionally poor policy by the Administration to pull the only viable form of alternative surface transportation out from under us.

The problem seems to be that the United States has no national transportation policy; the right and left hands, so to speak, are not in communication on this issue. The tremendous federal subsidies of highway, airway, and even inland waterway transportation are appalling when you consider the relative energy-inefficiency, and the comparative costs with other forms of transportation (Full costs!). Since transportation subsidy is selective, why should Amtrak be passed over, selected out?

America needs a viable public ground transportation system which receives the same favorable treatment from Congress as private cars and airplanes. The basis of that system is Amtrak. We should provide enough funds over a long enough period to allow Amtrak to prove itself. Congress should look at the real problems of Amtrak and help solve them. We need Amtrak, and I hope you will continue to give it your wholehearted support.

Cordially,

Robert O. Ramsey.

Adamstown, Md.,
March 3, 1979.

Hon. Harrison Schmitt,
U.S. Senate,
Washington, D.C.

Dear Senator Schmitt: Please vote to disapprove the Department of Transportation plan to cut back train service. Your support of legislation that would provide Amtrak service to continue to present level and for the future expansion of this fuel efficient and safe mode of transportation would be, we believe, in the Nation's best interest.

Several times a year we travel to and from the West Coast on the Southwest Limited train which affords daylight viewing of beautiful New Mexico and we frequently stop over at Albuquerque, sidetripping to Santa Fe and other towns. This fine train as now routed make the fastest rail time Chicago—to the Coast and of course, serves the Grand Canyon Park area.

The Southwestern States and all the rest of the American states need the Southwest Limited—and on its present alignment.

Very truly yours,
Herbert S. Wilbur.
Margaret A. Wilbur.

February 16, 1979.

Hon. Harrison Schmitt,
U.S. Senate,
Washington, D.C.

Dear Senator Schmitt: I am simply at a loss for words. There is a proposal to pull the Amtrack Southwest Limited off from Chicago to Los Angeles. I understand that this train has always paid its own way. It serves communities that suffer from its loss. And I simply can't stand riding a bus.

Please use your good office to help keep this passenger train running.

Sincerely,
Edith E. Clark.

Montross, Va.
March 4, 1979.

Senator Harrison Schmitt,
U.S. Senate
Washington, D.C.

Dear Senator Schmitt: I am writing to express my desire that you work and vote for a resoluion to disapprove the D.O.T. plan to reduce the presently operated Amtrak system.

I believe that the D.O.T. recommendations conflict with the public desires on Amtrak as expressed:

(1) In opinion polls conducted by Peter Hart Associates for D.O.T. and by Louis Harris for Amtrak;

(2) In nationwide public hearings conducted in over 50 locations last summer;

(3) Through ridership increases on every route where new equipment and service frequency increases are found; and

(4) Through considerable ridership increases during the 1973–4 energy crisis.

I believe that the D.O.T. report conflicts with the need for the United States to conserve petroleum and to offer a balanced transportation plan for:

(1) Our own future generations;

(2) Common carrier service to the general public in case of a cutoff of foreign petroleum supplies, regardless of cause;

(3) Providing the public with a travel alternative against continuously rising fuel costs which are destined to rise out of reason; and

(4) Improving the balance of trade which is heavily affected by a gross consumption of foreign fuels by automobiles.

The D.O.T. preliminary report shows that the largest recommended and studied system, Scenario E, produced the lowest deficit per passenger mile. This is in conflict with the recommendation to reduce Amtrak to bare bones.

The $166 million savings claimed for 1980 amounts to less than 1 percent of the Federal transportation budget. This would build 6/10 of a mile of the proposed Westway highway project in New York City or 4 miles of freeway in Southern California. For this we would lose over 10,000 miles of rail service. Additionally, Secretary Adams' report does not answer the question of improving rail passenger service but it merely wields an axe on those patrons deemed politically vulnerable.

Dramatic ridership increases can be had by improvements at Amtrak and with expanded services, not contracted routes. Ridership increases can be had without harming other common carriers. Most travel between cities is now by automobile. If the public can not be persuaded out of their cars they could still have their automobiles if an Auto-Train type of service were offered by Amtrak on a national scale. This type of service would save millions of gallons of fuel annually.

I feel that the D.O.T. recommendation is not responsible transportation planning and was created solely to make the Federal budget look good without consideration given to the future consequences.

Sincerely,
Orville Ingram, Jr.

The Reddy Company, Inc.,
Montpelier, Vt., February 28, 1979.

Senator Harrison Schmitt,
U.S. Senate,
Washington, D.C.

Dear Senator Schmitt: For the past several years the State of Vermont has recognized that in order to allow the people of Vermont to afford living here, we would have to grow, economically, with population, and with a more liberal attitude. The installation of the Amtraks Montrealer through Vermont was a progressive step in that direction. It was an important investment in the physical growth and economic growth for this part of the northeastern United States.

I would hope that the Senate Commerce Commitee in it's wisdom, will not abandon that investment at this time. As a businessman; owner of a manufacturing company, owner of a real estate company, founder of a regional economic development corporation, Director of the Vermont State Chamber of Commerce, I have seen the initial potential of that investment. I recognize the tremendous importance that it has on the Vermont travel industry. It has allowed exposure of Vermont to businessmen who are looking to move their companies to Vermont. It has helped in the general transportation available to Vermonters and as we grow, I know that rail transportation will also grow. The potential shortage of gasoline is one of the very important selling points for our future growth in that we will have this rail capability.

I hope that you will not discontinue your investment at this early date, but will allow a reasonable amount of time for us Vermonters to prove the benefit of that investment.

Thank you for your consideration.

Sincerely,
Gordon R. Wilkinson,
President.

Box 11,
Ganado, Ariz., February 27, 1979.

Hon. Harrison Schmitt,
The Senate,
Washington, D.C.

The Honrable Harrison Schmitt: With the growing energy crisis I feel it is the wrong time to cut back passenger service on Amtrak. I am especially concerned about the proposed discontinuance of the Southwest Limited.

Living in a rural area it is a long drive to get anywhere, including an airport. If gas curtailment or gas rationing comes, Arizonas, and New Mexico's tourist industry will be very hard hit. The Southwest Limited can well service this industry. For years the Southwest Limited and the Santa Fe passenger trains have been well traveled. It is the quickest rail route from Chicago to Los Angeles. The new zig-zag route through northern Kansas, Wyoming, and Utah will probably take five hours longer.

It is unfair that the Southwest Limited be discontinued when trains lossing much more money are retained. People from all around Northern Arizona and New Mexico use their stations as the train stops in these states at convenient times.

Let's plan for the future. We must build up public transportation, not tear it apart. The cost of Amtrak is small compared to federal subsidies for highways, waterways, and for air transportation. Please give this your attention.

Sincerely,
Philip A. Donk.●

DIRECT ELECTION OF THE PRESIDENT

Mr. BAYH. Mr. President, I was extremely interested to see in this morning's Washington Post a column by David Broder which addressed the question of the possible effect of direct election of the President and Vice President on the two-party system. Mr. Broder concluded that direct election is "clearly not guilty of causing the changes that have weakened the Presidency, the parties, and the political system and it just might be part of the remedy for those weaknesses."

No observer of our political process in recent years has studied with greater depth the two-party system in this country than David Broder. In numerous of his syndicated columns and his well-read book, "The Party's Over," Mr. Broder has commented with perception and insight on the weaknesses which he considers to be inflicting our major parties in the last two decades. I think that all of us, as elected Representatives, are acutely aware of the changes and chinks which have appeared in the parties during our own careers, and it is my feeling that for most of us, this is a matter of deep concern.

Several opponents of Senate Joint Resolution 28, the proposed constitutional amendment to abolish the electoral college and establish direct election, while lamenting the decline of the major parties' strength which is occurring under our present system, have projected the fears of further deterioration and sometimes, somehow, even the blame for the current problems on direct popular election. It is consoling that a student of the two-party system of such stature as Mr. Broder is able to put this argument to rest and, indeed, to conclude that on the contrary, direct election would help provide the necessary "glue" for the national parties.

Mr. President, I submit for the Record Mr. Broder's column which appeared in the Washington Post today, March 21, 1979.

The article follows:

ADMIRABLE CASE, WRONG DEFENDANT

(By David S. Broder)

The question of abolishing the electoral college and choosing the president by direct, national vote of the people is, once again, before the Senate. Nine years ago, the House approved such an amendment to the Constitution, but the proposal fell victim to a Senate filibuster. Now, Sen. Birch Bayh (D-Ind.), its leading proponent, is trying again.

As the debate begins, Aaron Wildavsky, the distinguished University of California political scientist, has weighed in with a powerful, sophisticated argument against the Bayh amendment. It appears in the new issue of Commonsense, an intellectual journal that is published occasionally under the unlikely sponsorship of the Republican National Committee.

Wildavsky quite rightly brushes aside the futile disputes about whether the Bayh amendment would increase or decrease the power of large or small states, urban or rural interests, or minorities of various kinds. As one who has sat through those disputes for years, I can testify they are no-win arguments.

Quite rightly, he points out that the occasional "faithless elector" problem can be solved by a simple change requiring the electors to vote for the candidates to whom they are pledged.

While he may minimize the importance of the Bayh amendment's insurance that the winner of the popular vote is the winner of the election, he is right in pointing out that the potential danger of the electoral college's making a winner of a loser has not actually occurred in this century and should not, by itself, be considered a fatal weakness in what is arguably an otherwise workable system.

Finally, Wildavsky is right in asserting that the Bayh amendment should be judged on its probable consequences for the presidency itself and for the political-governmental system of which it is a critical part.

His argument is that the direct-election method would enhance the power of the mass media and other upper-class elites, kill the two-party system, further fragment our politics and, ultimately, contribute to presidential irresponsibility.

It he is right, the amendment should certainly be rejected. But I do not think he makes his case. I say that as one who shares his belief that the changes that have occurred in the presidential selection system the past 20 years have been detrimental to the health of the presidency and the political system.

But the point Wildavsky minimizes, I fear, is that those changes have occurred despite the supposed stabilizing effect of the electoral college system. They have occurred because of a revolution in the presidential nominating system—namely the proliferation of state presidential primaries. Those changes have had exactly the effect he decries: weakening the parties, expanding the influence of media and upper-class elites, isolating the presidency from Congress and the party system, and atomizing our politics.

Since all that has occurred while the electoral college system has been in effect, it seems pretty clear that it is not the electoral college system that protects the health of the presidency, the parties or our politics.

Those who share Wildavsky's concern would be well-advised to try to roll back some of the "reforms" of recent years, particularly the spread of presidential primaries and the subordination of the nominating conventions to the demands of the television networks.

A crucial part of Wildavsky's argument is the assertion that direct election of the president would lead to legislation for a national presidential primary and also encourage multiple independent presidential candidacies. It seems to me highly improbable that it would have both results simultaneously, and relatively unlikely that either would occur.

If the parties themselves can summon the will to choke off the growth of presidential primaries—as they have the power to do under their own rules, without any need for legislation or constitutional change—then direct election of the president could help them regain their proper place in the sun.

The best "glue" for the parties lies in the fact that, in the end, only one mayor can be elected in a city, only one congressman in a district, and only one governor in a state. By making it clear that the presidency is a national office, the direct-election system can help force national coalition-building within each of the two major parties—which is exactly what Wildavsky wants and what the country and our politics desperately needs.

In short, it seems to me the professor has built an admirable case, but he has the wrong defendant in the dock. The Bayh amendment is clearly not guilty of causing the changes that have weakened the presidency, the parties and the political system, and it just might be part of the remedy for those weaknesses.

STRATEGIC MISREPRESENTATION

Mr. HATCH. Mr. President, it has become a well-known fact that the administration has begun the selling of the SALT II agreement through the use of speakers throughout the Nation. They have targeted the various local functions, such as the Lions, Rotary, Sertoma, and Kiwanis Clubs, in an effort to gain grassroots support for the proposed treaty.

President Carter began his own campaign to sell the agreement during his speech at Georgia Tech in Atlanta. At that time the President outlined the advantages of the treaty and how it will serve the interests of the United States. I think that many of the facts of the treaty were distorted in this speech, distorted to give the audience a sense of well-being. The editorial board of the Wall Street Journal has detected the flaws in the administration's logic and pointed them out in an informative piece in the February 23, 1978, edition of the Journal. While showing the faults in the President's arguments, the Journal concludes that—

> We can understand that the President has to find some argument to make on behalf of the treaty, but we can't understand why he has to try to create the impression that it would reduce a threat that will in fact be rapidly increasing.

The survivability of the U.S. ICBM force hinges on the numbers that each side agrees to in the proposed treaty. At the current time the U.S. Minuteman force is considered to be at the critical stage of increased vulnerability. If the Soviet Union is permitted to increase the number of warheads to the point projected we will find ourselves in increasing danger to Soviet nuclear blackmail. No Mr. President, this treaty as now proposed does not insure the safety of the American people. I suggest that the administration continue to press the negotiations until the questions are answered.

Mr. President, I ask that the above-mentioned editorial be printed in the RECORD.

The article follows:

STRATEGIC MISREPRESENTATION

Before President Carter signs the proposed strategic arms treaty, we hope he gets around to reading it, fine print and all. Whether the President knows it or not, the case he argued in his Georgia Tech foreign policy address relies centrally on subtle and not-so-subtle misrepresentations of the treaty's actual provisions.

Take for example the President's assertion: "The emerging SALT II treaty will establish for the first time equal numbers of strategic arms for both sides." That seems simple enough: equal numbers for each side, whatever one is allowed to do the other is also allowed to do. But it tells no little about the negotiations that in the draft treaty a glaring exception breaches this simple principle. The Soviets are allowed to keep their modern large ballistic missiles, and the United States is prohibited from constructing any. This makes the numbers: U.S.S.R.—308, U.S.—0.

More importantly, take another assertion: "The Soviet Union will be required to reduce their overall number of strategic arms. Over 250 Soviet missiles or bombers—10 percent of their strategic forces—will have to be destroyed or dismantled.

First of all: There are no limits whatever in the treaty on missiles, the things that fly through the air. The limits apply to missile launchers, which are concrete silos in Montana or Siberia. This distinction may be of more than passing importance, since there is no law of physics that says missiles can be fired only from concrete silos.

Nothing in the treaty will require the Soviets to destroy a single missile. Indeed, for all we know the Soviets may have warehouses full of the old missiles they have taken out of silos to replace with new ones. Indeed, there is nothing in the treaty to prohibit the Soviets from turning out new missiles like sausages so long as they store them in warehouses. Recognizing the obvious danger, the treaty does say extra missiles cannot be stored "near" launcher sites, and prohibits "rapid" reload systems.

We find these restrictions cool comfort, given the problems with SALT-I's limitations on "heavy" ballistic missiles. The term was never precisely defined, except in a U.S. "unilateral declaration." When the Soviets went ahead with a new missile breaching this definition, the U.S. acquiesced. Even without reloading silos, finally, stored missiles could be erected away from present silo sites, possibly using erectors the Soviets already have for their mobile intermediate-range SS-20 missile. The lack of any limit on actual missiles presents a huge "breakout" problem, raising the possibility of a sudden leap in Soviet strategic power if they decided to abrogate the treaty in some crisis.

Now, it is true that the treaty would require the Soviets to deactivate some silos or destroy some airplanes, though to fit present programs in the limits the U.S. may also have to saw up some mothballed planes. But before anyone accepts Mr. Carter's image of a 10 percent reduction in Soviet strategic power, he ought to look at what the treaty allows.

The Soviets now have about 2,300 land and sea based missiles, of which about 400 have multiple warheads. They have an active program of replacing older, single-warhead missiles with new multiple warhead ones. The treaty allows each side to have 1,320 multiple-warhead missiles. Obviously this allows enormous latitude for the Soviet program. By the end of the treaty, it will be able to deploy an additional 5,000 nuclear warheads.

Against this program, a reduction of some 250 missile silos or bombers can scarcely be considered significant, let alone a 10 percent reduction. The reduction will consist of destruction of old bombers and deactivation of launching silos for single-warhead, liquid-fueled missiles of the type the U.S. retired years ago on cost-effectiveness grounds. All that the treaty requires is that the Soviets retire their obsolete weapons instead of keeping them alongside the new ones.

We can understand that the President has to find *some* argument to make on behalf of his treaty, but we can't understand why he has to try to create the impression that it would reduce a threat that will in fact be rapidly increasing. The bald fact is that come 1985 an additional 5,000 nuclear warheads will be targeted on the United States, and the arms limitation treaty does nothing to prevent it.

HOSPITAL COST-CONTAINMENT

● Mr. BELLMON. Mr. President, the President's proposed cost-containment legislation, introduced on March 7 by Senator NELSON and others, addresses a serious national problem which requires immediate and firm action. While I have some reservations about the bill in its present form, I agree with the President's basic conclusion: Strong positive steps must be taken to bring down the rate of inflation in the health sector of our economy. I intend to work with other Members of Congress and the administration in seeking improvements in the plan which has been introduced. I am optimistic that I will be able later this year to join a majority of my colleagues in passing a satisfactory hospital cost-containment bill.

There is almost unanimous consensus that inflation represents our most serious national problem and that inflation in the health sector, especially hospital costs, represents one of the leading sources of inflationary pressures in the economy. For the past 5 years, annual hospital cost increases have been in the 15- to 20-percent range or more than 2½ times the level of inflation for other goods and services. In fiscal year 1977, hospital costs increased 15.9 percent.

Last year the hospital industry announced a voluntary effort to reduce the rate of hospital cost inflation. This effort proposed to reduce the rate of inflation by 2 percentage points in fiscal year 1978 and an additional 2 percentage points in fiscal year 1979. Thus, the goal called for an increase of 13.6 percent or less in fiscal year 1978 and 11.6 percent or less in fiscal year 1979. Preliminary data which are available for fiscal year 1978 indicate that the actual rate of increase will be about 12.9 percent. Thus, the voluntary effort apparently has achieved its goals in fiscal year 1978. I congratulate the hospital industry for its effort as I firmly believe that voluntary approaches are preferable to increased Federal regulation and control. Unfortunately, there is some evidence that the voluntary effort may be losing steam and that the inflation rate may be starting to climb back toward the higher levels of the recent past. The Congressional Budget Office (CBO) has estimated that hospital costs will increase by about 14.1 percent in fiscal year 1979 and 13.8 percent in fiscal year 1980 unless there are additional effective efforts to produce savings. Increases of this magnitude will have serious consequences for the economy and help to fan the fires of inflation. In addition, they will result in Federal outlay increases of $1.1 billion in fiscal year 1980 over what they would have been had the volunteer effort succeeded. HEW estimates indicate that the hospital cost-containment bill as currently drafted will save $1.4 billion in Federal outlays in fiscal year 1980 and $21.8 billion in the 5-year period, fiscal year 1980–84.

Mr. President, recent CBO estimates indicate that Federal outlays for all health care service will increase from $44.6 billion in fiscal year 1979 to $51.1 billion in fiscal year 1980 under current law. This represents an increase of $6.5 billion or 14.6 percent. Hospital costs represent about 40 percent of all Federal outlays for health care services. Thus, it is clear that control over hospital costs are essential if we are to achieve the objectives of reducing inflation and bringing the level of Federal spending under control.

I am not yet convinced, however, that S. 570 as written represents the most effective approach to hospital cost-containment. I have been impressed with the initial successes of the volunteer effort. Estimates for fiscal year 1978 are encouraging and in my State of Oklahoma, the most recent data indicate that the rate of increase may be reduced to 11.3 percent in fiscal year 1979. I am concerned that we not prematurely declare the voluntary effort to be inadequate and that we not undermine it by talking about a mandatory Federal program. The President's proposal, wisely I believe, would reinforce the voluntary effort by exempting hospitals which restrict cost growth on their own.

I am also concerned. Mr. President, about the growing impact of Federal regulation upon hospital costs. As an example. I have been informed that implementation of the proposed uniform cost reporting system (SHUR) could cost even small hospitals as much as $30,000 to $50,000 per year. This would, of course, have a direct effect on hospital charges. Any proposed limit on hospital revenues must be adjusted to accomodate increased costs due to additional Federal regulation.

There are other aspects of S. 570 which are unclear and which must be evaluated in terms of their impact upon individual hospitals. For example, the process by which adjustments will be made for changes in patterns of admission is not clear. I also believe the proposed allowances for population growth may be unrealistic, particularly in some States or communities which have unusual demographic changes such as a growing percentage of aged persons.

Finally, I have serious reservations about the wage passthrough provisions in the bill. Recent data indicate that wage rates in the hospital industry are comparable to those in other similar occupations. Thus, there appears to be little justification for special allowances in this area since labor represents over 50 percent of all hospital costs. We ought not to take away from hospital managers the incentive for negotiating labor contracts which restrain wage growth. I am troubled by the seeming inconsistency between the President's anti-inflation program and this aspect of the hospital cost-containment bill.

Mr. President. as I indicated earlier, effective steps must be taken to bring the rates of hospital cost inflation under control. I prefer the voluntary approach and sincerely believe that the hospital industry can be successful in achieving its goals. Hospitals are already overburdened with Federal regulations and controls. I have been impressed with the success of State cost-control efforts and am pleased that the President's plan would encourage and strengthen these programs. I am deeply concerned about recent data which indicate that the rate of hospital cost inflation may be going back to the 14- to 15-percent level. If this happens, we may have no alternative except to impose federally mandated controls of the type contained in S. 570. Thus, while I am not able to endorse this legislation at the present time, because of the concerns which I have just discussed, I will be watching the results of the voluntary effort very closely. Legislation similar to S. 570 will clearly be necessary if this voluntary effort does not result in continued decreases in the rate of hospital costs.●

TRIBUTE TO THE LATE SENATOR DEWEY F. BARTLETT

● Mr. HATFIELD. Mr. President, Dewey Bartlett was my close friend and spiritual brother. He is missed greatly by me, along with so many others in this Chamber and his home State of Oklahoma. But the memory of his joyous embracing of life and his exuberance in service will always be a deep source of strength to me. He ran the race with the discipline and good sense of a runner who knew the prize of his high calling. Even when he was living on the edge of his own era he embraced life, hope, and his duties to his family and country with a wonderful sense of humor. Those who witnessed his loving concern for all of us during his fairwell will never forget his thinking more of our pain and loss than his own.

I welcome this opportunity to express tribute to my friend and to reach out in gratitude to his family for sharing him with us.●

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. tomorrow.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SPECIAL ORDERS FOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, the following five Senators be recognized, each for not to exceed 15 minutes: Senators BAKER, WEICKER, STEVENS, PERCY, and ROBERT C. BYRD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER DESIGNATING PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS AND TO CONTINUE CONSIDERATION OF H.R. 2534 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the conclusion of those colloquies, there be a brief period for routine morning business, with Senators permitted to speak for not to exceed 3 minutes therein, that the period not exceed 15 minutes, and that the Senate then resume its consideration of the debt limit bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 11 a.m. tomorrow.

The motion was agreed to; and at 4:02 p.m., the Senate recessed until Thursday, March 22, 1979, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate March 20, 1979, under authority of the order of the Senate of March 19, 1979:

INTERNATIONAL MONETARY FUND

Donald Eugene Syvrud, of Virginia, to be U.S. Alternate Executive Director of the International Monetary Fund for a term of 2 years, vice Thomas Byron Crawford Leddy, resigned.

DEPARTMENT OF JUSTICE

D. Clive Short, of Nebraska, to be U.S. Marshal for the district of Nebraska for the term of 4 years, vice Ronald C. Romans, term expired.

IN THE AIR FORCE

Maj. Gen. Richard Bodycombe, [redacted]FV, U.S. Air Force Reserve, for appointment as Chief, Air Force Reserve under the provisions of section 8019, title 10 of the United States Code.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Billy Martin Minter, 443-20-2212FR, U.S. Air Force.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 21, 1979:

DEPARTMENT OF STATE

Joan Margaret Clark, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Malta.

Loren E. Lawrence, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Jamaica.

Richard Elliot Benedick, of California, Coordinator for Population Affairs, for the rank of Ambassador.

Francis J. Meehan, of the District of Columbia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Czechoslovak Socialist Republic.

U.S. FIRE ADMINISTRATION

Gordon Vickery, of Washington, to be Administrator of the U.S. Fire Administration.

NATIONAL RAILROAD PASSENGER CORPORATION

S. Lee Kling, of Missouri, to be a member of the Board of Directors of the National Railroad Passenger Corporation for a term expiring July 18, 1981.

U.S. RAILWAY ASSOCIATION

Thomas P. Salmon, of Vermont, to be a member of the Board of Directors of the U.S. Railway Association for the remainder of the term expiring July 8, 1982.

FOREIGN CLAIMS SETTLEMENT COMMISSION OF THE UNITED STATES

Richard W. Yarborough, of Texas, to be a member of the Foreign Claims Settlement Commission of the United States for a term of 3 years from October 22, 1978.

COMMISSION ON CIVIL RIGHTS

Louis Nunez, of Maryland, to be staff director for the Commission on Civil Rights.

DEPARTMENT OF JUSTICE

Gary Louis Betz, of Florida, to be U.S. attorney for the middle district of Florida for the term of 4 years.

Henry S. Dogin, of New York, to be Administrator of Law Enforcement Assistance.

DEPARTMENT OF COMMERCE

Sidney A. Diamond, of Arizona, to be an Assistant Commissioner of Patents and Trademarks.

COMMUNICATIONS SATELLITE CORPORATION

The following-named persons to be members of the Board of Directors of the Communications Satellite Corporation for the terms indicated:

Jesse Hill, Jr., of Georgia, until the date of the annual meeting of the Corporation in 1979.

Joan Fleischmann Tobin, of the District of Columbia, until the date of the annual meeting of the Corporation in 1980.

Jesse Hill, Jr., of Georgia, to be a member of the Board of Directors of the Communications Satellite Corporation until the date of the annual meeting of the Corporation in 1982.

FEDERAL COMMUNICATIONS COMMISSION

Anne P. Jones, of Massachusetts, to be a member of the Federal Communications Commission for a term of 7 years from July 1, 1978.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Phyllis A. Kravitch, of Georgia, to be U.S. circuit judge for the fifth circuit.

John G. Penn, of Maryland, to be U.S. district judge for the District of Columbia.

Abraham D. Sofaer, of New York, to be U.S. district judge for the southern district of New York.

Robert E. Keeton, of Massachusetts, to be U.S. district judge for the district of Massachusetts.

John Joseph McNaught, of Massachusetts, to be U.S. district judge for the district of Massachusetts.

David Sutherland Nelson, of Massachusetts, to be U.S. district judge for the district of Massachusetts.

Rya W. Zobel, of Massachusetts, to be U.S. district judge for the district of Massachusetts.

DEPARTMENT OF STATE

Diplomatic and Foreign Service nominations beginning Arthur H. Brunetti, to be a Foreign Service officer of class 3, a Consular Officer and a Secretary in the Diplomatic Service of the United States of America, and ending Raymond A. Boneski, to be a Consular Officer of the United States of America, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 9, 1979.

IN THE COAST GUARD

Coast Guard nominations beginning Glen N. Armitage to be captain, and ending Thomas J. Travers to be captain, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Coast Guard nominations beginning James M. Seabrooke to be commander, and ending John S. Merrill to be lieutenant commander, which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Coast Guard nominations beginning Gary S. Johnson to be lieutenant, and ending Ronald E. Johnson, Sr., to be lieutenant (j.g.), which nominations were received by the Senate on January 22, 1979, and appeared in the CONGRESSIONAL RECORD on January 23, 1979.

Coast Guard nominations beginning David Bernstein, to be commander, and ending Jack S. Wilder, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 9, 1979.

Coast Guard nominations beginning Christopher Alan Abel, to be ensign, and ending James Westly Wright, to be ensign, which nominations were received by the Senate on March 2, 1979, and appeared in the CONGRESSIONAL RECORD on March 5, 1979.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Oceanic and Atmospheric Administration nominations beginning Robert C. Roush, to be commander, and ending Michael J. Willis, to be ensign, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on February 9, 1979.

HOUSE OF REPRESENTATIVES—*Wednesday, March 21, 1979*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Our Father, may our hearts be open and attentive to the power of Your word in our lives. May that word teach us, ennoble us, heal us, and forgive us.

With humility we pray for the strength of spirit which Your word can give. In the name of the Lord, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

CONSIDERATION OF A CONSTITUTIONAL AMENDMENT TO COUNTER COURT-ORDERED BUSING

(Mr. MOTTL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOTTL. Mr. Speaker, all minuses and no pluses. Court-ordered busing has resulted in many of our school systems being pushed to the brink of bankruptcy. It has caused white flight to the suburbs and a resegregation of our city school systems. It is a tremendous waste of gasoline during a period when energy supplies are both scarce and costly.

In an effort to eradicate all those minuses, I have proposed a constitutional amendment to allow all children to attend their neighborhood school if they so desire. The resolution (H.J. Res. 74) has 51 cosponsors.

To date, I have been unsuccessful in obtaining hearings before the House Judiciary Committee. So, once again, I am trying to bring it directly to the

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☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

House floor for debate and a vote via a discharge petition which is available for your signature beginning today.

Please walk up to the Journal clerk's desk and sign discharge petition No. 1. Your signature will be a big plus to our effort to preserve the neighborhood schools.

LET US NOT CREATE AN AMERICAN OPEC

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, in connection with the administration's consideration of changes in the energy program, I hope that decontrol will not be considered.

Decontrol would result in horrendous profits to the oil industry which are not likely to be invested in developing new sources for oil. It would create an American OPEC.

Decontrol should not be premised on any hope for a tax on excess profits in the oil industry. The Federal Government has never succeeded in a meaningful effort to collect taxes on oil profits. It is the most favored and pampered industry on the American scene. No American industry has so successfully dodged the tax collector.

☐ 1505

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO FILE REPORT ON H.R. 2729, NATIONAL SCIENCE FOUNDATION AUTHORIZATION FOR FISCAL YEAR 1980

Mr. FUQUA. Mr. Speaker. I ask unanimous consent that the Committee on Science and Technology may have until midnight tonight to file a legislative report to accompany H.R. 2729, the National Science Foundation authorization for fiscal year 1980.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

ETHICS IN GOVERNMENT LAW AMENDMENTS

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, a number of Members of the House have received communications expressing concern that the Ethics in Government bill, which we passed last year, may have some provisions relating to title 18, section 207, which are causing valued and needed Government employees to leave the Government before July 1.

I have introduced a bill, H.R. 2805, which will permit us to hold hearings, to remedy the problems, if any, in that portion of the bill. My friends and colleagues who would like to are invited to join with me in cosponsoring the legislation.

Mr. Speaker, I am inserting in the Extensions of Remarks today an editorial from the Los Angeles Times relative to this proposal.

THE EXPORT ADMINISTRATION ACT OF 1979

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, I am today submitting a bill entitled the Export Administration Act of 1979 on behalf of myself and Mr. CONABLE.

Last year the United States experienced a trade deficit of more than $28 billion, the largest deficit in our history. To a significant extent, this deficit reflects the fact that our Government currently gives too little emphasis to exports, and in fact places substantial disincentives in the path of American exporters. Given our current trade situation, this is clearly unacceptable.

Excessive delays and complications in obtaining an export license is one of the more commonly cited disincentives to American exporters by the private sector. The Subcommittee on International Economic Policy and Trade of the Foreign Affairs Committee has held extensive hearings on export controls, and my colleague Mr. BINGHAM has submitted a comprehensive bill to improve the current system of administering export controls. In my judgment, this bill, H.R. 2539, is well thought out and is on the right track.

The bill I am submitting today represents the approach recommended by the National Governors' Association. The Governors have given the subject of export controls a great deal of thought also, and I believe the Subcommittee on International Economic Policy and Trade should consider the Governors' proposals prior to marking up H.R. 2539, which I understand is scheduled for the near future. Accordingly, I would hope that the bill that I am submitting today on behalf of myself and Mr. CONABLE will assist the subcommittee in this process, and that the ideas contained in this bill will be given full consideration.

RESIGNATION OF JAY SOLOMON AS ADMINISTRATOR OF GSA

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker and Members, I have just heard today that Mr. Jay Solomon, the Administrator of GSA has, I suppose, "resigned" his position as of today.

I think it is a very sorrowful thing for the Nation that this able and capable man is leaving this job at a time when there is so much to be done. I would hope that the President would expedite the appointment of his successor, and find someone with the same candor, with the same integrity, and with the same dedication to rooting out the fraud and incompetence that has dwelled with GSA throughout the years.

Mr. Speaker, I pledge myself, as chairman of the subcommittee with oversight of GSA, to help finish the job of investigation Mr. Solomon so ably began.

REPUBLICAN POLICY COMMITTEE ENDORSES CONSTITUTIONAL AMENDMENT TO BALANCE BUDGET AND IMPOSE LIMIT ON FEDERAL SPENDING

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, I am pleased to report to the House that yesterday afternoon the Republican policy committee overwhelmingly endorsed a constitutional amendment to balance the budget and impose a limit on Federal spending.

Two points deserve special emphasis:

One, there can be no question about where the vast majority of Republicans in the House stand on this issue. It is now official Republican policy to support such a constitutional amendment. Further, over 74 percent of the Republicans in the House have cosponsored such legislation.

Two, by contrast only 29 percent of the Democrats in the House have cosponsored such an amendment—and just recently, the Carter White House actually created a task force to oppose such an amendment.

In a nutshell, Republicans support the constitutional amendment to balance the budget and limit Federal spending while a majority of Democrats oppose it. The American people have a right to know about this fundamental difference.

☐ 1515

ATTORNEY GENERAL SHOULD RECONSIDER HIS ACTION IN FAILING TO APPOINT A SPECIAL PROSECUTOR

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, over the last couple of weeks, 35 Members of this House have joined with me in sponsoring a bill asking the Attorney General to implement the Ethics in Government Act and appoint a Special Prosecutor.

As the main sponsor of that bill, I was disappointed yesterday when the Attorney General decided not to go that route, but instead appointed a Special Counsel who lacks the kind of independence which a Special Prosecutor could have and should have.

Mr. Speaker, it seems to me that the man appointed, Mr. Curran, is a very capable person, a man of great character. What he lacks is independence. In an investigation into such serious questions as those which have been raised about the President's family and going into the White House itself, I think we need an independent Special Prosecutor.

Therefore, Mr. Speaker, I would call upon the Attorney General to reconsider his action.

GOVERNMENT OVERREGULATION OF SAND, GRAVEL, AND STONE OPERATIONS

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, this morning I had the privilege of testifying before the House Subcommittee on Health and Safety about a matter that is of great concern to a number of Nebraskans and Americans generally—specifically those who operate sand, gravel, and stone mines. I would like to briefly bring this matter to the attention of my colleagues because I think they may be hearing similar complaints from their constituents.

When I came to Washington last January and began reading the many letters that were waiting on my desk, I found that a large share of them came from sand and gravel operators, calling for relief from regulations promulgated by the Mine Safety and Health Administration under the authority of the Federal Mine Safety and Health Amendments Act (Public Law 95-164).

This law was approved by Congress in 1977 to toughen enforcement of mine health and safety standards. Its application, however, was extended to both coal and noncoal mines. This has presented significant problems for sand and gravel industries which are very different from deep coal mining operations. Unfortunately, the rigidity of the law, coupled with the overzealous interpretation of the law by the Mine Safety and Health Administration means that these very small operations face the same fines, paperwork, and compliance costs as deep, underground operations.

Again, we are witnessing a case of Government overreaction. I have joined Congressman Ron Marlenee in cosponsoring H.R. 1603 to exempt these operations from MSHA's regulations. I urge my colleagues who have received similar complaints from constituents to join us in an effort to secure passage of this bill.

EXPRESSING DISAPPOINTMENT OVER FAILURE TO APPOINT SPECIAL PROSECUTOR TO PROBE CARTER PEANUT WAREHOUSE LOANS

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, I would like to call the attention of my colleagues to the fact that this afternoon Senate majority leader of the other body joined Republican Members of the House and Senate Judiciary Committees in expressing disappointment that the Justice Department had not appointed a full-fledged Special Prosecutor to investigate the Carter peanut warehouse loans.

The majority leader of the other House expressed the same concerns we Republican had upon hearing that the Justice Department had appointed to conclude this investigation a Special Counsel without independent powers to prosecute, grant immunity, or indict.

Byrd said, and I quote,

> It is incumbent upon the Attorney General to assure that Mr. Curran has the independence needed to carry on an investigation which will leave no doubt in the public's mind that justice has been done.

He also asked the Attorney General to provide, in writing, assurances that Mr. Curran cannot be fired.

I commend the Senate majority leader for speaking his mind so forthrightly on this subject.

I hope the Democratic leadership here in the House will join the Senate Democratic leadership in calling for a full, fair, and impartial investigation into these Carter warehouse loans, so that we can get this behind us before the 1980 Presidential election begins.

APPOINTMENT AS CHAIRMAN AND VICE CHAIRMAN OF DELEGATION TO ATTEND CONFERENCE OF INTERPARLIAMENTARY UNION IN PRAGUE, CZECHOSLOVAKIA

The SPEAKER. Pursuant to the provisions of 22 United States Code 276a-1, as amended by Public Law 95-45, the Chair appoints as chairman and vice chairman of the delegation to attend the Conference of the Interparliamentary Union, held in Prague, Czechoslovakia, on April 16-24, the following Members on the part of the House: The gentleman from Indiana, Mr. Hamilton, chairman; and the gentleman from Illinois, Mr. Derwinski, vice chairman.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to make the following announcement as to the schedule for the remainder of the day. The House will complete consideration of the bill H.R. 2283, Council on Wage and Price Stability Extension, and then consider House Resolution 13, to reestablish the Select Committee on Narcotics Abuse and Control, and House Resolution 38, to reestablish the Select Committee on Population. Then there are eight committee funding resolutions. If the House should consider the funding resolutions, rollcall votes would be clustered and postponed until tomorrow. It is the intention of the Chair that the House adjourn at 6:30 o'clock this evening.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

Washington, D.C.,
March 21, 1979.

Hon. Thomas P. O'Neill, Jr.,
The Speaker, House of Representatives, Washington, D.C.

Dear Mr. Speaker: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 9:54 a.m. on Wednesday, March 21, 1979, and said to contain a message from the President wherein he transmits the first annual report on the Status of Health Information and Health Promotion as required by Sec. 102 of P.L. 94-317.

With kind regards, I am,
Sincerely,
Edmund L. Henshaw, Jr.,
Clerk, House of Representatives.

REPORT TO CONGRESS ON THE STATUS OF HEALTH INFORMATION AND HEALTH PROMOTION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

In accordance with Title XVII, Section 1705(a) of the Public Health Service Act (Title I of P.L. 94-317), I am transmitting the initial "Report to Congress on the Status of Health Information and Health Promotion."

This report has been prepared by the Secretary of the Department of Health, Education, and Welfare and submitted to me as required by law. This report describes the initial activities and future plans authorized by this legislation.

The cost of preparing this report was approximately $1,500, as measured by the use of staff time.

Jimmy Carter.
The White House, *March 21, 1979.*

PARLIAMENTARY INQUIRY

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

Mr. BAUMAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. I am not sure that it is a parliamentary inquiry, but the Chair just stated that if there is cluster voting on the funding resolutions, that that would take place tomorrow.

The SPEAKER. The gentleman is correct.

Mr. BAUMAN. I just wondered, because the majority whip had said there would be at least a day's notice, and I believe that does comply. I thank the Chair.

The SPEAKER. Is that not a day's notice?

Mr. BAUMAN. It is, indeed, and I thank the Chair.

COUNCIL ON WAGE AND PRICE STABILITY EXTENSION

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 2283) to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1981, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania (Mr. Moorhead).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 2283, with Mr. Derrick in the chair.

□ 1525

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Tuesday, March 20, 1979, the gentleman from New York (Mr. Weiss) had been recognized to offer an amendment.

The Clerk will report the amendment.

AMENDMENT OFFERED BY MR. WEISS

The Clerk read as follows:

Amendment offered by Mr. Weiss: Page 3, insert after line 5 the following:

Sec. 5. (a) Section 3(b) of the Council on Wage and Price Stability Act is amended by striking out "Nothing in this Act" and inserting in lieu thereof "Except as provided in section 8, nothing in this Act".

(b) Such Act is amended by adding after section 7 the following new section:

"PRESIDENTIAL AUTHORITY

"Sec. 8. (a) The President is authorized to issue such orders and regulations as he may deem appropriate to stabilize prices, rents, wages, and salaries at levels not less than those prevailing on January 1, 1979, and to stabilize interest rates and corporate dividends and similar transfers at levels consistent with orderly economic growth. Such orders and regulations may provide for the making of such adjustments as may be necessary to prevent gross inequities.

"(b) The President may delegate the performance of any function under this section to the Council as he may deem appropriate.

"(c) Whoever willfully violates any order or regulation under this section shall be fined not more than $10,000.

"(d) Whenever it appears to the Council that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any regulation or order under this section, it may in its discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the Council, any such court may also issue mandatory injunctions commanding any person to comply with any regulation or order under this section.

"(e) The authority to issue and enforce orders and regulations under this section expires at midnight September 30, 1982, but such expiration shall not affect any proceeding under subsection (c) for a violation of any such order or regulation, or for the punishment for contempt committed in the violation of any injunction issued under subsection (d), committed prior to October 1. 1982."

Mr. BAUMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

Mr. WEISS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk continued to read the amendment.

Mr. WEISS (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I reserve a point of order against the amendment offered by the gentleman from New York (Mr. Weiss).

The CHAIRMAN. The gentleman from Pennsylvania (Mr. Moorhead) will be protected on his reservation of the point of order.

Mr. WEISS. Mr. Chairman, I rise to speak on the amendment.

Mr. Chairman, at the outset, let me express my appreciation to the distinguished gentleman from Pennsylvania for his courtesy in reserving the right to object rather than objecting at this time so that we can discuss, however so briefly, the substance of the amendment that is before us.

Mr. Chairman, I am today offering an amendment to H.R. 2283, the Council on Wage and Price Stability Reauthorization Act.

My amendment would give the President standby authority to impose wage, price, and related economic controls.

I am proposing this measure because it seems clear that the inflation phenomenon in our Nation has now reached crisis dimensions. A firm legislative response to the current situation is urgently needed. I think my colleagues will agree that inflation can now be described as being "out of control" and that they will therefore agree that at least standby controls have become necessary.

I must emphasize that this amendment will not mandate imposition of controls. It simply gives the President the authority to exercise this option when, in his judgment, it is warranted.

This is a crucial point.

The administration's voluntary wage and price guidelines have not succeeded in curbing enormous increases in the cost of living. Perhaps they can still be made to work, however, through the realization that the alternative to noncompliance with the voluntary standards is mandatory restraints. The amendment I am offering will create a psychological environment that will lend much-needed credibility to the existing guidelines.

In addition, the amendment would greatly encourage wage and price restraint in all economic sectors—not solely those that are now covered by the voluntary guidelines. The amendment includes no restrictions or exclusions. The President would be given standby authority to impose the controls on, for example, food and energy—two key components in the inflationary surge that are not now subject to even voluntary restraints.

Approximately 60 percent of the Consumer Price Index items are currently exempted from the voluntary standards. My amendment will cause these presently uncovered sectors to exercise a degree of restraint they are not now exhibiting.

There is likewise a compelling need for equity in our efforts to slow down the pace of inflation. Today's reports of a leap of 44 percent in the annual rate of corporate profits underscores the absence of mutual sacrifice in the anti-inflation fight as it is now being waged.

As the committee report accompanying H.R. 2283 points out, in practice, if not in design, the program of restraint will bear more heavily on wages than on prices. Workers and their unions require a firm assurance that their own contributions to a more sound economy will be matched by employers. Again, my amendment will facilitate attainment of this essential balance by explicitly sanctioning adjustments in control formulas that may be necessary to prevent gross inequities.

My colleagues are all quite aware of the ravages inflicted by inflation on the American people. The statistics are distressingly conclusive: the cost of life's essentials is rising and has been rising for the past several years at a rate that threatens to undermine the U.S. economy. Public opinion polls consistently show that Americans are looking to this Congress to take strong remedial action on what is considered the No. 1 problem facing our Nation.

The amendment I am offering today represents the kind of meaningful and thoughtful action that our constituents are demanding. It will not, I repeat, mandate any immediate intervention by the Federal Government in the functioning of the economy. It will instead establish a broad and convincing awareness that unless voluntary restraint is exercised in a significant and equitable manner by all sectors, there will be no alternative but to move forward with mandatory measures.

I urge my colleagues to support this amendment. We must begin to augment our resources in this critical battle against an economic breakdown.

Mr. Chairman, today's Washington Post and other newspapers across the country, have carried a story indicating that there has been a leap of 44 percent in the annual rate of corporate profits. Within that context, I think it is easy to imagine and to understand why the people of this country are desperately pleading for something real to be done to keep prices and profits and wages and all other matters revolving around the increase in the cost of living in some kind of balance.

Right now the cost of living is still out of control. The President of the United States had apparently concluded that he could continue to proceed with the voluntary guidelines of the Council, and yet it is instructive, Mr. Chairman, to note that the very guidelines which he has promulgated provide for a penalty to be imposed on those companies doing business with the Federal Government, which violate the guidelines; that is to deprive such companies of bidding on Government contracts.

The right to impose that penalty is being challenged in the courts right now and it is being challenged in the courts because there is apparently no statutory authority for either the President or the Council to issue that kind of directive.

It seems to me that this administration ought very much to want the kind of standby authority that the amendment seeks to provide. The amendment does not impose mandatory controls of any kind. It simply says that the President shall have the power when he sees the situation developing to impose controls and to issue orders for regulations in any of the various areas of the economy.

It is not enough, Mr. Chairman, to wring our hands and to decry the terrible plight that the American people are facing.

I think that no less than the President of the United States, this Congress itself, is being watched carefully, painfully, by the people of this country. They expect some action from us to make life bearable for them.

□ 1530

Right now, especially those who are on fixed income, those who are least able to protect themselves find themselves being priced out of the capacity to survive in this country.

It is not enough to suggest that mandatory controls in some way violate somebody's idea of what economic dogma ought to be. We have in times past, in times of crisis, provided for mandatory controls. We did it during World War II, we did it during the Korean war and in spite of the pernicious doctrine that mandatory controls do not work the fact is, Mr. Chairman, that they did work. What does not work is doing nothing or pretending to do something while we are doing nothing.

As staunch a defender of the free market and opponent of controls, Mr. Nixon found himself in 1971 imposing controls pursuant to stand-by authority that was given to him by the Congress.

It seems to me that if Mr. Nixon could violate his own dogma then this Congress ought to be able to take a very hard look at the very real situation that persists right now.

The price of housing, the price of food, clothing, rent, medicine, you name it, is climbing through the roof. We sit by and say, "Oh, well, we will have to have a balanced budget to deal with that." As if a balanced budget would be a cure-all. Maybe ultimately a balanced budget will help. Right now what is needed is an immediate curtailment in the rise of prices. That is what has to be done. There is nobody else who can provide the authority to do that except this body. If we are not willing to do that then it seems to me that the American people have the right to ask: What is the Congress in business for? Whom does the Congress represent?

The CHAIRMAN. The time of the gentleman from New York has expired.

(At the request of Mr. Stratton and by unanimous consent, Mr. Weiss was allowed to proceed for 5 additional minutes.)

Mr. STRATTON. Will the gentleman yield to me?

Mr. WEISS. I will be glad to yield to the distinguished gentleman from New York.

Mr. STRATTON. I join in support of the amendment offered by the gentleman from New York. His amendment is almost like mine although there are a number of differences. He and I have not always agreed on policy, as he indicated earlier, but in this case I am delighted that he supports my view on price control and perhaps later on I can convince him on matters of defense and nuclear policy as well.

Mr. WEISS. Or vice versa.

Mr. STRATTON. Or vice versa.

I think it would be unfortunate, Mr. Chairman, if the gentleman's amendment were again ruled out of order on a technical point when we are debating a question of what is the best way to deal with a very serious situation. If this House cannot face up to the question of what kind of procedure we want, other than by hiding behind a rule which the Chair has already had written out for him even before the arguments are made, I do not think we are going to register points with the American people.

The President of the United States is up in Camp David today where he goes when important questions have to be settled. He is facing up not only to the matter of energy but to the matter of inflation.

If this House is simply going to perpetuate a machinery that has demonstrated manifestly to every man, woman, and child in the country that it will not work, we are going to look ridiculous, I think, in the eyes of the American people.

Moreover, Mr. Chairman, it is my understanding that in the next couple days the Bureau of Labor Statistics is going to announce that we have suffered another substantial boost in prices in the past month and the American people simply are not going to take this much longer.

□ 1535

I believe that the Weiss amendment is the proper way to go. At the very least, we ought to have an opportunity to debate the matter and vote on it. I found, after my own amendment had been ruled out of order yesterday, that there were a number of Members on the floor who were prepared to support that approach, and I think we all ought to have a chance to debate it.

Mr. Chairman, I thank the gentleman for yielding.

Mr. WEISS. It was a pleasure to yield to the gentleman from New York (Mr. Stratton).

Mr. MARKS. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I am pleased to yield to the gentleman from Pennsylvania.

Mr. MARKS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I have an amendment to the amendment offered by the gentleman from New York (Mr. Weiss).

The CHAIRMAN. The Chair will remind the gentleman from Pennsylvania (Mr. Marks) that his amendment is not in order at this point.

Mr. MARKS. May I ask the Chair a question?

The CHAIRMAN. The gentleman from Pennsylvania (Mr. Moorhead) has reserved a point of order against the pending amendment.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I would now like to insist on my point of order against the amendment offered by the gentleman from New York (Mr. Weiss).

The CHAIRMAN. The Chair will point out that the time is under the control of the gentleman from New York (Mr. Weiss).

Mr. WEISS. Mr. Chairman, the gentleman from Pennsylvania (Mr. Marks) had asked if I would yield to him, and I am pleased to yield to him at this point.

Mr. MARKS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, it was my purpose to offer an amendment to the suggestion or the amendment offered by the gentleman from New York (Mr. Weiss), seeking to give the President the authority to impose mandatory wage and price controls, whereby we would give the Congress the authority to nullify the controls imposed by the President by the passage of a concurrent resolution.

It is my purpose, if it is in order, to ask the gentleman from New York (Mr. Weiss) if he would accept such an amendment.

Mr. WEISS. Mr. Chairman, I would be pleased to accept that language and make it part of my amendment, if that is satisfactory to the Chair.

Mr. MARKS. I would ask the opportunity in that case, Mr. Chairman, on my own time, if I may, to speak to the amendment.

The CHAIRMAN. The Chair will state that a point of order has been reserved, and the time of the gentleman from New York (Mr. Weiss) has not expired. It would be improper for the gentleman from Pennsylvania (Mr. Marks) to offer his amendment to the amendment at this time.

Mr. WEISS. Mr. Chairman, if the Chair would allow me to proceed, I understood that what we had was a reservation of the point of order, and pending that, it is my understanding that the debate could proceed as if in fact there had been no intervention. I would ask if that is accurate.

The CHAIRMAN. But the amendment offered by the gentleman from New York (Mr. Weiss) is the amendment that is pending before the Committee, and that is the subject at this moment.

Mr. WEISS. That is right, Mr. Chairman.

The CHAIRMAN. When the Chair disposes of the point of order, then the gentleman from Pennsylvania (Mr. Marks) may offer his amendment to the amendment, if it remains pending.

Mr. WEISS. Mr. Chairman, I think what the gentleman from Pennsylvania (Mr. Marks) is asking, if the Chair would permit, is whether I would accept that language, not take it in the form of an amendment but accept it as part of my amendment. I would be pleased to do that.

The CHAIRMAN. The Chair has no jurisdiction over that matter. That is between the gentleman from New York (Mr. Weiss) and the gentleman from Pennsylvania (Mr. Marks). The modification must be in writing and must be by unanimous consent.

Mr. WEISS. Mr. Chairman, I am pleased to accept the gentleman's amendment as part of my amendment.

The CHAIRMAN. The time of the gentleman from New York (Mr. Weiss) has expired.

The Chair will recognize the gentleman from Pennsylvania (Mr. Moorhead).

Mr. WEISS. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I am sorry, but I am going to be forced to object, because the Members on the other side have asked me to expedite this matter.

Mr. WEISS. The gentleman has been more than gracious.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The gentleman from Pennsylvania (Mr. Moorhead) is recognized.

Mr. MARKS. Mr. Chairman, will the gentleman from Pennsylvania yield for just a moment so that I may ask unanimous consent to revise and extend my remarks?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from Pennsylvania.

Mr. MARKS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, this amendment amends that offered by the gentleman from New York in which he is seeking to give the President the authority to impose mandatory wage and price controls. My amendment would give the Congress the authority to nullify the controls imposed by the President by the passage of a concurrent resolution.

I feel that such an amendment is necessary to insure that the Congress is involved in the process through which controls would be imposed. The President should be advised that we consider controls a very serious step, one not to be taken without the concurrence of the Congress.

Inflation has been draining this country of its vitality. The voluntary program is thus far not working. In part, this may be due to an anticipation that mandatory controls will follow and labor and industry are attempting to make gains while they can. And so, the guidelines may be counterproductive.

However, the Council itself serves a very useful function, one which no other agency, public or private, could perform.

Furthermore, I believe that the Council and Messrs. Bosworth and Kahn have been of inestimable worth in bringing the issue of inflation to the forefront. Republicans have long warned against this threat to prosperity and liberty. Democrats have been slow in seeing the light, but on this vital concern, we must welcome them better late than never.

The debate must continue, and continue at the highest level, not only on inflation and its causes, but on the results and the alternatives to voluntary restraints. Congress has been remiss in having avoided the debate on mandatory controls. We must consider in depth the advantages and disadvantages of giving the President the authority to impose mandatory controls because this will bring out not only many important points about fiscal and monetary policies of this Government, but also about its interference in the marketplace in general.

The fact is that business and labor may prefer mandatory controls. I think there is a parallel here that cannot and should not be overlooked. Both segments are desperate, just as desperate as those who have called for a constitutional amendment to balance the budget—a question we should also debate. And so I support my colleagues from New York in their efforts to bring the question of mandatory controls into the open—I would merely like the question to also be brought to the floor.

We have a duty and responsibility to consider controls and to let our debate be heard. The Congress must be as responsible for resolving the problem of inflation as it may indeed be for causing it.

POINT OF ORDER

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from New York (Mr. Weiss).

I cite as precedent for that, because it is absolutely on all fours with the prior ruling, the ruling of the present occupant of the chair on the amendment offered by the gentleman from New York (Mr. Stratton).

The amendment offered by the gentleman from New York (Mr. Weiss), as the gentleman from New York (Mr. Stratton) has stated, is very similar; I would say it is almost identical, and in fact part of it seems to be merely a photocopy of the previous amendment.

In the hours that have passed since the ruling of the Chair, I have had an opportunity to research the precedents. I can continue to speak in support of the Chair's ruling on yesterday, but I see no need to do that unless the Chair would like to have me proceed further.

The CHAIRMAN. The Chair will allow the gentleman to proceed further, if he wishes.

For what purpose does the gentleman from New York (Mr. Weiss) rise?

Mr. WEISS. Mr. Chairman, I wish to state my position in opposition to the point of order that has been made.

If the Chair will permit, I have had occasion since the ruling of the Chair yesterday afternoon to research the precedent that was cited and the ruling of the Chair. I know that these rulings have to be made under great stress at the time and a sense of urgency, so it is not always possible to be as accurate as one would want.

□ 1540

If the Chair will recall, the ruling that was made—and this appears at page H1498 of the Record—was that:

> On June 19, 1952, Chairman Mills held not germane to a bill extending authority iin law to settle labor disputes by negotiation and collective bargaining, an amendment to the same law empowering the President to take possession of plants closed by work stoppages.

That brief statement, which sums up the essence of the ruling, is in total error—inadvertent, but it is in total error. I suspect that what happened was that the headnotes were referred to rather than the legislation itself and the debate itself.

In fact, what was under debate in 1952 was the Defense Production Act of 1950. And title II of that particular piece of legislation is entitled "Authority to Requisition and Condemn." A distinguished colleague of ours, who still serves with us, the gentleman from Missouri (Mr. Bolling), then moved to amend that particular section, citing the history of 2 years earlier when President Truman attempted to seize some of the steel mills. He offered that in place of the provision having not to do with labor negotiations or collective bargaining, but in place of a provision which allowed for requisitioning property, with proper compensation being given, in case of national security concerns, that there be, when there were strikes, the authority of the Government to seize and operate.

The Chair at that point ruled that that indeed was not germane, that it had nothing to do with the Defense Production Act of 1950, that it was addressing the fundamental labor law in this country and, therefore, ruled it out of order.

So, therefore, yesterday's ruling, inadvertent as it may have been, was premised on totally false information or recollection or review.

What we have today is an amendment to the Council on Wage and Price Stability. We are talking about wage and price stability. We are talking about inflation. What the amendment that I have offered seeks to do is to provide an additional weapon, an additional basis, for dealing with wage and price instability. Nothing could be more germane than what we do, which is not to mandate, not to impose mandatory controls, but simply to allow the President the standby authority to impose it. It is discretionary, it is voluntary upon the part of the President.

I should say, even if that were not the case, Mr. Chairman—and I now have before me in my hand the act itself—there is a provision in the act which is anything but voluntary. What it says is—and this is section 2(G) (1)—the Council shall have the authority for any purpose relating to this act to require periodic reports for the submission of information maintained in the course of business. And then it goes on to say that they have the power to issue subpenas. Then they go on to say that, in case of the refusal to obey this section, or the subpena, that the Council may request the Attorney General to seek the aid of the U.S. district court. Now, that is not voluntary.

So it seems to me that the premise that we have is a maze of voluntary informational advisory provisions in the bill before us. But what we are asking for is different, is totally erroneous, because ours is no less voluntary than the act that it seeks to amend and, secondly, because the bill itself is not totally voluntary. It has mandatory provisions.

For all of those reasons, I would ask that the point of order be overruled.

The CHAIRMAN. Does the gentleman from New York (Mr. STRATTON) wish to be heard on the point of order?

Mr. STRATTON. I do, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I just want to say that the gentleman from New York (Mr. WEISS) has explained, as a trained lawyer, much more accurately and precisely the point that I was trying to make on yesterday in support of a very similar amendment, but I was so terrorized by the Chair that I found it difficult to express those sentiments as clearly as the gentleman from New York has done and, in addition to that, of course, the gentleman has had an opportunity to research the tenuous precedent which the Chair utilized. I hope that the Chair will reverse himself at this time, in view of the facts.

The CHAIRMAN. The Chair is prepared to rule.

The Chair states that he regrets that he terrorized the gentleman from New York, and both the gentlemen from New York have made very able arguments on their behalf.

☐ 1545

The Chair believes that the underlying reasons cited in his ruling yesterday, are applicable to the pending amendment in determining its germaneness to H.R. 2283. The principle of germaneness which the Chair enunciated yesterday, and which is supported in many precedents contained in Deschler's, chapter 28, section 6 and on page 532 of the House Rules and Manual, suggests that to be germane, an amendment to accomplish the same result as that sought to be accomplished by a pending bill must also suggest a closely related method of accomplishing that result. The precedent relied upon yesterday, when examined in the full context of the entire Defense Production Act under consideration supports the Chair's position.

As a further example, to a proposition whose fundamental purpose was registration and public disclosure by lobbyists, but not regulation of the activities of lobbyists an amendment prohibiting lobbying in certain places or placing monetary limits on contributions by lobbyists was held not germane (Chairman BOLLING, September 28, 1976, cited on page 532 of the House Rules and Manual). There, as here, the pending bill was limited in scope to a proposition which established a mechanism for gathering and distributing information relating to certain conduct, and the amendment which was ruled out as not germane went beyond the scope of the bill to directly regulate the activity or conduct in question.

The Chair sustains the point of order.

Mr. MARKS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. MARKS asked and was given permission to revise and extend his remarks.)

Mr. MARKS. Mr. Chairman, I am disappointed, of course, in the ruling of the Chair; mainly because I felt that the amendment that I would have presented to my colleagues' very apt suggestion of proposing the question of mandatory wage and price controls was very important to the country. I felt that such an amendment was necessary, basically to insure that the Congress is involved in the process through which controls might be imposed if they come about at all. The President would be advised that we consider controls a very serious step, and one not to be taken without the concurrence of this Congress.

Inflation has been draining this country of its vitality. The voluntary program has unfortunately thus far, some believe, not been working adequately. In part, this may be due to an anticipation that mandatory controls would follow, and labor and industry are attempting to make gains while they can. And so, the guidelines may be counterproductive. However, the Council itself serves a very useful function, one which no other agency, public or private, could in fact perform.

☐ 1550

Furthermore, Mr. Chairman, I believe that the Council and Messrs. Bosworth and Kahn have been of inestimable worth in bringing the issue of inflation to the forefront.

Republicans have long warned against this threat (inflation) to prosperity and liberty. Some others have been slow in seeing the light, but with respect to this vital concern we must welcome them. It is a question of being better late than never.

Mr. Chairman, the debate must continue and continue at the highest level, not only on inflation and its causes, but on the results and the alternatives to voluntary restraints.

Congress, I think, has been remiss in having avoided the debate on mandatory controls. We must consider in depth the advantages and disadvantages of giving the President of the United States the authority to impose mandatory controls because this will bring out not only many important points about fiscal and monetary policies of this Government, but also about its interference in the marketplace in general.

The fact is that business and labor may prefer mandatory controls. I think there is a parallel here which cannot and should not be overlooked. Both segments are desperate. Just as desperate are those who have called for a constitutional amendment to balance the budget, a question we should also debate.

Mr. Chairman, I support my colleagues and have supported my colleagues, the gentlemen from New York, in their efforts to bring the question, the question of mandatory controls, into the open. I would merely like at this point to see the question also brought to the floor of the House. We have a duty and a responsibility, I believe, to consider controls and to let our debate be heard throughout the country. The Congress must be as responsible for resolving the problem of inflation as it may, indeed, have been for bringing it on.

I thank the Chair.

Mr. STRATTON. Mr. Chairman, will the gentleman yield to me?

Mr. MARKS. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I wonder whether the gentleman from Pennsylvania (Mr. MARKS) could tell me something. I am not quite clear about his amendment.

Would the gentleman's amendment require that before any controls would be imposed, the House would have to concur in that action or does the amendment simply say that the House can, by concurrent resolution, remove controls which the President has imposed?

Mr. MARKS. My amendment would have given the Congress the authority to nullify the controls imposed by the President, through the passage of a concurrent resolution.

Mr. STRATTON. I think in that case the President would still have the authority to put the controls on.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. MARKS) has expired.

(On request of Mr. STRATTON and by unanimous consent, Mr. MARKS was was allowed to proceed for 1 additional minute.)

Mr. STRATTON. Mr. Chairman, will the gentleman yield further?

Mr. MARKS. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I would assume that if the Congress were to adopt Weiss-Stratton-Marks amendment, that by so adopting it, we would concur with the President's action in putting the controls on; and then if, later on, we felt that they were no longer needed, we would, by the gentleman's amendment, be able to remove them.

That is what the Congress did back in 1970. We gave the President the authority to impose the controls, actually thinking that he would not use it; and then, of course, he fooled Congress by taking advantage of that legislation.

Mr. Chairman, I support the gentleman's amendment. I think it is a good amendment.

Mr. MARKS. I thank the gentleman from New York (Mr. STRATTON).

Mr. WEISS. Mr. Chairman, will the gentleman yield.

Mr. MARKS. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I appreciate the gentleman's yielding.

I want to commend him for the strength of character required, coming from that side of the aisle, to come up and take the position which he has taken. I think it demonstrates concern for this country, which, I think, all of us would like to see; that is going beyond party.

Mr. MARKS. Mr. Chairman, may I thank the gentleman for his comments, and may I regain my time?

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. MARKS) has again expired.

(By unanimous consent, Mr. MARKS was allowed to proceed for 1 additional minute.)

Mr. MARKS. I thank the Chairman.

Mr. Chairman, may I go to on to say to the gentleman from New York (Mr. WEISS) that the strength of character which he refers to on the Republican side of the aisle has always been there. The gentleman just has not recognized it.

Mr. WEISS. I have always recognized the gentleman's strength of character. It has been more difficult as to some of his colleagues on his side of the aisle.

☐ 1555

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to H.R. 2283, which would authorize an additional $4,742 million for fiscal year 1979 and $8,483 million each for fiscal year 1980 and fiscal year 1981 to continue the activities of the Council on Wage and Price Stability. This Member has consistently opposed wage and price controls, in all their forms and guises, since Richard Nixon first imposed them in 1971 after swearing that the "would not lead this country down the road to wage and price controls." There are three brief points which I would make today to explain fully why I am against this latest extension of the authority of the Council on Wage and Price Stability.

First. The current "anti-inflation" program is not voluntary. The "voluntarism" of the Carter administration's so-called anti-inflation program is reminiscent of the "newspeak" and "doublethink" of George Orwell's "1984." Firms which do not comply with the guidelines are subject to a cutoff of Federal contracts and to vilification in the press as bad corporate citizens. Administration spokesmen pound their chests and declare that they will use all of the coercive power at their command to enforce these "voluntary" controls. Voluntary?

Fortunately, the authority of the administration to impose sanctions against alleged violators of the guidelines had not gone unchallenged. The General Accounting Office has ruled that the administration is not authorized to use the Federal procurement power to enforce its anti-inflation guidelines, although the administration insists on continuing this practice under color of a friendly Justice Department ruling. Sixteen Members of Congress, including myself, have filed an amicus curiae brief in support of the suit by the AFL–CIO to challenge the interference of the anti-inflation program with its collective bargaining rights. Defeat of this bill would send a message to the administration that Congress will not permit the imposition of a coercive wage and price control program upon the economy under the guise of "voluntary" guidelines.

Second. The present program unjustifiably punishes small business. In a speech last week to the Chicago Economic Club reported in the Wall Street Journal on March 14, administration inflation counselor Alfred Kahn praised big business for its cooperation with the anti-inflation program but criticized small business for its noncompliance and announced that the administration intends to step up its enforcement efforts against small business.

If this bill is enacted, the administration plans to increase the staff at the COWPS from 39 to 233. It is obvious that the administration plans to use many of these new personnel to enforce compliance with the "voluntary" anti-inflation program upon the Nation's small businesses, which are already plagued with an overwhelming Federal paperwork burden. Everyone knows that the reason big business can demonstrate an exemplary record of compliance is that big business is best situated to absorb the massive overhead costs and to pass them on to consumers. By declaring war on those businesses least able to cope with additional paperwork, the administration is deliberately driving small business toward mergers as a practical means of spreading the increased overhead over a larger economic base. The result can only be additional economic concentration and a decline in the viability of small business in this country, for which the administration will be held responsible.

If enacted, H.R. 2283 would permit the imposition of a coercive wage and price control program upon the economy under the guise of "voluntary" guidelines. Whereas major corporations might be able to absorb the cost-push of "voluntarism," small businesses will not. H.R. 2283 would authorize $4.742 million for fiscal year 1979 and $8.483 million each for fiscal year 1980 and fiscal 1981 to continue the CWPS. More than that, the Federal paperwork load will increase. Again, it is the small businesses that will suffer from an increased overhead. If my colleagues pass this bill today, they will hear from their constituents because more and more small businesses will be forced to look for mergers with businesses that sell products exempted from wage-price standards or they will be closing their doors for lack of profit due to the new burdens of the Carter administration's "voluntary" anti-inflation program. Congress can put a stop to an enlargement of Federal bureaucracy and limit the range over which the Federal Government extends into the marketplace by properly voting down this measure. Enforcement of Federal wage and price controls causes distortions and inequities in the economy without solving the real problem—inflation. Instead of imposing more controls upon the private sector—the victim of inflation, not the perpetrator—the administration's enforcement efforts should be directed, not against the private sector, but rather against bureaucratic Government agencies which contribute to inflation and economic inefficiency. Mr. Speaker, to illustrate the point, I would like to review for my colleagues certain excerpts from the article entitled, "How One Corporation Copes" which appeared in the March 26, 1979, edition of Fortune magazine. I ask that the Members of this House will take a few minutes to review the experience of Bliss and Laughlin Industries, of Chicago, where the "volunteer" anti-inflation program has demanded piles of paperwork and created a new necessity to find a merger partner. Not only are the short-term effects of Federal guidelines discussed, but the long-term effects of increasing Government regulation.

The article follows:

HOW ONE CORPORATION COPES WITH THE GUIDELINES

(By Edward Meadows)

Now that the chief executives of most major U.S. corporations have sent in their letters to Alfred Kahn saying that, yes, they'll try to comply with the wage-price guidelines, many of them find themselves in the perplexed position of the character in the illustration at right. They're learning—the hard way—that complying is easier said than done. If the task of figuring out what is required to meet the wage standard is a bit of an obstacle course, that's still nothing compared with the maddening jungle of options and exceptions for prices, as diagramed on page 86.

Just collecting the volumes of data that are needed is costing business untold millions of dollars, not to mention the headaches it is creating for the staffs of company divisions. The burden is heaviest for smaller corporations, which can afford the added overhead the least, and which often don't have computerized accounting systems sophisticated enough to handle the load.

Quite a few corporations are finding that none of the various alternative routes to price compliance are very attractive—because all of them are meant to squeeze profits. This became clear to Fortune in the course of following one fairly typical company, Bliss & Laughlin Industries, a Chicago-based miniconglomerate, as it worked its way through the wage-price compliance exercise. At the end of the exercise, one conclusion was inescapable: the guidelines give Bliss & Laughlin an added incentive to step up its merger program.

With its profit margins restrained by the guidelines, the corporation will probably have to acquire new divisions if it is to meet its goal of increasing earnings by 10 percent a year. In fact, if Even T. Collinsworth Jr., the president and c.e.o. of Bliss & Laughlin, is to satisfy his duty to both his shareholders and the federal government, he will have to bring off the "big" acquisition that has so far eluded him. The guidelines give him an incentive to shop especially hard for companies that sell products exempted from the wage-price standards. These are exports, recyclable scrap, custom-made products, new products, and agricultural, fishing, forestry, and mineral products (including petroleum). Also excluded are commodities such as natural rubber and soybean oil that are traded in organized exchange markets.

Perverse incentives are, of course, the rule rather than the exception when the government intrudes into the marketplace, and the wage-price guidelines may well inflame merger fever in many a corporate boardroom. This is hardly what the Administration had in mind, especially since its trustbusters are studying stiff new laws that would prevent many conglomerate mergers.

A TRY THAT FAILED

At Bliss & Laughlin Industries a diverse product line has led the company's officers through several of the possible routes to compliance B.L.I., with sales of $258 million last year, manufactures and markets cold-drawn steel bars and a wide line of miscellaneous metal products. It is also a specialized retailer, selling thousands of construction tools and scientific instruments via mail-order catalogues.

In its first pass at compliance, B.L.I. tried to compute the average price increase over the past few years for all of its products. After only a day, one of the company's accountants concluded that this couldn't be done in the catalogue divisions. Trying to compute average price increases for more than 50,000 products, explains T. P. Crigler, vice president in charge of administration, "is like comparing apples and oranges and steel balls." Then, too, like any alert retailer, B.L.I. is constantly adding new or improved products to its catalogues, and it's not clear how "new" a product must be to escape the guidelines.

To get around this problem, B.L.I. is thinking about treating its eleven domestic divisions as separate companies for reporting purposes. This rearranging is in itself a considerable feat, since the accounting systems used for internal purposes are not adequate in all respects for the new purpose. But reporting by divisions lets B.L.I. use the "gross margin" standard for its three catalogue divisions. This standard, available to wholesalers and retailers, was drawn up to avoid that "apples and oranges" problem. The companies or divisions that are eligible to use it don't have to worry about the prices of individual items. They do have to keep their gross margin, or markup, to roughly the same percentage as in previous years (see diagram). If the gross margin has been trending upward, it can be kept to the trend line. If it has held steady, or has dropped, then the margin for the twelve months ending September 30, 1978, is the ceiling for 1979.

In one of B.L.I.'s catalogue divisions, which it describes as "representative" of all three, the cost of goods sold in that period came to $2.9 million and revenues to $5.6 million. That works out to a margin of 48.2 percent; since it is slightly lower than margins in previous years, it becomes the 1979 ceiling. There is obviously a perverse incentive at work here. If a retailer pays more for its goods and marks them up by the allowed percentage, then its gross profits will also increase. Retailers and wholesalers will have a strong incentive to emphasize their high-priced lines—depending, of course, on what the market will bear.

If B.L.I.'s catalogue divisions will enjoy a certain amount of flexibility in their marketing and pricing tactics, the eight manufacturing divisions are taking on a brutal challenge. They have decided to fight their way down the price channel of the program, the one in the center of our diagram.

The price formula goes like this: A reporting unit, meaning a company or division, computes the weighted average price of its products over the 1976–77 period, known in government jargon as the base period. For a group of cold-drawn steel bars, described by the company as "representative" of the steel division's output, the average price per ton was $579.88 in the fourth quarter of 1977 and it was $481.23 in the fourth quarter of 1975. The average annual price increase in the base period works out to 9.772 percent.

The guidelines require that B.L.I. hold its price increase this year to half a percentage point less than that average. Moreover, the company is affected by another wrinkle in the program, the "pay deceleration pass-through." B.L.I. signed a contract with the United Steelworkers, effective in October, 1977, that provided for a 15 percent increase in total compensation in the first year and 9 percent this year. Since compensation won't be going up as rapidly this year as the 1976–77 period, B.L.I. will have to cut its price ceiling by a proportionate amount. B.L.I. figures that the deceleration in unit labor costs attributable to the contract may come to 0.18 percent. So its ceiling on price increases this year comes to 9.772 percent, minus 0.5 percent, minus 0.18 percent, or 9.002 percent.

Two observations about that number are relevant. First, it is far above the Administration's 6.5 percent inflation target for the economy as a whole—and in fact represents something close to double digits for a very basic product. Second, it represents a ceiling that B.L.I., despite its best efforts, may find itself busting through.

Take those labor costs, for a starter. Although the company is required to trim its price increase because of the deceleration in compensation, its contract is otherwise exempt from the wage-price program because it was signed in 1977, before the program began. So, as noted, compensation will increase by 9 percent this year, way above the guideline of 7 percent. Increases in the employer-paid portion of Social Security taxes will add another 0.4 percent to payroll costs this year. So unless B.L.I. can raise productivity—always difficult at this stage in the economic cycle—the increase in its unit labor costs will exceed the allowable price rise.

For its non-union workers, Bliss & Laughlin, like many corporations, is urging the "melting ice cube" method of adjusting for changes in the composition of the work force. This method assumes that a dribble of higher-paid workers is leaving the work force every year because of retirement. Many of the workers in the "cube" are moving up to better-paying positions, and the promotions don't count as pay increases. The practical effect is that the people in the cube can get average raises of perhaps 9 percent without increasing total payroll costs by more than the guideline figures of 7 percent.

A bigger expense for the steel division is the cost of raw material—hot-rolled bars and coils. Working from the Producer Price Index for steel, FORTUNE calculates that, to keep within the guidelines, the industry will be able to increase prices by only 7.9 percent this year. But energy costs have been rising, and steel scrap (not covered by the guidelines) is going through the roof. Production costs could easily increase by 10 percent this year. If they do, the steel companies that supply B.L.I. may be able to plead that they are victims of uncontrollable cost increases and so are entitled to pass them along.

Under this standard, a company can charge whatever it wants for its products, provided that its pretax profit margin does not exceed the average of its two best years of the last three. The barrier is that the Council on Wage and Price Stability (COWPS) won't let companies go down this route unless they are hit with uncontrollable cost increases. In most cases, COWPS considers labor costs controllable. But B.L.I.'s 9 percent raise for its steelworkers does qualify as uncontrollable, since the contract is exempt from the guidelines. If the company is also hit with big hikes in the cost of raw steel, it might be allowed to use the profit standard.

THE CAP ON PROFITS

Here's how this standard would work out at B.L.I.: Overall pretax margins were 12.3 percent in 1975, 10.8 percent in 1976, 10.6 percent in 1977, and 10.4 percent in 1978. Taking the best two of the 1975–77 margins, the sales-weighted average of 12.3 and 10.8 equals 11.5 percent. That 11.5 percent margin, which beats out the 1978 margin by 1.1 percentage points, would be the allowable margin this year.

That sounds pretty good, but here is the pothole: After adjustment for changes in unit volume, dollar profits may not increase by more than 6.5 percent. If inflation runs to 10 percent this year and B.L.I.'s sales merely keep pace, dollar profits could rise by only 6.5 percent—in other words, they would decline in real terms. That would certainly be a disappointment to the stockholders after an increase of 20 percent last year—which was better than the 16 percent average for all U.S. corporations.

Alternatively, B.L.I. could keep its catalogue divisions on the retail-margin standard and report its steel operations under the profit-margin test. Steel-division margins in the three years prior to 1978 (which aren't computed in quite the way COWPS requires) were 6.6 percent in 1975, 6.1 percent in 1976, and 5.8 percent in 1977. Taking the weighted average of the best two years, the allowable margin this year would be 6.3 percent, which the company says is a good bit better than its margin in 1978. Once again, the key question would be how well the steel division fared under that 6.5 percent cap on the dollar volume of profits.

SUFFERING FROM MERGER FEVER

Collinsworth figures that the surest way to increase his earnings per share under the guidelines is to "buy" some earnings through cash acquisitions. He has been trying to do this anyway in order to diversify.

But finding the right company at the right price is easier said than done in today's torrid merger atmosphere. Collinsworth complains that the acquisition fever, amplified by inflation and government threats to curb conglomerate mergers, is sabotaging his efforts. "The aggressive tender offerings of today," he says, "create a climate that makes it very difficult for companies to negotiate in a friendly, rational way." A graduate of the University of Tennessee and the Harvard Business School, and a former vice president of Greyhound, Collinsworth, fifty-seven, steadfastly refuses to pay what he regards as exorbitant premiums over his valuation of a company's worth as a going business.

Two sizable deals have fallen through, one because Collinsworth backed away after a closer look at the target company's prospects, and the other because the directors of the company he was after vetoed an agreement Collinsworth had worked out with the chief executive. He has consummated only a few small deals, acquiring, for example, a maker of apparel buckles with about $10 million in sales.

Looking at Collinsworth options, the question that comes to mind is why Bliss & Laughlin is trying so hard to comply with the wage-price program. That question has indeed been raised, Collinsworth reports. "At a recent management meeting, the level of frustration was so high that one division vice president asked what would happen if we just said screw the guidelines. What's the worst they could do?"

The sanctions for noncompliance are of dubious legality, and they couldn't harm the company anyway since it has no federal contracts to worry about. But B.L.I. is starting to get letters from important industrial customers, asking whether it plans to comply. That makes it pretty hard to say no. "So we are sending the same kind of letter to our suppliers," Collinsworth reports. And some of B.L.I.'s customers, who do have federal contracts to worry about, are asking the company to certify that the prices of particular products comply with the guidelines." At that management meeting, our lawyer got up and explained the facts of life," says Collinsworth. "If you sign a letter saying prices are in compliance, and then you don't comply, you could wind up in court."

DESTROYING ENTREPRENEURIAL THRUST

Like most businessmen, Collinsworth thinks inflation is a very grave threat to his company's future, and he hopes that the effort by corporations to meet the guidelines will at least put additional pressure on government to follow sensible fiscal and monetary policies. "The guidelines aren't going to solve anything," he explains, "but they are important for appearance's sake."

Collinsworth is less concerned about the short-term effects of the guidelines on company profits than he is about the long-term effects of increasing regulation. "If this paperwork continues as it is," he says, "we may have to change our policy of buying small companies. They just can't handle it without destroying their whole entrepreneurial thrust. What we find is that our division controllers no longer have time to be controllers. With the wage-price guidelines coming at the same time as the closing of our books for last year, and with the added burden of the SEC's replacement-cast accounting, the division controllers are up to their necks in paper. They have only one or two accounting clerks below them, so there's no one to buck it to. Now the guidelines are generating paper from other companies that we have to respond to. It's a paper machine, and all we can do about it is grumble."

By defeating this bill today, Members of the House can call off the new Federal enforcers which are poised to pounce on the small businesses in their districts. My colleagues, if you pass up this opportunity today, you will likely regret it when you hear about small businesses which are forced to close down or to merge because the new burdens of the anti-inflation program are more than they can bear.

Third. Enforcement of "voluntary" wage and price controls causes distortions and inequities in the economy but does not solve the problem of inflation. This is necessarily so because inflation is a monetary phenomenon caused by the Federal Government creating money at a rate faster than the economy can increase the production of goods and services. Once an excess amount of money is injected into the economy, the enforcement of controls on one sector of the economy will merely transfer the pressure to another sector. The result is that all of the ingenuity which American business can muster is now being devoted to the diversion of resources into the uncontrolled sector, such as commodities and new products, rather than to the achievement of greater efficiency and productivity, which the economy so desperately needs. Businesses will also be reluctant to reduce prices as long as they know that administration policemen may insist on rolling back any increase which may later be needed to respond to market conditions. Instead of imposing controls upon the private sector, which is the victim not the perpetrator, of inflation, the administration should call upon the Federal Reserve Board to achieve a steady rate of growth of the money supply, consistent with a sustainable rate of growth of the economy. This step would do more than any other to bring inflation under control.

Administration enforcement efforts should be directed not against the private sector but against Government agencies which cause inflation and contribute to economic inefficiency. We are told that a substantial part of the resources of COWPS is devoted to this end, but as long as the Council asserts the authority to impose economic controls upon the private economy, it poses a threat to the Nation's economic freedom and standard of living which far outweighs any good that it can do.

As I have said before, if there could be ironclad assurances that the role of the COWPS would be limited to controlling the excesses of other Government agencies, I would be in favor of extending its life and increasing its power. In the absence of such assurances, this bill should be defeated and COWPS should be put out of business before it puts the country out of business.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be delighted to yield to my distinguished colleague, a hard-working member of this committee that somehow brought this legislation to the floor.

Mr. KELLY. I thank the gentleman for the distinction.

I would like to ask if the gentleman in the well agrees that this Council does a great deal of mischief because between the voluntary wage and price guidelines and the activity of this Council, the whole business community is sitting in anticipation of mandatory wage and price controls, and many are prompted to jack up their prices, expecting that the controls are coming, and they might also just as well gird themselves to fight the bureaucratic war of mandatory controls.

Mr. ROUSSELOT. I do not think there is any doubt about the fact that if we extend this agency's life today, the anticipation is put out there in all segments of the economy that eventually the Council could move to mandatory wage and price controls, and we know what that does. Everybody in anticipation of that action, aggressively moves for higher wages and prices than would be done under normal circumstances.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. KELLY and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

☐ 1600

Mr. KELLY. Mr. Chairman, if the gentleman will yield further, would the gentleman also agree that just by the act of extension we would send out the signal to the economy that Congress is joining the administration and the Council in fooling around with the idea of mandatory wage and price controls, especially since we have had the aborted amendments that have just been disposed of on the floor?

Mr. ROUSSELOT. No doubt about it; the conversation that has just occurred among two of my colleagues shows that there are some Members here who really want to impose mandatory wage and price controls. Some could interpret the passage of this legislation to mean that the follow-on position will be mandatory wage and price controls.

Mr. KELLY. Mr. Chairman, I thank the gentleman for yielding.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for his additional comments.

Mr. WEISS. Mr. Chairman, I support H.R. 2283, the Council on Wage and Price Stability Reauthorization Act, but I do so with considerable reluctance.

I favor extending the life of the council because it is the only Federal line of defense at this time against inflation and the suffering it produces for millions of Americans. But the voluntary wage and price guidelines established by the President and administered by the Council are clearly not sufficient to effectively restrain increases in the cost of living.

I am addressing this concern in the amendment I have offered to H.R. 2283.

The Council should continue to function at this critical time. Its current ineffectivenes does not preclude the possibility that it may yet be transformed, in the near future, into the strong anti-inflation instrument which our Nation so desperately requires.

● Mr. EVANS of Indiana. Mr. Chairman, I rise in support of the reauthorization legislation for the Council on Wage and Price Stability. I doubt there is an individual among us that would deny that inflation is a burden on all Americans, penetrating all aspects of our daily existence. For more than a decade, inflation has threatened our economy. Past efforts to turn this trend around have resulted in two recessions; increased unemployment; and distortions in our economy which were largely fostered by mandatory guidelines created in Washington.

Bringing inflation under control will be no easy task especially in light of the imminent cutbacks and increased cost of oil from the Mideast. Unfortunately, there are not going to be dramatic results overnight. But, I do believe a beginning is implicit with the reauthorization of the Council and fiscal restraint on the part of the Federal Government. Voluntary guidelines are also preferable to mandatory controls.

The Council on Wage and Price Stability, established by Congress in 1974, was designed to monitor the standards and to review and recommend actions to reduce inflationary effects of the programs and policies of Federal agencies. The advent of voluntary wage and price guidelines necessitates increased authorizations and a permanent and expertised staff.

Further, it would be imprudent for Government to cease monitoring actions which directly affect cost-price levels. Failure to revive the Council until September 30, 1981, would have an adverse effect on the outlook for inflation and importantly could have a devastating psychological impact on individual belief in Government's efforts to curb inflation. In light of the upcoming collective bargaining that will ensue in the labor sector, the guidelines should be kept intact.

But at the same time Congress must remember that it has an important role to play in this scenario. We must not allow the wage and price standards to become a substitute for responsible fiscal and monetary policy. They will be doomed if the pressures of excessive demand continue to push wage and prices up. The guidelines are not a panacea for inflationary ills. They are merely designed to increase the speed with which wages and prices respond to monetary and fiscal restraint, so that increases in unemployment will be minimal.

It is crucial that we remember that the anti-inflation program is directed at the entire economy. We must courageously exercise restrictive fiscal and monetary policy and carefully scutinize the cost effectiveness of social and environmental regulations. We must resist special interest appeals for legislative actions that fuel inflation.

When Chairman Kahn testified before the Subcommittee on Economic Stabilization he said:

> The President's anti-inflation program will work only if the public believes that it can.

He also cited the need for broadening the attack on inflation by enlisting citizens and groups from all sectors of the economy. If we are going to achieve a level of public confidence and participation, I think it is important to provide the means for such cooperation. Regional hearings on the Council's standards and regulations can provide the avenue for such input. If we are truly going to achieve a national partnership we are going to have to check the public pulse to ascertain the performance of the Council's anti-inflationary programs. With these measures in place we may be able to inspire public belief and in the long run will have created a formidable opponent of inflation.●

● Mr. GOLDWATER. Mr. Chairman, I rise in strong opposition to H.R. 2283, the Council on Wage and Price Stability reauthorization bill.

The administration considerably expanded the power of the Council last year, when it announced a new "voluntary" wage and price guidelines program which was to be formulated and implemented by the Council.

The CWPS is currently wading through data from over 1,000 companies that faced a February 15 deadline to comply in providing this so-called voluntary information. The Council obviously feels that if the private sector shows restraint in the pricing decisions of business and labor, inflation will be reduced. This is apparently based on the belief that the private sector is responsible for inflation, and instead of looking inward, and casting the blame where it belongs, to the Federal Government, the Council is leaving the main cause of inflation unchecked.

If this program is truly voluntary, how can the Council threaten a company that does not file requested reports with "further investigation of its operations"? How can the Council use subpenas to convince businesses to release this information? How can these kind of tactics be considered part of a voluntary program?

This legislation will increase funding 300 percent up to $8.48 million per fiscal year, increase the staff from its current 39 permanent employees to 233, and extend the Council for an additional 2 years. President Carter has already enlarged the staff to approximately 140 employees by reassigning employees from other agencies.

This is not the way to fight inflation. We should be getting our own house in order, and balance the budget.

The Council of Economic Advisers and the Office of Management and Budget are fully capable of monitoring inflation. We do not need another agency that has, from its very inception, failed to accomplish the purpose for which it was created.

The Council should be allowed to expire, and I urge my colleagues to vote against this bill.●

● Mr. KEMP. Mr. Chairman, the administration's proposals for combating inflation hurt the working men and women of America first and hardest. First, the administration says we must use inflation to raise the already high tax rates on wages and salaries in order to reduce the Government's deficit, which is supposed to stop inflation. Of course, when inflation pushes everyone into higher tax brackets without relief, it leads to more unemployment, recession—and larger budget deficits. Second, the administration is pursuing a monetary policy based on the erroneous belief that economic growth is a result of inflating the money supply. Of course, this strategy can only succeed if people can be fooled into accepting cuts in real income and can be prevented from maintaining their buying power with cost-of-living increases. Even if workers do receive such increases, they are boosted into those higher tax brackets. Third, the administration's wage and price guidelines are the mechanism for making workers accept cuts in real income, with the dubious promise that if everyone becomes poorer, it will reduce inflation.

We are considering part of this strategy today, in the request for reauthorization of the Council on Wage and Price Stability (COWPS). Putting aside the legality of the administration's attempts to enforce wage and price guidelines, which is now the subject of a lawsuit between the AFL–CIO and members of the administration, I oppose the reauthorization of COWPS, because I do not believe that reducing the real income of workers is the way to stop inflation. Mr. Chairman, there is no 7-percent solution.

Inflation is not caused by workers working, business doing business, consumers consuming, or oil producers producing oil. Rising prices, profits, and wages no more cause inflation than wet streets cause rain.

Inflation is the decline in the purchasing power of the dollar, a fall in the value of each unit of currency when the Government creates too many units. The price of goods rises, because there is too much money for the amount of goods produced. The way to stop inflation is to restrain money creation and increase production.

Programs of wage and price control simply cannot stop inflation, only displace it from one part of the market to another. As long as there is excess money somewhere, the overall price level will rise. Attempts to hold down the prices of goods and labor distort the whole economy and make it less efficient. These prices signal which goods and services are valued most highly. If prices and wages are not free to respond to market signals of supply and demand, there will be no incentives for workers and businessmen to move to the most promising opportunities. Wage and price controls distort these signals, and the result is wasted resources, less production, and more inflation for a given supply of money.

COWPS was formed in 1974 as a task force to monitor inflation and wage and price development over the course of a single year. $1 million was appropriated for that 1 year.

In 1975, Congress reauthorized COWPS and expanded its power by giving the Council the responsibility to probe and review business decisions that "contribute to inflation." This authorization was to last 2 years, and $1.7 million was appropriated for that 1 year.

As the time approached in 1977 for COWPS to expire, the new administration requested another 2-year reauthorization, until 1979. The administration assured Congress at the time that COWPS would not be involved in any way with mandatory controls, nor would the Council issue any formal wage or price guidelines. With these assurances, Congress appropriated $2.2 million and set 1979 as the time when COWPS would cease to be.

Now we are being asked, after 3 years of steadily rising inflation, to authorize another extension, and to approve an increase in appropriations from $2.2 million to $7 million this year, and $8.5 million in 1980. That is a 218-percent increase in fiscal 1979 and another 21-percent increase in the 1980 budget.

If the inflation rate is compared with the rising COWPS appropriation, one is liable to conclude either that COWPS's effectiveness is inversely proportional to the size of its budget, or that the ballooning COWPS appropriation itself is inflationary. In either case, we can do without it.

Since only the Government can cause or stop inflation, because only the Government controls the currency, it is fair that only the price of Government should be subject to control. At the very least, one could expect that the Council should be confined to a 7-percent increase rather than the 218-percent request. I believe that the authorization should simply be permitted to expire.

Prices can be stabilized, as they were for 130 years in this country, when the Government once again adopts a monetary policy which guarantees a constant value for the dollar. Price stability improves the atmosphere for domestic and international commerce. But economic growth is caused by altering tax and regulatory policies to increase the after-tax rewards for work, saving, and investment.

An anti-inflation plan which is antiworker and antiproduction is worse than no plan at all. Disrupting the market and discouraging economic growth with wage and price controls can only increase inflation over what it would otherwise be, with much suffering for people who need jobs and a rising standard of living.●

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DERRICK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2283) to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1981, and for other purposes, pursuant to House Resolution 156, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. KELLY

Mr. KELLY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. KELLY. Yes, Mr. Speaker, I am.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. KELLY moves to recommit the bill, H.R. 2283, to the Committee on Banking, Finance and Urban Affairs.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. BAUMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 242, nays 175, answered "present" 1, not voting 14, as follows:

[Roll No. 47]

YEAS—242

Addabbo
Akaka
Albosta
Anderson, Calif.
Anderson, Ill.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnard
Barnes
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Bolling
Boner
Bonior
Bonker
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, Phillip
Byron
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Corman
Cotter
Coughlin
D'Amours
Danielson
Daschle
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Glickman
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hillis
Holtzman
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffords
Jenkins
Johnson, Calif.
Jones, Okla.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Sharp
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stanton
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weiss
Whitley
Williams, Ohio
Wilson, Tex.
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—175

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Bauman
Beard, R.I.
Beard, Tenn.
Bereuter
Bethune
Bouquard
Bowen
Breaux
Brown, Ohio
Burgener
Burton, John
Butler
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conyers
Corcoran
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Findley
Forsythe
Fowler
Frenzel
Gibbons
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Hightower
Hinson
Holland
Holt
Hopkins
Horton
Ichord
Jacobs
Jeffries
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDonald
McEwen
Madigan
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Nichols
O'Brien
Pashayan
Paul
Pritchard
Pursell
Quayle
Quillen
Regula
Ritter
Roberts
Robinson
Roth
Rousselot
Rudd
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stack
Stangeland
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—14

Alexander
Ambro
Boland
Crane, Philip
Ferraro
Flood
Garcia
Hollenbeck
Miller, Calif.
Nolan
Runnels
Shannon
Staggers
Treen

☐ 1620

The Clerk announced the following pairs:

On this vote:

Ms. Ferraro for, with Mr. Runnels against.

Mr. Shannon for, with Mr. Philip M. Crane against.

Until further notice:

Mr. Ambro with Mr. Alexander.

Mr. Staggers with Mr. Hollenbeck.

Mr. Garcia with Mr. Nolan.

Mr. BUCHANAN changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

TITLE AMENDMENT OFFERED BY MR. MOORHEAD OF PENNSYLVANIA

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. MOORHEAD of Pennsylvania: Strike "1981" and insert "1980".

The title amendment was agreed to.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BOLAND. Mr. Speaker, on rollcall No. 47, H.R. 2283, Council on Wage and Price Stability Reauthorization, I was unavoidably detained in a committee hearing and was not recorded. Had I been present in the Chamber, I would have voted "yes" on final passage.

GENERAL LEAVE

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks immediately following my remarks on the argument on the point of order in today's debate, and that all Members may have 5 legislative days within which to revise and extend their remarks, and to include extraneous matter, on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AUTHORIZING CLERK TO MAKE CHANGES IN SECTION NUMBERS OF H.R. 2283

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make appropriate changes in section numbers of the bill, H.R. 2283, as required to conform with amendments adopted.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2774, AUTHORIZING ARMS CONTROL AND DISARMAMENT ACT APPROPRIATIONS 1980 AND 1981

Mr. MURPHY of Illinois, from the Committee on Rules, submitted a privileged report (Rept. No. 96-60), on the resolution (H. Res. 171) providing for consideration of the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes, which was referred to the House Calendar and ordered to be printed.

ESTABLISHING A SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Mr. MURPHY of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up a privileged resolution (H. Res. 13), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 13

Resolution providing for the establishment of the Select Committee on Narcotics Abuse and Control

Resolved, That (a) there hereby is established in the House of Representatives a select committee to be known as the Select Committee on Narcotics Abuse and Control (hereinafter in this resolution referred to as the "select committee"). The select committee shall be composed of seventeen Members of the House.

(b) Members of the select committee shall be appointed by the Speaker of the House. One member of the select committee shall be designated by the Speaker to serve as chairman of the select committee.

(c) At least one member of the select committe shall be chosen from each of the following committees of the House: The Committee on Agriculture, the Committee on Armed Services, the Committee on Government Operations, the Committee on International Relations, the Committee on Interstate and Foreign Commerce, the Committee on the Judiciary, the Committee on Merchant Marine and Fisheries, and the Committee on Ways and Means.

(d) Any vacancy occurring in the membership of the select committee shall be filled in the same manner as the original appointment.

SEC. 2. The select committee shall not have legislative jurisdiction. The select committee shall have authority—

(1) to conduct comprehensive study and review of the problems of narcotics, drug, and polydrug abuse and control, including the study and review of (A) the abuse and control of opium and its derivatives, other narcotic drugs, psychotropics, and other controlled substances, as defined in the Comprehensive Drug Abuse Prevention and Control Act of 1970, and any such drug or substance when used in combination with any other substance; (B) domestic and international trafficking, manufacturing, and distribution; (C) treatment prevention, and rehabilitation; (D) narcotics-related violations of the Internal Revenue Code of 1954; (E) international treaties and agreements relating to the control of narcotics and drug abuse; (F) the role of organized crime in narcotics and drug abuse; (G) problems of narcotics and drug abuse and control in the Armed Forces of the United States; (H) problems of narcotics and drug abuse and control in industry; and (I) the approach of the criminal justice system with respect to narcotics and drug law violations and crimes related to drug abuse;

(2) to review any recommendations made by the President, or by any department or agency of the executive branch of the Federal Government, relating to programs or policies affecting narcotics or drug abuse or control; and

(3) to recommend to the appropriate committees of the House legislation or other action the select committee considers necessary with respect to programs or policies affecting narcotics or drug abuse or control.

SEC. 3. (a) For purposes of this resolution, the select committee may sit and act anywhere within the United States or abroad, as it considers appropriate whether the House is sitting, has recessed, or has adjourned.

(b) For purposes of this resolution, the select committee may hold such hearings, and may require by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, documents, and other exhibits and materials as it considers necessary. Subpenas may be issued under the signature of the chairman of the select committee or by any member of the select committee designated by him, and may be served by any person designated by such chairman or member.

(c) For purposes of this resolution, the select committee may authorize designated attorneys for the select committee to obtain statements from any witness who is placed under oath or affirmation by an authority who is authorized to administer oaths or affirmations in accordance with the applicable laws of the United States or of any State.

(d) A majority of the members of the select committee shall constitute a quorum for the transaction of business, except that the select committee may designate a lesser number as a quorum for the purpose of taking testimony. The chairman of the select committee or any member of the select committee designated by him, may administer oaths or affirmations to any witness.

(e) The select committee and its staff may conduct field investigations or inspections. Members and staff of the select committee may engage in such travel as may be necessary to conduct investigations or inspections relating to the purposes of this resolution.

SEC. 4. The select committee may employ and fix the compensation of such clerks, experts, consultants, technicians, attorneys, investigators, and clerical and stenographic assistants as it considers necessary to carry cut the purposes of this resolution. The select committee may reimburse the members of its staff for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the select committee, other than expenses in connection with meetings of the select committee held in the District of Columbia.

SEC. 5. The provisions of clause 2(g)(1) of Rule XI of the Rules of the House shall apply to the select committee.

SEC. 6. (a) The select committee shall report to the House with respect to the results of any field investigation or inspection conducted by the select committee under section 3(c).

(b) The select committee shall submit an annual report to the House which shall include a summary of the activities of the select committee during the calendar year to which such report applies.

(c) Any report of the select committee under this section which is submitted during a period in which the House is not in session shall be filed with the Clerk of the House.

Mr. MURPHY of Illinois (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

THE SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER. The gentleman from Illinois (Mr. MURPHY) is recognized for 1 hour.

Mr. MURPHY of Illinois. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, the Committee on Rules ordered favorably reported, with an amendment in the nature of a substitute, the resolution (H. Res. 13) to establish a Select Committee on Narcotics Abuse and Control in the 96th Congress. This is a privileged resolution providing for 1 hour of debate in the House.

Mr. Speaker, House Resolution 13 authorizes the select committee to continue its comprehensive study and review of the problems of narcotics, drug and polydrug abuse, and control. The study and review shall include, but not be limited to, first, opium and other controlled substances as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970 and drugs abused in combination with other substances; second, domestic and international traffic and manufacture of drugs; third, treatment, prevention, and rehabilitation; fourth, narcotics-related violations of the Internal Revenue Code of 1954; fifth, international treaties and agreements; sixth, the role of organized crime; seventh, drug abuse in the Armed Forces; eighth, drug abuse and control in industry; and, ninth, the approach of the criminal justice system to drug abuse.

Second, the select committee must review recommendations made by the President or any department or agency relevant to programs and policies affecting narcotics abuse and control.

Third, the select committee may recommend legislation and other action regarding programs or policies affecting drug abuse or control to the appropriate committees of the House. The select committee, however, would have no legislative authority. The select committee has, in fact, worked very closely with the standing committees which have jurisdiction over drug abuse subject matter and has functioned as a support mechanism providing various services ranging from research to legislative recommendations.

The select committee is to be composed of 17 members to be appointed by the Speaker. Eight of those members are to be selected from the following committees: Agriculture, Armed Services, Government Operations, Foreign Affairs, Interstate and Foreign Commerce, Judiciary, Merchant Marine and Fisheries, and Ways and Means. The Speaker will designate one member to serve as chairman of the select committee.

In the past the select committee has consisted of 18 members. For the purpose of simplifying voting procedures and facilitating the obtaining of committee quorums, the official committee membership has been reduced by 1 to 17 members. In addition, the Committee on Agriculture has been added to the requirement for committee representation on the select committee. It was felt that many of the efforts to reduce the supply of drugs, specifically marihuana, cocaine, and heroin, often revolve around the issue of crop substitution.

The select committee is authorized to sit and act in the United States or abroad during the 96th Congress whether the House is in session or not and to hold such hearings as it deems necessary.

The resolution further gives the select committee subpena power and authorizes the committee to employ staff. Funding for salaries must be obtained in the funding resolution. The select committee is required to report to the House the results of its field investigations. An annual report including a summary of the committee's activities must be submitted to the House.

The Committee on Rules reported House Resolution 13 with an amendment in the nature of a substitute on February 28. The substitute was offered in order to conform the language of House Resolution 13 to the model resolution contained in the Rules Committee print, "Guidelines to the Establishment of Select Committees."

Basically there were two technical amendments and a substantive change deleting from the resolution a provision authorizing designated attorneys of the select committee to obtain statements from witnesses under oath.

One technical change involved changing "international relations" to "foreign affairs" to conform to the name change approved by the House on February 5, 1979. The other technical change added language to the section of the resolution outlining the committee's investigative jurisdiction in order that the committee would not be strictly limited to those items enumerated in that section.

In addition, the substitute makes the provisions of clauses 1, 2, and 3 of rule XI applicable to the select committee. These three clauses of rule XI provide general authority for and applicability of House rules to committees, outline procedures for committees, and permit broadcasting of committee hearings and meetings.

Mr. Speaker, the Select Committee on Narcotics Abuse and Control was first established on July 29, 1976, by an overwhelming vote of 361 to 10 to coordinate efforts to combat drug abuse in our Nation. The committee was unanimously reconstituted in the 95th Congress. I believe the need is as great today for this select committee.

The primary reason for the establishment of the select committee was to coordinate efforts to study drug abuse and trafficking in a comprehensive manner. With jurisdiction over this matter still divided among eight committees, my fear is that without the select committee, no approach or a limited approach will be given to this very serious problem. Hopefully, with the select committee on committees looking at the overall question of committee jurisdiction, this fragmented approach to the study of drug abuse and control will be changed.

Moreover, there are currently or have been recently over 100 Federal departments, agencies, and offices with responsibilities in this area. Since the Office of Drug Abuse was formally abolished last year, the select committee is actually the only Federal forum to coordinate efforts to control drug abuse in our Nation today.

The direct cost of drug abuse to our Nation is $45 billion a year, with more than 50 percent of all robberies, muggings and other property crimes committed by addicts supporting their habits. We cannot afford not to do something about this problem. I strongly urge the adoption of House Resolution 13 to establish a Selection Committee on Narcotics Abuse and Control in the 96th Congress.

Mr. Speaker, I yield to the gentleman from Mississippi (Mr. LOTT) for purposes of debate only.

□ 1625

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. MURPHY of Illinois. I yield to the gentleman from California, for purposes of debate only.

□ 1630

Mr. JOHN L. BURTON. I would like to address a question to the gentleman. Maybe he can answer it, or later somebody else, but when the select committee was before the Committee on House Administration last year for funding, in response to a question as to whether or not they would finish their work last year, the chairman of that committee said they felt they would be finished last year and would not have to come back to this Congress for authorization, nor to the Accounts Subcommittee for funding. I want to know what happened between then and now that we have to reestablish this committee, that our committee is going to have to vote more funds for, when they told us in their own words that last year was it.

Mr. MURPHY of Illinois. The committee ended with the congressional session, and its renewal has to start with this session.

Mr. JOHN L. BURTON. No; but they said their work would be finished and they would not be back before us asking for more funds in this session. Now they are asking for a reauthorization which automatically is going to bring some funding.

Mr. MURPHY of Illinois. The committee has stated before the Committee on Rules that this would be its last 2 years.

Mr. JOHN L. BURTON. They stated before the Accounts Subcommittee that last year would be its last year.

Mr. MURPHY of Illinois. I do not know who stated it.

Mr. JOHN L. BURTON. The chairman, the gentleman from New York.

Mr. MURPHY of Illinois. Maybe the gentleman from New York would like to respond.

Mr. WOLFF. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of Illinois. I yield to the gentleman from New York.

Mr. WOLFF. I thank the gentleman for yielding.

We stated at that time that we hoped that the committee would be able to conclude its business. The problem of drug abuse is extremely complex and its solution is no simple task. The committee has directed its activities primarily in the area of supply reduction in the first 2 years of its operation. We are going to direct our attention these next 2 years to the question of demand reduction, meaning why is it people use drugs in the first place, how must we as a Nation react to prevent this from occurring and how can we best provide treatment and rehabilitation to those now suffering from the agony of the addiction.

Mr. JOHN L. BURTON. If the gentleman will yield, demand?

Mr. WOLFF. Yes, demand.

Mr. JOHN L. BURTON. First supply and then demand?

Mr. WOLFF. That is correct. Why people are into the drug scene in the first place. In order to dissuade people from relying on drugs, we have to find the motivations of why people are going into the drug scene. But more important, we are going to examine the ways we treat and rehabilitate those of our citizens who are dependent on drugs.

Mr. JOHN L. BURTON. I mean as one who has never been accused of really being short with funding of committees, if it really takes a select committee to find out why people get involved in narcotics and why they become addicted, there are millions and millions in dollars of studies on this. The gentleman could walk down the streets of the district I represent, or some other urban centers.

Mr. WOLFF. If the gentleman will yield further, I think he will find the answers to his questions as the debate continues and if he would listen to the explanations, I would appreciate it.

Mr. JOHN L. BURTON. I listened to the explanation, and I listened to the statement by the gentleman from New York last year. I have the transcript where he said he would not come back again next year. He dealt with supply last year. This year he is dealing with demand.

Mr. WOLFF. Will the gentleman yield?

Mr. JOHN L. BURTON. I do not have the time.

Mr. MURPHY of Illinois. I decline to yield any more time at this point.

COMMITTEE AMENDMENT

The SPEAKER pro tempore (Mr. PATTON). The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert in lieu thereof the following: That there is hereby established in the House of Representatives a select committee to be known as the Select Committee on Narcotics Abuse and Control (hereinafter referred to as the "select committee").

FUNCTIONS

SEC. 2. The select committee shall not have legislative jurisdiction. The select committee shall have authority—

(1) to conduct a continuing comprehensive study and review of the problems of narcotics, drug, and polydrug abuse and control, including (but not limited to) the study and review of (A) the abuse and control of opium and its derivatives, other narcotic drugs, psychotropics, and other controlled substances, as defined in the Comprehensive Drug Abuse Prevention and Control Act of 1970, and any such drug or substance when used in combination with any other substance; (B) domestic and international trafficking, manufacturing, and distribution; (C) treatment, prevention, and rehabilitation; (D) narcotics-related violations of the Internal Revenue Code of 1954; (E) international treaties and agreements relating to the control of narcotics and drug abuse; (F) the role of organized crime in narcotics and drug abuse; (G) problems of narcotics and drug abuse and control in the Armed Forces of the United States; (H) problems of narcotics and drug abuse and control in industry; and (I) the approach of the criminal justice system with respect to narcotics and drug law violations and crimes related to drug abuse;

(2) to review any recommendations made by the President, or by any department or agency of the executive branch of the Federal Government, relating to programs or policies affecting narcotics or drug abuse or control; and

(3) to recommend to the appropriate committees of the House legislation or other action the select committee considers necessary with respect to programs or policies affecting narcotics or drug abuse or control.

APPOINTMENT AND MEMBERSHIP

SEC. 3. (a) The select committee shall be composed of seventeen Members of the House, who shall be appointed by the Speaker, one of whom he shall designate as chairman. At least one member of the select committee shall be chosen from each of the following committees of the House: The Committee on Agriculture, the Committee on Armed Services, the Committee on Government Operations, the Committee on Foreign Affairs, the Committee on Interstate and Foreign Commerce, the Committee on the Judiciary, the Committee on Merchant Marine and Fisheries, and the Committee on Ways and Means.

(b) Any vacancy occurring in the membership of the select committee shall be filled in the same manner in which the original appointment was made.

AUTHORITY AND PROCEDURES

SEC. 4. (a) For purposes of carrying out this resolution the select committee is authorized to sit and act during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, or elsewhere, whether the House is in session, has recessed, or has adjourned, and to hold such hearings as it deems necessary.

(b) The provisions of clauses 1, 2, and 3 of rule XI of the Rules of the House of Representatives shall apply to the select committee.

ADMINISTRATIVE PROVISIONS

SEC. 5. (a) Subject to the adoption of expense resolutions as required by clause 5 of rule XI of the Rules of the House of Representatives, the select committee may incur expenses in connection with its duties under this resolution.

(b) In carrying out its functions under this resolution, the select committee is authorized—

(1) to appoint, either on a permanent basis or as experts or consultants, such staff as the select committee considers necessary;

(2) to prescribe the duties and responsibilities of such staff;

(3) to fix the compensation of such staff at a single per annum gross rate which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in section 5316 of title 5, United States Code;

(4) to terminate the employment of any such staff as the select committee considers appropriate; and

(5) to reimburse members of the select committee and of its staff for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties and responsibilities for the select committee, other than expenses in connection with any meeting of the select committee held in the District of Columbia.

REPORTS

SEC. 6. (a)(1) The select committee shall report to the House with respect to the results of any field investigation or inspection it conducts.

(2) The select committee shall submit an annual report to the House which shall include a summary of the activities of the select committee during the calendar year to which the report applies.

(b) Any such report which is made when the House is not in session shall be filed with the Clerk of the House.

□ 1635

Mr. MURPHY of Illinois (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the committee amendment be dispensed with, and that it be printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MURPHY of Illinois. Mr. Speaker, I yield, for purposes of debate only to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I asked for this time and for the order of the House because this is the only debate we are going to have on this select committee. When we complete this 1 hour of time, that is it; and I think the Members need to know that and be aware of it, as we have the final few minutes of discussion.

Mr. Speaker, House Resolution 13 establishes another Select Committee on Narcotics Abuse and Control. The resolution was reported from the Committee on Rules and is a privileged matter. Unless the floor manager of the resolution yields for amendment or the previous question is defeated and an amended version proposed, the resolution is not open to any amendments. This means that no Member will be able to offer amendments to limit the size of either the staffing or funding of the select committee.

House Resolution 13 provides for a 17-member Select Committee on Narcotics Abuse and Control. It is not granted legislative authority but may recommend legislation. Its function is to study problems of narcotics abuse and control, domestic and international trafficking, treatment and prevention, treaties, organized crime, drug abuse in the Armed Forces, the criminal justice system, and recommendations by the President and executive agencies. The select committee may sit and act anywhere in the United States or abroad and subpena witnesses and other evidence. The select committee would be authorized for the entire 96th Congress.

As I alluded to previously, the select committee may employ and fix the compensation of "such staff as the select committee considers necessary." Although there is no funding ceiling in the resolution, testimony before the Rules Committee by Chairman Wolff indicated that as of February 1, 1979, the select committee had expended or obligated approximately $644,000 of the $722,000 which was allocated to it last year. In addition, he stated that this year's funding request would total $815,000.

It is my understanding that the Select Committee on Narcotics Abuse and Control has worked hard since it first was created back in the 94th Congress. I am advised that it presently considers itself as the sole existing clearinghouse for the Federal effort to combat the flow of illegal narcotics into this country. If that is true, someone, either the standing committees of the Congress or the executive branch, apparently has "dropped the ball." Nothwithstanding the respect I have for the past members on this select committee and for the job they have done, I must submit that if this country is depending on a supposedly temporary select committee, which has to be reestablished every 2 years, to coordinate all of the fight against the multibillion-dollar drug business, we are in sad shape.

The simple truth from all of this is that there ought to be no need whatsoever for select committees, except in very special and completely justifiable circumstances. Our standing committees should be handling these matters instead of relegating them to select committees.

Mr. Speaker, I do not like passing resolutions providing for select committees that do not specifically enumerate the staffing and the funding level; but I think in this case the select committee and its chairman have made very clear their intentions. If there is any need in this Congress for a select committee, I personally am convinced that this is probably the area where it is needed.

I hope the chairman and its ranking member will work very diligently to justify the establishment of yet another select committee, for the final time in this area.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. Railsback).

Mr. RAILSBACK. Mr. Speaker, I thank the gentlemen for yielding and I rise in support of House Resolution 13, reestablishing the Select Committee on Narcotics Abuse and Control, of which I am a member.

Under the dedicated leadership of its distinguished chairman, Mr. Wolff, the Select Narcotics Committee has sought to raise the consciousness of the public regarding the dangers of drug abuse and to turn the committee's spotlight on the troublesome problems of: First, halting narcotics trafficking; second, eradicating the illicit production of opium at its source; third, educating the public regarding the dangers of drug abuse; and fourth, treating and rehabilitating those individuals who have become dependent upon or addicted to drugs.

Mr. Speaker, I respectfully disagree with those who suggest that the jurisdiction of this committee is clearly covered by other standing committees which are more properly equipped to handle the issues. I cannot speak for the other select committees, but with regard to the Select Narcotics Committee, it is important that my colleagues realize that approximately 100 departments, bureaus, agencies, commissions, and institutes in the executive branch and at least seven standing committees of the House have had conflicting jurisdiction over drug abuse prevention and control.

To date, this Nation does not have a comprehensive, coordinated drug policy. The Narcotics Select Committee has uncovered this fragmented effort and has sought to work with the administration to control drug abuse and the drug traffickers who reap unknown billions of dollars in untaxed sales of their deadly drugs. No other committee of the House has sought to achieve this objective. No other standing committee has the mandate to "conduct a continuing comprehensive study and review of the problems of drug abuse and control."

Contrary to the assertions of some, I do not believe that the work of our select committee has been duplicative or wasteful. Instead, I have found that this committee has been supportive of the actions of the Judiciary Committee, of which I am a member, and of other standing committees in the House. Approximately 3 weeks ago, for example, I joined with other members of the Select Narcotics Committee in cosponsoring H.R. 2538, a bill that would facilitate enforcement of laws relating to drug smuggling on the high seas. This measure represents the combined efforts of the Select Committee on Narcotics, the Merchant Marines Subcommittee on Coast Guard, and Federal law enforcement agencies. This is just one instance of the close working relationship that exists between the Narcotics Committee and other committees of the House.

Mr. Speaker, it would truly be unfortunate and unwise to terminate the work of this committee, work designed to stem the tide of illicit drugs that inundate this Nation and fight the international narcotics traffickers who profit from the human misery of those afflicted by drug abuse. The drug abuse problem is not going to be resolved without a coordinated effort, an effort which the Select Narcotics Committee has begun but not yet completed. In the interest of continuing the momentum developed by the Narcotics Committee, I urge my colleagues on both sides of the aisle to lend their support to House Resolution 13.

Thank you.

☐ 1640

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. Gilman).

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding and I rise to support House Resolution 13, reestablishing the Select Committee on Narcotics Abuse and Control, of which I am a member.

Although the Narcotics Select Committee has held 51 hearings and issued more than 25 reports, in my view, we have just scratched the surface of understanding the dynamics of the drug problem and the international criminal syndicates whose highly organized, well-financed and sophisticated operations reach into every region of the world and extract in human misery an estimated $45 billion in sales just in the United States. Several thousand of our citizens annually succumb to an overdose of drugs and last year narcotics abuse and trafficking cost our Nation's taxpayers an estimated $10 billion.

Our Nation's efforts to prevent and control drug abuse has been fragmented by the more than 50 Federal departments, bureaus, agencies, commissions, and institutes and by at least seven House standing committees that have jurisdiction over the drug problem. Unfortunately, our Nation still does not have a comprehensive, coordinated policy to prevent and control drug abuse and the drug traffickers who profit from the human misery of drug addiction.

With the demise of the Office of Drug Abuse Policy (ODAP) within the President's Executive Office, the Narcotics Select Committee became the major entity in the Federal Government that has been able to focus attention on the drug problem and to help raise the public's consciousness regarding the dangers of drug abuse. Just 3 weeks ago, the gentleman from New York, Mario Biaggi, chairman of the Subcommittee on Coast Guard and Navigation and I, along with Lester Wolff, the distinguished chairman of the Narcotics Select Committee, together with nearly 50 cosponsors, introduced H.R. 2538, a measure that provides increased maritime jurisdiction for the Coast Guard to prevent the importation of controlled drugs into this country. This legislation is designed to plug a loophole that was pointed out to the Narcotics Select Committee at its hearings on international narcotics control at the U.S. Mission to the United Nations in New York.

At the hearing on the State Department's International Narcotics Control Program for fiscal year 1980 that was held on March 6, 1979, by the Subcommittees on Asian and Pacific Affairs—chaired by Mr. Wolff—and the Inter-American Affairs—chaired by Mr. Yatron—Peter Bensinger, the able Administrator of the Drug Enforcement Administration, stated:

> The Government of Colombia has initiated a major campaign against drugs in that country and I want to commend this committee, its chairman, both yourself Chairman Wolff, Chairman Yatron, Representatives Gilman,

Guyer, Lagomarsino, Mica and particularly Ben Rosenthal as well who have, through their own presence, increased the level of awareness, not only of the people in this country but of the Government of Colombia and our whole overseas mission. Your trips have made a difference in Colombia and in other countries that you visited and I for one can tell you that the Agencies' missions to which your committee brings its physical presence overseas, increases the impact of our joint efforts with the State Department considerably.

I commend the Select Committee on its leadership for this very important contribution which does not get measured every day or reported.

The work of the Narcotics Select Committee is not complete. It has accomplished much during its brief 2½-year tenure, including more effective poppy eradication by the Mexican Government, expanded the financial contributions by other countries to the United Nations Fund for Drug Abuse Control (UNFDAC), beefed up narcotic law enforcement efforts in Colombia, Thailand, and Burma and, domestically, Chicago, New York City, south Florida and along the Mexican border and helped to control drug abuse among our soldiers stationed in West Germany. But substantial work still remains to be done.

For the first time in our Nation's "war" against narcotic peddlers, our Government is beginning to get a handle on the drug problem. Let us not lose our grip by prematurely abolishing this select committee.

If my colleagues are truly interested in law and order, if we want to help our Nation develop a comprehensive, coordinated drug abuse policy, and if we want to do battle with the international drug traffickers who inject our citizens with their deadly drugs and reap billions of dollars in untaxed revenues, then I urge my colleagues to support House Resolution 13 in order to continue the important work of the Narcotics Select Committee.

☐ 1645

Mr. MURPHY of Illinois. Mr. Speaker, I yield 6 minutes to the gentleman from Connecticut (Mr. Dodd).

Mr. DODD. Mr. Speaker, I rise to oppose the reestablishment of this select committee. However, I would like to address my remarks not only to the reestablishment of this particular select committee, but also to the one that will come after this one, because my arguments and my reasons for doing so pertain to both.

At the outset I would like to compliment the chairman of this select committee and Mr. Wolff and the gentleman from Illinois (Mr. Murphy) for raising this issue, and I would compliment also the chairman of the other select committee, Mr. Scheuer, and the ranking minority members of these two select committees for their work over the past 4 years.

I believe the work they have been doing has been good work; it has been necessary work. The problems of population and drug abuse and control are vital issues not only in this country, but throughout the world.

I would like to point out that my opposition is based on two fundamental reasons. One is the logistical and financial consideration, which is less important than the substantive reasons. Nonetheless, it is important.

We are talking about approximately $1.5 million. We are talking about numerous staff people and space that is vitally necessary for the work of this House. But those are not really the important reasons. The important reasons are the substantive ones.

The work that is being done by both these select committees can and should be done by the standing committees of the House.

First, I think we must assess what a select committee is and when it should be constituted. Historically, select committees were only to be set up under very special circumstances. They were to be a creature of Congress which would allow the leadership flexibility in dealing with unique situations. When those circumstances arose which made it impossible for the standing committees to deal with an issue, the leadership, in concert with committee chairmen, would establish a select committee for a clearly defined and usually narrow purpose and for a very definite period of time.

A recent example would be the Select Committee on Energy. Yesterday a majority of this House voted to establish a Select Committee on Committees, and we saw recently the establishment of a Select Committee on the Outer Continental Shelf. They are all committees which have dealt with a legislative purpose for a very definite period of time.

Neither of these two committees we are talking about complies with those guidelines. We are told that oversight will be obstructed because there are too many committees already involved in the issues of narcotics and population.

☐ 1650

I would agree that if you are talking about a legislative purpose, then the establishment of a select committee would make sense. But neither of these two committees have a legislative authority. They only have oversight authority. And it seems to me that if the House feels that the issues of narcotics abuse and control and population are important issues, then the House ought to see to it that a standing committee of this Congress that has jurisdiction over these issues conduct the oversight and be responsible for the legislation that comes about as a result of that oversight.

There are several ways that this can be done. First of all, the leadership, working with the committee chairman, could designate one of the standing committees to assume that responsibility. The Caucus could decide that one of the standing committees ought to assume the responsibility. But also we have a rule, House rule X, and clause 3(a) of that rule allows for the consolidation of oversight functions within one standing committee of Congress. I would be willing to support, and I am sure there would be others who would support, an amendment to the Rules of the House to say that issues of drug abuse and control and population be consolidated under that particular rule of the House and delegated to a specific standing committee of the House and see that the oversight functions are performed. When you separate oversight and legislative responsibility, you dilute the importance of the particular issued you are dealing with.

I would like to point out to my colleagues, if I may, the remarks of my former committee chairman, Chairman Peter Rodino, who, in 1977, when discussing the creation of another select committee, had this to say in this Chamber about select committees. He said, on that occasion:

> The matters within the scope of the Select Committee's requested authority are all matters squarely within the rule X jurisdiction of existing standing committees of the House. Mr. Speaker, the integrity of the committee system is severely compromised if a select committee is created every time a new issue surfaces in the press. Oversight by standing committees becomes meaningless, the prospect of legislation becomes delayed, and the expertise nurtured and developed by the standing committees is squandered. At a time when the public expects a tightening of the belt and a heightened sense of Congressional responsibility, I cannot imagine sanctioning the creation of a select committee to pursue matters within the jurisdiction of at least four standing committees of the House.

The specific resolution before us now has jurisdiction in seven standing committees in this House, and the one that follows has jurisdiction in eleven standing committees of the House. It seems to me that, if we are truly interested in these issues, we would see to it that one of those standing committees, one of those seven standing committees or one of those eleven standing committees would assume both the oversight and the legislative responsibility and deal with the issue. We are not serving either issue very well by setting up a select committee.

I would like to point out to my colleagues that I doubt that any single one of us on either side of the aisle, Democrat or Republican, liberal or conservative, did not go home on weekends and announce that one of the things we must do in the 96th Congress is to cut the duplication at the Federal level, the duplication that exists in Federal agencies, to see to it that we cut out waste in Government. I believe every one of us has made that speech at one time or another.

I would just like to point out that, if people are going to believe what we are doing, what we are saying, we should begin looking at our own institution.

My opposition is not intended to indict in any way the work of these two committees. They have done marvelous work. They have worked long and hard in developing good data on both the issue of narcotics and population.

☐ 1655

But, if we are truly sincere about eliminating the duplication, eliminating the unnecessary work being done by a couple of select committees, then we would defeat these two resolutions. We would see to it that rule X was amended to consolidate oversight and legislative functions under one standing committee, and go about the business of dealing with narcotics abuse and control and population.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. DODD. I will be glad to yield.

Mr. ROUSSELOT. What did the gentleman do in the last vote on eliminating unnecessary bureaucracy?

Mr. DODD. Which vote?

Mr. ROUSSELOT. COWPS—Council on Wage and Price Stabilization.

Mr. DODD. I supported that. I thought it made a lot of good sense.

Mr. ROUSSELOT. Oh, it did?

Mr. DODD. Yes.

Mr. ROUSSELOT. The gentleman should review some of the facts presented by our fellow colleagues as to why the Council on Wage and Price Stabilization is no longer needed.

Mr. LOTT. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. Dornan).

Mr. DORNAN. Mr. Speaker, I listened quite attentively to the distinguished gentleman from Connecticut and I think he made some telling points but not nearly sufficient to end the existence of this critically important Select Committee on Narcotics. There are some issues that absolutely require the formation of a select committee, and this curse of narcotics abuse is certainly one of those very special areas of concern as was, for example the tragic issue of Americans missing in action throughout all of Indo-China after the Vietnam war. The MIA issue certainly required the efforts of a distinguished select House committee because of a human tragedy involving thousands of Americans.

Here is an ugly issue that involves hundreds of thousands of Americans and millions of people across the world. I would like, in my 5 minutes, to try to make five points.

First. This is one of the rare committees in this House that does not try to max out the moneys allocated to it from our Treasury of diminishing and precious taxpayers' dollars that it is our responsibility to safeguard—20.4 percent, I repeat, 20.4 percent of the budget of this committee has been turned back over the last 2 years. Chairman Wolff runs an efficient ship.

Second. When you go home to your districts and face up to the growing majority of our American citizens who want to save tax money, ask them if this is an area of activity where they want to cut back. The answer will be a resounding "no." Ask in your newsletters that will go out in this spring season when you ask for advice and guidance from your constituents, how they feel about the explosion of narcotics, and I am guaranteeing that the response will be the same that I got to my questionnaire last year, and it was not in response to a loaded question encouraging the funding for the type of work this excellent committee performs. As a matter of fact I loaded my question against Government spending.

I asked if my constituent taxpayers—and I used the word "taxpayers"—would be willing to allocate more of their money to pay for Government efforts to do something about narcotics in our country. A whopping 73 percent answered that question in the affirmative. They said "yes" they were willing to spend more of their tax dollars in this tragically growing criminal area of human misery.

I happened to turn this very morning to "the Mike Douglas Show" on television. He was questioning the respected and distinguished Hollywood writer, James Bacon. The colloquy between Mike Douglas and Mr. Bacon was frightening. Bacon said that the Hollywood community in general is so permeated with all kinds of drug use and abuse that it is not only causing a drastic and rapid decline of quality in motion pictures, but that a sick pronarcotics attitude is being written into scripts by Hollywood producers, many of whom are getting plastic surgery on their decaying nasal passages due to the constant use of cocaine, plus, of course, the use of pills or you name it.

Third. Opium. An old problem going away. No way. We are told that heroin use is now back on a frightening growth curve. If it ever did level off at 300,000 it is now shooting back up to way over 400,000 U.S. users.

Fourth. Heroin use rates are proliferating in our country due to the renewed activity in Asian production.

By the way, I am not a member of this committee but I sat in on many of the psychotropic and drug hearings last fall under the chairmanship of the distinguished gentleman from New York, Mr. Wolff, and that gives me insight on point four, pills. I am telling you, my colleagues, that we have not even scratched the surface of the curse of pill abuse in our Nation. It goes right down into the third-grade level of our schools, this nightmare of psychoactive drug abuse. Whether downers or uppers, pills are tearing some of our schools apart, and I do not think even a committee as distinguished as our House Judiciary Committee can bring the proper focus on this issue. To bring to bear public pressure from public awareness requires the focus of a select committee will be unrelenting and consistent in its investigations.

I would like to close with a fifth point of special interest, I believe, to Members on my side of the aisle. I have seen a most unusual letter sent to the chairman of this select narcotics committee from Mr. Peter Bensinger, head of the Drug Enforcement Agency. He is absolutely convinced of the effectiveness of this committee's persistent work. The elan and esprit de corps may be down at our CIA and FBI, but I can assure my colleagues that after many meetings with DEA agents their spirit is up, way up, and the cooperation and support of their work by this committee is a major contributing factor. The people at DEA feel that they are not only saving the lives of thousands of American citizens, but also of younger and older people all across our globe. They need us in this House and believe the whole world needs them.

□ 1700

The outstanding director of DEA, Mr. Bensinger, in that letter to Chairman Wolff made point after point on how he needs Mr. Wolff's committee. He pointed out that the No. 1 product in Colombia—legal or criminal, is cocaine and that the resurgence of the opium plague out of the "Golden Triangle," in the Burma-Thailand-Laos area alone is a major reason for congressional investigation. He made point after point about this, the curse of narcotics across the world, where he feels this congressional committee has assisted him in a most beneficial way.

I wish to put excerpts to his letter into the Record of this debate by including at this point in my remarks a "Dear Colleague" letter that I sent to all of your offices last week.

I might remind my colleagues on the west side of the aisle that the very able Mr. Peter Bensinger is the senior holdover from the Republican administration of 1969 to 1977 who is performing an outstanding service for the President of the United States and I add, of course, for our country.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. DORNAN. I will be glad to yield to the distinguished gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, I would like to make this point: Except for two committees in the House, every committee turned money back to the contingency fund.

Mr. DORNAN. Not 24.4 percent, my friend.

Mr. JOHN L. BURTON. That means that a lot of them were overfunded last year.

The SPEAKER. The time of the gentleman from California (Mr. Dornan) has expired.

Mr. LOTT. Mr. Speaker, I yield 1 additional minute to the gentleman from California (Mr. Dornan).

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield further?

Mr. DORNAN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, I thank the gentleman for yielding.

I think that if the gentleman raised the question as to how people feel about other people selling heroin to children under the age of 6, he would have gotten even better responses for his newsletter.

Lastly, I really do not think a select committee is the necessary vehicle to bring to the attention of the American people the need to cure drug abuse among our children or among our adults or among the aging population. If the only vehicle to do this in the United States is this select committee, our country is in worse shape than the gentleman or I think it is.

Mr. DORNAN. Mr. Speaker, if I may claim back just about 20 seconds of my time, the gentleman completely missed my point. I repeat that I did not ask in my questionnaire a loaded question, that is, did I use any "buzz" words to scare people.

Mr. JOHN L. BURTON. Did the gentleman talk about "the curse" of narcotics?

Mr. DORNAN. That is the point. No. I did not say "curse" of narcotics and I did not speak about pushing drugs on children. I said, "Would you, as a taxpayer, be willing to spend more of your hard earned money to do something about narcotics in this country?" All I used was the word "narcotics." I loaded it toward cutting back on Government spending.

Mr. JOHN L. BURTON. The gentleman did not say whether it would be used or whether there would be a slow-up in its use, did he?

Mr. DORNAN. No. I think 73 percent is an amazing response from Americans telling us to spend in this critical area of criminal abuse.

Mr. Speaker, I think the gentleman's question was misdirected and mischievious and I yield back the balance of my time and submit my "Dear Colleague" letter of March 12 for inclusion at this point in the RECORD.

HOUSE OF REPRESENTATIVES,
Washington D.C. March 12, 1979.

DEAR COLLEAGUE: On Tuesday or Wednesday of this week, the reauthorization for The Select Committee on Narcotics will come to the floor of the House for a vote. As a former broadcast journalist and investigate reporter, I have been long familiar with the growing problem of illegal narcotics traffic and drug abuse. Though I am not a regular Member of The Select Committee on Narcotics and Drug Abuse, I have become increasingly aware of the dimensions of the problem, a pestilence which has resulted in rising crime rates, a decline in health and gainful employment, and the loss of the very precious gift of life itself. According to the Federal Drug Enforcement Agency, the estimated range of the retail value of illicit narcotics operations in our country runs between $35 and $46 billion per year.

Such a grave national problem should command the attention of the Congress of the United States. Therefore, every Member voting on this reauthorization should be aware of the outstanding contributions of The Select Committee of the House charged with investigating and developing legislation in this area. During the past year, The Select Committee:

Has collected a vast body of evidence relating to international narcotics smuggling, including transportation of drugs from Southeast Asia, as well as illegal operations in the Southeastern United States.

Has provided the basis for far-reaching legislation in the area of narcotics control. In a remarkable letter to Chairman Lester Wolff, Mr. Peter Bensinger, Administrator of the Drug Enforcement Agency writes: "The leadership of the Committee . . . has given us what we needed most—legislative tools. The ability we now have to seize assets, bank accounts, real estate and other property derived from illicit narcotics transactions will be a far more effective weapon against these trafficking organizations than any piece of hardware or gadgetry imaginable."

Held extensive and unprecedented hearings on the growing problem of legal psychoactive drug abuse, the employment of irresponsible advertising on the part of certain pharmaceutical firms and the impact of modern marketing techniques on physicians prescribing certain drugs.

Focused attention on PCP ("Angel Dust") and psychtropic substance abuse. Once again, Mr. Bensinger, in his recent letter to Chairman Wolff, pointed out that the Select Committee's Chicago investigations were of great assistance to the Drug Enforcement Agency. He remarks: "I am also pleased that once the Congress was made aware of the dangers of PCP abuse, they responded by doubling the penalties for trafficking in this very hazardous drug."

This last point is, I think, especially important. I am speaking here, not only as a Member of the Congress, but as a citizen and as a concerned parent. In 1977, narcotics agents "busted" 25 PCP ("Angel Dust") laboratories around the country. In my general area, my Congressional District and the three adjoining Districts of my colleagues, 18 PCP ("Angel Dust") labs were "busted" in the last nine months of 1978. During this past year alone, there were 26,652 narcotics arrests in the Los Angeles area. These abstract statistics do not reveal the depth of human misery that accompanies the plague of PCP, heroin and other illegal narcotics.

Quite properly, the American people have sent to us a clear and unmistakable message: refrain from unnecessary spending. But that is not to say that they endorse foolish cutbacks in critical areas, including our ability to wage a relentless and victorious war against illegal narcotics operations. In a survey prepared for the people of my 27th California Congressional District, the question was posed: Should the U.S. Government spend more money combatting illegal importation of hard drugs, even if taxpayers must pay more? Of four areas polled, an average of 72.7 replied in the affirmative. I think that this response is a solid indication of citizen sentiment on the subject. I have no doubt that the feeling is much the same in each and every Congressional District throughout the nation.

Please support the reauthorization of The House Select Committee on Narcotics and Drug Abuse. It is a Committee that has lived up to its promise.

Sincerely,

ROBERT K. DORNAN,
Member of Congress.

Mr. MURPHY of Illinois. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Speaker, I want to thank this body and the Speaker for the support they have given to the Select Committee on Narcotics. During the many years that I have been in Congress, I cannot think of any problem which has so plagued my community as drug abuse.

It is a little surprising that some Members would take the well and talk about what Chairman WOLFF had promised to do, and yet no one asks as to whether or not the committee is doing a responsible job and whether or not there is still a job to be done which can make this House proud.

How can we talk about duplicity when, in fact, we have seven chairmen who have a piece of the jurisdiction, and they support the existence of this committee? We have hard-working members of this committee from both sides of the aisle who have serious concern about the problems which are faced by this Nation. So serious is their concern, in fact, that they are wiling to take the time outside of their regular committee assignments to work on the problem.

Certainly, if there was duplicity, we would be hearing from the Chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO), who would say that his committee would handle the matter. I cannot think of a committee which has worked so hard and which deserves the continued support of this House more than does the Select Committee on Narcotics. I do not promise that I will not be coming back in 2 years and asking for its continuation. There is a void as a result of the reorganization of the White House as relates to a special committee which this Congress had set up within the White House itself. How can a committee not be functioning with the State Department and the Drug Enforcement Administration and with other Members of Congress and even with representatives of foreign governments, who have said that we have taken the time, we have taken the initiatives, and we have not pointed out the problems. However, we have provided some solutions.

In the city of New York alone, as a result of our hearings, we were able to turn the former mayor around and to turn the police commissioner around by pointing out to them some of the conditions that existed so that they could and did, in fact, correct some of those conditions.

Mr. Speaker, I would ask the gentleman from Connecticut (Mr. DODD), whether he thinks this should be the committee's function or not, to take a look at the statistical data which have been furnished to us as related just to those people who used to be addicted to drugs. The number then was 4,000, and the number has been reduced to some 1,900.

I ask how much does it cost, not in human values, but how much does it cost in dollars and cents, in terms of rehabilitation?

☐ 1705

How much does it cost in terms of police protection? How much does it cost in terms of jails that have to be built? Staffed? All we are asking is one thing. If you believe, if you honestly believe, that we have not done a job, I beseech you to look at the efforts that have been made in your State and ask whether or not this committee is not in part responsible for it. Go to the people who have the national responsibility.

The SPEAKER. The time of the gentleman has expired.

Mr. MURPHY of Illinois. Mr. Speaker, I yield 2 minutes to the gentlewoman from Illinois (Mrs. COLLINS).

Mrs. COLLINS of Illinois. Mr. Speaker, I rise in support of House Resolution 13 because not only am I a member of the Select Committee on Narcotics Abuse and Control, but I, too, come from a city where narcotics abuse is a major problem. As a matter of fact, I am unhappy to say that my own district in the city of Chicago just happens to be the distribution center for heroin coming into the Midwest of the country.

I ask those who say that this committee is not needed, why is it that this committee is not needed, why is it that this committee is no longer needed? This committee has done its job. It has done it excellently. It has gone to the sources of production, processing, distribution, as well as the consumption of illegal and illicit drugs. We are unmatched, as everybody has said, in terms of quality and comprehensiveness in the job we have done.

I wonder, too, how many of you have ever seen kids who have been addicted by these drugs, kids under 6 years old who are getting these drugs. I happen to live in a community, and I represent people living in the community, who have seen young people going off to grade school with eyes glazed, kids who are getting stoned daily by the time they get ready to go into the fifth, sixth, and seventh grades.

This is a problem. This is a problem for everybody in the United States. This is a major problem that everybody has to deal with.

We talk about dollars. The gentleman from New York (Mr. RANGEL), has just mentioned dollars in waste of human lives—not just in adult human beings but of children's lives as well. Our children are our most important resource in this country, and yet somebody is saying this committee is not needed because other committees are doing the same thing. We need every committee we can get that has any kind of jurisdiction at all over the prevention of drug abuse to be funded, to be authorized. We are, indeed, a clearinghouse for all committees. This select committee is, indeed, a clearinghouse for DEA, NIDA, HEW, and Treasury, and so forth. We need it. It performs the urgent job that has to be done.

Finally, let me say this. I ask the Members to let me reflect on the magnitude of the problem we have just talked about. I ask the Members also to think, why is it that we have a complete network of cause and effect that makes some populations into primary producers and others prone to widespread consumption and abuse.

Finally, I say the problem is our problem. We cannot run away from it for a few dollars. Refunding of this select committee is greatly needed.

Mr. LOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee (Mr. BEARD).

Mr. BEARD of Tennessee. Mr. Speaker, the thrust of the argument of my colleague, the gentleman from Connecticut (Mr. DODD) has been twofold. One is that there should not be need for select committees except in very special circumstances.

I personally feel that drug abuse prevention and control, including the international narcotics traffickers who peddle their deadly drugs to every region of the country and world, do constitute a "special circumstance," a justification for the creation of a special committee that can focus its entire attention on the drug problem.

To be very honest about it, and sadly so, there is no comprehensive and coordinated drug strategy in this country; rather, it is a fragmented effort consisting of more than 100 departments, bureaus, agencies, and commissions that currently or recently have jurisdiction in reducing the supply and demand for illicit drugs, and there are at least eight standing committees in the House that directly or indirectly have jurisdiction over the drug problem.

With the demise of the Office of Drug Abuse Policy within the President's Executive Office, the Narcotics Select Committee is the only entity in the Federal Government that has been able to focus attention on the drug problem and to help raise the public's consciousness regarding the dangers of drug abuse. No other standing committee has the mandate to conduct a continuing comprehensive study and review of the problems of drug abuse. The problem of drug abuse is not going to be resolved today or tomorrow, and the work of this Narcotics Select Committee is not complete.

Mr. DAVIS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from South Carolina.

Mr. DAVIS of South Carolina. I thank the gentleman for yielding.

I would like to join the gentleman in the statement that he is making and say that we need this committee because we need oversight at a time when we say there is really no organized department in this Federal Government to deal with the drug problem.

In my district alone it is estimated that $20 million a week is smuggled into the United States through my coastal areas.

□ 1710

But yet at the same time the Director of Customs is cutting down the customs agents' ability to deal with the problem and requiring that they will be able to do only one-third of the work by cutting out overtime and putting them on shift work. At a time when we need more people to deal with the drug problem, we in the Congress should not be giving up our oversight and our involvement.

Mr. DODD. Mr. Speaker, will the gentleman yield?

Mr. BEARD of Tennessee. If I may complete my statement, then I will yield

The second point, for my colleague, the gentleman from Connecticut, spending and staff ceilings and early deadlines should be incorporated in the resolution creating the select committee. The Narcotics Select Committee budget is less than $725,000, a modest amount, considering that during the 95th Congress this committee held 51 hearings, conducted numerous field investigations in the United States and abroad and has published 25 reports.

The SPEAKER pro tempore (Mr. MCKAY). The time of the gentleman from Tennessee has expired.

Mr. LOTT. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. BEARD of Tennessee. Mr. Speaker, there is no need to specify a reporting deadline in the select committee's resolution, thereby tying the hands of the Narcotics Select Committee.

As the gentleman knows, the work of the select committee is subject to termination at the end of each Congress, and with regard to its budget the select committee is subject to review by the Committee on House Administration.

Mr. DODD. Mr. Speaker, will the gentleman yield?

Mr. BEARD of Tennessee. I yield to the gentleman from Connecticut.

Mr. DODD. I just want to compliment my colleagues for their very cleverly shifting the thrust of the argument. I do not hear anyone suggest here that this is not an important matter, and certainly in my own State of Connecticut we have serious drug problems.

The issue is whether or not this vehicle, a select committee that only has oversight responsibility, is the proper way to deal with this issue.

I would suggest to my friend that as long as you do not have legislative authority, but only oversight authority, then you are never going to really be able to deal with the issue. I have suggested it should be the subject of a standing committee.

Let us argue where the matter ought to be dealt with, not the subject matter itself.

I think we are in total agreement on that particular point.

Mr. BEARD of Tennessee. I think one of the best ways, if we feel there is a need for a standing committee, is for this select committee to continue and develop enough need to show the rest of the Members and the rest of this Congress that there is a critical need to develop a standing committee.

Mr. MURPHY of Illinois. Mr. Speaker, I yield 5 minutes to the distinguished chairman of the Select Committee on Narcotics Abuse and Control, the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Speaker, I thank the gentleman for yielding .

Mr. Speaker, when the Select Committee on Narcotics Abuse and Control was first established in the closing months of the 94th Congress it had but one purpose: To engage in a comprehensive study and review of the problem of narcotics abuse and control so that the Federal Government could begin to win the war against drugs.

This undertaking is no simple task. Not only do at least seven standing committees of the House exercise jurisdiction over some facet of the problem of drug abuse, but in recent years more than 100 Federal departments, agencies, and executive offices have had or still have drug abuse responsibilities.

The executive branch spends more than $800 million annually on the problem of drug abuse. The sad part about this is the waste, inefficiency, and duplication of effort inherent in a bureaucracy as large and diverse as the one that deals with drug abuse.

One of our top priorities has been to reduce this waste, inefficiency, and duplication in the Federal drug abuse effort. If this committee can be successful in reducing wasteful spending by only one-tenth of 1 percent, not only will be have paid for ourselves, but we will have returned a "profit" to the taxpayers of this country.

Now some of you are probably asking what has happened in the area of drug abuse since the select committee began full operations with the beginning of the 95th Congress only 2 years ago. First, and perhaps most important, the number of heroin addicts in the United States has been cut in half—from 800,000 to 400,000—in the past few years. Modesty aside, I think the select committee deserves at least partial credit for this reduction. But what does this mean for us as a country? It has been our national goal to provide treatment and rehabilitation services to heroin addicts, and it costs the United States about $7,000 per addict per year to provide these services. By cutting the addict population in half the United States will save some $2.8 billion for their treatment and rehabilitation. That is not a small return for an investment in the select committee. Nor will we have to incarcerate many of those who would have committed crimes to support their habits—and incarceration costs over $9,300 annually per inmate in the federal system. If this reduction in the addict population kept only 78 addicts from going to prison, the annual savings to the Federal Government will have exceeded the annual cost of the select committee. But one thing we cannot measure is the savings in terms of human suffering and lives not lost. How can you place a value on a human life? On the agony of addiction? I do not mean to be crass, but if human suffering is valued at a mere $2 a head the total savings exceeds that expended by the select committee in 1978.

Heroin deaths are down an amazing 73 percent since 1976. These are lives of real human beings, not theoretical abstracts. The amount of heroin entering the United States, as reflected in seizure statistics, has dropped almost 40 percent between fiscal years 1976 and 1978. And you should know that in Europe during this same period heroin addiction rose tenfold and set new alltime records. The price/purity ratio of heroin—the index used to gauge availability—is now at its lowest rate since the Federal Government began compiling this data, having declined over 50 percent in the past 2 years.

Several years ago the Congress succeeded in forcing Turkey—the then largest source country of U.S.-bound heroin—to redouble its enforcement efforts. The result was the almost total absence of Turkish heroin in the United States. But drug traffickers are crafty fellows and they soon switched the focus of their operations to Mexico. On this front we have also been successful: Through cooperation with the Mexican Government there has been about a 20-percent decline in Mexican heroin reaching the United States. As a result of this the traffickers are now moving the center of their operations to the Golden Triangle area of Southeast Asia, and we are now actively working with the governments in that region to push them back yet again.

One of the greatest problems we face is that most drugs of abuse are not grown in the United States. When we ask foreign nations to stop growing they say to us, "We'll stop growing when you stop using"—and that is what the select committee will concentrate on this Congress—demand—why people use drugs here in the first place.

The drug problem in the United States is not confined to heroin, but includes marihuana, cocaine, and pills of every variety. Basement chemists have gotten into the act by producing PCP, perhaps the most dangerous and deadly new drug to hit the streets of America this decade. Seizures of these other drugs have increased dramatically in recent years: 1978 marihuana seizures were more than 300 percent of the 1976 level; hallucinogens more than 250 percent; and cocaine more than 50 percent. As a result of committee efforts to strengthen law enforcement activities in south Florida, the Coast Guard seized almost 2 million pounds of marihuana in the last 6 months of 1978—compared to one-third that amount during the same period in 1977. During the last 6 months of 1978 more smuggling vessels were seized than during all of the 5 previous fiscal years. And this is all because the select committee has relentlessly sought to have Federal law enforcement agencies work cooperatively with each other and step up their drug efforts.

In the past Congress the select committee focused its attention on the supply side of the drug abuse equation. We have been successful but we need to do more. As I am sure all of you are aware, drug trafficking means big money and with some degree of pride I can say that there are certain elements in this country, as well as abroad, which would like nothing better than to see this committee go out of business. You, I am sure, do not want to see that happen, nor do your constituents who are the victims. I hope that the vote on House Resolution 13 will be a signal that the Congress is, indeed, committed to the war against drugs.

Now I am sure that many of you have seen the "dear colleague" letter circulated by Mr. DODD opposing the reestablishment of this select committee as well as three others scheduled for consideration today and in the coming weeks. Mr. DODD, in fact, complimented the Select Committee on Narcotics for its work during the last Congress. His basic opposition lies in his belief that the standing committees should be made to address the issues that we have created these select committees to examine. Although I cannot speak to this issue as it relates to the other select committees, I can say that it would be self-defeating when it comes to the problem of narcotics abuse and control. My colleague from Connecticut readily admits that select committees can be valuable in expediting the consideration at critical points in time of matters which are under the jurisdiction of a number of different committees. If ever there has been a critical point in time with respect to narcotics, that time is surely now. Enforcement efforts are increasing; seizures are on the rise; international cooperation is beginning to pay off. As a nation we cannot afford to lose this momentum—and that is precisely what the select committee intends to assure.

Mr. DODD also asserts that select committees tend to take on lives of their own. I would like to inform the gentleman that nothing would please me more than to be able to say to this body that there is no longer a need for the Select Committee on Narcotics Abuse and Control and that we have licked the problem. As unfortunate as it is, this is not the case and there is much work for the select committee to perform this Congress. I am prepared to say, however, that we will complete our task this Congress and are pointing our recommendations to the centralizing of this work in one or two standing committees of the House.

Mr. DODD also criticizes the cost of select committees. I have already graphically illustrated how the Select Committee on Narcotics—perhaps more so than any other select committee—can easily pay for itself—indeed, turn a profit—in terms of savings in other Federal expenditures. In fact, we have turned back to this House over $200,000 from our first year of operation and more than $85,000 this past year.

I do agree with Mr. DODD, however, that select committees must be made to sunset after a reasonable period of time. But we should not kill them before they have had a chance to do their job. We are going out of business with this Congress.

Many of you here are familiar with the investigations and hearings undertaken by the select committee in the past 2 years. They cover the entire spectrum of the drug abuse problem. Among them have been international controls of narcotics trafficking; the smuggling of cocaine and marihuana along the Atlantic and gulf coasts; the smuggling of heroin and marihuana along the Southwest border; PCP; psychotropic drug abuse; talwin and pyribenzamine; drug abuse in the Armed Forces and Federal prisons; drug abuse among special populations including women, ethnic minorities, veterans and the elderly; as well as the treatment and prevention of drug abuse. Our work in the 95th Congress—which includes the issuance of 25 reports based on 51 hearings and the publication of the Congressional Resource Guide (part I)—has been to support the legislative and oversight work of the standing committees. The work of the select committee, however, is not yet complete.

Past investigations and hearings have revealed the need for further work, particularly in the areas of prevention and treatment of drug abuse among our citizens, cargo security and border security. New areas in need of examination include drug abuse in American industry and the institutional response, and the phenomena of polydrug abuse, particularly the rising phenomena of the abuse of alcohol together with the abuse of drugs.

In addition to determining the extent to which the executive branch has implemented committee recommendations, the committee must closely examine the Federal treatment and prevention network with an emphasis on the internal workings of HEW, the Public Health Service, and the National Institute on Drug Abuse (NIDA).

With the abolition of the White House Office of Drug Abuse Policy (ODAP), the select committee remains the only Federal forum for the coordination and analysis of the drug abuse problem as a whole. The administration is strongly committed to working with the select committee in the 96th Congress, and I would now like to insert in the RECORD the text of letters I have received from President Carter and DEA Administrator Bensinger as well as a special message on drug abuse issued by the President:

LETTER FROM PRESIDENT CARTER TO CHAIRMAN WOLFF

THE WHITE HOUSE,
Washington, October 28, 1978.

Hon. LESTER L. WOLFF,
Chairman, Select Committee on Narcotics Abuse and Control, U.S. House of Representatives, Washington, D.C.

TO CHAIRMAN LESTER WOLFF: With the close of the 95th Congress, I would like to express my personal thanks to you and the other members of the Select Committee on Narcotics Abuse and Control for the valuable contributions you have made to our efforts to deal with the drug problem in the United States.

As you know, we have had some significant successes over the past 2 years:

The heroin purity rate is at its lowest level, 4.8 percent, down from 6.6 percent in 1976.

Heroin overdose deaths are down 27 percent from 1977 and 73 percent from 1976. In 1977, 1,000 fewer people died from heroin overdoses than in 1976.

Our cooperation with the Mexican Government has brought about a 20-percent decline in the amount of Mexican heroin available in the United States.

Statistics indicate a steady decline in barbiturate and other sedative/hypnotic overdose deaths.

International cooperation has permitted us to work with other governments in seizing huge quantities of marihuana on the high seas.

With our encouragement, the United Nations Fund for Drug Abuse Control has been able to convince other governments to make substantial contributions, thereby reducing our total support to under 50 percent. I know you and other members met with Dr. Bror Rexed, Executive Director of the Fund, when he was in Washington recently. Upon his departure, I issued the attached statement supporting the Fund's efforts. I hope we will be able to work together to ensure an appropriate level of United States' participation in the future.

The work and encouragement of the Select Committee, under your dynamic leadership, was instrumental in helping record these successes. However, we are both well aware that the problem of drug abuse will not disappear and that energetic measures must be continued. I can assure you of this Administration's strong commitment to working with you and your colleagues in our joint effort to reduce drug abuse in our country.

Again, thank you for your assistance.

Sincerely,

JIMMY CARTER.

LETTER FROM DEA ADMINISTRATOR BENSINGER TO CHAIRMAN WOLFF

OCTOBER 24, 1978.

Hon. LESTER L. WOLFF,
Chairman, Select Committee on Narcotics Abuse and Control, U.S. House of Representatives, Washington, D.C.

DEAR CHAIRMAN WOLFF: Now that the 95th Congress has concluded its work I wish to express my personal thanks to you for your sincere efforts in our behalf. In terms of legislation affecting drug law enforcement, this past session has probably been the single most productive. Much of the legislation achieved had been actively sought during the past three sessions of the Congress.

With the enactment of the Psychotropic Substances Act of 1978 much needed legislation to control the growing problem of PCP and critical legislation needed to seize the monetary profits of drug traffickers was achieved. This will be of great assistance to our efforts in drug law enforcement work.

Although these are but a few of the legislative initiatives enacted, I cannot help feel that your efforts played a major role in getting these most important matters through the House. In addition, I want to thank you for your personal guidance and assistance to me as Administrator of DEA.

I speak for all Drug Enforcement Administration employees in thanking you for all your sincere assistance. I look forward to working as closely with you in the 96th Congress as we have in the past.

Sincerely,

PETER B. BENSINGER,
Administrator.

STATEMENT BY PRESIDENT CARTER

THE WHITE HOUSE,
Washington, September 22, 1978.

For over 70 years, the United States of America has supported international measures to control drug abuse. Today, it is more important than ever to continue this support.

This Administration recognizes that drug problems cannot be solved unilaterally, but require concerted action by the world community. Drug abuse is exacting an ever greater toll on the citizens of developed and developing countries. It affects our economies, our societies and—most of all—our culture.

The United Nations Fund for Drug Abuse Control has played a central role in this international effort. Despite limited funds it has been remarkably effective in finding cooperative ways for nations to work together on this international problem. Today I am pleased to announce that the United States will contribute $3 million to the Fund in 1978. With the contribution, I want to extend my best wishes to Dr. Bror Rexed, the new Executive Director of the Fund.

The United States remains deeply committed to the cause of international drug control. We will continue to support the efforts of the Fund, the United Nations and other governments.

JIMMY CARTER.

I ask for your support; the American people need your support. Too many people in this country are "turning on"—we cannot turn off this committee. The question is, with drug-related crime accounting for some 70 percent of street crime, can you go back to your constituents and say you voted for anything less than a maximum effort to stop drug abuse in your district?

Mr. Speaker, I yield to the distinguished chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO), who was mentioned in debate by the gentleman from Connecticut (Mr. DODD).

Mr. RODINO. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to take this time to focus on this problem, because as a general proposition I am opposed to the creation of select committees. I think in many instances they are duplicative. They do not actually aid in the legislative process and, as a matter of fact, I believe in most instances they act as an impediment to the creation of that kind of a standing committee that may be necessary to deal with a particularly important problem such as this.

When I last supported the establishment of this committee, I stated that the need was to recognize the fragmentation that existed in the various problems that are connected with drug abuse and the enforcement of our drug laws. I found that there was seven committees, there are seven committees of the Congress that have jurisdiction in this area and yet, and I must say as chairman of a committee that has some jurisdiction in this area we were unable to address the problem totally.

I must say, Mr. Chairman, that the Select Committee on Narcotics has during the time it has been in existence focused well on the problem of fragmentation. It has brought its impact to bear on the executive branch of the Government. It has developed a document which I think is worthy of the consideration and study of all of us, the Congressional Resource Guide, which points up the various aspects of this problem and needs to be studied in order that we understand what we are doing.

☐ 1715

I think that the time during which this committee has been in existence it has certainly brought the kind of results that were necessary for a select committee that had no legislative authority.

I, for one, fully support the need for the reconstituting of this committee to complete its work. I have been assured by the chairman and by the members of this committee that they will be able to complete the work they have been engaged upon during the last Congress, I think that its product will be well worthwhile in the effort to combat a problem that plagues all of us and that is drug abuse.

Mr. WOLFF. I thank the distinguished chairman.

I would like to say in the remaining time I have, with the abolition of the Office of Drug Abuse Policy, we are the only game in town. There is no other committee, there is no other organization in the entire Federal establishment today that is coordinating the work of all of these various disparate agencies of Government.

I should like to say that in addition to the support of the chairman of the Committee on the Judiciary, the chairmen of the various legislative committees having jurisdiction, also support the reconstitution of this committee; namely, Mr. PRICE, the chairman of the Committee on Armed Services; Mr. ZABLOCKI, the chairman of the Committee on Foreign Affairs; Mr. Brooks, the chairman of the Committee on Government Operations; Mr. Roberts, the chairman of the Committee on Veterans' Affairs, as well as the majority leader, Mr. White.

I ask for the support of my colleagues. The American people need your support. Too many people in this country are turning on. We cannot turn off this committee. The question is, with drug-related crime accounting for some 70 percent of street crime, can you truthfully go back to your constituents and say that you voted for anything less than a maximum effort in combating drug abuse in this country?

For every person who is in treatment in this country it costs this Nation $7,000. If we were to spend, and we are to spend, one-tenth of 1 percent of what the Federal establishment spends on drug abuse in this country, this committee has justified itself over and over again.

Mr. MURPHY of Illinois. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York (Mr. Biaggi).

Mr. de la GARZA. Mr. Speaker, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Texas.

Mr. de la GARZA. Mr. Speaker, I support and endorse this resolution and I thank the gentleman, my colleague from New York, for yielding.

Mr. Speaker, coming from the United States-Mexico border, I cannot impress on you enough the need for this committee. More important than this is the work that this committee has done. I can personally attest to the days spent in hearings, on field hearings, on consultation with leaders from other countries, with colleagues from parliaments of other countries and with all agencies of our own Government. I commend the chairman, Mr. Wolff, and all the other Members who have served on this committee for their dedication and hard work. This committee is needed. This committee has done an excellent job and finally and the most important part, the problem is still there, we cannot ignore nor neglect it. This committee is the only one that is available at this time. I ask my colleagues for their support.

Mr. BIAGGI. I thank the gentleman.

Mr. Speaker, it confounds me to discuss this issue on this day. I remember when the select committee was created. It was done to deal with a crisis. It seemed to be the only positive action that this Congress could take to deal with the problem that proliferated our entire country. The problem has not gone away. Surely we are dealing with oil shortages and Mideast problems and they take the forefront in public attention. However, those of us who go home and talk to the people and live in our residences and deal with the streets know full well the impact is still there, the negative impact; the negative result still exists.

I just do not understand the effort to object to this reconstitution.

□ 1720

It is argued that when we go home and talk to our people, we would like to say that we saved money. Save money? This is $750,000. We might ask the same people what they would spend to reconstitute this committee so it can deal effectively with the problem.

As the chairman of the Select committee, the gentleman from New York (Mr. Wolff), said—and he is to be congratulated for the work he has done because it is a most productive effort—this is the only game in town.

We can ask law enforcement officials what we have been able to do to coalesce our efforts for the first time in my life in law enforcement. I have seen every law enforcement agency involved in this effort working together in a cooperative way. We have dealt on an international basis with countries that were part and parcel of the problem, and they have all agreed to be part of the solution.

Mr. Speaker, I am chairman of the Subcommittee on Coast and Navigation. I can tell the Members that I have worked with this select committee. In 4 years heretofore the Coast Guard had confiscated only one vessel and 50,000 pounds. Last year we confiscated 145 vessels and 3½ million pounds of marihuana. That is the kind of effort we have had.

If we are going to deal with this problem, we must have a commitment, a constancy of purpose, and a constancy of effort. Anything less than that is abandonment and surrender to the lawless and would lead our people to their own destruction.

Mr. LOTT. Mr. Speaker, I yield 5 minutes of my remaining time to the gentleman from Illinois (Mr. Murphy), if he should need that additional time.

Mr. MURPHY of Illinois. Mr. Speaker, I thank the gentleman from Mississippi (Mr. Lott), and I now yield 1 minute to the distinguished gentlewoman from Louisiana (Mrs. Boggs).

Mrs. BOGGS. Mr. Speaker, I rise in enthusiastic support of House Resolution 13, and I commend the distinguished gentleman from New York (Mr. Wolff) and all the members of the committee especially for their ongoing studies and their approach to the particular problems of narcotics abuse and control as they concern women. I hope that all the Members will support this resolution which affects this very vital area of our national life.

Mr. MURPHY of Illinois. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Florida (Mr. Stack).

Mr. STACK. Mr. Speaker, prior to my coming to the House I served for 10 years as sheriff of Broward County, Fla., an area in which the problem of drug smuggling is one of grave public concern.

I would like to say this: I know of no more effective agency to deal with the coordination of our efforts to fight the drug problem than the select committee which we are discussing today.

I will offer just two brief examples of what I am talking about. The committee conducted hearings in my district last July, and after hearing testimony, it was demonstrated that the customs agency had eight aircraft, none of which at the time of the hearings were airworthy. As a result of those hearings, today the customs people do have those eight aircraft operating.

I would also point to the work of this committee and the study it did in Colombia, because they pinpointed that the problem of cocaine comes principally from Colombia.

Mr. Speaker, I would say as one who has devoted a major portion of his life to law enforcement that I can think of nothing more important in fighting the drug problem than authorizing the continuation of the life of this select committee and providing it with a sufficient appropriation to do its job.

Mr. MURPHY of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. Neal).

Mr. NEAL. Mr. Speaker, one of the most conspicuous failures of this Nation's health, education, and law enforcement systems has been their inability to deal effectively with drug abuse and illegal drug trafficking.

Despite the public's sense of alarm and outrage, despite the Government's many efforts to respond, the drug problem has seemed increasingly beyond our control and understanding.

It is estimated, for example, that illicit drug trafficking is a $45 billion a year business in the United States, that there are several hundred thousand heroin addicts, that 45 million Americans have used marihuana, that 10 million use cocaine, that there are literally millions of lives lost or ruined through alcohol abuse, and that millions more use all sorts of strange and little understood drugs.

We have made some progress in recent years, however, by learning more about the drug problem and developing new methods of attacking it. The number of deaths from heroin, barbiturate, and sedative overdoses has declined. We have from time to time become somewhat more effective in thwarting international drug smugglers. But we have barely begun to solve the problem.

Mr. Speaker, in the House of Representatives, we have seven standing committees assigned to deal with various aspects of the drug problem. Their efforts are largely fragmented. Only one committee—the Select Committee on Narcotics Abuse and Control—considers all elements of the problem.

What is more, the Select Committee on Narcotics Abuse and Control and the White House Office of Drug Abuse Policy are the only two Federal Government entities charged with analyzing the whole range of drug issues.

That is the main reason we need to keep the select committee during the 96th Congress. It is providing a service that we do not get from our standing committees: A comprehensive review and analysis of the total narcotics problem. The select committee has no legislative authority, but it provides valuable information and insight to the House and to other committees.

Mr. Speaker, the contributions of the select committee and its chairman, LESTER WOLFF, have been publicly recognized by President Jimmy Carter, by the White House Office of Drug Abuse Policy, and by many other groups and individuals familiar with this issue.

The select committee has much important work remaining on its agenda, including efforts to improve the treatment and prevention of drug abuse and to improve security against smugglers. The experience gained by this committee over the last several years should prove invaluable as they make the only meaningful attempt I know of to understand and solve a major problem facing this Nation.

We need this committee's continuing contribution, and its work is worthy of the continued support of this House. I urge my colleagues to support this resolution.

Mr. MURPHY of Illinois. Mr. Speaker, I yield such time as he may consume to the gentleman from Hawaii (Mr. AKAKA).

Mr. AKAKA. Mr. Speaker, I rise in support of House Resolution 13, briefly, I want to comment upon my experience as a member of the Select Committee on Narcotics Abuse and Control. I can assure the House that the Narcotics Committee has made it a policy to service the standing committees. Information brought to my attention during hearings held by the Narcotics Committee has proven to be extremely valuable to me as a member of the Agriculture Committee. I know that other Members have also found that their work on the Narcotics Committee has assisted them in their efforts on standing committees. I want to urge all of my colleagues to support House Resolution 13, so that the Narcotics Committee can continue its role of service for all standing committees of the House.

● Mr. RANGEL. Mr. Speaker, I rise in support of House Resolution 13.

On July 29, 1976, the House of Representatives voted unanimously to create the Select Committee on Narcotics Abuse and Control. The committee was formed in an effort to bring into focus the nature of the drug abuse problem in the United States and the response of the Federal Government to that problem. Creation of the committee marked the first time that there would be one entity within Congress that would have complete oversight jurisdiction over all facets of the Federal narcotics effort.

The committee has made an unquestionable contribution in generating public awareness of the narcotics abuse problem, and has more importantly generated positive results in the Nation's effort to deal with this cancer. Some of the salient facts are: Heroin purity rate has been drastically reduced, heroin overdose deaths are down, there has been a 20-percent decrease in the amount of heroin available from Mexico and there has been some accomplishments which are reflective of the select committee's effort. However, there is much more that has to be done in this area.

Through our work on the committee, we have seen that the problems of drug abuse have reached every aspect of life and all sectors of our national community. The deleterious effects of drug abuse on the moral fiber of this country, particularly upon its youth is unquestionable. Today, 6 out of every 10 high school seniors (61.6 percent) report illicit drug use, and of these students one-third (35.8 percent) confess using an illicit drug other than marihuana. These statistics illustrate the gravity of the problem and, therefore, the challenges that still face this committee if it is to meet its congressional directive.

Considering the accomplishments of the select committee in the past and the need for narcotics control in the future, I urge the Members to support the reconstitution of the Select Committee on Narcotics Abuse and Control. In this committee we have the vehicle for establishing a uniform Federal approach that will hopefully bring this menace of society under control.●

● Mr. FASCELL. Mr. Speaker, I welcome this opportunity to voice my support for House Resolution 13, which provides for the reconstitution of the Select Committee on Narcotics Abuse and Control, a committee that has made great strides in coordinating Federal efforts to combat the scourge of drug abuse.

As my distinguished colleagues from Florida realize, our State has been the recipient of a veritable drug invasion launched from several Latin American nations which have acted as staging areas for narcotic traffickers. The volume of this illict trade has reached overwhelming proportions within the past 2 years and narcotics smuggling is a leading business in Florida. This situation has become a primary catalyst for crime in south Florida and has acted as a major attraction to organized crime. I, along with my colleagues have expressed our concern over this drug catastrophe on several occasions and now as a result of contributions made by the Select Committee on Narcotics, I believe the tide of battle has begun to turn in our favor. The select committee has been the prime mover in getting Federal drug enforcement authorities to focus its attention on this assault, and also met with President Carter to emphasize the nature of this drug disaster.

It is vitally important for the Congress to maintain its input in this war on drugs and I believe the select committee has acted and will continue to act over the next 2 years as a bulwark in representing the congressional perspective in this policy area. Our nation's youth must not continue to be subjected to the pressures and presence of narcotics and trafficking of these substance allowed to fill the coffers of organized crime. Therefore, I urge my colleagues to support the Select Committee on Narcotics and its reconstitution in the 96th Congress.●

The SPEAKER pro tempore (Mr. MCKAY). The question is on the committee amendment.

The committee amendment was agreed to.

Mr. MURPHY of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DODD. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 338, nays 75, not voting 19, as follows:

[Roll No. 48]

YEAS—338

Abdnor
Addabbo
Akaka
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Atkinson
Bafalis
Bailey
Barnard
Barnes
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clay
Cleveland
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Fary
Fascell
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Forsythe
Fountain
Fowler
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hance
Hanley
Harkin
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kogovsek
LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee

Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Oakar
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Rudd
Russo
Sabo
Sawyer
Scheuer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Stanton
Stark
Stenholm
Stewart
Stockman
Stokes
Stratton
Symms
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wydler
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—75

Albosta
Aspin
AuCoin
Badham
Baldus
Bauman
Beard, R.I.
Bedell
Bethune
Breaux
Brodhead
Burlison
Burton, John
Carr
Clinger
Collins, Tex.
Corcoran
Crane, Daniel
Devine
Dodd
Donnelly
Early
Edgar
Ertel
Evans, Ind.
Fazio
Ford, Mich.
Ford, Tenn.
Frenzel
Giaimo
Gradison
Hamilton
Hansen
Harris
Holt
Jacobs
Jones, Okla.
Kindness
Kostmayer
Kramer
Leach, Iowa
Lehman
Mikva
Miller, Ohio
Moffett
Mollohan
Moore
Mottl
Nedzi
Nolan
Oberstar
Obey
Paul
Quayle
Ratchford
Regula
Ritter
Satterfield
Schroeder
Seiberling
Shannon
Sharp
Shuster
Stangeland
Steed
Studds
Stump
Swift
Synar
Tauke
Volkmer
Whittaker
Williams, Mont.
Wirth
Wylie

NOT VOTING—19

Alexander
Ambro
Ashley
Burton, Phillip
Clausen
Crane, Philip
Diggs
Ferraro
Flood
Frost
Hopkins
Jeffords
Miller, Calif.
Pepper
Runnels
Santini
Staggers
Treen
Wilson, C. H.

☐ 1740

The Clerk announced the following pairs:

Mr. Pepper with Mr. Philip M. Crane.

Ms. Ferraro with Mr. Clausen.

Mr. Staggers with Mr. Jeffords.

Mr. Santini with Mr. Hopkins.

Mr. Runnels with Mr. Miller of California.

Mr. Flood with Mr. Frost.

Mr. Phillip Burton with Mr. Diggs.

Mr. Ambro with Mr. Alexander.

Mr. Ashley with Mr. Charles H. Wilson of California.

Mr. LIVINGSTON and Mr. ICHORD changed their vote from "nay" to "yea."

Mr. BEDELL changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MURPHY of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution (H. Res. 13) just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

☐ 1745

ESTABLISHING A SELECT COMMITTEE ON POPULATION

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up a privileged resolution (H. Res. 38) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 38

Resolved,

ESTABLISHMENT OF SELECT COMMITTEE; MEMBERSHIP

SECTION 1. (a) Effective January 3, 1979, there is established a select committee of the House of Representatives to be known as the Select Committee on Population (hereinafter in this resolution referred to as the "select committee").

(b) The select committee shall be composed of sixteen Members of the House of Representatives who shall be appointed by the Speaker. One member of the select committee shall be designated by the Speaker to serve as chairman. Any vacancy occurring in the membership of the select committee shall be filled in the same manner in which the original appointment was made.

(c) For purposes of this resolution, the term "Member" includes a Delegate or Resident Commissioner to the House of Representatives.

FUNCTIONS OF SELECT COMMITTEE

SEC. 2. The select committee shall conduct a full and complete investigation and study of—

(1) the causes of changing population conditions and their consequences for the United States and the world;

(2) national, regional, and global population characteristics relative to the demands on limited resources and the ability of nations to feed, clothe, house, educate, employ, and govern their citizens and otherwise afford them an improved standard of living;

(3) various approaches to population planning (including the study of family planning technology, with emphasis on measures designed to reduce the frequency of conception rather than the termination of pregnancy, and the relationship of improved economic and social opportunities to family size) in order to ascertain those policies and programs, within the United States as well as other nations, which would be most effective in coping with unplanned population change; and

(4) the means by which the United States Government can most effectively cooperate with and assist nations and international agencies in addressing successfully, in a noncoercive manner, various national, regional, and global population-related issues.

POWERS AND DUTIES OF SELECT COMMITTEE

SEC. 3. (a) For the purpose of carrying out this resolution the select committee, or any subcommittee thereof authorized by the select committee to hold hearings, is authorized to sit and act during the present Congress at such times and places within the United States, including any Commonwealth or possession thereof, or elsewhere, whether the House is in session, has recessed, or has adjourned, and to hold such hearings as it deems necessary.

(b) The provisions of clauses 1, 2, and 3 of rule XI of the Rules of the House, except the provisions of clause 2(m) of such rule (relating to subpena power), shall apply to the select committee.

STAFF OF SELECT COMMITTEE

SEC. 4. To carry out this resolution, the select committee is authorized to employ and fix the compensation of such professional staff and clerical and stenographic assistants as it deems necessary.

REPORT TO HOUSE

SEC. 5. The select committee shall report to the House as soon as practicable during the present Congress the results of its investigation and study, together with such recommendations as it deems advisable. Any such report which is made when the House is not in session shall be filed with the Clerk of the House. Any such report shall be referred to the committee or committees which have jurisdiction over the subject matter thereof.

Mr. BEILENSON (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Maryland (Mr. BAUMAN), pending which I yield myself such time as I may consume.

Mr. Speaker, the resolution before you would reestablish the Select Committee on Population in the 96th Congress.

The provisions of the resolution are identical to those of the resolution which created the select committee in the 95th Congress. The committee would be directed to investigate and study:

First. The causes of changing population conditions, and their consequences for the United States and the world;

Second. National, regional, and global population characteristics and their relationship to the demands on limited resources and the ability of nations to feed, clothe, house, educate, employ, and govern their citizens and otherwise afford them an improved standard of living;

Third. Various approaches to population planning, with emphasis on measures designed to reduce the frequency of conception rather than the termination of pregnancy, in order to ascertain those policies and programs, within the United States as well as other nations, which would be most effective in coping with unplanned population change; and

Lastly, the means by which the U.S. Government can most effectively cooperate with and assist nations and international agencies in addressing successfully, in a noncoercive manner, various national, regional, and global population-related issues.

The select committee would be again empowered to hold hearings and to employ staff, and clauses 1, 2, and 3 of House Rule XI (relative to committee procedure, committee rules, and committee broadcasting) would apply to the select committee, except that it would not have subpena powers.

The select committee would be required to report the results of its studies, along with such recommendations as it deems advisable, to the House as soon as practicable during the present Congress.

As you all know, there is a certain amount of concern in this House over the proper use of select committees, and a strong feeling that these committees should be established, or reestablished frequently, and only when there are compelling reasons to focus the attention of the Congress and the public on major issues of national concern that the standing committees of this House are not able, because of time constraints and the huge workload of regular committee business, to adequately examine and investigate.

The Rules Committee has favorably reported this resolution to reestablish the Select Committee on Population because it believes that population-related issues are of great and overriding importance to this country; because these matters have not been adequately examined by the standing committees of this House; and, because of the feeling that this particular select committee has already made an especially valuable contribution, to the knowledge of this House and to its ability to deal effectively, with a wide range of population-related problems—and that it should, therefore, be given an additional 2 years during the life of this present Congress to expand upon and complete its work.

Mr. Speaker, I had the privilege last year of serving on the Select Committee on Population—and I am proud of the work done by the committee under the very able leadership of the distinguished gentleman from New York (Mr. SCHEUER) and our ranking minority member, the distinguished gentleman from Illinois (Mr. ERLENBORN).

Faced with a very large number of potential areas of investigation, the select committee was organized into several task forces to address the various matters within its jurisdiction and, during the course of its less than 1 year of existence, we held 33 days of hearings, published 11 hearing records—and wrote and published 6 major reports.

The reports reflect the principal areas of concern studied by the committee and its task forces during 1978 and include:

"World Population: Myth and Realities," an overview of world and national population problems;

"Fertility and Contraception in the United States," which examined family planning practices and services in the United States; the continuing and alarming problem of adolescent sexual activity and teenage pregnancy in this country; and the safety and effectiveness of existing contraceptive methods and the adequacy of contraceptive research. We uncovered major deficiencies in national programs in all these areas;

"Legal and Illegal Immigration to the United States," in which the committee examined the questions of who immigrates and why, how long they stay, what kinds of jobs they take—and the impact of this immigration upon American society.

"Population and Development Assistance," which deals with family planning programs in the developing world, and assesses the effectiveness of U.S. population assistance programs, as well as the quality and quantity of contraceptive research going on outside the United States;

"Domestic Consequences of United States Population Change," in which the committee discusses the changing age composition and geographical distribution of our population, paying particular attention to the effects of the postwar baby boom, the women's movement, and the growing elderly population on American society.

The select committee's final report contained a summary of findings and recommendation in these and other major areas of concern; included in that report are more than 100 recommendations of the committee, annotated to indicate congressional and executive branch action during the 95th Congress with respect to these specific recommendations of the select committee.

Major questions not addressed by the select committee due to the limitations of time are included in the final report under the heading "Issues Warranting Further Inquiry," a proposed agenda for the 96th Congress in the event the select committee is reconstituted.

I have taken the time to review the work of committee because this has been an extraordinarily productive and useful select committee, and one that has compiled a remarkable record of thoughtful and valuable work and achievement during its 11 months of existence.

I cannot imagine a select committee doing a better job than this one has done—and I cannot imagine a subject more needing of attention by this Congress—and one less capable of being properly addressed by the myriad of standing committees which might have jurisdiction of some small portions of the overall problem area.

I think it clearly deserves reconstitution, and I hope you will act favorably upon this resolution.

☐ 1750

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Illinois (Mr. ERLENBORN).

Mr. ERLENBORN. Mr. Speaker, I rise in support of this resolution calling for the reconstitution of the Select Committee on Population. I am not going to repeat what my colleague from California has said about the committee and I will try to take less than the 5 minutes if possible.

Let me address one or two points that I do not think have been addressed. Some of my colleagues in conversation have raised some issues with me that I think deserve an answer here on the floor for all of our friends.

First of all, this committee was formed just slightly over a year ago toward the end of the first session of the last Congress. At that time there was a good deal of concern since we would be dealing with issues of population as to how the select committee might approach the question of abortion which has been a very divisive issue in this Congress, as we all know.

I am very happy to report to you that in the course of the last year during the work of our select committee the issue of abortion has not been a troubling issue with the committee and both the family planning groups and the anti-abortion groups have been satisfied with the efforts of our select committee.

The committee had approximately 1 year after the staff was put together to initiate our studies. As the gentleman from California has already reported we had some 33 days of hearings and issued six major reports.

It was necessary because of the short period of time that we had to take a general overview of the questions of population and not get into in-depth studies of any particular issues.

☐ 1755

I would like to underscore that word, "overview," because I heard my colleague, the gentleman from Connecticut (Mr. DODD) during the debate on the last resolution suggest that these are oversight committees.

I did not speak on the last resolution having to do with the Select Committee on Narcotics Abuse and Control, but I can tell the Members that in my opinion the work of this Select Committee on Population is not involved with an oversight sort of jurisdiction. We did take an overview of population issues.

I served and have served for over 14 years on the major oversight committee of the Congress, the Committee on Government Operations. The functions of that committee are to look at existing programs already authorized, perform the job of oversight to see if the executive branch is carrying out the mandate of the programs as authorized, and make reports and recommendations. I contrast that with the overview that the Select Committee on Population can bring to the broad issues of population.

Let us look at just one issue as an example: the issue of illegal immigration. Many factors are involved in a balanced program, and as a matter of fact our committee has made recommendations in this area. But the jurisdiction of the several committees of the House are never brought together except under the aegis of something such as the Select Committee on Population. The questions of trade, the questions of foreign aid, and the question of law enforcement reside in the jurisdiction of the several different committees of the House. At least 10 committees have jurisdictions of one type or another, and only the Select Committee on Population can give us the broad overview, as contrasted with oversight, of existing authorized programs.

Mr. Speaker, I think that the work during the first year of our existence of the Select Committee on Population justifies the confidence of the House and justifies support for this resolution to reconstitute this select committee for another 2 years. I solicit the support of the Members for the resolution.

Mr. BEILENSON. Mr. Speaker, I yield 2 minutes to the gentlewoman from Illinois (Mrs. Collins).

Mrs. COLLINS of Illinois. Mr. Speaker, I would like to take this opportunity to speak on behalf of the select committee's reconstitution in the 96th Congress. I speak from the vantage point of having served as a member of the House Foreign Affairs Committee and the Select Committee on Population.

Last year, the select committee held an extensive oversight review of international population and development concerns. These hearings were designed to offer insight into the complex interrelationships between population change, on the one hand, and development achievements, on the other. The report that was issued on the basis of those hearings was insightful and helped to foster a better understanding of how the U.S. Government—in cooperation with international donor agencies and recipient governments—might more effectively extend population assistance. I have become convinced that both the identification of so-called population problems and the development of appropriate responses to these problems is a very difficult process—one that deserves the further review and investigation of the Select Committee on Population.

Even though I do not plan to serve as a member of the select committee during this Congress—given my responsibilities with the Congressional Black Caucus and other committee assignments—I will continue to stay in touch with the interests and activities of the Population Committee. I believe the committee's mandate is important and that the manner in which that mandate was fulfilled during the 95th Congress warrants this committee's reconstitution.

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. Gilman).

Mr. GILMAN. Mr. Speaker, I rise in support of House Resolution 38, the resolution reestablishing the Select Committee on Population for a full 2-year term. Reconstitution will allow this committee to fulfill its intended mission for the Congress, to identify and investigate the population-related issues not now being explored by the standing committees, and to direct future population issues to the appropriate legislative committees.

Many of us in the House have benefited from the work the select committee has already accomplished in its short existence. I have followed the activities of the Population Select Committee over the past year with great interest. As a member of the Foreign Affairs Subcommittee on International Development, I was particularly impressed with the select committee's report on population and development assistance and its findings and recommendations concerning the Agency for International Development's population assistance program.

Population planning programs have helped the developing nations to economize. Indeed, the link between population growth and food problems is clear. Estimates indicate that increased population and increased per capita income will call for an increase in food output of at least 4 percent per year during the next two decades, a rate not achieved in the last two decades.

We know too little about those factors underlying the dynamics of population change, and their relation to other related global problems.

Mr. Speaker, I believe that this select committee is making a major contribution to our knowledge in these areas and can significantly assist the Congress in formulating both our domestic and our foreign policy. Accordingly, I urge my colleagues to support the Population Select Committee's reconstitution.

□ 1800

Mr. BEILENSON. Mr. Speaker, I yield 5 minutes to the gentleman from Connecticut (Mr. Dodd).

Mr. DODD. Mr. Speaker, I would hope not to take the 5 minutes. Many of the arguments I would raise here on this particular resolution I raised on the previous resolution before the House. However, I think there has been some misconception with regard to my opposition to both of these resolutions constituting these two select committees. Let me say at the outset that the gentleman from New York (Mr. Scheuer) and the gentleman from Illinois (Mr. Erlenborn), the ranking minority member, and others, who have served on this particular committee, have done an exemplary job in dealing with the issue of population.

Second, I do not believe there is one Member of this body who does not believe tha the issue of population is one of the most important issues that faces all mankind. My opposition to the reestablishment of this select committee is not based on the issue of whether or not the question before the select committee is an important or unimportant issue. On that question there should be no debate. This is a monumental question. The question really revolves around the issue of how this issue should be dealt with by this body. And on that particular point, I do object to the idea that we should establish a select committee that only has oversight jurisdiction and responsibility to deal with an issue that requires and needs some legislative responsibility as well.

There are some 11 standing committees of this particular Congress that can claim jurisdiction over the issue of population. It would seem to me that if we are truly interested in not only conducting the oversight, the data collection, looking at the problems of population that affect not only people in this country but throughout the world as well, we would also want to have that particular committee be in a position where, legislatively, it can deal with that oversight problem.

When you separate oversight responsibility from legislative responsibility you dilute and minimize the possibility of dealing with that issue effectively. So, what I am suggesting to my colleagues today is that the vote that my colleagues cast on whether or not we ought to reestablish this committee is not a vote as to whether or not they believe that population is an important issue that ought to be addressed by this Congress, but whether or not the vehicle we choose, a select committee or standing committee, is the proper way to deal with this issue.

I quoted before a statement by the chairman of the Committee on the Judiciary when talking about the question of the establishment of select committees. At that time, in 1977, Chairman Rodino pointed out that, when we establish a select committee, we squander, in a sense, the responsibilities of the standing committees that ultimately are going to have to conduct the oversight anyway, before they deal with legislative matters that pertain to that particular issue.

So I would urge my colleagues today, when considering this issue, your vote is not on whether or not we ought to have a committee dealing with the issue of population but, rather, how we ought to intelligently and thoroughly deal with the problem of population. That is really the issue before the House today, not the question of whether or not we support or do not support one of the most important issues that face all of us, as I said before, not just in this country but throughout the world.

Mr. NEAL. Mr. Speaker, will the gentleman yield?

Mr. DODD. I yield to the gentleman from North Carolina.

Mr. NEAL. Mr. Speaker, I have listened to the gentleman's argument with a great deal of interest. On the question of jurisdiction being spread among a number of committees, it seems to me that we face this problem often, most often—as a matter of fact, quite often—and by setting up a select committee we are really not making that problem any worse. If, as the gentleman says, the jurisdicion of this problem rests with eleven committees, if one committee were to make a legislative proposal which would cross committee jurisdiction, we would run into the same problem we have now.

Mr. DODD. There is a very simple solution to this problem. Under clause 3(a) of rule X of the House, we can consolidate oversight functions. We have done that in the past. A simple amendment to that rule will allow for consolidation of all of the various problems that come up with the issue of population under one standing committee and allow them to deal with it thoroughly.

□ 1805

Mr. NEAL. If the gentleman would yield further, I have just one other comment. Also on the question of economy, it does not seem to me that one proposal, the proposal of using this particular rule the gentleman refers to, is any more economical than the system we are using by setting up these select committees.

Mr. DODD. I have not raised the issue of economics. I am not objecting to this because of x thousands of dollars or x

staff members. I think that is a specious, demagogic argument.

Mr. NEAL. The question has been raised.

Mr. DODD. I would not raise that argument.

Mr. BAUMAN. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise in opposition to this resolution. When it was before the House last it received 147 votes against, to 258 in favor, which is a substantial number of Members who had questions about the need for this committee. The gentleman from Connecticut (Mr. DODD), with whom I agree in this instance, and on the general principle of the proliferation of select committees in the House, has well stated the major issues. But, I think we ought to zero in on this particular committee.

Is this committee necessary? This particular committee was first authorized September 28, 1977, and it has no expiration date. The resolution before us will allow it to continue for the full 2 years of this Congress. This will mean that by the time this committee expires, after 3 years and 3 months of life, it will have existed for more time than all but 7 of the 37 select committees that have been created by this House since 1947.

I think the Members ought to realize that the select committee was given $750,000 to operate last year. It is requesting another $750,000 this year, with a slight increase for inflation. In fact, I am informed by staff that, not wishing to fall behind in the program of legislative activity in the House, the House Administration Committee may be meeting at this very hour, discussing the possibility of funding this resolution—prejudging, perhaps, the outcome of the vote on this particular matter.

The committee has 30 staff people, which is a rather large number, larger than, for instance, two standing committees of the House.

I think we have to raise the question of whether or not it has effectively met the test for the establishment of select committees which was laid down by the Subcommittee on Rules and Organization of the House only last year. Let me describe that test briefly. First, does the select committee deal with a major issue? I guess we have to accept that it does.

Mr. DAVIS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from South Carolina.

Mr. DAVIS of South Carolina. The Accounts Subcommittee is not meeting at this very hour.

Mr. BAUMAN. The gentleman stands corrected. Certainly, it could not meet without the gentleman from South Carolina. There is no way it could conduct its business.

The second test to apply is whether the present committee system addresses the issue effectively. The gentleman from Connecticut pointed out that 11 different committees deal with this issue. For instance, the matter of immigration has been handled by the Judiciary Committee, and handled extensively.

Third, does it have defined and clear objectives? If we read the committees final report for the 95th Congress it is apparent that it does not.

Fourth, is the inquiry expected to produce clearly stated aims? This committee does not expect to produce anything but reports.

Fifth, does it have a definite length of time for the committee's existence? No, as far as I know this committee will go on as long as it is able to achieve a majority of the votes in this House.

The SPEAKER pro tempore. The time of the gentleman from Maryland has expired.

Mr. BAUMAN. Mr. Speaker, I yield myself 1 additional minute.

The real question is whether we are going to remove the legislative fiefdoms, that add to proliferating staff. Space problems arise because of committees such as this, and they burden Members because they multiply assignments.

I just do not think the reestablishment of this committee is necessary. Sooner or later, we have to apply those standards that we supposedly apply to executive agencies. It is time to cut the number of committees on Capitol Hill.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I would like to point out that we have just established a Selection Commission on Refugee and Immigration Policy on which we have named four Members of the House of Representatives and four Members of the other body. This Commission is likewise going to be concerning itself with the problem of refugee and immigration policy.

☐ 1810

I would also like to point out that in my discussions with representatives of developing nations, I found that it is a very, very sensitive subject when one discusses population control and undertakes to advise them with regard to methods of family planning and controlling population in their country.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Speaker, I rise in support of the resolution establishing the Select Committee on Population. As a member of the select committee during the last session of the 95th Congress, I believe that not enough time was allotted for some of the important work that was begun last year. I believe that the select committee should be reconstituted for 2 years so it may complete its investigations.

When the Select Committee on Population was first established, some Members of the House were concerned that the select committee would become just another forum for the protracted abortion debate. However, the members of the select committee adopted a policy at the outset not to discuss the abortion issue per se. This policy was strictly adhered to, and thus a potentially divisive experience was avoided, and we were able to work in harmony.

On the other hand, the Select Committee on Population was forthright in dealing with the issue of preventing unwanted pregnancies—one of the best alternatives to abortion. The members of the select committee unanimously supported increased Federal efforts in the area of family planning services to help avoid unwanted pregnancies in the first place. The select committee also supported the legislation which provided funds for programs to help pregnant teenagers who decide to have their babies.

The select committee conducted an investigation of the status of family planning programs in America today, and it also investigated the issues involved in the provision of natural planning services. In addition, the select committee has studied the availability of and need for Federal reimbursement for services designed to meet the problems of infertility.

Finally, I would like to point out the way the select committee worked closely with and actively solicited the views of both pro-life groups and family planning groups. I found this approach to be honest and productive.

While I have not personally agreed with all of the select committee's conclusions in some aspects of its work, I do believe it is necessary that the select committee have adequate time to continue its important work.

I strongly urge my colleagues to vote to reconstitute the Select Committee on Population.

Mr. BAUMAN. Mr. Speaker, I have no further requests for time at this time.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the gentlewoman from New York (Ms. HOLTZMAN), for purposes of debate only.

Ms. HOLTZMAN. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I think the issue of population is certainly an important one. With regard to immigration matters, however, I am concerned about whether this select committee will really make any original or important contribution to the House of Representatives as a legislative body that will not be made otherwise.

Simply speaking, the work of this committee, to the extent that it deals with immigration matters, will be wholly duplicative of the work of the Subcommittee on Immigration, Refugees, and International Law. I do not know that we can justify, in these days of tight budgets, duplicative work of committees of the House of Representatives. Indeed, there are so many pressing and important issues to be examined that it can hardly be justified to have Members' time spent in going over the same issue.

Mr. Speaker, I can assure this Congress that the Subcommittee on Immigration, Refugees, and International Law is concerned deeply with the issue of immigration, is concerned deeply with the question of the effectiveness of the Immigration and Naturalization Service, and will work hard to insure a vigorous and effective policy with regard to immigration.

Second, I would remind the Members of the House that under a law adopted last year we now have a Select Commission on Immigration Policy, with Members representing the House of Representatives and the Senate as well as members from the executive branch and the private sector.

So we already have standing congressional committees in both bodies with jurisdiction over immigration, and now we have a select committee as well. How, then will the work of this Select Committee on Population in any way make an original contribution?

□ 1815

I should also point out that the work of this select committee last year covered many, many areas of immigration policy, and I am not sure whether there is any other contribution that they can make to this matter. I would say further that in private discussions with the chairman of this proposed committee I understand that the major focus of their effort is going to be on immigration policy. In view of the active work by standing committees both in this body and in the other body with regard to immigration matters, the select committee seems to be wholly duplicative and unnecessary.

Parenthetically, I would note that there is nothing explicitly within this authorizing resolution itself that even mentions the word "immigration" and, nonetheless, the work of this committee would be devoted largely to it.

I find it regrettable that this important issue of population has now become an issue of immigration and that the select committee will be engaging in actions that are duplicative of the work of another committee of this Congress.

Mr. Speaker, I yield back the remainder of my time.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. Mr. Speaker, I want to make several points briefly in support of reestablishing this Select Committee on Population. First, it may well be true that the several standing committees in the House with partial jurisdiction over this matter could have made these studies, or studies that the committee will make in the coming year or so. The fact is they did not, and I doubt very much if they would have, at least in a planned and comprehensive way the focus of which is population in its various aspects. I doubt very much if it would have been done except through a select committee concentrating on the matter.

Second, as to the quality of the reports and the work being done: I am one of the Members who has read these half dozen reports, and from the background of having done research on this subject myself and directing numerous studies, and having taken part in international U.N. conferences on population, I regard the reports to be of good quality, well researched, carefully planned, developing conclusions and recommendations of considerable importance. So as to the quality, which after all is the main thing, I find the work of this committee to be promising and good.

The final point: The committee has had about a year to do its work. I think originally we had thought of 2 years. I, therefore, see much good sense in continuing this for another year or two. I would hope very much that the committee would finish its work in that space of time because I do not think select committees should go on and on and on, even though the problems that they address do happen to go on and on and on.

I would hope, further, that the committee before it winds up its work would spend a little time figuring out how the results of what it has been doing can then be transferred to a number of existing committees so that they can spend some time in emphasizing population, not just in the context of immigration or some other aspect of it but in terms of the whole set of problems that we call the population problem.

I would close with the hope, Mr. Speaker, that the committee before it finishes really spends some time and reports to all of us how this attention to population can be continued through the existing committees that we have.

□ 1820

Mr. BEILENSON. Mr. Speaker, I yield 2 minutes to the gentleman from Hawaii (Mr. AKAKA).

Mr. AKAKA. Mr. Speaker, I rise in support of House Resolution 38. I had the privilege of serving on the Select Committee on Population in 1978 and am proud to have been associated with its work.

The select committee was able to provide the Congress with a unique perspective on the Federal role in planning for growth and decline in the United States.

The population is changing in ways previously unexpected which was taken into consideration in the formation of population policy.

During hearings held by the select committee's task force on the domestic consequences of U.S. population change, two significant demographic trends were explored;

First, the changing age composition; and

Second, the changing geographical distribution of our population.

Since becoming a State 20 years ago, Hawaii has undergone tremendous social and economic change due primarily to the increase in population. We are being faced with generating enough jobs, food and social services to maintain this population.

Realizing the need for proper planning, Hawaii became the first State to adopt and implement a plan for the long-range development and management of population.

The committee called together and met for the sake of exchanging information. The most knowledgeable experts not only of our country but of foreign countries faced with serious population problems.

Such a growth management program is not only critical for a State like Hawaii, but is important for all areas of the country undergoing population change.

These are issues which the Congress must deal with in the year ahead. I believe that the Select Committee on Population has already made a considerable contribution to our understanding of the problems associated with population change, and I look forward to its further explorations in these areas.

I urge my colleagues to support passage of H.R. 38 to reestablish the Select Committee on Population. This select committee has been a catalyst which has brought about coordination of administrative agencies and implementation of population related programs. As an example, the select committee has worked closely with the Subcommittee on Health and the Environment (Education and Labor), on adolescent pregnancy initiative, assisted title X and family planning program, advised Committee on Foreign Affairs or foreign population issues, added a section on population education to the Elementary and Secondary Education Act with Committee in Education and Labor.

Mr. BEILENSON. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. LELAND).

Mr. LELAND. Mr. Speaker, I rise in support of reconstitution of the Select Committee on Population. Because I am a freshman, I, of course, could not monitor the committee's activities last year. However, I have looked through the volumes of the committee reports and have been impressed with the importance of the issues researched and with the scope and depth of the findings and conclusions.

I found many areas of special interest to me.

As a pharmacist and long-time advocate for health care, I found the select committee's investigation of family planning services in the United States very relevant to the work I expect to be doing as a new member of the Commerce Subcommittee on Health and the Environment.

As cochairman of the newly organized black/hispanic coalition and a resident of Texas, I paid special attention to the report of documented and undocumented immigration, and I look forward to following the select committee's expanded studies concerning the impacts of immigration. The data generated by these studies would seem to be particularly useful as we approach the 1980 census.

I am also interested in the select committee's investigation of how the Federal Government can more effectively plan for population change and its consequences. It appears likely that the findings could result in savings of millions of tax dollars—tax dollars that would most likely be wasted if we do not establish a mechanism for systematically planning for population change in all policy areas.

In this time of belt-tightening, I understand the concerns of my colleagues about proliferation of select committees. However, I have been convinced that population—in all of its varied and critical dimensions—cannot be adequately explored by the standing committees of the Congress at this time.

Therefore, I urge my colleagues to vote for House Resolution 38.

Mr. BEILENSON. Mr. Speaker, I yield 1 minute to the gentleman from Puerto Rico (Mr. CORRADA).

Mr. CORRADA. Mr. Speaker, I rise in support of the resolution which provides for the reestablishment of the Select Committee on Population.

As a member of this committee, I can attest as to its accomplishments during the 95th Congress and the important role it had and should continue to have in the area of population matters.

The many days of hearings and the various reports that were prepared by the committee, resulted in a detailed analysis of the social, economic, and political ramifications of uncontrolled population growth.

The committee has conscientiously and professionally examined such areas as the relationship between population growth and economic development, job creation, equitable patterns of food distribution and consumption, community participation and attacks on poverty, to name only a few.

It is also important to note that the committee stayed away from the abortion issue. I believe that abortion should not be considered as a viable method of birth control or family planning.

Although the committee has effectively dealt with broad and complicated matters, many issues remain to be closely scrutinized. The committee's staff is composed of competent and dedicated professionals, most of whom are experts in their fields.

The United States must be among the leaders in providing solutions to the problems of global population growth. I urge my colleagues to vote favorably on this resolution, so that the important work of this select committee may continue.

□ 1825

Mr. BEILENSON. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Speaker and my colleagues of the House:

There are two fundamental questions that face civilization for the balance of this century. One is, can we keep the nuclear genie in the bottle and not have it explode on us. The second, one which relates to the first, is this delicate balance between food and population. Can we successfully stop this precipitous incline in population growth and get the food resources to match the population that the world has.

It is very easy getting involved in social security cases and black lung cases and all the problems that face us day to day, from election to election, to ignore the fundamental problems. I think we have been fortunate in the House to have a select committee that looks at one of those fundamental problems.

I want to pay tribute to our colleague from New York (Mr. SCHEUER) and my colleague from Illinois (Mr. ERLENBORN) for the leadership they have provided along with the superlative staff in giving us the chance to take a look at this fundamental question. It would be penny-wise and pound-foolish for us to continue to look at the minutia but to fail to look at the very fundamental problems that this Nation and this civilization face.

I am pleased and proud to be here in support of the select committee.

● Mr. PEPPER. Mr. Speaker, in recognition of the overwhelming need for a rational approach to meet the needs of the predicted explosion of our elderly population, I am pleased to be recorded as supporting House Resolution 38 as introduced by my distinguished colleague from New York (Mr. SCHEUER). This legislation will provide for the reestablishment of the Select Committee on Population under Mr. SCHEUER's outstanding leadership.

During my service as chairman of the House Select Committee on Aging, it has become abundantly clear to me that we must improve the ability of the Congress to anticipate potential problems resulting from economic, social, and political changes that will occur in the population over the next 50 years. If present trends continue unabated, by the year 2025 the population of over 65'ers will more than double.

A careful examination of population variables is extremely important for policymakers today and in the future. We must be aware of the underlying features of our Nation's population—its age structure, its longevity, sex composition, marital status, family relationships, and geographical distribution—and seek more information on these topics to insure that policies are appropriate, timely, and effective.

Since its creation 2 years ago, the Select Committee on Population has demonstrated its ability to assist the Congress, and so the American people, in understanding population problems when planning for the future. Last year, the Select Committee on Aging joined the Select Committee on Population in sponsoring a hearing to determine the status of the elderly population today and to evaluate the projections of the future elderly population and their future needs. We learned that our elderly population is not only growing in size, but also the older and more dependent segments of the population are growing most rapidly. Other social changes have accentuated the need to reevaluate the adequacy of services for the elderly, both today and in the future.

Mr. Speaker, it is appropriate and timely that the Congress reestablish the Select Committee on Population. Last December, the United Nations approved a resolution calling for a World Assembly on Aging by the year 1982 for the purpose of exploring solutions for alleviating problems unique to elderly populations worldwide. As author of House-passed legislation calling for this United Nation's action on aging, I believe that all countries have much to gain from such an international forum. Certain countries are more advanced than others in meeting the income maintenance, health care, housing, and social service needs of their elderly populations. We can all benefit from an exchange between policymakers, from many lands, in our effort to improve the lot of elderly people throughout the world.

For this reason, I would hope to continue a close working relationship with the Select Committee on Population as preparations for the World Assembly on Aging get underway. I urge the expeditious enactment of this legislation.●

Mr. BEILENSON. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced the ayes appeared to have it.

Mr. DODD. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 187, nays 214, not voting 31, as follows:

[Roll No. 49]

YEAS—187

Addabbo
Akaka
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Ashbrook
Ashley
Barnes
Bedell
Beilenson
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Bolling
Bonior
Brademas
Brinkley
Brooks
Brown, Ohio
Broyhill
Buchanan
Burton, Phillip
Carter
Chisholm
Clay
Cleveland
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corman
Coughlin
Courter
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Diggs
Dixon
Dougherty
Downey
Drinan
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
Emery
Erdahl
Erlenborn
Ertel
Fary
Fenwick
Findley
Fish
Fisher
Florio
Foley
Ford, Tenn.
Fowler
Frenzel
Frost
Garcia
Gephardt
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gray
Green
Hall, Ohio
Hammerschmidt
Hanley
Hawkins
Heckler
Hefner
Heftel
Hillis
Holland
Hollenbeck
Horton
Howard
Ireland
Jenrette
Johnson, Calif.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Leland
Lent
Levitas
Lewis
Lloyd
Long, La.

Long, Md.
Lowry
Lujan
Lundine
McCloskey
McCormack
McEwen
McHugh
McKinney
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mikulski
Mineta
Mitchell, Md.
Moakley
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Neal
Nowak
O'Brien
Oakar

Ottinger
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Railsback
Rangel
Reuss
Roe
Rose
Rosenthal
Rostenkowski
Sabo
Sawyer
Scheuer
Seiberling
Sensenbrenner
Simon
Skelton
Smith, Iowa

Solarz
Spence
St Germain
Stewart
Stockman
Stokes
Stratton
Tauke
Thompson
Traxler
Van Deerlin
Vanik
Vento
Walgren
Walker
Wampler
Waxman
Weaver
Weiss
Whitley
Wilson, Tex.
Wolff, N.Y.
Wolpe, Mich.
Wright
Wydler

NAYS—214

Abdnor
Albosta
Applegate
Archer
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Benjamin
Bennett
Boland
Boner
Bonker
Bouquard
Bowen
Breaux
Brodhead
Broomfield
Burgener
Burlison
Burton, John
Butler
Byron
Campbell
Carney
Carr
Cavanaugh
Chappell
Cheney
Clausen
Clinger
Collins, Tex.
Corcoran
Cotter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dornan
Duncan, Oreg.
Early
Edwards, Ala.
Edwards, Okla.
English
Evans, Ind.
Fascell
Fazio
Fithian
Flippo
Ford, Mich.
Fountain
Fuqua
Gaydos
Giaimo
Goldwater
Goodling
Gradison

Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hance
Hansen
Harkin
Harris
Harsha
Hightower
Hinson
Holt
Holtzman
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Jeffries
Jenkins
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Livingston
Loeffler
Lott
Luken
Lungren
McClory
McDade
McDonald
McKay
Marlenee
Marriott
Martin
Mazzoli
Mica
Michel
Mikva
Miller, Ohio
Minish
Mitchell, N.Y.
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Natcher

Nedzi
Nelson
Nichols
Nolan
Oberstar
Obey
Panetta
Pashayan
Paul
Quayle
Rahall
Ratchford
Regula
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Roybal
Rudd
Russo
Santini
Satterfield
Schroeder
Schulze
Sebelius
Shannon
Sharp
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Studds
Stump
Swift
Symms
Synar
Taylor
Thomas
Trible
Ullman
Vander Jagt
Volkmer
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Winn
Wirth
Wyatt
Wylie
Yates
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

NOT VOTING—31

Alexander
Ambro
Beard, Tenn.
Brown, Calif.
Conyers
Crane, Philip
D'Amours
Deckard
Evans, Del.
Evans, Ga.
Ferraro

Flood
Forsythe
Gibbons
Hopkins
Jeffords
Madigan
Mathis
Miller, Calif.
Pepper
Rhodes
Richmond

Rodino
Runnels
Spellman
Staggers
Treen
Udall
Wilson, C. H.
Yatron
Young, Mo.

☐ 1840

The Clerk announced the following pairs:

Mr. Pepper with Mr. Young of Missouri.

Ms. Ferraro with Mr. Conyers.

Mr. Staggers with Mr. Runnels.

Mr. Richmond with Mr. Miller of California.

Mr. Flood with Mr. Gibbons.

Mr. Rodino with Mr. Udall.

Mr. Ambro with Mr. Brown of California.

Mr. Mathis with Mr. D'Amours.

Mr. Charles H. Wilson of California with Mr. Yatron.

Mrs. Spellman with Mr. Evans of Georgia.

Mr. TAUKE and Mr. JENRETTE changed their vote from "nay" to "yea."

So the resolution was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1845

GENERAL LEAVE

Mr. BEILENSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT ON CLUSTERING OF VOTES TOMORROW AND ON LEGISLATIVE PROGRAM FOR NEXT WEEK

(Mr. MICA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICA. Mr. Speaker, on behalf of the majority leader I wish to advise the House that on tomorrow, votes which may be ordered on the series of eight House committee funding resolutions will be clustered at the end of debate on all egiht resolutions.

Mr. Speaker, I wish to notify the House that on Monday next, March 26, the House will consider under suspension of the rules the bill H.R. 2277, FAA research and development authorization for fiscal 1980. On Tuesday next, March 27, the House will consider the following two bills under suspension of the rules: H.R. 2301, technical correction amendment to District Courts Improvements Act; and H.R. 3091, 1-year extension of State legislators tax treatment.

OPPOSITION TO REORGANIZATION PLAN TO TRANSFER CERTAIN FUNCTIONS FROM USDA

(Mr. WATKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. WATKINS. Mr. Speaker, I rise as chairman of the Congressional Rural Caucus to submit a resolution declaring the transfer of the Forest Service and the Farmers Home Administration business and industrial program from the U.S. Department of Agriculture through executive reorganization to be unacceptable.

The USDA administers a well-integrated array of programs, to enhance—and protect American agriculture, and the viability of rural America. The Forest Service and other USDA agencies have done an outstanding job of enhancing and protecting the Nation's renewable natural resources on public and private lands. The business and industrial program of the Farmers Home Administration is a critical element in the USDA's program for the economic development of rural America.

The USDA has performed its functions well since the administration of President Abraham Lincoln. We all rely on the USDA—whether we are from rural areas or urban areas, whether we are farmers or consumers. A strong and vigorous agricultural economy, an abundance of food and fibre at reasonable prices, a thriving network of rural communities across this great Nation are essential to the future of this country and its way of life.

Therefore, Mr. Speaker, we cannot stand by while the Cabinet-level Department of Agriculture is stripped of some of its vital functions in the false name of efficiency. We certainly are not opposed to reorganization of agencies if that reorganizataion is logical and will result in efficiency.

However, it is not logical to dismember the USDA when it is serving the people it is supposed to serve. We do not believe the administration is fulfilling its responsibility to serve all the people when it proposes a reorganization plan such as this. In short, this plan is a wolf in sheep's clothing.

In 1972, Congress mandated that USDA give assistance and direction to rural development and expanded Farmers Home Administration to include the business and industrial program because of its successes. FmHA has a developed network of county and district offices across this country that bring its programs close to the local people, close to the people it serves, close enough to understand rural problems and rural needs. There is no other Government agency responsible for development loans that can match FmHA's delivery system.

Rural America has long been called the backbone of America. Sitting in this House are approximately 300 Members representing districts that are 50 percent or more rural. In those rural areas, the food for 215 million people is produced and harvested—the only potential resource, this country has for offsetting our trade deficit.

Rural America is wide open spaces, children who can roam free, green grass and blue skies—and, Mr. Speaker, it is hard work. Rural people do not want the Government to provide their lives for them—but they do want, and should get, fair and equal treatment. They want a fair shake. That is what we are asking today.

Although agriculture still is the mainstay of our rural areas, the rural economy is having trouble providing sufficient job opportunities and millions of rural residents have migrated to the urban centers. This only contributes to the problems our cities are having and weakens our smaller communities even more.

Congress gave USDA the lead in rural development because the other Federal departments and agencies were not responsive to rural needs. Now, we are being asked to sit quietly by while the role of the USDA is downgraded and our rural citizens are told they are indeed second-class citizens.

The administration budget proposed earlier this session devoted far more money to urban problems than it did to rural problems. I am personally concerned that the business and industrial program will take on an urban role if it is transferred to the Economic Development Adminstration and rural America will again take a back seat.

Mr. Speaker, this reorganization plan is not in the best interests of rural America or the rest of the country.

□ 1510

REORGANIZATION OF ECONOMIC DEVELOPMENT ADMINISTRATION

(Mr. HAMMERSCHMIDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. HAMMERSCHMIDT. Mr. Speaker, I want to associate myself with those remarks made earlier by my friend, WES WATKINS, chairman of the rural caucus, on reorganization of EDA.

I also wish to express my concerns about the President's announced plans to transfer the Farmer's Home Administration's business and industrial loan program and SBA's local development loan program to the Economic Development Administration.

As ranking minority member of the Economic Development Subcommittee, I have been an active supporter of the EDA programs. In this capacity, I will continue to work to strengthen these programs, which are so vital in establishing economic stability in local communities. Having been a firsthand observer of what the traditional EDA programs can do, I was pleased that the President discarded a previous plan to shift a number of economic development programs to HUD. Such a plan would have, in my opinion, decreased flexibility of the existing programs and may have created a barrier toward providing a balanced economic development program throughout the country.

On the other hand, I have reservations about shifting FmHA's business and industrial and SBA's 501 and 502 loan programs to EDA. Both of these agencies have a proven record of service to rural communities. They are respected and they have a delivery system already in place. Local businessmen and communities in need of this assistance, know where to go to get help. It works—Why do we need to change it? We do not yet know the administrations actual proposal and will not until around the 1st of April. I do plan to examine it with an open mind but to me the burden of proof is on the White House. Until they make their case I continue to oppose the transfer of these programs.

I have seen no indication that their transfer will impove them. In fact, people who are familiar with them express concern that the indecision regarding reorganization is leading to confusion and uncertainty in their efforts to obtain these badly needed loan programs.

Economic development is vital to strong local communities and the Nation's well-being. We should move forward in this field—not spend idle hours moving the pieces and ignoring the programs which benefit the people.

□ 1520

WE SHOULD BE STRENGTHENING THE FUNCTIONS OF THE DEPARTMENT OF AGRICULTURE

(Mr. BROYHILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROYHILL. Mr. Speaker, I rise at this time to speak in support of a resolution that has just been introduced by my colleague, the gentleman from Oklahoma (Mr. WATKINS) expressing concern over the President's action that would dismantle certain functions of the U.S. Department of Agriculture. It seems to me that what we should be doing is strengthening the functions of the Department of Agriculture. The USDA is in danger of dismemberment to a point that its capabilities to assure the production and marketing of food, fiber, and forest products that are so basic to life itself, are in jeopardy. I would urge that the Members support the resolution that has been introduced by myself and the gentleman from Oklahoma (Mr. WATKINS).

DEPARTMENT OF AGRICULTURE SHOULD BE PRESERVED AS STRONG ADVOCATE OF RURAL AMERICA

(Mr. JONES of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. JONES of Tennessee. Mr. Speaker, I would like to express my support of the congressional rural caucus resolution regarding the preservation of the Department of Agriculture as a strong advocate of rural America. I believe it is imperative that we reject the President's proposed reorganization plan to remove the Forest Service and the business and industrial loan program from UDSA's jurisdiction.

There are numerous reasons to leave these programs at the Department of Agriculture. To say that the proposed plan will make Government more efficient is a weakly substantiated argument in my opinion. I feel that the Forest Service aand the B. & I. loan program have been highly successful in their efforts to augment programs that contribute greatly to the well-being of rural America and the rest of the Nation. To say that these services will be rendered just as well under the direction of different departments cannot be proved. However, it is known that the Department of Agriculture has obtained excellent results through their endeavors with both the Forest Service and the B. & I. loan program.

The rural community is an important segment of our society, and it deserves services equal to the services it provides the Nation. The Department of Agriculture is familiar with the needs of rural inhabitants. To carve such a large part of its jurisdiction away on unfounded precepts would cripple its ability to act as well as create bureaucratic havoc. Frankly, I can see where some people might think that reorganization looks good on paper. However, the present plan ignores practical solutions for the problems we have in favor of idealistic concepts. The Forest Service has been doing a highly commendable job of preserving both private and public lands and the B. & I. loan program has made it possible for rural communities to prosper from economic development which would have otherwise been stalled. To be realistic, I am not saying that all is perfect at USDA. However, I do feel that it would be an easier task, and I might add, more practical, to correct the problems there than to simply reshuffle these two programs to different departments.

The Forest Service has been a paramount force in maintaining and developing our renewable natural resources. The administration persists that it will be more effective under a new Department of Natural Resources. However, I doubt seriously that this will be the case. To consolidate the Forest Service with the programs Interior has would probably spur department infighting and destroy the beneficial system of checks and balances that USDA and Interior have at the present time. Under such circumstances, it is obvious that the Forest Service would suffer. Indeed, if one were to expect the very best of the proposed plan, the final outcome would probably reflect little progress from that already realized under the present system. The quality of work the Forest Service provides through USDA's guidance is exemplary. Why do we want to take a chance on reorganization when the facts indicate that USDA has done such a good job?

The business and industrial loan program has encouraged much needed development assistance to rural communities. It has stimulated economic growth in areas that had received little attention in the past. In the State of Tennessee, the fruits of the B. & I. loan program are notably evident. During 1978, 4,154 jobs were saved and 1,581 jobs were created in distressed areas exhibiting characteristics of low income and high unemployment; 5,149 jobs were saved, and 3,495 jobs were created in nondistressed areas. This has been a significant factor in Tennessee's economic growth, and it is important that the Farmers Home Administration be allowed to continue this good work through the B. & I. loan program. The Farmers Home Administration, in conjunction with USDA, has the knowledge and the experience in administering this program. Its delivery systems are among the best. I believe that it would be foolhardy to move such a successful program under these circumstances. The Farmers Home Administration knows the problems of the rural communities. There is no guarantee that such understanding would exist if the B. & I. loan program is taken from FmHA and the Department of Agriculture. Indeed, I believe it would have a detrimental effect on this program and would diminish its accomplishments. USDA should continue to have jurisdiction over the B. & I. loan program so that the continuity of excellence will not be interrupted.

We cannot allow the Forest Service and the B. & I. loan program to be moved from USDA if we desire to see the needs of the rural areas fulfilled. Those people out there in rural America do not need to be the guinea pigs of OMB's reorganization plan. I cannot see that tampering with a proven system is in the best interest of the people, or the Government for that matter. The rural community needs an advocate versed in its own special problems. The Department of Agriculture serves this function well, and I would like to urge that we act to preserve it.

MEMBERS URGED TO OPPOSE MISLEADINGLY LABELED "SOFT DRINK INTERBRAND COMPETITION ACT"

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WEISS. Mr. Speaker, the soft drink industry has again persuaded some of our colleagues to reintroduce the Soft Drink Interbrand Competition Act, a bill packaged as pro-competition, pro-consumer legislation which requires "prompt action" to "protect" hundreds of small businesses. What is necessary, however, is a careful, deliberate scrutiny of this special interest proposal before taking what may be unfair and arbitrary action which will in great measure exempt this industry from antitrust standards, and quite possibly inflate consumer prices—solely for the benefit of some of the largest and most profitable corporations in America.

A short summary of the history of this bill will help place it in some perspective:

> In 1971 the Federal Trade Commission (FTC) filed a complaint against the seven largest manufacturers of soft drinks alleging that their exclusive territorial franchises, coupled with what is known as "piggy-backing" (a system whereby a "coke" or "Pepsi" distributor, for example, owns or controls distribution in an area of seemingly unrelated and competitive soft drink products such as "Welch's" or "True-Ade") were anti-competitive and violative of the antitrust laws. After lengthy administrative litigation, the FTC eventually decided that such arrangements were anti-competitive and ordered a break-up of the territorial franchises. The industry took an appeal to the federal courts, where the case is now pending in the circuit court of appeals.
>
> Within six months of the original FTC complaint, the industry came to the Congress seeking an exemption from the antitrust laws. Then in the 94th Congress, the industry sought yet a different legislative test, that being a "rule of reason" rather than "per se" standard. Now, after the FTC has in fact used the "rule of reason" test in its ruling, the industry seeks yet another standard, to be found nowhere else in antitrust statutes.

This bill is unwarranted and directly contrary to the public interest. As is obvious, territorial monopolies preclude price and service competition between similar brands, insuring artifically high prices and high profits. Grants of such territorial monopoly treatment happily have been severely limited over the years to a very few industries; for example, telephone, and even those instances are now on the decline. Yet, we are now asked to create another—the soft drink industry.

This is not small business legislation. This bill would shield the largest "Coke", "Pepsi" and "7-Up" manufacturers and bottlers, and give little, if any, market share protection to the supposed beneficiaries—small bottlers, passage of this bill will not guarantee survival of the small "Mom & Pop" local bottlers; indeed, this is an industry whose members have been shrinking under the present exclusive territorial market conditions, a decline which is, according to the president of "Coke," likely to continue regardless of passage of this legislation.

This is not consumer legislation. It is a measure clearly designed to maintain the current inflated pricing structure in the soft drink industry for the benefit of a few, at a cost to many. In previous Congresses, this bill was opposed by the Department of Justice, FTC, Consumers Union, Consumer Federation of America, and Congress Watch, to name just a few such organizations,

Finally, this is not proper legislative procedure. The Federal Trade Commission was specifically created to deal with antitrust situations. The Federal judiciary, in our system of checks and balances, is available for review of such agency action, and such a review is now underway in this very case. Only in instances of the most serious disregard for the public interest should special interest legislation such as this ever be considered, and certainly not in the middle of the appellate process.

For all of these reason, I urge my colleagues to oppose this misleadingly labeled "Soft Drink Interbrand Competition Act."

The detailed factsheet from the FTC follows:

FTC DECISIONS CONCERNING TERRITORIAL RESTRAINTS ON BOTTLERS OF COKE AND PEPSI

In April, 1978, the Federal Trade Commission issued final orders and opinions in two companion cases, the *Coca-Cola Company*, Docket No. 8855, and *Pepsi Co., Inc.*, Docket No. 8856. In the opinions, the Commission held that for the most part the territorial restraints imposed by Coke and Pepsi on their bottlers were anticompetitive and in violation of Section 5 of the Federal Trade Commission Act. The Commission's decisions, which are not final until they are reviewed, are now before the Court of Appeals for the District of Columbia. Until the judicial review process is completed the Commission's orders have no effect.

BACKGROUND—THE SOFT DRINK COMPANIES AND THEIR BOTTLERS

The Coca-Cola Company (Coke) and Pepsi Co., Inc., (Pepsi) market most of their soft drink products by selling soft drink syrups and concentrates (syrup) to independent bottlers. The bottlers usually add carbonated water to the syrup and package the soft drinks for delivery and sale at the wholesale level.

The relationship between Coke or Pepsi and most of their individual bottlers is a contractual one. Under the terms of the contracts, Coke's bottlers receive a license to sell Coca-Cola (and Coke's other soft drinks, e.g., Tab); Pepsi's bottlers receive a license to sell Pepsi (and Pepsi's other soft drinks, e.g., Teem). Also under the terms of the contract, the soft drink companies and their bottlers agree to territorial restraints. In other words, the bottlers agree not to operate their business outside specified boundaries. These exclusive territorial restraints prompted the Commission to issue complaints.

THE PROBLEM WITH TERRITORIAL RESTRAINTS

Territorial restraints have economic consequences akin to those of resale price maintenance. In the case of resale price maintenance, manufacturers or producers are able to fix the prices at which their products are sold. The result is that consumers usually end up paying higher prices for the finished product. The same is true with territorial restraints.

When producers and distributors agree among themselves that only one distributor will operate in a given geographic area, the agreement effectively eliminates competition among distributors of the product. Producers and distributors are free to charge retailers higher prices so long as consumers differentiate the product from others. In other words, because of lack of competition among distributors, producers can charge higher prices, and in the end, consumers pay more.

COMMISSION PROCEEDINGS

An Administrative Law Judge (ALJ) first heard the complaint against Coke and ruled that an inquiry into the reasonableness of the territorial restraints was required. During the inquiry, an extensive record was compiled consisting of some 4,000 pages of testimony and more than 4,000 pages of exhibits. Meanwhile, because of the similarity of issues, the parties in the proceeding against Pepsi agreed to let the determination of the reasonableness of Pepsi's territorial restraints rest on the record in the Coke proceeding along with some additional testimony. At trial, representatives of local bottlers were allowed to intervene as parties with full rights to present evidence and arguments and to cross-examine witnesses.

In October, 1975, the ALJ issued simultaneous decisions concluding that neither Coke nor Pepsi violated the law by imposing territorial restraints on their bottlers. This initial decision was vacated by the Commission which heard oral arguments on two separate occasions and then issued its own rulings on April 7, 1978. The Commission decision came on a 2-1 vote with Commissioner Clanton dissenting. Chairman Pertschuk and Commissioner Pitofsky did not participate.

THE COMMISSION'S OPINION

(a) The Commission found that Coke and Pepsi and the parties who joined did not justify the territorial restraints on bottlers in the case of soft drinks packaged in nonrefillable containers such as cans and non-returnable bottles (non-returnables). The Commission concluded that these territorial restraints were unlawfully anticompetitive chiefly for the following reasons:

The territorial restaints prevented the bottlers of Coke from competing among themselves; likewise, they prevented the bottlers of Pepsi from competing among themselves (intrabrand competition);

The territorial restraints prevented the bottlers from expanding beyond their agreed-upon territories thus eliminating potential competition;

The territorial restraints indirectly lessened competition in delivery services of the soft drinks; and

The territorial restraints deprived consumers of the benefits of open intrabrand competition.

(b) The Commission also found that Coke and Pepsi did justify the territorial restraints on bottlers in the case of soft drinks packaged in refillable, returnable bottles (returnables). The Commission concluded that territorial restraints in the case of returnables were not in violation of the law because the restraints are necessary for the bottlers to identify their own bottles for return to the bottling facilities in order to be refilled.

WHAT HAPPENS NEXT

The Commission's rulings are final agency decisions in these adversary litigation matters but the orders are not final until reviewed and sustained on appeal. The Commission's decisions have been appealed by Coke, Pepsi, the bottlers and bottlers' associations. They are now pending in a consolidated proceeding before the United States Court of Appeals for the District of Columbia.

UNANSWERED QUESTIONS CONCERNING APPOINTMENT OF MR. CURRAN AS SPECIAL COUNSEL

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SENSENBRENNER. Mr. Speaker, yesterday Attorney General Griffin Bell announced the appointment of a Special Counsel to look into the Carter peanut warehouse situation. The Attorney General specifically stated that he was appointing a Special Counsel, as opposed to a Special Prosecutor, and in his statement he left a number of unanswered questions.

Today I have written the Attorney General asking for answers to many of these questions, such as whether Mr. Curran will be protected from removal so that he could only be removed for cause, such as whether Mr. Curran would be able to establish his own independent investigative staff, or whether he will have to rely on Justice Department personnel, how far back in time the investigations will be allowed to proceed and also whether the investigation will be limited or whether it will cover proposed violations of banking, security, election, tax, and criminal laws.

We should know who will make the decisions on which areas will be investigated—the Special Counsel or the Justice Department.

Mr. Speaker, at this point I am inserting in the RECORD my letter to the Attorney General. I hope he replies promptly.

The letter is as follows:

CONGRESS OF THE UNITED STATES,
Washington, D.C., March 21, 1979.

Hon. GRIFFIN B. BELL,
Attorney General of the United States,
Department of Justice,
Washington, D.C.

DEAR JUDGE BELL: The appointment of a "special counsel" as opposed to a "special prosecutor" under either the Ethics in Government Act, or by the Attorney General, to investigate the Carer Peanut Warehouse has left many unanswered questions. I hope that the enumerated fears of the Republican members of the House Committee on the Judiciary can be alleviated by giving us your views to the following concerns.

First, what kind of powers will Paul Curran be able to exercise? Yesterday's statement by the Department of Justice seemed to use the words "counsel" and "prosecutor" interchangeably. However, the powers of a special prosecutor under the Ethics in Government Act seem to be quite different from those that will be exercised by Curran as "special counsel." Will his powers be more akin to those of a U.S. Attorney who, as you know, can exercise some independence in conducting prosecutions but is also subject to pressurs from the Justice Department to make sure that there is Washington approval?

Questions have also arisen over the tenure of Curran. Under the Ethics in Government Act, a special prosecutor can be removed only for good cause. There does not seem to be any restriction in your removal powers of Curran.

In order to conduct a good investigation there will have to be an adequate staff and support services. It has not been mentioned from where the staff will originate. Will the staff be composed of Department of Justice employees, or will outside help be hired? Will Mr. Curran be able to choose any of his assistants? How large a budget is the Justice Department allocating for this project? What is the size of the anticipated, if any, staff?

I am also concerned about the scope of the investigation. Will the investigation cover possible violations of Banking, Securities, Election, Tax and Criminal laws and regulations, or will the scope be limited? In addition to the scope of the investigation regarding subject matter, how far back in time will the investigations be allowed to proceed?

Who will make the decisions on which areas to investigate? Will this be left solely to the discretion of the special counsel or will the Justice Department determine those areas?

Your consideration of these questions is appreciated.

Sincerely,
F. JAMES SENSENBRENNER, Jr.,
Member of Congress.

DOMESTIC OIL PRODUCTION POLICY ACT OF 1979

(Mr. LOEFFLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOEFFLER. Mr. Speaker, I am today introducing, for myself and Mr. SATTERFIELD, a bill entitled the Domestic Oil Production Policy Act of 1979.

The purpose of this bill is to provide the United States of America with the greatest possible domestic supply of crude oil at the lowest possible price, and in the most fiscally responsible manner, by stimulating the domestic production of crude oil.

In so doing, this bill will effectively decrease the dependency of the Nation on costly, strategically vulnerable and economically debilitating imports of crude oil.

At a time when our national security and our economic pressures dictate that we must increase domestic production of oil, we feel that neither the administration nor the Department of Energy has provided the requisite leadership to achieve the goal of energy independence.

We feel, therefore, that Congress must provide this leadership—and we must do so now.

The provisions of this bill require that the volumes of crude oil currently classified as upper tier crude oil—new oil—be immediately decontrolled, and that lower tier crude oil—old oil—be decontrolled gradually, but completely decontrolled by September 30, 1981.

In addition, this bill will improve specific crude oil production incentives by means of selectively decontrolling prices which are received by domestic producers engaged in certain expensive production techniques.

This approach will provide necessary financial incentives for increased domestic supplies of crude oil. With this increased capital, domestic producers will be able to expand their exploration and production activities, and will allow more complete recovery of oil from existing wells—oil which is presently too costly to retrieve at controlled prices.

We believe this comprehensive approach to both general and specific incentives provided by immediate and phased decontrol steps will have the most positive effect possible on increased domestic production while offering the most moderate effect possible on the rate of inflation, the gross national product and on the Consumer Price Index.

A detailed overview of the bill is included in the Extensions of Remarks section of today's CONGRESSIONAL RECORD.

THE PROPOSED DOMESTIC OIL PRODUCT POLICY ACT OF 1979

(Mr. SATTERFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SATTERFIELD. Mr. Speaker, I wish to invite the attention of my colleagues, especially those on the Democratic side of the House, to the proposed Domestic Oil Production Policy Act of 1979, which Congressman LOEFFLER and I are introducing today. This bill seeks to effect a well balanced and reasonable approach to decontrol of certain domestic oil resources in this country.

The danger of over reliance upon imported crude oil to our economy and to our security was never more evident than it is today. It is time, indeed it is past time, to come to grips with this problem and move to find a solution. This being essentially an economic problem, only economic solutions will assure us of a domestic supply sufficient to eradicate our international vulnerability, and at the same time insure the lowest possible long-range consumer costs.

We need to create through appropriate incentives the kind of economic climate which will encourage and justify the investment of private capital which is essential to producing an increase in available domestic crude oil.

The bill which we have introduced today represents a modest yet significant step in that direction. It is directed primarily to creating effective incentives for the recovery and production of selective available resources whose production require expensive techniques. At the same time we have been careful to avoid the obvious pitfalls and undesirable results which might occur from precipitate action or unreasonably rapid decontrol.

Briefly the bill would:

Remove price controls on that portion of "new crude oil" production from a given property which exceeds the 1975 base production level.

Phase out price controls on "old crude oil" between the date of enactment and October 1981. The phaseout would be on a constant declining curve.

Provide price decontrol for oil recovered by a Qualified Tertiary Process upon application and approval.

Exempt from price control the first sale of deep "stripper crude oil." The present exemption of a "stripper well" (a well having a maximum daily production of no more than 10 barrels a day during any consecutive 12 month period) would be increased according to a graduated scale based upon the depth at which crude oil is produced. The maximum exemption would increase with depth up to 35 barrels per day for production from a depth in excess of 8,000 feet.

Remove price control from the first sale of "water-cut" crude oil from wells whose production in any consecutive 12-month period after December 31, 1976 consists of at least 85 percent water, and

Remove price controls for marginal offshore production. The exempted production would be measured by a graduated scale of maximum barrels per day over a 12-month period based upon depth of well up to and including wells producing a maximum average of 175 barrels a day from depths in excess of 8,000 feet.

The incentives provided in this bill are keyed to areas where such incentives may be expected to provide a real potential for increased domestic production of crude oil.

Mr. Speaker, I believe this is a sound bill and one which merits the careful consideration of this House, and I urge colleagues on my side of the aisle to join me in cosponsoring this measure.

FEDERAL REGULATIONS

(Mr. HILLIS asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HILLIS. Mr. Speaker, like many of my colleagues, I consistently hear complaints from constituents about the cost of Federal regulations. I believe it is now well accepted that Federal regulations are inflationary and counterproductive in the sense that they do not add to our manufacturing capabilities, but require thousands of man-hours and millions of dollars if complied with. However, it is also apparent that Federal regulations are beneficial in that they have improved safety conditions and cleaned up our environment.

Obviously, the benefits society reaps from compliance with Federal regulations need to be in balance with the cost of compliance. However, our Federal regulatory agencies are not mandated to consider the cost of compliance in promulgating regulations. We have therefore, arrived at a situation where Federal regulations are hurting our manufacturing capabilities to such a degree that U.S. businesses are unable to compete with foreign industries.

I am today introducing a bill which will require the Secretary of Labor to prepare an economic analysis in conjunction with any proposed OSHA regulations. Specifically, this analysis would examine six overall areas. They are—

First, the direct or indirect costs associated with compliance;

Second, the potential inflationary or recessionary effects;

Third, the direct or indirect effects on employment;

Fourth, the effects on competition in businesses and industries affected with particular attention to any competitive effects upon small businesses;

Fifth, the effects on the balance of trade of the United States and competition between businesses and industries located in the United States and businesses and industries located in foreign nations;

Sixth, the impact on productivity in businesses and industries affected by the proposed regulations.

If the United States is to continue to be a major industrialized nation, we must begin to balance the need to provide safe working conditions and a healthy environment with our economic limitations. My bill will provide the starting point in this process and therefore, deserves the attention and support of this body.

☐ 1850

TELEVISION VIOLENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

● Mr. RAILSBACK. Mr. Speaker, I am today submitting a resolution expressing the sense of the House of Representatives that the effect on our society of the level of violence depicted on television requires more consideration and study.

As a member of the House Judiciary Committee, I have been quite concerned about the level of violent crime, especially among juveniles. The number of violent crime arrests increased 51 percent during the period from 1968 to 1977, with the number of junvenile arrests for violent crimes increasing 59.4 percent for the same period. Youngsters between the ages of 10 and 17 now account for about half of all the arrests for serious crimes.

Part of the blame for these disturbing statistics has been laid to the steady diet of violence television has been feeding to our children.

According to the Nielsen Ratings Service, teens watch an average of 22 hours and 22 minutes per week. Children watch even more, an average of 24 hours and 28 minutes per week.

In 1969, the National Commission on the Causes and Prevention of Violence in its final report said:

> We do not suggest that television is a principal cause of violence in society. We do suggest that it is a contributing factor.

Dr. Robert Liebert, a psychologist at the State University of New York, has been quoted as saying "the more violence and aggression a youngster sees on television regardless of his age, sex, or social background, the more aggressive he is likely to be in his own attitudes and behavior." He arrived at that conclusion, it is stated, from analyzing more than 50 studies on the behavior of some 10,000 children between the ages of 3 and 19 years.

Studies conducted to date are not totally conclusive. Some researchers even have said it's really not possible to study the impact of television on its viewers. I do not think, however, that the studies available to us provide good reason for concern.

In recent years, most of the action on television violence has come from the private sector, notably from the National PTA. The PTA held a series of hearings in 1976 and 1977, receiving testimony from psychiatrists, parents, educators, children, social workers, civic leaders, clergy, elected officials, advertising and media representatives, health professionals, researchers, and television network executives. Based upon the testimony, the PTA felt it had enough scientific information backing the premise that violence on television adversely affects children that it began a project to monitor TV shows. The National PTA TV Action Center was formed to monitor programs, publish results and develop a curricula model on viewing skills. On February 13, 1979, the latest "TV Program Review Guide" was published, ranking the most and least violent programs for the 1978–79 season as well as the advertisers. The National PTA is also working with many advertisers in an effort to encourage the placement of ads on TV shows that the PTA favors.

I think television programers do have a good point when they contend that parents should be responsible for the television their children watch. It has been noted that even after midnight, the child audience still exceeds a million.

But I think the programers, and their advertisers, should pay more attention to violence levels themselves. I do understand that the levels of violence depicted on television programs dropped during the 1977–78 season, according to the April 1978 study made by the Annenberg School of Communication at the University of Pennsylvania. However, the same study indicated that violence was still evident in 75.5 percent of all shows, and weekend morning programs for children remain the most violent of all time periods.

I am, therefore, reintroducing this resolution to urge those responsible for programing to consider violence levels. The resolution would also encourage further study of the correlation between television and real-life violence. I think it is time for Congress to pay more attention to this serious matter.

For the convenience of Members and other interested persons, I am including the full text of my resolution:

H. RES. 172

Whereas the number of violent crime arrests increased 51 per centum from 1968 to 1977, with the number of juvenile arrests for violent crimes increasing 59.4 per centum for the same period;

Whereas, according to census findings, 96 per centum of all American households have at least one television set and up to 99 per centum of American households with children or adolescents have at least one television set, and these sets are, on the average, on for over six hours every day;

Whereas the National Commission on the Causes and Prevention of Violence reported in 1969 that it is reasonable to conclude that a constant diet of violent behavior has an adverse effect on the individuals viewing and encourages in those individuals violent forms of behavior, and other studies have shown that children are especially so affected by the level of violence they view on television;

Whereas, in April 1976, the Annenberg School of Communication of the University of Pennsylvania found in a study made by that school that heavy viewers of television, both adults and children, significantly overestimate the extent of violence and anger in the world and thus face the world with an attitude of fear and mistrust;

Whereas University of Utah researchers have concluded that heavy television viewing by children can blunt normal responses to human suffering resulting in increases in acts of personal aggression and indifference toward real-life victims; and

Whereas, in April 1978, the Annenberg School of Communication of the University of Pennsylvania found in a study that, although the level of violence depicted in television programs dropped during the 1977–1978 season, violence was evident in 75.5 per centum of all shows, and weekend morning programs for children remain the most violent of all time periods: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that there exists a sufficient enough indication of a relationship between the level of violence depicted on television and a distorted view of social reality held by heavy viewers of television to warrant consideration of such relationship by those persons responsible for television programming and broadcasting in the United States and that further investigation of the correlation between the level of violence depicted on television and aggressive, including violent, behavior in children and adults should be pursued.

AMENDING CONSTITUTION TO PROVIDE 4-YEAR TERM OF OFFICE FOR MEMBERS OF THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. EMERY) is recognized for 5 minutes.

● Mr. EMERY. Mr. Speaker, I am today introducing legislation to amend the Constitution in order to provide for 4-year terms of office for Members of the House of Representatives.

After serving only 4 years in the House, I am convinced that the current 2-year term is not in tune with present day needs. I believe that the time, energy, and expense of running a campaign every 2 years works against our system rather than for it.

Members find themselves continually campaigning, raising funds, and using their time on matters unrelated to the complex issues facing the Congress. At the same time that Congress jurisdiction has expanded to keep pace with large Government programs, address constituent problems, and seek solutions to complex national issues, campaign demands have also increased. Because of the need to be away from Washington for extended periods of time during "campaign time," important national issues are often set aside until a later date. Unfortunately, many matters cannot be postponed and, thus, they are ignored until it is too late.

Almost as important as the fact that many issues are ignored during campaign season are financial considerations. We have all observed the growing distrust in elected officials, partially fueled by the practice of accepting special interest campaign contributions. The fact that many Members feel compelled to accept these contributions every 2 years in order to finance his or her campaign, is another reason why a 4-year term of office would interject a measure of financial sanity into the campaign process. Rather than always soliciting funds, a Member could be his own person for a while.

The argument is often used that Senators are national figures, Congressmen are "men of the people." A Congressman's dependence upon constituent evaluation every 2 years in order to remain in office mandates him accessible and more responsive to the whims of the electorate. To some extent, this is certainly true, but I do not believe that the difference between a 2-year term and a 4-year term will put a Congressman out of touch with his district.

District offices, mass communication, the freedom to travel home often, and other services have changed the very nature of congressional representation. When our Constitution was written, none of these existed. District offices were unheard of, the telephone was not invented, a Member went home no more than once or twice a year, and communication, when it existed, was slow. We need not be reminded today of our district staffs, WATS lines, transportation allowance, and office computers. Obviously, there is little excuse for being out of touch with our constituents' views.

The differences between present day representation and campaign demands and when our Constitution was written are reason enough, in my opinion, to justify a change in the length of Members' terms of office. I am hopeful that my colleagues in the House of Representatives will carefully assess the need for a 4-year term of office and support my legislation.●

FEDERAL AGENCY RULEMAKING IMPROVEMENTS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. BROYHILL) is recognized for 10 minutes.

● Mr. BROYHILL. Mr. Speaker, I have today introduced a bill entitled the Federal Agency Rulemaking Improvements Act. This proposal is identical in most respects to H.R. 14332, a bill which I introduced on October 13, 1978, during the final days of the 95th Congress. The bill is designed to require a more reasonable approach to rulemaking by the various regulatory agencies throughout the Federal Government and its goal is to reduce the tremendous and constantly increasing costs of Government regulation. The two basic changes contained in this new proposal are:

First, a language clarification which now assures that an agency would be required to complete an economic analysis of all of the meaningful alternatives that it considered before adopting its proposed regulation, and

Second, a requirement that an agency, in conjunction with its required analysis of existing regulations every 5 years, publish the regulation in the Federal Register and ask for comment on the continued need for the rule and on need for changes to the rule.

We are all well aware that inflation is one of the most serious problems facing this Nation today. It instills fear and anguish among the elderly and poor who are finding it increasingly difficult to afford everyday necessities; it sharply reduces the purchasing power of consumers; it reduces the amount of goods and services sold, and, ultimately, it results in lower production, fewer jobs, and a reduction in consumer goods.

The causes of, and the cures for, inflation are in most instances incredibly complex and quite elusive. However, it has become increasingly clear in recent years that the Federal Government itself is contributing to inflation in a very significant manner and this contribution is increasing at an alarming annual rate.

Current and reliable studies and recent congressional hearings have indicated that Federal Government regulation costs the American economy well in excess of $100 billion per year and this figure may exceed $135 billion by the end of calendar year 1979. In addition, there seems to be no end in sight. Barry Bosworth, the Director of the Council on Wage and Price Stability, recently stated that new regulations now being developed will add more than $35 billion to the cost of Government regulation. This nonsense is totally unacceptable and must be dealt with promptly.

There is no question that some regulation is indispensable in the complex society in which we live today. However, there is also no question that many of the Federal regulations now in the law are ineffective, ill-conceived, inadequately developed, and are drafted with an abundance of ambiguities.

Anyone who observes the Federal regulatory process with even a passing interest quickly becomes aware that the regulatory agencies too frequently demonstrate an unwillingness to properly consider the full ramifications of their regulations and how such regulations will impact on our national economy. Another frequently observed fact is that regulatory agencies too often develop regulations without simultaneously considering the nature and volume of recordkeeping and reporting necessary to adequately implement and enforce their proposals.

In short, too many of our regulatory agencies perform incomplete and sloppy work.

President Carter recently issued Executive Order 12044 which specifies new procedures which executive agencies are required to follow in developing rules and regulations. While this is a step in the right direction and one which the President should be commended for taking, it is still deficient in many respects.

The bill which I have introduced draws heavily from the concepts contained in this Executive order but it contains additional and necessary requirements which unfortunately were not made a part of this Executive order. For example, it extends the requirements to the independent agencies which were exempted from the provisions of the Executive order. It also places some additional and indispensible responsibilities on the agencies and provides for a mechanism to assure some degree of uniformity among the agencies in their implementation of the requirements of this bill.

Summarized briefly, the provisions of this bill would require that regulatory agencies perform the following responsibilities in connection with any proposed rulemaking and with review of existing rules and regulations:

First. In any notice of proposed rulemaking, each agency shall include:

A detailed statement which describes the specific purpose of the rule and the purpose that will be served by such rule, as well as the scope and applicability of such proposed rule.

A statement which describes each regulatory and nonregulatory alternative which was considered by the agency in connection with such proposed rule, and

A discussion of the reasons for the selection of such proposed rule as the most effective means for the achievement of the policy goals of the agency, taking into account the costs and benefits associated with each regulatory and nonregulatory alternative considered by the agency.

An economic impact analysis of the proposed rule and of the meaningful alternatives considered by the agency, which shall include, among other things, the direct and indirect costs associated with compliance with such proposal, the potential inflationary or recessionary effects of such proposal, the effects of such proposal on employment, the effects on competition among businesses and industries affected by such proposed rule, the effects of such proposal on consumer costs, and the impact of such rule on recordkeeping and reporting requirements.

It should be noted that this "economic impact analysis" is not a "cost-benefit analysis." I have intentionally avoided the "cost-benefit" approach, since it can so easily become a meaningless and sham approach for an agency to pursue in its attempt to determine the most appropriate solution to a problem. Many of the claimed benefits of an agency proposal are impossible to quantify and are stated as benefits only to bolster support for the proposal. On the other hand, many of the claimed collateral costs of agency proposals are also subject to serious questions.

I have concluded, after having listened to and having reviewed a great number of opinions and comments on this question, that there is a better approach to the problem. That approach is to require the agency to define with a great deal of specificity exactly what the goal of its proposed action is and what the action is expected to accomplish. Then the agency should consider all of the meaningful alternatives to accomplish that goal and prepare an "economic impact analysis" of these alternatives. This should give a good indication to both the agency and to the public which approach would be the most cost effective. This essentially is a purpose that I have attempted to accomplish in this proposal.

Second. In regard to the issuance of a final rule, the agency shall include a statement which is signed by the head of the agency indicating that such final role is not in conflict with any existing rule prescribed by that agency or any other agency as well as a statement that such final rule shall not be interpreted in such a manner as would make such rule in conflict with any existing rule. This provision is designed to place greater responsibility on the agency head regarding the final work product that comes out of the agency.

Third. There is an additional requirement contained in this proposal that each agency review its existing rules at least once every 5 years to determine if the rule is still necessary and if it is carrying out the purposes it was originally designed to carry out at the time it was initially prescribed. Also, there is a requirement that each agency periodically publish in the Federal Register an agenda of rules which will be under consideration and a list of the agency's regulatory priorities. The enforcement of these provisions is accomplished by allowing any person to file a petition in an appropriate circuit court of the United States alleging that a given agency has not complied with the requirements of this act.

Upon a finding that the agency had not in fact complied with the requirements of this act, the court would order the agency to suspend further rulemaking proceedings relating to the rule which is the subject of the petition until the agency can show to the satisfaction of the court that it has come in compliance with the requirements of this bill. These sanctions are neither harsh nor unnecessary. The rulemaking proceeding is entirely under the control and direction of the agency involved.

If an independent third party (the court) finds that an agency is not complying with certain requirements of law, it is entirely reasonable to require it to cease further action in the matter until it comes into compliance. I think that we will find rapid action by an agency which has to suffer the embarrassment of such a court order. I fully anticipate that the remarks of the various agencies will include the stock expressions of concern that these requirements will hamstring the agency, will absorb large amounts of its resources, and will delay response to national problems.

On the other hand, it will be interesting to see which agencies will openly admit that they are not already undertaking the actions required by this bill in the development of their rules and regulations.

This Government has, over the years, adopted a policy of resolving most of our national problems through the mechanism of administrative rules and regulations. The impact of these rules and regulations has very obviously become enormous. Under such circumstances, it should be apparent to even the most uninformed that a meaningful, workable, and viable solution to any problem cannot be developed unless certain very basic matters are carefully analyzed, and opportunities are given to the public to see and comment on each critical aspect of the agencies' decisionmaking processes.

This bill simply says to the agencies that if you are not doing the things that you obviously should be doing in the development of rules and regulation, we will mandate that you mend your ways and start proceeding in a more responsible manner.

I have no pride of authorship in this proposal and should the agencies or others interested in this matter offer meaningful, responsible, and constructive suggestions regarding needed changes in this bill, I will not hesitate to recommend such changes to the Congress at the time this vitally important matter is addressed.●

CONGRESSMAN BILL GREEN SPEAKS ON HANDGUN CONTROL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 10 minutes.

● Mr. GREEN. Mr. Speaker, according to the Federal Bureau of Investigation, 9,177 Americans were murdered with handguns in 1977. This accounts for 48 percent of all murders.

Someone is murdered with a handgun every hour. Indeed, handguns are used in over 2½ times as many murders as any other weapon.

Moreover, in 1977 alone there were an estimated 300,000 crimes involving handguns.

These statistics are fueled by the increasing production and availability of handguns. As of 1977, over 50 million handguns were in private possession. A new handgun is sold every 13 seconds, and an estimated 2.5 million handguns are produced each year.

Clearly, the Gun Control Act of 1968 has failed to stop the escalation of violence involving handguns. Yet Congress has not seen fit to pass the strict laws which many of us believe are necessary to aid in the fight against gun-related crime.

On January 24, I joined with Representative ABNER MIKVA and a number of my colleagues to send a letter to President Carter to urge him to send to the Congress early in this session legislation to strengthen the Federal gun control laws. In our letter, we expressed the hope that his leadership could help Congress to pass such critically needed legislation.

I believe that the certainty of mandatory sentencing will help to reduce the number of crimes committed with firearms. For this reason, I am a cosponsor of Representative GLENN ANDERSON's bill, H.R. 1495, to impose a mandatory minimum 5-year sentence on those convicted of committing Federal felonies with a gun.

The certainty of a 5-year prison sentence should serve as a deterrent to potential criminals before they act. Both potential offenders and the general public would know that a sure, fixed sentence awaits those who contemplate committing such crimes.

While mandatory sentencing should help to curtail Federal crimes involving handguns, I also believe that registration and licensing of handguns is necessary. On March 8, I joined with Representative ROBERT DRINAN to cosponsor H.R. 286, the Personal Safety Firearms Act of 1979.

Title I of H.R. 286 requires the registration of all firearms. The purpose of registration is to help law enforcement agencies to trace firearms used to commit crimes. The bill also makes registration a prerequisite to the purchase or sale of ammunition, since a valid registration certificate must be shown before a licensed dealer may sell ammunition. Moreover, since the bill requires a person who is carrying a firearm to bear a registration certificate, simple possession of an unregistered firearm would be illegal.

Title II of the Personal Safety Firearms Act provides for licensing of gun owners either through a Federal program or through a State system which complies with certain minimal standards. A licensed dealer or private individual may not sell firearms or ammunition to a person who does not possess a license.

Title III of H.R. 286 prohibits the sale or delivery of "Saturday night specials." These cheap and easily concealable handguns serve no sporting or collecting objective. Their sole purpose is to kill or injure other human beings.

In my opinion, the Personal Safety Firearms Act contains sensible, workable provisions to trace the use of firearms used in the commission of crimes and to prevent criminals from obtaining easy access to handguns. I hope that the Subcommittee on Crime of the House Committee on the Judiciary will commence early hearings on this bill and on other gun control measures.

Nelson T. Shields III, the chairman of Handgun Control, Inc., recently provided an excellent synopsis of the issues involved concerning handgun regulation. I commend to the attention of my colleagues his article entitled "The Handgun War," which appeared in the Washington Post on March 3, 1979:

THE HANDGUN WAR

(By Nelson T. Shields III)

According to the Department of Defense, 56,962 Americans died in the Vietnam War. Our nation says "Thank God that's over." And, "Never again." But few Americans realize that during those same years of bloodshed in Vietnam more Americans were murdered here "at home" by handguns. And that is handguns—not hunting rifles. And, murders—not accidents.

Over the last decade America's handgun war has escalated, fueled by expanded handgun production and an insatiable demand for these deadly weapons. The resulting handgun body count also mounts, adding to the roll of handgun-dead Americans from all walks of life, from all races and ethnic backgrounds, from all ages—even children.

The year 1978 was no exception. Hundreds of thousands of Americans were killed, wounded or threatened with handguns. The domestic arsenal of concealable handguns topped the 50 million mark. It was the 10th anniversary of the handgun murder of Robert F. Kennedy. The mayor of San Francisco was slain by handgun. And, in 1978 President Carter's handgun-control bill—drawn from a campaign promise—was quietly buried at the White House.

And what about the American people? One would think that, with the rush to cut taxes and cut government spending, the support for national handgun control would diminish. Not so. Two national polls—the Harris Survey and the Cambridge Reports—indicated that popular support for intelligent handgun control was at an all-time high.

The findings of the Cambridge poll were particularly striking because they covered a variety of approaches to addressing the handgun problem. The poll showed that:

88 percent favor a waiting period before a handgun can be purchased to allow for a criminal-records check.

81 percent favor the strengthening of rules for becoming a commercial handgun dealer.

85 percent favor a crackdown in illegal handgun sales.

82 percent favor requiring prospective handgun purchasers to get a permit for a license to purchase a handgun; 71 percent of handgun owners favor the same.

84 percent favor requiring the registration of all handguns at time of purchase or transfer; 74 percent of all handgun owners favor the same.

79 percent favor requiring a license to carry a handgun outside of one's house or place of business; 62 percent of handgun owners favor the same.

70 percent favor the banning of the future manufacture and sale of small, cheap, low-quality handguns.

Despite popular support for handgun control, the killings go on, and corrective legislation gets buried as well.

The new year's headlines already capture our handgun madness:

"Woman Shot to Death—Boyfriend Surrenders"

"Supermarket Owner Is Killed in Robbery"

"Elgin Shooting Fatal for Six-Year-Old Girl"

These headlines especially affect me since my son was once one of them. Nick was the last victim—by handgun—in the San Francisco "Zebra" killings. Yet his headline is now forgotten as are the tens of thousands of other headlines about handgun murders and shootings.

We are living in a society of uncontrolled handguns, whose users can strike at any place and any time. Shoot-outs with the intensity of that of the fight at the O.K. Corral happen on buses, on street corners, in homes, at work, even at schools. Shoot-outs occur over traffic accidents, a parking place, a few dollars or a telephone bill. Handguns seem to have become the quickest way to settle an argument.

There are extremes in the debate on what to do. Some say that the ideal situation would be to ban all civilian possession of handguns by stopping their production and confiscating all those currently in existence. After my son's death, I was one of those. But, under our democratic system and with the competing interests in our nation, that is not politically realistic, practical or enforceable. The American people do not want and would not support such a law.

Then there are those gun zealots who not only want no new law, but seek to repeal even existing handgun-control laws as well. That is insanity.

There is a middle road that is fair to law-abiding handgun owners and the majority of us who are not handgun owners. It seeks to bring some 20th-century responsibility and accountability to a weapon with a frontier tradition. And most of it is drawn from common sense.

Doesn't it make sense that we stop the production of a handgun that has no use in sport, but is a favorite in crime—the so-called Saturday Night Special? Doesn't it make sense that a would-be purchaser of handguns be checked out to be sure he doesn't have a criminal record, a history of mental illness, or is under-age? Doesn't it make sense that those who deal in or own handguns be responsible for the proper care, use and disposition of those weapons?

Doesn't it make sense that the Department of Justice—the nation's law-enforcement agency—administer handgun laws and recommend to the Congress any additional controls? Doesn't it make sense that we limit the number of handguns a person can buy at one time? Doesn't it make sense that we have mechanisms to trace handguns used in crime and to identify the illegal sources of those weapons for the criminal?

None of these controls would deny anyone's perceived right to purchase or own a handgun. None of these controls would stop the hunter or sportsman from enjoying his recreation. These controls would not lead to a totalitarian state or a communist government.

But these controls would place some 20th-century responsibility on handgun ownership and handgun commerce, and would treat the handgun as the deadly weapon it is. Most important of all, they would reduce the number of handgun deaths and needless suffering.●

THE JOINT ECONOMIC COMMITTEE AND FIGHTING INFLATION BY ECOURAGING THE "SUPPLY SIDE" OF THE ECONOMY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, the Joint Economic Committee this week released a consensus report which represents an important milestone in Congress understanding of the U.S. and world economy. The most important conclusion of the joint economic report is that—

> Supply has been badly neglected as a way of fighting inflation.

I believe that this conclusion is the result of our extensive debate last year in Congress over the powerful effect on "supply" and production of Government tax and regulatory policies.

The JEC report recommends a strategy of "gradualism" to combat inflation, involving Federal spending restraint, a moderate deceleration of money creation by the Federal Reserve, gradual decontrol of oil prices to increase production, and various economic incentives to increase capital investment and improve productivity.

Almost all of the economic incentives which the committee examined were aimed at business. The report pointed out, quite correctly, that inflation has raised the real tax rates on capital by overstating profits and understating depreciation. Reducing the after-tax return on investment, in turn, reduces productivity improvements which can raise the real standard of living. The report recommended that Congress consider tax-rate reduction for business, replacement cost accounting, liberalized depreciation allowances, or other economic incentives for business. I continue to support further tax-rate reductions, replacement cost accounting, and liberalized depreciation allowances, and endorse the Joint Economic Committee's findings.

However, I believe that the committee's failure to recommend similar tax-rate reduction for individuals leads to seriously erroneous conclusions, not only about taxation, but about proper monetary policy. I hope that members of the committee will take my observations as constructive criticism rather than an attempt to detract from their considerable efforts.

Failure to recommend indexing and reduction of tax rates on personal income places the committee in the position of recommending an economic slowdown to fight inflation, and inflating the money supply to fight the slowdown. This is certainly a "gradualist" policy, but not an effective one. Let me explain.

With our steeply progressive marginal tax rates, inflation pushes all individuals quickly into higher tax brackets on the same real income, reducing incentives for work, savings, and investment. This increase in real tax rates on income is the main financing mechanism by which the administration proposes to reduce the budget deficit. The administration opposes any attempt to index or reduce the tax rates on the grounds that the budget deficit is inflationary, and should be eliminated before tax rates are reduced. The Joint Economic Committee appears to have implicitly accepted this argument.

Applying this tax brake slows down the economy, increasing unemployment, and the probability of recession. This shifts the burden of preventing a recession from fiscal to monetary policy. The Joint Economic Committee's recommendations on monetary policy clearly reflect its concern with preventing too steep a slowdown. The report concludes that the Federal Reserve has slowed money creation too quickly in the past 4 months. In the event of an increase in inflation, the committee recommends increased budgetary restraint rather than tightening the money supply. In the event of an economic downturn, the committee recommends a loosening of the money supply. Moreover, the committee opposes any attempts to keep the dollar from falling against "hard" currencies by tightening the domestic money supply and even appears to support the administration's efforts to discourage the dollar's use as an international reserve currency.

This advice generally endorses the idea of "money illusion"; that is, the theory that inflating the money supply can increase real economic growth in the short run. Likewise, the report espouses the view that depreciation of the dollar against other currencies gives the United States a "competitive advantage" over other countries by making imports less attractive and exports more attractive. The committee recommends that "monetary policy should be based primarily on the needs of the domestic economy" rather than on maintaining the dollar's value.

I must strongly disagree with the idea that the domestic dollar is separable from the "international" dollar, or that efforts to maintain a stable currency will have harmful domestic consequences.

Real growth can be stimulated by inflating the money supply only in the event that people can be fooled into accepting each devalued dollar as unchanged in value, or can be prevented from keeping up with inflation. When people do protect their buying power by demanding cost-of-living increases, the result of monetary inflation and progressive taxation is to raise the effective tax rates on both capital and labor.

Moreover, the Federal Reserve should abandon interest rate targets—high or low—as determinants of money creation. Increasing the money supply does not "drive down" interest rates; it raises them. Interest rates are the market's reflection of how much value a dollar is expected to lose between the time it is lent and the time it is repaid.

Likewise, the theory that deliberately devaluing the dollar through excessive money creation will improve our trade "competitiveness" has the drawback of not being true in practice. We are told this every year that the dollar declines against other currencies, and every year the trade balance worsens. The 1978 figures, just released, were the worst in history. To explain this, the committee asserts that there is a "J-curve" at work; that is, that things must get worse before they can get better. This theory is quite literally bankrupt.

Empirical evidence shows the currency devaluation is entirely offset by domestic inflation. Otherwise, the same goods would have to be selling at two different prices. Also, while devaluation may inhibit imports by making them more expensive, the theory overlooks the fact that rather than encouraging exports, devaluation tends to make export goods more attractive for domestic consumption and less attractive to produce.

The committee report recommends "tax cuts" for individuals only in the event of a severe economic downturn. Its case against cutting tax rates on personal income appears to be based on two mistaken assumptions: First, that cutting tax rates for business stimulates supply while cutting tax rates for individuals stimulates demand; and second, that since white males are close to full employment, and most unemployment is confined to teenagers and minorities, efforts to increase employment should be made through "targeted" measures rather than general cuts in tax rates.

The committee correctly notes that the declining capital-to-labor ratio is related to the decline in improvements in productivity. But it reasons falsely to the conclusion that the answer is to cut tax rates only on capital, while maintaining high and rising tax rates on personal income.

If anything, reducing tax rates on personal income has a still more powerful effect on saving and investment than tax breaks for business. All income flows through individuals, whether from wages and salaries, interest on savings, dividends, capital gain, royalities, or pensions. Maintaining high rates on personal income encourages consumption and discourages the bulk of potential savings and investment. And confining tax relief only to business means confining it only to existing businesses. Yet most increases in economic growth and employment come from the growth of small businesses into large businesses and especially by the formation of new businesses.

Increases in productivity are peculiarly responsive to after-tax rewards on personal earnings. Improved technology comes ultimately from human ingenuity, and implementing these better ideas requires venture capital, not just business reinvestment of retained earnings.

The second idea I would like to dispute with the committee is the idea that cutting tax rates would be inflationary, because nonminority males are already near full employment. This is a vestige of the now-discredited Phillips curve idea that there is a tradeoff between unemployment and inflation.

In his thoughtful supplementary views to the JEC report, Congressman PARREN J. MITCHELL points out that the goals of full employment, increased production, higher real incomes, a balanced Federal budget, an improved trade balance, and stopping inflation are "mutually reinforcing," not contradictory. He is right. Cutting personal tax rates serves all of these goals.

High tax rates on personal income, which act as a barrier to advancement for the employed workers, are also a barrier to employment for the unemployed worker, especially minority workers and teenagers. As long as economic stagnation prevents everyone from moving up the economic ladder, there are no entry-level positions being vacated for the unemployed.

Clearly, the Joint Economic Committee's recommendations are motivated by concern about what might happen to the economy if the Government stopped inflation by doing nothing but tighten the money supply. The nature of the concern was outlined recently by Alfred Kahn:

> What we are trying to explain is why prices go up in an economy with 6 percent unemployment and industrial capacity utilization of something like 85 percent. Another way of saying it is that nobody denies we could stop inflation in its tracks if we were willing to cut the rate of growth in the money supply and tighten federal spending. But that would cause—as far as we can tell—serious unemployment. It is that stagflation dilemma we are trying to explain.

Just as it is possible to experience high unemployment and high inflation by maintaining high tax rates and loose money, it is possible to reduce inflation and increase employment by tightening the money supply and cutting tax rates across the board. Cutting tax rates will provide massive increases in savings and investment, and permit the Government to tighten money without squeezing credit.

I applaud the Joint Economic Committee's recommendation to realize the disincentive effects of high tax rates on business. But I believe that the committee's recommendations should be expanded to include across-the-board cuts in marginal tax rates on personal income.

In this way, the U.S. Government will be able to stop inflation and maintain a constant value for the dollar, while promoting prosperity and economic growth.●

PROVIDING FOR OCCUPATIONAL SAFETY AND HEALTH STANDARDS TO PROTECT EMPLOYEES FROM NONIONIZING RADIATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, yesterday I introduced H.R. 3132, a bill that would require the Secretary of Labor to issue an emergency occupational safety and health standard within 60 days to protect thousands of workers who operate RF sealers. These sealers, which are used in certain manufacturing processes to melt, bond, and seal plastic, emit doses of nonionizing radiation as much as 180 times the nationally accepted standard for exposure.

The thousands of workers who operate the approximately 5,000 RF sealers in use face grave danger of serious bodily harm. Also, since most of the operators are women of childbearing age, the risk is doubly unacceptable.

The Occupational Safety and Health Administration has known about this health hazard for months, but has failed to take any steps to protect operators of RF sealers. Indeed, it may be that the present statutory scheme is too cumbersome and inflexible to permit prompt remedial action.

In fact, there seems to be a simple solution. Shielding for these sealers is purchased routinely by Eastern European manufacturers and by the domestic automakers. Approval of this legislation would allow OSHA to prescribe standards quickly, and employers could protect their workers by installing such shielding.

My bill also requires the Department of Labor to begin the process of promulgating mandatory standards in the workplace to eliminate exposure of employees to harmful levels of nonionizing radiation from all other sources.

The Occupational Safety and Health Administration promulgated a standard for nonionizing radiation in 1974. However, the standard is voluntary and, in any case, is defective. First, the standard uses units which do not correspond to those measured at the worksite. Second, the standard is the same for all frequencies of radiation, although it is known that exposure standards should be more stringent for those frequencies most readily absorbed by the human body. Third, the standard does not apply to the peak strength of the radiation, only to the average exposure over a 6-minute time period. Such a standard fails to protect workers from short bursts of extremely high exposure.

It is imperative to develop standards to protect workers from nonionizing radiation, as the General Accounting Office report of March 29, 1978, which I commissioned, pointed out. According to the GAO, symptoms attributed to exposure to low-level nonionizing radiation include headache, weariness, dizziness, irritability, emotional instability, partial memory loss, loss of appetite, cardiovascular effects, electroencephalogram changes, blood chemistry changes, changes in respiration, and possible genetic effects. High-level exposure increases body temperature, and results in such problems as heat stress, cataract formation, cardiovascular effects, testicular effects, and brainwave pattern changes.

Mr. Speaker, the problem of exposure of workers to harmful levels of nonionizing radiation is too serious to be ignored any longer. I urge prompt action on my bill.

The text of my bill follows:

H.R. —

A bill to provide for the establishment of occupational safety and health standards to protect employees from non-ionizing radiation (including the establishment of emergency temporary standards for radiation from radio frequency industrial heating devices until permanent standards are established)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Occupational Safety and Health Act of 1970 (29 U.S.C. 655) is amended by adding after subsection (g) the following new subsection:

"(h) (1) (A) The Secretary shall publish (pursuant to subsection (c) (2)) within sixty days after the date of the enactment of this subsection emergency temporary standards to protect employees from radiation from radio frequency industrial heating devices, to take effect immediately upon publication.

"(B) Such emergency temporary standards shall be effective until a rule promulgating (pursuant to paragraph (2) of this subsection) a standard to protect employees from radiation from radio frequency industrial heating devices is effective.

"(2) (A) The Secretary shall publish (pursuant to subsection (b) (2)) within sixty days after the date of the enactment of this subsection a proposed rule promulgating occupational safety and health standards to protect employees from non-ionizing radiation (including radiation from radio frequency industrial heating devices).

"(B) Such proposed rule shall be promulgated in the manner specified in subsection (b), except that any hearing on objections to such proposed rule (as provided in subsection (b) (3)) must take place within fifteen days after the date on which the Secretary is required by subsection (b) (3) to publish a notice specifying a time and place for such hearing.

"(3) For purposes of this subsection the term 'radio frequency industrial heating devices' means all apparatus which generate and utilize radio frequency energy (including at least all energy with electromagnetic wave frequencies between 10 megahertz and 50 megahertz) for manufacturing or production processes and not for radio communication purposes and which transfer energy by electromagnetic waves for industrial heating operations.".●

THE SMALL BUSINESS CONTRACTING EQUITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, I would like to bring the attention of my colleagues to a bill I have recently introduced, the Small Business Contracting Equity Act (H.R. 299). This legislation would require Federal agencies to pay interest on overdue contract payments to small businesses.

A February 1978 report by the General Accounting Office (GAO) revealed that, despite the traditional "grace period" of 30 days, many agencies have been making contract payments as many as 6 months overdue. Fully 38.9 percent of a sample of 3,051 invoices surveyed by GAO were paid more than 30 days late, accounting for 19 percent of the dollar value of the associated contracts. The following table, drawn from GAO's data, shows the extent of the Federal Government's tardiness in meeting its contract obligations:

Delayed payment of Federal procurement contracts
[GAO invoice sample]

Days elapsed	Number of invoices outstanding	Percent of invoices outstanding	Dollar amount of invoices outstanding (thousands)	Percent dollar amount of invoices outstanding
15	2,127	69.7	$13,152.6	41.0
30	1,187	38.9	6,091.6	19.0
45	714	23.4	2,997.7	9.3
60	460	15.0	651.2	2.0
90	236	7.7	291.1	0.9
120	146	4.8	172.9	0.5
150	102	3.3	140.6	0.4
180	79	1.6	121.7	0.4
360	20	0.7	2.1	(1)

[1] Less than 0.1 percent.

Source: U.S. General Accounting Office ("The Federal Government's Bill Payment Performance Is Good But Should Be Better," February 24, 1978, Report No. FGMSD-78-16).

America's small businesses already face extraordinary obstacles in competing for Federal procurement contracts. To compound that burden through unnecessary payment delays, however, simply flies in the face of congressional mandates to maximize the role of small firms in Government contracting.

To address this problem, the Small Business Contracting Equity Act would establish a consistent time period within which contract payments are due. A 30-day payment period, as proposed by H.R. 299, fairly reconciles the interests of both agency and contractor. In Senate testimony, Lester A. Fettig, Administrator of Federal Procurement Policy for the Office of Management and Budget, said in 1977 that "without a doubt" 30 days after the invoice date is ample time for payment on most Federal contracts.

Under my legislation, any payment more than 30 days overdue would accumulate interest until paid by the contracting agency. Instead of legislating a fixed interest rate for late payments, H.R. 299 insures economic flexibility by making the interest rate paid to contractors a function of commercial credit rates prevailing at any given time.

There is every reason to believe that the on-time payment performance of Federal agencies can be substantially improved. Indeed, this view is borne out by the wide discrepancy in performance between specific agencies. The following chart, summarized from GAO data, compares the promptness of major Federal departments and agencies in meeting their contract obligations:

Payments made more than 30 days after invoice date, by agency
[GAO invoice sample]

Federal department or agency	Invoices paid more than 30 days after invoice date: Percent of invoice	Invoices paid more than 30 days after invoice date: Percent of dollar value
Postal Service	—	—
Justice	6.5	1.4
Agriculture	6.9	6.1
Agency for International Development	8.8	7.3
Navy	10.5	0.6
Defense Logistics Agency	15.6	24.8
Veterans' Administration	20.0	4.3
Air Force	21.5	1.9
Energy	21.5	10.6
Commerce	23.1	70.5
Interior	30.4	43.6
Labor	30.5	19.8
Environmental Protection Agency	33.1	35.8
Housing and Urban Development	33.3	36.8
Army	34.9	15.9
National Aeronautics and Space Administration	59.0	5.8
Transportation	62.6	74.4
Health, Education, and Welfare	69.4	75.0
Civil Service Commission	69.6	33.6
District of Columbia Government	71.1	60.1
General Services Administration	73.6	56.3
Total	30.3	17.6

Source: U.S. General Accounting Office, Report No. FGMSD-78-16 (op. cit.).

Mr. Speaker, the attitude of neglect toward contract obligations which exists at several agencies and is reflected in these statistics should never have been allowed to exist and should certainly not be allowed to continue. By enacting the Small Business Contracting Equity Act and thus reducing late contract payments by making agencies pay for their own mistakes—this Congress can assure the more active involvement of small firms in the $80 billion Federal Procurement market.

For the convenience of my colleagues, a text of H.R. 299 follows:

H.R. 299

A bill to amend the Office of Federal Procurement Policy Act to require the payment of interest by Federal agencies on overdue payments to small business concerns

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Contracting Equity Act".

SEC. 2. Section 6(d) of the Office of Federal Procurement Policy Act is amended—

(1) by striking out the period at the end of paragraph (6) and inserting in lieu thereof a semicolon; and

(2) by inserting immediately after such paragraph the following new paragraph:

"(7) promulgating, not later than 90 days after the date of enactment of this paragraph, regulations requiring, with respect to any contract with a small business concern, as that term is defined by the Small Business Administration pursuant to section 3 of the Small Business Act, the payment of interest upon the amount due for the period from the date on which such payment is due to the date on which such payment is made, including any period of litigation or dispute concerning such payment. Such interest is to be applied at a quarterly rate equal to one quarter of the weighted average annual rate of interest on short-term commercial and industrial loans of less than $100,000 made by banking institutions during the calendar quarter preceding each quarter during which payment is past due, as determined by the Board of Governors of the Federal Reserve for general statistical purposes, except that such interest shall not accrue if the amount due is paid within 30 days of the date on which it is due.".●

LEARNING THE LESSONS OF IRAN—GEORGE BALL REPORTS: THE NEW PERIL AT THE OIL CROSSROADS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, last week, I inserted in the RECORD a brilliant article by the Honorable George W. Ball, Under Secretary of State in the Kennedy and Johnson administrations and former U.S. Ambassador to the United Nations. In that article, Ambassador Ball discussed the basic errors made by the Shah of Iran which led to the revolutionary overthrow of his government. Mr. Ball points out that these errors had been encouraged and magnified by the Nixon administration's policies of giving the Shah a free rein to acquire expensive military hardware without insisting upon social and political reforms.

In another article on the Middle East published in the Washington Star of March 16, Mr. Ball discusses the policies that the United States should now adopt in view of the increased instability in the Middle East resulting from the revolution in Iran. Mr. Ball first disposes of the "fatuous contention that America could have saved the Shah from the wrath of his people had we only flexed our military muscles more visibly by intervention in Angola or Ethiopia or even by steaming the 6th Fleet up the gulf. There is no mystery about what happened in Iran. A whole country turned against a hated ruler in a long overdue internal revolution, which American intervention could only have exacerbated. One of the lessons of Vietnam is that even in situations where there is a large measure of external aggression, American power is blunted when the conflict has a revolutionary basis."

He goes on to say that:

> Apart from the inexorability of revolution when conditions are ripe, the first lesson we should learn from the Iranian debacle is the urgent need to reduce our dependence on Middle-Eastern oil. Today we have become almost ludicrously vulnerable. We have let our economic well-being—and that of other non-Communist countries—depend on the reactions of a few small backward states—particularly Saudi Arabia—to forces and pressures we cannot control no matter how much we flex our muscles and pound our chests.

Ambassador Ball believes it unlikely that the Soviet Government will undertake any direct military move in the Middle East but states that we should make it clear that any effort to do so would meet with an immediate and major response from the United States. At the same time, Ambassador Ball points out that we cannot assure the security of the region "by stuffing a backward state with massive quantities of arms" as we attempted to do in the case of Iran. "If we have properly learned the lesson of Iran we should have an appropriate representative of our Government talk to the Saudis in a frank but friendly manner before it is too late. He should emphasize the need for prudent reforms, including halting the corrosive evils of the current flagrant corruption."

Mr. Ball goes on to say that, while we must do everything possible to assure that the new relationships we have arranged between Egypt and Israel do not diminish the willingness of Saudi Arabia and the other gulf states to maintain their current level of oil production, we must free ourselves as rapidly as possible from overdependence for energy on the inherently fragile governments of the Middle East. "Iran has shown that we can no longer afford to live in a fool's paradise. Revolution is a constant threat throughout the Middle East and we now know what we should always have known—that no matter how great our military competence, there is little we can do to stop internal convulsions once they begin."

Mr. Speaker, with every passing day, the danger of our continued dependence on imported oil becomes more obvious. Yet, it is apparent that large numbers of the American people still do not understand the nature of our problem. It is true that there is no shortage of petroleum in the world at the present time, provided the OPEC countries are willing to sell all we want. But it is also true, as Ambassador Ball has pointed out, that the United States must not continue to depend on the Middle East for such a huge amount of our basic energy needs.

Quite apart from the strategic dangers of continued reliance on Middle Eastern oil, there is the financial disaster that is inevitably going to occur if we continue to run imbalances in our international payments on the order of $35 billion or so per year. These balance of payments deficits could be eliminated, and even turned into surpluses, if it were not for our insatiable consumption of imported petroleum. If the only immediate solution in sight is some form of gas rationing, then it is time the Congress and the American people faced up to this reality.

The full text of Mr. Ball's article follows these remarks:

LEARNING THE LESSONS OF IRAN

GEORGE BALL REPORTS: THE NEW PERIL AT THE OIL CROSSROADS

(By George W. Ball)

The collapse of the shah's government in Iran has injected a new element of instability in a strategically vital area on which the West depends for an essential part of the oil required for its industrial existence. We must make certain we understand the lessons of that experience in shaping our policies for the future.

Let us first dispose of the fatuous contention that America could have saved the shah from the wrath of his people had we only flexed our military muscles more visibly by intervention in Angola or Ethiopia or even by steaming the 6th Fleet up the Gulf. There is no mystery about what happened in Iran. A whole country turned against a hated ruler in a long overdue internal revolution, which American intervention could only have exacerbated. One of the lessons of Vietnam is that even in situations where there is a large measure of external aggression, American power is blunted when the conflict has a revolutionary basis.

Befuddling the current post-mortem is the nostalgia of those who recall that, through the CIA, we did help restore the shah to power in 1953. But the conditions then were totally different. The shah was still a young, rather modest man who reigned rather than ruled. The Iranian people had not yet experienced the brutality from the secret police and the corruption by the royal family they came to know increasingly during the next 26 years. Furthermore, the attempted usurper of the shah's power, Dr. Mohammed Mossadegh, had betrayed his own followers by resorting to increasingly dictatorial methods.

Thus, rather than a whole country desiring to depose its ruler—which was recently the case—there was substantial opposition to the efforts of Mossadegh to dislodge the shah. To the extent that the United States assisted in mobilizing that opposition—which is still a matter of some conjecture—we could do so only because it was there to mobilize. Even so, our assistance had an unhappy byproduct: It marked the shah in the eyes of his own people as being too much America's creature.

Thus the shah was right in saying, as he did on several occasions while resistance was boiling up during the agonizing days of 1978: "We must remember this is not 1953."

Apart from the inexorability of revolution when conditions are ripe, the first lesson we should learn from the Iranian debacle is the urgent need to reduce our dependence on Middle-Eastern oil.

Today the non-Communist nations derive 48 percent of their oil from countries on the littoral of the Persian Gulf—Saudi Arabia, Kuwait, Iraq and the gulf emirates and sultanates. Saudi Arabia alone produces 18 percent of America's oil imports. Already the drying up of Iran's oil flow is causing a substantial rise in spot oil prices that threatens to inspire some upward revision of the OPEC price structure.

From the sheer logic of survival we must stop the lotus-eating in which we have so long engaged, recognize the critical nature of the oil problem, and, through a variety of means, reduce our overall requirements and increase the domestic production of all forms of energy.

Today we have become almost ludicrously vulnerable. We have let our economic well-being—and that of other non-Communist countries—depend on the reactions of a few small backward states—particularly Saudi Arabia—to forces and pressures we cannot control no matter how much we flex our muscles and pound our chests. We are betting our economic survival, in other words, not only on the hope that the current Saudi regime—one of the world's last few absolute monarchies—will continue to survive the strains and tensions of an intensely turbulent area but that it will be willing indefinitely to exhaust its only significant natural resource at a rate substantially exceeding its own economic best interests. The risks implied in a mere statement of that reckless position should give Americans sleepless nights.

SAUDIS RESENT U.S. PRESSURE

Unless we break out of our lethargy we will face a dour day of reckoning. Then a violent argument will ensue as to why America so stupidly slept, and reproaches and recriminations will defile the political dialogue.

Yet, no matter how quickly and decisively we move, we cannot greatly reduce our dependence on Middle Eastern oil overnight. Meanwhile we must be sensitive to the needs and attitudes of countries in the gulf area, and particularly Saudi Arabia, the only nation with the marginal capacity to sustain the industrial economies of the West.

Though in the Middle East stability is only a relative term. Saudi Arabia should still prove more stable than Iran. While there are some backsliders, the Wahabi ruling family is stricter in adhering to Islamic practices; the royal family has greater legitimacy than the shah and its ramifications extend throughout the country, the population is small and more homogeneous; and, though there is immense corruption with total government receipts of $125 million a day there is enough revenue to permit a larger part of the population to have a share in them.

Yet with its inordinate wealth and traditional society Saudi Arabia and its foreign policies are still inherently unstable. The country is excessively dependent on imported unskilled labor and on foreign technicians who are an indigestible lump in the body politic. Its government's close relations with America rest on assumptions and conditions that can quickly change—and indeed may already by changing. In recent months anti-Americanism has become shockingly prevalent, and there is no doubt the Saudi government is unhappy with its American friend. The fact that three American businessmen have just been sentenced to flogging perhaps reflects this changing attitude.

That unhappiness stems in part from a mistaken reading of the Iranian experience—the belief that the United States could somehow have protected a friendly state from its own revolutionary convulsion. But the Saudi government is even more upset by our diplomatic activities in the wake of Camp David.

The Saudis resent our pressure on them to support a bilateral agreement between Israel and Egypt. As a tiny state surrounded by activist Arab countries far larger and more powerful, it cannot afford to ignore the common Arab position toward the occupied areas and, if we continue to press it to do so, we may jeopardize a relationship on which we are dangerously dependent.

The Saudis are already showing signs of alienation, offset only by their heightened dependence on us for security—a dependence highlighted by the current fighting in Yemen. They are, for the first time, showing an interest in normalizing their relations with the Soviet Union, which they have always regarded as their No. 1 enemy. Crown Prince Fahd has postponed his trip to Washington, either to show his disapproval of our post-Camp David exertions or because his government wants time to reassess its policies.

Clearly, the government is having increasing difficulty achieving agreement among its own members and making decisions, and there is reason to believe that the younger members of the royal family—largely Western educated—may be gaining influence. Some younger princes, trained in economics and less conservative politically than the elder generation (who learned their lessons in the desert and not in universities), are urging that their country restrict its oil production to perhaps no more than 6 million barrels a day—which would be catastrophic for America. They also tend to favor improved relations with the radical Arab states—a trend evident ever since the Baghdad conference in November of last year.

SOVIETS POSE THREAT TO AREA

If we are prudent, we will recognize the sensitivity of Saudi Arabia's position in the Arab world. Meanwhile, we should do everything possible to reassure not only the Saudis but other states in the area that they can depend on us for their security.

What are the major dangers that they face?

They are two in number: direct aggression by the Soviets—or by their Cuban puppets—against some state or states in the area; and Soviet supported attacks by a local state against its neighbors. In addition the United States and our Western allies face the danger that internal insurrections might install a hostile government in an oil-producing country.

I do not, for the time being, believe it likely that the present Soviet government would undertake any direct military move; that would involve to great a risk of confrontation with the United States. But we should leave no doubt as to our response. Moscow must keep its hands off the Persian Gulf area, including Iran, since any aggression there would threaten oil resources that are vital to the whole non-Communist world. We cannot let that happen.

If the Soviet Union is not likely to launch a direct attack against any state in the gulf area, it still poses a threat through its support of Ethiopia and South Yemen. The United States is moving to counter that threat by supplying aircraft and equipment to the North Yemenis and, as a warning, has ordered a carrier task force into the Gulf of Aden. There is however, serious doubt as to the effectiveness of the North Yemen fighting forces, no matter how many weapons we supply.

Though North Yemen has a far larger population than South Yemen, the North Yemen military have so far shown a disturbing lack of will and competence. The Saudis are necessarily nervous at military action on their borders that can be efficiently resupplied from Ethiopia, particularly because they depend on nearly a million emigre Yemeni workers.

But an even more serious threat posed by South Yemen is to the small gulf states—in some of which Palestinians form the backbone of the work force. It is essential that we develop arrangements for military cooperation with those states as quickly as possible.

To make the threat of a U.S. reaction credible to the Soviets while reassuring the states in the gulf area, we must visibly improve our capability for quick military response. Unfortunately permanent forward basing—as distinct from the prepositioning of supplies—is no longer very feasible. (Apparently the Saudis made clear to Defense Secretary Harold Brown on his recent visit that an American base on their territory would be politically compromising.)

But we should substantially beef up our presence in the Indian Ocean, assist the Saudis with surveillance (as by the current deployment of AWACs) and give constant reminders of our improving ability to deliver force quickly, even from American bases.

With Iran eliminated as the "protector" of the gulf area, a mindless reflex is leading many to search for another surrogate country such as Egypt or Saudi Arabia to assume the shah's role as "policeman." That is, it seems to me, a temptation we should sturdily avoid. If the debacle of Iran proves anything, it is that we cannot assure the security of a strategic region by stuffing a backward state with massive quantities of arms. It shows, in other words, the fatuity of the Nixon Doctrine.

SYMPTOMS OF SAUDI MALAISE

With diligence and determination we should be able to cope effectively with external military threats to nations in the gulf area. But as experience has taught on many occasions, we can do little to influence an internal power struggle once widespread revolutionary forces have built up as was the case with Iran. To be effective we must concentrate on preventing such a buildup, which means that we must act while a nation is still relatively stable, conditioning our military commitments on its correction of conditions (including corruption) that could, sooner or later, incite revolutionary change. It is essential that this be done well before discontent spreads widely; otherwise, it may only accelerate the revolutionary process.

The government of Saudi Arabia is today showing unhealthy symptoms of a malaise that could lead to internal troubles. While many would consider the assessment overly pessimistic, one knowledgeable recent visitor to Riyadh told me: "The atmosphere in Saudi Arabia seems disturbingly reminiscent of Iran two years ago. There is widespread criticism of the government and the royal family while the increase in magnitude of the graft and corruption suggests a spirit of 'Let's get it while we can'."

If we have properly learned the lesson of Iran we should have an appropriate representative of our government talk to the Saudis in a frank but friendly manner before it is too late. He should emphasize the need for prudent reforms, including halting the corrosive evils of the current flagrant corruption.

In addition—though it is a sensitive subject touching on customs with a religious sanction—he should point out the urgent need to liberalize the medieval treatment of women, who are today denied the freedom that even such other orthodox Wahabi states as Kuwait and Qatar long since learned to take for granted—the opportunity to be properly educated and to work.

In a country of only 4 million people, where only one in eight can read and write Arabic and with perhaps no more than 250,000 skilled male Saudis of effective working age, the denial of normal work opportunity to half the population is not only offensive to human values but a profligate misuse of scarce human resources.

In addition, we Americans should squarely face the prospect that no Saudi government will be likely to continue permanently producing oil at a level substantially exceeding the country's revenue needs. We should, therefore, seize the present moment, when the Saudis are concerned about their security and welcome our military assurances and concrete military proposals, to try to reach an understanding that they will for at least the next 10 years or so produce oil at not less than agreed minimum level needed to sustain the Western economy while the United States and other user countries take steps to reduce their dependence.

At the same time we should caution them not to repeat Iran's error and use the vast surpluses thus generated for the reckless construction of elaborate but ill-advised projects; rather they should be encouraged to establish something akin to the Fund for Future Generations to which the Kuwaitis now commit 10 percent of their government's receipts to build up revenue against the day when their oil runs out.

If we now stay silent as we did with Iran, and do not try to condition our military help on the necessary internal measures that will relieve Saudi Arabia of grinding pressures for revolutionary change, we may one day—perhaps within two or three years—be confronted by a new regime and a new situation. If that occurs, we can be confident the new regime will exploit to the fullest the demogogic value of anti-Americanism and will very likely cut back oil production.

U.S. PRESTIGE INVESTED

While we are reviewing the lessons disclosed by the debacle in Iran and its effect on our vital interests in Saudi Arabia and other Gulf states, we should also consider the possible consequences of President Carter's apparent success in achieving an agreement between Egypt and Israel. That agreement is a remarkable achievement in itself—for which the president deserves great commendation. Yet it is only the first step in bringing about a larger understanding between Arabs and Israelis. Unless the president shows equal dedication and courage in transforming this initial agreement into an overall settlement, it could conceivably do more harm than good.

Implicit in the president's spectacular diplomatic action are the hazards of a process that has caused us problems before. Our government sets out to achieve certain broad and desirable goals—in this case, an overall Arab-Israeli settlement. But as increasing obstacles are encountered, it invests such great prestige that the achievement of some kind of treaty produces a set of agreements so filled with dangerously heavy obligations, qualifications and contrived ambiguities that they create more tensions and misunderstandings than they resolve.

That was, in my view, the story of the second Sinai negotiation, where to achieve an agreement, the United States not only obligated itself to make onerous financial commitments but also accepted humiliating restrictions on its own freedom in future bargaining that greatly inhibited its recent more ambitious diplomacy.

Though the agreement about to be formalized apparently provides at least a suggestion of a schedule for holding elections looking toward limited self-government for the West Bank and the Gaza Strip, we must be careful not only to make sure that that time schedule is maintained but that in the haggling which will inevitably accompany an agreement on modalities, the Israelis do not so emasculate the concept of self-government as to make it little more than a modification of the present military occupation.

In that case, the bitterness in the occupied area would intensify, violence would increase and the neighboring Arab states would accuse the United States of a sellout.

We must not lose sight of this point. The Palestinian issue—not the disposition of the sands of the Sinai—is at the heart of the overall Arab-Israeli quarrel, if we leave more than a million people in the West Bank and Gaza Strip under a military occupation that has already continued for 11 years, not only will we call into question the sincerity of our concern for human rights, but, left untreated, the Middle East's festering ulcer will sooner or later have lethal consequences.

Our vigorous pursuit of a Palestinian settlement is also necessary to prevent Egyptian President Anwar Sadat from being seriously undermined. Unless we can persuade the Saudis, for example, that this is only a first step and that America is fiercely determined to secure an overall settlement, the Saudis may well feel compelled by the dynamics of Arab opinion to cut back on their huge annual subsidy to Egypt. Meanwhile other Arab states may block the remittances of Egyptian workers, on which much of Egypt's foreign exchange depends. Unless America is prepared to pick up an even larger check than that contemplated by the agreement so far reached, Egypt's economy would collapse.

RISKS IN EGYPT-ISRAEL PACT

I do not at all underestimate how difficult it will be to maintain the momentum of negotiations. Once Egypt and Israel formalize their narrow arrangement for the return of the Sinai, thus halting Iraq's recent but tentative drift toward the West and driving the rest of the Arab world into hard resentment, progress toward a settlement of the central substantive problems will be extremely hard sledding. With Egypt neutralized, the Israelis will feel under even less pressure to deal with the intricate substantive issues—of which the Palestinian problem is the most important.

In view of the inertia that results from the complex interplay of Israeli domestic politics, we shall have to employ extraordinary pressure to convince the Israeli government to negotiate these issues seriously.

At the same time, we must do everything possible to assure the rapprochement we have arranged with Egypt and Israel does not weaken our relations with Saudi Arabia and the gulf states and thus diminish their willingness to maintain their current level of oil production. This will strain to the limit our capacity for sustained attention and sensitivity.

How we conduct our affairs in the Middle East will sternly test our wisdom and diplomatic skills. The revolution in Iran requires us to reexamine certain key assumptions of our existing policy, including the Nixon Doctrine. The repercussions on Saudi Arabia and other oil-producing states of our narrow focus on an Egyptian-Israeli treaty equally force us to question the methods by which we conduct that policy and specifically the current excessive indulgence in personal diplomacy.

Finally—and most compellingly—events in Iran and the implications of our recent summit diplomacy make it vividly clear that we must free ourselves from overdependence for energy on the inherently fragile governments of the Middle East. Iran has shown that we can no longer afford to live in a fool's paradise. Revolution is a constant threat throughout the Middle East and we now know what we should always have known—that no matter how great our military competence, there is little we can do to stop internal convulsions once they begin.●

INTRODUCTION OF THE FRANCHISE REFORM ACT

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. MIKVA. Mr. Speaker, today 33 of our colleagues have joined me in introducing the Franchise Reform Act. This bill is intended to correct inequities in certain franchise practices, to provide franchisors and franchisees with protection from unfair practices, and to provide consumers with the benefits which accrue from competition and a free market economy.

During the 94th Congress, when I introduced the first version of this bill, the House Interstate and Foreign Commerce Subcommittee on Consumer Protection and Finance held 3 days of hearings on franchising. During those hearings, it became clear that the value of the franchising form of business was becoming increasingly important in American commercial life. However, it was also clear that too often franchisors took advantage of superior bargaining power to force franchisees to accept arbitrary and unfair treatment. The threat of immediate termination is a powerful tool to insure compliance.

Last Congress, I introduced a slightly revised bill which I think made some significant improvements upon the first bill. The present bill retains the most significant provisions included in the last two versions. Franchisors are required to give notice to franchisees of decisions to terminate or fail to renew the franchise except in certain carefully prescribed situations. Franchisors must have good cause for terminating a franchisee. Upon the conclusion of a franchise arrangement, the bill permits franchisees to sell their interest in the franchise to a new franchisee subject to the approval of the franchisor. Should the franchisor fail to approve the sale, reasonable compensation must be paid the franchisee. Franchisors are required to treat all their franchisees equally unless there are justifiable reasons for varied treatment. Federal courts may grant legal and equitable relief to remedy the effects of prohibited conduct under the act and arbitration of disputes is also encouraged.

Additional improvements have been added to the current bill. In order to focus the act's coverage on the true victims of franchise abuses, the definition of a franchise for purposes of the act has been tightened to emphasize the substantial dependence or reliance of the franchisee on the franchisor. Also, the present bill allows a franchisor to fail to renew a franchise, without good cause, so long as the franchisor permits the franchisee to sell the franchise (subject to the franchisor's approval) or, if no such sale is made, pays the franchisee reasonable compensation for the resulting loss of value to his business. Finally, the time period during which a franchisor must refrain from dealing in any manner with a franchise in a particular market area, in order to justify the termination or failure to renew a franchise in that area, has been reduced from 5 years to 1 year. This reflects the judgment that a 1-year suspension of all franchise activity in a particular market area effectively constitutes a withdrawal from that market area.

Mr. Speaker, this bill will not correct all the abuses in the franchise system. Nor will it put franchisees in a dominant position vis-a-vis franchisors. It is simply designed to put both partners in the economic relationship on a more equal footing. It is intended to provide both franchisors and franchisees with even-handed protection from unfair and unjustifiable practices.

Mr. Speaker, I join with Mr. Moakley, Mr. Corrada, Mr. Solarz, Mr. Edwards of California, Mr. Lederer, Mr. Jacobs, Mr. Hamilton, Mr. Richmond, Mr. Myers of Indiana, Mr. Bedell, Mr. LaFalce, Mr. Drinan, Mr. Pepper, Mr. Bevill, Mr. McHugh, Mr. Forsythe, Mr. Ottinger, Mr. Edgar, Mr. Murphy of Pennsylvania, Mr. Kildee, Mr. Clay, Mr. Ford of Michigan, Ms. Mikulski, Mr. Thompson, Ms. Holtzman, Mr. Rangel, Mr. Downey, Mr. Gudger, Mr. Buchanan, Mr. Price, Mr. Vento, Mr. Gephardt, and Mr. Carr in including the text of the Franchise Reform Act:

H.R. 2305

A bill to correct inequities in the termination and renewal of franchises, to protect franchisees from unfair practices, to protect franchisors and franchisees from actions inconsistent with the successful operation of franchises, to provide consumers with the benefits which result from a competitive and open market economy, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Franchise Reform Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress makes the following findings:

(1) A substantial amount of useful business activity in and affecting commerce is carried on and conducted under franchise agreements or relationships between franchisors and franchisees.

(2) Such agreements and relationships benefit the economy, enhance commerce, and promote competition by providing a means for combining centralized planning, direction, and standard-setting by the franchisor with local decisionmaking, initiative, and capital formation by the franchisee in a way which appears to be at least as effective as commercial arrangements based on principal and agent relationships.

(3) The franchise relationship in its present form is a relatively new one, and existing law has not evolved sufficiently to protect adequately the parties to the franchise relationship and to insure against over-reaching, unjust enrichment, and unjustifiable termination. Traditional antitrust, agency, and contract law doctrines fail to provide sufficient remedies for conduct that should, in this context, be characterized as wrongdoing.

(b) It is the purpose of this Act to provide certain remedies to franchisors and franchisees to assure fair dealing and to protect against actions which are inconsistent with the successful operation of franchises, to protect franchisees from inequitable practices, to correct inequities in practices relating to the termination and renewal of franchises, and to guarantee to consumers the greater benefits which would result from more equitable franchise agreements and relationships.

DEFINITIONS

SEC. 3. For purposes of this Act:

(1) The term "antitrust laws" includes—

(A) the Sherman Act (15 U.S.C. 1 et seq.);

(B) the Clayton Act (15 U.S.C. 12 et seq.);

(C) the Federal Trade Commission Act (15 U.S.C. 41 et seq.);

(D) sections 73 and 74 of the Wilson Tariff Act (15 U.S.C. 8 and 9); and

(E) the Act of June 19, 1936, chapter 592 (15 U.S.S. 13, 13a, 13b, and 21A).

(2) (A) Except as provided in subparagraph (B), the term "franchise" means any commercial relationship which affects commerce and which is created by agreement, contract, lease, or other understanding, whether written or oral, express or implied, in which—

(i) a person (hereinafter in this Act referred to as the "franchisor") grants to another person (hereinafter in this Act referred to as the "franchisee") the right to, or permits such person to, offer, sell, or distribute—

(I) goods or commodities manufactured, processed, or distributed by such franchisor; or

(II) services established, organized, or directed by such franchisor; and

(ii) (I) the operation of the franchisee's business is substantially dependent upon the franchisor's trademark, service mark, trade name, or other identifying symbol or name owned or controlled by the franchisor; or

(II) the franchisee has made a substantial change in the nature or operation of his business in reliance upon the continuation of the franchise relationship; and

(iii) not less than $25,000 in annual gross revenues of the goods, commodities, or services sold by the franchisee each year is derived from the franchise business.
Such term includes any franchise described in the preceding sentence under which a franchisee is granted the right, or is permitted, to offer, sell, or negotiate the sale of such franchises in the name of or on behalf of the franchisor.

(B) The term "franchise" does not include any commercial relationship under which a person is granted the right, or is permitted, to offer, sell, or distribute, on a commission or consignment basis, goods, or commodities manufactured, processed, or distributed by another person and bearing the trademark, service mark, trade name, or other identifying symbol or name owned or controlled by such other person.

(3) The term "good cause", when used with respect to the termination of a franchise, means a termination by a franchisor which is based upon—

(A) continued failure by the franchisee, without reasonable excuse or justification, to comply substantially with an essential and reasonable requirement imposed by the franchisor under the terms of the franchise; or

(B) continued bad-faith conduct or unjustified and unreasonable failure to act by the franchisee with respect to the carrying out of the terms of such franchise.

(4) The term "marketing area withdrawal" means the termination of, or failure to renew, a franchise by a franchisor for the purpose of enabling such franchisor to withdraw from the business of granting, organizing, supplying, or directing franchises within a particular marketing area of the United States—

(A) which is not a violation of the antitrust laws;

(B) with respect to which such franchisor does not sell or provide, directly or indirectly, in such marketing area the same goods and services covered by such franchise during the one-year period beginning on the date of such termination or failure to renew; and

(C) with respect to which such franchisor pays the franchisee involved reasonable compensation for the value of such franchisee's business, including goodwill, or, if agreed to by such franchisee, provides for the replacement of the franchise with a new franchise of equivalent value.

(5) The term "commerce" means trade, traffic, commerce, or transportation—

(A) between a place in a State and any place outside such State; or

(B) which affects trade, traffic, commerce, or transportation described in subparagraph (A).

(6) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

NOTICE TO FRANCHISEES

SEC. 4. (a) (1) Except as provided in subsection (b), no franchisor may fail to renew or terminate a franchise unless such franchisor furnishes prior notification in accordance with paragraph (2) to the franchisee affected.

(2) The notification required in paragraph (1) shall be in writing and shall be sent to the franchisee by certified mail not less than ninety days before the renewal date of the franchise or the date on which such franchise will be terminated. Such notification shall contain a statement of intention not to renew or to terminate, together with the reasons therefor, the date on which such action will take effect, and a statement of the remedy or remedies available to such franchisee under this Act, including a summary of the applicable provisions of this Act.

(b) A franchisor may fail to renew, or terminate, a franchise without furnishing the notification required in subsection (a)—

(1) in order to protect against an imminent danger to public health or safety caused by the franchisee;

(2) in the event of insolvency or bankruptcy of the franchisee; or

(3) in the event of voluntary abandonment by the franchisee of the franchise business.

TERMINATION OF FRANCHISES

SEC. 5. No franchisor may terminate a franchise unless—

(1) the franchisor is effecting a marketing area withdrawal; or

(2) the franchisor has good cause for such termination and, in any case in which prior notification is required under section 4, the franchisor has furnished such notification and the franchisee has not corrected the conduct specified in such notification as the reason for such termination within sixty days after the date of receipt of such notification.

FAILURE TO RENEW FRANCHISES

SEC. 6. (a) No franchisor may fail to renew a franchise unless—

(1) the franchisor is effecting a marketing area withdrawal; or

(2) the franchisor—

(A) permits the franchisee, for a period of not less than ninety days beginning on the date of expiration of the franchise, to sell the franchise subject to the approval of the franchisor; or

(B) if no sale is made under subparagraph (A), pays the franchisee reasonable compensation for the loss of the value (including goodwill) of the franchisee's business attributable to the franchisor's failure to renew the franchise.

(b) If a franchisee and franchisor do not agree on the amount of the reasonable compensation described in subsection (a) (2) (B), they shall submit the determination of such amount to binding arbitration in accordance with section 9(b).

RELATIONSHIP BETWEEN PARTIES

SEC. 7. A franchisor may not discriminate between or among franchisees in the charges offered or made for royalties, goods, services, equipment, rentals, advertising services, or in any other business dealing, unless, and then only to the extent that, any classification of, or discrimination between or among, franchisees is reasonable, is based on franchises granted at materially different times, and is reasonably related to such difference in time or is based on other proper and justifiable distinctions considering the purposes of this Act, and is not arbitrary.

JUDICIAL REMEDIES; BURDEN OF PROOF

SEC. 8. (a) If a franchisor engages in conduct prohibited by this Act, a franchisee may maintain a suit against such franchisor.

(b) The court shall grant such equitable relief as is necessary to remedy the effects of conduct which it finds to exist and which is prohibited by this Act, including declaratory judgment, mandatory or prohibitive injunctive relief, and interim equitable relief. The court may, unless required by this Act, award damages, including the value of goodwill. The court may, if such suit is successful, direct that costs, including reasonable attorney and expert witness fees, be paid by the franchisor. If the court finds that the franchisor has acted in bad faith in invoking the provisions of section 4(b) as justification for failure to renew, or termination of, a franchise, it shall award actual damages, as well as costs, as provided for in this subsection.

(c) A suit under this section may be brought, without regard to the amount in controversy, in the district court of the United States for any judicial district in which the franchisor against whom such suit is maintained resides, is found, or is doing business. No such suit shall be maintained unless commenced within two years after the failure to renew, or termination of, the franchise, unless the franchisor has already reentered the marketing area after having effected a marketing area wtihdrawal, in which case no such suit shall be maintained unless commenced within two years after the date of such alleged reentry.

(d) In any suit brought under this section, a franchisor availing himself to any of the justifications specified in section 4(b), 5(1), 5(2), or 7 as a defense to such action shall have the burden of establishing and proving such defense.

PROHIBITION OF WAIVER OF RIGHTS; ARBITRATION

SEC. 9. (a) Except as provided in subsection (b), any condition, stipulation, provision, or term of any franchise agreement waiving any right granted by this Act, or relieving any person from liability imposed by this Act, shall be void and unenforceable.

(b) Nothing contained in this Act shall limit the right of a franchisor and a franchisee to agree to binding arbitration of disputes, if—

(1) the standards applied in such arbitration are not less than the requirements specified in this Act; and

(2) any arbitrator employed in such arbitration is chosen by the parties from a list of impartial arbitrators supplied by the American Arbitration Association or by any other impartial third party agreed to by the parties.

ANTITRUST LAWS

SEC. 10. No provision of this Act shall repeal, modify, or supersede, directly or indirectly, any provision of the antitrust laws of the United States. This Act is and shall be deemed to be supplementary to, but not a part of, the antitrust laws of the United States.

EFFECT ON STATE LAW

SEC. 11. Nothing in this Act shall invalidate or restrict any right or remedy of any franchisee under the law of any State.

EFFECTIVE DATE

SEC. 12. This Act shall apply to any failure to renew, or termination of, any franchise occurring after the date of the enactment of this Act.●

SUPPORT GROWS FOR CAMPAIGN FINANCE REFORM

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MIKVA. Mr. Speaker, 2 days ago, 25 prestigious national organizations announced that they were working for early passage this spring of partial public financing of congressional elections. This announcement is another example of the growing public support for H.R. 1. At this time, I would like to share with my colleagues the letter that was sent to the cosponsors of H.R. 1 by the leaders of the 25 national organizations. I also understand that the American Bar Association, the AFL-CIO and the National Farm Workers Union concur with the following letter.

MARCH 19, 1979.

DEAR REPRESENTATIVE:

We the undersigned organizations are working to gain passage of legislation to establish a system of partial public financing for Congressional elections. We want to take this opportunity to strongly commend you for cosponsoring partial public financing legislation.

We believe that Congressional public financing is an essential institutional reform and that it is important for the House to consider and act on this legislation early in the first session of this Congress.

We look forward to working with you to pass this vitally needed reform.

Sincerely,

David Cohen, President, Common Cause; Katherine Eaton, Legislative Program Chairman, American Association of University Women; Kathleen F. O'Reilly, Executive Director, Consumer Federation of America; Ruth J. Hinerfeld, President, League of Women Voters; Ronald H. Brown, Vice President, National Urban League; Dorothy Height, National President, National Council of Negro Women; Charles L. Frazier, Director, National Farmers Organization; and Dean K. Clowes, Director, Political Action Department, United Steel Workers of America.

Louise L. Dunlap, Executive Vice President, Environmental Policy Center; Marion Edey, Executive Director, League of Conservation Voters; Raul Yzaguirre, President, National Council of La Raza; Edward F. Snyder, Executive Secretary, Friends Commission on National Legislation; Charles O. Conrad, Affiliate Director, Rural America Coalition; Carol Coston, OP Network; William J. Holayter, Director, National Association of Machinists and Aerospace Workers; and Glenn E. Watts, President, Communications Workers of America.

Robert D. Partridge, General Manager and Executive Vice President, National Rural Electric Cooperative Association; M. Carl Holman, President, Urban Coalition; Raymond Nathan, Director, Washington Ethical Action Office American Ethical Union; Mitchell Rofsky, Congress Watch; William M. Lawbaugh, Legislative Director, Iron Worker's International; Gasper LoBiondo, Director, Jesuit Social Ministries; Jack Corbett, Director of Church Government Relations, Board of Church and Society, United Methodist Church; and Anita Miller, President, National Association of Commissions for Women.●

STATEMENT OF CHAIRMAN ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULES TO BE REQUESTED ON H.R. 1543, TO IMPROVE THE OPERATION OF THE ADJUSTMENT ASSISTANCE PROGRAMS FOR WORKERS AND FIRMS UNDER THE TRADE ACT OF 1974

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD).

Mr. ULLMAN. Mr. Speaker, on Tuesday, March 20, 1979, the Committee on Ways and Means favorably reported H.R. 1543 to the House. The bill would increase the accessibility for firms and workers to apply for adjustment assistance; improve the delivery of assistance; increase benefits for job relocation and training; and increase the maximum on direct loans and loan guarantees.

I take this occasion to advise my Democratic colleagues as to the nature of the rule that I will request for consideration of H.R. 1543 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a modified closed rule for consideration of H.R. 1543 which would provide for amendments relating only to chapters 2, 3, and 5 of title II of the Trade Act of 1974, the trade adjustment assistance provisions of the act; 1 hour of general debate, to be equally divided; waiving all necessary points of order, and with one motion to recommit.

It is our intention to request a hearing before the Committee on Rules as expeditiously as possible.

SALES REPRESENTATIVES PROTECTION ACT INTRODUCED

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MIKVA. Mr. Speaker, together with Congressman CHARLES ROSE and Congressman BILL BRODHEAD, I introduced the Sales Representatives Protection Act (H.R. 2209) on February 15, 1979. Close to 40 Members of Congress have now joined us in sponsoring this important legislation.

Its purpose is to protect commissioned sales representatives from being terminated or having their territories or commissions reduced without good cause.

Because of the interest which has been generated by this bill, I would like to include it at the end of these remarks.

Cosponsors of the bill are Mr. ADDABBO, Mr. ATKINSON, Mr. BAILEY, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. BUCHANAN, Mr. CARR, Mr. CLAY, Mr. CORRADA, Mr. DAVIS of South Carolina, Mr. DRINAN, Mr. DOWNEY, Mr. DUNCAN of Tennessee, Mr. FORSYTHE, Mr. FOWLER, Mr. GAYDOS, Mr. GEPHARDT, Mr. GRASSLEY, Mr. HARRIS, Mr. HUGHES, Mr. HYDE, Mr. LEDERER, Mr. LONG of Maryland, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. MOORHEAD of Pennsylvania, Mr. MURPHY of Pennsylvania, Mr. NEAL, Mr. OTTINGER, Mr. PATTEN, Mr. RAHALL, Mr. RINALDO, Mrs. SPELLMAN, Mr. STUMP, Mr. UDALL, Mr. VENTO, Mr. WALGREN, and Mr. YOUNG of Missouri.

H.R. 2209

A bill to correct inequities in certain sales representatives practices, to provide protection for certain sales representatives terminated from their accounts without justification, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Sales Representatives Protection Act".

FINDINGS

SEC. 2. The Congress makes the following findings:

(1) A substantial amount of useful business activity in and affecting interstate commerce is carried on and conducted under agreements or relationships between sales representatives compensated solely by commission and principles on whose behalf such sales representatives solicit orders.

(2) Such agreements and relationships benefit the economy, enhance commerce, and promote competition by providing a means for the sale and distribution of goods in an efficient and economic manner.

(3) Such sales representatives, as independent businessmen, generally do not have the benefits of workmen's compensation, unemployment compensation, and company-sponsored retirement or pension plans and are not eligible to bargain collectively.

(4) Many such sales representatives are not sufficiently protected from wrongful termination from their accounts, reduction in the size of their sales territories, conversion of their accounts to accounts serviced directly by the principal, and other inequities.

DEFINITIONS

Sec. 3. For purposes of this Act:

(1) The term "account" means a customer of a principal which is initially solicited by a sales representative as a customer of the principal or from which the sales representative has solicited business on behalf of the principal for not less than sixty-six consecutive months.

(2) The term "commerce" means trade, traffic, transmission, communication, or transportation—

(A) between a place in a State and any place outside such State; or

(B) which affects trade, traffic, transmission, communication, or transportation described in subparagraph (A).

(3) The term "good cause", when used with respect to the termination of, or failure to renew, a contract or other binding agreement between a principal and a sales representative, means a termination or failure to renew by such principal which is based upon—

(A) an act of God, an act of war or insurrection, a strike, or any action by an agency of Government;

(B) a continuing decline in the volume of sales of merchandise with respect to which such sales representative solicits business on behalf of such principal, if such decline is more than temporary in nature; or

(C) conduct on the part of the sales representative with respect to the principal which constitutes—

(i) fraud, dishonesty, or criminal activity;

(ii) a material breach of the contract or other binding agreement between the sales representative and the principal;

(iii) failure to put forth a good faith effort to obtain orders for the merchandise of the principal; or

(iv) gross negligence in the performance of the duties of the sales representative under the contract or other binding agreement.

(4) The term "principal" means any person who—

(A) is engaged in the business of manufacturing, producing, assembling, or importing merchandise for sale in commerce to a customer which purchases such merchandise for resale or for use in business;

(B) utilizes sales representatives to solicit orders for such merchandise; and

(C) compensates such sales representatives, in whole or in part, by commission.

(5) The term "sales representative" means any person (other than an agent-driver or commission-driver) who is an independent contractor engaged in the business of soliciting on behalf of a principal orders for the purchase of merchandise of such principal. Such term does not include an individual who is employed by a corporation the employees of which are engaged in such business of solicitation and are compensated by commission.

(6) The term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, and the Canal Zone.

PROHIBITED ACTIONS

Sec. 4. No principal shall, without good cause—

(1) terminate or fail to renew a contract or other binding agreement with a sales representative who is soliciting business on behalf of such principal from an account;

(2) reduce the size of the geographical territory assigned to a sales representative with respect to an account by more than 25 per centum; or

(3) reduce the rate of commission paid to a sales representative with respect to an account by more than 25 per centum.

EXEMPTIONS

Sec. 5. The provisions of section 4(1) shall not apply in the case of any principal who, for the period of one year after a termination of, or failure to renew, any contract or other binding agreement which otherwise would be a violation of section 4(1), does not solicit (directly or through a sales representative) or accept any order from the account involved in such termination or failure to renew.

LIABILITY OF PRINCIPALS

Sec. 6. Any principal who violates any provision of section 4 shall be liable to the sales representative assigned to the account involved for the payment of compensation in an amount equal to the amount of any commissions which such sales representative would have received from such principal if such violation had not occurred. The period for which such compensation shall be paid shall be—

(1) the period during which such sales representative solicited business from such account before such violation occurred; or

(2) three years;

whichever is shorter.

DUTIES OF PRINCIPALS WITH RESPECT TO SALES REPRESENTATIVES

Sec. 7. Any principal who enters into a contract or other binding agreement with a sales representative under which such sales representative shall solicit orders for the merchandise of such principal shall—

(1) inform the sales representative, within a reasonable time to be specified in the contract or other agreement, of the principal's receipt of each order from an account of the sales representative;

(2) furnish the sales representative, within a reasonable time to be specified in the contract or other agreement, copies of all invoices and credit memorandums issued with respect to sales in the assigned geographical territory, if any, of the sales resentive;

(3) furnish the sales representative monthly statements of commissions due the sales representative; and

(4) provide the sales representative, upon the request of the sales representative—

(A) an accounting showing each sale made by the principal in the preceding twelve months in the assigned geographical territory, if any, of the sales representative;

(B) information with respect to any matter which is related to any claim by the sales representative against the principal for a commission; and

(C) access to the records of the principal for the purpose of verifying information supplied under subparagraphs (A) and (B).

PROCEDURE

Sec. 8. (a) An action to enforce any rights or liabilities created by this Act may be brought in a district court of the United States without regard to the amount in controversy or in any other court of competent jurisdiction.

(b) In the case of an action arising under this Act which is brought in a district court of the United States, such action may be brought in the judicial district where all the plaintiffs reside in addition to any other judicial district provided by law.

(c) No action may be brought under this Act later than five years after the right to such action first arises.

(d) In any action brought by any sales representative against any principal which alleges a violation of section 4, the burden of proof on the issue of whether the principal acted without good cause shall rest on the principal.

(e) In any successful action brought by a sales representative under this Act, the court may award reasonable attorney fees and costs to the sales representative.

WAIVER PROHIBITED

Sec. 9. Any provision in any contract or other binding agreement between any sales representative and any principal requiring the sales representative to waive any of the provisions of this Act shall be void.

EFFECT ON STATE LAW

Sec. 10. Nothing in this Act shall invalidate or restrict any right or remedy of any sales representative under the law of any State.

EFFECTIVE DATE

Sec. 11. The provisions of this Act shall apply to any violation of the provisions of this Act which occurs after the date of the enactment of this Act.●

CONTROLLING CORPORATE MERGERS

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, I am today introducing a bill to deal with problems posed by large conglomerate mergers. Known as the Small and Independent Business Protection Act, this is the same bill as that introduced recently in the Senate by Senator Edward Kennedy, chairman of the Senate Judiciary Committee and Senator Howard Metzenbaum, chairman of the Senate Subcommittee on Antitrust.

There are three types of corporate mergers or acquisitions: Horizontal, vertical, and conglomerate. A horizontal merger involves firms which compete with each other by selling to customers in the same relevant economic market. A vertical merger is one where the merging parties are in a buyer-seller relationship. A conglomerate merger involves firms in different industries or product lines—they neither compete with each other, nor do they buy from or sell to each other. It is this last type of merger which has become the order of the day.

Mergers are certainly not a recent phenomenon. Since the turn of the century, American business has experienced several periods when mergers were the rage. But this most recent wave of takeover activity is different in that it has revealed the prominence of the conglomerate merger and the decline of the horizontal and vertical merger. In 1950, conglomerate mergers accounted for only 38 percent of all mergers. Today that figure is upward of 80 percent.

This changing trend may be due in part to the fact that antitrust provisions in section 7 of the Clayton Act prohibiting anticompetitive mergers were significantly strengthened by the Celler-Kefauver amendments in 1950. Section 7 now generally forbids mergers "in any line of commerce in any section of the country," the effect of which would be "substantially to lessen competition, or tend to create a monopoly." Under section 7, the Federal Government, through either the Justice Department or the FTC, has the authority to challenge any merger affecting interstate commerce, and since the 1950 amendments, the Government has been vigorous in enforcing these provisions. While this accounts for the slowing rate of horizontal and vertical mergers, the courts have construed section 7 in such a manner that it has been rendered inadequate for truly controlling conglomerate mergers. In short, the sort of economic concentration resulting from conglomerate mergers, no matter how harmful it may be to society and free enterprise, is much more difficult to curb under present law.

On their face, the antitrust laws recognize that the kind of reorganization of corporate relationships which results in aggregate increases in economic concentration may significantly affect the health of competition throughout the economy. But the antitrust laws have a broader base than just economic goals. The authors of the antitrust laws and merger provisions made clear that the foundation of these policies was bedded firmly in social and political grounds as well. As Estes Kefauver testified in 1947 in support of the Clayton Act amendments:

> Local economic independence cannot be preserved in the face of consolidations such as we have had during the past few years. The control of American business is steadily being transferred from local communities to a few large cities in which central managers decide the policies and the fate of the far-flung enterprises they control. Millions of people depend helplessly on their judgment. Through monopolistic mergers the people are losing the power to direct their own economic welfare.

Mr. Speaker, then-Congressman Kefauver's words are just as valid today as they were 30 years ago. The transfer of control of local businesses to distant cities is a dramatic social cost of the merger movement. Absentee corporations do not have the sense of commitment and community pride that home-grown enterprises do. Important decisions concerning subsidiaries made in distant headquarters are more likely to be made without regard to the needs of the subsidiary's local community or the concerns of local officials, civic leaders or union members. This often results in job layoffs, plant closures and the loss of local support services and industries.

At this point, our economy cannot withstand, and our citizens will not accept, more job layoffs and a rise in unemployment. Productivity is already in a severe slump. Our economy is crying out for new investment in modernized plants and equipment, in new technology, new products, in new ideas and for aggressive management. But rather than using capital in this manner to create new jobs and increase productivity, U.S. corporations are looking to mergers for paper gains. They are buying, not building.

Increasing size generally brings with it increasing influence, and this describes another danger posed by the merger movement. As corporate entities grow, their voices in the political arena get louder, drowning out the voices of individual American citizens whose wealth and power cannot approach that of huge corporations. Allowing uncontrolled growth of concentrated power can only take government further away from people.

Finally, Mr. Speaker, the American tradition of free competition is jeopardized by unbridled economic concentration. Cross subsidization and reciprocal selling are abilities unique to large profit-center conglomerates which can, if exercised, do harm to the vigor of competition.

For example, by being able to operate in many markets, a conglomerate may shift the excess profits and resources from one successful market to subsidize the losses in other markets. Single market firms earning only a competitive return do not have that option and they may be forced out of business due to the price cutting by the subsidized firm.

Another noncompetitive tactic available to conglomerates involves the practice of taking your business to those who bring their business to you. This reciprocal behavior is made easier when a firm is in many industries and often locks other competitors out of markets.

Furthermore, conglomerate mergers may undermine competition for the simple reason that by buying out and, in a sense, replacing one competitor in a market, the acquiring firm forecloses its own ground floor entry into the market as an additional, new competitor.

Mr. Speaker, I have outlined only a few of the obstacles which the uncontrolled conglomerate merger movement presents to our traditional interests and values. Simply stated, if the huge multibusiness domains are allowed to continue freely consolidating, growing in size and wealth but decreasing in number, we will face the real threat that the entire American economy and way of life will some day be dominated and manipulated by a handful of powerful corporate overloads. The threat to our democracy, as well as our free enterprise system, is obvious.

The legislation I am introducing today is designed to deal with that threat. Specifically, the bill prohibits mergers between companies with assets or sales exceeding $2 billion. It also prohibits mergers between companies with assets or sales over $350 million or if one company has $350 million in sales or assets and the other has 20 percent of an industry's sales, unless the companies can prove that the transaction would enhance competition or result in substantial efficiencies or unless the acquiring company divests itself of part of its business equal to that gained in the merger.

Hearings on this legislation have already begun in the Senate, and Chairman **Peter Rodino** has informed me and other members of the House Subcommittee on Monopolies that he also intends to schedule hearings on conglomerate mergers to take place very soon. Both the Department of Justice and the Federal Trade Commission have recognized the problem and the need for a legislative response. I hope that these hearings and the introduction of this legislation will soon bring that necessary action.●

CONFERENCE REPORT—BUDGET RESCISSION BILL, 1979

Mr. WHITTEN submitted the following conference report and statement on the bill (H.R. 2439) to rescind certain budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96–46), transmitted pursuant to the Impoundment Control Act of 1974.

Conference Report (H.R. 2439)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2439) entitled "An Act to rescind certain budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96–46), transmitted pursuant to the Impoundment Control Act of 1974", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, and 3, and agree to the same.

Jamie L. Whitten,
Edward P. Boland,
William H. Natcher,
John M. Slack,
Neal Smith,
Sidney R. Yates,
Silvio O. Conte (except to amendment No. 1),
Robert H. Michel,
George M. O'Brien,
Managers on the Part of the House.

Warren G. Magnuson,
John C. Stennis,
William Proxmire,
Daniel K. Inouye,
Ernest F. Hollings,
Birch Bayh,
Tom Eagleton,
Lawton Chiles,
J. Bennett Johnston,
Mark O. Hatfield,
Ted Stevens,
Richard S. Schweiker,
Henry Bellmon,
Lowell P. Weicker, Jr.,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2439), to rescind certain budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96–46), transmitted pursuant to the Impoundment Control Act of 1974, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

Chapter II

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

HEALTH RESOURCES ADMINISTRATION

Health resources

Amendment No. 1: Rescinds $46,350,000, as proposed by the Senate, instead of $24,750,000, as proposed by the House.

OFFICE OF EDUCATION

Special projects and training

Both the House and the Senate agreed to a rescission of $12,500,000 reducing the 1979 appropriation for carrying out the Career

Education Incentive Act from $32,500,000 to $20,000,000. The conferees are agreed that the entire $20,000,000 should be used for elementary and secondary education, as proposed by the House, instead of $15,000,000 for elementary and secondary, and $5,000,000 for postsecondary, education, as proposed by the Senate.

Chapter III

FOREIGN CLAIMS SETTLEMENT COMMISSION

Payment of Vietnam and U.S.S. Pueblo prisoner of war claims

Amendment No. 2: Rescinds $8,000,000 as proposed by the Senate instead of $9,000,000 as proposed by the House.

SMALL BUSINESS ADMINISTRATION

Salaries and Expenses

Amendment No. 3: Rescinds $6,065,000 as proposed by the Senate instead of $8,925,000 as proposed by the House. However, the conferees agree on a distribution slightly different than that proposed by the Senate. The distribution is as follows:

Item	Proposal	House	Senate	Conference
7(j) contract assistance	$2,000,000	$2,000,000		$1,000,000
SBDC expansion	5,700,000	5,700,000	$5,700,000	5,700,000
Increased economic research	2,290,000		2,290,000	1,290,000
Technical assistance centers	1,100,000		1,100,000	1,100,000
Accelerated PASS	1,750,000		1,750,000	1,750,000
Small Business Institute	600,000			
Additional procurement support	725,000	725,000	725,000	725,000

Item	Proposal	House	Senate	Conference
Reductions in nonessential travel and printing	500,000	500,000	500,000	500,000
Gross rescissions	14,665,000	8,925,000	12,065,000	12,065,000
Retained for additional disaster loan making			−6,000,000	−6,000,000
Net rescission	14,665,000	8,925,000	6,065,000	6,065,000

The conferees also agree that the amount rescinded for economic research will not affect the allocation of $1,000,000 appropriated for establishing and maintaining an external economic data base on small business, including a comprehensive inventory of the entire small business community.

A revision of the rescission proposal was transmitted to the Congress on March 15, 1979, reducing the total of the proposed rescission by $6,000,000. This is the amount, reflected in the foregoing table, which is to be retained by the Small Business Administration for disaster loan-making activities.

CONFERENCE TOTAL—WITH COMPARISONS

The total amount recommended for rescission by the Committee of Conference, with comparisons to the recommendations of the President and the House and Senate bills follows:

Recommendations of the President	[1]$914,617,000
House-passed bill	705,869,000
Senate-passed bill	723,609,000
Conference agreement	723,609,000
Conference agreement compared with:	
Recommended Presidential recissions	−191,008,000
House bill	+17,740,000
Senate bill	+17,740,000

[1] Does not reflect reduction of $6 million recommended by the President in his supplementary message of March 15, 1979 (H. Doc. 96-75), as this message was received after House and Senate action.

JAMIE L. WHITTEN,
EDWARD P. BOLAND,
WILLIAM H. NATCHER,
JOHN M. SLACK,
NEAL SMITH,
SIDNEY O. CONTE (except to amendment No. 1).
ROBERT H. MICHEL,
GEORGE M. O'BRIEN,
Managers on the Part of the House.

WARREN. G. MAGNUSON,
JOHN C. STENNIS,
WILLIAM PROXMIRE,
DANIEL K. INOUYE,
ERNEST F. HOLLINGS,
BIRCH BAYH,
TOM EAGLETON,
LAWTON CHILES,
J. BENNETT JOHNSTON,
MARK O. HATFIELD,
TED STEVENS,
RICHARD S. SCHWEIKER,
HENRY BELLMON,
LOWELL P. WEICKER, Jr.
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ALEXANDER (at the request of Mr. WRIGHT) for today on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GINGRICH) to revise and extend their remarks and include extraneous matter:)

Mr. RAILSBACK, for 5 minutes, today.
Mr. EMERY, for 5 minutes, today.
Mr. BROYHILL, for 10 minutes, today.
Mr. GREEN, for 10 minutes, today.
Mr. KEMP, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GRISHAM) and to include extraneous matter:)

Mr. SHUSTER.
Mr. WINN.
Mr. MICHEL in three instances.
Mr. BEREUTER.
Mr. QUAYLE in two instances.
Mr. RITTER.
Mr. FRENZEL in three instances.
Mr. CONABLE.
Mr. BUCHANAN.
Mr. DERWINSKI.
Mr. EVANS of Delaware.
Mr. ASHBROOK in two instances.

(The following Members (at the request of Mr. MICA) and to include extraneous matter:)

Mr. WOLPE.
Mr. RODINO.
Mr. NOLAN in two instances.
Mr. BLANCHARD.
Mr. MCKAY.
Mr. GONZALEZ in three instances.
Mr. HAMILTON in two instances.
Mr. ANDERSON of California in three instances.
Mr. SKELTON.
Mr. HARKIN.
Mr. LUKEN.
Mr. MIKVA in two instances.
Mr. BENJAMIN.
Mr. ULLMAN.
Mr. JACOBS.
Mr. DRINAN in two instances.
Mr. HIGHTOWER.
Mr. FORD of Michigan.
Ms. HOLTZMAN in two instances.
Mr. FAUNTROY.
Mr. EDWARDS of California.
Mr. AUCOIN.
Mrs. COLLINS of Illinois.
Ms. OAKAR.
Mr. STAGGERS.
Mr. DANIELSON.

ADJOURNMENT

Mr. MICA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 51 minutes p.m.), the House adjourned until tomorrow, Thursday, March 22, 1979, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1037. A letter from the Assistant Secretary of Defense (Comptroller), transmitting notice of the Defense Department's intention to obligate certain amounts in the Defense Stock Fund and the Army Stock Fund for war reserve stocks, pursuant to section 836 of Public Law 95-457; to the Committee on Appropriations.

1038. A letter from the Under Secretary of the Army, transmitting notice of the proposed disposal of certain recently discovered lethal nerve agent munitions at Dugway Proving Grounds, Utah, pursuant to section 409(b)(4) of Public Law 91-121; to the Committee on Armed Services.

1039. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation and related programs, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

1040. A letter from the Chairman, Federal Trade Commission, transmitting the Commission's first annual report on its administration of the Fair Debt Collection Practices Act of 1977, pursuant to section 815(a) of the act; to the Committee on Banking, Finance and Urban Affairs.

1041. A letter from the Chairman, National Commission on Neighborhoods, transmitting the final report of the Commission, pursuant to section 204(c) of the National Neighborhood Policy Act of 1977, as amended; to the Committee on Banking, Finance and Urban Affairs.

1042. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed interim final regulations governing the bilingual education program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1043. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1044. A letter from the General Counsel, Civil Aeronautics Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1045. A letter from the Comptroller General of the United States, transmitting a list of report issued or released by the General Accounting Office during February 1979, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

1046. A letter from the Secretary of the Interior, transmitting a report on amounts expended by the City of Lowell, Mass., on the Lowell National Historical Park, pursuant to section 103(d) of Public Law 95-290; to the Committee on Interior and Insular Affairs.

1047. A letter from the Deputy Assistant Secretary of the Interior for Indian Affairs, transmitting a proposed plan for the use and distribution of Pyramid Lake Paiute judgment funds in docket No. 87-B before the Indian Claims Commission, pursuant to sections 2(a) and 4 of Public Law 93-134; to the Committee on Interior and Insular Affairs.

1048. A letter from the Secretary of Health, Education, and Welfare, transmitting his annual report on the costs and financing of health care, the distribution of health care resources, the utilization of health resources, and the health of the Nation's people, pursuant to section 308(a)(2) of the Public Health Service Act, as amended (88 Stat. 368, 90 Stat. 378); to the Committee on Interstate and Foreign Commerce.

1049. A letter from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title XV of the Public Health Service Act to revise and extend the authorities and requirements under that title for health planning, to provide for assistance to hospitals in discontinuing inappropriate services, and for other purposes; to the Committee on Interstate and Foreign Commerce.

1050. A letter from the Administrator, U.S. Environmental Protection Agency, transmitting the second annual report on the agency's activities under the Resource Conservation and Recovery Act of 1976, pursuant to section 205 of the act; to the Committee on Interstate and Foreign Commerce.

1051. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204 (d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

1052. A letter from the Secretary of the Army, transmitting a draft of proposed legislation to amend section 211 of the Flood Control Act of 1950, pertaining to attendance by U.S. Army Corps of Engineers personnel at international engineering and scientific conferences; to the Committee on Public Works and Transportation.

1053. A letter from the Deputy Administrator of General Services, transmitting the annual reports of the General Services Administration, the Department of Defense, the U.S. Postal Service, and the Department of Housing and Urban Development on their implementation of the Architectural Barriers Act of 1968, pursuant to section 7(a) of the act, as amended; to the Committee on Public Works and Transportation.

1054. A letter from the Comptroller General of the United States, transmitting a report on transatlantic codevelopment of weapons systems for NATO (PSAD-79-26, March 21, 1979); jointly, to the Committees on Government Operations, Armed Services, and Foreign Affairs.

1055. A letter from the Comptroller General of the United States, transmitting a report on grain dust explosions (HRD-79-1), March 21, 1979); jointly, to the Committees on Government Operations, Education and Labor, and Science and Technology.

1056. A letter from the Comptroller General of the United States, transmitting a report on the administration of the Antidumping Act of 1921 (ID-79-15, March 15, 1979); jointly, to the Committees on Government Operations and Ways and Means.

1057. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to provide a comprehensive system of liability and compensation for oil spill damage and removal costs, and for other purposes; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DODD: Committee on Rules. House Resolution 171. Resolution providing for the consideration of the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes (Rept. No. 96-60). Referred to the House Calendar.

Mr. FUQUA: Committee on Science and Technology. H.R. 2729. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes; with amendment (Rept. No. 96-61). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 2471. A bill to authorize appropriations for the U.S. International Trade Commission and the U.S. Customs Service for fiscal year 1980, and for other purposes; with amendment (Rept. No. 96-62). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 3091. A bill to extend for 1 year the provisions of law relating to the business expenses of State legislators (Rept. No. 96-63). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HARRIS: Committee on the Judiciary. H.R. 898. A bill for the relief of Rodney L. Herold and others (Rept. No. 96-64). Referred to the Committee of the Whole House.

Mr. KINDNESS: Committee on the Judiciary. H.R. 934. A bill for the relief of Brian Hall and Vera W. Hall (Rept. No. 96-65). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 3147. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. ANDERSON of California:

H.R. 3148. A bill to amend chapter 44 of title 18 of the United States Code to extend and strengthen the mandatory penalty feature of the prohibition against the use of firearms in Federal felonies, and for other purposes; to the Committee on the Judiciary.

By Mr. ATKINSON:

H.R. 3149. A bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees; to the Committee on Education and Labor.

By Mr. BROYHILL:

H.R. 3150. A bill to amend title 5, United States Code, to establish certain procedural and other requirements designed to insure that rules prescribed by Federal agencies are necessary, reasonable, and compatible with congressional goals and policies; to the Committee on the Judiciary.

By Mr. JOHN L. BURTON:

H.R. 3151. A bill to amend chapter 55 of title 10 of the United States Code to qualify certain former spouses of members of the uniformed services for medical and dental benefits, and for other purposes; to the Committee on Armed Services.

By Mr. DERWINSKI:

H.R. 3152. A bill to amend section 8118 of title 5, United States Code, to provide for physical examinations with respect to claims for compensation for work injuries, and to provide that continuation of pay under such section shall not begin until the fourth day of disability; to the Committee on Education and Labor.

By Mr. FORD of Tennessee (for himself, Mr. MOTTL, Mr. HARSHA, Mr. HAWKINS, Mr. YOUNG of Missouri, Mr. BRODHEAD, Mr. MITCHELL of Maryland, Mr. LEDERER, Mr. CONYERS, and Mr. DELLUMS):

H.R. 3153. A bill to lower the prices for natural gas allowed under the Natural Gas Policy Act of 1978 and to extend the period of price controls under that act; to the Committee on Interstate and Foreign Commerce.

By Mr. GIBBONS (for himself and Mr. CONABLE):

H.R. 3154. A bill to provide for the administration of export controls; to the Committee on Foreign Affairs.

By Mr. HAMMERSCHMIDT:

H.R. 3155. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. HILLIS:

H.R. 3156. A bill to amend the Occupational Safety and Health Act of 1970 to require the Secretary of Labor to prepare an economic impact analysis in connection with the promulgation of occupational safety and health standards; to the Committee on Education and Labor.

By Mr. JONES of Tennessee:

H.R. 3157. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to establish a procedure for zero-base review of Government programs every 5 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

By Mr. LENT:

H.R. 3158. A bill to amend title II of the Social Security Act to improve the treatment of women through the establishment and payment of working spouse's benefits; to the Committee on Ways and Means.

By Mr. LOEFFLER (for himself and Mr. SATTERFIELD):

H.R. 3159. A bill to provide production incentives for certain categories of crude oil by exempting such crude oil from price and allocation regulations under the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE (for himself and Mr. BOB WILSON) (by request):

H.R. 3160. A bill to amend title 10, United States Code, to provide that companies of the Corps of Cadets of the U.S. Military Academy may be commanded by commissioned officers of the Navy, Air Force, and Marine Corps, as well as by commissioned officers of the Army; to the Committee on Armed Services.

H.R. 3161. A bill to amend title 10, United States Code, to permit the Secretary of the Army to prescribe the oath to be taken by appointees to the U.S. Military Academy; to the Committee on Armed Services.

By Mr. QUILLEN:

H.R. 3162. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; to the Committee on the Judiciary.

By Mr. ST GERMAIN:

H.R. 3163. A bill to amend the Solid Waste Disposal Act to provide Federal authority for States to restrict the importation of solid waste; to the Committee on Interstate and Foreign Commerce.

By Mr. SEBELIUS:

H.R. 3164. A bill to authorize and direct the Secretary of the Interior to construct additional drainage facilities for the Kansas-Bostwick Unit, Pick-Sloan Missouri Basin program; to the Committee on Interior and Insular Affairs.

By Mr. STARK:

H.R. 3165. A bill to amend the Internal Revenue Code of 1954 with respect to the limitations on the flow-through of the investment tax credit in the case of certain regulated companies; to the Committee on Ways and Means.

By Mr. WAMPLER (for himself, Mr. Abdnor, Mr. Burgener, Mr. Corcoran, Mr. Robert W. Daniel, Jr., Mr. Duncan of Tennessee, Mr. Findley, Mr. Grassley, Mr. Hagedorn, Mr. Hall of Texas, Mr. Johnson of Colorado, Mr. Lott, Mr. Madigan, Mr. Myers of Indiana, Mr. Robinson, Mr. Sebelius, Mr. Symms, Mr. Thomas, Mr. Charles Wilson of Texas, and Mr. de la Garza):

H.R. 3166. A bill to authorize the Secretary of Agriculture to perform additional functions conducive to increasing the production, improving the marketing and the quality of food, fiber, and forest products, and conducive to improving the economic condition of families engaged in farming, and for other purposes; jointly, to the Committees on Agriculture, Interior and Insular Affairs, Interstate and Foreign Commerce, and Merchant Marine and Fisheries.

By Mr. WAXMAN:

H.R. 3167. A bill to amend title XV of the Public Health Service Act to revise and extend the authorities and requirements under that title for health planning, to provide for assistance to hospitals in discontinuing inappropriate services, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FRENZEL:

H.R. 3168. A bill to provide third-class mailing privileges to Gold Star Wives of America, Inc.; to the Committee on Post Office and Civil Service.

By Mr. SEIBERLING:

H.R. 3169. A bill to preserve the diversity and independence of American business; to the Committee on the Judiciary.

By Mr. STAGGERS (for himself, Mr. Waxman, and Mr. Carter):

H.R. 3170. A bill to amend the Public Health Service Act and title 37, United States Code, to modify the administration of the Public Health Service, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STANGELAND (for himself, Mr. Kindness, Mr. Hyde, Mr. Abdnor, Mr. Dornan, and Mr. Atkinson):

H.R. 3171. A bill to carry out the recommendations of the Presidential Task Force on Women's Rights and Responsibilities, and for other purposes; jointly, to the Committees on the Judiciary, Armed Services, Post Office and Civil Service, and Ways and Means.

By Mr. DERWINSKI:

H.J. Res. 270. Joint resolution designating the composition known as "The Stars and Stripes Forever" as the national march of the United States; to the Committee on Post Office and Civil Service.

H.J. Res. 271. Joint resolution designating "National Coaches' Day"; to the Committee on Post Office and Civil Service.

By Mr. EMERY:

H.J. Res. 272. Joint resolution proposing an amendment to the Constitution of the United States to provide that a Member of the House of Representatives shall have a 4-year term; to the Committee on the Judiciary.

By Mr. FORD of Michigan (for himself, Mr. Perkins, and Mr. Ginn):

H.J. Res. 273. Joint resolution to authorize the President to proclaim the week of April 16–22, 1979, as "National Education for Business Week"; to the Committee on Post Office and Civil Service.

By Mr. SOLOMON (for himself, Mr. Lott, Mr. Collins of Texas, Mr. Gingrich, Mr. Dannemeyer, and Mr. Thomas):

H.J. Res. 274. Joint resolution proposing an amendment to the Constitution to require that congressional resolutions setting forth levels of total budget outlays and Federal revenues must be agreed to by two-thirds vote of both Houses of the Congress if the level of outlays exceeds the level of revenues; to the Committee on the Judiciary.

By Mr. TAYLOR:

H.J. Res. 275. Joint resolution authorizing and requesting the President to issue a proclamation designating the period from October 7, 1979, through October 13, 1979, as "National School Bus Safety Week"; to the Committee on Post Office and Civil Service.

By Mr. PASHAYAN (for himself, Mr. John L. Burton, Mr. Phillip Burton, Mr. Coelho, Mr. Dornan, Mr. Drinan, Mr. Moorhead of California, Mr. Rousselot, and Mr. Thomas):

H. Con. Res. 82. Concurrent resolution expressing the sense of the Congress with respect to the United Nations report on genocide; to the Committee on Foreign Affairs.

By Mr. WYDLER:

H. Con. Res. 83. Concurrent resolution relative to the rights of Romanian citizens; to the Committee on Foreign Affairs.

By Mr. RAILSBACK:

H. Res. 172. Resolution expressing the sense of the House of Representatives that the effect on our society of the level of violence depicted on television requires more consideration and study; to the Committee on Interstate and Foreign Commerce.

By Mr. WATKINS:

H. Res. 173. Resolution expressing the sense of the House opposing the transfer of the Forest Service and the Farmers Home Administration business and industry programs; to the Committee on Agriculture.

Mr. WOLFF (for himself and Mr. Railsback):

H. Res. 174. Resolution to provide for the expenses of investigations and studies to be conducted by the Select Committee on Narcotics Abuse and Control; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. SHUSTER:

H.R. 3172. A bill for the relief of Dr. Nikolaos Photias; to the Committee on the Judiciary.

By Mr. BREAUX:

H. Res. 175. Resolution to refer the bill, H.R. 2711, to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 365: Mr. Gilman, Mr. Maguire, and Mr. Blanchard.

H.R. 758: Mr. Andrews of North Dakota and Mr. Jeffords.

H.R. 953: Mr. Evans of the Virgin Islands, Mr. Lent, and Mr. Price.

H.R. 1290: Mr. Fisher, Mr. Boland, Mr. Addabbo, Mr. Lagomarsino, Mr. Fascell, Mr. Thompson, Mr. Murphy of Pennsylvania, Mr. Florio, Mr. Hutto, Mr. Whitehurst, Mr. Whittaker, Mr. D'Amours, Mr. Ertel, Mr. Evans of Georgia, Mr. Mazzoli, Mr. Buchanan, Mr. Gudger, Mr. Fountain, Mr. LaFalce, Mr. Bedell, Mr. Mica, Mr. Bailey, Mr. Long of Maryland, Mr. Hyde, Mr. Sensenbrenner, Mr. Rangel, Mr. Duncan of Oregon, Mr. Price, Mr. AuCoin, and Mrs. Schroeder.

H.R. 1297: Mr. Gephardt, and Mrs. Heckler.

H.R. 1918: Mr. Andrews of North Dakota, Mr. Young of Florida, Mr. Marlenee, and Mr. Stump.

H.R. 1958: Mr. Carter, Mr. Stangeland, Mr. Beard of Tennessee, Mr. Hall of Texas, Mr. Gramm, Mr. Ashbrook, Mr. Moore, Mr. Wampler, Mrs. Smith of Nebraska, Mr. Hammerschmidt, Mr. Emery, Mr. Abdnor, Mr. Evans of Delaware, Mr. Taylor, Mr. Edwards of Alabama, Mr. Sensenbrenner, Mr. Dickinson, Mr. Leach of Iowa, Mr. Leath of Texas, Mr. Stenholm, Mrs. Bouquard, Mr. Hyde, Mr. Fountain, Mr. Kemp, Mr. Jones of North Carolina, Mr. Lungren, Mr. Gilman, Mr. Young of Alaska, Mr. Trible, Mr. Davis of Michigan, Mr. Mitchell of New York, Mr. de la Garza, Mr. Applegate, and Mr. Young of Missouri.

H.R. 1964: Mr. Butler, Mr. Cavanaugh, Mr. Derwinski, Mr. Grisham, Mr. Hamilton, Mr. Lent, Mr. Mottl, Mr. Shuster, Mr. Spence, Mr. Thomas, Mr. Charles Wilson of Texas, and Mr. Young of Missouri.

H.R. 2209: Mr. Rinaldo.

H.R. 2279: Mr. Murphy of Pennsylvania, Mr. Roth, Mr. Marriott, Mr. Lagomarsino, Mr. Young of Florida, Mr. Whitehurst, Mr. D'Amours, Mr. Johnson of Colorado, Mr. Kogovsek, Mr. Roe, Mr. Cheney, Mr. Jeffords, Mr. Walgren, Mr. Erdahl, Mr. Kramer, Mr. Dornan, and Mr. Coughlin.

H.R. 2305: Mr. Bedell, Mr. Bevill, Mr. Buchanan, Mr. Carr, Mr. Clay, Mr. Corrada, Mr. Downey, Mr. Drinan, Mr. Edgar, Mr. Edwards of California, Mr. Ford of Michigan, Mr. Forsythe, Mr. Gephardt, Mr. Gudger, Mr. Hamilton, Ms. Holtzman, Mr. Jacobs, Mr. Kildee, Mr. LaFalce, Mr. Lederer, Mr. McHugh, Ms. Mikulski, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Myers of Indiana, Mr. Ottinger, Mr. Pepper, Mr. Price, Mr. Rangel, Mr. Richmond, Mr. Solarz, Mr. Thompson, and Mr. Vento.

H.R. 2444: Mr. Leach of Iowa, Mr. Dicks, Mr. AuCoin, Mr. Marks, and Mr. Pease.

H.R. 2445: Mr. Preyer, Mr. Pritchard, Mr. Smith of Iowa, Mr. Moakley, Mr. Collins of Texas, Mr. Davis of Michigan, Mr. Mathis, Mr. Lott, Mr. Duncan of Tennessee, Mr. Quillen, Mr. Corrada, Mr. Martin, Mr. Erdahl, Mr. Emery, Mr. Hutto, Mr. Gradison, Mr. Broyhill, Mr. Hance, Mr. Dornan, Mr. Price, Mr. Badham, Mr. Glickman, Mr. Stangeland, Mr. Abdnor, and Mr. Cleveland.

H.R. 2447: Mr. Carr, Mr. Evans of the Virgin Islands, Mr. Gephardt, Mr. Glickman, Mr. Kildee, Mr. Mineta, Ms. Mikulski, Mr. Trible, and Mr. Wolpe.

H.R. 2599: Mr. Walgren and Mr. Dougherty.

H.R. 2707: Mr. Mineta, Mr. Murphy of Pennsylvania, Mr. Stark, and Mr. Vento.

H.R. 2770: Mr. Bailey, Ms. Ferraro, Mr. Wirth, Mr. Lee, Mr. Gephardt, Mr. Guarini, Mr. Roybal, and Mr. Glickman.

H.R. 3042: Mr. Lee, Mr. Neal, and Mr. Albosta.

H.R. 3091: Mr. Lederer, Mr. Guarini, Mr. Duncan of Tennessee, and Mr. Michel.

H.J. Res. 56: Mr. Carney.

H.J. Res. 175: Mr. Gingrich, and Mr. Symms.

H.J. Res. 196: Mr. Collins of Texas, and Mr. Solomon.

H. Con. Res. 49: Mr. Benjamin.

H. Con. Res. 54: Mr. Harkin.

PETITIONS, ETC.

Under clause 1 of rule XXII,

88. The SPEAKER presented a petition of the City Council, Sao Paulo, Brazil, relative to the Lubavitch Movement, which was referred to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

THE ETHICAL APPROACH

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. DANIELSON. Mr. Speaker, I include in the Record at this point the editorial on ethical conduct which I referred to earlier today in my 1-minute speech:

[From the Los Angeles Times, Mar. 20, 1979]

THE ETHICAL APPROACH

In matters of ethical conduct, the federal government is at that awkward stage. Its top officials are neither all so virtuous that they can function without guidance nor so corrupt that guidance is futile.

Thus a clear code of ethics is indicated, if only to have an alternative to horsewhipping as a way to greet a former federal official who has, say, drafted criteria for a new weapons system, left public service, and turned up in the waiting room of his old agency peddling a weapons system that fits the criteria perfectly.

But recognizing the need for a strict code of conduct is easier than writing one—as Congress and President Carter are beginning to appreciate—particularly one that says what it means, no more and no less.

A new Ethics in Government Act, signed last October and designed—among many other things—to tighten up old codes of ethics as they apply to conflicts of interest during and after federal service, seems to say things that it does not mean.

The revised code was proposed by the President and enacted by Congress for a variety of purposes—including more strict enforcement of the laws already on the books. In all but one narrow respect, it is a code that we supported, one that is not only fair but more effective than the old set of ethical codes.

The exception has to do with an effort to stop civil servants from writing regulations and later hiring out to a business to show it how to get around them, or writing a federal grant program and then showing clients how to get funds.

Some top officials, particularly in the Department of Health, Education and Welfare, say the language goes further than that. They argue that, even if the law does not apply to them, the language is so vague that it might; that, even if they are not actually indicted, they could be harassed.

For example, they say, an official high in the National Institutes of Health who returned to his former post as dean of a medical school might be challenged for accepting research grants under a program that he once supervised, even generally.

That is, of course, putting the law in the worst possible light. The new Office of Government Ethics, which will administer the code, says those kinds of incidents are unlikely because it will be enforced under "the rule of reason."

They could both be right. And in a case like that we think Rep. George E. Danielson (D-Calif.), who helped draft the ethics code, has the right attitude. Any doubts about a law that makes violation a felony and carries a maximum sentence of two years in prison and a $10,000 fine ought to be clarified, he says.

Danielson will hold hearings next week on a technical amendment that would make it clear that the law should apply only to cases in which a former federal official was personally involved in writing contracts or drafting regulations.

If it appears that his amendment cannot be steered through Congress quickly, he will ask for a six-month extension of the effective date to provide more time to clarify the law.

We think Congress and the White House should support the Danielson effort, for two reasons:

First, as long as there is the slightest chance that the law could be used against someone acting in good faith, it will put up one more barrier to the federal government's efforts to draw temporarily on the experience of top people in business, science and the other professions.

Second, that sort of doubt could weaken the fabric of the rest of the government's code of ethics, and that should not be permitted, either—not so long as the government is at that awkward stage.●

IN MEMORY OF ARCHBISHOP THOMAS A. BOLAND

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. RODINO. Mr. Speaker, I want to acknowledge the life of a very holy man who offered inspiration to thousands of people in northern New Jersey. Archbishop Thomas A. Boland died last Friday at the age of 83, and his body will be laid to rest today in the crypt of Sacred Heart Cathedral in Newark. As archbishop of Newark for over 20 years, he headed one of America's oldest and largest Catholic archdioceses.

Mr. Speaker, it was a great honor and privilege for me to have his friendship over the years. I knew him to have a quiet eloquence and a gentle nature which touched everyone who knew him.

In his 52 years of service to the Catholic Church, he logged countless hours in pursuit of helping his fellow man. His work as parish priest, teacher, administrator, and archbishop for the diocese was distinguished by his courage and determination to improve the schools, provide services to disadvantaged persons, and offer spiritual leadership.

Indeed, Archbishop Boland, in his own unassuming manner, provided strong leadership during a time when the church underwent tumultuous change. Hundreds of thousands of Catholics and non-Catholics appreciated and respected this great man for his wisdom and compassion.

Mr. Speaker, Thomas A. Boland's good works and wise counsel are still very much a part of my home community. His life was a model of what it means to be a true Christian. Although I am deeply saddened by his passing, I know that his memory will bring joy and hope to generations to come.●

COMMISSIONED CORPS—U.S. PUBLIC HEALTH SERVICE

HON. HARLEY O. STAGGERS

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. STAGGERS. Mr. Speaker, today, along with my distinguished colleagues, the Honorable Henry Waxman, chairman of the Subcommittee on Health and the Environment, and the Honorable Tim Lee Carter, ranking minority member of that subcommittee, I have introduced the Public Health Service Administrative Amendments of 1979. This bill has been designed to provide for maximum efficiency in the operation of the Public Health Service.

On February 21, 1978, during hearings of the Subcommittee on Health and the Environment, the Surgeon General, Dr. Richmond, was asked to submit to the Congress his recommendations for needed legislative change to provide the best possible management for the Commissioned Corps of the Public Health Service. After a delay of several months, these recommendations were submitted to us; they form the basis of the legislative proposal introduced today.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Most of the changes addressed in this measure deal with technical requirements of the Corps' authorizing legislation. The bill proposes changes or clarification in such areas as the pay grade of officers serving as Surgeon General; the number of Assistant Surgeon General positions; penalties for violation of training agreements; severance pay for reserve corps officers upon involuntary release from active duty; constructive pay credits for reserve corps officers and for graduate degrees in health other than medicine and dentistry; correction of records; leave for officers prior to separation or retirement; and uniform allowances, among others. In addition, both a clarifying amendment of original congressional intent concerning the detailing of commissioned officers, and specific authorization for the establishment of a warrant officer corps are included.

Mr. Speaker, the U.S. Public Health Service, which recently celebrated its 180th anniversary, has long been a recognized leader among the world's professional health organizations, and has been in the vanguard of protection of this Nation's public health. Since the late 1700's, in all areas of health endeavor—disease control, research, manpower development and utilization, protection of our environment, assurances of the safety of our food and drugs, and the direct provision of health services—the Public Health Service has provided this Nation's leadership and has continually distinguished itself. As the responsibilities of the service increase, it is essential that we supply the best possible legislative support to afford responsible and efficient management practices for the men and women who serve their country in the Public Health Service. This is the intent of the proposal introduced today.

Mr. Speaker, I hope that all Members will review this proposal with care, and that expeditious action will be taken on these needed administrative amendments.●

CONGRESSMAN JOHN ANDERSON ON CAMPAIGN FINANCE REFORM

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. MIKVA. Mr. Speaker, one of the distinguished cosponsors of H.R. 1, my colleague from Illinois, John Anderson, recently wrote a particularly persuasive statement calling for partial public financing of congressional election campaigns. After reading this statement, which appeared in the March/April 1979 issue of Politics Today, I thought that it should be brought to the attention of my colleagues.

The statement follows:

Campaign Finance

The candid admission of a former member of the House of Representatives vividly illustrates the dynamics of congressional campaign financing, discussed by Edward Roeder in the November/December issue of *Politics Today*. When asked why he received large campaign contributions from maritime interests one year, having received little the previous election, the congressman replied: "The difference is that I'm now the chairman of the subcommittee and I'm the one that's introducing the bills, I'm the one that's holding the hearings and of course, they're very much interested in keeping our maritime afloat. And so, naturally, they're going to give me more money."

Organizations representing every conceivable interest have formed political action committees (PACs) to dole out campaign contributions. Nearly 2,000 PACs exist today, a drastic increase over the 500 in operation in 1974. Their gift-giving growth would make any local United Fund chairman envious: PACs contributed $12.5 million in 1974, $22.6 million in 1976 and about $30 million in 1978. PAC money plays a large role in some campaigns: a Senate candidate collected nearly $300,000 in 1978 while some House members financed over 60 percent of their campaigns with special-interest contributions.

The appearance of corruption is noted even by members of Congress. At a congressional hearing in 1977, Congressman Bill Frenzel asked, "Do you feel somebody can be bought for 3 percent of his campaign expenses?" (He was referring to the relationship between the $5,000 limit on interest-group contributions and the proposed spending limit of $150,000.) "No, I don't think members around here can be bought by 100 times that amount," Congressman Mo Udall responded. Congressman Frank Thompson quickly added, "I think a couple can be rented."

As is evident from recent elections, our electoral system is not very competitive. Typically, well over 90 percent of House members seeking reelection are returned to office. Less than 2 percent are defeated in primary elections, while over the last 20 years less than 6 percent have lost general elections. It should come as no surprise that incumbents are better financed. The latest spending records show that in 1976 incumbents spent nearly $80,000 to the average challenger's $49,000. While money certainly does not win every election, adequate financial support is a vital underpinning for electoral success. In 1976 only 4 of 63 nonincumbent candidates who spent less than $45,000 were able to win election to the House. The average spending needed to propel a nonofficeholder to victory was over $140,000.

Since the evidence indicates that adequate financing is a cornerstone of electoral success, our present system must be restructured accordingly. Partial public financing of congressional elections, similar to the method already used for the presidential nominations, would be an important step in promoting greater competition in congressional races. In addition, it would offer candidates a viable alternative to the siren call of special-interest financing of campaigns, a practice that leads to increased special-interest representation in Congress.

Under the public financing proposal debated last year, congressional candidates would be eligible to receive up to about $60,000 in public payments for their general election campaign. Participation would be voluntary, with funds being allocated from the $1 tax checkoff that presently finances presidential campaigns. Payment of the $60,000 would be made in $10,000 installments, each conditional on the candidate raising $10,000 in contributions of $100 or less.

Such a system would measurably improve congressional election financing. No longer would challengers be forced to run unprofessional campaigns because of inadequate campaign funds. Candidates would be in a better position to say "no" to contributions from interest groups and their concomitant pressures, opting instead to finance their campaigns from individual donors. Special interests, previously crowded out of presidential elections by public financing, would once again face increased competition from small contributors and public funds.

Public financing would lessen the "arms race" mentality that is beginning to appear in more campaigns for the House. It is not uncommon for candidates to spend $500,000 or more in an attempt to secure office. The incentives provided by public financing might result in more candidates conducting grass-roots campaigns rather than blanketing their own as well as several adjacent congressional districts with costly media spots.

Some have dubbed public financing an incumbent protection act, and congressional majorities have in the past rejected the proposal. On a key vote in the 95th Congress, 196 members indicated a predisposition toward congressional public financing while 213 opposed the idea. The feelings of many House members are summed up by one who said, "I'm not going to vote to give my opponent free money." Public financing would be a sharp break from the existing situation. Government matching money would aid challengers in offsetting the many institutional perquisites used by incumbents to retain their offices.

While congressional opinion is mixed, the public is clearly in favor of changing the present system. In 1977 pollster George Gallup discovered 57 percent in favor and only 32 percent opposed to congressional public financing. According to a 1978 Harris survey, 79 percent of the public felt that small individual contributors have a good influence on politics and government, while about 60 percent felt that the political contributions made by labor unions and big companies have a bad influence on government.

Representative John B. Anderson,
Washington, D.C.●

ENERGY AND THE POOR: A HUMAN IMPACT STATEMENT

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. NOLAN. Mr. Speaker, I would like to bring to the attention of my colleagues an article in the May 21 edition of the Wall Street Journal which dramatically illustrates the severe hardships the poor face, because of the high cost of energy. This article clearly shows that for many of our low income and senior citizens the energy situation is a matter of survival.

Obviously our continued reliance on high priced foreign oil and lack of commitment to development of alternative energy sources is becoming a national disaster, not only because of the adverse effects on the economy, but because of the human costs involved. As the article explains, the poor often have to abandon their homes, go without food, and even face death, because of their inability to keep up with escalating costs of energy.

Despite the suffering, the administration proposes to cut the money available for emergency fuel assistance, even though the 200 million appropriated this year was substantially below the need.

I strongly recommend reading this article, because it is a "human impact statement" on the way our Nation is handling the present energy crisis:

Fighting the Cold—Cost of Keeping Warm Poses a Real Hardship to Millions of the Poor

(By John R. Emshwiller)

For most Americans the "energy crisis" is just an annoyance. But Clara Bowers of

Lancaster, Pa., felt its full force on a recent cold Sunday.

That day, the 62-year-old, partially blind widow ran out of kerosene for her space heater. Money to buy more had run out earlier. Mrs. Bowers needed about $60 a month for fuel and, what with the cost of rent, food and other necessities, she couldn't scrape it up from her $267 in monthly disability and pension payments. She was forced to leave her home of 42 years and live with her daughter.

Thanks to an emergency fuel shipment arranged through Lancaster County's Office of Aging, Mrs. Bowers is back in her home. But she is worried about the future. "I don't want to leave my home, but it's hard to keep going," she says. "I'm only human and I have to stay warm."

For millions of low-income Americans, it is a struggle just to heat and light their homes. "Poor people are being stretched to the breaking point," says George Grier, a private consultant in Washington who has done a number of studies on the energy problems of the poor.

SIMPLE ARITHMETIC

The reason for this is simple arithmetic. Energy costs are rising far faster than poor people's ability to pay for them. There are roughly 25 million Americans who live below the federal poverty level—$3,140 a year for a single person living in a city ($64 less than Mrs. Bowers' annual income). Among these people it now is common in many parts of the country during the winter to spend 20% to 30% of monthly income on heating and utility bills.

In thousands of cases, that figure approaches 50%. A study by a federally funded antipoverty agency in Milwaukee last winter found that 800 particularly hard-hit households were paying an average of 45% of their monthly income on heat and utilities. When rent or mortgage payments were counted, these people paid an average of 93% of their income on shelter costs. In one case, the study said, a couple living on $348 a month had $10 left for food and other essentials.

Many poor people, who are often elderly, "must choose between heating and eating," says Bruce Ratner, commissioner of the New York City Department of Consumer Affairs. Each winter, many poor people simply freeze to death.

This squeeze seems certain to get worse as a result of the present fuel-price surge brought on partly by the hiatus in Iran's oil exports. While those at the bottom of the economic ladder bear the brunt of the suffering, others are starting to feel the repercussions.

"PEOPLE NEED HELP"

Michigan Consolidated Gas Co., which sells natural gas to about 960,000 residential customers in the Detroit area, says writeoffs for unpaid bills have risen nearly fivefold since 1974. That has contributed to a sharp decline in the company's earnings. "We are reaching the point where a lot of people are honestly unable to pay their bills and need help," says a spokesman for American Natural Resources Co., which owns Michigfian Consolidated.

So far, help has reached relatively few. Government programs to help poor people pay their utility bills and improve the insulation in their homes have been attacked as underfunded and poorly executed. "Nobody has yet come to grips with the problem," says Richard Saul, chief of energy programs for the Community Services Administration, the federal antipoverty agency.

That's partly due to the speed with which the problem has struck. The cost of home heating oil, for example, is nearly three times what it was in 1970, a rise that dwarfs the increases of the prior two decades.

For most Americans, the impact has been cushioned by the extremely low base that energy costs started at. While higher energy prices are taking bigger chunks of almost everybody's budget, studies indicate that middle-income Americans are still paying only about 5 percent to 10 percent of their incomes on heating and lighting.

DRASTIC MEASURES

But the poor never had much of a cushion, and now whatever cushion there was is, in many cases, completely gone. Some poor people are forced to take drastic measures.

Take 59-year-old Rudolph Alexander of Elmira, N.Y., a widower who lives with his ailing mother. With gas and electric bills taking about half his $206-a-month income, Mr. Alexander has cut back to one meal a day to make sure his mother has food. He also never burns more than one light at a time.

A Pennsylvania woman says she has had to sell some of her furniture to meet rising utility bills. "Some of these things have been in my family for 50 years," she says. She ask that her name be withheld to avoid embarrassing her relatives.

More people have started tampering with their electric and gas meters to avoid being charged. Consumer groups tell of women stealing food and clothing for their children because they can't afford to buy them after paying for heat and light. One elderly woman reportedly tried stealing $200 from a bank to pay for her utilities.

Poor people try to cut home energy consumption, but this is often difficult and can be dangerous. Many live in substandard homes that leak heat almost as fast as the radiator turns it out. The Department of Energy estimates that eight million homes of poor people have little or no insulation. For the elderly, letting the temperature in the house drop even into the low sixties can be deadly.

That's because many older people are susceptible to "accidental hypothermia," a rapid drop in body temperature that can be fatal. While firm statistics don't exist, there are estimates that thousands die each year from the condition.

Some relief efforts are being tried. Consumer groups and federal officials are pushing state public-utility commissions to ban cutoffs of heat and light during the winter for nonpayment of bills.

Such shutoffs have increased sharply in many areas. Public Service Electric & Gas Co., which serves most of New Jersey, says its shutoffs last year totaled 70,000, a 69% rise since 1973. Cutoffs by Michigan Consolidated Gas have nearly tripled in the past five years.

While winter shutoffs have been curbed in many states, there are few outright bans. Opponents argue that under outright bans, some people who can afford to pay their bills will avoid paying them. "We don't want to give deadbeats a hunting license," says a spokesman for the New York Public Service Commission.

Some of the curbs on cutoffs seem to be dictated by a curiously arbitrary compassion. For instance, Illinois won't allow service to be halted on days when the temperature is 20 degrees or under. However, shutoffs can be made at any temperature above that. "You can still get pretty cold at 21 degrees," says Henry Scheff of Chicago, who represents a coalition of consumer groups, churches and labor unions pushing for state cutoff bans around the country.

Regulators are also trying to alter rate systems that penalize those who use less energy. For instance, a typical Consolidated Edison Co. customer in New York City who uses 150 kilowatts of electricity pays $15.63 in the winter while another customer using 250 kilowatts, 67% more, pays only 54% more.

New Jersey regulators have been unsuccessfully grappling with proposals to reduce rates for the poor, possibly by charging higher rates to others. But it is estimated that such an effort would cost the state or the other customers of the utility $100 million a year. "There is a question of whether we have the power to charge others more because some people can't afford to pay their bills," says Edward Hynes, a commissioner on the New Jersey Board of Public Utilities. "It is a tremendous dilemma."

Given the magnitude of the problem, large-scale federal help is essential, many observers contend. So far, relatively little has come.

Some adjustments have been made, though, in such existing federal welfare programs as food stamps. And for the past three years Congress, largely through the efforts of some Northeastern legislators, has appropriated $200 million annually to help poor people meet their energy needs during the winter. This program, although it reached some 2.7 million people last year, has been widely criticized.

The main complaint is that the funding level doesn't come close to meeting the need. "It is a $200 million non-solution to a problem that needs billions," says Mr. Saul of the Community Services Administration, which administers the program.

The federal government also has a program to improve insulation in homes of the poor. So far, it has made only limited headway. Since 1973, about 500,000 substandard homes have been "weatherized"—about 6% of those estimated to need it. As things stand, it could take decades to do the rest.

The level of future aid is uncertain. The Carter administration is proposing to slash the funds for helping the poor with their winter heating needs to $40 million from the $200 million level of the past three years. Government officials contend that the lower level should be enough to meet a narrower objective currently given the program. That objective, one official says, "is only to deal with emergency situations that pose a danger to people's health and safety."

As for the continuing problem of rising energy bills for the poor, federal policy makers don't believe there are any simple answers. They note that over the past several years, increases in some programs, such as Social Security and welfare, have helped offset energy cost increases. They contend that further help should come through a comprehensive revision of the state-federal welfare system, including higher benefit levels.

Only yesterday an advisory committee to the Department of Energy made public a draft report calling for a new $3.2 billion annual program to help the poor with their home energy needs. "We concluded that current programs are woefully inadequate," says Anthony Maggiore, an antipoverty official in Milwaukee and member of the advisory committee.

But some observers doubt that large amounts of new help will come any time soon. "Programs for poor people were never popular," says Alan S. Davis, director of energy projects for the National Consumer Law Center. "With the Proposition 13 mentality now in the country, they are probably at their lowest ebb." ●

CINCINNATI LaSALLE HIGH SCHOOL BID FOR THE BASKETBALL STATE CHAMPIONSHIP

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. LUKEN. Mr. Speaker, on March 23, 1979, the LaSalle High School basketball team of Cincinnati, Ohio, will square off in the semifinal round of the State of Ohio Class AAA High School Basketball Championship Tournament. Since the founding of the school in 1960, LaSalle has made three appearances (two in the last 3 years in the State tournament finals. I am certain that the LaSalle Lancer basketball team will be victorious in their State championship bid this year. I wanted, however, to take a moment before the team becomes the center of statewide attention to recognize and call to the attention of my colleagues the spirit, enthusiasm, talent and determination which have made the LaSalle High School basketball team one of the best in the State of Ohio.

Under the professional direction of Head Coach Bill Cady the Lancer basketball team has compiled a season record of 21 and 3. In advancing through tournament play, the Lancer team has faced, and upset some of the best high school basketball teams in the regional. This includes Withrow High School, which was rated in the regular season by the Ohio wire service as the best team in the State of Ohio. To advance to the finals, LaSalle in their last game shot a sizzling 57.5 percent from the field and 88.9 percent from the free-throw line.

The future is bright for the players on the LaSalle team, regardless of the outcome to this weekend's State tournament play. To achieve such success requires commitment and competitive drive which will stay with these young people as they move into their future academic and athletic careers. I would ask all of my colleagues to join me in wishing the LaSalle High School basketball team good luck in this year's State championship, and congratulations on the accomplishments they worked so hard to achieve.●

ANDERSON DISTURBED BY TRADE AGREEMENT'S REPORTED EFFECTS ON SMALL BUSINESSMEN

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. ANDERSON of California. Mr. Speaker, recent news reports have told us that, as part of the multilateral trade negotiations which are currently winding down, the administration may have our Nation enter into an agreement that is seriously detrimental to small businessmen, minority firms, and areas of high unemployment.

The Federal Government has had a longstanding policy of setting aside certain procurement contracts for specific segments of the business sector. The small businessman has, throughout our history, always played a significant role in the American economy. But because small businesses have difficulty competing with corporate giants, the Federal Government has, justifiably I feel, attempted to help them by setting aside some procurement contracts that larger companies are precluded from bidding on.

Similarly, certain Federal contracts are set aside strictly for firms owned and operated by socially and economically disadvantaged businessmen. And to help the situation in high unemployment pockets, the Government targets some of its contracts to firms operating in areas where the unemployment rate is 1.2 times greater than the national average.

Finally, this agreement could cut at the heart of the Buy American Act, under which foreign companies must underbid U.S. firms by specified percentages to win Federal procurement contracts.

Under the multilateral trade agreement, many procurement contracts worth over $190,000 in current dollars, will be opened up to foreign companies, as well as to large American firms. In return U.S. companies will have greater access to foreign contracts.

Let us look for a moment at what is being gained and what is being lost in any such agreement, looking first at the 8(a) program for the socially and economically disadvantaged. There were $183 million in 8(a) manufacturing contracts in fiscal year 1978. It is only manufacturing contracts, those dealing with goods, that will be effected by this provision of the trade agreement; there is no change in contracts for services, research and development, et cetera. The average 8(a) manufacturing contract in fiscal year 1978 was for $526,000. By opening up contracts exceeding $190,000 to foreign and large domestic bidders, previously targeted businessmen will face new competition for any contract which values over only 36 percent of the current average-sized deal. Small businessmen, disadvantaged businessmen, and high unemployment-area firms may in the future look forward to doing business with their Government only on "mom and pop" deals, small contracts that employ few people and earn comparatively little money. Lucrative contracts, and American tax dollars will now be going to foreign companies and foreign workers, while American small businessmen lose an estimated total of about $400 million in U.S. Government contracts.

What will these small businessmen, disadvantaged businessmen, and high unemployment-area businessmen gain? Very little, because frankly, I do not envision these type of firms doing much work in terms of, for example, contracts with the Japanese Government. Who really thinks that a disadvantaged businessman in Cleveland, or a small businessman in Long Beach, is going to be able to win a contract in Japan, if he even has the resources to compete for one, when he is going up against Japanese companies and large American or multinational corporations. But it is these very companies, speaking now of foreign-owned or multinational, that will take away U.S. Government procurement contracts from small American businessmen, by being able to ignore the minimum wage laws and various regulations and rules that we have to protect the American worker. The Federal Government may wind up procuring goods manufactured abroad under the very sweatshop conditions that we have long since outlawed.

I hope the facts that have been reported are not complete, or that the administration has something more up its sleeve. Because the newspaper article I am submitting for the RECORD from the March 14 Washington Post would seem to indicate that it will be those very businessmen the Government has been trying to help, who will be paying the price for any benefits that might be accrued through the multilateral trade agreement.

U.S. WOULD RELAX PREFERENCE TO SMALL AND MINORITY FIRMS

(By Art Pine and Claudia Levy)

The Carter administration has agreed to overturn longstanding policy requiring key federal agencies to earmark specified portions of their procurement business for domestic firms, small business, minority enterprises and other groups.

The new procedures, which are expected to provoke a storm of controversy, are part of a long-sought provision in the multilateral trade agreement, which is in the final stages of negotiation.

As part of that trade pact, the United States has agreed to allow foreign producers greater access to bidding on federal contracts here in return for a pledge by European governments and Japan to open up more of their procurement business to American exporters.

To carry out its part of the agreement, the administration has pledged to relax current restrictions in federal procurement policies that have required key agencies to grant special preferences to domestic firms, small business and minority companies.

Sources said the changes will allow foreign manufacturers to bid on an estimated $10 billion in added business. In exchange, European governments have promised to lift restrictions on about $25 billion worth of business to allow U.S. firms to bid.

The difficulty domestically is that, while the changes will help U.S. exporters, they will hurt the very firms that four previous presidents had tried to protect. As a result, although the liberalization has been long sought by U.S. policymakers, it may spark some ire.

Rep. Joseph P. Addabbo (D.-N.Y.), chairman of the House minority enterprises subcommittee, is expected to make a speech on the House floor today denouncing the provision as a setback for longtime efforts to encourage black-owned businesses.

According to the administration's own figures, the shift would affect approximately $9 billion worth of the $18 billion in federal procurement contracts now awarded to small business. Officials yesterday had no separate breakdown for minority firms.

However, administration officials stressed that the tradeoff also would enable U.S. firms, both large and small, for the first time to crack the lucrative foreign government procurement market.

In general, the easing of restrictions would apply only to government purchases whose value exceeded 150,000 "special drawing rights," an accepted international measure that currently translates into about $190,000. That figure would rise if the dollar declined.

However, the liberalization would apply only to selected government agencies. It would not affect entities such as the Tennessee Valley Authority, or Defense Department purchases of shoes, steel, textiles and a spate of other specifically exempted items.

Officials said the United States still is negotiating for broader Japanese concessions. The administration wants Tokyo to allow bids on purchases by the Nippon Telephone and Telegraph Corp. and other big firms.

Critics of the administration's action contended that relaxing the small business preferences would in effect leave most government procurement here in the hands of large corporations. Small business now provides about 20 percent of Washington's $90 billion yearly purchases.

The current "Buy America" order requires federal agencies to award purchase orders to U.S.-based firms unless foreign companies underbid them by at least 6 percent—or up to 12 percent in the case of small businesses and 50 percent in the case of Defense Department contracts.●

FEDERAL REGULATION OF INSURANCE INDUSTRY

HON. JACK HIGHTOWER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. HIGHTOWER. Mr. Speaker, the Texas House of Representatives has recently addressed itself to proposals for Federal regulation of the insurance industry by passing a resolution dealing with this controversial issue on February 27, 1979. Heretofore the regulation of this industry has been left wholly to the States, and I believe this approach has served the average citizen well by allowing cognizance to be taken of local conditions which the insurance industry faces. I am therefore submitting for inclusion in the RECORD house resolution No. 40 as passed by the Texas House of Representatives. The resolution, which reflects my own views as well as those of a number of my colleagues in the Texas delegation, is as follows:

RESOLUTION—H.R. NO. 40

Whereas, In the McCarran-Ferguson Act enacted in 1945 (15 U.S.C. Sections 1011–1015), Congress determined "that the continued regulation and taxation by the several States of the business of insurance is in the public interest"; and

Whereas, Federal government officials have publicly, although unofficially, recommended amending the McCarran-Ferguson Act to limit state regulation of the insurance industry; and

Whereas, It is becoming increasingly clear that the establishment of federal regulation is not a panacea but increases the cost of government, adds confusion and delay, and often increases the cost of products and services without providing any offsetting benefits to the consumer; and

Whereas, It is often necessary, subject to state regulations, to combine the resources of several insurance companies in order to provide effective insurance coverage in an efficient manner at a reasonable cost and to promote innovation whereby new products and services are made available; and

Whereas, There has been no evidence that individual states cannot continue to effectively regulate the insurance industry or that federal regulation of the industry and application of federal anti-trust laws will have a favorable effect upon the insurance industry or benefit the public; now, therefore, be it

Resolved, That the House of Representatives of the 66th Legislature of the State of Texas hereby memorialize the Congress of the United States to reject any legislation amending the McCarran-Ferguson Act (15 U.S.C. Sections 1011–1015) which would limit state regulation or increase federal regulation of the business of insurance; and, be it further

Resolved, That official copies of this resolution be prepared and forwarded to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the United States Congress and to all members of the Texas delegation to the Congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.●

CONSTITUENTS RESPOND TO DRINAN QUESTIONNAIRE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. DRINAN. Mr. Speaker, during my 8 years in the House of Representatives I have made it a practice to send periodic questionnaires to all of the residents of my congressional district in an attempt to learn their opinions on the many issues facing us in Congress.

I take this opportunity to share with my colleagues the results of my most recent poll, which invited responses to 11 questions on national policy.

Over 7,000 of my constituents responded to the survey, many taking the time to explain their choices and express opinions on other issues.

The text and the tabulated results of my questionnaire follow:

QUESTIONNAIRE RESULTS

[In percent]

1. Should the President be given standby authority to impose mandatory wage and price controls?

Yes	65
No	35

2. Do you favor proposals to double the cigarette excise tax from 8 to 16 cents per pack?

Yes	78
No	22

3. Should Congress allow the "decontrol" of oil prices?

Yes	25
No	75

4. Should AMTRAK significantly cut back on rail passenger service in order to reduce the cost of its annual subsidy?

Yes	40
No	60

5. Do you feel we should provide for the admission of Indochina refugees who have no other country for resettlement?

Yes	59
No	41

6. Should Congress support President Carter's 1977 proposal that only one-half of all business-related meals be tax deductible?

Yes	68
No	32

7. Do you favor the provision of President Carter's budget that raises military spending levels three percent above inflation while domestic programs are held to lower levels of growth or cut back?

Yes	39
No	61

8. Do you feel we should eliminate forced retirement based on age?

Yes	70
No	30

9. Do you favor national legislation which would require a deposit on beverage cans and bottles?

Yes	74
No	26

10. Do you favor ratification of the Strategic Arms Limitation Talks (SALT II) Treaty?

Yes	72
No	28

11. Do you favor partial public financing of congressional campaigns?

Yes	50
No	50

●

PUBLIC FINANCING OF CONGRESSIONAL CAMPAIGNS

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. RITTER. Mr. Speaker, yesterday I had the privilege of testifying before the House Administration Committee on the very important subject of whether public funds should be used to finance congressional election campaigns. In my testimony, I expressed the view that public financing would be a mistake, that it will not improve our political system, but will instead create new problems.

Since my own experiences during my campaign for Congress in 1978 have relevance to the debate over the public financing bill (H.R. 1), I would like to repeat my testimony at this time, in the hopes that my colleagues will agree that public financing is not the answer.

Following is my testimony:

STATEMENT BY THE HONORABLE DON RITTER

Mr. Chairman, I'm deeply grateful today for the privilege of testifying on this most important matter of proposed public financing of Congressional election campaigns. I believe that my own experience in my 1978 Pennsylvania campaign serves to illustrate why I believe passing public financing would be a serious mistake.

In 1978, I ran for Congress as a long-shot "outsider". I was given little chance of winning a seat firmly held by an 8-term, 16-year incumbent. Under the theory that public financing is NOT designed to protect incumbents, I should have no chance without public financing. Mine was the classic case of a political outsider facing impossible odds. A national columnist wrote (about me), "He waged a campaign that was almost exactly the kind Common Cause had in mind."

I won without public financing. My victory was based squarely on the kind of grassroots citizens support that supporters of public financing consider to be so healthy for out political system. They are right that grassroots involvement is healthy. But they are wrong to think that only public financing can create it. During the General Campaign, my committee raised $47,000. Outside of political party contributions, virtually all my contributions came from individual contributions within my District.

My opponent, on the other hand, according to the national columnist, raised $112,000, of which 90 percent came from outside the district, virtually all "special interest" money.

Despite the success of my grassroots campaign, many people have been surprised to hear that I am not a supporter of public financing. The first reason is that, (as I proved), a challenger can win without it, if the people want him to win. But there are other reasons as well.

Financing congressional campaigns out of the federal treasury would, quite simply, take individual citizen involvement further out of the political process than is presently the case. One of the most disturbing ways would be by sharply reducing the role of the campaign volunteer, who represents one of the best traditions of American politics. It would replace the volunteer with a preprogrammed campaign operation that does not have to compete for dollars in the public forum, but instead is run by professional political operatives. The human element, in other words, would be further squeezed out of political campaigns, making incumbents little more than glorified civil servants who push a button and have their reelections automatically paid for out of the taxpayer's pockets.

In case anyone doubts that the human element would be taken out under public financing, you only have to look as far as the 1976 Presidential race, where we clearly saw the public apathy and decline in individual involvement that was the fruit of total public financing. In 1976 we saw one of the tightest Presidential horseraces in American history—yet with a lower turnout than in 1972, which had been a landslide with hardly any suspense whatever. And we saw the increased role of professionals that I spoke of, too. Other than T.V., what presence did either Gerald Ford or Jimmy Carter have in most areas? The American people were not allowed to contribute. Citizens did not volunteer. It was a colorless, bland campaign.

The role of political action committees (PACs) has become a key part of the debate over public financing. PAC involvement in congressional races is not in itself bad, nor a corrupting influence on the political process. The record shows that, in 1978, corporate and union PACs contributed only 9 percent of all money received by candidates. But to allow any special interest to dominate a campaign, while at the same time discouraging the atmosphere—which was present in my Pennsylvania race—where individual voters are motivated and involved, will simply increase the power of special interests. In my view, public financing, in any amount, will be another factor in discouraging that vital citizen participation. Taxpayers will feel that they are automatically "contributing" through the federal contribution. As my colleague, Bill Frenzel has described it, that's the "I gave at the office" attitude.

I am not suggesting that the present system is perfect. What I am suggesting is that it does not prevent a grassroots challenge from succeeding, and that public financing would make matters worse instead of better. We cannot reform the electoral system by forcing an individual to support—through his tax dollars—an issue or candidate whom he may strongly oppose.

What our political system needs more than anything in order to be strong and responsive to the public good is individual involvement in the political process. If a proposal encourages that, it is beneficial. If it discourages that, it is counterproductive. Volunteer work by people who care about improving the quality of their government, and small contributions by people who want to have a voice are what our system needs more of. I submit, Mr. Chairman, that public financing will not encourage them.

As has been said, public financing will knock off any "Mom and Pop" campaign. Every new federal regulation would add another barrier to potential candidates. Candidates would be harassed by restrictions; burdened by countless forms. Public financing would complicate a system which even now only specialist lawyers and election experts understand. Many potential candidates are already turned off by the existing FEC bureaucratic hassle. To run for office would further become a nightmare of red tape. Individual involvement to help a challenger who has the support of the people is possible today. If that were not the case, I wouldn't be here before you as a Congressman.

If improvement is to come—and there is room for improvement, certainly—it will come not through having the federal government bankroll any part of a congressional campaign, but by the voluntary acts of our citizens in getting involved in the political process. I urge American voters to get involved. I think they will agree that is preferable to public financing.

Rather than passing a public financing bill, we should be turning our attention to solving the real problem of campaign financing—namely, the intimidating power held by the incumbent over a potential contributor to the challenger. Overzealous disclosure requirements can remove from the contributor pool those individuals with the financial ability to help a challenger, because such individuals are active with businesses or other organizations carrying out direct affairs with an existing congressional office. Incumbents can put all kinds of pressures, some more subtle than others, on those who would contribute to the opposition. Even "no pressure at all" can amount to operational "difficulties" when it comes to working with an incumbent to whom you've physically stated your opposition by contributing to his or her opponent. Had I not won my election, I would venture to say that a largre number of $100 plus contributors would have faded into the woodwork and not participated in a next election because of the discomfort, real or imagined, generated by offending the incumbent.

Members of the committee, the major problem with campaign financing is caused by government regulation having taken the privacy and the discretion out of the political contribution process.

In the extreme swing of the pendulum to a "Let it all hang out" position, we've created a void into which we would now insert a new bureaucratic, government solution.

Let us exhibit wisdom in our search for a better answer than more government, an answer that will not exacerbate the problem we face.

Let us shelve this wishful thinking and concentrate on the real problem, and that is how to further the role of individual citizens in the congressional election process. Let us begin immediately to redefine and raise the individual campaign contribution disclosure limits to a more meaningful level where individual privacy and discretion are still employed.●

ED SCHMID, DISTINGUISHED AUTO DEALER

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. NEDZI. Mr. Speaker, individual and collective experience tends to make us wary of auto dealers and auto salesmen.

Indeed, many would assert there is a contradiction between the words "distinguished" and "auto dealer."

However, we should step back from our biases and concede that there are in fact many outstanding auto dealers who combine excellent business performance with distinguished community service.

Ed Schmid, of Grosse Pointe Woods, a constituent of mine, is such a man. He was recently awarded his industry's most coveted honor, Time magazine's quality dealer award. The final selection of this year's 68 winners was made by a panel of faculty members from the University of Michigan Graduate School of Business Administration.

Ed is president of Ed Schmid Ford, Inc., in Ferndale, Mich., and is vice president of two dealerships in Midland, Mich., and one in Miamisburg, Ohio.

A native of Detroit, Ed Schmid is a graduate of Notre Dame University, and was a Navy officer during World War II. His father, Harvey Schmid, was in the auto sales business and Ed's own son is following suit.

I know him personally and know how involved he is in church, community, and business affairs in addition to his own dealership interests.

He and his family are to be congratulated.●

PUBLIC SUPPORT FOR SPACE

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. FUQUA. Mr. Speaker, each day we benefit in many ways from the technology which has been developed from our space program. I believe there is much broader public support for our space activities than is generally recognized by the Nation's political leaders. I would like to include in the RECORD a copy of an editorial by Robert Hotz which appeared in the March 5, 1979, issue of Aviation Week and Space Technology, which discusses public support for space:

PUBLIC SUPPORT FOR SPACE

Recently, two distinguished men of letters—James Michener and Norman Cousins—spoke out on this page eloquently describing the strong and deep feelings space exploration had engendered in non-technical citizens. From our own research and travels through the hustings we can confirm that the epic of space exploration during the past two decades has made a far deeper and stronger impression on the peoples of the world than politicians and government executives imagine. We believe this groundswell of public support for a bold and imaginative national space program is far in advance of political leadership.

It is based on a much clearer understanding of what space exploration means to the future of mankind than the notions of all but a very few perceptive politicians.

POLITICAL DENIGRATION

No politician did more within the government to organize the first vital flush of U.S. space policy and push its execution to insure success of the tremendous Apollo manned lunar explorations than the late Lyndon Baines Johnson. As Senate majority leader during the passage of the National Aeronautics and Space Act of 1958, as vice president and first chairman of the National Space Council and as President, he worked tirelessly and skillfully to keep the U.S. space program moving at a maximum pace toward the goals of its first decade. But he also had a strong belief that space exploration had no great public political appeal and that it was political poison to use it to seek electoral support. Unfortunately, the majority of U.S. politicians accepted this Johnson philosophy as axiomatic and shied away from much public support of space during the second decade of the space age. The fact that two former astronauts now sit in the U.S. Senate also appears to have escaped significant notice. Part of this denigration also was caused by the great social welfare trend of those times, with its antitechnology richochet that led Sen. Edward Kennedy to renounce his brother John's presidential space goals and that still keeps the first U.S. man to orbit the earth, Sen. John Glenn, from exercising his natural space policy leadership on Capitol Hill.

This space policy leadership on Capitol Hill has been filled by Apollo 17 astronaut Harrison (Jack) Schmitt, now Senator from New Mexico, and Sen. Adlai Stevenson, 3rd, of Illinois, who has come all the way from voting initially against the space shuttle to pushing for a new and more aggressive U.S. space policy.

In our analysis there are a number of reasons, both practical and philosophical, why this public ground-swell of support for space exploration and utilization is growing.

Americans still embody the spirit of frontiersmen, and space is a dramatic new frontier challenge. The tremendous popularity of space movies and television programs is evidence of these semi-romantic yearnings. When 10,000 letters descended on the Gerald Ford White House from fans of the television perennial Star Trek demanding the first space shuttle be named the Enterprise, Mr. Ford recognized the voice of the people and acquiesced. Dr. George Low, president of Rensselaer Polytechnic Institute and a veteran of NASA's manned space flight programs from Mercury to Apollo, reports that the interest of his students in space exploration is so strong that every space-oriented lecture plays to standing room only audiences in the school's largest auditorium. A single-credit course on "a spaceman's tour of the solar system" is annually oversubscribed and fills the same hall.

A recent Gallup Poll conducted among people between 13 and 18 found 28% wanted to be astronauts not only for lunar exploration but also to Mars and beyond the solar system. Dr. Low also attributes the intense interest of his 4,000 students in a technical education to their early stimulation by the exploits of the space program.

By winding down to a low-budget, low-profile national space program, "We are denying these talented young people the heritage we should be leaving them to pursue in their adult lives," Dr. Low said.

POSSIBILITIES PERCEIVED

There are also some practical reasons for the growing demand for a better space program. Perceptive leaders in non-aerospace industry see the possibilities of space as a means of retaining American industry's innovative technology lead that is now dissipating in the face of international competition. The industrial fallout from the early generations of space technology has already been enormous, ranging from the communications revolution to micro-electronics. With the possibility of large space structures in the near future, another new generation of technological innovation can be spawned.

People concerned about preserving the basic environment of the planet earth are beginning to realize from early Landsat operations that new space technology offers the only hope of conserving and managing the natural resources of this planet and also of monitoring and controlling its pollution. Gradually the link between space technology and food, energy, clean water and clean air is becoming clear.

We recommend that the stable of presidential candidates now being assembled for the 1980 presidential election do some perceptive sounding of public opinion on space technology before they construct the platform with which they propose to deprive Jimmy Carter of his lease on the White House.—Robert Hotz.●

TREND TOWARD FEWER AND LARGER FARMS

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. NOLAN. Mr. Speaker, in a February 14 editorial entitled "Family Farms" the Washington Post suggested that family farmers would be hurt by higher price supports because the value of farmland would rise. The Post also suggested that family farms are disappearing because they are "competitive businesses that grow by expanding," that is, by cannibalizing each other. According to the Post's prediction for the future, U.S. agriculture probably will be "dominated by highly capitalized family-held corporate businesses that have accumulated their wealth over several generations." The Post then asked, "Is that bad?" but it failed to answer the question.

I say, yes, it is bad.

The trend toward fewer and larger farms has ruined the economic base of rural America. Rural communities flourish when surrounded by a large number of smaller- and medium-size farmers who patronize local businesses. But when low farm income forced tens of thousands of farmers off the land, the rural economy deteriorated and the declining tax base reduced the quality of health care and other public services in rural areas. In turn, the people who left the countryside went to the cities to compete for jobs, thus increasing the unemployment and welfare rolls in many urban areas.

Without higher farm income, the trend toward fewer and larger farms will be accelerated, rural communities will deteriorate further and the cities will experience increased population pressures. The Post simply is wrong when it states that higher price supports would speed the demise of family farms and that fewer, bigger farms are better.

The Post's assumption that higher price supports "are always immediately translated into higher values of farm land" is not correct. Higher land values have been caused, in part, by big farmers getting bigger, but the Post ignores the driving force which caused the farm expansion in the first place.

According to a recent General Accounting Office (GAO) report entitled, "Changing Structure and Character of American Agriculture: An Overview," farmers had to expand simply to maintain their income which was eroding because of narrowing profit margins. GAO called it a "fight for economic survival" as higher production costs and lower commodity prices trapped farmers in a cost/price squeeze. They were forced to expand in the hope that economies of scale would reduce costs on a per acre basis and that increasing the volume of production would help them maintain their margin of profit.

In addition, higher land values have been the result of increased competition for land by the U.S. nonfarm sector as well as foreign investors. Both groups have been encouraged and aided in the acquisition of farmland by tax advantages not available to bona fide farmers.

With a profit put back into agriculture through higher price supports, larger farmers would not have to expand their land base in order to maintain their income. In fact, many farmers from around the country have indicated that they now are too large for efficient management operations.

The Post editors also assume that farmers who rent their land would be worse off. With a higher farm income, however, farm renters would be able to begin accumulating capital, thus enabling them to compete effectively with the nonfarm sector for land. All U.S. farmers, because of their greater returns, would be in a better position to compete with U.S. nonfarm and foreign buyers for our Nation's farmland.

Increasing farm income thus will slow the trend toward fewer and larger farms. But can a system of smaller, more dispersed farms be productive and efficient?

According to the GAO report, the 2 percent of big farms which raise one-third of our produce are neither as productive, as efficient nor as resilient as smaller farms. The operating costs of smaller farms are lower because the operators typically do not pay minimum wages to themselves or to their families. When comparing production costs and return on investment, the smaller farms are more efficient. During adverse times, smaller farms have considerably more staying power and thus are better able to maintain a steady supply of food production.

If U.S. agriculture is to withstand economic shocks, it must include a large number of smaller and medium-size farms. A resilient agriculture, as the GAO report states, will "maintain reasonable food supply stability." This is important for the Nation's economy because nearly one of every five jobs in the U.S. involves some phase of our food and agriculture system, accounting for as much as 25 percent of the gross national product.

Historically, farm income has generated additional economic activity throughout the Nation's economy. Farmers now are spending 75 cents to 85 cents of every dollar they take in to meet production costs alone (excluding personal family expenditures). By pumping over $80 billion annually back into the economy, farmers stimulate production and additional income in a wide variety of industries which service agriculture.

In order for the farm dollar to adequately stimulate the economy, however, farmers must receive their income in the marketplace. When raw goods are undervalued in the marketplace, as is the case with most agricultural commodities, the producers must go into debt in order to survive.

Undervalued raw goods thus fail to generate a sufficient initial flow of money into new earned income for producers. As the undervalued goods move through the processing and marketing stages of the economy, the value of the raw product itself does not change. The additional processing and marketing charges cannot compensate for the lack of initial earned income which creates the market for manufactured products. As the last three decades reveal, the loss of producer purchasing power has been offset by public and private debt expansion which has, in turn, fueled inflation.

Government payments to farmers cannot substitute for income generated in the marketplace. Today, the Government must borrow money at high interest in order to make payments to farmers. In turn, the farmers find themselves saddled with higher taxes to pay for the money borrowed by the Government. In addition, the concept of Government payments to farmers totally overlooks the manner in which properly valued raw goods generate income throughout the economy.

When the exchange value of agricultural commodities is maintained at par, then the farm dollar will curb inflation and eliminate the boom and bust commodity prices which fuel inflation and injure consumers. But this will not be the case if the farm dollar is a borrowed one.

In recent years, farmers increasingly have turned to debt expansion, at high interest rates, to finance their operations. Net farm income in 1978, expressed in real purchasing power, was nearly 40 percent less than in 1973. According to Agriculture Department figures, 1978 net farm income, deflated to 1967 prices, was $14.5 billion. By comparison, net farm income in 1948 was $17.5 billion—at a time when production costs were lower and when the dollar would purchase a lot more than in 1978 or 1967. Too many farmers are not even making enough money to meet their interest payments and taxes, and their labor goes unpaid. To stay solvent, they refinance their land and go deeper in debt.

By putting a profit in farming, higher price supports will slow the decline in farm numbers and increase the number of smaller and medium-size family farmers. Small family farmers agree with this assessment. In 1978, the Agriculture Department and the Community Services Administration cosponsored a series of regional small farms conferences. Lack of an adequate farm income ranked among the top concerns of small farmers in all the conferences. They simply need higher commodity prices in order to survive.

Congress should also consider additional legislation to establish low interest credit programs for new and smaller farmers, to revise the tax codes in order to restrict tax loss farming and other nonfarm investments in agriculture, to restrict foreign and nonfarm corporate ownership of U.S. farmland, and to redirect our research and extension programs toward lowering production costs and reducing dependence on petrochemicals.

But farmers still must be able to make a profit in order to stay in the business. Without higher price supports the current trend of 2,000 farmers per week leaving the land will continue and the Nation's economy will be in deeper trouble with the passing of each week.●

DEFICIT POISONS THE FUTURE

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. BEREUTER. Mr. Speaker, I know that all of my colleagues have been hearing from their constituents about the need to reduce Government spending and balance the budget. As a newly elected Member of Congress, I am especially sensitive to the public's mood. This year the concern goes beyond rhetoric. The people want action.

It is too early to predict the outcome of current efforts to draft a constitutional amendment to balance the budget. It suffices to say that those of us in Congress must take great care as we consider the various proposals and determine the best way to bring spending under control.

Because it relates directly to this issue, I would like to bring to the attention of my colleagues a "Point of View" column that appeared in a recent issue of the Lincoln Star, one of the major newspapers in my congressional district. The author is a former colleague of mine in the Nebraska State Legislature, Senator J. R. Murphy of South Sioux City, Nebr.

In a concise, straightforward statement, Senator Murphy underscores the sense of frustration that has led to the call for a constitutional convention.

I would especially refer my colleagues to Senator Murphy's challenge to those opponents of the balanced budget who argue that the States would have to give up their revenue-sharing funds:

> Somehow, our federal taxes have suddenly become their money to be expended as perceived by the vastly superior judgment of self-serving bureaucrats. Conceivably the need for revenue sharing could be easily eliminated if those funds were to be left in the state initially by reducing the size of the federal tax bite.

I request permission to have placed in the RECORD following my remarks the text of Senator Murphy's article.

[From the Lincoln Star, Mar. 14, 1979]

DEFICIT POISONS THE FUTURE

(By State Senator J. R. Murphy)

This regards a balanced federal budget.

The Constitution provides that a constitutional convention may be called for the purpose of placing before the people an amendment to their Constitution if two-thirds of the states concur in that call. Nebraska was the sixth state to concur in such a call in a resolution that I proposed and which carried the concurrent signatures of 36 of my colleagues in the Legislature. Twenty-eight of the needed 34 states have now joined in this effort and it is beginning to cause some consternation among those members of Congress who are locked into the concept of deficit spending.

Hear now the agonized shrieks and howls of indignation emanating from Washington, D.C. from certain spendthrifts in our Congress and their associated bureaucratic counterparts. At last they are beginning to feel the wrath of the people of this nation, who are sickened by the sight of their country's continuing self-destruction at the hands of Congress.

The proposition for a balanced budget has been before Congress for many years, but the political expediency of their need to be reelected far outweighs their responsibility to arrest the precipitous decline in our economic health, and to preserve this nation's standing among other nations of the world community.

The howlers, led by such stalwart liberals as Muskie and Wisconsin's Nelson and Obey, along with Mr. Bentsen of Texas, express their opposition to the proposed convention in a manner exemplary of the kind of thinking that pervades the halls of the Capitol. Mr. Muskie, in a prepared speech, said: "The states will pay the biggest price if Congress must suddenly chop the deficit. It will land in the laps of the states"—"do they think Congress would slash its *own* perception of national needs before it touches the states?"

The initial threat of these people is that revenue-sharing will be ended. This, followed by certain other programs. They are tired of the states requesting federal funds from Washington, D.C. [Somehow, our federal taxes have suddenly become *their* money to be expended as perceived by the vastly superior judgment of self-serving bureaucrats. Conceivably the need for revenue-sharing could be easily eliminated if those funds were to be left in the state initially by reducing the size of the federal tax bite.]

And who among the opponents of this measure even hinted at a concept to eliminate the present national debt? Not a soul, nor do they espouse improved governmental operations, such as, what became of the $7 billion that HEW could not account for in 1977? Where are all the non-existent walls that were painted in Washington? Where is all the undelivered equipment that has been paid for, etc.?

Those who oppose the amendment to balance the budget are not listening to their electors. A Gallup Poll released in February, 1979, reported six out of seven of those surveyed favor it. A CBS-New York Times survey indicated 76 percent favor it. Rather than planning ways to punish the states for responding to this public demand, perhaps it would be well to consider their own re-election odds in the face of these provocations.

This is the real shame of it all—the air of nobility assumed by Congress as they poison the future of our children and our children's children. Our government's contingent liabilities now exceed $9 trillion which could become a reality overnight in our highly-leveraged, debt-ridden economy. Personally, I was appalled when the president and his economic advisers, on November 1 of last year, decided to borrow $30 billion of foreign currency in order to stem the decline of the dollar. It is difficult to believe that this nation is in such dire straits. It is their philosophy that the borrowings will be repaid over some four-year period, when a better ratio of dollars to the Swiss franc, the German mark and the Japanese yen will exist. Certainly, there is nothing in our present economy to indicate such a change. We could get better odds at a crap table in Las Vegas. What happens to our economic well-being on the day those loans become due and we inject back into the world currency market $30 billion of borrowings?

Indeed, we are becoming a laughing-stock of the world money market as the dollar shrivels to near oblivion. And small wonder; in 1968, one ounce of gold cost $36. Today one ounce of gold costs $250. In 10 years the 1968 dollar has become a 16¢ piece of paper. You, as one of a little more than 80 million taxpayers in this country who will submit tax returns on April 15, should be aware of this—you are personally a cosigner on roughly $115,000 of federal liabilities—nice! Some $825 billion of this deficit spending is currently past due and your share, about $10,000, bears a current interest rate of nine percent. We will have paid taxes of between $50 billion and $60 billion of interest on the national debt. Try claiming it as a deduction. It is the purest form of inflation.●

EFFECT OF GAS CURTAILMENT ON RECREATION INDUSTRY

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. QUAYLE. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial which the Elkhart Truth published March 14 regarding the effect curtailed gas sales would have on the recreation industry.

The editorial follows:

ATTACK ON RECREATION

A plan about to be considered in Congress to cut off gasoline sales on weekends strikes at the recreation industry in violation of energy legislation passed in 1975.

Committees in the House and Senate will start hearings Monday on restrictions proposed by the federal Energy Department. These are mandatory plans which, if approved by Congress, could be put into effect by the president in case of a "severe energy supply disruption," meaning an oil shortage. There are three plans, affecting building temperatures, lighting for advertising, and sales of gasoline and diesel fuel on weekends.

The measures supposedly were devised under provisions of the 1975 energy act. But the plan to shut down gas stations on weekends violates a requirement of the law. The law prohibits putting unfair hardship on a single industry. It states that energy restrictions can't impose "any unreasonably disproportionate share of such burden on any specific class of industry, business or commercial enterprise."

While there would still be fuel for most forms of travel, the gas-station-closing plan has been constructed to hit hardest at recreational users.

Closings could last from Friday noon to Sunday midnight. Although most people could still obtain supplies for local use on weekdays, recreational travel for any appreciable distance would be virtually prohibited by weekend closings.

Other types of travel on weekends would not be restricted, however, because of numerous exceptions in the rule. Truckers, for example, could still get fuel. Fuel could be sold to any trucks using diesel fuel, and also to gasoline-burning trucks over 10,000 pounds or any common carrier registered for interstate commerce.

Other exceptions are made for taxis, limousines and buses, for commercial aircraft and boats, and for farm and construction equipment. There is even a special exemption for vehicles owned by federal, state and local governments.

Even though law forbids discrimination against a particular industry, once the exceptions are made the burden falls on recreational users. The restriction would be borne by people seeking weekend recreation and an entire segment of the economy which furnishes their needs.

While trucks continued to roll and government workers drove freely, suppliers of tourist services and manufacturers of recreational equipment would be forced to suffer the consequences of gas station shutdowns.

The recreational vehicle industry already is feeling the effects of scare talk of gasoline shortages. If a plan to shut down gas stations, even on a standby basis, is approved, potential customers for recreational vehicles will be further discouraged and thousands of jobs will be threatened, many of them here in Elkhart County.

The actual likelihood of a gasoline shortage is very unclear. While different spokesmen for the Carter administration have predicted tighter oil supplies with varying degrees of seriousness, other sources say supplies are better than the administration claims.

If some contingency measures are needed, the government has several approaches open, ranging from a rationing program that would affect all forms of transportation equally, to less restrictive measures to encourage use of coal, natural gas and other alternative fuels in place of oil.

But the government cannot, under the law, put one industry under hardship while exempting others. It is up to Congress to recognize that the Energy Department's plan for weekend gas station closings discriminates unfairly against the recreation industry, and refuse approval.

The Recreation Vehicle Industry Association is gearing up to fight against weekend gasoline sales restrictions proposed by the Department of Energy.

The RV industry's largest trade group is urging its members to organize a grassroots campaign to "let Washington know how the economic, employment and social consequences of a discriminatory act that will cripple the American tourism and recreation industries."

In addition to the weekend restrictions, DOE has proposed emergency restrictions governing building temperatures and advertising lighting.

To become law, each plan must be approved by each house of Congress within 60 session days of their submittal, March 2.

"Our job is to convince Congress that it must not approve the weekend gasoline sales restrictions—a discriminatory act that strikes directly at the heart of all companies and employees that depend on travel, tourism and recreation for their livelihood," states David Humphreys, president of the association, in a letter sent to RVIA members last week. "And equally important, as a matter of public policy, it violates every citizen's right to pursue health and happiness through leisure-time activities."

He continues, "And it is up to you to tell the story, in a very personal and direct terms, of your own bitter experiences during the Arab oil boycott (1973-74)—what it means to your business and to your employees. This is the message that Congress needs to hear."

Humphreys spoke to an overflow crowd of 250 RVIA members Monday night at the Holiday Inn.

He noted that the current problem in oil supplies, relating to curtailed supplies from Iran, is much less severe than the 1973-74 boycott when shipments from several leading oil producing nations were stopped.

RV manufacturers severely curtailed production in 1974, and the industry experienced a shortage of vehicles later that year, Humphreys said. He predicted the same problem will develop this year, maybe in as soon as two or three weeks.

He predicted the public will continue to buy RVs, despite the "scare tactics" of Energy Secretary James Schlesinger.

RV shipments and sales so far this year have not met projections made late last year by the RVIA. The lull in business is tied to the Iranian oil crisis and related problems.

Humphreys stresses that "the recreation industry is prepared to share the burden of any gasoline conservation plan devised by the Department of Energy, but, like Congress, we will insist that the burden be distributed fairly and equitably."

DOE predicts RV retail sales will decline by $800 million if the weekend closings are implemented.

"We believe that's very conservative," Humphreys maintains.●

INSTITUTE FOR TECHNOLOGICAL COOPERATION

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. FUQUA. Mr. Speaker, I recently appeared before the Committee on Foreign Affairs to discuss a new proposal by President Carter for an institute for technological cooperation. The basic purpose of the new institute would be to establish cooperative scientific and technological programs with developing countries in areas of mutual interest and benefit. Among various examples of research and development areas are: Energy, environment, natural resources, oceanography, health, agriculture, and climatology.

The proposal is a good one and certainly merits serious thought. At present the concerns have focused on how best to interrelate such an institute with the international activities of the rest of the executive branch.

A recent editorial in the Washington Post sheds some light on the issue and strikes what I consider to be a balanced view of the proposal. I commend this editorial to my colleagues for their consideration.

I submit for the RECORD a copy of that editorial:

RESEARCH AND FOREIGN AID

In an otherwise sparse season for new government activities, President Carter's proposed Institute for Technological Cooperation commands notice not only for its rarity, but also for its sound intent—plus a few minor design problems that Congress might examine. The institute, which would be one of several components of a revamped foreign-aid organization, is a product of high hopes for and dissatisfaction with the performance of science and technology as instruments of economic development. The once-heady illusions of research producing shortcuts to economic improvement long ago gave way to the realization that scientific techniques and advanced know-how cannot work development miracles.

Nonetheless, it's been found that, when prudently employed, they can make valuable contributions. A major difficulty, however, has been that, while our foreign aid programs have found utility in "quick-fix" research, they have failed to develop durable congenial relationships with the types of long-term inquiries that hold the prospects for really big payoffs. Furthermore, it has also become evident that high-technology research and development are often poorly suited to the needs and capacities of the poorer nations.

An attractive solution, which has been gestating for over a decade, would be to insulate a major part of aid-related research from day-to-day demands, while simultaneously assisting the developing countries in acquiring their own research resources. In brief outline, that's what the institute would do—and we commend Mr. Carter for exempting this overdue innovation from what is, by and large, a budget of no new starts.

The main difficulty that we see—in company with Sen. Adlai E. Stevenson III (D-Ill.) and Rep. George E. Brown, Jr. (D-Calif.)—is the thinness of the bureaucratic insulation around the proposed institute. In the administration's formulation, it would be just another part of a big foreign-aid organization. Though presidentially appointed, and assisted by an outside advisory council, the director and the institute would be subordinate parts of the very same enterprise whose track record inspires so little confidence in regard to the utilization and promotion of research.

Given Mr. Carter's penchant for packing as many activities under as few roofs as possible, we see little prospect for reviving the original concept of a free-standing research organization. But, between autonomy—which brings its own problems—and submergence, there are a variety of organizational arrangements. Prominent among them is the Stevenson-Brown proposal for equipping the institute with a small, but high-powered board—with authority over expenditures—that might help protect programs and budgets against the sort of short-sighted depredations that have frequently stunted foreign-aid research.

The proposed institute is—apart from this objection—so well formulated and potentially of such great value to the needs of the developing nations that it merits protection against the very problem that inspired its creation.●

DISCRIMINATION IN SOCIAL SECURITY SYSTEM

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. DRINAN. Mr. Speaker, I would like to share with my colleagues the testimony presented by Eleanor Smeal, president of the National Organization for Women, before the Department of Health, Education, and Welfare Social Security Advisory Council.

Ms. Smeal addresses current problems in the social security system and offers creative solutions to eliminate sex discrimination.

I urge my colleagues to carefully review Ms. Smeal's statement:

TESTIMONY BEFORE THE SOCIAL SECURITY ADVISORY COUNCIL OF HEW

(By Eleanor Cutri Smeal)

I want to thank you for the opportunity to appear before you today to discuss the Social Security system. As President of the National Organization for Women, the largest national organization dedicated to the eradication of sex discrimination, I am representing over 100,000 women and men in this country who are committed to equal rights for women.

Since the purpose of Social Security, interpreted broadly, is to provide a measure of security in old age or disablement, how well it serves women is a relevant criterion by which to judge its effectiveness. What is the impact of this, our key retirement plan, on the economic well-being of a majority of our citizens? I emphasize majority because women comprise 59% of persons over 65, and almost two-thirds of those over 72 years of age.

The answer is that two out of three poor persons over age 65 are women, mostly widows, who after a lifetime of unpaid labor for their families and communities, end up their days barely able to exist. In 1974 the median annual income for women over 65 was the lowest of any group: $1,899, approximately half the amount received by men in the same age group. As a recent Social Security Task Force reported, "a retirement income crisis now affects millions of aged and aging women, and threatens to engulf many more."

Clearly, there is something wrong with a system which permits this crisis, and clearly, the system must be changed. Social Security is very much a woman's issue; our concerns are fundamental to the system as a whole.

Numerous studies have investigated the problems of the Social Security system and have proposed changes. The eleven questions outlined by the Advisory Council on Social Security in its announcement of these hearings focus on many of the issues identified by these studies as the most controversial and difficult ones.

These studies and these questions, however, fail to re-examine the basic philosophies of the system: (1) Social Security must be an earnings replacement system; (2) the family consists of a "breadwinner" and "dependents"; and (3) the sole source of financing must be regressive taxes on payrolls. Failing to address these basic assumptions limits any analysis of the Social Security system to a piecemeal approach and assumes that the problems of equity and adequacy can be resolved within the framework of the existing system. Dramatic increases of women in the labor force, the plight of the displaced (by widowhood or divorce) homemaker, and the effect of sexism that pervades the economy and condemns women to poverty demand new analysis and new approaches to retirement income issues.

NOW challenges the basic sexist assumptions of Social Security and asserts that only through comprehensive reform of the system can the problems begin to be solved.

Let's examine these philosophies in light of today's world.

The concept of "earnings replacement" is unfair to women because sex discrimination in employment is perpetuated in retirement. A recent Civil Rights Commission report stated that, "women . . . would earn approximately one-half the amount of majority (white) males even if these differences in education, employment history, etc., were erased." (Social Indicators of Equality for Minorities and Women, p. 65.) The gap between women's and men's earnings has actually widened in the past 20 years. While the Social Security system cannot rectify this situation, neither should it perpetuate sex discrimination. In Equal Pay cases, successful plaintiffs are awarded the differential in back wages. With our greater understanding of the extent to which women have been limited to low-paying jobs, at the very least our nation's key retirement system's benefits formula should weigh more heavily in favor of low-income persons to help make up for this injustice.

But even full elimination of wage and job discrimination will not solve the problems of fairness in Social Security for women because under the breadwinner/dependents assumption, women are penalized for motherhood, and the economic value of work in the home is ignored. The current formula for determining Social Security benefits averages out lifetime earnings, eliminating only the five lowest years, so that every additional year a mother spends out of the labor force caring for children in the home is counted as a "zero earnings" year and reduces her average earnings. These years are "zero earnings years," of course, because no credit is given for labor in the home. According to the California Commission on the Status of Women, more than 28 million non-salaried wives and mothers perform about $340 billion worth of services each year. Yet the only recognition the Social Security system gives her is "dependent's benefits."

This concept of "homemaker dependency" fails to recognize that marriage is an *economic* as well as social and emotional partnership, and leaves the homemaker with gaps in her earnings record (or no earnings record at all) and no disability coverage. Additionally, if a homemaker is divorced before 10 years of marriage, she loses all rights to Social Security as a dependent, and even if married over 10 years (whether divorced or not) her eligibility for benefits (including Medicare) depends on *her husband's* retiring.

All these pitfalls of homemaker dependency culminate with a vengeance in the plight of the displaced homemaker. There are today two to six million women who have fulfilled a role lauded by society, but now find themselves "displaced" in their middle years . . . widowed, divorced, or separated. Too old to find jobs and too young for Social Security, they are victims of changing family roles, divorce, and the fact that when men remarry, they usually choose younger women. Unlike other workers, displaced homemakers have no cushions to soften their loss of support—no unemployment insurance, not even severance pay.

The have faced mandatory retirement from their occupation, but the Social Security system and even the supplementary SSI are not geared to this discarded segment of our population.

The third assumption—that the sole source of financing Social Security must be regressive taxes on payrolls—places the heaviest burden on lower income persons, especially women. Social Security coverage must be extended to homemakers and overall benefits must be raised, but this cannot be done at the expense of the poor. Financing for Social Security must include at least one-third general revenue funds, and the regressive tax system must be eventually phased out. As it stands now, the Social Security system pits married women against old, women working inside the home against women working outside the home. A gain for one means a loss for the other.

There are other aspects of the Social Security system which particularly hurt women. Currently, benefits taken before age 65 are actuarially reduced. In other words, if you can't support yourself, you'll have to take less for life. In 1970, half the women workers and only a third of the men claimed benefits at age 62. Seventy percent of women claimed benefits before age 65. Why? For many there was no choice—high unemployment rates and age/sex discrimination mean no jobs for older women. Surviving spouses must be allowed to collect benefits at age 50—the approximate age at which most widowed women with children would lose benefits because their children come of age.

The Social Security system is highly discriminatory against women—not only in an abstract "equal under the law" sense, but also in the far more real test of how well it keeps the wolf from the door. The Social Security system serves women very poorly, and condemns a large number of women to abject poverty. The Social Security system as it now stands is institutionalized sexism at its worst.

What are some of the solutions to the sex bias problems of Social Security?

Various proposals have been developed centering around the concept of "income splitting" or "earnings sharing." While none of these proposals solve all the problems, they do take important steps in the right direction towards a more equitable, adequate retirement income system. Any reform of the Social Security system must include the following components:

Homemakers must be given credit for work in the home—that is, have their own earnings record. This can be accomplished by earnings sharing where each individual of a couple is credited with a proportion (one-half) of the total income. Thus a homemaker has disability coverage, based on her own earnings record, and portability so that if she divorces, her social security record goes with her into her new life. This eliminates the need for "dependency benefits" per se, and instead recognizes "homemaker credits."

A woman who works outside the home must get full return on her payment into the system, and also have the option of sharing earnings with her husband, so that each gets credited with equal proportions of the total income. This is particularly important for women who work part-time.

The financing mechanism of the Social Security system must include at least one-third general revenue, and eventually be financed totally by a progressive income tax.

The earnings test for beneficiaries must be changed to allow higher earnings. Low earnings limitations become the excuse for exploitive pay and volunteerism for the elderly, especially women.

Surviving spouses must be allowed to collect benefits at age 50, so that the "widow's gap" will be eliminated.

No reform should result in lower benefits for any group which already has inadequate benefits.

Benefits calculated on earnings rates, motherhood penalized by averaging earnings, no benefits for homemakers, dependents' benefits tied to the breadwinner, actuarial deductions when you can't support yourself, earnings limitations which then become the excuse for exploitive pay and volunteerism for the elderly, regressive tax rates, all add up to an exploitive, sexist system which must be changed. Reform of the Social Security system is a necessity, and any reform must address the needs of, and equity for, women.●

HEALTH PLANNING AMENDMENTS OF 1979

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. WAXMAN. Mr. Speaker, I am pleased to introduce the administration's bill to amend and extend the health planning program under title XV of the Public Health Service Act for another 3 years. While the Subcommittee on Health and the Environment will work from H.R. 3041, the Health Planning and Resources Development Amendments of 1979, which I introduced on March 15, 1979, we will want to carefully examine the recommendations contained in the administration's bill as well as suggestions from others for improving health planning in our Nation.●

SAUDI OIL PRODUCTION AND PRICE POLICIES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues some correspondence I had recently with the Department of State regarding seemingly conflicting statements about Saudi Arabia's policies on oil production and oil pricing made over the last several weeks.

The State Department's reply explains Saudi policies but indicates that right now Saudi Arabia is producing near its maximum sustainable capacity level and that because of the current market situation, the Saudis' leverage in restraining prices is severely hampered.

My letter to the Department of State on February 13, and the Department's March 15, 1979, reply follow:

Department of State
Washington, D.C., March 15, 1979.

Hon. Lee H. Hamilton,
Chairman, Subcommittee on Europe and the Middle East, Congress of the United States.

Dear Mr. Chairman: I am replying to your February 13 letter to Secretary Vance. I apologize for the delay, but the Department wished to be fully responsive to the rather complex questions you posed.

Saudi Arabia imposed a production ceiling, calculated on an annual average basis, of 8.5 million barrels per day (mmbd) during the second half of 1977. For more than a year, however, the market did not test this ceiling, since generally weak oil demand resulted in average Saudi production of less than 8.0 mmbd during the first nine months of 1978, including 0.3 mmbd from the Saudi Arabia-Kuwait Neutral Zone. (The Saudis have indicated the ceiling applies only to production in Saudi Arabia proper; production by non-Aramco companies in the Neutral Zone is not included in the ceiling.)

When Iranian oil exports began to decline last October, the Saudis publicly indicated that they expected Aramco to produce as much oil as it could to help offset the shortfall, noting that production earlier that year was so low that two months' production at very high rates would not exceed the annual ceiling. When Iranian oil exports ceased on December 26, the Saudis again said that they expected Aramco to continue producing at very high levels, and temporarily raised the ceiling to 9.5 mmbd, at least for the first quarter of 1979. The Saudis have indicated a desire to return to the 8.5 million bpd ceiling as soon as world market conditions ease with the resumption of Iranian production.

Saudi Arabia is charging the OPEC first quarter price ($13.34 per barrel for Saudi light crude oil) on production up to the former ceiling of 8.5 mmbd, but is charging the fourth quarter OPEC price ($14.54 per barrel for Saudi light crude oil) on production above this amount. The rationale for this split, according to the Saudis, is that as Iranian exports resume during the year, Saudi production will decline, and they may find themselves producing less oil at the higher fourth quarter price than otherwise would be the case. Thus the Saudis maintain that they are simply making advance sales of fourth quarter oil production. The Saudis have not sold any of their oil on the spot market at the abnormally high prices now quoted, unlike some other OPEC countries. Under the current circumstances, it is in our interest that prices hold at the announced OPEC schedule.

We are encouraged that the Saudis promptly increased output last year to help offset the shortfall in Iranian oil exports, and that they continue to produce at a high rate up to the present time. While it is very difficult to estimate what Saudi oil production might have been in the absence of the Iranian situation, it was about 8.0 mmbd in January of the past year, compared to nearly 10 mmbd this January. Thus the Saudis are making an important contribution to help offset the Iranian shortfall. We believe it is in the common interest of oil consuming nations and oil producing nations alike that the maximum feasible amount of oil be available during this situation.

We have made a number of approaches to Saudi Arabia and to other oil producing nations to urge that they produce at maximum feasible rates. We are stressing that this is needed not only at the present time to help offset the Iranian shortfall, but also following resumption of Iranian exports in order to permit the world oil industry to rebuild normal stocks. Based upon discussions with the Saudis and with oil company officials, we believe Saudi production is near its maximum sustainable capacity level.

It has consistently been our policy, in our ongoing dialogue with the Saudis on energy matters, to encourage maximum restraint in oil pricing. As you know the Saudis have been sympathetic to this argument, and have been the prime force for moderation in OPEC. Their ability to influence OPEC decisions has varied, since it is affected largely by market conditions and limited when as at present the Saudis are producing at near capacity.

We have pointed out to the Saudis and other OPEC members our concern about the impact of the December pricing decision on the universal goal of sustainable non-inflationary growth. In the current circumstances, we are stressing to Saudi Arabia and other key OPEC members that the exceptional premium prices now being quoted in the thin spot market do not justify a general revision of the OPEC price schedule. For the OPEC consultative meeting scheduled for March 26 the Saudis have advocated price restraint. Although this is a very constructive and helpful step, in view of the current market situation, the Saudis' leverage in restraining prices is severely hampered.

Especially in the rapidly changing situation in recent months, we have intensified our dialogue with the Saudi Arabian Government in order to achieve as much understanding as possible on a wide range of political, economic and security issues of importance to our two nations.

Sincerely,

Douglas J. Bennet, Jr.,
Assistant Secretary for Congressional Relations.

Committee on
International Relations,
Washington, D.C., February 13, 1979.

Hon. Cyrus Vance,
Secretary of State,
Department of State, Washington, D.C.

Dear Mr. Secretary: There have been several press reports recently about Saudi and U.S. policies.

1. Why did Saudi Arabia impose in January 1979 a new ceiling on oil production after it had apparently lifted an old ceiling on production levels sometime late last year?

2. What is Saudi Arabia's pricing policy today and why is Saudi Arabia apparently putting varying prices on the oil it is now producing?

3. Are these recent decisions by Saudi Arabia on oil price and production issues in our national interest or detrimental to it?

4. What specific efforts are we now undertaking, at what levels and with what inten-

sity to try to persuade the Saudis to increase oil production?

5. What are we telling the Saudis about their oil pricing policies and how would we like Saudi Arabia to change its pricing policies?

6. Why do prominent administration visitors to Saudi Arabia such as Secretary Blumenthal, Secretary Kreps and others seem to come away with incomplete or wrong signals on issues of oil production and price?

Some of these questions emanate from my concern that we do not seem to be communicating well with Saudi officials on crucial policy issues. I would like to know why this appears to be the case.

I appreciate your consideration of these questions and hope that you will be able to respond promptly.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.●

MIDDLE AMERICA RESPONDS ON WASTE—PART I

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. BENJAMIN. Mr. Speaker, I would like to commend my colleague's attention to the following article from the March 14, 1979, Post Tribune. This news analysis is the first of two—the second of which I will also share with you—resulting from a survey on attitudes toward the Federal Government in Middle America.

I believe this article acutely summarizes attitudes which may be typical of the citizenry of the United States. The predicament outlined in this report deserves and requires our attention. While the citizens of Muncie, Ind., express their negativism toward the Federal Government, the family in that community averages approximately $4,000 per year in Federal aid and services. This attitude of frustration and despair is typical of most constituencies represented in this Chamber.

This negativism is the result of almost daily revelations of some form of fiscal irresponsibility or theft in the Federal Government structure. Unfortunately, much of the criticism is well founded. Indeed, our defenses are severely weakened when the Deputy Attorney General, in his testimony before the Senate Budget Committee last week, estimated that between $1 and $10 of every $100 in Federal expenditures is lost to fraud and abuse. This would mean a loss of at least $5 billion and up to $50 billion this year.

If even the lower figure of this estimate is a true measure, it is a distinct possibility that Americans will become so disgusted with waste and mismanagement of their tax dollars that the Nation's tradition of providing for those in need will be undermined. Each of us realizes the difficulty in cutting back programs. It, therefore, would behoove each of us to scrutinize the agencies and programs with an eye toward improving efficiency, effectiveness, and responsiveness.

The 96th Congress appears to be gearing itself toward more oversight responsibilities. The success of oversight depends on the contribution and effort of each Member. I urge each of my colleagues to review the following article and to use their positions in this House to bring our agencies and programs into line.

I also urge my colleagues to find ways of apprising constituents of the moneys and services they receive from the Federal Government—not to improve political "images," but to better inform and educate citizens on the expenditures of Government and the reason and necessity of programs.

If the reason and need for a program of service cannot be ascertained, the program should be terminated. If a reason and need does exist, then the program must be developed to work.

Ultimately, it is this House, with the concurrence of the Senate, that must enact, rationalize, and terminate programs. This duty entails the responsibility of establishing priorities, modifying program mechanics, and admitting failures when there is no human doubt that the tax money of citizens is being wasted. The citizen's frustration, articulated in the following article, can only be mitigated when the legislative role is extended to "make it work or do away with it."

The article follows:

SCORNED U.S. AID KEEPS MUNCIE AFLOAT

(By Saul Friedman and Frank Greve)

MUNCIE.—A dozen of Muncie's elderly were seated in a federally financed community center they had been brought to—in vans subsidized by the federal government—where they had lunched on fried chicken paid for by the federal government.

Then, over pumpkin pie and coffee, they bit the hand that fed them.

"The people on relief get everything," groused Mildred Sharp, a retired nurse with a beehive hair-do.

"They're wasting $2 million on a new pool we need like a hole in the head," said Helen Lawrence, a retired secretary.

Ethel Woodring, 86, elected queen of the Golden Gourmet Center in recent balloting, joined the derogation.

"The government sends me a maid every Thursday afternoon to mop the floor, but I'm fighting that," she confided. "I want her in the morning."

Such carping against federal spending seems nearly universal in this flat, Midwestern town (pop. 83,000) long famed among sociologists for being absolutely ordinary.

Woe be to Washington if that's true. In a week's interviewing here about attitudes toward the federal government, nary a friend of federalism could be found, from the Workingman's Donut Shop to the Delaware Country Club.

The point of the Knight-Ridder survey was to learn how Muncie, which received almost $700 million in federal aid over the last decade (on the low side for a city its size), regards the federal government and the help it gets from Washington.

The answer: Ungratefully.

In fact, they're not even aware that federal aid to Muncie now comes to more than $1,100 per person, more than $4,000 per family.

So, without really thinking much about it, Muncie says it wants what the rest of the country seems to want:

A cut in federal spending and balanced budget. Pronto.

No need to think much about it, they figure; there's enough waste to make the cutbacks painless.

That Muncie's thinking reflects national attitudes is not surprising.

For Muncie has been certified as perhaps the most typical city in America ever since the 1920s, when sociologists Robert S. and Helen Merrell Lynd used it for their classic books, "Middletown" (1929), and a Depression follow-up, "Middletown in Transition" (1939).

Today it matches the nation in average family size (3.9 members), income ($16,000 and change), median age (29.4) and politics (2–1 Democratic registration and a 51–49 percent vote for Carter in 1976).

Sociologists now replicating the Lynds study say the crux of Muncie's problem with federalism appears to be that help from Washington has never been reconciled with the city's tradition of self-reliance.

"If you have any self-pride, you look for as little government as you can possibly get away with," J. Wesley Wray, a school board member, told Knight-Ridder in summing up the dilemma here.

Although a self-described conservative, Wray admits he has lobbied Washington for more aid to Muncie schools, strapped by a local property tax freeze.

"You're grateful for what you resent," said Wray. "You have to accept it, with grace, but you wish you weren't getting it this way."

In the same vein, Nada Stautamoyer, director of Muncie's Comprehensive Employment and Training Act (CETA) program observed: "Philosophically, local government was reluctant to get involved with CETA, but they figured they had to do it on behalf of the people."

Today, CETA, with a $4.2 million annual budget and 2,500 workers, is Muncie's fifth biggest employer. Without CETA, the 6.2 percent unemployment rate would be 11 percent.

And how is CETA regarded? City Controller Robert Elliot's response was typical: "I don't believe in make-believe jobs like CETA and all this crap," he said. Moments later speaking of the city's tight budget he signed: "If I didn't have CETA, I could hardly operate."

Sociologist Penelope Austin of the University of Hawaii, working on the new study of Muncie, concluded: "The ideology is still independence at the same time that anybody in government who knows anything about finance has his hand stretched out. 'Throw the feds out' is still the rallying cry, but that's not a viable option because the local property taxes won't support the local programs."

In that respect, too, Muncie is typical. So are its urban problems, the problems on which Washington has spent so much in recent years.

The litany: Since 1970, 5,000 manufacturing jobs have disappeared as old glass and steel plants closed and auto parts makers moved and modernized. The affluent are moving to the suburbs, further straining the city tax base. Retailing has moved to the suburban malls. Downtown merchants now do 15 percent of their 1950 volume despite the attractive new plaza.

The township school board, which overbuilt for the baby boom, now faces embarrassing closures of new schools. Snow removal is lousy. The antiquated bus system offers too little to too few. In fact, since 'municipal employee unions replaced the patronage system, costs seem to have gone up and services down.

And more and more, groan the city fathers, decisions affecting Muncie seem to be made in bank boardrooms in Chicago and union headquarters in Detroit, not to mention the catacombs of Washington.

Who runs Muncie? they were asked. Always, a pause, then: "Nobody any more. Muncie kind of runs itself."

It should be noted that none of these problems is considered as important among most residents as finding something to do on a Saturday night.

Such indifference may help explain why city department heads earn $14,500 a year while assembly line workers at the Chevrolet plant pull down $20,000-plus for upholstering car seats.

Skimping on local government appears to be regarded as thrift. If balancing the city's budget requires one federal dollar for every dollar raised from local taxes, it's still Washington that's seen as a big spender.

Muncie takes the federal money on grounds that otherwise it would go to another city, sociologist Austin concluded. "Aside from taking the position that 'We won't waste it like Washington and other cities do.' the conflict between self-reliance and taking aid is never addressed."

The problem isn't new.

The Lynds also found that Muncie—and by implication, America—had one foot firmly in the homespun values of the 19th century while the other danced to the fast-changing tunes of the 20th.

In the Depression, when a quarter of Muncie's workers were on public payrolls, the Lynds saw self-reliance and civic pride battling against an irresistable dependency on federal help. The issues never were reconciled, the Lynds noted.

Today, the Depression is regarded as that extraordinary time when the local economy collapsed and Muncie needed help getting back on its feet. In normal times, goes the Muncie ethos, the city can—and should—be self supporting.

As for the federal government's role, Mayor Robert Cunningham, whose city would be bankrupt if it tried to maintain present services without federal help, expresses the common sentiment: "The average person here just wants a decent place to live and a decent job. He doesn't want anybody—leastwise the government—telling him what to do."

If these attitudes sound deathlessly traditional, they square with what sociologists have learned from Muncie about American attitudes in general.

Since the Lynds, social scientists have regularly made pilgrimages to the city to marvel at how little really has changed in the way Americans live, work and think. Muncie's high school students, for example, appear to have the same attitudes toward patriotism and religion—even the same fights with their parents over use of the car—as high school students had when first polled by the Lynds in 1924.

What has changed, however, disregarding the exceptional period of the Depression, is the federal presence in the city.

"In 1924, the federal government was symbolized by the post office and the American flag," notes Theodore Caplow, a University of Virginia sociologist and director of a $500,000 replication of the Lynd's study.

"Today," said Caplow, two-thirds of the households in Muncie depend on federal funds, to some extent."

Ms. Austin, Caplow's colleague, found that in the decade between 1968 and 1977 Muncie received a total of $679,357,000 in aid through 29 agencies and 976 federal programs. If the sum sounds outrageous to Muncie's civic and business leaders, that's partly because it's four times as large as they generally guessed it to be.

About $30 million a year comes in Social Security benefits. Veterans pensions add $8.9 million; welfare, $10 million. The city's biggest employer, Ball State University, received $11 million in scholarship aid last year; $3 million more for research. Thirty-eight percent of Ball Memorial Hospital's patients paid with Medicare or Medicaid funds last year.

Federal aid totalling $10 million helped build the new sanitary system. The public schools received $1 million last year in direct federal aid. The bus system was subsidized with $500,000 of federal help. Interest on the city's debts—$5.5 million a year—was picked up by Washington.

With the local property tax frozen by the Indiana legislature since 1974, $1.3 million in federal revenue sharing helped keep the city afloat in 1978.

Federally paid CETA workers filled numerous municipal gaps, hauling trash, cleaning highways and drainage ditches, dispatching fire and police assistance, running the animal shelter and the ambulance service, staffing the children's home and the health department, and filing much of the city's paperwork.

And how are they regarded? "People consider us the feds and that's a dirty word," said CETA director Stautamoyer. "At parties, I never tell people what I do unless they ask me."

Again the conflict.

Examined closely, most of the gripes against Washington relate to specific instances of insensitivity, bureaucracy or waste, not to overall performance or spending.

Time and again, for example, Sen. William Proxmire's "Golden Fleece" awards, given for "the biggest, most ironic or most ridiculous example" of wasteful spending were cited as typical of Washington's performance.

Critics who are also beneficiaries appeared to find little waste—often, in fact, too little money—in the programs serving them. On the other hand, they saw a lot of waste in programs with which they compete for help.

At the Golden Gourmet Center, for example, clients who considered their own Medicare benefits meager were sharply critical of CETA's "make-work jobs."

Munsonians are generally well informed by their local, conservatively inclined newspapers about federal waste, but they are relatively unaware, for instance, of federal aid to the sewer system and Ball State.

But why are Munsonians balking at federal aid now, when they've become so dependent on it? Caplow offers four answers, the first a question: "Who likes his boss?"

In the '20s, he said of the second point, "Federal government was a distant, upright, benign presence. It stood for honor, patriotism and the stars and stripes. Now federal government has lost its halo because it's in such intimate contact with the people."

Third, Caplow and his researchers found a dramatic change in the way blue-collar workers regard Washington. "It used to be that when business people looked at Washington they saw the devil incarnate and the working people saw the great white father. Today, that dichotomy of viewpoint has completely disappeared. The resentment is universal."

Finally, he sees opposition to federal spending as a shriek from consumers pinched by inflation. Figures indicate that between 1949 and 1969, personal income in Muncie, inflation subtracted, grew 102 percent. Between 1973 and 1977, real incomes grew only 9 percent. "And by American standards, that's lean times," noted Caplow.

What appears to have happened is that Munsionians, who felt sullen toward Washington in the best of times, now feel mutinous.

Sooner or later Washington will discover what Muncie already knows: It's typical.

MUNCIE RATES ITS FAITH IN GOVERNMENTS

In May 1978, 250 Muncie households were picked at random by a team of sociologists and asked how they felt about the federal government:

Among the questions and answers:

1. People differ in how much faith and confidence they have in government. In your case, do you have more faith in national, state or local government?

	Most Trusted (Percent)	Least Trusted (Percent)
National	7	35
State	26	3
Local	12	22
	Trust	Mistrust
Equally	20	15
Don't trust any	28	13
Don't know	13	12

2. How have government programs, services or financing affected this community?

	Percent
Favorably	29
Unfavorably	41
Mixed	30●

SUPPORT FOR PUBLIC FINANCING OF HOUSE ELECTIONS

HON. ABNER J. MIKVA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. MIKVA. Mr. Speaker, there is a growing sense of urgency throughout the country for the partial public financing of congressional election campaigns. That urgency is being reflected by the growing number of sponsors of H.R. 1 and by the anticipation of House action this spring. At this time, I would like to share with my colleagues a few of the many recent editorials from around the country regarding campaign reform legislation.

The editorials follow:

[From the Des Moines (Iowa) Register, Oct. 24, 1978]

IMPACT OF PAC's

The rapid proliferation of political action committees, commonly called PAC's, has reached the point where they can raise more money on a national scale than either of the two major political parties.

By midyear, according to records of the Federal Election Commission, the political action committees of business and labor had raised $54 million over an 18-month period. By comparison, the Republican Party had collected $49.6 million and the Democrats $14.4 million. The Democrats also had a $500,000 debt to pay off.

The PAC's need have no higher motive than self-interest. A political party's principles and goals can be ignored. Candidates of either party can be rewarded, depending on the professed commitment to a PAC's aims. Except for the financial reports required by the FEC, a PAC is not bound by any public accountability.

Wearing a party label and paying lipservice to a party platform will help candidates qualify for the ballot and get media attention. But the crucial test will come when candidates negotiate for support from the shadow constituency made up of the well-heeled PACs.

Common Cause traces PAC growth in part to the 1974 law providing public funds for the conduct of presidential campaigns. Congress declined then and after to put Senate and House candidates on the same financing basis.

"Shut out of the presidential sweepstakes, special interests rechanneled their political money to House and Senate candidates," the group's report notes. "The number of political action committees, through which flow labor, corporate, trade association and other special-interest contributions, has more than tripled since 1974, from 516 on Dec. 31, 1974 to 1,709 in June of 1978."

One reason many of President Carter's key proposals, such as those on energy, brakes on high health-care costs, consumer protection and election reforms, have run into obstacles in Congress is the potent influence of lobbying organizations with increasing amounts of money to spend on political causes.

At least two things need to be done. One is passage of a law requiring more financial disclosure on the activities of registered lobbyists and their organizations. Another is passage of legislation for public financing of congressional election campaigns.

[From the Lexington (Ky.) Herald-Leader, Dec. 31, 1978]

POLITICAL COMMITTEES' POWER GROWS; ELECTION FINANCING NEEDS REVAMPING

Federal Election Commission figures on campaign spending by political action committees show again the need for public financing of congressional races.

Special interest political action committees spent $76.3 million during the 1977–78 campaign period, which is thought to be the highest amount ever spent. The election commission does not have comparable figures for 1976 since it didn't fully process campaign funding data from political action committees that year.

However, the amount spent for this past November's elections (which includes overhead expenses of the fund-raising groups), was more than was spent in total by House and Senate candidates in the off-year elections of 1974—$74 million. It was also a good chunk of what was spent in 1976. Common Cause, a public interest lobbying group, said the total spent by House and Senate candidates that year was $99 million.

The danger of extravagant spending by special interest groups is that at the same time voter turnout at the polls for both statewide and congressional races is decreasing. This means that those elected to office could be tempted to become more responsive to groups financing their races rather than to their home state constituents.

Public financing of congressional races would help correct this. Groups like Common Cause must keep pressuring Congress to approve such financing.

The legislation is particularly important since the number of political action committees has grown so dramatically in the last few years. In 1974, there were 608 such committees. That jumped to 1,146 in 1976 and to more than 1,800 this year. These groups don't form and give away money for nothing

It is up to Kentucky voters to let the members of their House and Senate delegations know that public financing of congressional races is legislation which should be passed during this next congressional session.

[From the Grand Rapids (Mich.) Press, Jan. 3, 1979]

NOW IS THE TIME FOR PUBLIC FINANCING

As the 96th Congress prepares to convene this month, there is an outside chance that public financing for U.S. senators and congressmen will become a reality at last. The piles of money spent on last year's elections were so large as to raise a serious question about the elective process and the direction in which it appears to be going.

Particularly embarrassing were the substantial contributions from "political action committees" (PACs) and the personal financial resources of individual candidates.

PACs are fund-raising groups formed by corporations, trade associations, labor unions and other groups which exist to "educate" the public about those seeking public office. This education process is accomplished by providing candidates money with which to put their message across. Increasingly the medium is television—a very costly expense, especially for the statewide office seeker.

In the past three elections, the Christian Science Monitor reports, the number of PACs has doubled to more than 1,300, and their campaign contributions have tripled to an estimated $35 million. Present law limits to $5,000 per election the funds a single PAC may give a candidate, but a candidate may collect from an unlimited number of committees. In the 1978 election, committee chairmen in the Senate and House of Representatives received an average of $45,000 from PACs; individual totals reached $200,000.

Not an altogether reassuring outcome of the 1978 senatorial elections was that seven of the 33 winners—including five newcomers—are millionaires. Collectively, five outspent their defeated opponents by over $2 million.

The implications of these spending patterns should be self-evident. What obligation does a member of Congress incur (wittingly or otherwise) toward a political action committee which has contributed generously to his or her successful campaign? Are the campaign expenses for membership in the U.S. Senate becoming so great as to preclude all but the wealthy from serving in that body?

These questions finally seem to have caught the attention of Congress. No longer are they the sole concern of Common Cause, political scientists and editorial writers. Indeed the House Democratic Study Committee is preparing legislation to limit the overall amount of PAC money a candidate could accept. Also in the works is a bill which would place a lid on the amount of one's own money a candidate could spend if he or she chose to participate in a proposed system of public matching funds. That ceiling would be $25,000 or $35,000.

Public campaign financing does seem the most reasonable alternative to our present system. All indications are that the matching funds provided by the income tax return checkoff have worked—not only in the 1976 presidential campaign but in Michigan's 1978 gubernatorial election as well.

Now, if Congress does what is right, the chances will be greatly reduced that senators and representatives elected in 1980 are union made, a division of XYZ Corp., or a member of that very exclusive group called millionaires who constitute less than one one-thousandth of the nation's population.●

REPUBLICAN POLICY COMMITTEE SUPPORTS CONSTITUTIONAL AMENDMENT TO BALANCE THE FEDERAL BUDGET AND LIMIT FEDERAL SPENDING

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. SHUSTER. Mr. Speaker, yesterday the Republican Policy Committee overwhelmingly endorsed a constitutional amendment to balance the budget and impose a limit on Federal spending.

There can be no question about where the great majority of Republicans in the U.S. House of Representatives stand on this issue. Coupled with this official action, more than 74 percent of the Republicans in the House have cosponsored a constitutional amendment to limit spending. The American people have a right to know that it is the Republicans who support a constitutional limit on Federal spending. By contrast, only 29 percent of the Democrats in the House have cosponsored such legislation, and the Carter White House has created a task force to lobby against the nationwide sentiment for this amendment.

Following is the Republican Committee statement:

The Republican Policy Committee vigorously supports a constitutional amendment to require a balanced budget and impose a limit of Federal spending.

For almost half a century, the Democrat-controlled Congress has perpetuated a "spend now—pay later" policy that has burdened the American people with run-away inflation, high taxes, and a national debt exceeding $800 billion. Republicans have consistently called for a balanced budget and lower spending—initiating dozens of votes in the House of Representatives over the last several years—which the Democrats have voted down.

If the Democrat majority in Congress had been responsive to the true interests of the American people, there would be no need for a Constitutional Amendment to balance the budget and limit federal spending. Instead, the Democrat big spenders in Congress have voted to engage in deficit spending in 21 of the past 25 years and have increased federal spending as a percent of GNP from approximately 17.5% in 1955 to 22.1% in 1979. The four balanced budgets in 1956, 1957, 1960, and 1969 all occurred in Republican Administrations simply because of the long standing Republican commitment to the principle of balanced budgets and limited government. Both the Republican platform and the Legislative Agenda of a Republican House have strongly supported a balanced budget and reduced taxes.

The Democrat refusal to eliminate deficits and reduce federal spending has led to the current taxpayers' revolt. The American people know that a family, a business, or a government cannot continue to spend more than it takes in without serious economic consequences. They know the continuous deficit spending policies of the Democrats is one of the fundamental causes of inflation, which shrinks the value of the dollar, drives up the cost of living, destroys jobs, dampens investment in new plants and equipment, reduces productivity, lowers the standard of living of the American people, and generally saps the economic vitality of our country.

The American people recognize that big government and excessive federal regulations from Washington are hurting them. They are rising up in protest. The latest Associated Press-NBC poll showed that 70 percent of those interviewed favored a balanced budget amendment. A recent Gallup poll put the ratio at six to one. Twenty-nine states have passed resolutions calling for a constitutional convention to consider an amendment to balance the budget. The American people want action. The public's demand for a constitutional convention to require a balanced budget is a colossal vote of no confidence in the Democrat politicians who control Washington. Americans are beginning to see with increased clarity that the Democrat party is a party of big government and bureaucratic regulation. Although Republicans represent a minority in Congress, they represent the majority view of the citizens of this country.

The Republican Policy Committee reminds voters that they can get a balanced budget the quickest—by electing a Republican majority to Congress in 1980. Republicans support the American people in trying to gain more control over big government while Democrats support big government in trying to gain more control over the American people.

The Republican Policy Committee believes that a Constitutional Amendment initiated by Congress is a quicker and preferable method to the Convention approach. We recognize that a Constitutional remedy will not be enacted overnight, and must be sufficiently broad to stand the test of time. Just as the 16th Amendment, through its power to directly tax income, created a new Constitutional force toward taxing and spending, it is time to redress that imbalance and create a countervailing Constitutional force towards restraint in taxing and spending.

The Republican Policy Committee believes it is crucial that a Constitutional Amendment not only require a balanced budget, but that it also place a limit on federal spending to fight inflation and stop passing on our debts to our children, so that the working people of America can keep more of what they earn, to spend as they see fit. We also believe that such an amendment must be "phased in" and contain a "safety valve" which requires a "greater than majority vote" for Congress to engage in deficit spending or remove the limitations on spending to meet an emergency.

Several proposals of merit have been introduced in the House to achieve these ends. We call upon the Judiciary Committee to complete its hearings on this issue expeditiously and bring this legislation to the floor of the House for consideration.

Republicans call upon the Democrat majority in Congress to act promptly on this historic issue. If they do not, the American people will mandate action through a call for a Constitutional Convention.●

TAXPAYER FINANCING OF ELECTIONS BEYOND REDEMPTION

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. FRENZEL. Mr. Speaker, today the House Administration Committee was treated to some interesting testimony from John T. Dolan who presented some creative ideas of how his group, the National Conservative Political Action Committee, could subvert the intent of the sponsors of H.R. 1, the bill to force taxpayers to finance congressional elections.

Dolan, calling H.R. 1 "beyond redemption" described how the proposal would "present us with a delightful opportunity to harass you and dozens of others like you. And the best thing is that we use taxpayers money and none of our own."

I commend Mr. Dolan's entire statement, which follows, to all my colleagues:

TESTIMONY OF JOHN T. DOLAN, NATIONAL CONSERVATIVE POLITICAL ACTION COMMITTEE

Thank you for giving me this opportunity to testify before you today regarding H.R. 1, Taxpayer Financing of Congressional Elections. I am John T. Dolan, chairman of the National Conservative Political Action Committee.

I must admit, I feel a little like B'rer Rabbit. On the one hand I am asking this committee not to throw American politics into the briar patch of taxpayer financing as a matter of principle and public policy. But on the other hand, I am convinced that passage of H.R. 1 will result in the eventual victory of so called "New Right" candidates all over the country, and hasten the decline of our already deteriorating two-party system.

Since I am sure the members of this Committee are already aware of H.R. 1's numerous pitfalls, I wont' go into great detail in telling the opponents of this bill why they should continue to oppose it. Instead, I would like to spend more time speaking to those who support H.R. 1. Unlike B'rer Rabbit, I will tell you why this scheme to entrench incumbents won't work.

Before I do, I would like to make some brief preliminary comments.

First, I disagree with one of the most basic propositions behind H.R. 1—that too much money is spent on congressional elections. The fact is that not enough money is spent on politics in America, and I believe the system would be better off, if more were spent. Estimates of how much is spent on congressional elections range from $50 to $100 million. When you realize that on July 4th in 1974, the American public spent $289 million on fireworks, the money we spend on educating people about our candidates is embarassingly small.

As a result of this fund shortage, most campaigns have only enough money to advertize their positions on issues in the closing weeks of the campaign. Passage of H.R. 1 and its artificially low spending ceiling would further denigrate the quality of issue discussion and insure that the voters would remain in the dark more than ever.

Second, I believe H.R. 1 is nothing more than a welfare bill for incumbent politicians. When you total the salary, staff allowances, expenses, computers and other perquisites an incumbent member of congress possesses, it costs over $1 million per term just to keep him in congress. No one can deny that many—perhaps most—of these perquisites have been effectively used in every incumbent's re-election effort. Now, in the interests of "fairness," proponents of H.R. 1 want to limit the amount a challenger must spend in order to overcome the substantial tactical advantages of the incumbent. Such a proposition only goes to prove that liberals have a sense of humor.

My staff has just completed a study of those races in 1978 where an incumbent was held to between 46% and 54% of the vote. In the 45 cases where this occurred, there were 30 (or 67% of the time) where the challenger exceeded the $150,000 limitation proposed in H.R. 1.

In the remaining 15 where the challenger did not spend more than $150,000, a number will eventually exceed the limit when all their debts are paid and the campaigns are eventually wound up. In a few other cases, the incumbent was either indicted or had other "personal" problems which made his default a fait accompli and necessitated that any challenger spend only a few dollars to win.

These figures show that a challenger must outspend an incumbent—and often by large amounts—in order to win. Of course, passage of H.R. 1 would make this impossible. If this bill were really designed to help challengers overcome the power of incumbents, it would make outright cash grants of $150,000 to challengers, not limit what they can spend.

In fact, this bill is just one more example of "the imperial congress." It is just one more arrogant case where certain forces in this congress are attempting to insulate themselves from legitimate public interest groups in the home districts and in Washington.

I think the founding fathers would have been shocked to see a congress which earns three or four times the average income of our typical American citizen. They would have been even more shocked to see the additional perquisites of congressional tenure—the retirement plans, the computers, the junkets, the staff, the gymnasium, and all the other goodies members of congress receive. I am sure the founding fathers would have seen this congress as a rough equivalent to the House of Lords in the eighteenth century.

I don't believe, however, that the founders, in their wildest imaginations, would have envisioned a scheme as outrageous as H.R. 1. It's something I'm sure King George would have proposed to finance the American revolution if he had thought of it.

We are talking about taking my tax money to pay for George McGovern's election, and Bella Abzug's money to pay for Barry Goldwater's election. The very concept is repulsive to the notion of freedom of association, not to mention common sense.

Let me remind the proponents of H.R. 1 that we are dealing with perhaps the most basic, sensitive area of First Amendment rights—the right to discuss openly and participate in elective politics. Recent experience has shown us how easily huge amounts of government power can be used to harass and suppress dissension. H.R. 1 is a formula for political repression unparalleled in recent history.

Proponents of H.R. 1 seriously suggest that a system which takes my tax money to support Ron Dellums' re-election campaign is somehow better than one in which I voluntarily choose to support someone diametrically opposed to Mr. Dellums.

Proponents of H.R. 1 want to turn over the administration of this poorly drafted and unworkable bill to the Federal Election Commission, an agency which gives new dimensions to the meaning of the words "bureaucratic incompetence."

Earlier I said I felt like B'rer Rabbit, so let me speak for a moment to those who support this bill—the B'rer Foxes, if you will.

You have my congratulations. You have drafted a document which will further insulate you from the voters in your districts so you can ignore their wishes entirely; you have further enhanced the position of big labor, so now it can concentrate on winning the presidency and and not these petty-ante congressional seats; you have effectively denigrated the quality of debate left in congressional elections; you have dramatically increased the power of the incumbent by limiting what his challenger can spend to defeat him.

All in all a pretty effective job. But I'm afraid you outsmarted yourself.

Richard A. Viguerie, the direct mail fundraiser, will thank you for proposing this bill. Passage of H.R. 1 will make Mr. Viguerie much more wealthy and powerful than he is today.

When Congress "reformed" federal election law through $1,000 contributions limits in 1974, it made Mr. Viguerie a very powerful and necessary man by making direct mail fundraising one of the few ways a candidate could raise money legally and effectively. So, in the 1976 elections, we traded the Stewart Motts, who made large single contributions, for the professional fundraisers, who turn loose their computers and copywriters.

Now to improve on the 1976 experience, proponents of H.R. 1 want to make Mr. Viguerie and people like him even more important. Let me ask: who is best able to raise $60,000 in contributions less than $100? Does anyone really doubt that only Richard Viguerie, Morris Deese and a handful of other professional fundraisers are the real people who will benefit by this bill?

Let me give you an example of what the New Right, or any special interest group can do with H.R. 1.

While NCPAC and other conservative groups generally support Republicans more often than Democrats, there are certain members of the GOP we could do without. So let me take the hypothetical example of Congressman Bill Frenzel.

Now ordinarily, we wouldn't waste our time going after Mr. Frenzel or other moderates under our present system. No offense, Congressman, but there are bigger fish to fry. But passage of H.R. 1 presents us with a delightful opportunity to harass you and dozens of others like you. And the best thing is that we use each taxpayer's money and none of our own.

Let me illustrate again.

NCPAC recruits one, two or three candidates to run as independents in your district. We then make a $5,000 loan to this candidate's campaign to organize a very sophisticated direct mail fundraising campaign through Mr. Viguerie or other professional fundraisers. After our candidates qualify for matching funds by getting large numbers of small contributors, we get back our $5000 and use it to recruit a candidate against Chairman Thompson, or Congressman Foley, or any number of other incumbents. The interesting fact is that none of the candidates we recruited would be viable under our present system, but could become deciding factors with matching taxpayer funds.

In the particular case of Congressman Frenzel it is conceivable that he and his Democrat opponent would never see a penny of matching funds. You see, the brilliant drafters of H.R. 1 have provided that the Republican and Democratic candidates don't get tax money until after their primary in September but third party candidates qualify in August simply by petitioning to get on the ballot. Since FEC chairwoman Aikens has stated that matching funds are granted on a first-come-first-serve basis, it is conceivable—perhaps even likely—that all of the $180,000 allocated to each congressional race could be eaten up by minor party candidates before the Democrat and Republican candidates are even on the ballot.

Naturally, this little ploy isn't limited solely to New Right organizations. I am sure that Right-to-Life forces could recruit hundreds of candidates, get matching funds and run television ads on the evils of abortion. The same is true for the gun lobby, Right-to-Work advocates, and a number of other special conservative interests. And even though I hate to admit it, what the New Right can do, can as easily be done by the left. As a matter of fact, any group with a sufficiently large grassroots base will be able to manipulate tax money to harass congressmen it doesn't like.

I suspect that some legislative aide will be sent scurrying to correct this obvious defect in H.R. 1, and perhaps I am being unwise in telling you how to fix the briar patch before you throw us in. But I can honestly tell you, no amount of pruning will make this bill do what you want it to do. It is overflowing with provisions which defeat its central purpose—the protection and preservation of incumbents.

For example, H.R. 1 will make independent expenditures the rule and not the exception. Creative groups and individuals will think up ways to get around the absurdly low expenditure limitations. NCPAC, for instance, began independent expenditures in 1976, and we have budgeted over $150,000 in 1979 in preparation for the 1980 elections. Passage of H.R. 1 would cause people like Joseph Coors, Stewart Mott and others to rechannel their activities down the road of independent expenditures. I can envision in the near future a class of high-priced political consultants who will specialize in running hatchet campaigns against incumbents via the independent expenditure route.

Encouraging independent expenditures is very unwise for those who favor preserving the status quo, as I am sure supporters of this bill most certainly do. First, they may actually work and defeat an occasional incumbent. More importantly, independent expenditures are dangerous for our political system. Any incumbent who has to cope with large amounts of money being spent against him or for him is in an untenable position. Expenditures for him might backfire. I am sure Congressman Thompson wouldn't like the idea of a civil rights group in his district taking out ads praising him for his strong stand in favor of forced bussing. In the final analysis, campaigns will be free-for-alls where the candidates have little or no say in what issues are discussed. An inevitable effect of H.R. 1 is to encourage a "wild in the streets" mentality among groups and individuals who want to get their message across. The candidates will be lost in the ongoing milieu.

This bill is beyond redemption. It has no legitimate place in a free society. I urge this Committee to reject taxpayer financing of congressional elections because it is wrong and unfair.

For those misinformed members of Congress who make a habit of voting for wrong and unfair legislation. I can assure them that if they do pass H.R. 1, the forces that oppose such evil legislation will have the last laugh. Their constituents won't forget that they voted to use hard earned tax money to pay for their elections because NCPAC and other groups won't let them forget that they supported this outrageous bill. The large number of independent candidacies, independent expenditures and numerous other nightmarish flaws in H.R. 1 will come back to haunt and undermine the incumbents this bill is designed to protect.

For the good of our political system, you should oppose H.R. 1.●

TRIBUTE TO ABNER MIKVA

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. JACOBS. Mr. Speaker, "Kindness spoken here." That is the sign on the door to the office of our colleague Abner Mikva. Abe Lincoln of Illinois was speaking for himself and spiritually for Ab Mikva of Illinois when he said, "I have not willingly planted a thorn in any man's bosom."

Ab Mikva never willingly did violence to the truth or anything else or to anybody. As the following article says, Ab Mikva is as bright as a brandnew old-fashioned penny. But far above that, he is a kindly and caring man.

Traditional advice to those in politics is, "Don't get mad: Get even." Ab Mikva never gets mad. And he never gets even. He just gets going on whatever way he finds to go on helping others in his private life as well as in his public life. Ask anybody "on the other side of the aisle." And ask those of us on his side of the aisle who disagree with him from time to time.

I am profoundly blessed by the friendship of Abner Mikva.

Ab Mikva will bring to the judicial bench as much wisdom as that of Solomon—maybe more.

I now submit an article from the New Republic, by Morton Kondracke, for insertion into the Record.

Carter's Wise Choice for the D.C. Appeals Court—Good Judgment

(By Morton Kondracke)

President Carter's judicial appointments are winning general praise, but one of them deserves special applause. To the nation's second most important tribunal, the US Court of Appeals for the District of Columbia, Carter has named one of the smartest people in Congress and, I think, one of the wisest and most decent people in all US politics. He is Abner Mikva, a fifth-term representative from Illinois. The media make stars out of presidents, Cabinet officers and senators, but give short shrift to House members as too numerous to handle. Most people, liberals at least, remember how valiantly, if unsuccessfully, Paul Douglas and Philip Hart fought in the Senate against the oil depletion allowance. It was Abner Mikva, though, who led the way against it in the House Ways and Means Committee and on the House floor in 1975, and won. Tax reform tends to get reported as a fight between the president and Russell Long, but it has been Mikva, as the leader of Ways and Means liberals, who has tried to close loopholes and make tax rates more progressive. Everyone knows that Teddy Kennedy has championed 18-year-old voting and revision of the criminal code. In the House, those have been Mikva measures.

There is another reason why Abner Mikva isn't a household word. Much of the Washington press is mired in a curious, bent-over-backward kind of conflict of interest. Reporters write comfortably about politicians they don't know or privately hate, but they're so reluctant to show favoritism to people they admire or love that they'd rather leave them out of a story than reveal their bias. Almost everly good Washington reporter I know considers Mikva a truly exceptional political figure, but few have told their readers about it. Now that he is about to become a judge and probably never will run for office again, we can purge ourselves of our conflicts. I do so happily.

It's not only the press' fault that Ab Mikva isn't famous. It was fate. Mikva didn't grow up in a particularly bad time or place for political success; in fact, he became a liberal as a result of his family's deprivations in Depression-era Milwaukee and because of the political examples of its socialist mayors and the relief from misery provided by the programs of Franklin Roosevelt. He tempered his liberalism with classical economics at the University of Chicago, where he got a law degree. He clerked for US Supreme Court Justice Sherman Minton, but then he decided to go back to Illinois. Prospects looked promising enough: Adlai Stevenson had just been elected governor and Paul Douglas had become senator. Mikva moved to Hyde Park, the University of Chicago neighborhood, and went to work for Arthur Goldberg's labor law firm. In 1956, he ran for state representative against the wishes of the Cook County Democratic organization, and won.

If Mikva had been a liberal reformer in, say Wisconsin, he might be a senator now and perhaps even a presidential contender. But Illinois in those days didn't cotton to liberal reformers. It wasn't really a Stevenson-Douglas state at all. It was a Daley state in Cook County, where half the Illinois population lived, and a Paul Powell state in much of the rest, and where it wasn't one of theirs, it was Republican. Mikva instantly became the leader of a small band variously known as "the good government bloc" or the "economy bloc"—one opponent referred to Mikva as "the economy blochead"—which could win only by forming coalitions, maneuvering shrewdly and appealing to the press and public. Mostly it acted to combat political skulduggery or (in the case of Paul Powell, the man who died with a shoebox full of cash in the closet) outright theft. Mikva and his allies also fought to stop periodic budgetary pogroms against welfare recipients and mental patients. They managed to pass a consumer credit act outlawing garnishments and a reformed state criminal code.

Mikva won the respect of those with whom he coalesced—the Daley Democrats and Republicans, rarely Powell—but he never would be a beneficiary of their political power. Out of respect for Mikva's brains and legislative skill, Daley reluctantly agreed to allow him to be chairman of the Illinois House Judiciary Committee. Out of respect for Mikva's popularity and distaste for primary election bloodletting, Daley never ran machine candidates against him. Daley may even have liked Mikva a bit for being a good family man (as opposed to what Daley thought most Hyde Park-University of Chicago liberals were). But the Daley organization did nothing to help Mikva move up to higher office, and everything to reapportion him out of his political career. When Mikva decided in 1966 that he wanted to go to Congress, he had to fight the organization again. He lost narrowly, but forced the machine to back him in 1968. He won then with 65 percent of the vote, and with 75 percent in 1970. Then in the 1971 reapportionment, Daley redrew congressional district maps to eliminate Mikva.

Instead of quitting, Mikva moved from the Chicago South Side to Evanston, a northern suburb, and fought for a traditionally Republican seat in 1972. He lost, and this was another case of fate denying him national attention. In previous terms, Mikva had been an increasingly influential member of the House Judiciary Committee. Had Mikva been in Congress in 1974, he probably would have become famous as a key figure during the Nixon impeachment proceedings, but he wasn't. He did return in 1974, winning by 2700 votes. He was reelected in 1976 by 201 votes and in 1978 by 1190. It's a mark of his political effectiveness that he won at all, considering that Republican candidates for senator and governor carried his district by 74 and 75 percent, respectively, in 1978.

Mikva has managed, by brains; energy, acumen, integrity and human charm, to race back and forth to Chicago every weekend to keep his seat in a Republican district and still be the leader of Ways and Means Committee liberals, chairman of the reformist Democratic Study Group, the chief Judiciary Committee proponent of gun control and criminal code revision and a key backer of public financing for congressional campaigns. Mikva manages to be a tax reform, income redistribution liberal, to favor national health insurance and oppose oil deregulation, without being a woolly-brained free spender and advocate of government regulation. He is anti-protectionist and a deregulator of industries where the market can work. He wants to prohibit the sale and manufacture of handguns, but he knows that banning possession of them would create a confiscation nightmare. What sets him apart from many liberals, too, is that he doesn't only love mankind; he loves individual people, too.

Now a potentially great legislative career is about to come to an end. His friends will be spared having to worry each election night about whether, or how narrowly, the voters of Illinois's 10th District have maintained their good judgment. The court Mikva will join receives the most difficult and important national legal questions, and often frames the terms under which they are considered by the Supreme Court. No one who knows Mikva has any doubt that he and the appeals court are perfect for each others, but I'd like to think he'll go further than that in his new occupation.●

THE COMEBACK OF COAL

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. QUAYLE. Mr. Speaker, I would like to bring to the attention of my colleagues an editorial which the Indianapolis News published March 1 regarding the stumbling blocks which could preclude increased use of coal. It is essential that we consider the severity of our energy needs before imposing new standards which could erase the economic advantage coal now enjoys.

The Comeback of Coal

Two years ago, President Carter called on coal.

Coal was to be the nation's primary weapon in the "moral equivalent of war." Production was to double to 1.2 billion tons annually by 1985. Developing coal, which comprises 90 percent of U.S. energy reserves, was to occupy the nation at least through the end of the century. Strangely, though, nobody's calling on coal now, despite the current cutoff of oil from Iran.

The cost of mining coal is soaring. The cost of shipping coal is soaring. The cost of cleaning and burning coal is soaring.

A very few years ago, U.S. energy officials warned utilities that they should quit using coal, which pollutes. Then, as energy legislation dawdled through Congress, coal's star rose once again; utilities were encouraged to plan for coal in their futures. The Department of Energy, which once urged businesses and utilities to convert from oil to coal, is now asking them to convert to gas.

No wonder the market for coal has gone soft. Further troubling the industry are two sets of impending environmental regulations. Sometime next month the Environmental Protection Agency is expected to issue tough standards on cleaning coal before it is burned. The new standards will require all new power plants and some already in operation to install expensive "scrubbers" to scrub sulphur and other particles from smokestack emissions. Utilities complain that scrubbers could add 25 percent to the cost of building a coal-fired unit and increase operating costs.

Also in the works are regulations being formulated in accordance with the Surface Mining and Reclamation Act of 1977. The President's Council of Economic Advisers has come forward to protest the inflationary rules devised by the Interior Department. Interior scaled back its demands, but the regulations are still in doubt. As originally planned, the regulations would have added $2 billion a year to the cost of coal by 1985. Both sets of regulations will erode coal's economic edge over competing fuels and may not be worth the cost.

There are few incentives for expanding coal production presently, especially coal like Indiana's, which is high in sulphur and therefore high in pollution potential. The energy bureaucracy is heaping all kinds of new problems on an industry which has never had any trouble devising its own problems. Still, the Coal Association is predicting that 713 million tons of coal will be mined this year, up from 654 million tons in 1978. Will coal make a comeback? Coal doesn't look like it's looking up. But for all our sakes, it better, and soon.●

THE ENERGY CRUNCH—AGAIN

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, March 21, 1979, into the Congressional Record:

The Energy Crunch—Again

So far, the news about energy in 1979 has been dreary.

The Organization of Petroleum Exporting Countries (OPEC) set the stage for a dreary year in December by announcing that 1979 oil prices would climb in four steps by almost 15 percent. Then, in February, the government of Iran collapsed. The political turmoil in that important OPEC member temporarily dropped its export capacity to zero, taking nearly 6 million barrels of oil per day off the market and causing a moderate supply squeeze. As spot shortages appeared, one oil-exporting nation after another took advantage of the situation by posting further price increases. Oil prices began to soar, at times reaching more than $20 per barrel on the open market. A result of these and related developments is gasoline that is now expected to cost the average American motorist 90 cents a gallon during 1980.

Once again it has become painfully clear just how critical the balance of energy supply and demand is. A small portion of the world's oil-producing capacity can disappear overnight, forcing the industrialized countries to draw down their already limited reserves. About 10 percent of the world's oil is produced in Iran. Other nations, especially Saudi Arabia, increased their production as Iranian exports dropped off, so the total shortage amounted to a mere 5 percent. The effect of the shortage on the United States was lessened by domestic production, which satisfies half our needs. Nonetheless, the shortage pushed oil prices up to the highest level the market would bear. There was simply not enough unused capacity to provide an adequate cushion. Oil companies would have gained nothing by underselling the competition because no company had sufficient oil to increase its share of the market. When one dealer received a higher price for its oil, other dealers took note of the profit and raised their prices as well.

While they tend to disagree on the exact timing of the event, most energy experts have said that the world will reach the peak of its oil-producing capacity sometime in the late 1980's or early 1990's. Unless nations have curbed their oil consumption by then, through conservation and the use of other fuels, there is likely to be a severe supply squeeze. We know all too well what such a squeeze could do to our economy. The experts have repeatedly emphasized the necessity of policies to promote conservation and the use of other fuels. In justifying their view they point to a fundamental fact that no one denies: oil supplies will eventually run out. The unreliability of some of our suppliers, such as Iran, is more a short-term problem. Since major disruptions in supply can occur at any time, periods of extreme economic distress may be only months, not years, away. To address the short-term problems the experts have recommended increased domestic oil production, additional efforts to conserve oil and to build up the strategic reserve, and a policy of foreign purchases from the widest possible variety of suppliers.

We should do everything we can to solve both the long- and short-term problems of oil supply. However, our first actions should be directed to restraining our oil consumption and increasing our domestic oil production. One way to accomplish both these things is to let domestic oil prices rise. When oil commands a higher price, there are incentives to use less of it and incentives to produce more of it. A complicating factor is inflation. We should also do everything we can to beat inflation, and one way to help beat it is to continue to control the price of oil. There is no easy way out of the basic dilemma. My own approach has been to support the gradual deregulation of the price of oil, but such an approach may not be workable if oil supplies keep getting tighter. If anything happened to Saudi Arabian production, for example, the consequences for the United States could be disastrous.

Many suggestions have been made to control the consumption of oil. Most important among these are President Carter's new conservation plans. The President has called on all Americans to obey the 55 mph speed limit and eliminate unnecessary driving. He wants to see more oil production on federal lands, and he may waive certain environmental rules governing energy use. The President has also asked Congress for stand-by authority to ration gasoline, close service stations on weekends, restrict commercial lighting, and require people to lower their thermostats. The most far-reaching of these authorities—gasoline rationing—could not be invoked by the President alone. A 1975 law specifies that any mandatory rationing plan submitted under stand-by authority could not go into effect if it were disapproved within 15 days by either the House or Senate. If both the House and Senate failed to vote disapproval within the allotted time, the plan would be considered approved.

No one likes to pay higher prices for necessities, but increases in the price of energy are inevitable. On the brighter side, higher price (though it will not make the world risk-free) will lead to some extra conservation and domestic production. We will ultimately be less vulnerable to nations whose culture, politics, and manners are strange to us and whose behavior is often unpredictable and uncontrollable.●

SALUTE TO AIRCRAFT FUEL SAVER

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. WINN. Mr. Speaker, every American should be concerned about ways to save fuel; yet, few people are taking an active role in actually doing it.

Last weekend, however, I learned of a system which will help commercial aircraft fly more efficiently, save fuel, and cut operating costs at the same time. It is under development by Trans World Airlines and the Simmonds Precision Instrument Co.

I was briefed personally on the system during a recent trip on TWA flight No. 482 between Kansas City and Washington. Capt. Frank Sturges, whom I have known for many years, First Officer Ken Aikin, Flight Engineer Slats Schuster, and TWA Project Engineer Dave Warne took me inside the cabin for a first-hand demonstration during the flight. They explained that since the system was inaugurated, preliminary figures have shown a fuel savings in the neighborhood of 3.2 percent.

The performance management system manages this type of efficiency through the use of an onboard gadget which monitors existing aircraft instruments. The gadget allows the flight crew to make changes based on "real time" operations, instead of ground based computer forecasts. It can tell the crew what settings to use to obtain the best fuel economy, and it can automatically set the controls for optimum power.

At this point, the system is slated for installation in six TWA 727 jets, but the airline has options on 125 units.

Mr. Speaker, I would like to take this opportunity to salute TWA for its efforts along this line, and I hope my colleagues will join me in enouraging private enterprise to continue developing other systems which will result in similar savings of fuel. I also submit for the RECORD, an article from the March 18 edition of the Kansas City Star which describes this new system in greater detail:

FUEL SAVER: "LOOK, MA, NO HANDS" FOR PILOTS WITH MIGHTY MITE CREW MEMBER

(By Arnold B. Crank)

Capt. Sal Fallucco fed power to the engines, lifted the 143,267-pound 727 jet off the runway at Kansas City International Airport and headed TWA flight 482 toward Washington.

After the ship was established in climb, it became almost a "Look ma, no hands" act as a performance system just a little larger than a bread box became a member of the flight deck team.

Riding as an ACM (auxiliary crew member) on the first revenue flight using the system after Federal Aviation Administration certification last week, I was impressed with the respect the crew showed the Performance Management System (PMS), designed and developed jointly by Trans World Corp. and the Simmonds Precision Instrument Co. of Vergennes, Vt.

Sharp as a tack and quick as a wink, the PMS accepted basic information, gave advice and automatically handled engine throttles, making decisions and displaying them to Fallucco on his instrument panel.

The goal: to help air crews fly more efficiently, save fuel and cut operating costs.

"We are looking for savings in the range of 3 million to 6 million gallons of fuel a year for our 727 fleet," said Capt. J. E. Frankum, Trans World Airline's vice president for flight operations. "A captain of a modern jetliner really is manager of a multi-million-dollar plant, and the system will give him a significantly advanced tool to more efficiently manage his equipment."

Earlier, the gathering in the crew room preparing for the flight had reinforced the businessman image: white shirts, ties and quiet attention for the upcoming trip.

First officer Jim Elkan assembled some of the mini-mountain of required paperwork. Fallucco, who did much of the flying for the testing of the new gadget, obviously was in charge, but in a low-key manner. John Kunzman, second pilot-engineer, was involved in making sure the aircraft was operationally ready.

Dave Warne, TWA project engineer on the system, explained some of the things the PMS can do that the flight planning computer on the ground cannot.

"The PMS is plugged into existing aircraft instruments and operates on real time instead of forecasts, updating itself as the flight progresses," he said. Warne and Ed Buckman, master engineer-electronics for TWA, also were to monitor the operation for the auxiliary crew members, lending advice and explaining some of the more exotic functions of the device.

The flight deck was snug, to say the least, with a spare seat installed for the auxiliary crew members (two at a time). Numbers requested on the display screen were quickly inserted into the device using a keyboard little larger than that of a pocket calculator. A selector pointer turned to the takeoff mode caused the required takeoff power, optimum altitude and maximum altitude to flash on the captain's display unit. The system at this point used the same numbers as the computerized flight plan and closely agreed. The flight crew went through the checklist and communicated by radio with the tower——and TWA flight 482 was held short of the runway waiting for a few inbound ships to complete their landings.

"See the display change on maximum altitude?" Fallucco asked. "We burned a few pounds of fuel since the start and the PMS has revised the display up 200 feet." This was the first of many changes in inflight conditions the system sensed and displayed.

Off the ground and switched to "climb," the PMS was linked to the throttles and handled the power until the flight was ready for letdown at the destination airport.

Generally, the PMS takes information from aircraft instruments and processes the information for two uses. One is to tell the flight crew what air speed, aircraft altitude and power setting should be used to obtain best fuel economy. Perhaps the second use is more important: to automatically set the throttles to the optimum power. The information is used whether the airplane is climbing, descending or in level flight, so every part of the flight can be conducted as efficiently as possible.

Cruising at 33,000 feet, the crew and Warne continued their tests. At one point a ground speed readout and system cross-check revealed a difference: 430 vs. 431 knots.

"We're not going to call it a liar for 1 knot," Fallucco said.

Low clouds, fog and rain at St. Louis, an intermediate stop, caused a barrage of clearance changes from the air route controller, placing a heavy workload on the crew and the PMS. Altitude changes, restrictions on times and direction in crossing navigational fixes and some turbulence in the clouds gave a good demonstration of the philosophy and logic involved in the engineering and installation of the system.

Bob Buck, retired TWA senior captain, serves as a consultant and director for the Simmonds company, providing flight crew expertise in development of performance systems. He pointed out that besides helping with fuel economy, the PMS' role as a management tool in an increasingly complex air traffic environment will eliminate old rules of thumb and pocket slide rule calculations. Buck believes on-board performance systems will be the next big advance in aircraft operations.

James H. Anapol, engineering manager-commercial flight systems at Simmonds, has been working on the PMS four years. "It's like having a baby, but the gestation period is four times as long," he said. He spent much of the time here working with Warne and Buckman at the TWA base.

"Too often, complicated systems are designed by engineers for engineers," he said. "When I start on a system, my goal is to design it for the user and reduce complications to a minimum."

To help in understanding the needs in the design, Anapol took flying lessons. "I always get totally involved in a project once it is underway," he said, "I did a medical system before work at Simmonds."

Asked if he performed any brain operations to aid in his design, he replied, "No but by the time I finished I felt like I had done four years at medical school."

Another member of the design team is James Bergen, an avionics support specialist at Simmonds who spends as much time in Kansas City as in his Vermont residence.

Later, the PMS accepted new information, gave quick, accurate answers, and the crew fitted the ship into the controlled traffic on the letdown with minimum time lost and with minimum fuel burned. Out of St. Louis for Washington, a longer run, the unit had more time to help with the planning as the flight progressed.

Freed of traffic and weather restrictions, the St. Louis-Washington leg showed the system beating the ground-computed flight plan on fuel use by showing a burn of 13,000 pounds, compared with 13,400 pounds. That was about 60 gallons and a 3.1 percent savings.

Since the inaugural flight, Warne said, a fuel savings of 3.2 percent was indicated in preliminary figures on seven route segments flown by the aircraft with no traffic or weather delays. Fuel for the trips was computed at 86,400 pounds, but the system trimmed that to 83,600 pounds.

Six of the 727–231 jets will be equipped with the units and all should be in use by the first of April, Warne said. That will give a broader base for calculating possible savings if the entire 727 fleet, about 80 aircraft, is equipped. The systems cost $55,000 each and TWA has options on 125.

In Washington, Fallucco was trapped on the flight deck by newspaper and television reporters seeking information on the system, and the interview may have set a record for the number of persons jammed into that small space. After the area was cleared and the return flight to Kansas City was being loaded, Terry Norris Fisher, flight attendant, checked in.

Ms. Fisher, whose father is a retired 747 jet captain, has grown up with tales of magic boxes, instruments and gadgets designed to make flying faster, more economical and safer, so she was not too impressed as Fallucco gave her a brief talk on the PMS.

"Does it have a system for setting up dates for flight attendants?" she joked. "Not that my husband allows me to date on trips." Then: "Save your coffee cups; we have 111 passengers aboard in coach, 16 in first class, and we'll run out of cups before we reach St. Louis."

And we did. Maybe there is a spare corner in the PMS brain that can calculate passenger load possibilities and transmit a money-saving coffee cup order to the commissary department.●

WITNESS FOR THE PERSECUTION?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. MICHEL. Mr. Speaker, occasionally, our committee and subcommittee hearings are enlivened by an unexpected turn of events. The distinguished columnist James Jackson Kilpatrick recently wrote of such a surprise that took place in the U.S. Senate. It seems that an administration witness who was expected to praise the Child Care Act of 1979 had some harsh things to say about it. As Mr. Kilpatrick suggests, when an Assistant Secretary for Human Development Services of the Department of Health, Education, and Welfare, who also happens to have been a welfare case worker, criticizes the Child Care Act, that is news.

At this time I wish to insert in the Record a column by James Jackson Kilpatrick as printed in the Washington Star, March 13, 1979.

The column follows:

The formula has several variations, beginning with man bites dog, extending in the case at hand to woman bites senator and agency bites committee. No matter how you spice it, the recipe still makes news, and a witness named Arabella Martinez made such news the other day.

Ms. Martinez is Assistant Secretary for Human Development Services within the Department of Health, Education, and Welfare. She turned up before a Senate subcommittee, prepared to testify in the matter of Senator Alan Cranston's Child Care Act of 1979.

Now you should know, O Best Beloved, as Mr. Kipling used to say, that the senator's child care bill is a direct descendant of the child development bill that in 1972 was pushed with such great enthusiasm, and thankfully with such little success, by his quondam colleague, Walter Mondale of Minnesota. Since that time Mr. Mondale has slipped downhill on the social scale, but he remains in a position of some modest prestige and power. He is vice president of the United States.

It was therefore to be supposed, once Senator Cranston fathered this legislative grandchild, that the Carter administration would come to the aid of the Cranston Child Care Act of 1979. After all, what are vice presidents for? It is an interesting question, but we pass it by. It was to be expected that Vice President Mondale, at the very least, would hustle up some four-star support for the Cranston bill—Welfare Secretary Califano, for example, or perhaps a deputy secretary or two.

Alas, no. There appeared before the Senate Subcommittee on Child and Human Development the administration's no nonsense witness, Ms. Martinez, onetime welfare case worker, former executive director of the Spanish-Speaking Unity Council of Oakland, Calif., and now Assistant Secretary et cetera. She began her prepared statement with the usual butter and oil, flattering Senator Cranston for his wisdom, dedication, perception, and concern, but before the bottom of page one it became evident that her testimony was not exactly what the Senator had expected. Enchanted spectators perceived that the witness was about to say "but".

And so she did. With the perfunctory compliments disposed of, Ms. Martinez got to the point. His child care bill embodied one idea, but "serious questions remain as to what the federal role and responsibility should be." On some very fundamental issues, she added, wide differences remain. Many families believe that federal support for child care "places government in the role of supplanting an important parental responsibility."

The Senator listened with the same frozen smile that marked the face of Jimmy Carter as he listened to President Portillo Lopez in Mexico City. The Senator heard, but the Senator could not believe. Ms. Martinez had barely warmed up. Yes, she said, there plainly had been a great increase in working mothers, "but this does not necessarily "imply that all of those women want or need center-based or formal, govermentally-supported care." Indeed, she said, rubbing it in, a Census Bureau study found that only 3 percent of young mothers are not looking for work for lack of child care.

After a long review of existing federal programs in the field of child care, Ms. Martinez gave the Senator her dead-level look and let him have it right between the eyes. Given the size and nature of this commitment, we do not believe that another categorical program for child care is warranted at this time."

In the language of bureaucratic combat, that is the ten count, the *coup de grace,* the old heave-ho. Senator Cranston inquired forlornly of the witness if she had cleared her prepared statement with the administration and the Office of Management and Budget. Yes, sir, she said. And that was that.

On the record, Ms. Martinez may thus have blown the Senator's steamboat out of the water, but doubts remain. This child care bill is a bad bill; at monstrous cost it would create a monstrous bureaucracy; it would open a path to all the murky swamps of "child development" so beloved by Mr. Mondale. It's hard to believe the Cranston bill is sunk without a trace. But Ms. Martinez, O Best Beloved, was a witness the Senator will not forget.●

PRESERVATION OF INDIAN RIGHTS

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. WOLPE. Mr. Speaker, I take a few moments of the very valuable time of the House to commend to the attention of my fellow colleagues the following petition signed by 121 pupils of the middle school in Schoolcraft, Mich. The simple eloquence of their petition serves to remind us of our failure to make a serious effort to correct a tragic episode in American history. To the contrary, instead of redressing the legitimate grievances of American Indians, there is now an effort in Congress to further diminish the rights and guarantees afforded by solemn treaty.

These schoolchildren speak to Congress in a very special way. For it is clear that they earnestly desire to be the future guarantors of the very treaties which some would have us abrogate today. It is because this petition speaks to the conscience of all concerned Americans that I am sharing it with you today. The text of the petition and the signatory's names follow:

Dear Congressman Wolpe: In our Scholastic Newstime and Junior Scholastic, we read about the Indians' 'Longest Walk.' We read that there are eleven bills before Congress that could end 371 treaties the United States made with Indians and would take away special hunting, fishing, or water rights, which some tribes have.

We the fifth and sixth grade Schoolcraft Middle School students, who have signed below, think the Indians have already had too much taken away from them.

As our congressman, we hope you will listen to us and see that these bills don't pass and become laws. We hope that you will let us know how you feel about these bills.

Sincerely yours,

AMY LYNN STARR.

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FACTS ABOUT THE ABORTION FUNDING CUTOFF

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. MICHEL. Mr. Speaker, during recent debates over Federal funding for abortion, those who sought to continue the funding argued that a cutoff would lead to all sorts of disasters for pregnant poor women who wanted, but could not afford, abortions.

The Center for Disease Control of the Department of Health, Education, and Welfare has recently addressed itself to the question of abortion-related complications and abortion-related mortality since Federal funding for abortions was strictly limited. The findings are clear and, to many of us at least, not surprising:

> No increase in abortion-related complications was observed in this surveillance project . . . no abortion deaths related to either illegal or legal abortions were detected through the hospital surveillance.

At this time, I wish to insert in the RECORD, "Health Effects of Restricting Federal Funds for Abortion—United States" from the Center for Disease Control's Morbidity and Mortality Weekly Report, February 2, 1979, vol. 28, No. 4.

HEALTH EFFECTS OF RESTRICTING FEDERAL FUNDS FOR ABORTION—UNITED STATES

In August 1977 federal funds for abortion for Medicaid-eligible women were restricted. To measure the impact of this restriction on abortion-related complications, CDC initiated a hospital surveillance project in 13 states and the District of Columbia. No increase in abortion-related complications was observed in this surveillance project.

CDC also maintains nationwide surveillance of abortion-related mortality. Since October 1977, 3 deaths of Medicaid-eligible women have been reported in states not providing public funds for abortion: 1 of the deaths (1, 2) was directly related to the absence of public funds; the other 2 were indirectly related.

CDC's surveillance of abortion deaths began in 1972, but the hospital surveillance project was initiated in October 1977, following the issuing of regulations on August 4 to restrict funds for abortions to only those procedures necessary to save a woman's life. On February 14, 1978, HEW published regulations that broadened the indications for federal funding for Medicaid-eligible women to include situations in which 1, the woman's life would be "endangered" if the pregnancy were carried to term; 2, "severe and long-lasting physical health damage" to the woman could result if the pregnancy were carried to term, as certified by 2 physicians; or 3, the pregnancy resulted from statutory or forcible rape or from incest, providing that the incident was reported to a law enforcement agency or a government health service within 60 days of its occurrence.

THE HOSPITAL SURVEILLANCE PROJECT

Data on women coming to obstetric, acute-care facilities were collected from 24 institutions located in the District of Columbia and 13 states across the country from October 10, 1977, through June 10, 1978. Ten institutions were located in states in which, because of the absence of public funds, legal abortions might be less available; 14 were in states that were continuing to use state funds to finance Medicaid abortions. Out of the 3,157 abortion complications* reported through this hospital surveillance project, 7 occurred after admitted illegally induced procedures. In 3 other instances in which complications occurred, the women did not name the source of the abortion; for analytic purposes, it was assumed that these women also underwent an illegal or self-induced abortion.

None of these 10 complications occurred in women reported to be a Medicaid recipient. No abortion deaths related to either illegal or legal abortions were detected through the hospital surveillance. There was also no significant difference between institutions in funded and non-funded states in the proportion of Medicaid women with abortion complications over the 8-month period.

However, the restriction of public funds was found to be significantly associated with a later gestational age at the time of the abortion. In non-funded states Medicaid-eligible women with complications after legally induced abortions had a 1.9-week later mean gestational age than their counterparts in funded states ($p \cong 0.07$). Moreover, Medicaid-eligible women in non-funded states had a 2.4-week later mean gestational age than non-Medicaid-eligible women in the same states ($p<0.01$); in funded states, Medicaid-eligible and non-Medicaid-eligible women had similar mean gestational ages.

NATIONWIDE MORTALITY SURVEILLANCE

Although no abortion-related deaths were detected through the hospital surveillance project, 3 abortion-related deaths of Medicaid recipients living in non-funded states have been documented since August 4, 1977, through CDC's epidemiologic surveillance of abortion mortality. One was directly related to the absence of public funds for abortion: a 27-year-old woman who died in a hospital on the Texas-Mexico border on October 3, 1977, from septic complications of abortion (1, 2).

In the other 2 instances, the abortion-related deaths appeared to be indirectly related to the absence of public funding. In 1 case, the Medicaid-eligible woman delayed her procedure, in part due to medical reasons, in order to locate a facility which would perform a combined abortion and concurrent sterilization procedure with public funds. In the second case, a Medicaid-eligible woman was informed by 2 freestanding abortion clinics that she was too far advanced in pregnancy to allow the suction curettage procedure that she was planning to finance with private funds. After learning this, and because procedures performed later in pregnancy are more expensive, she attempted to induce an abortion herself, which eventually produced complications requiring a hysterectomy. She died from a pulmonary embolism 10 days after the hysterectomy.

EDITORIAL NOTE: A pregnant Medicaid-eligible woman in a state which does not fund abortions has several alternatives. She may: 1. carry her pregnancy to term, 2. seek and qualify for a Medicaid-funded, legally induced procedure, 3. use private funds for a legally induced abortion, 4. seek a less expensive abortion from an unlicensed practitioner, and/or 5. attempt to abort herself. The hospital surveillance project was primarily designed to examine whether there would be an increase in self-induced or non-physician-induced abortions, since these options have the greatest potential for causing an increase in morbidity and mortality (3). For example, in 1972, before abortion became widely available in the United States, illegal abortion was responsible for 39 deaths; 5 years later in 1976, only 3 fatalities resulted from illegal abortion (4). However, no increase was noted, supporting the inference that Medicaid-eligible women are not choosing self-induced or non-physician-induced abortions to any large extent. CDC has initiated an active surveillance system for reporting of sporadic cases of illegal abortion complications when they occur—whether or not they are related to public funding.

CDC does not have data to explain the later mean gestational age after legally induced abortions in Medicaid-eligible women observed in non-funded states. For each week of delay after the sixth week of gestation, the risk of complications after legally induced abortions increases approximately 20%; the risk of death increases approximately 50% (5, 6). Because of the rarity of complications associated with legal abortion, such an increase, if present, was not detectable in the hospital surveillance project.●

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*An abortion complication included any illness related to either an induced or a spontaneous abortion that caused a woman to come to the acute-care facility at a participating hospital.

TIMOTHY SOUTHERN ALLIS WINS LOUISIANA VOICE OF DEMOCRACY CONTEST

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. BREAUX. Mr. Speaker, each year the Veterans of Foreign Wars of the United States and its Ladies Auxiliary conduct a Voice of Democracy contest. The contest theme this year was "Why I Care About America."

It is with deep pride that I announce that the winning speech from my State of Louisiana was delivered by one of my constituents, Timothy Southern Allis of Lafayette, La. Tim is a senior at Cathedral-Carmel High School and plans to pursue a career in communications and the arts. He is also president of the National Honor Society for 1978 and 1979.

I am pleased to have this opportunity to congratulate Tim and to bring his essay to the attention of my colleagues:

1978–1979 VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

(By Timothy Southern Allis)

There is a song—a ballad of America—sung by our forefathers. And when you ask me why I care about America, I will answer: I too sing the ballad.

Frederick L. Schumann said: "America is protean—all things to all men." Looking through my own eyes, America is all things to me, a unique human being. But living in a highly sophisticated age, we forget the human element of our world. We forget that every aspect of our life is based upon nothing more than people—on the human individual. Too often the term "Government" is looked upon as something evil, something huge and intangible, with unlimited control over us. Government should be a beautiful word, for it is nothing more than you and me and our fellow man, living together, respecting one another, and guaranteeing each other's rights and freedom. In Washington last year, as I stood and looked upon the great marble monuments of Lincoln and Jefferson, I realized that each stone hand, each stone eye represents the real hand and the real eye of a man—a real man. And it is upon these men of flesh and blood, led by God and the spirit of justice, that our Nation was built. Through their blueprint, the Constitution, our Government was born.

The Constitution is the American Government, and it itself is a living thing. It is the voice of its human founders, and the voice of all humanity. It is your voice. It is my voice.

But not only was our Government created through the power of the individual, it was designed to preserve that very individual who created it. We have the unique system which allows each of us, with our different backgrounds, cultures, desires, and needs, to be who we are, and yet remain equal in the eyes of the law. As Americans, we are allowed to walk our own road in society. And when society, as a whole, desires to change, it too is free to do so.

The power of people—of individuals—is infinite. More important than that, it's all we have. While others can speak of their great nations, their great societal structures achieved through conformity and obedience, we can speak of a nation where the individual is free to question; free to grow; free to be great. We can speak of a nation where individuals gave their lives that America might live.

The ballad of America—the Pilgrims, the soldiers, the Statesmen, the New England town, the Western cattle drive, the factories, the coal mines, the songs, the art, the universities, the airports, the hospitals, the cities, and the farmland—the ballad of America is written by men. By one man, and another, and another. Protected and nurtured by the highest ideals of human society, upheld by our forefathers and expressed in the Constitution, men have shaped America.

Before we are a member of a group, a club, an organization, a race, a society, we are singularly ourselves. The individual is the eternal, prime unit of mankind. The Constitution knows this; you and I must know it, too.

Yes, I care about America. In America, I am me. I can think my own thoughts and say them whenever I want, and to whomever I wish. I can learn in the school of my choice. I can sing my song and pray my prayer. America was created for only one person—for that unique and alive spirit within each of us. The men who built America, the men who marched off to war to protect America, did it all for me—and for all of us. I care about America because America cares about me. I care about America because America cares about every individual—about me and about you. I care about America. I sing the ballad of America.●

AMERICA'S RELIGIOUS HERITAGE

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. McKAY. Mr. Speaker, in our Nation's basic documents we can see that the founders of our Republic perceived no conflict between their frequent references to faith in our Creator and the important precept of separating church from state. Indeed, they believed then, as many believe today, that this faith is a vital ingredient of our national character and purpose.

It is disturbing, then, to note increasing efforts to substitute a general faith in God, as symbolized on our coinage, in our national anthem and in other time-honored symbols in our public life, with an institutionalized irreligion. The result of the removal of these symbols would be the sanctioning through public policy not only of an indifference about the role of religion in our Republic, but even general antagonism for it.

As these efforts mount, it is important to take stock of our religious heritage as Americans. It is an honor for me today to present before my colleagues the text of a timely message on this subject offered this month by the first presidency of the Church of Jesus Christ of Latter-day Saints.

I submit their message for the RECORD:

AMERICA'S RELIGIOUS HERITAGE

The Church of Jesus Christ of Latter-day Saints recognizes that a vital cornerstone of a free society is the principle of religious liberty. The First Amendment to the United States Constitution forbids any "law respecting an establishment of religion or prohibiting the free exercise thereof." Ours has been a society which encourages religious liberty and toleration. The result, as pointed out by Mr. Justice Robert H. Jackson of the United States Supreme Court, has been that ". . . nearly everything in our culture worth transmitting, everything which gives meaning to life, is saturated with religious influences."[1]

We, thus deplore the growing efforts to establish irreligion, such as atheism or secularism, as the official position of the United States of America, thus obscuring and eroding the rich and diverse religious heritage of our nation. We refer here to attacks on time-honored religious symbols in our public life. Such symbols include:

1. The reference to "One nation under God" in our Pledge of Allegiance;
2. The motto "In God We Trust" on our coins and public buildings;
3. "Praise (for) the power that hath made and preserved us a nation" in our National Anthem;
4. Use of the Bible to administer official oaths;
5. The words "God Save the United States and this Honorable Court," spoken at the convening of the United States Supreme Court;
6. Prayers at the beginning of legislative sessions and other public meetings;
7. The performance of music with a religious origin or message in public programs;
8. The singing of Christmas carols and the location of Nativity scenes or other seasonal decorations on public property during the Christmas holidays; and
9. References to God in public proclamations, such as at Thanksgiving.

From its beginning The Church of Jesus Christ of Latter-day Saints has accepted the constitutional principle that government will neither establish a state religion nor prohibit the free exercise of religion. Our formal statement of belief include these principles:

"We claim the privilege of worshiping Almighty God according to the dictates of our own conscience, and allow all men the same privilege, let them worship how, where, or what they may." (The Articles of Faith)

"We believe that religion is instituted of God; and that men are amenable to him, and to him only, for the exercise of it, unless their religious opinions prompt them to infringe upon the rights and liberties of others; but we do not believe that human law has a right to interfere in prescribing rules of worship to bind the consciences of men, nor dictate forms for public or private devotion; for the civil magistrate should restrain crime, but never control conscience; should punish guilt, but never suppress the freedom of the soul." (D & C 134:4)

"We believe that rulers, states, and governments have a right, and are bound to enact laws for the protection of all citizens in the free exercise of their religious beliefs; but we do not believe that they have a right in justice to deprive citizens of this privilege, or proscribe them in their opinions, so long as a regard and reverence are shown to the laws and such religious opinions do not justify sedition nor conspiracy." (D & C 134:7)

"We believe that all religious societies have a right to deal with their members for disorderly conduct according to the rules and regulations of such societies; provided that such dealings be for fellowship and good standing; but we do not believe that any religious society has authority to try men on the right of property or life, to take from them this world's goods, or to put them in jeopardy of either life or limb, or to inflict any physical punishment upon them. They can only excommunicate them from their society, and withdraw from them their fellowship." (D&C 134:10)

During the course of our history members of our Church have been the victims of official persecution motivated by religious intolerance. We are, therefore, committed by experience as well as by precept to the wisdom of a constitutional principle that government and public officials should maintain a position of respectful neutrality in the matter of religion. If any of our members holding public office have failed to observe that position in any of their official responsibilities we counsel them to remember the principles quoted above.

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[1] *McCollum* v. *Board of Education*, 333 U.S. 335–38 (1948).

But the constitutional principle of neutrality toward religion does not call for our nation to ignore its religious heritage, including the religious motivations of its founders and the powerful religious beliefs of generations of its people and its leaders. The basic documents of our land, from the Mayflower Compact through the Declaration of Independence and the writings of the Founding Fathers to the inaugural addresses of presidents early and modern, are replete with reverent expressions of reliance on Almighty God and gratitude for His blessings. The reference to God and Divine Providence in our historic state documents and the other religious symbols summarized above are time-honored and appropriate expressions of the religious heritage of this nation. As the Supreme Court noted in a leading case, "There are many manifestations in our public life of belief in God," and these "ceremonial occasions bear no true resemblance to the kind of unquestioned religious exercise" that the government is forbidden from sponsoring.[2]

Those who oppose all references to God in our public life have set themselves the task of rooting out historical facts and ceremonial tributes and symbols so ingrained in our national consciousness that their elimination could only be interpreted as an official act of hostility toward religion. Our constitutional law forbids that. As the Supreme Court said in another leading case:

"The place of religion in our society is an exalted one, achieved through a long tradition of reliance on the home, the church and the inviolable citadel of the individual heart and mind. We have come to recognize through bitter experience that it is not within the power of government to invade that citadel, whether its purpose or effect be to aid or oppose, to advance or retard. In the relationship between man and religion, the State is firmly committed to a position of neutrality.[3]

As the ruling principle of conduct in the lives of many millions of our citizens, religion should have an honorable place in the public life of our nation, and the name of Almighty God should have sacred use in its public expressions. We urge our members and people of good will everywhere to unite to protect and honor the spiritual and religious heritage of our nation and to resist the forces that would transform the public position of the United States from the constitutional position of neutrality to a position of hostility toward religion.●

DOMESTIC OIL PRODUCTION POLICY ACT OF 1979—AN OVERVIEW

HON. THOMAS G. LOEFFLER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. LOEFFLER. Mr. Speaker, the purpose of this bill is to provide the United States of America with the greatest possible domestic supply of crude oil at the lowest possible price in the most fiscally responsible manner by stimulating the domestic production of crude oil. In so doing, the bill will effective decrease the dependency of this country on costly, strategically vulnerable and economically debilitating imports of crude oil.

The provisions of this bill require that the volumes of crude oil currently classified as upper tier crude oil ("new oil") be immediately decontrolled, and that lower tier crude oil ("old oil") be decontrolled gradually, but completely decontrolled by September 30, 1981.

In addition, this bill will improve specific crude oil production incentives by means of selectively decontrolling prices which are received by domestic producers engaged in certain expensive production techniques.

This approach will provide necessary financial incentives for increased domestic supplies of crude oil. With this increased capital, domestic producers will be able to expand their exploration and production activities, and will allow more complete recovery of oil from existing wells—oil which is presently too costly to retrieve at controlled prices.

This increased activity will begin to restore to the American public an expanding domestic energy supply with the growing possibilities of meeting our total needs, and at a price which is not only equitable, but is the lowest possible under current conditions and those which are presently forecast.

This bill also provides the necessary regulatory certainty with respect to crude oil pricing for the remaining period of the President's crude oil pricing control authority under the Emergency Petroleum Allocation Act of 1973, as amended (Public Law 93–159). The President's authority expires September 30, 1981.

We believe this comprehensive approach to both general and specific incentives provided by immediate and phased decontrol steps will have the most positive effect possible on increased domestic production while offering the most moderate effect possible on the rate of inflation, the gross national product and on the Consumer Price Index.

Although reliable numbers for the impact of this comprehensive program are still being prepared, the industry has provided estimates for the impact of all the provisions of this bill except the lower tier phaseout. These projections assume that these provisions will be effective July 1, 1979, and indicate that by the end of 1980:

9,937 additional wells will be drilled.

129.5 million barrels of additional crude oil (or gas expressed in oil equivalent) will be produced.

By the end of 1981:

2.2 billion barrels of crude oil (and gas equivalent) will be added to U.S. reserves.

650,000 barrels per day incremental production of crude oil—far more than the present Iranian import shortfall.

Reasons this bill is necessary:

(1) Crude oil production in the lower 48 states has declined from a pre-control level of 9.44 million barrels per day during 1972 to 7.47 million barrels per day during 1978.

(2) The rate of decline of crude oil production from wells in the lower 48 states is approaching 15% per year.

(3) The number of crude oil wells drilled during 1978 decreased six percent from 1977 levels. Since November 1978, the number of drilling rigs in operation domestically has declined 16% to fewer than 2,000.

(4) Since 1972, domestic petroleum reserves have fallen by nearly one fifth.

(5) Crude oil imports have increased from 2.2 million barrels a day during 1972 to 6.1 million barrels a day during 1978—a 177 percent increase. Total petroleum imports (crude oil plus refined petroleum products) have increased from 4.7 million barrels a day to 8 million barrels a day.

(6) The cost of importing oil into the U.S. has increased over 1,000 percent since 1972, from $4.3 billion to $45 billion per year.

(7) An increase in exploration and production activity will positively affect employment and state and Federal revenues.

(8) A decrease in foreign oil imports will have salutary effects on balance of payment deficits, the stability of the dollar abroad and other economic benefits to this country.

GENERAL INCENTIVES

The general incentive program provided by this bill will achieve the maximum production stimulus with a degree of control which will make the inflationary impact minimal. In addition, this program will substantially satisfy President Carter's Bonn commitment to raise domestic crude oil prices to world levels by the end of 1980:

I. Decontrol of New Crude Oil (Upper Tier) Immediately:

(1) Decontrolling upper tier would simplify regulations by eliminating a tier of crude oil versus adding a new category of crude oil which has been proposed by DOE. DOE's proposed "newly discovered crude oil" definition would establish an entirely new and impractical system for oil pricing (i.e., well-by-well as opposed to property, which somehow would have to be meshed together). This would place another heavy burden on already over-loaded state regulatory agencies because of the determinations required.

(2) Decontrolling upper tier would provide incentives to increase production:

From all properties with no current production, thus encouraging new exploratory and high risk development wells.

From properties with current production above a BPCL or which might be raised above a BPCL. The BPCL is the Base Production Control Level, a regulatory term for the amount of production above which a property must produce to receive higher prices.

(3) The amount of price increase is not great:

Currently, the difference between domestic upper tier price and uncontrolled price is $2.02 per barrel.

If upper tier price had been escalated per the original price schedule after the Emergency Petroleum Allocation Act was enacted, rather than having been rolled back and inflation adjustment denied, the difference would only be about $1.00.

II. Phased Decontrol of Old Oil (Lower Tier) Ending September 30, 1981:

(1) Steady increase in the volumes of old oil permitted to be sold at exempt price levels eliminates uncertainties with respect to the future of the regulatory program.

(2) Provisions which address volume increases to qualify for price increases will maintain production incentives.

(3) This gradual increase in the number of barrels of exempt crude oil will have a modest inflationary impact as compared with immediate decontrol.

(4) Phased decontrol permits separation of refinery policy issues from crude oil pricing policy by retaining the entitlements struc-

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[2] *Engle* v. *Vitale*, 370 U.S. 421, 435 n. 21 (1962).

[3] *School District of Abington* v. *Schempp*, 374 U.S. 203, 226 (1963).

ture until an effective refinery policy can be decided on.

III. Effects on the Economy:

(1) The majority staff of the House Energy and Power Subcommittee estimates that phased decontrol of both upper and lower ceiling prices between June 1979 and September 1981 will:

Increase the Consumer Price Index by only .2% during 1980, as compared with a .5% increase with sudden decontrol.

Increase the Consumer Price Index by only .4% by 1981, as compared with a .5% increase with sudden decontrols.

Real reduction of Gross National Product will be only $1.8 billion by the end of 1980, as compared with a reduction of $4.7 billion with sudden decontrols.

(2) Best estimates by industry sources are that increases in prices for gasoline, heating oil and other refined products, assuming 100% pass through of all increases in prices, will amount to no more than:

2.9¢ per gallon during the last two quarters of 1979.

0.9¢ per gallon during 1980.

0.3¢ per gallon during the first three quarters of 1981.

(3) As yet undefined, increases in income for producers will lead to significant increases in employment and in state and federal government revenues.

(4) Every additional barrel of petroleum produced as a result of the incentives provided for by this bill will, on a barrel-for-barrel basis, decrease the amount of foreign oil we will need to import, leading to decreased balance of payment deficits, a shoring up of the dollar, and a general improvement in our international monetary status.

SPECIFIC INCENTIVE PROVISIONS

I. *Tertiary Recovery Incentives:*

(1) According to Department of Energy testimony:

Two-thirds of all oil discovered in the United States is left in the ground under current primary and secondary recovery methods.

There are 300 billion barrels of oil that will be lost forever without tertiary recovery.

25 to 45 billion barrels of oil may be recoverable through tertiary recovery methods.

Tertiary recovery could more than double our total domestic oil reserves of 30 billion barrels (lower 48 and Alaska).

The Nation could realize over 2 million barrels per day by 1990 from tertiary recovery projects.

An additional advantage of tertiary recovery is that production will be from fields where gathering, transportation, and refining capacity already exists.

(2) The immediate consumer impact of this provision, assuming all costs are passed through, could be to raise gasoline prices by no more than ¼ of a cent per gallon. This increase could be expected to rise to no more than ⅓ of a cent a gallon in 1980.

(3) Since oil price controls are due to expire in 1981 under existing law and since most of the new tertiary projects will not have progressed to the injection stage (when decontrol occurs) until after 1981, the tertiary recovery provision may have no effect on the long term price of domestic oil. However, since the future of oil price controls is unclear, this provision would give industry the certainty of increased prices on this particular category of high cost—high risk production now, so that financial commitments to these projects can be made.

(4) Passage of the tertiary recovery provision could be expected to provide consumers with 2 million barrels a day of additional domestic oil by 1990—reducing oil imports by $11 billion that year alone.

(5) Consumers would be provided with a cumulative total of 3.7 billion barrels of additional domestic oil by 1990—reducing oil imports by $52 billion during that period.

(6) Each additional barrel of domestic production will offset barrel-for-barrel foreign imports at the OPEC-set price. This will not only produce economic benefits in terms of reduced inflation, a more stable dollar, greater domestic employment, and a higher GNP, but it will also provide greater national security and reduce our vulnerability to any future supply interruption.

II. Marginal Well Incentives:

A. Deep Stripper Wells:

(1) The purpose of this provision is to maximize domestic petroleum production by extending the lives of thousands of low volume, high cost oil wells which otherwise have to be abandoned because they are reaching their economic limit. Congress has previously recognized this need—several times—by exempting stripper wells from price controls. This provision merely extends this concept in a way which more realistically reflects the direct relationship between well depth and cost.

(2) Additional oil and natural gas will be made available to American consumers as a result of the Deep Stripper Well provision. Through 1985, the increased oil and gas production is estimated to be equivalent to 1.5 billion barrels of crude oil. Over the same period, it is estimated that the equivalent of about 6 billion barrels of oil reserves will be added. If this additional domestic energy is not made available, it will have to be replaced by high cost, insecure foreign supplies.

(3) Decontrol of deep stripper well production would recognize the fact that production, capital, and well maintenance costs increase as the producing depths of wells increase. One study indicates that the operating costs of a well producing at 8,000 feet is over two and one-half times more than a well at 2,000 feet. Current drilling cost data shows the same general relationship: a well to 8,000 feet costs eight times more to drill than a well to 2,000 feet. Artificial lift is much more difficult and less efficient at deeper well depths than at shallower depths.

(4) It has been estimated by the National Stripper Well Association that the 10-barrel-a-day stripper well price control exemption has saved 20 percent of stripper wells from premature abandonment, extended the lives of all stripper wells by 10 years, increased domestic crude oil reserves by 2.2 billion barrels, and has so far resulted in the production of an extra 182 million barrels of crude oil that otherwise would have been shut in. Since 1973, there has been a 28 percent decline in stripper well abandonments.

(5) Number of Deep Stripper Wells:

Based on Department of Energy data, there are roughly 100,000 wells in the U.S. which would qualify as deep stripper wells under the provisions of this bill.

These wells are estimated to produce about one-eighth of domestic crude oil production, or slightly more than one million barrels per day.

(6) Costs of this Provision:

Four years of experience with the price control exemption granted stripper well production has clearly demonstrated that production will be increased, the producing lives of wells will be extended, and that impact on the consumer will be almost negligible with enactment of this provision.

Every additional barrel of petroleum this provision causes to be produced in the U.S. from deep stripper wells and every barrel that this provision prevents from being abandoned, directly, barrel-for-barrel reduces U.S. imports at the OPEC set price in addition to restoring domestic energy independence.

B. High Water Cut Crude Oil:

(1) Roughly half a million barrels of lower tier crude oil will qualify for exempt prices pursuant to this provision. In order to qualify for this provision, a property must be lifting at least 85% water. In addition to the expenses associated with lifting so much liquid, the high salinity of the water makes water disposal expensive and its highly corrosive nature greatly increases producers' repair and replacement expenses.

(2) Decontrol of "high water cut" production would recognize the fact that producing, capital and well maintenance costs for these properties are much higher than the average.

(3) Decontrol of "high water cut" production will keep these marginal wells in operation; under controlled prices, these wells would be uneconomical to operate.

C. Marginal Offshore Oil Production:

The decontrol of marginal offshore oil production pursuant to the bill would affect only about 50,000 barrels a day of "old oil". However, due to the very high operating and capital costs of offshore production, producers have little economic incentive to maintain production of this oil under current price controls.●

HOW TO END THE ENERGY CRISIS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. MICHEL. Mr. Speaker, I hope that President Carter had a chance to look at page D16 of the Washington Post, March 21, 1979. If he did, he found some compelling arguments for a new national policy on energy and some suggestions as to how such a policy can be implemented. At this time I wish to insert in the Record, "An Open Letter to the President" published in the Washington Post, Wednesday, March 21, 1979:

An Open Letter to the President

Dear Mr. President: In the first six decades of this century, America's electricity users paid scant attention to the electric utility industry. Electric companies quietly produced adequate electric power, reliably and dependably, at costs so low that hardly a word of protest was ever heard about an electric bill. Into the Sixties, electricity prices actually went downward, and rate reductions were the rule rather than the exception.

The decade of the Seventies has changed all that. The Arab oil embargo of late 1973 started a series of increases in fuel prices—oil and natural gas, with coal following. In 1970, oil was selling at $2.45 a barrel; currently, some oil is being offered at more than $21 a barrel. Since a major portion of our operating costs is for the fuel we must burn to make electricity, electric bills have soared dramatically in the past few years.

The impact of inflation on our operations—higher wages, higher construction costs, higher interest rates, higher prices for trucks and equipment, materials and supplies—also has added to those electric bills.

The electric companies are in many cases struggling to keep afloat. They are seeking hard-to-get rate relief from utility commissions that are under considerable pressure from consumer groups. Utilities have to borrow money at unbelievable rates in order to built the generating and transmission facilities needed to keep pace with growth. And they find themselves paying unheard of prices for fuel to burn in their boilers.

The presidential "energy summit" at Camp David has ended. We are hopeful that some immediate and meaningful action will come from it. This is an especially critical time for accelerating the development of our nation's domestic energy resources. Therefore, we feel it is our duty to our nation and to our customers to bring to your attention the very real, severe and unaddressed problems that face the electric utility industry.

Those problems are working to deny Americans the reliable and adequate electric power that they have enjoyed for the past hundred years.

To help solve these problems, we urge the following much needed governmental actions to assure Americans that their lights will go on and that their factories will operate when they flip the switches:

Make available immediately the vast coal resources of this nation so that we can use coal as a boiler fuel and thus conserve petroleum supplies.

This can be done without damage to the environment if reasonable legislation is passed and sensible regulation is imposed. We agree with Secretary Schlesinger that coal use should be enhanced *now* by use of limited waivers available in the Clean Air Act regulations.

Let the development of nuclear power continue as it has for nearly two decades until, only within recent years, it has been slowed to a near standstill. Nuclear licensing and siting legislation must be passed without delay; the President should urge the Nuclear Regulatory Commission to expedite its actions in this matter, and the Congress should expeditiously enact effective legislation to the same end.

Make realistic, conclusive and timely plans for the permanent storage of radioactive waste material and the interim storage of spent fuel, pending a decision on reprocessing.

Develop aggressively the breeder reactor, including the Clinch River Project.

Establish unequivocally a national pronuclear policy so that the electric utility industry can build light-water nuclear power plants in the five to six years it now takes in some countries instead of the 12 to 14 years it presently takes in the U.S.

Phase out regulation of oil prices, increase domestic development of oil and encourage construction of additional refinery capacity.

Amend goverment regulations now in effect to permit greater power plant use of natural gas, taking advantage of a temporary abundance of natural gas in some areas of the nation and helping to relieve our dependence on foreign oil.

Dramatically improve the current regulatory system, which appears to be based on delay after delay. Governmental approval procedures must be consolidated and simplified, and time restraints placed upon them, while still permitting decision-making processes that will in no way bar the expression of diverse views. A major problem today is not a lack of domestic resources, but a lack of governmental action to permit timely development of those resources.

The electric utility industry stands ready to work cooperatively with you to find solutions to the nation's critical electric energy problems. These problems must be resolved. The future of our American way of life depends on it.

Respectfully yours,

William McCollam, Jr.,
President, Edison Electric Institute, The Association of Electric Companies.●

OPPOSITION TO PROPOSED DEPARTMENT OF NATURAL RESOURCES

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. AuCOIN. Mr. Speaker, I join with my friends and colleagues from the Congressional Rural Caucus in opposing the President's reorganization proposal. The resolution that we have introduced today reflects the depth of our concern about the President's plan.

Let me take just a moment of your time to tell you why I am concerned and to give my colleagues an example of the devestating effect this proposal would have on the economies of small towns across the Northwest.

Across the length and breadth of the Northwest there are small towns whose very existence depends on the availability of harvestable timber. Already there have been too many small towns hit by mill closures because of inadequate timber supplies. You can imagine the disruption and economic hardship created when these mills are closed.

My fear is that the proposed Department of Natural Resources would be totally unresponsive to the economic needs of small communities in the Northwest. This albatross, in my judgment, would ignore the need for multiple use of our Nation's timber resources—and do so to the detriment of rural economies.

If we allow the creation of this new agency, I have no doubt that that careful selection process will be ignored and lands designated for multiple use treated as wilderness.

Make no mistake—I support the need for wilderness areas to be set aside for the use of future generations. But those areas that are not designated as wilderness through a systematic planning process, should be managed under a multiple use concept.

Mr. Speaker, we need to protect the economies of the Nation's rural communities. And we need sensitive and sensible management of our Nation's timber resources. We can accomplish both purposes by opposing the President's reorganization plan. I urge my colleagues from every part of the country to join us in supporting this resolution.●

ENVIRONMENTAL FUND CONTINUES ATTACK ON CARTER ILLEGAL IMMIGRATION POLICY

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. ASHBROOK. Mr. Speaker, last year I inserted into the Record comments by Justin Blackwelder, director of the environmental fund, to the Democratic Press Club. In that speech, Mr. Blackwelder eloquently described the danger to this country's future posed by the Carter administration's failure to take action to curb illegal immigration. According to the fund's November 1978 "Special Report on Illegal Immigration," the situation is getting worse rather than better.

This "Special Report" is a blockbuster. I quote some parts of it below, but I would strongly recommend to other Members and to the public that they obtain the report in its entirety.

Mr. Blackwelder and his organization are braving great odds in their fight against illegal immigration. They are facing the greed of those who make money using cheap foreign labor, and an administration which is only interested in cynical calculations for bloc voter support. It is fight for the future of America against greed and opportunism.

This is another of those issues where the liberal-conseravtive split is not so neat. On issues on which the fund takes no position, Mr. Blackwelder and I have disagreed strongly in the past. It is certainly well-known that Jack Anderson and I have had some differences of opinion but on the necessity for action to stem illegal immigration, we appear to be of one mind. Certainly nothing indicates more clearly the imperative nature of the illegal immigration crisis than that we should all be issuing this warning.

Those businessmen, conservative or liberal, who are making money by using illegal immigrant labor are hurting this country. Business organizations have been far too quiet on this point. Only organized labor has protested against the flood of illegal aliens, so here again I find myself in somewhat liberal company. But if it takes an odd company to serve our country's interests, I welcome it, and I congratulate all those, regardless of ideology, who are taking a stand for American jobs and American prosperity in the future by opposing illegal immigration.

Following are some excerpts from the environmental fund's "Special Report on Illegal Immigration":

What the Public Does Not Know

"The quietest, and often the most successful, method of acquiring power is the strangulation of information by co-opting its source." When we wrote this in our Special Report No. 1, the agency in question was AID. Now, we are writing about the U.S. Immigration and Naturalization Service.

The United States is the fastest-growing developed country in the world. The numbers of people who come here illegally and those visitors and students who fail to return home (as required by law) are now the major contributors to our excessive population growth.

Former INS Commissioner Chapman repeatedly told the Congress that the trickle of illegal aliens entering the country in 1965 had rapidly become a torrent of such size and force that INS was helpless to stop it. In the two years since, the numbers have doubled. But his successor, Leonel J. Castillo, as this report shows, seems to have decided that if the problem can be hidden from the Congress and the taxpayers, he will not be pressed to do anything about it.

Accordingly, he has issued instructions that INS personnel stop giving out any information regarding estimates of illegal aliens residing in this country. He himself suggested that there were only two or three million of them—an astonishing figure, considering that Commissioner Chapman had estimated eight to twelve million, two years ago, and more than two million have probably entered the country in those two years alone. New York City and Los Angeles together are estimated to contain three million illegals.

The Border Patrol knows that for every illegal alien who is apprehended, perhaps four go uncaught. They know that those who are caught eventually get in. Most INS personnel know that the number of illegals entering this country is dramatically increasing. They also know why: inadequate laws and Leonel J. Castillo.

Castillo has ordered INS personnel to fool the Congress and the taxpayers with a "label swindle": he ordered that the term "illegal alien" be replaced by the term "undocumented worker." The Congress has charged him with the duty of finding and deporting illegal aliens. He is required neither to find nor to deport "undocumented workers."

Commissioner Chapman was not only committed to carrying out his responsibilities, he also tried to bring the problem of illegal immigration to the attention of the Congress, the press and the public. Commissioner Castillo appears determined to erase it from public view and Congressional consciousness. In less than two years, he has silenced, discredited and completely demoralized his own agency.

WHAT OTHERS SAY

There is presently no indication that the U.S. intends to change its time-honored policy of welcome to the poor of other lands. If we do not, the mathematics of U.S. population growth will pose a problem which this country has never faced before, and it will have more of an effect on conservation policies and the U.S. environment than any other element of the equation.—Justin Blackwelder, President, The Environmental Fund, in testimony at the White House Conference on Balanced National Growth, February 2, 1978.

In the case of the illegal alien, the ultimate victim is the U.S. citizen who pays and pays the cost of subsidizing the illegal alien. No other country to my knowledge tolerates this type of sabotage to its laws and economy.—Frances G. Knight, Director, Passport Office, Department of State, *Officer Review*, March 1977, page 4.

When the emotional arguments are removed from the illegal aliens issue, we are left with a set of facts that lead to an unavoidable conclusion: we have a serious and costly problem of illegal aliens now, and it will be many times worse in the near future unless this country takes some steps very soon to control it."—Leonard F. Chapman, Jr., former Commissioner INS, in a speech before the National Press Club, July 27, 1976.

The swelling population of Mexico, driving millions of illegal aliens over the border, is a greater threat to the future of the United States than the Soviet Union.—William Colby, former CIA Director, in an interview with Robert Scheer, "Colby Calls Mexico Bigger Threat Than Russia to U.S." *Los Angeles Times*, June 6, 1978, page A–11.

We really have a Maginot Line. It is outflanked, overflown and infiltrated. And you know what happened to the French.—Congressman Lester Wolff (D-N.Y.), in an interview in "Border Crisis: Illegal Aliens Out of Control?", *U.S. News & World Report*, April 25, 1977, page 33.

Many average Americans would prefer to stand aloof from this problem because they have not yet felt the impact in their own pocketbooks . . . And there are many who congratulate themselves on their generous sympathies. . . .

But this country cannot absorb an unlimited number of the world's poor people, and in the long run we will all pay a price—a very terrible price—for abandoning our sovereign rights and failing to uphold our own laws.—Joseph Sureck, outgoing Los Angeles District Director INS, "INS Chief Calls Alien Invasion a Tragedy," *Los Angeles Times*, August 27, 1978, page 1.

The United States still has the most generous immigration policy in the world. Every year we accept 400,000 legal immigrants, "more than the total number of immigrants accepted by all the rest of the nations on earth." But the illegal immigrants far outnumber the legals every year.—Former INS Commissioner Leonard F. Chapman in an interview with James Reston, "Is Anybody Listening?", *The New York Times*, May 8, 1977, page 19.

EMPLOYMENT OPPORTUNITIES

Mr. Randall (D–MO.): While we are on the subject, I believe our new President (Ford) has proposed that we create some so-called public service jobs. . . . But he is talking about as much as $4 billion for 800,000 jobs. This same end might be achieved by removing some of the aliens that are holding those jobs: isn't that true?

General Chapman (Commissioner INS): Yes, sir. I believe if we had the Rodino bill and we had some increases in the Service and had some dollars to move the people, and could implement this card (forge-proof work card), we could create a million jobs in this country at least, and practically overnight—I shouldn't say create: I mean open up.

Mr. Randall: Make available.

General Chapman: So that Americans could occupy them.

Mr. Randall: Make them available for our citizens.

General Chapman: I think we could open up at least a million jobs, and practically right away.

Hearings before the Subcommittee of Immigration and Naturalization Service Regional Office Operations (Committee on Government Operations). U.S. House of Representatives, September 18, 1974.

EMPLOYED ILLEGAL ALIENS BY CATEGORY OF EMPLOYMENT

Estimate submitted to Congress by Leonard F. Chapman, Commissioner INS, September 18, 1974:

Agriculture	335,000
Heavy Industry	150,000
Light Industry	214,000
Service	301,000
Total	1,000,000

Estimate by Janet Graham, Public Affairs Office, Immigration and Naturalization Service, February 1977:

Agriculture	1,200,000
Heavy Industry	176,000
Light Industry	1,000,000
Service	990,000
Construction	300,000
Total	3,666,000

NOTE.—The figures for 1978 would unquestionably be much higher, but we can no longer get them.

CASTILLO VERSUS THE PUBLIC

An Interview with Leonel J. Castillo, Commissioner of the Immigration and Naturalization Service and Congressman Joshua Eilberg (D-PA), Chairman of the House Subcommittee on Immigration by Robert MacNeil and Charlayne Hunter Gault:

Eilberg: Money [appropriations for INS] is a major problem. But more than that is required—a necessity of this matter becoming a higher priority for the administration.

MacNeil: Mr. Castillo, do you agree with the Congressman that the priority is not very high on this, either in terms of money, or a sense of political urgency?

Castillo: Well, I think that we're involved in one of those issues, *wherein it's been very hard to develop a national consensus*. That is, a lot of people feel very concerned. But it's very hard to have agreement. And I think that the administration presented a plan, [the President's illegal alien proposal] and the plan made it to the Senate—has not gone beyond that. (emphasis supplied)

Gault: The American public is not just at odds with the administration over what should happen to illegal aliens, it is overwhelmingly in favor of deporting all illegal aliens back to their home countries.

Results from a Roper Opinion Poll in 1977 showed that 91% of the public would make an all-out effort to stop illegal aliens from entering the United States. Only 10% favored allowing illegal aliens to stay. 75% of those polled were in favor of reducing the quotas for legal immigrants to enter, and some 50% favor issuing some form of national identity card to every U.S. citizen at birth, or on naturalization. . . . why has American public opinion shifted to such an anti-immigration position?

Castillo: I don't really feel that the public is anti-immigration.

Illegal Immigration: The MacNeil-Lehrer Report (WNET–WETA TV production). August 14, 1978.

LAW ENFORCEMET AT WORK

Immigration boss Castillo has caused a flap by promoting a lenient attitude toward the illegals. According to the polls, most Americans want a get-tough policy against illegal aliens. Castillo, though, has raised an unholy howl by proposing the opposite. The controversial immigration chief has proposed new rules which would make it more difficult to arrest or deport aliens. Jack Anderson, WRC Radio, October 4, 1978.

WE WONDER * * *

1. Why not enforce the existing law?
2. As long as it is illegal for "an illegal" to work, why should it be legal to hire him?
3. Is there any reason why social security cards must be easily forgeable?
4. Perhaps, also, we should have a chief of law enforcement who is dedicated to law enforcement?●

OUR FUTURE INTERNAL SECURITY PROBLEM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. ASHBROOK. Mr. Speaker, at a time that our Nation faces a growing threat to its internal security we have been tying the hands of those who could avert a terrorist disaster. The Congress needs to act to insure the security of our Government and its citizens. I submit for the RECORD an excellent article from "Politics Today" that presents a clear picture of the present and growing danger of terrorism in the United States:

THE TERRORIST THREAT IN AMERICA

(By Gregory R. Rose)

THE FBI LACKS THE POWERS NEEDED TO TRACK TERRORISTS

A confidential Central Intelligence Agency memorandum predicts that the United States will experience major terrorist attacks beginning within the next 18 months and persisting for years thereafter. The memo, which was circulated among senior officials of the Carter administration, maintains that international terrorist organizations—especially Palestinian and Western European groups—have made contacts with potential allies in the United States and have taken concrete steps to initiate political violence against targets in America.

These attacks, the CIA document predicts, are inevitable unless immediate steps are taken to increase security in this country. Likely targets include electrical power facilities, fuel depots, petroleum processing plants and commercial airliners.

In the face of these threats, official agencies, hamstrung by policy decisions and legislation, are unprepared. Rep. Joseph Addabbo (D-N.Y.), a member of the House Appropriations Committee, received a letter last February from FBI headquarters warning that budgetary and manpower cutbacks affecting the bureau have severely hampered the FBI's anti-terrorist operations. The letter stated that the number of FBI informants in terrorist and terrorist-support organizations has declined since 1976 from 1,100 to less than 100.

FBI director William Webster, in a speech that he made in Atlanta in May, said that the FBI currently has only 42 informants in the "domestic security and terrorism areas." Webster said the FBI has open domestic security and terrorism cases on only 61 individuals and 12 organizations.

The letter to Addabbo argued that the FBI can't effectively deal with the threat. A recently released report by the General Accounting Office (GAO) entitled "FBI Domestic Intelligence Operations: An Uncertain Future," tends to confirm this view.

The CIA prediction and the FBI admission of impotence might be alarming in themselves, but with the kidnapping and murder of Aldo Moro fresh in mind, one shudders at the thought that the United States is to experience a similar state of siege. The threat clearly raises serious questions of public policy for citizens and government to consider.

FBI, CIA and State Department sources are unanimous in pointing to Palestinian organizations as the most likely perpetrators of terrorist acts in the U.S.

Ambassador Heyward Isham of the State Department's Office for Combating Terrorism explains, "The U.S. government is seen by radical Palestinian organizations as a pivotal political factor in the Mideast. We are aligned, to be sure, with Israel, their primary enemy. We are, as well, supportive of the moderate Arab regimes, particularly Egypt and Jordan, whose peace initiatives threaten the solidarity and viability of the Rejectionist Front."

FBI officials note the growth of Palestinian support organizations and the increasing number of Arab students in the U.S. as a prospective base of operations for terrorist groups. In the past three years, there has been extensive travel by PLO representatives (operating under the auspices of the Palestinians' UN delegation) to Arab communities and university campuses in this country. "Certainly these trips," one FBI agent suggests, "are partly for political propaganda purposes. However, wherever these PLO types go, they also organize local Arab-Americans and student sympathizers."

INTERNATIONAL CONTACTS

More significant are reports from West German and Israeli intelligence sources that Al Fatah and Popular Front for the Liberation of Palestine (PFLP) operatives in Western Europe have met with U.S. radicals to coordinate anti-Israeli propaganda. These sources further report that PFLP members have entered the U.S. clandestinely to establish contacts with pro-Palestinian groups in New York, Detroit and San Francisco. San Francisco police sources confirm these reports.

CIA sources point to contacts between the Weather Underground and Red Army Faction (otherwise known as the Baader-Meinhof gang and abbreviated at RAF) sympathizers as a possible source of danger. According to a recently retired CIA case officer, "Many of the RAF's supporters were active in international student politics in the late 1960s and in the network of U.S. war resisters and deserters in Western Europe. There was an SDS in the Federal Republic of Germany, and contacts were made between American SDS members traveling in Europe and German radicals. Those contacts have continued since the Weathermen went underground. I know of meetings between Weathermen activists and RAF members in Paris and East Berlin. The connection is there and it's dangerous as hell."

An FBI source notes the willingness of West German terrorists to "free-lance" for Palestinian groups, as in the Entebbe hijacking, as a reason for concern: "These guys are ideological mercenaries. They have the experience and training to carry out operations on behalf of third parties. Looking at the threat to the U.S., this can't be discounted."

My source recalls that the U.S. government took quite seriously the threat by the RAF to shoot down a Lufthansa jet at Kennedy Airport: "There was a report that West German terrorists had Soviet antiaircraft missiles in Montreal which they were planning to smuggle across the border and use at Kennedy."

DANGEROUS GROUPS

The threat from domestic terrorists that is perceived by federal authorities is limited to four groups:

The Weather Underground Organization. The WUO is the oldest and best-organized radical group in the U.S. Originally a faction of Students for a Democratic Society (SDS), the Weathermen went underground in February 1970. Since then, efforts by federal and local law enforcement agencies to apprehend WUO members have been singularly unsuccessful.

The WUO, according to testimony taken by the Senate Internal Security Subcommittee, has had intimate connections with the Cuban government since July 1969. According to an FBI agent involved in the Weathermen cases, eight WUO leaders, including Bernardine Dohrn, met with Manuel Pineiro Lozadas, a former Cuban intelligence head and now chief of the Cuban Communist Party's American Department, and North Vietnamese political and intelligence officers July 9–15, 1969. That this meeting took place is corroborated by a staff report on the Weather Underground released in 1975 by the Senate Internal Security Subcommittee.

My source suggests that the "Days of Rage" trashing of Chicago and the decision to go underground were prompted by Cuban intervention. Other WUO members, according to FBI and CIA sources, underwent guerrilla and explosives training at camps outside Havana. Other FBI sources report that WUO members have been given training and sanctuary in PLO camps in Lebanon and Syria, North Korea, and North Vietnam.

According to a New York Police Department (NYPD) arson and explosives squad expert, "The Weather Underground has by far the most sophisticated explosive devices of any domestic terrorist group. Obviously someone's shown them how to make damn good bombs." That the WUO has been able to evade federal agents suggests a support and logistics network of professional quality.

"You've got to hand it to them," one FBI agent comments. "They're very good at what they do, very sophisticated, well-trained. The false identity and communications network they've set up is as good as that of most foreign intelligence services. I don't believe they were just born with these skills. This quality of work isn't something you learn overnight."

Federal estimates place WUO membership at 200–500. FBI sources also mention the Weatherpeople's above-ground support network, which is known as Prairie Fire. This group, whose membership is estimated at 2,500-3,000, has circulated WUO documents and is believed by law enforcement agencies to have otherwise assisted the WUO. While the UWO has been largely inactive for nearly a year, federal authorities speculate that it has been undergoing a reorganization preparatory to a new wave of violence.

The New World Liberation Front. The NWLF is responsible for many bombings on the West Coast since 1974. Attacks have been aimed at power facilities, multinational corporations and foreign diplomats. NWLF organizational structure and personalities remain largely a mystery to police agencies. However, California authorities say that the NWLF is an offshoot of Maoist organizations in the Bay area and numbers of 150–200 cadres.

FALN (Fuerzas Armadas de Liberación Nacional). The FALN, a Puerto Rican nationalist group, has been responsible for planting 74 explosive devices in the U.S. since 1974. These devices have been exploded in New York, Chicago, Newark and the District of Columbia and have killed five persons and injured more than sixty. Federal warrants have been issued for four FALN members in connection with the August 3, 1977, bombing of the Mobil Corporation offices in New York. The FALN is said to have a membership of only 15–20 persons.

The Black Guerilla Family. Very little is known of this West Coast affiliate of the now-defunct Black Liberation Army. The group consists largely of former members of the Black Panther Party and numbers about two dozen persons.

VULNERABLE TARGETS

Federal officials note that U.S. terrorists have not always operated in established, permanent organizations. As a senior Justice Department official tells it, "There's a history of radicals banding together for single-time strikes against vulnerable targets."

Experts are divided on the question of likely targets of transnational and domestic terrorist groups. However, everyone agrees that America's transportation and power systems are vulnerable.

The intrinsic vulnerability of power and fuel facilities is compounded by the general availability of detailed plans of these facilities. All one has to do is to ask, under the Freedom of Information Act, for the relevant environmental impact studies. For example, detailed plans of the Rossville, Staten Island, liquefied natural gas facility are available to anyone who asks for them from the Environmental Protection Agency or from the facility's owners.

Commercial airlines continue to be vulnerable, and prominent citizens and their families are subject to kidnapping. Robert Kupperman, the U.S. Arms Control and Disarmament Agency's chief scientist and a frequent commentator on international terrorism, suggests, "Terrorists have had surface-to-air missiles for some time and have used them . . . They could probably smuggle one into the U.S. without much trouble. After all, these things are just hand-held tubes. They could knock down a jumbo passenger jet and kill more than 300 people.

"On top of the tragedy itself and the loss of a very expensive aircraft, I doubt very much if the airline pilots' association would fly again until the government could guarantee their safety. One missile and the threat of a second could paralyze air transportation in the U.S."

Deputy Chief Robert Johnston of the NYPD's Special Operations Division discussed with me the kidnapping danger: "People in the U.S. are aware of criminal kidnappers, but well-organized paramilitary terrorist kidnapping operations are something they just aren't prepared for. It will take one or two incidents like those in Italy to wake people up. And I think we're going to be in for that kind of thing in the relatively near future."

FBI'S RESOURCES STRAINED

Primary responsibility for federal anti-terrorist measures resides in the FBI. The FBI's 8,000-odd agents investigate federal law violations, and, according to congressional sources involved in overseeing the bureau, the FBI's strained resources aren't adequate to cope with any major campaign of terror in this country. FBI director William Webster noted, in testimony earlier this year before the House Appropriations Committee, that budget reductions threaten already existing investigations of terrorist incidents.

Even liberal critics of the FBI share this concern. One Eastern congressman, who asked not to be identified, said, "I've given the bureau a hard time when they've been wrong, and they've been wrong a lot more than their share. But I think we're in danger of weakening the FBI's ability to deal with terrorists at a time when international terrorism is growing.

Twenty-one agents are assigned to the terrorism section: five in the domestic security area, two to the terrorist research center and the rest to criminal investigations involving bombings, sabotage, protection of foreign officials, false identification and international terrorist groups. These 21 agents supervise and coordinate the field investigations conducted by the 143 agents currently involved in the domestic security and terrorism area. Just three years ago there were 788 agents assigned to such matters.

Current FBI antiterrorism measures, according to FBI spokesman David Cassens, include ongoing, in-service training for agents involved in domestic security casework and special antiterrorist courses at the FBI's academy at Quantico, Va., for FBI personnel and state and local law enforcement officers. Foreign experts, primarily West German, British and Israeli, have been brought in to augment the instruction staff.

Contingency plans exist in each field office for various types of terrorist attacks. However, an FBI agent familiar with these plans believes that "if the real thing happens, these plans won't mean ———. Nobody ever practices them. They're just on file. They look good on paper, but no responsible person could realistically depend on them in an emergency."

The FBI also maintains a 50-man flying squad, capable of deployment for aircraft hijacking rescues. The FBI unit is said to be well trained and highly efficient, but lacking in experience under fire and underfunded.

INADEQUATE DEFENSES

A backup to the FBI's commando unit exists in the U.S. Army's Project Blue Light and in its Ranger Battalions. These units are officially assigned to possible antiterrorist rescue operations overseas, but contingency plans exist for using these troops domestically in case of a major terrorist incident. Project Blue Light is a 250-man special forces unit stationed at Fort Bragg. Its specialty is hostage rescue.

State and local antiterrorist preparations run from negligible to nonexistent. New York City is the one exception. The special investigations and special operations division of the NYPD are highly regarded [see *Conservative Digest,* August 1977, "This Cop Bargains for Human Lives," p. 48].

Critics of local unpreparedness point to the March 1977 Hanafi Muslim seizure of three buildings in Washington, D.C. As a congressional staffer involved in reviewing the Hanafi incident put it, "Nobody knew what to do. The FBI had one idea. The D.C. police had another. The Secret Service had a third."

The most frequently criticized federal and local inadequacy is in intelligence gathering. And here the terrorist challenge to a democratic society is most clearly posed.

The domestic security investigation guidelines set down by Attorney General Edward Levi in March 1976 and retained by the Carter administration specify three levels of investigative activity that the FBI may undertake in domestic security cases (including terrorism): preliminary, limited and full.

Agents conducting preliminary and limited investigations are forbidden to recruit or place informants, use "mail covers" or use electronic surveillance.

Full investigations are authorized only if the preliminary and limited investigations show specific facts indicating that "an individual or group is or may be engaged in . . . the use of force or violence and . . . the violation of federal law." Agents engaged in full investigations may recruit or place informants, open "mail covers" with the approval of the attorney general and engage in electronic surveillance under court order.

The full investigation can be authorized only by FBI headquarters in consultation with the attorney general. The results of a full investigation must be reported to the attorney general within 90 days, and the investigation is subject to periodic review.

GUIDELINES TIE FBI'S HANDS

The guidelines also establish an investigations review unit (IRU) in the attorney general's office with authority to disapprove any investigation proposal made by the bureau.

The actions of the review unit have been criticized in FBI circles and, one surmises from the following excerpt from the GAO report, not without justification: "The IRU has disapproved the investigation of: a group which held rallies and published a tract in support of violence by clandestine groups . . .; a group which has made clear its intent to use violence to violate federal law at some time for the purpose of overthrowing the United States government, but whose only activities to date are printing and publishing ideological tracts and attempting to organize factory workers; an individual with a history of associating with radical groups, fugitives from justice and persons known to be or suspected of providing support to fugitives . . ."

An IRU lawyer told the GAO, "Groups would not be subject to preliminary domestic security investigation merely for supporting the cause of violent revolution, supporting bombings claimed by a politically motivated group of printing bomb-making instructions."

An FBI agent who specializes in domestic security cases has some rather specific criticisms of the Levi guidelines: "Modern terrorists operate like foreign espionage illegals. They have safe houses, clandestine networks, sophisticated communications and forged documents.

"The situation calls for counterintelligence techniques, especially electronic surveillance and informant recruitment. The guidelines make these techniques so difficult to obtain that you have to have perpetrators dead to rights before you can get permission to use them."

INTELLIGENCE GAPS

According to Department of Justice sources, Attorney General Levi ordered that informants no longer be placed within terrorist and terrorist-support organizations. My sources tell me that the FBI has had no new confidential informants inside any international or domestic radical organization since 1976. The FBI refuses official comment.

There's a corollary problem. FBI agents are getting very reluctant to report to their superiors allegations by informants because they fear Privacy Act lawsuits, should their reports ever be made available to their subjects under the Freedom of Information Act. The laws are said to impede the exchange of information among federal agencies and hamper preparation for potential incidents of terror.

The wholesale destruction of intelligence files in federal and local agencies in the early 1970s hasn't helped either. "There was a lot of b.s. in the files," one FBI source concedes, "but we lost a lot of valuable material with it."

A retired NYPD officer says of the purge of files there, "We would have caught the FALN [Puerto Rican terrorists] by now if we had the files we had in 1968." That may sound like excuse-making, but the NYPD has spent many man-hours attempting to reconstruct destroyed Puerto Rican radical files.

The GAO report concedes that the FBI's ability to prevent terrorist actions is constrained: "Justice Department and FBI officials recognize that the current scope of domestic intelligence operations severely limits the FBI's opportunity to anticipate crimes. They realize that a crime is likely to have been committed before a group comes to the FBI's attention. As such, the operations, as handled by the FBI's . . . Domestic Security—Terrorism Section, are aimed primarily toward the collection of evidence for criminal prosecution."

The fundamental question that terrorism poses to a democratic nation is: What should be the relationship between civil liberties and the public's right to safety from terror? One has reason to wonder whether we have debilitated law enforcement agencies through a scrupulous desire to avoid the abuses of the past.●

ADMINISTRATION PROPOSAL ON AMTRAK

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Ms. HOLTZMAN. Mr. Speaker, Tom Wicker's column in the New York Times of February 26, 1979 contains an incisive critique of the Carter adminstration's proposal to eliminate 43 percent of the Amtrak passenger railroad system. The column points out that this policy will cost more in the long run in both dollars and energy. I commend this column to my colleagues' attention.

The text follows:

LEFT HAND VS. RIGHT

(By Tom Wicker)

The headline above first appeared over this column on July 9, 1975, but on numerous occasions before and since it could have been used to make an apparently unchanging point: In the attempt to meet the gathering energy crisis, the left hand of the Administration (any Administration) usually works against the right.

At the moment, for example, Energy Secretary James Schlesinger is pondering the effect of sharply diminished Iranian oil production and rising OPEC prices, having in mind such steps as Sunday service station closings and strict observance of the 55 m.p.h. speed limit. He has just predicted that by this summer gasoline supplies may be down 5 to 8 percent and prices up 3 or 4 cents a gallon.

But President Carter has sent Congress a budget providing for an *8 percent increase* in highway construction obligations, up to a level of $8.6 billion. Yet, as his recent maunderings about the need for car pools suggest, he knows the automobile is the most profligate energy waster in America, and nothing encourages use of automobiles like the interstate highway system.

At the same time, Secretary of Transportation Brock Adams, as if to compound confusion, has proposed the amputation of 43 percent of the energy-efficient rail passenger system operated by Amtrak. His shortsighted aim is to save taxpayers $1.4 billion over five years (just under $300 million a year) in Federal subsidies; never mind the cost in scarce, high-priced gas wasted in private auto travel.

Mr. Adam's meat-ax assault on Amtrak is all the more weird because he himself said recently that future transportation decisions would be studied for their impact on energy usage. Worse, he demanded policies of Amtrak that would drive away riders from the poor bleeding stump of a system he would permit still to operate.

Notably, Mr. Adams demanded higher fares—when the record shows that after Amtrak in November 1978 tried to match cut-rate airline fares with its own discount rates, ridership rose by 16 percent over that of November 1977. Indeed, one of his own department's reports demonstrates that the largest not the smallest—possible Amtrak system would produce the lowest deficit per passenger mile.

Mr. Adams has got the caboose before the engine. The task of Amtrak is to increase ridership and reduce the nation's energy consumption, while making intercity travel as convenient as possible. Amtrak's job is not to turn a profit as Mr. Adams seems to think, or even to hold down its operating deficit at the expense of its real objectives. (Mr. Carter proposed an operating subsidy for next year of only $552 million, against that $8.6 billion for highway obligations.)

Rail ridership, in fact, has been increasing—up 7.5 percent in December 1978 over the same month in 1977. Traffic on the New York-to-Florida lines picked up by 38.4 percent in December, but Mr. Adams wants to cut service from three trains a day to one. Los Angeles-San Diego ridership rose 142 percent from 1973, although the frequency of service increased by only 87.5 percent. The Panama Limited, running from Chicago to New Orleans, gained 7,000 passengers in 1978 after switching to a new fleet of cars.

Amtrak critics try to make two major cases—that people just won't ride trains, and that trains aren't all that much more energy-efficient anyway. The first point is debatable and the second nonsense.

Actually, evidence is substantial that people will be attracted to trains with modern equipment, decent onboard service, competitive fares and on-time performance. That attraction will grow as gasoline inevitably becomes scarcer and dearer. Thus, a well-developed rail service could again become a highly useful part of a national transportation system, as it is almost everywhere else in the world.

As for energy efficiency, it's misleading to base comparisons on the few lightly patronized trains running today. It's quite another thing to calculate energy efficiency on the basis of the potential ridership of a good railroad system in an era of gasoline scarcity. Even now, however, the Department of Transportation has reported that Amtrak's Los Angeles-Seattle train, using heavy and outmoded equipment cn a mountainous run, is 47 percent more fuel-efficient than an automobile making the same trip.

No one would suggest such extremes as banning automobiles or forcing people to ride trains. But surely it would be prudent for the Government to follow policies and make investments that over time—perhaps a decade—might cause a substantial shift of intercity traffic from private automobiles to energy-efficient trains. Mr. Adam's policy—cut service and raise fares—can only have the opposite effect.

Besides, despite present doubts, if the time ever comes when the need for a decent national rail network is generally conceded, the cost of replacing a vanished or irreparable system would be astronomical. By comparison, that $300 million a year Brock Adams wants to save the taxpayers would be like something Jimmy Carter will someday have to go back to growing.●

NATIONAL EDUCATION FOR BUSINESS WEEK

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. FORD of Michigan. Mr. Speaker, for many years educators and business people have worked together to educate and train young people for careers within American small businesses and giant corporations. These business education graduates are a vital part of our free enterprise system. Programs begin in secondary schools to prepare students to handle business functions. Postsecondary educational opportunities exist for the development of more proficient competencies in skills so necessary to the day-to-day functioning of those companies which contribute to our gross national product. Because of the dedicated work of the schools and their business education faculties and staffs, we have become the most technologically, as well as economically, advanced country in the world. As great as our progress has been in the past, a real challenge lies in the future.

According to a recent Labor Department survey, the vast majority of the 46 million job openings between now and 1985 will require vocational or technical training beyond high school. By and large this is not theoretical training, but specialized types of instruction for accountants, bookkeepers, secretaries and stenographers, laboratory technicians, specialists in marketing, computer programers and many other vital skills which keep our business world functioning. Our ability to remain the most advanced Nation on Earth requires that our young people's view of business education be elevated.

To focus on these opportunities, today I am introducing a resolution to declare April 16–22, 1979, National Education for Business Week. Joining me in sponsoring this measure are the distinguished chairman of the Committee on Education and Labor, the Honorable Carl Perkins, and the distinguished gentleman from Georgia, the Honorable Bo Ginn.

National Education for Business Week has three purposes:

It will focus on the shortage of people whose practical skills are basic to the future of our free enterprise system;

It will stimulate interest among young people in vocations and careers that have promising futures in the world of business; and

It will help to provide business educators the recognition they deserve for the important role they plan in motivating young people to careers in business.

During National Education for Business Week students, teachers, parents, business leaders, and government officials will be reminded of the demand for skilled people. Business and community leaders will be asked to recognize the advantages of a business education and the values such an education can offer. Attention will be drawn to the contribution business schools and colleges make to the community. In some places, National Education for Business Week will promote open houses for business representatives, strengthen relationships with other schools, and provide information to the general public about the need for institutions which specialize in preparing students for careers in business.

National Education for Business Week has the strong support of the two primary associations in the United States concerned with business education, the National Business Education Association, and the Association of Independent Colleges and Schools.

National attention must be focused on the increasing problem of not having enough trained people to fill the jobs available in business, industry, health-related occupations, and elsewhere. National Education for Business Week does not merely provide a platform from which business educators can draw attention to their daily contributions. It also serves to alert the community to an under-utilized potential at a time when fullest employment should be one of our national goals. Mr. Speaker, I hope that my colleagues will agree with me that this small effort on our part will make a major contribution to a bright future for America's young people and our business community.

I include, Mr. Speaker, at this point in the Record, the text of this resolution:

H.J. Res. —

A joint resolution to authorize the President to proclaim the week of April 16–22, 1979, as "National Education for Business Week"

Whereas, the large and small businesses of America are dependent upon a growing supply of young men and women to fill the many positions requiring practical business skills in order to help maintain high standards of performance in competitive markets here and abroad; and

Whereas, the majority of the 46 million job openings through 1985 will require training in business skills such as accounting, bookkeeping, stenography, secretarial science, merchandising and marketing, computer sciences and other basic skills; and

Whereas, high school and postsecondary teachers and facilities are available for such training; and

Whereas, it is important that young people be aware of these programs:

Now, therefore, be it resolved by the Senate and House of Representatives of the United States of America in Congress assembled, that the President of the United States is authorized and requested to issue a proclamation each year designating the week of April 16–22, 1979, as "National Education for Business Week" and encouraging the U.S. Office of Education and other appropriate government agencies to foster the recognition of the importance of education for business during this period.●

FAA REGULATION WON'T WORK

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. EVANS of Delaware. Mr. Speaker, in recent weeks, the storm of protest has continued to mount against the proposal of the Federal Aviation Administration to establish 44 new terminal control areas, and extend the areas of positive control airspace. Federal Aviation Administrator Langhorne Bond has urged that this new designation of airspace will help to eliminate the conditions that resulted in the recent midair tragedies over San Diego and Memphis. I share Mr. Bond's concern that we must seek to avoid midair collisions and insure the safety of both the commercial air passenger and the general aviation aircraft operator. However, I am not convinced that the creation of 44 new terminal control areas and an extension of the areas of positive control airspace will eliminate those conditions which resulted in San Diego and Memphis. These collisions were a result of small general aviation aircraft being struck by larger, faster commercial airliners. I believe that there are better alternatives to the proposal of the Federal Aviation Administration such as the Climb Corridor concept. I would urge my colleagues to seriously question Mr. Bond's assertion that the designation of 44 new terminal control areas will eliminate those conditions which have resulted in recent midair collisions.

I am also deeply concerned about the cost of implementation of the airspace designation plan. It would appear that the designation of 44 new terminal control areas will require the services of many additional air traffic controllers, as well as other support personnel. It is my understanding that the Federal Aviation Administration might request Congress to allow for the use of aviation trust fund moneys to pay the salaries of additional air traffic controllers. I would suggest that the use of these moneys for that purpose does not meet the legislative intent of Congress. Aviation trust fund moneys should be used for the construction of airports, runways, taxiways, and other related eligible facilities. I would urge my colleagues to oppose the use of aviation trust fund moneys for this purpose.

I also believe that the issue of airspace designation by the Federal Aviation Administration clearly illustrates that Congress needs control over the bureaucratic rulemaking process. For this reason, I have introduced the Regulatory Review Act of 1979, which requires that all regulations promulgated by Federal agencies be returned to Congress for a review period of 60 days, during which time Congress can reject those portions of regulations which clearly do not meet legislative intent. Passage of the Regulatory Review Act would provide Congress with a significant mechanism for resolving issues such as the current proposal by the Federal Aviation Administration. I hope that my colleagues will join with me in opposing the airspace designation plan proposed by the Federal Aviation Administration. Again, I would suggest that this plan will not eliminate the conditions which have resulted in the recent tragic midair collisions in San Diego and Memphis.●

SIXTY-FIRST ANNIVERSARY OF THE BYELORUSSIAN DEMOCRATIC REPUBLIC

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. DERWINSKI. Mr. Speaker, 61 years ago, on March 25, 1918, the Byelorussian people proclaimed their independence from Communist Russia and declared the autonomy of the Byelorussian Democratic Republic. The Soviet Government retaliated just 10 months later, annuling that spark of freedom by creating the Byelorussian Soviet Socialist Republic and cementing it within the ironfisted grasp of the U.S.S.R.

However, the fierce desire to be free remains in the hearts and minds of the people of Byelorussia. Despite the continuous oppression imposed upon them by the Russian Communist regime, the Byelorussians have at every opportunity, sought to restore their national identity as a sovereign state, free from the forces of Communist domination and control.

At the end of World War II, the All-Byelorussian Congress again convened to approve a second proclamation of independence, but was soon dispersed by the Soviet armies.

However, throughout their history, the Byelorussian people have transmitted from generation to generation their national identity through their cultural achievements, language, and rich heritage. The knowledge of what it is to be free and the determination for this renewed freedom continues to inspire these valiant people in their dream of restoring their homeland, as an independent nation.

It is, indeed, an unfortunate development that the Byelorussian people, whose heritage is so rich in traditions of democracy, live under the oppressive rule of the Soviet Government. As we commemorate their independence of 1918, we highlight this day as a symbol of the national aspiration of the Byelorussian people for their sovereignty and self-determination. We also commend and acknowledge the courage of the Byelorussian people.

May I also take this opportunity to commend the many Americans of Byelorussian origin who continue to strive for the eventual restoration of freedom for their homeland. This anniversary serves as a reminder that the spirit of freedom continues to burn in the hearts of the Byelorussian people in the face of Communist oppression.

Now more than ever, when human, national, religious rights are actively defended throughout the world, but are subject to flagrant violations that occur in Communist countries in Eastern Europe, including Byelorussia, this commemoration gains additional significance.

Through this annual observance on behalf of the Byelorussian people, I trust that we can help reassure those brave people whose human rights and cultural heritage are held captive, that they will continue to receive our encouragement and recognition for their paramount goal of self-determination.●

TAX CREDIT FOR THE ELDERLY

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. FISHER. Mr. Speaker, "the test of progress is not whether we add more to the abundance of those who have much; it is whether we provide enough for those who have too little." These are the words of Franklin Roosevelt from his second inaugural address. Nowhere is this situation more aptly illustrated than the plight of many of the Nation's senior citizens. These are the men and women who made this country; they are the builders of what we enjoy today.

Our abundance is their legacy; but where is their security?

Today there are more than 22 million Americans over the age of 65, almost 10 percent of the Nation's population. While they have contributed much to the wealth of our country, many of them live in the lowest income stratum of America.

Most of these men and women are on fixed incomes. They are our mothers and fathers whose lives in retirement are often a precarious existence, stretching too few dollars over the high and rising costs of food, clothing, shelter, and health care. While we are all beset by inflation, the senior citizens are hardest hit. The life of retirement leisure to which we all look forward has instead become for them a battle for the basic necessities.

Congressman BAFALIS and I have introduced H.R. 2542 to help offset the ravages of inflation and to help our senior citizens enjoy the dignity of retirement life without the crisis of day-to-day survival.

Last year we managed to get the tax credit for the elderly improvement bill passed overwhelmingly by both the House and the Senate. However, the conferees on the Revenue Act of 1978 deleted the provision. The will of Congress was thwarted and the senior citizens abandoned.

H.R. 2542 increases the amount of retirement income eligible for the 15-percent credit for those 65 and over from $2,500 to $3,000 for single taxpayers and from $3,750 to $4,500 for married couples filing jointly. Thus, a single taxpayer 65 and over would receive a maximum credit of $450 as opposed to the $375 under current law, while a married couple filing jointly could obtain a maximum credit of $650 under H.R. 2542 compared to a maximum credit of $562.50 under present law.

Of greater importance for residents of high cost-of-living areas, such as northern Virginia, is a provision in the bill that would raise the income ceiling for those 65 and older to a more realistic level.

Under present law, a single taxpayer 65 and older begins to lose a portion of the credit if his adjusted gross income exceeds $7,500 while the credit is phased out for married couples when adjusted gross income reaches $10,000. H.R. 2542 would raise the point at which the credit begins to be phased out to $15,000 for single taxpayers and to $17,500 for a married couple filing a joint return. Hence, a single taxpayer 65 or over can have adjusted gross income of up to $21,000 without losing all of the credit while a married couple can have a combined adjusted gross income of $26,500 and still be eligible for a portion of the credit. H.R. 2542 will enable a larger number of elderly taxpayers 65 and over to claim a more generous tax benefit, which is especially valuable to individuals living on a fixed income. Moreover, this proposal targets tax relief on those most in need of assistance; that is, some 94 percent of the tax relief will go to taxpayers with adjusted gross income of under $20,000.

Now is the time to live up to the promises made to our senior citizens. They must be assured that their basic needs are met in their retirement. This bill is a small but vital step in fulfilling that commitment.●

AMENDMENTS TO THE EXPORT ADMINISTRATION ACT

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. CONABLE. Mr. Speaker, I am today joining my colleague, Mr. GIBBONS, in introducing legislation which would amend the Export Administration Act. The underlying purpose of the legislation we are proposing is to tune our laws imposing legitimate export restrictions more closely to our needs and relaxing unnecessary burdens on our export activity.

The emphasis of this legislation is to relieve, to the extent practical, the discouraging effect the present law has on U.S. companies that wish to export. This concern for reducing the disincentives for exporting is an important matter because of the continuing, substantial trade deficit we have been suffering and because the trade liberalizing effect of the MTN will make world trade competition even more keen than it now is.

What is needed to meet these challenges is a comprehensive export promotion initiative. This legislation, which reflects the work of the National Governor's Association, is a step in that direction. I have joined Mr. GIBBONS in introducing this legislation because I think the deliberations of the Foreign Affairs Committee's Subcommittee on International Economic Policy and Trade would be well served by having this proposal before it as well as the other's that have already been introduced. Thus, it is in this spirit of broadening the debate in order to best address the problem that I have cosponsored this legislation. I encourage the subcommittee to give its consideration to the proposals represented by this bill.

The summary follows:

SUMMARY OF CHANGES IN THE EXPORT ADMINISTRATION ACT PROPOSED BY THE NATIONAL GOVERNOR'S ASSOCIATION [1]

The changes in the Export Administration Act proposed by the National Governor's Association seek to tune United States export restrictions more closely to our need to increase exports in order to relieve our balance of payments deficit and generally strengthen the American economy. This is in keeping with a larger objective of the nation's governors, that of rooting out deficiencies in governance activities. Substantial changes have been made in five areas, corresponding broadly to Sections 2, 3 and 4 of the present Act.[2] These areas are: Findings; Policy; the structure of the bureaucracy which deals with United States exports; the bureaucracy's rule making procedure; and the mechanism for processing validated export license applications.

1. Findings.—Several new findings have been added to Section 2 of the Act which entirely change the tenor of the section. The first finding (new) states that "The right of United States citizens to engage in international commerce is a fundamental concern of United States trade policy." Moreover, "Stimulation of United States exports is vital to the national interests of the United States," according to the second finding (new). This stress on the importance of exports, and the status of exporting as a right, are the focus of the new Findings.

The fourth finding tracks the old fourth finding, that uncertainty of export policy may impede United States businesses' efforts to export, and adds the finding that uncertainty in policy and delay in application processing raise "absolute barriers to exports by small businesses unable to absorb the risks and costs of exporting."

Still another new finding points out that economic injury in particular States through lost jobs or lost opportunities may result from unnecessary and costly export restrictions.

Old finding (3), now finding (6), has been strengthened in answer to a common complaint of exporters, that sales lost to U.S. exporters due to export restrictions often go to exporters in other Western nations. "The restriction of certain exports from the United States may hinder American businesses without significantly furthering national interests when such exports are available in other countries."

2. Policy.—Section 3, Declaration of Policy, has also been substantially revised to buttress the importance of exports and to indicate that the burden of persuasion has shifted from the exporter to the agency that seeks to curtail exports. The first statement of policy (new) is: "It is the policy of the United States that all persons shall have the right to engage in domestic and international commerce." The second policy statement (new) reverses the emphasis in old (4) so that export expansion is seen as an end in itself, and not just a means of furthering national security, foreign policy, and economic well-being in times of short supply. "It is the policy of the United States to promote the expansion of exports to further the economic, political and security interests of the United States." The fourth policy statement (new) requires further that export controls should not be imposed "without consideration of the economic impact of such controls on States. (Emphasis added.)

Most importantly, old policy statement (2) [new policy statement (3)] has been completely rewritten. The old policy was that export controls were to be used first, to protect the economy from short supply; second, to further United States foreign policy interests; and third, to protect the national security. New statement of policy (3) restates the issue in terms of the right to export. This right "should be restricted only when the national interests which would be served by certain exports are outweighed by the dangers which such exports would pose to military, economic or foreign policy interests, and (A) the President has personally determined that trade with certain countries is against the national security of the United States, (B) it is necessary to prevent the export of goods and technology that would make a significant contribution to the military power of any other nation or nations which would prove detrimental to the national security of the United States, (C) it is necessary to fulfill declared international obligations of the United States, or (D) it is necessary to protect the domestic economy from the excessive drain of scarce resources and to reduce the serious inflationary impact of foreign demand." Thus, those charged with implementing the policies of the act must balance the dangers of exporting against the benefits. Only if the dangers exceed the benefits is the right to export to be restricted, and then only when necessary to protect the economy against short supply, to fulfill international obligations, to prevent our strengthening a hostile nation's military power, or to advance national security when the President has personally decided to restrict trade with certain nations.

Finally, old declarations of policy (1), (7) and (8) have been deleted. Old declarations (3), (5) and (6) remain as they are.

3. Structure of the Organization.—This is laid out in (new) Section 3: Authority. There are four levels to the proposed export administration structure: at the bottom, the administrative level, the Export Administration Office, which remains nominally in the Department of Commerce but which is directed by an interagency board; next, the National Export Administration Board (NEAB), composed of three voting members (one appointed by each of the Secretaries of Defense, Commerce and State; the Commerce Department member shall preside over the NEAB) and as many non-voting, advisory members from other areas of government as the President shall appoint; third, the Export Administration Review Council (EARC), composed of the Secretaries of Defense, State and Commerce (presided over by the Secretary of Commerce); and finally, the President. The NEAB and the EARC shall make decisions by majority vote; concensus is no longer required. The Secretary of Commerce is responsible for maintaining the "organizational and procedural arrangements" necessary for the functioning of the NEAB, for implementing all decisions, orders, rules and regulations, and for issuing the rules and regulations necessary for efficient export licensing procedure. The President, aside from deciding appeals from the EARC under the rule making and validated export licensing procedures, shall annually review the activities of this structure to ensure that Congressional policies are carried out, and shall coordinate the work of this structure with that of other agencies which deal with international trade. This last duty of the President dovetails with the President's new National Export Promotion Programs (NEXPO).

Further delineation of the functions of the four levels is to be found below in the context of the two primary duties of the structure: rule-making and export licensing.

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[1] The changes proposed assume that the boycott provisions enacted in 1977 remain unchanged along with old Sections 6 (Violations), 7 (Enforcement), 8 (Judicial Review Exemptions), 10 (Reports), 11 (Definitions), and 12 (Effects on Other Acts).

[2] Numbers refer to the sections of the present Export Administration Act of 1969, as amended.

4. Rule Making Procedure.—Totally new Section 4, Procedures for Adoption of Rules, attempts to secure greater fairness in the process of rule-making in order to strengthen United States citizens' right to export.

Proposed rules and regulations, under the proposals (with certain exceptions) must be published in both the Federal Register and the Export Administration Bulletin. Such notices must contain the time, place and nature of the public proceedings, the policies behind the proposed rule, the terms or substance of the rule, and finally a statement of the probable economic, political and social effect of the proposed rule.

After notice is given, NEAB shall give interested parties, including federal agencies, States and other persons, a chance to participate orally or in writing in the proceedings. After decision on the proposed rules (by majority vote) NEAB shall publish with the rules, if adopted, "a concise statement of their basis and the policies, as enumerated in section 2 of this Act, which the rules are intended to effectuate, and the estimated economic, social and political impact of the rules." The rules must be published at least thirty (30) days before their effective date, with a few exceptions.

Any rule adopted by NEAB may be appealed to the Cabinet-level EARC by "any party substantially affected" or any interested agency, on grounds that the rule violated Congressional policy or the procedural requirements of the Act. Appeal shall be taken within thirty (30) days. The EARC may simply adopt the decision of the NEAB; otherwise, it shall include a brief statement of its reasons. Appealing parties are, upon request, entitled to all non-classified documents.

Any member of the EARC may petition the President for a review of the majority's decision. The President's decision on the proposed rule shall be final.

Rules shall be reviewed by the board after one year and at two year intervals thereafter and shall be terminated unless reenacted. Interested persons again shall have an opportunity to be heard.

5. Procedures for Validated License Applications.—In order to shift the onus from the exporter to the agency seeking to curtail the export, a simplified license application appeals procedure with a strict time frame has been established. Each application for a validated export license, under the proposal, shall be finally approved or denied within ninety (90) calendar days of its receipt.

Any application can be approved or denied administratively within the Export Administration Office (EAO), under rules and regulations under this Act, within thirty (30) calendar days of receipt of the application. If however an application is not automatically approved it must be placed on the agenda of any meeting of the NEAB occurring on or before the 45th day from receipt. The applicant is entitled to notice and the opportunity to make submissions. He is also entitled to know of any negative considerations and of any description made of the item(s) to be exported. The NEAB shall take the exporter's submissions into account, and decide on all applications on the agenda (by majority vote).

In the event of an adverse decision, the applicant and the representatives of the Department of State, Commerce and Defense are entitled to appeal the decision to the EARC. The EARC may review the decision in any administratively convenient way, but must affirm or reverse the decision of the NEAB within seventy-five (75) days of receipt of the application. As with the rule-making procedure, the EARC may adopt the NEAB's findings; otherwise the EARC should set forth guidelines under which similar license applications can be approved administratively. The decision of the EARC is final except that the Secretaries of Defense, Commerce and State shall have the right to ask the President to reverse the EARC decision. Since the President has no authority to act under this Act after ninety (90) days from receipt of application, his decision must come by then. The President's decision is final.●

LOCAL ENTERTAINERS' DAY IN THE NATION'S CAPITAL

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. FAUNTROY. Mr. Speaker, I want to join with the District of Columbia Mayor and members of the District Council in recognizing today as Local Entertainers' Day in the Nation's Capital. We in the District of Columbia are extremely proud of our bountiful reservoir of talented entertainers and long history of providing the Nation with such valuable natural resources as Duke Ellington, Todd Duncan, Charlie Byrd and others.

Today's celebration is in tribute to the newest generation of District of Columbia talent treasure. I am pleased to cite the most recent Washington musical success: Chuck Brown and the Soul Searchers, who have earned a Gold Record, symbolizing more than a million in sales for their national hit recording "Bustin Loose." Congratulations to the Soul Searchers and all the outstanding entertainers who call Washington, D.C. home.

I submit for the RECORD a proclamation of the Mayor of the District of Columbia and a resolution of the District of Columbia Council:

PROCLAMATION

Whereas, entertainment is an important aspect of the cultural and recreational development for a community, and

Whereas, the District of Columbia has been privileged to give to the nation many artists who have made great and significant contributions to all fields in the arts, and

Whereas, this great achievement in the arts and recording industry has been recently symbolized by the record breaking achievements of such local talents as the Soul Searchers, Peaches and Herb, and others, and

Whereas, it is important and proper for the citizens of our community to recognize the superior achievements of its native sons and daughters:

Now, therefore, I, Marion Barry, Jr., Mayor of the District of Columbia, do hereby proclaim Wednesday, March 21, 1979 as "Local Entertainers' Day" in the District of Columbia and call upon all citizens to join me in extending to our city's artists the commendation and honor they richly deserve.

RESOLUTION OF THE COUNCIL OF THE DISTRICT OF COLUMBIA

Whereas, the citizens of the District of Columbia are proud of Washington's Chuck Brown and the Soul Searchers' recording of "Busting Loose" which has attained high record sales as well as Peaches & Herb, also a Washington group, who similarly have produced several recordings of high sales volume; and

Whereas, "Osiris", Ms. Marva Hicks, Ms. Ester Williams and numerous other nationally known record artists have made significant advances in the recording industry; and

Whereas, the Council of the District of Columbia finds it appropriate to honor all of its local enertainers and welcome back Chuck Brown and the Soul Searchers after a month long national tour.

Now, therefore, be it resolved by the Council of the District of Columbia, That this resolution may be cited as the "Resolution Declaring March 21, 1979, as Local Entertainers Day".

Sec. 2. March 21, 1979, is hereby declared Local Entertainers Day in honor of the many talented and successful performing artists from the District of Columbia.

Sec. 3. The Council of the District of Columbia salutes and welcomes back Chuck Brown and the Soul Searchers.

Sec. 4. This resolution shall take effect immediately upon its adoption by the Council of the District of Columbia.

THE NUCLEAR THREAT

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Ms. HOLTZMAN. Mr. Speaker, the serious threat of the nuclear arms race was described in a recent article by Rear Adm. Gene R. LaRocque, U.S. Navy, retired, in the February 1979 edition of the Churchman. Admiral LaRocque explains that even though the United States has 9,000 nuclear weapons, has a 2-to-1 edge over the Soviet Union in nuclear weapons, and has 35 strategic nuclear weapons for every Russian city with a population of over 100,000, we are less secure than ever. "In a nuclear war, each nation can destroy the other in 30 minutes," he says.

I commend this important article to my colleagues.

The text follows:

WHAT'S HAPPENING TO OUR COUNTRY?

(By Rear Adm. Gene R. La Rocque, U.S. Navy, retired)

Nuclear war is a growing threat to all humanity. World War III with nuclear weapons can, and almost certainly will happen unless all governments confront this reality.

As a career military officer, I served in our Navy for thirty-one years. I have fought in combat and held command posts at sea and on land and participated in strategic and nuclear planning. Since retiring from active duty, I have been director of a non-governmental research organization, the Center for Defense Information, a project of the Fund for Peace. We are a source of independent, objective analysis of military developments, particularly active in providing factual information about the nuclear arms race and the consequences of nuclear war.

The military profession has always sought superiority to win wars. Military men in all countries constantly seek to strengthen the defense of their countries and maintain advantages. My experience in the U.S. military has convinced me that nuclear weapons have changed the traditional rules of warfare. To use an American phrase, "it's a whole new ball game."

A recent top-level U.S. government study concluded that, at a minimum, 140 million people in the U.S. and 113 million people in the U.S.S.R. would be killed in a major nuclear war. Almost three-quarters of their economies would be destroyed. In such a conflict, the analysis concluded, "neither side could conceivably be described as a winner."

Nor would those in the rest of the world be safe. Radiation would poison vast stretches of the planet not directly involved in the war. And the threat of ozone damage and ecological disruption leaves us no assurance that the earth would remain habitable for life as we know it. Despite this, both countries constantly seek to improve their nuclear and conventional forces. Only 30% of our $128 billion military budget goes for the direct defense of the United States. The other 70% goes to provide the U.S. military forces to defend foreign countries and to project our military power abroad. Billions of "Budget Fat" could be cut from the military budget with no injury to actual defense.

Many of us are shocked and sobered by the mad nuclear scramble of the superpowers. It seems too obvious that they have diminished their own security in the nuclear competition. We all know that a balance of terror provides a precarious peace. The Soviet Union and the United States are, in part, victims of modern miliary technology. Advances in weaponry, particularly better delivery systems, have dramatically compressed time and space. Thus, military leaders believe they must maintain large forces on a close-to-war status. In a nuclear war, each nation could destroy the other in 30 minutes. Nuclear missiles launched from submarines could land within 15 minutes. There is no defense, regardless of who strikes first. The prospect of immediate mass destruction seems to compel high states of military readiness and this situation inspires mutual suspicion and rhetorical harshness.

Many people believe nuclear weapons will never be used. But as someone who has been directly involved in U.S. nuclear planning, I can state that my country has plans and forces for actually fighting nuclear war. Our military field manuals detail the use of nuclear weapons. Our troops, airmen, and navy train and practice for nuclear war. Nuclear war is an integral part of American military planning and the U.S. is prepared to use nuclear weapons anywhere in the world, right now in many contingencies.

The United States has generally taken the lead in the nuclear arms race. We have been, on the average, five years ahead of the Soviet Union in introducing new nuclear weapons. We were the first to develop the atomic bomb, the hydrogen bomb, the intercontinental bomber, effective intercontinental ballistic missiles, modern nuclear powered strategic submarines, and multiple warheads (MIRVs) for missiles. The United States continues to maintain, as President Carter recently asserted, a significant edge over the Soviet Union in the effectiveness of our strategic weapons as measured by such factors as missile accuracy and numbers of nuclear weapons.

In recent years the U.S. has added more nuclear weapons to its arsenal than the Soviet Union, going from 4,000 strategic nuclear weapons in 1970 to 9,000 in 1978. During this same period, the Soviet Union increased from 1,800 to 4,500 strategic nuclear weapons. The U.S. has maintained a two-to-one edge in deliverable nuclear weapons throughout the period 1970 to 1978.

The discrepancy in numbers, however, makes no difference as each country can obliterate the entire urban and industrial complex of the other regardless of who strikes first. The United States has 35 strategic nuclear weapons for every Soviet city over 100,000. The Soviet Union has 28 strategic weapons for every U.S. city over 100,000.

The public must force its political leaders to take control of events and not permit the military and its technology to control them. If we are to survive on this planet the arms race must be slowed, stopped and reversed, now. We welcome your comments.●

FOR THE COMMON DEFENSE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Mr. SKELTON. Mr. Speaker, recently I had the opportunity to read the biennial report of the late Gen. George C. Marshall, Army Chief of Staff, to the Secretary of War, dated September 1945. This report points out the continuing need for universal military training, military preparedness, and the role of the citizen-soldier. Although this report is dated 1945, much of what General Marshall states is applicable today.

I have condensed this report and submit it to the Members of Congress for their study. The 1945 biennial report is set forth as follows:

FOR THE COMMON CAUSE

To fulfill its responsibility for protecting this Nation against foreign enemies, the Army must project its planning beyond the immediate future. In this connection I feel that I have a duty, a responsibility, to present publicy at this time my conception, from a military point of view, of what is required to prevent another international catastrophe.

For years men have been concerned with individual security. Modern nations have given considerable study and effort to the establishment of social security systems for those unable or unwise enough to provide for themselves. But effective insurance against the disasters which have slaughtered millions of people and leveled their homes is long overdue. . . . The technique of war has brought the United States, its homes and factories into the front line of world conflict. They escaped destructive bombardment in the second World War. They would not in a third.

It no longer appears practical to continue what we once conceived as hemispheric defense as a satisfactory basis for our security. We are now concerned with the peace of the entire world. And the peace can only be maintained by the strong.

What then must we do to remain strong and still not bankrupt ourselves on military expenditures to maintain a prohibitively expensive professional army even if one could be recruited? President Washington answered that question in recommendations to the first Congress to convene under the United States Constitution. He proposed a program for the peacetime training of a citizen army. At that time the conception of a large professional Regular Army was considered dangerous to the liberties of the Nation. It is still so today. But the determining factor in solving this problem will inevitably be the relation between the maintenance of military power and the cost in annual appropriations. No system, even if actually adopted in the near future, can survive the political pressure to reduce the military budget if the costs are high—and professional armies are very costly.

There is now another disadvantage to a large professional standing army. Wars in the twentieth century are fought with the total resources, economic, scientific, and human of entire nations. Every specialized field of human knowledge is employed. Modern war requires the skills and knowledge of the individuals of a nation.

Obviously we cannot all put on uniforms and stand ready to repel invasion. The greatest energy in peace-time of any successful nation must be devoted to productive and gainful labor. But all Americans can, in the next generations, prepare themselves to serve their country in maintaining the peace or against the tragic hour when peace is broken, if such a misfortune again overtakes us. This is what is meant by Universal Military Training. It is not universal military service—the actual induction of men into the combatant forces. Such forces would be composed during peacetime of volunteers. The trainees would be in separate organizations maintained for training purposes only. Once trained, young men would be freed from further connection with the Army unless they chose, as they now may, to enroll in the National Guard or an organized reserve unit, or to volunteer for service in the small professional army. When the Nation is in jeopardy they could be called, just as men are now called, by a committee of local neighbors, in an order of priority and under such conditions as directed at that time by the Congress. * * * Earlier in this report I explained how we had allocated manpower to exploit American technology. * * *

However, technology does not eliminate the need for men in war. * * *

The effective technology on the military structure is identical to its effect on the national economy. Just as the automobile replaced the horse and made work for millions of Americans, the atomic explosives will require the services of millions of men if we are compelled to employ them in fighting our battles.

This war has made it clear that the security of the Nation, when challenged by an armed enemy, requires the services of virtually all able-bodied male citizens within the effective military age group.

In war the Nation cannot depend on the numbers of men willing to volunteer for active service; nor can our security in peace.

In another national emergency, the existence of a substantial portion of the Nation's young manpower already trained or in process of training, would make it possible to fill out immediately the peacetime ranks of the Navy, the Regular Army, the National Guard, and the Organized Reserve. As a result our Armed Forces would be ready for almost immediate deployment to counter initial hostile moves, ready to prevent an enemy from gaining footholds from which he could launch destructive attacks against our industries and our homes. By this method we would establish, for the generations to come, a national military policy: (1) which is entirely within the financial capabilities of our peacetime economy and is absolutely democratic in its nature, and (2) which places the military world and therefore the political world on notice that this vast power, linked to our tremendous resources, wealth, and production, is immediately available. There can be no question that all the nations of the world will respect our views accordingly, creating at least a probability of peace on earth and of good will among men rather than disaster upon disaster in a tormented world where the very processes of civilization itself are constantly threatened.

The decision in this matter is so grave in consequences that it demands complete frankness on my part. Therefore I must say that many of the objections which have been made to Universal Military Training appear to be influenced by ulterior motives, or to ignore completely the tragedies of the past and present which we are seeking to avoid for the future. They often seem to give undue importance to restrictions on our freedom of life, trivial in comparison with the awful tragedies we are seeking to avoid and the great blessings we hope to secure for succeeding generations.

The Regular Army must be comprised largely of a strategic force, heavy in air power, partially deployed in the Pacific and the Caribbean ready to protect the Nation against a sudden hostile thrust and immediately available for emergency action wherever required. It is obvious that another war would start with a lightning attack to take us unaware. The pace of the attack would be at supersonic speeds of rocket weapons closely followed by a striking force which would seek to exploit the initial and critical advantage. We must be sufficiently prepared against such a threat to hold the enemy at a distance until we can rapidly mobilize our strength. The Regular Army, and the National Guard, must be prepared to meet such a crisis.

Another mission of the Regular Army is to provide the security garrisons for the outlying bases . . .

The third mission of the permanent Army is to furnish the overhead, the higher headquarters which must keep the machine and the plans up to date for whatever national emergency we may face in the future. This overhead includes the War Department, the War College, the service schools, and the headquarters of the military areas into which continental United States is subdivided to facilitate decentralized command and coordination of the peacetime military machine. This was about all we had on the eve of this war, planners and a small number of men who had little to handle in practice but sound ideas on how to employ the wartime hosts that would be gathered in the storm. Had it not been for the time the British Empire and the Soviets bought us, those plans and ideas would have been of little use.

The fourth and probably the most important mission of the Regular Army is to provide the knowledge the expert personnel, and the installations for training the citizen-soldier upon whom, in my view, the future peace of the world largely depends.

Of the citizen-Army, the National Guard is in the first category of importance. It must be healthy and strong, ready to take its place in the first line of defense in the first weeks of an emergency, and not dependent upon a year or more of training before it can be conditioned to take the field against a trained enemy. It is not feasible under the conditions of peace for the National Guard within itself to provide the basic, the fundamental training which is an imperative requirement for its mission. Therefore, in my opinion, based on a long and intimate experience with the Guard from 1907 until 1941, the essential requirement for such a system under modern conditions is Universal Military Training from which to draw the volunteers for the ranks of the Guard. Without such a firm foundation, I am clearly of the opinion that a sufficiently dependable force for our postwar needs cannot be maintained.

The second important component of the Citizen Army is the Organized Reserve through which full mobilization of the Nation's resources to war footing is accomplished. . . .

Only by universal military training can full vigor and life be instilled into the Reserve system. It creates a pool of well-trained men and officers from which the National Guard and the Organized Reserve can draw volunteers; it provides opportunities for the Guard and Reserve units to participate in corps and Army maneuvers, which are vital preparations to success in military campaigns. Without these trained men and officers, without such opportunities to develop skill through actual practice in realistic maneuvers, neither the Regular Army, the National Guard, or the Reserve can hope to bring high efficiency to their vital missions.

Though ROTC graduates composed 12 percent of the war officers, its most important contribution was the immediate availability of its product. Just what we could have done in the first phases of our mobilization and training without these men I do not know. I do know that our plans would have had to be greatly curtailed and the cessation of hostilities on the European front would have been delayed accordingly. We must enlarge and strengthen the system. It must be established on a higher level, comparable to the academic levels of college education in which the young men of the ROTC are engaged. All this is made easily possible if the student has participated in universal military training, and at the same time the length of the course can be shortened by 1 year. He would enter the ROTC as far advanced as his predecessors were after 2½ years of the original 3-years' course. He would have completed his elementary training—the military equivalent of his grammar school and high school courses—and would be prepared for college work, that is for training as an officer, a prospective leader of men. The product of such an ROTC would provide the National Guard and the Organized Reserve with an officer corps of exceptional character.

An unbroken period of 1 year's training appears essential to the success of a sound security plan based on the concept of a citizen army.

It is possible to train individual soldiers as replacements for veteran divisions and air groups as we now do in a comparatively short period of time. The training of the unit itself cannot be accomplished at best in less than a year; air units require even more time. The principle is identical to that of coaching a football team. A halfback can learn quickly how to run with the ball, but it takes time and much practice and long hours of team scrimmage before he is proficient at carrying the ball through an opposing team, utilizing the aid of the ten other men on the team. So it is with an army division or combat air group. Men learn to fire a rifle or machine gun quickly, but it takes long hours of scrimmage, which the army calls maneuver, before the firing of the rifle is coordinated with the activities of more than 14,000 other men on the team.

All men who might someday have to fight for their Nation must have this team training. . . .

The training program would be according to the standards which have made the American soldier in this war the equal of the finest fighting men. It would be kept abreast of technical developments and the resulting modifications of tactics.

Throughout the training a strenuous program of instruction would have to be followed, but it would not be possible in peace to carry on the work under the tremendous pressure we now follow in wartime. Athletics, recreational opportunities, short weekends, and other vacational opportunities such as at Christmas time, would, of course, be necessary. However, if the Government is to be justified in the expenditure of the funds involved, a vigorous schedule should be enforced; otherwise we would produce a half-baked product which would fail to command the respectful attention of the nations of the world, and therefore negate the primary purpose of the entire system. . . .

To those who consider the introduction of a system of universal military training an imposition on democracy, I would reply that in my opinion it would be the most democratic expression of our national life. Whatever my limitations may be in judging this matter, I submit the evidence of the proposal of our first President.

Washington's program provided for universal training of all men arriving at the age of 17. The citizen-militia was to be divided into three classes, men from 17 to 21, known as the advance corps, men 21 to 46, known as the main corps, and men from 46 to 61, known as the reserve corps. All of the peacetime training would have been concentrated in the advance corps, but eventually all members of main and reserve corps would have been graduates of the training program. The militia bill was first introduced in the Third Session of the First Congress. It was considered in the House on 5 March 1792, and as finally enacted contained no element of any of Washington's recommendations. It was so emasculated when finally adopted that the representative who introduced the bill himself voted against its passage.

It appears probable that had the bill been approved by Congress, the United States might have avoided much of the war making that has filled its brief history. The impressment of American seamen would not have been regarded as a harmless pastime in the early 1800's, nor would the Kaiser have been so easily disposed to avenge the death of the Archduke Franz Ferdinand in 1914 with a world war, nor Adolf Hitler have been quite so quick to break the peace, if over these years the United States had been recognized by the war mongers as a Nation immediately to be reckoned with.

The peacetime army must not only be prepared for immediate mobilization of an effective war army, but it must have in reserve the weapons needed for the first months of the fighting and clear-cut plans for immediately producing the tremendous additional quantities of matériel necessary in total war. . . .

The necessity for continuous research into the military ramifications of man's scientific advance is now clear to all and it should not be too difficult to obtain the necessary appropriations for this purpose during peacetime. There is, however, always much reluctance to expenditure of funds for improvement of war-making instruments, particularly where there is no peacetime usefulness in the product . . .

Since many vital types of weapons have no commercial counterpart, the peacetime development of these weapons has been grossly neglected. Antiaircraft weapons are a good example. The highly efficient antiaircraft of today did not materialize until long after the fighting began. The consequent cost in time, life, and money of this failure to spend the necessary sums on such activity in peacetime has been appalling.

There is another phase of scientific research which I think has been somewhat ignored—the development of expeditious methods for the mass production of war matériel. This is of great importance since it determines how quickly we can mobilize our resources if war comes and how large and costly our reserve stocks of war matériel must be. Serious thought and planning along this line can save millions of tax dollars.

We can be certain that the next war, if there is one, will be even more total than this one. The nature of war is such that once it now begins it can end only as this one is ending, in the destruction of the vanquished, and it should be assumed that another reconversion from peace to war production will take place initially under enemy distant bombardment. Industrial mobilization plans must be founded on these assumptions and so organized that they will meet them and any other situation that may develop. Yet they must in no way retard or inhibit the course of peacetime production.

If this Nation is to remain great it must bear in mind now and in the future that war is not the choice of those who wish passionately for peace. It is the choice of those who are willing to resort to violence for political advantage. We can fortify ourselves against disaster, I am convinced, by the measures I have here outlined. In these protections we can face the future with a reasonable hope for the best and with quiet assurance that even though the worst may come, we are prepared for it.

As President Washington said in his message to Congress of 3 December 1793:

"I cannot recommend to your notice measures for the fulfillment of our duties to the rest of the world, without again pressing upon you the necessity of placing ourselves in a position of complete defense, and of exacting from them the fulfillment of the duties towards us. The United States ought not to indulge a persuasion, that contrary to the order of human efforts, they will forever keep at a distance those painful appeals to arms, with which the history of every other nation abounds. There is a rank due to the United States among nations, which will be withheld, if not absolutely lost, by the reputation of weakness—if we desire to avoid insult we must be ready to repel it; if we desire to secure peace, one of the most powerful instruments of our rising prosperity, it must be known that we are at all times ready for war."●

THE 61ST ANNIVERSARY OF BYELORUSSIAN INDEPENDENCE

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 21, 1979

● Ms. OAKAR. Mr. Speaker, on March 25, Byelorussians around the world will commemorate the 61st anniversary of Byelorussian Independence Day. On March 25, 1918, the Republic of Byelorussia was created in the hope of giving the Byelorussian people a government based on free elections and the right of self-determination. Regrettably, this Byelorussian Republic was unable to resist the superior military force and unwarranted aggression by the Soviet Union and so became an occupied country, subject to the dictatorial will of Moscow. But today, 61 years after the creation of a Byelorussian Republic, the indomitable political and spiritual courage of the Byelorussian people lives on in their struggle to regain their precious right of self-determination lost to them in Soviet domination and repression.

I am happy to join with all Americans of Byelorussian descent in celebrating the 61st anniversary of the establishment of the Byelorussian Republic on March 25, 1918. I also reaffirm my support of the cause of the Byelorussian people to reclaim their rightful privilege of self-government, based on the principles of political freedom, equality, and justice.

In recognition of the democratic heritage, distinctive cultural identity, and national heroism of the Byelorussian people, I join with Byelorussian-Americans everywhere in observing their 61st anniversary of independence.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in the meetings as they occur.

An interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 22, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 23

9:00 a.m.

Commerce, Science, and Transportation

To hold hearings on a proposed joint government/industry program of advanced automotive technology development.

235 Russell Building

9:30 a.m.

Environment and Public Works

Resource Protection Subcommittee

To continue hearings on proposed legislation authorizing funds for programs of the Resource Conservation Recovery Act of 1976 (P.L. 94-580).

4200 Dirksen Building

Finance

To continue markup on S. 505, to control increases in hospital revenues (Hospital Cost Containment), and S. 570, to establish a system of stand-by percentage limits on allowable rates of increases in hospital revenues.

2221 Dirksen Building

Judiciary

Antitrust, Monopoly and Business Rights Subcommittee

To hold hearings on S. 600, to preserve the diversity and independence of American business.

6226 Dirksen Building

9:45 a.m.

Banking, Housing, and Urban Affairs

Economic Stabilization Subcommittee

To continue oversight hearings on the administration's anti-inflation program, and to review the nature and causes of inflation.

5302 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Environmental Protection Agency, and the Consumer Information Center.

1318 Dirksen Building

Appropriations

Military Construction Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for military construction programs.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1114 Dirksen Building

Energy and Natural Resources

Energy Research and Development Subcommittee

To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.

3110 Dirksen Building

Foreign Relations

To resume hearings on proposed fiscal year 1980 authorizations for foreign assistance programs.

4221 Dirksen Building

Governmental Affairs

Federal Spending Practices and Open Government Subcommittee

To hold hearings on S. 5, proposed Federal Acquisition Reform Act.

3302 Dirksen Building

MARCH 26

9:30 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold oversight hearings on the competitive situation in the retail gasoline market.

3110 Dirksen Building

Judiciary

To hold hearings on proposed authorizations for fiscal year 1980 for the Antitrust Division, Department of Justice.

2228 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on preclinical and clinical drug testing by the pharmaceutical industry.

4232 Dirksen Building

10:00 a.m.

Armed Services

Arms Control Subcommittee

To hold closed hearings on proposed authorizations for fiscal year 1980 for defense waste management and naval reactor development programs of the Department of Energy.

212 Russell Building

Banking, Housing, and Urban Affairs

To resume hearings on S. 85, to strengthen the ability of the Federal Reserve Board to conduct monetary policy, promote greater competitive equality, enhance the safety and soundness of the banking system, and improve the efficiency of the Federal Reserve payments system.

5302 Dirksen Building

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold hearings to examine strategic petroleum reserve regional storage.

3302 Dirksen Building

11:30 a.m.

Armed Services

Arms Control Subcommittee

To hold closed hearings on the national defense implications of the world energy situation, and proposed authorizations for fiscal year 1980 for national defense programs of the Department of Energy.

212 Russell Building

3:00 p.m.

Armed Services

Arms Control Subcommittee

To continue closed hearings on proposed authorizations for fiscal year 1980 for national defense programs of the Department of Energy.

212 Russell Building

4:30 p.m.
Armed Services
Arms Control Subcommittee
To continue closed hearings on proposed authorizations for fiscal year 1980 for national defense programs of the Department of Energy.
212 Russell Building

MARCH 27

9:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on the activities of the National Highway Traffic Safety Administration and on proposed legislation authorizing funds for fiscal year 1980 for the National Traffic and Motor Vehicle Safety Act (P.L. 89–563), and the Motor Vehicle Information and Cost Savings Act (P.L. 92–513).
5110 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

9:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To hold hearings on proposed authorizations for fiscal year 1980 for the Nuclear Regulatory Commission.
4200 Dirksen Building

Labor and Human Resources
To hold hearings on S. 420, to strengthen State workers' compensation programs.
4232 Dirksen Building

Labor and Human Resources
Child and Human Development
To mark up S. 239, authorizing funds for programs administered by Domestic Volunteer Service Act (ACTION).
6226 Dirksen Building

Judiciary
To mark up S. 373, proposed Court-Annexed Arbitration Act.
2228 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Environment, Soil Conservation, and Forestry
To hold hearings on the President's intention to reorganize the natural resource functions of the Government.
Room to be announced.

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Indian Affairs.
1224 Dirksen Building

Appropriations
Labor-HEW Subcommittee
To hold hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S–128, Capitol

Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for military construction programs.
S–126, Capitol

Banking, Housing, and Urban Affairs
To continue hearings on S. 85, to strengthen the ability of the Federal Reserve Board to conduct monetary policy, promote greater competitive equality, enhance the safety and soundness of the banking system, and improve the efficiency of the Federal Reserve payments system.
5302 Dirksen Building

Finance
To hold hearings on S. 350 and S. 351, to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

Foreign Relations
To hold an open business meeting.
4221 Dirksen Building

Judiciary
To hold joint hearings with the House Committee on Post Office and Civil Service's Subcommittee on Census and Population on S. 25, to designate the birthday of Martin Luther King, Jr., a legal public holiday.
2228 Dirksen Building

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To contiuue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S–128, Capitol

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To receive testimony from Members of Congress on proposed budget estimates for FY 1980 for the Departments of State, Justice, Commerce, and the Judiciary.
S–146, Capitol

Energy and Natural Resources
To hold hearings to investigate circumstances surrounding SOHIO's decision to build a crude oil pipeline from Longbeach, California to Midland, Texas.
3110 Dirksen Building

Judiciary
Constitutional Subcommittee
To hold hearings on S.J. Res. 28, to provide for the direct popular election of the President and Vice President of the United States.
235 Russell Building

MARCH 28

9:00 a.m.
Commerce, Science and Transportation
Consumer Subcommittee
To continue oversight hearings on the activities of the National Highway Traffic Safety Administration and on proposed legislation authorizing funds for fiscal year 1980 for the National Traffic and Motor Vehicle Safety Act (P.L. 89–563), and the Motor Vehicle Information and Cost Savings Act (P.L. 92–513).
5110 Dirksen Building

Human Resources
Health and Scientific Research Subcommittee
To hold hearings on proposed legislation on biomedical research programs.
Room to be announced

Special on Aging
To hold an open business meeting.
S–126, Capitol

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the trucking industry economic regulation by the Federal Government.
235 Russell Building

Environment and Public Works
Environmental Pollution Subcommittee
To hold joint oversight hearings with the Subcommittee on Resource Protection on the effects of hazardous wastes and toxic chemicals in the environment.
4200 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To hold point oversight hearings with the Subcommittee on Environmental Pollution on the effects of hazardous wastes and toxic chemicals in the environment.
4200 Dirksen Building

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the Criminal Division and the Executive Office for U.S. Attorneys, both of the Department of Justice.
2228 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 10, authorizing the Department of Justice to initiate suit to enforce constitutional rights to institutionalized persons.
1114 Dirksen Building

Labor and Human Resources
To continue hearings on S. 420, to strengthen State workers' compensation programs.
4332 Dirksen Building

Labor and Human Resources
Education, Arts, and the Humanities Subcommittee
To resume hearings to explore the areas of basic learning skills used in elementary and secondary schools.
457 Russell Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 85, to strengthen the ability of the Federal Reserve Board to conduct monetary policy, promote greater competitive equality, enhance the safety and soundness of the banking system, and improve the efficiency of the Federal Reserve payments system.
5302 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Finance
To continue hearings on S. 350 and S. 351, to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

10:30 a.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S–128, Capitol

2:00 p.m.
Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S–128, Capitol

MARCH 29

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices
To resume hearings on S. 399, S. 644, S. 646, and S. 647, to revise the Federal Crop Insurance Program.
324 Russell Building

9:30 a.m.

Judiciary

To hold hearings on proposed authorizations for fiscal year 1980 for the Immigration and Naturalization Service, Department of Justice.

2228 Dirksen Building

Judiciary

Constitution Subcommittee

To continue hearings on S. 10, authorizing the Department of Justice to initiate suit to enforce constitutional rights to institutionalized persons.

1202 Dirksen Building

Veterans' Affairs

To hold hearings to receive legislative recommendations for FY 1980 from AMVETS, Paralyzed Veterans of America, Veterans of World War I, blinded veterans, and Purple Heart.

6226 Dirksen Building

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for ACTION—International Program.

1114 Dirksen Building

Appropriations

HUD-Independent Agencies Subcommittee

To resume hearings on proposed budget estimates for FY 1980 for the National Aeronautics and Space Administration.

1224 Dirksen Building

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for FY 1980 for the National Endowment for the Humanities.

1224 Dirksen Building

Commerce, Science, and Transportation

To hold joint hearings with the Energy and Natural Resources Subcommittee on Energy Resources and Materials Production on S. 493, proposed Deep Seabed Mineral Resources Act.

3110 Dirksen Building

Energy and Natural Resources

Energy Resources and Materials Production Subcommittee

To hold joint hearings with the Committee on Commerce, Science, and Transportation on S. 493, proposed Deep Seabed Mineral Resources Act.

3110 Dirksen Building

Environment and Public Works

Environmental Pollution Subcommittee

To continue joint oversight hearings with the Subcommittee on Resource Protection on the effects of hazardous wastes and toxic chemicals in the environment.

4200 Dirksen Building

Environment and Public Works

Resource Protection Subcommittee

To continue joint oversight hearings with the Subcommittee on Environmental Pollution on the effects of hazardous wastes and toxic chemicals in the environment.

4200 Dirksen Building

10:30 a.m.

Appropriations

Labor-HEW Subcommittee

To continue hearings on proposed budget estimates for FY 1980 for the Departments of Labor and HEW.

S-128, Capitol

2:00 p.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

S-146, Capitol

Energy and Natural Resources

Parks and Recreation, and Renewable Resources Subcommittee

To hold oversight hearings on the National Park Service's concession policy.

3110 Dirksen Building

Judiciary

To hold hearings on the nominations of David O. Belew, Jr. of Texas, to be U.S. District Judge for the Northern District of Texas; Robert M. Parker, of Texas, to be U.S. District Judge for the Eastern District of Texas; Mary Lou Robinson, of Texas, to be U.S. District Judge for the Northern District of Texas; Harold B. Sanders, Jr., of Texas, to be U.S. District Judge for the Northern District of Texas.

2228 Dirksen Building

MARCH 30

9:00 a.m.

Judiciary

Constitution Subcommittee

To resume hearings on S.J. Res. 28, to provide for the direct popular election of the President and Vice President of the United States.

457 Russell Building

9:30 a.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.

3110 Dirksen Building

Governmental Affairs

To hold hearings on S. 333, proposed Omnibus Antiterrorism Act.

3302 Dirksen Building

Judiciary

Antitrust, Monopoly and Business Rights Subcommittee

To resume hearings on S. 600, to preserve the diversity and independence of American business.

6226 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the National Aeronautics and Space Administration.

1318 Dirksen Building

APRIL 2

9:30 a.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.

3110 Dirksen Building

Human Resources

To resume hearings on S. 420, to strengthen State workers' compensation programs.

4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on the substance of S. Res. 87, expressing the sense of the Senate with respect to the allocation of necessary energy sources to the travel and tourism industry.

1318 Dirksen Building

10:30 a.m.

Commerce, Science, and Transportation

To hold hearings on proposed legislation to authorize funds through fiscal year 1985 for the Fishery Conservation Management Act (P.L. 94-265), and the Anadromous Fish Conservation Act (P.L. 93-362).

235 Russell Building

1:00 p.m.

Environment and Public Works

Nuclear Regulation Subcommittee

To resume hearings on proposed authorizations for fiscal year 1980 for the Nuclear Regulatory Commission.

4200 Dirksen Building

APRIL 3

9:00 a.m.

Environment and Public Works

Resource Protection Subcommittee

To hold hearings on proposed authorizations for fiscal year 1980 for the Endangered Species Act (P.L. 93-205).

5110 Dirksen Building

9:30 a.m.

Labor and Human Resources

To continue hearings on S. 420, to strengthen State workers' compensation programs.

4232 Dirksen Building

10:00 a.m.

Appropriations

Foreign Operations Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for programs administered by the Department of State.

4232 Dirksen Building

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for FY 1980 for the Office of the Secretary and the Office of the Solicitor.

1224 Dirksen Building

Energy and Natural Resources

Energy Conservation and Supply Subcommittee

To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.

3110 Dirksen Building

2:00 p.m.

Energy and Natural Resources

Parks, Recreation, and Renewable Resources Subcommittee

To resume oversight hearings on the National Parks Service's concession policy.

3110 Dirksen Building

APRIL 4

10:00 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings on the nomination of James M. Stone, of Massachusetts, to be a Member and Chairman of the Commodity Futures Trading Commission.

324 Russell Building

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation.

1318 Dirksen Building

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

International Finance Subcommittee

To hold hearings on the implications of the proposed multilateral trade agreements for U.S. exports.

5302 Dirksen Building

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on S. 640, authorizing funds for fiscal year 1980 for certain maritime programs of the Department of Commerce.

235 Russell Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To continue hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

APRIL 5

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the activities of air freight transportation industry and to evaluate the impact of recent air cargo deregulation.
235 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for ficsal year 1980 for foreign assistance programs.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation, and the Office of Science and Technology policy.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
318 Russell Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on the implications of the proposed multilateral trade agreements for U.S. exports.
5302 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on roles of women in health and science.
4232 Dirksen Building

Veterans' Affairs
To hold hearings on the nomination of Allan L. Reynolds, of Virginia, to be Inspector General, Veterans' Administration.
5110 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
318 Russell Building

APRIL 6

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To mark up 357, proposed budget estimates for fiscal year 1980, S. 354 and proposed supplemental appropriations for fiscal year 1979, both for NASA.
235 Russell Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To continue hearings on roles of women in health and science.
4232 Dirksen Building

11:00 a.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

APRIL 9

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 663, to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
457 Russell Building

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To mark up S. 440, proposed Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act, and S. 525, proposed Drug Abuse Prevention, Treatment, and Rehabilitation Act.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To resume joint hearings with the Energy and Natural Resources Subcommittee on Energy Resources and Materials Production on S. 493, proposed Deep Seabed Mineral Resources Act.
3110 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To resume joint hearings with the Committee on Commerce, Science, and Transportation on S. 493, proposed Deep Seabed Mineral Resources Act.
3110 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold hearings on proposed authorizations for fiscal year 1980 for the U.S. Coast Guard, Department of Transportation.
235 Russell Building

APRIL 10

9:00 a.m.
Veterans' Affairs
To hold hearings on proposed legislation extending certain veterans' health benefits programs through FY 1980.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Fish and Wildlife Service.
1223 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
Room to be announced

Finance
To mark up S. 350 and S. 351, to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

APRIL 11

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 663, to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
457 Russell Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Federal Emergency Management Administration.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on S. Res. 59, proposed Small Savers Equity Resolution.
5302 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To continue hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Finance
To continue markup on S. 350 and S. 351, to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

APRIL 12

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Treasury.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Mines.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. Res. 59, proposed Small Savers Equity Resolution.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation to implement railroad deregulation.
235 Russell Building

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To resume oversight hearings on the National Park Service's concession policy.
3110 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

APRIL 24

8:00 a.m.

Appropriations

District of Columbia Subcommittee

To receive a briefing on proposed budget estimates for fiscal year 1980 for the Government of the District of Columbia.

S-126, Capitol

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Land Management.

1223 Dirksen Building

APRIL 25

8:00 a.m.

Appropriations

District of Columbia Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for governmental direction and support services for the Government of the District of Columbia.

S-126, Capitol

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold oversight hearings on the Civil Aeronautics Board plan to implement the Airline Deregulation Act (P.L. 95-504).

235 Russell Building

Human Resources

To hold oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.

4232 Dirksen Building

Veterans' Affairs

To mark up S. 330, to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts, and on proposed legislation extending certain veterans' health benefits programs through FY-1980.

412 Russell Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for FY 1980 for the Department of the Interior, to hear congressional witnesses.

1223 Dirksen Building

Banking, Housing, and Urban Affairs

Economic Stabilization Subcommittee

To resume oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.

5302 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To resume hearings on preclinical and clinical drug testing by the pharmaceutical industry.

154 Russell Building

APRIL 26

8:00 a.m.

Appropriations

District of Columbia Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for governmental direction and support services for the Government of the District of Columbia.

S-126, Capitol

9:30 a.m.

Human Resources

To continue oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.

423 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development.

1318 Dirksen Building

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for FY 1980 for the Office of Surface Mining Reclamation and Enforcement, Office of Water Research and Technology.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

Economic Stabilization Subcommittee

To continue oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.

5302 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on proposed legislation to implement the mental health policy program.

154 Russell Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

APRIL 27

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.

1318 Dirksen Building

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation

1224 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To continue hearings on proposed legislation to implement the mental health policy program.

4232 Dirksen Building

APRIL 30

9:30 a.m.

Labor and Human Resources

Handicapped Subcommittee

To hold oversight hearings on the implications of the Randolph-Sheppard Act Amendments of 1974.

4232 Dirksen Building

MAY 1

8:00 a.m.

Appropriations

District of Columbia Subcommittee

To hold hearings on Proposed budget estimates for fiscal year 1980 for public safety services and educational services for tht government of the District of Columbia.

1114 Dirksen Building

9:30 a.m.

Human Resources

Child and Human Development Subcommittee

To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).

4232 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the National Park Service.

1223 Dirksen Building

MAY 2

8:00 a.m.

Appropriations

District of Columbia Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for judicial services, and transportation services and assistance for the Government of the District of Columbia.

1114 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.

1318 Dirksen Building

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Smithsonian Institution.

1223 Dirksen Building

MAY 3

8:00 a.m.

Appropriations

District of Columbia Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for human support services for the Government of the District of Columbia.

1114 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for HUD.

1318 Dirksen Building

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

MAY 7

10:00 a.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 8

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for economic development and regulation services for the Government of the District of Columbia.
1114 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

MAY 9

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Temporary Commission on Financial Oversight of the Government of the District of Columbia.
1114 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

MAY 10

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, March 22, 1979*

The House met at 11 a.m.

The Reverend Russell Wojtenko, St. Cyril of Turau Cathedral, Byelorussian Autocephalous Orthodox Church, Brooklyn, N.Y., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Spirit.

Almighty Father, Thou art our Creator, Teacher, and Judge. We beseech Thee, free us of all human weakness and guide us in every step of our life on the rightful path.

Eternal God, bless our President and Congress, strengthen their minds with wisdom, fortify their hearts with love, and their deeds with courage.

Merciful God, we pray to Thee on this 61st anniversary of the proclamation of the Byelorussian Democratic Republic bless the American and Byelorussian peoples in their striving to promote human and national rights and the brotherhood of man. Bless Byelorussia and her people in their sufferings and their struggle against godless communism, lead them from oppression, and endow them with the freedom and dignity befitting all Thy children. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE REVEREND RUSSELL WOJTENKO

(Mr. ADDABBO asked and was given permission to address the House for 1 minute.)

Mr. ADDABBO. Mr. Speaker, the prayer was offered by Reverend Wojtenko who is pastor of the St. Cyril of Turau Church of Brooklyn. This Byelorussian-American community church this year celebrates the 61st anniversary of the Proclamation of Independence issued in 1918 in Miensk.

Reverend Wojtenko is a third generation priest and prior to his ordination served as a captain in the U.S. Army, serving with valor in Vietnam.

Over the years this occasion has always been noted by the Congress with a prayer not only for a free America but for a renewal of freedom for the Byelorussian people.

I am sure that you join with me in welcoming Reverend Wojtenko to this Chamber today and that you share with me our desire that these people may someday again be free to worship as they please.

THE LATE HONORABLE SAMUEL N. FRIEDEL

(Mr. LONG of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LONG of Maryland. Mr. Speaker, it is my somber duty to advise the House of the death yesterday, March 21, of former Representative Samuel N. Friedel, who served nine terms from 1953 to 1971—as Congressman from Maryland's Seventh District.

Sam Friedel was a genuinely nice man—friendly and well liked. He came to Congress from the grassroots—the Baltimore City Council, the Maryland House of Delegates, Baltimore's political clubs and associations—and he stayed in touch with the grassroots of political life throughout his 18 years of congressional service.

He built a record as a concerned but commonsense liberal, a civil rights supporter, a booster of Maryland, and as an able advocate for those he represented.

Sam lived to reach 80 years of age—and had a rich, full life. We shall miss him, but shall be warmed by the memory of his friendship and concern for others.

My sympathy and my wife, Susie's are extended to his widow, Regina, and his sister, Gertrude Justman, in their loss.

Services for Sam Friedel will be held at 9 a.m. Friday, March 23, at the Sol Levinson funeral establishment, 6010 Reisterstown Road, Baltimore. The family will receive callers at the Levinson Home from 3 to 5 p.m. today and 7 to 9 p.m. this evening. Interment will be immediately following Friday's services, at the Hebrew Friendship Cemetery, 3600 East Baltimore Street, Baltimore.

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield?

Mr. LONG of Maryland. I yield to my colleague, the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, I, too, want to express my regrets at the passing of one of our former colleagues. I knew Mr. Friedel for a long period of time.

□ 1105

He was most able in terms of service to the people and he won, as many of the Members know, the title of being the Members' Member in this House because of the tremendous service that he gave to the Members of the House of Representatives.

I am certain that the Maryland delegation will have a special order later on but I wanted to take this moment to express my regret at his passing.

I thank the gentleman for yielding.

Mr. LONG of Maryland. I thank the gentleman from Maryland. I think those remarks are particularly appropriate since Mr. MITCHELL now occupies the seat that was held for 18 years by Congressman Friedel.

PROBLEM OF EXPORTS ABROAD

(Mr. SKELTON asked and was given permission to address the House for 1 minute.)

Mr. SKELTON. Mr. Speaker, the

headlines in yesterday's newspaper which stated that the 1978 trade deficits were the highest in history were certainly alarming and disturbing.

I think that a major answer if not the major answer to this problem is the increase in our American exports abroad.

Our greatest export asset, of course, is in the area of agriculture. The outlook for the future for our agricultural exports and export expansion is good. However, I might say that foreign competition is keen.

We have passed in this Congress, Mr. Speaker, a number of measures which are designed to help our export trade tremendously.

I think that we have on the books today most of the legislation that is necessary to help our expanding and necessarily needed export trade. However, I question seriously if we are taking full advantage of the trade that we have. We must do that in the days ahead.

Other countries, by necessity, have had to give strong emphasis to exports. We have been very fortunate through the years in not having to fully depend on sales abroad. However, with the huge balance of trade deficit, we find ourselves in dire need to strongly expand our exports abroad. The USDA was given authority to establish 25 foreign trade offices last year—but only 6 were established. This is somewhat disappointing.

We need to push our agricultural exports; we need to realize that this area of activity could help with the trade deficit, help shore up the dollar, and help our economic position here and abroad.

In other words, in our work with exports, it should be "full speed ahead."

□ 1110

RESIGNATION OF JAY SOLOMON AS ADMINISTRATOR OF GSA

(Mr. BROOKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOKS. Mr. Speaker, it is with deep regret that I have learned of Jay Solomon's intention to resign as Administrator of General Services at the end of this month. We have too few people of his caliber as it is, who are willing to enter public service, and his experience in the bureaucratic back alleys of Washington will not make it easier to attract others.

It is particularly regrettable that he is leaving when the job he started at the General Services Administration is still unfinished. In his 2 years as Administrator, he made great strides toward bringing this important agency up to an acceptable level of operations. But there was much more he wanted to do, and I hope whoever succeeds him will apply the same effort, and show the same integrity that he did, in seeing that it gets done.

As chairman of the Government Operations Committee, which works closely with the GSA on many matters, I developed a great respect for Jay Solomon during those 2 years, and a warm regard for him as a person. I wish him luck in whatever field he chooses to apply his considerable talents in the future.

PROPOSED INVESTIGATION INTO VALIDITY OF CHARGES OF BRIBERY AND CORRUPTION IN SOUTH AFRICA

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MITCHELL of Maryland. Mr. Speaker, I am increasingly concerned over the reports coming out of South Africa that a secret structure was put together by the South African Government, and that a part of that structure sought to bribe and corrupt American officials in Government, officials in Congress, and private American citizens.

Based on the reports, the intent apparently was to bribe and corrupt those officials so that they would go soft on South Africa's apartheid policy.

This Congress has been exposed to so many allegations and criticisms that I think we ought to move expeditiously to see whether any of these charges have validity. Toward that end, I have written to the appropriate chairmen of the Senate committee and House committee to launch an investigation now to determine whether any Members of Congress were indeed involved or whether the South African Government attempted indeed to corrupt any Members of Congress on the issue of apartheid.

Mr. Speaker, I think this must be done expeditiously, I think it must be done vigorously. This Congress cannot afford the luxury of having more charges hurled at us without investigating the charges thoroughly and properly.

TIME TO FULFILL UNITED STATES PROMISES TO MEXICO

(Mr. RUDD asked and was given permission to address the House for 1 minute.)

Mr. RUDD. Mr. Speaker, a month has now passed since President Carter returned from Mexico.

All the Presidential rhetoric and hoopla have faded, and we are left with the same situation that existed prior to the widely publicized trip.

The White House is delinquent in implementing the glowing promises made to Mexico's President Jose Lopez Portillo.

Most notably, President Carter publicly assured Mexico's President he would be naming former Florida Governor Reuben Askew as a Special Commissioner to handle Mexican affairs, and that Askew would be visiting Mexico almost immediately.

A month later there are still no signs that the United States is about to send our emissary to Mexico to strengthen relations. Mr. Askew's apparent snub to Mexico has been made even more obvious by a special visit to Venezuela instead, to attend inaugural ceremonies for that country's President.

No action has been taken to encourage Mexican production of oil and subsequent shipment to the United States. The administration is needlessly dragging its feet in this increasingly important area.

The present administration seems to have a complete lack of understanding of the importance of Mexican-American relations. While there are many areas of international concern, the President should not forget the concurrent need to strengthen our relations with Mexico by fulfilling U.S. promises.

TRANSBUS

(Mr. SHUSTER asked and was given permission to address the House for 1 minute.)

Mr. SHUSTER. Mr. Speaker, in a few years, Americans could be riding around in buses made behind the Iron Curtain. Why? Because one by one, American bus companies are dropping out of the running to build transbus, the federally mandated "super bus" that could cost taxpayers as much as a quarter-million dollars each.

It is ironic that at a time when the energy crunch is forcing more and more people to take the bus, there may not be any buses to take. And if there are, they probably will not be American.

Grumman Flxible just announced that it would not build transbus. AM General dropped out earlier. General Motors will likely follow. Who does that leave?

It is entirely possible, Mr. Speaker, that if the Carter administration persists on mandating transbus, the winning bidder could come from an Iron Curtain country. All this talk about "buy America" is just so much talk. And all because of a stubborn administration refusing to admit they made a mistake.

A recent survey showed that 95 percent of the American people think Government regulations are too complicated, confusing, and too costly.

The Carter administration's transbus mandate is a case in point.

□ 1115

SHARING THE COSTS OF THE MIDDLE EAST PEACE TREATY

(Mr. RITTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RITTER. Mr. Speaker, all Americans welcome the possibility that a peace agreement between Israel and Egypt may be the foundation for a just and lasting peace in the troubled Middle East. Both sides are to be commended for their long efforts over the past months to reach a peace agreement.

The implementation of the peace agreement, however, will not be without significant cost. In fact, it is reported that the taxpayers of the United States will be asked to pay between $5 to $6 billion to underwrite the peace treaty between Egypt and Israel.

This Government has already worked hard to contribute toward the peace process. Yet the United States is by no means the only nation that will benefit from a peace treaty. It only seems fair, Mr. Speaker, that the other nations of the world who also rely on Middle East oil, and who also have vital interests at stake, do their fair share toward helping us pay the cost of the treaty.

Therefore, I am today inrtoducing a resolution urging that a peace development fund be created to pay the $5 to $6 billion cost of the peace treaties. Those advanced industrial nations that depend upon Middle Eastern oil, such as the countries of Western Europe and Japan, would each contribute to the fund in general proportion to the oil they purchase. The fund's purpose would be to underwrite the cost of implementing a Mideast peace.

That way, all the industrial nations that have a stake in the peace treaty—not just the United States—can join in the economic development and military security of the Mideast.

The time has come for those nations of common interest to stand together and share the weighty burden of peace.

TO REVIVE THE MILITARY DRAFT OR INSTITUTE COMPULSORY NATIONAL SERVICE WOULD BE DISASTER

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, we hear more and more odious proposals to revive the military draft or—even worse—institute compulsory national service.

Either would be a disaster militarily, economically, morally, and constitutionally. Both would undermine the respect for law that undergirds a free society.

My eloquent colleague JOHN ASHBROOK rightly denounced the situation arising from Vietnam—the lawbreakers got amnesty; the law-abiders got killed.

If our young people are asked to fight under Carter and Young, how many will go? If it's a war to attack South Africa, the right will rebel. If it's an expedition to save North Yemen, the left will refuse. After the administration's amnesty to draft dodgers, resistance would be massive.

We must, however, have a stronger national defense. We need a smaller, better-paid, better-trained professional Armed Forces to defend America, not the whole world at the American taxpayers' expense. We do not need more disrespect for law that the draft and national service would inevitably breed.

THERE'S AN EPIDEMIC IN CHICAGO

(Mr. ROSTENKOWSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROSTENKOWSKI. Mr. Speaker, there is an epidemic in Chicago. Its the Blue Demons. It has spread rapidly and hopefully the only known cure is an NCAA championship.

For those who have not heard of the Blue Demons, they're a group of courageous and spirited young men who are students at a fine institution located in my congressional district.

DePaul University has served the Midwest, particularly the Chicago area, admirably through its 81 years of existence. Known for producing scholars, businessmen, lawyers and Members of Congress, DePaul is again in the public eye because of its "Iron Five"—the Blue Demons basketball squad.

It is about time that DePaul's basketball team reached the "Final Hour." A fiesty competitor of German heritage, Coach Ray Meyer, has labored 37 years to get his school to the pinnacle of college basketball.

Born and reared in Chicago, Ray Meyer has combined his talents as a master tactician and a motivator of young men to produce a skillful, finely tuned contender for the national title.

With 596 wins Ray has more victories than any other active college coach. But it is not simply his long list of victories but the savvy which he has employed to attain them. Last year, Ray led the Blue Demons to the "Final Eight" with a deliberate-style offense, this year DePaul wins with quickness and agility. There is little question. Ray Meyer knows the intricacies of molding a winner.

Coach Meyer deserves the title for his team, his school and himself. Ray has devoted his life to his family, his school and the city of Chicago. The pros always like a winner and Ray spurned many offers to join the ranks of pro coaching. Ray Meyer fully appreciates the satisfaction of winning with student-athletes.

I know I speak for all of Chicago when I wish Ray Meyer and DePaul University "Good Luck" as it takes the final steps to a national championship.

TECHNICAL AMENDMENTS TO THE FEDERAL DISTRICT COURT ORGANIZATION ACT OF 1978

Mr. KASTENMEIER. Mr. Speaker, I call up the bill (H.R. 2301) to amend the Federal District Court Organization Act of 1978 with respect to certain administrative matters arising from the redrawing of the Federal judicial district in the State of Illinois, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The Clerk read the bill, as follows:

H.R. 2301

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4 of the Federal District Court Organization Act of 1978 (Public Law 95–408, 92 Stat. 883) is amended by striking out paragraph (2) of subsection (b) and inserting in lieu thereof the following:

"(2) The district judge for the Eastern District of Illinois who is senior in commission shall on and after the effective date of this Act be a district judge for the Southern District of Illinois as constituted by this section. The remaining district judge for the Eastern District of Illinois who is in office on the effective date of this Act and the district judges for the Southern District of Illinois as it existed prior to this Act shall on and after the effective date hereof be district judges for the Central District of Illinois. The President shall appoint, by and with the advice and consent of the Senate, a second district judge for the Southern District of Illinois.

"(3) Nothing in this section shall in any manner affect the tenure of office of the United States attorney, the assistant United States attorneys, and the United States marshal for the Eastern District of Illinois, who shall on the effective date of this Act be respectively United States attorney, assistant United States attorneys, and marshal for the Southern District of Illinois as constituted by this section, or of the United States attorney, assistant United States attorneys, and the United States marshal for the Southern District of Illinois as it existed prior to this Act, who shall on the effective date hereof be respectively United States attorney, assistant United States attorneys, and marshal for the Central District of Illinois.

"(4) Notwithstanding section 3240 of title 18, United States Code, the grand juries impaneled by the district courts for the Central and Southern Districts of Illinois following the effective date of this Act may inquire into and return indictments charging offenses against the criminal laws of the United States alleged to have been committed anywhere within the territory of the respective judicial districts before or after the effective date of this Act.".

SEC. 2. Notwithstanding section 6(a) of the Act of November 2, 1978 (Public Law 95-573, 92 Stat. 2458), section 1 of that Act shall take effect on March 31, 1979.

With the following committee amendment:

Strike all after the enacting clause and insert:

That section 4 of the Federal District Court Organization Act of 1978 (92 Stat. 883) is amended by striking out paragraph (2) of subsection (b) and inserting in lieu thereof the following:

"(2) The district judge for the Eastern District of Illinois in office on the effective date of this Act who is senior in commission shall, on and after the effective date of this Act, be a district judge for the Southern District of Illinois. The remaining district judge for the Eastern District of Illinois who is in office on the effective date of this Act and the district judges for the Southern District of Illinois who are in office on the effective date of this Act shall, on and after the effective date of this Act, be district judges for the Central District of Illinois. The President shall appoint, by and with the advice and consent of the Senate, a second district judge for the Southern District of Illinois.

"(3) This section does not in any manner affect the tenure of the United States attorney, the assistant United States attorneys, or the United States marshal for the Eastern District of Illinois or for the Southern District of Illinois who are in office on the effective date of this Act. The United States attorney, the assistant United States attorneys, and the United States marshal for the Eastern District and for the Southern District of Illinois shall, on the effective date of this Act, become the United States attorney, the assistant United States attorneys, and the United States marshal for the Southern District and for the Central District of Illinois, respectively.

"(4) Notwithstanding section 3240 of title 18, United States Code, any grand jury impaneled on or after the effective date of this Act by a district court for the Central District or the Southern District of Illinois may inquire into and return indictments charging offenses against the criminal laws of the United States alleged to have been committed anywhere within the territory of the respective judicial districts as such districts were constituted before or after the effective date of this Act.".

SEC. 2. Section 6 of the Act entitled "An Act to amend title 28 of the United States Code to make certain changes in the divisions within judicial districts and in the places of holding court, and to require the Director of the Administrative Office of the

United States Courts to conduct a study of the judicial business of the Central District of California and the Eastern District of New York", approved November 2, 1978 (92 Stat. 2458), is amended by inserting "(1)" immediately after "(b)" and adding at the end thereof the following new paragraph:

"(2) The provisions of the first section of this Act shall take effect on March 31, 1979.".

Mr. KASTENMEIER (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER. The gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

Mr. KASTENMEIER. Mr. Speaker, I will not take the 5 minutes. This is a technical amendment. It is not controversial. There is no opposition to it. It merely conforms the legislation passed in the last Congress to rationalize the reorganization of the three Federal district courts in the State of Illinois.

The need for this, I might say, Mr. Speaker, is because it must take effect by March 31, and we must have agreement of the other body to it. There are two discrepancies in the effective date in two bills passed with respect to district court reorganization last year which affect the State of Illinois only. These are corrected, as well as conforming the reference to the courts as appear in the omnibus judgeship bill of last year as passed by the Congress, and relevant considerations for the office of the U.S. attorney and grand juries as well.

This is a technical amendment only. There are no costs to the bill, and I ask that the bill be passed.

☐ 1125

The SPEAKER. There being no further debate, the question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RESIGNATION AS MEMBER AND APPOINTMENT AS MEMBER OF NATIONAL ALCOHOL FUELS COMMISSION

The SPEAKER laid before the House the following resignation as a member of the National Alcohol Fuels Commission:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 21, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives,
H-205, The Capitol.

DEAR MR. SPEAKER: I greatly appreciate your confidence in appointing me to the National Alcohol Fuels Commission; however, inasmuch as the Honorable Bob Michel has a facility in his district doing research and development for the expanded use of gasohol, it would be more appropriate for him to represent the House on this Commission.

For this reason, I herewith do not accept this appointment.

Respectfully yours,
RALPH REGULA,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER. Pursuant to the provisions of section 170(a)(3)(B), Public Law 95-599, the Chair appoints as a member of the National Alcohol Fuels Commission the gentleman from Illinois, Mr. MICHEL, to fill the existing vacancy thereon.

CALL OF THE HOUSE

Mr. WRIGHT. Mr. Speaker, I move a call of the House.

A call of the House was ordered

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 50]

Albosta
Andrews, N.C.
Archer
Ashbrook
Ashley
Aspin
Baldus
Bowen
Breaux
Buchanan
Clay
Conable
Cotter
Crane, Philip
Diggs
Dingell
Drinan
Eckhardt
Evans, Del.
Ferraro
Fish
Fisher
Flood
Ford, Mich.
Forsythe
Frenzel
Frost
Garcia
Giaimo
Gibbons
Guarini
Harsha
Holtzman
Hubbard
Jones, Okla.
Jones, Tenn.
Lederer
Leland
Loeffler
Long, La.
Long, Md.
McCloskey
McKinney
Mazzoli
Mikva
Moorhead, Pa.
Murphy, N.Y.
Nelson
Nolan
Patterson
Pepper
Rosenthal
Runnels
Santini
Scheuer
Shuster
St Germain
Staggers
Steed
Stokes
Swift
Treen
Udall
Ullman
Vander Jagt
Vanik
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wolpe, Mich.

☐ 1140

The SPEAKER pro tempore (Mr. KAZEN). On this rollcall, 362 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

ARMS CONTROL AND DISARMAMENT ACT AUTHORIZATIONS

Mr. DODD. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 171 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 171

Resolution providing for the consideration of the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes

Resolved, That upon the adopting of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Connecticut (Mr. DODD) is recognized for 1 hour.

Mr. DODD. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA) for the purpose of debate only, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 171 provides for the consideration of H.R. 2774, a bill to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act. This resolution provides for an open rule with 1 hour of general debate to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs.

Mr. Speaker, H.R. 2774, the Arms Control and Disarmament Act authorizations is a bill authorizing appropriations for the Arms Control and Disarmament Agency for 2 fiscal years, 1980 and 1981. The fiscal year 1980 authorization will be for $19,276,000 and I believe that the distinguished chairman of the House Committee on Foreign Affairs, Mr. ZABLOCKI, will introduce a committee amendment setting the level for the fiscal year 1981 authorization.

As my colleagues know, the Arms Control and Disarmament Agency, or ACDA, was created by Congress in 1961, and serves to coordinate U.S. arms control policy and participate in negotiations with other nations on arms control matters. ACDA also prepares the annual arms control impact statements on major weapons systems for submission to Congress.

I will let my good friend and colleague, Mr. ZABLOCKI, explain the detailed provisions of the bill as I certainly could not hope to match the expertise and experience which he brings to the subject.

However, I would like to take just a moment to comment on one of ACDA's activities which very much concerns me. That activity is the research which ACDA conducts. In section 31(H) of the Arms Control and Disarmament Act of 1961, one of the Director's functions is to conduct research on "the economic and political consequences of arms control and disarmament, including the problems of readjustment arising in industry and the reallocation of national resources." I believe that this is one of ACDA's most important functions—to assure that certain areas of the country are economically prepared to deal with the consequences of arms control agreements. Obviously, in order to even begin to fill that very important function, ACDA must have some idea of which of our Nation's communities are most heavily impacted by defense spending, and are therefore most economically vulnerable to dislocations resulting from arms control agreements.

Many of us in this Chamber represent districts which derive a large part of their employment from defense contracts. And I believe that the people who live in defense-dependent districts or communities should know ahead of time just how vulnerable they may be to economic dislocations as a result of arms control agreements, however limited they may be, and of simple fluctuations in defense contracting.

It would seem to be a very basic research function to determine which areas of the Nation are most vulnerable economically to cuts in defense spending like those one might see after an arms control agreement.

However, Mr. Speaker and Mr. Zablocki, I am sorry to report to you that last December I requested that the Arms Control and Disarmament Agency do just such a study on measuring communities' levels of defense dependency, and ACDA turned me down and in essence passed the buck to another agency, the Office of Economic Adjustment in the Pentagon, which has not acted on my request. Naturally, Mr. Speaker, I am personally disappointed that ACDA did not follow through on my request to conduct arms control related research.

I hope that during the debate on H.R. 2774, you and I and other Members of the House will have an opportunity to discuss the strength and commitment of ACDA's research arm and explore the priorities which ACDA gives in its research to the important domestic economic consequences of arms control and reduced defense spending in certain areas of the industry.

I should emphasize, Mr. Speaker, that ACDA does receive a substantial amount of funding for its research. Out of the almost $19 million proposed for the fiscal year 1980 budget, ACDA has requested more than $4 million for its reseach activities. Surely, ACDA should be able to spare part of its large research budget for a research effort as important as the one I have described.

□ 1155

In fact, as someone who comes from a congressional district where there is a tremendous impact of defense spending, there is a great concern about the feast or famine cycle in defense spending. Certainly many of us who support arms control recognize that under certain circumstances if spending is to be discontinued one of the major issues we will have to face in this body is how we will deal with those people who have been economically affected.

I am confident that the chairman of this committee and the ranking minority Member will raise the issue of domestic economic impacts of arms control at future oversight hearings.

I would also like to compliment the gentleman from Wisconsin and the ranking minority Member for bringing this issue up and for supporting it as much as they have. It is a vitally important area, one that we all ought to be supporting here in this House.

Mr. LATTA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I do not care to be repetitious and duplicate what the gentleman has just stated. I would like to point out that this rule seems to be one of a rare and vanishing breed, in that it is completely open and includes no waivers of points of order. During this session of Congress we are not going to find too many rules that come on the floor like this. It is certainly a tribute to the presentation before our committee by the gentleman from Wisconsin (Mr. Zablocki) and by the gentleman from Michigan (Mr. Broomfield). The way they presented this was without question one of the best presentations we have had in a long time. But let me just hasten to point out that I do find one disturbing thing in this report, and that is that the committtee has upped the President's request for fiscal year 1980 somewhat. The President requested $18,876,000. The report shows that the committee has given them $19,276,000. That is a slight increase, but it is an increase, and we are going to be watching this, from a budgetary standpoint, as these authorizations come along in this session.

I would also like to point out that the committee mentions in its report the nine areas of responsibility of the Arms Control and Disarmament Agency, and the first one that they point out, on page 3, is SALT. We have been giving quite a bit of attention to what they have been doing in SALT, and I would hope that our negotiators would do better than is being reported, so far as the U.S. interest is concerned. I hope they do not give away all of our defenses in these agreements. We will be watching them. Hopefully, if we find that this agreement is not in the best interest of the United States of America, the U.S. Senate will reject it out of hand.

Mr. Speaker, I have no further requests for time, and I reserve the balance of my time.

□ 1155

Mr. DODD. Mr. Speaker, I have no further requests for time. I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. Kazen). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. ZABLOCKI. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr. Zablocki).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2774, with Mr. Sharp in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill will be dispensed with.

The gentleman from Wisconsin (Mr. Zablocki) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. Broomfield) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at the very outset I want to advise the committee that this is indeed a noncontroversial bill. It is bipartisan, and it has been reported out of the House Committee on Foreign Affairs unanimously with the full support of the minority members of the committee.

I want to pay tribute to the ranking member of the committee, my colleague and very good personal friend, the gentleman from Michigan (Mr. Broomfield), as well as to express our appreciation to the committee staff. I have taken this time, Mr. Chairman, to rise in support of H.R. 2774, the bill authorizing appropriations for the Arms Control and Disarmament Agency for the fiscal years 1980 and 1981.

This bill is a modest bill providing a 2-year authorization for the Arms Control and Disarmament Agency, and conferring upon that Agency some additional administrative authority that will help it carry out its mission more effectively. Specifically, Mr. Chairman, section 1 of the bill authorizes an appropriation of $19,276,000 for fiscal year 1980. The bill provides an identical amount for 1981, plus an inflation index for fiscal year 1981. The inflation index to be used is the gross national product deflator for fiscal year 1981 over fiscal year 1980 as calculated by the director of the Congressional Budget Office on September 30, 1979.

□ 1200

The committee came upon this formula after careful study because we wanted to appropriate exactly the same amount for fiscal year 1980 in constant dollars, and the effect of this provision would be to give ACDA an authorization for fiscal year 1981 equal in real terms to that given to the Agency for fiscal year 1980.

However, in view of the fact that this formula has created some confusion as to how the precise fiscal year 1981 authorization would be computed, I intend to offer an amendment to the bill at the appropriate time today which will provide an explicit authorization of $20,645,000 for fiscal year 1981. This amount will precisely reflect the intent of the committee that the ACDA authorization for the second year be held to constant fiscal year 1980 dollars, using the current Congressional Budget Office projected inflation rate for fiscal year 1981. Therefore, there would be no confusion as to whether this is an open-ended authorization for 1981.

In addition to the explicit authorization, the bill authorizes appropriation of additional funds for each of the 2 fiscal years as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, foreign currency exchange rates, and other nondiscretionary costs.

The authorized amount for fiscal year 1980, Mr. Chairman, was increased by the committee by $400,000 over the President's request. The additional funds are intended by the committee primarily but not exclusively to be used to fund a discretionary program of grants to support arms control education and training authorized by section 3 of the bill as well as to provide a small increment of program growth in anticipation of increased negotiating requirements arising during the SALT negotiations, negotiations on a comprehensive nuclear test ban and increased research into such critical problems as verification of the Nuclear Non-Proliferation Treaty and implementation of the Nuclear Non-Proliferation Act of 1978. However, the bulk of the $400,000 is intended to fulfill the provisions of the language of the amendment which was proposed to the committee by our very esteemed colleague, the gentleman from Illinois (Mr. SIMON).

Section 2 of the bill extends ACDA's authority to appoint personnel outside the competitive Civil Service, with two limitations. First, the maximum compensation of employees hired under this authority would be limited to a rate not to exceed that payable to GS-15 of the General Schedule.

Section 2 limits the special hiring authority further by providing that not more than an aggregate total of 50 persons could be employed by ACDA who are hired under this authority in any single year.

The amendment made by section 2 to the Arms Control and Disarmament Act does not add to ACDA's existing authority with respect to the number of employees it may have. It merely limits the number employed without having them selected through the competitive civil service to no more than 50 in any single fiscal year.

Although the Committee on Foreign Affairs, Mr. Chairman, believes this provision has merit, there has been a question raised in view of the fact that the personnel system is now under reorganization. The Committee on Post Office and Civil Service has some question with respect to this provision, and I wish to advise the Members that this section will be stricken by an amendment which will be offered at the appropriate time.

Finally, Mr. Chairman, section 3 of the bill confers discretionary authority on ACDA to make grants to academic institutions, nonprofit organizations, and public agencies to support arms control education and training. This section was added, as I said earlier, to the bill as the result of the efforts of our colleague, the gentleman from Illinois (Mr. SIMON), who last year offered an amendment to have ACDA examine the state of arms control education and training centers at academic institutions. That report concluded that the existing centers, which provide the Government with a long-term supply of national security policy experts as well as create a number of trained scholars and teachers at all levels of education, were in serious financial difficulty.

□ 1205

The gentleman from Illinois (Mr. SIMON) testified that giving ACDA this discretionary authority might enable the Federal Government to channel some funds to existing or new centers, thereby stimulating greater financial support for nongovernmental sources. The committee agreed and added $400,000 to the President's authorization request for fiscal year 1980, with the intent that some of this additional money go to support such a grant program as stated earlier. The committee further agreed that the rules and regulations promulgated by the Director of ACDA to implement the discretionary grant authority should clearly preclude the use of funds for purposes beyond the scope of arms control education and training, particularly any activity that would go beyond planning development and carrying out programs to further instruction in arms control.

The committee also endorses the concept of cultivating new centers as suggested by the gentleman from Illinois (Mr. SIMON) by including a limitation on the amount of funds any single institutional organization could receive in a 5-year program or period.

Mr. Chairman, the ACDA authorization for fiscal years 1980 and 1981 are modest. The bill provides authorization for a small agency employing less than 200 people with a very large mission enhancing the security of the United States through equitable verifiable arms control agreements. ACDA leads seven arms control negotiations and supports an additional 20, including the renegotiation of bilateral agreements for cooperation on nuclear energy. It is also involved in the decisionmaking process aimed at limiting arms transfer and nuclear export licensing.

The bill before us, H.R. 2774, will, if enacted, Mr. Chairman, enable this agency to carry out its responsibilities over the next 2 years in an effective manner. As the gentleman from Connecticut has stated during discussion on the rule, it is the intent of the Committee on Foreign Affairs to carefully use its authority in the oversight of the agency to see that the recommendations of the Congress will be fully abided by.

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I will be happy to yield to the gentleman from Connecticut.

Mr. DODD. I appreciate the gentleman's yielding.

I am delighted to hear his statement with regard to the oversight function. As noted in the discussion on the rule, section 31(h) of the Arms Control and Disarmament Act specifically states that "the economic and political consequences of arms control and disarmament, including the problems of readjustment arising in industry and the relocation of national resources" would be a part of their research activities. I only raise the point because I think all of us are aware here that every time we talk about arms control or disarmament, one of the issues we have to take into consideration, even though we do not necessarily like to admit it, is the fact that there are possible questions of economic dislocation involved in questions of arms control and disarmament. I would hope that ACDA would be willing to undertake the kind of research activities so necessary if we are to be economically prepared for the possible impacts of arms control measures especially in areas like mine where 21,000 people are in the business of building submarines.

I suppose one day we are not going to need as many submarines in our military arsenal, possibly as a result of arms control agreements. But what happens to my 21,000 constituents and their families? It seems to me that we ought to be thinking about that now and requiring someone at the Federal level to do some research to help us prepare for that eventuality; otherwise it becomes politically difficult to get any kind of meaningful arms control. I would hope that the committee's oversight could serve to get ACDA to focus a little more attention on that particular issue.

In fact, Mr. Chairman, if I could ask, it has come to my attention that the gentleman from Wisconsin has even considered the possibility of having the General Accounting Office do a study on the research activities of ACDA, and I wonder if he would like to comment on that at this moment.

Mr. ZABLOCKI. I might say to the gentleman that the committee has given and will continue to give careful consideration to exactly the role that ACDA can play in this matter. As the gentleman knows, ACDA believes that the Office of Economic Adjustment in the Department of Defense should carry out these studies or direct that such studies should be carried out pursuant to Executive Order 12049. Nevertheless, I can assure the gentleman that we will request that ACDA, within its statutory mandate, coordinate U.S. Government research on the economic effect of changes in military spending in the various regions of the United States.

□ 1210

In answer to the gentleman from Connecticut as to whether a request will be made of GAO on this subject, I can assure the gentleman that such a request will be given careful consideration.

Mr. DODD. Mr. Chairman, I thank the gentleman very much for his response to my question.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I am glad to yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I would like to say that as a strong supporter of ACDA I would like to disagree with my friend, the gentleman from Connecticut. I agree with the goal. I agree with the necessity of arms conversion planning, but ACDA is a very small agency.

The Chairman himself said that it was an agency of 200 employees with enormous arms control responsibility and a very small budget.

I in my own examination of ACDA believe that they need more help and more personnel to do the arms control, to communicate with the Congress better; and although I agree with my colleague, the gentleman from Connecticut on goals, I do not think that ACDA should be placed with the responsibility of figuring out, even in a study fashion the complexities of economic conversion. I do not think that is a matter of their expertise. I do not think it is a matter of their resource.

I fear that if we admonish them to take on this other gigantic task that the Congress itself sidestepped over the years, that they are going to have even fewer resources to devote to things like SALT, CTB, Indian Ocean, MDFR, and all these other negotiations; so I would like to put a little record in here on the other side of the issue that my good friend, the gentleman from Connecticut made.

Mr. ZABLOCKI. The gentleman from Wisconsin is fully aware of the differences of opinion on this issue; however, I believe that although we do not desire to have any of the funds for ACDA diverted for the narrow kinds of studies that the gentleman from Connecticut has requested, ACDA can under its authorization contract for such studies under its external research authority.

Further, as I stated to the gentleman from Connecticut, it is our intention to consider requesting that the Comptroller General of the United States look into this matter.

I next yield to the gentleman from Connecticut.

Mr. DODD. Mr. Chairman, in response to my good friend, the gentleman from Michigan (Mr. CARR), it is not my intention to suggest that under the mandate of the act cited, section 31, paragraph (H) ACDA ought to become involved in the issue of economic diversification of economic conversion. All I was requesting of ACDA is that they would help the Congress identify those communities that are impacted by defense spending and determine to what extent they are.

I recognize that ACDA's budget is indeed limited. I would not suggest that they ought to assume the total responsibility of conducting such research, but the problem is that no one seems to want to do it. The Office of Economic Adjustment does not seem to want to do it; ACDA does not seem to want to do it, and we are only kidding ourselves if we think that at some point we are going to have meaningful arms control if we do not recognize the question of domestic economics.

We are simply not going to see any meaningful arms control measures if we first cannot deal with the evident political problem that arms control agreements may, in the future, adversly affect employment in many areas of the country. That is why we must first determine the extent of defense dependency in certain areas of our country.

Mr. ZABLOCKI. I would like to state that the problem that is caused by dislocation of military centers is not as a result of any of ACDA's operations. It is, indeed, true that the Department of Defense has responsibility for conducting such studies. The committee intends, within the limits of its jurisdiction to see that the proper agency will take into consideration the economic impact of dislocations of military establishments resulting from arms control agreements.

□ 1215

I do not believe we can or should demand that ACDA divert its resources to programs which are not directly related to its legal mandate, that is, arms control matters. Moreover, since ACDA, the Department of Defense and the Department of State are working cooperatively together in order to fulfill what is required by the Congress, I am sure that the proper steps can be taken by ACDA together with the Office of Economic Adjustment in the Department of Defense to supply or help supply the data and statistics that the gentleman from Connecticut desires.

Mr. DODD. If the gentleman will yield 1 second further.

Mr. ZABLOCKI. I will be happy to yield to the gentleman from Connecticut.

Mr. DODD. I believe it will be pointed out in debate that the entire Public Affairs Department of the Department of Defense has a budget of approximately $25 million. ACDA has a budget of less than $19 million. The irony is quite evident.

Mr. ZABLOCKI. I might say that the Department of Defense is very limited in how it can use the amount we provide for public affairs.

I yield to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. I would like to express the same sentiments the gentleman from Michigan did. It seems to me that the gentleman from Connecticut has a very good point in that there is no agency in the administration that has the unequivocal mission of coming up with plans for conversion in the event we have reduction in armaments as a result of the agreements and so forth.

I also agree that ACDA's budget is so minuscule, and its refinements are so enormous that to try to distract them with this further responsibility without giving them a significant amount of additional funding would be a serious mistake.

I would also like to ask the distinguished chairman of the Committee on Foreign Affairs about this: I understand there will be an amendment offered which will have the effect of at least by attrition, eliminating 50 positions in this Agency. It seems to me we have an Agency here that has one of the smallest budgets. It is less than the cost of one fighter plane and yet it has the capacity, if it can help us negotiate meaningful arms control agreements, of saving the taxpayers of the United States billions and billions of dollars.

Should we not be erring on the side of giving the Agency more, rather than less, funding in the hope it can do a better job?

Mr. ZABLOCKI. I thank the gentleman for his observations, which are not, however, completely accurate.

Mr. SEIBERLING. I take it my first observation the gentleman concurs in and it is the second one he feels is erroneous.

Mr. ZABLOCKI. I was coming to that. Striking section 2 of the bill would not eliminate 50 jobs. All that section does is provide a reauthorization of a provision we adopted 2 years ago that enabled ACDA to secure expert and knowledgeable employees by waiving the provisions of the competitive civil service selection process, as some other agencies have done in the past. This would be within their personnel ceiling as determined by OMB. It would not be in addition thereto.

□ 1220

Now, the agency did not request this authorization. The committee believed that we should continue this authority, however. The reason the agency did not request it is because, as the gentleman from Ohio (Mr. SEIBERLING) knows, there is an ongoing reorganization of our Government's personnel system.

Secondly, the OMB—the Office of Management and Budget—did not want this authority extended. Further, the Office of Management and Budget determined the authorization request that ACDA was permitted to submit all amount that is much less than what the agency had, I understand, originally requested of OMB.

So I hope that the Office of Management and Budget will read this RECORD of today, particularly the gentleman's remarks, as to why the Arms Control and Disarmament Agency should have an amount larger than the amount OMB saw fit to agree to request.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield further?

Mr. ZABLOCKI. I will be glad to yield to the gentleman from Ohio.

Mr. SEIBERLING. Of course, Mr. Chairman, the problems of war and peace and arms control are much too important to be left to the Office of Management and Budget, and I commend the gentleman from Wisconsin (Mr. ZABLOCKI) and his committee for viewing their proposed funding as being entirely too small.

But I would like to ask the gentleman this: I understand that the effect of the action on section 2 is that it is deleted?

Mr. ZABLOCKI. It will be deleted.

Mr. SEIBERLING. If that is deleted, it means that those slots, if they desire to replace them, will have to be replaced through the civil service system?

Mr. ZABLOCKI. The gentleman is correct.

Mr. SEIBERLING. My question is this: Can ACDA always get people with the necessary expertise by going through the civil service system?

Mr. ZABLOCKI. Mr. Chairman, that was the reason the committee and the Congress 2 years ago aproved the authority for ACDA to seek, within its personnel ceiling limitation, expert employees outside the civil service. But as I stated earlier, since it is the policy that all agencies of Government will now have to fulfill their requirements and recruit their employees under the reorganized civil service policy, we cannot fight "City Hall." Although we believe that ACDA should have had this exemption, we are yielding, so to speak, to the provision that is in law, the provision which this Congress has mandated the executive branch to implement.

Therefore, I am hopeful that, within those restrictions under the new civil service system, ACDA will still be able to get dedicated employees with expert knowledge and experience.

Mr. SEIBERLING. Well, I thought Congress was part of "City Hall," so to speak.

Mr. Chairman, I thank the gentleman for his response.

Mr. KINDNESS. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I will be glad to yield to the gentleman from Ohio.

Mr. KINDNESS. Mr. Chairman, I thank the gentleman for yielding.

I want to refer to a question which is raised by what I believe is perhaps not a very wholesome treatment of section 3 of the bill in the committee report. There are a couple of concerns I have on which I would like to ask the chairman of the committee to respond.

First, is this section that provides for these grants to educational institutions to be the only source of which we have knowledge for such funds or moneys to be forthcoming to educational institutions? That is, is there no other source at the present time through normal programs?

Mr. ZABLOCKI. Mr. Chairman, the gentleman from Wisconsin is glad to advise the gentleman that in the past foundations have funded some of these study centers. However, as the gentleman knows, voluntary or private funding for such purposes is often limited to 1 year or to a pilot project. Then the funding for these centers by institutions and foundations is indeed withdrawn.

The purpose of section 3 is to provide ACDA with this modest amount to be made available for the continuation or the initiation of new research programs with educational institutions in our country.

Mr. KINDNESS. Mr. Chairman, if the gentleman will yield further, do I understand correctly that the information brought before the commitee is that there are no Governmen funds that are available to educational institutions that might aid in this area of educational advancement?

Mr. ZABLOCKI. There are no such funds for the purpose that ACDA would be utilizing these funds.

Mr. KINDNESS. And do I understand correctly that the committee has looked into the possibility that this particular provision is establishing something of a precedent? That is to say, is it not a bit unusual to set up a provision for such funding for educational purposes in a bill of this nature?

□ 1225

Mr. ZABLOCKI. This sets no precedent at all, I might say to the gentleman. We certainly have educational, training, and research funds in the Department of Education and Welfare, Department of Energy, National Science Foundation, and Agriculture Department.

Mr. KINDNESS. And is that not where this belongs?

Mr. ZABLOCKI. The type of grants that the Department of Health, Education, and Welfare makes in the field of international education is entirely different than we are providing in this bill. The primary purpose of this $400,000 is for funding arms control education and training. I am sure this activity would not be of the type that the Department of Education, or even more, the Department of Defense, would be willing or even legally able to support. I think it is very important to provide this very modest amount.

As the report says, the primary purpose of this provision is to stimulate additional financial support for such programs from nongovernmental sources.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I will be delighted to yield to the author of the bill for the remainder of the answer.

Mr. SIMON. I thank the gentleman for yielding.

Mr. Chairman, I regret that I was not on the floor when the question was asked, but I gather it was asked regarding the $400,000 that has been added by the committee and, I think, very properly so.

The situation is that the foundations which are happy to help out in good causes, the foundations have helped various university centers in training experts in this area of disarmament. But the foundations are gradually withdrawing their support and saying that this is basically a function of Government, that "we do not want to be doing this on a continuing basis."

I understand their reasoning on this. The reality is that arms control is a very sophisticated, complicated thing. You do not simply hand someone a certificate and say, "You are an arms control expert."

So I think it is very much in the interest of this Nation to continue having centers where we train people who really dig in and are knowledgeable in this area.

Mr. ZABLOCKI. Mr. Chairman, if the concern of the gentleman from Ohio is that there may be duplication of programs as a result of this bill, I would advise him that the experts expect the Committee on Foreign Affairs to be involved in these programs and would not be funded under the educational programs of HEW.

Mr. SIMON. If the gentleman will yield further, the gentleman from Wisconsin is absolutely correct. There is no funding whatsoever in HEW. It is just out of their normal area of interest and jurisdiction. I think it is extremely important to the Nation.

Mr. KINDNESS. Mr. Chairman, if the gentleman will yield further, this is not answering my question, really. I think the question could be more succinctly stated and, perhaps, we could get an answer to it.

Do we have any information whatever to indicate, on arms control and disarmament training education, which is what this is all about, why it is not included in political science education, in any doctoral program in any university in this country that does receive Federal funding?

□ 1230

I just do not believe that we have looked into this closely enough to determine if we are not doing duplicative work, and if we did go in every area of public interest we would have educational programs all over the budget. Something is wrong, and we ought to take a very close look at the functional mechanism. That is all I am getting at.

Mr. SIMON. I do not think anything is wrong, and I think it is natural that in the Department of Agriculture, for example, it has a special interest in agricultural research. I think it is only natural that the Arms Control and Disarmament Agency takes a special interest in research and training experts in that area.

Yes, there are programs at Harvard, Cornell, at Stanford, but we have very few programs and the numbers of people, because of declining support, the numbers of people and numbers of institutions showing an interest in this area is diminishing just when we are spending more and more and more, piling up armaments.

Mr. KINDNESS. This is teaching a theory on a particular purpose, and not a discipline.

Mr. SIMON. It is much more than a theory, I assure the gentleman from Ohio. I wish that our colleague on the gentleman's side of the aisle, the gentleman from Pennsylvania (Mr. SCHULZE) were here, because when we talk about, for example, instruction in chemical warfare we are not talking about theory; we are talking about how practically we can enter into agreements that are enforcible; how we can practically work this out on nuclear agreements and other things. We are talking about a very precise, complicated area that I do not have very much knowledge in, and I think we had better not shortchange this Nation in developing experts in that field.

Mr. ZABLOCKI. One of the underlying considerations in providing for this authorization is that these study centers would not only be located on the east coast or the west coast, but would be in Ohio, Michigan, Wisconsin, Illinois, and other parts of the country as well.

Mr. BROOMFIELD. Mr. Chairman, I

yield myself such time as I may consume.

Mr. Chairman, first of all I would like to pay tribute to the chairman of our committee for his excellent explanation of this particular legislation, and beyond that, for his excellent leadership in handling the legislation before our subcommittee as well as the full committee.

Mr. Chairman, I rise in support of the legislation we have before us today. H.R. 2774 provides for a 2-year authorization of appropriations for the Arms Control and Disarmament Agency. This authorization represents a 4-percent increase in fiscal year 1980 over fiscal year 1979 largely due to the devaluation of the American dollar in Europe, where many of the negotiations which ACDA supports are presently being held.

This legislation will allow the Arms Control Agency to participate in a wide variety of activities concerning international security. Among those activities are the conduct of the strategic arms limitation talks, research in nuclear nonproliferation, and participation in the review of U.S. technology exports which have arms control implications.

With this authorization ACDA can continue to contribute to the conduct not only of the strategic arms limitation talks, but also the mutual force reduction talks, chemical and radiological weapons negotiations and the antisatellite talks.

Several million dollars are also authorized for important research in the area of nuclear nonproliferation including programs to maintain the physical security of nuclear materials and to evaluate the nuclear fuel cycle.

In conclusion, I believe that the legislation authorizing ACDA programs is important to our national and international security. As a result, I urge my colleagues to support H.R. 2774.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I rise in support of the legislation.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I am pleased to yield at this time to my most respected and able colleague from Illinois.

☐ 1235

Mr. FINDLEY. Mr. Chairman, I thank the gentleman from Illinois (Mr. DERWINSKI) for his kind comments, and I reciprocate.

These past 2 years, during the annual consideration of this legislation, the gentleman has stressed by means of amendments and discussion the importance of verifiability of the SALT agreements. Verification is still a concern to me.

I wonder whether during the past year the gentleman has had reason to have increased concern or diminished concern or is verification still a tough problem?

Mr. DERWINSKI. I would have to say that personally I have increased concern, and I think the problems of verification have increased significantly.

Mr. FINDLEY. Could the gentleman cite some reasons which cause his increased concern?

Mr. DERWINSKI. Yes. There would be several, all of which have been well publicized.

The first, of course, is the loss of the U.S. intelligence facilities in Iran. The geographic location situation in Iran made these especially valuable, and the loss of these facilities reduced the ability to verify certain provisions of the SALT II treaty.

Then, as the gentleman knows, there was the case involving the CIA employee who provided the Soviet intelligence people with certain sensitive information involving the KH-11 surveillance satellite. As a result of that case, it is obvious that the Soviets do have knowledge of the capabilities of the system, and that knowledge could help them to develop measures to render the satellite less effective.

Then there are the continuing reports of Soviet development of antisatellite weapons which could be used to knock out U.S. verification equipment. They also, of course, in the process could develop ways of confusing or minimizing the effect of our verification equipment.

As far as I know, there has not been any progress in the United States-Soviet negotiations to restrict antisatellite weaponry.

Then, of course, last but not least is the report that the Soviets have been able to develop concealment of telemetry for missiles, and this is an area in which they have advanced beyond our capabilities. Again, it is an issue of verification.

I also suggest to the gentleman that, in terminology, the executive branch used to use the term "verification." They now speak of "adequate verification," which worries me a bit because I would prefer to have absolute, foolproof verification, not merely adequate verification.

Mr. FINDLEY. Mr. Chairman, I want to tell the gentleman from Illinois (Mr. DERWINSKI) that I share his concern on these points; and I wish to congratulate him for his vigilance in this matter. I hope that this message somehow can get through to ACDA and others in the administration.

Mr. Chairman, as the Chairman of the Joint Chiefs of Staff, Gen. David Jones said earlier this year: "We've underestimated more than we've overestimated" Soviet military capabilities in the past. The record is a poor one.

Our tendency to be caught off guard has been frequently demonstrated in the recent past.

First. We were long unaware of the great advances the Soviets had made in their antisatellite weapons program.

Second. Recent estimates of Soviet missile accuracy startled our military planners.

Third. And now, as the New York Times reported on March 13:

> American arms negotiators have been shaken by intelligence information indicating that the Soviet Union's most powerful missile is being adapted to carry more warheads than would be permitted under the projected arms-limitation treaty.

And, unfortunately, considerable time expired between the CIA's gathering of data on this development and their completion of their analysis of its import.

Moreover, adding to my concerns that the United States will not be able to verify the prospective SALT II treaty are elements of the treaty itself which are not verifiable. Range limits on the cruise missile, limits on the upgrading of the intercontinental ballistic missiles and the numbers of warheads, the strategic potential of the Backfire bomber, and the conversion of medium-range mobile missiles to intercontinental ballistic missiles present serious verification problems.

Were the Soviets to cheat in these areas where verification is not possible, it could indeed make a dramatic difference in their strategic capabilities. We must, of course, also consider this within the context of the over-all obvious growth in the quantity and quality of Soviet air, ground, and naval forces. And, as we have all noticed, the Soviets are increasingly less reluctant to project their power directly or through surrogates into regional conflicts.

Verification remains, therefore, as it has these past years a principal concern.

Mr. DERWINSKI. I would like to reemphasize, Mr. Chairman, that I support this basic legislation. The committee has very carefully scrutinized it. In fact, the chairman himself has given this matter special attention, and I should add at this time that behind every great chairman there is a competent staff, and we must realize that especially with respect to the staff director of the Committee on Foreign Affairs. He is often referred to by us as the "field marshal" of the committee, and he plays a major role in seeing that we meet our requirement to have legislative oversight over a very vital and necessary agency.

Mr. Chairman, I urge support of the measure. I will have an amendment when we get into that process, but I support the basic bill.

Mr. BROOMFIELD. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

☐ 1240

The CHAIRMAN. All time for general debate having expired, the Clerk will read.

The Clerk read as follows:

H.R. 2774

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 49(a) of the Arms Control and Disarmament Act (22 U.S.C. 2589(a)) is amended to read as follows:

"(a) To carry out the purposes of this Act, there are authorized to be appropriated—

"(1) for fiscal year 1980, $19,276,000; and

"(2) for fiscal year 1981, an amount which is equal to the sum authorized in paragraph (1), adjusted by the gross national product deflator for fiscal year 1981 over fiscal year 1980, as estimated on September 30, 1979, by the Director of the Congressional Budget Office under the Congressional Budget Act of 1974.

and such additional amounts, for each such fiscal year, as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, foreign currency exchange rates, and other nondiscretionary costs. Amounts appropriated under this subsection are authorized to remain available until expended.".

(b) The amendment made by subsection (a) of this section shall take effect on October 1, 1979.

Sec. 2. (a) Section 41(b) of the Arms Control and Disarmament Act (22 U.S.C. 2581 (b)) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively; and

(2) by striking out "during the 2-year period" and all that follows through the end of paragraph (1) and inserting in lieu thereof the following: "the Director may, to the extent he considers necessary, approve and fix the compensation of officers and employees for the Agency without regard to such provisions, subject to the following requirements:

"(1) no such officer or employee may receive compensation at a rate in excess of the rate payable for GS–15 of the General Schedule under section 5332 of title 5, United States Code;

"(2) not more than 50 such officers and employees may be employed in any fiscal year;".

(b) The amendments made by subsection (a) of this section shall take effect on August 17, 1979.

Sec. 3. (a) Title III of the Arms Control and Disarmament Act (22 U.S.C. 2566 et seq.) is amended by adding at the end thereof the following new section:

"GRANTS FOR EDUCATION AND TRAINING

"Sec. 38. (a) The Director may make grants to institutions of higher education, and to public and private nonprofit agencies and organizations, for planning, developing, and carrying out programs to further instruction and training in matters involving arms control and disarmament.

"(b) The Director shall issue such rules and regulations as may be necessary to carry out the provisions of this section.

"(c) No institution, agency, or organization may receive more than $500,000 in grants under this section in any 5-year period.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1979.

Mr. ZABLOCKI (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Zablocki: Page 2, line 6, strike out "an amount" and all that follows through "1974" on line 11 and insert in lieu thereof "$20,645,000".

Mr. ZABLOCKI. Mr. Chairman, as I said in my opening remarks during general debate, the purpose of this amendment is to provide an explicit authorization for fiscal year 1981 for the Arms Control and Disarmament Agency. As reported by the committee, the bill provides a fiscal year 1981 authorization which would be computed by taking the actual authorization for 1980, that is, $19,276,000, and multiplying that amount times the inflationary index for 1981 as calculated by the Director of the Congressional Budget Office on September 9, 1979. That formula was intended to provide for fiscal year 1981 the equal amount in real dollars that is authorized for appropriations in 1980. There was some question on this provision, and the amendment I propose would strike the existing language in the bill on page 2 and substitute in lieu thereof a specific amount for fiscal year 1981 of $20,645,000.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. ZABLOCKI. I am delighted to yield to the gentleman from Michigan.

Mr. BROOMFIELD. I thank the gentleman for yielding.

Mr. Chairman, we are very happy to accept this amendment. We think it is an improvement, and it will clarify exactly what is provided for the year 1981. We, therefore, accept the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. Zablocki).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ZABLOCKI

Mr. ZABLOCKI. Mr. Chairman, I offer a technical amendment.

The Clerk read as follows:

Amendment offered by Mr. Zablocki: Page 3, line 15, strike out "2566" and insert in lieu thereof "2571".

Mr. ZABLOCKI. Mr. Chairman, there is merely an error corrected in the technical amendment. It does not change the substance of the bill at all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin (Mr. Zablocki).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Derwinski: On page 2, strike out line 20 and all that follows down through line 13 on page 3.

On page 3, in line 14, strike out "Sec. 3." and insert in lieu thereof "Sec. 2.".

Mr. DERWINSKI. Mr. Chairman, this amendment was referred to during general debate. What it would do is it would strike section 2 which provides as it is now written, for special authority for the Director of the Arms Control and Disarmament Agency for the noncompetitive appointment of personnel. The Members will recall that late last session we passed civil service reform. The intent of civil service reform was to streamline the administration of the executive branch. This is the first measure before us in which an exemption has been asked for. During the testimony before the committee I asked Walter Baumann, Assistant General Counsel of the U.S. Arms Control and Disarmament Agency, if the section in the bill had been approved by the OMB and the OPM. He answered as follows:

> Neither the original legislation nor the amendment have been approved by the administration.

Then I said, since they have not approved it, have they objected? Again I quote Mr. Baumann:

> The administration objects to exceptions to the competitive system, to all exceptions except, as I understand it, in the intelligence area.

That is a true statement.

Mr. Chairman, my amendment would simply strike the special authority granted the director of the Arms Control and Disarmament Agency for the noncompetitive appointment of personnel and bring that agency under the general and usual practices that operate in the civil service merit system.

The record before the committee will show that I questioned that special authority sought in the proposed legislation during hearings and reserved the right to check into this matter further.

In a letter dated March 20 from the Director of the Office of Personnel Management to the chairman of our Committee on Foreign Affairs the provisions of section 2 of this bill are strongly criticized.

OPM Director Alan K. Campbell said:

> We are deeply concerned about Section 2 of this legislation which would permit the Arms Control and Disarmament Agency to hire personnel indefinitely without regard to the government-wide competitive appointment provisions of title 5, United States Code.
>
> The rationale advanced for this exception is that competitive civil service requirements have delayed and otherwise hampered ACDA's ability to hire new personnel. Despite our frequent attempts to identify such situations, the agency has been unable to document them.
>
> Last October, Congress enacted the Civil Service Reform Act of 1978. This legislation gives agencies considerable new flexibility in the personnel area. * * * In a series of high level meetings with ACDA staff over the last month, we reviewed the agency's personnel needs in the context of new flexibilities available. In our view, ACDA's needs can be met within existing authority.
>
> We urge the Committee to strike Section 2 from H.R. 2774. Exceptions of this nature only serve to fragment Federal personnel programs and open the way to personal and political favoritism in the hiring process.

I wholeheartedly agree with Scotty Campbell. The Civil Service Reform Act of 1978 was one of the finest bipartisan efforts of the Congress in recent memory. We would be doing the American public a grave disservice if we now proceeded to punch holes in it.

This is the first serious effort of an executive agency to end-run the Civil Service Reform Act and I ask the support of the House in protecting the integrity of the civil service merit system.

There is no logical or practical reason why ACDA needs any exemption from the competitive hiring requirements of civil service law. To do so in this bill would be to open the door to a flood of other requests with the eventual weakening of the fine legislation we enacted last year.

□ 1255

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New York.

Mr. HANLEY. Mr. Chairman, I want to commend the gentleman from Illinois for introducing this amendment. I want to commend his initiative in observing the defect in this bill. Section 2 is a clear violation of the intent of the Civil Service Reform Act. The amendment that the gentleman offers certainly will eliminate this violation and recognizing the cooperative spirit of the chairman of the full committee, I am hopeful that his reaction to what the gentleman is proposing will be one of his usual cooperation.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois.

During the last Congress the Committee on Post Office and Civil Service spent a substantial amount of time and effort developing legislation to improve and streamline the civil service.

Under the Civil Service Reform Act of 1978, Federal agencies now have considerable flexibility with respect to appointments and pay.

The special appointment and pay provisions contained in section 2 of H.R. 2774, which the gentleman's amendment would strike, clearly violate the spirit and intent of the Civil Service Reform Act.

No need has been shown for authorizing such an across-the-board exception from the civil service laws governing the appointment and pay of personnel.

A blanket exception of this nature would constitute a dangerous precedent for other agencies to seek similar exceptions from the laws governing personnel matters.

If we expect to achieve the objectives sought by the enactment of the Civil Service Reform Act, we must firmly oppose legislative proposals, such as the present bill, which would contravene those objectives by fragmenting the civil service employment and compensation systems.

Mr. Chairman, in my opinion section 2 of H.R. 2774 is totally unjustified and undesirable, and, therefore, I urge the adoption of the amendment.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I thank the gentleman for yielding.

As I had advised the chairman, my good friend, the chairman of the Committee on Post Office and Civil Service, the gentleman from Wisconsin was either misinformed or had a perception different from what was learned later. Certainly we do not want to disrupt the civil service reform. Since it is the understanding of the gentleman from Wisconsin that other agencies, such as the National Security Agency, the Nuclear Regulatory Commission, and others who have this exemption will not be granted such exemption in the future, I very gladly commend the gentleman from Illinois for sponsoring the amendment; for if he did not, I would.

We, therefore, accept the amendment.

Mr. DERWINSKI. Mr. Chairman, I would like to point out that Chairman Campbell of the Office of Personnel Management wrote to Chairman HANLEY and Chairman ZABLOCKI advising them of his office's position.

I think this is a practical step we are taking.

Frankly, I am pleased to join in the bipartisan support of the administration's position.

Mr. BROOMFIELD. Mr. Chairman will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, we are very pleased to join in supporting the gentleman's amendment.

Mr. DERWINSKI. Mr. Chairman, I hope this overwhelming support continues throughout the year whenever I have meaningful amendments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MRS. HOLT

Mrs. HOLT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. HOLT: On page 2, line 5, delete "$19,276,000" and substitute in lieu thereof "$18,876,000."

On page 3, delete lines 17 through page 5 line 4.

Mrs. HOLT. Mr. Chairman, H.R. 2774 has within it the sum of $400,000 for the start of a new boondoggle. I refer to the proposed grants to colleges, universities, and other organizations for "planning, developing, and carrying out programs to further instruction and training in matters involving arms control and disarmament."

The language of the legislation is very vague, and the committee report is not very enlightening as to the manner in which these funds would be applied. We are merely told that the Arms Control and Disarmament Agency could use these funds to fulfill its responsibility "for public education."

This is the year in which we should be appropriating funds only for pressing needs. We should not be appropriating tax dollars for new programs with vaguely defined purposes.

Most of the Members of this Congress were elected or reelected last year with promises of frugality. We promised the people that we would carefully discipline ourselves in the use of tax dollars.

Here we have an opportunity to delete from an appropriations bill a $400,000 item that is not needed. I ask the Members to support my amendment.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment of the gentlewoman from Maryland.

☐ 1250

As I said in my remarks the $400,000 added by the committee is a very small amount. I believe support for arms control education and training will generate many, many more dollars for such purposes.

The intent of the amendment is to stimulate the infusion of additional funds from non-Federal sources.

As the gentleman from Illinois (Mr. SIMON) testified before our committee, the Ford Foundation alone from 1973 to 1975 provided some $5 million to support arms control education projects. The Ford Foundation added an additional $4 million for Harvard to provide a permanent endowment in 1977. Ford will add another $1 million to four centers and another $1 million to endow the program at Stanford, if Stanford can come up with a matching $1 million, which it has failed to do to date.

Centers at the University of Pittsburgh, the University of Indiana, Duke University, California State University, Los Angeles, the University of Chicago, the University of Wisconsin, and the University of Michigan either have closed or will close soon unless new funds are provided.

Universities are reluctant to commit their own resources to arms control and national security studies unless the Federal Government provides some resources. They feel such matters, as the gentleman from Illinois clearly pointed out, are matters in which the Federal Government should play a major supporting role. National security and arms control are predominantly Federal problems and not State or local concerns.

Therefore, enactment of section 3 will assist ACDA to carry out its statutory responsibility to coordinate and disseminate public information in relation to arms control matters but will not put ACDA in a position of lobbying or propagandizing anyone.

The question was whether the language of the report is clear. I cannot imagine how we could make it more clear. It certainly says the Director may make grants to institutions of higher education and to public and private nonprofit agencies and organizations for planning, developing, and carrying out programs to further instruct and train in matters involving arms control and disarmament.

No institution or organization will receive more than $500,000 in grants under this section over a period of 5 years.

There will be other funds generated from private sources if the Federal Government will take the initiative.

I yield to the gentlewoman.

Mrs. HOLT. I thank the gentleman for yielding.

I certainly value the opinions of our distinguished chairman. He is one of the great leaders in this Congress.

Mr. ZABLOCKI. Thank you very much.

Mrs. HOLT. I just want to ask this question:

In your years of experience in this House, is this not the way we have gotten ourselves into the present deficit position? One tiny little program, just a tiny little drop in the bucket, and it is going to generate so much more money. It is not going to cost the taxpayers one dime.

Then we see these things burgeoning and burgeoning and burgeoning and that is why we are where we are today. If we could in just 1 or maybe 2 years say we are not going to start any more of these little drops in the bucket we might be able to get some kind of control over our deficit spending.

Mr. ZABLOCKI. That may have happened in the Department of Defense, but let me assure you it will not happen in the Arms Control and Disarmament Agency. With the small budget ACDA has and with the oversight of ACDA by the Committee on Foreign Affairs, I would hope that the start in saving the gentlewoman has referred to, could begin in the Department of Defense.

□ 1255

Mr. Chairman, there is much more than $400,000 authorized for such small programs in the defense budget.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I have the distinction of serving on the Committee on the Budget with the distinguished gentlewoman from Maryland (Mrs. HOLT), and it is with regret and reluctance that I oppose her because she is so frequently right. But in this instance, unfortunately, she is not right.

The foundations which have supported the training for this specialty—and that is precisely what it is; it is a very real specialty, this arms control specialty—have said, "We have done the spade work, we have done the initial work. This is really a governmental function." And so they are gradually withdrawing their funds.

Now, we face an alternative. Do we simply have these experts not developed? I do not think in a world of this sort we can do that.

We are going to be sitting in the Committee on the Budget in the near future, and my colleagues and I will be voting out a budget that will probably have $120 billion plus for armaments. Here we are suggesting let us have $400,000 that is at the discretion of this agency to make sure we are training people who are experts in this field of knowing what we can do about arms control. If there is any criticism of this amount, it should be that it is much too small rather than too large.

I regret to say that if we were to ask people what nation on the face of the Earth sells the most arms abroad, we would learn that we are the Nation that does. If we would ask what nation provides leadership in arms control, we would find we cannot say that we provide that leadership.

This amendment which the committee adopted does not put us in the position of leadership in that area, but it does meet a national need. If we do not do this, we are somehow going to have to get the experts, and I guess then we will go to Great Britain and France and elsewhere to get the experts. It just seems to me rational to develop them here ourselves.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I would be pleased to yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding.

I think we have forgotten to emphasize something, and that is this: If this could contribute to the defense of our country as well as to the limitation of arms, how can we tell that except through experts?

What about the arms information that we are getting about the tremendous armaments that are being built up by the Soviet Union? What does it mean when some particular gas effect is noticed?

We have to have people who know not merely the concentration of gas in certain areas but who know something about the arms control area. We need people who will be able to tell us something about the arms control area, people who will say, "You had better watch this. This will be an armament we are going to have to cope with."

So I believe the defense aspect has not been adequately stressed.

Mr. SIMON. Mr. Chairman, the gentlewoman from New Jersey (Mrs. FENWICK) is absolutely correct. The dialog we have had between my two colleagues from Illinois, the gentleman from Illinois (Mr. FINDLEY) and the gentleman from Illinois (Mr. DERWINSKI), was on that very point, the adequacy of verification and we had better be sure we have experts who can do the kind of job that needs to be done.

Mr. KINDNESS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, what we have before us is another example of a disturbing continuation of what I consider to be a careless way of legislating. This is said with all due respect to the committee and the proponent of the program that is involved here and those who support it.

But we have nothing in the report to tell us what this money is to be spent for. If we look carefully at the language on page 7 in the committee report, we will find nothing in there that defines the manner in which this money is to be spent, and you will find the language going around and around in circles.

The chairman of the committee has spoken about the program in terms of its being a "measley little $400,000." Surely it is small in relation to other expenditures. But we have an aggregation of these "measley little $400,000" amounts in the budget, and they get in there by just the process we are experiencing today.

The chairman of the committee says that the purpose of this provision is to stimulate private funding to carry on this kind of training, while the author of the proposal says that private sources are drying up and saying that this is a governmental function that ought to be taken over by Government.

□ 1300

We cannot have it both ways. This money is not going to stimulate private giving, or it is—one way or the other. But we do not have any facts before us. We have projections in both directions. The programs are close to being discontinued, it is said, and what will happen if we are to start funding them? This amount will not be merely $400,000 next year; it will be more each year. And there is no denying that likelihood.

What kind of training is to be provided in these programs? Political science? International law? Bacteriology? Chemistry? Physics? What is it? Nobody has stated that. It is not clear in the report. But there are all of these disciplines that might very well be involved, and other disciplines besides. Is this the right place to provide the funding for educational programs with a scope that broad, to train physicists, to train chemists, to train bacteriologists, to train political scientists, to train people in international law? Of course it is not. This is not the place for that. We ought to be getting on with this matter, in terms of how we best provide money for these purposes; and this is an act today in derogation of that purpose, rather than moving in the correct direction.

I would like to bring out one other point about this section in the bill. It limits to $500,000 the amount that any one educational institution can receive under the program over a 5-year period. The amount of $400,000 a year is presumably going to go into this program, times 5 years, that would be $2 million. That could account for four schools. Four schools over a 5-year period could use it all, if that limitation were adhered to. It is conceivable that it would go only to four institutions, and maybe that is good; but we ought to look at it in that light. That is how the limitation probably would operate. It could result in only four institutions participating.

So this may not be all that big a deal, in terms of cost right now, but that is how these programs start out. Then they grow. This is really a propagandizing type of training that is involved here, so far as I can understand it up to this point. We are talking about educating the public on the realities and the needs, in terms of disarmament and arms control. It is a propagandizing function. Maybe that is proper. But I doubt that this is the place to be providing for those educational funds.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. KINDNESS. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, I differ with the gentleman, first of all, about propagandizing, the emphasis that the gentleman suggests is the function of this money. That is not the function at all.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. KINDNESS) has expired.

(On request of Mr. SIMON and by unanimous consent, Mr. KINDNESS was allowed to proceed for 2 additional minutes.)

Mr. SIMON. The gentleman from Ohio sees an inconsistency between the committee report and what I have said. Stanford and Harvard are two of the schools that now have programs. If they now match Ford Foundation funds 8 to 1 and Ford Foundation funds are not there any more, then the university funds are not there. If the Federal Government can be there, then the private funds are there.

I do not see any inconsistency in our statements.

Finally, make this observation, and I do this not only on this bill but on many others. The smaller the amount of money you have, the more likelihood is that it will generate debate. If I had come in and suggested to the committee that we get one or two billion dollars, maybe we would have had no debate whatsoever. If I had suggested $200,000 instead of $400,000, we would probably have had twice as much debate. I thought I made a very prudent, sensible, conservative suggestion about a very real national need, and I hope that this body considers that is precisely what it is, a national need.

Mr. KINDNESS. Mr. Chairman, the gentleman is quite correct in saying, I believe, that it is a national need for us to better understand disarmament and arms control. But whether it should be done through this mechanism I think is highly questionable. This is an authorization bill for an entirely different purpose. The Arms Control and Disarmament Agency is not set up to administer educational funds. Who is going to do it over there? They have a small enough staff, as it is. How are they going to accomplish this task? We are asking something that presumably detracts from their otherwise necessary charter and function.

□ 1305

I would urge that the amendment offered by the gentlewoman from Maryland (Mrs. Holt) be supported and adopted.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Maryland (Mrs. Holt).

The amendment was rejected.

The CHAIRMAN. If there are no further amendments, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. Danielson) having assumed the chair, Mr. Sharp, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes, pursuant to House Resolution 171, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. KINDNESS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 296, nays 100, not voting 36, as follows:

[Roll No. 51]

YEAS—296

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Conte
Conyers
Corcoran
Corman
Coughlin
Courter
D'Amours
Danielson
Davis, Mich.
Davis, S.C.
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Fish
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gray
Green
Gudger
Hall, Ohio
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Huckaby
Hughes
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N C.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Leach, Iowa
Lehman
Leland
Lent
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marriott
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Rhodes
Richmond
Rinaldo
Ritter
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Slack
Smith, Iowa
Snowe
Solarz
Spellman
Stark
Steed
Stewart
Stockman
Stokes
Studds
Swift
Synar
Thomas
Thompson
Traxler
Udall
Van Deerlin
Vento
Volkmer
Walgren
Wampler
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wydler
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—100

Abdnor
Archer
Badham
Bafalis
Bauman
Beard, Tenn.
Bethune
Bouquard
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Coleman
Collins, Tex.
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
de la Garza
Deckard
Devine
Dickinson
Duncan, Tenn.
Edwards, Okla.
Gingrich
Goodling
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hance
Hansen
Harsha
Hinson
Holt
Hutto
Ichord
Jeffries
Kelly
Kindness
Kramer
Latta
Leach, La.
Leath, Tex.
Lee
Lewis
Livingston
Loeffler
Lott
McDonald
Marlenee
Martin
Mathis
Michel
Montgomery
Moore
Moorhead, Calif.
Pashayan
Paul
Quayle
Quillen
Roberts
Robinson
Roth
Rousselot
Rudd
Satterfield
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stack
Stangeland
Stenholm
Stratton
Stump
Symms
Tauke
Taylor
Trible
Walker
Watkins
Whitehurst
Whittaker
Wilson, C. H.
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—36

Anderson, Ill.
Ashbrook
Biaggi
Bolling
Buchanan
Conable
Cotter
Crane, Philip
Evans, Del.
Ferraro
Findley
Fisher
Flood
Frenzel
Gephardt
Giaimo
Gibbons
Guarini
Hubbard
Jones, Okla.
Jones, Tenn.
Lederer
Mikva
Murphy, N.Y.
O'Brien
Pepper
Reuss
Runnels
St Germain
Staggers
Stanton
Treen
Ullman
Vander Jagt
Vanik
Waxman

□ 1325

The Clerk announced the following pairs:

Mr. Pepper with Mr. Anderson of Illinois.
Mr. Staggers with Mr. Frenzel.
Mr. Guarini with Mr. Buchanan.
Ms. Ferraro with Mr. Conable.
Mr. Cotter with Mr. Evans of Delaware.
Mr. Biaggi with Mr. Findley.
Mr. Flood with Mr. Stanton.
Mr. Hubbard with Mr. Vander Jagt.
Mr. Murphy of New York with Mr. Jones of Tennessee.
Mr. Mikva with Mr. Gibbons.
Mr. Vanik with Mr. Ashbrook.
Mr. Waxman with Mr. Jones of Oklahoma.
Mr. Gephardt with Mr. Runnels.
Mr. Giaimo with Mr. St Germain.
Mr. Ullman with Mr. Philip M. Crane.
Mr. Reuss with Mr. O'Brien.
Mr. Lederer with Mr. Fisher.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO HAVE UNTIL NOON, SATURDAY, MARCH 24, 1979, TO FILE REPORT ON H.R. 3173

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until noon, Saturday, March 24, 1979, to file a report on H.R. 3173, the International Security Assistance Act of 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION FOR COMMITTEE ON FOREIGN AFFAIRS TO HAVE UNTIL MIDNIGHT, SUNDAY, MARCH 25, 1979, TO FILE CONFERENCE REPORT ON H.R. 2479

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs may have until midnight, Sunday, March 25, 1979, to file a conference report on H.R. 2479, the United States-Taiwan Relations Act.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

□ 1330

ANNOUNCEMENT OF APPOINTMENT OF REPUBLICAN OFFICIAL OBJECTORS FOR CONSENT CALENDAR AND PRIVATE CALENDAR FOR THE 96TH CONGRESS AND ANNOUNCEMENT OF LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time for two purposes. The first purpose is to announce the official objectors from the Republican side for the Consent Calendar and the Private Calendar. The Republican official objectors for the 96th Congress for the Consent Calendar will be the gentleman from Pennsylvania (Mr. Schulze), the gentleman from California (Mr. Dornan), and the gentleman from Texas (Mr. Loeffler).

For the Private Calendar, the Republican official objectors for the 96th Congress will be the gentleman from California (Mr. Rousselot), the gentleman from Maryland (Mr. Bauman), and the gentleman from Wisconsin (Mr. Sensenbrenner).

Mr. Speaker, the second purpose for which I take the time of the House is to inquire of the distinguished majority leader if he is in a position to inform the House as to the program for the balance of the week and as to the program for the following week.

Mr. WRIGHT. Will the distinguished minority leader yield?

Mr. RHODES. I yield to the majority leader.

Mr. WRIGHT. Mr. Speaker, the only business remaining on our schedule for this week is a series of eight committee funding resolutions. We shall take those up immediately. We hope to conclude them today.

We will postpone any votes until the end, and we will cluster the votes that will be demanded at their conclusion, which we hope would occur at about 5:30 p.m. We shall adjourn then, and that will conclude the business for this week.

I will ask unanimous consent after this colloquy that when we adjourn today, we adjourn to meet at 12 o'clock on Monday next.

On Monday, we will consider one suspension, H.R. 2277, authorization for the FAA for fiscal year 1980. Then we will take up a bill providing authorizations for the Environmental Protection Agency, under an open rule, with 1 hour of general debate. Any votes required on either of those bills would be postponed until Tuesday.

We will meet at noon on Tuesday.

Mr. RHODES. Mr. Speaker, may I inquire, those will be votes on final passage only that will be postponed, will they not?

Mr. WRIGHT. It is presumed that that would be all that would be allowed in any event with regard to the suspension bill.

Mr. SNYDER. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Speaker, as I understand the rule, the votes can be postponed only on final passage. The one bill the gentleman mentioned is under an open rule, which means that amendments could be offered to that bill.

Would it be the intention of the leadership that if amendments were offered and a vote called for, we would rise? Those votes, as I understand it, could not be deferred until the following day.

Mr. WRIGHT. Mr. Speaker, let me just appeal to the Members to try to be understanding of a special situation on Monday. Now is as good a time as any to make this announcement. At 2 o'clock on Monday, at the White House, there will be the official signing of the Israeli-Egyptian peace treaty. All Members of Congress are invited; only Members are invited. But transportation will be provided for all Members of the House to go to the White House for the treaty-signing ceremony. Buses will depart at 1 o'clock p.m. on Monday, leaving the Capitol and returning to the Capitol immediately upon completion of the ceremony.

There will not be any private parking available at the White House on that occasion, and, therefore, Members who plan to go should make arrangements to ride the bus that will leave at 1 o'clock. It may be that Members would want to talk to the Sergeant at Arms for any further details.

For that reason it was felt that it would be inappropriate to have votes planned on the floor. The gentleman from Kentucky (Mr. Snyder) is quite right in his understanding of the rules, however.

Mr. SNYDER. Mr. Speaker, will the gentleman yield briefly once again?

Mr. RHODES. I yield to the gentleman from Kentucky.

Mr. SNYDER. Mr. Speaker, I do not want to press the matter, but I anticipate, as we have seen thus far during this session, that occasions will arise again where announcements will be made that votes will be postponed.

I would hope that sometime in the near future the leadership could establish some kind of a policy so that we would know—and I am not trying to suggest what it ought to be—in those instances when bills that have open rules are programmed and there is a possibility of amendments that could be voted on, and so that we would have some kind of an idea of what the procedure is going to be in the future. I urge that the gentleman perhaps discuss it among the leadership and give us some indication.

Mr. Speaker, I thank the gentleman very much for yielding.

Mr. RHODES. Mr. Speaker, may I ask, would it be the purpose of the majority leadership to call the House back in session after the ceremony at the White House?

Mr. WRIGHT. I do not think that is our purpose. We would hope to conclude these matters prior to going to the White House. If we came in here and got ourselves busy and did so expeditiously, we could do that.

But I think the point of the gentleman from Kentucky (Mr. Snyder) is well taken. We will look into that and try to perfect some kind of a solution.

Mr. FUQUA. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Speaker, I might point out that the EPA bill is for research and development only. It does not cover the broad spectrum of the regulatory procedure. It was passed out of the committee unanimously, and I am not aware of any amendments, if there are any amendments, that would have any controversy connected with them.

□ 1335

Mr. RHODES. I thank the gentleman.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the distinguished majority leader.

Mr. WRIGHT. Mr. Speaker, let me explain that on Tuesday we will meet at noon, and we will have any recorded votes on passage of bills that were debated on Monday.

Then we will take up one suspension, H.R. 3091, a 1-year extension of State legislators tax treatment.

Then we hope to take up the conference report on H.R. 2439, the budget rescission bill, following that with debate on the National Science Foundation authorization for fiscal year 1980, under an open rule with 1 hour of general debate.

On Wednesday we will meet at 3 o'clock and take up the supplemental authorization for NASA and the fiscal year 1980 authorizations for NASA, each under an open rule with 1 hour of general debate. Also, that day we will take up the conference report on the Taiwan resolution.

On Thursday we would meet at 11 o'clock, and we have three bills scheduled: The security assistance bill, subject to the granting of a rule, and a resolution permitting the Select Committee on Intelligence to conduct certain hearings, as well as one resolution reestablishing the Select Committee on the Outer Continental Shelf.

We plan not to be in session on Friday next.

We will adjourn by 5:30 on all days except Wednesday.

Conference reports may be brought up at any time.

Any further program will be announced later.

Mr. RHODES. I failed to hear when the conference report on the Taiwan resolution is scheduled. Does the majority leader have any thoughts as to when it might be called up?

Mr. WRIGHT. It would be our intention to schedule that conference report on Wednesday.

I see the distinguished chairman of the Committee on Foreign Affairs nodding his assent. It would be our plan to take that whenever he and other Members on that committee ask us to do so. It is an important bill, and we want to get it passed as soon as we can.

Mr. ZABLOCKI. Mr. Speaker, if the gentleman will yield, the earliest date we can bring up the conference report under the rules would be Wednesday. We would be delighted to do so if the leadership desires to schedule it.

Mr. WRIGHT. I thank the gentleman.

ANNOUNCEMENT OF APPOINTMENT OF OFFICIAL DEMOCRATIC OBJECTORS FOR CONSENT CALENDAR AND PRIVATE CALENDAR FOR THE 96TH CONGRESS

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I take this time to announce the official objectors from the Democratic side.

For the Consent Calendar, the Democratic official objectors for the 96th Congress will be the gentleman from Alabama, Mr. Flippo; the gentleman from Texas, Mr. Hance; and the gentleman from California, Mr. Coelho.

For the Private Calendar, the Democratic official objectors for the 96th Congress will be the gentleman from Massachusetts, Mr. Boland; the gentleman from Minnesota, Mr. Oberstar; and the gentleman from Pennsylvania, Mr. Ertel.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

□ 1340

ADJOURNMENT TO MONDAY, MARCH 26, 1979

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12 o'clock noon on Monday, March 26, 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

EXTENDING CONGRATULATIONS TO REPUBLIC OF TUNISIA ON THE 23D ANNIVERSARY OF ITS INDEPENDENCE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the resolution (H. Res. 163) extending congratulations to the Republic of Tunisia on the 23d anniversary of its independence, and ask for its immediate consideration.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the resolution, as follows:

H. Res. 163

Whereas the date, March 20, 1979, marks the twenty-third anniversary of the independence of the Republic of Tunisia;

Whereas Tunisia was the first of the Maghreb countries under French rule to have gained its independence, in 1956, and has modernized rapidly under the leadership of its first and incumbent president, Habib Bourguiba;

Whereas Tunisia has made wise and efficient use of its own resources and the development assistance received from other countries during the post-independence era—as revealed in recent statistics provided by the International Bank for Reconstruction and Development;

Whereas Tunisia has important historic ties with both France and the United States, while retaining its basic attachment to Arab roots and culture; and

Whereas bilateral relations between Tunisia and the United States have been and continue to be excellent: Now, therefore, be it

Resolved, That the House of Representatives here assembled does hereby extend to the Government and the people of Tunisia its warmest congratulations upon the occasion of the twenty-third anniversary of Tunisian independence, as well as the profound hope that Tunisia will continue to experience economic prosperity and the fulfillment of its national aspirations in this third decade of its nationhood.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Wisconsin (Mr. Zablocki).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Resolution 163, extending congratulations to the Republic of Tunisia on the 23d anniversary of its independence.

House Resolution 163, was considered by the Committee on Foreign Affairs, on Tuesday, March 19, and was ordered favorably reported by a voice vote.

I would now like to yield to the Honorable Millicent Fenwick of New Jersey, who is the principal sponsor of the measure, for her comments.

Mrs. FENWICK. I thank my chairman. I will not take the time of the House.

This is a small, independent country on the north coast of Africa, situated between Libya and Algeria. I think we need say no more. This stable government has lasted for 23 years, and I think congratulations are in order.

I thank my chairman.

● Mr. BROOMFIELD. Mr. Speaker, I rise in support of House Resolution 163. I am pleased to join my colleagues, the gentlewoman from New Jersey and the distinguished chairman of the Committee on Foreign Affairs in sponsoring this legislation commemorating the 23d anniversary of the independence of Tunisia.

As the resolution itself notes, Tunisia has been a long-time friend of the United States, and the relations between our two countries today continue to be very cordial and cooperative. This resolution also recognizes the considerable economic progress which Tunisia has achieved since independence by judicious application of its own resources and the efficient use of assistance from friendly countries.

There is every indication that the Tunisian people are continuing to progress at a rate and in a fashion which is an inspiration to other countries regardless of their conditions of development. I urge the House to approve this resolution congratulating our Tunisian friends on this occasion and offering our sincere hopes for their continued progress.●

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the resolution (H. Res. 163).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The SPEAKER pro tempore. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

POINT OF PERSONAL PRIVILEGE

Mr. BAUMAN. Mr. Speaker, I rise to a point of personal privilege.

The SPEAKER pro tempore. The Chair is aware of the press statement to which the gentleman refers, and the gentleman is recognized for 1 hour.

Mr. BAUMAN. Mr. Speaker, rule XIV, clause 1 of the House of Representatives, entitled, "Of Decorum and Debate," reads as follows:

1. When any Member desires to speak or deliver any matter to the House, he shall rise and respectfully address himself to "Mr. Speaker," and, on being recognized, may address the House from any place on the floor or from the Clerk's desk, and shall confine himself to the question under debate, avoiding personality.

Notice, Mr. Speaker, I said that the rule requires that a Member rise to address the Chair.

Mr. Speaker, I refer the Chair to an article appearing in the Chicago Tribune on Wednesday, March 21, 1979, by one Arthur Siddon, entitled, "House Debut a Yawn on TV." I will not burden the House with the full content of this article, but I draw attention only to two paragraphs:

> Because the cameras focus only on the speakers, viewers did not see some of the more interesting activities on the floor.
>
> They did not see, for example, Representative ROBERT BAUMAN (R., Md.) sitting on a table or—

Another unnamed Member of Congress whom I shall not bring to the Members' attention, from Peoria—

> with his feet up on the chair in front of him.

Mr. Speaker, the gentleman from Maryland has been aware of rule XIV throughout his 6 years of service here and he has never sat on the table while addressing the Chair.

☐ 1335

The gentleman from Maryland has often observed other Members sitting on the table, a deplorable custom which is against the Rules of the House and for any Member could be called to attention immediately upon engaging in such an unparliamentary act. I have usually refrained from calling other Members to order for that practice, and I only want to correct the record by pointing out that the gentleman from Maryland does try to abide by the Rules of the House which he sincerely respects.

The electronic media may be nearly perfect in their reproduction of what occurs here, but the pencil press sometimes slips.

Mr. Speaker, I thank the Chair and yield back the balance of my time.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5(b) (1) of rule I, the Chair announces that he will postpone further proceedings today on each question of agreeing to resolutions on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such votes, if postponed, will be taken today after debate is completed on all the resolutions reported from the Committee on House Administration.

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES BY COMMITTEE ON THE JUDICIARY

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 86) to provide for the expenses of investigations and studies to be conducted by the Committee on the Judiciary, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 86

Resolved, That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed $1,457,363.93, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $90,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $3,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on the Judiciary shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on the Judiciary, acting as a whole or by subcommittee, not to exceed $1,432,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $90,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $3,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or invesigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on the Judiciary shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed, from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the House has before it today eight more committee funding resolutions. These complete the funding resolutions for the standing committees and permanent select committees of the House and I would like to take this opportunity to thank my colleagues on the Subcommittee on Accounts, particularly our ranking minority member, Mr. DEVINE, for the hard work that they have given to the task of reviewing the budgets of the standing and permanent select committees.

Mr. Speaker, we have tried to insure that the committees received adequate funds to be able to discharge their legislative responsibilities and to increase their oversight of the laws we have passed.

At the same time, we have been mindful of the necessity of eliminating unnecessary or wasteful congressional spending.

I think our record is clear.

The Committee on House Administration has cut the funding requests included in the 24 resolutions it has reported by more than $4.3 million, almost $100,000 per congressional district.

And, Mr. Speaker, we have held the amount authorized to virtually the same level as that approved by the House last year. This means that despite increased costs, the committees of the House will, taken as a whole, be operating on the same budget as they did in 1978.

Mr. Speaker, I am proud of this record and think that it demonstrates that the Committee on House Administration and the House of Representatives are serious about holding the line on Government spending in general and congressional spending in particular.

The first of these resolutions, H.R. 86, now under consideration, provides $1,432,000 for investigations and studies to be conducted by the Committee on the Judiciary.

Mr. Speaker, the amount approved by the Committee on House Administration is $50,805 less than this committee received last year and is $25,364 less than the committee requested.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from California, for purposes of debate only.

Mr. DANNEMEYER. Mr. Speaker, may I inquire of the gentleman how much time he is going to allot to me at this point?

Mr. BRADEMAS. Mr. Speaker, I yield 5 minutes to the gentleman from California.

□ 1355

Mr. Speaker, I yield for purposes of debate only to the ranking minority member of the subcommittee, the gentleman from Ohio (Mr. Devine).

Mr. DEVINE. Mr. Speaker, I thank the gentleman for yielding and also express my appreciation for the gentleman's generous remarks, for the assistance and cooperation of the minority in trying to come to reasonable figures on these funding resolutions.

I would also commend the new chairman of the subcommittee and counsel handling this on the floor today, because he, too, has assumed a position of not being a rubberstamp for the requests of all the committee chairmen.

It is difficult when working with our colleagues; but the gentleman has exercised austerity.

I would say that the eight funding resolutions before us today total cuts of over $2 million. When you add that to those we have already approved, then we are saving plus $4 million as a result of the work of the subcommittee.

I have great respect and admiration for our colleague, the gentleman from California (Mr. Dannemeyer), who just spoke from the well. His heart is in the right place. He, too, got the message from proposition 13 in California, as did many of us, and he is trying to adhere to the Presidential voluntary guidelines in the area of 7 percent.

The only problem we find in this is what we are comparing each figure to, whether it is the amount requested last time, the amount spent last time, the amount requested this time, and what was finally done by the House Committee on Administration.

Sometimes it is like comparing, perhaps, artichokes to mangoes; but the reductions that are inherent in each of these funding resolutions, I think, represent an honest and sincere effort on the part of the Committee on House Administration, and I support the remarks of the gentleman from Indiana.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from Ohio for his gracious comments.

Mr. Speaker, I yield to the ranking minority member of the Committee on the Judiciary, the gentleman from Illinois (Mr. McClory), to be recognized for purposes of debate only.

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding. I just want to say, I have worked with the chairman of the committee, the gentleman from New Jersey (Mr. Rodino). We did go over our anticipated expenditures very carefully. I think ours has been a very frugal committee insofar as expenditures are concerned. We are curtailing our expenses this year. Consequently, the amount that we are requesting is $25,000 below last year's appropriation and with the help of the Committee on House Administration that figure is now $50,000 below what the last appropriation was.

With the extent of the work which the committee is undertaking, including the work on the constitutional proposals for a balanced Federal budget and to limit Federal spending, the funds made available to the committee will be very well spent for the extremely arduous and extensive work of the Committee on the Judiciary.

I hope that the Members will support the House administration recommendations.

I might just add that we will be undertaking a legislative load on our Committee on the Judiciary equally as burdensome as that of the corresponding committee in the other body, and yet I am sure the Members would find that the anticipated expenditures of that committe are far in excess of our committee's anticipated expenditures during the current fiscal year.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman and I move the previous question on the resolution.

Mr. BAUMAN. Mr. Speaker, would the gentleman yield before he moves the previous question?

Mr. BRADEMAS. I would be glad to yield to the gentleman from Maryland for purposes of debate only.

Mr. BAUMAN. Mr. Speaker, I thank the gentleman for yielding, and I do so to ask the chairman of the Committee on the Judiciary a question. Some weeks ago the gentleman from Maryland wrote to the gentleman from New Jersey requesting permission to appear before the Committee on the Judiciary at an appropriate time and before the appropriate subcommittee to testify regarding a resolution that I have introduced requiring a balanced Federal budget, one that I have had before the House since I was elected 6 years ago. I did so both in my capacity as a Member of the House and as the head of a national organization interested in this particular legislation.

I received a letter back saying that it had been determined that Members of the House would not be permitted to testify before the gentleman's committee on the subject of a balanced budget.

Now, I can understand that the number of Members who are interested and who might wish to use this forum to express their views would be rather large; but for the life of me, I have never encountered a situation in which Members of Congress who have legislation pending before a committee are not to be permitted to testify, even if it is for 2 minutes.

I wonder if the gentleman would elaborate on why Members of the House cannot be permitted to testify on this issue?

Mr. BRADEMAS. Mr. Speaker, for that I yield to the distinguished chairman of the Committee on the Judiciary.

Mr. RODINO. Mr. Speaker, I thank the gentleman for yielding.

I would advise the gentleman from Maryland, for whom I have the greatest respect and I know that his presentation would be an invaluable one; however, I do believe that we have got to recognize that the constraints of time are going to be such, especially in view of the fact that this question is one that concerns so many segments of the American populace, that it is really going to be an effort to be able to convince the hearings so that we would within a period of time be able to come up with a judgment or a conclusion regarding this question.

As to whether or not Members individually may be permitted to testify, I can only advise that it is the unanimous judgment of the subcommittee that Members of the House would be permitted to present their statements, their written statements. We will be inviting, however, representatives of national organizations that are interested in this question and if the Member then, I guess in the role as a representative of that national organization is then invited by that organization to testify, I think we would consider that request.

□ 1400

Mr. ROUSSELOT. Will the gentleman yield?

Mr. BRADEMAS. I yield briefly for the purpose of debate only to the gentleman from California.

Mr. ROUSSELOT. I thank my colleague for yielding.

Is my distinguished chairman saying you are going to limit the time of Members of Congress so they cannot testify at all? Do you think we should start that practice with other committees?

Mr. RODINO. There are 145 sponsors of this measure. It would be physically impossible to try to stay within the limits that we believe will be necessary in order to come out with some conclusion on this matter, to be able to accommodate all of those Members without then not committing others who will come from representative groups to testify.

Mr. ROUSSELOT. Will the gentleman yield?

Mr. BRADEMAS. Yes, I will yield in like fashion to the gentleman from California.

Mr. ROUSSELOT. I thank my colleague for yielding.

I really think the gentleman is establishing a very unusual practice. For instance, on the Committee on Ways and Means every Member of Congress is very much affected by taxation. Yet there is no such practice limiting appearance of Members before Way and Means Committee. Some of us have been interested in this balanced budget constitutional amendment for years. The chairman, for whatever reasons, decided he did not want hearings on it prior to this time. I really think it is unfair to the Members of Congress who have been interested in this important issue to say to other Members of Congress that they cannot do more than just submit something or perhaps have questions answered by written response.

Mr. RODINO. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. Of course.

Mr. RODINO. I will be happy to submit to the gentleman's suggestion to the subcommittee and accede to the judgment and the decision of the subcommittee.

Mr. McCLORY. Would the gentleman from Indiana yield to me?

Mr. BRADEMAS. I would be very pleased to yield to the gentleman.

Mr. McCLORY. I thank the gentleman for yielding.

I am endeavoring to work with the chairman of the committee with respect to the hearings and scheduling and in developing a time frame for the hearings so that we can resolve the questions before us. We have discussed the problem of restricting or limiting testimony on behalf of Members because of the large number who might wish to testify, and if we accommodate all those Members who want to testify we would be bogged down and would not get action on the balanced budget constitutional amendment which is something I would like to have action on.

I think in the light of the extreme interest on the part of some Members, I would like to review this subject again. Perhaps the chairman would review this question with me and we will try to work out some kind of schedule for accommodating the most interested Members in a way which can serve their needs without delaying action which I know the Members would want to have us take.

● Mr. EDWARDS of California. Mr. Speaker, I can assure the House that under the leadership of Chairman RODINO the House Committee on the Judiciary takes most seriously its responsibilities in connection with the internal security of the United States. As the chairman of the subcommittee having jurisdiction over the FBI, I can certify that we spend much time and resources on this important subject.

I cannot begin to count the number of hearings, meetings, visits, and communications we have had with the FBI over the past few years. It is an almost daily job, working with officials of the Bureau and those of the Justice Department having responsibilities for the operation of the FBI.

I can assure my colleagues that the FBI is a competent, professional, and dedicated organization. It recognizes its key responsibilities in dealing with crimes connected with bombings, terrorism, counterespionage, and other threats to the internal security of the United States. It gives to this area of criminal activity its highest priority. It works in close contact, and harmoniously, with the members and staff of the Judiciary Committees of the House and Senate and of the respective intelligence committees.

Important among the internal security dangers in the United States is the threat of terrorism, domestic or international in origin. It is to the credit of Judiciary Committee Chairman PETER RODINO that he recognized this threat and on May 11, 1978, assigned to the Judiciary Committee's Subcommittee on Civil and Constitutional Rights, which I chair, certain major responsibilities for dealing with terrorism. In his letter to me Chairman RODINO said:

> I am writing out of a growing concern for the twin problems of terrorism in our society and the proper governmental response to the threat of that terrorism.
>
> I am concerned that we recognize the danger of terrorism and be prepared to deal with it. I am no less concerned that we deal with this growing epidemic of violence within the framework of our cherished constitutional protections.
>
> Former isolated instances of terrorism are now reaching serious proportions internationally. Our outrage and reaction must not strain our patience or strangle our reason. We must find ways to protect society but with the restraint characteristic of our principles of law.
>
> There is a tendency on the part of some to overreact, to even suggest the possibility of relaxing constitutional guarantees temporarily to meet the current exigencies. History, and recent history at that, has clearly demonstrated the error of that way.
>
> There are presently pending before the Subcommittee on Criminal Justice and the Subcommittee on Administrative Law and Governmental Relations several different legislative proposals with regard to terrorism. However, because of the jurisdiction of your Subcommittee in connection with the FBI, it appears to me that, consonant with your oversight responsibilities, you might initiate some studies in this area. Not enough facts are readily available to us as yet to truly understand a proper response; whether or not sufficient resources are being utilized; whether adequate planning has taken place.
>
> I would think that with the assistance of the GAO, your staff, or a combination of both, a great deal could be accomplished in this area in the months ahead.
>
> It would be useful, before we begin our next authorization cycle, to have a written staff or Subcommittee report from you in this area.

Mr. Speaker, the subcommittee has moved ahead promptly and responsibly. In August, September, and October 1978, we held a series of hearings. We heard from the Department of Justice, the Department of State, the Law Enforcement Assistance Administration (LEAA) and the Internal Association of Chiefs of Police (IACP). This session we have already heard testimony by the FBI, and on April 4 the English expert on terrorism Dr. Richard Lewis Clutterbuck will testify.

Also, the subcommittee's first report "Federal Capabilities in Crisis Management and Terrorism" is in rough draft form and will be ready for distribution with a few weeks.

The report sets forth the key issues which most concerned the House Judiciary Committee's Subcommittee on Civil and Constitutional Rights during its hearings. Initially, this report discusses the problem of a definition of "terrorism"—what is "terrorism"—and "who are the terrorists." The report then describes the historical development of the Federal Government's policy structure and operational response to the threat posed by terrorists violence. This particular section focuses on those governmental agencies and officials responsible for the formulation of contingency plans and the management of an actual incident. The issues pertaining to the collection and dissemination of intelligence information are examined in that section of the report. The third section adresses the involvement of State and local law enforcement agencies in preparing for and responding to the threat of terrorism. The topics of training and the interrelationship between the Federal and the State and local officials are of primary concern in this segment of the report. Finally, the report sets forth a series of materials regarding the role of the media in its coverage of a terrorist incident, in particular a hostage situation.

Mr. Speaker, I support fully the legislation to fund the Judiciary Committee and urge a "no" vote on any motion to recommit.●

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS. I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

The point of order is considered as withdrawn.

□ 1405

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES BY COMMITTEE ON SCIENCE AND TECHNOLOGY

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 134) to provide for the expense of investigations and studies to be conducted by the Committee on Science and Technology, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 134

Resolved, That, effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on Science and Technology, acting as a whole or by subcommittee, not to exceed $1,922,700, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $128,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $3,600 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Science and Technology shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike all after the resolving clause and insert:

That, effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on Science and Technology, acting as a whole or by subcommittee, not to exceed $1,600,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $128,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $3,600 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Science and Technology shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 134 provides $1,600,000 for investigations and studies to be conducted by the Committee on Science and Technology.

Mr. Speaker, the amount approved by the House Administration Committee is $322,700 less than the committee requested.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES BY COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 139) to provide funds for the expenses of studies and investigations to be conducted by the Committee on Interior and Insular Affairs, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 139

Resolved, That expenses of investigations and studies to be conducted by the Committee on Interior and Insular Affairs, acting as a whole or by subcommittee, not to exceed $1,745,035, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $78,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Interior and Insular Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike all after the resolving clause and insert:

That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on Interior and Insular Affairs, acting as a whole or by subcommittee, not to exceed $1,200,000, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $78,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)) and not to exceed $2,500 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resoution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Interior and Insular Affairs shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 139 provides $1,200,000 for investigations and studies to be conducted by the Committee on Interior and Insular Affairs.

Mr. Speaker, the amount approved by the House Administration Committee is $545,035 less than the committee requested.

Mr. Speaker, does the gentleman from California (Mr. LUNGREN) wish that I yield time to him?

Mr. LUNGREN. Yes, I do, Mr. Speaker.

Mr. BRADEMAS. Mr. Speaker, I yield 2 minutes, for purposes of debate only, to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Speaker, I thank the gentleman for yielding this time to me.

First of all, I would like to commend the gentleman from Indiana (Mr. BRADEMAS) for making what is, I think, the first step that has been taken by his committee in cutting down some of the requests that we have before us. However, it is only a first step, and we have got to go further.

In the last couple of days we spent a great deal of time debating the question of whether we should as a House adopt legislation to continue the Council on Wage and Price Stability. We were told this was absolutely necessary because we had to follow the President's guidelines of 7 percent for wages and prices.

Yet at the same time, within several days, we have brought before this House requests for increases in spending from the year before ranging all the way, except in one case where it was under 7 percent, from 11 percent to 33.9 percent, as is the case here.

I think really we should not ask the American people to accept restraints from the Federal Government when we ourselves refuse to do that in this House. It is a very simple step we have to take to make sure those increases we ask for are well within the President's guidelines so we can say to the American people, "We have taken the big step. We are serious about it. Since we are serious about it, we will ask for your cooperation."

In lieu of that, we have really said to them, "You be serious about it, but this Congress need not be serious about it."

Frankly, we must get our own House in order before we ask the rest of the American people to do so.

On that ground, Mr. Speaker, I would ask my colleagues to not accept these resolutions if they do exceed the 7-percent guidelines established by the President.

Mr. BRADEMAS. Mr. Speaker, I would only observe this: I am somewhat surprised at what we have just heard, because the ranking minority member of the committee, the gentleman from California (Mr. CLAUSEN), is also from the State of California, and he was the subject of a remark in one of the newspapers in Washington because of his strong support of more money in this and indeed his support of a resolution which provided over a half million dollars more than the Committee on House Administration approved.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES BY COMMITTEE ON GOVERNMENT OPERATIONS

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 140) to provide for the expenses of investigations, studies, oversight, and functions to be conducted by the Committee on Government Operations, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 140

Resolved, That effective January 3, 1979, expenses of investigations, studies, and oversight responsibilities and functions to be conducted pursuant to rule X, clause 2, paragraphs (b)(1), (b)(2), and (c) (relating to general oversight responsibilities), clause 4 (c) (relating to additional functions of the Committee on Government Operations), and rules XI, clause 1(b) (relating to the authorization of investigations and studies), by the Committee on Government Operations, acting as a whole or by subcommittee, not to exceed $2,193,500, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of the committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $18,750 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $2,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. The chairman of the Committee on Government Operations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That, effective January 3, 1979, expenses of investigations, studies, and oversight responsibilities and functions to be conducted pursuant to rule X, clause 2, paragraphs (b)(1), (b)(2), and (c) (relating to general oversight responsibilities), clause 4(c) (relating to additional functions of the Committee on Government Operations), and rule XI, clause 1(b) (relating to the authorization of investigations and studies), by the Committee on Government Operations, acting as a whole or by subcommittee, not to exceed $2,093,500, including expenditures—

(1) for the employment of investigators, attorneys, and clerical, stenographic, and other assistants;

(2) for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and

(3) for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of the committee staff personnel performing professional and nonclerical functions;

shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $18,750 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); and not to exceed $2,000 of such total amount may be used to provide for specialized training, pursuant to section 202(j) of such Act, as amended (2 U.S.C. 72a(j)), of staff personnel of the committee performing professional and nonclerical functions; but neither of these monetary limitations shall prevent the use of such funds for any other authorized purpose.

SEC. 2. The chairman of the Committee on Government Operations shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by this resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 140 provides $2,093,500 for investigations and studies to be conducted by the Committee on Government Operations.

Mr. Speaker, the amount approved by the House Administration Committee is $100,000 less than the committee requested.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

□ 1410

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 132) providing funds for investigations and studies for the Committee on Merchant Marine and Fisheries, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 132

Resolved, That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on Merchant Marine and Fisheries, acting as a whole or by subcommittee, not to exceed $1,753,579 including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $87,500 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Merchant Marine and Fisheries shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Inidana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Committee on Merchant Marine and Fisheries, acting as a whole or by subcommittee, not to exceed $1,400,000 including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $87,500 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Merchant Marine and Fisheries shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 132 provides $1,400,000 for investigations and studies to be conducted by the Committee on Merchant Marine and Fisheries.

Mr. Speaker, the amount approved by the House Administration Committee is the same as this committee received last year and is $353,579 less than the committee requested.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES BY COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 137) to provide funds for the expenses of investigations to be conducted by the Committee on Interstate and Foreign Commerce, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 137

Resolved, That, effective January 3, 1979, expenses of investigations and studies to be conducted by the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, not to exceed $4,262,357, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of such contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $93,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Interstate and Foreign Commerce shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Adminstration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows: Committee amendment: Strike out all after the resolving clause and insert:

That, effective January 3, 1979, expenses of investigations and studies to be conducted by the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, not to exceed $3,708,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of such contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $93,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a (i)); but this monetary limitation on the procurement of such services shall not prevent the use of such fund for any other authorized purpose.

SEC. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Interstate and Foreign Commerce shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 137 provides $3,708,000 for investigations and studies to be conducted by the Committee on Interstate and Foreign Commerce.

Mr. Speaker, the amount approved by the House Admininstration Committee is $554,357 less than the committee requested.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES BY COMMITTEE ON POST OFFICE AND CIVIL SERVICE

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 123) to provide for the expenses of investigations and studies to be conducted by the Committee on Post Office and Civil Service, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 123

Resolved, That effective January 3, 1979, expenses of investigations and studies to be conducted by the Committee on Post Office and Civil Service, acting as a whole or by subcommittee, not to exceed $900,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $75,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202 (i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Post Office and Civil Service shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1980.

Sec. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective January 3, 1979, expenses of investigations and studies to be conducted by the Committee on Post Office and Civil Service, acting as a whole or by subcommittee, not to exceed $850,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $75,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Committee on Post Office and Civil Service shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1980.

Sec. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. Brademas) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 123 provides $850,000 for investigations and studies to be conducted by the Committee on Post Office and Civil Service.

Mr. Speaker, the amount approved by the House Administration Committee is $50,000 less than the committee requested.

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this question will be postponed.

The point of no quorum is considered withdrawn.

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES BY SELECT COMMITTEE ON AGING

Mr. BRADEMAS. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 128) to provide for the expenses of investigations and studies to be conducted by the Select Committee on Aging, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 128

Resolved, That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Select Committee on Aging, acting as a whole or by subcommittee, not to exceed $1,286,528, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $35,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Aging shall furnish the Committee on House Administration information with respect to any study or investigation intended to be financed from such funds.

Sec. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1980.

Sec. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the resolution be considered as read and printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Strike out all after the resolving clause and insert:

That effective January 3, 1979, the expenses of investigations and studies to be conducted by the Select Committee on Aging, acting as a whole or by subcommittee, not to exceed $1,050,000, including expenditures for the employment of investigators, attorneys, and clerical, and other assistants, and for the procurement of services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i)), shall be paid out of the contingent fund of the House on vouchers authorized by such committee, signed by the chairman of such committee, and approved by the Committee on House Administration. Not to exceed $35,000 of the total amount provided by this resolution may be used to procure the temporary or intermittent services of individual consultants or organizations thereof pursuant to section 202(i) of the Legislative Reorganization Act of 1946, as amended (2 U.S.C. 72a(i); but this monetary limitation on the procurement of such services shall not prevent the use of such funds for any other authorized purpose.

Sec. 2. No part of the funds authorized by this resolution shall be available for expenditure in connection with the study or investigation of any subject which is being investigated for the same purpose by any other committee of the House; and the chairman of the Select Committee on Aging shall furnish the Committee on House Administration information with respect to any study or investigations intended to be financed from such funds.

SEC. 3. The authorization granted by the resolution shall expire immediately prior to noon on January 3, 1980.

SEC. 4. Funds authorized by this resolution shall be expended pursuant to regulations established by the Committee on House Administration in accordance with existing law.

Mr. BRADEMAS (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The gentleman from Indiana (Mr. BRADEMAS) is recognized for 1 hour.

Mr. BRADEMAS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 128 provides $1,050,000 for investigations and studies to be conducted by the Select Committee on Aging.

Mr. Speaker, the amount approved by the House Administration Committee is $236,528 less than the committee requested.

● Mr. BIAGGI. Mr. Speaker, on behalf of the distinguished chairman of the Select Committee on Aging, Mr. PEPPER, I rise to urge the House's approval of the budget request for the Select Committee on Aging.

I am proud to serve as an original member of this committee and as chairman of the Subcommittee on Human Services. The House can be proud of the outstanding record which this committee has compiled in its capacity as the foremost advocate for the concerns of the elderly population. In our 4 years of existence we have lent our efforts to secure passage of landmark legislation to benefit the elderly.

Included among these are—legislation to end mandatory retirement at age 65.

The Older American Act Amendments of 1978 which included the establishment of a first time national home delivered meals program as well as major revisions in the Age Discrimination Act to bar age discrimination in all Federal programs or programs receiving Federal assistance.

Our work has concentrated on promoting the interests of senior citizens in a wide variety of subjects ranging from health care to crime prevention.

The budget request for this committee constitutes a modest 6-percent increase from last year. This figure is both reasonable and defensible. One fact that my colleagues should be aware of—the committee has grown from 34 to 45 members making it the largest committee in the House.

Put another way, we are proposing to operate with a 6-percent increase despite a 32-percent increase in our membership. I believe the funding resolution demonstrates our desire to remain fiscally responsible in these difficult times.

I assure my colleagues that the Select Committee on Aging intends to push forward in the year ahead to further improve the quality of life for our senior citizens.

Let me close by paying tribute to our distinguished chairman, Mr. PEPPER. At 78 years of age, CLAUDE PEPPER provides dynamic leadership as chairman. Throughout his many years in Congress he has championed the cause of senior citizens and it has been my pleasure to serve with him on the committee these past 4 years.

I hope my colleagues will support this request and permit our important work to continue.●

● Mr. PEPPER. Mr. Chairman, distinguished colleagues, it was a great pleasure when the Speaker's office informed us this year that because of an overwhelming number of requests by Members of Congress to serve on our committee, the Speaker enlarged our membership from 34 to 45, an increase of 32 percent.

As America's aging population has increased to 23 million, over 11 percent of the national population, our committee has become a more and more exciting place to serve. Over the past year, we have worked closely with the standing committees in the Congress, and I believe we were helpful to them in providing support on a number of bills that passed the House.

Chief among these was a law abolishing mandatory retirement before age 70 in the private sector and at any age in Federal employment. The chairman of the Education and Labor Subcommittee with jurisdiction, our good friend, GUS HAWKINS, a former member of your subcommittee, often publicly stated that our committee carried the burden in enacting this law which Congressional Quarterly called probably the principal social legislation of the 95th Congress.

As or more important was legislation totally revamping the Older Americans Act, the only Federal social service program exclusively for the elderly, which you, Mr. Chairman, spearheaded through your subcommittee on Select Education. It was a privilege for 12 of our Members to agree to your request to present our findings as a panel before you and to work closely with your counsel as you and he deemed appropriate. While there is very little press in this kind of activity, it is one of the most gratifying activities we do: Providing quiet, behind the scenes support to the standing committees of the House.

Other legislation on which we worked hard to assist the standing committees last year included anticrime programs, home health care, congregate housing, and a world assembly on aging.

There will always be those who say there is little need for select committees. But at least concerning the elderly, the need is critical for the coordinated oversight we provide. According to the GAO, there are 132 different Federal programs affecting the elderly. In the Congress, at least 16 different subcommittees handle the relevant legislation. It is important that there be a focus for the older person who is understandably confused and is most victimized by Federal agency redtape and bureaucracy.

In the last Congress, we published 92 volumes of hearings and reports. We had 84 days of hearings. In addition, the committee issued a newsletter every few weeks on developments in aging that was distributed to all 435 House offices and to 3,765 organizations and individuals, at last count. Also, the committee responds to 50 written requests for information each day and hundreds of telephone requests.

Mr. Speaker, we want to do all that we can to continue this fine reputation of our committee on behalf of the Congress and to see that the committee is as or more effective than it has been in the past Congress.

We want to continue our oversight activities toward ending fraud and abuse. The elderly are specially victimized as we found in hearings on a billion dollars of abuses in the sale of private health insurance. As a result, Secretary Califano is taking strong action, and the new chairman of the Consumer Affairs Subcommittee, our colleague JIM SCHEUER, told me he wants to have hearings on a bill we worked on with him. Our committee wants to do even more of this kind of critical investigation which can save the taxpayers money.

We also want to continue our efforts for cost-effective programs which can keep older persons out of expensive nursing homes at Federal expense—programs like home health care, health maintenance organizations, mental health care, section 202 housing, and preventive health programs such as hypertension screening which can avoid heart attacks and strokes.

Members of the subcommittee, in view of our 32-percent increase in membership size this year and our important agenda, we have a real budgetary problem.

We cannot run a committee of 45 with a budget of a committee of 34.

After three meetings in which our Democratic Caucus and the full committee members carefully considered each expenditure, our full committee unanimously voted to request $1,286,528.

As you know, unlike other permanent House committees, we receive no statutory staff. This $1,286,528 represents our total budget. Our colleague Aging Committee in the Senate does receive statutory staff, and I have introduced similar legislation in the House which I hope will have your support. If we did have statutory staff, our total budget would be no more than $387,799.

The full cost of the committee's actual level of operations during 1978 is not adequately reflected in its total spending of $985,305. Certain circumstances and events in 1978 which reduced spending cannot be expected to recur. These include staff turnover which resulted in temporary vacancies, newly created positions which were filled only part of the year, staff members paid salaries far below those authorized, and the necessary temporary reductions in certain majority professional staff salaries in December and January to assure the committee's compliance with its spending authorization. These bring the true 1978 operating level to $1,066,689.

The $1,286,528 we requested is a 20-percent increase over our annualized 1978 operating level. Last year, we came within $1,000 of our budget. The only reason we did not go over was that 13 members of the staff volunteered to take pay cuts in December and January. It is critical that I, as chairman, have the flexibility to make certain that does not happen again.

Our coming within $1,000 of budget demonstrates that we had no fat last year, and we do not this year either. We are privileged to have two members of the House Accounts Subcommittee, Mr. BURTON and Mr. RATCHFORD, on our committee, and they helped us develop this budget proposal in accordance with the Accounts Subcommittee's high standards of cost effectiveness.

With our 32-percent expanded membership, we will have a great deal more Xeroxing, more clerical work for committee hearings, additional research on topics of interest to members, additional supplies, and additional requests for both Washington and field hearings. The same is true for all four of our subcommittees, each of which, of course, had to be expanded as well.

I would have hoped that we could hold our budget request to an increase of 7 percent over our annualized total of $1,067,000. However, in view of our increased membership, such a restriction would cause drastic reductions in the amount and quality of work to be undertaken by the committee.

I know that the Accounts Subcommittee and the full House Administration Committee are well intentioned in reducing our budget request to $1,050,000. We intend to work within that budget. It is slightly lower than we had hoped in that it is actually less than the rate of inflation over our last year's expenses.

While I hope a supplemental budget request will not be necessary, I also hope the committee will keep this in mind should it be necessary to request a supplemental budget later this year or especially early next year, when a continuing resolution for the first 3 months would again provide no protection against further inflation.

With these observations, I urge our colleagues to vote for House Resolution 128.●

The SPEAKER pro tempore. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BRADEMAS. Mr. Speaker, I move the previous question on the resolution, as amended.

The previous question was ordered.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

☐ 1415

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the resolutions that have been debated.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, the Chair will now put the question on the adoption of each resolution on which further proceedings were postponed on today, in the order in which that resolution was offered.

Votes will be taken in the following order: H. Res. 86; H. Res. 134; H. Res. 139; H. Res. 140; H. Res. 132; H. Res. 137; and H. Res. 123.

The Chair will reduce to 5 minutes the time for any electronic votes after the first such vote in this series.

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES BY COMMITTEE ON THE JUDICIARY

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 86), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

PARLIAMENTARY INQUIRY

Mr. DANNEMEYER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. DANNEMEYER. Mr. Speaker, as the Chair has outlined, how will the voting now take place on these resolutions, the seven on which the objection was made because of lack of a quorum?

The SPEAKER pro tempore. On the first of those resolutions, House Resolution 86, the one which is presently pending before the House, the Chair will put the question for a "yea" or "nay" vote, and on each resolution sequentially.

The gentleman may ask for a recorded vote if he is so inclined, and if a sufficient number arise, a recorded vote will be ordered. The Chair will call the vote by electronic device. Succeeding votes will be, however, reduced to 5 minutes time on any electronic vote after the first such vote.

Mr. DANNEMEYER. It is, then, the intention of the Chair to have a recorded vote on House Resolution 86?

The SPEAKER pro tempore. Only in the event the House orders.

Mr. DANNEMEYER. I thank the Chair.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 285, nays 100, not voting 47, as follows:

[Roll No. 52]

YEAS—285

Akaka
Albosta
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Campbell
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Coelho
Collins, Ill.
Conte
Conyers
Corman
D'Amours
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Findley
Fish
Fithian
Flippo
Florio
Foley

Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Ginn
Goldwater
Gonzalez
Gore
Gramm
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harris
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Kastenmeier
Kazen
Kemp
Kindness
Kogovsek
Kostmayer
LaFalce
Latta
Leath, Tex.
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKinney
Madigan
Maguire
Markey
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.

Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Richmond
Rinaldo
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Sawyer
Scheuer
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Snyder
Solarz
Spellman
Stack
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Thomas
Thompson
Traxler
Udall
Van Deerlin
Vento
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—100

Abdnor
Anderson, Calif.

Andrews, N. Dak.
Applegate

Archer
Badham
Bafalis

Bauman
Bereuter
Bethune
Brown, Ohio
Burgener
Butler
Carney
Cheney
Clinger
Coleman
Collins, Tex.
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Donnelly
Dornan
Edwards, Ala.
Edwards, Okla.
Erdahl
Evans, Ind.
Glickman
Goodling
Gradison
Grassley
Green
Grisham

Hagedorn
Hammerschmidt
Hansen
Harkin
Harsha
Holt
Hopkins
Ichord
Jeffries
Kelly
Kildee
Kramer
Lagomarsino
Leach, Iowa
Lee
Loeffler
Lott
Lujan
Lungren
McDonald
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Montgomery
Moorhead, Calif.
Mottl
Pashayan
Paul

Pritchard
Quayle
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Rudd
Satterfield
Schroeder
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snowe
Solomon
Spence
Stangeland
Stump
Symms
Tauke
Taylor
Trible
Walker
Whitehurst
Whittaker
Winn
Young, Fla.

NOT VOTING—47

Addabbo
Ashbrook
Biaggi
Bowen
Broyhill
Buchanan
Conable
Cotter
Crane, Philip
Derrick
Evans, Del.
Ferraro
Fisher
Flood
Forsythe
Frenzel

Giaimo
Gibbons
Gingrich
Gray
Guarini
Heckler
Holland
Hubbard
Jenkins
Jones, Okla.
Jones, Tenn.
Leach, La.
Lederer
McKay
Marks
Mikva

Nichols
Patterson
Pepper
Reuss
Runnels
Smith, Iowa
St Germain
Staggers
Stanton
Treen
Ullman
Vander Jagt
Vanik
Volkmer
Williams, Ohio

☐ 1430

Mr. FITHIAN and Mr. CONTE changed their vote from "nay" to "yea."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1435

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

Pursuant to the provisions of clause 5(b)(3) of rule I, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device may be taken for all of the additional resolutions.

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES BY COMMITTEE ON SCIENCE AND TECHNOLOGY

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 134), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DANNEMEYER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device and there were—ayes 286, noes 109, not voting 37, as follows:

[Roll No. 53]

AYES—286

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Coelho
Coleman
Collins, Ill.
Conyers
Corman
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Findley
Fish
Fithian

Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Ginn
Goldwater
Gonzalez
Gore
Gray
Gudger
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hutto
Ireland
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Kastenmeier
Kazen
Kogovsek
Kostmayer
LaFalce
Leach, La.
Leath, Tex.
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Long, Md.
Lowry
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Markey
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha

Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Railsback
Rangel
Ratchford
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Rudd
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Seiberling
Shannon
Shelby
Simon
Slack
Solarz
Spellman
Stack
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Synar
Thomas
Thompson
Traxler
Udall
Van Deerlin
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NOES—109

Abdnor
Andrews, N. Dak.
Applegate
Archer
Badham
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bethune
Brown, Ohio
Broyhill
Burgener
Butler
Campbell
Carney
Cheney
Clinger
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, R. W.
Dannemeyer
Deckard
Devine
Dickinson
Edwards, Ala.
Edwards, Okla.
Erdahl
Evans, Ind.
Fenwick
Glickman
Goodling

Gradison
Gramm
Grassley
Green
Grisham
Guyer
Hagedorn
Hamilton
Hansen
Harsha
Hillis
Hinson
Holt
Hopkins
Hughes
Hyde
Ichord
Jacobs
Jeffries
Kelly
Kemp
Kildee
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Lewis
Loeffler
Lott
Lungren
McDonald
Maguire
Marlenee
Marriott
Michel

Miller, Ohio
Montgomery
Moorhead, Calif.
Mottl
O'Brien
Pashayan
Paul
Pritchard
Quayle
Quillen
Rahall
Regula
Rhodes
Ritter
Roth
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stockman
Symms
Tauke
Taylor
Trible
Whittaker
Young, Fla.

NOT VOTING—37

Ashbrook
Buchanan
Conable
Cotter
Crane, Philip
Derrick
Evans, Del.
Ferraro
Fisher
Flood
Frenzel
Giaimo
Gibbons

Gingrich
Guarini
Hubbard
Jenrette
Jones, Okla.
Jones, Tenn.
Lederer
Long, La.
Marks
Mikva
Nichols
Patterson
Pepper

Reuss
Runnels
Smith, Iowa
St Germain
Staggers
Stanton
Treen
Ullman
Vander Jagt
Vanik
Williams, Ohio

☐ 1445

Mr. ROBINSON and Mr. DUNCAN of Tennessee changed their vote from "no" to "aye."

Mr. RAHALL changed his vote from "aye" to "no."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES BY COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 139), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DANNEMEYER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 257, noes 138, not voting 37, as follows:

[Roll No. 54]

AYES—257

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Carter
Chappell
Chisholm
Clausen
Clay
Cleveland
Coelho
Collins, Ill.
Conyers
Corman
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Ginn
Goldwater
Gonzalez
Gore
Gray
Gudger
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hanley
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Holland
Holtzman
Horton
Howard
Huckaby
Hutto
Hyde
Ireland
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Kastenmeier
Kazen
Kogovsek
Kostmayer
LaFalce
Leach, La.
Leath, Tex.
Lehman
Lent
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Mathis
Matsui
Mattox
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Rahall
Rangel
Ratchford
Richmond
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Sebelius
Seiberling
Shannon
Shelby
Simon
Slack
Smith, Iowa
Solarz
Spellman
Stack
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Thompson
Traxler
Udall
Van Deerlin
Vento
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wydler
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NOES—138

Abdnor
Andrews, N. Dak.
Applegate
Archer
Badham
Bafalis
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Campbell
Carney
Cavanaugh
Cheney
Clinger
Coleman
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Devine
Dickinson
Donnelly
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Evans, Ind.
Fenwick
Gilman
Glickman
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guyer
Hagedorn
Hamilton
Hance
Hansen
Harkin
Harsha
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Hughes
Ichord
Jacobs
Jeffries
Kelly
Kemp
Kildee
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McDade
McDonald
Madigan
Marlenee
Marriott
Martin
Mavroules
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
O'Brien
Pashayan
Paul
Pritchard
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Rudd
Schroeder
Schulze
Sensenbrenner
Sharp
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Trible
Volkmer
Walker
Whitehurst
Whittaker
Wylie
Young, Fla.

NOT VOTING—37

Ashbrook
Buchanan
Conable
Cotter
Crane, Philip
Evans, Del.
Ferraro
Fisher
Flood
Frenzel
Giaimo
Gibbons
Gingrich
Guarini
Hubbard
Jenrette
Jones, Okla.
Jones, Tenn.
Lederer
Leland
Marks
Mikva
Nichols
Nolan
Patterson
Pepper
Reuss
Runnels
St Germain
Staggers
Stanton
Treen
Ullman
Vander Jagt
Vanik
Williams, Mont.
Williams, Ohio

□ 1455

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES BY COMMITTEE ON GOVERNMENT OPERATIONS

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 140), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DANNEMEYER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 268, noes 127, not voting 37, as follows:

[Roll No. 55]

AYES—268

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Badham
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Coelho
Collins, Ill.
Conyers
Corman
D'Amours
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fish
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Ginn
Goldwater
Gonzalez
Gore
Gramm
Gray
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harris
Hawkins
Hefner
Heftel
Hightower
Hillis
Holland
Holtzman
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Kastenmeier
Kazen
Kogovsek
Kostmayer
LaFalce
Leach, La.
Leath, Tex.
Lehman
Leland
Lent
Levitas
Lewis
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Richmond
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Seiberling
Shannon
Shelby
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
Stack
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Van Deerlin
Vento
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wydler
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NOES—127

Abdnor
Anderson, Calif.
Andrews, N. Dak.
Applegate
Archer
Bafalis
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Burgener
Campbell
Carney
Cheney
Clinger
Coleman
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Donnelly
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Fenwick
Findley
Glickman
Goodling
Gradison
Grassley
Green
Grisham
Guyer
Hagedorn
Hammerschmidt
Hansen
Harkin
Harsha
Heckler
Hinson
Hollenbeck
Holt
Hopkins

Ichord
Jacobs
Jeffries
Kelly
Kemp
Kildee
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McDonald
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Montgomery
Moorhead, Calif.
Mottl
Myers, Ind.
Pashayan
Paul
Pritchard
Quayle
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Rudd
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stockman
Stump
Symms
Tauke
Taylor
Trible
Volkmer
Whitehurst
Whittaker
Winn
Wylie
Young, Fla.

NOT VOTING—37

Ashbrook
Buchanan
Conable
Cotter
Crane, Philip
Evans, Del.
Ferraro
Fisher
Flood
Frenzel
Giaimo
Gibbons
Gingrich
Guarini
Hubbard
Jenrette
Jones, Okla.
Jones, Tenn.
Lederer
Lee
Marks
Mikva
Nichols
Patterson
Pepper
Reuss
Runnels
St Germain
Staggers
Stanton
Thomas
Treen
Ullman
Vander Jagt
Vanik
Williams, Mont.
Williams, Ohio

☐ 1500

Mr. LEWIS changed his vote from "no" to "aye."

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES FOR COMMITTEE ON MERCHANT MARINE AND FISHERIES

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 132), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

☐ 1505

PROVIDING FUNDS FOR EXPENSES OF INVESTIGATIONS BY COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 137), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

PROVIDING FUNDS FOR INVESTIGATIONS AND STUDIES BY COMMITTEE ON POST OFFICE AND CIVIL SERVICE

The SPEAKER pro tempore. The unfinished business is the question of agreeing to the resolution (H. Res. 123), as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mrs. FENWICK. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 249, noes 147, not voting 36, as follows:

[Roll No. 56]

AYES—249

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Carter
Chappell
Chisholm
Clay
Cleveland
Coelho
Collins, Ill.
Conyers
Corman
D'Amours
Daniel, Dan
Danielson
Davis, S.C.
de la Garza
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Findley
Fish
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Ginn
Goldwater
Gonzalez
Gore
Gray
Hall, Ohio
Hanley
Harris
Hawkins
Heckler
Heftel
Hightower
Holland
Holtzman
Horton
Howard
Huckaby
Hughes
Hutto
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Kastenmeier
Kazen
Kogovsek
LaFalce
Leach, La.
Lehman
Leland
Lent
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McEwen
McHugh
McKay
McKinney
Madigan
Markey
Mathis
Matsui
Mattox
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Rahall
Rangel
Ratchford
Richmond
Rinaldo
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
Stack
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Van Deerlin
Vento
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wydler
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NOES—147

Abdnor
Andrews, N. Dak.
Applegate
Archer
Badham
Bafalis
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Brown, Ohio
Broyhill
Burgener
Butler
Campbell
Carney
Cavanaugh
Cheney
Clausen
Coleman
Collins, Tex.
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Devine
Dickinson
Dornan
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Evans, Ind.
Fenwick
Fithian
Glickman
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harsha
Hefner
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Kelly
Kemp
Kildee
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDade
McDonald
Maguire
Marlenee
Marriott
Martin
Mavroules
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Pashayan
Paul
Pease
Pritchard
Quayle
Quillen
Railsback
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Rudd
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Spence
Stangeland
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Volkmer
Walgren
Walker
Whitehurst
Whittaker
Williams, Ohio
Winn
Wylie
Young, Fla.

NOT VOTING—36

Ashbrook
Buchanan
Clinger
Conable
Cotter
Crane, Philip
Evans, Del.
Ferraro
Fisher
Flood
Frenzel
Giaimo
Gibbons
Gingrich
Guarini
Hubbard
Jenrette
Jones, Okla.
Jones, Tenn.
Lederer
Lee
Marks
Mikva
Nichols
Patterson
Pepper
Reuss
Runnels
Solomon
St Germain
Staggers
Stanton
Treen
Ullman
Vander Jagt
Vanik

☐ 1435

So the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1787, AUTHORIZING SUPPLEMENTAL APPROPRIATIONS TO NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 96–67) on the resolution (H. Res. 177) providing for the consideration of the bill (H.R. 1787) to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1786, AUTHORIZING APPROPRIATIONS TO NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 96–66) on the resolution (H. Res. 176) providing for the consideration of the bill (H.R. 1786) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2676, AUTHORIZING APPROPRIATIONS FOR ENVIRONMENTAL RESEARCH, DEVELOPMENT, AND DEMONSTRATIONS FOR FISCAL YEAR 1980

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 96–68) on the resolution (H. Res. 178) providing for the consideration of the bill (H.R. 2676) to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1980, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2729, AUTHORIZING APPROPRIATIONS FOR NATIONAL SCIENCE FOUNDATION

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 96–69) on the resolution (H. Res. 179) providing for the consideration of the bill (H.R. 2729) to authorize appropriations for activities of the National Science Foundation, and for other purposes, which was referred to the House Calendar and ordered to be printed.

INTERGOVERNMENTAL FISCAL ASSISTANCE AMENDMENTS OF 1979

(Mr. MOORHEAD of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, today, I am introducing the Intergovernmental Fiscal Assistance Amendments of 1979, known popularly as countercyclical aid. Strongly supported by the administration, my bill provides $400 million over the next 2 years to distressed local governments suffering local unemployment of 6.5 percent and above. It also provides a standby $1 billion "recession insurance" title that would take effect only if the national unemployment level reaches 6.5 percent.

Essentially, this legislation is a proven concept in a new form. A law similar to my proposal was in effect until September 30 of last year. Unfortunately, the House was unable to act on legislation renewing the concept before adjournment, even though the Senate had passed a bill.

As you may know, strong sentiment exists in the House for such legislation. The gentleman from New Jersey (Mr. RODINO) has introduced a relatively similar bill with nearly 100 cosponsors.

Introducing this bill with me today are three other members of the Government Operations Committee, Intergovernmental Relations and Human Resources Subcommittee, to which this legislation will be referred. Additionally, a fifth member of the subcommittee, the gentlewoman from Maine (Mrs. SNOWE) will be introducing a countercyclical bill of her own.

Clearly, some kind of countercyclical legislation is called for and a bipartisan consensus for a bill is growing. The Rodino and Snowe proposals each contain provisions worthy of serious consideration. I look forward to working with Chairman FOUNTAIN and the other members of the subcommittee and with Chairman BROOKS and the members of the full committee in arriving at a fair, equitable countercyclical bill.

I include the following material:

TREASURY DEPARTMENT FACT SHEET

Intergovernmental Fiscal Assistance Amendments of 1979.

The President is proposing new legislation which would provide targeted fiscal assistance to hard pressed local governments and a standby fiscal assistance program for FY 1979–1980.

The targeted fiscal assistance portion of the legislation calls for the expenditure of $400 million: $250 million in FY 1979 for approximately 1231 local governments with average unemployment rates of 6.5 percent or more for the six-month period of April through September 1978, and $150 million in FY 1980 for somewhat fewer governments based on average unemployment rates for January-June, 1979. Recipient governments, large and small alike, are those which have been hardest hit by termination of the former anti-recession fiscal assistance program.

The legislation also provides for a standby fiscal assistance program in the event that the quartely national unemployment rate rises to 6.5 percent. This program would provide assistance to State and local governments with quarterly unemployment rates of 5 percent or more at $125 million per quarter plus an additional $25 million for each one-tenth of one percent by which national unemployment exceeds 6.5 percent. Based on current Administration economic forecasts, no budget outlays are expected in fiscal years 1979 and 1980. We believe this program would provide sensible fiscal insurance for State and local governments in the event of future economic downturn. This proposed legislation will expire on September 30, 1980, conjunctively with the General Revenue Sharing Program. This will facilitate a 1980 Executive Branch and Congressional review of the entire issue of Federal fiscal assistance to State and local governments.

Together, this two-tiered program addresses immediate and prospective needs: a highly targeted program for a limited number of fiscally strained local governments and a more comprehensive standby program as a protection against economic adversity. The abrupt termination of the anti-recession program by the 95th Congress has resulted in fiscal hardship for many governments which planned on and budgeted for these Federal funds. To facilitate a gradual adjustment to the loss of funds, the targeted fiscal assistance portion of this legislation will help prevent job layoffs, reduced services, or increased taxes. Evidence exists that such actions already have occurred and will continue unless modest amounts of additional Federal aid are forthcoming this year. The $250 million and $150 million to be spent in fiscal years 1979 and 1980, respectively, would help alleviate fiscal distress in this relatively small number of eligible communities without an excessive impact on the Federal budget.

This portion of the program distributes funds in an equitable and balanced manner by type of local government, by population, and by magnitude of unemployment. Among the 1.231 recipient governments of the $250 million, there are 548 eligible counties and 586 cities. More than 40 percent of eligible recipients are communities whose population is 25,000 or less. Nearly 70 percent of the funds will be distributed to local governments of the $250 million, there are 548 eligible counties and 586 cities. More than 40 percent of eligible recipients are communities whose population is 25,000 or less. Nearly 70 percent of the funds will be distributed to local governments where unemployment rates are 8 percent or more.

Finally, the standby intergovernmental fiscal assistance program for State and local governments provides for a flexible response to economic uncertainties. It recognizes the importance played by State and local governments in our overall national economy as well as how economic adversity affects their taxing and spending pattens. This program would provide for a timely response to an economic downturn by having set in place a standby program which would respond automatically to changes in economic conditions at both the national and local levels. This "safety-net" program also will better equip us to meet the goals of reducing inflation and the Federal deficit by resisting immediate pressures for greater government spending.

NUCLEAR WASTE MANAGEMENT DEMONSTRATION ACT OF 1979

(Mr. LUNDINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNDINE. Mr. Speaker, today I am introducing the Nuclear Waste Management Demonstration Act of 1979 which will impact national nuclear waste management policy in several important ways and is specifically designed to provide a comprehensive approach to resolve the problems present at the Western New York Nuclear Fuel Service Center in West Valley, N.Y.

Demonstrating an ability to safely dispose of nuclear wastes over long periods of time is central to the nuclear energy debate in this country. The Nuclear Waste Management Demonstration Act of 1979 will permit us to take an important step forward in demonstrating an ability to manage our nuclear waste problem and resolve complex technical and institutional issues in a satisfactory manner.

The Western New York Nuclear Fuel Service Center in West Valley, N.Y. is the only commercial nuclear reprocessing operation ever to have operated in the United States. The undertaking was conceptualized and encouraged by the Atomic Energy Commission as an early attempt to close the back end of the nuclear fuel cycle. Nuclear Fuel Services, Inc. and the State of New York are colicensees of the facility. Nuclear Fuel Services, Inc. leases the site from the State of New York, the actual owner of the site. Land for site operations was obtained from productive farmers who were forced to relocate their families and businesses.

During plant operations from 1966 to 1972, 625 metric tons of spent nuclear fuel were reprocessed at West Valley with about 75 percent of the reprocessed fuel being supplied under contract by the Atomic Energy Commission coming in large part from Defense Department operations. Since that time, largely because of upgraded Nuclear Regulatory Commission regulations, it has been determined that the plant will never operate again as a reprocessing facility even if our national policy on nuclear reprocessing changes.

Located on the site are about 600,000 gallons of high level liquid nuclear waste, a spent fuel reprocessing facility, two solid waste burial grounds, and a spent fuel receiving pool with a capacity of 250 metric tons which is approximately 75 percent filled.

There are complex technical, institutional, and financial issues which remain unresolved in the West Valley situation. I am hopeful that my proposals can lead to a responsible and acceptable solution to these issues. The major provisions of the Nuclear Waste Management Demonstration Act include authorizing the Department of Energy to carry out a Federal demonstration project at the West Valley site to vitrify, transport, and dispose of the high level liquid nuclear wastes. This is an experimental process which has not been adequately demonstrated anywhere in the United States to date. Without regard to one's personal philosophy regarding the future of nuclear power, there should be absolute agreement on the importance of proceeding without delay to develop acceptable long-term nuclear waste disposal methods. The demonstration project under this bill is designed to assist these efforts.

Second, the bill provides the Department of Energy the authority to assume management responsibility over the spent fuel storage pool and to accordingly benefit from any storage fees collected from users who own the spent fuel currently stored at the site. At the same time, the bill does prohibit the delivery of additional spent fuel to the site for interim storage by the Department of Energy or anyone else. Spent fuel which is currently being stored in the pool under the provisions of the bill would have to be removed at the end of the 10-year vitrification demonstration project.

Third, the bill provides a framework for securing the safety of the solid waste nuclear burial grounds over the long term and removal of any nuclear waste materials buried there which might be hazardous to the public health and safety. In addition, under terms of the bill, reopening of the solid waste burial grounds would be prohibited.

Fourth, the bill provides for local impact assistance to the town of Ashford and the West Valley central school district during the course of the high level liquid waste demonstration project. This is designed to assist the local community to provide the necessary level of public services during the demonstration project and adjust to its economic impact on the community.

Finally, the bill authorizes the Department of Health, Education, and Welfare to conduct an epidemiological study of health impacts on the workers and local population from the operation of the facility. This data and health study will be useful in arriving at conclusions on the national debate over the impact of low level ionizing radiation.

I am encouraged about the legislative progress which has already been made on portions of title I of the bill relating to the authorization of the Department of Energy to carry out the high level liquid waste vitrification project. The Subcommittee on Energy, Research, and Production of the Science and Technology Committee has approved an amendment I offered to authorize $5 million for the Department of Energy in fiscal year 1980 to begin work on the high level liquid waste vitrification project. At the same time, I am concerned over recent reports that the Department of Energy and New York State have determined the future disposition of other aspects of the West Valley site without conscientious technical and environmental will serve as a storage place for additional nuclear waste simply because it is politically expedient to do so.

I urge your careful consideration and support for the provisions of this bill. The problems facing us at West Valley must be completely solved if we are to continue to have confidence in nuclear energy as a future energy source. Expansion of nuclear storage facilities at West Valley is not an acceptable solution. The real challenge before us at West Valley is to acknowledge our erroneous judgment of the past out of which present day problems at West Valley evolved and demonstrate competence to deal with this problem in a responsible manner and to protect the health and safety of the public. After painstaking study of this very complex issue over the last couple of years, I believe the legislation I am outlining today, if adopted, will provide a framework for accomplishing this task.

INTERGOVERNMENTAL FISCAL ASSISTANCE AMENDMENTS OF 1979

(Mrs. SNOWE asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SNOWE. Mr. Speaker, today I am introducing legislation entitled "The Intergovernmental Fiscal Assistance Amendments of 1979" which would replace the countercyclical fiscal assistance program that expired last year.

Although my bill is similar to that being introduced today by the gentleman from Pennsylvania (Mr. MOORHEAD), it contains several changes which I feel are necessary if we are to have an equitable program.

First, this legislation would place a cap of 10 percent on the amount of money that localities of any single State could cumulatively receive under the targeted fiscal assistance part of the legislation. Under the administration proposal which my colleague has introduced, over 40 percent of the allocations would go to localities in the States of New York and California. While these States certainly have severe unemployment and economic problems, other States—particularly smaller and less urban ones—also experience these same problems and should receive their fair share of assistance. Use of a 10-percent cap mechanism would foster a more even national distribution of these funds.

Second, I propose that no unit of local government receive an allocation of less than $10,000, while the administration bill proposes a $20,000 de minimus payment. The aim of this provision is also to create a more even funding distribution. I am told by Treasury officials that this change would bring approximately 600 additional localities into the program; $10,000 is a significant sum to many distressed, smaller communities, and I feel strongly that this provision will not detract from the targeted nature of the program.

Finally, in my bill the use of unemployment data is changed. Rates will be computed on a yearly, rather than 6-month basis, and local governments will be able to participate in the program with an unemployment rate in excess of 6 percent rather than 6.5 percent as contained in the administration bill. Since the targeted fiscal assistance moneys are to be allocated on a yearly basis, it only seems logical for yearly unemployment figures to be used. I am further concerned that States like my own State of Maine, which have important summertime economies, will be disadvantaged by the use of April through September statistics. A year long measure of unemployment will be a much clearer indication of the overall health of certain local economies than would summertime statistics. In addition, use of a 6 percent rather than 6.5 percent trigger for local eligibility would again broaden program participation while still directing moneys to localities with unemployment rates in excess of the national average.

The Senate Finance Subcommittee, chaired by Senator Bradley, has already held hearings on similar legislation and indications are that the full Committee will report a bill shortly. As a member of the House Subcommittee on Intergovernmental Relations and Human Resources, I will look forward to a similar early and detailed consideration of this legislation in the House.

☐ 1120

REMARKS OF DR. NEIL H. JACOBY ON CONSTITUTIONAL CONVENTION TO BALANCE BUDGET

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANNEMEYER. Mr. Speaker, 29 States have petitioned the Congress of the United States to convene a constitutional convention for the purpose of preparing and submitting to the States a proposed constitutional amendment which will require the Federal Government to balance its budget and in so doing eliminate the principal cause of inflation in our economy. When the number gets to 34, the Constitution mandates that the Congress call a convention to achieve this purpose.

A great debate is now going on in the country whether or not it is wise and prudent to place limitations on what the Congress of the United States may do in terms of fiscal and a resultant monetary policy. Specifically a constitutional amendment to require a balanced budget and a limitation on Federal spending. Members of academia will be involved in this dispute on both sides. On February 1, 1979, before the California State Assembly Ways and Means Committee, Dr. Neil H. Jacoby of the Graduate School of Management at UCLA made a statement in support of the philosophical concept of placing limitations on the Congress of the United States in order to compel Congress to come to grips with the principle cause of inflation in our country. Dr. Jacoby is a distinguished member of the faculty at UCLA and I would like to have printed in the Record a biographical sketch of Dr. Jacoby to indicate his academic credentials and also a copy of his statement, which is an eloquent assessment of the reasons why the Congress has been unable to discipline itself and as a result, must be disciplined by the Constitution in order to restore freedom and economic opportunity to the people of this country.

Biographical Sketch of Neil H. Jacoby

Now a professor in the Graduate School of Management of UCLA, of which he was the founding dean, Neil H. Jacoby has combined the careers of scholar, administrator, and corporate director. Born in Canada, he holds the B.A. and L.D. degrees from the University of Saskatchewan. In 1938 he received the Ph. D. degree in Economics from the University of Chicago, where he later became Professor of Finance and Vice-President.

For the past thirty years he has been at UCLA. He served on President Eisenhower's Council of Economic Advisers during 1953–55, was U.S. Representative in the Economic and Social Council of the United Nations in 1957, headed official missions to India, Laos, and Taiwan during 1955, 1960 and 1965, and was a member of the Federal Pay Board during 1971–73. Jacoby was president of the American Finance Association in 1949, and was on the Executive Committee of the American Economic Association in 1963–66. He has been an organizer or director of several corporations, including one of the largest multinational firms.

Author or coauthor of more than fifteen books, including *United States Monetary Policy, United States Aid to Taiwan, European Economics—East and West, Corporate Power and Social Responsibility* (Macmillan, 1973), *Multinational Oil* (Macmillan, 1974) and *The Business-Government Relationship: A Reassessment* (Goodyear Publishing Company, 1975). Just published is his book, coauthored with Professors Richard Eells and Peter Nehemkis, entitled *Bribery and Extortion in World Business* (Macmillan, 1977). Jacoby is an Associate of the Center for the Study of Democratic Institutions at Santa Barbara and a frequent contributor to The Center Magazine.

Why the Federal Constitution Should Require a Balanced Budget

The health of the American economy would be significantly advanced if the U.S. constitution required the Federal budget to be balanced each year, except in emergencies. A constitutional convention should be called to enact such a requirement, which is now written into the constitutions of nearly all the states.

I have been driven to this conclusion by observing the procession of huge Federal deficits in a time of prosperity, the disastrous fall of the dollar in world money markets, and an ominous price inflation that is still out of control.

Among the many causes of inflation, excessive Federal spending financed by expanding the public debt and the money stock is a central factor. Federal deficits in prosperous times like the present are a symbol of American fiscal irresponsibility, widely noted and criticized around the world. Today, the world is awash in unwanted dollars.

During twenty five of the past thirty fiscal years, 1950 through 1979, the Federal budget has run deficits totalling over $450 billion. It has had surpluses in only five years amounting to $17 billion. What is most alarming is that more than $360 billion of the deficits were generated during the past decade, which, except for the recession of 1975, has been a period of solid U.S. economic expansion If one includes in Federal expenditures—as one should—the probably uncollectible Federal loans and loan guarantees made outside of the Federal budget, accumulated deficits loom even larger. Significantly, their huge magnitude is of the same order as the mountainous rise in the Federal debt and in the money stock.

This record shows that Federal government financing has failed to be the balance wheel for the private sector of the economy which was contemplated by J. M. Keynes. Budget surpluses in good years have not offset deficits in poor years. Congress's foot has been on the fiscal accelerator nearly all of the time; rarely on the brake. The Federal budget has for years been an engine of inflation.

Budget balance should be required by the U.S. constitution in order to curb excessive government spending, slow down inflation and restore confidence in the dollar. It is a needed bulwark against the strong bias toward over-spending contained in our system of democratic, representative government. Our system suffers from a disease that can be fatal if not checked. Government spending expands irrationally, mainly because of three factors—pressure group politics, bureaucratic imperialism, and, above all, deficit financing. Let us quickly examine each factor.

1. Pressure group politics. Our political representatives naturally satisfy the strong demands of small "special interest groups" for spending programs that benefit them greatly, because their demands are only weakly opposed by the majority who benefit little, if at all, or who pay the bills. The payoff to the politician of meeting the demands of the strong minority outweighs the political costs he incurs by flouting the will of the weak majority. Add to this the familiar phenomenon of legislative log-rolling for reciprocal political benefit, and it is easy to understand why total government spending mounts even higher, even though the majority of voters would oppose a higher total if given a chance. The public is never able to vote directly on the total size of the budget. One of the pressure groups tending to expand government spending is public employee unions whose bargaining power for higher pay and benefits is even greater than in the private sector.

2. Bureaucratic imperialism is a third cause of excessive government spending. The Federal bureaucracy today is better educated, more highly paid, and more activist in philosophy than ever before in our history. Washington has the highest per capita income of any major American City. Bureaucrats are under strong incentive to expand their programs, staffs and budgets, because their pay and their power depend on such expansion. Promotions perversely depend on the number of people supervised and the amount of money spent.

3. Deficit financing is probably the most powerful cause of excessive government spending, facilitating the operation of preceding factors. It permits Congress and the Administration to offer new benefits to the people without appearing to impose new tax burdens. Of course, those burdens appear later in the cruelest and most unfair kind of tax—inflation. The ability to run deficits enables legislatures and bureaucrats to avoid their primary responsibility—to set priorities on public wants and needs. They simply add the new spending program to the deficit. Small wonder that the prospect of a balanced budget amendment to the Constitution has provoked alarm and opposition along the Potomac.

A constitutional requirement of budget balance would impose an essential fiscal discipline upon Congress and the Administration. It would be the same kind of discipline that Proposition 13 in California imposed on State and local governments. History shows that an external force is essential. Governments do not discipline themselves. When it must present a tax bill to the voters concurrently with each new spending program, Congress will find it much easier to reject new spending. A constitutional requirement of budget balance will reduce government spending as well as insure that spending is responsibly financed. (A constitutional limit on the ratio of spending to the GNP would also be an effective instrument of control.)

How weighty are the arguments against a constitutional requirement of budget balance? The heart of the attack on the amendment is that it would deprive the Federal government of needed flexibility in economic policy. It is argued that, in the event of a serious-recession, tax revenues would decline, unemployment benefits and welfare payments would rise, and a deficit would emerge. Government would then be obliged to raise taxes or to cut other spending in order to comply with the constitutional restraint on the budget. Either course of action, critics contend, would worsen the recession.

There are several responses to this argument. First, in the event of a serious recession or other emergency, the constitutional requirement of budget balance could by its own terms, be suspended by a two-thirds vote of Congress and approval of the President. Any recession that was really threatening to become cumulative and to create heavy unemployment would certainly command the necessary political support for suspension.

A second point is that the Federal government has many powerful non-fiscal instruments that it can use flexibly to deal with economic instability. They include monetary actions, incomes policies, tariffs, quotas and exchange rates, as well as such structural reforms as minimum wage laws and the Davis-Bacon Act. The level at which the Federal budget is balanced can be changed (by concurrent tax and expenditure changes) with counter-cyclical effects. Government could continue to pursue a flexible counter-cyclical policies even with a balanced budget.

A more fundamental response to critics of the balanced budget amendment is that flexible counter-cyclical actions by the government are not really effective anyway. Some prominent economists contend that limits upon our ability to forecast economic changes, and upon our knowledge of the power and timing of economic reactions to public policies, make government's effort to "fine-tune" the economy a source of instability rather than of stability. This group argues that government can make the maximum contribution to stable economic progress by consistently obeying a stable set of fiscal and monetary rules, thus creating stable expectations in the private sector of the economy.

Let us grant that the past record of Federal stabilization policies is spotty. Let us concede that we lack the ability to "fine-tune" the U.S. economy in our present state of knowledge. Yet there is evidence that flexible Federal economic policies can improve the performance of the economy. I believe that a constitutional amendment requiring a balanced budget—suspendable in emergencies—does not unwisely reduce the flexibility of Federal actions. The social costs of a modest reduction in fiscal flexibility will be far more than offset by the social benefits of a more efficient and more responsibly-financed Federal government. A heavy blow will be struck against inflation. World confidence in the dollar will revive. The U.S. balance of trade and payments would begin to improve. For these reasons, Senate Joint Resolution No. 2 merits support.

☐ 1145

IN PRAISE, NOT CRITICISM, OF THE PRESIDENT'S POLICY ON IRAN

(Mr. VENTO asked and was given permission to address the House for 1 minute).

Mr. VENTO. Mr. Speaker, the question of what happened in Iran will likely be discussed for months to come. Critics of the administration have predictably blamed President Carter's failure to act in a "decisive manner" as instrumental in the Shah's fall from power. The criticism certainly reveals partisanship, but more importantly a limited understanding of the many factors contributing to the Iranian revolution.

First. In part, the revolution was a reaction to the increasingly repressive regime which the Shah had instituted in order to quell domestic unrest and stabilize his power.

Second. The Shah was attempting to move Iran into a highly technological society both socially and militarily within a very short period of time. The United States had in the past been very active in assisting the Shah with this pursuit.

Third. The culture shock caused by this headlong dash into modernization resulted in a popular movement to return to the traditional Iranian and Muslem values. The Shia Sect which the Ayatollah Khomeini led became leverage for the revolt.

Fourth. The revolution must be recognized as the expression of the Iranian people's desire for a more equitable distribution of Iran's enormous wealth which had been controlled by a very few individuals.

Fifth. Disparate groups within Iran bitterly resisted nationalism and, in fact, are today continuing involvement in actions to attain greater autonomy.

In view of the causes of the revolution, what do the critics feel would have been the proper action. Equip the shah with still more armaments? To his credit, the shah resisted turning the Army on the people. Should the President have pursued a policy of intervention?

The United States has already equipped Iran with one of the most powerful military forces on the face of the Earth. And our country has learned a lesson from the past few decades about the effectiveness of an outside force occupying a country to quiet an internal disturbance. Because these "bold actions" would not have been successful, the end result would have been the assension to power of a new government even more bitterly opposed to the United States. It is clear that President Carter recognized these realities and pursued a rational policy regarding the Iranian political upheaval.

So who did lose Iran? Well, I am not sure that Iran is "lost." The shah lost power because of many of his own actions and inactions. Apparently what the critics of the President find hard to accept is not President Carter's action, but rather that the Iranian revolution was a phenomenon beyond our control. President Carter saw the truth in this, he should not be criticized, but commended for his actions.

☐ 1515

FERROUS SCRAP

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BENJAMIN) is recognized for 60 minutes.

GENERAL LEAVE

Mr. BENJAMIN. Mr. Speaker, I ask unanimous consent that I may be allowed to revise and extend my remarks, and that all Members may have 5 legislative days within which to revise and extend their remarks, and include extraneous matter, on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. BENJAMIN. Mr. Speaker, I take this special order to openly discuss the ferrous scrap situation in the United States and its impact on the steel industry—a situation which will possibly worsen to cause the steel industry to be unable to comply with the President's plan to keep its price increases to less than 8 percent this year.

Total demand for ferrous scrap in the United States has increased steadily through the 1970's. This growth in demand has been a reflection of: First, decreased utilization of open-hearth furnaces in the steel industry, which uses lesser volumes of scrap and increased usage of electric furnaces, which rely virtually 100 percent on scrap, as well as second, increased foreign demand for U.S. ferrous scrap, resulting in increased U.S. exports.

Between 1970 and 1977, the share of total U.S. raw steel production manufactured in electric furnaces rose from 15.3 to 22.2 percent. The percentage share of ferrous scrap consumed by these furnaces increased commensurately. Due to the fact that electric furnaces are relatively energy efficient and environmentally clean, it is expected that the shift toward scrap based furnaces will accelerate in the years ahead, increasing domestic demand for ferrous scrap.

Foreign steel mills, particularly those built in recent years in Europe and in developing countries, are, as a group, much more dependent upon electric furnaces than is the U.S. industry. As a result, the steel industries in most foreign countries tend to be broadly scrap-based. Yet because many countries with growing steel industries are small or economically underdeveloped, they are not large producers of scrap, and must import large quantities of scrap from abroad. The United States is the largest producer of ferrous scrap and is also the major supplier that has been least prone to limit exports of scrap. As a result, the U.S. market has been the major target for increases in foreign demand for scrap, which is often re-exported back to the United States in the form of steel mill products, iron and steel castings, and fabricated items.

The result of this increase in the "underlying demand" for U.S. ferrous scrap both at home and abroad, combined with the relatively low sensitivity of U.S. supplies to price is that domestic ferrous scrap prices tend to soar during upswings in iron and steel production.

The period 1973–74 serves as an excellent case in point. During that period, the steel and foundry industries experienced record growth years, with the result that annual domestic consumption of ferrous scrap rose to more than 100 million tons. At the same time, exports of ferrous scrap also accelerated to record levels, reaching 11.4 million tons in 1973. Because of the associated rise in prices, U.S. export controls were introduced in 1973 in order to relieve the scrap situation. These controls, however, were instituted too late to be of major assistance, and it was not until late 1975 and early 1976, when the steel boom ended, that scrap consumption reverted to traditional levels and prices moderated accordingly.

I believe that conditions, as they have been developing in the U.S. ferrous scrap market since mid-1978, threaten a repetition of events that last took place in 1973–74.

The recent rate of U.S. scrap exports has reached record levels and the parallels with 1973–74 are in fact remarkable. During 1978, domestic consumption of ferrous scrap approached the 100 million ton level and U.S. exports rose to more than 9 million tons, 54 percent more than in 1977. Japan accounted for almost all of the increase in U.S. exports. Between 1977 and 1978, U.S. exports of ferrous scrap to Japan increased by 208 percent to more than 3 million tons. Scrap exports to Canada, Italy, Mexico, Taiwan, South Korea, and Spain also increased. During the last 6 months of 1978, as domestic demand rose and exports skyrocketed, inventory stocks of obsolete and prompt industrial ferrous scrap declined by 6 percent.

Two basic forms of ferrous scrap are available for purchase for iron and steel production.

Prompt industrial scrap is a byproduct of industrial manufacturing processes. This classification includes discarded steel fragments such as punchings, stampings, turnings, and borings.

The availability of prompt industrial scrap is directly related to the level of industrial production. As a result, the "price-elasticity of supply" of prompt industrial scrap, the degree to which a percent change in price brings forth additional supplies into the market, has been calculated to be near zero. Dramatic rises in price cannot, therefore, be expected to encourage sellers to offer additional supplies of this scrap for sale.

Obsolete scrap consists of discarded items of iron and steel which are no longer usable. Junk automobiles, used railroad equipment, steel rails, and broken household appliances are classified as obsolete scrap. This type of scrap includes many forms, grades and levels of quality, and is less uniform than prompt industrial scrap. Because of the great demand for scrap, however, obsolete scrap provides a substantial share of total U.S. supplies.

Availability of obsolete scrap supplies is especially capricious as it depends on the shifting usage patterns of consumers. For this reason, the normal price-elasticity of supply of this product has been calculated to be a relatively low 0.833.

Cold metal shops and ferrous foundries are totally dependent upon purchase obsolete scrap or prompt industrial scrap for their metallic raw material requirements. In fact, many critical applications absolutely require the use of scrap as a raw material. This is disadvantageous because obsolete scrap and prompt industrial scrap, which on average constitute 55 and 45 percent, respectively, of all purchased ferrous scrap annually, are relatively insensitive to increases in price. The price-elasticity of supply for all purchased ferrous scrap has been calculated to be only 0.364. Otherwise stated, if the price of purchased ferrous scrap increases by 10 percent, the total supply of such scrap would increase by only 3.64 percent.

Thus, if U.S. demand for ferrous scrap exceeds the available supply, the marginal supplies that are encouraged tend to have a very low price-elasticity. Such additional supplies are thus brought into the market only at increasingly exorbitant prices.

The inflationary consequences of unlimited scrap exportation have been severe. Because of the low sensitivity of scrap supplies to price variations, increases in scrap demand—caused in large part by increased exportation—have resulted in major, excessive price increases.

Prices for scrap have skyrocketed. Between June and December 1978 the American Metal Market three city composite price for "No. 1 heavy melt" scrap increased by 18 percent. During January 1979, the American Metal Market composite price for No. 1 heavy melt rose by 8.5 percent over the level of December 1978. The annual rate of inflation for this key commodity was 102 percent. With prices of No. 1 heavy melt ferrous scrap exceeding $130 per ton in some areas, current price levels are 72 percent higher than in June 1978.

Cleveland auction price quotes from Fisher Body Co., Chrysler Corp., and Ford Motor Co. for "FB No. 1 industrial bundles" increased by an average 26 percent between February and March 1979, and by 74 percent from October 1978 to February 1979. Scrap price increases have surpassed by far price increases for other raw materials such as bituminous coal and iron ore and have increased iron and steel production costs.

Uncontrolled exportation of ferrous scrap has caused an excessive and unwarranted drain of a vitally needed domestic product. Between January 1977, and January 1979, U.S. export levels increased by 83.3 percent. This rate of growth is almost quadruple the rate of increase in domestic net receipts of purchased scrap during the same period. While in January, 1977, U.S. exports accounted for 16.4 percent of total U.S. net receipts of purchased scrap, in January 1979, this figure was 23.4 percent. Japan accounts for the great bulk of increased exports.

Current estimates, based upon the projected level of total scrap consumption for January 1979—annualized—and industry estimates of 1979 iron and steel production levels, indicate that domestic consumption of ferrous scrap will surpass the 100 million ton mark in 1979. With exports removing 11 to 12 million tons of total domestic scrap production, competition for remaining domestic supplies of scrap will intensify in coming months. Supplies will be available at astronomical prices only.

Decreases in the value of the dollar on international markets make U.S. ferrous scrap especially attractive to foreign purchasers. Factoring in yen revaluation, the Japanese paid 10 percent less in yen for U.S. scrap in January 1979, than in January 1977. This is so despite the fact that U.S. scrap prices measured in U.S. dollars increased by more than 30 percent during the same period.

A proliferation of export restraint programs outside the United States has also created additional international demand for U.S. supplies. The United Kingdom and Indonesia—the latter a major supplier of ship breaking scrap—have limited their exports of scrap. These limitations have resulted in increased purchases of U.S. scrap by Spain and Italy, who previously purchased from the United Kingdom. Japan, which normally supplements its scrap supplies with imports from Indonesia, has also increased its import of scrap from the United States. At the same time, India has eliminated import restrictions on ferrous scrap and it is estimated that exports from the United States to India may reach 30,000 tons during first quarter, 1979.

New foreign capacity for steel manufacture will cause additional demand for domestic scrap. New electric furnace steel mills have been recently constructed in South Korea, Argentina, Brazil, Venezuela, Philippines, Taiwan, and the People's Republic of China. The Chinese are expected to have a market demand for 6 million tons of ferrous scrap imports within the next few years, with much of this demand to be satisfied by U.S. exports.

Scrap exports not only limit the availability of ferrous scrap to U.S. consumers they also frustrate U.S. energy and environmental policies. Each saves more than 17 million Btu's, or the equivalent of 3 barrels of crude oil. The 9 million tons of ferrous scrap exported during 1978 represent a net loss of 28 million barrels of oil, an amount sufficient to serve the percapita energy needs for 500,000 Americans for an entire year. The usage of scrap also reduces the amount of pollutants generated in steel production by approximately 70 percent.

Uncontrolled exports have seriously depleted domestic scrap supplies and frustrate U.S. energy conservation efforts. U.S. scrap exports will increase in the future because of foreign currency revaluations, new foreign steel manufacturing capacity and other countries' export restrictions.

Ferrous scrap is an essential ingredient in iron and steel production. Domestic steel producers and foundries have encountered skyrocketing scrap prices and supply shortfalls. If prices continue to increase at their present rate and shortages widen, the inability to compete will result in shutdowns by steel and foundry plants. The increasing volume of scrap exports is a major reason for inflationary price increases and shortages. It is unacceptable that the United States export this critical material in current quantities when other nations have instituted controls to protect their own economies.

Exports of ferrous scrap promote production slowdowns and encourage a potential decline in the competitiveness of the domestic iron foundry and steel industries which are basic to the U.S. economy. The steel and foundry industries wish to support the President's voluntary wage and price control program, despite the fact that scrap is presently not subject to these guidelines. As noted, similar market circumstances prompted the imposition of export controls in 1973.

It is imperative moreover, that the United States recognize the critical strategic nature of ferrous scrap not only for the economy but for national defense. A national policy halting the drain of this vital strategic material is essential.

Consequently, the Ferrous Scrap Consumers' Coalition (FSCC), an association of cold metal shops and ferrous foundries representing 100,000 workers, urged the Department of Commerce to place quantitative controls of 600,000 short tons per month on ferrous scrap exports pursuant to its authority under 19 U.S.C. 2402 and 2403 and Executive Order No. 12002.

The domestic steel industry, through the American Iron and Steel Institute (AISI), also urged that the rapid escalation of ferrous scrap export level which impelled the Department of Commerce to impose export controls in 1973–74, and the rapid escalation of scrap prices, demanded the Department of Commerce to implement a program to monitor scrap exports, consistent with the provisions of the Export Administration Act of 1969, as amended.

The AISI related that recycled ferrous scrap was an essential ingredient used in steelmaking. Over 69 million tons were consumed by the industry in 1977, in the production of 125 million tons of raw steel. AISI estimated 1978 consumption had risen approximately 10 percent, to over 76 million tons.

According to AISI, the industry ran at an average capability utilization of 88.2 percent from August to October and scrap consumption was running at an annual rate of some 78 million tons with the recent trend approaching the record years of 1973 and 1974. At the same time, exports in October and November 1978, rose sharply to levels approaching those reached in 1973, when export licensing and, ultimately, export controls were imposed. Already in 1978, exports through November of over 8 million tons were 50 percent higher than those recorded through November of 1977.

AISI reported that much of this increase can be attributed to a tripling of exports to Japan, by far the largest importer in 1978. The rapid escalation of the yen against the dollar has created a low cost source of ferrous units for Japan, in the form of dollar denominated U.S. ferrous scrap purchases.

AISI stated:

> In view of these developments in the scrap market, the efforts of the Administration to control inflation, we strongly urge that the Department of Commerce monitor scrap exports. The Export Administration Act of 1969, as amended (50 USC App. 2401–2413), provides for such an action under section 2412(2), which states that it is the policy of the United States:
>
> ". . . to use export controls . . . to the extent necessary to protect the domestic economy from the excessive drain of scarce materials and to reduce the seriously inflationary impact of foreign demand."
>
> In order to fulfill this objective, under section 2403(0)(1), the Secretary of Commerce is called upon to monitor exports:
>
> ". . . when the volume of such exports in relation to domestic supply contributes, or may contribute, to an increase in domestic prices or a domestic shortage, and such price increase or shortage has, or may have, a serious adverse impact on the economy or any sector thereof. Such monitoring shall commence at a time adequate to ensure that data will be available which is sufficient to permit achievement of the policies of this Act."
>
> We feel that current conditions, including (1) monthly exports which have risen over 70 percent from the first quarter average of 1978, and (2) prices which have risen 24 percent since the third quarter of 1978 provide a compelling case for the monitoring of exports.
>
> In addition to these considerations, actions recently taken by the United Kingdom to restrict exports of quality scrap grades place even greater pressure on U.S. supplies since countries such as Spain, already a major U.S. recipient of scrap, will have to compensate for British reductions through additional purchases from other countries including the United States.
>
> The European Economic Community with GNP and population comparable to that of the United States has a continuing program of ferrous scrap export controls and exported only 1.4 million net tons of ferrous scrap to third countries in 1977 in contrast to the 6.2 million tons exported that year by the United States. The domestic steel industry objects only to excessive scrap exports from the U.S. in periods of high demand for steel since the benefits of such exports will be far outweighed in the U.S. balance of trade by imported steel mill products. It is better to keep ferrous scrap in the U.S. to meet domestic demand than to export it and be forced to import higher value finished products. Keeping scrap in the U.S. is also anti-inflationary, during periods of high demand.
>
> Accordingly, we urge you to act immediately to monitor ferrous scrap exports and, if necessary, to impose export controls promptly should the current excessive level of scrap exports continue.

In response, the Institute of Scrap Iron and Steel, (ISIS) opposed any export control reasoning:

> (1) Ferrous scrap is not in short supply; the steel and foundry complaints are strictly with reference to price, not availability or indeed inflation;
>
> (2) The efforts by the steel and foundry industries to restrict ferrous scrap exports are simply an attempt to induce the government to help set the price on a freely traded commodity;
>
> (3) Because of economies realized in a high fixed cost industry during periods of high demand, the increase in cost of ferrous scrap has no bearing on finished steel cost, only on the high and historically record profits realized by consumers. For this reason, the Council on Wage and Price Stability decided to exclude ferrous scrap from the President's voluntary price and control program. Ferrous scrap prices fluctuate rapidly up and down in response to erratic demand. Steel prices do not go down during periods when scrap prices have fallen dramatically;
>
> (4) Because the Department of Commerce already has sufficient data upon which to base its determinations, no need for formal monitoring exists. Formal monitoring merely disrupts the market by causing panic buying in anticipation of further government action. The issue as far as the steel and foundry industries are concerned is not that the Department of Commerce has insufficient data, but merely that the Department disagrees with these industries' interpretation of existing data. Monitoring will not resolve this disagreement;
>
> (5) The recent price increases are also due in part of ferrous scrap to adverse weather conditions and shortages of railroad gondola cars during this past winter and the entrance of non-traditional scrap buyers into the market.

ISIS reported that a study by Robert R. Nathan & Associates concluded that current scrap supply totals 14 years domestic and export demand even if no scrap were generated in that period, without counting steel currently in use in such forms as buildings, automobiles, appliances, and so forth. Every year in the last 20 more scrap was generated than was consumed in that year. None of the normal indices of shortage, apart from price increase—double shifts, delivery delays, inability to accept orders—exist with respect to ferrous scrap.

According to IRIS, price, not availability, was the concern of the steel and foundry industries. But because ferrous scrap is a freely traded commodity with a high price elasticity—a $10 increase in price produces more than an 8-percent increase in supply—the free market operates to produce quickly sufficient supply that a decrease in price occurs in a relatively short period of time as supply overwhelms demand.

Also, according to ISIS, scrap is purchased domestically on a 30-day basis thus requiring the market to adjust to changes in demand in a more dramatic fashion than would be true if the industry would make longer term commitments to purchase ferrous scrap. In essence, the steel and foundry industries' position is that they are unwilling to inventory scrap and, paradoxically, are unwilling to pay for the business risk of such a decision.

ISIS stated that no relationship existed between steel and scrap prices. Scrap prices fluctuate up and down dramatically; steel prices go up regardless of scrap prices. The Council on Wage and Price Stability chose to exclude ferrous scrap prices from price controls in part because of the lack of impact of scrap prices on steel prices and in part because it is difficult and potentially counterproductive to control the price of a product where price is established by the operation of the free market.

ISIS concluded that pressure on the Department of Commerce to institute formal monitoring could only be based upon the assumption that the Department lacks sufficient information upon which to make a decision whether ferrous scrap is in short supply or whether scrap prices have an inflationary impact. The Department has more than enough data on these questions. The steel and foundry industries have made numerous presentations to the Department, the ferrous scrap processing industry likewise has submitted voluminous data to the Department. The real reason for pressing for formal monitoring is more insidious. Formal monitoring will have an unsettling effect on the market engendering panic buying by foreign purchasers trying to beat the deadline for imposition of anticipated controls. By disrupting the market, the steel and foundry industries hope to increase pressure on the Department of Commerce to impose controls.

The Department of Commerce announced on March 2d that it had completed its analysis of the ferrous scrap situation in consultation with other interested agencies of the Government and had concluded that no action to restrict or control exports was warranted.

Frank A. Weil, Assistant Secretary of Commerce for Industry and Trade, said recent increases in scrap prices were not unusual in view of current market and seasonal factors and were not expected to continue. He pointed out that the Council on Wage and Price Stability had advised Commerce that recent ferrous scrap prices should not have an undue adverse impact on the President's anti-inflation program.

Mr. Weil explained that the Department did not consider that the rise in export levels in the last quarter of 1978 constituted a sustained trend, especially in light of the depressed level of exports in 1977.

Mr. Weil said:

> In January of 1979, U.S. exports of ferrous scrap declined for the third consecutive month. Exports of ferrous scrap in January were 893,000 short tons, down 5.3 percent from December and 7.5 percent from the average monthly exports of the last quarter of 1978. There are indications that these rises have been attributable to short term inventory rebuilding efforts by foreign purchasers and overall export demand is expected to slacken in the coming months. Similarly, improviding weather conditions can be expected to bring out additional supplies of scrap in this country.

Mr. Weil observed that the ferrous scrap market was typically volatile, showing rapid fluctuations both up and down as a result of short term market factors, and that experience had shown that price swings tend to work themselves out and return to normal within relatively brief time periods.

The Department of Commerce apparently believes that recent price movements in this market have been related in part to speculation that Commerce might institute export controls. The Department believes that the mere expectation of actions to control or restrict exports can and has contributed in the past to the increase in price and export levels of this and other commodities. Mr. Weil expressed the view that controls are burdensome to both industry and the Government. "This was clearly demonstrated by our experience with such controls in 1973 and 1974." He cautioned exporters not to draw parallels between the present situation and that of 1973 and not to anticipate that the Department will respond in the same manner as it did in 1973.

Mr. Weil said this administration is dedicated to maintaining an open international trading system and the least possible Government interference in the marketplace. The administration is also currently urging certain of its trading partners to remove their impediments to such free trade:

> It would be counterproductive to these efforts, to our export promotion programs, and to our balance of trade to take any precipitate action which might inhibit the expansion of such trade. Crucial to our efforts in this respect is the maintenance of the United States' reputation as a reliable supplier to the world market.

While the Export Administration Act requires the Department to maintain surveillance over commodities in potential tight supply, the Department apparently has determined that it already has and will continue to have available to it adequate and timely data to meet the intent of the Congress in maintaining a close watch on the situation. Accordingly, Commerce promised to continue its present surveillance over the ferrous scrap market situation but refused to utilize its authority under the act to institute a formal monitoring system.

On March 14, Mr. Weil reported that he believed that his announcement would help to stabilize the price of ferrous scrap. He claimed that the price of scrap had begun to soften.

Mr. Weil again concluded that Commerce had determined that it has and will continue to have available adequate and timely data to meet the intent of the Congress as expressed in the Export Administration Act. He reaffirmed his belief that it was important that the United States maintain its reputation as a reliable supplier to the world, in this and other markets.

According to Weil, this is crucial to our efforts to promote U.S. exports and improve our balance of trade. Mr. Weil asserted that the decision not to invoke the export control provisions of the act for ferrous scrap was justified by recent market events and also consistent with this administration's policy to pursue an open international trading system.

Assistant Secretary of the Treasury Fred Bergsten had endorsed this type of "hands-off" policy in testimony before the Senate Banking Committee in early March. This official stated that export controls were undesirable on economic grounds since we: First, lose foreign exchange; second, call into question the reliability of the United States as a supplier, and third, invite retaliation.

With respect to ferrous scrap, I share the perspective of the vice president of Inland Steel who feels this view is myopic.

Mr. Stapleton, testifying before the Senate International Finance Subcommittee, stated that if scrap exports are used to produce steel products which are then shipped back into the United States, the trade balance may not be improved at all since finished steel products—such as Toyotas and Datsuns—are much higher value.

In 1978, for instance, the United States ran a $648 million surplus on its scrap trade balance, while running a $5.6 billion deficit on its steel trade account. The small contribution made by scrap exports to the trade balance should, in this instance, be carefully weighed against the highly inflationary effect these same exports had on domestic prices.

Second, he said, all countries except for the United States, watch and control their scrap flows. Some have outright prohibitions, while others control exports more subtly through government guidance. Interestingly, the original charter founding the ECSC flatly prohibits scrap exports to third countries. EEC countries are still technically bound by this provision although a small quantity of some scrap is allowed to be exported.

During the 1973–74 steel boom, the Community allowed only 400,000 tons per year to be exported to third countries. This is equivalent to little more than 2 weeks worth of exports from the United States in recent years. Why does the United States refuse to take actions in view of the active intervention of other governments in the international scrap market?

Mr. Stapleton found it to be ironic that the United States would export energy in the form of scrap. When economically feasible, should not the 17 million Btu's of energy savings contained in every ton of scrap benefit this country? Foreign scrap shipments in the fourth quarter alone, we note, were equivalent to 8.4 million barrels of oil.

In closing, the industry feels the Government should be more responsive to the needs of this country in this area. Accordingly, it will be recommending to the Congress that a program be implemented to permanently monitor ferrous scrap exports, and to impose mandatory export controls on these exports when they average in excess of 600,000 tons per month, for at least 90 days.

In addition to seeking remedy at the national level, industry hopes that the United States will discuss the scrap trade problem with its trading partners at the international level so as to achieve reciprocity and equity in scrap trade. If this requires authorization through a revision in the act, the industry recommends that this action be taken. The industry feels that the OECD Steel Committee would be an appropriate forum to consider such an issue, and are therefore recommending that it be put on its work program.

Mr. Speaker, it appears that we have been outclassed in the world marketplace again. The obvious apprehension is if we are on the short end now, what will happen if a multilateral trade agreement is effected. I personally believe that Commerce, Treasury, and this Congress have a greater responsibility than to reissue its stock response—allow the marketplace to govern when there is no elasticity in the marketplace. Any trade pact requires reciprocity—if we cannot be more responsive to existing law—then our difficulties will be compounded under a multilateral pact. I urge the administration and the Congress to reexamine the ferrous scrap problem again to develop a meaningful solution.

Mr. MURTHA. Mr. Speaker, will the gentleman yield?

Mr. BENJAMIN. I yield to the distinguished gentleman from Pennsylvania (Mr. MURTHA).

Mr. MURTHA. Mr. Speaker, I want to join my colleagues in strongly urging the Department of Commerce to act quickly and impose export controls on ferrous scrap metal. A request from the Ferrous Scrap Consumers Coalition, which represent 900 companies and their 450,000 workers, has been filed with Commerce Secretary Krebs seeking temporary export controls, at a level of 600,000 short tons per month, under the authority of the Export Administration Act.

Our foundries and small steel companies in the United States, which have electric furnaces, are almost totally dependent upon scrap. If they cannot purchase this raw material at a reasonable price and in the quantity which they need, they will be forced to halt operation. The economic impact of these closings would be devastating to the country.

Our scrap exports have reached record levels of over 9 million tons in 1978. This is 54 percent higher than the export level of 1977. Without export controls, the domestic and foreign demand for scrap will remain high. Other major producers of scrap, such as the United Kingdom, Italy, and Indonesia have already restricted exports and West Germany has a licensing system which is the same as a restriction.

Scrap exports not only limit the domestic availability and cause our industries to purchase this material at higher prices, but they also frustrate our energy efforts. Each tons of ferrous scrap used in steel manufacturing, in place of iron ore and coal, save more than 17 million Btu's or 3 barrels of crude oil. The 9 million tons of ferrous scrap which was exported in 1978 is equal to a net loss of 28 million barrels of oil. This represents the per-capita energy needs of 500,000 Americans for 1 year. We are in the very questionable position of exporting energy at the same time we struggle to meet our energy needs by importing costly oil.

Also difficult to understand is the fact that the U.S. scrap is exempted from the voluntary wage-price guidelines. The steel mills and foundries, which are not exempt from these guidelines, can only raise their prices to a limited extent yet their suppliers have an unlimited chance to increase prices. In the past 6 months alone, the price of ferrous scrap has increased by 75 percent.

Mr. Speaker, I feel there is a very strong argument for export controls and I join with my colleagues in urging that the Commerce Department act and act quickly. I also urge the Council on Wage and Price Stability to review their position in regard to exempting scrap from the voluntary wage-price guidelines.

Mr. BENJAMIN. Mr. Speaker, I thank the distinguished gentleman from Pennsylvania (Mr. MURTHA) not only for his remarks but also for his input to the steel industry and to the workers in that industry.

Mr. GAYDOS. Mr. Speaker, will the gentleman yield?

Mr. BENJAMIN. I yield to the distinguished chairman of the Steel Caucus of the U.S. House of Representatives, the gentleman from Pennsylvania (Mr. GAYDOS).

Mr. GAYDOS. Mr. Speaker, I join my good friend and colleague from Indiana, Mr. BENJAMIN, in addressing a difficult situation facing domestic consumers of ferrous scrap. This product has recently been experiencing tremendous increases in exports and inflationary price increases. Ferrous scrap is a unique raw material which is used by steel mills and foundries to produce steel mill products, and iron castings for use in railroad cars, automobilies and trucks, farm equipment and electrical equipment, among many other uses. Castings produced by foundries are used in over 90 percent of all durable goods produced in the United States.

U.S. scrap exports have reached record levels. During 1978, exports rose to more than 9 million tons, 54 percent more than in 1977. Japan accounted for almost all of the increase in U.S. exports. In fact, between 1977 and 1978, U.S. exports of ferrous scrap to Japan increased by 208 percent, to more than 3 million tons. Exports to Canada, Italy, Mexico, Taiwan, South Korea, and Spain also increased.

At the same time, because of huge increases in exports, prices have skyrocketed. The current annual rate of inflation on this key commodity is over 100 percent. In the last 6 months, prices have increased by about 75 percent.

Why is this important? The answer is that many "cold-metal shop" steel companies, which are small in size by steel industry standards, are totally dependent upon scrap as a raw material. These complaints' use electric furnaces to produce steel. Production by this method is efficient, in that it uses less energy and is environmentally cleaner than other forms of steel production. The problem is that these furnaces must have scrap as a raw material. Similarly, the thousands of foundries across the Nation must have scrap to produce a large variety of their products.

The second problem, Mr. Speaker, is that ferrous scrap has been exempted from the voluntary wage-price standards program. The Council on Wage and Price Stability has decided that this product should not be subject to the same voluntary guidelines as other products. Therefore, there is no incentive for scrap sellers to keep their prices at reasonable levels.

As a result of huge exports and large price increases, many smaller steel companies which are completely dependent upon scrap find themselves in a terrible cost-price squeeze. Their raw material prices have increased by 75 percent in 6 months, but they cannot increase their own prices. Some steel companies have been experimenting with "scrap surcharges" in an effort to retain some relief, but clearly they cannot pass through cost increases of this magnitude.

This situation directly affects hundreds of thousands of workers in this country. For example, the Ferrous Scrap Consumers Coalition is an association of about 900 smaller steel companies and iron and steel foundries. This group represents over 450,000 workers nationwide. Many of these companies face the possibility of layoffs and huge financial losses this year because of the scrap problem.

Fortunately, the law provides us with the tools to solve the situation. The Export Administration Act permits the temporary imposition of export controls on products where there have been excessive exports and inflationary price increases. This appears to be an obvious candidate for relief under the statute.

Unfortunately, however, the Commerce Department has declined to act. The executive committee of the steel caucus met with Assistant Commerce Secretary Frank Weil on March 15 to discuss this issue. Mr. Weil listened to us intently, but said that he thought the situation would soon work itself out and that there was no reason for the Commerce Department to act. Later the same day, representatives of the Ferrous Scrap Consumers Coalition met with Secretary Kreps and Mr. Weil, and received the same answer.

With all due respect, I disagree with the findings of the Commerce Department. The Export Administration Act is specifically designed to deal with situations like this. In particular, use of the act to impose temporary export controls is well justified, in that virtually every major foreign producer of scrap has already imposed export controls or is considering doing so. For example, the United Kingdom, Italy, and Indonesia—all significant producers of scrap—have imposed export controls. West Germany, while it has no formal export controls, has a licensing system which accomplishes the same result.

Mr. Speaker, it is possible that if we wait long enough, this situation might turn round. For example, steel demand could drop off, or our economy could turn down. However, by then, the damage will have been done. I urge the Commerce Department to make use of the authority Congress has granted it under the Export Administration Act and impose temporary export controls until the situation eases.

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Mr. BENJAMIN. Mr. Speaker, I thank the gentleman for his profound assessment of the ferrous scrap situation that exists today, and for bringing us up to date on the status of it; and besides that, for his working constantly with the Departments of Treasury and Commerce, and this body, as well as the industry itself, to make sure that our steel industry is a more viable industry in these areas.

Mr. Speaker, we have been outclassed in the world marketplace again, according to Mr. GAYDOS' remarks. The obvious apprehension is that if we are on the short end now, what will happen if the multilateral trade agreement is effective? I personally believe that the Departments of Commerce and Treasury, and this Congress, have a greater responsibility than to reissue a stock response. Where the marketplace can govern, when there is no elasticity in that marketplace.

any trade pact requiring reciprocity, if we cannot be more responsive to the existing law, then our difficulties will be compounded under any multilateral agreement.

I hope the administration and Congress will reexamine the ferrous scrap problem again and develop a meaningful solution.

Mr. DERWINSKI. Mr. Speaker, will the gentleman yield?

Mr. BENJAMIN. Mr. Speaker, I yield to my distinguished colleague from Illinoise (Mr. DERWINSKI), an acknowledged expert in the world situation both in trade and otherwise, and who is also well known in this Chamber.

Mr. DERWINSKI. Mr. Speaker, may I join with my distinguished colleague, the gentleman from Indiana (Mr. BENJAMIN) in urging the Department of Commerce to reconsider the decision not to impose export controls on ferrous scrap.

A number of members of the Ferrous Scrap Consumers' Coalition, which has petitioned Secretary of Commerce Kreps to impose controls on ferrous scrap exports, have alerted me to the extremely inflationary situation which has developed for ferrous scrap consumers in the United States. Secretary Kreps has the authority under the Export Administration Act to impose controls when a product is in short supply and when price increases have reached inflationary levels, and these conditions now exist.

Furthermore, the situation is expected to worsen. Among the reasons are the fact that other countries such as the United Kingdom, Italy, and Indonesia, which are major ferrous scrap exporters, have already imposed export restrictions. Also, the devaluation of the dollar on international markets has increased the demand for U.S. ferrous scrap by foreign purchasers. Japan, the largest importer of scrap, increased their imports of U.S. ferrous scrap by 208 percent in 1978.

Therefore, I join my colleagues in urging Secretary of Commerce Kreps to immediately exercise her authority to impose export controls on ferrous scrap.

Mr. BENJAMIN. Mr. Speaker, I thank the gentleman for his remarks, which were very clear, concise, and comprehensive. He sees the problems clearly.

Mr. ATKINSON. Mr. Speaker, will the gentleman yield?

Mr. BENJAMIN. I yield to the gentleman from Pennsylvania (Mr. ATKINSON) to further address himself to this problem.

Mr. ATKINSON. Mr. Speaker, the present crisis with ferrous scrap exports is serious, and poses a serious threat to the well-being of our domestic steel industry. I am proud to join with my colleagues today to urge that the Secretary of Commerce consider the imposition of export controls on ferrous scrap until the current crisis, exacerbated by the high exchange rate of the yen, subsides.

There is one aspect of this crisis that I would like to emphasize. While the crisis we face at this moment may be temporary, it is part of a larger problem that will continue to plague us and that will continue to need attention from those agencies of the Federal Government charged with promoting domestic commerce. As those familiar with the steel industry know, more and more of our steel-making facilities are changing from the use of blast furnaces to process iron ore to facilities requiring scrap as a raw material. This new development, in large part an outgrowth of strict environmental regulation, means that scrap will continue to be a vital input to a vital industry in future years.

If I am correct—and I believe the facts support my statements on this issue, Mr. Speaker—then now is the time to address the ferrous scrap issue. What I am saying is that the issue will not disappear if we try to "sweep it under the rug." The problem is real; the issue is real. I join my colleagues in urging quick action on the part of the Secretary of Commerce in finding a solution.

Mr. BENJAMIN. I thank the gentleman for his astute observations.

● Mr. NOWAK. Mr. Speaker, I would like to commend the gentleman from Indiana (Mr. BENJAMIN) for his leadership in organizing this colloquy today and to join him in urging the Commerce Department to reconsider imposing export controls on ferrous scrap.

Ferrous scrap is a basic ingredient in steelmaking. Recently, I have received several communications from companies in my congressional district reporting that record exports of ferrous scrap and weather conditions have resulted in severe shortages and inflationary price increases.

With prices increasing nearly 50 percent in less than a year on this vital raw material, it will be extremely difficult for the user industries to hold the line on prices. Obviously, this is counterproductive to our anti-inflation effort.

I have joined other members of the executive committee of the Congressional Steel Caucus in urging Commerce Secretary Juanita Kreps to impose export controls similar to those in effect in 1973-74. We have also met with representatives of the Department to discuss this matter and expect further consultations will be held.

I trust this colloquy will stimulate the interest and concern of many more of our colleagues in the House.●

● Mr. WALGREN. Mr. Speaker, I am pleased to take part in today's special order in regard to the need for export controls on ferrous scrap steel. As part of my presentation I would like to point out the nature of ferrous scrap and the current market situation surrounding its exportation.

Ferrous scrap is a unique raw material. It is not mined, harvested, drilled, or in any way extracted from other substances. Scrap is refuse which would have to be disposed of by the owner were it not utilized in the steel and foundry industries.

Recycled ferrous scrap is an essential element in iron and steel production. Although ferrous scrap is sold in different grades and types, two basic forms of ferrous scrap are available for purchase: prompt industrial scrap and obsolete scrap.

Prompt industrial scrap, a byproduct of industrial manufacturing, consists of punchings, stampings, turnings, borings, and other industrial metallic waste. It is usually clean and uniform in both quality and density. However, the availability of prompt scrap is directly related to the level of industrial production. Even dramatic rises in price will not cause additional supplies of prompt industrial ferrous scrap to be produced in the market.

Obsolete scrap is composed of discarded items of iron and steel which are no longer deemed usable, such as junk automobiles, used railroad equipment and rails, and broken household appliances.

With these facts in mind, I would now like to mention the current market situation for ferrous scrap. Total demand for U.S. ferrous scrap has increased steadily through the last decade. This growth in demand has been a reflection of: First, decreased utilization of open-hearth furnaces in the steel industry and increased usage of electric furnaces and, second, increased foreign demand for U.S. ferrous scrap, resulting in increased U.S. exports.

Between 1970 and 1977, the share of total U.S. raw steel production manufactured in electric furnaces rose from 15.3 to 22.2 percent. The percentage share of ferrous scrap consumed by these furnaces increased commensurately. Due to the fact that electric furnaces are relatively energy efficient and environmentally clean, it is expected that the shift toward scrap-based furnaces will accelerate in the years ahead, increasing domestic demand for ferrous scrap.

Foreign steel mills, particularly those built in recent years in Europe and developing countries, are much more dependent upon electric furnaces than is the U.S. industry. As a result, the steel industries in most foreign countries tend to be broadly scrap based. Yet because many countries with growing steel industries are small or economically underdeveloped, they are not large producers of scrap, and must import large quantities of scrap from abroad. The United States is the largest producer of ferrous scrap and is also the major supplier that has been least prone to limit exports of scrap. Thus, the U.S. market has been the major target for increases in foreign demand for scrap, which is often reexported back to the United States in the form of steel mill products, iron and steel castings, and fabricated items.

The result of this increase in the demand for U.S. ferrous scrap both at home and abroad is that domestic ferrous scrap prices tend to soar during upswings in iron and steel production. The period between 1973 and 1974 serves as an excellent case in point. During this period, the steel and foundry industries experienced record growth years. The result was that annual domestic consumption of ferrous scrap rose to more than 100 million tons. At the same time, exports of ferrous scrap also accelerated to record levels, reaching 11.4 million tons in 1973. Because of the associated rise in prices, U.S. export controls were introduced in 1973 in order to relieve the scrap situation. These controls, however, were instituted too late to be of major assistance, and it was not until late 1975 and early 1976, when the steel boom ended, that scrap consumption reverted to traditional levels and prices moderated accordingly. I believe that conditions as they have been developing in the U.S. ferrous scrap market since mid-1978 threaten a repetition of events that last took place in 1973–74.

I urge the Commerce Department to reconsider imposing export controls on ferrous scrap.●

● Mr. WALKER. Mr. Speaker, my statement today will not be elaborate. The issue I speak to is not complex.

A significant number of domestic steel manufacturers are currently faced with a serious problem that threatens to cause serious economic disruptions. The problem is simple. Exports of ferrous scrap metal from the United States are soaring, creating a shortage for U.S. manufacturers and drawing prices upward at a dizzying rate.

Domestic demand for scrap is extraordinarily high yet exports in 1978 were 54 percent above 1977 levels. As exports skyrocketed and domestic demand increased, inventory stocks of industrial ferrous scrap declined by 6 percent.

The declining supply of scrap and its unlimited exportation is having a devastating inflationary impact on American scrap-reliant industries. Since the President implemented his voluntary wage-price guidelines, scrap prices have jumped approximately 50 percent. It is virtually impossible for electric furnace shops and foundries that depend on scrap to hold the line on prices of their products and still remain viable.

There are about 900 scrap consuming companies within the United States employing over 450,000 workers. Today, those companies face conditions which potentially threaten their existence and those employees see the very real possibility of joblessness.

Our Government cannot fail to act. Limits must be placed on scrap exports and a serious examination of scrap's exemption from voluntary price guidelines should be undertaken. This administration has the power to act, to resolve a problem that threatens business viability, promises unemployment and causes inflationary pressure. I urge the administration to use that power.●

● Mr. FLOOD. Mr. Speaker, it has come to my attention that ferrous scrap metal is being exported in record amounts, at a time when domestic demand for this material is at a high level. This, in turn, is leading to a significant increase in prices, which is affecting ferrous scrap consumers in my congressional district and across the country.

Ferrous scrap is unique in that it is refuse material—punchings, stampings, junk automobiles—which is an important element in the production of steel and iron. Scrap dealers, however, are exempted from the administration's voluntary wage and price guidelines, and prices have risen astronomically as the supply of scrap decreases due to rising exports.

Therefore, I call upon the Secretary of the Department of Commerce to immediately implement quantitative controls on scrap exports under the Export Administration Act. This move will increase the supply and thereby lower the price of this important material. Other major scrap producers like the United Kingdom, Italy, and Indonesia have already restricted exports. It is now time for us to aid the ferrous scrap consumers, who are caught in the dilemma of rising scrap prices and rising exports.●

● Mr. BAILEY. Mr. Speaker, during 1973 and 1974 the steel and foundry industries experienced record growth which resulted in the rise of domestic consumption of ferrous scrap to approximately 100 million tons. Simultaneously, exports of ferrous scrap reached record levels of 11.4 million tons in 1973. These two conditions resulted in such a dangerous rise in domestic prices that the United States introduced export controls.

This dire economic situation has arisen again and plagued once more the American jobs and industry that ask only for a fair balance of trade.

The parallels between the 1973–74 market and today's ferrous scrap problem are alarmingly similar. During 1978 domestic consumption approached 100 million tons as exports rose to more than 9 million tons, a level 54 percent greater than the 1977 level.

In addition, the 9 million tons of ferrous scrap that were exported allowed foreign steelmakers to produce steel using 6 billion less kilowatt hours of energy than they normally would use. This energy loss is equivalent to 30 million barrels of oil. Therefore, foreign competitors find it much more economical to import scrap than to purchase oil. This practice depletes our domestic supply and raises prices.

I urge Government leaders at all levels to act posthaste so that we may correct a situation that leads not only to high domestic scrap prices but eventually results in dumped steel products.●

● Mr. FINDLEY. Mr. Speaker, the scrap-based steel industry is being severely afflicted by the fact that the United States currently has no export policy for scrap steel. The sharp increase in domestic scrap steel prices has made it extremely difficult for U.S. companies in the scrap-based steel industry to keep their goods competitively priced, as well as meet their costs. Consequently, hundreds of thousands of jobs are threatened. In my district, one of the largest employers, Laclede Steel Company, has seen the price of its raw material skyrocket 72 percent in the last 9 months. The reason: Burgeoning uncontrolled exports of steel scrap destined for foreign steel mills.

When the Subcommittee on International Economic Policy and Trade considered the Export Administration Act of 1977, I drafted an amendment which would have required the Commerce Department to monitor closely steel scrap exports. I refrained from offering my amendment because I felt I had the agreement of the Commerce Department to institute monitoring when the volume of scrap steel exports created undue domestic shortages and sharp increases in price. Unfortunately, no monitoring has resulted, although the price of scrap steel has increased dramatically in the last several months, and steel scrap exports have skyrocketed.

Economic Consulting Services, Inc., has prepared a very cogent analysis for the Ferrous Scrap Consumers Coalition. This report clearly shows the unfavorable impact of our export policy on domestic scrap steel prices. I would like for my colleagues to review this report, and I urge that this industry's problem be given thoughtful consideration by the Congress.

THE IMPACT OF U.S. EXPORTS OF FERROUS SCRAP ON U.S. FERROUS SCRAP PRICES: AN EMPIRICAL ANALYSIS

I. SUMMARY

This study is intended to provide additional insight into the rapid escalation in prices which has characterized the U.S. market for purchased ferrous scrap within the last year. Its focus is on measuring the relative influence of U.S. exports and domestic demand on domestic ferrous scrap prices. The results of a number of statistical analyses directed at this end indicate that the foreign component of total demand, which is represented by U.S. exports, has had a substantially greater impact on U.S. ferrous scrap prices than has domestic demand during the last two years (January 1977 through January 1979). The influence of the domestic component of total demand for ferrous scrap on domestic prices was found to be statistically insignificant.

II. BACKGROUND

Two basic forms of ferrous scrap are available for purchase for iron and steel production: prompt industrial scrap and obsolete scrap. Prompt industrial scrap is a by-product of industrial manufacturing processes. It includes discarded steel fragments such as punchings, stampings, turnings and borings, and its availability is directly related to the level of industrial production. Obsolete scrap consists of discarded items of iron and steel which are no longer usable, such as junk automobiles, used railroad equipment, steel rails and broken household appliances. This type of scrap includes many forms, grades and levels of quality, and is less uniform than prompt industrial scrap. Because of the great demand for scrap, however, obsolete scrap provides a substantial share of total U.S. supplies.

Purchased ferrous scrap, both prompt industrial and obsolete, is an essential element in the production of iron and steel. Many relatively small U.S. steel mills and foundries are dependent upon ferrous scrap for virtually 100 percent of their metallic input. As a result, these producers are placed at a competitive disadvantage during sharp escalations in ferrous scrap prices. Their concern has stimulated debate within both the public and private sectors regarding the reasons for the recent escalation in ferrous scrap prices and possible remedies.

As a contribution to this debate, at the request of the Ferrous Scrap Consumers Coalition (FSCC), Economic Consulting Services Inc. has prepared a brief empirical analysis focusing on the influence of changes in demand for ferrous scrap on recent price movements in the U.S. market. In particular, the analysis is directed toward identifying whether domestic demand or foreign demand

(U.S. exports) has exhibited the greater degree of influence on recent price movements.

III. METHODOLOGY AND RESULTS

The specific purpose of the analysis was to determine empirically the nature and strength of the relationship between demand for U.S. purchased scrap and U.S. prices of such scrap during the last two years. To this end, a series of ordinary least-squares regressions was performed, using monthly data covering the period from January 1977 through January 1979.

The first step of the analysis involved a simple regression of the domestic scrap price on total consumption to determine if, in fact, a measurable positive relationship existed between the level of consumption and prices during the last two years. For empirical purposes, the price of number 1 heavy melting scrap was used as the appropriate proxy for domestic scrap price levels, while total demand was defined and calculated as net receipts by consumers plus U.S. exports minus U.S. imports. The simple model equation, specified in linear form, was,

$$P_{U.S.} = a + a_1 D_T$$

where $P_{U.S.}$ was the domestic scrap price and D_T was total demand for U.S. scrap.

The statistical results revealed, as expected, a strong positive correlation between the level of total demand and prices. That is, month-to-month rises and falls in price levels strongly paralleled similar rises and falls in demand levels. The statistics generated by this regression appear in Table 1 (Model 1) and show a strongly statistically significant relationship, although this one-variable model accounted for only a moderate percent of the variability in prices over the period covered.

The next step was to examine the individual elements comprising total demand more closely.

Consumption of U.S. ferrous scrap can be divided into two identifiable components, one component being scrap consumed in the U.S. by domestic users and the other component being scrap shipped abroad for use by foreign consumers. By separating these components of consumption, the differential effect, if any, which these two components of demand might have had on domestic prices can be measured.

Multiple regression, analysis, a statistical tool capable of measuring the separate and joint influence of two or more independent variables on a dependent variable, was used to measure the effect of each demand component on domestic prices. The model equation, specified in linear form, was,

$$P_{U.S.} = a + a^1 D_{U.S.} + a^2 D_{EX}$$

where, $P_{U.S.}$ was the domestic price, $D_{U.S.}$ was the domestic component of purchased scrap demand, based on U.S. Bureau of Mines data for net scrap receipts by consumers, and D_{EX} was the foreign component of scrap demand, or U.S. exports, based on U.S. Commerce Department data.

Given the finding of a strong positive correlation between total demand and prices, a positive or direct relationship between prices and each component of demand was also expected; that is, price movements were expected to parallel movements in both the domestic and foreign components of demand. The statistical results of the regression did indeed provide evidence of the expected positive, or direct, relationship between the movements in prices and each component of demand. Furthermore, by separating total demand into its domestic and foreign components, the explanatory power of the model was enhanced considerably.

The most revealing finding, however, was that the foreign component of demand (U.S. exports) was shown to be a far more powerful determinant of price levels than domestic demand during the period studied. In addition, the strong, direct relationship between export levels and price levels was statistically significant at a very high level, while the much weaker positive relationship between domestic consumption and price levels was not statistically significant. The summary statistics are shown in Table 1 (Model 2).

The domestic component of demand, or consumption, of purchased ferrous scrap is influenced to a small degree by changes in inventory levels. Therefore, a further modification of the model was made by adjusting the data on net scrap receipts by consumers for the estimated monthly draw-downs or build-ups of inventory levels during the period studied. This adjustment was designed to measure more accurately the domestic component of demand for purchased scrap and, thus, the effect of this demand component on prices.

Using the data adjusted for inventory changes, total demand was recalculated and a simple regression was run between prices and adjusted total demand. The results of this regression (Table 1, Model 3) are virtually the same as the previous regression, with respect to the relationship between domestic prices and total demand (Model 1). Using the components of total demand adjusted for inventory changes, a multiple regression was then conducted to measure once again the relative influence of the domestic and foreign demand components.

The results of this multiple regression, shown in Table 1 (Model 4), revealed virtually no change in the relative importance of foreign demand versus domestic demand as determinants of price levels. There was a negligible decrease in the explanatory power of the model, while exports were still shown to be by far the more important determinant of U.S. prices. The influence of domestic demand was once again statistically insignificant, while the influence of exports was statistically significant at a high level.

The final statistical analysis performed focused more specifically on the foreign component of demand. U.S. exports as a percent of total demand for U.S. purchased scrap was calculated, and a simple regression between domestic prices and this variable was run. The results of this regression (Table 1, Model 5) supported the earlier analyses, which had indicated the strong impact of foreign demand for U.S. scrap on domestic prices over the last two years. The findings showed that the changes in scrap exports as a percent of total demand were strongly correlated with U.S. prices, accounting, by itself, for a large amount of the movement in domestic prices. These results appear to be a confirmation of the major role which exports have played in determining prices in the U.S. scrap market in the period studied.

IV. CONCLUSION

The findings of the empirical analysis which was performed strongly suggest the preponderant influence which exports of U.S. ferrous scrap have had on U.S. prices during the last two years. Overall demand was shown to have a large role in determining price levels, as expected. However, a measurement of the separate influence of the domestic and foreign components of total demand showed that exports were a far more important factor than domestic demand. Furthermore, the relationship between prices and the domestic component of demand was weak and not statistically significant, while exports had a strong and statistically significant impact on prices.●

AMENDING THE MUNICIPAL BANKRUPTCY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, I have today introduced legislation to allow Federal Reserve banks to purchase notes and other debt instruments issued by a municipality involved in proceedings under chapter 9 of the Bankruptcy Act. This will help assure that a city involved in a municipal bankruptcy action will be able to raise operating cash in order to provide essential services to its citizens.

The Municipal Bankruptcy Act provides that a city in bankruptcy may issue certificates of indebtedness. Funds raised through these certificates are needed to help a city cope with "seasonal deficits" which arise because the city's revenues do not come in at the precise moment that expenditures must be made. For the same reason, the revision of the municipal bankruptcy laws, contained in Public Law 95–598, provides for the obtaining of credit and incurring of debts by a city in bankruptcy.

The sale of certificates of indebtedness or other credit instruments is thus needed to assure that essential municipal services will be provided during a bankruptcy action.

But who will buy the certificates or notes of a bankrupt city? If a city is unable to command sufficient investor confidence to allow it to sell its notes prior to default, it is not likely to be able to sell them afterward either. And if those notes are not marketable, how can the bankrupt city raise the cash to maintain its police and fire services, its sanitation pickups, its schools, and hospitals?

The legislation I am introducing today offers a simple, and fiscally responsible approach to this problem. It explicitly authorizes Federal Reserve banks to purchase the notes of a municipality in bankruptcy.

I want to make it clear that this legislation does not require or even permit the Federal Reserve banks to purchase worthless certificates. Normal standards of fiscal soundness for the purchase of obligations would still apply. Under the provisions of chapter 9 of the Bankruptcy Act, the court is able to give a petitioning city's new certificates sufficient priority to enable them to meet those standards. What my bill would do, however, is assure that when the psychological impact of insolvency, default, and bankruptcy makes the market unwilling to purchase the certificates of a city, the Federal Reserve banks may do so if those certificates are otherwise sound.

It is arguable that section 12(b) of the Federal Reserve Act, which my bill would amend, already permits the purchase of municipal obligations in these circumstances. I am, unaware however, of any case in which this has occurred. In addition, when New York City faced the imminent prospect of default, I was unable to obtain any assurance from the Federal Reserve Board that it would, or that it believed it could, permit banks to purchase the certificates of a bankrupt municipality.

Clearly the lives, health, and safety of millions of Americans would be endangered if the cities or towns in which they lived could not maintain essential services during bankruptcy and they are far too important to be left to some future arbitrary decision by the Federal Reserve Board. The Congress ought to make explicit, as my bill does, the authority of Federal Reserve banks to purchase the fiscally sound notes of a city in bankruptcy, and thus assure that a municipality's default does not place its citizens in peril.

I urge the passage of this legislation. The text follows:

H.R. 3189

A bill to amend the Federal Reserve Act to allow Federal Reserve banks to purchase and sell obligations issued by municipalities and other political subdivisions which have filed petitions under chapter 9 of the Bankruptcy Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 14(b)(1) of the Federal Reserve Act (12 U.S.C. 355) is amended by inserting "and including counties, districts, political subdivisions, and municipalities which have filed petitions under chapter 9 of the Bankruptcy Act," immediately after "including irrigation, drainage, and reclamation districts,".

DEFENSE ECONOMIC ADJUSTMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 10 minutes.

● Mr. McKINNEY. Mr. Speaker, today I am introducing legislation which seeks to improve the existing program for providing Federal assistance to communities affected by defense base closures and the termination of defense contracts. The bill's particular strength lies in the fact that it utilizes existing Government programs, rather than creating new ones, and that it coordinates the planning procedure with other types of adjustment planning already in existence. The former stipulation means that there will be little increase in Federal spending under the bill, and the latter insures that general plans for economic development within the community can be effectively coordinated with plans to remedy defense-related dislocations. In this way, the bill improves the planning for adjustment as it is presently carried out, while leaving the flexibility within the defense adjustment program which is so vital to its success.

While the defense industry is currently a productive and economically healthy field, it is inextricably tied to the whims of budgetary changes and international politics. Recent events such as the cancellation of the B-1 bomber and the cancellation of several billion dollars of arms purchases by Iran demonstrate the vulnerability of communities, contractors, and workers who depend on the Defense Department dollar for their livelihood. Next month, the Pentagon's annual announcement of candidates for base closures and realinements will again affect the employment status of thousands of civilian base workers across the country. As ranking minority member on the Economic Stabilization Subcommittee of the Banking Committee, I have become increasingly concerned about the destabilizing effect on local and regional economies that such base closings and contract cancellations can create. Presently, one of this country's major defense manufacturers is in danger of losing a $50 million aircraft engine contract to one of its competitors. The threatened closing of a major Army installation in New Jersey, Fort Dix, could send over 2,000 people out of work in a region that already has 13 percent unemployment. In short, Mr. Speaker, as long as defense spending consumes so much of our country's economic resources, the potential for severe economic disruption remains great.

I am no stranger to the economic chaos which base closings and contract expirations can create. Connecticut, with 27 percent of its work force engaged in defense-related activities, is heavily dependent on defense contracts, as are many other States such as California and New York. Nine billion dollars' worth of defense contract work is completed in my State, including the construction of more than half of the aircraft engines for the U.S. military. When I first took office in 1971, the city of Bridgeport, Conn., was undergoing a severe economic recession as a result of the loss of over $500 million in defense contracts and subcontracts since 1968. Unemployment had reached a peak of 13 percent—over 6,000 workers had been laid off. Together with municipal leaders, I appealed to the Defense Department's Office of Economic Adjustment to help create a program for economic redevelopment in Bridgeport. They arrived—in 1973—and let me say that the results fell short of expectations.

Despite the alarming potential for disruption of defense dependent communities across the country, the current program for dealing with that problem, in my view, is inadequate. The President's Economic Adjustment Committee, an interagency task force in the Executive Office created in 1970, is responsible for coordinating assistance for communities which are severely affected when defense bases are closed or contracts terminated. The permanent staff for this committee, the Office of Economic Adjustment, however, is located within the Defense Department. As a result, the OEA is regarded as a weak sister at the Pentagon, for DOD is more interested—and rightly so—in defense production than in recovery from the loss of defense production. But this is only one of the problems, Mr. Speaker, which causes the defense economic adjustment program to often be classified as "too little, too late." With a staff of 22 and an equally small budget, OEA is responsible for the formulation of plans for reuse of defense facilities; counseling affected communities on policy options and fiancial assistance; the coordination of grant applications among the appropriate Federal agencies; and the overseeing of economic redevelopment.

Understandably, the OEA has failed to effectively meet its responsibility in these areas. It has been unable to provide adjustment plans which address the specific needs of the community; information on grants and other types of Federal assistance has often been so confusing as to be virtually useless, and implementation has often been weak or nonexistent. Clearly, the fact that OEA is currently involved in over 40 projects nationwide with such a small staff means that its resources are greatly overextended and as a result, they are unable to take on any new projects unless the situation is deemed critical. More importantly, until recently, the OEA was prevented by regulation from contacting a community before the actual dislocation had occurred and since the planning process often took several years to complete, this meant that Federal aid was often too late in arriving.

Mr. Speaker, I believe the legislation I am introducing today will effectively address each of these problems by improving the timing and process of planning while maintaining the flexibility of the program and while not creating any new Federal agencies or programs. Let me explain how this new defense adjustment program would work.

First, the bill transfers the OEA into the Executive Office under the auspices of its overseeing agency, the President's Economic Adjustment Committee (EAC). In doing this, the bill will free OEA's responsibilities from the political and economic restraints of the Defense Department by placing the staff and funding for all defense economic adjustment directly under the EAC. With the issuance of Executive Order 12049 last March, which called for increased coordination and activity on the part of the Economic Adjustment Committee, President Carter demonstrated his desire to strengthen the Federal program for defense economic adjustment. Still, it is clear that any such effort can be at best a small improvement as long as the primary responsibility lies with the Department of Defense.

My bill would mandate 1-year prenotification to the Economic Adjustment Committee by the Pentagon of any planned base realinement or contract expiration date. In other words, the Department of Defense would be responsible to alert the EAC, which would in turn alert an affected community, 1 year before any serious unemployment or economic losses could take effect. By making prenotification mandatory, I believe we can avoid the dangerous risk of unexpected economic disruptions that catch whole communities—both leaders and workers—unaware. Obviously, Mr. Speaker, 1 year's notice is not always possible. Few people could have anticipated the cancellation of the Iranian arms contracts in February of this year.

However, in such a case, my bill would require that a minimum of 90 days must pass between the announcement of the cancellation and the actual termination of the contract, in order to allow communities the time to initiate recovery plans.

Upon receipt of this prenotification, the bill specifies that the Economic Adjustment Committee would have the responsibility of contacting each affected community, including those where the loss of subcontracts (of major defense contracts) would have a substantial effect. The EAC's next responsibility would be to initiate work with the appropriate community development organization, counseling its members on options for local recovery. Also among the initial responsibilities of the EAC would be the securing of an immediate planning grant for the affected community without application. This procedure would insure a speedy planning process, something which is now hampered with delays of up to a few years while communities wrestle with paperwork.

By allowing the community to take the planning initiative with the use of a Federal planning grant, the bill offers three major advantages to the current program. First, it places the major responsibility for recovery with local leaders, who are more likely to be concerned with timely adjustment activity than planners in Washington. Second, the community will have an adjustment plan created by a local firm which will have knowledge of the local conditions instead of a federally designated firm. Finally, the bill, utilizing local agencies and research firms, allows the specific defense adjustment program to be coordinated with any existing plans for general economic development in the area.

The bill also mandates that funding for planning grants come from the title IX program of the Economic Development Agency, which is the primary Federal agency assisting communities in recovering from sudden economic dislocations. The selection of EDA title IX for planning funds complements the work already done in that agency. In fact, nearly half of title IX's outlays—over $20 million annually—are spent on implementation grants for defense-impacted communities. EDA has been the most successful Government agency in dealing with sudden dislocations of all natures and it has the resources, the regulations, the experience, to improve the defense economic adjustment program through involvement in the planning process. In addition, the bill seeks to increase EDA involvement in this area even further by authorizing the Secretary of Commerce to guarantee loans to contractors and subcontractors for economic adjustment under the auspices of the Defense Production Act.

The EAC would assess the need for these loan guarantees on an individual basis. In essence, what my proposal attempts, Mr. Speaker, is to open to those communities affected by base closings and contract terminations, the same resources available to all parts of the country for other types of economic redevelopment. At the same time, however, it leaves these communities with the increased flexibility that coordination by a separate executive agency insures.

The final important feature of the proposal is a provision that would authorize the General Services Administration to transfer unused land from a base closure to the affected community at a 75 percent reduction off the fair market value. Presently, GSA regulations require that all excess Federal property be offered to the community at full market value. Often it is impossible for the community, already reeling from severe unemployment, reduced retail sales, and general economic disaster, to raise the several million dollars necessary to purchase vacated base land as a major part of its economic development plans. Newport, R.I., for example, has been unable to purchase the unused land from the Newport Naval Station ever since 1973, when the base was cut back in size. This proposal would ease that burden and remove what is often the greatest stumbling block in defense economic adjustment.

In conclusion, Mr. Speaker, economic dislocation to communities caused by base closings and contract terminations will continue to be a national problem regardless of the state of the economy or the level of defense spending. As long as so many of our cities and towns are involved in the "boom and bust" cycle of defense spending, the potential for economic disruption remains great. Experience has shown us that the current Federal program for dealing with defense dislocations is inadequate and that substantial improvement is needed now to prevent recurrence of the program's shortcomings.

When defense work dislocations occur, everybody loses—communities, businesses, and workers alike—and the Federal Government is the responsible party. As such, it is up to the Federal Government to provide these community organizations with an efficient and effective program for renewing their economic and personal vigor. I believe this bill creates such a program by making a necessary and timely restructuring of the defense economic adjustment process.●

TAUKE PROTESTS HEARINGS OFFICE CLOSINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. TAUKE) is recognized for 5 minutes.

● Mr. TAUKE. Mr. Speaker, many of our Nation's gasoline wholesalers are already experiencing supply shortfalls due to the change in the gasoline allocation base period; many motorists will get pinched this summer as oil suppliers reduce their allocations to gasoline stations, and most Americans will be affected by restrictions on weekend gasoline sales, advertising lighting, and building temperatures, should those planks of the President's energy conservation program be put into effect.

Where can Americans go to seek help if they become entangled in what promises to be an energy regulatory mess? In the past, they could call 1 of the 10 Department of Energy (DOE) Regional Offices of Hearings and Appeals for assistance with regulatory problems. But that will soon be changing.

I recently discovered that the DOE has ordered the closing of 5 of its 10 Regional Offices of Hearings and Appeals, including the Kansas City office which serves Iowans. Claiming budgetary constraints, the DOE is channeling most complaints to Washington, D.C., where they are lost in the bureaucratic shiffle. But a close look at the Hearings and Appeals budget for DOE shows a proposed 11-percent increase next year. Budgetary constraints is an excuse that just does not wash. In fact, the DOE decision is fraught with administrative illogic and a basic insensitivity to the needs of the residents in half of the 10 regions in the country.

I plan to express my concern about the closing of the office in Kansas City in a letter asking Secretary James Schlesinger to reconsider the decision. My reasons for opposing closings are outlined in greater detail in the letter. I commend that letter to my colleagues and request that they take appropriate action.

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 23, 1979.

Hon. JAMES R. SCHLESINGER,
Secretary, Department of Energy, Washington, D.C.

DEAR SECRETARY SCHLESINGER: On March 7, Thomas Mann, the Associate Director of the Department of Energy's (DOE) Office of Hearings and Appeals, ordered the May 31 closing of the hearings and appeals offices in five of the DOE's ten regional offices. The Region 7 office in Kansas City serves the people of Iowa, and I have become familiar with its operation and importance to the energy needs of Iowans. Armed with that knowledge, I protest the termination of the Kansas City Hearings and Appeals Office and respectfully request that you reconsider your plans to close that operation.

My criticism of the proposed closure is based on the following observations:

1. A hearings and appeals section in the Kansas City regional office is needed to adequately serve the area, especially in view of the regulatory confusion caused by the present energy situation. The Kansas City Hearings and Appeals section has been swamped with complaints since the DOE issued its new gas allocation base period regulations. Many gasoline wholesalers in Iowa have experienced gasoline supply shortfalls due to the new regulations and are seeeking relief by appeal to the Hearings and Appeals Office in Kansas City. That office has been flooded with 55 appeals so far this year; 25 were handled all of last year. While some provisions had initially been made to transfer 35 cases to the Washington, D.C. office in order to facilitate the closing of the Kansas City office, most of those cases have now been rerouted back to Kansas City.

Obviously, a properly staffed Kansas City office is needed to handle the large and growing caseload of energy regulatory appeals in the region.

2. The allocation of remaining hearings and appeals offices does not take into account the relative sizes of the regional workloads. For example, the Chicago regional office, according to the proposed order, would actually receive an additional employee in the hearings and appeals section. But Kansas City would lose its entire staff. A close look at the caseload figures for the two offices shows that the Kansas City office handled a workload 25 per cent greater than Chicago's in 1978. The preliminary figures for 1979 are similar. It makes little sense, then, for the DOE to close an office which has a heavier workload than the one it proposes to beef up.

3. The closing of the Kansas City office is administratively unwise. Again, the Chicago office provides the apt example. The

DOE recently transferred the entire Chicago enforcement and legal sections to Kansas City. Since the hearings and appeals section must work very closely with the enforcement and legal sections, it would appear logical to maintain the appeals office in Kansas City. Closing the Kansas City appeals office, expanding the Chicago appeals office, and then transferring the Chicago legal and enforcement sections to Kansas City fly in the face of all administrative logic.

4. Finally, compliance with budget constraints, claimed by the DOE as the reason for the closings, would not appear to dictate this extreme action. The President's proposed budget includes an 11 per cent increase in funding for the Hearings and Appeals section of DOE. Considering the proposed closing of five regional offices and the net reduction of at least six regional employees, I am left wondering where the additional funds are to be used. An expansion of the Washington hearings and appeals operation, should that be your intention, would not be in the best interests of most Americans. Offices closer to the people—regional offices—are most responsive to problems caused by government regulations.

For the foregoing reasons, then, I request that you reconsider plans to close the Hearings and Appeals Office in Kansas City. A thorough reexamination of the termination order is necessary to ensure an expeditious handling of the regulatory complaints provoked by recent DOE actions. The energy needs of Iowans and all the residents of Region 7 would be ill-served by the closing of the Kansas City office. I believe that a proper re-examination of the order will lead to the same conclusion that I reached: the Kansas City Hearings and Appeals Office should stay open.

I would appreciate your prompt consideration of this matter.

Sincerely,

TOM TAUKE,
Member of Congress.●

BAN THE BLACKOUT OF TV SPORTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, everyone is aware of the effect that "big money" has had on professional sports over the past several years. The free agent phenomenon, exorbitant salaries, and lucrative television contracts have thrown the professional sports world into a cost increase spiral the likes of which have never been seen before in this country.

One disturbing result has been the promulgation of the so-called blackout of televised professional games to audiences within 75 miles, if the game is not sold out at least 72 hours before game time. This situation has resulted from franchise owners' concern about selling every available seat in the arena to meet the costs of operation. The legislation which I am introducing today would eliminate the blackout rule entirely, except where a college game is being played within 75 miles of the location of the professional game, a situation which rarely occurs, since the respective schedules seldom conflict.

The need for this measure can be illustrated by the following example: A family of four wants to see a postseason playoff game between the Chicago Bears and the Green Bay Packers. The game is being played in Chicago, and because all seats have not been sold by the deadline, it is announced that the game cannot be carried by media centers within the prescribed 75-mile radius. Since the relevant media center for this family is Chicago, they will not be able to see it unless they attend in person. Our family lives just within the blackout area, so when they climb into their car Sunday morning, they are looking forward to a 75-mile, 2-hour trip to the stadium in Chicago.

But this family's problems have just begun. With no way to reserve four of the remaining tickets beforehand, they are taking a chance that, by the time they reach the ticket window, the seats will all be sold. So, with luck, Dad is able to purchase four of the remaining seats, the view from which is comparable to watching the game from the Capitol dome.

By the time the family finally takes its seats, Dad has already spent well over $60 for playoff tickets and parking, not including the cost of transportation, or cokes and hot dogs.

Mr. Speaker, agreements between the National Football League and the major television networks will place $5 million in the coffers of each NFL team this season, whether or not the team appears on a regional or national broadcast during the course of the season. When a game is blacked out, it usually means that a few hundred seats out of 70,000 or so were not sold—about 2 percent. Surely, with today's high ticket prices and lucrative television contracts, it is not necessary to deprive large television audiences the pleasure of seeing their team, just to attempt to guarantee the receipt of revenue from a relatively small number of tickets. The American sports spectator is a dedicated and loyal person, and deserves credit in large part for the huge success—financial and otherwise—enjoyed by professional sports. Certainly, the cost of a few hundred tickets is a small price for franchises to pay in order to "ban the blackout" and bring sports excitement to millions of deserving citizens.●

THE 158TH ANNIVERSARY OF GREEK INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on March 25, 1821, the Greeks began their long and difficult struggle for independence for it was on that date, which is recognized as Greek Independence Day, that they began a series of uprisings against their Turkish oppressors. They fought courageously and valiantly against the might of the Sultan's Ottoman Empire and, for the victories they were able to obtain, they suffered many losses and endured much tragedy.

Refusing to yield to overwhelming odds, the spirit of the Greek people remained unbowed. Years before their dream of independence was to be realized, the Greeks showed their determination and tenacity by convening a national assembly on January 1, 1822, during which they officially declared their independence and their determination to continue the struggle for freedom.

In the United States feelings ran high in support of the Greeks. In an address to Congress, President Monroe expressed the feelings of the United States when he said:

> Genius and delicacy in the arts, daring and heroism in action, unselfish patriotism, enthusiastic zeal, and devotion to public and private liberty, all these are connected with the name of ancient Greece. It is natural, therefore, that their contest should arouse the sympathy of the entire United States.

On October 20, 1827, at the battle of Navarino, the Turkish fleet was defeated and destroyed by the combined elements of the British, French, and Russian navies. This victory gave the Greeks additional incentive in their fight against Turkish oppression. Finally, after many years of conflict and struggle, on September 14, 1829, the Turks were forced to recognize Greek sovereignty and independence at a conference in Adrianople.

Approximately a hundred years later, the Greeks again took up arms in defense of their liberty, this time against the invasion of Mussolini's armies. On October 28, 1940, Greece rejected the fascist demand for submission. The Greek people and their leaders refused to bow to the enemy's arrogant demands and overwhelmingly said "No" (Okhi). This date became known as Okhi Day and is celebrated every year in cities and villages throughout Greece, and in Greek communities in other countries, as a symbol of their determination to remain free.

Determined though they were, the Greek people could not halt the onslaught of the Nazis and they were forced to surrender. This, however, caused the heroic Greek spirit to resurface in the form of freedom fighters in guerrilla action against the brutal occupation of their country. This limited though effective resistance continued until the Nazi invaders were driven from Greek soil.

In 1945, there was, unfortunately, no respite for the war-weary Greeks. Once the menace of fascism had been erased from their land another threat to Greek independence emerged, and that was communism. After more years of warfare, the Greeks were able to overcome the Communist threat with the help of the United States. The spirit in which this assistance was offered is contained in President Truman's statement:

> The valor of Greece convinces me that the Greek people are equal to the task.

The contributions made by the Greeks down through the ages are, of course, too numerous to mention. The works of ancient Grecian teachers, philosophers and scientists, are still taught in universities throughout the world. Socrates, Plato, Aristotle, Galen, Hippocrates, Euclid, Archimedes, Nestorius, Aeschylus, Sophocles, Euripides, Demosthenes—all of these names continue to have great influence on the peoples of the world. Western civilization has borrowed much from the ancient Greeks, drawing upon their wisdom and guidance as a firm foundation on which to build.

It is thus a pleasure to extend greetings to Americans of Greek descent in my own city of Chicago and in our Nation, who are commemorating this inspiring anniversary, and to recall a century and a half of genuine friendship between the people of America and the people of Greece on this, the 158th anniversary of Greek Independence Day.●

HOW'YA GONNA KEEP 'EM DOWN ON THE FARM—AFTER THEY'VE GONE BROKE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 5 minutes.

● Mr. ALEXANDER. Mr. Speaker, this month, KAIT–TV, channel 8 in Jonesboro, Ark., in my congressional district, ran a thought-provoking documentary on the loss of the family farm in Arkansas. As it contains information that could well apply to other farming States like Arkansas, I thought I would share this text with my colleagues. It was written by KAIT's public affairs director Jack Hill. I certainly recommend it as must reading for my colleagues:

"HOW'YA GONNA KEEP 'EM DOWN ON THE FARM . . . AFTER THEY'VE GONE BROKE?"

(By Jack Hill)

On a clear winter's day in east Arkansas, the farm land stretches as far as the eye can see.

Near the Mississippi the rich delta soil could be hundreds of feet deep. It's some of the most productive in the world.

This is the kind of land that makes farming big business.

And in Arkansas it is.

Agriculture is the backbone of the state's economy, and that makes Arkansas one of the nation's leading farm states.

Cash receipts from Arkansas farms total more than two and a half billion dollars.

Arkansas is number one in rice. No other state is even close.

Arkansas is number five in cotton.

And seventh in soybeans.

In fact, Arkansas is ranked in the top ten in eight of the nation's major agricultural commodities.

And so the grain elevators stand like medieval fortresses—monuments to the state's agricultural affluence.

By the train load, the beans and rice are shipped out for export. A lot of it will wind up in the OPEC countries of the Middle East and in Japan. And Arkansas farmers are quick to point out how this helps the country's balance of trade.

But all these signs of prosperity are deceiving, because the number of farms is on the decline.

And that could mean the death of that most American of all institutions, the family farm.

In the early 1900's, one of every three Americans lived on the farm. As recently as 1935, it was one in four. By 1970, it was one in 21. And now fewer than one in 25 lives on the farm. And because of it, the United States today has the fewest number of farms since 1870.

The situation in Arkansas is much the same. The most recent farm census shows about 53-thousand farms in the State. That's a drop of 2 percent from 1969. A 36 percent drop since 1959. And a 72 percent drop since 1940.

Craighead County provides a good example of what's been happening here in eastern Arkansas. There are about 12 hundred farms in the county now. That's a decline of some 700 in the last 15 years.

For Jonesboro banker L. D. Walker, these aren't simply government figures. It's been a personal experience.

The farm where he was raised near Leachville in Mississippi County is among those that's gone.

A family of six lived here on 80 acres back in the 1930's and 40's.

They grew cotton mostly, just like their neighbors.

The Baileys, the Thrashers, the Frenchways also farmed on 40 and 80 acre tracts. But you'd never know it today. The houses, the barns, everything is gone.

The only way you'd know people lived here once is a solitary shade tree in a field of winter wheat. Now the land is owned by a corporation.

It's a typical situation in Arkansas as the family farm fades away.

Another indication of what's happening can be found in the classified ads of the local newspapers.

On this Sunday about two dozen farms were listed for sale in the Jonesboro Sun.

There's so much business, some real estate companies are beginning to specialize in farm sales.

For the farmer it's often a matter of simple economics. If you're not making money, you've got to get out.

And farm machinery is a big reason for it.

A tractor that cost 16-thousand dollars a few years ago could be worth twice that today.

The price tag on a new cotton picker is about 40-thousand dollars.

Today's combines cost between 40-thousand and 60-thousand dollars.

Equipment costs alone for even an average farm these days could total more than a hundred-thousand dollars.

Fuel is up, too. Wholesale diesel for the farmer has gone from 12 and a half cents a gallon in 1972 to about 50 cents.

Wholesale gasoline was 31 cents a gallon in 72, Now it's about 66 cents.

Oil prices have doubled.

And tires cost about a third more today than in 72.

Then there's the price of chemicals.

The herbicides, the pesticides, the fertilizers will cost more this year than last . . . and are up about 10 per cent since 74.

And the bill for a crop duster for that 400 acres of cotton could come to six-thousand dollars.

The cost of the land itself also has gone up dramatically, more than one hundred per cent in the last 10 or 12 years.

An acre of prime Arkansas farm land now can cost well over a thousand dollars.

And with land values up, taxes on it are soaring.

And there's also the matter of credit. As the prime interest rate goes up in those big city banks, it tightens the credit for farmers at the smaller banks here at home.

On top of all this, what if it doesn't rain?

Profit margins are becoming so thin . . . that a couple of bad crop years due to the weather are more than many family farmers can bear.

And no wonder, since 1952 . . . authorities say farm prices have increased only about 10 per cent—while farm overhead has gone up around 125 per cent.

"And so here's this small farmer. He wears overalls. He has his own garden, raises his own vegetables—turnips and greens. Overhauls his equipment and tractors. He plants and harvests the crop and ends up with a six-thousand dollar profit. So he says, 'Well, what the heck, I just believe I'll sell out and get out of farming.' "

With its problems and investments, farming today has become a high pressure business. It's not that pastoral utopia we've been led to believe. In fact, the federal government says owning and running a farm is in the upper 10 per cent of the most high stress occupations. No wonder so many family farmers are getting out.

Of the nation's founding fathers, Thomas Jefferson was the most eloquent on the value of the small farmer.

In 1785, Jefferson said cultivators of the earth are the most valuable citizens. Jefferson felt they are tied to their country and wedded to its liberty and interests by the most lasting bonds. As long, therefore, as they can find employment in this line, Jefferson said, he would not convert them into mariners, artisans, or anything else.

Thomas Jefferson would be shocked at what's going on today.

And on this day, another Arkansas farmer is auctioning off his equipment, the first step in getting out of farming.

Never mind the snow and the freezing wind, hundreds turn out as Danny Manning puts most of his equipment up for sale. "The future just don't look that good. I want to lock in what I have and that sort of thing. A person just gettin'—where an investment is gettin' so high for about a thousand acre farm and whatnot that you could be wiped out in just a year or so if you aren't careful."

And so they come from all over Northeast Arkansas . . . to look at the plows, the tractors, the combines—the equipment a man needs to farm II-hundred acres of wheat, beans, and rice.

In less than two hours, Leon Brinkley will auction off more than 100-thousand dollars in equipment.

It's a time of tension for Manning. He's got a huge investment here, and he wonders if it will be covered by the auction.

But his situation isn't as bad as it is for some.

Manning will be able to rent the 800 acres he got when his father died eight years ago.

And he still plans to farm the 300 acres he's been renting. After all, he'll need a job, and farming is what he knows best.

And by phasing out, Manning is able to ease the tax burden from his own farm.

But this auction on a wintry Saturday morning is the first step in his plan to get out completely.

And as more and more family farmers make similar decisions, business for the auctioneers is booming.

But for Leon Brinkley, at least, it's a bittersweet situation. . . . "I never have a good feeling when I'm selling a 34–35 year old man out. I can go out and sell a 64–65 year old man out and feel like he's done what he wanted to do and is retiring because he wants to. But I hate to see a young man quit the business."

Sonny Barnhill still drives the 16 miles from his farm to the Faith Baptist Church in Tulot. But he no longer goes as pastor.

Barnhill was the pastor, but the pressures of farming reached the point where he felt he had to step down. . . . "Well, you know, as a result of all the commotion there on the farm and the predicament I'd found myself in, I felt like I'd developed negative attitudes, and they might be carrying over into my church. And I didn't want that to happen. So we decided we would step down as pastor for awhile."

Barnhill's predicament involved cotton.

A couple of years ago, he lost 700 acres of cotton because of a chemical problem.

And because of it, the wolf now is at his door. . . .

"I have replaced seven farmers in my particular arrangement right here, and suddenly it's caught up with me. I'm caught in the pinch, too. I have some sons who would have liked to have farmed with me, but circumstances wouldn't permit 'em to do so, and they've took jobs elsewhere—in the city. We're just in the pinch, I guess."

Barnhill has farmed here since 1950. He began with 40 acres.

Now his operation has grown to 11 hundred acres—about half of it rented—and more than a quarter million dollars in equipment.

It was the kind of life Barnhill enjoyed. And before the chemical problem, things seemed to be going well. . . .

"Okay, going into the 1977 crop, we owed very few thousand—in an operation like ours, very little that we owed. And we finally got, uh, had a great loss in '77 as a result of liquid fertilize damage to our crop. And I think it was about a hundred and forty thousand that we'd put into the crop that year that we didn't recover. We had to turn right around and borrow the same amount to plant an additional crop which made us owe two-hundred and eighty thousand to try and come out in one given year. And we just weren't able to do that."

For Barnhill, it's meant one of the toughest decisions of his life, a decision to sell out.

But if he did, he could owe the government more than 200-thousand dollars in capital gains taxes.

With a tax bite like that, Barnhill isn't sure if he can afford to sell out.

After all, when you've worked 30 years to develop a farm, you don't want to give it away. And Barnhill is afraid that's what it would amount to.

His is a predicament shared by other family farmers who are heartbroken if they do sell out—and maybe heartbroken if they don't.

If it weren't for his hogs, Bobby Elder isn't sure if he could continue farming.

Elder farms 450 acres, mostly wheat, beans, and rice. But his profit margin dropped to the point where he had to do something else.

So he turned to hogs and set up an operation on rented land here on Crowley's Ridge near Walcott.

Most of his land is rented—on three separate plots.

But it's hard for a small farmer to spread his expenses over rented land, at least in this area.

According to Elder, the available land is snapped up by the big operators.

In fact, Elder says some investors are sitting back, just waiting for small farmers to go bankrupt so they can move in and expand even more.

Elder fights back as best he can. He's a member of the American Agriculture Movement and has been to Washington the last two years to help lobby for the small farmer.

Elder was born and raised on a farm.

He wants to stay in farming if he can.

But he says things are rougher now for the small farmer than ever before. . . . "We've had two or three bad crops, and you use up, well, your equity in your farmland, in your farm; so it's getting down now where just about everyone has used up their equity. So where are you going to farm then? If you don't make a profit, where are you going except out?"

Another reason Elder hasn't had to get out yet is his wife. She works.

Mrs. Elder is employed at the DuPont plant in Jonesboro.

Still, Elder has to get by on used equipment.

The investment in even that is substantial—about a hundred-thousand dollars for a combine, three tractors, and the other implements he needs.

Elder admits he's sort of hanging on so one of his three sons will be able to get into farming.

But he's thought a lot about getting out. . . .

"Well, when you work every year all year long and you come out with less than what you started out with, why, you start thinking about nothin' else but gettin' out. If you can't get something done where you can get a better price—where you can make a little profit—you're goin' to have to get out. It's just—everybody knows that. And, uh, I don't want to get out. But I think about it just every year. I wonder from one year to the next are we goin' to start another crop, or are we goin' to quit?"

Elder also feels profit margins are so thin a bumper crop is necessary every year if the small farmer is to pay his bills.

Elder says the situation really isn't fair, and it makes him mad.

Because of all this, he's afraid corporate farmers will get control of the nation's agriculture.

And he says that would cut down on competition and could mean higher prices for the American consumer.

He drives to work in his pick up with the tool box in back, just like when he was a farmer. But he no longer drives to the fields. Now it's to the motor pool and shops of Southwestern Bell, where he helps maintain the company's equipment.

This man's name also is Jack Hill and up until about two years ago, he was farming 500 acres of rice and beans, oats and milo near Valley View. It became too unprofitable; so he got out. In a way, though, Hill is lucky, because he still is able to use his skill with tools—a skill learned in all those years on the farm—and that helps pay the bills today.

Other displaced farmers and farm workers aren't so lucky.

Off the farm, and they're out of work by the thousands.

How to deal with all those people has been a big problem for social services agencies throughout Arkansas.

Hill did make a lot of money from farming in the early 70's.

He wondered how he could spend it all. He learned the next year when the bottom fell out of the commodities market.

In Hill's case, it was the high cost of equipment that was a major factor in his decision to get out . . .

"Well, the equipment is terriby high, as everybody knows. But it just keeps on going up, and the commodity prices of the farm products doesn't go up a corresponding amount."

After getting out of farming, Hill opened this auto repair shop in Jonesboro.

But that didn't work either. The place has been closed for about six months. So Hill remains sort of between jobs.

He's the governor of the Moose Lodge in Jonesboro.

Since he isn't working full time, he now can devote himself more freely to his obligations in the lodge.

But Hill admits he misses farming. "Oh, yes, there's a lot of things I miss about it. I don't suppose that there's anything that anyone does for 15 or 20 years that doesn't miss some part of it. I enjoyed watching the plants grow and knowing that I was responsible for the growth. And if it was good then I was responsible for that, and if it was bad, why, it was the fault of the weather. I don't see any great future in farming until the money changes. There's not enough on the receiving end. You don't get to keep enough of it."

The Coke sign celebrates life—but there's little life in downtown Black Oak these days.

Black Oak is a town of less than 300 on the eastern edge of Craighead County, a town that's scarred by loss of the family farm.

Most of the stores on main street look like somebody's attic and have been locked for years.

There used to be five cafes. Now there's only one. And it closes early in the afternoon.

At the dress shop down the street, there's a sale. But you'll have to call the owner if you want to browse. She's gone much of the time and simply leaves her phone number in the window.

There was a time when even the passenger trains stopped here. The only trace of that now—a line of telephone poles where the tracks used to be.

The appearance of Black Oak began to change as agriculture changed.

As the surrounding 40 and 80 acre farms slipped into oblivion, so did Black Oak.

Rodgers Grocery is one of the only two grocery stores left in town. At one time there were six.

Graham Rodgers has been in the grocery business here for more than 40 years.

It disappoints him the way Black Oak has declined.

He can remember when the town was thriving. . . .

"Yes, we used to sometimes be here until twelve o'clock at night, especially on Saturday nights. Now then we can close up on Saturday nights just about as early as we can any other time of the week. Used to be a very busy little town, and then the farmers began to have to leave the farm. And the farms got bigger. And many other things happened. The war came along. And after the war no one could buy any land on either part of town to build any houses. And during the building boom that followed World War II, we just sat here and kind of dried up."

A couple of years ago, the Arkansas Economic Development Commission concluded in a study that the decline of small farms is causing self-perpetuating problems for rural places. Black Oak is one of those places.

At the opposite end of Craighead County is another example of what the Commission had in mind.

This is downtown Cash, a mere shell of what it was.

These small towns are typical of the hundreds of communities in Arkansas, especially in the eastern part of the state, that have declined because of loss of the family farm.

They were trade centers once. Not now.

Activity in downtown Cash can be measured these days by a card game in what used to be a barber shop.

. . . and by the number of pool players in the recreation hall next door. It's mostly the young farmers who come to play pool.

They're from farms of hundreds or even thousands of acres.

And they drive the tractors and combines—and the other big machines—machines that have forced people off the land—and out of places like Cash.

These young men represent the reality of today's American agriculture—get big, or get out.

The older men, many of them retired farmers, are from a different time . . .

a time when farms were measured in acres . . . and not by the hundreds or thousands.

And as they come each day to while away the hours, they talk about the way it used to be . . .

"It was lively here then. Let's see, you bid?"

"Oh man, Saturday nights."

"Yeah, yeah."

"Oh, I bid IO."

"Well, there was just more people here, you know, and there was more to do. They had more stores here, and show buildings and . . ."

"Theaters built and things like that."

"Had a little beer to drink. Kick up your heels."

"Had to go out in the back and drink over there."

"A big outlet store used to sit over there."

"People would come up here, and the streets would be full of people."

"Yeah."

"Until the late hours."

"I've seen it until twelve, twelve at night. Couldn't park a wagon around here, could you?"

"Yeah."

But those days are gone now . . .
not just in Cash, but in hundreds of other small communities across Arkansas.

And with the decline of the family farm, those days will not return.

In August of last year, President Carter signed a four billion dollar farm loan bill.

According to the President, the bill would mean the difference for some farmers of staying in business or getting out. But in talking with farmers in Northeast Arkansas, you get the impression the bill has made little, if any difference.

In fact, there are those who say it's the federal government itself that's partly responsible for the loss of the family farm.

That's the apparent feeling of Labor Secretary Ray Marshall. Before becoming secretary, Marshall was the coauthor of a report called "Status and Prospects of Small Farmers in the South."

The report said one of the biggest problems with the government's traditional agricultural policy is the almost exclusive support of large scale production—at the expense of the small farmer

The report indicated the programs of the Department of Agriculture are based largely on the assumption small farmers are not viable economically.

But the report argued it's not at all clear if large-scale farmers intrinsically are more efficient than small ones or whether the big farms apparent efficiencies are due to a history of agricultural policies favorable to them.

The Carter Administration's set aside program is a case in point. A big farmer more easily can take, say, 10 percent of his hand out of production than a small one can.

A recent study by the Congressional Budget Office also supports the idea that government policies are contributing to the decline of the family farm. That study pointed out while most of the policies allegedly are designed to help family owned and operated farms . . . the benefits are in direct proportion to volume of output. In other words, the farmers with the most to sell get the biggest return.

That's also the opinion of Dr. Don Paarlberg, professor emeritus of agricultural economics at Purdue University. He points out that commodity programs are regressive. That is, they give more help to those who already are well-to-do than to those who aren't.

Because the commodity programs operate on a per-bushel basis, thousands of dollars, according to Paarlberg, are put into the pockets of big farmers—with limited help for those who have little to sell.

And it's basically the small farmer who has organized all those tractorcades and marches and protests.

The movement reached its peak about this time a year ago. And it's continuing today.

But most farmers who turned out in 1977, and who are doing so again this year, say things really haven't changed that much.

Despite what the President, the Department of Agriculture, or anyone else says—they still believe the government is part of the problem for the family farm.

There is a lot of evidence to support that claim.

The College of Agriculture at Arkansas State University points out another of the problems faced by the family farm.

Only about a fourth of the students here will wind up back on the farm.

That's still better than the national average.

About 12 per cent of the nation's ag students go into farming.

Most of them will work for the government, or the big co-ops, or the chemical firms, jobs like that.

This is not a young man's business. The average age of the Arkansas farmer is 52.

It does not bode well for the family farm because as older farmers retire, fewer young men are coming into take their place.

But as the farm land passes into fewer hands, little of it in Arkansas, at least, has been bought by foreign investors.

A study last year by the Co-operative Extension Service indicated less than seven per cent of the farm land sold in an 18 month period was purchased by foreigners.

What appears to be the bigger threat to the farmily farm is the corporate operation.

That's the opinion of a number of experts. Some even feel protective action is needed if the family farm is to survive.

If it doesn't, rural communities, already hard hit by the loss of farms, may not survive, either.

The specter of ghost towns across Northeast Arkansas and in other farm areas, the unthinkable, could become a reality.

All this brings to mind what the Prophet Jeremiah wrote more than 25-hundred years ago . . . "The harvest is past; the summer is ended; and we are not saved." His words could apply today to the family farm.●

URBAN GRANT UNIVERSITY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 10 minutes.

● Mr. FORD of Michigan. Mr. Speaker, I am today introducing, together with more than 50 other Members of the House, legislation to amend the Higher Education Act to create an urban grant university program. Among those joining me in cosponsoring this legislation are the chairman of the Education and Labor Committee (Mr. PERKINS), the ranking minority member of the Education and Labor Committee (Mr. ASHBROOK), the ranking minority member of the Subcommittee on Postsecondary Education (Mr. BUCHANAN), Mr. BRADEMAS, Mr. THOMPSON, Mr. BIAGGI, Mr. SIMON, Mr. GAYDOS, Mr. MURPHY of Pennsylvania, Mr. WEISS, and Mr. JEFFORDS, all members of the subcommittee on Postsecondary Education. I ask unanimouse consent that the text of the bill and a complete list of the cosponsors be printed at the conclusion of these remarks.

This legislation, Mr. Speaker, is closely modeled on bills which the gentleman from Alabama (Mr. BUCHANAN) and I introduced in the 95th Congress, and on which the Subcommittee on Postsecondary Education held 5 days of hearings in Washington, D.C.; Detroit, Mich.; Birmingham, Ala.; San Francisco, Calif.; and Wichita, Kans.

The basic concept of the bill remains as I described it on May 23, 1977, when the original bill was introduced. This legislation, based on the precedents of the Land-Grant College Acts of the last century and the Sea Grant Act of a decade ago, authorizes Federal support for urban universities for mobilizing their resources to aid cities in dealing with their problems.

The Urban Grant University Act, Mr. Speaker, does not propose to compensate urban universities for being urban universities. On the contrary, the legislation accepts the idea that the university and the city have a natural affiliation, and that the university can provide research and other services to the city, as well as performing its traditional function of providing educational services to the city's people.

In 1977, Mr. Speaker, I observed that the bill was a point of departure; that it was a legislative vehicle for hearings aimed at exploring the need, coming to better understand the possibilities, and improving the legislative mechanism. All three of these objectives were served in the 5 days of hearings which the subcommittee held in the last Congress. We heard from university presidents, academic specialists in urban affairs, mayors, city managers, councilmen, county officials, businessmen, and spokesmen for several university and urban organizations. These witnesses explained what could be done under this legislation, what was already being done, and how the legislative proposal could be improved.

The gentleman from Alabama (Mr. BUCHANAN) and I learned a good deal from these hearings. We have included in the new bill the improvements which the testimony and other information suggested. We both believe that the new urban grant university bill, which we are introducing today, will better achieve the objectives which the 1977 legislation sought to serve.

The differences between the 1977 bill and the measure we introduce today do not change the basic concept of the legislation, though they do represent important improvements and refinements.

The 1977 bill was drafted as part of title I of the Higher Education Act, community service and continuing education. The new bill is a new title XII of that act. We did this to highlight the distinction between the urban grant university concept whereby the urban university provides research and services to the city in which it is located, and the title I concept of continuing and adult educational services. Both can have an urban focus, but title I's is on education, while the proposed title XII looks primarily at noneducational services.

In the 1977 bill, a 5-year authorization was provided, with a ceiling of $25 million in the first year, and "such sums" in subsequent years. The current bill reduces the duration of the bill to 4 years, which we think is a likely duration for the Higher Education Act extension, and provides a $50 million authorization for the first year with specified sums for the subsequent years.

In 1977, an urban area—the area within which an urban university must be located—was simply defined as a standard metropolitan statistical area with a population of 500,000 or more. Based upon some very helpful testimony, especially that of the president of Wichita State University at our concluding hearings, we have amended the bill to provide that, in the 11 States where no such SMSA exists, the U.S. Commissioner of Education shall designate at least one urban area, within which universities may apply for grants under this act

The 1977 definition contained a phrase requiring an eligible university to have a ' wide range of graduate or professional offerings" in order to be eligible to apply. This was widely interpreted as excluding 4-year institutions generally, and many of the predominantly black urban institutions in particular. Some concern was voiced by spokesmen for both kinds of universities who pointed out that many of these universities had more experience with the urban condition than most of the major research institutions. I do believe that some degree of graduate or professional faculty and facilities are a strong indication of a university's ability to provide professional or graduate-level research and related services to its city. However, I think the "wide-range" language was superfluous. The new bill simply calls upon a university to have "a range of graduate or professional services appropriate to sustain" the services the university will offer to the city. Before it offers, it should be able to deliver. That is all the bill should say, and all it does say.

The earlier bill was silent on the participation of consortia of universities. The new bill expressly permits universities to form consortia to offer services to the city, as long as one of the participants fulfills all the requirements for eligibility as an urban grant university. In large cities, where there are a number of eligible urban universities, we expect the typical grant to go to a consortium, though by no means would the legislation require a consortiate application.

In the previous Congress, the bill provided for three sorts of applications under the urban grant program—program development, under which grants would be made to an urban institution to enable it to develop its capacity to be an urban university; project assistance, under which urban universities would apply for funds to carry out limited ad hoc projects of research and services for a city, and comprehensive program assistance, under which an urban university would seek aid for a multidisciplinary, broad-range program of research and services covering a substantial number of a city's needs. The latter was made specifically renewable for up to 5 years, and an award under that part of the bill carried with it designation as an urban grant university.

The more we examined this structure the more convinced we became that it was unnecessarily complex and that it carried with it some unintended problems. Under program development, for example, while we were willing to see a university obtain some small financial assistance to enable it to survey its urban competence, to make some minor purchases of equipment or materials to beef up its competence to undertake some specific applied research, we did not intend to fund the creation from scratch of new Department of Urban Affairs, to build new urban laboratories, or to shoulder the operating expenses of the research and services arm of an aspiring urban university. Program development was intended to support the kind of "topping-off" that might be needed for a year or 2 by a university which had already made a commitment of its own time and resources to the needs of the city, but which needed just that last small nudge to be self-supporting.

"Last yard" program development needs are eligible for Federal support under the same terms and conditions as project assistance under the new bill.

The distinction in the 1977 bill between project assistance and comprehensive program development was one of scale only. We saw, after completing our hearings, no need to distinguish in the legislation between these two kinds of assistance. However, we did recognize the importance to urban universities of being able to depend, for reasonable periods of time, on the continuing availability of funds to conclude a project which might be begun in 1 year and require more than that 1 year to come to fruition. Therefore, in section 1202(b) of the new bill, we have included language which is intended to provide for multiyear availability of a single year's funding. The current bill requires a considerable degree of evidence, within a project application, of the participation of the local government in the planning of the project and requires the Commissioner to take into account the readiness of the local government to participate in providing the non-Federal share of the costs. We have not required a specific degree of funding by the local government—that is something which the city hall and the university can settle between themselves. But we have instructed the Commissioner to look at the local government's willingness to shoulder part of those costs as evidence of the real interest of the local government in the project. The gentleman from Alabama and I both believe that a project probably should not be funded unless the local government considers it important, and the university considers it within its competence. Both are encouraged by the language of this bill to put their money where their mouths are.

One final major distinction between the 1977 bill and the bill that is being introduced today concerns the advisory council proposed in last year's bill. The new bill contains no advisory council. Given the general level of disillusionment, within the Congress and the executive branch, with advisory councils, we felt this provision of the 1977 bill served no particularly useful function, and it was dropped.

Although the Urban Grant Act is not yet a part of the administration's program, I am happy to note that a recent report filed with the Department of Housing and Urban Development, based on the experiences of that Department with the urban observatory program, indicates that the urban grant university concept is workable. This report encourages me in my efforts to seek enactment of the bill which is being introduced today.

The subcommittee will be examining other proposals during the 96th Congress for the amendment and the extension of the Higher Education Act of 1965. That act expires during this Congress, and we confidently expect to have a comprehensive recommendation ready for the House consideration before that expiration date. The gentleman from Alabama (Mr. BUCHANAN) and I feel strongly inclined to predict that included in our committee's recommendation to the House later in the 96th Congress will be an Urban Grant University Act, based on the legislation we introduce today.

This is a serious legislative proposal. Its central focus—the use of the resources or urban universities to help focus on those problems which hard-pressed cities see as first priority and the universities see as within their particular competence—is fully consistent with the concern of this House for the most economical and fiscally prudent use of existing institutions. It is also consistent with the growing conviction that the Federal Government's most appropriate role is to encourage and assist local public and private institutions to cope with local needs, rather than to set up new Federal agencies to cope directly with those needs. The Urban Grant Act fits that pattern. We are proud to introduce it, proud to join with our colleagues in the other body, including Senators EAGLETON and JAVITS, in moving this important proposal nearer to the statute books.

The material follows:

URBAN GRANT UNIVERSITY ACT COSPONSORS

Ashbrook, Aspin, AuCoin, Beard of Rhode Island, Biaggi, Bingham, Bonior, Brademas, Brodhead, Buchanan, Phillip Burton, Clay, Conte, Conyers, Corrada, Diggs, Dougherty Drinan, Edgar, Evans of the Virgin Islands, Ferraro, Fowler, Garcia, Gaydos, Glickman, Hawkins, Heftel, Jeffords, Kildee, LaFalce, Lederer.

Lehman, Leland, Mr.Dade, Mineta, Mitchell of Maryland, Moakley, Moorhead of Pennsylvania, Mottl, Murphy of Pennsylvania, Murphy of Illinois, Nedzi, Oakar, Ottinger, Perkins, Pritchard, Rangel, Reuss, Rodino, Roe, Rosenthal, Scheuer, Schroeder, Sebelius, Simon, Thompson, Vento, Weiss, Whitehurst, Winn, Young of Missouri, Zeferetti.

H.R. 3181

A bill to amend the Higher Education Act of 1965 to establish a system of grants or urban universities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Urban Grant University Act of 1980".

SEC. 2. The Higher Education Act of 1965 is amended—

(1) by redesignating title XII as title XIII by redesignating 1201 through 1208 as sections 1301 through 1308, respectively, and by redesignating any reference to such title or such sections accordingly; and

(2) by inserting immediately after title XI the following new title:

"TITLE XII—URBAN GRANT UNIVERSITY PROGRAM

"FINDINGS AND PURPOSE

"SEC. 1201. (a) The Congress finds and declares—

"(1) that there exists within the Nation's urban universities an underutilized reservoir of skills, talents, and knowledge applicable toward the amelioration of the multitude of problems that face the Nation's urban centers;

"(2) that these skills, talents, and knowledge must be applied in a systematic and sustained manner to impact successfully upon these problems;

"(3) that the application of these skills, talents, and knowledge is impeded due to the limited funds available to sustain their commitment; and

"(4) that it is the public policy of the United States to encourage and facilitate the application of these skills, talents, and knowledge toward serving the needs of the Nation's urban centers.

"(b) The Commissioner shall carry out programs in accordance with the provisions of this title, for the purpose of aiding urban universities to help find answers to urban problems, and aiding such universities to make their resources more readily and effectively available to the urban communities in which they are located.

"APPROPRIATIONS AUTHORIZED

"SEC. 1202. (a) For the purpose of carrying out the provisions of this title there is authorized to be appropriated $50,000,000 for the fiscal year 1981, $70,000,000 for the fiscal year 1982, $90,000,000 for the fiscal year 1983, and $100,000,000 for the fiscal year 1984.

"(b) Funds appropriated under this section shall remain available to the Commissioner for the duration of the period for which funds are authorized to be appropriated under subsection (a), in order to permit multiple-year funding of projects under this title.

"PROJECT ASSISTANCE

"SEC. 1203. (a) The Commissioner may make grants to urban universities to assist them in carrying out urban-oriented projects consistent with the purposes of this title.

"(b) An application submitted under this section must show that the chief executive of the local agency or agencies of general government within whose jurisdiction fall the needs to be addressed by the project or projects described has been afforded a reasonable opportunity to review and comment upon the proposed project or projects. In making grants, the Commissioner shall consider the degree to which there is evidence in the application of (1) the participation of such local agency or agencies of general government in the development of the project or projects for which assistance is requested under this section; (2) local government and community participation in the implementation of the proposed project or projects; and (3) a commitment by such local agency or agencies of general government to pay a portion of the non-Federal share of the cost of such project or projects required by subsection (d) of this section.

"(c) The Commissioner may request the advice of any Federal agency he considers appropriate before approving an application for project assistance under this section.

"(d) No grant under this section shall exceed 90 per centum of the cost of the project for which assistance is granted.

"(e) An institution which receives a grant under this section shall be designated by the Commissioner as an 'urban grant university'. The Commissioner shall annually publish a list of the institutions of higher education which have been so designated.

"LIMITATION

"SEC. 1204. (a) The total amount of payments in any fiscal year under section 1203 to institutions within any one State shall not exceed 15 per centum of the total amount paid.

"(b) In allocating assistance under section 1203 of this title, the Commissioner shall endeavor to achieve broad and equitable geographical distribution throughout the Nation.

"DEFINITIONS

"SEC. 1205. As used in this title—

"(1) 'urban area' means a standard metropolitan statistical area having a population of not less than five hundred thousand persons; or, in any State which has no standard metropolitan statistical area within its borders which has such a population, the Commissioner shall designate one urban area for the purposes of this part,

"(2) 'urban university' means an institution of higher education which (A) is located in an urban area, (B) draws a substantial portion of its undergraduate students from the urban area in which it is located or contiguous urban areas, (C) carries out programs to make postsecondary education opportunities more accessible to residents of such urban area or contiguous areas, (D) has the present capacity to provide resources responsible to the needs and priorities of such urban area and contiguous areas, (E) offers a range of professional or graduate programs sufficient to sustain its capacity to provide such resources, and (F) has demonstrated and sustained a sense of responsibility to such urban area and contiguous areas and its people;

"(3) for the purposes of paragraphs (2) and (4) of this section, 'institution of higher education' includes any combination of such institutions, any one of which meets all the qualifications of paragraph (2);

"(4) 'resources' are programs of institutions of higher education including specialized training, research, services, and technical assistance responsible to the needs and priorities of the urban area and contiguous areas.".

SEC. 3. Reference in any provision of law (other than the Higher Education Act of 1965) to title XII of that Act, or to any provision of title XII, shall be deemed to refer to title XIII or to the appropriate provision thereof as redesignated by section 2(1) of this Act.●

FIFTY-SEVENTH ANNIVERSARY OF THE BYELORUSSIAN DEMOCRATIC REPUBLIC

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HANLEY) is recognized for 5 minutes.

● **Mr. HANLEY.** Mr. Speaker, every year on March 25, the people of Byelorussia celebrate the anniversary of their proclamation of the independent Byelorussian Democratic Republic. This year marks the 57th year since that independence was proclaimed. That independence was to be shortlived because Byelorussia was soon incorporated into the Soviet Russian State. From that moment on the Soviet State has taken part in an effort to dismantle the cultural heritage of the Byelorussian people and to rewrite their history. A rewriting that denies the true historical accomplishments of the Byelorussian State: during the 16th century a golden age of democratic life and religious tolerance unseen in the rest of Europe, a statutory law system dating back to the 1500's, a literary history that begins with the first Byelorussian printing in 1517, the Byelorussian language bring the culturally dominant language for all Eastern Europe during the Renaissance, and a tradition as a strong and dynamic people in the exchange of European culture and commerce.

The repression of Byelorussia continues today but the Byelorussia people have remained strong in their effort to maintain the cultural history, identity, and the spirit of independence. We issue every support for their effort. We can only look back on our own history with shame because of the cultural repression of the Native Americans. We can never fully rectify our past mistakes, but we can work to assure that other peoples in America and around the world do not suffer a similar fate. It is in this spirit, and in the spirit of freedom that I say that we must continue our support and use every avenue possible to aid the Byelorussian people in their struggle for independence.●

PROPOSED REORGANIZATION PLAN FOR NATURAL RESOURCES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. LONG) is recognized for 5 minutes.

● **Mr. LONG of Louisiana.** Mr. Speaker, I rise in support of House Resolution 173 introduced by my colleague, Mr. WATKINS, on behalf of the members of the Congressional Rural Caucus Executive Committee. The resolution would put the House officially on record in opposition to the transfer of the Forest Service and the business and industry programs of FmHA away from the Department of Agriculture.

Yesterday I addressed the Members of this body on a separate but related topic—the need for more systematic congressional review of Government programs in order to fulfill the mandate of the American people to achieve more efficient, less costly Government. The administration's reorganization proposal touches upon this larger issue of the way our Federal programs work. It illustrates the traditional orientation within the bureaucracy toward "structure" or the physical relationship of the agencies themselves, rather than the "process" of Government, by which a program actually fulfills its public policy goal.

The proposed transfer of the Forest Service from the Department of Agriculture to a new Department of Natural Resources appears to be an administrative vehicle in which a box merely moves from one place on the organizational charts to another.

Any purported efficiency from this administrative exercise is, in reality, a false efficiency since it has no real bearing on the way this agency will carry out its responsibilities. The original intent of the proposed reorganization to combine land and water resources in one structure is no longer valid since water resources have not been included in the proposal.

I firmly believe the Forest Service, as it now exists within the Department of Agriculture, has been effective in providing recreational needs and wilderness protection through its timber and other program resources. Transfer of the Forest Service would result in disrupting and dismantling nearly 25 percent of the entire Department of Agriculture, which in anyone's language is cause for concern among agriculture and rural development supporters.

The transfer of the business and industrial loan program from Farmers Home Administration to the Economic Development Administration has similar implications. When Congress passed the Rural Development Act of 1972, it created one of governments most innovative and powerful tools for coordinated and cooperative action in pursuit of a common goal. The act recognized the important link between employment, housing, income, revitalized business and industry, and the quality of community services and facilities in improving life in rural America. The delivery system, through the Farmers Home Administration at USDA, was able to focus the attention of the Government on the community as a whole. I see no logic in selecting out one element—business and industrial development—to place it under the authority of another agency which has different guidelines, criteria, and methods of allocating the Federal resources.

In its desire to do something constructive to improve Government operation, the administration might reevaluate the impractical administrative policies which have adversely affected our small cities, towns, and rural areas for many years. The caucus and the Congress have recommended additional qualified staff for FmHA, together with funding so that the agency can do its job more effectively. The Office of Management and Budget, which was instrumental in preparing this reorganization proposal, is also the agency which imposed FmHA personnel ceilings in contradiction to these recommendations. OMB is also the agency which could have brought about single application forms and other simplified administrative actions through its authority for processing and related procedures within the executive branch.

During January of 1978, Agriculture Secretary Bob Bergland stated, and I quote,

> Any strategy to promote sensible national growth must include proportionate emphasis for Rural America, where 30 percent of the nation's people live and where food and fiber are produced for 217 million people.

Bergland went on to say,

> The Congress has given the Department of Agriculture a mandate to give these people, who have been forgotten or left behind, parity of economic opportunity and equality of living that all Americans have a right to expect. And we intend to use that mandate and those authorities and start doing something instead of talking about it.

This statement by Secretary Bergland, a former member of the congressional rural caucus, did not leave an impression that the fate of rural America would be left in the hands of the OMB-Presidential reorganization proposal. Bergland's convictions and intentions indicate his desire that the USDA must remain intact, together with adequate, qualified staff and funding, to serve the people of this Nation in the most effective and responsible manner possible.

As a member of the rural caucus executive committee, I urge support from other Members of this body to fulfill the congressional intent of the Rural Development Act of 1972 and other related legislative mandates by the Congress.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, due to illness in my family I was not able to be present for today's votes. Had I been present I would have supported H.R. 2774, Arms Control and Disarmament Agency Authorization. Also I would have voted in favor of the eight committee funding resolutions, especially House Resolution 128, Funding for Select Committee on Aging.●

CENTENNIAL ANNIVERSARY OF U.S. GEOLOGICAL SURVEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 10 minutes.

● Mr. UDALL. Mr. Speaker, as you and many of our colleagues know, March 3 marked the centennial anniversary of one of the oldest and most respected bureaus in the Federal Government—the U.S. Geological Survey. This remarkable organization was created by the 45th Congress in 1879 and charged with the responsibility for "classification of the public lands, and examination of the geological structure, mineral resources and products of the national domain." Since then, its responsibilities have been greatly broadened by subsequent legislation and Executive orders to where the Geological Survey is now the preeminent Earth-science organization in the United States, if not the world. So, a celebration was very much in order when the survey held open house to the public at its offices in Reston, Va., Denver, Colo., Rolla, Mo., and Menlo Park, Calif., as well as its larger field offices, earlier this month.

At nearby Reston, the commemoration ceremonies featured a statement from President Carter and addresses by Secretary of the Interior Cecil D. Andrus and the Survey's Director, Dr. H. William Menard. All paid tribute to the Survey's past achievements and addressed the challenges of its future. With the consent of the House, I ask permission to enter into the RECORD the text of the President's statement and the addresses by Secretary Andrus and Director Menard, which describe the progress and prospects of an esteemed organization that has admirably served the Nation and advanced the cause of the Earth sciences for 100 years.

The articles follow:

[Weekly compilation of Presidential Documents Monday, March 5, 1979, Volume 15—Number 9]

U.S. GEOLOGICAL SURVEY—STATEMENT ON THE 100th ANNIVERSARY OF THE FOUNDING OF THE SURVEY, MARCH 2, 1979

March 3, 1979 marks the 100th anniversary of the founding of the U.S. Geological Survey. On this day in 1879, President Rutherford B. Hayes approved legislation authorizing "the classification of the public lands and examination of the geological structure, mineral resources and products of the national domain."

The Geological Survey has had a rich history. It grew from the necessity of our forebears to explore this vast and bountiful continent, to understand its geographical features, and to evaluate its natural resources. It also grew from a pioneering legacy—from heroic achievements ranging from the Lewis and Clark Expedition to the exploration of the Colorado River by John Wesley Powell.

The Geological Survey has served the Nation well, providing vital information upon which we make critical decisions and important national policy. That policy involves our mineral resources, our land, and our water. It helps us avoid the risks of natural disasters and provides knowledge useful for our urban planning, for sound construction practices, and for resolving many environmental and health problems.

While focusing mainly on the United States, the Survey's programs are also international in scope and make it possible for us to share geological knowledge and its benefits with other countries of the world.

Finally, the Survey is keeping pace with space-age science and technology. It is working on the geology of the Moon and the planets. It is involved in the remote sensing of the Earth's features and natural resources from our satellites and high altitude aircraft.

I am proud to recognize the Survey's century of valuable service to our Nation. I wholeheartedly applaud its high standards of excellence in past accomplishments and reaffirm the emphasis that this administration places upon the continuing importance of its scientific work.

My best wishes go out to those whose talents and dedication have made the U.S. Geological Survey such a vital part of our government.

REMARKS OF HON. CECIL D. ANDRUS

With pride and pleasure I join in this salute to the U.S. Geological Survey's hundred years of service to the American people.

To my congratulations on your century of past accomplishments, I add my warm good wishes for a productive second century.

I can appreciate that even as we celebrate this grand anniversary, there is some apprehension among the devoted employees of the Survey and its strong supporters concerning the future.

Yesterday the President announced his plan to create a Department of Natural Resources which incorporates current agencies of the Department of the Interior with the U.S. Forest Service and the National Oceanic and Atmospheric Administration.

In this action, we bring under the same umbrella agencies with established traditions of excellence and outstanding service to the public and to science.

Such as the Forest Service.

Such as NOAA.

Such as the U.S. Geological Survey.

Today I have the first opportunity to state publicly—and emphatically—that the goal of this reorganization is to better utilize the tremendous talents of the several agencies to improve our stewardship of natural resources.

We recognize that the existing agencies have great professionalism and pride which we hope not only to perpetuate but to amplify under the new alignment.

In working out the details of how we can best achieve this goal, we will be consulting extensively with the involved agencies and individuals in the agencies. We will be asking those of you in the Survey for your recommendations on how we can best use this opportunity to strengthen our programs, to increase our scientific capabilities, to better conserve natural resources, to improve our service to the American people.

The enlargement of our family should make each of us richer, not poorer. But as in a larger family, we will have to learn to work together better and share our assets so that we can accomplish more.

One guiding principle is to preserve centers of excellence and to build around them.

As an organization which has prided itself on excellence, and as an organization which has led the way in searching for the best routes to progress, I know that I can count on the Survey to help provide the leadership we will need to get maximum benefit from a new Department of Natural Resources.

In short, I expect, the next century of the Survey should be even more illustrious than this first one has been.

During the last two decades of this Century we will especially need your expertise and professionalism as we face the always difficult choices we must make to meet the demands of our growing population for water, food and fibre, minerals, and energy within the limitations imposed by geography, economics, technology, biology and politics.

Looking ahead only as far as the end of the current century, we can envision a U.S. population of 260 million persons—40 million more than at present.

This means we will need 30 million additional jobs, 25 million more homes, and a host of other goods and services.

This adds up to an economic growth of not less than 18 percent if Americans in the year 2000 are to enjoy the same standards of living as they do in 1979.

Yet this growth, which is critical to the future of the Nation and its people, must be managed within narrow limits.

Space already is a problem in and around our major cities, and it is becoming a problem in other areas.

Our rich store of mineral wealth is depleting, and the lower grade ores require increasing amounts of energy to mine and process.

Energy itself is becoming more costly by the year, and domestic supplies of oil and gas are declining. We have become dependent on foreign sources for half the petroleum we use, leaving us much too vulnerable to forces over which we have little or no control.

Even water will become a more critical and limiting factor.

In times past, the answer to these problems may have seemed simple: more mines, more drilling, more dams, more and bigger everything.

Today we know better.

Our challenge is to strike a workable balance between the material requirements of our people and the need to preserve the web of life of which we are a part, and to do it under conditions which become increasingly difficult with each passing year.

Bob Cahn in his new book, "Footprints on the Planet," stated the problem quite clearly:

"It makes no sense to preserve the environment at the cost of national economic collapse. Nor does it make sense to maintain stable industrial productivity at the cost of clean air, clean water, parks, and wilderness."

We do not have as many alternatives as we may like.

We have only so much land—as Will Rogers said, "they ain't makin' it anymore."

We only have so much water—all of it seemed to be in the Potomac this last week.

The laws of physics allow only certain things to occur no matter how we might wish for miracles.

Our mineral resources are fixed stock, distributed without regard to political boundaries or ease of accessibility. Each deposit discovered in the past is one less remaining to be found in the future—and we have made many discoveries in the past.

Some people want to throw up their hands because they believe these problems are beyond human resolution. However, our most important resource—the ingenuity of this Nation—remains unlimited.

Those of you dedicated to science, and all of us who are dedicated to our political system, must face these problems squarely with the resolve to become better managers in the affairs of men and better stewards of this planet.

We must resolve the many competing claims upon the same resources; we must reorder priorities; we must do more with less; we must provide equity among claimants.

But these are not new concepts to the Geological Survey. Although our problems have changed in magnitude and substance, 100 years ago the Geological Survey was created to address similar concerns. And, although we are no longer a nation moving west into vast new expanses, we are a nation trying to learn to live within our physical constraints.

For the people of America and their elected leaders to make intelligent decisions, we must have the kind of information and advice that the Geological Survey is peculiarly well suited to supply. Here in the U.S. Geological Survey is to be found the preeminent bank of earth science expertise in the world.

The relevant question, as always, is not what you have accomplished over the past century, or even what you've done for us lately. The question is: what can you do for your country in the years ahead?

It is evident that your mission, as has the mission of the entire Department of the Interior, has changed considerably over the past century. You are part of a team which must make decisions about our natural resources which will affect not only our lives but generations yet to come.

Our responsibilities and our challenges are dramatically illustrated by the Alaska national lands issue—an issue on which the Survey has provided basic and important information.

In Alaska we have an opportunity to take the greatest and wisest conservation actions in many decades. By preserving adequate areas for parks, refuges, wild and scenic rivers, national forests and wilderness, we can avoid some of the tragic mistakes which were made in the settling and the development of these Lower 48 states.

In our recommendations for protecting the national interest lands in Alaska, we made a concerted effort using the best available information to draw our boundaries to exclude areas with high potential for gas, oil or other mineral development.

There are, however, certain areas where we have recommended protection from exploration and development even though there may be economically valuable minerals underlying the land. We have done this because we believe that in these certain areas the known natural resources—the wildlife or the importance of an area to a larger ecosystem—far exceeds any possible value to be gained through mining or drilling or other economic development. Sometimes, the wildlife and scenic values are infinite, and they will always exceed the finite value of a mineral resource.

At some time in the future people may be so desperate for petroleum or some mineral that they will want to consider sacrificing the caribou, the grizzly bear, the migratory birds and other wildlife so that we can explore these areas thoroughly and extract the minerals we find.

But at this time in history, we are saying—let these unique and irreplaceable portions of our natural world remain in peace as they were when the first explorers, many of whom worked for the Survey, rafted down the rivers of Alaska. Let these places be the very last to be subjected to the stresses and the degradations which we humans inevitably impose when we engage in economic development. Let us preserve for our children some of the spectacular wonders which refresh the human spirit. Let us leave some options for future generations.

I am very hopeful that Congress will enact legislation very soon which will enable us to manage resources on our last frontier so that we can do it right the first time this time—so that we do not make the same tragic mistakes made in the lower 48. It is the one region where resource planning is at once most needed and most likely to succeed.

Now, for a moment, I want to talk about the critical role of the Survey in the development of domestic energy resources. This is especially important in view of the events in Iran.

Not only do we look to the Survey for knowledge about the location and extent of various mineral fuels, but we look to the Survey to aid in the stewardship of these extensive energy resources, including those of the outer continental shelf.

Despite some recent disappointments, the fact remains that the Outer Continental Shelf comprises more than one-sixth of the entire area of the United States judged favorable for the occurrence of oil and gas. Less than 5 percent of the OCS has ever been offered for lease.

Responsibilities of the Survey were enlarged by the OCS Lands Act Amendments of 1978, which is designed among other things to permit adjacent States to share in the decision-making process for leasing, exploration and development on the OCS. The challenge to you is to devise practical measures that will achieve objectives of the law without undue costs in time, money and effort on the part of either the Government or its leasees.

The Survey's dual role as scientific advisor and active superintendent of leased property applies to coal and oil shale as well. Forty percent of the coal and 80 percent of the oil shale in the United States belongs to the people of the country.

The hydrology of the regions in which coal and oil shale occur is of prime importance in deciding whether to produce these reserves. Your findings will have a major influence on decisions that affect the pace, location and scope of development of these vital resources.

Nuclear energy offers an enormous potential beset by enormous problems. One of the greatest problems—and one which especially concerned me when I was governor of Idaho—is the disposal of radio-active wastes. Until this vexing problem is solved, the future of nuclear power will remain in doubt. Your agency has been wrestling with the earth science aspects of this problem, and it will require your continued efforts.

In addition to helping us harness energy, we also are looking to the Survey to help warn us when the earth is about to release some of its potentially destructive energy. I want to express my support for your efforts to predict such natural phenomena as earthquakes and volcanic eruptions.

Obviously we need some humility in approaching our efforts to predict what Mother Nature will do. We must bear in mind the sign outside a university lecture hall that read: "Tonight's lecture, 'Man, Master of the Universe,' has been cancelled because of snow."

I don't have to tell you that we have a long way to go to be master of the earth, let alone master of the universe.

But we must continue to seek the answers to make us better stewards of the earth. And we look for the U.S. Geological Survey to be in the forefront of these efforts.

You have come a long way; your achievements are many, you have earned an honored place in the world of science, and you have served the Department with integrity and distinction.

As we pursue the search for knowledge about the earth, its history, its water, and its buried treasure, we will look to the Survey for ever more accurate, complete and timely maps. We will rely on you for an increasing wealth of data upon which to make decisions.

The list of requirements is never ending.

The more that we learn about the earth and about our natural resources, the more we come to understand just how little we know. The more we learn, the more we understand the need to learn more.

You can never regard your work as finished. In fact, you have only just begun.

Director H. William Menard's Centennial Message

It is now one hundred years since the U.S. Geological Survey was first commissioned to attend to ". . . the classification of the public lands, (and) the examination of the Geological Structure, mineral resources, and products of the national domain," and the evidence of how extravagantly this original directive has been fulfilled is all about us.

An enormous amount of useful knowledge has been developed about the "geological structure, mineral resources, and products of the national domain," and the findings have been made available in thousands of reports, books, maps, and photographs. A nationwide network has been established to report on water quality and availability, and another to monitor earthquake activity. Cooperative work agreements bring Survey scientists together with their counterparts in all 50 States, and close and enduring ties link the Survey with centers of learning throughout the country. Thousands of maps provide indispensable information of all kinds to scientists, engineers, planners, investors, prospectors, and hikers. Nearly one-sixth of the oil and one-fourth of the gas produced in the United States originates from leases supervised by the Survey. The Survey's library of more than 2¼ million items is the finest collection of its kind in the world. The original cadre of 39 people enrolled under Clarence King has grown to more than 9,000 full time employees.

By any measure, this represents progress, but there is a great deal more to the story. For as the Survey went about its work over the years, its responsibilities grew and diverged, sometimes to an extent that entirely new organizations were created to administer the new functions. These in turn have evolved and grown and spun off second and third generation agencies, some of great size and significance, but all lineal descendents of the Survey. And as the field increased in complexity and became populated with new entities the Survey continued to do its thing, reforming, regrouping and changing as necessary to accommodate the endlessly changing demands of the Nation it served.

Thus change has been a continuing condition with the Survey in its pursuit of knowledge down the rambling corridors of scientific inquiry. And throughout its long and eventful history the Survey has thrived on change and challenge because the demand for its services has never ceased to grow—no sooner was a new bureau cut free than the parent organization was faced with new demands from other sources and other directions and the cycle of growth and change continued.

If we can draw one inference from this long record of continual accommodation to new demands and influences it is that the Survey by nature is a dynamic organism, prepared for and presumably destined for a future as eventful and change-ridden as its past. New programs will burgeon as older ones wither; some organizational units will be created or expanded to answer emergent needs while others will be abolished or reduced in scope. The mix of professions and skills within the Survey will itself be transformed into the broader and more variegated arrangement that will be required to serve tomorrow's needs.

There is no certain guide to the nature, scope, and timing of these events; only the certainly that they will occur, and will shape the future of the Survey and its members. Meanwhile, it is our responsibility to continue to do our jobs with the same high degree of skill and diligence that have earned the Survey its enviable reputation, and to be ready to take on the new challenges and opportunities as they present themselves.

Our Centennial Anniversary is an auspicious occasion, and a fitting cause for celebrating a hundred years of progress and growth and scientific achievement—and for welcoming a future full of excitement and promise.●

THE NEED FOR HOME HEALTH CARE IS NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Panetta) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, the need for a national home health care program could not be more great than it is today. So many of the elderly of this Nation do not need and cannot afford costly institutionalization, yet medicare forces them out of their homes and into the depersonalized environments of nursing homes. I think this is wrong, and it is for this reason that I am introducing a bill to expand home health care services under medicare.

Recent studies show that if adequate home health services were available through medicare, 2.5 million elderly people would be kept out of institutions. Moreover, reports by the General Accounting Office indicate that there is a consensus among health care authorities that about 25 percent of the patient population is treated in facilities which are excessive to their needs. And, GAO has concluded that the cost of nursing home care exceeds the cost of home care. It is obvious, therefore, that current policy is costly both in terms of Federal dollars spent, and more importantly, in terms of the quality of human life for the elderly.

Existing medicare requirements make it extremely difficult for older persons to obtain adequate home health care services. To be eligible now, an elderly or disabled person must have been hospitalized for 3 days. This provision forces people into the hospital just to qualify for care at home. In addition, the patient must be considered "homebound"; a requirement that means that a person must be virtually bedridden before getting any help. Home visits are also severely limited under medicare per illness and per calendar year regardless of need or urgency. And lastly, the home care services do not include vital homemaker services essential to a comprehensive program.

It is my view that present requirements must be reformed and I am today introducing a bill revising the restrictions placed on the recipients of home health care under medicare. My bill eliminates the prior hospitalization limitation, deletes the visit limit, eliminates the home-bound requirement and amends the definition of home health care to include homemaker and periodic chore services.

Although the Congress came very close to enacting this type of legislation last year, the need for a more comprehensive approach has increased since that time. Inflation is affecting the elderly more than it is any other sector in our society. I am convinced that the bill I am proposing will reduce both the financial and the human costs of institutionalization for our senior citizens and for the Nation as a whole.

Mr. Speaker, I urge my colleagues to join me in demanding that the Ways and Means Committee consider this type of legislation in the very near future. The elderly in this country desperately need our help, and we simply cannot afford to ignore them. The time for action is now.

The following is a summary of the legislation:

H.R. 3199

A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

REMOVAL OF VISIT LIMITS, PRIOR HOSPITALIZATION REQUIREMENT, AND HOMEBOUND REQUIREMENT IN CASE OF HOME HEALTH CARE

Section 1. This Act may be cited as the "Medicare Home Health Amendments of 1979".

Sec. 2. (a) (1) Section 1812(a) (3) of the

Social Security Act is amended to read as follows:

"(3) home health services.".

(2)(A) Section 1812(d) of such Act is repealed.

(B) Section 1812(e) of such Act is amended—

(i) by striking out "subsections (b), (c), and (d)" and inserting in lieu thereof "subsections (b) and (c)"; and

(ii) by striking out "post-hospital extended care services, and post-hospital home health services" and inserting in lieu thereof "and post-hospital extended care services".

(3) Section 1814(a)(2)(D) of such Act is amended—

(A) by striking out "post-hospital" where it first appears;

(B) by striking out "is or was confined to his home (except when receiving items and services referred to in section 1861(m)(7)) and"; and

(C) by striking out ", for any of the conditions with respect to which he was receiving inpatient hospital services (or services which would constitute inpatient hospital services if the institution met the requirements of paragraphs (6) and (9) of section 1861(e)) or post-hospital extended care services".

(4) Section 1814(i)(1) of such Act is amended—

(A) by striking out "Posthospital" in the heading; and

(B) by striking out "(subject to the provisions of section 1812)" and "posthospital" in the matter preceding subparagraph (A).

(b)(1) Section 1832(a)(2)(A) of such Act is amended by striking out "for up to 100 visits during a calendar year" and inserting in lieu thereof "if and to the extent that such individual is not entitled to have payment made for such services under part A".

(2) Section 1934 of such Act is repealed.

(3) Section 1835(a)(2) of such Act is amended by striking out "is or was confined to his home (except when receiving items and services referred to in section 1861(m)(7)) and".

(c)(1) Section 1861(n) of such Act is repealed.

(2) Section 1861(e) of such Act is amended by striking out "subsections (i) and (n) of this section" each place it appears and inserting in lieu thereof "subsection (i) of this section".

(d) The amendments made by this section shall apply with respect to items and services furnished on or after the first day of the month following the month in which this Act is enacted.

INCLUSION OF ADDITIONAL ITEMS AND SERVICES AS HOME HEALTH CARE

SEC. 3. (a) Section 1861(m) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"Notwithstanding any other provision of this title, such term also includes periodic chore services (as defined in subsection (bb)) in the case of any individual with respect to whom there is in effect a plan for furnishing such services (to that individual) which has been established and is periodically reviewed by the appropriate health professional under regulations.".

(b) Section 1861 of such Act is further amended by adding at the end thereof the following new subsection:

"Periodic Chore Services

"(bb) For purposes of the last paragraph of subsection (m), the term 'periodic chore services' means services which are performed in the home of an aged, blind, or disabled adult individual to help such individual remain in or return to such home, maintain or strengthen his capacity for self-care, and maintain or raise his level of functioning in the areas of personal care and household management, when such individual is unable to perform such services by or for himself, whether or not such individual also requires the services of a home health aide or other specialist. Such term includes the performance for an individual of household tasks, transportation for medical visits, and essential shopping and transportation to and from multipurpose senior centers (as defined in title V of the Older Americans Act of 1965, as amended) and nutrition projects (such as those funded under title VII of such Act), essential shopping and simple household repairs, assistance in outdoor walking, and other services furnished to an individual which are reasonably necessary (as determined under regulations) to maintain him outside of a hospital, skilled nursing facility, or intermediate care facility.".

(c) The amendments made by this section shall apply with repsect to items and services furnished on or after the first day of the month following the month in which this Act is enacted.

KAHN ON INFLATION

(Mr. BLANCHARD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BLANCHARD. Mr. Speaker, today the House will continue its consideration of the bill to extend the Council on Wage and Price Stability. This debate focuses our attention on the problem of inflation and what to do about it.

It has become a cliche, but there are no simple answers to complex problems—or if there are, they are wrong. Inflation is no exception, and we cannot count on any economic miracles to take care of things. We need a serious commitment, determination, and a lot of cooperation—from Government, business, labor, and consumers.

Alfred Kahn, the President's adviser on inflation, gave a speech last week which provides good food for thought on this issue, and I would like to bring it to my colleagues attention today.

The speech follows:

REMARKS OF ALFRED E. KAHN TO THE ECONOMIC CLUB OF CHICAGO, MARCH 13, 1979

I'm here today to bring you some bad news. First, you are on the spot. You have a heavy responsibility to help us bring under control the inflation that is afflicting all of us, without necessitating so hard a jamming of the monetary and fiscal brakes as would plunge us into a serious recession, or putting the American economy in the straitjacket of comprehensive mandatory wage and price controls.

I'm sure it will already have occurred to you that I have at least the economics upside down—and probably the politics, too. Let's hold off the economics for awhile. Surely, you will be thinking, it's President Carter's neck that's on the line—and possibly Fred Kahn's—not yours.

You're probably right about the President, although you can forget about Fred Kahn: I still have tenure at Cornell University. But that doesn't get you off the hook. Surely you can't believe that, after ten years of inflation that has run consistently at about 6 percent or worse, the free enterprise system itself isn't on trial? You may protest that if that's so, it's terribly unfair—to which the obvious response is, whoever said that life was fair? And if the President's anti-inflation program fails, do you seriously think we can get off without either a genuine recession or comprehensive controls, or both?

Don't fool yourselves, you are in the same boat as the President and I; except that I have a life preserver.

My second piece of bad news is that you're not doing very well: just have a look at the January and February Producer Price Indexes—1.3 percent and 1.0 percent, respectively. Double-digit.

Don't despair, however, I also have some good news. I refer, of course, to the President's anti-inflation program, and to the widespread agreement about its basic fairness and soundness—particularly when, as the old man said when he was asked how he felt on turning 70, one considers the alternatives.

There are, to be sure, strong difference of opinion as to the program's chances for success. But consider what it has going for it. First, the close to unanimous view of the American people that inflation is our most serious domestic problem, and that the prospect of its continuation at present rates is simply unthinkable. Second, the widespread recognition that its solution is going to require restraint on the part of all of us: public opinion poll after public opinion poll elicits affirmative answers, by margins of three and four to one, to the question: "Would you be willing to take a lesser increase in income, if it offered some promise of helping bring inflation under control?" And consider, finally, the close to unanimous belief on the part of the people who are worth listening to—of course, it will have to be I who defines that category!—that all of the conceivable alternatives really are terrible.

So you do have a chance of getting out of this boat we are both in. But—and this is my conclusion—more of you are going to have to try a lot harder than you have so far.

I am tempted, having summarized my message, to sit down, but I suspect, this close to the gates of the University of Chicago, I still have some fast talking to do.

I suspect, specifically, that some of you are going to need some persuading that American business has a particular responsibility either for inflation itself or for its remedy. The conventional wisdom, of course, is that the fault is government's, and the sufficient remedy is reduced government spending and a restraining monetary policy.

The conventional wisdom is, of course, not all wrong. If you look to the sources of the unacceptably high inflation we have been suffering from these last ten years, you would, I agree, probably have to assign blame first to the ill-advised expansions of the money supply and of Federal spending, unmatched by taxes, during the late '60s and again in 1971–73.

I do not think, however, that a similar criticism can be levelled at our macroeconomic policies since 1975. Expansion of aggregate demand has surely been desirable, as we have emerged from a deep recession; I do not think the Federal Government can be accused of having sought an excessively rapid reduction of unemployment, or of having overstimulated the economy. Its budget deficits have been large, but their effect on aggregate demand has been offset by large surpluses in the State and local governmental sectors and the greatly expanded deficit in our current balance of international payments. I do not say that this was a healthy state of affairs: our economy would almost certainly have been stronger in the long run had both the deficit in the Federal budget, on the one hand, and in our balance of payments, on the other, been smaller, and private investment expenditures higher; all I am saying is that Federal spending had not during the last few years—not, that is to say, until something like the last six months—produced an overheated economy, as it did in the late '60s and early 1970s.

On the other hand, I think there is little doubt that Federal Government policy has in other ways contributed substantially to inflation in the last few years—for example, with tighter restrictions on agricultural production, sharp increases in the minimum wage and social security taxes, and in the increased costs imposed on the private economy by its regulatory activities, about which I will have more to say later.

But actions such as these merely underscore the point that I want to make—that the responsibility for both inflation and its remedy is one that we must all bear. When the Federal Government engages in these activities, it does not do so out of some malevolent will of its own, merely to aggrandize the power of some bureaucrats in Washington; it does so in response to pressures from the American people—all kinds of people—to meet some need that they express.

If inflation has become a chronic problem in Western society, as well as may be the case, it is I think because we have experienced a decreasing willingness to rely upon and expose ourselves to the functioning of an uncontrolled market system. The fact is that most people in this country don't like the way a truly competitive economy operates, and have found ways of protecting themselves from it. The growing commitment of our government to maintaining full employment, to widely expanded income transfer programs, to a broad range of economic and social regulations—most of them clearly laudable and desirable, to the extent that we can afford them—are all manifestations and components of this change.

Similar changes have occurred in the way in which the private economy functions. In much of the economy, for example, wages and prices are obviously not determined by a process of competitive demand interacting with competitive supply. Labor bargains are powerfully influenced by the presence of market power, on both sides of the table, and by what has happened in the preceding months and years to the cost of living, rather than what is happening currently to the demand for labor. Similarly, businesses respond to increases in wages, and in the prices of other inputs, almost regardless of what is happenning to demand for their products, by simply passing through their increased costs. It would obviously be difficult, for example, to explain the regular increases in the price of steel in the last thirty-five years on the basis of sharply increased demand.

And so the problem continues to feed upon itself: wages chase prices and prices chase wages, in an apparently unending spiral.

This wage-price machine is, of course, not totally impervious to declines in aggregate demand. For this reason, fiscal and monetary restraint are two of the major components of the President's anti-inflation plan.

The President has proposed a much leaner budget for fiscal 1980 than we have seen in many years. In nominal dollars, it will grow by 7.7 percent. In real dollars, that is less than one percent; and for non-defense spending alone, no growth at all. If you take uncontrollable expenditures out of that total, the remainder goes down even in nominal dollars—and much more in real terms.

Why, you may ask, do I consider fiscal restraint an important ingredient in the war against inflation today, in view of the doubt I have expressed that excessive Federal spending has been a major source of inflation over the last several years?

The first, obvious reason is that we are far closer to full employment now than we have been in some time; and there are clear signs of excessive aggregate demand all around us.

Another is that with interest rates as high as they are, we ought to try to hold down the extent to which financing the Federal deficit competes with private investment demands for tight credit.

Finally, I do not think one can overestimate the symbolic importance—to business, consumers, financial institutions—of the Federal Government's exercising budgetary restraint. I simply do not believe that we are going to elicit the kind of restraint we must have from all parts of our society, unless people believe that the government is setting the example.

The second component of the President's anti-inflation package is monetary restraint. In view of the greater flexibility of monetary than fiscal policy in the short run, it is on this part of the program that we must place our principal reliance for cooling down the economy in the months immediately ahead.

As necessary and useful as these two tools are, however, they are not sufficient, by themselves, to combat the kind of deep-rooted inflation we're experiencing today—unless we are prepared to apply them more ruthlessly than I believe desirable or the American people would be willing to tolerate.

For this reason, the President's program includes as the third major component intended to put the brakes on inflation immediately, the voluntary wage and price standards. Their purpose is to increase the amount of inflation control we get from a given degree of macroeconomic restraint, and thereby to reduce the amount of recession and unemployment it takes to bring the rate of inflation down.

I'm sure most of you are generally familiar with these standards. Perhaps you are less generally aware that in addition to the general standards, which we made final last December, the Council on Wage and Price Stability has issued special guidelines for retailing, food processing, professional fees, petroleum refining, medical, dental and other insurance, and for Federal, State and local governments, reflecting the special characteristics and problems of these sectors of the economy. We expect to be issuing standards for the electric and gas utilities at any moment—which leaves only banking as our major outstanding puzzlement.

A fourth major component of the President's anti-inflation plan are the legislative initiatives the President has proposed—two of which are of critical importance. First, there is the Real Wage Insurance proposal which, in my view, we simply must have, if we are going to be successful in persuading labor to exercise wage restraint in the face of ever-rising prices.

Second, there is the hospital cost containment bill introduced just last week. I'll return to this one presently.

The final major component of the program consists in the President's firm commitment to review all the ways in which Federal regulatory policies drive prices up. This review, like the accentuated attention we must give to reversing our deplorable recent productivity record, will take longer to produce results; but—again like the productivity effort, to which it is in many ways linked—it comes closer in my opinion to getting at the fundamental problems than any of the others. I am interpreting this part of my mission broadly, to embrace all government interventions that protect and promote special interests, restrict competition, interfere with the functioning of markets, and impose excessive costs on the economy.

This part of the President's program has inspired exaggerated and unjustified expectations on both sides—serious demands by businessmen for a total moratorium on all new regulations, if not an abolition of all old ones; and bitter complaints by environmentalists that the President has set up a new, secret cabal to unleash a new spoliation of the American continent.

It seems to me essential that both sides recognize—and, even more important, recognize that the President recognizes—that there are at least two different kinds of regulations: the ones that protect particular economic interests against competition, by limiting price-cutting, market entry, or the free flow of goods and services; and the ones that have as their purpose such broader social goals as protection of the environment or health or safety.

I intend to subject the first kind of economic regulation to the most exacting scrutiny. We're going to look at trucking; at agricultural price supports; at import tariffs and quotas; at steel trigger prices. We are urging the States to take a look at the way they regulate insurance companies, hospitals and utilities. Protectionism and restrictions on competition typically mean higher prices we can ill-afford at any time, but least of all in time of inflation.

Incidentally, I have already been asked several times how I reconcile this attitude of mine toward economic regulation with my advocacy of hospital cost containment. The answer is really quite simple: I am in favor of relying on competition wherever it is feasible and likely to be effective—as in air transport; but I'm not in favor of relying on the free market where it will not work. The reasonableness of hospital charges and services can simply not be left to the competitive marketplace; the elementary checks present elsewhere are not present here. More than 90 percent of all hospital bills are paid by third parties—insurance companies, Medicaid or Medicare. This means that neither the consumer—that is, the patient—nor the provider—the doctor and the hospital—nor the agency that decides what costs will be incurred—the doctor—feels the pinch of rising costs in deciding what kind of facilities and care are to be provided.

Moreover, the typical method by which these third parties reimburse hospitals for their services is on a cost-plus basis: hospitals receive about 60 percent of their revenues on the principle of the more they spend, the more they get. The rest are made on the basis of hospital-established prices; the hospitals are paid what they ask. And neither of these kinds of charges is subject to the test of a competitive marketplace: consumers do not make comparisons and shop around. Most of the decisions are made not by them but by physicians.

The other kind of regulation—environmental, occupational and product safety—is more difficult to judge. No one in his or her right mind could argue that the competitive market takes care of protecting the environment—it doesn't. Competition in the absence of regulation is competition in the degradation of the environment. Moreover, the popular conception that we must make choices between "economic welfare" and environmental protection is simply wrong. Environmental values are economic vlaues.

Of course, the other side of that coin is that environmental protection must, if it is to be rational, be subjected to economic tests.

There can be little doubt that we have not consistently done so in the past. The anti-inflation program quite properly requires that we begin to do so now. But the businessman who hopes for a complete moratorium must realize that that makes no sense even as an anti-inflation policy.

This, then, is the broad outline of the President's anti-inflation program. It is not mere loyalty that leads me to assert that the plan is an admirable one, in its design and conception, its scope, its reach. What, however, about its grasp? To put it mundanely, how are we doing?

The first answer has got to be: not nearly as well as we had hoped. After a couple of months hovering on the brink of double-digits, we have now had two months in which we shattered that barrier, and it seems highly likely we'll have a couple more ahead. The Producer Price Index went up 1.3 percent in January, 1.0 percent in February. Those of you who cannot do compound interest in your heads, just multiply by 12: that's bad enough.

What is especially discouraging about these recent price increases is not only their size, but their ambiguity. Let's confine our attention to the February PPI, simply because it is the most recent.

While the increase in the finished goods index was heavily concentrated on food—it went up 1.6 percent in that one month, all other finished goods 0.9—there were sharp double-digit increases in alcoholic beverages (1.2 percent), textile house furnishings (2.3); footwear (3.1 percent—all of this in one month, mind you), tires and tubes (2.9), motor trucks (2.1). And when we turn to intermediate products, whose index went up 1.1 percent, we find far above average rises not just in food, but in leather (5.2 percent), inedible fats and oils (5.8), phosphates (2.1), paper (1.9), various non-ferrous metal products (ranging between 3.4 and 10.1 percent!).

But stop and think, what does all this mean?

First, take the extraordinary sharp increases in food products. Beef and veal alone went up 4.7 percent at the finished goods level: about the only good thing one can say about that is that it was less than the 13.3 percent they went up in the single month of January! But there were others even worse in February: fresh fruits went up 9.2 percent, fresh and dried vegetables 12.2 percent, and fish 7.2 percent, all seasonally adjusted. What we are witnessing here is the consequence of the long-term decline in the size of our cattle herds, and unusually severe weather (as someone with a modest training in statistics, I find it very difficult to understand how the weather can be unusually severe every winter in memory; but that's what it says here).

Next, consider the disproportionately large increases in energy prices. Gasoline went up 3.2 percent in January, 2.2 percent in February, and there's not the slightest doubt it will keep going up for several months; natural gas went up 2.7 percent last month. You know the reasons for this as well as I.

There are probably several ways of looking at these extremely painful developments. One is that you can't blame them on the President's program. There is not very much you can do with wage and price controls—except harm—to remedy a shortage of cows, a strike of lettuce growers, or the predations of the international oil cartel; and there is precious little you can do with monetary and fiscal policy either, except what we're already doing.

But the more important truth, by far, is that these unhappy developments make even more urgent—indeed, absolutely inescapable—the need for the restraint that is the essence of the President's program. Every one of these developments means that, at least in the short-term, we are as a country poorer than we were a short time ago.

There is either absolutely less to go around than before, or its real costs to us are enormously increased. To permit money incomes to rise in a vain effort to compensate for these increased prices is to deceive ourselves into believing that we really aren't poorer than we were before, that we really can maintain our real standards of consumption of beef, lettuce and gasoline as well as everything else; and of course the only consequence will be an accelerated decline in what each one of our dollars will buy.

Consider, third, the implications of the fact that the increases in wholesale prices were so widespread. Consider, particularly, the fact that while the index for finished goods went up 1.0 percent, the price of crude goods went up 3.3 percent—2.8 if we leave out food and feedstuffs. This is a very thin index, heavily dominated by just a few products: hides and skins went up 12.6 percent (that I guess is the other side of what's happened to beef), potash 8.7 percent, iron and steel scrap 6.3, non-ferrous scrap 10.7. But observe also, at the intermediate level, the sharp increases in building materials: asphalt roofing, 4.0 cement, 1.9 (on top of 4.0 percent in January), plastic construction products, 4.3. What we obviously are witnessing here is evidence of an overheated economy.

What does that mean? Several things, again. No one ever pretended, or should have pretended, that voluntary—or even mandatory—standards can effectively restrain inflation when aggregate demand is excessive. But all that means is that the fiscal and monetary restraint that are an essential component of the President's program are, as usual, taking time to take hold.

The critical question in the days and weeks immediately ahead, while this is happening, is whether we can keep these largely externally-originating elements of inflation from being built into our basic wage and price structure. When the President's program was being fashioned, it seemed a reasonable expectation that if labor would settle within the 7 percent wage standard, it could expect a modest rise in real income; that plus the backup that we hoped the President's Real Wage Insurance proposal would provide, it was reasonable to hope, would produce the necessary restraint.

The need is still there. If labor insists on higher settlements in order to compensate for the couple of points of additional increase in the CPI that have been visited upon us by beef, fruits and vegetables and oil, the only effect—and the inescapable one—will be to build something like 9 percent rather than 7 percent inflation into our basic cost structure. It will simply give a faster twist to the inflationary spiral, and so accentuate the cycle of discontent, frustration, and anger.

That is what the wage and price standards are all about—to stop building into our price structure wage increases so manifestly in excess of any remotely achievable productivity gains as to be inescapably self-frustrating, and increases in profit margins that will have the same effect. Or, to put it somewhat more ominously, to get the most anti-inflationary and the least recessionary bang out of the macroeconomic buck.

What has been most heartening to me has been labor's willingness, so far, to make this act of faith. Over the last several months, we had reports of settlement after settlement within the standards. The most striking was the one reached last January by the Oil, Chemical and Atomic Workers—definitely within the standards, and this in an industry where labor costs are only a tiny percentage of the total, and profits have been very good.

I will not attempt to explain why the oil workers were willing to take this genuine risk in settling as they did, and in setting so admirable an example for all of the rest of us. I do genuinely believe, however, that, whatever the external pressures, it was a sign of maturity, a reflection of the fact that the people in this country are sick of inflation, and are willing to accept some limitation in their money incomes if that offers hope of bringing it under control.

But organized labor is also complaining, more and more loudly each week, that the program is fundamentally unfair. It is easier, they point out, to monitor wages than prices—and you and I know that they are right. Every employer in the country, they assert, will be glad to help enforce the pay standard: certainly the oil companies were, and so were the 73 percent of the 600 companies who responded to a recent survey that they had reduced their planned allowances for wage increases from 8.5 to 7.1 percent.

The critical question at the moment is how long will labor be willing to demonstrate that type of restraint, while Congress dawdles over the Real Wage Insurance proposal, while prices are rising at a rate several points higher than the one at which we are asking labor to settle, and while—mark this—every indication is that profit reports are going to be extremely high in the months ahead. When the final reports are in, we expect them to show corporate profits for the fourth quarter of 1978 25–30 percent higher for the same period the year before.

These higher profits are, of course, not necessarily bad. For one thing, profits naturally fluctuate more widely with the business cycle. And there is no evidence of any long-run tendency for the profit share of our gross national income to increase. In addition, money profit figures, computed on the basis of historic depreciation rates, seriously overstate real profits in time of inflation. And, most compelling of all, there are the facts that both personal savings and our rates of capital formation are deplorably low—and that all of us would be better off if they were higher.

Nevertheless, at a time when the President has called on all of us to show restraint and we are asking labor to settle for what looks at the moment like a decline in real income—although we have genuine hope that the prospects will look a great deal better in a few months—reports of record-high corporate profits are almost as much of a catastrophe as the January PPI. And that brings me to why I believe you, all of you, are on the spot, and in trouble. What these PPI and profit reports underscore, what the complaints of labor and the tenuousness of the wage standards at the present juncture underscore, is a strong belief that the business community has not been doing its share in the anti-inflation fight.

I know that that will strike many of you as monstrously unjust. By far the preponderant majority of the very largest corporations, I am convinced, intend to comply with the price standards: and I have no evidence that they are not doing so. There have been leaders among them—conspicuously Thomas Murphy of General Motors and John DeButts of AT&T—who have given strong public endorsements to the program, and clearly emphasized their belief that it must be made to succeed. And I have had many heartening expressions of support, delivered both to me and to the business community, by many, many others of you.

The fact remains that the business community as a whole has not responded aggressively and publicly to the challenge. It has not assumed the leadership in this fight. It has not boldly sought to meet the legitimate criticisms of organized labor. It has not forthrightly and publicly proclaimed to its membership and its constituencies that this program has to work; that the only conceivable alternatives, if it does not, are unthinkably worse, not just for America but for the business community itself.

And it has not, I am quite certain, come anywhere near to uniform compliance with the standards.

As I say, we believe that the very biggest companies are, in fact, intending to comply with the price standards. I must qualify this statement somewhat by reporting an apparent tendency in some industries, for companies to regard the standards as not just ceilings but floors, and to take their permitted increases at the earliest possible moment. But the evidence of this is so far scattered.

However, there are many more businesses who aren't talking, at least up to now. Indeed, I see disquieting signs of a kind of "who, me?" attitude—an attitude suggesting not only that business doesn't believe it's part of the problem, but worse, that it may not care.

And where small and medium-sized companies are concerned, it now appears that many are *not* complying at all.

Because so much attention is focused on

the biggest units, I'm afraid there is an inclination among the rest to believe, or perhaps hope, that the program is not concerned with them. The smaller the company, the less it is exposed to scrutiny from Washington.

In spite of their low profile, small and medium-sized companies would be well advised not to throw compliance to the winds. Council investigations of excessive price increases in specific markets will not be limited to the biggest companies. Those who violate the standards will be publicized in equal measure, regardless of their size.

Those investigations have now begun, and will continue with ever-increasing intensity in the weeks and months ahead. We have now received filings of the requisite information from over a thousand companies with annual sales of over $250 million. I observe, parenthetically, that we have received complaints that these requests are unreasonable and onerous. I find the complaints utterly amazing, not only because the information we have requested is nothing more than what each of these companies would have to have compiled in order to satisfy itself that it was in effect complying with the standards, but also because it seems to me to show a shocking failure to recognize what is at stake, and what the inescapable consequences would be if we were not honestly to try to monitor the price part of the program.

This information, along with what we will collect from other government agency reports and from the trade press, will form the foundation for our price monitoring effort over the next nine months. In addition, where our scrutiny leads us to markets in which smaller firms play a significant role, we will have no hesitation in seeking reports on pricing from firms whose sales are less than $250 million.

We are already well into an intensive check of a dozen product groups where the January price increases seemed out of line: meat packing, tobacco, beer, bakeries, drugs, chemicals, gypsum, cement, plywood, batteries, textiles, shoes and tires. We are actively calling companies in these product areas for verification of compliance. And we will do the same for February.

It is probably superfluous for me to warn you that the mere fact that we have identified industries or product lines in which the price increases seem troublesomely high does not mean that all or even any of the companies involved have in fact violated the standards. However, it is also a fact that we have now identified several that we believe are not in compliance with the standards; and after giving them, under procedures we've already set up, ten days in which to respond, we will, with a degree of enthusiasm that I suspect some of you may consider unseemly, identify the miscreants publicly.

The success or failure of this program—depends in the last analysis on the enlightened self interest of the American people. I see my own role in this effort far less as that of enforcer, jawboner, or chicken—that allusion is to Groucho Marx's classic allusion to his brother—than as one that is far more congenial to me, that of a teacher. What I try to do is go around the country stating what seem to me unexceptionable truths: the truth that inflation is painful to most of us; that the responsibility for exercising the restraint necessary to bring our demands into compatibility with the ability of our economy to satisfy them rests in the last analysis with all of us, in our roles as wage earners, businessmen, and claimants on government; that anyone who in these circumstances demands more than his or her fair share is committing aggression on the rest of us. And, finally, that we do not have to do this to ourselves.

What I try to do, in short, is appeal to the maturity and social conscience of the American people. I am going to assume, until I am proved wrong, that the business leaders of this country—no, every single individual businessman—has these qualities to no less a degree than the rest of us.

We can lick this problem without doing greater damage to ourselves than we are now doing. But if we are to do so, American businesses—all of them—have got to be in the front seat, not the back. This boat we're in is yours far more than it is mine; you're driving it, not me. Don't delude yourselves that if it springs a leak at the other end, you will remain dry.●

RULES OF COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT FOR 96TH CONGRESS

(Mr. BENNETT asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BENNETT. Mr. Speaker, pursuant to the provisions of rule XI 2(a) of the Rules of the House, I submit for publication in the Congressional Record the rules adopted on March 21, 1979, by the Committee on Standards of Official Conduct for the 96th Congress. These rules supersede the temporary rules adopted by the committee on February 7 and published in the Record of February 13, 1979:

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PART I—SCOPE AND AUTHORITY

SCOPE AND AUTHORITY

Rule 1. (a) These rules govern the procedures to be followed by the Committee on Standards of Official Conduct (hereafter referred to as the "Committee"). So far as applicable, these rules and the Rules of the House of Representatives shall be the rules of each subcommittee of the Committee, but each subcommittee may prescribe additional rules not inconsistent therewith.

(b) These rules are adopted under the authority of clause 2(a) of Rule XI of the Rules of the House of Representatives, 96th Congress.

PART II—GENERAL COMMITTEE RULES

SUBCOMMITTEES

Rule 2. (a) The Chairman may establish subcommittees and may assign to them such functions as he may deem advisable. The membership of each subcommittee shall provide equal representation for the majority and minority parties. The Chairman may refer any bill, resolution, investigation, or other matter before the Committee to an appropriate subcommittee for consideration and may recall any such bill, resolution, investigation, or other matter from the subcommittee to which it was referred.

(b) Any member of the Committee may sit with any subcommittee, but only regular members of the subcommittee may vote on any matter before the subcommittee.

MEETINGS

Rule 3. (a) The regular meeting day of the Committee shall be the second Wednesday of each month, except when the House is not meeting on that day. When the Chairman determines that there is sufficient reason, he may call a meeting on additional days. A regularly scheduled meeting need not be held when the Chairman determines there is no business to be considered.

(b) Insofar as practicable, notice will be provided seven days in advance of meetings. However, the Chairman may, in his discretion, waive such time period for good cause.

MEMBERS REQUIRED FOR QUORUMS AND COMMITTEE ACTION

Rule 4. (a) (1) A quorum of the Committee consists of a majority of the members of the Committee.

(2) A quorum of a subcommittee consists of a majority of the members of the subcommittee.

(b) Except as provided in clause 4(e) (2) (A) of Rule X the Rules of the House of Representatives and rules 5, 8, 12, 16, and 17 of the Committee rules, action may be taken by the Committee by a simple majority, a quorum being present.

BROADCAST OF COMMITTEE PROCEEDINGS

Rule 5. (a) Whenever any hearing or meeting by the Committee is open to the public, the Committee may permit, except as provided in clause (b) of this rule, by a vote of a majority of the Committee, that hearing or meeting to be covered, in whole or in part, by television broadcast, radio broadcast, and still photography, or by any such methods of coverage, under the following rules:

(1) If the television or radio coverage of the hearing or meeting is to be presented to the public as live coverage, that coverage shall be conducted and presented without commercial sponsorship.

(2) No witness shall be required against his or her will to be photographed or to otherwise have a graphic reproduction of his or her image made at any hearing or to give evidence or testimony while the broadcasting of that hearing, by radio or television, is being conducted. At the request of any witness who does not wish to be subjected to radio coverage at a hearing, all microphones shall be turned off, at the request of any witness who does not wish to be subjected to television or still photography coverage at a hearing, all lenses shall be covered, and at the request of a witness who does not wish to have a graphic reproduction of his or her image made at a hearing, the making of such a reproduction at

a hearing shall not be permitted. This paragraph is supplementary to clause 2(k)(5) of Rule XI of the Rules of the House of Representatives relating to the protection of the rights of witnesses.

(3) Not more than four television cameras, operating from fixed positions, shall be permitted in a hearing or meeting room. The allocation among the television media of the positions of the number of television cameras permitted in a hearing or meeting room shall be in accordance with fair and equitable procedures devised by the Executive Committee of the Radio and Television Correspondents' Galleries.

(4) Television cameras shall be placed so as not to obstruct in any way the space between any witness giving evidence or testimony and any member of the Committee or the visibility of that witness and that member to each other.

(5) Television cameras shall not be placed in positions which obstruct unnecessarily the coverage of the hearing or meeting by the other media.

(b) Coverage by radio, television, still camera, or electronic recording device of any disciplinary hearing held under subpart B of part III of the Committee rules is prohibited.

COMMITTEE RECORDS

Rule 6. (a) The Chairman of the Committee shall, with the approval of the Committee, establish such procedures as in the Chairman's judgment may be necessary to prevent the unauthorized disclosure of any testimony or other information received by the Committee or its staff.

(b) Unless otherwise authorized by the Committee, no information received by the Committee respecting any alleged violation by a Member, officer, or employee of the House of Representatives of the Code of Official Conduct or of any law, rule, regulation, or other standard of conduct applicable to the conduct of such Member, officer, or employee in the performance of his duties or the discharge of his responsibilities shall be disclosed to the public before the transmittal under rule 11 of the Committee rules to such Member, officer, or employee of a Statement of Alleged Violation in connection with such violation. After the service of such a Statement on the Member, officer, or employee—

(1) the Statement and any other paper filed pursuant to rule 12 of the Committee rules respecting such violation shall be made available for public inspection at reasonable hours, and

(2) any other paper filed with the Committee respecting such violation shall be made available as authorized by the Committee,

except that no paper shall be made available if its disclosure would violate any Executive Order or any Federal law or regulation.

SPECIAL PROCEDURES

Rule 7. The Committee may adopt by resolution any special procedures deemed necessary to a particular matter before the Committee. Copies of such special procedures shall be furnished to all parties and witnesses in the matter.

CHANGES IN COMMITTEE RULES

Rule 8. The rules of the Committee may be modified, amended, or repealed by a vote of a majority of the Committee if before such vote written notice of the proposed modification, amendment, or repeal was provided each member of the Committee.

PART III—COMMITTEE INVESTIGATIVE AUTHORITY

SUBPART A—COMPLAINTS AND COMMITTEE INQUIRIES COMPLAINTS

Rule 9. (a) A complaint submitted to the Committee under clause 4(e)(2)(B) of Rule X of the Rules of the House of Representatives shall be in writing and under oath, setting forth in simple, concise, and direct statements—

(1) the name and legal address of the party filing the complaint (hereafter referred to as the "complainant");

(2) the name and position or title of the Member, officer, or employee of the House of Representatives alleged to be in violation of the Code of Official Conduct or a law, rule, regulation, or other standard of conduct;

(3) the nature of the alleged violation, including, if possible, the specific section of the Code of Official Conduct or law, rule, regulation, or other standard of conduct alleged to have been violated; and

(4) the facts alleged to give rise to the violation. When facts are alleged upon the information and belief of the complainant, the complaint shall so state and set forth the basis for such information and belief.

(b) All documents in the possession of the complainant that are relevant to and in support of the allegations shall be appended to the complaint.

(c) A complaint by a Member of the House of Representatives may be transmitted directly to the Committee. A complaint by an individual not a Member of the House may be transmitted through a Member who agrees, in writing, to accept it for that purpose. If a complaint by an individual not a Member of the House is submitted to three Members of the House who refuse, in writing, to transmit the complaint to the Committee, the complainant may transmit the complaint directly to the Committee, provided an affidavit is attached stating, under oath, the names of the Members to whom the complaint was submitted and by whom it was rejected in writing.

PROCESSING OF COMPLAINTS

Rule 10. (a)(1) The staff of the Committee shall examine each complaint submitted to the Committee for compliance with clause 4(e)(2)(B) of Rule X of the Rules of the House of Representatives and rule 9 of the Committee rules.

(2) If the staff determines that a complaint does not comply with such House and Committee rules, the complaint shall be returned to the complainant with a general statement that the complaint is not in compliance with such rules and a copy of such rules. A complainant may resubmit a complaint.

(3) If the staff determines that a complaint is in compliance with such House and Committee rules, the complaint shall be filed with the Committee. Within five days of the filing of a complaint (A) a copy of the complaint, showing the date of its filing, shall be transmitted to the Chairman and ranking minority member of the Committee, and (B) every other member of the Committee shall be notified of the filing of the complaint and of its availability for inspection by the member in the Committee offices. Upon the request of any member of the Committee, the staff of the Committee shall inform the member of the complaints which have been filed with the Committee and which are pending before the Committee.

(4) If within thirty days of the date of the filing of a complaint the Chairman and ranking minority member of the Committee jointly—

(A) decide to place the complaint on the Committee agenda for consideration at the next regularly scheduled meeting of the Committee, it shall be so placed on such agenda, or

(B) determine that the complaint be dismissed because it fails to allege facts which constitute a violation of the Code of Official Conduct or applicable law, rule, regulation, or other standard of conduct, the complaint together with the determination that it should be dismissed shall be placed on the Committee agenda for consideration at the next regularly scheduled meeting of the Committee.

Unless the Committee determines under clause (b) that the complaint merits further inquiry, the complaint shall be dismissed and the complainant shall be notified of the dismissal. If upon the expiration of such thirty days, the Chairman and ranking minority member have not taken any joint action respecting the complaint, it shall be placed on the Committee agenda for consideration at the next regularly scheduled meeting of the Committee.

(b) At the meeting at which the Committee is to consider a complaint filed with the Committee, the Committee shall determine whether the violation alleged in the complaint is within the jurisdiction of the Committee and, if so, whether the allegations in the complaint merit further inquiry. The complainant and respondent shall be notified, in writing, of action taken by the Committee respecting the complaint.

PRELIMINARY INQUIRY AND STATEMENT OF ALLEGED VIOLATION

Rule 11. (a)(1) If the Committee determines under rule 10(b) that the allegations of a violation in a complaint filed with the Committee merit further inquiry, the Committee shall conduct a preliminary inquiry to determine whether such violation occurred.

(2) In the preliminary inquiry—

(A) the Committee shall provide the respondent an opportunity to present to the Commitee, orally or in writing, a statement respecting the allegations with respect to which the inquiry is being held,

(B) the staff may interview witnesses and examine documents and other evidentiary matter,

(C) the Committee may order the testimony of witnesses to be taken under oath, in which event the oath may be administered by a member of the Committee or by any person authorized by law to administer oaths,

(D) the Committee may require, by subpoena or otherwise, the attendance and testimony of witnesses and the production of such books, records, correspondence, memoranda, papers, documents, and other things as it deems necessary to the conduct of the inquiry, and

(E) any probative evidence may be used. Upon the completion of the preliminary inquiry, the staff of the Committee shall prepare and transmit to the Committee a report containing a comprehensive summary of the information received in the inquiry and may include in the report a recommendation for action by the Committee respecting the alleged violation which was the subject of the inquiry.

(b) If the Committee determines on the basis of the report of the Committee staff on the preliminary inquiry respecting an alleged violation that there is reason to believe that the violation occurred, the Committee may direct the staff to transmit to the respondent a Statement of Alleged Violation. A Statement shall be divided into counts and each count shall relate to a separate violation and shall contain a plain and concise statement of the alleged facts of such violation and include a reference to the provision of the Code of Official Conduct or law, rule, regulation, or other standard of conduct alleged to have been violated.

ANSWERS AND MOTIONS AND COMMITTEE ACTION

Rule 12. (a) If a Statement of Alleged Violation is transmitted under rule 11(b) of the Committee rules, the respondent receiving the Statement shall have not less than 21 days in which to respond to it. The response shall be by way of answer or motion, shall be in writing and signed by the respondent or his counsel, and shall be limited to the following:

(1) An admission to or denial of, under oath, each count set forth in the Statement. A denial may include (A) negative and affirmative defenses to the allegations in a count, and (B) any supportive evidence and any other relevant information which the respondent may desire to submit.

(2) An objection to any count in the Statement on the grounds that it fails to state facts which constitute a violation of the Code of Official Conduct or any other applicable law, rule, regulation, or other standard of conduct.

(3) An objection to the jurisdiction of the Committee to consider the allegations contained in the Statement.

(4) A motion for a bill of particulars.

(5) An objection to the participation of any member of the Committee in the consideration of the allegations contained in the Statement on the grounds that the member cannot render an impartial and unbiased decision. The Committee member against whom the objection is made shall be the sole judge of his qualifications. A motion under this paragraph is not in lieu of an answer.

Any motion submitted pursuant to this clause shall be accompanied by a memorandum of points and authorities. Except for good cause shown, no pleading or motion not described in paragraphs (1) through (5) will be considered by the Committee and the Committee will not consider any answer or motion described in such paragraphs which is submitted under this clause after the expiration of such 21 days.

(b) Within 30 days after the receipt of any motion under clause (a) respecting a Statement, the Committee shall consider such motion. Notice of the decision of the Committee respecting the motion shall be furnished the respondent who submitted it. When the Committee has acted on all motions submitted under paragraphs (2), (3), and (4) of clause (a), the respondent shall, in accordance with paragraph (1) of such clause, submit, within fourteen days of the date of the last Committee action, an answer to each count in the Statement not dismissed by the Committee.

(c) Failure to submit, within the applicable time period, an answer to a count of a Statement which has not been dismissed by the Committee shall constitute an admission to the violation alleged in the count.

(d) The Chairman, in his discretion, may extend any time limitation imposed by clause (a) or (b) if he determines that the extension would facilitate a fair and complete inquiry and may shorten any such time limitation if he determines that there are special circumstances which require the shortening of such time limitation.

(e) (1) As soon as practicable after the expiration of all applicable time limitations for action under clauses (a) and (b) respecting a Statement of Alleged Violation, the Committee shall act, by the vote of a majority of the members of the Committee, to—

(A) hold a disciplinary hearing on the violation charged in the Statement, or

(B) defer action on the Statement but only if there is a judicial proceeding pending.

Failure to achieve a vote of the majority of the members of the Committee on a motion to take any action described in subparagraph (A) or (B) shall constitute dismissal of the Statement.

(2) The respondent to a Statement of Alleged Violation shall be notified in writing of action taken under paragraph (1) by the Committee respecting the Statement.

INQUIRIES ON THE COMMITTEE'S INITIATIVE

Rule 13. Notwithstanding the absence of a complaint filed with the Committee under rule 10 of the Committee rules, the staff of the Committee shall present to it any evidence available to the staff reasonably indicating that any Member, officer, or employee may have committed a violation of the Code of Official Conduct or any law, rule, regulation, or other standard of conduct applicable to his conduct in the performance of his duties or in the discharge of his responsibilities. If the Committee determines that the evidence presented by the staff of an alleged violation merits further inquiry, the Committee shall, in accordance with rule 11 (a) of the Committee rules, conduct a preliminary inquiry to determine whether such violation occurred. Rules 11 and 12 of the Committee rules shall apply to further proceedings respecting such alleged violation.

COMMITTEE ACTION AFTER CRIMINAL CONVICTIONS

Rule 14. If a Member, officer, or employee of the House is convicted in a Federal, State, or local court of a criminal offense for which a sentence of a term of imprisonment of at least one year may be imposed, the Committee shall conduct, in accordance with rule 11(a) of the Committee rules, a preliminary inquiry to review the evidence of such offense and to determine whether it constitutes a violation over which the Committee is given jurisdiction under clause 4(e) of Rule X of the Rules of the House of Representatives. If on the basis of the report of the Committe staff on the preliminary inquiry the Committee determines that an offense was committed over which the Committee has jurisdiction under such clause, the Committee shall notify the Member, officer, or employee of its determination and shall hold a disciplinary hearing for the sole purpose of determining what action to recommend to the House respecting such offense. Such hearing shall be held in accordance with the requirements of rule 16 of the Committee rules applicable to the second phase of a disciplinary hearing and any recommendation made by the Committee shall be made in accordance with rule 17 of the Committee rules.

DEFINITION

Rule 15. For purposes of this subpart and subpart B, the term "respondent" means a Member, officer, or employee of the House who is charged in a complaint filed with the Committee under rule 10 of the Committee rules or who is charged in a Statement of Alleged Violation transmitted under rule 12 of the Committee rules.

SUBPART B—DISCIPLINARY HEARINGS

DISCIPLINARY HEARINGS

Rule 16. (a) A disciplinary hearing respecting a violation charged in a Statement of Alleged Violation shall be held to receive evidence upon which to base findings of fact and recommendations, if any, to the House respecting such violation. A disciplinary hearing shall consist of two phases. The first phase shall be for the purpose of determining whether or not the counts in the Statement have been proved. The second phase shall be for the purpose of determining what action to recommend to the House with respect to any count found to have been proved.

(b) At a disciplinary hearing the Committee may require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, documents, and other things as it deems necessary. Depositions, interrogatories, and sworn statements taken under Committee direction may be accepted into the Committee record. The procedures set forth in clause 2(k) of Rule XI of the Rules of the House of Representatives shall apply to disciplinary hearings.

(c) Prior to setting a date for a disciplinary hearing and issuing subpoenas for witnesses, the Committee shall resolve the scope and purpose of the hearing. A copy of this statement of scope and purpose shall be furnished to all witnesses. During the course of the hearing the Committee may expand or contract the scope in light of evidence received.

(d) (1) The order of phase one of a disciplinary hearing shall be as follows:

(A) The Chairman shall open the hearing by stating the Committee's authority to conduct the hearing, the purpose of the hearing, and its scope.

(B) Testimony from witnesses and other evidence pertinent to the subject of the hearing shall be received in the following order whenever possible: (i) witnesses and other evidence offered by the Committee staff, (ii) witnesses and other evidence offered by the respondent, and (iii) rebuttal witnesses.

(C) Witnesses at a hearing shall be examined first by the Committee counsel or authorized staff member. The Committee members may then question the witnesses under the five-minute rule. The respondent or his counsel may then cross-examine the witnesses. Redirect and recross may be permitted in the Chairman's discretion. With respect to witnesses offered by the respondent, a witness shall be examined first by the respondent or his counsel, and then may be cross-examined by Committee counsel or authorized staff member. Committee members may then question the witness under the five-minute rule. Redirect and recross may be permitted in the Chairman's discretion.

(2) Testimony of all witnesses shall be taken under oath. The form of the oath shall be: "Do you solemnly swear (or affirm) that the testimony you will give before this Committee in the matter now under consideration will be the truth, the whole truth, and nothing but the truth, so help you God?" The oath shall be administered by the Chairman or Committee member designated by him to administer oaths.

(e) At a disciplinary hearing the burden of proof rests on the staff with respect to each count to establish the facts alleged therein clearly and convincingly by the evidence that it introduces.

(f) Phase two of a disciplinary hearing shall consist of oral and/or written submission by counsel for the Committee and counsel for the Respondent as to the sanction the Committee should recommend to the House of Representatives with respect to any count of the Statement of Alleged Violation which has been proved. Testimony by witnesses will not be heard at phase two except by a vote of a majority of the Committee.

RECOMMENDATIONS

Rule 17. (a) (1) (A). As soon as practicable after the completion of the first phase of a disciplinary hearing respecting a Statement of Alleged Violation, the Committee shall consider each count contained in the Statement and with respect to each count as originally drawn or as amended shall vote on a motion that the count has been proved. A count shall not be proved unless at least a majority of the Committee vote for a motion that the count has been proved. A count which is not proved shall be considered as dismissed by the Committee.

(B) If the Committee votes that a count has been proved, the Committee may upon completion of the second phase of the disciplinary hearing, by a majority vote of the Committee, consider and vote on a motion that a recommendation be made to the House for appropriate action respecting the violation charged in such count.

(2) If in a vote taken under paragraph (1) (A) respecting a count a majority of the Committee does not vote that the count has been proved, a motion to reconsider that vote may only be made by a Member who voted that the count was not proved. If in a vote taken under paragraph (1)(B) to adopt a recommendation to the House respecting a violation charged in a count a majority of the Committee does not vote in favor of the recommendation, a motion to reconsider that vote may only be made by a Member who voted against the recommendation.

(b)(1) With respect to any violation with which a Member of the House was charged in a count which the Committee has voted as proved, the Committee may include in its recommendation to the House one or more of the following sanctions:

(A) Expulsion from the House.

(B) Censure.

(C) Reprimand.

(D) Fine.

(E) Denial or limitation of any right, power, privilege, or immunity of the Member if under the Constitution the House may impose such denial or limitation.

(F) Any other sanction determined by the Committee to be appropriate.

(2) With respect to any violation with which an officer or employee of the House was charged in a count which the Committee has voted as proved, the Committee may include in its recommendation to the House one or more of the following sanctions:

(1) Dismissal from employment.

(2) Fine.

(3) Any other sanction determined by the Committee to be appropriate.

(c)(1) The purpose of this clause is to inform the Members of the House of Representatives as to the general guidelines the Committee considers appropriate for determining which, if any, sanctions to recommend to the House respecting violations proved in a disciplinary hearing. This clause does not limit the authority of the Committee to make or not to make recommendations for such sanctions.

(2) For technical violations, the Committee may direct that the violation be reported to the House without a recommendation for a sanction.

(3) With respect to the sanctions which the Committee may determine to include in a recommendation to the House respecting a violation, reprimand is appropriate for serious violations, censure is appropriate for more serious violations, and expulsion of a Member or dismissal of an officer or employee is appropriate for the most serious violations. A recommendation of a fine is appropriate in a case in which it is likely that the violation was committed to secure a financial benefit; and a recommendation of a denial or limitation of a right, power, privilege, or immunity of a Member is appropriate when the violation bears upon the exercise or holding of such right, power, privilege, or immunity.

(d) The Committee report accompanying a recommendation to the House adopted by the Committee under clause (a)(1)(B) respecting a violation charged in a count shall contain a brief but complete statement of the evidence which supported the finding as to that count and a brief statement of the Committee's reasons for the recommendation.

DISCLOSURE OF EVIDENCE

Rule 18. Upon the request of a respondent, the Committee may permit the respondent to inspect, copy, or photograph books, papers, documents, photographs, or other tangible objects which the Committee intends to use as evidence against the respondent in a disciplinary hearing and which are material to the preparation of the defense of the respondent.

SUBPART C—EVIDENCE AND WITNESSES

EXCULPATORY INFORMATION

Rule 19. If the Committee at any time receives any exculpatory information respecting a Statement of Alleged Violation against a Member, officer, or employee of the House of the Code of Official Conduct or any law, rule, regulation, or other standard of conduct, it shall make such information available to such Member, officer, or employee.

ADMISSIBILITY OF EVIDENCE

Rule 20. (a) Any evidence that is relevant and probative shall be admissible in any hearing of the Committee, unless the evidence is privileged or unless the Constitution otherwise requires its exclusion. Objections going only to the weight that should be given to evidence will not justify its exclusion.

(b) The Chairman or other Member presiding at a hearing shall rule upon any question of admissibility at the hearing of testimony or evidence presented to the Committee. The Chairman or other Member presiding may limit the presentation of repetitious evidence. Rulings shall be final unless reversed or modified by a majority vote of the Committee members present.

WITNESSES

Rule 21. (a) A subpoena to a witness to appear at a hearing shall be served sufficiently in advance of his scheduled appearance to allow him a reasonable period of time, as determined by the Committee, to prepare for the hearing and to employ counsel should he so desire.

(b) Except as otherwise specifically authorized by the Chairman, no member of the Committee or staff shall make public the name of any witness subpoenaed by the Committee before the date of his scheduled appearance.

(c) Witnesses at hearings may be accompanied by their counsel for the purpose of advising them concerning their constitutional rights and to raise objections to procedures or to the admissibility of testimony and evidence. Counsel for a witness other than the respondent shall not be permitted to engage in oral argument with the committee. After a witness has testified, his counsel may submit to the committee, in writing, any questions he wishes propounded to his client and any request for additional witnesses or other evidence. Such request may be granted at the Committee's discretion.

(d) The respondent may apply to the Committee for the issuance of subpoenas for the appearance of witnesses or the production of documents on his behalf. The application shall be granted upon a concise showing by the respondent that the proposed testimony or evidence is relevant and not otherwise available. The application shall be denied if not made at a reasonable time or if the testimony or evidence would be merely cumulative.

(e) Each witness subpoenaed by the Committee may sign appropriate vouchers for travel allowances and attendance fees, which may be obtained from the Committee staff.

(f) Each witness appearing before the Committee shall be furnished a printed copy of the rules of the Committee and the pertinent provisions of the Rules of the House of Represenatives applicable to the rights of witnesses.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Messrs. ULLMAN, VANIK, GIBBONS, JONES of Oklahoma, MIKVA, FISHER, LEDERER, GUARINI, CONABLE, VANDER JAGT, and FRENZEL (at the request of Mr. WRIGHT), from today through April 2, on account of official business.

Mr. JONES of Tennessee (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. COTTER (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. LEDERER (at the request of Mr. WRIGHT), from today through April 2, on account of official business of the Committee on Ways and Means.

Mr. GINGRICH (at the request of Mr. RHODES), after 2 p.m. today, on account of official business.

Mr. AMBRO, for Wednesday, March 21, 1979, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GRISHAM) to revise and extend their remarks and include extraneous matter:)

Mr. MCKINNEY, for 10 minutes, today.

Mr. TAUKE, for 5 minutes, today.

Mr. CORCORAN, for 5 minutes, today.

(The following Members (at the request of Mr. ANTHONY) to revise and extend their remarks and include extraneous material:)

Mr. WEAVER, for 10 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ALEXANDER, for 5 minutes, today.

Mr. FORD of Michigan, for 10 minutes, today.

Mr. ROSTENKOWSKI, for 10 minutes, today.

Mr. HANLEY, for 5 minutes, today.

Mr. LAFALCE, for 5 minutes, today.

Mr. LONG of Louisiana, for 5 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. UDALL, for 10 minutes, today.

Mr. MURTHA, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. BLANCHARD, and to include extraneous matters, notwithstanding the fact that it exceeds two pages of the RECORD, and is estimated by the Public Printer to cost $1,254.50.

(The following Members (at the request of Mr. GRISHAM) and to include extraneous matter:)

Mr. Shuster in two instances.
Mr. Rudd.
Mr. Stanton.
Mr. Gilman in two instances.
Mr. Myers of Indiana.
Mr. Bereuter.
Mr. Forsythe.
Mr. Paul in three instances.
Mr. McClory in two instances.
Mr. Collins of Texas.
Mr. Kemp.
Mr. Lagomarsino.
Mr. Symms.
Mr. Derwinski in two instances.

(The following Members (at the request of Mr. Anthony) and to include extraneous matter:)

Mr. Benjamin.
Mr. Wolff.
Mr. Anderson of California in three instances.
Mr. Gonzalez in three instances.
Mr. Florio.
Mr. Corrada.
Mr. Young of Missouri.
Mr. Simon.
Mr. Edwards of California
Mr. Ratchford.
Mr. Pepper.
Mr. Gibbons.
Mr. LaFalce.
Mr. Solarz.
Mr. Flippo.
Mrs. Collins of Illinois.
Mr. Rostenkowski.
Mr. AuCoin.

ADJOURNMENT

Mr. BENJAMIN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 29 minutes p.m.), under its previous order, the House adjourned until Monday, March 26, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1058. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President transmitting his determination and certification that downward fluctuations in foreign currency exchange rates have made it necessary to provide additional funds to maintain the budgeted level of operation for Radio Free Europe/Radio Liberty, Inc., during the first quarter of fiscal year 1979, pursuant to section 8 of Public Law 94-350, as amended; to the Committee on Foreign Affairs.

1059. A letter from the Assistant Secretary of Transportation for Administration, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1060. A letter from the Secretary, Federal Trade Commission, transmitting the sixth report of the Commission on the impact on competition and on small business of the development and implementation of voluntary agreements and plans of action to carry out provisions of the International Energy Program, pursuant to section 252(i) of the Energy Policy and Conservation Act of 1975; to the Committee on Interstate and Foreign Commerce.

1061. A letter from the Acting Administrator, U.S. Small Business Administration, transmitting a draft of proposed legislation to amend the Small Business Act, and for other purposes; to the Committee on Small Business.

1062. A letter from the Administrator, U.S. Small Business Administration, transmitting a draft of proposed legislation to amend the Small Business Act to provide program level authorization for fiscal year 1980; to the Committee on Small Business.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FROST: Committee on Rules. House Resolution 176. Resolution providing for the consideration of H.R. 1786. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes (Rept. No. 96-66). Referred to the House Calendar.

Mr. FROST: Committee on Rules, House Resolution 177. Resolution providing for the consideration of H.R. 1787. A bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development (Rept. No. 96-67). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules, House Resolution 178. Resolution providing for the consideration of H.R. 2676. A bill to authorize appropriations for environmental research, development, and demonstration for the fiscal year 1980, and for other purposes (Rept. No. 96-68). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 179. Resolution providing for the consideration of H.R. 2729. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes (Rept. No. 96-69). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ZABLOCKI (for himself, Mr. Fascell, Mr. Diggs, Mr. Rosenthal, Mr. Hamilton, Mr. Wolff, Mr. Bingham, Mr. Yatron, Mr. Solarz, Mr. Bonker, Mr. Barnes, Mr. Gray, Mr. Hall of Ohio, Mr. Wolpe, Mr. Broomfield, Mr. Derwinski, Mr. Winn, Mr. Gilman, Mr. Pritchard, and Mrs. Fenwick):

H.R. 3173. A bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1930 and 1981, and for other purposes; to the Committee on Foreign Affairs.

By Mr. ASHLEY (for himself and Mr. Reuss):

H.R. 3174. A bill to amend title V of the Housing Act of 1949; to the Committee on Banking, Finance and Urban Affairs.

By Mr. AuCOIN (for himself and Mr. LaFalce):

H.R. 3175. A bill to amend section 245 of the National Housing Act to exclude graduated payment mortgages from certain restrictions regarding maximum amount of loan; to the Committee on Banking. Finance and Urban Affairs.

By Mr. BEARD of Rhode Island:

H.R. 3176. A bill to amend section 312 of the Immigration and Nationality Act to permit individuals to be naturalized if they can demonstrate an understanding of a language other than English; to the Committee on the Judiciary.

By Mr. BIAGGI:

H.R. 3177. A bill to amend title 38, United States Code, to provide for the payment of service pensions to veterans of World War I and the surviving spouses and children of such veterans; to the Committee on Veterans' Affairs.

By Mr. PHILLIP BURTON:

H.R. 3178. A bill to require contractors of departments and agencies of the United States engaged in the production of motion picture films to pay prevailing wages; to the Committee on Education and Labor.

By Mr. CORCORAN:

H.R. 3179. A bill to amend the Communications Act of 1934 to establish requirements with respect to the television broadcasting of certain professional sports clubs games; to the Committee on Interstate and Foreign Commerce.

By Mr. DINGELL:

H.R. 3180. A bill to authorize certain supplemental appropriations for the Department of Energy for fiscal year 1979 and to make certain amendments relating to the administration of such Department; to the Committee on Interstate and Foreign Commerce.

By Mr. FORD of Michigan (for himself, Mr. Ashbrook, Mr. Aspin, Mr. AuCoin, Mr. Beard of Rhode Island, Mr. Biaggi, Mr. Bingham, Mr. Bonior of Michigan, Mr. Brademas, Mr. Brodhead, Mr. Buchanan, Mr. Phillip Burton, Mr. Clay, Mr. Conte, Mr. Conyers, Mr Corrada, Mr. Diggs, Mr. Dougherty, Mr. Drinan, Mr. Edgar, Mr. Evans of the Virgin Islands, Ms. Ferraro, Mr. Fowler, Mr. Garcia, Mr. Gaydos, Mr. Glickman, Mr. Hawkins, Mr. Heftel, Mr. Jeffords, Mr. Kildee, Mr. LaFalce, Mr. Lederer, Mr. Lehman, Mr. Leland, Mr. McDade, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moorhead of Pennsylvania, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Nedzi, Ms. Oakar, Mr. Ottinger, Mr. Perkins, Mr. Pritchard, Mr. Rangel, Mr. Reuss, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Scheuer, Mrs. Schroeder, Mr. Sebelius, Mr. Simon, Mr. Thompson, Mr. Vento, Mr. Weiss, Mr. Whitehurst, Mr. Winn, Mr. Young of Missouri, and Mr. Zeferetti):

H.R. 3181. A bill to amend the Higher Education Act of 1965 to establish a system of grants or urban universities; to the Committee on Education and Labor.

By Mr. GAYDOS:

H.R. 3182. A bill to amend the Securities Exchange Act of 1934 to restrict persons who are not citizens of the United States from acquiring more than 35 percent of the nonvoting securities or more than 5 percent of the voting securities of any issuer whose securities are registered under such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 3183. A bill to amend title 39, United States Code, to authorize the transmission, without cost to the sender, of letter mail to the President or Vice President of the United States or to Members of Congress, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 3184. A bill to amend title 38, United States Code, to eliminate the time period in which a veteran has to use his education benefits; to the Committee on Veterans' Affairs.

H.R. 3185. A bill to amend the Internal Revenue Code of 1954 to provide a credit against income tax to individuals for certain expenses incurred in higher education; to the Committee on Ways and Means.

H.R. 3186. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses of elementary and secondary education; to the Committee on Ways and Means.

H.R. 3187. A bill to amend the Fair Labor Standards Act of 1938, to require prenotification to affected employees and communities of dislocation of business concerns, to provide assistance (including retraining) to employees who suffer employment loss through the dislocation of business concerns, to business concerns threatened with dislocation, and to affected communities, to prevent Federal support for unjustified dislocation, and for other purposes; jointly, to the Committees on Education and Labor and Banking, Finance and Urban Affairs.

H.R. 3188. A bill to amend title XVIII of the Social Security Act to authorize payment under the medicare program for certain services performed by chiropractors; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Ms. HOLTZMAN:

H.R. 3189. A bill to amend the Federal Reserve Act to allow Federal Reserve banks to purchase and sell obligations issued by municipalities and other political subdivisions which have filed petitions under chapter 9 of the Bankruptcy Act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. JENRETTE:

H.R. 3190. A bill to amend the Export Trade Act to encourage increased utilization of the act, to expand exemptions provided under the act, to clarify U.S. Government policy with respect to the administration of the act, to assist American exporters in international trade competition, and for other purposes; to the Committee on the Judiciary.

By Mr. LUJAN:

H.R. 3191. A bill to exclude from gross income the first $1,000 of interest received from savings account deposits in home lending institutions; to the Committee on Ways and Means.

H.R. 3192. A bill to amend the Internal Revenue Code of 1954 to exclude life insurance proceeds from the gross estate for purposes of the Federal estate tax; to the Committee on Ways and Means.

By Mr. LUNDINE:

H.R. 3193. A bill to establish a demonstration project to be conducted by the Secretary of Energy to provide for the disposal of high level nuclear wastes at the Western New York Nuclear Service Center in West Valley, N.Y., to establish procedures to govern the disposition of other nuclear wastes at such site, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. McCLORY:

H.R. 3194. A bill to amend title XV of the Public Health Service Act to limit the planning and promotion functions of health systems agencies under that title to planning for and promotion of health care facilities and personnel; to the Committee on Interstate and Foreign Commerce.

By Mr. McDADE:

H.R. 3195. A bill to establish a program of Federal assistance to provide relief from energy emergencies and energy disasters; to the Committee on Interstate and Foreign Commerce.

By Mr. McKINNEY:

H.R. 3196. A bill to improve existing procedures and programs for providing Federal assistance for economic stabilization and local community development in areas affected by defense base closures and the termination of defense contracts; jointly, to the Committees on Armed Services, Banking, Finance and Urban Affairs, Government Operations, and Public Works and Transportation.

By Mr. MONTGOMERY:

H.R. 3197. A bill to amend the Internal Revenue Code of 1954 to provide an exclusion from gross income of amounts received for the production from certain oil or gas wells; to the Committee on Ways and Means.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. Horton, Mr. Wydler, and Mr. Weiss):

H.R. 3198. A bill to authorize a targeted fiscal assistance program for payments to local governments requiring fiscal relief, and antirecession fiscal assistance program, and for other purposes; to the Committee on Government Operations.

By Mr. PANETTA:

H.R. 3199. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits for which payment may be made under both part A and part B (eliminating the requirement of prior hospitalization in the case of home health care under part A), to include additional types of services as home health care, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. DORNAN:

H.R. 3200. A bill to amend the Internal Revenue Code of 1954 to provide tax-saving incentives for savings accounts established for the purpose of purchasing a home, and for other purposes; to the Committee on Ways and Means.

H.R. 3201. A bill to amend section 602 of the Federal Aviation Act of 1958 to prohibit any Federal officer or employee from imposing certain age restrictions on individuals seeking to serve as pilots of aircraft, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. PURSELL:

H.R. 3202. A bill to provide for a Federal program for health promotion and disease prevention; jointly, to the Committees on Interstate and Foreign Commerce and Education and Labor.

By Mr. PURSELL (for himself, Mr. Ottinger, Mr. Lagomarsino, Mr. Frenzel, Mr. Downey, Mr. Conte, Mr. Won Pat, Mr. Howard, Mr. Yatron, Mr. McDonald, Mr. Guyer, Mr. Badham, Mr. Brown of Ohio, Mr. Jeffords, Mr. Robinson, and Mr. Montgomery):

H.R. 3203. A bill to encourage on-the-scene emergency care aboard aircraft by relieving licensed medical personnel and air carrier employees from civil liability for damages resulting from any act or omission in rendering such care; to the Committee on the Judiciary.

By Mr. PURSELL:

H.R. 3204. A bill to condition the approval of Federal highway aid projects in a State on the establishment by that State of a system of identification and penalties for use in reserving parking spaces for motor vehicles used by handicapped individuals; to the Committee on Public Works and Transportation.

H.R. 3205. A bill to protect the public from traffickers in heroin and other opiates, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, the Judiciary, Banking, Finance, and Urban Affairs and Ways and Means.

By Mr. ROE (for himself, Mrs. Holt, and Mr. Solomon):

H.R. 3206. A bill to amend section 218 of the Social Security Act to require that States having agreements entered into thereunder will continue to make social security payments and reports on a calendar-quarter basis; to the Committee on Ways and Means.

By Mr. ROSTENKOWSKI:

H.R. 3207. A bill to suspend the duties on certain bicycle parts and accessories until the close of June 30, 1983; to the Committee on Ways and Means.

By Mr. ROUSSELOT:

H.R. 3208. A bill to amend the Federal Mine Safety and Health Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations, sand and gravel mining operations, or certain surface construction operations; to the Committee on Education and Labor.

H.R. 3209. A bill to amend the Internal Revenue Code of 1954 to allow individuals under age 55 to elect the one-time exclusion of gain from sale of principal residence; to the Committee on Ways and Means.

By Mr. SANTINI:

H.R. 3210. A bill to terminate the authority to make grants to the Las Vegas Valley water district under the act of August 27, 1954; to the Committee on Interior and Insular Affairs.

By Mr. SHANNON (for himself, Mr. Brodhead, Mr. Dixon, and Mr. Stark):

H.R. 3211. A bill to amend the Internal Revenue Code of 1954 to reduce by one-half the allowable deduction for business meals; to the Committee on Ways and Means.

By Mr. SIMON:

H.R. 3212. A bill to authorize the Secretaries of the military departments to retain on active duty or to return to active duty certain disabled members and former members of the Armed Forces; to the Committee on Armed Services.

By Mr. SLACK:

H.R. 3213. A bill to amend the Communications Act of 1934 to prohibit the Federal Communications Commission from prescribing rules which would permit duplication of radio broadcasting station assignments on class I-A clear channels, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mrs. SNOWE:

H.R. 3214. A bill to authorize a targeted fiscal assistance program for payments to local governments requiring fiscal relief, and antirecession fiscal assistance program, and for other purposes; to the Committee on Government Operations.

By Mr. WOLFF:

H.R. 3215. A bill to provide emergency assistance for the repair of certain winter weather related damage to highways and urban mass transportation systems; to the Committee on Public Works and Transportation.

By Mr. WOLFF (for himself, Mr. Miller of Ohio, Mr. Ichord, Mr. Dornan, Mr. Price, Mr. Addabbo, Mr. Chappell, Mr. Cotter, Mr. Dan Daniel, Mr. Ireland, Mr. Luken, Mr. Montgomery, Mr. Murphy of Pennsylvania, Mr. Neal, Mr. Nichols, Mr. Yatron, Mr. Derwinski, Mr. Gilman, Mr. Guyer, Mr. Beard of Tennessee, Mr. Rousselot, Mr. Lott, Mr. Moorhead of California, Mr. Duncan of Tennessee, and Mr. Carter):

H.R. 3216. A bill to amend the Export Administration Act of 1969 to improve the Administration of export controls by assigning to the Secretary of Defense the primary responsibility for identifying the types of technologies and goods which shall be controlled for national security purposes; by providing for a comprehensive and continuing review of export controls with a view to strengthen controls over exports of critical technologies and goods while facilitating exports of any technologies and goods which will not significantly adversely affect the national security of the United States; and by providing for congressional oversight of such exports; and for other purposes; jointly, to the Committees on Foreign Affairs, and Armed Services.

By Mr. FINDLEY:

H.J. Res. 276. Joint resolution authorizing the President to proclaim the month of November 1979 as "National REACT Month"; to the Committee on Post Office and Civil Service.

By Mr. RINALDO:

H.J. Res. 277. Joint resolution designating June 30, 1979, as "National Conference of Synagogue Youth Silver Jubilee Day"; to the Committee on Post Office and Civil Service.

By Mr. ROUSSELOT:

H.J. Res. 278. Joint resolution proposing an amendment to the Constitution of the United States which requires (except during fiscal years during which the United States is at war or during which a suspension is approved) that the annual deficit of the United States be eliminated, which requires tax rates to be reduced to offset the effects of inflation, and which establishes a procedure for the approval of bills or joint resolutions effecting taxes; to the Committee on the Judiciary.

By Mr. WOLFF (for himself, Mr. Addabbo, Mr. Ambro, Mr. Archer, Mr. Bingham, Mrs. Bouquard, Mr. Brodhead, Mr. Dan Daniel, Mr. Robert W. Daniel, Jr., Mr. Donnelly, Mr. Dornan, Mr. Dougherty, Mr. Drinan, Mr. Evans of Georgia, Mr. Fountain, Mr. Fuqua, Mr. Garcia, Mr. Gilman, Mrs. Holt, Ms. Holtzman, Mr. Ireland, Mr. Kemp, Mr. Lagomarsino, Mr. Lederer, Mr. Lehman, Mr. Lent, Mr. McDonald, Mr. Mathis, Mr. Ottinger, Mr. Richmond, Mr. Rosenthal, Mr. Rudd, Mr. Scheuer, Mr. Stockman, Mr. Vento, Mr. Waxman, Mr. Whitehurst, Mr. Charles Wilson of Texas, and Mr. Young of Florida):

H.J. Res. 279. A resolution providing for a reduction in the amount paid each year by the United States as its contribution toward the assessed budget of the United Nations, such reduction to be equal to the amount of that contribution which would be used for the expenses of the Committee on the Exercise of the Inalienable Rights of the Palestinian People and the Special Unit on Palestinian Rights; to the Committee on Foreign Affairs.

By Mr. FORD of Michigan:

H. Con. Res. 84. Concurrent resolution disapproving certain regulations submitted to the Congress on March 16, 1979, with respect to the Basic Educational Opportunity Grant Program; to the Committee on Education and Labor.

By Mr. RITTER:

H. Con. Res. 85. Concurrent resolution expressing the sense of the Congress that the President take all appropriate steps to negotiate with all other industrial nations an agreement for the creation of a Peace Development Fund whose purpose would be to underwrite the costs of implementing a Middle East peace; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

83. By the SPEAKER: Memorial of the Legislature of the State of West Virginia, relative to Amtrak passenger rail service in West Virginia; to the Committee on Interstate and Foreign Commerce.

84. Also, memorial of the Legislature of the State of West Virginia, relative to the dumping of foreign steel products in the United States; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 3217. A bill for the relief of Andreas Pluemer; to the Committee on the Judiciary.

By Mr. DICKS:

H.R. 3218. A bill for the relief of Rebecca Sevilla DeJesus, to the Committee on the Judiciary.

By Mr. JENRETTE:

H.R. 3219. A bill for the relief of Chakrapani Sethumadhavan; to the Committee on the Judiciary.

By Mr. WINN:

H.R. 3220. A bill for the relief of Edward Yarovinsky; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 96: Mr. Kemp, Mr. Kelly, Mr. Hollenbeck, Mr. Whitten, and Mr. Thomas.

H.R. 559: Mr. Robert W. Daniel, Jr., Mr. Rudd, and Mr. Gingrich.

H.R. 1165: Mr. Fary.

H.R. 1289: Mr. Fary.

H.R. 1495: Mr. Bailey, Mr. Cavanaugh, Mr. Chappell, Mr. Coughlin, Mr. Dan Daniel, Mr. Evans of the Virgin Islands, Mr. Price, Mr. Stump, Mr. Thomas, Mr. Walker, and Mr. Wirth.

H.R. 1507: Mr. Clinger.

H.R. 1509: Mr. Neal, Mr. Bob Wilson, Mr. Edgar, Mr. Cheney, Mr. Skelton, Mr. Harkin, and Mr. Trible.

H.R. 1903: Mr. Fary.

H.R. 1918: Mr. Williams of Montana, and Mr. Drinan.

H.R. 1970: Mr. Barnard, Mr. Stenholm, Mr. Forsythe, Mr. Winn, Mr. Goldwater, Mr. Whitehurst, Mr. Burgener, Mr. Dornan, Mr. Hall of Texas, Mr. Robert W. Daniel, Jr., Mr. Derwinski, Mr. Frenzel, Mr. Evans of Georgia, Mrs. Holt, Mr. Solomon, Mr. Thomas, Mr. Badham, Mr. Hopkins, Mr. Cleveland, and Mr. Chappell.

H.R. 2043: Mr. Dingell, Mr. Andrews of North Dakota, Mr. Fazio, Mr. Dornan, Mr. Abdnor, and Mr. Vento.

H.R. 2153: Mr. Abdnor, Mr. Baldus, Mr. Nolan, Mr. Sabo, Mr. Price, Mr. Young of Missouri, Mr. Glickman, and Mr. Dornan.

H.R. 2247: Mr. Lederer, Mr. Mitchell of Maryland, Mr. Corrada, Mr. Moakley, Mr. Runnels, Mr. Gudger, Mr. Sebelius, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Rangel, Mr. Bevill, Mr. Maguire, and Mr. AuCoin.

H.R. 2272: Mr. Skelton, Mr. Lott, Mr. Whittaker, Mr. Murphy of Pennsylvania, Mr. Mikva, Mr. Shelby, Mr. Hance, Mr. Buchanan, Mr. Baldus, Mr. Andrews of North Dakota, Mr. Jeffords, Mr. Scheuer, Mr. Dornan, Mr. Bevill, Mr. Dellums, Mr. Panetta, Mr. Weiss, Mr. Bonior of Michigan, and Mr. Stangeland.

H.R. 2282: Mr. Mica.

H.R. 2340: Mr. Pease, Mr. Vento, Mr. Panetta, Mr. Scheuer, and Mr. LaFalce.

H.R. 2411: Mr. Boland, Mr. Cotter, Mr. Bingham, Mr. Vento, Mr. Hawkins, Mr. Rosenthal, Mr. Corrada, Mr. Lent, Mr. Scheuer, Mr. Yatron, Mr. Guarini, Mr. Dellums, Mr. Weiss, Mr. Moffett, Mr. Lowry, Mr. Dodd, Mr. Dixon, and Mr. Leland.

H.R. 2544: Mr. Murphy of Pennsylvania.

H.R. 2647: Mr. Bonior of Michigan, Mr. Moorhead of Pennsylvania, Mr. Young of Missouri, Mr. Forsythe, Mr. Moakley, Mr. Mottl, Mr. Markey, Mr. Brodhead, Mr. Corrada, Mr. Panetta, Mr. Volkmer, Mr. Quayle, Mr. Annunzio, Mr. Yatron, Mr. Hawkins, Mr. Lent, Mr. Bafalis, Mr. Mitchell of New York, Mr. Edwards of California, Mr. Stump, Mr. Howard, Mr. Goodling, Mr. McHugh, Mr. Neal, Mr. Mineta, Mr. Price, Mr. Bailey, Mr. Lundine, Mr. Robinson, Mr. Stangeland, Mr. Charles Wilson of Texas, Mr. Grassley, and Mr. Clay.

H.R. 2648: Mr. Bonior of Michigan, Mr. Moorhead of Pennsylvania, Mr. Rinaldo, Mr. Young of Missouri, Mr. Forsythe, Mr. Moakley, Mr. Mottl, Mr. Markey, Mr. Brodhead, Mr. Corrada, Mr. Panetta, Mr. Volkmer, Mr. Quayle, Mr. Annunzio, Mr. Yatron, Mr. Dannemeyer, Mr. Hawkins, Mr. Lent, Mr. Bafalis, Mr. Mitchell of New York, Mr. Edwards of California, Mr. Stump, Mr. Howard, Mr. Goodling, Mr. Neal, Mr. McHugh, Mr. Mineta, Mr. Price, Mr. Bailey, Mr. Lundine, Mr. Robinson, Mr. Stangeland, Mr. Charles Wilson of Texas, and Mr. Clay.

H.R. 3045: Mr. Hanley, Mr. Hyde, Mr. Addabbo, Mr. Biaggi, Mr. Conte, Mr. Florio, Mr. LaFalce, Mr. Lagomarsino, Mr. Minish, Mr. Moakley, Mr. Panetta, Mr. Rinaldo, Mr. Zeferetti, Mr. Vento, Mr. Fazio, Mr. Oberstar, and Mr. Russo.

H.J. Res. 167: Mr. Ambro, Mr. Charles Wilson of Texas, Mr. Thomas, and Mr. Young of Alaska.

H.J. Res. 170: Mr. Evans of Delaware, Mr. Goodling, and Mr. Leath of Texas.

H.J. Res. 209: Mr. Addabbo, Mr. Akaka, Mr. Anderson of California, Mr. AuCoin, Mr. Blanchard, Mr. Carter, Mr. Cheney, Mr. Clinger, Mr. Corrada, Mr. Courter, Mr. Donnelly, Mr. Dougherty, Mr. Downey, Mr. Erdahl, Mr. Evans of Georgia, Mr. Evans of the Virgin Islands, Mr. Fazio, Mr. Flood, Mr. Florio, Mr. Frenzel, Mr. Frost, Mr. Gilman, Mr. Gudger, Mr. Guyer, Mrs. Heckler, Mr. Horton, Mr. Hughes, Mr. Kemp, Mr. Kildee, Mr. Lee, Mr. Lewis, Mrs. Bouquard, Mr. Lott, Mr. Luken, Mr. Lundine, Mr. Martin, Mr. Minish, Mr. Moakley, Mr. Mollohan, Mr. Moorhead of Pennsylvania, Mr. Murphy of Pennsylvania, Mr. Patten, Mr. Pritchard, Mr. Rahall, Mr. Rangel, Mr. Richmond, Mr. Roe, Mr. Roth, Mr. Russo, Mr. Scheuer, Mr. Snyder, Mr. Stanton, Mr. Taylor, Mr. Vander Jagt, Mr. Walgren, Mr. Waxman, Mr. Winn, Mr. Young of Alaska, Mr. Wolpe, and Mr. Zeferetti.

H. Con. Res. 4: Mr. Addabbo, Mr. Biaggi, Mr. Florio, Mr. LaFalce, Mr. Minish, Mr. Moakley, Mr. Panetta, Mr. Rinaldo, Mr. Rodino, Mr. Zeferetti, and Mr. Vento.

H. Con. Res. 5: Mr. Stark and Mr. Solarz.

H. Con. Res. 21: Mr. Danielson, Mr. Matsui, and Mr. Mazzoli.

H. Con. Res. 49: Mr. Fary and Mr. Florio.

H. Res. 105: Mr. Pease.

H. Res. 173: Mr. Broyhill, Mr. Jones of Tennessee, Mr. Alexander, Mr. AuCoin, Mr. Hammerschmidt, Mr. Long of Louisiana, Mr. McKay, and Mr. Nolan.

PETITIONS, ETC.

Under clause 1 of rule XXII,

89. THE SPEAKER presented a petition of the Canadian House of Commons, commending President Carter for his diplomatic achievements in the Middle East; to the Committee on Foreign Affairs.

SENATE—*Thursday, March 22, 1979*

(Legislative day of Thursday, February 22, 1979)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. PAUL E. TSONGAS, a Senator from the State of Massachusetts.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray:

Lord of all life, that we may better serve Thy kingdom, help us to learn the lessons life is trying to teach us—to work as though everything depends upon us and to trust as though everything depends upon Thee.

Save us from making the same mistakes over and over again, from yielding to the same temptations time after time, from doing things we should not do until a habit is fixed we cannot break.

May we grow in spiritual grace and the virtues which make for righteous living. Enable us to put character and duty above convenience and pleasure.

Help us daily to grow stronger, purer, kinder, to shed old faults and gain new virtues, until by Thy grace we become new persons.

Be present with us every hour so that, at the evening time, we may know the deep contentment of work completed and duty done.

We pray in the Master's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 22, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable PAUL E. TSONGAS, a Senator from the State of Massachusetts, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. TSONGAS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE SO-CALLED "SENATE STEERING COMMITTEE"

Mr. ROBERT C. BYRD. Mr. President, from time to time, I have received reports from my colleagues on this side of the aisle that they and their staffs have been receiving calls from a so-called quote "Senate Steering Committee" unquote, inquiring as to their attendance, whether or not they will be here on such and such a day, whether or not they will be here on such and such a rollcall vote, and what the position of the Senator will be on a particular rollcall vote or issue. Some Members have approached me, curious about these requests that were coming to their offices. I assured them in writing last year that the only Steering Committee that I know anything about is the Democratic Steering Committee and that the sole function of that Democratic Steering Committee is to assign Members to committees—no other function. The Senate Democratic Steering Committee does not call any Senator to ask whether or not he is going to be present on such and such a date, or call any staff member of any Senator to ask what his position is going to be on such and such a vote. No Democratic Steering Committee has that function or that role or that responsibility or that authority.

So I notified my Democratic colleagues to that effect. The only person that I authorize to call Senators on my side of the aisle to inquire as to what their position will be on a given matter is the secretary for the majority, and the only people on my side of the aisle who are authorized to inquire as to attendance on the part of the leadership is the secretary for the majority or the people in the Democratic cloakroom or the people on the Democratic whip's staff.

So, as to a "Senate Steering Committee," let it be known by my colleagues on this side of the aisle, let it be known by my colleagues on the other side of the aisle, let it be known by the press and the public, by all Senate offices, staffs, and staffs of committees, that so far as I am concerned that there is no "Senate Steering Committee." None.

There is a Democratic Steering Committee. There may be a Republican Steering Committee, and that is entirely a horse of another color. If the Republican Senators have a steering committee, that is fine, but it should be the Republican Steering Committee. We have a steering committee on this side of the aisle; it is not the Senate Steering Committee, it is the Democratic Steering Committee.

I hold in my hand a calling card, a beautifully embossed calling card. Here is the way it reads. I suppose that this is the Senate seal. My vision is not quite as good as it used to be, but I guess that this is the Senate seal on it. Then appears the name, "Margo Carlisle."

My middle name is Carlyle, but I use what I am told is the Scottish spelling, C-a-r-l-y-l-e. The name on the card, however, is spelled C-a-r-l-i-s-l-e. Margo Carlisle.

Who is Margo Carlisle? Would somebody tell me, who is Margo Carlisle?

The card says:

> Senate Steering Committee Executive Director.

Telephone number, 202—that is the Washington, D.C., area code—224-5597.

Who pays the cost of this beautiful calling card? Is that paid for by the Senate? Is it paid for by the so-called Senate Steering Committee? Who pays Margo Carlisle? On whose payroll is Margo Carlisle—on the payroll of the "Senate Steering Committee?" If so, where does the "Senate Steering Committee" get its funds? Does it go before the Rules Committee for funds?

I think this a matter we ought to find out a little more about: who is Margo Carlisle? Who pays Margo Carlisle; who provides Margo Carlisle with these beautiful cards; who pays the cost of the cards; who pays the cost of the staff of the so-called Senate Steering Committee? Where does it have its space? Where is its office?

I am waiting. I shall yield my time to any Senator who will tell me about this so-called Senate Steering Committee, where it gets its funds, who Margo Carlisle is, who pays Margo Carlisle, who pays the cost of this beautiful card, and what authority that person or group has to call Members on this side of the aisle and pretend to be a "Senate Steering Committee," asking Democratic Senators when they are going to be here, whether they are going to be here, how they are going to vote, and all that business.

I await the answer.

Mr. BAKER. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. BAKER. I thank the distinguished majority leader for yielding to me.

Mr. President, I advise the majority leader that there is not a Republican Steering Committee as such, but there is a group of Senators who meet from time to time to discuss matters of mutual importance, that I believe is not made up entirely of Republican Senators, but predominantly Republican members, who refer to themselves as the Republican Steering Committee. What I believe we have is a matter of semantics rather than a real, serious concern. I am convinced, for instance, that the members who meet and refer to themselves as the Steering Committee are conscientious in their allocation of resources and their expenditure of Senate funds; that they are in no way in violation of the rules of the Senate in respect thereto; and that Margo Carlisle, who usually sits in the back of the room, back there on the Senate floor, is a capable and competent staff person and an employee of the Senate of the United States.

It may be that she may rue the day that she had that card printed or put the Senate seal on it, but that does not affect the fact that they, as far as I am concerned, violate no principle, no precedent, and no rule or regulation of the Senate and, in fact, are an unofficial aggregation, not even a committee but an unofficial aggregation of Senators, who meet from time to time to talk about matters of mutual interest.

I understand the majority leader's concern. I understand the nature of his inquiry. I rise to assure him that I too, have inquired from time to time about the status of the Steering Committee, or the Senate Steering Committee. I came away convinced that it is totally appropriate and proper for like-minded Senators to gather together and to call themselves whatever they wish, whether it is the China lobby, or the oil State producers, or whatever.

The Steering Committee takes on, maybe, a separate significance, because it has a generic meaning. But I would urge my friend the majority leader to understand or to agree with me that on this basis the Steering Committee is not a sinister group, but, in fact, an aggregation of individual Senators who share many similar thoughts and who wish to discuss issues from time to time and to assess the legislative situation in respect thereto.

Mr. President, I see that the distinguished Senator from Idaho (Mr. McClure) is on the floor. I sent for him after our conversation this morning, because I believe he probably has more direct information on that subject than I have. I would hope the majority leader might yield to him, or I will be happy to yield to him on my time.

Mr. ROBERT C. BYRD. I wait with great interest to hear further from Senator McClure's lips in stentorian tones the explanation of this mysterious "Senate Steering Committee," where it got its name, what the purpose of it is, and why it calls itself the Senate Steering Committee.

So I am listening.

Mr. BAKER. I yield to the Senator from Idaho such part of my leader's time as he wishes.

Mr. McCLURE. Mr. President, first of all, this matter comes as somewhat of a surprise to me because the Senate Steering Committee has been in operation for a number of years, as the Senator from West Virginia knows, and as the——

Mr. ROBERT C. BYRD. Oh, no, no, no, no. Please do not drag the Senate majority's leader's name into this.

Mr. McCLURE. Well, Mr. President, the Senator from West Virginia is well aware of the fact that the Senate Steering Committee has operated and that the Senator from Idaho is now the chairman of that Senate Steering Committee.

Mr. ROBERT C. BYRD addressed the Chair.

Mr. McCLURE. I do not yield at this time.

Mr. ROBERT C. BYRD. The Senate majority leader——

Mr. McCLURE. I do not yield at this time.

Mr. ROBERT C. BYRD. About the Senate Steering Committee——

Mr. McCLURE. I do not yield at this time. I hope the Senator——

Mr. ROBERT C. BYRD. The Senator is getting his time from me.

Mr. McCLURE. I have the time from the Senator from Tennessee and not from the Senator from West Virginia. I think that is correct.

The ACTING PRESIDENT pro tempore. The Senate will be in order.

The Chair recognized the minority leader.

Mr. ROBERT C. BYRD. The Senator used my name and he said that the Senate majority leader knows——

Mr. McCLURE addressed the Chair.

Mr. ROBERT C. BYRD (continuing). And that is not a fact.

Mr. McCLURE. A preliminary inquiry, Mr. President.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. McCLURE. Who has been recognized, Mr. President?

The ACTING PRESIDENT pro tempore. The Senator from Tennessee.

Mr. McCLURE. And who has the Senator from Tennessee yielded to?

The ACTING PRESIDENT pro tempore. The Senator from Idaho.

Mr. McCLURE. Mr. President, I shall be happy to yield to the Senator from West Virginia for whatever comments he may wish to make.

But the fact of the matter remains that we have upon a number of occasions discussed what it was we were doing and what position the Steering Committee would take on specific legislation.

As a matter of fact, the Senator from West Virginia well knows that the Senator from Idaho has served as the chairman of that Steering Committee for some time because we have talked about the position the Senate Steering Committee might take.

As a matter of fact, we have upon a number of times tried to work out mutual problems, because while we are not an official body we do seek to aggregate our information and to work together and to come to some conclusion upon matters of mutual interest, as the Senator from Tennessee has indicated.

In spite of the fact that that has been well-known, I am called in a committee meeting a few minutes ago to hear that the Senate Steering Committee is being castigated on the floor of the Senate, without any notice to the Senator from Idaho that this was going to occur.

I appreciate the phone call of the Senator from Utah that advised me this was happening, or I would not have known it was happening, even.

Mr. President, I do not know that the rules of the Senate apply to what a group of Senators on their own may decide they wish to do. There have been a number of informal organizations of one kind or another, in this body and the other, from time to time in the past, and at the present time the Wednesday club here, the Republican study group, the Democratic study group over in the other body; they operate and have operated. They are not secret.

I think the Wednesday Club on this side of the aisle meets weekly and has for a longer period than has the Steering Committee.

If anyone is confused as to what the Senate Steering Committee really is, well, it is an open book. We made no secret about what we are or who we claim to be.

Mr. PERCY. If the Senator will yield for a brief comment of explanation, the Wednesday——

Mr. BAKER. I have the floor. I would be happy, with the agreement of the Senator from Idaho, to yield briefly to the Senator.

Mr. McCLURE. I am happy to.

Mr. PERCY. The Wednesday lunch bunch has been here. We do not imply we are the only bunch in this, or the only ones who eat lunch on Wednesday.

Mr. HATCH. Or Thursday?

Mr. PERCY. I did not interpret the Steering Committee that it is steering the Senate of the United States. That has been the name we have known it by.

We meet jointly with them. We exchange ideas, much time involving legislation.

But I do not think it detracts from the prerogatives of the leadership. I have never interpreted it as an invasion of the leadership's prerogatives which are clear by Senate rules.

I hope we can get back with the business at hand. My job was to come down and support something the distinguished majority leader said yesterday which I thought was in the essence of nonpartisanship in the position he took.

Mr. ROBERT C. BYRD. I hope I will not be misinterpreted in that regard.

Mr. McCLURE. If the Senator from Tennessee will yield, I thank the Senator from Illinois for his comment.

I will be happy to read the Record to see what the Senator from West Virginia has said and to try——

Mr. ROBERT C. BYRD. I am going to restate it in just a minute.

Mr. McCLURE. All right. I will be happy to have the Senator say it again.

I will also be glad to consult with the Senator from West Virginia concerning any perceptions or misperceptions he or other Members of the Senate may have.

But, Mr. President, I do not think, as I said earlier, there is any secret about the fact that some of us have tried to work together on items of common interest, and for that reason meet together.

I do not know what card he is referring to, and I would be glad to talk to him about that, too.

I would be better prepared to discuss this if the Senator from West Virginia had discussed it with the Senator from

Idaho before coming to the floor today, which he has not done.

I thank the Senator from Tennessee for yielding.

I am certain, Mr. President, that this matter, if there is something of a serious nature, which I am not certain that there is, can be resolved, I assure the Senator from West Virginia that the Senator from Idaho will do all he can to resolve it in an amicable way.

Several Senators addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair informs the Senate that the time of the minority leader has expired.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may utilize half of my special order at this time.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, the distinguished Senator from Idaho said:

> If the majority leader would have consulted me before he came.

How did I know to consult him? How do I know that he is the chairman of this rump group that calls itself the "Senate Steering Committee?"

I have no problem with their purpose or their activities. That can be perfectly laudable, and they can call themselves the Wednesday group, the Republican Policy Committee, the Republican Steering Committee, or anything else they choose to call themselves.

But the problem I have is with this card, and with the calls that go to my Democratic colleagues here using the name—which appears to give this group some official status—of "Senate Steering Committee."

Now, the Senator says that I have known that there is a "Senate Steering Committee."

I have known no such thing. I heard about it last year, that this so-called Senate Steering Committee was calling my Democratic colleagues, asking when they were going to be here, how they were going to vote, et cetera.

What business does any group on the Republican side of the aisle have in calling my colleagues, pretending to be a "Senate Steering Committee?"

Let them call and say that it is the Republican Steering Committee. That is all right. I have no objection to that. If they want to do that, fine. They can call and say to me, "This is the Republican Steering Committee."

I will answer:

> Well, bless your heart, yes, I will be here, this is the way I am going to vote, and I would like you to vote with me.

But for them to call and say, "This is the Senate Steering Committee. We would like to know how your Senator is going to vote on such-and-such a thing," and my colleagues want to know why in the dickens our Steering Committee is asking them whether or not they are going to be here and how they are going to vote.

No, I do not know of any such committee. I do not know that there is any such committee authorized. I do not know why there is a committee parading under the name "Senate Steering Committee." Let them call themselves the Republican Steering Committee—that is what they are.

The telephone number on this card says call 224-5597. Here is the telephone directory of the U.S. Senate:

> 45597; Carlisle, Margo, Executive Director, Republican Steering, Senator McClure, IMM-A605, Republican Steering Senate Committee.

That is legitimate. Fine. I have no problem with that. The Senator from Idaho has every right, the distinguished minority leader has every right, that great party on the other side of the aisle has every right to name itself a Republican Steering Committee, and let Mr. McClure be the chairman of it. Let Margo Carlisle have a card saying "Republican Steering Committee, Executive Director," as the telephone directory properly says.

But this business of calling itself the "Senate Steering Committee," however, its laudible purposes and motives may be goes too far; let it not appear to give itself an official status which it does not have, by calling itself "Senate Steering Committee." That is all the complaint I have.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield to my friend.

Mr. McCLURE. I thank the Senator for yielding.

Maybe I begin to understand what it is that has him so exercised. Perhaps, as I said earlier, we can arrive at an understanding. But certainly the record should not go on the basis that the Senator from West Virginia did not know that such a group existed, because I talked to him in regard to what our group was going to do, what position we were going to take on legislation.

Mr. ROBERT C. BYRD. Mr. President, I do not yield.

I have never heard the Senator from Idaho say that a "Senate Steering Committee" is taking this position or that position. He may say, "We have a little group," or "our group," or "our Republicans," or whatever, are taking such and such position. But never has he said, "Senator Byrd, the Senate Steering Committee is taking this position," because if he had, I would have nailed him right there. I would have said, "What do you mean by a Senate Steering Committee? Where did you get that name? Where did you get the authority for that name?"

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLURE. I am not certain that the name "Senate" is copyrighted and that nobody——

Mr. ROBERT C. BYRD. That is what this is all about.

Mr. McCLURE. I understand that that is apparently what the Senator thinks this is all about.

Mr. ROBERT C. BYRD. That is what I know it is all about. That is why people are calling me and saying, "Why are we getting calls from the Senate Steering Committee?"

Change the name. Make it the Republican Steering Committee.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLURE. As a matter of fact, it is not exclusively Republican. It is not intended to be.

Mr. ROBERT C. BYRD. Print the names in the Record. I want to see what Democrats are members of the so-called "Senate Steering Committee."

Mr. McCLURE. I suspect that the Senator would like to know which Democrats are members of the Senate Steering Committee. That is a matter for each individual to decide for himself.

Mr. ROBERT C. BYRD. How do I know there are Democrats on the committee, if the Senator does not want to print them? We print the names of the Democratic Steering Committee.

Mr. McCLURE. Is there a Democratic Steering Committee?

Mr. ROBERT C. BYRD. Of course.

Mr. McCLURE. I did not know there was a Democratic Steering Committee.

Mr. ROBERT C. BYRD. The functions and role of the Democratic Steering Committee are to assign Members on the Democratic side of the aisle to committees. That is the sole function and responsibility of the Steering Committee.

"Senate Steering Committee" is a phony name. Let it be called the Republican Steering Committee, and everything will be all right. Then, when my colleagues are called by the Republican Steering Committee, they will know who is calling.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLURE. Because it is not a Republican Steering Committee. The Senator from Tennessee would have the same right to object to that name that as the Senator from West Virginia has.

Mr. ROBERT C. BYRD. I would hope the minority leader would not object to that. I would hope that he would object to this phony name. It is not a phony group. The members are illustrious members. If they are Members of the Senate, they are illustrious; and if they are Republicans, they are illustrious Republicans.

That is a phony name. I hope that every Senator who reads this Record knows, from here on, that if he gets a call from the "Senate Steering Committee," to beware.

Mr. McCLURE. It is not a partisan group; it is a bipartisan group.

Mr. ROBERT C. BYRD. Well, call it the bipartisan group of Democrats and Republicans, or something like that. But do not call it the "Senate Steering Committee."

Mr. McCLURE. I only make that statement because it is not—I do not know how the telephone directory may have it—it is not the Republican Steering Committee.

Mr. ROBERT C. BYRD. I just read it in the Senate telephone directory. Let me hand the Senator the telephone directory.

Mr. McCLURE. I do not doubt the Senator can read, whatever else I may doubt about the position that is taken today.

Mr. ROBERT C. BYRD. If we are speaking about doubts, we may not have time to explain all our doubts. I am simply saying, with all respect to the distinguished Senator, that there is no reason and no justification and no authority for his group to call itself the Senate Steering Committee. That is misleading.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I am not questioning the motives of the group. I am not questioning the purposes of the group. I only question the name. It is misleading. It has misled Senate Democrats. It can mislead people outside the Senate.

Mr. McCLURE. I am grateful for the Senator having taken the opportunity not to come directly to me and discuss this matter with us directly——

Mr. ROBERT C. BYRD. If I knew whom to come to. You are in the murky shadows, calling yourselves the Senate Steering Committee. I do not know where to find you. I do not know what that is. I have looked all through the Congressional Directory, and I do not find any such reference in there. There is no such committee listed. There is a Republican Steering Committee listed under the same number as is shown on the calling card.

Mr. McCLURE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLURE. Apparently, the Senator knew where to find us. He was able to hand me the phone book with my phone number in it.

Mr. ROBERT C. BYRD. The phone book was handed to me only about 5 minutes ago. And it said, "Republican Steering Committee."

Let us not confuse the issue. The sole issue here is the unauthorized name of some group around here that calls itself the "Senate Steering Committee."

Mr. McCLURE. Some of those Senators——

Mr. ROBERT C. BYRD. I do not yield. The Senator did not yield to me when he had the opportunity to yield. I have yielded a number of times, and I have quit.

Mr. President, the Senate is larger than its 100 Members. The Senate is made up of Democrats and Republicans. The Senate is an institution, and the name "the Senate" should not be plagiarized by a group, however well-intentioned its motives, pretending to represent the Senate in its calling card or in its telephone calls or in its correspondence. Let it represent its own side of the aisle; that is a laudible purpose. It is easily recognizable. There is then no pretense about it. There is no misleading anybody about it.

I respectfully suggest to the distinguished Senator that he take into consideration what I have said and, in the interest of the Senate, take that misleadtitle off the calling card.

The ACTING PRESIDENT pro tempore. The Chair advises the majority leader that the time for special orders has been consumed.

Mr. ROBERT C. BYRD. I thank the Chair.

Enough has been said, so I hope that the Senator from Idaho will take this under consideration. I think I have made a worthwhile suggestion. I do not think he really wants his group to appear to be something it is not. I would hope he would take action accordingly.

I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Tennessee is recognized for not to exceed 15 minutes.

Mr. BAKER. Mr. President, I would like to conclude for about 2 minutes on this subject and then move on to the matter for which I had sought special order time this morning.

I thank the distinguished Senator from Idaho for coming to the floor on short notice to discuss this matter, and I thank the majority leader for expressing his concern. I understand both points of view.

I have no concern about the steering committee. I deal with them daily. I understand the nature of the majority leader's concern in terms of nomenclature; but I reiterate, in closing, that I do not believe any sinister motive is involved. On the contrary, I think the steering committee has been a very useful aggregation of useful Members who present a unified point of view on many important issues.

So I hope that this conversation today will result in the amelioration of any misunderstandings or concerns that may occur in this respect.

Mr. McCLURE. Mr. President, will the Senator from Tennessee yield briefly?

Mr. BAKER. I yield.

Mr. McCLURE. As the Senator from Tennessee and the Senator from West Virginia indicated, perhaps we could get on to something else. I assure them that, if that is the case, we will also return to this at some point after I have had an opportunity to read the RECORD. But I did want to reiterate what I have said, that I am not the first chairman of the Senate Steering Committee. Senator Carl Curtis served in that capacity before me, and the group has been in operation for some time. And again I say that it is not intended to be an official body. It has never held itself out to be an official body of either the Republicans or the Democrats and, therefore, has not sought to have such a partisan designation. With respect to whether or not it is misleading, I suspect that may be misunderstood in the minds of some. But I just remark that there is a Senate Dodge, a Senate Inn, a Senate Motors, Inc., a Senate Motors Leasing Division, a Senate Parking Co., Inc., a Senate TV, et cetera.

These are listings in the telephone book, and I do not think people who pick up that telephone book are misled that they are somehow official bodies.

With respect to our right to call someone or have a member of our staff call some Member of this Senate, I hope that there are no rules that somehow proscribe that.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. McCLURE. In just a moment. The Senator from Tennessee has the floor.

Mr. ROBERT C. BYRD. I know, but I yielded to the Senator, and I have the time.

Mr. BAKER. Mr. President, I am happy to yield.

Mr. ROBERT C. BYRD. Do those organizations have Senate telephone numbers?

Mr. McCLURE. Mr. President——

Mr. ROBERT C. BYRD. Do they have Senate telephone numbers?

Mr. McCLURE. Mr. President, will the Senator from Tennessee yield?

Mr. BAKER. I yield.

Mr. McCLURE. I assume they do not have Senate telephone numbers.

Mr. ROBERT C. BYRD. The Senator knows that they do not have Senate telephone numbers.

Mr. McCLURE. Mr. President, if the Senator will yield just briefly again, I will not prolong this discussion at this time, but I am grateful to the Senator from West Virginia, because one of the things that we have tried to do very hard was to let people know that we exist, and the Senator from West Virginia has done a much greater service to me and to my group than we could have done for ourselves in a very long time, struggling under the cloak of anonymity, and we are not under that cloak any longer. I am grateful to the Senator from West Virginia.

Mr. BAKER. Mr. President, I thank the Senator from Idaho and the Senator from West Virginia for their remarks.

Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 11 minutes remaining.

ORDER TO AGGREGATE AND CONTROL SPECIAL ORDER TIME

Mr. BAKER. Mr. President, I advise the Chair, and while my distinguished friend, the majority leader is in the Chamber, it is my purpose this morning in gaining four special orders to aggregate that time and portion it out among Senators other than only the four who were listed in the special order requirements this morning. If the majority leader has no objection to that, I ask unanimous consent to aggregate and control that time.

Mr. ROBERT C. BYRD. I am very agreeable to that.

Mr. BAKER. I make that request, Mr. President.

The ACTING PRESIDENT pro tempore. Will the minority leader specify which special order he is referring to?

Mr. BAKER. Yes. I am referring to the

special orders on behalf of Senators BAKER, WEICKER, STEVENS, and PERCY. I will not include in the aggregation the time of the distinguished majority leader which was also provided for in the order.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Tennessee is recognized.

Mr. BAKER. I thank the Chair.

Mr. President, in deference to the fact that the distinguished assistant Republican leader has a schedule to keep this morning that would be discommoded otherwise, I yield first to him to make his statement in this respect. It is my purpose then to make a short statement and to yield to the Senator from Connecticut for his statement and then to proceed with the distinguished Senator from Illinois, and I hope, when he arrives in the Chamber, the Senator from South Carolina, the distinguished ranking minority member of the Judiciary Committee.

APPOINTMENT OF SPECIAL PROSECUTOR URGED IN WAREHOUSE INQUIRY

Mr. BAKER. Mr. President, several of my colleagues and I have asked for this time to express our deep and growing concern over the failure of the Carter administration to deal forthrightly with the allegations of financial improprieties at the Carter peanut warehouse in Georgia.

Last week, Senator DOLE and I, among others, called on the President to appoint an independent special prosecutor to investigate these various allegations in the genuine hope that such an independent investigation would force rumor to yield to fact, innuendo to evidence, and suspicion to restored confidence.

We have been disappointed, as have the American people, by the announcement earlier this week that the Department of Justice has decided not to appoint an independent special prosecutor for this case, but rather to appoint a "special counsel" completely beholden to an Assistant Attorney General, with no power of indictment, no power to immunize witnesses, no independent staff, and no requirement to report to the Congress on the course of his investigation.

The arguments used to support this decision are terribly weak, if not totally misleading. The Ethics in Government Act established a clear and precise mechanism for appointing a special prosecutor in exactly this kind of case and delineated the authority of that special prosecutor with considerable precision.

To suggestion that this act forbids the appointment of a special prosecutor in cases already under investigation by a grand jury is to strenuously misconstrue both the letter and the spirit of the law.

Mr. President, I do not want to suggest a close parallel between this case and the Watergate investigation which traumatized the country 5 years ago.

But neither will I willingly permit a double standard of justice and ethics to be established in American politics, with Republicans held to one standard and Democrats held to one much less exacting.

Consider, Mr. President, the record of 1973, following the so-called "Saturday Night Massacre" when Watergate Special Prosecutor Archibald Cox was dismissed and demands for a new and fully independent special prosecutor were heard throughout the Nation's Capital.

The Nixon administration countered with much the same strategy the Carter administration has now employed. It moved to establish a special investigative unit within the Justice Department, but no one in this town was satisfied with that arrangement.

Senator WALTER MONDALE, now Vice President MONDALE, was quoted in the Washington Post during that period as saying it would be "incredible" to have the Justice Department appoint its own prosecutor.

The distinguished gentleman from Illinois, Mr. STEVENSON, said that as long as President Nixon insists on retaining control of the investigation of the Nixon administration, "the public cannot be confident that justice will be done and neither can I."

The gentleman from Massachusetts, Mr. KENNEDY, was quoted on October 27, 1973, as saying a prosecutor must be constitutionally appointed and "totally, completely and unquestionably free from White House influence."

My friend from Indiana, Mr. BAYH, said on October 25, "Just saying we're going to appoint a new Special Prosecutor is not going to do the job. It has to be one that cannot be fired."

The distinguished majority leader, Mr. BYRD, who was majority whip during the Watergate investigation, said quite correctly on October 27 that it was improper for "the executive branch to be investigating itself."

And our former colleague from Montana, who served with such great distinction as majority leader during those troubled days, made his own succinct judgment of the Nixon administration conducting its own investigation. Said Mike Mansfield, "No soap."

Mr. President, the days of Watergate were painful days for me, as they were for my political party and for the country. I found myself, as vice chairman of the Senate Watergate Committee, suffering the slings and arrows of Presidential loyalists who did not wish to believe that their President could be in any way associated with the crimes of Watergate.

It was my unpleasant duty to uncover evidence that left me profoundly disappointed in the man who had been my friend and a great political leader in this country for more than a quarter century.

Having gone through all that, Mr. President, I simply will not stand for any less exact standard of justice, nor any less thorough and independent investigation of a Democratic administration, and neither will the American people.

Five years, Mr. President, 5 years since we were faced with the last dilemma of this sort, and some would say, "How soon we forget."

Mr. President, the distinguished Senator from Connecticut and I served day after long, tedious, dreary, dreadful day on the Watergate Committee as Republicans watching the destruction of an administration that we had helped elect. We watched its disintegration before our very eyes as a result of the most remarkable, unlikely, and devastating political embarrassment in the history of the Republic.

Mr. President, I am proud beyond description of the diligence and the dedication of Republicans as they pursued relentlessly the facts and the circumstances of Watergate to their inevitable ending. I am proud that they never shirked from that responsibility.

I have no apology to make, nor do I believe any Republican in this country should have any apology to make, for the diligence of the inquiry and the investigation that was conducted in a Republican administration.

But, how soon we forget.

How obvious and startling the parallelism between this situation today and that situation 5 or 6 years ago. How striking the similarities to the situation after the Saturday Night Massacre when the Nixon administration proposed that instead of a Special Prosecutor there should be a special investigative unit within the Justice Department.

The words of Senator STEVENSON, now chairman of the Ethics Committee echo down to the present day. If President Nixon is not guilty, he has nothing to fear from an independent Special Prosecutor.

Mr. President, if President Carter has nothing to fear, he should under his constitutional authority as chief magistrate of this country instruct the Attorney General, as the chief law enforcement officer of this country, to appoint a Special Prosecutor notwithstanding any technicality or any narrow provision of statute.

As he made his inaugural address on the east front steps of this building, the President promised to bring to the Government the goodness that characterizes the people of the United States.

If the President has nothing to hide, let him redeem that promise now.

This is not the last word I will say on this subject. I did not suffer the humiliation and the embarrassment of Watergate to see the establishment of a double standard in the treatment of allegations of political misconduct. I will stand in this place again and call on the President to do what Republicans did, to call on my colleagues on the Democratic side of the aisle to face their challenge as diligently as Republicans faced theirs, to let the chips fall where they may.

What is there to hide, Mr. President?

A cloak of technicalities about the difference and distinction between a Special Prosecutor and a Special Counsel, Mr. President, does not appeal to me. I think that challenge is so grave and the implications so great that the President of the United States owes us a duty to help remove these clouds of doubt and suspicion.

I pray to God and I represent to this body that I hope we are not subjected to another period of political humiliation and embarrassment. But I will not tolerate a double standard in this country in the investigation of political allegations and charges.

If my friends in this Chamber on the Democratic side of the aisle will not hold their own party's administration to the same standard of investigative diligence that we on the Republican side did 5 or 6 years ago, then it is up to the Senate as an institution to do that.

God forbid that there is anything wrong, but it is unbecoming the President who ran on a platform of morality in government, of restoring the goodness of our government, who remarked in a "Meet the Press" appearance on January 11, 1976, that we ought to remove the Attorney General from the Cabinet and put him above politics, now to say to his Attorney General that because of a technicality in the law, friends, we are not going to have a special independent prosecutor. It is unbecoming, and it is insufficient, to say we are going to have somebody who is going to be under the direct supervision, not of the Attorney General or the President, but the Assistant Attorney General.

He has no authority to grant immunity. He has no independence. He has no tenure. He has no charter.

What is there to hide, Mr. President?

Mr. President, the United States is a great nation. It has, I believe, a great future. But it will have no future if it does not reiterate its belief in itself and the goodness of its citizens and its structure of government.

We cannot suffer two political firestorms in a row—the one, the disintegration and dismantling of an administration and the resignation of a President; the other, the coverup of similar allegations.

Mr. President, I call on the President of the United States to take matters in his own hands and say, "We will have no more of technicalities. We will have evenhanded justice. We will treat it the same for everyone. We will not tolerate a double standard." I call upon the President to appoint a Special Prosecutor, and the sooner the better.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BAKER. Mr. President, I now yield to the distinguished Senator from Connecticut.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I thank the distinguished Senator from Tennessee.

Mr. President, Watergate challenged the very underpinnings of American politics and the American political condition. The issue of Watergate was not Richard Nixon but our political institutions, our Constitution, and our ideals.

This Nation, some 5 years later, is still plagued by a perception of unequal justice. That stigma will continue so long as the Nation's chief law enforcement officer is chosen from among a President's pals or politicos, and as long as the powerful are treated in a manner different from any other citizen when suspect of breaking the law.

How much longer must the American people be affronted with the double standard of brothers, campaign managers, law partners, and old friends sprinting the inside track to the Justice Department?

The Attorney General, above any other appointed official, must be an individual who not only is impervious to the political and personal demands of a President, but also appears impervious as well. Unfortunately, more often than not, blindfolded justice, the statue of blindfolded justice, has not been holding scales, but rather the President's hands.

What we have today is an unlearned lesson from Watergate. What we see today is the result of ignoring my post-Watergate call for making the office of the Attorney General of the United States an elective office. That recommendation was made after our hearings, and I withdrew it in deference to the provisions worked out in the Ethics in Government Act. I withdrew it only when I thought we had some sort of foolproof system by which to install a Special Prosecutor in such instances as the Watergate affair and in such instances as we are confronted with today.

The situation only reaffirms my own personal belief that more often than not, integrity is hardly served by compromises on the Senate floor. I am now totally convinced that the only way we are going to get the nonpolitical, unpolitical justice we all seek is to make that office elective, to make it a constitutional office and remove it from the influence of every President of the United States, and have the Attorney General accountable, as to his stewardship of justice in this country, solely to the American people. Is there any other solution, or have we dismissed the history of Watergate or relegated it to the trivia trash pile?

If it is trivia questions you want, try this: How many Attorneys General or Assistant Attorneys General either bowed to White House pressure or were forced to resign when they stood their ground during Watergate?

How many? Well, there were three Attorneys General and three Assistant Attorneys General. And for almost a decade, with the exception of Edward Levi, a brilliant lawyer, educator, and free spirit, the Justice Department, at its policymaking level, has been peopled with political cronies.

And now we come to Griffin Bell and his belated appointment of a "special counsel" who will not have all the powers and protections of a special prosecutor. I take no fault with Paul Curran. I find fault instead with Mr. Bell, the political crony of President Carter, who has danced and dodged around the Bert Lance case.

If Griffin Bell and Bert Lance were not intimates of Mr. Carter do you honestly believe that the banking manipulations of Lance and the ties between his bank and the Carter family enterprises would not have been fully and thoroughly probed at a much earlier date?

How quickly the President's mouthpieces noted that neither Mr. Carter nor anyone representing him has talked to or advised Bell on his appointment of an impotent special counsel. Come now. A prosecutor without the authority to grant immunity, unless he begs for it from the head of the criminal division?

A prosecutor whose "boss" says he would overrule Mr. Curran only if the Special Counsel's recommendation were "so grossly inconsistent with well-established prosecutorial standards as to render the decision unconscionable."

Would it be "unconscionable" to ask for a grant of immunity for Billy Carter? For Gerald Rafshoon? Or even Bert Lance?

Would it be "unconscionable" to seek indictments if today's allegations uncover a coverup as raw as Watergate?

Or is the reluctance to appoint a fully armed Special Prosecutor based on the fact that the cases of Watergate were built on a foundation of immunity?

The born-again, "Mr. Clean" image of this administration is tarnished—so tarnished—by unresolved allegations of impropriety, financial manipulation, illegal campaign funds, politically motivated delays on investigations, inaction on grand jury testimony. And like Watergate, the tactic has been to delay, delay, delay; deny, deny, deny. Still, the reek of corruption, in the administration of a President who promised the American people "We will not lie, cheat, or steal, nor tolerate among us those who do" will not fade away.

Yet all we get is rhetoric about appointing a shackled Special Counsel in order to reassure the American public this long-overdue Federal inquiry will be carried out "fairly and impartially without even the possibility of deference to high office."

In reality, what we are asked to swallow is an appointee who cannot make final decisions on who should be indicted, who should be prosecuted, or who should get immunity.

I will not bore you at this time with a litany of forgotten phrases by the man who promised not to lie, cheat, or steal, but I would like to submit some of them for the record.

Try this for starters: On December 12, 1974, Jimmy Carter announced his candidacy for the 1976 Democratic Party nomination for President. In a National Press Club speech, he declared:

> . . . Our U.S. Attorney General has replaced the Postmaster General as the chief political appointee; and we have recently witnessed the prostitution of this most important law enforcement office. Special prosecutors had to be appointed simply to insure enforcement of the law. The Attorney General should be removed from politics.

Who did he appoint as his Attorney General?—an old political friend.

Throughout his campaign, Mr. Carter repeatedly called for a nonpolitical Attorney General, passage of an all-inclusive sunshine law, the breakup of "sweetheart" arrangements between regulatory agencies and regulated industries, and demanded that "all requests for special Government consideration by private or corporate interests should be made public, and decisions should be made only on the basis of merit."

But the record is one of insider deals that made banking easier between friends. This was part of the pattern of financial improprieties that brought Bert Lance down as White House Budget Director in September 1977. And Lance's problems could only be the tip of the iceberg.

Yes, insider deals. Remember those ringing phrases coming out of Madison Square Garden on July 15, 1976? That was the night Carter told delegates to the Democratic National Convention, and millions of Americans watching on TV, that American works best free of the bonds of political patronage:

> All of us must be careful not to cheat each other. Too often, unholy, self-perpetuating alliances have been formed between money and politics, and the average citizen has been held at arm's length.
>
> Each time our nation has made a serious mistake the American people have been excluded from the process. The tragedy of Vietnam and Cambodia, the disgrace of Watergate, and the embarrassment of the CIA revelations could have been avoided if our government had simply reflected the sound judgment and good common sense and the high moral character of the American people.

(Mr. MORGAN assumed the chair as Presiding Officer.)

Mr. WEICKER. I have to ask, is there a better argument on the need for a nonpolitical Attorney General or an independent special prosecutor? Obviously, Mr. Carter did not retain what his speechwriters wrote for him.

There are those who are going to say the Senator from Connecticut is speaking in an excessively political way. Mr. President, the Senator from Connecticut is speaking today exactly as he spoke 5 years ago. The matters which we are discussing here go to the essence of the perception of justice in this country. And there is no way that that perception is going to reach a level commensurate with the high ideals expressed in our Constitution, a document dear to every one of us, unless those at the highest levels of Government perform in a way against their own self-interests but in the interests of the Nation as a whole.

I find it appalling that we have forgotten so soon what it was that brought us the agonies of a few years ago. I find it especially appalling that the amnesia sits at the highest level of Government.

Mr. President, I suggest, and indeed later today will introduce a resolution in the Senate to provide, that in the absence of a Special Prosecutor, the Senate establish a select committee, with full subpena and immunity powers, to offset this administration's justice by public relations.

Watergate was conceived in an ignorant apathy of the electorate and was executed in semiconscious apathy.

But today, in the year 1979, the greatest danger of Watergate is that it will be forgotten in an apathy of total knowledge. Of total knowledge.

There was a time when we could have excused our shortcomings as a matter of ignorance. But what goes on under our noses today, if not acted upon, then, de facto, becomes the law of this Nation, because we cannot plead ignorance. Inaction by this body will only mean that congressional leadership has officially joined the Nixon and Carter administrations on the dark side of the governmental manhole.

Mr. PERCY. Mr. President, I first wish to commend the minority leader for the position he has taken on this, and also the majority leader, Senator ROBERT C. BYRD, for the speech that he gave on this very subject yesterday on the floor of the Senate.

When Congress enacted the Ethics in Government Act of 1978, it recognized that inherent institutional conflicts of interest can, in some situations, compromise the ability of the Department of Justice to vigorously and objectively investigate charges against high officials of the Government. To remedy this problem, Congress created a mechanism for the appointment of temporary special prosecutors who would operate independently of the Department of Justice and make their own investigative and prosecutorial decisions secure in the knowledge that they could be removed from office only for serious cause. While this proposal was prompted in large part by the Watergate experience, the Senate Committee on Governmental Affairs studied cases dating back almost a quarter of a century in determining the need for independence in reviewing highly sensitive allegations. The issue was not the integrity of individual officials or Attorneys General, but the fact that investigations of top Government officials cannot fairly be carried out under the supervision of those under investigation or their close associates. The issue, very simply, was conflict of interest.

While none of us is in a position to state any opinion on the allegations raised so far in the investigation of the Carter family peanut warehouse, it is clear that serious questions have been raised. We must make absolutely certain that our system of justice remains free from any double standard stemming from close ties between potential defendants and high Government officials. I am confident that Attorney General Bell and President Carter will heartily agree with this principle which goes to the heart of the credibility of our system of justice.

It is, therefore, disappointing now that Congress has established standards for independent review in such situations, that Mr. Bell has chosen to bypass those standards and appoint an investigative officer with far less independence than experience has shown us to be proper and necessary.

While Mr. Curran, the special counsel selected to head this investigation, is known to be a competent individual of high integrity, it is troublesome that he could be fired by the Attorney General without cause and with no legal recourse, that his ultimate prosecutorial decisions will be subject to veto by Justice Department officials, and that his mandate can be limited or revoked at any time. Certainly, these factors do little to instill public confidence in the independence of this investigation.

I urge the Attorney General, in light of the many concerns that have been voiced, to reconsider his decision. Rather than limiting Mr. Curran's authority to conduct this most sensitive investigation, he should develop a charter commensurate with standards adopted by Congress, and signed into law by President Carter last year.

Mr. President, the distinguished Senator from Connecticut served on the Governmental Affairs Committee and was very active throughout the course of the debate and throughout the course of the lengthy hearings that we held. He was the prime factor in helping to shape this legislation.

I do not think that any of us who know Mr. Curran are really fearful that in this case there could be any possibility that his recommendation could not carry forward.

But when the Congress of the United States establishes a principle, that principle ought to be carried out. Just because of a technicality added late in the legislation, it would not apply that 1978 law to this particular situation. But the principle is so inherent, no wonder the majority leader of the Senate, the minority leader of the Senate, the entire minority of the Judiciary Committee, and every single Republican say this is the time, if we are to have the confidence of the public in this investigation and to implement the will of the Congress, that we need the appointment of a Special Prosecutor.

I very much hope the President will see fit to—although the President, as I understand it, was not directly involved in the Attorney General's decision—I hope Attorney General Bell will realize now that it would save a lot of time and effort and be far better to employ the procedure that is in law which, though through a technicality does not necessarily apply to this particular situation but which would satisfy the public, and certainly satisfy the Congress much better than it would otherwise.

Mr. WALLOP. Mr. President, the Justice Department has finally come to the inescapable conclusion that the Bert Lance and Carter warehouse inquiries involve a "combination of extraordinary and special circumstances." It is a judgment long overdue.

But Attorney General Bell's appointment of a "Special Counsel" rather than a "Special Prosecutor" to investigate spinoffs of the Lance grand jury investigation which touch upon the Carter warehouse and loan transactions by the National Bank of Georgia is both disappointing and troubling to me because it ignores the lessons of recent history. One need not go back more than a few years to recall the public uproar and instantaneous, sweeping loss of confidence in the President and all notions of equal justice which ensued when then

President Nixon fired Archibald Cox, sparking the infamous "Saturday night massacre." Mr. Cox had been represented to the American people as an independent, impartial investigator whose charge was to carry out the investigation arising out of the Watergate break-in, which eventually touched upon the President himself. Yet, this independence proved to be mere sham when his offices were terminated at the President's request.

We must avoid a replay of this bleak chapter in our history. I am afraid, however, that Attorney General Bell's decision to appoint a Special Counsel instead of a completely independent prosecutor to look into the Carter warehouse and related cases may lead us into a similar confrontation which we can ill afford as a nation.

The Attorney General's choice for the newly created Special Counsel's position, Paul Curran, is not at issue here. As a former U.S. attorney for the southern district of New York, he developed a reputation for honesty and integrity and is known for his successful prosecution record in difficult cases. The limitations strapped upon this office, however, are objectionable. As Special Counsel, Mr. Curran must have the approval of Assistant Attorney General Philip Heymann before he can take any final prosecutorial actions. This is unacceptable. It does not insure the public that an investigation will be fully independent, impartial, and outside the influence of those closest to the inquiry.

Mr. Curran's authority is more closely analogous to that of an assistant U.S. attorney than that of an independent Special Prosecutor who could be appointed by the Attorney General under his existing statutory authority or under the new Ethics in Government Act of 1978.

If Mr. Curran had been appointed under that act, he would have full power and independent authority to exercise all investigative and prosecutorial functions and powers of the Department of Justice, the Attorney General, and any other officer or employee of the Department of Justice. Among his enumerated powers, he would be able to initiate and conduct prosecutions in any court of competent jurisdiction, frame and sign indictments, file informations and handle all aspects of any case in the name of the United States. Furthermore, and significantly under that act, once a Special Prosecutor has been designated, the Department of Justice, the Attorney General, and all other officers and employees of the Department would be required to suspend all investigations and proceedings regarding the matter, except to the extent that the Special Prosecutor requested their continued assistance.

As it is, as "Special Counsel," Mr. Curran's prosecutive decisions are subject to review and may be overruled by Assistant Attorney General of the Criminal Division, Mr. Philip Heymann. Under this scheme of things, Mr. Curran clearly is not operating outside of the influence of the Department of Justice, which will inevitably breed a sense of mistrust for his investigation.

Mr. President, the Attorney General has argued that the Ethics in Government Act is inapplicable to the Carter warehouse inquiry and the questionable loan transactions, because of the sections of the bill which exempt certain ongoing cases from the purview of the statute. However, upon careful review of the legislation, I find nothing which prohibits the Attorney General from requesting the appointment of a Special Prosecutor in the cases at hand.

In fact, the legislative history behind this new public law would support the appointment of a special prosecutor in any spinoff investigations from the Lance inquiry. After the Senate passed S. 555, the Public Officials Integrity Act, the Judiciary Committee added the special prosecutor section to the Department of Justice authorization bill. This was done in the context of a discussion of the need for a special prosecutor in the Lance case and related investigations. The special prosecutor provision remained in the bill as passed by the Senate and was dropped in conference only after assurances were given that the House was going to act the same day on the companion measure to S. 555.

Attorney General Bell should surely find strong basis in this legislative history for a decision to request the appointment of a special prosecutor under the new act to fully and fairly investigate the Carter warehouse case and related matters.

Such action would comport with the President's own testimony in support of the special prosecutor legislation:

> This approach will eliminate all appearance of high-level interference in sensitive investigations and prosecutions. The American people must be assured that no one, regardless of position is above the law.

If the Attorney General does not see fit to appoint a special prosecutor under the act, at a minimum he should import the full panoply of powers contained in the new law into the charter enumerating Mr. Curran's authorities.

Unless and until Mr. Curran (or another Special Prosecutor) is given the breadth of powers delineated in the new act, neither justice, nor the appearance of justice will be fully served.

Mr. STEVENS. Mr. President, I wish to read portions of an address that the former Governor of Georgia, Jimmy Carter, gave before an American Bar Association gathering on August 11, 1976, and until I indicate otherwise, this is a complete quote from the address of former Governor Carter, now President Carter.

Starting that quote:

> We will not lie, cheat, or steal, nor tolerate among us those who do.
>
> These words comprise the ancient code of honor which was adopted and still is used by the Air Force and military academies, and which has recently been questioned as being too strict and rigid for the future leaders of our Nation's Armed Forces.
>
> Is this too strict a code for cadets? I think not. Is this too strict a code for senior military officers who defend our country? I think not. Is this too strict a code for any public official who serves our Nation? I think not.
>
> All too often in recent years, laxity and the abandonment of rigid high standards among our leaders has caused our Nation to suffer and to grieve. It has been the law, and our national commitment to the law, that has kept the fabric of our society from being ripped apart. Even with a total commitment to the law we are not perfect, but we have a framework within which we can work toward a more just and perfect society.
>
> During this post-Watergate Era, our Nation has been struggling anew with the question of how to establish and maintain standards of morality and justice. So far we have failed.
>
> Unfortunately, there has been little progress toward enacting reforms that we needed to get our Government's house in order. There has been strong political opposition to legislation designed to secure more openness, accountability and increased integrity in Government. . . .
>
> Our Nation has seen crimes discovered, publicized, and then condoned. This almost inevitably produces a subtle lowering of standards, and a pervasive acceptance in Government of the right to break the law.
>
> Almost 50 years ago Justice Brandeis wrote in a legal dissent: "Our Government is the potent, the omnipotent teacher. For good or for ill it teaches the whole people by its example. Crime is contagious. If the Government becomes a lawbreaker, it breeds contempt for the law; it invites every man to become a law unto himself; it invites anarchy." . . .
>
> Recently, the U.S. Senate overwhelmingly passed a bill establishing a permanent Special Prosecutor, to be appointed by the President. If a Special Prosecutor is needed, we should strengthen the Senate bill and let the courts and not the President make the appointment. My own preference is that the Special Prosecutor be appointed only as needed, and not compromise another permanent Government agency.

Mr. President, that ends the quote, but let me repeat the last quote:

> Recently, the U.S. Senate overwhelmingly passed a bill establishing a permanent Special Prosecutor, to be appointed by the President. If a Special Prosecutor is needed, we should strengthen the Senate bill and let the courts and not the President make the appointment. My own preference is that the Special Prosecutor be appointed only as needed, and not compromise another permanent Government Agency.

That ends President Carter's quote.

Mr. President, Congress just last year passed the Ethics in Government Act of 1978. A major portion of that law contains provisions for the appointment of a Special Prosecutor to investigate wrongdoing that could well touch the White House. Within that law there was contained a narrow provision that would exempt certain ongoing investigations from the purview of a Special Prosecutor. The intent of the provision was to accommodate a brief transitional period where a prosecution was pending against that individual.

We have Members in the Chamber now who are members of that committee and know well what the scope of that narrow provision was. It was narrow.

The President does not have a prosecution pending against him now. In fact, neither does his brother. Our concern is whether or not there has been any illegal activities that touch upon the President or his former business or the relationship of his family and the family business to the National Bank of Georgia. The Justice Department's opinion that the Special Prosecutor provisions were inapplicable because of the ongoing prosecution exemption is clearly erroneous. Mr. President, as the former Governor of Georgia referred in his aforementioned speech for the need to insure independence of a Special Prosecutor when one is appointed, I ask now why he has not followed through on his promise. Why did he not overrule the Justice Department and get in motion the procedures to establish a truly independent prosecutor.

For a President who campaigned on a platform of openness and honesty, I clearly see some flagrant contradictions in this action.

Mr. DOLE. I thank my distinguished colleagues for yielding. I will only take a couple of minutes. I think there might be a tendency for some to feel we are being partisan. It is hard for me to understand that because Republicans learned the hard way about the need for independence in a Special Prosecutor. So if they, as the distinguished Senator from Connecticut has just done, review the history they would understand that we do have a great deal of interest in what happens, not from the standpoint of sheer partisanship, but if we learned anything from Watergate it was that it was not handled properly. All during the time it was being mishandled the Nixon administration was going deeper and deeper into quicksand.

As I review the lessons of Watergate, and I assume there are many, depending upon one's point of view, it seems to me that it would be in the President's interest to make certain that there is no doubt about his independence, and no restraints on Mr. Curran.

I believe the first step taken by the administration may have been in the wrong direction. It may have been a step backwards.

I share the views previously expressed by others on this floor including the view expressed of the distinguished majority leader.

Having been active in the 1976 campaign, and having felt the hot breath of the then Special Prosecutor in the height of that campaign, a man by the name of Charles Ruff, and having witnessed the investigation of President Ford by the Special Prosecutor, after everyone felt that President Ford had been more than adequately investigated when he assumed the Vice-Presidency, and having seen the investigations come as they did, particularly with reference to President Ford, in the last weeks of the campaign, there is no doubt there should be the same standard applied when the Democrats are in control as were applied when the Republicans occupied the White House and the investigation was carried on by Mr. Ruff, a Democrat.

That investigation was started without even a verified complaint. Someone literally walked in off the street and accused the President of the United States. This was followed by a full-scale investigation that continued for weeks. They went far back into President Ford's records when he ran for the Congress of the United States.

In the hearing on Ford's nomination for Vice President he was subjected to total and unceasing scrutiny, as he should have been, and he was found by critics and admirers alike to be a model of personal and political integrity.

But after all that, in the midst of a campaign which was seesawing back and forth, it was determined there should be another investigation.

I do not fault or suggest in any way that it was caused by anyone in the present administration. I have never been able to fully determine who initiated it.

I remember throughout the campaign the many Watergate references made by my good friend and now Vice President Mondale and by then candidate Carter. It was President Carter himself who in his platform proposal submitted on June 16, 1976 said:

> The Attorney General of this Nation must be removed from politics——

The very thing being suggested by the distinguished Senator from Connecticut.

> and given full prerogatives, independence, and authority of his or her own office, plus those allotted temporarily to the special prosecutor during the Watergate scandals.

It is difficult for this Republican to suggest that now that the Democrats may be in a box we should put the pressure on, but I had the distinct feeling in 1976, and before, and now that the American people want us to be forthright. They were promised in 1976, "If you vote for the Carter-Mondale ticket, there will be an open administration. No secrets, no coverups, no delays," though it has now been 18 months since this investigation started.

I say on behalf of the American people, Democrats, Republicans, and Independents, that one way to put this issue at rest is to make certain that person charged with investigating is totally independent.

Mr. Cox had a budget of about $3 million and a staff of about 90. I do not know where the Special Counsel, Mr. Curran, will find a staff or find the resources he needs.

I do not cast any aspersions on anyone in the Justice Department or on the Attorney General himself. I just suggest, as one Republican, that the best way to avoid possible cynicism or possible criticism, or other questions, is to make certain, beyond any shadow of a doubt, that they are complying with present law. I would respectfully request that that be done. It is not too late. The man named as Special Counsel, Mr. Curran, as I understand, and I have talked to friends in New York, is outstanding.

Mr. JAVITS. Will the Senator yield at that point?

Mr. DOLE. Yes.

Mr. JAVITS. I stand for that reason. I have heard all speakers, Senator BAKER, Senator WEICKER, and now Senator DOLE.

What the Senator says is likely to get lost in the crush. I am one of the drafters of this bill, and I pledge myself, as my colleagues do, to see that it is honestly observed. I know Paul Curran. I think that in our views, which are quite proper, we should not fail to make it clear that this is no reflection on him. He is a Republican and a very highly and honorably regarded man in New York. He had a remarkable record as U.S. attorney. I am sure that he would not have taken this job unless he felt he could sincerely and honestly carry on his duties.

That does not in any way transgress anything any of us have said. That is understandable when one deals in the pattern in which one is cast. But I hope it will be made clear to our people that the man's reputation, his integrity, his sincerity, and his determination to do an honorable, straight, decent, independent job, as we all wish, are not called into question here.

I would like to personally say that I would vouch for Paul Curran in every professional and ethical respect. So long as those things are kept clear, I think in all fairness, and I know we wish to be fair, however we feel about the organization panel, I believe that should be expressed. I hope very much all of us would agree.

Mr. DOLE. Mr. President, I share the view expressed by the distinguished Senator from New York. He is the right man but operating under the wrong structure. If that can be improved, the President will be well served and so will the American people.

I thank my distinguished colleagues for yielding.

Mr. BAKER. Mr. President, I yield now to the distinguished Senator from South Carolina.

THE APPOINTMENT OF A SPECIAL PROSECUTOR

Mr. THURMOND. Mr. President, on Tuesday, March 20, during a meeting of the Republican Conference, I offered a motion requesting the Attorney General of the United States to apply for the appointment of a Special Prosecutor in the National Bank of Georgia/Carter family warehouse case.

The conference adopted that motion unanimously. Subsequently, my Republican colleagues on the Senate Judiciary Committee and I, pursuant to the Ethics in Government Act of 1978, wrote a letter to the Attorney General asking that he make application for the appointment of a Special Prosecutor.

Mr. President, the action taken by me and my fellow Republican members of the Judiciary Committee was not done hastily, or without regard to the implications. On March 8, 1979, my Republican colleagues on the committee and I met with Judge Bell, Deputy Attorney General Civiletti, and Assistant Attorney General Heymann to discuss the status of the ongoing investigation in Georgia and the steps being taken by the Department to insure a full and fair investigation of this matter.

At that meeting, Judge Bell outlined several alternatives he was considering for the handling of this case. Among the alternatives was the appointment of a Special Prosecutor under existing law and departmental regulations. Unfortunately, Judge Bell dismissed that alternative and, instead, chose to appoint a so-called Special Counsel.

It was that announcement, Mr. President, that spurred me to offer the motion in the Republican Conference and was also the driving force behind the decision of the Republicans on the Senate Judiciary Committee to request the appointment of a Special Prosecutor under the Ethics in Government Act.

Mr. President, the facts and circumstances surrounding the alleged conduct of members of the Carter family and the National Bank of Georgia are precisely the kind of situations which led to the inclusion of the Special Prosecutor provisions in the Ethics in Government Act in 1978. Judge Bell, himself, in announcing the appointment of the Special Counsel on March 20 said:

> The investigation touches on the conduct of a business in which the President of the United States, the President's brother, and the President's mother, each hold a partnership interest.

That is an explicit admission by the Attorney General that this case involves the President of the United States. Regardless of how distant or how tangential the apparent relationship of the President is to this case, the simple fact remains that he has a direct, financial interest in the Carter family warehouse. Blind trust or not, control or management by others aside, the President has a financial stake in a business that is the subject of a Federal investigation.

Mr. President, the Ethics in Government Act of 1978, which contains the Special Prosecutor provisions, is directed specifically at high Federal officials, including the President of the United States. There is ample authority in other Federal laws for the investigation and prosecution of U.S. citizens. But the lessons of Watergate taught us that these laws are not always followed. Thus, the special provisions for high Federal officials were enacted.

We are asking nothing more, and nothing less, than the treatment given to the investigations of past public officials, including a former President of the United States.

We are simply asking for equal justice for all. Laws in America are not founded on a double standard.

The law cries out to be applied equally in all circumstances, and leaves to the courts whether justice has been applied fairly and equally.

Mr. President, the appointment of a Special Counsel by the Attorney General, instead of a Special Prosecutor, is a clear application of a double standard. The President is involved. The Attorney General has admitted it himself. Yet, a Special Prosecutor, similar to the one appointed in the Watergate case, has not been appointed in this case.

It is not my contention that this investigation, on its merits, will necessarily reach the magnitude, scope, and number of individuals as was true in the Watergate case. The appointment of a Special Prosecutor should not rise or fall on the scope or magnitude of an investigation. It should rest, and the Ethics in Government Act so provides, on who is involved. That is the principal parallel of Watergate—the possible involvement, no matter how distant at the start, of high public officials, including the President.

Mr. President, there are other reasons why the naming of a Special Counsel instead of a Special Prosecutor constitutes a double standard.

The independence of the Special Counsel is based solely on public assurances, which were the same kind of assurances that led to the "Saturday Night Massacre" of October 23, 1973.

The Special Counsel is still under the authority of the Attorney General and the Department of Justice. He has no designated tenure or the powers of a Federal prosecutor. He will have only a limited staff, and a dependence on existing investigatory resources.

This does not mean that I do not have confidence in the career personnel of the Justice Department and the Federal Bureau of Investigation, because I do. I and others in the Congress had faith in these people in 1973, and we still have it today. But that did not stand in the way of the appointment of a Special Prosecutor in 1973 and should not today.

The Special Prosecutor in 1973 had a specific charter setting forth his mandate, his degree of independence, and his powers in pursuing the facts of the Watergate case. Although a charter from the Department has been promised, I shall reserve judgment, since it will probably apply only to a Special Counsel, and not a Special Prosecutor.

Mr. President, it is important that the distinction between a Special Counsel, appointed by the Attorney General, and a Special Prosecutor designated under the Ethics in Government Act of 1978, be made absolutely clear. It is this distinction which goes to the heart of the matter.

First, the Attorney General, if he is agreeable to the appointment of a Special Prosecutor under the Ethics in Government Act, after 90 days, is required to make an application to a division of the court described in title 49 of 28 United States Code. That court, composed of Federal Court of Appeals judges of the Circuit Court of the District of Columbia assigned by the Chief Justice of the United States, then appoints independently a Special Prosecutor. The court makes the appointment, not the Attorney General.

Second, the court will define the Special Prosecutor's prosecutorial jurisdiction. Again, the Attorney General does not make that decision.

Finally, the tenure of the Special Prosecutor is completely under the control of the special court. If his removal is warranted, and so exercised by the court, that removal will be subject to immediate judicial review.

Mr. President, all of these safeguards to the complete independence of the Special Prosecutor are set forth in the 1978 law. No such safeguards are guaranteed by the Attorney General except under a charter that may be written by the Attorney General and made public.

The Attorney General has already taken himself out of this case, but has set in motion the machinery to allow his Deputy and Assistant Attorney General of the criminal division to act in his place. They, too, are part of the Carter administration. Could not any honest person say this is no way to handle this matter? Especially when the provisions and assurances for complete independence are provided by the new Special Prosecutor law. The trust and confidence of the American people is at stake here. We should not permit the application of a double standard in this case. A Special Prosecutor should be appointed under the provisions of the Ethics in Government Act of 1978.

Mr. President, I ask unanimous consent that the following materials be printed at this point in the RECORD:

First. Letter of minority members of Senate Judiciary Committee to Attorney General Bell.

Second. Copy of Special Prosecutor provisions of Ethics in Government Act of 1978.

Third. Copy of charter for Special Prosecutor appointed in 1973.

Fourth. Opinion of District Court Judge Gesell at 366 Fed. Supp. 104 (1972), ruling that the firing of the Special Prosecutor Archibald Cox was illegal.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMMITTEE ON THE JUDICIARY,
Washington, D.C., March 20, 1979.

Hon. GRIFFIN B. BELL,
Attorney General of the United States, U.S. Department of Justice, Washington, D.C.

DEAR MR. ATTORNEY GENERAL: At a meeting of the Republican Conference of the Senate today, a motion was offered by Senator Thurmond and was adopted unanimously, to request the appointment of a special prosecutor to investigate the loans, transactions and other matters between the National Bank of Georgia and the Carter family. This decision is consistent with the thinking of the Republican Members of the Judiciary Committee that we have discussed with you previously.

This action was taken in response to your announcement earlier today of the appointment of a special counsel to oversee the investigation now underway in Georgia. We feel that the appointment of a special counsel is inadequate in this case for the following reasons:

1. There is no element of independence. The special counsel is still subject to the Deputy Attorney General and the Assistant Attorney General of the Criminal Division.

2. There are no tenure provisions. The special counsel may be removed at any time, for any reason.

3. In 1973–74, a charter for the special prosecutor of Watergate was printed in the Federal Register and was later upheld by the courts. No such charter accompanied the appointment of a special counsel here.

4. In 1973–74, special procedures under the U.S. Attorney Manual were suspended with regard to the special prosecutor. It had an independent budget, staff, offices and mandate. No such provisions were made for this special counsel.

The newspaper coverage during the past three months has outlined in detail the various investigations that have been initiated into the Carter warehouse transactions. The Department of Justice, the Federal Election Commission, the Internal Revenue Service, the Comptroller of the Currency, and the Securities and Exchange Commission have all, at one time or the other, conducted investigations into the practices of the National Bank of Georgia and its dealings with the

Carter family. Under the circumstances, it is extremely difficult, if not impossible, to expect the Executive Branch to conduct an investigation of its own Chief Executive to an impartial and just conclusion. This is the precise reason that the special provisions were enacted in the first place.

The Department has argued recently that the special prosecutor provisions of P.L. 95-521 are not applicable to this case because of Section 604. That section is said to limit the appointment of a special prosecutor to such specific information that is received by the Attorney General within one hundred and eighty days of the date of enactment of the Ethics in Government Act of 1978 (P.L. 95-521, October 26, 1978).

We respectfully submit that Section 604 is only a technical limitation that can be waived by you at any time. Moreover, this provision was added to the legislation late in the legislative process at the request of the Justice Department. Therefore, pursuant to the provisions of Section 595(e) of Public Law 95-521, we request that you apply for the appointment of a special prosecutor.

Sincerely,

Strom Thurmond,
Charles McC. Mathias, Jr.,
Paul Laxalt,
Orrin G. Hatch,
Robert Dole,
Thad Cochran,
Alan K. Simpson.

TITLE VI—AMENDMENTS TO TITLE 28, UNITED STATES CODE

SPECIAL PROSECUTOR

Sec. 601. (a) Title 28 of the United States Code is amended by inserting immediately after chapter 37 the following new chapter:

"Chapter 39.—SPECIAL PROSECUTOR

"Sec.
"591. Applicability of provisions of this chapter.
"592. Application for appointment of a special prosecutor.
"593. Duties of the division of the court.
"594. Authority and duties of a special prosecutor.
"595. Reporting and congressional oversight.
"596. Removal of a special prosecutor; termination of office.
"597. Relationship with Department of Justice.
"598. Termination of effect of chapter.

"§ 591. Applicability of provisions of this chapter

"(a) The Attorney General shall conduct an investigation pursuant to the provisions of this chapter whenever the Attorney General receives specific information that any of the persons described in subsection (b) of this section has committed a violation of any Federal criminal law other than a violation constituting a petty offense.

"(b) The persons referred to in subsection (a) of this section are—

"(1) the President and Vice President;

"(2) any individual serving in a position listed in section 5312 of title 5;

"(3) any individual working in the Executive Office of the President and compensated at a rate not less than the annual rate of basic pay for level IV of the Executive Schedule under section 5315 of title 5;

"(4) any individual working in the Department of Justice and compensated at a rate not less than the annual rate of basic pay provided for level III of the Executive Schedule under section 5314 of title 5, any Assistant Attorney General, the Director of Central Intelligence, the Deputy Director of Central Intelligence, and the Commissioner of Internal Revenue;

"(5) any individual who held any office or position described in any of paragraphs (1) through (4) of this subsection during the incumbency of the President or during the period the last preceding President held office, if such preceding President was of the same political party as the incumbent President; and

"(6) any officer of the principal national campaign committee seeking the election of the President.

"§ 592. Application for appointment of a special prosecutor

"(a) The Attorney General, upon receiving specific information that any of the persons described in section 591(b) of this title has engaged in conduct described in section 591 (a) of this title, shall conduct, for a period not to exceed ninety days, such preliminary investigation of the matter as the Attorney General deems appropriate.

"(b)(1) If the Attorney General, upon completion of the preliminary investigation, finds that the matter is so unsubstantiated that no further investigation or prosecution is warranted, the Attorney General shall so notify the division of the court specified in section 593(a) of this title, and the division of the court shall have no power to appoint a special prosecutor.

"(2) Such notification shall be by memorandum containing a summary of the information received and a summary of the results of any preliminary investigation.

"(3) Such memorandum shall not be revealed to any individual outside the division of the court or the Department of Justice without leave of the division of the court.

"(c)(1) If the Attorney General, upon completion of the preliminary investigation, finds that the matter warrants further investigation or prosecution, or if ninety days elapse from the receipt of the information without a determination by the Attorney General that the matter is so unsubstantiated as not to warrant further investigation from the receipt of the information without a determination by the Attorney General that the matter is so unsubstantiated as not to warrant further investigation or prosecution, then the Attorney General shall apply to the division of the court for the appointment of a special prosecutor.

"(2) If—

"(A) after the filing of a memorandum under subsection (b) of this section, the Attorney General receives additional specific information about the matter to which such memorandum related, and

"(B) the Attorney General deems appropriate, that such information warrants further investigation or prosecution, then the Attorney General shall, not later than ninety days after receiving such additional information, apply to the division of the court for the appointment of a special prosecutor.

"(d)(1) Any application under this chapter shall contain sufficient information to assist the division of the court to select a special prosecutor and to define that special prosecutor's prosecutorial jurisdiction.

"(2) No application or any other documents, materials, or memorandums supplied to the division of the court under this chapter shall be revealed to any individual outside the division of the court or the Department of Justice without leave of the division of the court.

"(e) The Attorney General may ask a special prosecutor to accept referral of a matter that relates to a matter within that special prosecutor's prosecutorial jurisdiction.

"(f) The Attorney General's determination under subsection (c) of this section to apply to the division of the court for the appointment of a special prosecutor shall not be reviewable in any court.

"§ 593. Duties of the division of the court

"(a) The division of the court to which this chapter refers is the division established under section 49 of this title.

"(b) Upon receipt of an application under section 592(c) of this title, the division of the court shall appoint an appropriate special prosecutor and shall define that special prosecutor's prosecutorial jurisdiction. A special prosecutor's identity and prosecutorial jurisdiction shall be made public upon request of the Attorney General or upon a determination of the division of the court that disclosure of the identity and prosecutorial jurisdiction of such special prosecutor would be in the best interests of justice. In any event the identity and prosecutorial jurisdiction of such prosecutor shall be made public when any indictment is returned or any criminal information is filed.

"(c) The division of the court, upon request of the Attorney General which may be incorporated in an application under this chapter, may expand the prosecutorial jurisdiction of an existing special prosecutor, and such expansion may be in lieu of the appointment of an additional special prosecutor.

"(d) The division of the court may not appoint as a special prosecutor any person who holds or recently held any office of profit or trust under the United States.

"(e) If a vacancy in office arises by reason of the resignation or death of a special prosecutor, the division of the court may appoint a special prosecutor to complete the work of the special prosecutor whose resignation or death caused the vacancy. If a vacancy in office arises by reason of the removal of a special prosecutor, the division of the court may appoint an acting special prosecutor to serve until any judicial review of such removal is completed. Upon the completion of such judicial review, the division of the court shall take appropriate action.

"§ 594. Authority and duties of a special prosecutor

"(a) Notwithstanding any other provision of law, a special prosecutor appointed under this chapter shall have, with respect to all matters in such special prosecutor's prosecutorial jurisdiction established under this chapter, full power and independent authority to exercise all investigative and prosecutorial functions and powers of the Department of Justice, the Attorney General, and any other officer or employee of the Department of Justice, except that the Attorney General shall exercise direction or control as to those matters that specifically require the Attorney General's personal action under section 2516 of title 18. Such investigative and prosecutorial functions and powers shall include—

"(1) conducting proceedings before grand juries and other investigations;

"(2) participating in court proceedings and engaging in any litigation, including civil and criminal matters, that such special prosecutor deems necessary;

"(3) appealing any decision of a court in any case or proceeding in which such special prosecutor participates in an official capacity;

"(4) reviewing all documentary evidence available from any source;

"(5) determining whether to contest the assertion of any testimonial privilege;

"(6) receiving appropriate national security clearances and, if necessary, contesting in court (including, where appropriate, participating in in camera proceedings) any claim of privilege or attempt to withhold evidence on grounds of national security;

"(7) making applications to any Federal court for a grant of immunity to any witness, consistent with applicable statutory requirements, or for warrants, subpenas, or other court orders, and, for purposes of sections 6003, 6004, and 6005 of title 18, exercising the authority vested in a United States attorney or the Attorney General;

"(8) inspecting, obtaining, or using the original or a copy of any tax return, in accordance with the applicable statutes and regulations, and, for purposes of section 6103 of the Internal Revenue Code of 1954, and the regulations issued thereunder, exercising the powers vested in a United States attorney or the Attorney General; and

"(9) initiating and conducting prosecutions in any courts of competent jurisdiction, framing and signing indictments, filing informations, and handling all aspects of any case in the name of the United States.

"(b) A special prosecutor appointed under this chapter shall receive compensation at a per diem rate equal to the annual rate of basic pay for level IV of the Executive Schedule under section 5315 of title 5.

"(c) For the purposes of carrying out the duties of the office of special prosecutor, a special prosecutor shall have power to appoint, fix the compensation, and assign the duties, of such employees as such special prosecutor deems necessary (including investigators, attorneys, and part-time consultants). The positions of all such employees are exempted from the competitive service. No such employee may be compensated at a rate exceeding the maximum rate provided for GS-18 of the General Schedule under section 5332 of title 5.

"(d) A special prosecutor may request assistance from the Department of Justice, and the Department of Justice shall provide that assistance, which may include access to any records, files, or other materials relevant to matters within such special prosecutor's prosecutorial jurisdiction, and the use of the resources and personnel necessary to perform such special prosecutor's duties.

"(e) A special prosecutor may ask the Attorney General or the division of the court to refer matters related to the special prosecutor's prosecutorial jurisdiction. A special prosecutor may accept referral of a matter by the Attorney General, if the matter relates to a matter within such special prosecutor's prosecutorial jurisdiction as established by the division of the court. If such a referral is accepted, the special prosecutor shall notify the division of the court.

"(f) A special prosecutor shall, to the extent that such special prosecutor deems appropriate, comply with the written policies of the Department of Justice respecting enforcement of the criminal laws.

"§ 595. Reporting and congressional oversight

"(a) A special prosecutor appointed under this chapter may make public from time to time, and shall send to the Congress statements or reports on the activities of such special prosecutor. These statements and reports shall contain such information as such special prosecutor deems appropriate.

"(b)(1) In addition to any reports made under subsection (a) of this section, and before the termination of a special prosecutor's office under section 596(b) of this title, such special prosecutor shall submit to the division of the court a report under this subsection.

"(2) A report under this subsection shall set forth completely a description of the work of the special prosecutor, including the disposition of all cases brought, and the reasons for not prosecuting any matter within the prosecutorial jurisdiction of such special prosecutor which was not prosecuted.

"(3) The division of the court may release to the Congress, the public, or to any appropriate person, such portions of a report made under this subsection as the division deems appropriate. The division of the court shall make such orders as are appropriate to protect the rights of any individual named in such report and to prevent undue interference with any pending prosecution. The division of the court may make any portion of a report under this section available to any individual named in such report for the purposes of receiving within a time limit set by the division of the court any comments or factual information that such individual may submit. Such coments and factual information, in whole or in part, may in the discretion of such division be included as an appendix to such report.

"(c) A special prosecutor shall advise the House of Representatives of any substantial and credible information which such special prosecutor receives that may constitute grounds for an impeachment. Nothing in this chapter or section 49 of this title shall prevent the Congress or either House thereof from obtaining information in the course of an impeachment proceeding.

"(d) The appropriate committees of the Congress shall have oversight jurisdiction with respect to the official conduct of any special prosecutor appointed under this chapter, and such special prosecutor shall have the duty to cooperate with the exercise of such oversight jurisdiction.

"(e) A majority of majority party members or a majority of all nonmajority party members of the Committee on the Judiciary of either House of the Congress may request in writing that the Attorney General apply for the appointment of a special prosecutor. Not later than thirty days after the receipt of such a request, or not later than fifteen days after the completion of a preliminary investigation of the matter with respect to which the request is made, whichever is later, the Attorney General shall provide written notification of any action the Attorney General has taken in response to such request and, if no application has been made to the division of the court, why such application was not made. Such written notification shall be provided to the committee on which the persons making the request serve, and shall not be revealed to any third party, except that the committee may, either on its own initiative or upon the request of the Attorney General, make public such portion or portions of such notification as will not in the committee's judgment prejudice the rights of any individual.

"§ 596. Removal of a special prosecutor; termination of office

"(a)(1) A special prosecutor appointed under this chapter may be removed from office, other than by impeachment and conviction, only by the personal action of the Attorney General and only for extraordinary impropriety, physical disability, mental incapacity, or any other condition that substantially impairs the performance of such special prosecutor's duties.

"(2) If a special prosecutor is removed from office, the Attorney General shall promptly submit to the division of the court and the Committees on the Judiciary of the Senate and the House of Representatives a report specifying the facts found and the ultimate grounds for such removal. The committees shall make available to the public such report, except that each committee may, if necessary to protect the rights of any individual named in the report or to prevent undue interference with any pending prosecution, delete or postpone publishing any or all of the report. The division of the court may release any or all of such report in the same manner as a report released under section 595(b)(3) of this title and under the same limitations as apply to the release of a report under that section.

"(3) A special prosecutor so removed may obtain judicial review of the removal in a civil action commenced before the division of the court and, if such removal was based on error of law or fact, may obtain reinstatement or other appropriate relief. The division of the court shall cause such an action to be in every way expedited.

"(b)(1) An office of special prosecutor shall terminate when (A) the special prosecutor notifies the Attorney General that the investigation of all matters within the prosecutorial jurisdiction of such special prosecutor or accepted by such special prosecutor under section 594(e) of this title, and any resulting prosecutions, have been completed or so substantially completed that it would be appropriate for the Department of Justice to complete such investigations and prosecutions and (B) the special prosecutor files a report in full compliance with section 595(b) of this title.

"(2) The division of the court, either on its own motion or upon suggestion of the Attorney General, may terminate an office of special prosecutor at any time, on the ground that the investigation of all matters within the prosecutorial jurisdiction of the special prosecutor or accepted by such special prosecutor under section 594(e) of this title, and any resulting prosecutions, have been completed or so substantially completed that it would be appropriate for the Department of Justice to complete such investigations and prosecutions. At the time of termination, the special prosecutor shall file the report required by section 595(b) of this title.

"§ 597. Relationship with Department of Justice

"(a) Whenever a matter is in the prosecutorial jurisdiction of a special prosecutor or has been accepted by a special prosecutor under section 594(e) of this title, the Department of Justice, the Attorney General, and all other officers and employees of the Department of Justice shall suspend all investigations and proceedings regarding such matter, except to the extent required by section 594(d) of this title, and except insofar as such special prosecutor agrees in writing that such investigation or proceedings may be continued by the Department of Justice.

"(b) Nothing in this chapter shall prevent the Attorney General or the Solicitor General from making a presentation as amicus curiae to any court as to issues of law raised by any case or proceeding in which a special prosecutor participates in an official capacity or any appeal of such a case or proceeding.

"§ 598. Termination of effect of chapter

"This chapter shall cease to have effect five years after the date of the enactment of this chapter, except that this chapter shall continue in effect with respect to then pending matters before a special prosecutor that in the judgment of such special prosecutor require such continuation until that special prosecutor determines such matters have been completed.".

(b) The tables of chapters for title 28 of the United States Code and for part II of such title 28 are each amended by inserting immediately after the item relating to chapter 37 the following new item:

"38 Special prosecutor.".

(c) There are authorized to be appropriated for each fiscal year such sums as may be necessary, to be held by the Department of Justice as a contingent fund for the use of any special prosecutors appointed under chapter 38 (relating to special prosecutor) of title 28 of the United States Code in the carrying out of functions under such chapter.

ASSIGNMENT OF JUDGES TO DIVISION TO APPOINT SPECIAL PROSECUTORS

SEC. 602. (a) Chapter 3 of title 28 of the United States Code is amended by adding at the end the following:

§ 49. Assignment of judges to division to appoint special prosecutors

"(a) Beginning with the two-year period commencing on the date of the enactment of this section, three judges or justices shall be assigned for each successive two-year period to a division of the United States Court of Appeals for the District of Columbia to be the division of the court for the purpose of appointing special prosecutors.

"(b) Except as provided under subsection (f) of this section, assignment to such division of the court shall not be a bar to other judicial assignments during the term of such division.

"(c) In assigning judges or justices to sit on such division of the court, priority shall be given to senior circuit judges and retired justices.

"(d) The Chief Justice of the United States shall designate and assign three circuit court judges or justices, one of whom shall be a judge of the United States Court of Appeals for the District of Columbia, to such division of the court. Not more than one judge or justice or senior or retired judge or justice may be named to such division from a particular court.

"(e) Any vacancy in such division of the court shall be filled only for the remainder of the two-year period in which such vacancy occurs and in the same manner as initial assignments to such division were made.

"(f) Except as otherwise provided in chapter 39 of this title, no member of such division of the court who participated in a function conferred on the division under chapter 39 of this title involving a special prosecutor shall be eligible to participate in any judicial proceeding concerning a matter which involves such special prosecutor while such special prosecutor is serving in that office or which involves the exercise of such special prosecutor is still serving in that office.".

(b) The table of sections for chapter 3 of title 28 of the United States Code is amended by adding at the end the following item:

"49. Assignment of judges to division to appoint special prosecutors.".

DISQUALIFICATION OF OFFICERS AND EMPLOYEES OF THE DEPARTMENT OF JUSTICE AND ANNUAL REPORT OF ATTORNEY GENERAL

SEC. 603. (a) Chapter 31 of title 28 of the United States Code is amended by adding at the end the following:

"§ 528. Disqualification of officers and employees of the Department of Justice

"The Attorney General shall promulgate rules and regulations which require the disqualification of any officer or employee of the Department of Justice, including a United States attorney or a member of such attorney's staff, from participation in a particular investigation or prosecution if such participation may result in a personal, financial, or political conflict of interest, or the appearance thereof. Such rules and regulations may provide that a willful violation of any provision thereof shall result in removal from office.

"§ 529. Annual report of Attorney General

"Beginning on June 1, 1979, and at the beginning of each regular session of Congress thereafter, the Attorney General shall report to Congress on the activities and operations of the Public Integrity Section or any other unit of the Department of Justice designated to supervise the investigation and prosecution of—

"(1) any violation of Federal criminal law by any individual who holds or who at the time of such violation held a position, whether or not elective, as a Federal Government officer, employee, or special employee, if such violation relates directly or indirectly to such individual's Federal Government position, employment, or compensation;

"(2) any violation of any Federal criminal law relating to lobbying, conflict of interest, campaigns, and election to public office committed by any person, except insofar as such violation relates to a matter involving discrimination or intimidation on grounds of race, color, religion, or national origin;

"(3) any violation of Federal criminal law by any individual who holds or who at the time of such violation held a position, whether or not elective, as a State or local government officer or employee, if such violation relates directly or indirectly to such individual's State or local government position, employment, or compensation; and

"(4) such other matters as the Attorney General may deem appropriate.

Such report shall include the number, type, and disposition of all investigations and prosecutions supervised by such Section or such unit, except that such report shall not disclose information which would interfere with any pending investigation or prosecution or which would improperly infringe upon the privacy rights of any individuals.".

(b) The table of sections for chapter 31 of title 28 of the United States Code is amended by adding at the end of the following:

"528. Disqualification of officers and employees of the Department of Justice.

"529. Annual report of Attorney General.".

EFFECTIVE DATE

SEC. 604. Except as provided in this section, the amendments made by this title shall take effect on the date of the enactment of this Act. The provisions of chapter 39 of title 28 of the United States Code, as added by section 601 of this Act, shall not apply to specific information received by the Attorney General pursuant to section 591 of such title 28, if the Attorney General determines that—

(1) such specific information is directly related to a prosecution pending at the time such specific information is received by the Attorney General;

(2) such specific information is related to a matter which has been presented to a grand jury and is received by the Attorney General within one hundred and eighty days of the date of the enactment of this Act; or

(3) such specific information is related to an investigation that is pending at the time such specific information is received by the Attorney General, and such specific information is received by the Attorney General within ninety days of the date of the enactment of this Act.

CREATION OF THE WATERGATE SPECIAL PROSECUTION FORCE

TITLE 28—JUDICIAL ADMINISTRATION

Chapter I—Department of Justice

Part 0—Organization of the Department of Justice

[Order No. 517-73]

Establishing the Office of Watergate Special Prosecution Force

By virtue of the authority vested in me by 28 U.S.C. 509, 510 and 5 U.S.C. 301, there is hereby established in the Department of Justice, the Office of Watergate Special Prosecution Force, to be headed by a Director. Accordingly, Part 0 of Chapter I of Title 28, Code of Federal Regulations, is amended as follows:

1. Section 0.1 of Subpart A, which lists the organizational units of the Department, is amended by adding "Office of Watergate Special Prosecution Force" immediately after "Office of the Pardon Attorney."

2. A new Subpart G-1 is added immediately after Subpart G, to read as follows:

"Subpart G-1—Office of Watergate Special Prosecution Force

§ 0.37 *General Functions*

The Office of Watergate Special Prosecution Force shall be under the direction of a Director who shall be the Special Prosecutor appointed by the Attorney General. The duties and responsibilities of the Special Prosecutor are set forth in the attached appendix which is incorporated and made a part hereof."

(S) ELLIOT RICHARDSON,
Attorney General.

Date: May 31, 1973.

Appendix on Duties and Responsibilities of the Special Prosecutor

The Special Prosecutor. There is appointed by the Attorney General, within the Department of Justice, a Special Prosecutor to whom the Attorney General shall delegate the authorities and provide the staff and other resources described below.

The Special Prosecutor shall have full authority for investigating and prosecuting offenses against the United States arising out of the unauthorized entry into Democratic National Committee Headquarters at the Watergate, all offenses arising out of the Presidential Election for which the Special Prosecutor deems it necessary and appropriate to assume responsibility, allegations involving the President, members of the White House staff, or Presidential appointees and any other matters which he consents to have assigned to him by the Attorney General.

In particular, the Special Prosecutor shall have full authority with respect to the above matters for:

Conducting proceedings before grand juries and any other investigations he deems necessary;

Reviewing all documentary evidence available from any source, as to which he shall have full access;

Determining whether or not to contest the assertion of "Executive Privilege" or any other testimonial privilege;

Determining whether or not application should be made to any Federal court for a grant of immunity to any witness, consistent with applicable statutory requirements, or for warrants, subpoenas, or other court orders;

Deciding whether or not to prosecute any individual, firm, corporation or group of individuals;

Initiating and conducting prosecutions, framing indictments, filing informations, and handling all aspects of any cases within his jurisdiction (whether initiated before or after his assumption of duties), including any appeals;

Coordinating and directing the activities of all Department of Justice personnel, including United States Attorneys;

Dealing with and appearing before Congressional committees having jurisdiction over any aspect of the above matters and determining what documents, information, and assistance shall be provided to such committees.

In exercising this authority, the Special Prosecutor will have the greatest degree of independence that is consistent with the Attorney General's statutory accountability for all matters falling within the jurisdiction of the Department of Justice. The Attorney General will not countermand or interfere with the Special Prosecutor's decisions or actions. The Special Prosecutor will determine whether and to what extent he will inform or consult with the Attorney General about the conduct of his duties and responsibilities. The Special Prosecutor will not be removed from his duties except for extraordinary improprieties on his part.

Staff and Resource Support

1. *Selection of Staff*. The Special Prosecutor shall have full authority to organize, select, and hire his own staff of attorneys, investigators, and supporting personnel, on a full or part-time basis, in such numbers and with such qualifications as he may reasonably require. He may request the Assistant Attorneys General and other officers of the Department of Justice to assign such personnel and to provide such other assistance as he may reasonably require. All personnel in the Department of Justice, including United States Attorneys, shall cooperate to the fullest extent possible with the Special Prosecutor.

2. *Budget*. The Special Prosecutor will be provided with such funds and facilities to carry out his responsibilities as he may reasonably require. He shall have the right to submit budget requests for funds, positions, and other assistance, and such requests shall receive the highest priority.

3. *Designation and Responsibility*. The personnel acting as the staff and assistants of the Special Prosecutor shall be known as the

Watergate Special Prosecution Force and shall be responsible only to the Special Prosecutor.

Continued Responsibilities of Assistant Attorney General, Criminal Division. Except for the specific investigative and prosecutorial duties assigned to the Special Prosecutor, the Assistant Attorney General in charge of the Criminal Division will continue to exercise all of the duties currently assigned to him.

Applicable Departmental Policies. Except as otherwise herein specified or as mutually agreed between the Special Prosecutor and the Attorney General, the Watergate Special Prosecution Force will be subject to the administrative regulations and policies of the Department of Justice.

Public Reports. The Special Prosecutor may from time to time make public such statements or reports as he deems appropriate and shall upon completion of his assignment submit a final report to the appropriate persons or entities of the Congress.

Duration of Assignment. The Special Prosecutor will carry out these responsibilities, with the full support of the Department of Justice, until such time as, in his judgment, he has completed them or until a date mutually agreed upon between the Attorney General and himself.

SPECIAL PROSECUTOR'S DESIGNATION OF ATTORNEYS

TITLE 28—JUDICIAL ADMINISTRATION

Chapter I—Department of Justice

Part 0—Organization of the Department of Justice

Subpart G-1—Office of Watergate Special Prosecution Force

[Order No. 525-73]

Delegation of authority to designate attorneys to conduct legal proceedings

The Office of Watergate Special Prosecution Force was established effective May 25, 1973 (38 F.R. 14688). The purpose of this order is to make clear that the Special Prosecutor has full authority to exercise the Attorney General's authority under 28 U.S.C. 515(a) to designate attorneys to conduct legal proceedings, including grand jury proceedings.

By virtue of the authority vested in me by 28 U.S.C. 509, 510 and 5 U.S.C. 301, Subpart G-1 of Part 0 of Chapter I of Title 28, Code of Federal Regulations, is amended by adding the following new section 0.38 at the end thereof:

"§ 0.38 *Designation of attorneys.* The Special Prosecutor is authorized to designate attorneys to conduct legal proceedings, including grand jury proceedings."

Date: 7/8/73.

(S) ELLIOT RICHARDSON,
Attorney General.

CLARIFICATION OF SPECIAL PROSECUTOR'S AUTHORITY

TITLE 28—JUDICIAL ADMINISTRATION

Chapter I—Department of Justice

Part 0—Organization of the Department of Justice

Subpart G-1—Office of Watergate Special Prosecution Force

[Order No. 531-73]

Clarification of Authority of Special Prosecutor

The purpose of this order is to clarify the Special Prosecutor's authority with respect to matters generally assigned to his responsibility. See Department of Justice Order Nos. 517-73, 518-73, 525-73.

By virtue of the authority vested in me by 28 U.S.C. 509, 510, and 5 U.S.C. 301 Section 0.38 of Subpart G-1 of Part 0 of Chapter I of Title 28, Code of Federal Regulations is amended to read as follows:

§ 0.38 *Specific functions.* The Special Prosecutor is assigned and delegated the following specific functions with respect to matters specified in this Subpart:

(a) Pursuant to 28 U.S.C. 515(a), to conduct any kind of legal proceeding, civil or criminal including grand jury proceedings, which United States attorneys are authorized by law to conduct, and to designate attorneys to conduct such legal proceedings.

(b) To approve or disapprove the production or disclosure of information or files relating to matters within his cognizance in response to a subpoena, order, or other demand of a court or other authority. (See Part 16(B) of this Chapter.)

(c) To apply for and to exercise the authority vested in the Attorney General under 18 U.S.C. 6005 relating to immunity of witnesses in Congressional proceedings.

The listing of these specific functions is for the purpose of illustrating the authority entrusted to the Special Prosecutor and is not intended to limit in any manner his authority to carry out his functions and responsibilities.

Date: 7/31/73.

(S) ELLIOT RICHARDSON,
Attorney General.

ABOLITION OF WSPF IN OCTOBER 1973

TITLE 28—JUDICIAL ADMINISTRATION

Chapter I—Department of Justice

Part 0—Organization of the Department of Justice

[Order No. 546-73]

Abolishment of Office of Watergate Special Prosecution Force

This order abolishes the Office of Watergate Special Prosection Force. The functions of that Office revert to the Criminal Division.

By virtue of the authority vested in me by 28 U.S.C. 509, 510 and 5 U.S.C. 301, the Office of Watergate Special Prosecution Force is abolished. Accordingly, Part 0 of Chapter I of Title 28, Code of Federal Regulations, is amended as follows:

1. Section 0.1 of Subpart A, which lists the organizational units of the Department, is amended by deleting "Office of Watergate Special Prosecution Force."

2. Subpart G-1 is revoked.

Order No. 517-73 of May 31, 1973, Order No. 518-73 of May 31, 1973, Order No. 525-73 of July 8, 1973, and Order No. 531-73 of July 31, 1973, are revoked.

This order is effective as of October 21, 1973.

/S/ ROBERT H. BORK,
Acting Attorney General.

Date: Oct. 23, 1973.

REESTABLISHMENT OF WSPF IN NOVEMBER 1973

TITLE 28—JUDICIAL ADMINISTRATION

Chapter I—Department of Justice

Part 0—Organization of the Department of Justice

[Order No. 551-73]

Establishing the Office of Watergate Special Prosecution Force

By virtue of the authority vested in me by 28 U.S.C. 509, 510 and 5 U.S.C. 301, there is hereby established in the Department of Justice, the Office of Watergate Special Prosecution Force, to be headed by a Director. Accordingly, Part 0 of Chapter I of Title 28, Code of Federal Regulations, is amended as follows:

1. Section 0.1(a) which lists the organization units of the Department, is amended by adding "Office of Watergate Special Prosecution Force" immediately after "Office of Criminal Justice."

2. A new Subpart G-1 is added immediately after Subpart G, to read as follows:

"*Subpart G-1—Office of Watergate Special Prosecution Force*

§ 0.37 *General Functions.*

The Office of Watergate Special Prosecution Force shall be under the direction of a Director who shall be the Special Prosecutor appointed by the Attorney General. The duties and responsibilities of the Special Prosecutor are set forth in the attached appendix which is incorporated and made a part hereof.

§ 0.38 *Specific Functions.*

The Special Prosecutor is assigned and delegated the following specific functions with respect to matters specified in this Subpart:

(a) Pursuant to 28 U.S.C. 515(a), to conduct any kind of legal proceeding, civil or criminal, including grand jury proceedings, which United States attorneys are authorized by law to conduct, and to designate attorneys to conduct such legal proceedings.

(b) To approve or disapprove the production or disclosure of information or files relating to matters within his cognizance in response to a subpoena, order, or other demand of a court or other authority. (See Part 16(B) of this chapter.)

(c) To apply for and to exercise the authority vested in the Attorney General under 18 U.S.C. 6005 relating to immunity of witnesses in Congressional proceedings.

The listing of these specific functions is for the purpose of illustrating the authority entrusted to the Special Prosecutor and is not intended to limit in any manner his authority to carry out his functions and responsibilities."

Date: 2 Nov 1973.

(S) ROBERT H. BORK,
Acting Attorney General.

Appendix on duties and responsibilities of the Special Prosecutor

The Special Prosecutor. There is appointed by the Attorney General, within the Department of Justice, a Special Prosecutor to whom the Attorney General shall delegate the authorities and provide the staff and other resources described below.

The Special Prosecutor shall have full authority for investigating and prosecuting offenses against the United States arising out of the unauthorized entry into Democratic Committee Headquarters at the Watergate, all offenses arising out of the 1972 Presidential Election for which the Special Prosecutor deems it necessary and appropriate to assume responsibility, allegations involving the President, members of the White House staff, or Presidential appointees, and any other matters which he consents to have assigned to him by the Attorney General.

In particular, the Special Prosecutor shall have full authority with respect to the above matters for:

Conducting proceedings before grand juries and any other investigations he deems necessary;

Reviewing all documentary evidence available from any source, as to which he shall have full access;

Determining whether or not to contest the assertion of "Executive Privilege" or any other testimonial privilege;

Determining whether or not application should be made to any Federal court for a grant of immunity to any witness, consistently with applicable statutory requirements, or for warrants, subpoenas, or other court orders;

Deciding whether or not to prosecute any individual, firm, corporation or group of individuals;

Initiating and conducting prosecutions, framing indictments, filing informations, and handling all aspects of any cases within his jurisdiction (whether initiated before or after his assumption of duties), including any appeals;

Coordinating and directing the activities of all Department of Justice personnel, including United States Attorneys;

Dealing with and appearing before Congressional committees having jurisdiction over any aspect of the above matters and determining what documents, information, and assistance shall be provided to such committees.

In exercising this authority, the Special Prosecutor will have the greatest degree of independence that is consistent with the Attorney General's statutory accountability for all matters falling within the jurisdiction of the Department of Justice. The Attorney General will not countermand or interfere with the Special Prosecutor's decisions or actions. The Special Prosecutor will determine whether and to what extent he will inform or consult with the Attorney General about the conduct of his duties and responsibilities. In accordance with assurances given by the President to the Attorney General that the President will not exercise his Constitutional powers to effect the discharge of the Special Prosecutor or to limit the independence that he is hereby given, the Special Prosecutor will not be removed from his duties except for extraordinary improprieties on his part and without the President's first consulting the Majority and the Minority Leaders and Chairmen and ranking Minority Members of the Judiciary Committees of the Senate and House of Representatives and ascertaining that their concensus is in accord with his proposed action.

Staff and Resources Support

1. *Selection of Staff.* The Special Prosecutor shall have full authority to organize, select, and hire his own staff of attorneys, investigators, and supporting personnel, on a full or part-time basis, in such numbers and with such qualifications as he may reasonably require. He may request the Assistant Attorneys General and other officers of the Department of Justice to assign such personnel and to provide such other assistance as he may reasonably require. All personnel in the Department of Justice, including United States Attorneys, shall cooperate to the fullest extent possible with the Special Prosecutor.

2. *Budget.* The Special Prosecutor will be provided with such funds and facilities to carry out his responsibilities as he may reasonably require. He shall have the right to submit budget requests for funds, positions, and other assistance and such requests shall receive the highest priority.

3. *Designation and Responsibility.* The personnel acting as the staff and assistants of the Special Prosecutor shall be known as the Watergate Special Prosecution Force and shall be responsible only to the Special Prosecutor.

Continued Responsibilities of Assistant Attorney General, Criminal Division. Except for the specific investigative and prosecutorial duties assigned to the Special Prosecutor, the Assistant Attorney General in charge of the Criminal Division will continue to exercise all of the duties currently assigned to him.

Applicable Departmental Policies. Except as otherwise herein specified or as mutually agreed between the Special Prosecutor and the Attorney General, the Watergate Special Prosecution Force will be subject to the administrative regulations and policies of the Department of Justice.

Public Reports. The Special Prosecutor may from time to time make public such statements or reports as he deems appropriate and shall upon completion of his assignment submit a final report to the appropriate persons or entities of the Congress.

Duration of Assignments. The Special Prosecutor will carry out these responsibilities, with the full support of the Department of Justice, until such time as, in his judgment, he has completed them or until a date mutually agreed upon between the Attorney General and himself.

CLARIFICATION OF SPECIAL PROSECUTOR'S INDEPENDENCE

TITLE 28—JUDICIAL ADMINISTRATION

Chapter I—Department of Justice

Part 0—Organization of the Department of Justice

Subpart G–1—Office of Watergate Special Prosecution Force

[Order No. 554–73]

Amending the Regulations Establishing the Office of Watergate Special Prosecution Force

By virtue of the authority vested in me by 28 U.S.C. 509, 510 and 5 U.S.C. 301, the last sentence of the fourth paragraph of the Appendix to Subpart G–1 is amended to read as follows:

"In accordance with assurances given by the President to the Attorney General that the President will not exercise his Constitutional powers to effect the discharge of the Special Prosecutor or to limit the independence that he is hereby given, (1) the Special Prosecutor will not be removed from his duties except for extraordinary improprieties on his part and without the President's first consulting the Majority and the Minority Leaders and Chairmen and ranking Minority Members of the Judiciary Committees of the Senate and House of Representatives and ascertaining that their consensus is in accord with his proposed action, and (2) the jurisdiction of the Special Prosecutor will not be limited without the President's first consulting with such Members of Congress and ascertaining that their consensus is in accord with his proposed action."

(S) ROBERT H. BORK,
Acting Attorney General.

Date: Nov. 19, 1973.

CLARIFICATION OF CLARIFICATION

NOVEMBER 21, 1973.

LEON JAWORSKI, Esq.,
Special Prosecutor,
Watergate Special Prosecution Force,
Washington, D.C.

DEAR MR. JAWORSKI: You have informed me that the amendment to your charter of November 19, 1973 has been questioned by some members of the press. This letter is to confirm what I told you in our telephone conversation. The amendment of November 19, 1973 was intended to be, and is, a safeguard of your independence.

The President has given his assurance that he would not exercise his constitutional powers either to discharge the Special Prosecutor or to limit the independence of the Special Prosecutor without first consulting the Majority and Minority leaders and chairmen and ranking members of the Judiciary Committees of the Senate and the House, and ascertaining that their consensus is in accord with his proposed action.

When that assurance was worked into the charter, the draftsman inadvertently used a form of words that might have been construed as applying the President's assurance only to the subject of discharge. This was subsequently pointed out to me by an assistant and I had the amendment of November 19 drafted in order to put beyond question that the assurance given applied to your independence under the charter and not merely to the subject of discharge.

There is, in my judgment, no possibility whatever that the topics of discharge or limitation of independence will ever be of more than hypothetical interest. I write this letter only to repeat what you already know: the recent amendment to your charter was to correct an ambiguous phrasing and thus to make clear that the assurances concerning congressional consultation and consensus apply to all aspects of your independence.

Sincerely,

(S) ROBERT H. BORK,
Acting Attorney General.

[Civ. A. No. 1954–73]

RALPH NADER ET AL., PLAINTIFFS, V. ROBERT H. BORK, ACTING ATTORNEY GENERAL OF THE UNITED STATES, DEFENDANT

(United States District Court, District of Columbia, Nov. 14, 1973)

Action was brought for declaratory judgment and injunction with respect to discharge of Watergate Special Prosecutor. Following hearing, the District Court, Gesell, J., held that all injunctive relief would be denied where discharged Special Prosecutor did not enter the litigation or otherwise seek reinstatement; that members of Congress had standing to seek declaration of illegality of the discharge; that action had not been mooted; that discharge was in violation of Justice Department regulation precluding removal except for "extraordinary improprieties"; and that discharge could not be retroactively validated by subsequent arbitrary and unreasonable revocation of the regulation.

Ordered accordingly.

1. Injunction—22, 114(1):

All injunctive relief to reinstate Watergate Special Prosecutor and to halt investigation until he resumed control would be denied where discharged Special Prosecutor had not entered litigation challenging legality of his ouster or otherwise sought to be reinstated, and where a new Special Prosecutor had been sworn in. Fed. Rules Civ. Proc. rules 19(a), 65(a), 28 U.S.C.A.

2. Declaratory Judgment—300:

Citizen lacked standing to seek declaration of illegality of discharge of Watergate Special Prosecutor.

3. Declaratory Judgment—304:

Members of Congress had standing to seek declaration of illegality of discharge of Watergate Special Prosecutor, where such declaration would bear on the duties of such members with respect to legislation concerning the investigation.

4. Action—6:

Importance of question presented cannot alone save a case from mootness.

5. Declaratory Judgment—203:

Action seeking declaration of illegality of discharge of Watergate Special Prosecutor was not mooted by subsequent developments, including failure of discharged Prosecutor to seek reinstatement and appointment of new Prosecutor, where the congressional plaintiffs had substantial continuing interest in the litigation by reason of pending legislation which might be affected by the outcome and by reason of fact that challenged conduct of defendant could be repeated with regard to new Special Prosecutor.

6. Attorney General—2:

As an appointee of the Attorney General, Watergate Special Prosecutor served subject to congressional rather than presidential control, and Congress had power directly to limit the circumstances under which he could be discharged. 5 U.S.C.A. § 301; 28 U.S.C.A. § § 509, 510.

7. Attorney General—2:

Though, in absence of limitations issued by Congress, Attorney General would have authority to fire at any time and for any reason Special Prosecutor appointed by him, Department of Justice regulation issued by the Attorney General and limiting his own authority with respect to discharge had the force and effect of law, and was binding on him. 5 U.S.C.A. § 301.

8. Attorney General—2:

In light of Justice Department regulation providing that Watergate Special Prosecutor would not be removed except for extraordinary improprieties, discharge on ground Special Prosecutor was insisting on compliance with a court order which was no longer subject to further judicial review was illegal. 5 U.S.C.A. § 301; 28 U.S.C.A. § 508(b).

9. Attorney General—2:

Order revoking Justice Department regulation providing that Watergate Special Prosecutor could not be discharged except for "extraordinary improprieties" was arbitrary and unreasonable and could not retroactively validate the prior discharge of Special Prosecutor for reasons not specified in the regulation.

10. Administrative Law and Procedure—421:

Action of administrative agency in revoking its regulations must be neither arbitrary nor unreasonable.

11. Attorney General—2:

Commitments given to the Senate at the time of Attorney General's confirmation with respect to independence of Watergate Special Prosecutor had no legal effect.

12. Constitutional Law—72:

It would be inappropriate for federal district court to appoint and supervise a special prosecutor.

Alan B. Morrison, W. Thomas Jacks, Raymond T. Bonner, Washington, D.C., for plaintiffs.

Irwin Goldbloom, Ray Battocchi, Dept. of Justice, Washington, D.C., for defendant.

MEMORANDUM

Gesell, District Judge.

This is a declaratory judgment and injunction action arising out of the discharge of Archibald Cox from the office of Watergate Special Prosecutor. Defendant Robert H. Bork was the Acting Attorney General who discharged Mr. Cox. Plaintiffs named in the Amended Complaint are as listed above.

Some issues have already been decided. The matter first came before the Court on plaintiff's motion for preliminary injunction and a request that the trial of the action on the merits be consolidated with the preliminary injunction pursuant to Rule 65(a) of the Federal Rules of Civil Procedure. Defendant filed opposition papers, and a hearing was held on the detailed affidavits and briefs filed by the parties. The Court determined that the case was in proper posture for a determination on the merits at that time.

[1] All injunctive relief requested in the proposed preliminary injunction tendered at the hearing and in the Amended Complaint was denied from the bench. The effect of the injunctions sought would have been to reinstate Mr. Cox as Watergate Special Prosecutor and to halt the Watergate investigation until he had reassumed control. It appeared to the Court that Mr. Cox's participation in this case was required before such relief could be granted. *See* Rule 19(a) of the Federal Rules of Civil Procedure. Yet Mr. Cox has not entered into this litigation, nor has he otherwise sought to be reinstated as Special Prosecutor. On the contrary, his return to prior duties at Harvard has been publicly announced. Moreover, a new Watergate Special Prosecutor was sworn in on November 5, 1973, and the Court felt that the public interest would not be served by placing any restrictions upon his on-going investigation of Watergate-related matters.

Plaintiffs continue to press for a declaratory judgment on the only remaining issue to be resolved: the legality of the discharge of Mr. Cox and of the temporary abolition of the Office of Watergate Special Prosecutor. To this end, it must initially be determined whether plaintiffs have standing and whether a justiciable controversy still exists.

[2, 3] Defendant Bork contends that the congressional plaintiffs lack standing[1] and that the controversy is moot. This position is without merit. The discharge of Mr. Cox precipitated a wide-spread concern, if not lack of confidence, in the administration of justice. Numerous bills are pending in the Senate and House of Representatives which attempt to insulate the Watergate inquiries and prosecutions from Executive interference, and impeachment of the President because of his alleged role in the Watergate matter—including the firing of Mr. Cox—is under active consideration.[2] Given these unusual circumstances, the standing of the three congressional plaintiffs to pursue their effort to obtain a judicial determination as to the legality of the Cox discharge falls squarely within the recent holding of the United States Court of Appeals for the District of Columbia Circuit in Mitchell v. Laird, No. 71–1510 (D.C. Cir. March 20, 1973). Faced with a challenge by a group of congressmen to the legality of the Indo-China War, the Court recognized standing in the following forceful terms:

"If we, for the moment, assume that defendants' actions in continuing the hostilities in Indo-China were or are beyond the authority conferred upon them by the Constitution, a declaration to that effect would bear upon the duties of plaintiffs to consider whether to impeach defendants, and upon plaintiffs' quite distinct and different duties to make appropriations to support the hostilities, such as raising an army or enacting other civil or criminal legislation. In our view, these considerations are sufficient to give plaintiffs a standing to make their complaint." *Id.* at 4.

[4, 5] Unable to distinguish this holding, defendant Bork suggests that the instant case has been mooted by subsequent events and that the Court as a discretionary matter should refuse to rule on the legality of the Cox discharge. This view of the matter is more academic than realistic, and fails to recognize the insistent demand for some degree of certainty with regard to these distressing events which have engendered considerable public distrust of government. There is a pressing need to declare a rule of law that will give guidance for future conduct with regard to the Watergate inquiry.

While it is perfectly true that the importance of the question presented cannot alone save a case from mootness, Marchand v. Director, United States Probation Office, 421 F. 2d 331, 333 (1st Cir. 1970), the congressional plaintiffs before the Court have a substantial and continuing interest in this litigation. It is an undisputed fact that pending legislation may be affected by the outcome of this dispute and that the challenged conduct of the defendant could be repeated with regard to the new Watergate Special Prosecutor if he presses too hard,[3] an event which would undoubtedly prompt further congressional action. This situation not only saves the case from mootness, *see* United States v. Concentrated Phosphate Export Assoc., 393 U.S. 199, 203–204, 89 S. Ct. 361, 21 L. Ed. 2d 344 (1968); Friend v. United States, 128 U.S. App. D.C. 323, 388 F. 2d 579 (1967), but forces decision. The Court has before it an issue that is far from speculative and a strong showing has been made that judicial determination of that issue is required by the public interest. Under these circumstances, it would be an abuse of discretion not to act.

Turning then to the merits, the facts are not in dispute and must be briefly stated to place the legal discussion in the proper context.

The duties and responsibilities of the Office of Watergate Special Prosecutor were set forth in a formal Department of Justice regulation,[4] as authorized by statute.[5] This regulation gave the Watergate Special Prosecutor very broad power to investigate and prosecute offenses arising out of the Watergate break-in, the 1972 Presidential election, and allegations involving the President, members of the White House staff or presidential appointees. Specifically, he was charged with responsibility to conduct court proceedings and to determine whether or not to contest assertions of Executive privilege. He was to remain in office until a date mutually agreed upon between the Attorney General and himself, and it was provided that "The Special Prosecutor will not be removed from his duties except for extraordinary improprieties on his part."

On the same day that this regulation was promulgated, Archibald Cox was designated as Watergate Special Prosecutor.[6] Less than four months later, Mr. Cox was fired by defendant Bork. It is freely admitted that he was not discharged for an extraordinary impropriety.[7] Instead, Mr. Cox was discharged on the order of the President because he was insisting upon White House compliance with a Court Order which was no longer subject to further judicial review. After the Attorney General had resigned rather than fire Mr. Cox on this ground and the Deputy Attorney General had been discharged for refusing to do so, defendant Bork formally dismissed Mr. Cox on October 20, 1973, sending him the following letter:[8]

> DEAR MR. COX: As provided by Title 28, Section 508(b) of the United States Code and Title 28, Section 0.132(a) of the Code of Federal Regulations, I have today assumed the duties of Acting Attorney General. In that capacity I am, as instructed by the President, discharging you, effective at once, from your position as Special Prosecutor, Watergate Special Prosecution Force.
>
> Very truly yours,
>
> ROBERT H. BORK,
> *Acting Attorney General.*

Thereafter, on October 23, Mr. Bork rescinded the underlying Watergate Special Prosecutor regulation, retroactively, effective as of October 21.[9]

The issues presented for declaratory judgment are whether Mr. Cox was lawfully discharged by defendant on October 20, while the regulation was still in existence, and, if not, whether the subsequent cancellation of the regulation lawfully accomplished his discharge. Both suppositions will be considered.

[6, 7] It should first be noted that Mr. Cox was not nominated by the President and did not serve at the President's pleasure. As an appointee of the Attorney General,[10] Mr. Cox served subject to congressional rather than Presidential control. See Myers v. United States, 272 U.S. 52, 47 S.Ct. 21, 71 L.Ed. 160 (1926). The Attorney General derived his authority to hire Mr. Cox and to fix his term of service from various Acts of Congress.[11] Congress therefore had the power directly to limit the circumstances under which Mr. Cox could be discharged, *see* United States v. Perkins, 116 U.S. 483, 6 S.Ct. 449, 29 L.Ed. 700 (1886), and to delegate that power to the Attorney General, *see* Service v. Dulles, 354 U.S. 363, 77 S.Ct. 1152, 1 L.Ed.2d 1403 (1957). Had no such limitations been issued, the Attorney General would have had the authority to fire Mr. Cox at any time and for any reason. However, he chose to limit his own authority in this regard by promulgating the Watergate Special Prosecutor regulation previously described. It is settled beyond dispute that under such circumstances an agency regulation has the force and effect of law, and is binding upon the body that issues it. Accardi v. Shaughnessy, 347 U.S. 260, 74 S.Ct. 499, 98 L.Ed. 681 (1954) ("*Accardi I*"); Bonita v. Wirtz, 125 U.S. App. D.C. 163, 369 F.2d 208 (1966); American Broadcasting Co. v. F.C.C., 85 U.S. App.D.C. 343. 179 F.2d 437 (1949); United States v. Chapman, 179 F.Supp. 447 (E.D.N.Y.1959). As the Ninth Circuit observed in United States v. Short, 240 F.2d 292, 298 (9th Cir. 1956):

"An administrative regulation promul-

Footnotes at end of article.

gated within the authority granted by statute has the force of law and will be given full effect by the courts."

[8] Even more directly on point, the Supreme Court has twice held that an Executive department may not discharge one of its officers in a manner inconsistent with its own regulations concerning such discharge. *See* Vitarelli v. Seaton, 359 U.S. 535, 79 S. Ct. 968, 3 L.Ed.2d. 1012 (1959); Service v. Dulles, *supra*. The firing of Archibald Cox in the absence of a finding of extraordinary impropriety was in clear violation of an existing Justice Department regulation having the force of law and was therefore illegal.

[9] Defendant suggests that, even if Mr. Cox's discharge had been inlawful on October 20, the subsequent abolition of the Office of Watergate Special Prosecutor was legal and effectively discharged Mr. Cox at that time. This contention is also without merit. It is true that an agency has wide discretion in amending or revoking its regulations. United States v. O'Brien, 391 U.S. 367, 380, 88 S.Ct. 1673, 20 L.Ed.2d 672 (1968). However, we are once again confronted with a situation in which the Attorney General voluntarily limited his otherwise broad authority. The instant regulation contains within its own terms a provision that the Watergate Special Prosecutor (as opposed to any particular occupant of that office) will continue to carry out his responsibilities until he consents to the termination of that assignment.[12] This clause can only be read as a bar to the total abolition of the Office of Watergate Special Prosecutor without the Special Prosecutor's consent, and the Court sees no reason why the Attorney General cannot by regulation impose such a limitation upon himself and his successors.

[10] Even if the Court were to hold otherwise, however, it could not conclude that the defendant's Order of October 23 revoking the regulation was legal. An agency's power to revoke its regulations is not unlimited—such action must be neither arbitrary nor unreasonable. Kelly v. United States Dept. of Interior, 339 F.Supp. 1095, 1100 (E.D. Cal. 1972). *Cf.* Grain Elevator, Flour and Feed Mill Workers v. N.L.R.B., 126 U.S. App. D.C. 219, 376 F.2d 774, cert. denied, 389 U.S. 932, 88 S. Ct. 296, 19 L.Ed.2d 285 (1967); Morrison Mill Co. v. Freeman, 124 U.S. App. D.C. 334, 365 F.2d 525 (1966). cert. denied, 385 U.S. 1024, 87 S. Ct. 741, 17 L.Ed.2d 672 (1967). In the instant case, the defendant abolished the Office of Watergate Special Prosecutor on October 23, and reinstated it less than three weeks later under a virtually identical regulation.[13] It is clear that this turnabout was simply a ruse to permit the discharge of Mr. Cox without otherwise affecting the Office of the Special Prosecutor—a result which could not legally have been accomplished while the regulation was in effect under the circumstances presented in this case. Defendant's Order revoking the original regulation was therefore arbitrary and unreasonable, and must be held to have been without force or effect.

These conclusions do not necessarily indicate that defendant's recent actions in appointing a new Watergate Special Prosecutor are themselves illegal, since Mr. Cox's evident decision not to seek reinstatement necessitated the prompt appointment of a successor to carry on the important work in which Mr. Cox had been engaged. But that fact does not cure past illegalities, for nothing in Mr. Cox's behavior as of October 23 amounted to an extraordinary impropriety, constituted consent to the abolition of his office or provided defendant with a reasonable basis for such abolition.

[11] Plaintiffs have emphasized that over and beyond these authorities the Acting Attorney General was prevented from firing Mr. Cox by the explicit and detailed commitments given to the Senate, at the time of Mr. Richardson's confirmation, when the precise terms of the regulation designed to assure Mr. Cox's independence were hammered out. Whatever may be the moral or political implications of the President's decision to disregard those commitments, they do not alter the fact that the commitments had no legal effect. Mr. Cox's position was not made subject to Senate confirmation, nor did Congress legislate to prevent illegal or arbitrary action affecting the independence of the Watergate Special Prosecutor.

[12] The Court recognizes that this case emanates in part from congressional concern as to how best to prevent future Executive interference with the Watergate investigation. Although these are times of stress, they call for caution as well as decisive action. The suggestion that the Judiciary be given responsibility for the appointment and supervision of a new Watergate Special Prosecutor, for example, is most unfortunate. Congress has it within its own power to enact appropriate and legally enforceable protections against any effort to thwart the Watergate inquiry. The Courts must remain neutral. Their duties are not prosecutorial. If Congress feels that laws should be enacted to prevent Executive interference with the Watergate Special Prosecutor, the solution lies in legislation enhancing and protecting that office as it is now established and not by following a course that places incompatible duties upon this particular Court. As Judge Learned Hand warned in United States v. Marzano, 149 F.2d 923, 926 (2 Cir. 1945):

> Prosecution and judgment are two quite separate functions in the administration of justice; they must not merge.

This Memorandum contains the Court's findings of fact and conclusions of law. The rulings made are set out in the attached Final Order and Declaratory Judgment.

FINAL ORDER AND DECLARATORY JUDGMENT

On the basis of findings of fact and conclusions of law set forth in an accompanying Memorandum filed this day, it is hereby.

Ordered and Decreed that:

(1) Plaintiff's motion for leave to file an Amended Complaint and add additional plaintiffs is granted.

(2) Plaintiff's motion for preliminary injunction is denied, and the trial of the action on the merits is advanced and consolidated with the hearing on said motion.

(3) Mr. Ralph Nader is dismissed as plaintiff for lack of standing.

(4) All injunctions prayed for in the Amended Complaint are denied.

(5) The Court declares that Archibald Cox, appointed Watergate Special Prosecutor pursuant to 28 C.F.R. § 0.37 (1973), was illegally discharged from that office.

FOOTNOTES

[1] At the injunction hearing, the Court dismissed Mr. Nader as a plaintiff from the bench, it being abundantly clear that he had no legal right to pursue these claims. Flast v. Cohen, 392 U.S. 83, 102, 88 S.Ct. 1942, 20 L.Ed.2d 947 (1968).

[2] Referring to various bills pending in the Senate, Senator Moss stated, "I am severely hampered in my ability to discharge my duties because of uncertainty which exists with respect to the legality of Special Prosecutor Cox's dismissal and the abolition of his office." Affidavit of Senator Frank E. Moss, dated October 29, 1973. Congressman Waldie is a member of the House Judiciary Committee and both he and Congresswoman Abzug have introduced resolutions calling for the impeachment of the President because of the Cox dismissal and other matters.

[3] The regulation from which the present Watergate Special Prosecutor, Mr. Leon Jaworski, derives his authority and his independence from the Executive branch is virtually identical to the original regulation at issue in that case. *See* note 13 *infra*. It is therefore particularly desirable to enunciate the rule of law applicable if attempts are made to discharge him.

[4] 38 F.R. 14688 (June 4, 1973). The terms of this regulation were developed after negotiations with the Senate Judiciary Committee and were submitted to the Committee during its hearings on the nomination of Elliot Richardson for Attorney General. Hearings Before the Senate Comm. on the Judiciary, 93rd Cong., 1st Sess. 144–46 (1973).

[5] *See* 5 U.S.C. § 301.

[6] Justice Department Internal Order 518–73 (May 31, 1973).

[7] *See* Defendant's Brief in Opposition to Plaintiffs' Motion for Preliminary Injunction, at 13.

[8] Exhibit 12 to the Affidavit of W. Thomas Jacks.

[9] 38 F.R. 29466 (Oct. 23, 1973).

[10] *See* 38 F.R. 14688 (June 4, 1973).

[11] 5 U.S.C. § 301; 28 U.S.C. §§ 509–510.

[12] *See* 38 F.R 14688 (June 4, 1973): "The Special Prosecutor will carry out these responsibilities with the full support of the Department of Justice, until such time as, in his judgment, he has completed them or until a date mutually agreed upon between the Attorney General and himself."

[13] The two regulations are identical, except for a single addition to the new regulation which provides that the Special Prosecutor may not even be discharged for extraordinary improprieties unless the President determines that it is the "consensus" of certain specified congressional leaders that discharge is appropriate. *Compare* 38 F.R. 30738 (Nov. 9, 1973) *with* 38 F.R. 14688 (June 4, 1973).

Mr. WARNER subsequently said: Mr. President, I likewise wish to join in this colloquy of the matter concerning the appointment by Attorney General Griffin Bell in which case he appointed a Special Counsel to complete the Justice Department investigation of National Bank of Georgia loans to the Carter warehouse.

Attorney General Bell, in announcing the appointment of Paul J. Curran, stated that it is—

> Important to the American Public's confidence in the administration of justice that they be assured that the ultimate resolution of the investigation . . . was reached fairly and impartially without even the possibility of deference to high office.

Mr. President, I applaud the noble goal outlined in this statement, that there will be equal treatment under the law of all parties irrespective of their status in life.

Judge Bell's statement strongly implies that there must not be a double standard in the judicial process.

And yet, Mr. President, when one examines Judge Bell's actions and applies his own statement as a yardstick, one finds that his actions do not measure up.

Judge Bell stated that Mr. Curran's appointment will be a "special guarantee that the investigation will be full, vigorous and impartial."

But when one analyzes Mr. Curran's grant of authority, questions quickly spring to mind concerning Mr. Curran's ability to carry out his duty in a full and independent manner.

Mr. President, I am very concerned that the concept of partisanship has entered into this issue. There is no place for partisanship in the administration of justice.

Those of us who are troubled by the powers accorded the special prosecutor have been accused of partisanship. And yet, if partisanship has entered into this matter, it appears that it has been put there by Judge Bell.

Mr. Curran's political affiliation is

mentioned predominantly in articles on this subject, as if a Republican would prosecute more diligently than a Democrat.

Assistant Attorney General Philip B. Heymann, who will approve prosecutive decisions by Mr. Curran and who selected him, was quoted in yesterday's Washington Star as saying that Curran's GOP credentials were an "advantage" though not a determining factor.

It is the Justice Department which, by its actions and words, has muddied the waters by injecting partisanship into an issue where partisanship has no place.

The only real issue here, Mr. President, is the question of a double standard in the judicial process.

The Justice Department investigation which brought about Mr. Curran's appointment concerns possible irregularities which may touch a sitting President of the United States or some of his family.

Only once before in recent history has the Justice Department faced a similar situation. That was the Watergate investigation.

It is instructive to compare the powers accorded the Special Prosecutor appointed during the Watergate investigation with powers granted the Special Counsel in the current investigation.

The Watergate Special Prosecutor was granted complete independence, among other things, to: conduct proceedings before grand juries; decide whether or not to prosecute any individual, firm, corporation or group of individuals; initiate and conduct prosecutions; coordinate and direct the activities of all Department of Justice personnel; deal with congressional committees; and decide on grants of witness immunity.

Thus the powers of the Watergate Special Prosecutor were large and all encompassing. In short—he was his own man, answerable to no one. And the people applauded, because, since the investigation touched a sitting President of the United States, a grant of any less authority would have cast doubt and suspicion on the investigation.

The current investigation also touches a sitting President. Yet, in this instance, the powers of the Special Counsel have been strangely circumscribed.

Mr. Curran is answerable to Mr. Heymann, the Justice Department official who chose him to be Special Counsel. Mr. Curran must recommend to the Justice Department any prosecutive decisions he feels are necessary in this investigation. Any indictments of suspects or immunity for witnesses must be approved by Mr. Heymann. In short, the Special Counsel will not be his own man.

I am not implying, Mr. President, that Mr. Curran, Mr. Heymann or the Justice Department will not carry out their duties in a full and fair manner.

What does concern me, however, is the appearance that these arrangements present to the public: the suspicion which may be aroused that the Special Counsel, by his inability to function independently, may be compromised in some manner in the carrying out of his duties.

Mr. President, there's no place either for partisanship or for a double standard anywhere in the judicial process.

Particularly in a matter of this gravity, the integrity, impartiality, and independence of our proceedings must be above suspicion and beyond reproach.

Mr. President, I ask unanimous consent that an editorial appearing in the New York Times of today's date, March 22, written by William Safire, be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the New York Times, Mar. 22, 1979]

Patsy Prosecutor

(By William Safire)

Washington—As predicted, Charles Kirbo's appointees at the Carter Department of Political Justice have found an amiable Republican to be Special Nonprosecutor in the Carter warehouse scandal.

Paul Curran—Bert Lance's lookalike—was the perfect cover-up choice because he is (a) a card-carrying Republican, son of Tom Curran, the late Manhattan Republican leader; (b) a former prosecutor hailed for his "courage not to indict" and (c) so eager for the job that he grabbed the offer on terms of subservience to Carter officials that any respectable special prosecutor would have scorned.

At his press debut, he proved himself unqualified as a serious prosecutor when he adcpted the Carter "containment theory," calling the case "a fairly narrow area involving a reasonably narrow set of facts." That is exactly what the Carter men want: a Republican face wearing blinders.

The cosmetic counsel will have as his staff the same crew from Carter Justice that spent five months (from August until February) failing to "follow the tangent" into the Carter warehouse dishonesty. He will have no power to indict anyone without the approval of the Carter Administration, and no power to immunize a witness who wants to save himself by incriminating a higher-up.

Working in his "narrow area," Nonprosecutor Curran will not be able to investigate why I.R.S. auditors in Atlanta okayed a phony tax return; he will not run Federal Election Commission staffers before a Washington grand jury to discover the real reasons for the year-long delay in its Carter report; he will not ask how much the Libyans offered Billy to lift the embargo on their C-130's; most important, if Bert Lance or Billy Carter wants to make a deal to avert jail by turning state's evidence against the owner of a money laundry, the special nonprosecutor is powerless to follow the trail of corruption on high.

Instead, the "narrow" case, confined to "technical" violations, will be under the complete control of Criminal Division chief Philip Heymann, the man who dawdled for five months after Billy Carter took the Fifth before authorizing a "preliminary" F.B.I. probe, which itself neglected to interview key witnesses.

Mr. Heymann forfeited all claim to impartiality at the conference that paraded the captive Republican front man. Asked why the Attorney General had not obeyed the law set down in the Ethics in Government Act—putting the power of appointment of a special prosecutor in the courts—Professor Heymann asserted there was "no legal power of the Attorney General to go to court . . . no legal power of the court to appoint a special prosecutor . . . it is forbidden, not legally possible."

It may be that a legal argument could be advanced to help the Attorney General avoid the requirement of obeying the special-prosecutor law. But for Mr. Heymann to posit that obeying the act would be illegal—"forbidden"—shows the degree to which political loyalty has warped his legal judgment; and this is the man who will have the special nonprosecutor under his thumb. One hopes that an aroused Senate will challenge this affront to the system in court; if not, the precedent set by President Carter will mock the Watergate reforms.

The cover-up is in full swing on an other front: You will recall how, only last month, Billy Carter was a loose cannon, spilling information to reporters, scheduled to appear on "Face the Nation" on Feb. 11. Suddenly, for some unknown reason, everything changed. Using an unlisted phone number known to the White House, Billy's lawyer called CBS producer Mary Yates at home and canceled; Billy was checked into a hospital, and when his doctor refused to attest to the seriousness of his illness, the man over whom the President claims "no control" was sent to the naval alcoholic facility supposedly just for Government employees and their dependents. Under naval guard, he has become as incommunicative as Dita Beard. .

We now learn from The Washington Post that on March 1, Charles Kirbo, as trustee for Jimmy Carter, paid Billy Carter $2,000 an acre for 157 acres of land that Billy had bought three years before for $610 an acre. Inflation under Carter has been rough, but not that rough: Billy Carter came out $218,770 ahead, and soon became quite docile. Diehard cover-uppers will explain that the deal was long in the making, well worth the price, and all that: I call it hush money.

Will the special nonprosecutor get testimony under oath from Mr. Kirbo that the payoff to Billy was made without the knowledge of President Carter, as the blind trust demands? How was it financed? Will Billy and his brother-partner and White House counsel Robert Lipshutz and media adviser Gerald Rafshoon be interrogated under oath about this deal, which has placed the embarrassing witness-suspect out of reach of press and law?

Not by the "narrow case" special nonprosecutor. The Senate Judiciary minority must go to court to force the Carter men to obey the Ethics in Government Act. That's the only way we will get to the bottom of the dishonesty in one candidate's business that might have mushroomed into the perversion of the 1976 electoral process.

The PRESIDING OFFICER. Under the previous order, the Senator from West Virginia (Mr. Robert C. Byrd) is recognized for the remainder of the time allocated.

APPOINTMENT OF SPECIAL PROSECUTOR IN WAREHOUSE INQUIRY

Mr. ROBERT C. BYRD. Mr. President, despite my view that the legislation providing for a Special Prosecutor could have been used in the current situation involving the investigation of the Carter warehouse problem, I—unlike others who have spoken—fully believe that Mr. Curran could have the necessary independence and can have the necessary independence to carry out the thorough investigation that justice requires.

Since the Attorney General has appointed a special counsel instead of taking the statutory route, it is incumbent on him, I think, to assure that Mr.

Curran will have the requisite independence. A written charter spelling out Mr. Curran's mandate is expected shortly, and it will receive careful attention. If the charter gives Mr. Curran the latitude to follow the investigation wherever it leads; if it safeguards him from the possibility of improper removal; if it permits his prosecutive decisions to be overruled only in egregious cases; and if it requires that all attempts by the Justice Department to overrule decisions of Mr. Curran be made known to Congress and the public immediately—if the charter measures up on all these counts, then Mr. Curran's investigation should leave no doubt in the public's mind that justice has been served.

Also, we should not underestimate the force of public opinion, the press, and Congress in assuring that Mr. Curran's independence will not be impaired. I do not believe that the public will tolerate any attempt to restrict Mr. Curran's independence, and for that reason it seems to me that no such interference should be expected to occur.

The Attorney General's action has been criticized by some who liken the appointment of Mr. Curran to Richard Nixon's attempt to contain Watergate by commencing an in-house investigation. Mr. President, this is not a time for partisanship. I take no pleasure in recalling the tragic events of Watergate. But I think it would be unfair to let the analogy stand unanswered.

In attempting to block a full and honest investigation of Watergate, Mr. Nixon asked John Dean, his counsel, who was fully involved in the Watergate coverup, to write a report about what had happened. Conversely in attempting to carry forward a full and honest investigation, Attorney General Bell has appointed Paul Curran Special Counsel to handle the investigation. Mr. Curran is not a member of the administration. He is a former U.S. attorney, with an impeccable reputation. He is a Republican who was appointed U.S. Attorney by Richard Nixon. He has been charged with the full authority to carry the investigation forward.

The public and the press will not tolerate any interference with Mr. Curran's independence.

Where public confidence in the administration of justice is concerned, there is no place for partisan politics. In that spirit, I would note the comments of Representative Robert McClory, ranking Republican on the House Judiciary Committee. Mr. McClory said, that while he was not completely satisfied, he was "confident that the appointment of Mr. Curran as special counsel will provide substantial confidence in the Carter warehouse investigation which did not exist before."

There are those who have criticized this appointment because Mr. Curran has not been given the same complete independence that Archibald Cox received when he was appointed Special Prosecutor by Elliot Richardson in May of 1973. As I have indicated, Attorney General Bell's action deserves careful scrutiny; and we—the public, the press, Congress—must be certain that Mr. Curran is given the requisite independence. But Mr. Bell's actions should be judged on their merits and not by false analogy to the traumatic events of Watergate.

At that time, we were deeply embroiled in a constitutional crisis of unprecedented magnitude. The country was reeling from an almost endless series of revelations.

The disclosures of the Washington Post, written by Carl Bernstein and Bob Woodward, had all come out. James McCord, one of the Watergate burglars, had told Judge Sirica that high-ranking White House officials had been implicated in the events leading up to the break-in. Mr. Nixon had been forced to fire H. R. Haldeman, John Ehrlichman, and John Dean because of their involvement in the coverup. He had been forced to replace Attorney General Richard Kleindienst with Elliot Richardson. Against this extraordinary backdrop, and because of the multiple, complex threads of wrongdoing now generically described as "Watergate," Archibald Cox was given extraordinary independence. His task demanded no less; the public would have tolerated no less.

In this case, we have a sensitive political investigation. Because the case is sensitive, the Attorney General has concluded that the best interests of justice would be served by appointment of an outside special counsel to handle the investigation.

The Special Prosecutor legislation did not compel him to do so, there was no overwhelming public pressure to do so. Mr. Bell concluded it was the best way to assure the country that the investigation was thorough and impartial. I think he could have accomplished his goal more effectively by using the statute, but he did not use it.

Let us not engage in partisanship at this time on this matter. Let us hope—and expect—that Mr. Curran will be permitted to proceed with the investigation in a fair and impartial manner, so that justice will be best served.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to 3 minutes each.

THE ELECTION IN RHODESIA

Mr. TSONGAS. Mr. President, the Senate will soon consider Senate Concurrent Resolution 8 sponsored by Senators McGovern and Hayakawa. The resolution would establish a 25 to 50 person team of observers who would go to Rhodesia and observe the election to take place there next month. The intent of the resolution is to provide the President with data needed to judge the election as to its fairness and openness. The President will then determine whether the United States should lift economic sanctions against Rhodesia, as provided in the Case-Javits amendment to the International Security Assistance Act of 1978.

Although well intended by its sponsors, this resolution presents grave risks and problems which the Senate cannot ignore. Opposition to this resolution is not confined to the Senate. There are many prominent groups and individuals who feel strongly that the sending of observers to Rhodesia is both unnecessary and harmful to our foreign policy objectives in Africa.

A large group of concerned citizens wrote President Carter earlier this week and expressed their objections to the sending of observers. The letter and its long list of signatures are an important statement on this issue.

I ask unanimous consent that the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

March 19, 1979.

Hon. Jimmy Carter,
President of the United States,
Washington, D.C.

Dear Mr. President: In the next few months you will face a crucial test of American commitment to the principle of majority rule in Southern Africa.

The Case-Javits amendment to the International Security Assistance Act of 1978 prohibits the enforcement of United Nations sanctions against Rhodesia if you determine that:

(1) Rhodesia has demonstrated its willingness to negotiate in good faith at an all parties conference held under international auspices on all relevant issues; and

(2) A government has been installed chosen by free elections in which all political and population groups have been allowed to participate freely with observation by impartial internationally recognized observers.

Clearly the Rhodesian government has satisfied neither condition.

Rhodesia has not demonstrated a commitment to negotiate in good faith at or before an all parties conference. Mr. Cledwyn Hughes has recently reported to Prime Minister Callaghan that Rhodesia has "given little if any attention to the updated Anglo-American proposals we gave them on 20 October in Washington." Instead he reports that Rhodesia intends to set its own course by holding elections on April 20 to form a "government of national unity" that they hope will lead to international recognition. "The Salisbury parties would attend [a conference] believing that they would lose nothing by again offering a place to the Patriotic Front within the internal settlement." The Salisbury government has demonstrated only that it will attend a conference, not that it will negotiate in good faith.

Secondly, "free elections" imply an electoral process based on a democratic constitution and conducted under objective conditions that insure genuine choice. The Rhodesian elections planned for April cannot meet this test. No election setting aside twenty-eight percent of parliamentary seats for four percent of the population solely on the basis of race can be characterized as free elections. They are inherently unfree.

No elections can be free unless the constitution on which they are based has itself been agreed to freely by all the people of Zimbabwe. The constitution under which the April elections are held has been approved by only one percent of the population.

Free elections require freedom for all political prisoners. They require freedom for all political parties to campaign. Yet the Patriotic Front parties are banned in Rhodesia and 2000 of its leading members are in jail less than one month before the elections.

The people of Zimbabwe cannot vote freely with a gun at their heads. Eighty-five percent of the country is under martial law. According to reports in the New York Times private armies loyal to the internal settlement are roaming the rural areas intimidating Africans in order to "teach them to vote."

The government has lost control of large areas which are now firmly held by the Patriotic Front. More than 150,000 Zimbabweans who are refugees in neighboring countries will not be able to vote. Under these conditions no free expression of national will can be obtained.

Free elections under these circumstances would require not simply observation but control and supervision by large, impartial independent forces. The Rhodesian regime, whose legitimacy is recognized nowhere in the world, cannot conduct partial and partisan elections under its own supervision and control and have them accepted as free. To send official observers to the elections would dignify a process that is fundamentally flawed.

No doubt you will wish to wait until the election process is held in April before making a decision on all of the evidence that unofficial sources can supply. However, we argue that no additional evidence and certainly no observation is required to reach the conclusion that the requirements of the Case-Javits amendment will not be met. The United States should not legitimate a fraud.

We urge you to continue to enforce sanctions while offering the parties our good offices if and when negotiations once more become possible. To do otherwise would destroy the little credibility our nation has recently enjoyed in Africa.

Respectfully yours,

Sister Jeanne Adams, S.H.C.J., Social Concerns Committee, Sisters of the Holy Child Jesus.

Mia Adjali, Executive Secretary, United Nations/International Affairs, Women's Division, Board of Global Ministries, The United Methodist Church.

Eqbal Ahmad, Fellow, Institute for Policy Studies.

Paul Albert, Northern California Democratic Council.

Robert Z. Alpern, Director, Washington Office, Unitarian Universalist Association.

George W. Baker, Assistant Professor, Howard University.

Richard Barnet, Fellow, Institute for Policy Studies.

Harry Belafonte, Entertainer.

B. Tartt Bell, Director, Washington Public Affairs Program, American Friends Service Committee.

Gerald Bender, Department of Political Science, University of California, Los Angeles.

Isaac Bivens, Board of Global Ministries, The United Methodist Church.

Sister Carole Bisson, Sisters of Notre Dame de NaMur, New Haven.

Robert Boehm, Member of Board of Directors, the Africa Fund.

The Honorable James Bond, Atlanta City Council.

The Honorable Julian Bond, Georgia State Senate.

William H. Booth, President, American Committee on Africa.

Robert Borosage, Director, Institute for Policy Studies.

Bishop Hartford Brookins, African Methodist Episcopal Church.

Robert Browne, President, Black Economic Research Center.

Violet H. Bryan, President, Barrister's Wives of New Orleans.

Trevor G. Bryan, President, Martinette Society.

Walter Carrington, Executive Vice President, African American Institute.

Dr. W. Sterling Cary, Conference Minister, United Church of Christ, Illinois Conference, and Former President, National Council of the Churches of Christ in the U.S.A.

Mrs. Alzada Clark, Second Vice President, Coalition of Black Trade Unionists.

Ramsey Clark, Attorney.

The Honorable William Clay, U.S. House of Representatives.

Dr. Charles E. Cobb, Commission for Racial Justice, United Church of Christ.

The Honorable Cardiss Collins, U.S. House of Representatives.

Sister Carol Coston, O.P., Executive Director, NETWORK.

Courtland Cox, Co-Director, Emergency Fund for Southern Africa.

Theresa Cropper, President, Black American Law Students Association.

Dr. Robert Cummings, Director, African Studies and Research Program, Howard University.

The Honorable David Cunningham, Los Angeles City Council.

Rev. Charles Dahm, Illinois Committee for Responsible Investment.

The Honorable Julius C. Daugherty, Georgia House of Representatives.

R. Hunt Davis, Jr., Associate Professor of History, University of Florida.

The Honorable Ronald Dellums, U.S. House of Representatives.

The Honorable Charles C. Diggs, Jr., U.S. House of Representatives.

The Honorable Julian Dixon, U.S. House of Representatives.

Sister Mary Dooley, C.S.J., President, Leadership Conference of Women Religious.

Jean Dorsett, Vice President, Women's Division, Board of Global Ministries, The United Methodist Church.

Dr. Robert Edgar, Assistant Professor, African Studies and Research Program, Howard University.

The Honorable Melvin Evans, U.S. House of Representatives.

Prof. Richard Falk, Center for International Studies, Princeton University.

The Honorable Robert Farrell, Los Angeles City Council.

The Honorable Walter Fauntroy, U.S. House of Representatives.

Rev. Carl Feil, O.S.M., Administrative Assistant, U.S. Catholic Mission Council.

Rev. Robert K. Finnegan, Secretary Treasurer, Premonstratension Fathers, Wisconsin.

William J. Foltz, Professor of Political Science, Yale University.

Henry Foner, President, Joint Board of the Fur, Leather and Machineworkers Union.

Moe Foner, Executive Secretary, District 1199, National Union of Hospital and Healthcare Employees.

The Honorable Harold Ford, U.S. House of Representatives.

Bishop Joseph Francis, S.V.D., Auxiliary Bishop of Newark, N.J.

Douglas Fraser, President, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW.

Elizabeth Steel Genne, President, National Board of the Young Women's Christian Association of the U.S.A.

Victor Goode, Executive Director, National Conference of Black Lawyers.

Carlton B. Goodlett, M.D., President, National Black United Fund.

The Honorable William Gray III, U.S. House of Representatives.

Gale Green, Atlanta Branch, National Association for the Advancement of Colored People.

Karl D. Gregory, Professor of Economics and Management, Oakland University.

Jane F. Guise, Coordinator, North East Human Rights Network.

Ruth M. Harris, Executive Secretary for Urban/Rural Ministries World Division, Board of Global Ministries, The United Methodist Church.

The Honorable Richard Hatcher, Mayor, Gary, Indiana.

The Honorable Augustus Hawkins, U.S. House of Representatives.

Edward A. Hawley, Executive Editor, Africa Today.

Father Bryan Hehir, Associate Secretary of International Justice and Peace, United States Catholic Conference.

Dorothy Height, National President, National Council of Negro Women.

Sister Valerie Heinonen, Dominican Sisters of the Sick Poor, Ursuline Sisters of Thildonck.

M. Carl Holman, President, National Urban Coalition.

The Honorable Benjamin Hooks, Executive Director, National Association for the Advancement of Colored People.

George M. Houser, Executive Director, American Committee on Africa.

The Rev. M. William Howard, President, National Council of the Churches of Christ in the U.S.A.

Eugene Jackson, President, National Black Network.

Rev. Jesse L. Jackson, National President, Operation PUSH, Inc.

The Honorable Maynard Jackson, Mayor, Atlanta, Georgia.

Alfred Johnson, Public Affairs Officer, The Episcopal Church.

Willard R. Johnson, Professor of Political Science, Massachusetts Institute of Technology.

William Johnston, President, Episcopal Churchman for South Africa.

Rev. Thomas Joyce, C.M.F., Eighth Day Center for Justice.

Edward R. Killackey, M.M., Maryknoll Washington Office Justice and Peace.

Charles Kindle, Foreign Affairs Chairman, Pittsburgh Branch, National Association for the Advancement of Colored People.

Saul Landau, Director, Transnational Institute.

The Honorable Mickey Leland, U.S. House of Representatives.

René Lemarchand, Professor, African Studies Center, University of Florida.

Professor Richard B. Lillich, President, International Human Rights Law Group.

Edgar Lockwood, Executive Director, Washington Office on Africa.

Dr. C. Payne Lucas, Executive Director, AFRICARE.

William Lucy, President, Coalition of Black Trade Unionists.

Barbara Lupo, Co-Director, Clergy and Laity Concerned.

Clinton M. Marsh, Associate Synod Executive, Synod of the South, United Presbyterian Church.

Earnest C. Marshall, Voter League, Woodbury, Georgia.

Robert Marshall, Director, Office of Mission Service and Development, Lutheran World Ministries.

The Honorable Hilda Mason, District of Columbia City Council.

Edward May, Director, Office of World Community, Lutheran World Ministries.

Lloyd McBride, President, United Steelworkers of America.

Melvin A. McCaw, Director, Washington Office, African American Institute.

Paul McCleary, Associate Secretary, Division on Overseas Ministries, National Council of the Churches of Christ in the U.S.A.

Sister Mary Ann McGivern, S.L., Midwest Coalition for Responsible Investment.

Sister Janice McLaughlin, M.M., former Press Secretary, Catholic Commission for Justice and Peace, Salisbury, Rhodesia.

Kathleen McTigue, South Africa Catalyst Project—West.

Patsy T. Mink, President, Americans for Democratic Actions.

Charlene Mitchell, Executive Secretary,

National Alliance against Racist and Political Repression.

The Honorable Parren Mitchell, U.S. House of Representatives.

Michael Moffitt, Letelier-Moffitt Memorial Human Rights Fund.

Jerome Mooman, Administrative Assistant to the Mayor, City of New Orleans, Louisiana.

L. Calvin Moore, Legislative Director, Oil, Chemical and Atomic Workers Union.

The Honorable Ernest N. Morial, Mayor, New Orleans, Louisiana.

Sister Annette Mulry, M.M., Social Concerns Desk, Maryknoll Sisters.

Sister Regina Murphy, Social Concern Coordinator, Sisters of Charity, New York.

Sister Marie Augusta Neal, Justice and Peace Committee Chairperson, Boston Province of the Sisters of Notre Dame de NaMur.

Robert Nee, S.S.C.C., New England Coalition for Responsible Investment.

Jan Neffke, Public Policy Director, Greater Pittsburgh National Association for the Advancement of Colored People.

Rozell William Prexy Nesbitt, Visiting Fellow, Institute for Policy Studies.

Rev. George C. Newmeyer, Director, Office for Justice and Peace, Diocese of Pittsburgh.

Paul Newpower, Coordinator, Twin Cities Human Rights Working Group.

Sister Merle Nolde, Co-Director, National Assembly of Women Religious.

Rev. Randolph Nugent, Associate General Secretary, National Division, Board of Global Ministries, The United Methodist Church.

Sister Mary O'Keefe, Co-Director, National Assembly of Women Religious.

S. Garry Oniki, Executive Director, Office for Church in Society, United Church of Christ.

Robert L. Pitts, Executive Director, Black Catholic Ministries and Laymen's Council, Pittsburgh.

Avery Post, President, United Church of Christ.

Alvin F. Poussaint, M.D., Associate Professor of Psychiatry, Harvard Medical School.

Father Robert C. S. Powell, Director, Africa Office, National Council of the Churches of Christ in the U.S.A.

William F. Pruitt, Director, African Studies Program, Kalamazoo College.

Julia Brogdon Purnell, National President, Links, Incorporated.

Sister Mary Catherine Rabbitt, Sisters of Loreto, Catholic Coalition, Region 6, Denver, Colorado.

The Honorable Charles Rangel, U.S. House of Representatives.

Ruby Rhoades, Washington Representative, Church of the Brethren.

Lawrence M. Rich, Coalition for Responsible Investment.

Sister Kathleen Rimar, O.S.F., Western New York Coalition for Responsible Investment.

The Honorable Bill Robinson, Pittsburgh City Council.

Cleveland Robinson, Secretary-Treasurer, District 65, Distributive Workers of America.

David Robinson, Chairperson, Current Issues Committee, African Studies Association.

Randall Robinson, Executive Director, TransAfrica.

Susan G. Rogers, Assistant Professor of African History, University of Minnesota.

Joyce Rothermel, Chairperson, Peace and Justice Committee of the Pittsburgh Sisters Council.

Brother Cyprian Lamar Rowe, F.M.S., Executive Director, The National Office for Black Catholics.

Molly Rush, Director, The Thomas Merton Center, Pittsburgh.

Joel Samoff, Department of Political Science and Center for Afroamerican and African Studies, University of Michigan.

Frank Savage, Vice President, Equity Life Assurance Company, Inc.

Louis W. Schneider, Executive Secretary, American Friends Service Committee.

Sister Agnes Ann Schum, S.L., Social Advocate Office of the Sisters of Loretto.

Harry M. Scoble, Human Rights Internet.

The Honorable Al Scott, Georgia House of Representatives.

Professor Ann Seidman, Co-Chairperson, Research, Association of Concerned African Scholars.

Karl Seidman, South Africa Catalyst Project—East.

Hall Shapiro, President, Furriers Joint Council of New York.

Horace L. Sheffield, President, Detroit Chapter, Coalition of Black Trade Unionists.

Stanley K. Sheinbaum, Regent, University of California.

George W. Shepherd, Jr., Professor of International and African Studies, University of Denver.

Sister Rose Sheridan, Social Justice Office, Sisters of St. Joseph.

William H. Simons, President, Washington Teachers' Union, Local 6, AFT.

Richard L. Sklar, Department of Political Science, University of California, Los Angeles.

Timothy Smith, Director, Interfaith Center on Corporate Responsibility.

Edward F. Snyder, Executive Secretary, Friends Committee on National Legislation.

Alonza R. Speight, Executive Director, Boston Community Media Council, Inc.

Edward I. Steinhart, Department of History, University of Texas.

Marc Stepp, Vice President, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW.

The Honorable Bennett Stewart, U.S. House of Representatives.

John Stockwell, Author, *In Search of Enemies, A CIA Story*.

Jerry Stookey, O.P., Director, Catholic Justice and Peace Office, Archdiocese of Denver.

Leo Suslow, Director of International Affairs, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW.

The Honorable Percy E. Sutton, Chairman of the Board, WLIB-AM, WBLS-FM, Inner City Broadcasting Corporation.

Stephen Talbot, Africa Editor, *Internews*.

Ethel Taylor, National Coordinator, Women Strike for Peace.

Patrick F. Tobin, Washington Representative, International Longshoreman's and Warehousemen's Union.

Dr. James Turner, Director, Africana Studies and Research Center, Cornell University.

Sister Marilyn Uline, O.P., Eighth Day Center for Justice.

Robert van Lierop, Filmmaker.

Sister Christine Venker, C.S.J., Sisters of St. Joseph of Carondolete, St. Louis.

Immanuel Wallerstein, Distinguished Professor of Sociology, State University of New York at Binghamton.

Dr. Ronald Walters, Professor of Political Science, Howard University.

Glenn Watts, President, Communications Workers of America.

The Honorable Lottie H. Watkins, George House of Representatives.

Paul Wee, General Secretary, Lutheran World Ministries.

Peter Weiss, Vice President, Center for Constitutional Rights.

Monsignor Aloysius J. Welsh, S.T.D., Executive Director, National Catholic Conference for Interracial Justice.

The Honorable Charles W. Whalen, Jr., President, New Directions.

The Honorable John White, Georgia House of Representatives.

David Wiley, Director, African Studies Center, Michigan State University.

Eddie N. Williams, President, Joint Center for Political Studies.

Margaret Bush Wilson, Chairperson of the Board, National Association for the Advancement of Colored People.

William Wipfler, Director, Human Rights Office, Division on Overseas Ministries, National Council of the Churches of Christ in the U.S.A.

Robert L. White, National President, National Alliance of Postal and Federal Employees.

Herman Will, Associate General Secretary, Board of Church and Society, The United Methodist Church.

Junius W. Williams, President, National Bar Association.

Laurie S. Wiseberg, Human Rights Internet.

J. Philip Wagaman, Dean and Professor of Christian Social Ethics, Wesley Theological Seminary.

Marcia Wright, Professor of History, Columbia University.

Sara-Alyce P. Wright, Executive Director, National Board of the Young Women's Christian Association of the U.S.A.

Alma H. Young, Special Assistant to the Mayor, New Orleans, Louisiana.

Amy Young-Anawaty, Executive Director International Human Rights Law Group.

(Organizational affiliations' lists for identification purposes only).

DAVID ROCKEFELLER EULOGIZES HIS OLDER BROTHER

Mr. PERCY. Mr. President, I believe that there can never be too much said, or written, about the contributions former Vice President Nelson Rockefeller made to this Nation as well as the world.

His youngest brother, David, so aptly expressed the personal attributes and characteristics of Nelson Rockefeller at the memorial service that I thought it would be appropriate to insert them into the Record for all to read.

Mr. President, I ask unanimous consent that the full text of David Rockefeller's eulogy at the memorial service for former Vice President Rockefeller be printed in the Record at this point.

There being no objection, the text was ordered to be printed in the Record, as follows:

> We are gathered together here in this beautiful sanctuary of the Riverside Church from many parts of the country and the world, from many sectors of our society, to pay tribute to the memory of Nelson Aldrich Rockefeller. Your being with us means so much to Happy, Laurance and all of us in the family. We have been through a difficult period—with John's recent death and the deaths of Winthrop and Babs only a few years before.
>
> I speak to you today as Nelson's youngest brother and as a member of a large family which he loved and from which he drew strength—to a family to which he gave devoted and constructive leadership.
>
> Nelson was a man of action, with a deep belief in the worth and dignity of the individual, in the democratic process, in the American enterprise system, and in the responsibility of the citizen to revere God and help his fellow man. In addition, he loved beauty in nature and in the arts—he loved the companionship of people—he loved life.
>
> These traits represented a synthesis of the qualities of his grandfathers and his parents, all of whom he greatly admired.
>
> Grandfather Aldrich served for 31 years as United States Senator from Rhode Island—he was majority leader for the last 17 years of his term. He played an active role in the formulation of economic policies of our country at a critical period before and after

the turn of the century. Even though Senator Aldrich died when Nelson was a small boy, Nelson's fascination for politics undoubtedly stemmed from the legacy of the man for whom he was named and about whom he heard much from Mother.

Grandfather Rockefeller, a founder of one of America's great industries, lived until Nelson had reached full maturity. They were devoted to one another and saw one another frequently. Nelson's respect for rugged individualism, for creative capitalism, for surrounding himself with able associates clearly came from this intimate association with his Grandfather Rockefeller.

From Father, whose upbringing as a devout Baptist, and whose lifetime devotion to philanthropy led him to pioneer in fields such as education, conservation, race relations and medical research, Nelson learned that opportunity and responsibility go hand in hand. His strong adherance to Judeo-Christian principles and his respect for all religions were deeply imbedded in him by Father and guided his actions throughout his life. For this and a commitment to discipline and hard work, Father provided prime inspiration.

No one had a stronger impact on Nelson's life than Mother. When Nelson was fifteen years old, Mother wrote to him:

"I am eager that you shall be much above the ordinary in character and achievement, the world needs fine men, there is great work waiting to be done. I want you to train yourself to meet any opportunity the future may hold in store for you."

It was she who gave him a love of the visual arts which was a critical element in his creativity and also provided him with joy and relaxation. It was she who imparted to him a concern for people—their qualities, their problems, their aspirations—and who imbued him with a capacity to find people—all kinds of people—a source of unending exhilaration and satisfaction. It was her uncanny intuition and wisdom which gave to Nelson and, indeed, to all of us, subtle guidance and inspiration.

The impact on Nelson of these four powerful and very different personalities gave him a sense of purpose, perhaps even of mission. It made him the strong, magnetic leader he was.

After graduating from Dartmouth College, where these qualities of leadership were already manifest, Nelson joined the family office to work with Father on family affairs. A year or two before, Father had started the construction of Rockefeller Center. Work had hardly begun before the great depression hit the country and the bottom dropped out of the real estate market. With no prior experience, Nelson immersed himself in the building and leasing of Rockefeller Center, and, along with Mother, in selecting works of art to adorn it. He, more than any other person, was responsible for making Rockefeller Center, described by pundits at the time as a white elephant, a financial success.

At that time, Nelson became deeply engrossed with the Museum of Modern Art, which Mother and two other women had started a short time before. Once again his qualities of leadership, coupled with his interest in the arts and in efficient management, contributed enormously to its becoming the world's preeminent museum of contemporary art.

Nelson was always a champion of family solidarity—something in which Mother also fervently believed. It was Nelson's far sightedness and leadership which brought us together as a family unit—out of which grew many joint initiatives, including the Rockefeller Brothers Fund. Close at his side, and with unswerving devotion and loyalty, in good times and in bad, was my brother Laurance, with whom Nelson always had a very special relationship.

Nelson's career in public service began in 1939, when President Roosevelt asked him to take on a special assignment in relation to Latin America as Co-ordinator of Inter-American Relations. In this position, he demonstrated his unusual capacity to relate with sensitivity and feeling to peoples of diverse culture and background to make them feel equal "Partners in Progress." Our relations with our Latin American neighbors were never better than during the period when he was Co-Ordinator.

While he cherished the appointive positions he held in government, Nelson felt that only through elective office would he truly represent the people in a democratic society. His four terms as Governor of the State of New York brought him the challenge he was looking for more than any other task he undertook during his life. He relished the matching of wits, the rough and tumble which is inherent in political life.

In reviewing Nelson's accomplishments as Governor, one sees the fulfillment of his heritage—the establishment of the New York State Arts Council, the creation of the Adirondack State Park, and the dramatic expansion of the State University of New York.

His role as Governor was often controversial and provocative, but he showed great vision as a planner, great courage as a doer and he gave of himself without stint.

The climax of Nelson's career as a public servant was the two years he served with President Ford as Vice President of the United States. I am sure that Nelson would have been very touched and honored to think that President Ford, as well as President Carter, were attending this service today.

For us in the family, this is a day of mourning, but also a day of thanks. Our family owes Nelson a great deal for his vision, for his radiant strength, for his initiative in setting goals and for the strong leadership he gave in whatever area he touched. His departure leaves a gap which never will be filled, but his spirit, his patriotism, his determination and his optimism will remain a vibrant force in our lives. We are proud of him as a member of the family. We are proud of his manifold achievements. We are proud of his ability to deal gracefully with disappointment, as well as success. Our love for him will never end.

AUTO REPAIRS: THE $20 BILLION RIP-OFF

Mr. PERCY. Mr. President, public attention is often drawn to the involvement of organized crime in car thefts. But a less organized kind of crime burdens the American car owner as well. Every year, we throw away $20 billion on shoddy, excessive or unnecessary auto repairs and maintenance, according to the National Highway Traffic Safety Administration.

That figure is even more shocking in light of America's annual $50 billion auto repair bill. And we cannot simply blame inept or crooked garage mechanics. Administrator Joan Claybrook of the National Highway Traffic Administration attributes much of the $20 billion waste to unwary owners and to auto manufacturers who are not sufficiently sensitive to the needs of consumers. She notes that manufacturers often design cars that are easy to make, rather than easy to maintain.

Small wonder, then, that Americans consistently complain the most about the auto sales and repair industry. Travel is vital in this Nation, and consumers cry out for reliability, lower repair costs, and safety.

Mr. President, I ask unanimous consent that an excellent article from the January/February edition of Journal of Insurance, entitled "Auto Repairs: The $20 Billion Rip-Off," be inserted in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Auto Repairs: The $20 Billion Rip-Off

Americans are throwing approximately $20 billion annually down the drain on improper or unnecessary auto repairs and maintenance, according to the National Highway Traffic Safety Administration.

This painful bite comes out of a total annual repair and maintenance bill of about $50 billion.

In testimony before recent hearings of the Subcommittee on Consumer Protection and Finance of the House Committee on Interstate and Foreign Commerce, NHTSA Administrator Joan B. Claybrook said:

"This economic waste is not attributable just to the repair industry. Our figures show that about half of the $20 billion loss results from fraudulent, incompetent, or unnecessary repairs. The remaining losses result from automobile designs that place a priority on ease of manufacture over ease of repair and diagnosis, and from owners' misunderstanding or ignoring their car's maintenance and repair needs."

Ms. Claybrook broke down the rip-off this way:

Faulty repairs for which owners are charged . . . $3 billion.

"Package" deals including parts or repairs that are not needed . . . $3 billion.

Unneeded repairs sold with possible fraudulent intent . . . $2 billion.

Vehicle design requiring use of overly modularized parts, highly non-standard parts or excessively laborious repair techniques . . . $2 billion.

Wasteful, overfrequent preventive maintenance . . . $2 billion.

Accidents resulting from vehicle defects arising from undermaintenance or improper repair . . . $2 billion.

Excessive emissions and wasted fuel resulting from improper maintenance . . . $2 billion.

Car prematurely retired due to inadequate maintenance . . . $2 billion.

Inadequate or incorrect diagnosis of problems leading to unneeded repair . . . $1.5 billion.

Total . . . $19.5 billion.

That is hardly peanuts. As the late Senator Everett Dirksen once remarked, "A billion here and a billion there adds up."

In a statement a week later (September 21, 1978) to the same subcommittee, Albert H. Kramer, director of the Bureau of Consumer Protection of the Federal Trade Commission, declared, "The automobile is not only a major source of consumer expenses, but it is also a major—if not the number one—source of consumer complaints."

Quoting a Harris poll commissioned by the Sentry Insurance Company, he said that "Not surprisingly . . . people rank the following four industries as the worst in terms of serving consumers: garages and auto mechanics, car manufacturers, the oil industry, and used car dealers."

From the NHTSA testimony it would appear that responsibility for the wasted auto repair billions is divided three ways: among owners, garages and mechanics, and auto manufacturers.

The owners' share of blame is easily explained: most people are as ignorant of what is under the sheet metal and chrome of their cars as they are of the science of medicine. It is the rare motorist who takes a course in auto maintenance, and auto repair manuals are not famed as best sellers. It undoubtedly is true, as one auto manufacturer's spokesman testified, that Detroit "is the world's largest publisher of unread literature."

This ignorance, of course, makes the average consumer an easy mark for fraudulent practices and for automobile advertising and salesmanship which stress appearance and emotional appeal over functional design.

As former Secretary of Transportation Alan S. Boyd stated, "With rare exceptions, the individual owner is not able to diagnose the safety conditions of his car, evaluate the proficiency of repairs and quality of replacement parts, or otherwise exercise meaningful judgment concerning automotive repairs."

In a 1971 book, *The Great American Auto Repair Robbery,* (the situation hasn't changed), authors Donald Randall, former counsel to the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee, and Arthur Glickman, a *Wall Street Journal* reporter, said:

"Just as the automobile has become an integral part of American life, with 86 percent of the population dependent upon it to travel, so is the near impossibility of getting a car fixed correctly, honestly, quickly and at reasonable prices.

"In fact, auto repair is a major domestic problem, much like education, housing, health, crime, welfare, and mass transit. Yet, it is rarely thought of as such, despite its effect on all segments of the population . . .

"Even though auto repair problems affect such a wide range of people, little has been done to reform or regulate the industry. Why? Largely because too many people simply take for granted that being cheated on auto repairs is as much a part of the American way of life as fireworks on the Fourth of July. This apathy and feeling of helplessness have combined to make auto repairs the single largest consumer problem in the United States today."

Granted that car owners could help protect themselves to some degree by educating themselves about cars, does their failure to do so justify their victimization when it comes to repairs? It would hardly seem so, in view the fact that the purchaser of any other product—say, a watch—is not expected to be an expert in its construction, and is in fact forced to rely on the seller's expertise because of the physical impossibility of making himself an authority on every product he buys. Thus, the car owner must be judged not guilty—though he may be considered excessively innocent.

This leaves the major portion of the blame to be shared by the mechanics and the manufacturers.

What about those garagemen? Is "Honest George," your neighborhood repairman, really doing "fraudulent, incompetent, or unnecessary repairs" to all—or nearly all—the vehicles that come his way?

One should not jump too quickly to such a conclusion: after all, 60 per cent of the billions spent by automobilists go for valid repair costs, according to NPTSA figures. Actually, Honest George, once you find him, can be your best friend in the auto repair business since he depends on your coming back to him year after year.

However, experience indicates that not all mechanics are named Honest George, by a long shot.

A ploy sometimes used to expose dishonest repairmen in the purposely "disabled" vehicle. *The New York Times,* for instance, had a reporter take a car to 24 repair shops in Manhattan and in Suffolk County (Long Island). The car was in perfect working order, except that a clip holding the throttle-valve linkage to the transmission had been removed.

The repair shops were told only that "something seems to be wrong with the transmission," and that "the car just doesn't seem to be shifting right."

Thirteen garages, a *Times* article later reported, either misdiagnosed the problem completely or recommended expensive and unnecessary work.

Seven of the shops offered estimates ranging from $199.95 to $345. Another seven did the necessary repair work for under $20, and one did it at no charge.

This survey is typical of many similar ones conducted by newspapers.

REPAIR SURVEYS

A somewhat more scientific approach was reported by the FTC's Kramer in his Congressional testimony. He said:

"A comprehensive consumer survey found that 34 per cent of those questioned who had their cars repaired within the year were dissatisfied with the service they received. The survey covered twenty-six product and eight service categories ranging from household appliances to dental care. Auto repair generated more complaints than any other product or service included in the survey.

"Unsatisfactory repair, however, is only the tip of the iceberg. Although most consumers complain about the problems they have getting their cars fixed correctly, there is more evidence that unnecessary repairs cost car owners billions of dollars annually. These losses are documented by data collected at a diagnostic center operated . . . by the Department of Transportation in Huntsville, Alabama, where 5,000 cars were diagnosed both before and after they were repaired. The Alabama data reveal that 25 per cent of all the repairs to the cars inspected were unnecessary, and that 29 cents of every dollar was spent on unneeded work."

While part of the loss is surely attributable to deliberate fraud, a good deal of it results from sheer incompetence. In a chapter entitled "Anyone Can Call Himself a Mechanic," Randall and Glickman also point out that dollar loss is not the worst consequence of faulty repair work—the result often can be injury or death. Here's how they put it:

"If you are an unusual and exceedingly fortunate motorist, the mechanic to whom you entrust your car will properly repair it.

"If you are just plain lucky, the mechanic will likely perform unnecessary repairs or misrepair your car so that it has to be fixed again.

"If you are unlucky, the mechanic to whom you entrust your car could help you to an early grave. Not all mechanics are dishonest but all too many do not have the required skills to correctly perform the repairs they attempt. Those that finally do fix the car do so through a costly trial-and-error process which may be good for the auto parts makers but is bad for the hundreds of millions of American motorists."

They cite the case of a young motorist who was killed because of a defective brake job, and point out that any of us could meet the same fate "because anyone . . . can hang a 'mechanic on duty' sign or put on a mechanic's uniform and offer to perform life-and-death-related repairs on your car even if he doesn't know a spark plug from an ear plug."

REGULATIONS INADEQUATE

Randall and Glickman add:

"States require all sorts of tradesmen from barbers and beauticians to plumbers and real estate agents to pass rigid examinations and be licensed before they are allowed to practice their index—but not auto mechanics."

Although some states have laws imposing regulation on repair shops, only two, and the District of Columbia, have enacted legislation requiring licensing of mechanics, according to the National Institute for Automotive Service Excellence.

The District of Columbia program is a good one—on paper—but there are insufficient funds to enforce it, says the Institute, while in Michigan "virtually anyone can pass the test for certification as an auto mechanic." In Hawaii, anyone who was operating as a mechanic before the licensing law was passed was automatically licensed, without regard to his competency.

Training programs for skilled mechanics do not begin to meet the enormous need, although there are some excellent ones. The National Automobile Dealers Association, for instance, has a nationwide four-year apprentice training program, and the Automotive Service Councils of America has a similar one. But other programs vary in effectiveness.

Malcolm Lovell, manpower administrator for the Department of Labor, told a Senate committee: "It is our view that industry has the primary obligation for meeting its own manpower requirements. It would appear that the automotive industry's training efforts have not kept pace with the rate of growth of the automobile vehicle population."

Lovell admitted that the Labor Department's own auto mechanic training programs were not even geared to meeting the real skill shortage, as they were instead directly mainly to providing training for "disadvantaged people"—training which was ineffective because many of those enrolled lacked the education to follow complicated diagrams and understand the physical principles involved.

There are some good public-school and industry training programs, but in sum they clearly are inadequate. One organization that does seem to be making headway in raising standards is the National Institute for Automobile Service Excellence, founded in 1972 as a non-profit corporation to improve the quality of automotive repair services.

NIASE gives examinations in eight fields of auto repair and maintenance, and certifies those mechanics which meet its standards. As of the end of the year 1978, more than 190,000 mechanics had taken its tests, and more than 144,000 of these had earned some 550,000 certifications. (Certified mechanics may, of course, qualify in more than one field. In addition, NIASE tests and certifies the competency of automobile technicians in body repair, painting and refinishing.)

The Institute, headquartered in Washington, D.C., gives tests twice a year at about 275 locations throughout the 50 states. Each shop with a mechanic (or perhaps several) that it has certified is given a NIASE orange and blue sign stating that it employs mechanics certified by the Institute and asking customers to "let us show you their credentials."

NIASE also prepares and updates national and state directories of shops employing certified mechanics. The state directories are free.

Another effort to help the public with auto repair programs—particularly on warranties—is the Automotive Consumer Action Panels (AUTOCAPS) program developed by the National Automobile Dealers Association in 1973. More than 40 such local panels are now in operation. When a dispute arises, the local dealers' association first tries to resolve it. If it cannot be resolved, either a single person (in some localities) or a panel of consumers and dealers suggest solutions.

A step in the right direction by a major oil company is the program set up by Shell in 1973, designating qualifying service stations as Shell Auto Care stations. These now number more than 1,150 serving 23 major markets in 16 states. By the end of 1979 Shell expects to have more than 2,000 such stations operating in 42 markets. Stress is placed on the motto "Car Repairs You Can Trust" with the dealer agreeing to give written estimates to back repairs in writing, employ a certified mechanic, return old parts, render fair treatment and provide neighborhood convenience.

For some years Shell has carried on a public relations-advertising program termed one of the most effective of the '70's by public relations professionals. The company has prepared a series of eight-page illustrated, easily read booklets aimed at helping the average driver. Subjects of the booklets range from an early warning book for spotting car problems before they cost big money to a car fix-up book, one on emergency repairs that the *driver* can make on the road, and even one on shopping for a car repair place.

The booklets are used as inserts in major magazines such as Reader's Digest, and are distributed through Shell stations. More than 507 million copies have been published.

STATE LAWS

In recent years, the number of states with laws regulating auto repair practices has substantially increased, even though they are still a minority. Prior to 1973, only three states had any protection for consumers in their auto-repair dealings. As of late fall, 1978, 21 states, the District of Columbia and at least three localities—Dallas, Texas, and Prince Georges and Montgomery Counties, Maryland—had auto-repair laws.

As a result of Michigan's Motor Vehice Service and Repair Act, one repair shop paid a fine of $7,000 and refunded to a driver the cost of unnecessary repairs. Between November, 1976, and the end of 1977, the Michigan agency recovered more than $100,000 for the state's consumers. California, under its law for registering repair shops, secured $800,000 in consumer adjustments during the year ended June 30, 1978.

New York also requires motor vehicle repair shops to register and to post their labor rates. As of September 1, 1978, almost 24,000 repair places were registered (the law took effect in late 1975). More than 22,000 complaints concerning repair shops had been made, and more than 4,700 of these concerned incompetent repair work.

Thus, while the problem of obtaining an adequate supply of honest and competent auto repairmen remains a huge one, the few steps which have been taken indicate that the problem is not insurmountable given the requisite will by legislators, consumer groups, and auto trade leaders.

MANUFACTURERS' ROLE

Now, what of the auto makers?

Randall and Glickman make this sweeping statement:

"The major blame for practically everything wrong with the auto repair industry must fall on the auto manufacturers—the shortage of repair facilities and mechanics, the flat-rate manuals, service writers who sell unneeded repairs, lack of mechanic licensing and training, damage-prone cars, worthless warranties, cars delivered to customers poorly assembled, cars not designed for easy repairability, and lack of parts standardization. But it is not easy to get car company executives to admit that they are responsible for the whole auto repair mess."

Even so sympathetically-oriented a trade publication as *Motor Age* admitted, in its September, 1978, issue, that ease and economy of repair have received low priority from car manufacturers, and that things will have to change in the coming decade—by increasing government pressure, if not voluntarily.

Consumer adviser Betty Furness called service "an unwanted stepchild" of the auto manufacturers, who measure success largely by the number of cars they can sell—and who have been accused of being more interested in the replacement parts aftermarket than in the convenience or pocketbook of the customer after he has bought their car.

An organization close to the insurance industry which has looked closely at the auto repair problem is the National Association of Insurance Commissioners.

The NAIC has organized a sub-group called the "Task Force on Containing Overall Automobile Insurance Costs." One of the areas of potential cost containment this body reported on to the NAIC at its June, 1978, annual meeting was "Vehicle Design for Damageability, Repairability and Occupant Safety."

While the NAIC is an insurance-related group, being made up of the insurance commissioners of the several states, it certainly could not by any stretch of imagination be called a captive group of the insurance industry. Therefore, one could hardly be more objective than to quote the findings of the NAIC Task Force.

The report first focused on auto bumpers. On that point:

"Vehicle design deficiencies have exacted substantial needless human and property damage penalties from consumers, insurers and society. Over the past several years the Insurance Institute for Highway Safety (IIHS) has engaged in considerable research and monitoring of the "designed-in delicacy" of new cars and the degree to which their bumpers and other component parts protect against low speed impacts. Testimony before various Congressional committees revealed new car design characterized by prominent use of sheet metal parts in the front, rear and side exterior areas likely to be impacted upon in a walking speed collision such as those which occur in a parking lot and driveways. Bumper systems were shown to fail to provide adequate protection in even very low speed crashes. Such deficiencies were shown to result in hundreds of dollars in damage per vehicle, needlessly increasing the cost of repair and replacement parts. . . .

RELIABILITY

"The high cost of automobile repair stems from at least two fundamental causes. First, automobiles are designed with a view toward ease of assembly, not ease of repairability. This is not surprising, since there appears to be little direct profit to the auto manufacturers to do otherwise . . ."

"A second fundamental cause in increased repair costs is the alarming escalation in the cost of crash repair parts. . . . this may, at least in part, be attributable to the absence of viable competition . . ."

That the way a car is made makes a difference in repair costs is borne out by data compiled by the Highway Loss Data Institute, an insurance industry-supported statistical organization.

Said the Task Force:

"The data collected has led to the major conclusion that within given classes of insureds, there is substantial variation of property loss by car make, model and year. Furthermore, essentially the same models are good or bad from year to year. Proceedings from these results, Allstate (Insurance Company) has developed a rating plan which increases premiums for those models whose experience is worse than average and decreases premiums (up to 30 percent) for those models whose experience is better than average. When data pertaining to personal injuries, as well as property damage, becomes available and is worked into the rating plan, the impact promises to be even more dramatic. . . .

"The implementation of a rating plan which accurately reflects the property damage and/or personal injury loss experience by car make, model and year serves two basic insurance public policy objectives.

"First, such pricing reflects the basic notion that an insured should bear his proportionate share of expected losses. Those insured selecting less injury or damage prone automobiles should pay lower premiums . . .

"Second, if . . . insurers implement such rating plans, the automobile manufacturers will be under pressure to better design safer automobiles or risk the loss of car buyers to those companies that do so design their vehicles. This, in turn, should not only serve to contain automobile insurance rates but also, and more importantly, reduce the loss of life, injuries and economic loss."

Whether the insurance industry, the federal government, state and local government, or the auto industry itself brings it about, cars of the '80's will have to be different, as *Motor Age* predicts—and the difference will have to be more than a "face lifting." For today's repair costs are a burden that motorists no longer can bear.

SOME THOUGHTS ON THE OIL CRISIS IN NEW ENGLAND

Mr. CHAFEE. Mr. President, New England needs in-region storage of oil as part of the strategic petroleum reserve program.

The strategic petroleum reserve program, established in 1975 is authorized in the Energy Policy and Conservation Act. EPCA provides for four district reserves, which together make up the entire reserve program. What I am concerned about today is the part of the reserve program called the Regional Product Reserve, or the "RPR."

The RPR plan calls for a product reserve in or readily accessible to any region in which imports make up more than 20 percent of the region's oil usage during the preceding 24 months. New England qualifies for a RPR because we import 77 percent of our distillate (home heating oil demand—17 percent as refined oil, and 60 percent as crude oil which is domestically refined.

The purpose of in-region reserve is to insure that homes and businesses in the region will have guaranteed access to oil in the event of an emergency, such as another embargo or supply interruption. I think we can all agree on the logic of taking adequate steps to insure that vulnerable regions are protected from supply problems, before we are faced with another emergency.

It has been nearly 6 years since the Arab oil embargo of 1973. What has happened since then? Some of the largest oil fields in the world have cut back on production. The major oil-consuming nations in the world have agreed to cut consumption by 5 percent. Yet our supplies are still vulnerable. Not a single barrel of No. 2 or No. 4 oil is stored in the ground in New England.

If we accept the President's fiscal year 1980 budget recommendation which provides no funds for the RPR—we will be even further from having the security from supply interruption that is mandated under EPCA and vitally needed in New England.

As you may recall, the Senate rejected a proposal last year that said regional reserves should be stored at a cost no higher than that for salt domes in the gulf coast. At that time the Senate agreed that cost alone should not determine the location and size of the RPR. Using a price ceiling of the least expensive storage site available to define where the RPR can be located is incongruous with the intent of the program—which is to protect our national security from oil supply interruptions.

Studies have been conducted on site alternatives for the reserves. The latest one, sponsored by the Department of Energy and prepared by the Evaluation Research Corp. of Virginia, concludes that a combination of sites inside and outside of New England could be made available at roughly similar costs. Those sites include combinations of Melville, R.I., (1.38 MMB); Otisfield, Maine (20 MMB); Chatham Annex, Va. (1.15 MMB); and Strait of Canso, Canada (10–20 MMB). A combination of sites in New England and on the east coast could provide storage for up to 20 million barrels of product reserve at similar costs to storage in the gulf salt caverns. In fact, the latest ERC analysis names Melville, R.I., as the best value of all the sites they analyzed.

Cost considerations aside, there are excellent reasons to locate the RPR in-region, rather than in only the gulf, as presently planned. First, there is the proximity factor. The New England and east coast storage sites are considerably more accessible to the population needing the oil in a time of emergency. Commonsense tells us that the response time between ordering oil from the reserve and delivering the oil to those who need it in New England is shorter when the oil is stored in Melville, R.I., rather than in Louisiana.

How can we be assured, in a time of national emergency, that sufficient tankers would be available to bring the oil up from the gulf to Providence or Boston? The Jones Act, which requires that all oil transported between U.S. ports be carried in U.S.-flag carriers, would have to be waived in order to get the oil to us as it is needed. Even then, the reliability of that response would be uncertain at best.

We must be conscious of the cost of all Government programs. But at any cost, we would be irresponsible to agree to a reserve plan that could not guarantee that we would receive the emergency oil when it is needed most. I am all for saving money, but I would not want the famous adage "You get what you pay for" to ring true when we desperately need home heating oil to keep our citizens warm.

Second, there is the psychological security factor. I have spoken with my constituents and others about the location of the oil reserve. The utilities, heating oil dealers, small businessmen and homeowners uniformly believe we need in-region storage. They all cite the strong psychological feeling of security in knowing that the oil, vital to their everyday needs, is close at hand in a time of emergency.

In-region storage will build confidence in Government among New Englanders. It will demonstrate that the Government is aware of their region's vulnerability to an oil supply disruption and has taken the necessary steps to protect them. To me, this is extremely important.

I urge the committee do whatever is necessary to insure that the RPR plan is completed. Let us start by putting the money back into the budget for it. Keep on top of the Energy Department to follow through on in-region storage. Most of all, we have got to move forward with the whole reserve program—we need the protection before it is too late.

I think it is important, in talking about any facet of the energy crisis, to avoid becoming too abstract. This is a human crisis, not an abstract puzzle.

I am terribly concerned, for instance, about what I see happening to low-income Americans because of the energy crisis. Homeowners in New England have seen the price of heating oil rise from 50 cents to 62 cents a gallon—an increase of over 20 percent—in only 6 months. This increase is double the size increase we used to experience in a full year. And the future looks even bleaker. The New England Fuel Institute estimates that home heating oil will cost 70 cents a gallon by the time the heating season begins next winter.

Let me relate the stories of just two Rhode Islanders trying to cope with the energy crisis:

Miss G. is an elderly woman who owns her own cottage in Cranston. In 1974 her income was $120 a month. Now, it is $160 a month.

In 1974 her home heating oil cost 35 cents a gallon, so a fill-up of her 200-gallon tank for an average winter month cost $69. Of her total income, that left her $51 a month for all her other expenses.

This year, Miss G. is paying 54 cents a gallon. Since 1974, her income rose by 33 percent, while the cost of oil rose by 54 percent. She now pays $108 to fill her tank each month and has $52 left over—a $1 increase in disposable income since 1974.

Mrs. K. lives with her one young child in an apartment in Rhode Island. She is on welfare. In 1974 she received $184 a month in welfare benefits. Her rent costs $125, while her oil costs $66 a month.

Today, she receives $274 in welfare benefits. But her rent has risen to $175, and oil now costs $110.

In 1974, Mrs. K. was behind $7 every month on rent and fuel alone. Today, she is behind by $11 every month. She has gone nowhere but down, thanks to 5 years of inflation and a deepening energy crisis.

We have a situation here where the heavy burden of paying for higher priced oil falls disproportionately on low-income persons. A recent study entitled, "Analyzing Impacts of Energy Costs on Residents of New England," done by the Energy Systems Research Group in Boston, puts into writing what low-income New Englanders have known all along—that energy costs are taking up more and more of the low income family's budget.

The study found that,

> Energy costs are higher in New England than they are in the nation as a whole, and that energy costs are regressive; they fall proportionately more heavily on low income households than on typical households.

The Energy Research Group study shows that at the present time, the average low-income family in New England (with $3,318 annual income) spends 27.5 percent of its household budget on energy costs. The typical middle-income New England family (with $16,582 annual income) spends only 9.6 percent of their household budget on energy.

As energy prices increase, so does the proportion of household expenditures a low income family must make for energy needs. A 25 percent increase in energy costs—close to what we have experienced this winter—will require a low income family to spend over a third of its budget on energy. Under similar conditions, a middle-income family would contribute just over a tenth of its budget. Clearly, it is the low-income family that bears the brunt of increased energy prices.

Some people say that poorer families and those on fixed incomes should conserve more, in order to lessen their costs. But traditionally it is not the family with a low or fixed income who uses great amounts of energy for "luxury" purposes. While all can conserve by lowering thermostats and using public transportation, the low-income family usually has fewer opportunities to significantly cut back on consumption. They don't have extra rooms to close off; they can't afford insulation or storm windows. And, as supplies dwindle, they see more and more of their household budgets being used to simply keep warm.

In addition to conservation measures, which are essential, we need to increase domestic production of oil. I recognize that in the short run, energy prices will rise as we provide greater incentives for domestic exploration by our companies. But, if we can help soften the impact of rising prices on those who can least afford it and help produce more domestic petroleum, it will be well worth our efforts in the long run.

I would like to put forth a proposal to help these families cope with the rising cost of energy, as well as to spur on our oil companies to produce more domestic oil.

First, let us put into effect a phased decontrol of oil prices. The tangled mess of pricing regulations has inhibited domestic production of oil and helped to increase our reliance on imported oil. For example, let "new oil" rise gradually to the world price by 1981 and let "old oil" reach that mark by 1983.

By decontrolling oil prices, the oil companies will receive more per-barrel than under current price regulations, although their costs for producing that oil will only rise at the rate of inflation. Therefore, the amount that the companies receive in excess of the present controlled price should be taxed at the rate of 75 percent. These newly acquired funds should then be returned to the States with high energy costs. The States would distribute the funds to low-income persons, thus helping them cope with rising energy prices.

The oil companies would be permitted to retain 25 percent of the difference between the current controlled price and the new deregulated price to invest in increased energy production. The tax would also phase out when oil prices are entirely decontrolled.

In my view, it is the Federal Government's responsibility to insure that the burden of higher energy costs is distributed in as equitable a way as possible. But this does not mean that we need to create a whole new Federal program and bureaucracy to meet every crying need. Let the Federal Government do what it does best—collect taxes. Then, let us give the revenues to the States, who can best determine who is in need of extra assistance in meeting energy costs.

The revenues generated from my suggestion of an "excess revenues" tax will help low-income families adjust to the increasing energy prices which reflect the realities of today's market. At the same time, we will encourage additional domestic energy production, which in the long run, is our only key to energy security.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

REPORT ON THE ACTIVITIES OF THE GOVERNMENT DEPARTMENTS AND AGENCIES TO PREVENT NUCLEAR PROLIFERATION—MESSAGE FROM THE PRESIDENT—PM 43

The **PRESIDING OFFICER** laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to submit the first report, as called for by Sections 601 and 602 of the Nuclear Non-Proliferation Act of 1978 (Public Law 95-242), on the activities of the Government Departments and Agencies to prevent proliferation.

The report, consisting of four volumes, is enclosed. The first volume contains a summary and chapter detailing the progress made in the following areas:

—The International Nuclear Fuel Cycle Evaluation (INFCE)
—An international nuclear fuel regime
—Development of common export and domestic policies
—Encouraging adherences to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT)
—Strengthening IAEA safeguards
—Negotiating agreements for cooperation
—Cooperation in energy with developing countries
—Cooperation in protection of the environment
—Procedures for processing export-related matters

In discussing the Government's activities in these areas, the report notes that considerable progress has been made in increasing international appreciation of the importance of minimizing risks of proliferation inherent in future fuel cycle developments. It points out that, through INFCE, the United States has stimulated a general reexamination of long-held technical assumptions concerning fuel cycle activities and awareness of the need to consider proliferation concerns. Progress is also reported in obtaining wider adherence to the NPT, in strengthening IAEA safeguards, and in continued consultations among nuclear suppliers.

The report notes that a number of problems have been encountered, particularly the perception by other countries that the United States is attempting to impose its own standards unilaterally on peaceful nuclear cooperation and that those standards are unnecessarily strict or impracticable. Doubts about the reliability of the United States as a nuclear supplier persist, as well as differences of views between ourselves and others concerning the proliferation risks and economic benefits of reprocessing and the recycling of plutonium in light water reactors. These problems and others noted in the report will continue to be addressed in our efforts to achieve international support for and consensus on our nonproliferation objectives.

Chapter XI of the report contains the analyses of the agreements for cooperation. It consists of two unclassified volumes, which are enclosed, and a classified volume which is being submitted to the Senate Foreign Relations Committee and the House International Affairs Committee, in accordance with Section 602(d) of Public Law 95-242.

JIMMY CARTER.

THE WHITE HOUSE, *March 22, 1979.*

MESSAGES FROM THE HOUSE

At 11:03 a.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2283. An act to amend the Council on Wage and Price Stability Act to extend the authority granted by such Act to September 30, 1980, and for other purposes.

The message also announced that, pursuant to the provisions of 22 U.S.C. 276a-1, as amended by Public Law 95-45, the Speaker has appointed Mr. HAMILTON, chairman, and Mr. DERWINSKI, vice president, of the delegation to attend the Conference of the Interparliamentary Union, held in Prague, Czechoslovakia, on April 16-24, on the part of the House.

At 11:56 a.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2301. An act to amend the Federal District Court Organization Act of 1978 with respect to certain administrative matters arising from the redrawing of the Federal judicial districts in the State of Illinois.

HOUSE BILLS PLACED ON THE CALENDAR

The following bills were read twice by their titles and placed on the calendar:

H.R. 2283. An act to amend the Council on Wage and Price Stability Act to extend the authority granted by such Act to September 30, 1980, and for other purposes.

H.R. 2301. An act to amend the Federal District Court Organization Act of 1978 with respect to certain administrative matters arising from the redrawing of the Federal judicial districts in the State of Illinois.

COMMUNICATIONS

The **PRESIDING OFFICER** laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-907. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, on behalf of the President, revised budget estimates for 1979 and 1980 as required by Section 601 of the Congressional Budget Act of 1974; to the Committee on Appropriations and the Committee on the Budget, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Director of the Office of Management and Budget, transmitting revised budget estimates for 1979 and 1980, as required by section 601 of the Congresisonal Budget Act of 1974, be referred jointly to the Committee on Appropriations and the Committee on the Budget.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

EC-908. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Transatlantic Cooperation in Developing Weapon Systems For NATO—A European Perspective," March 21, 1979; to the Committee on Armed Services.

EC-909 A communication from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation to amend and extend certain Federal laws relating to housing, community, and neighborhood development and preservation and related programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-910. A communication from the Secretary of the Interstate Commerce Commission, reporting, pursuant to law, that the Commission has been unable to render a decision in Docket No. 9199, Unit Train Rates on Coal—Burlington Northern, Inc.; and Docket No. 37021, Annual Volume Rates on Coal—Rawhide Junction, Wyoming to Sergeant Bluffs, Iowa, within the specified period, and requesting an extension of time in which to render decisions; to the Committee on Commerce, Science, and Transportation.

EC-911. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the Federal Fire Prevention and Control Act of 1974; to the Committee on Commerce, Science, and Transportation.

EC–912. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report regarding the administration of the Fair Packaging and Labeling Act by the Department during fiscal year 1978; to the Committee on Commerce, Science, and Transportation.

EC–913. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, reports on (1) Petroleum Market Shares: Report on Sales of Refined Petroleum Products; and (2) Petroleum Market Shares: Report on Sales of Retail Gasoline; to the Committee on Energy and Natural Resources.

EC–914. A communication from the Deputy Administrator of the General Services Administration, transmitting, pursuant to law, reports on the activities of the following agencies in issuing, revising, amending, or repealing standards for design for the handicapped: General Services Administration, the Department of Defense, the United States Postal Service, and the Department of Housing and Urban Development.

EC–915. A communication from the Secretary of the Army, transmitting a draft of proposed legislation to amend section 211 of the Flood Control Act of 1950, pertaining to attendance by the United States Army Corps of Engineers personnel at international and scientific conferences; to the Committee on Environment and Public Works.

EC–916. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "U.S. Administration of the Antidumping Act of 1921"; to the Committee on Finance.

EC–917. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report certifying that in order to maintain in the first quarter of fiscal year 1979, the budgeted level of operation for Radio Free Europe/Radio Liberty, Inc. is $1,572,747; to the Committee on Foreign Relations.

EC–918. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report listing the reports issued or released by the General Accounting Office in February 1979; to the Committee on Governmental Affairs.

EC–919. A communication from the Chairman of the U.S. Consumer Product Safety Commission, transmitting, pursuant to law, a copy of the Commission's letter to the Director, Office of Management and Budget concerning the revised draft "Regulatory Improvement Act of 1979"; to the Committee on Governmental Affairs.

EC–920. A communication from the Deputy Assistant Secretary for Indian Affairs of the Department of the Interior, transmitting, pursuant to law, a proposed plan for the use and distribution of Pyramid Lake Paiute judgement funds in Docket 87–B before the Indian Claims Commission; to the Select Committee on Indian Affairs.

EC–921. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, visa petitions accorded third and sixth preference classification under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC–922. A communication from the General Counsel of the Civil Aeronautics Board, transmitting, pursuant to law, the report of the Civil Aeronautics Board on the administration of the Freedom of Information Act for calendar year 1978; to the Committee on the Judiciary.

EC–923. A communication from the Assistant Secretary of State for Congressional Relations, transmitting, pursuant to law, the report of the Department of State on the adminisration of the Freedom of Information Act for calendar year 1978; to the Committee on the Judiciary.

EC–924. A communication from the Secretary of the Commission of Fine Arts, transmitting, pursuant to law, the report of the Commission on the administration of the Freedom of Information Act during calendar year 1978; to the Committee on the Judiciary.

EC–925. A communication from the Chairman of the Tennessee Valley Authority, transmitting, pursuant to law, the report of the Tennessee Valley Authority on the administration of the Freedom of Information Act during calendar year 1978; to the Committee on the Judiciary.

EC–926. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report presenting commentary and date in (1) costs and financing of health care (2) distribution of health care resources (3) utilization of health resources, and (4) the health of the Nation's people; to the Committee on Labor and Human Resources.

EC–927. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations amending the Family Contribution Schedules for use during the 1979–80 award period, under the Basic Educational Opportunity Grant Program (20 U.S.C. 1070a, Subpart I of Part A of Title IV of the Higher Education Act of 1965, as amended, P.L. 92–318, amended by P.L. 92–482, Education Amendments of 1976, and P.L. 95–566, the Middle Income Student Assistance Act; to the Committee on Labor and Human Resources.

EC–928. A communication from the Chairman of the National Commission for Manpower Policy, transmitting an advance copy of a report of the Commission entitled "Monitoring the Public Service Employment Program: the Second Round"; to the Committee on Labor and Human Resources.

EC–929. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Grain Dust Explosions—An Unsolved Problem"; to the Committee on Labor and Human Resources.

EC–930. A communication from the Administrator of Veterans' Affairs, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38 of the United States Code to provide for the right of the United States to recover the costs of hospital, nursing home or outpatient medical care furnished by the Veterans Administration to veterans for nonservice-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State, and for other purposes; to the Committee on Veterans' Affairs.

PETITIONS

The **PRESIDING OFFICER** laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–96. A resolution adopted by the Legislature of the State of Michigan; to the Committee on Appropriations:

"HOUSE RESOLUTION NO. 49

"Whereas, Because of a projected deficit of funding of $220,000 in the federal portion of the cooperative meat inspection program which operates on a matched funds system, the high quality of meats that the people of Michigan have come to take pride in is in serious jeopardy. Due to this underfunding, the United States Department of Agriculture (USDA) has made it apparent that federal inspection of meat may have to replace Michigan's excellent inspection program; and

"Whereas, Without adequate finances, Michigan's inspection program of the meat industry would terminate and the USDA would have to assume this responsibility at additional costs to the federal government that have been estimated to range to $2,500,000. Obviously, the cost effectiveness of this is inconsistent; and

"Whereas, Most importantly, however, the quality of meat products in the Great Lake State would undoubtedly deteriorate, as sausage, hot dogs, and other meat products could be subjected to the appreciably lower federal standards by as early as April of this year; and

"Whereas, Still another reason for the state program of inspection to be continued is the pressing need for local control in this regard, particularly in light of the PBB situation. The spectre of disease and contamination from all sources would again loom should the lower federal standards be implemented; and

"Whereas, It is perplexing to think that the federal government would spend $2,500,000 to save $220,000, all to achieve the results of a significant and real reduction in the quality of meat; now, therefore, be it

"Resolved by the House of Representatives, That the Congress of the United States be hereby memorialized to appropriate sufficient funds to maintain Michigan's state/federal cooperative meat inspection program; and be it further

"Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, the Michigan Congressional Delegation, and the United States Deparment of Agriculture."

POM–97. A concurrent resolution adopted by the Legislature of the State of Oklahoma; to the Committee on Agriculture, Nutrition, and Forestry:

"CONCURRENT RESOLUTION NO. 1017

"Whereas, Section 2–13 of Title 2 of the Oklahoma Statutes requires sellers of red meat or red meat products in this state to indicate by meat display signs and item labels whether their produce is of domestic or foreign origin; and

"Whereas, in the case of Borthwick and Sons (U.S.A.) Ltd. and Meat Importers' Council of America, Inc. v. State of Oklahoma, the Oklahoma State Board of Agriculture and the Oklahoma Department Board of Health, Civil No. 75–0818–D (W.D. Okl., September 20, 1976), the federal district court held that Section 2–13 was unconstitutional because it placed an impermissible burden on interstate commerce; and

"Whereas, the state has a legitimate state interest in ascertaining the origin of red meat and red meat products purchased by its residents; and

"Whereas, Congress has the authority to enact appropriate legislation which would be uniform and nondiscriminatory with regard to sellers of red meat and red meat products engaged in interstate commerce.

"Now, therefore, be it resolved by the House of Representatives of the 1st Session of the 37th Oklahoma Legislature, the Senate concurring therein:

"Section 1. The Congress of the United States is hereby memorialized to enact legislation which would require sellers of red meat or red meat products to indicate by meat display signs and item labels whether their produce is of domestic or foreign origin.

"Section 2. A copy of this Resolution shall be transmitted to the presiding officers of the United States Congress and to each member of the Oklahoma Congressional delegation."

POM–98. A concurrent resolution adopted by the Legislature of the State of North Dakota; to the Committee on Finance:

"SENATE CONCURRENT RESOLUTION NO. 4032

"Whereas, the state of North Dakota has consistently demonstrated its concern for the health, well-being, and dignity of its citizens by maintaining a reasonable public assistance level of payment standard compatible with the national average; and

"Whereas, the state of North Dakota has consistently encouraged employment as a viable alternative to public assistance resulting in a proportion of welfare recipients to its total population that is among the lowest in the nation; and

"Whereas, the state of North Dakota has consistently maintained one of the lowest error rates in the administration of the aid to families with dependent children program, the medical assistance program, and the food stamp program; and

"Whereas, the ever-escalating costs of the aid to families with dependent children program have imposed a severe financial hardship on the state; and

"Whereas, the federally mandated thirty and one-third earned income exemption has:

"1. Been difficult to administer because payroll deductions and other employment-related costs must each be dealt with individually, leading to many budgeting errors; and

"2. Had a dramatically different impact among states due to their wide range of payment levels, with states which recognize a reasonable standard of need finding it extremely difficult to close cases because of earnings; and

"3. Created a class of employed public assistance recipients whose assistance grant, partially exempt earnings, and related program benefits exceed the income of many independently functioning families in the community; and

"4. Unnecessarily increased the costs of the aid to families with dependent children program; and

"5. Eroded the public's confidence in the program;

"Now, therefore, be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

"That the Congress of the United States be urged to review and amend its statute relating to the earned income exemption in a manner as to:

"1. Simplify its administration by adoption of an 'off the top' exemption of earnings which would incorporate all employment expenses with the exception of child care; and

"2. Provide states with latitude to select, from within a range established in federal law, earnings to be exempt, thereby permitting a more reasonable integration with a state's level of assistance; and

"3. Either mandate the level of payment as well as earning exemptions, or grant the states the option of determining the earning exemptions as well as the level of payment, as the two are interrelated.

"Be it further resolved, that the Congress is respectfully requested to notify the North Dakota Legislative Council and the Executive Director of the Social Service Board of North Dakota when hearings are to be held on legislation, if any, introduced in response to this resolution; and

"Be it further resolved, that the Secretary of State send copies of this resolution to the Secretary of the United States Department of Health, Education, and Welfare, the President of the Senate, the Speaker of the House of Representatives, and to the North Dakota Congressional Delegation."

POM-99. A concurrent resolution adopted by the Legislature of the State of West Virginia; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION NO. 35

"Whereas, The selling of foreign steel products in the United States at prices substantially below their fair market value in this country is creating severe hardship upon the steel industry in West Virginia due to decreased demand for its products; and

"Whereas, Weirton Steel Company provides employment for 14,500 West Virginia citizens and Connors Steel Company employs 900 West Virginians, and decreased demand for steel products manufactured in West Virginia will necessitate layoffs of many of these employees and other steel workers, causing severe economic and personal hardship; and

"Whereas, There is ample federal statutory and administrative regulatory authority which, if strictly enforced, would prevent the practice by foreign enterprises known as "dumping"; and it is in the best interests of the citizens of West Virginia that such laws and regulations be expeditiously implemented and strictly enforced; therefore, be it

"Resolved by the Legislature of West Virginia:

"That the Congress of the United States is hereby requested to mandate that the United States Customs Service, the United States Department of the Treasury and the International Trade Commission take immediate action to implement and strictly enforce existing federal statutes and regulations to prevent the dumping of foreign steel products in the United States; and, be it

"Further Resolved, That copies of this request be sent to the Clerk of the United States House of Representatives, the Secretary of the United States Senate and to each member of the West Virginia Congressional Delegation."

POM-100. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas, The citizens of Massachusetts are rightly disturbed over the proposed United States-Canadian Fisheries Agreement; and

"Whereas, The proposed agreement calls for treaties dividing fish stocks in the Northwest Atlantic between the two nations and many other questionable issues; and

"Whereas, The proposed agreement will impose a severe hardship on the Massachusetts fishing industry; therefore be it

"Resolved, That the Massachusetts House of Representatives respectfully urges the Congress of the United States to take such action as may be necessary to block the signing of any treaties as proposed by the United States-Canadian Fisheries Agreement and in addition to refuse to enact any enabling legislation relating to said Agreement; and be it further

"Resolved, That copies of these resolutions be sent by the Clerk of the House of Representatives, to the President of the United States, the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

POM-101. A resolution adopted by the Legislature of the State of Alaska; to the Committee on Foreign Relations:

"SENATE RESOLUTION NO. 3

"Whereas the people of the Republic of China have built a successful, prosperous, free economy out of the ashes of a half century of revolution, invasion and civil war and now serve as an important trading partner of the American people; and

"Whereas the people of the Republic of China have been among the most trusted friends and allies of the people of the United States since the founding of the Chinese Republic in 1912; and

"Whereas the Republic of China is of strategic importance in the defense of East Asia and the Pacific, has always utilized its military power in the interests of the free world, and has, since 1954, been a party with the United States to a Mutual Defense Treaty; and

"Whereas, as recently as September, 1978, the United States Congress, without a dissenting vote, endorsed section 26 of the International Security Assistance Act of 1978, incorporating a statement of the sense of the United States Congress that there be consultation between the President and Congress on proposed policy changes affecting the rights, obligations, and relationships of the parties to the Mutual Defense Treaty of 1954; and

"Whereas, in December, 1978, the President, without prior consultation with Congress, announced termination of the Mutual Defense Treaty of 1954 with the Republic of China in connection with the federal government's recognition of the People's Republic of China, effective January 1, 1979; and

"Whereas unilateral executive renunciation of the provisions of the Mutual Defense Treaty constitutes a challenge by the federal executive to the rights and prerogatives of the Congress of the United States under the Constitution and the International Security Assistance Act;

"Be it resolved by the Alaska State Senate that the United States Congress explore all opportunities toward maintaining in full force and effect existing treaties and agreements between the United States and the Republic of China, and that every effort be made by Congress to encourage strengthening of economic and trade relationships between the two nations; and be it

"Further resolved that the United States continue to recognize the Republic of China by extending diplomatic and commercial relations usually accorded other independent nations; and be it

"Further resolved that the United States government use its best efforts to assure that relations between the Republic of China and the People's Republic of China occur without threat of force or aggression and that the future of the people of the Republic of China on Taiwan is peaceful and prosperous; and be it

"Further resolved that Congress conduct a thorough inquiry of the precipitous action taken by the President of the United States in unilaterally terminating obligations with the Republic of China under the 1954 Mutual Defense Treaty to assure that similar acts of the federal executive in contravention of the authority of Congress and the rights of the American people under the Constitution do not occur in the future.

"Copies of this resolution shall be sent to the Honorable Warren G. Magnuson, President Pro Tempore of the U.S. Senate; the Honorable Thomas P. O'Neill, Jr., Speaker of the U.S. House of Representatives; the Honorable Frank Church, Chairman of the Senate Foreign Relations Committee; and to the Honorable Ted Stevens and the Honorable Mike Gravel, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress."

POM-102. A resolution adopted by the Legislature of the Commonwealth of Puerto Rico; to the Committee on Foreign Relations:

"RESOLUTION

"For the Senate of Puerto Rico to reaffirm its repudiation and to condemn communism, particularly, the Dictatorial Communist Regime of Fidel Castro in Cuba, and to reaffirm its unbreakable faith in the principles and meaning of liberty, democracy and the rights of man; to declare itself in favor of the immediate release of all the political prisoners in Cuba and to exhort the unity of the Cuban exiles in Puerto Rico, New York, New Jersey.

Chicago, California and other places throughout the United States and the world.

"STATEMENT OF MOTIVES

"This year, 1979, marks the twentieth anniversary of Fidel Castro's regime in Cuba. They have been twenty years of oppression and tyranny against the People of Cuba, and of mourning for those People who believe in the principles of liberty and democracy.

"The aggressive anticommunist activity of the citizenry and the shared efforts to free our fellows in Cuba have a high priority in the defense of liberty and democracy, which mark a strengthening of the decision to continue the struggle against that regime until liberty is again restored in Cuba.

"Today, the totalitarian regime which has subjugated the Cuban people is freeing those who survived the firing squad, and were imprisoned simply because they fought against the communist dictatorship. This is a calculated action by the Castro regime to try to improve its image in search of commercial recognition, and at the same time undermine the growing effectiveness of the Cuban Exile Movement's strife for the liberation of Cuba.

"There is no communication possible between the tyrant, Fidel Castro, and the Cuban Exile Movement to free political prisoners. Such an attempt at communication is an opportunistic, calculated movement of the Castro regime. He imprisoned Cuban citizens for political reasons, without their having committed any crime or offense against their people, and without having been convicted of violating a law by a Court of competent jurisdiction after a fair and impartial trial. Their imprisonment is illegal and inhuman and their immediate release is just and proper. Their freedom is not negotiable; neither was their oppressive imprisonment nor the death of others by the firing squad. Therefore, there is no explanation or justification for the so-called "dialogue," especially when Fidel Castro is the jailer, who establishes the conditions and chooses the groups of prisoners who will eventually be freed. Fidel Castro's call to the alleged dialogue with the Cuban Exile Movement is a strategic farce before the United States and other nations of the world, with the intention of giving the impression, in an opportunistic manner, that justice is being done and that he is defending the human rights he has trampled upon.

"World-wide public opinion has also condemned Fidel Castro for sending Cuban citizens, armed with Soviet weapons and commanded by communist leaders, against African People. This armed intervention and participation by Fidel Castro is an aggression to the African People, which has anguished Cuban families.

"The Cuban Exile Movement should not and cannot allow their historical mission to fight for the liberty of Cuba to be dimmed as a result of internal divisions or conflicts between its leaders. These divisions in the Exile Movement tend to strengthen the tyranny of the Castro regime and to perpetuate the enslavement of a People who have the right to recover their freedom. This Resolution also has the purpose of exhorting the unity of the Cuban Exile Movement.

"Therefore, we give course to this renewed expression on the occasion of the twentieth anniversary of Fidel Castro's Communist Regime in Cuba.

"Be it resolved by the Senate of Puerto Rico:

"Section 1. To reaffirm the repudiation and the condemnation of communism, particularly, the dictatorial Communist Regime of Fidel Castro in Cuba, and to reaffirm its unbreakable faith in the principles and significance of liberty, democracy and the rights of man.

"Section 2. To reiterate, affirm and emphasize its call for the immediate release of all the political prisoners in Cuba who have been confined for so many years in the communist prisons of that land without having committed any crime, solely for believing in human freedom and democracy and being faithful to their convictions without yielding or backing down.

"Section 3. To reaffirm its support of the struggle for the freedom of Cuba on this Twentieth Anniversary of the Dictatorial Communist Regime of Fidel Castro.

"Section 4. To likewise, condemn the Cuban imperialism that outfits its army with Russian weapons to assassinate and subjugate African People, depriving them of their free will and their liberty.

"Section 5. To vigorously reject and repudiate any type of communication, agreement or transaction with Fidel Castro's Communist Regime.

"Section 6. To exhort the Cuban Exile Movement to stay united in its struggle for the liberation of Cuba and to avoid all internal division or conflict between its leaders and members.

"Section 7. To send a copy of this Resolution, translated into English, to the President and the Secretary of State of the United States of America; the Speaker of the House of Representatives and the President of the Senate of the United States of America; the Secretary General of the United Nations Organization of American States, and the Press on the United States Mainland.

"Section 8. To send a copy of this Resolution to the organizations that represent the Cuban Exile Movement in Puerto Rico and on the United States Mainland, and to the local Press.

"Section 9. This Resolution shall take effect immediately after its approval."

POM-103. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Governmental Affairs:

"RESOLUTION

"Whereas, The powers delegated to the federal government by the Constitution of the United States are limited, and those powers not delegated to the federal government are reserved to the states; and

"Whereas, It is becoming increasingly the practice of the federal government to require states to enact state laws to implement federal policies by threatening to withhold or withdraw federal funds for failure to do so; and

"Whereas, The federal government has imposed upon the states many programs and obligations which require funding in excess of state means, thereby making the states subservient to and dependent upon the federal government for financial assistance; and

"Whereas, Through the coercive force of withdrawing or withholding federal funds, or the threat of withdrawing or withholding federal funds, the federal government is indirectly imposing its will upon the states and requiring implementation of federal policies which neither Congress nor the President nor any administrative agency is empowered to impose or implement directly; and

"Whereas, This coercive power of the purse is being used to extend the power of the federal government over the states far beyond the powers delegated to the federal government by the Constitution of the United States; and

"Whereas, The power of the federal government should be exercised directly by the enactment, implementation and enforcement of federal laws governing only those areas in which the federal government is empowered to act by the Constitution of the United States, and the federal government should be prohibited from usurping the authority of the states and imposing its will indirectly in those areas in which it has no power to act directly; and

"Whereas, The federal government has imposed upon the states many programs and obligations which require state administration and such programs or other programs may lose federal financing if certain conditions attached to the program are not met; therefore be it

"Resolved, That the General Court of Massachusetts respectfully urges the Congress of the United States to enact legislation requiring the federal government to refrain from withholding, withdrawing or threatening to withhold or withdraw federal funds from a state as a means of requiring such state to implement federal policies or practices; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the House of Representatives to the President of the United States, the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

POM-104. A joint memorial adopted by the Legislature of the State of Oregon; to the Committee on the Judiciary:

"SENATE JOINT MEMORIAL 2

"Whereas the level of federal expenditures demonstrates an unwillingness or inability of both the legislative and executive branches of the Federal Government to curtail spending to conform to available revenues; and

"Whereas inflation is being fought almost exclusively by monetary policy while fiscal policy could and should be employed; and

"Whereas the State of Oregon by its Constitution and its laws in adopting a budget must show a balance relation between the total proposed spending and the total anticipated revenues or provide for paying the deficiency; and

"Whereas it is just and proper that the United States of America in its obligation to provide leadership for all of the states of the union should pursue the same policy; and

"Whereas a balanced budget would lessen the economic burdens on its citizens; and

"Whereas a balanced budget would lessen the need for increased state and local taxes; now, therefore,

"Be It Resolved by the Legislative Assembly of the State of Oregon:

"(1) That this body respectfully petitions the Congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States to require a balanced federal budget and to make certain exceptions with respect thereto.

"(2) That this application by this body constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical in subject matter to that contained in this Joint Memorial before January 1, 1979, this petition for a constitutional convention shall no longer be of any force or effect.

"(3) That this body propose that the legislative body of each of the several states comprising the United States apply to the Congress of the United States requiring the Congress to call a constitutional convention for proposing an appropriate amendment to the Federal Constitution or requesting the enactment of such an amendment to be submitted to the states for ratification.

"(4) That a copy of this memorial shall be transmitted to the President of the United States; to each member of the Oregon Congressional Delegation; to the presiding officers of the Senate and House of Representatives of the United States of America; to each Governor of each state in the United States of America; and to the presiding officer of each legislative body in the United States of America."

POM-105. A resolution adopted by the legislature of the State of Massachusetts; to the Committee on the Judiciary:

"RESOLUTION

"Whereas, In 1945, Title 15, United States Code, Sections 1011-1015, popularly known as the McCarran-Ferguson Act was enacted into law; and

"Whereas, In said Act Congress declared that the continued regulation and taxation by the several States of the business of insurance is in the public interest; and

"Whereas, In the course of such regulation, the several States have encouraged and required continued improvements in insurance coverages and the provision of insurance at reasonable rates; and

"Whereas, The several States have continually reviewed, experimented with, and altered various approaches to such regulation in an effort to assure the availability of insurance to the public at the lowest practicable cost; and

"Whereas, The business of insurance has developed a competitive structure; and

"Whereas, The public has benefitted from the competitive structure of the insurance industry, including at the retail level a variety of organizations, often small businesses, intensely competing, and from regulation of the industry by the several States; and

"Whereas, Federal regulation has repeatedly been shown not to be a panacea; and

"Whereas, It is becoming increasingly clear that the establishment of federal regulation increases the cost of government, resulting often in an increase of the cost of products and services to the consumer without providing offsetting benefits to the public; and

"Whereas, Federal regulation often creates confusion and delay; and

"Whereas, There has been no evidence that the several States cannot continue to regulate the insurance industry; and

"Whereas, There has been no evidence that federal regulation of the insurance industry by limiting State regulation and permitting the application of the federal antitrust laws will have a salutory effect upon the industry or otherwise benefit the public; and

"Whereas, It is often necessary, subject to state regulation, to pool the resources of several insurance companies in order to provide for coordinated actions in providing effective insurance coverage of certain risks at reasonable prices, efficiency in which the services are rendered at reasonable cost, and innovation in which new products and services are made available; and

"Whereas, Officials of the federal government have publicly, although unofficially, recommended amending the said McCarran-Fergusion Act so as to limit State regulation of the business of insurance; therefore be it

"Resolved, That the Massachusetts General Court respectfully memoralizes the Congress of the United States to reject any legislation amending Title 15 U.S.C., Sections 1001-1015, 59 Stat. 33 (1945) popularly known as the McCarran-Ferguson Act; and be it further

"Resolved, That copies of this resolution be sent by the Clerk of the House of Representatives, to the President of the United States, the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

POM-106. A resolution adopted by the Town Board of the Town of Islip, Suffolk County, N.Y., endorsing January 15 as a National and State holiday; to the Committee on the Judiciary.

POM-107. A joint resolution adopted by the Legislature of the State of Nevada; to the Committee on Finance:

"ASSEMBLY JOINT RESOLUTION NO. 5

"Whereas, Each Congress considers measures to regulate public retirement systems operated by the states and other governments; and

"Whereas, There have been a number of attempts in the Congress to require that public employees, who are now not required to participate in Social Security, be placed involuntarily under the plan; and

"Whereas, Several states are providing for retired employees at low cost and with credible efficiency, and are established on a firm foundation of good management and sound investment practices; and

"Whereas, The immense unfunded liability of the Social Security program, the bureaucratic waste and inefficiency, and the high cost to the participant which characterize the Social Security Administration and its programs make them an unattractive alternative for Nevada's public employees; and

"Whereas, The Public Employees' Retirement System of Nevada is one of the finest in the nation—its unfunded liability has been reduced by over $100 million during the past 4 years and its investment income has increased from $9 million in 1974 to more than $39 million in 1978; and

"Whereas, Social Security has historically undertaken to provide greater benefits than its revenues can practically afford; and

"Whereas, Any proposal to require Social Security coverage for Nevada's public employees is an attempt to force them to pay for the previously unfunded benefits placed upon Social Security by Congress; and

"Whereas, It is inherently unfair, and perhaps even unconstitutional, to require Nevada's solvent retirement system—a system which has zealously guarded against abuses in benefits and struggled to discourage outlandish and expensive proposals—to contribute or participate in any way with the insolvent federal Social Security system which is fraught with mismanagement and abuse; and

"Whereas, The Federal Government must recognize that it has no mandate from the people to regulate where regulation is not needed, or to force parts of the population who are providing security for themselves to undertake the burden of supporting an expensive, cumbersome and insecure system such as Social Security; now, therefore, be it

"*Resolved by the Assembly and Senate of the State of Nevada, jointly,* That the legislature is very strongly opposed to any federal legislation which would establish federal jurisdiction over or supervision of any public retirement system in Nevada; and be it further

"*Resolved,* That the legislature is very strongly opposed to any federal legislation which would require enrollment of public employees under Social Security or place any investment restrictions on public retirement systems in Nevada; and be it further

"*Resolved,* That copies of this resolution be transmitted forthwith by the legislative counsel to the President of the United States, the Vice President as presiding officer of the Senate, to every member of the United States Senate and House of Representatives and to the chairman of the Universal Social Security Study Committee of the Department of Health, Education and Welfare; and be it further

"*Resolved,* That this resolution shall become effective upon passage and approval."

POM-108. A memorial adopted by the Legislature of the State of Arizona; to the Committee on the Judiciary:

"HOUSE MEMORIAL 2002

"Whereas, in 1945 the McCarran-Ferguson Act (Title 15, United States Code, Sections 1011 through 1015) was enacted into law and in that Act it was stated that 'Congress declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest'; and

"Whereas, in the course of such regulation, the several States have encouraged and required continued improvements in insurance coverages and the provision of insurance at reasonable rates; and

"Whereas, the several States have continually reviewed, experimented with and altered various approaches to regulation in an effort to assure the public of the availability of insurance at the lowest practicable cost; and

"Whereas, the business of insurance has developed a competitive structure; and

"Whereas, the public has benefited from the competitive structure of the insurance industry including at the retail level a wide variety of organizations, often small businesses, intensely competing, and from regulation of the industry by the several States; and

"Whereas, federal regulation has repeatedly been shown not to be a panacea; and

"Whereas, it is becoming increasingly clear that the establishment of federal regulation increases the cost of government, often increases the cost of products and services to the consumer, and often without providing offsetting benefits to the public; and

"Whereas, federal regulation often adds confusion and delay; and

"Whereas, there has been no showing that the several States cannot continue to regulate the insurance industry; and

"Whereas, there has been no showing that federal regulation of the insurance industry by limiting State regulation and permitting the application of the federal antitrust laws will have a salutory effect upon the industry or otherwise benefit the public; and

"Whereas, it is often necessary, subject to state regulations, to pool the resources of several insurance companies in order to provide for coordinated actions to provide effective insurance coverage of certain risks and to provide the public with reasonable prices, efficiency in which the services are rendered at reasonable cost and innovation in which new products and services are made available; and

"Whereas, officials of the federal government have publicly, although unofficially, recommended amending the McCarran-Ferguson Act to limit state regulation of the business of insurance.

Wherefore your memorialist, the House of Representatives of the State of

"Arizona, prays:

"1. That the Congress of the United States reject all legislation proposing any amendment to the McCarran-Ferguson Act.

"2. That the Secretary of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation."

POM-109. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Veterans' Affairs:

"SENATE JOINT MEMORIAL NO. 101

"Whereas, sixty years ago the First World War ended in Germany; and

"Whereas, approximately twenty-five percent of those veterans of World War I, still live in our country; and

"Whereas, thousands of these veterans have poor health and live far below the level of poverty established by our great country; and

"Whereas, some 3,000 of these veterans are residents of Idaho and their average age is eighty-four years; and

"Whereas, the cost of helping and caring for these men and women falls increasingly on the State of Idaho; and

"Whereas, these men and women veterans are the only veterans of any war engaged in by the United States, who have never been pensioned; and

"Whereas, since World War II, all honorably discharged veterans have received pensions and benefits too numerous to mention; and

"Whereas, World War I veterans are now in failing health and becoming feeble; and

"Whereas, hundreds of bills have been introduced in the Congress of the United States calling for a pension for all honorably discharged veterans of World War I, but have remained buried in committee and have not been brought to a vote; and

"Whereas, the Legislature of the State of Idaho is in favor of a pension for these deserving men and women.

"Now, therefore, be it resolved by the members of the First Regular Session of the Forty-fifth Idaho Legislature, the Senate and the House of Representatives concurring therein and speaking on behalf of the citizens of the State of Idaho, that we ask the Congress of the United States to pass legislation, and the President of the United States to sign such legislation, immediately, authorizing the payment of $150.00 monthly to every honorable discharged veteran of World War I, whose service exceeded sixty days; which veterans now live impoverished in an affluent society.

"Be it further resolved that the Secretary of the Senate, be and she is hereby authorized and directed to forward copies of this memorial to the Honorable Jimmy Carter, President of the United States, the President of the Senate and Speaker of the House of Representatives of the Congress of the United States, and to the Senators and Representatives representing the State of Idaho in the Congress of the United States."

POM–110. A concurrent resolution adopted by the Legislature of the State of Arkansas; to the Committee on Foreign Relations:

"HOUSE CONCURRENT RESOLUTION 40

"Whereas, Taiwan is a long-time friend, ally and trade partner of the United States; and

"Whereas, Taiwan holds a pivotal, strategic position in Asia and the West Pacific which is vitally important to the defense of the United States; and

"Whereas, the people of Taiwan enjoy democratic freedom, a high standard of living and fundamental human rights which should not be jeopardized by the establishment of diplomatic relations between the United States and the Peoples Republic of China; and

"Whereas, continued trade with Taiwan is vitally important to Arkansas and the United States; and

"Whereas, Taiwan purchased Arkansas grain worth $30,000,000 in 1978; and

"Whereas, Taiwan purchased a total of $5.6 billion worth of goods from the United States in 1978,

"Now therefore, be it resolved by the House of Representatives of the Seventy-Second General Assembly of the State of Arkansas, the Senate concurring therein:

"That the United States Congress explore all avenues toward maintaining and developing our economic and trade relations with Taiwan and recognize Taiwan as a separate nation with all diplomatic and trade relations usually accorded to an independent nation.

"Be it further resolved that the United States use its influence and best efforts to secure the peaceful future of the people of Taiwan.

"Be it further resolved that diplomatic privileges be granted to representatives of Taiwan in the United States.

"Be it further resolved that a copy of this Resolution be immediately transmitted upon its adoption, by the Chief Clerk of the House of Representatives, to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, and each member of the Arkansas Congressional Delegation."

POM–111. A concurrent resolution adopted by the Legislature of the State of West Virginia; to the Committee on Commerce, Science, and Transportation:

"SENATE CONCURRENT RESOLUTION No. 32

"Whereas, On January 31, 1979, the United States Department of Transportation reported its final recommendation for a restructured intercity rail passenger system to be operated by the National Railroad Passenger Corporation; and

"Whereas, Such recommendations of the United States Department of Transportation will become law on or about May 15, 1979, unless the United States Senate or House of Representatives acts affirmatively to cancel the proposed recommendations; and

"Whereas, The proposed rail passenger system would provide a minimal level of national interconnected service plus an additional group of services connecting major regions of the country and providing service to major population centers; and

"Whereas, This proposal would eliminate twelve thousand miles of the present twenty-seven thousand mile system, reducing the system by forty-three percent, while reducing the funding of the system by only eight percent; and

"Whereas, The recommendation, if implemented, would result in the loss of employment for approximately five thousand Amtrak employees; and

"Whereas, Under the recommended system, the passenger train Shenandoah, which runs from Washington, D.C. to Cincinnati would be rerouted through Pittsburgh, the passenger train Cardinal, which runs from Washington, D.C. to Chicago would be discontinued, and the passenger train Hilltopper, which runs from Washington, D.C. through Petersburg, Virginia to the Tri-State Station in Kentucky would be discontinued, all of which would eliminate passenger rail service entirely from the State of West Virginia except for the weekend operation of the passenger train Blue Ridge, which would carry tourists from Washington, D.C. to Harper's Ferry, West Virginia; therefore, be it

"*Resolved by the Legislature of West Virginia:*

"That the Legislature of the State of West Virginia expresses its most serious reservations regarding the wisdom of the recommendations and strongly opposed implementation of the proposed restructured intercity rail passenger system; and, be it

"*Resolved further,* That the Legislature of West Virginia advises the United States Department of Transportation that the citizens of this great State are likewise citizens of these United States, and as such are entitled to the beneficial services of the Federal Government and its Department of Transportation, as are other citizens of this Union; and, be it

"*Resolved further,* That the Legislature of West Virginia requests and urges the Governor of the State of West Virginia, members of the United States Congress representing the State of West Virginia, the National Railroad Passenger Corporation and all other interested parties to exercise due diligence and their good offices to cause the United States Department of Transportation to cease implementation of its improvident decision, eliminating passenger rail service in the State of West Virginia; and, be it

"*Resolved further,* That copies of this request be sent to the Governor of the State of West Virginia, the Clerk of the United States House of Representatives, the Secretary of the United States Senate, each member of the West Virginia Congressional Delegation and to the President of Amtrak."

POM–112. A resolution adopted by the Legislature of the Territory of Guam; to the Committee on Labor and Human Resources:

"RESOLUTION No. 27

"Whereas, Section 504 of the Rehabilitation Act of 1973 provides that any program or activity receiving Federal funds may not discriminate against a person by reason of his handicap; and

"Whereas, the regulations promulgated pursuant to the provisions of Section 405 require a free appropriate public education to be made available for all handicapped children by September 1, 1978; and

"Whereas, the Education of the Handicapped Act of 1975 (P.L. 94–142) provides grants to states and territories to supplement special education expenditures; and

"Whereas, Guam enacted Public Law 13–207 to provide educational and training facilities and opportunities for the handicapped; and

"Whereas, in Public Law 13–207 a public policy for the territory's school system was established to offer free and appropriate educational services to all children whether they are normal, gifted or handicapped; and

"Whereas, the funding provided under Public Law 94–142 to the territory of Guam is not sufficient to meet the funding requirements for education of the handicapped but provides some assistance to the territory in meeting the educational needs of the territory; and

"Whereas, President Carter is recommending substantial reduction of the Federal assistance to be available under P.L. 94–142 and alteration of the timetable for Federal assistance outlined in regulations pursuant to this law; and

"Whereas, the funding available to the government of Guam would be reduced by approximately twenty percent (20%) if the recommendations of the President are enacted into law; now, therefore, be it

"Resolved, that the Fifteenth Guam Legislature, on behalf of the people of the territory of Guam, respectfully requests the United States Congress not to adopt the President's proposed reductions in spending for education especially those funds necessary for the education of the handicapped; and be it further

"Resolved, that the Speaker certify to and the Legislative Secretary attest to the adoption hereof and that copies of the same be thereafter transmitted to the Speaker of the House of Representatives of the United States Congress; to the President Pro Tempore of the Senate of the United States; to the Secretary of the Department of Health, Education and Welfare; to Congressman Philip Burton; to Congressman Antonio B. Won Pat; to the Director of the Department of Education; to Local 1581 of the American Federation of Teachers and to the Governor of Guam."

POM–113. A joint resolution adopted by the Legislature of the Federated States of Micronesia; to the Committee on Appropriations:

"HOUSE JOINT RESOLUTION No. IC–39, H. D. 1

"Whereas, the Congress of Micronesia, by Public Law No. 7–68 (1977), established a Study Group on Indefinite Land Use Agreements; and

"Whereas, members of the Study Group included appointees of the Office of Territorial Affairs of the Interior Department and of the Trust Territory High Commissioner, as well as members of the Congress of Micronesia; and

"Whereas, the Study Group was directed to inquire into the circumstances surrounding the execution of agreements in the 1950's and 1960's whereby Micronesians gave up the use of their land to the Trust Territory Government for an indefinite duration; and

"Whereas, the Study Group was also directed to recommend whether or not renegotiation of the leases should be undertaken, and to establish the basis upon which any such negotiation should occur; and

"Whereas, the Study Group issued a detailed report after painstaking research and investigation; and

"Whereas, the Study Group Report was adopted unanimously by members of the Study Group and endorsed by the Secretary of the Interior, the High Commissioner, the Congress of Micronesia, and the Interim Congress of the Federated States of Micronesia; and

"Whereas, the Study Group Report recommended either return of the land, renegotiation of the leases, or purchase of the land on a basis it determined to be fair and equitable; and

"Whereas, a professional appraisal of the land in question has now been completed by the realty firm of Cowell and Associates and submitted to the High Commissioner; now therefore,

"Be it resolved by the House of Representatives, Interim Congress of the Federated States of Micronesia, 1979 Session, the Senate concurring, that the United States Congress is hereby requested to appropriate funds as part of the Trust Territory Fiscal Year 1980 Budget so that the Micronesian landowners can receive the sums determined by the Study Group Report and the professional appraisers to be fair and equitable for the past, present and future use of their land; and

"Be it further resolved that certified copies of this House Joint Resolution be transmitted to the Honorable Walter F. Mondale, President of the United States Senate; the Honorable Thomas P. O'Neill, Jr., Speaker of the United States House of Representatives; Senator Warren G. Magnuson, Chairman, Senate Appropriations Committee; Representative George Mahon, Chairman, House Appropriations Committee; Senator Robert C. Byrd, Chairman, Subcommittee on Interior of the Senate Committee on Appropriations; Representative Morris K. Udall, Chairman of the Interior and Insular Affairs Committee; Representative Phillip Burton, Chairman, Subcommittee on National Parks and Insular Affairs of the House Committee on Interior and Insular Affairs; Representative Antonio B. Won Pat, Chairman, Subcommittee on Pacific Affairs of the House Interior and Insular Affairs Committee; Secretary of Interior Cecil D. Andrus; Director of the Office of Territorial Affairs Ruth G. Van Cleve; High Commissioner Adrian P. Winkel; the Chairman of the Joint Committee on Program and Budget Planning of the Interim Congress of the Federated States of Micronesia; and the Chairman of the Study Group on Indefinite Land Use Agreements."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

Special report entitled "History, Jurisdiction, and a Summary of Legislative Activities During the 95th Congress of the Committee on Energy and Natural Resources" (Rept. No. 96–43).

By Mr. BENTSEN, from the Joint Economic Committee:

Report entitled "1979 Joint Economic Report" (Rept. No. 96–44).

● Mr. BENTSEN. Mr. President, on behalf of the members of the Joint Economic Committee, I am today filing with the Senate the Committee's 1979 Joint Economic Report.

For the first time in 20 years, the annual report of the Joint Economic Committee is a unified report endorsed by both the majority and minority members of the committee. Policy disagreements among committee members naturally remain and those departures from the report are spelled out in supplementary and additional views. But this report illustrates an emerging consensus in the country that the Federal Government needs to put its financial house in order and that the major challenges today and for the foreseeable future are on the supply side of the economy.

The report focuses on the underlying issue of the capacity of the economy over the long term to increase the standard of living for the average American, to create a job for every American who wants to work and to help hold down the cost of living by increasing the goods on the shelves of the Nation's businesses.

The report reaffirms the traditional Joint Economic Committee concern about unemployment. The key to our success as a Nation has been freedom, not just political and religious freedom, not just freedom of the press, but the freedom to succeed, the freedom of opportunity. Throughout our history, a job has been the passport to success in America.

To post-World War II economists, the basic economic problem was to insure an adequate level of demand. Insufficient demand was the main economic problem of the Depression era. Excessive demand was the main economic culprit during World War II. So it was not surprising that economists were preoccupied for almost 30 years with the problem of maintaining an adequate level of demand in the economy. The Arab oil embargo and the subsequent behavior of the OPEC cartel suddenly and dramatically began to force the attention of the country and its economic experts on the supply side of the economy.

The report emphasizes the need to stimulate job creating new investment. It recommends consideration of incentives to promote industrial research and development. It calls for a more rational and effective Federal regulatory system. It recommends reducing our reliance on OPEC energy by accelerating research efforts to reduce the cost of coal pollution abatement facilities and to develop secure nuclear waste storage systems. It emphasizes the need to substitute Mexican and Canadian energy supplies for overseas sources. All of these recommendations are designed to advance the theory that expanding the capacity of the economy to produce goods and services efficiently is the most effective policy to combat the major economic ill of our time—stagflation.

The 1979 annual report addresses the problem of unemployment, particularly structural unemployment, in detail. The committee recommends expansion of current Federal manpower training programs. It calls for beefing up the CETA program by improving the link between that program and the private sector. It also recommends significant strengthening of economic development programs to reduce the Nation's unemployment rate, particularly among disadvantaged Americans. The committee calls upon the administration to publicize the new jobs tax credit proposal so that it can be an effective employment device. It recommends new incentives for private sectors employment and it calls upon the administration to prepare a standby program for employment in the event that the unemployment rate rises significantly. In addition, the committee is quite critical of the administration's assessment of the magnitude of the economic policy changes required by the targets established under the Employment Act as amended last year.

This committee recognizes that the term structural unemployment is a cold, clinical term which really does not capture the human dimension of the problem. Too many blacks, too many Hispanics, too many young people remain jobless and often without much hope of participating in the economic life of our Nation. The recommendations in this report would not solve the problem completely. But they are sound, solid recommendations that underline the obligation—the economic, moral, and humanitarian obligation—we as a Nation have to foster opportunities for employment.

The report stresses the growing interdependence of the United States and the world economy. It recommends greater international coordination of macroeconomic policies to achieve a better U.S. trade balance. It urges greater emphasis on export assistance for small and medium sized firms and scrutiny of the law and regulations currently inhibiting U.S. exports. It indicates that unilateral measures to encourage surplus countries to meet their international obligations may be necessary. Finally, it endorses the initiative taken by the U.S. Treasury to study a plan to accommodate the changing role of the dollar.

Bipartisanship during critical periods in our history has served this Nation well. This is the right time for a great deal more bipartisanship in economic policy as we try to pursue remedies to fight simultaneously high inflation and high unemployment. I would welcome that bipartisanship and I hope this report contributes to it. The severe economic problems we face require the kind of national unity which has so often been the hallmark of the American people when confronted with difficult challenges.

I would like to thank all the members of the committee for the splendid cooperation they have given me during my brief tenure as chairman. I would like to thank in a special way Congressman DICK BOLLING and Congressman BUD BROWN for their council and assistance. Our annual report was the work of 20 dedicated public servants who are deeply concerned about the future of our country and were willing to put aside partisan politics to search for the solutions to our Nation's difficult economic problems.●

By Mr. LONG, from the Committee on Finance, without amendment:

H.R. 1147. An act to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of the countervailing duties (Rept. No. 96-45).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

The following-named persons to be Members of the Board of Directors of the Legal Services Corporation:

Michael Kantor, of California; Robert J. Kutak, of Nebraska; F. William McCalpin, of Missouri; Revius O. Ortique, Jr., of Louisiana; Howard R. Sacks, of Connecticut; and Ramona Toledo Shump, of Kansas.

(The above nominations from the Committee on Labor and Human Resources were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR STAR PRINT—S. 515

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a star print version of S. 515 be provided to correct the printing errors to show the first $250,000 of disaster loans to businesses repaid at 5-percent interest rather than on the first $25,000, as the printed version now indicates.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DISCHARGING VETERANS' AFFAIRS COMMITTEE FROM CONSIDERATION OF S. 576 AND REFERRAL OF S. 576 TO JUDICIARY COMMITTEE

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the Veterans' Affairs Committee be discharged from the consideration of S. 576 and that it be referred to the Judiciary Committee. This request has been cleared with both the Veterans' Affairs and the Judiciary Committee chairmen.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, this request has been cleared with the majority leader. It is my understanding it was originally referred by mistake to the wrong committee.

Am I correct?

Mr. HAYAKAWA. That is correct.

Mr. ROBERT C. BYRD. Very well.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. TSONGAS:

S. 726. A bill to authorize the appointment of Col. Mary Agnes Hallaren, U.S. Army, retired, to the grade of brigadier general on the Retired List of the U.S. Army; to the Committee on Armed Services.

By Mr. MORGAN:

S. 727. A bill for the relief of Evelyn Khoury; to the Committee on the Judiciary.

By Mr. CULVER (for himself and Mr. McGovern):

S. 728. A bill to amend the Water Supply Act of 1958, and for other purposes; to the Committee on Environment and Public Works.

By Mr. SCHMITT (for himself and Mr. Domenici):

S. 729. A bill to revise the basis of assistance for communities under the Atomic Energy Community Act of 1955; to the Committee on Energy and Natural Resources.

By Mr. JACKSON (for himself, Mr. Moynihan, Mr. Javits, Mr. Kennedy, Mr. Williams, Mr. Pell, Mr. Chafee, Mr. Stafford, Mr. Schweiker, and Mr. Heinz):

S. 730. A bill to create the Energy Corporation of the Northeast and to authorize the Secretary of the Treasury to provide guarantees for the obligations of such corporation and other financial assistance to such corporation; to the Committee on Energy and Natural Resources.

By Mr. SCHWEIKER:

S. 731. A bill to amend titles XVIII and XIX of the Social Security Act to strengthen the capabilities of States and the Federal Government to detect medicaid fraud and abuse; to the Committee on Finance.

By Mr. JACKSON (by request):

S. 732. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. STENNIS (for himself, Mr. Cochran, Mr. Baker, Mr. Sasser, Mr. Heflin, and Mr. Stewart):

S. 733. A bill to provide for the completion of the Natchez Trace Parkway from Natchez, Mississippi, to Nashville, Tennessee; to the Committee on Energy and Natural Resources.

By Mr. JACKSON (by request):

S. 734. A bill to enable the Secretary of Energy to utilize revenues from power marketing, to carry out his responsibilities related to Alaska Power Administration, Southeastern Power Administration, Southwestern Power Administration, and Western Area Power Administration, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. McCLURE:

S. 735. A bill to supplement the Acreage limitation and residency requirements of Federal reclamation laws; to the Committee on Energy and Natural Resources.

By Mr. DOLE:

S. 736. A bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes; to the Committee on Finance.

By Mr. STEVENSON (for himself and Mr. Heinz):

S. 737. A bill to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the right to engage in commerce; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MELCHER (for himself, Mr. Baucus, Mr. Burdick, Mr. Dole, Mr. Exon, Mr. McGovern, Mr. Pressler, Mr. Tower, Mr. Wallop, Mr. Young, and Mr. Zorinsky):

S. 738. A bill to amend section 16(b) of the Soil Conservation and Domestic Allotment Act, as amended, providing for a Great Plains Conservation Program; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. LAXALT:

S. 739. A bill to amend certain provisions of title 28, United States Code, relating to venue in the district courts and the courts of appeals; to the Committee on the Judiciary.

By Mr. WILLIAMS (for himself, Mr. Proxmire, Mr. Garn, Mr. Morgan, Mr. Stewart, and Mr. Tower):

S. 740. A bill to amend section 245 of the National Housing Act to exclude graduated payment mortgages from certain restrictions regarding maximum amount of loan; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. CRANSTON (by request):

S. 741. A bill to amend title 38, United States Code, to revise and clarify eligibility for certain health care benefits; to revise and clarify the Department of Medicine and Surgery personnel system; to revise medical resources utilization; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. PERCY (for himself and Mr. Glenn):

S. 742. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies with respect to nuclear waste management; ordered held at the desk, by unanimous consent.

By Mr. WILLIAMS:

S. 743. A bill to amend the Immigration and Nationality Act to authorize certain courts which have naturalization jurisdiction to retain up to $20,000 of the fees collected in naturalization proceedings held in such courts in any fiscal year; to the Committee on the Judiciary.

By Mr. MATSUNAGA:

S. 744. A bill to amend section 37 of the Internal Revenue Code of 1954 to increase the amount of the credit for the elderly; to the Committee on Finance.

By Mr. PROXMIRE (for himself, Mr. Williams, and Mr. Garn) (by request):

S. 745 A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation and related programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MATSUNAGA:

S. 746. A bill for the relief of Raymond W. Milling; to the Committee on Governmental Affairs.

S. 747. A bill for the relief of Yee Leong Ching; to the Committee on the Judiciary.

By Mr. CANNON (for himself, Mr. Thurmond, Mr. Goldwater, Mr. Harry F. Byrd, Jr., and Mr. Talmadge):

S.J. Res. 51. A joint resolution proposing an amendment to the Constitution to provide that electoral votes shall be proportionally divided in each State, based on the direct popular vote in that State; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MORGAN:

S. 727. A bill for the relief of Evelyn Khoury; to the Committee on the Judiciary.

EVELYN KHOURY

● Mr. MORGAN. Mr. President, today I am introducing a private bill for the relief of Miss Evelyn Khoury, a citizen of Lebanon.

Miss Khoury left her troubled homeland to stay with a family in North Carolina. After saving her money for some time, she departed her native country to reside with her aunt and uncle who reside in my State. Miss Khoury comes from a large and poverty-stricken Lebanese family. She is 30 years of age and is currently learning to speak English. She is being supported by her relatives here and at this point, she has been in the United States a little over 1 year.

Mr. President, this private bill will admit Miss Khoury to the United States for permanent residence. I believe that we in the Senate would be hard pressed to turn this young woman away from our doors and return her to the still-embattled land of Lebanon. While I would hope that she could return, she has given up all hope and the situation in Lebanon supports her view that civil violence and warfare will be ways of life in that country for some time to come.

At present, Miss Khoury is with a family which will care for her and is being trained to speak our language. It is my belief that she will be an asset to our country if given the opportunity to remain.

I urge favorable consideration of this legislation by the Senate.●

By Mr. CULVER (for himself and Mr. McGOVERN):

S. 728. A bill to amend the Water Supply Act of 1958, and for other purposes; to the Committee on Environment and Public Works.

THE SMALL TOWN AND RURAL COMMUNITY WATER SUPPLY ASSISTANCE ACT OF 1979

● Mr. CULVER. Mr. President, today I am introducing legislation to help small towns and rural communities meet one of their most pressing needs, the development of adequate water supplies for municipal and domestic use.

A vigorous community cannot exist without a sufficient supply of good water available at reasonable cost. Both its health and economic well being are threatened if water is limited in quantity and or poor quality. Many small and rural communities, however, are increasingly hard-pressed to develop new water supplies, and water in rural areas is generally scarcer, costlier, and of poorer quality than that of urban America.

In my own State of Iowa, for example, more than 30 percent of our population still uses individual wells or other noncentralized systems. Testimony at a Senate Water Resources Subcommittee hearing I held at Leon, Iowa, in 1976 revealed that the future demand for water in southern and western Iowa will run 20 percent greater than current usage, and that new supplies of both surface and ground water must be developed to meet these requirements.

Shallow wells may also be more easily contaminated by surface runoff or contain unacceptably high concentration of nitrate and other chemicals. At a hearing of the Water Resources Subcommittee I chaired in rural Polk City, Iowa, last December on water supply issues, one elderly resident testified that the nitrate content of his neighbor's well water was so high that it killed some of his livestock. The neighbor drilled another well to provide better water for his animals, but his family continued to use the water from the older well. Mr. President, it is shocking to think that in the most powerful and richest Nation on Earth, some of our citizens continue to drink water that kills livestock because they cannot afford the cost of hauling in water for their own use.

Adequate water resources are a critical component of the quality of small town and rural life, and it is obvious that appropriate measures should be taken to develop additional water supplies and more efficient and economical centralized rural water systems. Mr. President, the legislation I am introducing today, the Small Town and Rural Community Water Supply Assistance Act of 1979, entails a three-part strategy to assist these communities in meeting their critical water supply needs.

First, the bill initiates a technical assistance program to provide small and rural communities with "front end" planning for developing or expanding central water systems. Many water-short communities have organized water associations to establish a reliable source of acceptable water for their members. Iowa, for example, currently has 26 water associations serving small and rural communities, and the Water Resources Institute at Iowa State University estimates that as many as 66 associations may be formed in the State by the end of the century.

While the Farmers Home Administration provides loans and grants to construct water systems, little Federal assistance is available to help rural water associations formulate feasibility studies to design the best systems to meet the needs of small communities. Studies by the national demonstration water project conclude that many of these systems are either "underdesigned" and fail to accommodate the need for growth, or are "overdesigned" and result in excessive expenditures for operation and maintenance. To rectify this problem, this legislation authorizes the U.S. Army Corps of Engineers to assist rural water associations in conducting feasibility studies, including assessments of the most appropriate surface and ground water sources, to design the most efficient and economical water systems.

Second, it amends the 1958 Water Supply Act to authorize a Federal cost-sharing program for water supply features of multipurpose projects of the U.S. Army Corps of Engineers and the Bureau of Reclamation. Under existing law, water supply has been an incidental "add-on" to the flood protection, hydroelectric power or navigation benefits of construction projects undertaken by these agencies.

The costs associated for water supply are borne completely by local users. I believe that providing water supply for community use should receive equal priority with other benefits of these programs. The bill permits the Corps of Engineers to construct projects whose primary purpose is water supply. It also increases from 30 to 50 percent the amount of total project costs that may be allocated to municipal water supply uses, and authorizes the Federal Government to provide 50 percent of the costs of water supply features of these projects.

Finally, the bill authorizes increased emphasis on water supply features of small watershed projects built under the authority of Public Law 83-566, the Small Watershed and Flood Prevention Act of 1954. While the main thrust of the "566" program is flood protection and erosion control, the Soil Conservation Service estimates that 148 of the 1,210 small watershed projects nationwide incorporate municipal water supply features, including the Little River, Three Mile Creek, Twelve Mile Creek, and Walter's Creek projects in Iowa.

The total cost of water supply elements of these projects nationwide is $54.4 million. While not a significant amount when compared with other national programs, these costs can be a major financial burden on the small and rural communities that must bear them completely.

Currently, 30 percent of the total cost of a small watershed project can be allocated for water supply features. Discretional authority for Federal cost-sharing has existed since 1972, but it has never been implemented.

This bill increases from 30 to 50 percent the percentage of project costs that may be allocated to water supply, and requires the Soil Conservation Service to initiate a 50-percent cost-share for water supply features of both future small watershed projects and those currently under construction.

Mr. President, the hearings I have held on the problems of water supply graphically illustrate the problems many small and rural communities face in developing sufficient supplies of water at affordable costs. The Small Town and Rural Community Water Supply Assistance Act of 1979 signals the beginning of a firm Federal commitment to help assure the continued availability of adequate water supplies which are essential to the well-being of all smalltown and rural Americans.

Thank you, Mr. President.●

By Mr. SCHMITT (for himself and Mr. DOMENICI):

S. 729. A bill to revise the basis of assistance for communities under the Atomic Energy Community Act of 1955; to the Committee on Energy and Natural Resources.

ATOMIC ENERGY COMMUNITY ACT AMENDMENTS OF 1979

● Mr. SCHMITT. Mr. President, the Los Alamos Scientific Laboratories in Los Alamos, N. Mex., have made great contributions to the advancement of science in the United States. In addition to its role in meeting the vital defense requirements of our Nation, the Los Alamos labs have also been active in a number of other areas of research and have significantly contributed to the solution of problems associated with almost all aspects of energy research, development, and demonstration.

Since 1943, health research has also been an integral part of the Los Alamos programs when the dangers of exposure to nuclear materials was recognized and addressed with the rapid development of methods and standards for protection of laboratory workers.

The list of achievements of the Los Alamos labs is too long and varied to discuss in detail at this time, but it can accurately be said that they are of the primary scientific assets of our Nation.

For many years, the county government and schools of Los Alamos, N. Mex., have received community assistance funds from the Federal Government. The existence of the community of Los Alamos is, in fact, a result of the U.S. Government's creation of the Los Alamos Scientific Laboratories during the development of the Manhattan project in World War II. The vast majority of property in the county is owned by the Federal Government, a fact which greatly inhibits the ability of Los Alamos to raise local revenues to finance the activities of local government.

Los Alamos is one of three communities where federally operated nuclear research facilities are located. Oak Ridge in Tennessee receives funding under a formula approach based on the application of criteria in the Atomic Energy Community Act. This formula-based approach was adopted for Oak Ridge in 1964. Richland, Wash., stopped receiving community assistance funds in 1969 because the development of private industry there and the accompanying growth of the community has created a tax base and gradually reduced the need for Federal assistance. Los Alamos, because of its isolated location in a mountainous area of the State, surrounded by public lands, remains unsuitable for comparable commerical development. The need for community assistance funding is very real—and a long-term requirement, yet the Government has failed to develop a formula to provide for funds and each year the problem of how much the county will receive is addressed again. The solution to this yearly exercise is to apply a formula similar to that which is used for funding in Oak Ridge which will give both the county of Los Alamos and the Federal Government a dependable estimate of future assistance.

Over the years, the amount of community assistance to Los Alamos has varied considerably. For fiscal year 1980, the Department of Energy has proposed to reduce assistance to the county by some $358,000 or 28 percent below last year's payment of $1,268,000. The assistance to the schools is scheduled to decrease from $3,293 million to $3 million, a decrease of 9.1 percent. This is a matter of vital concern to the people of Los Alamos for the county government and the schools need community assistance funds to be able to provide basic public services.

These reductions are entirely unwarranted and would pose a severe strain on the county. Furthermore, it underscores the necessity for developing a formula approach to the provision of funds which will allow the people of Los Alamos to have an idea of what sort of payment will be made in future years. At present, the funding level appears to be based on whatever budgetary whims of priorities prevail for the moment at the Department of Energy rather than on the need to provide a stable level of assistance so that the county can plan for the future. I know of no organization that can function effectively on the funding pattern which has occurred under DOE. It has resulted in a lack of confidence and some degree of confusion in Los Alamos with regard to DOE intentions. The current DOE approach requires that the county await congressional action on the Federal budget before there is any certainty as to the final level of funding.

For these reasons, I am introducing legislation today, cosponsored by my senior colleague Senator DOMENICI, requiring that DOE community assistance funding to the county and schools of Los Alamos be based on a formula approach. The formula would be based on the current assistance payment adjusted for inflation, any increases or decreases in employment or school enrollment, the average assistance payment received by Los Alamos over the past 3 years, and the ratio of projected revenues from local sources to average local sources over the preceding 3 years.

The formula would provide a reasonable and fair approach to community assistance funding in Los Alamos. It would increase funding for inflation but would also hold the possibility for reducing funding should employment or school enrollment decline.

It is fair to both the taxpayer who must provide the revenues and to the county of Los Alamos which supplies vital services to Department of Energy personnel working at the Los Alamos Scientific Laboratory. This formula approach to community assistance payments will eliminate the uncertainty which has prevailed up to the present time and will end the county's dependence on shifting attitudes at the Department of Energy. No local unit of government should be held hostage to the Federal budgetary process to the extent that the county of Los Alamos has been for 25 years. I hope the Congress will act swiftly to correct this unbalanced and unfair situation. It is a pleasure to have the distinguished senior Senator from New Mexico, Senator DOMENICI, join me as a cosponsor of this legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 729

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Atomic Energy Community Act Amendments of 1979".

SEC. 2. (a) Chapter 9, of the Atomic Energy Community Act of 1955 (42 U.S.C. 2391) is amended by adding at the end thereof the following new section;

"SEC. 95. Basis of Assistance to Los Alamos, New Mexico for Fiscal Years Beginning After September 30, 1979.—

"a. IN GENERAL.—For any fiscal year beginning after September 30, 1979, the Secretary shall make payments under this chapter to Los Alamos, New Mexico according to a formula where the assistance payment for any fiscal year shall be based on the assistance payment for the preceding year adjusted to consider the following:

"(1) the estimated inflation adjustment;

"(2) the estimated employment impact or related school enrollment;

"(3) the average assistance payment received by such entity over the past 3 years; and

"(4) the ratio of projected revenues from local sources to average local source revenues over the preceding 3 years.

"b. ASSISTANCE TO SCHOOL DISTRICTS.—For any fiscal year beginning after September 30, 1979, the Secretary shall make payments under this chapter to affected school districts at or near Los Alamos, New Mexico based on the formula established under subsection a.

"d. MAINTENANCE OF EFFORT.—Funds shall be made available under subsection b. only to the extent that the Secretary determines that such funds are in addition to, and shall not supplant, local funds. In making a determination under the preceding sentence the Secretary shall consider the effects of inflation, school enrollment changes and such other matters as may be deemed necessary.

"e. AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated for the purposes of subsection a. $1,391,800 for the fiscal year ending September 30, 1980, and such sums as may be necessary for each succeeding fiscal year.

"(2) There are authorized to be appropriated to carry out the purposes of subsection b. $3,482,590 for the fiscal year ending September 30, 1980 and such sums as may be necessary for each succeeding fiscal year.".●

By Mr. JACKSON (for himself, Mr. MOYNIHAN, Mr. JAVITS, Mr. KENNEDY, Mr. WILLIAMS, Mr. PELL, Mr. CHAFEE, Mr. STAFFORD, Mr. SCHWEIKER, and Mr. HEINZ):

S. 730. A bill to create the Energy Corporation of the Northeast and to authorize the Secretary of the Treasury to provide guarantees for the obligations of such corporation and other financial assistance to such corporations; to the Committee on Energy and Natural Resources.

REGIONAL ENERGY DEVELOPMENT ACT OF 1979

○ Mr. JACKSON. Mr. President, on behalf of myself and Senators MOYNIHAN, JAVITS, KENNEDY, WILLIAMS, PELL, CHAFEE, STAFFORD, SCHWEIKER, and HEINZ, I am introducing today legislation to establish the Energy Corporation of the Northeast.

Mr. President, the concept of a regional energy corporation has been developed by the Coalition of Northeastern Governors. I was happy to serve as sponsor of this legislation during the 95th Congress and I welcome this opportunity to introduce this bill anew in the 96th Congress.

The purpose of such a corporation is very simple. It is designed to bring together the States, the Federal Government, and private industry in a creative effort to deal with the energy problems of the Northeast.

Mr. President, the energy problems of the Northeast are a national concern. The increasing dependence of the Northeast on imported oil and petroleum products is a problem of critical importance. The security implications of this dependence are national in scope. The economic consequences of the largest trade deficits in our history—caused mainly by oil imports—run nationwide. The recent events in Iran graphically illustrate the need to decrease this dependence upon foreign petroleum imports. In particular, the national interest dictates that the Northeast region—the region of the country most dependent upon these imports—make a concerted effort to reduce its need for energy imports as soon as possible.

The Energy Corporation of the Northeast is intended to be a regional self-help mechanism which would assist the region in its efforts to reduce these imports. The corporation would provide technical and financial assistance to projects designed to increase the supply of energy and to promote the more efficient use of energy within the Northeast. Using State and private funds, backed by Federal guarantees of its obligations, the corporation could help facilities for the production of energy, energy transportation, or distribution projects, the renovation and rehabilitation of existing energy facilities, and facilities for the manufacturing of equipment or materials necessary for energy production and conservation.

Mr. President, the proposed new corporation is not a revolutionary concept. It builds upon our experience with the Bonneville Power Administration and the Tennessee Valley Authority. It borrows from the approach of the Reconstruction Finance Corporation.

It is increasingly clear that we will not solve our economic or energy problems solely through conventional, marketplace solutions. We need to be creative in devising new mechanisms that will foster energy investment. The Energy Corporation of the Northeast could enlist the public and private sectors to achieve energy development which will not otherwise occur.

Mr. President, I ask unanimous consent that a brief summary of the bill be included in the RECORD, together with an article supporting the concept of such a corporation by Felix G. Rohatyn and John C. Sawhill.

There being on objection, the summary and article were ordered to be printed in the RECORD, as follows:

REGIONAL ENERGY DEVELOPMENT ACT

SUMMARY

I. Purposes (Sections 1–3):

Congress authorizes the creation of a regional energy development corporation to provide technical and financial assistance to projects designed to increase the supply or promote more efficient use of energy in the Northeast and to promote regional cooperation on energy problems. The corporation is conceived as an entity capable of joining the federal government with the states and private sector in meeting the energy problems affecting the region.

The Corporation is to be known as the Energy Corporation of the Northeast.

II. Organization, Management, Powers (Sections 4–14):

The Corporation will be established by incorporators appointed by the President, who will also appoint five directors. CONEG states may join by enacting state legislation for that purpose, and contributing initial capital in the amount of $1 per capita. The Governor of each member state will appoint one director. Private investors will jointly select two additional directors. All directors serve part-time.

The Corporation becomes operational if at least three states become members before December 31, 1978. States may withdraw as members by subsequent legislation. States contiguous to member states are also eligible to join the Corporation in the same manner.

The Board selects its chairman, and appoints a President who shall serve at its pleasure as Chief Executive of the Corporation. A quorum consists of at least two Federal Directors and ⅔ of the State Directors.

The Corporation is authorized to participate in joint ventures with public or private groups and to operate through subsidiaries. Its own activities, as opposed to projects it finances, are tax-exempt. It does not have powers of eminent domain, but must request that the State consider the exercise of its powers of condemnation.

The Corporation is required to submit annual reports and audits to the President, Congress, Governors and Legislatures of member states. In addition, the Governors, on a rotating basis, shall designate independent persons to evaluate the performance of the Corporation every two years.

III. Projects (Sections 15–22):

The Corporation may participate in financing any project related to solving the energy needs of the region including projects relating to coal development or transportation, enery conservation or storage; power production or transmission; manufacturing new energy-related products or equipment necessary to energy production or conservation.

The Corporation may assist projects by loans, guarantees or equity investments. Before any financial assistance is provided, the Board must find that the project is expected to have a beneficial impact on the energy problems of the region; the investment together with other Corporation activities will not materially impair the credit of the Corporation; private capital is unavailable or insufficient; and, unless this limitation is specially waived, the Corporation will not operate the project on a continuing basis or invest more than 50 percent of the total cost.

Each project may also be rejected by the Governor of the Member State in which it is to be located. The Board is charged with reviewing periodically the allocation of Corporation resources among the Member States to assure a measure of equity in the distribution of benefits. To further this end the Corporation may not concentrate its total assets—its investment in any one project is limited to the greater of 10 percent of its borrowing authority or $200 million.

IV. Financing (Sections 23–32):

Capital subscriptions from the States ($1 per capita initial contribution) and private investors determine the borrowing authority of the Corporation according to a formula of $15 borrowing backed by federal guarantees for each $1 capital contribution. After the initial subscription, additional state capital is authorized but not mandatory. Thus, the Corporation's capacity will expand the extent its performance justifies additional subscriptions from any source.

Capital securities may be issued both to States and private investors in a form determined by the Board.

The Corporation may issue its own obligations which shall be general obligations payable out of any revenues. In general the specific terms of Corporation borrowing are left to the Board. Similarly, the security and priority for Corporation loans and other financing will be determined by the process of market negotiation. The Corporation's obligations are limited in term to a maximum of 40 years.

Neither the credit of the United States nor the credit of Member States can be pledged by the Corporation.

V. Federal Guarantees (Sections 33–38):

The Secretary of Treasury is authorized to guarantee obligations of the Corporation. The Secretary may review and approve terms of any financing before providing the guarantee. In the event of default, a holder of Corporation obligations may seek payment from the Secretary after 30 days and the Secretary must pay within 60 days after such demand. This is the standard procedure for federal bond guarantees. Income on guaranteed obligations are taxable to the holder.

VI. Other Provisions:

Upon joining the Corporation, the Member State is required to pass legislation assuring expedited (90 days) decisions on permits required for Corporation projects (Section 42). The Governor may exempt specific types of permits from this schedule (Section 42). In all respects, the Corporation-assisted projects will be subject to federal, state, and local laws and regulatory procedures, including environmental standards, zoning and planning laws, and rate-making procedures.

The bill authorizes a regional corporation for the Northeast. The findings, however, make clear the Congressional intent to authorize similar regional entities for other regions.

URGENTLY NEEDED—A NORTHEAST ENERGY DEVELOPMENT CORPORATION

Each day the states in the Northeast corner of the U.S. burn up more than 3 million barrels of oil and gasoline on an annual basis. Most of it is purchased in the Middle East. It costs more than $17 billion and equals two-thirds of America's mounting trade deficit.

These are the key figures that make us believe that Congress should act now on a proposal to establish a special public corporation that would work as a catalyst to cut the energy knot that is particularly damaging to the economy of the Northeast and threatening the economy of the country.

The proposal, which originated with Governor Carey of New York, has become a cornerstone of the program of the Coalition of Northeastern Governors which includes, in addition to New York, the governors of Connecticut, Massachusetts, New Jersey, Pennsylvania, Rhode Island, and Vermont. The proposed authority, the governors would call it the Energy Corporation of the Northeast (ENCONO), would be a partnership among the states, private industry, and the federal government.

The major focus of ENCONO would be financial: It would provide federally guaranteed start-up loans to energy development and conservation projects that for, one reason or another, are not being tackled.

The governors—witnesses to four years of economic erosion since the start of the energy crisis and the rise of OPEC oil—say that it will take enormous investments of capital to do the kind of things that will have to be done to find and use alternatives to oil and gas. They know that investors' dollars—like water—do not run uphill.

The governors are right. At present there are very few investors willing to put up the sums that will be necessary to meet the country's objective for conversion of plants to coal or to build the required nuclear power plants, even if we assume all technological and environmental questions can be resolved quickly.

We are talking about at least $70 billion just to convert utilities to coal between now and 1985, a target date in President Carter's National Energy Plan. The Edison Electric Institute recently estimated that conversion costs would push up capital requirements of utilities to $416 billion from $346 billion. (That figure assumes a seven percent annual inflation rate over the nine-year period.) Virtually all of the additional capital for conversion would have to be raised outside the normal funding areas of the utilities if present rate and regulatory practices are maintained.

We do not believe that the financial marketplace, given the confusion of conflicting voices heard on any issue involving both energy and the environment, can be expected to come up with such sums without governmental prodding or guarantees.

The governors understand this. They know that their states cannot by themselves or even together bring in the necessary infusions of capital.

Beyond this, there is the race against time. The date 1985 is significant. Several recent world oil supply and demand analyses have concluded disturbingly that there will be major shortages and sharp, unmanageable oil price increases, unless all governments act quickly to reverse existing production and consumption trends. Specifically, a recently published report from the Workshop on Alternative Energy Strategies noted that the supply of oil will fail to meet increasing demands, most probably between 1985 and 1995, even if energy prices rise 50 percent above current levels in real terms. The long lead times on energy projects require that work on these projects begin now to meet that 1985 deadline.

We can understand the skepticism with which the Northeast governors' proposal might be met in other parts of the country. Why should the federal government be a party to a scheme that on the surface appears to benefit only one region, albeit one that includes a quarter of the nation's people? If even sound bankers will not step in, why should the government?

There is a good reason. The Northeast's dependence on foreign oil—while it lasts—is costing the entire nation a fortune. Not in taxes. In the inflated costs of everything. Inflation is the silent partner of the nation's foreign trade deficits. And, inflation hurts the people of Los Angeles, Seattle, Chicago, and Atlanta, as well as the people of New York, Boston, Philadelphia, and Baltimore.

President Carter recently noted that the U.S. would have a positive trade balance of $20 billion this year, were it not for oil imports. Instead, the country will import an estimated $45 billion worth of oil and the trade deficit will hit an unprecedented $25 billion. That deficit holds alarming inflationary potential.

What the governors of the Northeast want—and need—is a mechanism that will help them end what one can only call a Catch–22 situation. High energy costs in the region drive away industry and jobs which erode the Northeast's tax base. That makes the investment community less and less willing to commit the capital to convert the Northeast to lower cost energy. And, all the while, the nation's trade deficits keep mounting and everyone's cost of living goes up.

A recent Brookhaven National Laboratory study predicted that the Northeast—which gets 70 percent of its energy from petroleum-based fuels, two-thirds of which are imported—will use twice as much oil by the year 2000, if present consumption trends continue.

The financial woes these oil deficits impose on the region are compounded by the complexities of substituting coal and nuclear power for oil; conflicting procedures of state, local, and federal regulatory agencies with firm, but narrow mandates; and, of course, the public's blind faith—or hope—that, as in the past, American technologicial ingenuity will come up with some new and miraculous substitute for oil.

Nothing we have seen to date allows us to share the public's optimism. There are only tough and costly choices ahead, and the American lifestyle is going to have to adjust itself dramatically and quickly.

The question of the Northeast governors raise is this: if and when all the disputes over energy and the environment are settled, who will pay for weaning the nation away from foreign oil? It is a basic question. And, it is there that the governors see a role for the federal government as a guarantor of ENCONO loans. ENCONO, which could serve as a model for similar corporations elsewhere in the country, would be the middleman to bring together all the interested parties and prod them into action.

ENCONO's top draw would be its ability to go into the money markets to get the loans that are essential to retooling the Northeast for oil substitutes. A federal guarantee of such loans would make for better prospects and lower costs.

While no one really can predict the amounts of money that must be found to realize this massive conversion away from Arab oil, money must be obtained to begin. The leaders of the seven states feel that they might be able to raise as much as $1 billion themselves from the taxpayers and industries in their region. To get more—they estimate a potential of as much as $15 billion—they will need federal guarantees. That start-up money, they believe, would be the lever to induce the private sector to invest the rest.

The governors are not asking for blank checks or even handouts. The guarantees would cost the federal government nothing and the governors will even forfeit exclusive local control. We can imagine an ENCONO-style public corporation working through a board of directors representing all interested parties—the federal government, state governments, and the private sector.

The financial carrot, however, should not be ENCONO's only lure. It is also important, we feel, that ENCONO have the power to screen prospects for funding. While this would be a protection for investors and the public, it also would accelerate and coordinate the efforts to come to grips with energy problems.

ENCONO financial clout will give it the leverage needed to end the paralyzing din of disputes between all the interested agencies, the varying organizing groups, the money market, the public and private power producers, and the states themselves. For instance, licensing nuclear power plants and other energy facilities today may require the okay of up to 50 different regulatory bodies. Getting all these approvals takes inordinate amounts of time; time that ultimately costs consumers vast sums of money and that drives investors to alternative opportunities. ENCONO—if it could speed things up—would reduce construction costs. Its tripartite board must have the financial clout to encourage regulators to cooperate more effectively than they have in the past and get energy projects moving.

But, ENCONO should not be a "lender of last resort" to promoters of projects with little or no chance of becoming profitable. Safeguards are necessary. For instance, the corporation's participation in any one energy project should be limited to no more that 50 percent. The U.S. Secretary of the Treasury, who would issue the federal guarantees, would review financial operations to insure corporate integrity. The governors are mindful of this: They are proposing that the Treasury Secretary and the chief executive of each member state have veto power over every project to be funded.

ENCONO would provide obvious benefits to the Northeast by attracting the massive capital investment to create reliable energy sources that would in turn attract industry and provide jobs. By doing so, it would obviate the need for more expensive—and we believe less effective—public employment programs, and thereby save the nation's taxpayers several million dollars. And, the nation would gain in other important ways as well. There are three strong national arguments for special federal involvement in an energy corporation for the Northeast:

It would decrease the national trade deficit and inflationary pressures in the U.S. by reducing the Northeast's reliance on imported oil.

It would make the country less vulnerable to sudden price hikes and supply disruptions of foreign oil.

It would enable the nation to pursue a more independent foreign policy, not one dominated by concern for OPEC oil.

Furthermore, if major projects are directed through ENCONO, we just might create a unique investment vehicle to recapture petrodollars from OPEC countries, which to date have refused to make long-term investment in projects unrelated to the energy sphere. Some of these nations now say they want to invest in the development of alternative energy sources to prolong the life of their own petroleum reserves. ENCONO would give them a way to do it.

Without an ENCONO-like mechanism to stimulate investment, we regard the goal of energy self-sufficiency as an impossible dream. Consider the costs of meeting just one of the National Energy Plan's objections: increasing the nation's use of coal by more than 400 million tons per year by 1985. Just who will spend the untold billions to reactivate and expand the nation's coal mines? Who will rehabilitate the rail and barge transporation systems to move that coal? Who will build new coalfired utility and industrial boilers and convert existing ones to use that coal? Who will take the risks of putting new technologies such as coal gasification and desulphurization processes into commercial use so that the switch to coal does not do irreparable damage to the nation's environment? These are the types of projects we envision ENCONO tackling in the Northeast.

Europe and Canada have recognized already the quasi-public entities are necessary to supplement private capital in developing energy sources. The European Coal and Steel Community, for instance, has been successful in financing and coordinating energy projects there. It also has given member governments expertise in the energy business as well as a means for making government priorities part of the private sector decision-making process.

There are precedents here, too, for federal participation in regional development. Most notably, the Tennessee Valley Authority in the South and the Bonneville Power Authority in the Northwest, are both federally-backed regional energy projects. The federal government also has lent a hand to other regions such as Appalachia by establishing regional commissions to solve the economic problems of those areas. The Marshall Plan even provides an example of such federal involvement on an international level.

Those precedents must be applied to the Northeast. Other regions in the country will benefit from the current and proposed energy investments of government and the private sector, but not the Northeast. Most of the funds that will be spent on coal development are targeted for development of Western reserves. The Western part of the country also gains from massive investments that will be made in oil shale and synthetic fuel technologies, and in large solar thermal and geothermal sites. The West Coast reaps the benefits of the Alaskan oil and gas fields.

The Northeast clearly needs the innovative approaches that ENCONO offers. It does not spend so much for fuel because it is profligate. On the contrary, the high energy cost in the region makes it one of the most energy efficient areas in the country. But the area lacks indigenous lower cost fuels and the capital to convert to those fuels even if they were available.

The Northeast cannot control the cost of foreign oil, but it can control its dependence on it through conservation measures, the development of coal reserves within its own states and the conversion of plants and utilities to coal. To do so, it needs capital. ENCONO, at no cost to the federal government, may be the link to provide capital for implementing the National Energy Plan at the regional level.

Washington must provide incentives at once. Not to do so will lead to even greater costs a few years down the line. The nation's oil deficits create trade deficits which keep the inflationary pot boiling. On a global scale that chain reaction is even more frightening for, coupled with the concentration of the world's money supply in the hands of a few OPEC nations, it threatens to bring down the international financial system like a gigantic house of cards.

We hope that President Carter and the leadership of Congress will give Governor Carey and his fellow Northeastern governors serious and thoughtful consideration of this vitally needed proposal. The predicament of the Northeastern states, as the governors by their joint action recognize, is not political. Their energy needs are real, and the price of inaction on the governors' proposal—or something very much like it—will be paid not just by the people of these states. It will be borne by the entire nation.

● Mr. JAVITS. Mr. President, I am pleased to join as a cosponsor of the Regional Energy Development Act of 1978. This is a bill that addresses the energy needs of the Northeast region in the context of the Nation's energy program. It is a bill that must be enacted if the Northeast region is to be able to utilize the enormous amounts of capital needed to supply our future energy needs.

The Northeast region imports almost all its energy from other regions of the country and from sources abroad, which now worry us because of the accidents of geography and geology that make us poor in these native resources. If the region is to become more energy independent, it must develop the facilities to produce the energy it does have available, the physical infrastructure to transport and utilize its energy efficiently.

It is the purpose of this act to ease the transition of the region from an oil and gas economy, to an economy fueled by domestic and renewable energy resources. It is also its purpose to aid in financing the enormous conservation and retrofit costs that are associated with that energy transition. The transition from wood to coal and from coal to oil took about 60 years. We do not have those 60 years to move from oil to alternative sources. Our experience with this winter's crude oil shortfall is more than enough indication of our vulnerability to the OPEC cartel. This insecurity can no longer be tolerated. The Regional Energy Development Corporation, created by this act, will hasten the development of a secure energy base.

The Corporation would work in the interests of all the member States; hopefully all of the States of the Northeast region. Once a State joined, by enacting legislation and making its initial capital contribution per capita of population, it would be eligible to participate in and benefit from all Corporation activities. Such activities could include: First, project financing for coal conversions, and development of new industry related to coal; second, financing of industrial cogeneration projects for the combined production of electricity and process steam; third, stimulation of waste energy recovery projects; fourth, commercialization of new environmental technology for coal, coal transportation, handling and storage investments as well as aggregation of coal demand to secure large long-term contracts that generate new mine openings; fifth, financing of residential insulation programs and development of an integrated retrofit industry, capable of supplying all of the regions retrofit materials and services; sixth, stimulating the construction of resource recovery facilities; and seventh, developing the infrastructure for a growing regional solar energy industry.

Of all of these areas, the Corporation would provide considerably more financing. It could supply data, technical and marketing assistance, and reduce State and Federal regulatory requirements.

The Corporation would function for the benefit of the member States. All significant projects would be subject to a veto of the Governors of the affected State. Moreover, the Corporation's projects are required to be allocated proportionately among all of the member States, atlhough many projects could be multi-State in nature.

The question arises as to why the Federal Government should be involved in this undertaking? There are two reasons: first, the establishment of this Corporation amounts to an interstate compact, which must be approved by Congress; and second, the Corporation needs the support and backing of the Federal Government. The sole Federal commitment in this bill is a guarantee of the Corporation's obligations. There is no Federal equity money requested or envisioned; all equity will come from the member States. But this relatively modest effort could provide the spur needed to provide regional needs which are somewhat different than national priorities.

While the bill as drafted is for the Northeast, I believe it will serve as a model for similar efforts by other regions of the country. This idea is a cost effective way to supplement national efforts with regional planning, cooperation and development. It complements our national energy program both qualitatively and quantitatively, and has already been warmly received by the administration. I commend it to the Senate and hope my colleagues will act favorably upon it.●

ENERGY CORPORATION OF THE NORTHEAST

● Mr. KENNEDY. Mr. President, I am joining today in cosponsoring this legislation which would establish an Energy Corporation of the Northeast. I have decided to cosponsor because I am committed to regional efforts to address problems common to the Northeast. I also have certain questions about what type of activities ENCONO should engage in and how it should operate. I ask unanimous consent that a letter I have sent to Governor Byrne of New Jersey which outlines my views on this legislation be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, D.C., March 9, 1979.
Hon. BRENDAN T. BYRNE,
Governor, State of New Jersey,
Trenton, N.J.

DEAR GOVERNOR BYRNE: Thank you for your recent letter asking my support for Federal legislation establishing an Energy Corporation of the Northeast (ENCONO). Because of my deep concern about energy issues in the Northeast, and my commitment to regional initiatives, I have decided to support this legislation. I expect it to be introduced in the next few days.

Although I support the ECONO concept, I have doubts about specific parts of the legislation. I question whether public funds should be used to finance large capital projects such as electric generating facilities. Such established technologies should be able to obtain funding in the private market. If the private bond market decides that they are poor investments, I doubt that public money should be used to support them.

Specific elements of the legislation must also be improved if the bill is to be viable. The sections dealing with conflict of interest, public participation, and the relationship of ENCONO to state consumer and environmental laws will have to be changed.

I have asked my staff to work with your Washington office on this issue. I am sure these problems will be successfully resolved.

Sincerely,

EDWARD M. KENNEDY.●

By Mr. SCHWEIKER:

S. 731. A bill to amend titles XVIII and XIX of the Social Security Act to strengthen the capabilities of States and the Federal Government to detect medicaid fraud and abuse; to the Committee on Finance.

MEDICAID FRAUD AND ABUSE

● Mr. SCHWEIKER. Mr. President, I am introducing a bill today to strengthen the capability of the States and the Federal Government to detect medicaid fraud and abuse, and help States to decrease the inefficiencies of their medicaid administration. Congress, with my strong support, has made repeated efforts in the past to provide incentives for States to effectively administer their medicaid programs. Increased Federal matching funds for administrative costs are available to States that install mechanized claims processing and information retrieval systems. The capability of such computerized management systems both to increase the efficiency of medicaid administration and to increase the State's ability to detect cases of possible fraud and abuse has been proven time and again. Yet many States, including Pennsylvania, continue to run their medicaid programs using backward and inefficient administrative techniques.

At a time when the American people and Congress are justly concerned with poor use of tax dollars, it is difficult to explain why some States are slow to install a medicaid management system with the demonstrated capability to save many millions of dollars. States that have installed such Medicaid Management Information Systems (MMIS), have reported savings of 4 to 5 percent of program costs. New York City, where an MMIS was recently installed, estimates that the first year the system is fully operational the city's medicaid costs will decrease by $100 million. States not yet having an approved MMIS accounted for an estimated $8.47 billion in medicaid expenses last year. If MMIS installation saves 5 percent of program costs in each of these States, an estimated $423 million could be saved nationally the first year the system is operational in all of these States. The increased fraud and abuse detecting capability of an MMIS helps to insure that dishonest providers and recipients cannot rip-off the system, and the better record keeping methods of the MMIS assure that deserving providers receive payment quickly and accurately.

Despite the tremendous cost-saving capabilities of an MMIS, half the States have not yet installed the system. In addition, according to a recent General Accounting Office report, some of the States that have installed the system are not using its full potential. State administrators have had some difficulty with the technical aspects of this sophisticated system, and HEW has not properly monitored State systems or offered enough technical assistance to the States.

My bill, in addition to establishing certain fiscal penalties for States that fail to install computerized systems by certain deadlines, directs HEW to become more active in helping States by providing technical guidelines and more closely monitoring State systems in operation. States (unless waived) that do not install effective systems or fail to operate an approved system effectively will be subject to some loss of Federal matching funds for administrative costs. In addition, my bill requires HEW to aid States to more effectively coordinate medicaid and medicare information so that suspended providers can be prevented from practicing under either system.

I believe that my bill, by encouraging States to use proven medicaid management techniques, represents the kind of responsible improvement of existing Government programs that is greatly needed in these times of increased taxpayer aversion to Government programs and spending.

Mr. President, I ask unanimous consent that the text of my bill, a section-by-section analysis, and some other relevant information be printed at this point in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 731

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

MECHANIZED CLAIMS PROCESSING AND INFORMATION RETRIEVAL SYSTEMS

Section 1. Section 1903 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(r)(1) The amount otherwise payable for any quarter under paragraphs (2), (4), and (7) of subsection (a) (without regard to this subsection) shall be reduced by an amount equal to—

"(A) 25 percent of such amount otherwise payable, for any quarter beginning on or after January 1, 1980, and ending before January 1, 1981,

"(B) 50 percent of such amount otherwise payable, for any quarter beginning on or after January 1, 1981, and ending before January 1, 1982,

"(C) 75 percent of such amount otherwise payable, for any quarter beginning on or after January 1, 1982, and ending before January 1, 1983, and

"(D) 100 percent of such amount otherwise payable, for any quarter beginning on or after January 1, 1983,

with respect to any State which fails to meet the requirements of paragraph (2).

"(2)(A) In order to receive payments under section 1903(a) without being subject to reduction under paragraph (1) of this subsection, a State must provide that mechanized claims processing and information retrieval systems of the type described in section 1903(a)(3)(A)(i) which are approved by the Secretary (whether such systems are operated directly by the State or by another person under a contract with the State) be operational with respect to the entire State, and that such systems meet the requirements of paragraph (3) of this subsection.

"(B) With respect to quarters ending before January 1, 1981, payments to a State shall not be subject to reduction under paragraph (1) of this subsection if such State has submitted, and the Secretary has approved, an advanced planning document which specifically describes the State's plans for installing mechanized claims processing and information retireval systems described in subparagraph (A).

"(3) (A) In order to be approved by the Secretary, or to be recertified by the Secretary in the case of a system which is initially approved but is subsequently decertified, mechanized claims processing and information retrieval systems must meet the following requirements:

"(i) The systems must include provider, physician, and patient profiles which are sufficient to provide charting of drug and service overuse.

"(ii) The State must provide that information on possible fraud or abuse which is obtained from the systems is made available to the State's medicaid fraud control unit (if any) certified under subsection (q) of this section.

"(iii) The systems must meet the standards developed by the Secretary under paragraph (4).

"(B) Any mechanized claims processing and information retrieval system which does not meet the requirements of subparagraph (A) shall not be approved by the Secretary (in the case of a State which is seeking initial approval of its systems) or shall be decertified by the Secretary (in the case of a State which has systems which were initially approved). The Secretary shall periodically (but not less often than annually) reassess the systems in operation in each State to determine whether the systems should be decertified.

"(4) The Secretary, with respect to State systems, shall—

"(A) develop written approval procedures for use in approving State systems, including specific criteria for testing systems in operation to insure that all requirements are met;

"(B) periodically update the general systems design and the program regulation guide with emphasis on greater uniformity of State systems and the use of proven processing techniques;

"(C) assist States in developing medically acceptable definitions relating to medical practice for the purpose of correlating such factors as diagnosis, medical procedure, age, and sex, in order that the State systems can provide a check on consistency of billings based on these factors;

"(D) give priority to aiding States in the development and improvement of surveillance and utilization review subsystems to enable the State systems to effectively detect cases of fraud or abuse;

"(E) for the purpose of ensuring compatibility between the State systems and the systems utilized in the administration of title XVIII—

"(i) develop a uniform identification numbering system for providers, other persons receiving payments under the State plans or under title XVIII, and recipients of medical services under the State plans or under title XVIII, and develop standard coding systems for medical procedures, diagnoses, drugs, and medical supplies to be utilized in the administration of the State plans and title XVIII;

"(ii) provide liaison between States and carriers having agreements under title XVIII to resolve conflicts relating to the exchange of payment data; and

"(iii) improve the exchange of data between the States and the Secretary with respect to providers and other persons who have been terminated, suspended, or otherwise sanctioned under a State plan or under title XVIII;

"(F) develop definitions of costs relating to the State systems which will be reimbursed under the provisions of subsection (a)(3) of this section; and

"(G) report annually to the Congress on the efforts made to aid States in developing and operating effective mechanized claims processing and information retrieval systems.

"(5)(A) In any case in which a State's mechanized claims processing and information retrieval system is decertified by the Secretary pursuant to paragraph (3)(B) of this subsection, the State (with the assistance of the Secretary) must develop a corrective action plan for bringing the system back into compliance with the requirements of paragraph (3)(A) of this subsection, and submit such plan to the Secretary within six months after the decertification.

"(B) If the State's system has not been recertified by the Secretary as being in compliance with the requirements of paragraph (3)(A) within one year after decertification, payments to such State under this section shall be made without regard to the provisions of subsection (a)(3).

"(C) If the State's system has not been so recertified within one year after the date on which payments to the State were reduced under subparagraph (B), the payments with respect to administrative costs made to such State under paragraphs (2), (3), (4), and (7) of subsection (a) shall be made at a reimbursement rate of 25 percent rather than the percentage specified in such paragraphs.

"(D) If the State's system has not been so recertified within two years after the date on which payments to the State were reduced under subparagraph (B), no payments with respect to administrative costs shall be made to such State under paragraphs (2), (3), (4), and (7) of subsection (a).

"(E) If a State's system is recertified, payments under this section shall be made without regard to this paragraph beginning with the first quarter that begins after the date of such recertification.

"(6)(A) The Secretary may waive the provisions of this subsection for any State if he determines that the use of such systems would not significantly increase the efficiency of the administration of that State's plan on account of the low population or low density of population of such State.

"(B) The Secretary shall submit to the Congress a report on each waiver granted under subparagraph (A) substantiating that the criteria for such waiver have been met.

"(C) A waiver granted under subparagraph (A) shall be withdrawn if the State ceases to meet the criteria for such waiver, but no reduction in payments to the State shall be made under paragraph (1) of this subsection during the one-year period following the date of the withdrawal of such waiver. After the expiration of such one-year period, the State shall be subject to reductions in Federal payments in the same manner as under the provisions of paragraphs (1) and (2), with—

"(i) quarters beginning in the second one-year period following the date of such waiver withdrawal being deemed to be quarters described in paragraphs (1)(A) and (2)(B);

"(ii) quarters beginning in the third one-year period following the date of such waiver withdrawal being deemed to be quarters described in paragraph (1)(B);

"(iii) quarters beginning in the fourth one-year period following the date of such waiver withdrawal being deemed to be quarters described in paragraph (1)(C); and

"(iv) quarters beginning thereafter being deemed to be quarters described in paragraph (1)(D).".

EXCHANGE OF INFORMATION ON TERMINATED OR SUSPENDED PROVIDERS

SEC. 2. (a) Section 1862(d) of the Social Security Act is amended by adding at the end thereof the following paragraph:

"(5) The Secretary shall promptly notify each State agency which administers or supervises the administration of a State plan approved under title XIX of any determination made under the provisions of this subsection.".

(b) Section 1866(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) Where an agreement filed under this title by a provider of services has been terminated by the Secretary, the Secretary shall promptly notify each State agency which administers or supervises the administration of a State plan approved under title XIX of such termination.".

(c) Section 1902(a) of such act is amended—

(1) by striking out "and" and at the end of paragraph (39);

(2) by striking out the period at the end of paragraph (40) and inserting in lieu thereof "; and"; and

(3) by adding the following new paragraph:

"(41) provide that whenever a provider of services or any other person is terminated, suspended, or otherwise sanctioned or prohibited from participating under the State plan, the State agency shall promptly notify the Secretary of such action.".

SECTION-BY-SECTION ANALYSIS

Section 1:

Paragraphs 1–2:

The first two paragraphs of the bill establish penalties for states that fail to institute and have approved by HEW a computerized claims processing and information system (also known as a Medicaid Management Information System, MMIS). The penalties are in the form of reduced federal matching funds for the administration of the State Medicaid program.

Paragraph 3A:

Stipulates that in order for a state's computerized system to be approved, making the state eligible for increased matching funds, certain requirements must be met.

(1) The system must include provider, physician, and patient profiles which are sufficient to provide charting of drug and service overuse.

(2) The state must agree that all information on possible fraud or abuse obtained from the system be turned over to the state Medicaid Fraud Control Unit so that further action may be taken.

(3) The system must meet certain standards developed by HEW under the direction of Section 1, Paragraph 4 of this bill.

Paragraph 3B:

Requires HEW to review periodically state systems in operation to see if they continue to meet established standards. If they do not, they will be de-certified and subject to the penalties established in Section 1, Paragraph 5.

Paragraph 4:

Requires the Secretary of HEW to develop specific criteria for checking states' systems in operation, and forces HEW to take a more active role in advocating computerized systems and aiding states with technical problems. HEW is directed to give priority to developing the part of the computerized system that is designed to detect cases of possible fraud or abuse, to develop quidelines for states to follow so that their Medicaid and Medicare systems become compatable, and to define the precise kinds of costs that the federal govt. will re-imburse as part of the mechanized management system. HEW must report to Congress annually on the progress of the states in developing effective systems.

Paragraph 5:

Outlines penalties to be assessed to states that fail to meet established standards upon yearly inspection. States are given one year to bring their system into compliance with HEW standards before they lose federal funds. HEW is to aid the noncomplying state to make necessary improvements. If states fail to meet standards after one year has elapsed from the finding of noncompliance, they become subject to severe penalties in the form of reduced matching funds for Medicaid administrative costs.

If a state system is recertified by HEW, full federal funds are restored.

Note that the penalties in this paragraph are different from those established in paragraphs 1–2. Paragraph 1–2 penalties apply to states that fail to install mechanized systems; these penalties apply to states that have installed an initially approved system but have failed to maintain it properly. These penalties will apply, for example, to any of the states that already have initially approved systems if inspection shows that their system does not meet established standards.

Paragraph 6:

A waiver provision—allows the Secretary of HEW to waive the requirement that a state install a mechanized system if he determines, and demonstrates in a report to Congress, that the efficiency of administration of the state's Medicaid program would not improve with the installation of such a system because the state has a low population. This section also gives the Secretary the authority to lift the waiver if he determines the situation has changed enough in the state that a mechanized system would be beneficial.

Section 2:

Provides that information on the status of providers (e.g. "terminated," "suspended", or "On probation") must be exchanged between the federally administered Medicare system and each state's Medicaid system, and vice-versa.

STATUS OF MEDICAID MANAGEMENT INFORMATION SYSTEM (MMIS)

1. States approved for 75% Federal Financial Participation (FFP) for operations of a mechanized claims processing and information retrieval system: (24)

Alabama, Arkansas, California, Georgia, Hawaii, Idaho, Indiana, Kansas, Louisiana.

Michigan, Minnesota, Montana, Nebraska, New Hampshire, New Mexico, New York (N.Y. City only), North Carolina, Ohio.

Oklahoma, Texas, Utah, Virginia, Washington, Wisconsin.

2. States that do not have fully operational mechanized claims processing and information retrieval systems. Some states listed have partially operational systems, but have not yet met the standards for 75% FFP.

Alaska, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Guam, Illinois, Iowa, Kentucky, Maine, Maryland, Massachusetts, Mississippi, Missouri.

Nevada, New Jersey, New York (Balance of State), North Dakota, Northern Mariana Islands, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Vermont, Virgin Islands, West Virginia, Wyoming.

3. States with no Medicaid Program.

American Samoa, Arizona.●

By Mr. JACKSON (by request):

S. 732. A bill to amend the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to amend the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of the Interior, and I ask unanimous consent that the bill and the executive communication which accompanied the proposal from the Assistant Secretary of the Interior be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 732

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 9 of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897) as amended (16 U.S.C. 4601–10a) is hereby repealed and subsequent sections are renumbered accordingly.

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., March 8, 1979.

Hon. WALTER F. MONDALE,
President of the U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill "To amend the Land and Water Conservation Fund Act of 1965, as amended, and for other purposes."

We recommend that the bill be referred to the appropriate Committee for consideration and that it be enacted.

The enclosed draft bill would repeal section 9 of the Land and Water Conservation Fund Act which authorizes the Federal agencies utilizing the Fund to enter into land purchase contracts in advance of appropriations to the extent of $30 million during each fiscal year. The President's Budget for FY 1980 proposes the deletion of this $30 million in contract authority.

The contract authority provision was first included in the Fund Act more than 10 years ago at a time when the Fund was at an authorized annual level of only $200 million (see P.L. 90–401 of July 15, 1968). At that time some $80 to $100 million was available each year for land acquisition by the Federal agencies, and the advance contract authority came to about one-third of the amount available to them. The use of this advance contract authority at that time helped the Federal agencies cope with the problem of escalation in land prices of new parks and recreation areas between the time that a bill to create such an area became law and the time appropriations became available to find land acquisition for the area.

However, in recent years the substantial increase in the level of the Fund has resulted in no use of the advance contract authority by the Federal agencies since FY 1970 and has been annually deferred. We believe that current authorization and appropriation levels for the Fund make unnecessary the continuation of the advance contract authority in section 9 of the Fund Act, and find that programming actions are sufficient to meet most emergency land acquisition needs.

The Office of Management and Budget has advised that submission of this proposed legislation is consistent with the President's program.

Sincerely,

ROBERT HERBST,
Assistant Secretary.●

By Mr. STENNIS (for himself, Mr. COCHRAN, Mr. BAKER, Mr. SASSER, Mr. HEFLIN, and Mr. STEWART):

S. 733. A bill to provide for the completion of the Natchez Trace Parkway from Natchez, Miss., to Nashville, Tenn.; to the Committee on Energy and Natural Resources.

NATCHEZ TRACE PARKWAY

● Mr. STENNIS. Mr. President, I am introducing today a bill which will authorize and require the Secretary of the Interior to complete the construction of the Natchez Trace Parkway in 5 years.

I am very pleased to announce that cosponsoring the bill with me are Senators COCHRAN, BAKER, SASSER, HEFLIN, and STEWART, and I thank them for joining in this legislative endeavor to correct a situation which has resisted solution through administrative means.

Construction by the Federal Government of this national parkway began in 1937. The parkway extends from Nashville to Natchez, passing through portions of Tennessee, Alabama, and Mississippi. Now, 42 years later, there are still 89 miles to complete, and the parkway is usable only in intermittent stretches over its length.

Early progress on the project was excellent. Of the total length of 444 miles, 120 miles were placed under contract in the first 5 years of construction. Progress since then, however, has been extremely slow. Although the States of Mississippi, Alabama, and Tennessee have cooperated fully, successive administrations have declined to budget funds to maintain a consistent rate of construction, and a fifth of the project remains to be completed. Inflation continues to escalate the projected costs of construction.

In the early days of our Nation the Natchez Trace was the historic road between the East and what was then the Southwest. It had its origin as an Indian trail. Beginning about 1785 it was used as a return trail by the flatboatmen, returning from New Orleans after selling their products. In 1800 Congress extended mail service from Nashville to Natchez, using the trace. Congress appropriated money in 1806 from the Postmaster General to improve the trace, and what had been an Indian trail became a frontier road that played a key part in the expansion of our country, the growth of its trade, and the defense of its territory. Andrew Jackson earned the name "Old Hickory" by his stamina in leading the Tennessee militia over the trace in the War of 1812, and used the road to bring his army north after the Battle of New Orleans.

The historic sites, the Indian mounds, and the artifacts have been carefully protected and are there to see. The problem is that the parkway itself has not been completed. There are 89 miles of the Natchez Trace yet to be built, and 355 miles are now in use. It is not sensible to prolong this project year after year, leaving it as an incomplete facility. The citizens who attempt to use this parkway for the intended purposes must inevitably receive a very unsatisfactory impression of the consistency of Federal policies.

As a matter of fact, from 1969 to 1977 the project was literally abandoned by the Department of the Interior, which persistently declined to request construction funds. This amounted to unilateral voiding of a contract or at last a firm commitment.

A long time ago the Federal Government and the three States concerned made an agreement about the Natchez Trace Parkway. The States would provide the project lands and rights of way; the parkway would be dedicated to recreational use with restricted driving speeds, and forbidden to trucks; and the Federal Government would build the parkway. The States have lived up to their share. The Federal Government has been intolerably slow in its part. This bill will authorize the expenditure of $180 million over a 5-year period, a figure which allows for the current annual rate of inflation of construction costs.

Mr. President, the Natchez Trace Parkway has reached a stage where it would be a sound investment for the Government to complete it in a timely way. I believe that it is not sensible to prolong this project year after year, leaving it usable only in intermittent stretches, a condition that greatly inhibits its use for its intended purposes. It is inefficient and uneconomical to further delay the project, while construction costs rise on the remainder of the work. The parkway should be completed and start to realize the benefits to the citizens of the three-State area and to the many other citizens who as tourists visit that area in increasing numbers each year.

I strongly urge the early consideration and passage of this bill to complete the Natchez Trace in 5 years.●

COMPLETE THE NATCHEZ TRACE PARKWAY

● Mr. COCHRAN. Mr. President, I am pleased today to join with my distinguished colleague from Mississippi, Senator STENNIS, in cosponsoring a bill to authorize and direct the Secretary of the Interior to complete construction on the Natchez Trace Parkway within 5 years.

The Natchez Trace Parkway, which is administered by the National Park Service, is a national highway which when completed will stretch all the way from Nashville, Tenn., to Natchez, Miss.—a distance of some 447 miles. This scenic roadway is four-fifths completed at the present time, with only 88.3 miles remaining to be constructed.

Mr. President, this project has been under development and intermittent construction for more than 40 years. Today the parkway consists of several unconnected segments which greatly deter its use by the traveling public. This in turn has resulted in the economic benefits which would normally accompany such a scenic attraction to go unrealized by the communities in my State and the other two States wherein portions of the parkway are located.

The costs associated with construction on this project admittedly have risen with inflation in the past few years. Everything has. Unless we move to set a definite schedule for completing this project, however, costs for completion of the remaining portions will become prohibitive and the previous investment will provide very little of the return that a completed parkway would produce.

I believe that the 5-year plan that this legislation proposes can be accomplished and should be undertaken. Forty-two years is too long a period of time for such a worthy project to be under development. It is time to complete the task.●

● Mr. SASSER. Mr. President, I am very pleased to offer my support to the senior Senator from Mississippi, Senator STENNIS, and to cosponsor the bill which will bring about the completion of the Natchez Trace Parkway within 5 years.

The Natchez Trace Parkway was begun in 1939 to commemorate the historic importance of the old Natchez Trace, first used by our Indian forefathers, and today connecting the cities of Nashville, Tenn., and Natchez, Miss. When completed, the parkway will be a major benefit to the citizens of the area and provide a focus for the increasing numbers of visitors to our region.

When our predecessors in the 76th Congress first authorized the Natchez Trace Parkway, they envisioned a route which extended 444 miles through the States of Tennessee, Alabama, and Mississippi. Today, the 96th Congress is considering the progress which has been made in the past 40 years. The parkway is still only 74 percent complete with 114 miles in intermittent segments still to be constructed. As Senator STENNIS and I have pointed out in previous years, this presents a disappointing image of the consistency of Federal policies in which projects are initiated then lose the momentum to carry them to completion for the full benefit of the people.

I share the view of Senator STENNIS that the time has come to call for the completion of the Natchez Trace Parkway within a reasonable and limited time. It represents a sound investment for the Federal Government to complete the parkway within the next 5 years, minimizing the added costs to the project of inflation. It is not economical to prolong completion of the parkway's construction.

Mr. President, I believe we should move now to commit ourselves to the goal of completing the Natchez Trace Parkway within the next 5 years in order that the citizens of the area and visitors to the region can begin to realize the full benefits which the planners of the project envisioned some 40 years ago.●

By Mr. JACKSON (by request):

S. 734. A bill to enable the Secretary of Energy to utilize revenues from power marketing, to carry out his responsibilities related to Alaska Power Administration, Southeastern Power Administration, Southwestern Power Administration, and Western Area Power Administration, and for other purposes; to the Committee on Energy and Natural Resources.

FEDERAL POWER MARKETING REVOLVING FUND ACT OF 1979

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to enable the Secretary of Energy to utilize revenues from power marketing, to carry out his responsibilities related to Alaska Power Administration, Southeastern Power Administration, Southwestern Power Administration, and Western Area Power Administration, and for other purposes.

Mr. President, this draft legislation was submitted and recommended by the Department of Energy, and I ask unanimous consent that the bill, the executive communication, and a section-by-section analysis which accompanied the proposal from the Secretary of Energy be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 734

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Power Marketing Revolving Fund Act of 1979."

Sec. 2. (a) Congress finds that it is desirable and appropriate that the respective revenues, borrowings from Treasury, or appropriations to the Alaska Power Administration, Southeastern Power Administration, Southwestern Power Administration and Western Area Power Administration be used for operation, maintenance, construction and other program purposes for each such power administration: *Provided, however,* That revenues may be used for financing construction only if the power administration payments due to the Department of the Treasury are current.

(b) Other than as specifically provided herein, the present authority and duties of the Secretary of Energy relating to the Alaska Power Administration, Southeastern Power Administration, Southwestern Power Administration, and Western Area Power Administration shall not be affected by this Act. The authority and duties of the Secretary referred to herein shall be exercised by the Secretary, acting by and through the Administrators.

Sec. 3. As used in this Act—

(a) "Secretary" means the Secretary of Energy.

(b) "Alaska" means the Federal Alaska Power Administration.

(c) "Southeastern" means Southeastern Power Administration.

(d) "Southwestern" means Southwestern Power Administration.

(e) "Western" means Western Area Power Administration.

(f) "Power administration" means the Alaska, Southeastern, Southwestern or Western.

(g) "Electric power" means electric capacity or electric energy, or both.

(h) "Construct" or "construction" means the construction, improvement, betterment, additions to, and replacements of transmission facilities, including participating jointly with others in such activities.

(i) "Major transmission facilities" means new transmission facilities:

(1) to be used to provide services which were not previously provided by the power administration including facilities which are to be used for interconnecting electrical systems which have not been previously connected by Federally owned facilities, or

(2) for which the total estimated construction or acquisition cost represents an increase of more than 5 percent of the total fixed assets of the power administration;

Provided, however, That facilities which are not major transmission facilities under (1) above shall include but not be limited to (A) a transmission line used in whole or in part to serve a customer which, at the time of commencement of construction of the new transmission line, had theretofore been served by the power administration over Federal facilities; or (B) a transmission facility which uses as a major portion of its route a preexisting and utilized right-of-way or which is adjacent to a preexisting Federal transmission line used by the power administration for transmission of power; or (C) the rental or lease of existing transmission facilities.

Sec. 4. The Secretary shall construct, rent, lease, or otherwise acquire transmission facilities he determines are appropriate to:

(a) Integrate and transmit the electric power from existing or additional Federal or non-Federal generating units;

(b) provide service to customers;

(c) provide interregional transmission facilities; or

(d) maintain electrical stability and electrical reliability.

Provided, however, That the Secretary shall not construct, rent or lease any major transmission facilities unless the expenditure of the funds for the initiation of such construction, lease or rental is specifically approved by Act of Congress: *Provided, further,* That as used in this Act, transmission facilities shall include Federally owned hydroelectric generating facilities operated by Alaska: *Provided, further,* That such rental or lease of new facilities shall be limited to no more than five years: *Provided, further,* That nothing in this Act shall authorlize the crossing or other use of Federal lands under the jurisdiction of another agency except with the consent of such agency in accordance with the applicable laws and procedures of such agency or the construction of any facilities on such lands without the consent of the agency having jurisdiction of such lands, pursuant to laws applicable to those lands.

Sec. 5. Subject only to the provisions of this Act, the Secretary is authorized to become a member of and to pay such dues and membership fees in such electric cooperatives and in such professional, utility, industry and other societies, associations and institutes, together with expenses related to such memberships, as the Secretary determines to be necessary or appropriate to carry out the purposes of this Act.

Sec. 6. (a) There is hereby authorized to be established in the Treasury of the United States a separate fund for each of the herein named power administrations. These funds will be called "Alaska Power Administration Fund," "Southeastern Power Administration Fund," "Southwestern Power Administration Fund," and "Western Area Power Administration Fund" (hereinafter referred to collectively as the "Funds" and individually as the "Funds"). *Provided, however,* That a Fund may not be established until a power administration's revenue levels are sufficient to provide for the repayment of reclamation project costs, as otherwise required by statute. Each Fund shall consist of (1) all receipts, collections, and recoveries of that power administration in cash from all sources related to power marketing activities, including funds received in trust, (2) all monies loaned to the Secretary pursuant to section 8 hereof respecting such power administration, (3) any appropriations made by the Congress for the Fund, and (4) the unexpended balances of funds appropriated or otherwise made available for the use of Alaska, Southeastern, Southwestern or Western, which balances are hereby authorized to be transferred to the appropriate Fund. All funds transferred hereunder shall be available for expenditure by the Secretary, as authorized in this Act or any other Act relating to Alaska, Southeastern, Southwestern or Western, subject to such limitations as may be prescribed by any applicable appropriation Act effective during such period as may elapse between their transfer and the approval by the Congress of the first subsequent annual budget.

(b) The Secretary may make expenditures from each Fund, notwithstanding any existing statute requiring the deposit of such revenues or receipts in other funds, which shall have been included in the annual budget submitted to Congress, without further appropriation and without fiscal year limitation, but within such specific directives or limitations as may be included in appropriation Acts, for any purpose necessary or appropriate to carry out the duties imposed upon the Secretary pursuant to law relating to the program of that power administration, including but not limited to—

(1) making such payments to the Bureau of Reclamation for the credit of the Reclamation Fund, other funds or accounts, as are required by or pursuant to law to be made into such funds or accounts in connection with reclamation projects;

(2) operation, maintenance, repair, and relocation, to the extent such relocation is not provided for under paragraph (10) below, of transmission facilities;

(3) conducting electrical research, development, investigations, experimentation, tests, and other such studies;

(4) marketing of electric power;

(5) transmission over facilities of others and rental or lease of facilities;

(6) purchase of electric power (including the entitlement of electric plant capability) (A) to meet temporary deficiencies in electric power which the power administration is obligated by contract to supply, (B) which has been heretofore undertaken with funds appropriated for such purchase, or (C) if to be paid for with funds provided by other entities for such purpose under a trust or agency arrangement; *Provided, however,* That any such purchases made after the enactment of this Act shall be limited to short-term purchases;

(7) defraying emergency expenses or insuring continuous operation;

(8) (A) acquiring such goods, lands, or interests in real or personal property, and (B) paying dues and membership fees in electrical cooperatives and in such professional, utility, industry, and other societies, associations, and institutes, together with expenses related to such memberships, including but not limited to the acquisitions and payments set forth in the general provisions of the annual appropriations Act for the Department of Energy, as the Secretary determines to be necessary or appropriate in carrying out the purpose of this Act;

(9) developing and implementing programs and methods by which the customers and ultimate customers of the power administrations may conserve and efficiently use power;

(10) construction, acquisition and disposal of transmission facilities; *Provided, however,* That such construction or acquisition by Western may be financed with rev-

enues from reclamation projects only to the extent that such construction or acquisition is in accord with law covering the individual projects for which the Bureau of Reclamation was formerly the power marketing agency;

(11) paying the principal, interest, premiums, discounts, and expenses, if any, in connection with the repayment of funds borrowed pursuant to section 8 of this Act, including provision for and maintenance of reserve and other funds established in connection therewith; and

(12) making payments to the credit of miscellaneous receipts of the Treasury for all unpaid costs required by or pursuant to law to be charged to and returned to the general fund of the Treasury in connection with the projects from which the power administration markets the power.

(c) Expenditures for the purposes provided in section 6(b)(10) may be made from the remainder of gross receipts of that power administration from all sources (excluding borrowings pursuant to section 8) after first deducting funds held in trust and the costs listed in section 6 (b)(1) through (b)(9), (b)(11), and (b)(12).

(d) Monies heretofore or hereafter appropriated shall be used only for the purposes for which appropriated, and monies received by the Secretary in trust shall be used only for carrying out such trust. The provisions of the Government Corporation Control Act shall be applicable to the Secretary in the same manner as they are applied to the wholly owned Government corporations named in section 101 of such Act, but nothing in the proviso of section 105 of such Act shall be construed as affecting the powers and authorities granted to the Secretary elsewhere in this Act.

(e)(1) The Secretary shall keep the official record of each power administration's operations, expenditures, receipts, repayments of debts to the Secretary of the Treasury and payments to funds, including reclamation project funds, and shall obtain annually an independent commercial-type audit of such accounts, in accordance with generally accepted auditing standards.

(2) Notwithstanding the provisions of Sections 105 and 106 of the Government Corporation Control Act, the financial transactions of each of the power administrations shall be audited by the Comptroller General at such times and to such extent as the Comptroller General deems necessary, and reports of the results of each audit shall be made to the Congress within 6½ months following the end of the fiscal year covered by the audit.

(f)(1) The Secretary shall maintain separate accounting for the individual projects of Western for which the Bureau of Reclamation was formerly the power marketing agency (Pick-Sloan Missouri Basin Program, Central Valley Project, Colorado River Storage Project (and participating projects), Provo River Project, Collbran Project, Rio Grande Project, Boulder Canyon Project, Fryingpan-Arkansas Project, Parker-Davis Project, Falcon and Amistad Projects, and the Central Arizona Project): *Provided*, That the Secretary shall make payments to the Bureau of Reclamation for the Colorado River Dam Fund, the Upper Colorado River Basin Fund, the Lower Colorado River Basin Development Fund, and the Reclamation Fund on a timely basis for repayment of reimbursable project expenses and other obligations required by statute to be made from power revenues.

(2) Amounts to be retained in the Western Fund for expenses covered in section 6(b)(3), (b)8(A), (b)8(b), and (b)(9) from revenues collected from power marketing activities from reclamation projects shall not in any one year exceed one percent, unless otherwise jointly determined by the Secretary and the Secretary of the Interior, of the total obligation contained in that fiscal year budget as submitted to the Congress for Western.

(3) Determination of amounts to be retained in the Western Fund for Western's operations and the amounts to be transferred to the Bureau of Reclamation under section 6(b)(1) shall be developed jointly by Western and the Bureau of Reclamation at the beginning of each fiscal year for the fiscal year in progress and shall include corrections to transactions of the previous fiscal year based on final data. Reserves and other receipts remaining in the Western Fund attributable to a reclamation project shall be credited to such project and the project obligation as provided in reclamation law.

SEC. 7. For cash management purposes, the Secretary may request the investment of such monies as he deems advisable by the Secretary of the Treasury in nonmarketable obligations of the United States with maturities not to exceed one year, at rates determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods of maturity comparable to the maturities of such nonmarketable obligations. So long as the power administration has outstanding obligations to repay (a) costs referred to in section 6(b)(12) or (b) funds borrowed pursuant to section 8 of this Act, the interest rate on any such investment shall not exceed the lowest interest rate applicable to such repayment costs or borrowed funds associated with the projects from which the power administration markets power.

SEC. 8. (a) The Secretary is authorized to borrow to such extent or in such amounts as are contained in appropriation Acts from the Secretary of the Treasury from time to time in the name and for and on behalf of a power administration to assist in financing the construction or acquisition of transmission facilities to be used by such power administration. The repayment of such loans shall be upon such terms and conditions as may be prescribed by the Secretary of the Treasury taking into account the manner prevailing in the open market in which utility indebtedness is repaid, the distinction between short-term borrowing during the period of construction and longer term borrowing to refund short-term obligations during the post-construction period, and the useful life of the facilities for which funds are to be borrowed. Such loans shall bear interest at a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities, plus an amount sufficient in the judgment of the Secretary of the Treasury to provide for an interest rate comparable to rates prevailing in the market for triple-A rated nongovernment utility bonds. Based on information provided by the Secretary to the Secretary of the Treasury, the interest rate determined pursuant to the immediately preceding sentence will be increased by 2½ percent thereof for each immediately preceding consecutive fiscal year, beginning with the fiscal year in which this Act becomes effective, that the applicable financial reports, including current repayment studies of the Secretary, show repayment criteria not being met. For the purpose of providing the funds to be loaned pursuant to this section, the Secretary of the Treasury is authorized to use the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include the loans to the Secretary under this Act. The loaned funds shall be made available to the Secretary forthwith following acceptance by the Secretary of the terms and conditions of the loan prescribed by the Secretary of the Treasury. The amount of any such loans shall not exceed $3,000,000 for Alaska, $100,000 for Southeastern, $20,000,000 for Southwestern and $300,000,000 for Western.

(b) The principal and interest on such obligations shall be payable solely from the Secretary's net proceeds as hereinafter defined of the power administration for which the loan was obtained. For the purposes of this section "net proceeds" shall mean the remainder of the gross receipts of that power administration from all sources after first deducting funds held in trust and the costs listed in section 6(b)(1) through 6(b)(9), and shall include reserve or other funds created from such receipts.

DEPARTMENT OF ENERGY,
Washington, D.C., February 27, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a bill "to enable the Secretary of Energy to utilize revenues to carry out his responsibilities related to Alaska Power Administration, Southeastern Power Administration, Southwestern Power Administration and Western Area Power Administration, and for other purposes." Also enclosed is a section-by-section analysis of the bill. We recommend that this proposed legislation be enacted.

The purpose of this bill is to authorize the shift of the financing of the Department of Energy's electric power marketing program for the affected power marketing administrations from the present arrangement of funding through annual Federal appropriations to a self-financed basis. The bill also consolidates and clarifies the Secretary's authorities for construction of transmission lines. It is quite similar to the legislation (Public Law 93–454) which provided authority for Bonneville Power Administration, the other Department of Energy power marketing administration, to operate on a revolving fund basis. We will not implement individual revolving funds until the successful completion of current key rate increase efforts. Significant rate increases are necessary for Western and Southwestern to assure self-sufficient revolving funds. We intend that Alaska Power Administration will continue to receive appropriations for its general investigations activities.

Other than the specific changes required to accommodate this new financing method, the bill preserves the existing provisions of law related to these power marketing administrations. This bill will not, for example, affect the treatment of repayment criteria for existing appropriated debt. During the process of developing this proposal, however, it became apparent that existing repayment policies and procedures need to be revised. Within 18 months of enactment of this proposed legislation, the Administration will complete its review and seek to improve the consistency of existing repayment policies and procedures with sound accounting and financial principles. Until we are assured that repayment policies and procedures are sufficiently consistent with sound accounting and financial principles, the Administration believes it prudent not to apply power sales revenues to finance current construction. We anticipate that power marketing revenues will be sufficient to meet all required repayments to Treasury as prescribed by congressionally established repayment policies and thereby satisfy requirements of the various Reclamation funds and accounts.

Although specific conforming amendments to various Reclamation laws have not been included in the bill, the proposal provides that the financial relationship between the WAPA revolving fund and the various Bureau of Reclamation funds and accounts will follow the pattern of the financial relationship between Bonneville Power Administration's revolving fund (established in 1974) and the Reclamation Fund in the Pacific Northwest. This means WAPA will credit revenues directly to its revolving fund and then make payments as authorized by Section 6 including payments to the Reclamation funds as required by law in connection with Reclamation projects. The power marketing administrations' budgets will continue to be presented to the Congress as part of the President's annual budget transmission.

The bill recognizes that existing power marketing arrangements tend to be on a regional or "project" basis and assures that these arrangements remain unchanged. The bill anticipates that on-going contractual relationships for such things as wheeling over other entities' facilities will continue. There is no effect on environmental laws or changes to applicable right-of-way procedures or regulations.

Each of the four power marketing administrations has its own special characteristics. Alaska Power Administration owns its own transmission facilities in addition to operating the hydro-generation plants which produce the power for which Alaska has the marketing responsibility. The two separate projects that Alaska is responsible to serve two entirely separate parts of Alaska and have their own separate authorizations.

Southeastern Power Administration is responsible for marketing nearly 2,700 megawatts of installed capacity in four distinct marketing areas, and utilizes entirely the facilities of others for transmitting that power. This bill would continue the option of the Secretary to build transmission facilities at some time in the future if it were appropriate to do so, but contemplates continuation of the existing policies and practices regarding the marketing of power over existing facilities owned by others.

Southwestern Power Administration currently operates 1,600 miles of transmission lines and is responsible for marketing almost 2,000 megawatts of installed capacity from Corps of Engineers' power-producing hydro projects. Southwestern markets power to some 50 preference customers with many receiving only a minor part of their total requirements from Southwestern while others receive a majority of their power requirements from Southwestern.

Western Area Power Administration markets power to some 426 preference customers located in 15 different Western States over approximately 16,000 miles of high-voltage transmission lines. This power is marketed in seven different distinct project areas, each having its own special authorizing provisions from Congress. The proposed legislation was carefully designed to maintain the provisions of these separate authorizations.

The fact that this single bill can uniformly apply to four power marketing administrations with such diverse authorities and responsibilities tends to emphasize the singleness of purpose of this proposal. The enclosed bill addresses the financing of the operation, maintenance and construction of these Federal operations by authorizing the Secretary of Energy to finance the operation, maintenance and future construction through revolving funds using revenues and proceeds from borrowings from the Treasury. This is intended to place the power marketing administrations on more of a business-like footing. All capital and operations and maintenance costs will be fully recovered from the power users of the separate regions or project areas served, and at the same time, will alleviate the demand on appropriated Federal funds which are now characteristic of these systems' requirements.

These power marketing entities are very comparable to those of a business that markets a product. The revenues from sale and transmission of electric power must by existing law be adequate to cover annual operating costs, repay with interest the Federal investment in generation and transmission facilities as required by law, and amortize the investment in the transmission facilities financed from the proceeds from borrowings from Treasury. We expect the revolving fund "no year" financing to offer improved flexibility.

It would put the power marketing administrations on a "pay as you go" basis for future investments utilizing borrowings from Treasury, with repayments on a businesslike basis, and at the same time, providing flexibility in obtaining financing that is considered appropriate in carrying out these functions. Restrictions are included, however, which would prevent encroachment upon the opportunity for non-Federal utilities to construct facilities which are equally adequate to serve regional needs.

The respective budgets for the four affected power marketing administrations would be subject to the provisions of the Government Corporation Control Act, and these budgets would be submitted through the Office of Management and Budget to Congress for review by the appropriations committees and would be subject to limitations and directives placed in the appropriations Acts. A separate borrowing limit is provided for each of the four power marketing administrations. These limits are estimated to be sufficient to meet the borrowing needs for 5 years. The minimal borrowing limit for Southeastern Power Administration reflects its utilization of the transmission facilities of others entirely for its marketing program. The interest rate for such borrowings will be determined by the Secretary of Treasury to be comparable to rates prevailing in the market for triple-A rated nongovernment utility bonds.

The Office of Management and Budget has advised that enactment of the proposed bill would be consistent with the Administration's objectives.

Sincerely,

JAMES R. SCHLESINGER,
Secretary.

SECTION-BY-SECTION ANALYSIS FOR FEDERAL POWER MARKETING REVOLVING FUND ACT OF 1979

Section 1 (short title) states the Act may be cited as the "Federal Power Marketing Revolving Fund Act of 1979."

Section 2 is comprised of two parts, the first of which is the finding by Congress that revenues, borrowings from Treasury, or appropriations of each of the four affected power marketing administrations (PMA's); i.e., Alaska, Southeastern, Southwestern, and Western should be available for carrying out their respective programs.

The statutory provision that revenues be used to finance construction only if the power administration payments due to the Department of the Treasury are current is consistent with existing policies and practices regarding the application of revenues to the various financial obligations of the power marketing administrations.

The second part provides that this legislation shall not affect the present authorities or duties of the Secretary of Energy (Secretary) except as provided in this legislation and that the authorities and duties referred to in the Act shall be exercised by the Secretary, acting by and through the Administrators. This is in accordance with section 302(a)(2) ond (3) of the Department of Energy Organization Act, Public Law 95–91, August 4, 1977.

Section 3 contains definitions to be used in conjunction with this Act.

Section 4 consolidates and clarifies the basic authorities for construction or acquisition of facilities, including those for the transmission of non-Federal electric generation. It contains the proviso that major transmission facilities (generally, new facilities intended to provide services not previously connected by Federally-owned facilities and major additions to existing facilities), must be specifically approved by Act of Congress. Exceptions to the specific approval requirement arise by virtue of the definition of major transmission facilities in section 3(i) of the Act. A proviso limits rental or lease of new transmission facilities to less than five years which will assure that PMA lease or rental arrangements will not constitute Federal backing for non-Federal transmission facilities.

Section 5 authorizes the payment of dues and membership fees related to memberships in electric cooperatives and in societies, associations and institutes to which entities such as the PMA's would normally be expected to belong.

Section 6(a) authorizes to be established in the Treasury a separate Fund for each PMA and enumerates the sources from which monies may accrue to the Fund. Said funds will not be established until a power administration's revenue levels are sufficient to provide for the repayment of reclamation project costs. Each Fund is similar to the fund established for the Bonneville Power Administration by the Federal Columbia River Transmission System Act, Public Law 93–454, 88 Stat. 1376. It is intended that Alaska Power Administration continue to receive appropriations for its general investigations activities. The costs of such activities are not generally attributable to the self-financing nature of the power marketing activities.

The budget for the operation of each PMA is submitted to the Congress each year. Section 6(b) provides that expenditures may be made from that PMA's Fund in accordance with the budget, without fiscal year limitation and without further appropriation, but within such specific directives or limitations as may be included in appropriation Acts. The appropriation Acts also would include the approval for major transmission facilities that is required by section 4.

Section 6(b) also gives examples of the purposes for which expenditures may be made with respect to the four affected PMA's. Notable among these are:

1. Purchasing of power on a short-term basis—this is expected to eliminate the present practice of obtaining supplemental appropriations for emergency power purchases because of low water or other unanticipated events.

2. Developing and implementing programs by which power may be conserved or more efficiently used by PMA customers.

3. Providing for payments to the Reclamation Fund or other such funds. This is intended in conjunction with section 6(e)—to clarify the role of the Secretary in collecting power revenues, and disbursing them to various Project funds according to provisions of existing laws.

Section 6(c) provides that all the various financial obligations of a power administration during a particular fiscal year, must be met before its revenues may be used for construction purposes.

Section 6(d) provides that the provisions of the Government Corporation Control Act shall generally be applicable. The effect is to require an annual business-type budget for each PMA, to be part of the President's annual budget submission to Congress, and the funds for each PMA to be treated as those of a Government corporation instead of a Government agency.

Section 6(e) provides in paragraph (1) that the Secretary shall keep the official accounting and budget records of the various Funds and in paragraph (2) requires both commercial-type and Comptroller General audits of each PMA's activities.

Section 6(f) provides additional requirements with respect to Western. Section 6(f) (1) entrusts the Secretary with the responsibility for maintaining separate records and accounts for the various project or basin accounts and assuring that revenues are at the levels otherwise prescribed by law. It is intended that the Secretary would, in addition to collecting all power marketing revenues, retain revenues for purposes relating directly to Western Area Power Administration activities (including construction) and would transfer funds making appropriate credits to the Bureau of Reclamation at least quarterly but as necessary for the Bureau of Reclamation to operate various project or basin accounts for its purposes.

Section 6(f) (2) places a limit on amounts to be retained in the Western Fund for research, procurement, memberships, and conservation activities unless otherwise agreed to by the Secretary of the Interior.

Section 6(f) (3) requires Western and the Bureau of Reclamation to develop jointly an annual determination of amounts to be retained in the Western Fund for Western's operations and amounts to be transferred to the Bureau for the credit of the Reclamation Fund and other funds as required by law. Provision is also made for crediting certain Western Funds to reclamation projects.

Section 7 provides that for cash management purposes the Secretary may, as he deems advisable, request the Secretary of the Treasury to invest monies contained in a Fund which are in excess of current needs and defines the invesment which may be made. Interest on the investment is limited to the lowest interest rate applicable to certain outstanding obligations of the PMA. This procedure would replace the present practice of "interest credit" which is applied to the funds contained in a PMA's revenue account at Treasury.

Section 8(a) is intended:

1. To authorize the Secretary to borrow from the Secretary of the Treasury for financing of construction or acquisition of transmission facilities.

2. To authorize the Secretary of the Treasury to prescribe the terms, conditions, and interest rate of the borrowings for short-term and long-term, taking into account conditions on the open market for similar obligations.

3. To limit the amounts of any such loans outstanding.

The establishment of borrowing authority assumes that normal operations of a power marketing agency, including the costs and service of indebtedness for construction, would be borne by revenues.

Section 8(a) provides that the loan funds made available to assist in financing the construction or acquisition of transmission facilities be provided forthwith following acceptance by he Secretary of the terms and conditions of the loan prescribed by the Secretary of the Treasury. The interest rate on such borrowings will be determined by the Secretary of Treasury to be comparable to those prevailing in the open market for triple-A utility bonds. A formula is provided for an additional increment if revenues (by the borrowing entity) are not sufficient to meet repayment requirements. In providing the loan funds, the Secretary of the Treasury may use the proceeds from sale of securities issued under the Second Liberty Bond Act.

Section 8(b) sets a relative priority between two categories of financial obligations which the various PMA's would incur. The intent of section 8(b) is to make sure that the revenues and receipts of a PMA would first be applied to those functions which are essential to keeping its power marketing program intact. Costs associated with operations, maintenance, payments to others for use of their facilities, emergencies, conservation, and payments to trust funds would be paid first from the Fund. This is consistent with the allocation of funds as is now being done by the power marketing agencies.●

By Mr. McCLURE:

S. 735. A bill to supplement the Acreage limitation and residency requirements of Federal reclamation laws; to the Committee on Energy and Natural Resources.

RECLAMATION ACT OF 1979

● Mr. McCLURE. Mr. President, I am introducing a bill today that I had drafted last session but for a number of reasons decided not to introduce until now. I am a sponsor of the Farm Water Act, a bill which reflects my thinking on most of the areas in question under reclamation law. I am also a cosponsor of S. 14 as I helped in the original drafting of that measure so we could begin with a reasonable, even though limited, vehicle for revising reclamation law.

This bill, however, is one that introduces yet another approach on how we can solve some of the problems the administration's regulations have caused. I throw it out knowing we will eventually pass a bill which incorporates ideas from several bills already introduced.

As I have said many times, I am a strong supporter of the reclamation program as it is one of the best investments this Government has made. It has worked wonders for the people of Idaho and throughout the West by providing hundreds of families the opportunity to farm. It has served its purpose well by helping establish a strong agricultural economy that benefits our entire country. There is absolutely no reason for the administration to have issued such stringent regulations for reclamation law that would paralyze our farming communities. I am hoping in the next few months we can pass responsible legislation that will help dissolve the fear that is in every farm kitchen in the West because of the administration's actions on this issue.

The basic concepts of this bill are as follows:

1. ACREAGE LIMITATION

The bill establishes 1,600 acres as a limitation of a farm unit. This applies to any form or combination of ownership or leasing. It also provides that 4,800 acres is an upper limitation with an increased payment contract of the project costs.

2. ELIGIBILITY

To receive reclamation water, an individual, which includes his wife and dependents, who has farmed the land less than 5 years must meet one of three tests:

Reside within 50 miles of the lands.

Provide more than one-half of the capital and labor to operate the land.

Derive his primary income from the land.

Family corporations and small business are eligible if their beneficial owners meet the three test requirements.

3. EQUIVALENCY

This provision is on a project-by-project basis. It allows larger acreages, equivalent to 1,600 acres of class I land, to receive project water where the land does not have the same productivity because of soil conditions, length of growing season, cost of production, crop adaptability, and so forth. Hearings will be held on equivalency determination.

4. COMMINGLING

The bill clarifies that project water is only the water delivered to a farmer, pursuant to his contract, from the project. Any other water is always considered nonproject water and not subject to acreage limitations. Thus, commingled water, groundwater and water due to seepage are not affected.

5. PAYOUT PROVISION

Existing projects that have payout provisions in their contracts are listed and the contracts are to be honored by the Secretary. Over 50 projects in Idaho have paid out or have payout provisions in contracts.

Early payout—projects can pay out early and be exempt from acreage limitation, or projects can pay interest on the cost of project irrigation benefits but will be limited to three times the basic acreage limitation.

6. EXEMPTIONS

Charitable, religious, tax-exempt organizations are exempt from acreage limitations. (Agriculture research stations have been exempt for over 6 years as a result of an amendment proposed by Senator McClure.) In cases of isolated minor land tracts, the Secretary has the discretion to allow owner or lessee to receive water on those tracts.

7. SALE OF EXCESS LANDS

Excess lands would be sold at fair market value. Landowners can designate which land is excess. Seller can retain interest in mineral rights, surface rights, and security rights.

8. DATE OF EFFECT

Two years after the law is passed, all farmers must meet requirements under this bill. All existing contracts can be amended to fit the new provisions of the bill.

Mr. President, I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 735

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. A. This Act may be cited as the "Reclamation Act of 1979."

B. This Act shall supplement the Act of June 17, 1902 as amended and supplemented (43 U.S.C. 371 et seq.).

DEFINITIONS

Sec. 2. As used in this Act—

A. The term "Secretary" means the Secretary of the Interior.

B. The term "qualified recipient" means—

1. An individual person who is a citizen of the United States, and any member of his family as defined herein, provided that if such individual has not engaged in farming for at least five years prior to enactment of this Act, he must meet at least one of the following tests:

a. derive his primary income from the operation of land receiving water from, through or by means of a Federal reclamation project; or

b. reside on or within fifty miles of such land; or

c. provide more than one-half of the labor and capital involved in the operation of such land; or

2. the heirs of a qualified recipient, as defined in paragraph (1), who themselves do not qualify under paragraph (1), but only for a period ending upon the death of such heirs; or

3. any partnership, limited partnership or corporation organized under the laws of the United States or of any State, the beneficial ownership of which is composed entirely of members of a family as defined herein; or

4. a small business corporation as defined herein.

C. The term "Federal reclamation laws" means the Act of June 17, 1902 (32 Stat. 388), as amended and supplemented.

D. The term "project" means a project constructed or operated for the production, storage, release or delivery of irrigation water under the authority of or pursuant to the Federal reclamation laws, as amended and supplemented.

E. The term "project water" means water delivered from, through, or by means of a Federal reclamation project pursuant to a contract between the Secretary and a water using entity which is in excess of that water supply that would be available to the water using entity if the Federal reclamation project has not been constructed pursuant to state law. All other water available to the water using entity from any other source to which the contracting entity has an appropriative right under State law shall be considered non-project water.

F. The term "landholding" means one or more tracts of land owned or leased by any person which are served with project water pursuant to a contract with the Secretary.

G. The term "institutional lender" means any bank, savings and loan association, mutual savings bank, credit union, insurance company, production credit association or other cooperative association, and any affiliate thereof controlling, controlled by, or under common control of, such institutional lender.

H. The term "contracting entity" means any irrigation district, water using entity, or other entity, that contracts with the United States concerning a project constructed or operated pursuant to Federal reclamation laws, whether or not repayment to the United States is involved.

I. The term "family" means an individual and his brothers and sisters (whether by the whole or half blood), spouse, ancestors and lineal descendants. A legally adopted child of an individual shall be considered to be a lineal descendant of such individual.

J. The term "small business corporation" means a domestic corporation which meets the requirements of section 1371 (a) of the Internal Revenue Code of 1954.

ACREAGE LIMITATION

SEC. 3. Notwithstanding any provision of the Federal reclamation laws which establishes a limitation on acreage to be served with project water to the contrary, a landholding of any qualified recipient which consists of 1,600 acres or less shall be considered to be within the acreage limitation of the Federal reclamation laws.

EXEMPTIONS

SEC. 4. A. Notwithstanding the provisions of section 3—

1. lands owned by States and political subdivisions and agencies thereof shall be exempt from the acreage limitation provisions of the Federal reclamation laws so long as such lands are farmed primarily to further a non-revenue producing public function; and

2. lands owned by an organization which is exempt from taxation under section 501 (a) of the Internal Revenue Code of 1954 which is described in section 503 (c) of such Code shall be exempt from the acreage limitation provisions of the Federal reclamation laws so long as such lands are farmed for the purpose of furnishing produce or revenue for charitable or religious objectives.

B. Notwithstanding the provisions of section 3, the Secretary may deliver project water to minor tracts of land though the delivery of such tracts may cause a qualified recipient to become an excess land owner, if the Secretary determines that there is no economically viable alternative means of operating such minor tracts.

C. Nothing in this Act shall repeal or amend other statutory exemptions from any acreage limitations of the Federal reclamation laws.

EQUIVALENCY

SEC. 5. A. Wherever an acreage limitation is imposed by the Federal reclamation laws, the Secretary shall designate by rule the acreage of a landholding which may receive project water at 1,600 acres of class 1 land or the equivalent thereof in other lands of lesser productive potential (as determined by the Secretary). In determining such equivalent and in classifying the productive potential of such lands, the Secretary shall take into account all factors which significantly affect productivity, including topography, soil characteristics, adequacy of water supply, crop adaptability, costs of crop production, and length of growing season.

B. The Secretary shall establish an acreage equivalency formula for each project service area, including areas in which pre-project land classification surveys already exist. The Secretary shall hold public hearings in the affected project service area prior to establishing an acreage equivalency formula and making an equivalency determination. The Secretary shall not enforce the acreage limitation in a particular project or unit thereof, by way of withholding project water deliveries or otherwise, until an equivalency classification is made for the affected project service area.

REPAYMENT OF CONSTRUCTION CHARGES

SEC. 6. A. In the case of any project, or any unit or division thereof, for which there is an executed repayment contract between the Secretary and a contracting entity on the date of the enactment of this Act, and thereafter, acreage limitation provisions of the Federal reclamation laws shall not apply to lands of a contracting entity which has made full payment or will make an immediate lump-sum payment of the balance remaining on the construction repayment obligation for said lands.

B. In the case of any project, or any unit or division thereof, for which there is an executed repayment contract between the Secretary and a contracting entity on the date of the enactment of this Act, and thereafter limitation of 4,800 acres shall apply to landholdings which consist of lands of a contracting entity which has entered into a contract amending such executed repayment contract whereby such contracting entity has agreed to pay the United States an amount equal to the remaining unpaid share of construction costs for such project, or unit or division thereof, in equal annual installments during a period beginning on the effective date of such amendatory contract and ending not later than the termination date of the existing repayment contract, together with interest compounded annually on such construction cost as well as on the nonreimbursable portion of irrigation benefits received by the contracting entity.

C. The Secretary of the Treasury shall determine the interest rate to be charged under paragraph (2) as of the beginning of the fiscal year in which such amendatory contract is entered into, on the basis of the computed average interest rate payable by the Treasury of the United States upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issue, and by adjusting such average rate to the nearest one-eighth of 1 per centum.

VALIDATION

SEC. 7. A. Except to the extent that they are inconsistent with the provisions of this Act, all provisions of contracts relating to the acreage limitation provisions of Federal Reclamation law are hereby verified, ratified, and confirmed as of the date of execution of the contract of the making of said representation.

B. The Secretary shall provide, upon request by any owner of a landholding which is free of the acreage limitation or residency requirements of the Federal reclamation laws, a certificate acknowledging the fact that such landholding is free of such limitation or requirements. Such certificate shall be in a form suitable for entry in the land records of the jurisdiction in which such landholding is located.

EXCESS LAND CONTRACTS

SEC. 8. A. An owner of excess land may designate which land shall receive project water as non-excess land.

B. No recordable contracts need be signed until project water is delivered to the landowner.

C. If excess land is sold by a landowner or pursuant to a recordable contract, the price of such land may reflect the fair market value of the land at the time of the sale. Any contract or agreement to the contrary to which the United States is a party shall be modified by the Secretary to conform to this section upon the request of the landowner.

D. Excess land subject to a recordable contract, which is not sold within a five-year period shall continue to be eligible to receive project water until sold by the owner or otherwise disposed of under the terms of the excess land contract.

E. Upon sale or other disposition of excess land under recordable contract or otherwise pursuant to the Federal reclamation laws, in addition to such sale or other disposition being subject to then existing easements and rights-of-way, the seller shall not retain any interest in the land other than (1) the right to explore for and produce minerals therefrom, including geothermal water, coal, oil, gas, associated hydrocarbons, and other fossil fuels; (2) the right to use the surface for purposes other than agricultural crop production; and (3) a purchase money mortgage or other purchase money security interest.

F. Excess and non-excess land acquired by a landowner which is an institutional lender in the normal course of business through foreclosure or other process of law, or by conveyance or satisfaction of a mortgage or deed of trust held by such institutional lender in full or partial satisfaction of a debt previously contracted, shall be eligible to receive project water, notwithstanding the acreage limitations of section 3, if such institutional lender disposes of such excess land within a five-year period, or within such other time period for the disposition of real property acquired in full or partial satisfaction of a debt previously contracted imposed by other Federal or State law applicable to such institutional lender, whichever is less.

TIME LIMITATIONS

SEC. 9. Effective two years after the date of the enactment of this Act, no lands may receive project water pursuant to a contract with the Secretary, except as otherwise provided in this Act, unless such lands comprise a landholding which is within the acreage limitation of the Federal reclamation laws.

EXCESS ACREAGE DETERMINATIONS

SEC. 10. For the purpose of determining whether a landowner holds excess acreage, the number of irrigable acres of each tract supplied with project water shall be multiplied by a percentage which equals the percentage that project water would constitute of the total irrigation water supply to the tract in a year of average precipitation.

AMENDMENT OF INCONSISTENT CONTRACTS

Sec. 11. The Secretary is hereby authorized and directed to amend any provision of any contract between the Secretary and any other party existing upon the date of enactment of this Act which is inconsistent with the provisions of this Act, upon the request of such other party.

APPLICABILITY OF ADMINISTRATIVE PROCEDURE

Sec. 12. Determination made by the Secretary pursuant to the authority granted in this Act shall be in accordance with the provisions of chapter 5 of title 5 of the United States Code.

Sec. 13. Except to the extent they are inconsistent with the provisions of this Act, Federal Reclamation laws, including those provisions relating to the implementation of the acreage limitation, shall remain in full force and effect.●

By Mr. DOLE:

S. 736. A bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes; to the Committee on Finance.

EMPLOYMENT TAX ACT OF 1979

● Mr. DOLE. Mr. President, I send to the desk a bill to clarify the standards used for determining whether an individual is an independent contractor or an employee.

DOLE AMENDMENT

Mr. President, the recently signed Revenue Act contains a provision which I sponsored to allow employers to continue to treat individuals as independent contractors if there was a "reasonable basis" for treating them as independent contractors in the past. The employment tax controversy up until the passage of section 530 of the Revenue Act of 1978, was an issue that had been nagging Congress for several years.

IRS AUDIT CAMPAIGN

Since the early 1970's, the Internal Revenue Service has undertaken an aggressive audit campaign of employment taxes. The problem of increased audits and retroactive tax assessments issued by the IRS was recognized in the Tax Reform Act of 1976 conference report. Congress made it clear in the 1976 legislation that the IRS "not apply any changed position or newly stated position in this general subject area to past as opposed to future taxable year." However, the Internal Revenue Service ignored the warnings of Congress.

The distinction between an independent contractor and an employee is important because employers do not have to withhold on wages of independent contractors, nor pay social security or unemployment taxes. If the IRS prevails on a reclassification of employment tax status from an independent contractor to employee, the employer becomes liable for employment taxes which have not been withheld or paid to the treasury.

COMMON LAW

Independent contractors are distinguished from employees for tax purposes by common law. The adoption of the common law rules and the application of these rules by the court have produced decisions that are widely understood and accepted. However, several years ago, many taxpayers, including direct sellers, insurance salesmen, and realtors, complained that the IRS was distorting the common law test used in making its employment classification.

According to testimony before the Senate Finance Committee on my proposal last year, the IRS's change of position was having a serious adverse impact on the number of small businesses.

Mr. President, the Revenue Act of 1978 has temporarily solved the controversy. However, I have found that the IRS is dragging its feet on implementing the provisions of the tax bill. The Senator from Kansas would hope that the IRS would recognize the intent of Congress and proceed to comply with the law.

Mr. President, I am introducing legislation today which is designed to bring some certainty into the employment tax area. I believe it is a good approach and welcome comments from Treasury, business, and labor.

I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 736

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title.

This Act may be cited as the "Employment Tax Act of 1979."

Sec. 2. Standards.

(a) In General.—Chapter 25 of the Internal Revenue Code of 1954 (relating to general provisions relating to the employment taxes) is amended by adding at the end thereof the following new section:

"Sec. 3508. Alternative Standards for Determining Whether Individuals Are Not Employees.

"(a) General Rule.—For purposes of this subtitle other than chapter 22 and for purposes of chapter 2 , and notwithstanding any other provision of chapters 21, 23, and 24 of this subtitle, if all of the requirements of subsection (b) are met with respect to service performed by any individual—

"(1) such service shall be treated as being performed by an individual who is not an employee, and

"(2) the person for whom such service is performed shall not be treated as an employer with respect to such service.

"(b) Requirements.—For purposes of subsection (a), the requirements of this subsection are met with respect to service performed by any individual if—

"(1) Control of Hours Worked.—The individual controls the aggregate number of hours actually worked and substantially all of the scheduling of the hours worked.

"(2) Place of Business.—The individual does not maintain a principal place of business, or, if he does so, his principal place of business is not provided by the person for whom such service is performed, or, if it is so provided, the individual pays such person rent therefor. For purposes of this paragraph, the individual shall be deemed not to have a principal place of business if he does not perform substantially all the service at a single fixed location.

"(3) Investment or Income Fluctuation.

"(A) The individual has a substantial investment in assets used in connection with the performance of the service, or

"(B) The individual risks income fluctuations because his remuneration with respect to such service is directly related to sales or other output rather than to the number of hours actually worked.

"(4) Written contract and notice of tax responsibilities.—

"(A) The individual performs the service pursuant to a written contract between the individual and the person for whom such service is performed—

"(i) which was entered into before the performance of the service, and

"(ii) which provides that the individual will not be treated as an employee with respect to such service for purpose of the Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Tax Act, and income tax withholding at source; and

"(B) The individual is provided written notice, in such contract or at the time such contract is executed, of his responsibility with respect to the payment of self-employment and Federal income taxes.

"(5) Filing of required returns.—The person for whom such service is performed files any information returns required in respect of such service under section 6041(a).

"(c) Special Rules.—

"(1) Section not to apply to certain individuals for purposes of social security taxes.—For purposes of chapters 2 and 21, this section shall not apply to an individual described in section 3121(d)(3) (relating to certain agent-drivers, commission-drivers, full-time insurance salemen, home workers, and traveling or city salesmen).

"(2) Special rule for contracts entered into before 1981.—With respect to contracts entered into before January 1, 1981, subparagraph (b)(4) of this section shall be deemed to be satisfied if such contract clearly indicates that the individual is not an employee (either by specifying that the individual is an independent contractor or otherwise), provided that the notice required by subparagraph (b)(4)(B) is given before January 1, 1981."

(b) Clerical Amendment.—The table of sections for such chapter 25 is amended by adding at the end thereof the following new item:

"Sec. 3508. Alternative standards for determining whether individuals are not employees."

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Sec. 3. Social Security Coverage.

Section 210(a) of the Social Security Act is amended by striking out "or" at the end of paragraph (19), by striking out the period at the end of paragraph (20) and by inserting in lieu thereof "; or", and by adding after paragraph (20) the following new paragraph:

"(21) Service which, under section 3508 of the Internal Revenue Code of 1954, is treated as being performed by an individual who is not an employee."

Sec. 4. Effective Date.

The amendments made by this Act shall apply to service performed after December 31, 1979.●

By Mr. STEVENSON (for himself and Mr. Heinz):

S. 737. A bill to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the right to engage in commerce; to the Committee on Banking, Housing, and Urban Affairs.

EXPORT ADMINISTRATION ACT OF 1979

● Mr. STEVENSON. Mr. President, U.S. citizens have a right to engage in international as well as domestic commerce unfettered by Government restriction unless the Nation's vital interests are affected. Present controls on U.S. exports are more stringent than is consistent with the rights of citizens, the national interest, or commonsense.

Despite the growing trade deficit, new export controls have been adopted with insufficient consideration of their cost and effect. The United States is in danger of acquiring a reputation as an unreliable supplier, a reputation it can ill-afford in an increasingly competitive world. There are few products or technologies for which the United States is any longer a unique source of supply.

Mr. President, the United States is the only nation—in this century at least—which regards its exports as a privilege to be bestowed only upon the worthiest of foreigners. Other nations see clearly the increased production and jobs exports yield. We too frequently succumb instead to seductive notions of "leverage" or theological calls to purification through self-denial.

We must have more to offer a needy world than our own moral superiority. Ill-conceived efforts to pressure other nations through refusals to export deprive the United States of influence as well as sales.

Mr. President, the bill I am introducing today on behalf of Senator HEINZ and myself would establish an export control policy which protects vital security and foreign policy interests without unnecessarily restricting U.S. exports. It would reduce the number of controlled items and focus national security controls on technologies and related products critical to military systems. It would set criteria which the President must consider before imposing export controls for foreign policy purposes. It would reduce paperwork by establishing licenses under which multiple shipments could be made to a specified purchaser for a stated end-use. It would expedite interagency review by requiring agreement in writing on types and categories of applications requiring interagency referral and setting a 30-day deadline for returning comments to the Commerce Department. It would insure final decisions on all applications within a maximum of 180 days, by requiring that applications either be decided within a specified period or referred to a higher level, if necessary, to the President.

This legislation assigns clear responsibility for assessing the foreign availability of goods and technology subject to U.S. export controls. A recent report by the General Accounting Office notes that no one in the executive branch is given responsibility to determine whether products or technology are freely available to controlled countries from our foreign competitors. Each agency makes its own assessment, leading to needless duplication of effort and delays in license reviews.

The GAO recommended that foreign availability be assessed by a single office drawing as necessary on expertise and information from other Federal agencies. Our bill requires establishment of an Office of Foreign Product and Technology Assessment in the Department of Commerce. This office could call upon any Federal agency for assistance in assessing foreign availability, and would also receive information from the business sector. Centralizing responsibility for foreign availability assessments should yield substantial savings in administrative expense and license processing time.

Reform of the administration of export controls, as provided in this bill, will increase U.S. exports by reducing licensing delays, but the fundamental issue is: what should be controlled for what purposes? Controls have been proliferating while exports stagnated.

Our bill mandates annual review of export controls and requires consideration of foreign availability—which applies at present only to national security controls. Before imposing new controls for foreign policy reasons the President would also have to consider such factors as the effectiveness of the controls, the economic costs, the reaction of other countries, and alternative ways to further U.S. foreign policy. The President would be required to report his conclusions to the Congress and the public. These requirements may not curb the tendency toward capricious, reflexive use of controls, but they would afford a chance, at least, to stop and think before limiting U.S. exports.

Controls on exports for national security purposes also need streamlining. The Department of Defense has underway an effort to define technologies and products critical to military systems. The "critical technology approach"—once fully implemented—should yield more effective control over the transfer of truly critical technologies while reducing controls on many products and noncritical technologies presently subject to validated license requirements. As the Bucy report suggested in 1976, controls focused on critical technology can serve both national security and exports more effectively. Our bill requires implementation of the critical technology approach.

This legislation constitutes the most extensive revision of U.S. export control policy since 1969. Accordingly, we have designated the bill the Export Administration Act of 1979.

Mr. President. I ask unanimous consent that a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION-ANALYSIS

SHORT TITLE

Section 1 provides that the Act may be cited as the "Export Administration Act of 1979" (replaces Export Administration Act of 1969, as amended).

FINDINGS

Section 2 contains all "findings" from section 2 of present Act and adds findings emphasizing the right of U.S. citizens to engage in trade and the contribution of exports to the U.S. trade balance, employment and production.

DECLARATION OF POLICY

Section 3(1) declares U.S. policy to be to minimize uncertainties in export policy and encourage trade as a right not a privilege except with countries with which the President has determined trade to be against the national interest (revises section 3(1) of the present Act).

Section 3(2) declares U.S. policy to be to restrict the right to export only after full consideration of the economic impact in the U.S. and only to the extent necessary to protect the domestic economy in short supply situations, to further significantly U.S. foreign policy, and to prevent exports which could hurt U.S. national security by making a significant contribution to the military potential of certain nations (revises section 3(2) of the present Act).

Section 3(3), concerning multilateral export control policy is identical to section 3(3) of the present Act.

Section 3(4) contains a general policy statement identical to section 3(4) of the present Act.

Section 3(5), concerning antiboycott policy, is identical to section 3(5) of the present Act.

Section 3(6), concerning business-government consultations on export policy, is similar to section 3(6) of the present Act.

Section 3(7), concerning the use of export controls in response to foreign restrictions on U.S. access to supplies, is identical to section 3(7) of the present Act.

Section 3(8), concerning the use of export controls to counter international terrorism, is identical to section 3(8) of the present Act.

AUTHORITY

Section 4(a)(1) authorizes the President to control exports as necessary to carry out the policies stated in section 3 and, when applying controls for short supply reasons, to allocate export licenses on the basis of factors other than prior export history. This provision is essentially the same as section 4(b)(2)(A) of the present Act.

Section 4(a)(2)(A) requires that export control policy toward individual countries take into account certain factors in addition to the existence of Communist rule, and requires the President to review such policy at least annually and to include the results in reports to Congress required by the Act. This provision is essentially the same as section 4(b)(2)(A) of the present Act.

Section 4(a)(2)(B) authorizes controls on exports which would make a significant contribution to the military potential of any nation which threatens U.S national security, as determined by the President, and requires controls to be focused on preventing the effective transfer to controlled countries of goods and technology critical to the design, development, or production of military systems. The Secretary of Commerce, in consultation with the Secretary of Defense, is required to review such controls at least annually in order to limit controls as much as possible consistent with the purposes of the Act, to such militarily critical goods and technologies. Actions taken pursuant to this paragraph are to be reported to the Congress annually. This paragraph revises substantially section 4(b)(2)(B) of the present Act.

Section 4(a)(2)(C) and (D) lists factors which the President must consider prior to increasing controls on exports for foreign policy purposes, and requires the President to report his conclusions to Congress and the public when imposing such controls and to indicate how U.S. foreign policy will be furthered significantly or declared international obligations fulfilled. The present Act contains no corresponding provision.

Section 4(a)(2)(E) prevents the President from imposing export controls for national security or foreign policy purposes when foreign availability exists, unless he determines there is sufficient evidence to demonstrate that the absence or such controls would be detrimental to U.S. national security of foreign policy. In the latter case the President is directed to negotiate with foreign governments to eleminate such availability. This provision is the same as section 4(b)(2)(C) of the present Act, except that consideration of foreign availability is required for controls imposed for foreign policy reasons as well as those imposed for national security purposes.

Section 4(b) requires the Secretary of Commerce to reorganize the Department of Commerce as necessary to carry out the policy set forth in the Act, to maintain export control lists, to review such lists at least annually and include in each review an assessment of foreign availability of controlled items. The Secretary is directed to establish an Office of Product and Technology Assessment to monitor foreign availability. The Secretary is further directed to keep the public fully apprised of changes in export control policy and procedures and to consult the business sector on such policy and on foreign availability. This section substantially revises section 4(a) of the present Act.

Section 4(c)(1) and (2) establishes three types of export licenses: validated qualified general and general—and provides that validated licenses are to be used principally for exports of goods and technology under multilateral (COCOM) control qualified general licenses for multiple shipments of exports subject to unilateral U.S. control, and general licenses for other exports. There are no comparable provisions in the present Act.

Section 4(c)(3) requires the Secretary of Commerce to establish conditions and procedures for the use of qualified general licenses within 60 days from enactment. There is no comparable provision in the present Act.

Section 4(c)(3) states the intent of Congress that all license applications be decided within 90 days, unless the Secretary of Commerce determines additional time is needed and so notifies the applicant. Such applications must be referred to the Export Administration Board. No comparable provisions exist in the present Act.

Section 4(c)(5) requires that the applicant be informed of specific objections to approval of the application and given an opportunity to respond, and that a similar procedure be followed before referring an application to another agency for review. This provision is essentially the same as section 4(g)(2)(A) of the present Act.

Section 4(c)(6) requires that the applicant be informed of the specific statutory basis for any export license denial, and that the Secretary of Commerce establish an appeals process. This provision revises section 4(g)(3) of the present Act.

Section 4(c)(7) establishes an Export Administration Board composed of voting representatives from the Departments of Commerce, State and Defense. Applications not decided within 30 days or appealed by any voting member of the Board shall be reviewed by an Export Administration Review Council composed of the Secretaries of Commerce, State and Defense. Applications shall go to the President for review if not decided within 30 days or if the Council's decision is appealed by one of the Secretaries. The President also has 30 days to decide, and if no decision is made within 180 days of the initial filing of the application the license shall be issued, unless the applicant permits the Government more time to review the application. No comparable provisions appear in the present Act.

Section 4(d) provides for review by the Secretary of Defense of such types and categories of exports controlled for national security purposes as he and the Secretary of Commerce agree in writing should be so reviewed, and requires the Secretary of Defense to review each such application carefully and recommended to the Secretary of Commerce within 30 days that such application be denied, approved or approved with conditions. If the Secretary of Commerce does not accept the recommendation, the Secretary of Defense may insist that the case be referred to the Export Administration Review Board. This provision revises section 4(h) of the present Act.

Section 4(e) provides for review by the Secretary of State of such types and categories of exports controlled for foreign policy purposes as he and the Secretary of Commerce agree in writing should be so reviewed, and requires the Secretary of State to review each such application carefully and recommend to the Secretary of Commerce within 30 days that such application be denied, approved, or approved with conditions. If the Secretary of Commerce does not accept the recommendation, the Secretary of State may insist that the case be referred to the Export Administration Review Board. There is no corresponding provision in the present Act.

Section 4(f) requires any agency, department, or official authorized to review export license applications required by this Act to confirm in writing with the Secretary of Commerce the types and categories of applications to be reviewed, and to submit views on each application with 30 days of receipt. The present Act contains no comparable provision.

Section 4(g) requires the Secretary of Commerce to monitor exports for short supply reasons when such exports contribute, or may contribute, to increased domestic prices or shortages and have serious adverse impact on the economy or any sector thereof. Weekly or monthly reports on such monitoring are also required. These provisions are identical to section 4(c) of the present Act.

Section 4(h) concerning license fees is identical to section 4(i) of the present Act.

Section 4(i), containing restrictions on exports or swaps of U.S.-produced crude oil, is identical to section 4(l) of the present Act, except that the President's decision to export such crude may be overturned by a concurrent resolution adopted within 30 days rather than by the action of one house acting within 60 days.

Section 4(j) excludes certain refined petroleum products from short supply restrictions except as limited by regulation issued by the Secretary of Commerce. This provision is identical to section 4(j) of the present Act.

Section 4(k) requires that the approval of the Secretary of Agriculture be obtained before controls may be imposed on the export of agricultural commodities and provides for consideration by the Secretary of domestic requirements for such commodities and of the use of the Commodity Credit Corporation as a foreign sales agent for such commodities before approving export controls. The section also provides for commodities temporarily stored in the United States to be exempted from export controls. This section revises section 4(f) of the present Act.

Section 4(l) provides that authority to export is not required by this Act, or rules or regulations issued pursuant to the Act, except where the President has so required in order to effect the policies of the Act. This provision is identical to section 4(d) of the present Act.

Section 4(m) authorizes the President to delegate authority under the Act to such departments, agencies, or officials as he chooses, unless the head of the department or agency in question has not been appointed by and with the advice and consent of the Senate. This section is the same as section 4(e) of the present Act, except for the provision concerning Senate confirmation of the heads of agencies or departments whose officials exercise authority under the Act.

FOREIGN BOYCOTTS

Section 5 contains provisions concerning foreign boycotts and is identical to section 4A of the present Act.

PROCEDURES FOR HARDSHIP RELIEF FROM EXPORT CONTROLS

Section 6, concerning hardship relief from export controls for short supply purposes, is identical to section 4B of the present Act.

CONSULTATION AND STANDARDS

Section 7(a), concerning interagency consultations on export control policy, is identical to section 5(a) of the present Act, except that the requirement that the Secretary of Commerce consult with the Secretary of Energy on monitoring of certain energy equipment exports is limited to short supply situations.

Section 7(b) concerning private competition and exports is identical to section 5(b) of the present Act.

Section 7(c) concerning formation and duties of technical advisory committees is identical to section 5(c) of the present Act, except for an additional paragraph, section 7(c)(6), which requires the Secretary of Commerce to verify foreign availability whenever advised of such availability by a technical advisory committee, and to take appropriate action concerning export controls on such items.

VIOLATIONS

Section 8, concerning penalties for violation of the Act is identical to section 6 of the present Act.

ENFORCEMENT

Section 9 concerning enforcement of the Act is identical to section 7 of the present Act, except that subsection 9(c) contains an express exemption of confidential information from the Freedom of Information Act and provides that information shall be available to Congressional committees with appropriate jurisdiction no matter when such information was obtained.

EXEMPTION FROM CERTAIN PROVISIONS RELATING TO ADMINISTRATIVE PROCEDURE AND JUDICIAL REVIEW

Section 10 provides that exemption applies only where the Secretary of Commerce has issued regulations prescribing cases where applicability of administrative procedure and judicial review would be inconsistent with the purposes of this Act. This provision revises section 8 of the present Act.

ANNUAL REPORT

Section 11 is identical to section 10 of the present Act except that the report is to be annual rather than semi-annual.

DEFINITIONS

Section 12 contains the definitions of "person" and "United States person" included in section 11 of the present Act, and adds definitions of "goods" and "technology".

EFFECTS ON OTHER ACTS

Section 13 is identical to section 12 of the present Act.

AUTHORIZATION OF APPROPRIATIONS

Section 14(a) requires annual authorization of appropriations to the Commerce Department to cover the expenses of administering the Act. The provision corresponds to section 13(a) of the present Act.

Section 14(b) authorizes appropriation of $8 million to the Commerce Department for fiscal year 1980, of which $1,250,000 is to be used solely to support the Office of Foreign Product and Technology Assessment.

EFFECTIVE DATE

Section 15 provides that this Act will take effect upon expiration of the present Act, and preserves all actions taken under predecessor Acts.

TERMINATION DATE

Section 16 provides for termination of authority granted under this Act on September 30, 1983, or an earlier date if designated by the President.●

● Mr. HEINZ. Mr. President, today I am proud to join with my esteemed colleague, the chairman of the Subcommittee on International Finance, ADLAI STEVENSON, to introduce the Export Administration Act of 1979, the purpose of which is to streamline and make more responsive the Nation's export control policy.

At the hearings which have been held on export controls during this Congress and the previous one, I heard almost unanimous condemnation by exporters and expert witnesses of our Nation's export control process. An overwhelming body of evidence was adduced to demonstrate that current export control policy is inconsistent, plagued by uncertainty and vagueness, indeed threatening to undermine our reputation as a reliable supplier in the world marketplace. The administration's response to those accusations was weak and unconvincing.

Mr. President, the current condition of our export control policy is intolerable. It seriously undermines the President's announced goal of strengthening our Nation's trade and foreign exchange position in the world arena. We simply have to recognize that we are no longer the preeminent trading nation in a sellers' market. We can be justly proud of our Nation's effort since World War II to build up the economies of our former enemies and our major trading partners. But the result has been to place us in a highly competitive international trading arena, where markets that we forgo or lose through inadvertence may never be regained.

Our Nation's Governors have recognized this fact, perhaps more vividly than the administration. Whereas the executive branch has yet to come forward with any plan to overhaul the Export Administration Act, the Governors have presented a very comprehensive set of suggestions, many of which have been incorporated into this bill. The National Governors' Association has recognized a fact which the administration seems yet to fully comprehend: that our Nation's edge in high technology (as well as agriculutre and other industrial goods) is a precious resource for jobs and capital growth which we must aggressively promote in foreign markets. Each time a license is denied for insufficient cause, or delayed to the point where customers are discouraged and begin to look elsewhere, that precious resource is squandered. Worse still, there is a multiplier effect, in which potential exporters lose their enthusiasm for the process and potential importers of U.S. goods decide that they had better turn to other, more reliable sources for their needs, in some cases despite the U.S. edge in quality or technology.

Mr. President, we are ill-served by the current system which causes seemingly endless delays and uncertainty on licenses before granting them. The bill which I am sponsoring today would go a long way toward remedying that situation.

It creates a three-tiered appeals process and a new class of export license which together should work to weed out and expedite routine cases early in the process, while at the same time insuring that major issues of national importance get attention they deserve at the Secretarial or Presidential level.

It certainly would not be in our interest to replace the current system with a process which permits only cursory consideration of the export of technology which might eventually undermine our world market position or national security. This bill has safeguards against that danger. The 6-month deadline for the resolution of licensing disputes does not put on premium on haste, but it does insure that no bureaucrat will be able to kill a project by merely pigeonholing it.

Mr. President, the promotion of human rights is a goal I strongly support. This bill provides the President with sufficient latitude to impose export controls for foreign policy purposes, but it does require a greater rigor in the argumentation used to justify those controls and a more extensive reporting procedure after those controls have been instituted. As the General Accounting Office noted in its recent report, there has been a proliferation of the use of export controls for foreign policy purposes, but little or no discussion of that use in reports to Congress. Hopefully, the new rigor required will cause the administration to pause and seriously consider whether export controls are really the best way to achieve the desired end. How much leverage do we have? In an age of technological diffusion, how much success are we likely to have in convincing our industrialized allies—whose cooperation is critical—that the promotion of human rights is a goal worthy of financial sacrifice? It would seem that these important questions have not always been given sufficient weight in past deliberations.

The message I have received from exporters is that they are not asking for a removal of restraint. Rather, what they want—and what this bill provides—is a streamlined and predictable export control policy, which can be used as a reliable guide to marketing and long-term commitments. I urge all of my colleagues to give the bill careful consideration and support.●

By Mr. MELCHER (for himself, Mr. BAUCUS, Mr. BURDICK, Mr. DOLE, Mr. EXON, Mr. MCGOVERN, Mr. PRESSLER, Mr. TOWER, Mr. WALLOP, Mr. YOUNG, and Mr. ZORINSKY):

S. 738. A bill to amend section 16(b) of the Soil Conservation and Domestic Allotment Act, as amended, providing for a Great Plains conservation program; to the Committee on Agriculture, Nutrition, and Forestry.

REAUTHORIZATION OF THE GREAT PLAINS CONSERVATION PROGRAM

● Mr. MELCHER. Mr. President, today I am introducing S. 738, a bill to reauthorize the Great Plains conservation program.

The Great Plains conservation program funds Soil Conservation Service activities authorized under section 16(b) of the Soil Conservation and Domestic Act (Public Law 74-46) as amended by Public Law 84-1021. Public Law 91-118 amends Public Law 81-1021 to extend the Great Plains cost share contracting authority to December 31, 1981. The purpose of the bill I am introducing today, with 10 other Senators, is to reauthorize the program until 1986, and to increase the authorization from $25 to $50 million.

It is important to note that it is the intent of the administration to abolish the Great Plains conservation program. One of the purposes of this bill is to serve notice that the Congress will not go along with such a decision.

In 1972, the Congress enacted the Rural Development Act, which provided for the Great Plains conservation program to be operated in every county in the Nation. Unfortunately, no administration has been willing to put the law into action. But that is a permanent authority that is on the books, and I suppose that if someone wanted to go to court with the matter, it would not be necessary for me to be introducing this bill today.

During the last Congress, the Senate again reaffirmed its faith in this program by passing a bill by my distinguished colleague from California (Mr. HAYAKAWA) to extend the program to all counties west of the Mississippi River. That bill was passed, because of the recognition of the value the program could be in counties stricken by drought.

Again during the last session of Congress, the Senate passed a bill by my distinguished colleague from South Dakota, (Mr. MCGOVERN) to make the program permanent.

Clearly, the Congress has shown that it believes this program is a major contributor to the protection and enhancement of our Nation's soil and water resources.

The Great Plains conservation program is designed to assist farmers and ranchers in planning and applying resource management systems on their farms and ranches to prevent or reduce the effects of climatic hazards. Benefits to be achieved are protection or improvement of soil, water, plant, and wildlife resources, through reduction of erosion and sedimentation, abatement of agriculture-related pollution, and thereby keep stable local economies dependent on the productivity of land and water resources.

Activities under the program include:

COST SHARING ASSISTANCE

Payments are made to program participants for a share of the cost of installing eligible conservation practices scheduled in contracts.

COST-SHARE PROGRAMING AND CONTRACT ADMINISTRATION

The Soil Conservation Service provides assistance in developing contracts which include schedules of conservation measures to be applied, and administers long-term contracts with landowners of from 3 to 10 years.

TECHNICAL ASSISTANCE

The Soil Conservation Service provides assistance to help farmers and ranchers plan and install scheduled conservation measures according to technical and scientific specifications and standards.

The program is an addition to other Department of Agriculture soil and water conservation programs in the counties designated for participation, and it is coordinated with programs and objectives of locally managed and controlled conservation districts, State agencies, and community groups.

At present, in the 469 designated counties that come under the program, there are 104.5 million acres under long-term conservation contracts. That is nearly as much land being protected as there are woodlands in the national forest system. That means that private landowners are paying and cooperating with their Government to protect America's invaluable soil and water assets.

But there are 5,000 landowners standing in line. These are people who want to get into the act. They want to join with their neighbors in protecting our soil and water and wildlife, but thus far their Government has not shown the will to let them in. There are 75.4 million acres out there which we could be protecting, which we are not protecting.

This is a big country, but surely we have learned by now that our soil resources are not to be wasted.

Now I must say that I do not look upon this bill as inviolable or unamendable. There remain those who would like to see the principles of this program extended throughout the Nation. There are others who believe it should apply in every Western or water short county. Still others would like to give the Secretary of Agriculture the authority to extend the program as he sees fit. In this regard, I am willing to bow to the wishes of the Congress, but it is imperative that the program be extended.

In the 1977 Water Pollution Control Act amendments, Congress adopted a rural clean water program, designed to help rural landowners comply with the nonpoint source pollution regulations in the act.

I think it is important to point out that the Great Plains conservation program is a rural clean water program that can and is being used to keep silt and pollutants out of our waters. I think it is important to point out that other authorities in the Rural Development Act of 1972 provided additional authorities to provide assistance to landowners to help clean up our air and water.

But what do we do? We try to kill the Great Plains conservation program, and we ignore the authorities in the Rural Development Act. Instead of going with proven programs that quietly get the job done, we chase after fads. In 1980, the administration intends to spend $75 million on the untried and unproven rural clean water program, while ignoring the authorities it already has at hand. I grant that these existing authorities do not have the glamor of direct association with the Water Pollution Control Act, but they are flexible enough so that any conservation practice we need to employ can be put to work.

Finally, Mr. President, I would like to say a word about the provision in S. 738 to end the program in 1986.

At the present time, the Department of Agriculture is working on the appraisal of the condition of our land and water resources as called for in the Soil and Water Resources Conservation Act. At the end of this year, the Department will present the Congress with the results of that appraisal and a program of work for all of the agencies in USDA that do soil and water conservation work.

Frankly, it is generally acknowledged that this first effort will not be of the high quality we might wish, because of the vastness of the job. As I said, this is a big country. But it will be the first time ever that we have tried to understand the size of the conservation job to be done, and then tried to appraise the quality of the work we are doing to get that job done. It is important to point out that we have our distinguished colleague from Kentucky (Mr. HUDDLESTON) to thank for initiating this law.

In 1985, the Congress will be presented with a second appraisal and program, and by that time we should also have solid evaluative information on which of the programs for soil and water conservation are most effective, and which ones are not. I have extended the provisions of this bill to 1986, so that based on the information we receive from USDA, we can kill the program if something is found that works better, or we can extend it and expand it if it is found to be the quality operation we now believe it to be.

Mr. President, I ask unanimous consent that S. 738 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 738

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 16(b) of the Soil Conservation and Domestic Allotment Act (70 Stat. 1115, as amended; 16 U.S.C. 590p(b)) is amended by—

(1) in the third complete sentence of paragraph (1), striking out "December 31, 1981" and insert in lieu thereof "September 30, 1986";

(2) after paragraph 6, insert a new paragraph (7), "(7) The Secretary shall, where practicable, enter into agreements with soil conservation districts and State soil and water conservation agencies to administer all or part of the program established in this subsection under regulations developed by the Secretary. Such agreements shall provide for the submission of such reports as the Secretary deems necessary, and for payment by the United States of such portion of the costs incurred in the administration of the program as the Secretary may deem appropriate;

(3) renumber paragraph (7) to paragraph (8);

(4) in paragraph (8), strike the words "cost of the program (excluding administrative costs) shall not exceed $300,000,000, and";

(5) in paragraph (8) strike "$25,000,000" and insert in lieu thereof "$50,000,000".●

● Mr. DOLE. Mr. President, I am today joining Senator MELCHER from Montana and other Senators in sponsoring the Great Plains Program Extension Act. This act would extend the Great Plains conservation program until 1986.

It would also provide the Department of Agriculture with more flexibility in carrying out the program. And it would increase the authority from $25 to $50 million.

The unique and nagging resource problems of the Great Plains are still not solved. While much has been accomplished, at least 50 percent of the conservation needs still remain. Greater demands on the resources in the 10-State region continue to cause new concerns, such as the critical water conservation and supply problems now prevalent in much of this region. A national program designed to cure all problems cannot and does not effectively deal with certain regional resource problems.

PROGRAM IS EFFECTIVE

A program carried out by one agency is more effective and efficient in converting both dollars and technical assistance to problem-solving activities intended by law. For example, in Kansas the administrative cost to carry out the Great Plains conservation program was only 13 percent of the State's allocation in fiscal year 1978.

LESS PAPERWORK

Farmers and ranchers can also work directly with the decisionmaking agency and person responsible. This is especially important for both the producer and the agency when planning and making resource committing decisions. It involves less paperwork, less confusion for the producer, and a better understanding of what is expected from all concerned.

Any warranted changes needed as the contract is carried out can be made efficiently. Contract violation or failure to carry out an obligation is handled much more effectively when only one agency is working with the producer. There is no "middleman" as the Soil Conservation Service now is, in the case of long-term agreements (LTA's).

PROGRAM MANAGEMENT SIMPLER

Program management and responsibility is simpler with direct accountability. The Great Plains conservation program is given local leadership and direction by the recognized responsible conservation organization; that is, the conservation district. Soil and water conservation is both the primary objective of the Great Plains conservation program and the responsibility of the Soil Conservation Service on private land. We have both the technical and management expertise. It follows then that conservation programs should be administered by the conservation agency.

GREAT PLAINS WORK NEEDED

Even with the Great Plains conservation program, there is still not enough being done in terms of resource conservation in the Great Plains. There has been very little conflict or duplication between programs. In fact, the Great Plains conservation program is as directed by law "in addition to" existing conservation programs.

USDA STUDY

At the present time, the Department of Agriculture, under the authority of the Soil and Water Resource Conservation Act (RCA), is examining all of its soil and water conservation programs to determine whether any redirection is needed in present program activities. Until this work is completed, and some definitive answers are available to the Congress, I believe that we should maintain existing program operations.

I believe the Great Plains conservation program has made substantial imputs to the conservation program in Kansas and the other Great Plains States. The program has worked and worked well. It should be continued. I am pleased to join Senator MELCHER in sponsoring the Great Plains Program Extension Act.

By Mr. LAXALT:

S. 739. A bill to amend certain provisions of title 28, United States Code, relating to venue in the district courts and the courts of appeals; to the Committee on the Judiciary.

● Mr. LAXALT. Mr. President, I am today again introducing legislation, similar to that which I introduced in the last session of the 95th Congress, which will have the effect of amending the Federal Venue Statutes to require that cases with the Federal Government as the defendant be tried in the district court where the impact or injury is most substantial.

Since introducing S. 3539 in the last Congress I have become convinced more than ever before that this legislation is of utmost importance, not only to the Western United States, but to the rest of the country as well, and I am committed to doing my utmost to make it become part of the United States Code. I have corresponded with members of the Nevada Bar about it, who almost without exception endorse the concept thoroughly.

Presently most cases filed against the Federal Government, particularly those involving environmental issues, are tried in Washington, D.C. Often these cases will have major impact on one of the States, but nevertheless, the only connection to Washington is the fact that the Federal Government and perhaps a public interest law firm plaintiff, are located here. Accordingly, such a case will be tried to a Washington, D.C., judge with a Washington, D.C., Government lawyer on one side and a Washington, D.C. public interest lawyer on the other. The subject matter, on the other hand, may be a dam in Oregon, a water project in Montana, or a Federal wildlife refuge in Nevada.

It would make more sense, in my opinion, to have such cases tried in the district court where the major impact or injury is situated. In that way the judge might have some familiarity with the subject of the case, and might feel somewhat more accountable for his decision. The Government lawyer in such situations would either be the U.S. attorney from the district where the subject matter of the case is located or from the regional office of the agency involved. The public interest plaintiff's lawyer, or whoever the plaintiff's lawyer might be, would at least have to travel to the districts where his case arose, perhaps making him somewhat more cognizant of local problems. Additionally, of course, witnesses and interested parties from the State where the subject matter of the case is located, who are primarily affected by the decisions in such cases, would only have to travel to the Federal courthouse in their district instead of to Washington, D.C., to observe or participate in the case.

The bill also uses the same standard for appeals from agency proceedings, many of which are now also filed in the District of Columbia. Requiring that such cases be heard in the circuit where the injury is situated should also result in decisions taking into account the public sentiment to some degree, and using the established case of law of the circuit rather than that of Washington, D.C. Usually the precedent in one of the other circuits will more nearly reflect local customs and local law, whereas the precedent in the District of Columbia circuit more precisely reflects the attitudes of the Federal Government.

It is my strong feeling that this bill, if passed, would be most beneficial to local interests in the States.

The unfairness of the situation most recently came to my attention when a permanent injunction was issued by the district court for the District of Columbia, enjoining the Department of Interior from issuing regulations affecting Ruby Marsh in Nevada. In that case, the defenders of wildlife sued Secretary Andrus in the district court of the District of Columbia to enjoin any boating on the Ruby Marsh Wildlife Refuge. Ruby Marsh is a Federal wildlife refuge, but has been used for years as a recreational lake by Nevadans. Nevada was not made a party to that action until the State got wind of the case and intervened as a defendant on the day of the hearing before the District of Columbia court.

The case was commenced in the District of Columbia by a District of Columbia plaintiff, although the subject matter of the case had nothing whatever to do with anything in the District of Columbia except for the fact that the Department of the Interior's headquarters is located here. Although Ruby Marsh had been used for years as a recreational lake by Nevadans, and apparently without any harm to the wildlife located there, the court decided the case without benefit of any firsthand knowledge of the facts.

It seems obvious to me that this case should have been tried in Nevada, by a Nevada judge, giving the State of Nevada the option of participating fully and permitting Nevada residents, who are the primary users of the lake, at least an opportunity to sit in on the hearing. Under the bill introduced today, that case, and apparently hundreds of other similar cases, would be tried in the district court where the controversy exists, and cases appealed from agency proceedings would similarly be heard in the circuit court where the controversy exists. The result, I am sure, will be very favorable to the States and to the people affected by such cases, and will help to return a degree of confidence in the Federal court system by the American people.

Recently I had occasion to conduct a television interview with Attorney General Griffin Bell, in which I asked him his opinion of this legislation. He responded:

> I am in favor of having the trials locally, and that includes tax cases, criminal cases, whatever kind of cases. I am against the government hailing people all the way to Washington to litigate.

I am, of course, pleased to have the endorsement of the Attorney General of the United States, and I am sure it will facilitate the passage of this bill.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 739

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1391(e) of title 28, United States Code, is amended to read as follows:

"(e)(1) Except as provided in paragraph (2), a civil action in which a defendant is an officer or employee of the United States or any agency thereof acting in his official capacity or under color of legal authority, or an agency of the United States, or the United States, may, except as otherwise provided by law, be brought in any judicial district in which (A) a defendant in the action resides or has his principal place of business, or (B) the cause of action arose, or (C) any real property involved in the action is situated, or (D) if no real property is involved in the action, the plaintiff resides or has his principal place of business.

"(2) In any such action in which it is determined that a substantial portion of the impact or injury is in one or more judicial districts, such action shall be brought in one of such judicial districts.

"(3) Additional persons may be joined as parties to any such action in accordance with the Federal Rules of Civil Procedure and with such other venue requirements as would be applicable if the United States or one of its officers, employees, or agencies were not a party.

"(4) The summons and complaint in such an action shall be served as provided by the Federal Rules of Civil Procedure except that the delivery of the summons and complaint to the officer or agency as required by the rules be made by certified mail beyond the territorial limits of the district in which the action is brought.".

SEC. 2. Section 2343 of title 28, United States Code, is amended to read as follows:

"§ 2343. Venue

"(a) Except as provided in subsection (b), venue of a proceeding under this chapter is in the judicial circuit in which the petitioner resides or has its principal office, or in the United States Court of Appeals for the District of Columbia.

"(b) In any such proceeding in which it is determined that a substantial portion of the impact or injury is in one or more judicial circuits, venue of such proceeding shall be in one of such judicial circuits.".

SEC. 3. Section 2112(a) of title 28, United States Code, is amended—

(1) by inserting immediately after the third sentence the following new sentence: "In any case in which it is determined that a substantial portion of the impact or injury is in one or more judicial circuits, venue

of such proceeding shall be in one of such judicial circuits"; and

(2) by inserting in the fourth sentence immediately after "same order" the following: "and the parties are unable to agree upon venue of such proceeding in one of such courts of appeals".●

By Mr. WILLIAMS (for himself, Mr. PROXMIRE, Mr. GARN, Mr. MORGAN, Mr. STEWART, and Mr. TOWER):

S. 740. A bill to amend section 245 of the National Housing Act to exclude graduated payment mortgages from certain restrictions regarding maximum amount of loan; to the Committee on Banking, Housing, and Urban Affairs.

HOMEOWNERSHIP OPPORTUNITY ACT OF 1979

● Mr. WILLIAMS. Mr. President, today I am introducing the Homeownership Opportunity Act of 1979, a bill designed to improve the ability of moderate income persons to purchase homes through expanding the availability of graduated payment mortgages (GPM's).

I am introducing this legislation, with cosponsorship by several members of the Subcommittee on Housing and Urban Affairs, because we believe it deserves consideration as a potentially useful new tool to make homeownership more affordable, and serves to focus attention on the question of what additional mechanisms, if any, we should be using to expand homeownership opportunities in today's housing market.

Mr. President, this country remains in the midst of a housing cost spiral which may soon make it impossible for millions of moderate-income Americans to ever own a home. In November of 1978, the median price of a new home was $58,700—compared to the 1968 median cost of $24,700. The cost of existing homes has also skyrocketed from a median of $20,100 in 1968, to $50,700 in November of 1978. Housing cost increases have outstripped the rate of increase in incomes over this period by almost a 2-to-1 ratio.

This widening gap is rendering millions of families unable to afford the important first purchase of a home. It has been estimated that for every $1,000 increase in the cost of a house an average of 700,000 families are priced out of the home buying market. Only about 28 percent of American families can afford to buy a home priced at the current median level, using standard affordability criteria.

This situation has serious implications for families, the housing industry, and the economy as a whole. The housing industry is a key element of our national economy, and, equally important, homeownership is a strong force to strengthen local economies. While we should make concerted efforts to hold down the growth in housing costs, we should also insure fair access to the housing market, particularly for young or first-time homebuyers.

This bill represents one of the steps that Government could take to promote housing affordability, and it can be taken without any additional Federal subsidy. It would modify the existing FHA program for graduated payment mortgages by reducing the required downpayment, extending the graduation period, and recognizing the apreciation in value of the home. It is estimated that this simple step could bring homeownership within the financial reach of an additional 8.5 million families.

The existing graduated payment mortgage program, section 245, was designed to accomplish the goal of expanding homeownership opportunities. By providing for lower monthly payments in the early years of mortgage, families and individuals with moderate incomes and prospects for higher incomes are able to purchase homes they otherwise might not afford. For example, to purchase a $55,000 home under a traditional level-payment FHA-insured mortgage at current rates (9½ percent) would require a downpayment of $2,250 and monthly payments of $459 per month. Under FHA guidelines, this payment level would require an income of $24,900 per year in order to qualify.

Under the existing section 245 program, the same $55,000 house could be purchased with an initial monthly payment of $323.70 per month, along with an 8-percent downpayment ($4,200). The higher downpayment is required in order to assure that the total outstanding balance of the loan, which increases in the early years of the mortgage because the monthly payment is less than accrued interest, does not exceed 97 percent of the purchase price of the house. This 97 percent loan-to-value ratio is required by section 245. The monthly payment under the most popular option of the section 245 program increases at a rate of 7.5 percent per year so that by the fifth year the mortgage on a $55,0000 home will reach its maximum payment of $465 per month.

While the current GPM program does make it possible for many additional families to purchase homes, its appeal and usefulness suffer from the built-in limitations of the program. The higher downpayment requirement—$4,200 for a $55,000 home, compared to $2,250 under a straight FHA mortgage—puts these mortgages beyond the reach of a great many families. The relatively steep annual increase in monthly payments (7½ percent) under the most popular option also limits the usefulness of the GPM program by focusing it on primarily young professionals and others with particularly bright economic prospects. The moderate income wage earner may not qualify since he or she may not be able to meet 7½ percent annual increases with equal certainty.

The legislation is intended to create within the section 245 program a type of GPM which would be more affordable by the moderate income person. It would provide for the same downpayment as required by the traditional FHA 203(b) program, and it would provide for a lower annual rate of increase in monthly payments—as low as 4 percent per year—than in the most popular existing GPM program. This legislation offers an option for mortgage financing, but imposes no requirements for its use.

This bill's flexibility is provided by removing, for the purposes of this program, the existing limitation that the amount of the mortgage plus accrued interest not exceed 97 percent of the appraised value of the property at time of purchase. Under this new proposal, the maximum loan limits would be only those contained in section 203(b)(2), that is, that the initial amount of the loan may not exceed 97 percent of the first $25,000 of appraised value, and 95 percent of the value over $25,000.

The effect of this change is to create a larger "negative amortization," that is, a larger total loan obligation, that will exceed the original appraised value of the house. Ultimately, this would require a larger monthly payment than would be required under either the existing GPM program or the straight FHA program. However, under most approaches, the monthly payment would not reach straight-line levels for 9 to 11 years. Payments in later years are necessarily higher in order to compensate for the lower payments in the early years.

This new program can be effective and secure so long as there is even a minimal rise in home values. With an annual increase of as little as 4 percent per year, the loan balance will remain below the appreciated value of the home, and the homeowner will have positive equity in the home based on its appreciated value.

There is, however, some risk inherent in this proposal in the event that housing values do not continue to appreciate. In addition, there are considerable inflationary pressures bearing on the present housing market which we must be careful not to exacerbate. In the hearings that the Senate Subcommittee on Housing and Urban Affairs will be holding on housing legislation later this spring, we will be taking a careful look at the potential benefits and risks that this proposed legislation may entail, as well as a more general look at the state of the homeownership market and the impact that mortgage finance options such as this may have on that market.

Mr. President, I introduce this bill not only to allow consideration of a promising new approach to making homeownership more affordable, but also to spur necessary discussion on the significant issues facing housing in this country. I believe the goal of affordable homeownership for moderate-income persons continues to be of vital importance. I also believe that we must assure that programs to promote homeownership are structured and carried out in a manner consistent with the economic exigencies of the housing market.

Mr. President, I ask unanimous consent that the text of my bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 740

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "Homeownership Opportunity Act of 1979".

SEC. 2. Congress finds that recent sharp increases in the cost of housing have excluded many middle income families and individuals from homeownership. These cost increases have rendered existing Federal housing programs, such as the graduated payment mortgage program under section 245 of the National Housing Act, less than fully able to make homeownership available to those affected by the housing cost spiral. The Congress further finds that lifting restrictions on the maximum loan-to-value ratio on graduated payment mortgages can help make homeownership available to a broader segment of the population, particularly the first time homebuyer, and will also help stimulate and stabilize the production of housing.

SEC. 3. Section 245 of the National Housing Act is amended—

(1) by inserting "(a)" after "Sec. 245";

(2) by inserting after the word "title" in the second sentence the following: ", except as provided in subsection (b) of this section,"; and

(3) by adding at the end thereof the following:

"(b) Notwithstanding the provisions of subsection (a) providing for the addition of deferred interest to principal for the purpose of determining the loan-to-value ratio, the Secretary may insure under any provision of this title a mortgage or loan with provisions for varying rates of amortization if the initial principal obligation of the mortgage or loan does not exceed the percentage of the appraised value of the property specified in section 203(b)(2) of this title as of the date the mortgage or loan is accepted for insurance."●

Mr. PROXMIRE. Mr. President, I am pleased to join Senator WILLIAMS in introducing the Homeownership Opportunity Act of 1979. This bill would loosen the loan to value ratio limitations contained in HUDs graduated payment mortgage (GPM) program. The effect of this would be to allow for a lowering of the downpayment required, and potentially, for further lowering of the required initial monthly payment on a graduated payment mortgage.

One of the cruel effects of the inflation and accompanying high interest rates we have been suffering through in recent years is that the high interest costs have priced many families out of the capacity to afford mortgage loans. These high interest rates have occurred at the same time when housing prices generally have been rising at a rapid rate.

Under the standard mortgage, one of the main effects of today's high interest rates is that the monthly payment may need to be quite high in order to cover the high interest cost. The graduated payment mortgage is designed to directly address this problem by providing for a lower initial monthly payment, with a scheduled increase in the monthly payment over time. The effect of this is that in the early years of the loan, the monthly payment is not sufficient to cover the interest owed on the loan, and the loan balance therefore actually rises in the early years of the plan.

In recognition of the potential risks involved with an increasing loan balance, the Congress, in authorizing the program, provided that the loan balance could never exceed 97 percent of the appraised value of the property as of the date of the loan. However, in order to conform to this limitation, it is necessary to require a higher down payment than would otherwise be required, or a smaller reduction of the initial monthly payment, or a combination of both. Although it appears that the GPM program has generally been a successful one, it is also true that the loan to value ratio restriction does limit to some extent the utility of the program, particularly as interest rates continue to rise.

The Homeownership Opportunity Act of 1979 would remove the loan to value restriction. While the downpayment would have to be at least 3 percent, the amended law would allow the loan balance to initially increase over time to a level exceeding the original appraised value of the property. This may not be as risky as it may seem to be at first glance, since the value of the property can be expected to appreciate at a rate probably exceeding the increase in loan balance, thus actually increasing the equity cushion.

Mr. President, the bill being introduced today comes from a proposal of the National Association of Home Builders. I am joining in introducing the bill because I believe that the overall objective of the bill, to increase homeownership opportunities, is highly desirable, and that this specific approach deserves a thorough and fair hearing. However, I believe that there are some definite risks which will have to be carefully studied in the course of our deliberations.

The risks of the program generally seem quite manageable as long as the value of the property increases at a rate equal to or greater than the increase in loan balance in the early years of the loan. Given the current economic environment, this would seem to be feasible for the foreseeable future. The problem, however, would occur if at some point in the future, we have a sharp and unexpected decrease in the rate of inflation. If this happens, there could be a large number of GPM loans in existence at that time which would have their loan balance increasing at a rate more rapid than the property is appreciating. In such a situation, a significant number of borrowers could, over time, find themselves in a situation where they actually have negative equity in their property. In other words, their then existing loan balance could exceed the actual value of the property. In such a situation, a huge default rate is a possibility. This could not only be disastrous for the borrowers involved, but could also conceivably threaten the soundness of the FHA insurance fund.

Mr. President, although the dangers I have described may seem like only an outside risk at this point in time, they need to be taken seriously. Thus in considering the Homeownership Opportunity Act of 1979, it will be necessary to evaluate the risks and determine whether there are appropriate limitations, restrictions, or modifications in the approach so as to reasonably assure that the dangers cited will not develop, and that the objective of the bill, to maximize homeownership opportunity, can be safely realized.

● Mr. GARN. Mr. President, I am pleased to join with Senator WILLIAMS as a cosponsor of this important and timely legislation, the Housing Opportunity Act of 1979.

This legislation is designed to reach a growing segment of our population that has been priced out of the homeownership market. It is estimated that 74 percent of American families cannot qualify for a median priced home. I am talking about the families with incomes in the range of $15,000 to $24,000 annually who are experiencing in greater numbers the frustration and anguish of not being able to qualify for a median priced home ($60,300—January, 1979).

Mr. President, the Housing Opportunity Act amends section 245 of the National Housing Act giving the Federal Housing Administration (FHA) additional authority to administer a graduated payments program (GPM). This new program would be similar to an existing FHA program which currently accounts for about 75 percent of all single-family insured activity. It will expand the current GPM program from 5 to 10 years, will lower the downpayment requirements, increase the maximum mortgage limits, and lower the annual rate of increase in monthly payments to as low as 4 percent.

The best part of this new program is that it does not require any Federal expenditures. The Federal Government insures the mortgage as in the traditional single-family mortgage program. There is very little risk in this program so long as there is even a minimal increase in home values.

Even with an annual increase of only 4-percent per year, the loan balance will always be well below the appreciated value of the home, and the homeowner will always have a substantial amount of positive equity in the home based on its appreciated value. I do not know of many homeowners who have only experienced a 4-percent appreciation rate over the past few years. This indeed is a very conservative rate which only points out that we would have to experience a severe depression in the housing market before a risk would develop.

Mr. President, the new GPM program will offer a 10-year graduated payment mortgage, with initial monthly payments low enough to qualify those families in the $15,000 to $24,000 income brackets. This will allow prospective buyers an option of having their payments increase at a rate of 4- to 6-percent per year. This assures that any family, regardless of its income expectations, would be able to qualify for the program and meet their future monthly mortgage payments.

This program will be particularly important to the families in my home State of Utah, where housing starts have reached a plateau and have actually started to decline because fewer families are able to qualify for home mortgages in the median range.

Here are some Bureau of Census figures to make my point. Overall housing starts in Utah are down by 15.4 percent in 1979 from the same period in 1978. The largest decrease during this same period was for single-family housing starts which were down 21.8 percent. And the picture gets worse as we look at building permits which project building trends for the months ahead. Overall permits are down 49.3 percent from 1,548 issued in January 1978 to only 785 permits issued during January of 1979. Again, single-family permits are down with over 450 fewer permits issued in January of this year compared to January of 1978. This situation has not come about because of careless building but simply because it is getting harder and harder for families to qualify for home mortgages.

This legislation is not going to solve all of the housing ills. But, it is a step in the right direction aimed at the segment of our population that is unnecessarily burdened by the high cost of homeownership today. I commend the chairman of the Housing Subcommittee for promptly scheduling hearings on this legislation.●

● Mr. MORGAN. Mr. President, as a member of the Subcommittee on Housing and Urban Affairs, I am pleased to join with our distinguished chairman, Senator WILLIAMS, in sponsorship of the Homeownership Opportunity Act of 1979, a bill increasing the availability of graduated payment mortgages, and thus improving opportunities for moderate income Americans to purchase their own home.

Mr. President, it is becoming a sad and alarming fact that the average American wage earner is increasingly unable to afford the average priced American home. During the last decade the cost of both new and existing housing has more than doubled, and housing costs have outstripped increase in incomes by almost 2 to 1. I am advised that only slightly more than a quarter of American families can presently afford to buy a median-priced home, using standard affordability criteria. Unfortunately, there is little reason to expect housing costs will not continue to escalate. Unless effective action is taken, more and more Americans will be priced out of the chance to own their own home. It is as simple as that.

I believe that such a development would carry serious consequences for our country. Homeownership is far more than an economic factor. Homeownership carries with it benefits for our country and our communities that go far beyond mere numbers. We benefit in terms of increased stability and pride in one's neighborhood. We benefit in terms of an increased sense of place and community identification, both of which are seriously eroding in our increasingly mobile and rootless urban society.

But there are also very tangible social benefits to homeownership. AFL-CIO economists have quantified the degree to which housing costs are substantially less for their retired members who have achieved homeownership, than for those who remain renters throughout their lives. In the early part of the next century our society will have an unusually large percentage of people approaching retirement. These are the same people who are now in the midst of young adulthood, beginning careers and families, and attempting to buy their first home. I believe it is in our national interest to take action now to insure that homeownership remains a realizable goal for the vast majority of our people.

I believe that the Homeownership Opportunities Act of 1979 is one of the steps we can take at the Federal level to help in that process. Importantly, it is a step we can take without putting additional burden on the American taxpayer. The bill modifies an existing FHA graduated payment mortgage program by reducing the required downpayment, extending the graduation period, and importantly, allowing for the appreciation in value of a home. Estimates are that these changes, which involve no additional Federal subsidy, could make homeownership viable for an additional 8.5 million families. I believe that is an important step.

Obviously, however, there is much more that will have to be done. I look forward to working with Senator WILLIAMS and others on the Housing Subcommittee as we examine this bill and other aspects of our Nation's housing picture.●

● Mr. TOWER. Mr. President, I am pleased to cosponsor the Housing Opportunity Act of 1979. This legislation would increase the opportunity for homeownership for 8 million families without any increase in Federal spending.

This legislation is needed because many young families have been priced out of the market for a home by the rapidly rising cost of housing. This legislation would make it easier for families with incomes between $15,000 and $24,000 to afford a home by authorizing FHA mortgages with a 10-year graduated payment schedule. This would allow FHA mortgages to be designed to meet the particular needs of homebuyers, particularly young families who are buying their first home.

Many young families today are finding it difficult to buy their first home. Housing costs have risen enormously in recent years. In the process, the gap between the incomes of young families and the costs of housing has widened. The result has been that many young families have had to delay their purchase of a home until a later date, and they have lost the opportunity to invest in a home as a protection against inflation.

There are two major problems facing young families who want to buy their first home: The downpayment for a home and the monthly expenses associated with homeownership. They do not have the equity from a previously owned home to use as a downpayment, while their lower incomes make it difficult to meet the monthly expenses of a home.

One means of solving this problem has been the use of graduated-payment mortgages. They reduce the monthly expense of housing by allowing a young family to buy a home with small monthly payments in the early years of the mortgage and larger monthly payments later on when the family's income can be expected to increase.

Graduated payment mortgages already have a proven track record in increasing homeownership opportunities. Graduated payment mortgages have been available under the FHA housing program since November 1976 and have proven to be extremely popular. More than 60,000 families have obtained FHA mortgages under the graduated payment program. About one-fourth of all FHA mortgages are now graduated payment mortgages and about three-fourths of them have been for first-time buyers.

But, the existing FHA graduated payment program has certain limitations. Graduated payments are scheduled only for 5 years under the most widely used option of the FHA program, and under even this option the payments graduate at a rate of 7½ percent a year. Under the Housing Opportunities Act of 1979, however, the graduated payment schedule would be extended to 10 years and the homebuyer would be given the option of choosing a mortgage with a fixed level payment for the first 2 years of the mortgage or the first 5 years of the mortgage. The homebuyer would also have the option of choosing a mortgage with payments that increase 6 percent a year or 4 percent a year.

I have supported the concept of graduated payment mortgages in the past as a means of increasing homeownership opportunities. It is one of the most attractive forms of alternative mortgage instruments that can be designed to fit the individual needs of homebuyers. Last year, the Senate Banking Committee approved a resolution which Senator CRANSTON and I sponsored, calling on the Federal Home Loan Bank Board to authorize Federal savings and loan associations to offer alternative mortgage instruments, including graduated payment mortgages. The Board has now done so, and homebuyers now have a greater opportunity than ever before to obtain conventional mortgages designed to meet their particular needs. The Housing Opportunities Act of 1979 would improve the FHA graduated payment program by making it even more accessible to potential homebuyers.

In the process, the opportunity for homeownership would be brought within the grasp of millions more American families.●

By Mr. CRANSTON (by request):

S. 741. A bill to amend title 38, United States Code, to revise and clarify eligibility for certain health care benefits; to revise and clarify the Department of Medicine and Surgery personnel system; to revise medical resources utilization; and for other purposes; to the Committee on Veterans' Affairs.

VETERANS MEDICAL AMENDMENTS ACT OF 1979

● Mr. CRANSTON. Mr. President, I am introducing today, at the request of the administration, S. 741, the proposed Veterans Medical Amendments Act of 1979.

The Administrator of Veterans' Affairs, by letter dated March 12, 1979, to the President of the Senate, transmitted to the Senate this administration-proposed legislation. Prior to the introduction of this legislation, however, the Chief Counsel of the Senate Committee on Veterans' Affairs received a March 20, 1979, letter from the General Counsel of the Veterans' Administration, in which the General Counsel explained that the VA had discovered that it "had inadvertently included certain preliminary draft language, and omitted other language that it had intended to include" in both the draft bill and the accompanying section-by-section analysis. Thus, the VA's General Counsel enclosed with his March 20 letter copies of the corrected pages of the draft bill, and accompanying materials, including corrections in the Administration's cost estimate.

The bill that I am introducing today and the accompanying materials consists of the March 12 submission with corrected pages from the enclosures to the March 20 letter.

Mr. President, I ask unanimous consent that the March 12 letter of transmittal, the corrected section-by-section analysis, the changes in existing law, and text of the bill be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 741

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Veterans Medical Amendments Act of 1979".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—VETERANS HEALTH CARE AND RELATED BENEFITS AMENDMENTS

Sec. 101. (a) Section 111(e)(2)(A) is amended to read as follows:

"(A) for or in connection with medical treatment (except with respect to a veteran receiving benefits for or in connection with a service-connected disability under this title) unless (i) special vehicular modes of transportation are required for medical reasons; and (ii) such travel has been authorized by the Administrator prior to such travel;".

(b) Section 614 is amended by inserting in subsection (a) "pursuant to the provisions of section 111 of this title" after "expenses".

(c) Section 628 is amended by inserting in subsection (a) "pursuant to the provisions of section 111 of this title" after "travel".

Sec. 102. (a) Paragraph (4) of section 601 is amended by inserting "or of a veteran described in section 612(g) of this title if the Administrator has determined, based on an examination by a physician employed by the Veterans' Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement), that the medical condition of such veteran precludes appropriate treatment in facilities described in clauses (A) and (B) of this paragraph" before the semicolon at the end of subclause (ii) of clause (C).

(b) Section 612 is amended by—

(1) striking out clause (2) of subsection (b) in its entirety and redesignating clauses (3) through (6), respectively, as clauses (2) through (5);

(2) adding to clause (1) of subsection (f) after the parenthesis following "treated" a comma and the following:

"but any such veteran being furnished care for a nonservice-connected disability shall not be furnished drugs, medicine, or medical supplies which may be purchased without a physician's prescription, unless such veteran is (i) in receipt of pension under chapter 15 of this title, or (ii) 65 years of age or older, or (iii) permanently housebound, or (iv) in need of regular aid and attendance, or (v) receiving home health services under this section";

(3) inserting "(1)" in subsection (g) immediately preceding "Where";

(4) adding at the end of subsection (g) the following:

"(2) Any veteran receiving medical services under this subsection shall also be eligible to receive home health services as described in subsections (a) and (f) of this section, subject to the limitations set forth therein, based on the nature of the disability of such veteran."; and

(5) redesignating in subsection (i) paragraphs (3) and (4), respectively, as paragraphs (4) and (5) and inserting a new paragraph (3) as follows:

"(3) To any person for compensation or pension examination purposes.".

Sec. 103. Section 613 is amended by —

(1) adding at the end of clause (2) of subsection (a) the following:

"or (C) the surviving spouse or child of a person who dies in the active military, naval, or air service in the line of duty and not due to misconduct,";

(2) inserting at the end of subsection (a) the following sentence:

"For the purposes of this section a person who died in the active military, naval, or air service in the line of duty and not due to misconduct, shall be considered a veteran", and

(3) adding at the end of subsection (b) the following new subsection:

"(c) For purposes of this section, a child between the ages of 18 and 23 who is a dependent or survivor under subsection (a) of this section and is pursuing a full-time course of instruction at an approved educational institution, and who suffers a disabling illness or injury resulting in inability to resume attendance at any approved educational institution, (whether the disabling illness or injury occurred during the school year, between semesters, or during vacation or holiday periods) shall remain eligible for benefits under this section until six months after the disability is removed, or until two years after the date of onset of the illness or injury, or until the student's twenty-third birthday, whichever occurs first.".

Sec. 104. Section 617 is amended by—

(1) inserting "(a)" before "The";

(2) inserting "(or reimburse the cost of)" immediately following "furnish";

(3) inserting "or modification of such lift or device," immediately preceding "as" the first place it appears; and

(4) adding at the end thereof a new subsection (b) as follows:

"(b) Any modification of such lift or device for a veteran entitled under clause (2) of subsection (a) of this section shall not exceed the maximum allowable cost of home improvements and structural alterations authorized by section 612(f) of this title.".

TITLE II—VETERANS MEDICAL PERSONNEL AMENDMENTS

Sec. 201. (a) Section 4104 is amended by inserting "psychologists," immediately before "physical" in clause (2).

(b) Section 4105 is amended by—

(1) adding at the end of subsection (a) a new clause (10) as follows:

"(10) Psychologist—hold a doctoral degree in psychology from a college or university approved by the Administrator, have completed such study in a specialty area of psychology and an internship which are satisfactory to the Administrator, and be licensed or certified as a psychologist in a State. The requirement of licensure or certification may be waived under such conditions as the Administrator may prescribe."; and

(2) inserting in subsection (b) immediately before "dentist", the following: "podiatrist, optometrist,".

(c) The provisions of this section do not apply to any person employed as a psychologist by the Veterans' Administration on or before the effective date of this act.

Sec. 202. Subsection (b) of section 4106 is amended to read as follows:

"(b) Appointments under section 4104(1) of this title shall be for a probationary period of two years, and the record of each person serving under any such appointment shall be reviewed from time to time by a board appointed in accordance with such regulations as the Administrator shall prescribe. If such board recommends that any probationary employee be found not fully qualified and satisfactory for reasons relating to professional competence, work performance or suitability, on decision by the Chief Medical Director, such employee's probationary appointment may be terminated, such employee may be reassigned, or subject to other nondisciplinary action consistent with continuing the employment of such employee in a capacity in which such employee can effectively function.".

Sec. 203. Section 4110 is amended by inserting after "title" in subsection (a) the following:

"whc has satisfactorily completed the probationary period".

TITLE III—MEDICAL RESOURCES UTILIZATION AMENDMENTS

Sec. 301. Section 5053(a) is amended by inserting "organ banks, blood banks and similar institutions," immediately before "other hospitals" in the material preceding clause (1).

Veterans Administration,
Washington, D.C., March 12, 1979.

Hon. Walter F. Mondale,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is transmitted herewith a draft bill entitled, "The Veterans Medical Amendments Act of 1979", with the request that it be introduced in order that it may be considered for enactment.

The draft bill would make a number of important changes in title 38, United States Code, which are detailed in the enclosed section-by-section analysis.

Briefly, title I of the draft bill would revise and clarify eligibility requirements for fee basis contract and hospital based home care to nonservice-connected veterans in need of aid or attendance or who are housebound. It would also revise priority for medical care, align CHAMPUS and CHAMPVA benefits for certain veterans' children attending school and align the cost of providing certain invalid lifts and rehabilitation devices to nonservice-connected veterans with the cost of home health improvements for certain nonservice-connected veterans.

Additionally, title I of the draft bill would accomplish four legislative proposals included in the President's fiscal year 1980 budget.

First, title I of the draft bill would amend section 111(e)(2)(a) of title 38, United States Code, to limit the circumstances under which the travel expenses of nonservice-connected veterans incurred going to and from VA health care facilities incident to receiving health care will be reimbursed. This proposal would authorize reimbursement only when the veteran requires special vehicular modes of transportation such as ambulance, air ambulance, hired car, or any form of transportation where it is medically necessary for the beneficiary to be accompanied by an attendant. Also, the special form of transportation must be authorized in advance.

Under current law, such travel expense reimbursement is authorized whenever a nonservice-connected veteran certifies that he is unable to defray the cost of such transportation. This proposal will not affect current authority to reimburse travel expenses under other circumstances, such as in connection with—(1) examination or treatment for service-connected conditions; (2) treatment necessary to permit a veteran to continue a VA program of vocational rehabilitation; or (3) examinations authorized or ordered by the VA in connection with claims for compensation, pension or other benefits. However, the proposal would make conforming amendments to sections 614(a) and 628(a) of title 38, United States Code, to provide for travel reimbursement only as specified in section 111, as amended, in cases where—(1) a veteran entitled to a prosthetic appliance travels to and from VA health care facilities, or training institutions, for fitting of or training in the use of such prosthetic appliance; or (2) a veteran reecives hospital care or medical services from sources other than the VA.

We believe that this proposal will result in significant cost savings to the Government so that limited VA resources may be more effectively utilized to provide even better medical care to veterans without a significant impact on individual nonservice-connected veterans who may have to pay their own travel costs to obtain treatment.

Second, title I of the draft bill would provide CHAMPVA benefits for certain surviving spouses of persons dying on active duty. Such eligibility does not exist under current law because the definition of veteran in title 38, United States Code, except for purposes of service-connected death compensation and death indemnity compensation, does not include persons dying on active duty. Such surviving spouses are entitled to CHAMPUS benefits under current law but lose that eligibility if they remarry. Under title 38, the benefits generally available to surviving spouses which are lost upon remarriage are restored if that remarriage terminates. That is not the case for surviving spouses whose CHAMPUS eligibility was lost upon remarriage. Thus, there is a gap in coverage of surviving spouses of persons dying in service when the remarriage of such a surviving spouse terminates. That surviving spouse is entitled to neither CHAMPUS nor CHAMPVA benefits under current law. This section of the draft bill would provide CHAMPVA coverage for such surviving spouses by including death on active duty in the definition of veteran for purposes of CHAMPVA.

The third accomplishment, consistent with the President's fiscal year 1980 budget, which title I of the draft bill seeks to implement is the elimination of the provision of over-the-counter outpatient drugs, medicines, and medical supplies to certain nonservice-connected veterans. Such over-the-counter material, which is generally recognized as safe and effective and can be legally purchased without a physician's prescription is now provided to all non-service-connected veterans who are eligible for outpatient treatment. This proposal would limit such provision to those in greatest need—those 65 years of age or older; those in receipt of Pension; those permanently housebound or in need of regular aid and attendance; and those receiving hospital based home care. It would not affect current entitlement of any service-connected veteran or any veteran while hospitalized as an inpatient.

We believe, in view of rising costs of these nonprescription materials, that this is a logical area to reallocate scarce VA resources in order to devote them to areas where the need is more actue. A by-product of the proposal would be faster pharmacy service to the veterans remaining entitled to nonprescription and other medicines and supplies.

The fourth object of title I of the draft bill consistent with the President's fiscal year 1980 budget is the elimination of the provision of outpatient dental treatment for service-connected noncompensable dental conditions which are unrelated to service trauma or prisoner-of-war status. These are generally veterans whose dental conditions existed during their active military duty but who either did not seek or receive any treatment during service or who began but did not complete treatment during service. Under current law, such veterans are eligible for outpatient dental treatment by the VA if application is made within one year of discharge or correction of a disqualifying discharge.

We believe it is inappropriate for the VA to provide these generally minor dental services which were the responsibility of the dental services of the Department of Defense. Elimination of this eligibility will allow us to refocus our resources to provide more extended and faster outpatient dental care for veterans with more serious service-connected dental conditions such as those resulting from direct service trauma or prisoner-of-war status; those whose dental conditions are associated with and are aggravating a disease or injury incurred or aggravated by military service; those whose dental care was initiated but not completed during a period of hospitalization and those elderly veterans of the Spanish-American and Indian Wars.

Briefly, title II of the draft bill would revise and clarify certain aspects of the title 38 personnel system, such as the length of the probationary period, licensure requirements for psychologists and citizenship requirements for podiatrists and optometrists.

Finally, title III of the draft bill would expand the ability of the VA to enter into agreements for the mutual use or exchange of use of certain specialized medical resources with the community.

It is estimated that enactment of the draft bill would result in a net savings in the first fiscal year of more than $96.8 million and more than $489.8 million over the first five fiscal years. The yearly cost breakdown is detailed in the enclosed chart and section-by-section analysis.

Advice has been received from the Office of Management and Budget that the enactment of the draft legislation would be in accord with the program of the President.

Sincerely,

Max Cleland, *Administrator*.

Section-by-Section Analysis of Draft Bill

TITLE I—VETERANS HEALTH CARE AND RELATED BENEFITS AMENDMENTS

Section 101 of the draft bill would amend section 111(e)(2)(A) of title 38, United States Code, to provide that the travel expenses of nonservice-connected veterans incurred going to and from VA health care facilities incident to receiving health care will be reimbursed only when such veterans require special vehicular modes of transportation for medical reasons and such transportation is authorized in advance. Special vehicular modes of transportation would include ambulance service, air ambulance service, hired car or any form of transportation where it is medically necessary for the beneficiary to be accompaned by an attendant.

Under current law, such travel expenses for nonservice-connected veterans are authorized when the veteran certifies that he or she is unable to defray the cost of such transportation. This section of the draft bill will not affect current authority to reimburse travel expenses under other circumstances, such as in connection with—(1) examination or treatment for service-connected conditions; (2) treatment necessary to permit a veteran to continue a VA program of vocational rehabilitation; or (3) examinations authorized or ordered by the VA in connection with claims for compensation, pension, or other benefits.

This section of the draft bill would also make conforming amendments to sections 614(a) and 628(a) of title 38, United States Code, to provide that nonservice-connected veterans shall not be entitled to travel reimbursement, except as provided in section 111(e)(2)(A), as amended by the draft bill, in cases where—(1) a veteran entitled to a prosthetic appliance travels to and from VA health care facilities, or training institutions, for fitting of or training in the use of such prosthetic appliance; or (2) a veteran receives hospital care or medical services from sources other than the VA.

It is our firm conviction that the medical care resources now utilized to pay reimbursement for travel expenses in connection with treatment for nonservice-connected conditions, as well as administrative costs in making these payments, could be more effectively utilized to improve the services provided veterans in need of medical care, particularly to top priority veterans seeking treatment for service-connected disabilities.

Enactment of this proposal would significantly reduce VA beneficiary travel costs. The total expenditures from the medical care appropriation for reimbursement of travel expenses during fiscal year 1979 are estimated to be $65,224,000. Based on a current study of beneficiary travel expenses, we estimate that this amount could be reduced by $39,134,000 for each of the succeeding years through enactment of this proposal. We believe this would be entirely consistent with the President's objectives of improving health services available to the nation's veterans and adjusting domestic programs to promote effectiveness and economy in Government.

Section 102 of the draft bill would amend section 601(4)(C)(ii) of title 38, United States Code, to provide that non-service-connected veterans, who are in receipt of additional benefits (or would be but for receipt of retired pay) because of a need for regular aid and attendance, or who are housebound, pursuant to section 612(g), shall be eligible for outpatient fee basis care but only after examination by a physician indicates that the veterans' medical condition is such that care cannot be provided in a VA health care facility or other Government health facility for which the VA contracts. The examination by a physician to determine the eligibility of section 612(g) veterans for such outpatient fee basis care will be done by a VA physician unless one is not available in which case it will be done by a private physician for a fee under contract.

This section is meant to modify the effect of Public Law 94–581 which added the phrase "within the limits of Veterans' Administration facilities" to section 612(g) thereby foreclosing all fee basis outpatient care for a group of veterans who, because they are in need of regular aid and attendance, or are housebound, are most in need of such care.

However, by requiring a medical examination to determine whether the veterans' medical condition is such that care cannot be provided in a VA health care facility or other Government facility for which the VA contracts, the costs of providing fee basis contract care to those veterans will be controlled.

Enactment of this proposal is not expected to result in any increased costs to the VA.

Section 102 of the draft bill would also amend section 612(b)(2) of title 38, United States Code, to eliminate the provision by the VA of outpatient dental care for service-connected non-compensable dental conditions which are unrelated to service trauma or prisoner-of-war status.

We estimate that under current eligibility standards more than 66,000 veterans will present themselves during fiscal year 1979 for outpatient treatment of dental conditions which existed during service but which did not result from trauma in service or as a result of prisoner-of-war status. These are generally veterans whose dental conditions existed during their active military duty but who either did not seek or receive any treatment during service or who began but did not complete treatment during service. Under current law such veterans are eligible for outpatient dental treatment by the VA for these conditions if application is made within one year of discharge or correction of a disqualifying discharge.

We believe that it is properly the responsibility of the dental services of the Department of Defense to correct these generally minor dental conditions which, for example, include, but are not limited to, treatable carious teeth and replaceable missing teeth. We do not believe that it is appropriate for the VA to provide this dental care which was not provided or completed by the Department of Defense. Elimination of such eligibility will allow us to refocus our resources to provide more extended and faster outpatient dental care for veterans with more serious service-connected dental conditions, those resulting from direct service trauma or prisoner-of-war status, those whose dental conditions are associated with and are aggravating disease or injury incurred or aggravated by military service, those whose dental care was initiated but not completed during a period of hospitalization and those elderly veterans of the Spanish-American and Indian Wars.

We estimate that the cost savings to the VA through enactment of this proposal will be $43,918,000 in fiscal year 1979 and $39,527,000, $37,550,000, $35,673,000, and $33,889,000, respectively, in each of the succeeding four fiscal years. Total five year savings would amount to approximately $190,000,000.

Section 102 of the draft bill would also amend section 612(f)(1)(B) of title 38, United States Code, to eliminate the provision of over-the-counter outpatient drugs, medicines, and medical supplies to certain nonservice-connected veterans.

Over-the-counter drugs, medicines and medical supplies, those which are generally recognized as safe and effective and which can be legally purchased without a physician's prescription, are provided under current law to, inter alia, all nonservice-connected veterans who are eligible for outpatient treatment. This proposal would limit the provision of outpatient over-the-counter drugs, medicines and medical supplies to those nonservice-connected veterans who we believe have the greatest need. This category would include those in receipt of pension, those 65 years of age or over, those permanently housebound or in need of regular aid and attendance, and those receiving hospital based home care. This proposal would not affect the provision of such nonprescription drugs, medicines and supplies to service-connected veterans or to any veteran while hospitalized as an inpatient.

The cost of providing such drugs, medicines and supplies is constantly increasing. We believe that the savings resulting from enactment of this proposal would allow us to redirect these funds to other areas of medical care were the need is more acute. We believe that eliminating entitlement to over-the-counter drugs, medicines and supplies for some nonservice-connected veterans is the most logical step in redirecting the limited resources of the VA to provide the most effective health care.

Enactment of this proposal will also result in providing faster service to those who remain entitled since the total number of drugs, medicine and medical supplies transactions provided by the same number of VA pharmacy personnel will be reduced.

Those whose entitlement will be withdrawn by this proposal will generally be those nonservice-connected veterans with less severe disabilities or whose income levels or net worth disqualify them for pension benefits. We, therefore, believe that enactment will not cause hardships. We estimate that the average cost of drugs or medicines and supplies to these veterans to be $3.46 and $6.69, respectively, per prescription. We also believe that if eligibility for such over-the-counter drugs, medicines and supplies is eliminated, such veterans will become more self-reliant and less dependent on the VA. We believe this will tend to be therapeutic. If enacted, we estimate that savings of $15,545,764 will be effected in fiscal year 1980, and savings of $18,344,001, $21,645,921, $25,542,186, and $30,139,779 will be realized in each of the four succeeding fiscal years. Total five year savings would amount to over $111,000,000.

Section 102 of the draft bill would also amend section 612(g) of title 38, United States Code, to clarify the eligibility of veterans in need of regular aid and attendance, or who are housebound, for hospital based home health care services. Public Law 94–581 removed home health care services language from the definition of medical services contained in section 601(6) of title 38, United States Code. This was done to provide eligibility for higher cost home improvements and structural alterations for service-connected veterans under section 612(a) than for nonservice-connected veterans under section 612(f). The effect of this change was to cloud the authority of the VA to provide home health care services to veterans in receipt of benefits based on the need for regular aid and attendance or because they are housebound since section 612(g) only authorizes the provision of "medical services" to such veterans.

The medical eligibility criteria for such home health care services are that the patient requires followup professional care and return on a recurring basis to a VA health care facility is not feasible. Normally such care is reserved for patients who are not ambulatory. Thus, veterans requiring aid and attendance or who are housebound are among those most in need of such hospital based home health care services.

This section of the draft bill would give specific authority to the Administrator to furnish such veterans such home health services as the Adminisrator determines to be necessary or appropriate for the effective and economical treatment of a disability of such a veteran. While this section of the draft bill would create eligibility for home health care services for veterans in receipt of increased pension or additional compensation or allowance based on the need for regular aid and attendance or by reason of being permanently housebound, or who, but for the receipt of retired pay, would be in receipt of such pension, compensation, or allowance, the dollar value of any home improvements or structural alterations furnished such veterans incident to the provision of home health care services would be determined by reference to the monetary limitations specified in sections 612(a) and (f), respectively, of title 38, United States Code. Thus, home improvements or structural alterations furnished a veteran in receipt of additional aid and attendance benefits or additional benefits on account of being housebound would be limited in amount to $2,500 in the case of a service-connected veteran and to $600 in the case of a nonservice-connected veteran.

It is not expected that enactment of this proposal will result in any increased costs to the VA.

Section 102 of the draft bill would also amend setcion 612(i) of title 38, United States Code, by providing that any person receiving an examination to determine whether compensation or pension benefits should be started, increased, reduced or discontinued will be afforded a priority of the third order for receiving such medical services.

Prior to enactment of Public Law 94–581, which added subsection (i) to section 612, the VA administratively established a priority for such examinations subordinate only to the treatment of service-connected conditions. This high priority was accorded in recognition of the fact that delay caused financial hardship and mental anguish to those entitled to benefits, or a continuation of benefits to those no longer entitled or only entitled to reduced benefits because of improvement in the status of their disabilities.

This section of the draft bill would provide persons undergoing such examinations with the third highest priority for medical services; subordinate to veterans being treated for a service-connected disability and to those having service-connected disabilities rated at 50 percent or more disabling but ahead of veterans having service-connected disabilities, not requiring treatment, rated at less than 50 percent disabling, and veterans entitled to benefits because of a need for regular aid and attendance or who are housebound. This new priority for persons undergoing compensation or pension examinations would not affect the provision under current law that the priority order may be disregarded when required by compelling medical reasons.

This proposal would not involve any increased cost to the VA.

Section 103 of the draft bill would amend section 613 of title 38, United States Code, to remove inconsistencies between benefits and eligibility under the Civilian Health and Medical Program of the Veterans' Administration (CHAMPVA) and the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS).

Both programs now contain provisions for extending coverage for eligible children past the basic age limitation (age 18 for CHAMPVA and age 21 for CHAMPUS) when the child is pursuing a full-time course of instruction at an approved school.

Under CHAMPVA, a child between the ages of 18 and 23 who becomes disabled while pursuing such education and is unable to continue or resume attendance loses his or her CHAMPVA eligibility. However, under CHAMPUS, a child 21 or 22 years of age pursuing such education remains eligible for CHAMPUS benefits after suffering a disabling illness or injury (whether it occurs during the school year, between semesters, or on vacation or holiday periods) for six months after the disability is removed or until the student passes his or her twenty-third birthday, whichever occurs first. If such person resumes such approved education, CHAMPUS benefits can be continued to age 23.

This section would add a new subsection (c) to section 613 to provide that a CHAMPVA eligible child between the ages of 18 and 23 who suffers a disabling illness or injury while in full-time attendance at an approved educational institution (whether during the school year, between semesters, or during vacation or holiday periods) which prevents them from resuming such school attendance at any approved educational institution shall remain eligible for CHAMPVA benefits until six months after the disability is removed, or until two years after the date of onset of the injury or illness, or until the student's twenty-third birthday, whichever occurs first. The two-year continuation provision is in recognition of the earlier basic eligibility limitation for CHAMPVA, age 18, as opposed to CHAMPUS, which occurs at age 21. It is estimated that the cost of aligning the eligibility of children under CHAMPVA with that of CHAMPUS would cost $285,948 per year over the next five fiscal years.

This section of the draft bill would also amend section 613(a) of title 38, United States Code, to remove another inconsistency between eligibility for benefits under CHAMPUS and CHAMPVA. The widow or widower of an individual who dies while on active duty is eligible for CHAMPUS benefits. However, if he or she remarries the benefits are terminated and cannot be reinstated if that remarriage terminates. Under title 38, the widow or widower of a veteran whose remarriage terminates becomes eligible for benefits again. The problem sought to be rectified by this section of the draft bill is that a person who dies in active service is not a "veteran" for purposes of CHAMPVA under chapter 17 of title 38. "Veteran" is defined, for purposes of chapter 17, by section 101(2) as "a person who served in the active military, naval, or air service, and who was discharged or released therefrom under conditions other than dishonorable."

While persons dying on active duty are defined as "veterans" for purposes of service-connected death compensation benefits and death indemnity compensation under chapters 11 and 13 of title 38, the absence of such a definition in section 613 leaves widows and widowers eligible for benefits under CHAMPUS which are not coextensive with those under CHAMPVA.

We estimate that this proposal will cost $1,509,166 the first year after enactment, and $1,358,250, $1,222,425, $1,180,183 and $990,165, respectively, in each of the four succeeding years.

Section 104 of the draft bill would amend section 617 of title 38, United States Code, to align the maximum allowable cost of furnishing invalid lifts and therapeutic or rehabilitative devices for eligible nonservice-connected veterans with the maximum allowable cost of home health improvements furnished certain nonservice-connected veterans pursuant to section 612(f). It would also clarify that the furnishing of such lifts and devices includes reimbursement for the cost of such lifts and devices and also includes paying for or providing reimbursement for modifications of such lifts and devices.

Existing law provides for the furnishing of invalid lifts and therapeutic or rehabilitative devices to certain severely disabled service-connected veterans and to nonservice-connected veterans who receive additional pension benefits based on a need for regular aid and attendance. By regulation, the furnishing of such lifts and devices has been interpreted to include reimbursement for the cost of such devices and furnishing or reimbursing the costs of modifications thereof. Requests for major modifications of van-type vehicles are being submitted and medically approved for eligible nonservice-connected veterans (who are not otherwise eligible for automobile adaptive equipment under chapter 39 of title 38). The cost of these modifications generally range from $1,000 to $5,000.

However, as a result of Public Law 64–581, these same nonservice-connected veterans are only entitled to home health improvements and structural alterations which do not exceed $600 in cost. Further, in order to receive such home health services, pensioners in receipt of additional benefits because of a need for regular aid and attendance must also meet these other eligibility requirements—(1) treatment must be needed to complete hospital care or (2) the veteran must have a service-connected disability rated at 50 percent or more (in which case eligibility would arise for home health services for their nonservice-connected disabilities).

We believe that this has resulted in a clearly anomalous situation. On one hand, we are limited to furnishing home health improvement and structural alterations to some nonservice-connected veterans (but not those whose eligibility is based on aid and attendance benefits alone) in an amount not exceeding $600; on the other hand, there is no dollar limitation for modifying vans in connection with furnishing invalid lifts and other devices to nonservice-connected veterans whose eligibility is based primarily (after medical need is determined) on their status as pensioners in receipt of aid and attendance benefits.

This section of the draft bill would align the dollar limitation on the provision of modification of invalid lifts and other device to nonservice-connected veterans in receipt of aid and attendance pension benefits with the provision of home health care structural improvements or alterations to nonservice-connected veterans, some of whom are pensioners in receipt of aid and attendance benefits. It would also more specifically authorize our current practice of including modifications of, as well as the initial provision of, invalid lifts and other devices and providing reimbursement for the cost of, as well as third party payment for, the provision or modification of such lifts and devices.

If enacted, we estimate that this proposal will reduce the cost to the VA of modifying such invalid lifts and other therapeutic or rehabilitative devices. The amount of such reduction cannot be estimated at this time.

TITLE II—VETERANS MEDICAL PERSONNEL AMENDMENTS

Section 201 of the draft bill would amend section 4105(b) of title 38, United States Code, to include a United States citizenship requirement for appointment of podiatrists and optometrists.

Podiatrists and optometrists were brought under the title 38 personnel system by Public Law 94–381 in order to enhance recruitment and retention to such positions and to provide for greater utilization of such specialists. However, they were not added to section 4105(b) of title 38, United Code, which requires, with certain exceptions, that direct patient care providers such as a physicians, dentists, nurses, physician assistants and expanded-function dental auxiliaries must be United States citizens in order to be appointed to positions in the Department of Medicine and Surgery. This section of the draft bill would cure that inconsistency by including podiatrists and optometrists in section 4105(b).

Enactment of this provision would not result in any cost to the VA.

Section 201 also amends section 4104 and 4105(a) in order, respectively, to specify that psychologists are among those who may be appointed to positions in the Department of Medicine and Surgery and to set qualification standards for psychologists eligible for such appointment.

Every State and the District of Columbia now have licensing or certification requirements for psychologists who provide direct services to patients at the full professional level.

These laws are designed to assure that practicing psychologists are fully qualified and meet ethical standards of the profession. This section of the draft bill would assure that psychologists employed by the VA to treat veterans would likewise be subject to these standards. It is important that persons employed to care for veterans meet ethical and qualification standards at least as high as those for psychologists treating the general population.

In addition, the VA is the largest trainer of psychologists in this country. Many State laws require that psychologists seeking licensure or certification be trained under licensed psychologists. Similarly, recognition of training programs by the American Psychological Association requires that training be conducted by licensed or certified psychologists. If these high standards, applicable in the private sector, are not applied to VA employed psychologists, a number of adverse consequences are expected to result. Among these are an erosion of training relationships with major universities and lack of acceptance by the States of VA internship training. Also, the VA's reputation for providing high quality health care services and, indeed, its ability to provide such services if it cannot recruit and retail well qualified psychologists will be adversely affected by the failure to set high standards for VA employed psychologists.

This section of the draft bill also provides that waiver of the licensure or certification requirement can be administratively provided by the Administrator. It is anticipated that such waiver authority will be used to allow new graduates in psychology two years to obtain licensure or certification.

Enactment of this proposal is expected to have little or no cost to the VA.

Section 202 of the draft bill would amend section 4106(b) of title 38, United States Code, to shorten the probationary period of title 38 professional employees from three years to two years and to provide options other than termination for dealing with probationary employees who are not found to be fully satisfactory by a professional standards review board.

Under current law, there is no flexibility in dealing with a probationary employee who is not found to be fully qualified and satisfactory by the professional standards review board—such an employee must be separated. Thus, an employee who has personality conflicts with members of the professional staff may be found to be unsatisfactory by a review board in recognition of the importance of professional interaction, consultation and shared responsibility for the health care of patients. This section of the draft bill would provide authority to reassign rather than separate the employee. Such reassignment would not be a disciplinary measure but would be a personnel tool to place the employee in an environment where the employee can function effectively. This section of the draft bill would authorize, as alternatives to separation, nondisciplinary reassignment or other nondisciplinary action consistent with continuing employment in a capacity in which the employee can function effectively.

This section of the draft bill would also shorten the probationary period of title 38 professional employees from three years to two years.

It is widely accepted that some period of probation is needed to allow the employer and employee to evaluate the employment relationship. On-the-job preformance of the probationary employee may be observed allowing an evaluation of the employee's skills, attitude and other personal traits which cannot be matched by preemployment testing or interviews. While there does not appear to be any precise method of determining the appropriate length of a probationary period, there is a basis for recognizing the need for a longer period of probation for health care professionals than the one year of probation required for title 5 employees. Physicians, dentists and nurses must be able to work closely with other members of a health care team. Often, they are called upon to make decisions quickly under extreme pressure with the patients well being or very life hinging on the appropriateness and dispatch of a particular course of treatment. On the other hand, employees with less onerous responsibilities may be able to get the job done even though they are not fully compatible. Yet, in reaching a determination as to the appropriate length of probation, a balance must be struck between the need for the employer to evaluate fully and properly the performance of an employee and the employee's need to achieve the lack of apprehension and uncertainty which is best achieved when employment is no longer conditional. This section of the draft bill suggests a two-year probationary period as a reasonable compromise between these competing interests.

This section of the draft bill will also clarify the authority of the Chief Medical Director to make the final decision to terminate, reassign or otherwise deal with, a probationary employee who is found to be unsatisfactory by the board reviewing the employee's qualifications and performance. This would codify current administrative procedure.

It is estimated that enactment of this proposal will not result in any significant increase in costs to the VA.

Section 203 of the draft bill would amend section 4110 of title 38, United States Code, to clarify that probationary employees are not entitled to a disciplinary board hearing and its attendant due process rights in connection with charges of inaptitude, inefficiency or misconduct.

One of the functions of a probationary period is to allow summary dismissal of an employee who is not performing or who is engaged in misconduct without having to undergo lengthy hearings and appeals. VA administrative instructions concerning the separation of probationers do not provide for formal disciplinary boards for probationers. These instructions follow the long-held belief that section 4110 was not intended to afford probationary employees the same protection as tenured employees. However, the language of section 4110 does not make this clear and leaves the impression that all employees subject to disciplinary action are entitled to an adversarial hearing even though such employees are probationary. Consequently, the issue as to whether section 4110 affords a right to an adversarial hearing for probationary employees has resulted in litigation. While in both *Kenneth* v. *Schmoll*, 482 F.2d 90 (10 Cir. 1973), (probationary nurse) and *Suess* v. *Pugh*, 245 F. Supp. 661 (N.D.H.V. 1965) (probationary physician) the Courts sustained the long-held agency view that probationary employees are not entitled to the protections of section 4110, we believe that clarification of this issue in the statute will foreclose further litigation on the issue.

Enactment of this proposal will not result in any cost to the VA.

TITLE III—MEDICAL RESOURCES UTILIZATION AMENDMENTS

Section 301 of the draft bill would authorize the Administrator to enter into sharing agreements with blood banks, organ banks and similar institutions. Currently, sharing authority is limited to entering into sharing agreements with hospitals, medical installations having hospital facilities, medical schools or clinics in the medical community. The expansion of sharing authority to include blood and organ banks and similar institutions would contribute to more cost effective and better health care. For example, if a VA Medical Center joined with several other institutions in a cooperative blood bank it could be better assured of cost control and of availability of blood, including rare types.

Enactment of this section will not result in any increased costs to the VA.

Changes in existing law made by this bill are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter in italic, existing law in which no change is proposed is shown in roman)

TITLE 38—UNITED STATES CODE

• • • • •

Part I. General Provisions

• • • • •

Chapter 1—GENERAL

• • • • •

§ 111. Travel expenses

• • • • •

(e) (2) In no event shall payment be provided under this section—

[(A) unless the person claiming reimbursement has been determined, based on an annual declaration and certification by such person, to be unable to defray the expenses of such travel (except with respect to a veteran receiving benefits for or in connection with a service-connected disability under this title) :]

(A) for or in connection with medical treatment (except with respect to a veteran receiving benefits for or in connection with a service-connected disability under this title) unless (i) special vehicular modes of transportation are required for medical reasons; and (ii) such travel has been authorized by the Administrator prior to such travel;

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Part II. General Benefits

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Chapter 17—HOSPITAL, NURSING HOME, DOMICILIARY, AND MEDICAL CARE

• • • • •

Subchapter I—General

§ 601. Definitions

For the purposes of this chapter—

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(4) The term "Veterans' Administration facilities" means—

(A) facilities over which the Administrator has direct jurisdiction;

(B) Government facilities for which the Administrator contracts; and

(C) private facilities for which the Administrator contracts when facilities described in clause (A) or (B) of this paragraph are not capable of furnishing economical care because of geographical inaccessibility or of furnishing the care or services required in order to provide (i) hospital care or medical services to a veteran for the treatment of a service-connected disability or a disability for which a veteran was discharged or released from the active military, naval, or air service; (ii) medical services for the treatment of any disability of a veteran described in clause (1)(B) or (2) of section 612(f) of this title *or of a veteran described in section 612(g) of this title if the Administrator has determined, based on an examination by a physician employed by the Veterans' Administration (or, in areas where no such physician is available, by a physician carrying out such function under a contract or fee arrangement), that the medical condition of such veteran precludes appropriate treatment in facilities described in clauses (A) and (B) of this paragraph;*

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Subchapter II—Hospital, Nursing Home or Domiciliary Care and Medical Treatment

• • • • •

§ 672 Eligibility for medical treatment

• • • • •

(b) Outpatient dental services and treatment, and related dental appliances, shall be furnished under this section only for a dental condition or disability—

(1) which is service-connected and compensable in degree;

[(2) which is service-connected, but not compensable in degree, but only (A) if it is shown to have been in existence at time of discharge or release from active military, naval, or air service and (B) if application for treatment is made within one year after such discharge or release, except that if a disqualifying discharge or release has been corrected by competent authority, application may be made within one year after the date of correction or the date of enactment of this exception, whichever is later;]

(2) [(3)] which is a service-connected dental condition or disability due to combat wounds or other service trauma, or of a former prisoner of war;

(3) [(4)] which is associated with and is aggravating a disability resulting from some other disease or injury which was incurred in or aggravated by active military, naval, or air service;

(4) [(5)] which is a non-service-connected condition or disability of a veteran for which treatment was begun while such veteran was receiving hospital care under this chapter and such services and treatment are reasonably necessary to complete such treatment; or

(5) [(6)] from which a veteran of the Spanish-American War or Indian Wars is suffering.

• • • • •

(f) The Administrator, within the limits of Veterans' Administration facilities, may furnish medical services for any disability on an outpatient or ambulatory basis—

(1) to any veteran eligible for hospital care under section 610 of this title (A) where such services are reasonably necessary in preparation for, or (to the extent that facilities are available) to obviate the need of, hospital admission, or (B) where such a veteran has been furnished hospital care and such medical services are reasonably necessary to complete treatment incident to such hospital care (for a period not in excess of twelve months after discharge from in-hospital treatment, except where the Administrator finds that a longer period is required by virtue of the disability being treated) *but any such veteran being furnished care for a nonservice-connected disability shall not be furnished drugs, medicine, or medical supplies which may be purchased without physician's prescription, unless such veteran is (i) in receipt of pension under chapter 15 of this title, or (ii) 65 years of age or older, or (iii) permanently housebound, or (iv) in need of regular aid and attendance, or (v) receiving home health services under this section; and*

• • • • •

(g) *(1)* Where any veteran is in receipt of increased pension or additional compensation or allowance based on the need of regular aid and attendance or by reason of being permanently housebound, or who, but for the receipt of retired pay, would be in receipt of such pension, compensation, or allowance, the Administrator, within the limits of Veterans' Administration facilities, may furnish the veteran such medical services as the Administrator finds to be reasonably necessary.

(2) Any veteran receiving medical services under this subsection shall also be eligible to receive home health services as described in subsections (a) and (f) of this section, subject to the limitations set forth therein, based on the nature of the disability of such veteran.

• • • • •

(i) Not later than ninety days after the effective date of this subsection, the Administrator shall prescribe regulations to assure that special priority in furnishing medical services under this section and any other outpatient care with funds appropriated for the medical care of veterans shall be accorded in the following order, unless compelling medical reasons require that such care be provided more expeditiously;

(1) To any veteran for a service-connected disability.

(2) To any veteran described in subsection (f) (2) of this section.

(3) To any person for compensation or pension examination purposes.

(4) [3] To any veteran with a disability rated as service connected.

(5) [4] To any veteran being furnished medical services under subsection (g) of this section.

• • • • •

§ 612. Medical care for survivors and dependents of certain veterans

(a) The Administrator is authorized to provide medical care, in accordance with the provisions of subsection (b) of this section, for—

(1) the wife or child of a veteran who has a total disability, permanent in nature, resulting from a service-connected disability, and

(2) the widow or child of a veteran who (A) died as a result of a service-connected disability, or (B) at the time of death had a total disability permanent in nature, resulting from a service-connected disability, or *(C) the surviving spouse or child of a person who died in the active military, naval, or air service in the line of duty and not due to misconduct,* who are not otherwise eligible for medical care under chapter 55 of title 10 (CHAMPUS). *For purposes of this section a person who died in the active military, naval, or air service in the line of duty and not due to misconduct shall be considered a veteran.*

* * * * *

(c) For purpose of this section, a child between the ages of 18 and 23 who is a dependent or survivor under subsection (a) of this section and is pursuing a full-time course of instruction at an approved educational institution, and who suffers a disabling illness or injury resulting in inability to resume attendance at any approved educational institution, (whether the disabling illness or injury occurred during the school year, between semesters, or during vacation or holiday periods) shall remain eligible for benefits under this section until six months after the disability is removed, or until two years after the date of onset of the illness or injury, or until the student's twenty-third birthday, whichever occurs first.

* * * * *

§ 614. Fitting and training in use of prosthetic appliances; seeing-eye dogs

(a) Any veteran who is entitled to a prosthetic appliance shall be furnished such fitting and training, including institutional training, on the use of such appliance as may be necessary, whether in a Veterans' Administration facility or other training institution, or by outpatient treatment, including such service under contract, and including necessary travel expenses *pursuant to the provisions of section 111 of this title* to and from such veteran's home to such hospital or training institution.

* * * * *

§ 617. Invalid lifts and other devices

(a) The Administrator may furnish *(or reimburse the cost of)* an invalid lift, or any type of therapeutic or rehabilitative device, *or modification of such lift or device,* as well as other medical equipment and supplies (excluding medicines), if medically indicated, to any veteran who is receiving (1) compensation under subsections 814(l)-(p) (or the comparable rates provided pursuant to section 834) of this title, or (2) pension under chapter 15 of this title by reason of being in need of regular aid and attendance.

(b) Any modification of such lift or device for a veteran entitled under subsection (a)(2) of this section shall not exceed the maximum allowable cost of home improvements and structural alterations authorized by section 612(f) of this title.

* * * * *

Subchapter III—Miscellaneous Provisions Relating to Hospital and Nursing Home Care and Medical Treatment of Veterans

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§ 628. Reimbursement of certain medical expenses

(a) The Administrator may, under such regulations as the Administrator shall prescribe, reimburse veterans entitled to hospital care or medical services under this chapter for the reasonable value of such care or services (including the necessary travel *pursuant to the provisions of section 111 of this title*), for which such veterans have made payment, from sources other than the Veterans' Administration, where—

(1) such care or services were rendered in a medical emergency of such nature that delay would have been hazardous to life or health;

(2) such care or services were rendered to a veteran in need thereof (A) for an adjudicated service-connected disability, (B) for a non-service-connected disability associated with and held to be aggravating a service-connected disability, (C) for any disability of a veteran who has a total disability permanent in nature from a service-connected disability, or (D) for any illness, injury, or dental condition in the case of a veteran who is found to be (i) in need of vocational rehabilitation under chapter 31 of this title and for whom an objective had been selected or (ii) pursuing a course of vocational rehabilitation training and is medically determined to have been in need of care or treatment to make possible such veteran's entrance into a course of training, or prevent interruption of a course of training, or hasten the return to a course of training which was interrupted because of such illness, injury, or dental condition; and

(3) Veterans' Administration or other Federal facilities were not feasibly available, and an attempt to use them beforehand would not have been reasonable, sound, wise, or practical.

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Part V—Boards and Departments

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Chapter 73—DEPARTMENT OF MEDICINE AND SURGERY

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Subchapter I—Organization; General

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§ 4104. Additional appointments

There shall be appointed by the Administrator additional personnel as the Administrator may find necessary for the medical care of veterans, as follows:

(1) Physicians, dentists, podiatrists, nurses, physician assistants, and expanded-function dental auxiliaries;

(2) Pharmacists, psychologists, physical therapists, occupational therapists, dietitians, and other scientific and professional personnel, such as bacteriologists, chemists, biostatisticians, and medical and dental technologists.

§ 4105. Qualifications of appointees

(a) Any person to be eligible for appointment to the following positions in the Department of Medicine and Surgery must have the applicable qualifications:

* * * * *

(10) Psychologist—

hold a doctoral degree in psychology from a college or university approved by the Administrator, have completed such study in a specialty area of psychology and an internship which are satisfactory to the Administrator, and be licensed or certified as a psychologist in a State. The requirement of licensure or certification may be waived under such conditions as the Administrator may prescribe.

(b) Except as provided in section 4114 of this title, no person may be appointed in the Department of Medicine and Surgery as physician, podiatrist, optometrist, dentist, nurse, physician assistant, or expanded-function dental auxiliary unless such person is a citizen of the United States.

* * * * *

§ 4106. Period of appointments; promotions

(a) Appointments of physicians, dentists, podiatrists, optometrists, and nurses shall be made only after qualifications have been satisfactorily established in accordance with regulations prescribed by the Administrator, without regard to civil-service requirements.

(b) [Such appointments as described in subsection (a) of this section shall be for a probationary period of three years and the record of each person serving under such appointment in the Medical, Dental, and Nursing Services shall be reviewed from time to time by a board, appointed in accordance with regulations of the Administrator, and if said board shall find him not fully qualified and satisfactory he shall be separated from the service.

Appointments under section 4104(1) of this title shall be for a probationary period of two years, and the record of each person serving under any such appointment shall be reviewed from time to time by a board appointed in accordance with such regulations as the Administrator shall prescribe. If such board recommends that any probationary employee be found not fully qualified and satisfactory for reasons relating to professional competence, work performance or suitability, on decision by the Chief Medical Director, such employee's probationary appointment may be terminated, such employee may be reassigned, or subject to other nondisciplinary action consistent with continuing the employment of such employee in a capacity in which such employee can effectively function.

* * * * *

§ 4110. Disciplinary boards

(a) The Chief Medical Director, under regulations prescribed by the Administrator shall from time to time appoint boards to be known as disciplinary boards each such board to consist of not less than three nor more than five employees, senior in grade, of the Department of Medicine and Surgery to determine, upon notice and fair hearing, charges of inaptitude, inefficiency, or misconduct of any person employed in a position provided in paragraph (1) of section 4104 of this title *who has satisfactorily completed the probationary period.* When such charges concern a dentist the majority of employees on the disciplinary board shall be dentists.

* * * * *

PART VI—ACQUISITION AND DISPOSITION OF PROPERTY

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SUBCHAPTER IV—SHARING OF MEDICAL FACILITIES, EQUIPMENT, AND INFORMATION

* * * * *

§ 5053. Specialized medical resources

(a) To secure certain specialized medical resources which otherwise might not be feasibly available, or to effectively utilize certain other medical resources, the Administrator may, when the Administrator determines it to be in the best interest of the prevailing standards of the Veterans' Administration medical care programs, make arrangements, by contract or other form of agreement, as set forth in clauses (1) and (2) below, between Veterans Administration hospitals and *organ banks, blood banks and similar institutions,* other hospitals (or other installations having hospital facilities) or medical schools or clinics in the medical community:

(1) for the mutual use, or exchange of use, of specialized medical resources when such an agreement will obviate the need for a similar resource to be provided in a Veterans' Administration health care facility; or

(2) for the mutual use, or exchange of use, of specialized medical resources in a Veterans' Administration health care facility, which have been justified on the basis of veterans' care, but which are not utilized to their maximum effective capacity. The Administrator may determine the geographical limitations of a medical community as used in this section.

5-YR COST ANALYSIS OF A DRAFT BILL ENTITLED "VETERANS MEDICAL AMENDMENTS ACT OF 1979"

Section	Fiscal year— 1st	2d	3d	4th	5th	5-yr total
101	(39, 134)	(39, 134)	(39, 134)	(39, 134)	(39, 134)	(195, 670)
102(b)(1)	(43, 918)	(39, 527)	(37, 550)	(35, 673)	(33, 889)	(190, 557)
102(b)(2)	(15, 546)	(18, 344)	(21, 646)	(25, 542)	(30, 140)	(111, 218)
103(1 and 2)	1, 509	1, 358	1, 222	1, 180	990	6, 259
103(3)	286	286	286	286	286	1, 430
Total net savings	(96, 803)	(95, 361)	(96, 822)	(98, 883)	(101, 887)	(489, 756)

Note: Amounts shown are ($000). Cost savings appear in parentheses.

●

By Mr. PERCY (for himself and Mr. GLENN):

S. 742. A bill to effect certain reorganization of the Federal Government to strengthen Federal programs and policies with respect to nuclear waste management; ordered held at the desk, by unanimous consent.

NUCLEAR WASTE MANAGEMENT REORGANIZATION ACT OF 1979

Mr. PERCY. Mr. President, today I am introducing the Nuclear Waste Management Reorganization Act of 1979. I am privileged to have as the coauthor of this bill my distinguished colleague from Ohio, Senator GLENN.

We are introducing this bill at a crucial time in the national debate on nuclear waste management. In recent months that debate has become focused on the efforts of the Interagency Review Group (IRG) on Nuclear Waste Management. The IRG has spent a year reviewing the issue and formulating recommendations for administration policy. It has summarized its conclusions in a report issued last week.

The IRG effort has encouraged a broad discussion of the issues which must be addressed as we formulate nuclear waste management policy. It is now up to the Congress to address those issues and, where appropriate, to pass legislation to insure that they are resolved.

The issues facing us today are of two kinds: Technical and institutional. The technical issues include doubts as to the geologic formations and waste packaging best suited to permanent nuclear waste disposal. While Congress itself cannot "resolve" all of the technical issues being raised today, it can, and I believe should, express confidence that those issues can be resolved given the proper research.

It is in the institutional area where direct congressional action is most clearly needed. If there is a nuclear waste management crisis today, it exists not because the technical issues are so intractable, but because the Federal programs designed to address them have been so inadequate. Those programs have in the past been poorly planned, poorly managed, and poorly coordinated, and have lacked coherent principles to guide their development.

The result has been a dramatic loss in public confidence in the Federal Government's ability to do the job. This drop in public confidence has been accompanied by a blurring of public perceptions of the issues. The technical issues have grown in stature and have become inseparably linked to the Federal Government's inability to deal with them, so that the public now perceives nuclear waste as an ominous problem to which there may be no solution.

Some members of the Federal Government have finally come to recognize the significance of this situation. In testimony before Senator GLENN's Energy, Nuclear Proliferation and Federal Services Subcommittee, Gus Speth of the Council on Environmental Quality noted that:

> . . . we all inherited a seriously flawed federal program that has provided a poor basis for getting to the right answer quickly and little basis for public confidence. The history of waste management in the U.S. provides warning of the risks of having policy formulation colored by past programs and promotional concerns. It is a history of failure to produce an acceptable method of waste disposal. Devising a program for the future must take into account the loss of credibility that has ensued; it will not be enough to devise a program that could be credible under other circumstances.

I agree wholeheartedly with these comments. Reestablishing public confidence in Federal nuclear waste management programs will not be easy, but it is essential if those programs are to be successful.

In order to win back the public's confidence, we must identify and correct the weaknesses in current Federal nuclear waste programs. We must anticipate the challenges which those programs will face in the future, and insure that they are equipped to handle them. Lastly, we must base those programs on sound principles which can guide their development in the future and gain public acceptance for the results they produce.

I see two areas where improvements must be made, and which are addressed in this legislation. The first involves policy formation and program planning at the national level, and the second involves the siting and development of nuclear waste disposal facilities.

On the issue of policy formation and program planning, I believe there are three main deficiencies in the way that these activities are being undertaken today. First, the efforts of the various Federal agencies and departments with responsibilities for nuclear waste management are poorly coordinated. Efforts undertaken by some agencies are unnecessarily duplicated by others, and as program objectives shift there is a danger that the regulations needed to license those programs will not be in place in time.

Second, there is no policy planning process which involves all of the relevant Federal agencies and departments in the formation of a comprehensive, governmentwide policy toward nuclear waste. Indeed, even within these various agencies and departments there seems to be little in the way of rigorous policy planning.

Lastly, State and local government officials and the public have no way to provide meaningful input into Federal nuclear waste policy. Decisions which will ultimately affect some States and localities very directly are made in the depths of the bureaucracy and buried within budget legislation. It should hardly be surprising, given the current mood of distrust of the Federal Government, that States, localities, and the public are likely to oppose such decisions when they are implemented.

I do not believe that the answer to these problems lies in creating a new Federal agency for nuclear waste management. The legislation which Senator GLENN and I are introducing contains several provisions which will correct these deficiencies while leaving primary responsibility for nuclear waste management where it is now, in the Department of Energy.

First, our bill proposes the establishment of a Nuclear Waste Coordinating Committee. The coordinating committee would consist of representatives of the various Federal agencies which have responsibilities relating to nuclear waste management, including DOE, DOI, CEQ, EPA, and the NRC. It would also have a member representing the Nuclear Waste Management Planning Council, which I will discuss shortly. The committee would be chaired by the representative of the Department of Energy.

The coordinating committee would have several functions. First it would work to improve coordination of the efforts of its member agencies, and to resolve jurisdictional dispute and scheduling conflicts. If necessary, it would make recommendations to the President on these issues.

Second, in each of the first 5 years of its existence, the committee would be required to prepare a comprehensive nuclear waste management plan. The plan would describe all current and planned Federal nuclear waste management programs, set forth milestones and goals for those programs, and provide target dates for reaching those goals. In order to insure that those programs are structured on a tight but reasonable schedule, the first plan would be required to set a target date of 1989 for the operation of an intermediate scale nuclear waste repository. If circumstances warrant, that date could be revised in subsequent plans.

In preparing the plan, the members of the committee would work to integrate and reconcile the views of their respective organizations. If agreement could not be reached among committee members on key provisions of the plan, the different views would be brought to the attention of the President and resolved by him. The resulting final document, which would represent governmentwide nuclear waste policy, would then be submitted to Congress.

A key feature of the bill is the creation of a Nuclear Waste Management Planning Council. The members of the Council would be appointed by the President, and would include eleven officials of State or local government, and four private citizens. The Council would be the mechanism through which these groups could participate in the formation of Federal nuclear waste policy. A representative of the Council would participate fully in the activities of the Coordinating Committee, including the preparation of the annual nuclear waste management plan. The Council would also advise the various Federal agencies on nuclear waste management issues.

I believe that these measures would correct the deficiencies I discussed above. While they require the creation of two new Government entities, I believe that is an acceptable price to pay. Wherever possible, Senator GLENN and I have tried to minimize that price. We have for example "sunsetted" the preparation of the annual plan, in the expectation that after 5 years a stable and comprehensive Federal nuclear waste policy will have emerged.

One of the best arguments for the measures we are advocating has been the IRG effort itself. Whatever its failings, the IRG has produced some highly valuable self-criticism of the Federal Government's nuclear waste management efforts. It has forced the agencies to come together, to ask themselves tough questions about what each of them was doing and why, and finally to try to put the pieces together in a defensible and coherent whole. The value of such a process was noted by Worth Bateman of the Department of Energy, in testimony before the Energy and Environment Subcommittee of the House Interior and Insular Affairs Committee:

> The administration also recognizes that a successful waste management policy is not just a DOE policy. It must be developed in conjunction with the many executives agencies which already have a statutory role or other interests bearing directly on waste management. Moreover, a successful policy also requires broad public understanding participation and support.

I agree with Mr. Bateman's assessment, and believe that the measures we have suggested will insure that a rigorous policy formation process will be employed in the future.

The second main area we have addressed in the legislation is the process by which nuclear waste repositories are sited and developed. As their mistrust of Federal nuclear waste management programs has grown, State governments have increasingly demanded the right to stop the construction of Federal nuclear waste repositories within their borders. Although the Federal Government seems clearly to have preempted the States' right to control the siting of such facilities, a dozen States have nevertheless enacted laws which purport to give them some control over repository siting. Whether such laws are valid or not, it is clear that States have numerous other legal and political tools at their disposal with which they can effectively stop construction of Federal nuclear waste repositories.

The dangers of this situation cannot be overemphasized. Given the current atmosphere, the Federal Government will be lucky to find States willing to accept these repositories. Even if it finds such States, we have no assurances that they will contain the best sites for repositories.

Clearly, a major revision in Federal policy is needed. If such a revision is not made, repository siting could well prove to be the Achilles' heel of the entire nuclear waste management effort.

In revising the current process, we must recognize several key facts. First, it is clear that States do have legitimate concerns about nuclear waste repositories, or more precisely, about the Federal Government's ability to construct and operate them safely. This mistrust is the sad legacy of the past performance of the Federal Government. In order to overcome it, we must establish a process which allows States to raise their legitimate concerns about these facilities and insures that those concerns will be addressed.

On the other hand, we must realize that ultimate control over the siting of nuclear waste repositories should remain in the hands of the Federal Government. If State governments are given unlimited veto power over such repositories, I believe they will utilize that power whether or not their fears about them are legitimate. Public anxiety about the problem is so great that most, if not all, State governments would be forced to exercise the veto.

In short, both the State veto and Federal preemption approaches to repository siting contain elements which are absolutely essential to a successful repository siting process. Neither approach alone is likely to produce desirable results, given the current atmosphere of public mistrust. Clearly then we must seek a "middle ground" between the two approaches, one which incorporates their essential elements while excluding their principle flaws.

The legislation Senator GLENN and I are proposing attempts to set forth such an approach. Under the bill, the Federal Government would be required to provide early notification to the Governor of a State of its intention to construct a repository for high level nuclear waste, spent nuclear fuel or TRU-wastes in that State. Upon receiving such notification, the Governor could convene a repository review panel to participate in the planning of the repository. The review panel would consist of the Governor, who would serve as chairman, together with other State and local government officials and concerned private citizens from the State, and representatives of concerned adjacent States.

The Nuclear Waste Coordinating Committee which I described earlier would be required to prepare a detailed repository review report for the proposed repository. The report would contain descriptions of the design of the facility and proposed operating procedures for it, safety and environmental analyses, and plans for transporting wastes and providing economic assistance to affected States and localities. The representative of the Department of Energy would take the lead in the preparation of the report, and would have the authority to resolve disputes among committee members over its contents. In preparing the report, the committee would be required to consult closely with the review panel and incorporate its views into the report to the maximum extent feasible.

When the committee finished the report, it would submit it to the review panel for final review. If the Governor who convened the panel believed that the report did not adequately protect State and local interests, he could, after consulting with other panel members, raise formal objections to the report. If he did not raise formal objections, licensing and construction of the facility could proceed.

If the Governor did raise formal objections, the repository could not be built unless the Congress passed a concurrent resolution stating that the report adequately balanced State, local and national interests. Congress would have 60 days in which to consider such a resolution, with such consideration taking place under highly expedited procedures. If Congress did not pass a resolution in the 60-day period, the repository could not be built unless a revised repository development report was prepared. The revised report would have to be prepared under the same procedures, and would be subject to the same review, as was the original report.

I believe that this approach reconciles the conflicting needs of giving the States a significant role in repository siting while maintaining ultimate Federal control. Under this proposal, States would have the right to demand that Congress review the Federal Government's plans for a repository to insure that they adequately protect the interests of affected States and localities. The debate over those plans would be highly visible, and the decision on their adequacy would be made by elected Members of Congress responsible to their constituents. Congress would have the right, if it was satisfied that the plans adequately responded to legitimate State and local concerns, to direct that the repository be built.

This process has several inherent advantages. First, it would force the Federal Government to thoroughly plan these facilities and establish their safety prior to constructing them. The review panels would provide forums through which the States could participate in the preparation of those plans from the outset, and thereby develop confidence in them and in the Federal Government itself. Both the States and the Federal Government would have clear incentives to participate in this process in a responsible manner, since both would know that their cases might be scrutinized by the Congress.

Several additional comments should be made about the process we are proposing. First, I would like to address the question of whether Congress is up to the role which this bill would give to it. To begin with, the bill does not ask Congress to make final, definitive judgments on the complex technical issues which will undoubtedly be raised about these facilities. Instead, it asks Congress to make a general finding about whether the Federal Government has done a defensible job of addressing those issues and other issues which are of concern to the States. In short, it asks Congress to play a vigorous oversight and review role. Such congressional review would not replace or prejudge either the NEPA process or NRC licensing of these facilities, and it would be through those processes that final judgments would be passed on the complex technical issues.

It could be argued that Congress will not be able to address an issue such as this on the merits alone, that the vote in the Senate will be 98–2 against the State in which a repository is to be located. I do not accept these arguments. Congress has repeatedly shown that it can act responsibly on an issue such as this and can strike a fair balance between national and local interests. Good examples can be found in some of the environmental and parks bills which Congress has considered recently.

The nuclear industry may worry that the process we are proposing will be time consuming and will carry with it an element of uncertainty. However, I believe that it has less potential for delay and uncertainty than either the current situation or any of the alternatives I have heard proposed. To begin with, it should be emphasized that, if current expectations hold, the process I have outlined would be employed only a handful of times before the turn of the century. Furthermore, under our proposal, the role of the States, the Federal Government and Congress are clearly defined and circumscribed. If and when objections come up to the Congress, they will be considered under highly expedited procedures which will prevent the use of dilatory parliamentary tactics and insure that Congress will be able to act if it so wishes.

To be sure, we have no assurance that Congress will overrule a State's objections and direct a repository to be built. However, I believe that if a majority of the Members of either House of Congress cannot be convinced that the plans for such a repository are adequate, then those plans should be improved before the repository is built.

In sum, I believe that the process that Senator GLENN and I are proposing will enable us to select the best possible sites for repositories in the shortest time possible, and gain public acceptance of those facilities. Our proposal recognizes that the primary obstacle to siting and developing these facilities is public mistrust of the Federal Government. If we are to succeed in getting them built, the Federal Government has no alternative but to work hard to regain the public's confidence. The measures we have suggested will insure that the Federal Government will indeed work hard to produce the high level of results which the public deserves.

Before closing, Mr. President, I would like to emphasize again that there are a number of other nuclear waste issues which must be addressed by this Congress. In particular, I believe that Congress must establish a funding mechanism which will insure that the producers of commercial nuclear wastes pay all of the costs of disposing of those wastes. I introduced legislation in the last session of Congress which would have established such a mechanism, and may reintroduce such legislation again during this session.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section summary of it be printed in the RECORD at this point.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 742

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "Nuclear Waste Management Reorganization Act of 1979".

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TITLE I—FINDINGS, PURPOSES, AND DEFINITIONS

DECLARATIONS OF FINDINGS

SEC. 101. (a) The Congress finds that—

(1) nuclear wastes generated in the national defense program have been accumulating for more than 30 years, and spent nuclear fuel and nuclear wastes from the commercial industry are increasing rapidly;

(2) nuclear waste has become a major issue of public concern;

(3) stringent precautions must be taken to ensure that nuclear wastes do not adversely affect the public health and safety of this or future generations;

(4) confidence in the ability of the Federal Government to manage a program providing for the safe and permanent disposal of nuclear wastes must be substantially increased if nuclear power is to contribute significantly to meeting the energy needs of the United States in the future;

(5) Federal nuclear waste disposal programs have been ineffective due to—

(A) inadequate coordination among the various Federal agencies and departments which have responsibilities relating to nuclear waste management;

(B) the lack of a policymaking process which integrates the views of all Federal agencies and departments into a comprehensive government wide policy;

(C) the lack of an organizational mechanism which affords States, localities and the public the opportunity to participate fully in the formulation of Federal nuclear waste management policy; and

(D) the lack of organizational mechanism which allows States and localities to review Federal plans for the development of nuclear waste disposal facilities, and to ensure thereby that such plans adequately protect State and local interests;

(6) a Nuclear Waste Management Planning Council must be established to afford States, localities, and the public the opportunity to participate fully in the formulation of Federal nuclear waste management policy;

(7) a Nuclear Waste Coordinating Committee must be established in order to—

(A) improve the coordination of the activities of Federal departments and agencies with respect to nuclear waste management;

(B) annually prepare a Nuclear Waste Management Plan which reflects the views of all Federal agencies and departments with responsibilities pertaining to nuclear waste management and the views of the Nuclear Waste Management Planning Council; and

(C) prepare Repository Development Reports and Repository Loading Reports with respect to proposed nuclear waste disposal facilities;

(8) Nuclear Waste Repository Review Panels must be established to ensure that States and localities have adequate opportunities to review plans for the development of Federal nuclear waste disposal facilities.

DECLARATION OF PURPOSES

SEC. 102. The Congress declares that there is a compelling need to improve coordination among Federal agencies and departments with respect to nuclear waste management activities, to establish a policymaking process which integrates the views of all such agencies and departments, together with the views of States, localities, and the public, and to provide for State and local review of Federal plans for the development of nuclear waste disposal facilities. It is the purpose of this Act to—

(1) establish a Nuclear Waste Management Planning Council to provide State, local and public views in the Federal nuclear waste management policy development process;

(2) establish a Nuclear Waste Coordinating Committee, to improve coordination of Federal nuclear waste management programs, to prepare annually a Nuclear Waste Management Plan which reflects the views of all interested parties, and to prepare Repository Development Reports and Repository Loading Reports with respect to proposed nuclear waste disposal facilities; and

(3) establish Nuclear Waste Repository Review Panels, to ensure that States and localities have adequate opportunity to review Federal plans for the development of nuclear waste disposal facilities.

DEFINITIONS

SEC. 103. For the purposes of this Act the term—

(1) "Committee" means the Nuclear Waste Coordinating Committee;

(2) "Council" means the Nuclear Waste Management Planning Council;

(3) "Secretary" means the Secretary of Energy;

(4) "Department" means the Department of Energy;

(5) "Review Panel" means a Nuclear Waste Repository Review Panel;

(6) "Chairman" means the Chairman of a Review Panel;

(7) "Plan" means the annual Nuclear Waste Management Plan;

(8) "Governor" means the Governor of a State, or successors to the Governor, during their respective terms of office, or their designees;

(9) "nuclear waste" means high-level waste, transuranic contaminated waste and low-level waste;

(10) "high-level waste" means the highly radioactive wastes resulting from the reprocessing of spent nuclear fuel, and includes both the liquid waste which is produced directly in reprocessing and any solid material into which such liquid waste is made;

(11) "transuranic contaminated waste" mean material contaminated with elements having an atomic number greater than 92, including neptunium, plutonium, americium, and curium, in concentrations of greater than 10 nanocuries per gram;

(12) "low-level waste" means material contaminated with radioactive elements emitting beta or gamma particles or with traces of transuranic elements in concentrations less than 10 nanocuries per gram;

(13) "spent nuclear fuel" means fuel which has been discharged from a nuclear reactor following irradiation, whose constituent elements have not been separated by reprocessing;

(14) "repository" means a facility for the permanent disposal of high-level waste, transuranic contaminated waste, or spent nuclear fuel, whether or not such facility is designed to permit the subsequent recovery of such material, except for facilities to be used exclusively for research and development purposes containing an insignificant amount of such material;

(15) "intermediate scale repository" means a repository designed to contain less than 1,000 spent nuclear fuel assemblies or an equivalent amount of high-level waste or transuranic contaminated waste in terms of risk to the public health and safety;

(16) "full-scale repository" means a repository designed to contain more than 1,000 spent nuclear fuel assemblies or an equivalent amount of high-level waste or transuranic waste in terms of risk to the public health and safety;

(17) "storage" means retention of nuclear waste or spent nuclear fuel with the intent to recover such material for subsequent use, processing, or disposal;

(18) "disposal" means the emplacement of nuclear waste or spent nuclear fuel with no intent of recovery, whether or not such emplacement permits the recovery of such materials;

(19) "local government" means any political subdivision of a State including any town, city, township, borough, parish, village, county, or other general purpose political subdivision of a State;

(20) "Indian tribe" means an Indian tribe, as defined in the Indian Self-Determination and Education Assistance Act (Public Law 93-638);

(21) "public health and safety" means the public health and safety of current and future generations;

(22) "nuclear waste and spent nuclear fuel management" means the transport, storage, and disposal of nuclear waste and spent nuclear fuel; and

(23) "main shaft" means the primary vertical access shaft of a nuclear waste repository.

TITLE II—ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE MANAGEMENT PLANNING COUNCIL

ESTABLISHMENT OF NUCLEAR WASTE MANAGEMENT PLANNING COUNCIL

SEC. 201. There is established a Nuclear Waste Management Planning Council as an independent instrumentality of the United States in the executive branch.

MEMBERSHIP OF THE COUNCIL

SEC. 202. (a) The Council shall consist of 15 members appointed by the President. Eleven members of the Council shall be elected officials of State or local government or Indian tribes, except that not less than 3 such members shall be elected officials of local government or of Indian tribes. The remaining 4 members of the Council shall be selected from interested members of the public. Members of the Council shall be appointed for a term of 2 years and may be reappointed for additional terms. No member appointed as one of the 11 elected officials may continue to serve on the Council if such member ceases to be an elected official of State or local government or of an Indian tribe.

(b) In appointing members of the Council, the President shall endeavor to ensure representation of a broad range of views with respect to nuclear waste and spent nuclear fuel management and to ensure representation of areas which are users of nuclear power and of areas which are serving or may be likely to serve as locations for nuclear waste and spent nuclear fuel storage or disposal or which may be directly or substantially affected by such activities.

(c) The Chairman of the Council shall be a member of the Council designated by the President and shall be the Governor of a State.

FUNCTIONS OF THE COUNCIL

SEC. 203. (a) The Council shall—

(1) pursuant to section 301, appoint a representative to the Nuclear Waste Coordinating Committee;

(2) pursuant to the procedures set forth in section 303, provide views on the annual Nuclear Waste Management Plan to the President;

(3) advise the Federal agencies and departments having membership on the Committee on nuclear waste and spent nuclear fuel management policy, with special reference to issues pertaining to the siting and development of nuclear waste and spent nuclear fuel storage and disposal facilities; and

(4) comment on proposed Federal regulations, standards, and criteria pertaining to nuclear waste and spent nuclear fuel management and spent fuel storage, including radiation exposure standards.

(b) The Council shall have the authority to—

(1) obtain (in accordance with section 3109 of title 5, United States Code, but without regard to the limitation in such section on the number of days or the period of such service) the services of experts or consultants who have scientific or other pertinent professional qualifications;

(2) utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, or local public agencies, with or without reimbursement therefor;

(3) accept voluntary and uncompensated services;

(4) accept unconditional gifts, or donations of services, money, or property, real, personal, or mixed, tangible or intangible; and

(5) enter into such contracts, leases, cooperative agreements, or other transactions, without regard to sections 3648 and 3709 of the Revised Statutes of the United States (31 U.S.C. 529, 41 U.S.C. 5), as may be necessary in the conduct of its functions, with any public agency, or with any person, firm, association, corporation, or educational institution.

(c) There are authorized to be appropriated to carry out the provisions of this title such sums as may be necessary.

TITLE III—ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE COORDINATING COMMITTEE

ESTABLISHMENT OF NUCLEAR WASTE COORDINATING COMMITTEE

SEC. 301. There is established a Nuclear Waste Coordinating Committee as an independent instrumentality of the United States in the executive branch.

MEMBERSHIP OF THE COMMITTEE

SEC. 302. (a) The Secretary, the Council, the Nuclear Regulatory Commission, the Council on Environmental Quality, the Director of the Office of Science and Technology Policy, the Administrator of the Environmental Protection Agency, the Secretaries of Interior, Transportation, and State, and the head of any other Federal agency or department designated by the President shall each appoint one representative to serve as members of the Committee.

(b) The representative of the Department shall serve as the Chairman of the Committee.

(c) The Nuclear Regulatory Commission shall participate in the activities of the Committee to the extent it determines such participation to be consistent with the independent regulatory responsibilities of the Commission.

FUNCTIONS OF THE COMMITTEE

SEC. 303. (a) The Committee shall facilitate the coordination of activities of the Federal agencies and departments represented on the Committee with respect to nuclear waste and spent nuclear fuel management so as to—

(1) insure that related research, development and demonstration activities are designed to meet the needs of all interested Federal agencies and departments;

(2) insure that plans for the construction and operation of nuclear waste and spent nuclear fuel storage and disposal facilities are consistent with developing regulatory standards and programs; and

(3) minimize duplication of effort and unnecessary delay in Federal nuclear waste and spent nuclear fuel management programs.

(b) The Committee shall make recommendations to the President to resolve jurisdictional disputes and schedule conflicts regarding the activities of the Federal agencies and departments represented on the Committee.

(c) The Committee shall prepare an annual Nuclear Waste Management Plan for the fiscal years 1981, 1982, 1983, 1984 and 1985, as follows:

(1) The Plan shall include:

(A) a description of the location, amount, and disposition of all high-level and transuranic contaminated nuclear waste and spent nuclear fuel currently in existence in the United States, including estimates of the amounts of such nuclear wastes and spent nuclear fuel expected to be produced or received in the United States in the next 5, 10, 15, 20 and 30 years;

(B) a program (including schedules and estimated costs) for research, development, and demonstration needed to determine appropriate methods for disposal of high-level nuclear waste, transuranic contaminated waste and spent nuclear fuel, and shall specifically identify any technological uncertainties which it is necessary to resolve prior to the construction and operation of facilities for the permanent disposal of such wastes and spent nuclear fuel, and shall set forth how the proposed program will resolve such uncertainties;

(C) a program (including schedules and estimated costs) for siting, construction, and operation of intermediate-scale repositories;

(D) a program (including schedules and

estimated costs) for siting, construction, and operation of full-scale repositories;

(E) an estimate of existing and projected spent fuel storage capacity at existing and projected privately owned facilities and the potential for the expansion of such capacity to meet expected demand over the next 5, 10, 15, 20, and 30 years;

(F) a program (including schedules and estimated costs) for the siting, construction and operation of interim storage facilities for spent nuclear fuel, if the Secretary finds that such facilities are needed; such programs shall include plans for introduction of interim storage technology not requiring liquid immersion of spent nuclear fuel if technically, environmentally and economically feasible;

(G) an identification of all generic and site-specific Environmental Impact Statements required by the National Environmental Policy Act to be issued by the Secretary with regard to the activities described in the Plan, and schedules for their issuance;

(H) an identification of the States in which the Department plans to conduct activities during the next fiscal year relating to the programs described in the Plan, and a description of such anticipated activities.

(2) The Plan for fiscal year 1981 shall provide for the construction and operation of an intermediate-scale nuclear waste repository no later than January 1, 1989. If the Committee finds that the construction and operation of such repository by such date is not consistent with the development of a sound nuclear waste disposal program or cannot be realized due to events outside of the Committee's control, it may in Plans for subsequent years revise the dates for the construction and operation of such repository.

(3) The Plans all include a section that—

(A) identifies all sites in the United States at which low-level waste has been discarded or buried, the present status of such sites, and the quantities of wastes at each site;

(B) defines the need for additional low-level waste disposal sites (with designation of specific sites to be developed, if any), and any need for remedial action at existing low-level facilities or at sites identified pursuant to paragraph (A);

(C) provides for performance of additional research and development work, as needed; and

(D) estimates the costs of the activities identified in paragraphs (B) and (C) of this subsection.

(4) The Plan shall include a section describing and providing target dates for actions to be undertaken by the Environmental Protection Agency, the Nuclear Regulatory Commission, and the Departments of Interior and Transportation with regard to nuclear waste and spent nuclear fuel management, including the issuance of Environmental Impact Statements required by the National Environmental Policy Act by such agencies and departments with regard to nuclear waste and spent nuclear fuel management, the issuance of standards, criteria, and procedural regulations by such agencies and departments with regard to nuclear waste and spent nuclear fuel management, and projected licensing actions with respect to nuclear waste disposal and storage facilities. Such section shall include a discussion of how such proposed actions will integrate and be coordinated with the proposed actions of the Department so as to avoid unnecessary delay and duplication of effort.

(5) The Plan shall reflect the results of existing Environmental Impact Statements prepared pursuant to the National Environmental Policy Act, and shall not be construed as prejudging decisions under pending National Environmental Policy Act Environmental Impact Statement review.

(6) Plans submitted for fiscal year 1982 and the following years shall update the information given in preceding Plans. Such subsequent Plans shall—

(A) identify and explain changes from the Plan of the preceding fiscal year; and

(B) review the activities undertaken by the Federal departments and agencies having membership on the Committee with regard to nuclear waste and spent nuclear fuel management during the previous fiscal year.

(7) If, during the course of the fiscal year, any Federal department or agency deviates significantly from the actions specified in the Plan for that fiscal year, the Committee shall immediately notify the Congress.

(8) To the maximum extent feasible, the Plan shall incorporate the views of all members of the Committee. If significant divergence of opinion exists among Committee members on major issues, the draft Plan shall indicate where such divergencies of opinion exist and shall include the relevant options for consideration by the President following the submission of public comment pursuant to paragraph (9).

(9) The Committee shall make the draft Plan available for public comment for at least 30 days, and shall thereafter submit the draft Plan to the President; concurrent with the submission of the draft Plan to the President, the Federal departments and agencies represented on the Committee and the Council shall submit their views on the draft Plan to the President.

(10)(A) The President shall review the draft Plan and the comments he receives thereon and shall resolve any divergent views presented pursuant to paragraph (8), and may further modify the draft Plan as he deems appropriate. The section of the final Plan required by paragraph (4) shall recognize the independent regulatory responsibilities of the Nuclear Regulatory Commission.

(B) Protection of the public health and safety shall be foremost among the factors to be weighed by the President in reviewing the draft Plan.

(11) Not later than March 1, 1980, and March 1 of each succeeding year thereafter through March 1, 1984, the Committee shall submit the final version of the Plan for the next fiscal year to the Congress.

(12) Any committee of either House of Congress reporting a bill authorizing funds for activities described in the Plan shall consider the Plan and may specify in any report accompanying such bill the extent to which such proposed authorization is consistent with the Plan.

(d)(1) At such time as any Federal agency or department represented on the Committee shall decide to undertake the study of any area within a State for the purpose of determining its suitability for a nuclear waste or spent nuclear fuel repository or storage facility, the Committee shall notify in writing the Governor of the State in which the area is located of such determination and shall furnish such Governor all relevant information on a current basis concerning the program of the relevant Federal agency or department for such study.

(2) The Committee shall seek the views of appropriate agencies of any State containing an area under study for the purposes described in subsection (d)(1) and, at the discretion of the Chairman of the Committee, the appropriate agencies of any concerned adjacent State. Technical representatives designated by the Governor of each such State may participate in the technical analyses performed by the relevant Federal agency or department.

(e)(1) The Committee shall—

(A) at the earliest feasible time prior to the intended submission by any Federal agency or department to the Nuclear Regulatory Commission of an application for a license to construct the main shaft of a nuclear waste repository, or

(B) in the event that such agency or department is not required by law to obtain a license from the Nuclear Regulatory Commission for the construction of the main shaft of such repository, at the earliest feasible time prior to undertaking site preparation work leading to construction of the main shaft of such repository,

prepare a nuclear waste Repository Development Report. The Chairman of the Committee shall have the authority to resolve differences of view among Committee members with respect to such Report. The Committee shall immediately notify the Governor of the State in which such proposed repository would be located of its decision to prepare the Repository Development Report.

(2) The Repository Development Report shall contain—

(A) a detailed description of—

(i) the design of the repository and plans for its construction;

(ii) proposed operating procedures for the emplacement of high-level or transuranic contaminated wastes or spent nuclear fuel, including amounts and types of waste or spent nuclear fuel to be emplaced, loading factors, waste form, and packaging;

(iii) procedures for maintaining the retrievability of emplaced nuclear waste or spent nuclear fuel and for subsequent shaft and tunnel sealing; and

(iv) plans for perpetual care and monitoring of the facility;

(B) an analysis of the anticipated environmental, health, and safety impacts of the proposed facility, including a discussion of any remaining areas of scientific and technological uncertainty and plans for resolving such uncertainties, with specific reference to information to be collected during the course of the proposed facility's construction and operation;

(C) a plan for the transport of high-level or transuranic contaminated waste or spent nuclear fuel to the repository, including an assessment of anticipated environmental, health, and safety impacts and a description of emergency planning procdures; and

(D) any plan to provide financial assistance to State or local governments or Indian tribes with respect to impacts arising from the proposed repository.

(3) The Committee shall coordinate the preparation of a Repository Development Report for a proposed facility with the preparation of any pertinent Environmental Impact Statements mandated by the National Environmental Policy Act so as to avoid unnecessary delay and duplication of effort. Nothing in this title shall be construed to relieve any Federal agency or department of any duty imposed by that Act.

(4) If a Nuclear Waste Repository Review Panel has been convened with respect to a proposed repository pursuant to section 401—

(A) the Committee shall prepare the Repository Development Report with respect to such proposed repository in close cooperation with the appropriate Review Panel and shall incorporate the views of such Panel into such Repository Development Report to the maximum extent feasible;

(B) upon completing the Repository Development Report, the Committee shall submit the Repository Development Report to the Review Panel for final review.

(5) The Committee shall submit the Repository Development Report for a proposed repository to the Congress, together with the comments of the appropriate Review Panel, if one has been convened with respect to the proposed repository, and any formal objections raised by the Chairman of such Review Panel with respect to such Report. Until a Repository Development Re-

port for a proposed repository has been submitted by the Committee to the Congress—

(A) the Nuclear Regulatory Commission may not accept an application for a license to construct the main shaft of a nuclear waste repository, or

(B) in the event that a license issued by the Commission is not required by law for the construction of the main shaft of such repository, no Federal agency or department may undertake site preparation work leading to the construction of the main shaft of such repository,

except that where the Chairman of the Review Panel convened with respect to such repository formally objects to such Repository Development Report pursuant to the provisions of section 403 (b), the actions prohibited in subparagraph (A) and (B) of this paragraph may not be taken unless and until Congress shall have passed a concurrent resolution pursuant to section 304 stating in substance that the Repository Development Report equitably balances State, local, and national interests.

(6) In the event that Congress fails to pass a concurrent resolution as specified in paragraph (5) with respect to a Repository Development Report to which the Chairman of the relevant Panel has formally objected, the prohibitions set forth in section 303 (e) (5) (A) and 303 (e) (5) (B) shall remain in effect until such time as—

(A) the Committee shall have submitted to the Congress a revised Repository Development Report to which the Chairman of the relevant Review Panel has not formally objected, or

(B) Congress shall have passed a concurrent resolution as specified in paragraph (5) with respect to a revised Repository Development Report to which the Chairman of the relevant Panel shall have formally objected.

Each revised Repository Development Report shall be prepared pursuant to the procedures set forth in this section and in section 403 pertaining to the preparation of Repository Development Reports.

(f) (1) The Committee shall—

(A) at the earliest feasible time prior to the intended submission by any Federal agency or department to the Nuclear Regulatory Commission of an application for a license to emplace significant quantities of high level or transuranic contaminated nuclear waste or spent nuclear fuel into a repository; or

(B) in the event that such agency or department is not required by law to obtain a license from the Nuclear Regulatory Commission in order to emplace significant quantities of high level or transuranic contaminated nuclear waste or spent nuclear fuel into such repository, at the earliest feasible time prior to beginning the emplacement of such waste or spent nuclear fuel into such repository;

prepare a Repository Loading Report with respect to such repository. The Chairman of the Committee shall have authority to resolve differences of view among Committee members with respect to such Report. The Committee shall immediately notify the Governor of the State in which such repository is located of its decision to prepare the Repository Loading Report.

(2) The Repository Loading Report prepared with respect to such repository shall contain the information required in the Repository Development Report prepared with respect to such repository pursuant to section 303(e) (1), appropriately updated. The Repository Loading Report for such repository shall identify any significant differences between the plans, descriptions, and analyses contained therein and those presented in the Repository Development Report prepared with respect to such repository. Special emphasis shall be given to assessing the significance of information collected during the course of the construction of the repository to the analyses of the anticipated environmental, health, and safety impacts of such repository.

(3) If a Nuclear Waste Repository Review Panel has been convened with respect to a proposed repository pursuant to section 401, the Committee shall—

(A) prepare the Repository Loading Report with respect to such repository in close cooperation with the Review Panel and shall incorporate the views of such Panel into such Report to the maximum extent feasible;

(B) upon completing such Repository Loading Report, the Committee shall submit the Report to the Review Panel for final review.

(4) The Nuclear Regulatory Commission may not accept an application for a license to emplace significant quantities of high level or transuranic contaminated nuclear waste or spent nuclear fuel into a repository, or in the event that a license issued by the Nuclear Regulatory Commission is not required by law in order to emplace significant quantities of high level or transuranic contaminated nuclear waste or spent nuclear fuel in a repository, no Federal agency or department may emplace significant quantities of such nuclear wastes or spent nuclear fuel into such repository, unless and until the Committee shall have submitted to the Congress a Repository Loading Report prepared with respect to such repository, together with the comments of the appropriate Nuclear Waste Repository Review Panel, and a period of 30 days of continuous session of Congress (as defined in section 304) shall have elapsed.

CONGRESSIONAL REVIEW PROCEDURES

SEC. 304. (a) Not later than 45 days of continuous session after the date of transmittal to the Congress of a Repository Development Report with respect to which the Chairman of the appropriate Review Panel has raised formal objections, the Committees of the House of Representatives and of the Senate to which such Repository Development Report is referred shall submit a report to their respective House on their views and recomomendations respecting such Repository Development Report is referred shall submit a report to their respective House on their views and recommendations respecting such Repository Development Report together with a concurrent resolution, as defined in subsection (g), stating in substance that the Congress believes that the Report equitably balances State, local, and national interests. If any such Committee has not reported such a resolution at the end of such 45-day period, such Committee shall be deemed to be discharged from further consideration of such Repository Development Report. If no such resolution has been reported at the end of such period, the first resolution as defined in subsection (g) which is introduced within 5 days thereafter within such House shall be placed on the appropriate calendar of such House.

(b) The Chairman of the Coordinating Committee may amend a Report to address any objection raised to it by the Chairman of the appropriate Review Panel during the first 30 days of continuous session after it is submitted to the Congress.

(c) When the relevant committee or committees have reported such a resolution (or have been discharged from further consideration of such a resolution pursuant to subsection (a)), or when a resolution has been introduced and placed on the appropriate calendar pursuant to subsection (a), as the case may be, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. The motion shall not be subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to, or disagreed to, shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

(d) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between individuals favoring and individuals opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to a motion to postpone, or a motion to recommit the resolution, or a motion to proceed to the consideration of other business is not in order. A motion to reconsider the vote by which the resolution is agreed to, or disagreed to, shall not be in order. No amendment to any concurrent resolution pursuant to the procedures of this section is in order except as provided in subsection (e).

(e) Immediately following (1) the conclusion of the debate on such concurrent resolution, (2) a single quorum call at the conclusion of debate if requested in accordance with the rules of the appropriate House, and (3) the consideration of an amendment introduced by the Majority Leader or his designee to insert the phrase "does not" in lieu of the word "does" if the resolution under consideration is a concurrent resolution of approval, the vote on final approval of the resolution shall occur.

(f) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to such a resolution shall be decided without debate.

(g) For the purposes of this section, "concurrent resolution" means only a concurrent resolution, the matter after the resolving clause of which is as follows: "That the Congress believes that the Repository Development Report numbered   relating to the proposed development of a nuclear waste or spent nuclear fuel repository at   within the State of   transmitted to Congress by the Nuclear Waste Coordinating Committee on   , 19   (as amended by the Chairman of the Nuclear Waste Coordinating Committee on   , 19   ), equitably balances State, local, and national interests.", the blank spaces therein being appropriately filled and the text in parenthesis being included if the Chairman of the Coordinating Committee has amended the Report pursuant to subsection (b).

(h) If the Congress has not passed a concurrent resolution in accordance with the procedures described in this section within 60 days of continuous session after the transmittal of the Repository Development Report, such report shall be considered rejected.

(i) For the purposes of this section—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

(j) This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described

by subsection (g) of this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(k) In considering any Repository Development Report submitted to the Congress pursuant to this title, the Congress may obtain the views and comments of the Nuclear Regulatory Commission on such Report. The provision of views by the Commission shall not be construed as binding the Commission with respect to any subsequent licensing action pertaining to the repository which is the subject of such Repository Development Report.

(l) The passage of a resolution by the Congress pursuant to this title shall in no way be considered as binding with respect to any subsequent licensing action of the Nuclear Regulatory Commission pertaining to the repository which is the subject of such resolution.

(m) For the purposes of this section a revised Repository Development Report as set forth in section 303(e)(6) shall be deemed to be a Repository Development Report.

EFFECT ON OTHER LAWS

SEC. 305. (a) Nothing in this Act shall affect the authority of the Nuclear Regulatory Commission to license and regulate high-level or transuranic contaminated waste or spent nuclear fuel storage and disposal pursuant to section 202 of the Energy Reorganization Act of 1974 or of byproduct, source, or special nuclear material pursuant to section 201(f) of such Act.

(b) Nothing in this Act shall exempt any Federal department or agency from the requirements of the National Environmental Policy Act.

(c) Nothing in this Act shall affect the authority of States to inspect nuclear facilities as designated pursuant to State law pursuant to section 274 of the Atomic Energy Act.

TITLE IV—ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE REPOSITORY REVIEW PANELS

ESTABLISHMENT OF NUCLEAR WASTE REPOSITORY REVIEW PANELS

SEC. 401. (a) At any time within 120 days after receiving notification of the intention of the Committee to prepare a Repository Development Report pursuant to section 303 (e)(1) with respect to a proposed repository to be located within a State, the Governor of such State receiving such notification may establish a Nuclear Waste Repository Review Panel to facilitate State and local participation in the planning and development of such repository.

(b) The procedures provided by sections 303(e), 304, and 403(b) for State and local review and for submission to the Congress of objections to the Repository Development Report prepared with respect to a proposed repository, and the procedures provided by sections 303(f) and 403(c) for State and local review and for submission to the Congress of comments on the Repository Loading Report prepared with respect to such repository, shall not apply with respect to such repository unless there shall have been convened a Nuclear Waste Repository Review Panel with respect to such repository pursuant to subsection (a).

(c) A Review Panel convened pursuant to section 401(a) with respect to a proposed repository shall continue to function until—

(1) the Committee formally notifies the Panel that that Federal government no longer intends to construct and operate such repository, or

(2) the Committee formally notifies the Panel that a Repository Loading Report prepared with respect to such repository has been submitted to the Congress pursuant to section 303(f), and the Chairman of the Panel thereafter declares the Panel to be adjourned.

MEMBERSHIP OF REVIEW PANELS

SEC. 402. A Review Panel convened by a Governor pursuant to section 401(a) shall consist of—

(1) the Governor convening the Panel who shall serve as the Chairman of the Panel;

(2) seven additional individuals from the State of the convening Governor to be appointed by the Governor and to serve at the pleasure of the Governor. The convening Governor shall include on the Panel individuals who are local government or Indian tribe officials of the area under study by the Department as a possible site for the proposed nuclear waste and spent nuclear fuel repository and may include—

(A) other officials of the State's government including members of the State legislature, and

(B) interested residents of the State, except that such residents shall be selected so as to ensure representation of a broad range of views on nuclear waste repository development issues; and

(3)(A) the Governors of any adjacent State or States, to be appointed by the Council, upon a finding that such State or States may be directly and substantially affected by the operation of a nuclear waste repository situated in the State of the convening Governor;

(B) Each Governor so appointed by the Council may appoint up to three additional individuals from his State to serve on the Review Panel at the pleasure of the Governor. Such Governor shall include among such appointees at least one local government or Indian official of the areas which would be directly and substantially affected by the development of the proposed repository, and may include—

(i) other officials of the State government including members of the State legislature, and

(ii) interested residents of the State, except that such residents shall be selected so as to ensure representation of a broad range of views on nuclear waste or spent nuclear fuel repository development issues.

FUNCTIONS OF REVIEW PANELS

SEC. 403. (a) A Review Panel established pursuant to section 401 (a) shall meet regularly to review current and planned actions of the Federal agencies and departments having membership on the Committee with respect to the siting, construction, and operation of the relevant proposed nuclear waste repository. Representatives of such agencies and departments shall meet regularly with the Review Panel to explain their activities and obtain the views of the Panel thereon.

(b)(1) A Review Panel shall cooperate closely with the Committee in the preparation of a Repository Development Report prepared pursuant to section 303 (e) (4) (A).

(2) A Review Panel shall, within 90 days after receipt of a Repository Development Report pursuant to section 303 (e) (4), ascertain whether the Report adequately provides for the protection of State and local interests and may hold public hearings on the Repository Development Report in support of this review.

(3) Within 90 days after the Review Panel receives the Repository Development Report, the Chairman of the Panel, after consultation with other Panel members may submit to the Committee formal objections that the Repository Development Report does not adequately provide for the protection of State and local interests. A formal objection shall state the grounds therefor and shall also propose amendments to the Repository Development Report whose implementation would remove the basis for such objections. The Chairman of the Panel and other members of the Panel may provide comments on the Repository Development Report to the Committee regardless of whether the Chairman has submitted formal objections to the Repository Development Report.

(c)(1) A Review Panel shall cooperate closely with the Committee in the preparation of a Repository Loading Report prepared pursuant to section 303 (f) (1).

(2) Such Review Panel shall, within 90 days after receipt of the Repository Loading Report pursuant to section 303 (f) (4), ascertain whether the Report adequately provides for the protection of State and local interests and may hold public hearings on the report in support of this review.

(3) Within 90 days after such Review Panel receives such Repository Loading Report, the members of the Panel shall submit their comments on such report to the Committee.

SECTION BY SECTION SUMMARY—NUCLEAR WASTE MANAGEMENT REORGANIZATION ACT OF 1979

TITLE I: FINDINGS, PURPOSES, AND DEFINITIONS

Sec. 101. Findings.
Sec. 102. Purposes.
Sec. 103. Definitions.

TITLE II: ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE MANAGEMENT PLANNING COUNCIL

Sec. 201. Establishes the Council as an independent instrumentality of U.S. in the Executive Branch.

Sec. 202. Membership. The Council is to have 15 members appointed by the President. Eleven are to be elected officials of State or local government, and the remaining four shall be interested private citizens. The Chairman of the Council is to be the Governor of a State.

Sec. 203. Functions. The Council shall appoint a representative to the Nuclear Waste Coordinating Committee pursuant to section 302. The Council shall also advise federal agencies and departments on nuclear waste and spent nuclear fuel management policy.

TITLE III: ESTABLISHMENT, MEMBERSHIP AND FUNCTIONS OF NUCLEAR WASTE COORDINATING COMMITTEE

Sec. 301. Establishes the Committee as an independent instrumentality of the U.S. in the Executive Branch.

Sec. 302. Membership. The Council and all federal agencies with responsibilities relating to nuclear waste and spent nuclear fuel management are to appoint representatives to the Committee. The DOE representative shall serve as Chairman.

Sec. 303.

303(a) The Committee is to facilitate coordination of federal activities with respect to nuclear waste and spent nuclear fuel management.

303(b) The Committee is to attempt to resolve jurisdictional and scheduling disputes and to make recommendations on such matters to the President where necessary.

303(c) The Committee is to prepare an annual Nuclear Waste Management Plan for each fiscal year through 1985. The Plan is to include descriptions of the status of nuclear wastes and spent fuel in the U.S.; programs for research and development and for siting, construction, and operation of repositories; a review of existing and projected spent nuclear fuel storage capacity; schedules for issuance of all necessary environmental impact statements by DOE; and a list of the States in which DOE plans to conduct waste management activities during the coming fiscal year.

The Plan for fiscal year 1981 is to provide for the construction and operation of an intermediate scale nuclear waste repository no later than 1989. This date can be revised in subsequent Plans if necessary. The Plan is also to contain a section providing target dates and plans for coordinating actions by EPA, NRC, DOI, and DOT with regard to nuclear waste and spent fuel management.

To the maximum extent feasible the Plan is to incorporate the views of all members of the Committee. If members disagree over the major provisions of the Plan, the draft Plan shall so indicate and shall include relevant options for Presidential consideration.

The draft Plan shall be made available for public comment and shall then be submitted to the President, together with the views of the members of the Committee.

The President may modify the draft Plan as necessary. In so doing, protection of the public health and safety is to be foremost among the factors weighed.

The Committee shall submit final version of the Plan to the Congress by March 1, 1980, and by March 1 of each succeeding year thereafter, through March 1, 1984. Congressional authorizing committees would then consider the Plan.

303(d) The Committee is to notify the Governor of a State of federal plans to undertake studies in the State leading to the siting a nuclear waste or spent nuclear fuel repository or storage facility in that state. Thereafter, the Committee shall seek the views of appropriate agencies of any such State, and shall permit technical representatives of such States to participate in any federal technical analyses performed.

303(e) Prior to the submission to the NRC by any federal agency or department of an application for a license to build a repository, or, if no such license is required, prior to the commencement of construction of such a facility, the Committee must prepare a Repository Development Report for that repository. The Report shall contain descriptions of the design and proposed operating procedures of the proposed repository; safety and environmental analyses; plans for transporting nuclear wastes to the repository; and plans for providing federal impact aid or other assistance to States and localities affected by it.

If a Repository Review Panel has been convened with respect to the proposed repository pursuant to section 401, the Committee is to consult closely with the Panel while preparing the Report.

Upon completing the Report, the Committee shall submit it to the Review Panel. After a 90-day review period, the Chairman of the Panel (the Governor of the State containing the facility) may submit formal objections to the Report to the Committee if he believes that the Report does not adequately protect state and local interests. (See Section 403.) The Committee must then submit the Report, together with such objections, if any, to the Congress.

If the Chairman has not raised formal objections, the apropriate federal agency may proceed with construction or licensing of the repository.

If the Chairman has raised objections, the construction or licensing of the repository may not proceed unless Congress passes a concurrent resolution, pursuant to the procedures set forth in section 304, stating that the Report equitably balances State, local, and national interests.

If Congress does not pass the resolution within the 60 day period, construction or licensing of the repository may not proceed unless and until a revised Repository Development Report has been prepared following the same procedures for preparation and review outlined above; and, either (1) the Chairman of the relevant Panel does not formally object to such revised Report or (2) if he does object, Congress passes a concurrent resolution (as above) with respect to the revised report.

303(f) Repository Loading Reports. Prior to the submission to the NRC by any federal agency or department of an application for a license to emplace significant quantities of nuclear waste or spent fuel into a repository, or, if no such license is required, prior to emplacing such materials in a repository, the Committee is to prepare a Repository Loading Report. The Repository Loading Report shall update the information contained in the relevant Repository Development Report. The Committee shall prepare such Loading Report in consultation with the Repository Review Panel formed with respect to that repository, and upon completing such Report shall submit it to the Panel for review. The Committee shall submit the complete Loading Report and the comments of the Review Panel on it to the Congress. The procedures for submitting and resolving formal objections of the Panel shall not apply in the case of Repository Loading Reports.

Sec. 304. Congressional Review Procedures. Congress shall have 60 days of continuous session after receiving a Repository Development Report to which the Chairman of a Panel has objected in which to pass a concurrent resolution stating that the Report equitably balances local, State, and national interests.

Committees to which the Report is referred shall have 45 days of continuous session to report such a resolution, after which they would be discharged from further consideration of it. The Chairman of the Committee would be able to amend the Report for the first 30 days of continuous session after its submission. Consideration of the resolution on the floors of both Houses would be under highly expedited procedures.

Sec. 305. Effect on Other Laws. The provisions of this Act shall in no way affect the authority of the NRC to license waste facilities, nor shall it relieve any Federal department or agency of the requirements of the National Environmental Policy Act.

TITLE IV: ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE REPOSITORY REVIEW PANELS

Sec. 401. Establishment of Nuclear Waste Repository Review Panels. Within 120 days after receiving notification of the Committee's intent to prepare a Repository Development Report for a repository in his state, the Governor of the State may form a nuclear waste Repository Review Panel.

The Repository Review Panel would remain convened until such time as the Committee formally notifies the Panel that the federal government no longer intends to construct or operate such proposed repository, or until such time as the Committee notifies the Panel that a Repository Loading Report prepared with respect to such repository has been submitted to the Congress pursuant to section 303.

Sec. 402. Membership. A Repository Review Panel would consist of the Governor convening the Panel, who would be its Chairman; seven additional State and local government officials and private citizens from that State to be appointed by the Governor; the Governors of any adjacent State or States which would be directly affected by the development of the repository in question, to be appointed by the Nuclear Waste Management Planning Council; and three representatives from each such adjacent State to be appointed by the respective Governor of that State.

Sec. 403. Functions. The Repository Review Panel would review current and planned federal actions regarding the siting, construction, and operation of the relevant proposed repository, and would participate in the preparation of the Repository Development Report for the repository and would, within 90 days after receipt of the Repository Development Report, ascertain whether the Report adequately provided for the protection of State and local interests. At the end of that 90 day period, the Chairman of the Panel, after consultation with other Panel members, could submit to the Committee formal objections that the Repository Development Report does not adequately provide for the protection of State and local interests. The Chairman would state the grounds for his decision and propose amendments to the Repository Development Report.

The Repository Review Panel would participate in the preparation of and would comment on any Repository Loading Report prepared for such repository.

• Mr. GLENN. Mr. President, the introduction of the Nuclear Waste Management Reorganization Act of 1979, which I have coauthored with Senator Percy, is a major new initiative in our Nation's long-term effort to address the problem of disposing of radioactive wastes safely and permanently. For the past 30 years these lethal and long-lived byproducts of our nuclear weapons and civilian nuclear power programs have been accumulating at temporary storage facilities around the countary and, as nuclear power expands in the decades ahead, the amounts of radioactive wastes generated, while not excessive now, will increase in almost geometric proportions.

Serious difficulties have plagued our efforts to develop methods for disposing of these dangerous materials, and numerous technical questions remain to be resolved even today. Only last week for example, the Interagency Review Group on Nuclear Waste convened by President Carter a year ago reported that the "scientific feasibility of the mined repository concept remains to be established." Major research, development, and demonstration efforts will be needed to deal systematically with these outstanding issues.

One reason for our current lack of knowledge is that over the years the Department of Energy's predecessor agencies ERDA and AEC, gave relatively little attention to nuclear waste management and tended to minimize the overall difficulty of this task. Related research and development activities were funded at modest levels and were focused on a narrow range of waste disposal options; fundamental earth sciences questions—geology and hydrology—received little attention. Moreover, little or no account was taken of the research needs of other agencies, in particular the Nuclear Regulatory Commission and the Environmental Protection Agency which are responsible for regulating U.S. nuclear waste disposal activities.

Uncertainty still plagues executive branch nuclear waste program planning today. DOE is proceeding with its Waste Isolation Pilot Plant in Carlsbad, N. Mex., despite the fact that the basic regulatory standards necessary to evaluate the WIPP site have not been issued by the Nuclear Regulatory Commission and the Environmental Protection Agency.

This lack of coordination among concerned Federal agencies has had a counterpart in the area of Federal-State relations. In particular the Federal nuclear waste disposal program has lacked adequate opportunity for State and local and public participation. Crucial siting and design decisions have been taken outside public view and, until recently, early consultation with individual States even on such vital matters as the siting of a major nuclear waste repository within their borders has often been nonexistent. In reaction to this history of Federal highhandedness many States and municipalities have enacted laws restricting the storage or transport of nuclear wastes in areas under their jurisdiction. The result is a pattern of restrictions on Federal waste management efforts which may seriously hinder our attack on this problem.

The Nuclear Waste Management Reorganization Act of 1979, which Senator PERCY and I are introducing today, attempts to remedy these difficulties by—

Creating a Federal interagency Nuclear Waste Coordinating Committee to insure an integrated government-wide approach to nuclear waste management issues based on comprehensive, annual plans;

Creating a Nuclear Waste Management Planning Council consisting of 11 State and local elected officials and 4 members of the public to participate in the development of Federal nuclear waste management policy; and

Establishing a process to give States and localities, through specially created nuclear waste repository review panels, a dramatically increased role in decisions regarding the siting of individual nuclear waste repositories. This process would permit a State to ban further work on a repository until both Houses of Congress passed a resolution overruling the State's objections.

At the Federal level the Coordinating Committee would insure the proper integration of all Federal waste management actions, including R. & D. activities, and its annual plan would provide a clear statement to the Congress and the public of the direction of the Federal program. State, local, and public views would be incorporated from the start via the advice provided by the Nuclear Waste Management Planning Council, one of whose members would sit on the interagency Coordinating Committee, to provide continuous representation of the Planning Council. This would insure substantial State input on such crucial matters as repository site selection and the role of intermediate-scale facilities.

In addition, under the bill, individual States would be immediately notified of any contemplated Federal activities within their borders regarding the siting of a nuclear waste storage or disposal facility and State participation in any Federal evaluations would be encouraged. If, on the basis of such early studies, the Federal Coordinating Committee determined to proceed with development of a repository within a given State the Committee would prepare a repository development report on the facility. At the same time, the Governor of that State would convene a nuclear waste repository review panel to work with the Federal Committee on the report being prepared and to review the final report. If the Governor, who would chair the panel, objected to the report on the ground that it did not adequately protect State and local interests, no application for a license to construct the facility could be submitted to the Nuclear Regulatory Commission—or, if no license were required, no site preparation work could begin—until Congress passed a concurrent resolution stating that the report equitably balanced State, local, and national interests.

This mechanism will insure a full review of the State's concerns, while at the same time allowing the repository to go forward if that is found to be essential to the national interest. Negotiations between the Federal Government and the State could continue after the report and the State objections were submitted to Congress. Amendments to the report reflecting the outcome of such negotiations would be possible for the first 30 days of continuous session after the report was submitted.

I believe this mechanism, by giving the States the clear right to put a freeze on further Federal activity, and giving Congress the right to review the matter and to consider it in the context of the wide range of Federal programs affecting the States involved, will allow an orderly and timely resolution of this area of potentially serious State-Federal conflict.

Mr. President, the organizational structure and procedures created by this bill will insure that decisions on the ultimate disposal of nuclear waste will proceed in a scientifically careful and informed manner, and through political and social consensus. I urge the support of my colleagues for it.●

Mr. PERCY. Mr. President, I ask unanimous consent that the nuclear waste disposal bill introduced by myself and Senator GLENN be held at the desk for further disposition and not be referred to committee until the committee referral has been worked out.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I did not hear the request. May I hear it again, please? I beg the Senator's pardon.

Mr. PERCY. Yes. I am asking unanimous consent that the decision not be made on referral of the nuclear waste disposal bill introduced today by myself and Senator GLENN until an agreement on that referral has been worked out, and that therefore, the bill be held at the desk.

Mr. ROBERT C. BYRD. May I say that when that decision has been reached I want to be sure that it is declared by the majority and minority leaders.

Mr. PERCY. Absolutely. We hope to reach an agreement and then present that agreement to the majority leader and minority leader and discuss it with them.

Mr. ROBERT C. BYRD. With that caveat, Mr. President, I will not object at this point. But the Senate has lately been afflicted by the joint committee, sequential committee referral syndrome, and it is just getting out of hand. I am going to take this matter up with the committee chairmen very soon. At the moment I will not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. The Senator from Illinois is fully aware of the majority leader's concern that joint referrals slow up the legislative process. In this case it is hoped that by working out a satisfactory agreement we can actually expedite disposition of legislation that is urgently needed, realizing that if we do not dispose of such legislation the 50 States are going to be extraordinarily concerned, together with a great many people in this country as well.

By Mr. WILLIAMS:

S. 743. A bill to amend the Immigration and Nationality Act to authorize certain courts which have naturalization jurisdiction to retain up to $20,000 of the fees collected in naturalization proceedings held in such courts in any fiscal year; to the Committee on the Judiciary.

NATURALIZATION PROCESSING COMPENSATION ACT OF 1979

● Mr. WILLIAMS. Mr. President, I am today introducing legislation to allow State courts to retain a greater share of the fees they collect for the processing of naturalization petitions.

Under current law, clerks of the State courts may retain one-half of up to $6,000 annually or $3,000 for this service. This bill would increase that limitation to $40,000, thereby allowing retention of $20,000.

This $6,000 limitation was set many years ago when the filing fee for a naturalization petition was $5. Today that fee has risen to $25, and a State court reaches its $6,000 limit when 240 petitions are filed. Presently, there are 23 State courts which receive substantially more than 240 petitions, and these judicial bodies are ineligible for further compensation for the valuable services they render to the Federal Government and courts. In a June 1977 letter to House Judiciary Chairman PETER RODINO, Assistant Attorney General Patricia M. Wald expressed the administration's support for this updating of immigation law:

> The state courts . . . relieve federal courts of workloads which they can ill afford to absorb, reduce distances of travel for both petitioners and Immigration and Naturalization Service officers, and produce savings in Service Manpower and funds. They have not been adequately compensated for their contribution to the citizenship program.

The bill which I am today submitting would raise the maximum ceiling for compensation to 1,600 petitions. It is identical to legislation introduced in the House by Representative RINALDO, and is similar to a bill which received the support of President Ford and Senator Eastland during the 94th Congress.

I hope that my colleagues will agree that, as a matter of simple equity, State courts should receive more adequate compensation for the national service they render in the processing of naturalization documents.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 743

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Naturalization Processing Compensation Act of 1979".

SEC. 344(c) of the Immigration and Nationality Act (8 U.S.C. 1455(c)) is amended by striking out "$6,000" each place that term appears and inserting in lieu thereof "$40,000".

SEC. 2. The provisions of this act shall take effect on October 1, 1979.●

By Mr. MATSUNAGA:

S. 744. A bill to amend section 37 of the Internal Revenue Code of 1954 to increase the amount of the credit for the elderly; to the Committee on Finance.

● Mr. MATSUNAGA. Mr. President, today I am introducing a bill to increase the elderly tax credit. The Senate version of the Revenue Act of 1978, included a provision increasing the elderly tax credit. This increase was a culmination of a long effort in the Senate Finance Committee to provide additional tax relief for the elderly.

In February of 1978, the Finance Committee approved my request for budget authority to allow later consideration of an increased credit. After subsequent hearings, the committee acted on the proposal to increase the credit and included the measure as part of the Revenue Act. Despite widespread support in the Senate, however, the Senate conferees on the Revenue Act had to recede on this measure and the provision was deleted from the final version of the Revenue Act. Failure to enact the Senate provision leaves the credit at an inadequately low amount.

The elderly tax credit is intended to provide nonsocial security retirees with the same tax benefits which social security retirees now enjoy, by virtue of the tax-exemption on social security benefits. The credit when enacted in 1976, matched the average social security benefit payments.

Since 1976, the annual social security benefit has increased to $2,808 for a retired single worker and up to $4,500 for a retired worker and his wife in July of 1977. For this reason, the Treasury in its option papers recommended to the President that the elderly credit be increased to $3,000 for a single person and to $4,500 for a couple filing jointly where both spouses are over age 65. For this same reason, I supported the increase of the elderly tax credit in 1977.

However, since that time, the average social security benefit has increased even more to create a wider disparity between the tax treatment of social security and nonsocial security retirees. In June of 1978, the social security benefits increased to an average of $3,048 for a retired single worker and to $5,196 for a retired worker and spouse. These figures indicate that the elderly tax credit increases proposed in my bill will still fall short of the credit's objective—the equal treatment of social security and nonsocial security retirees. The proposed elderly credit for a nonsocial security retiree and spouse would be $4,500, whereas the average annual social security payment would be $5,196 for a couple under social security.

This disparity must be corrected and the corresponding tax benefits extended to nonsocial security retirees as well as social security retirees. To take an initial step in solving this problem, I urge quick enactment of my bill.●

By Mr. PROXMIRE (for himself, Mr. WILLIAMS, and Mr. GARN) (by request):

S. 745. A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation and related programs, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1979

Mr. PROXMIRE. Mr. President, by request I am today introducing the Housing and Community Development Amendments of 1979.

That measure is cosponsored by the distinguished Senator from New Jersey (Mr. WILLIAMS), who is chairman of the Housing Subcommittee, and the Senator from Utah (Mr. GARN), who is the ranking Republican member of our committee.

This proposed legislation would provide funding authorizations for fiscal years 1980 and 1981 for the housing, community development and related programs of the Department of Housing and Urban Development. The proposal also contains a number of program extensions as well as various amendments to the Department's existing programs.

I might say, Mr. President, that none of us, Senator WILLIAMS, Senator GARN and myself, agree with the figures here. Mr. GARN and I would like to go well below what the administration is requesting. Mr. WILLIAMS might want a higher figure.

At any rate, we are introducing that at the request of the administration.

Mr. President, I ask unanimous consent that the bill, together with a letter from Secretary Harris and a section-by-section analysis be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 745

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Housing and Community Development Amendments of 1979".

TITLE I—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION

REHABILITATION LOANS

SEC. 101. (a) Section 312(d) of the Housing Act of 1964 is amended by striking out "and not to exceed $245,000,000 for the fiscal year beginning on October 1, 1978" and inserting in lieu thereof "not to exceed $245,000,000 for the fiscal year beginning on October 1, 1978, not to exceed $130,000,000 for the fiscal year beginning on October 1, 1979, and such sums as may be necessary for the fiscal year beginning on October 1, 1980".

(b) Section 312(h) of such Act is amended by striking out "1979" each place it appears and inserting in lieu thereof "1981".

COMPREHENSIVE PLANNING

SEC. 102. The second sentence of section 701(e) of the Housing Act of 1954 is amended by striking out "and not to exceed $57,000,000 for the fiscal year 1979" and inserting in lieu thereof "not to exceed $57,000,000 for the fiscal year 1979, not to exceed $40,000,000 for the fiscal year 1980, and such sums as may be necessary for the fiscal year 1981".

NEIGHBORHOOD SELF-HELP DEVELOPMENT

SEC. 103. Section 705 of the Housing and Community Development Amendments of 1978 is amended by adding ", and such sums as may be necessary for the fiscal year 1981" immediately after "1980".

LIVABLE CITIES

SEC. 104. Section 807 of the Housing and Community Development Amendments of 1978 is amended by striking out "and not to exceed $10,000,000 for fiscal year 1980" and inserting in lieu thereof "not to exceed $10,000,000 for fiscal year 1980, and such sums as may be necessary for fiscal year 1981".

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

SEC. 105. (a) Section 103(c) of the Housing and Community Development Act of 1974 is amended by striking out "a sum not in excess of $400,000,000 for supplemental grant assistance under section 119 for each of the fiscal years 1978, 1979, and 1980" and inserting in lieu thereof "for supplemental grant assistance under section 119 a sum not in excess of $400,000,000 for each of the fiscal years 1978 and 1979, and a sum not in excess of $675,000,000 for the fiscal year 1980".

(b) Section 104(b)(3) of the Housing and Community Development Act of 1974 is amended to read as follows:

"(3) The Secretary may waive all or part of the requirements contained in paragraphs (1), (2), and (3) of subsection (a) if (A) the application does not involve a comprehensive community development program, as determined by the Secretary, and (B) the Secretary determines that, having regard to the nature of the activity to be carried out, such waiver is not inconsistent with the purposes of this title.".

(c) Section 106(m) of such Act is amended by striking out "or fiscal year 1979" and inserting in lieu thereof ", fiscal year 1979 or fiscal year 1980".

TITLE II—HOUSING ASSISTANCE PROGRAMS LOW-INCOME HOUSING

SEC. 201. (a) The first sentence of section 5(c) of the United States Housing Act of 1937 is amended—

(1) by striking out "and" immediately after "October 1, 1977,"; and

(2) by inserting immediately after "on October 1, 1978" the following: ", by $1,140,661,275 on October 1, 1979, and by $1,140,661,275 on October 1 1980,".

(b) Section 9(c) of such Act is amended—

(1) by striking out "and" immediately after "on or after October 1 1977,"; and

(2) by inserting immediately before the period at the end thereof the following: ", not to exceed $741,500,000 on or after October 1, 1979, and not to exceed $848,000,000 on or after October 1, 1980".

OPERATING ASSISTANCE FOR TROUBLED MULTIFAMILY HOUSING PROJECTS

SEC. 202. (a) Section 201 of the Housing and Community Development Amendments of 1978 is amended—

(1) by inserting immediately before "assisted" in subsection (c)(1)(A) the follow-

ing: "covered by a mortgage insured under the National Housing Act (or formerly so insured and assigned to the Secretary) and is";

(2) by striking out "except that, in the case of any such project which is not insured under the National Housing Act such assistance may not be provided before October 1, 1979;" in subsection (c) (1) (A);

(3) by striking out ", together with the mortgagee in the case of a project not insured under the National Housing Act," in subsection (d) (3); and

(4) by inserting immediately before the period at the end of the first sentence of subsection (h) the following: ", not to exceed $82,000,000 for the fiscal year 1980, and not to exceed $90,000,000 for the fiscal year 1981".

(b) Section 236(f) (3) (B) of the National Housing Act is amended—

(1) by inserting immediately after "October 1, 1978," in the first sentence the following: "or credited to such fund prior to October 1, 1978 but remaining unobligated on October 31, 1978,"; and

(2) by striking out "September 30, 1979" in the third sentence and inserting in lieu thereof "September 30, 1981".

TITLE III—PROGRAM AMENDMENTS AND EXTENSIONS

EXTENSION OF FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

SEC. 301. (a) Section 2(a) of the National Housing Act is amended by striking out "October 1, 1979" in the first sentence and inserting in lieu thereof "October 1, 1981".

(b) Section 217 of such Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1981".

(c) Section 221(f) of such Act is amended by striking out "September 30, 1979" in the fifth sentence and inserting in lieu thereof "September 30, 1981".

(d) Section 235(m) of such Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1981".

(e) Section 236(n) of such Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1981".

(f) Section 244(d) of such Act is amended—

(1) by striking out "September 30, 1979" in the first sentence and inserting in lieu thereof "September 30, 1981"; and

(2) by striking out "October 1, 1979" in the second sentence and inserting in lieu thereof "October 1, 1981".

(g) Section 245 of such Act is amended by striking out "September 30, 1979" where it appears and inserting in lieu thereof "September 30, 1981".

(h) Section 809(f) of such Act is amended by striking out "September 30, 1979" in the second sentence and inserting in lieu thereof "September 30, 1981".

(i) Section 810(k) of such Act is amended by striking out "September 30, 1979" in the second sentence and inserting in lieu thereof "September 30, 1981".

(j) Section 1002(a) of such Act is amended by striking out "September 30, 1979" in the second sentence and inserting in lieu thereof "September 30, 1981".

(k) Section 1101(a) of such Act is amended by striking out "September 30, 1979" in the second sentence and inserting in lieu thereof "September 30, 1981".

EXTENSION OF FLEXIBLE INTEREST RATE AUTHORITY

SEC. 302. Section 3(e) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968, as amended, is amended by striking out "October 1, 1979" and inserting in lieu thereof "October 1, 1981".

EXTENSION OF EMERGENCY HOME PURCHASE ASSISTANCE ACT OF 1974

SEC. 303. Section 3(b) of the Emergency Home Purchase Assistance Act of 1974 is amended by striking out "October 1, 1979" and inserting in lieu thereof "October 1, 1980".

TEMPORARY MORTGAGE ASSISTANCE PAYMENTS

SEC. 304. (a) Section 230 of the National Housing Act is amended by—

(1) designating "SEC. 230." as "SEC. 230. (a)";

(2) inserting after "by recasting the unpaid balance," in the first sentence of subsection (a) as so designated, the following: "or has previously made monthly payments due under the mortgage pursuant to subsection (b),"; and

(3) adding at the end thereof a new subsection (b) as follows:

"(b) (1) As an alternative to the acquisition of a loan and security therefor under subsection (a), the Secretary may, in the Secretary's discretion, make all or part of the monthly payments due under the mortgage directly to the mortgagee on behalf of the mortgagor in cases involving default caused by circumstances beyond the mortgagor's control which render the mortgagor temporarily unable to correct a mortgage delinquency and to resume full mortgage payments. Payments may be made only in accordance with the provisions of this subsection and shall be subject to any additional requirements the Secretry may prescribe.

"(2) No payments may be provided hereunder unless the Secretary has determined that such payments are necessary to avoid foreclosure and that there is a reasonable prospect that the mortgagor will be able—

"(A) to resume full mortgage payments upon termination of assistance under this subsection;

"(B) to commence repayment of the payments made hereunder at a time designated by the Secretary; and

"(C) to pay the mortgage in full by its maturity date or by a later date for completing the mortgage payments previously approved by the Secretary under section 204(a) of this Act.

"(3) Payments under this subsection may be in an amount determined by the Secretary, in the Secretary's discretion, up to the amount of the principal, interest, taxes, assessments, ground rents, hazard insurance, and mortgage insurance premiums due under the mortgage, and the initial payment may include an amount necessary to make the mortgage current. Payments may not exceed amounts which the Secretary determines to be reasonably necessary to supplement the amounts, if any, which the mortgagor is capable of contributing toward the mortgage payments.

"(4) Payments may be provided for a period of not to exceed eighteen months, inclusive of any period of default for which payments are provided. Such period may be extended, in the Secretary's discretion, for not to exceed eighteen additional months where the Secretary has determined that, because of unforeseen changes in the mortgagor's financial circumstances, such extension will be necessary to avoid foreclosure and that there is a reasonable prospect that the mortgagor will be able to make the payments and repayments specified under subsection (b) (2) (A), (B), and (C). The Secretary shall establish procedures for periodic review of the mortgagor's financial circumstances for the purpose of determining the necessity for continuation, termination, or adjustment in the amount, of the payments. Payments shall be discontinued at any time when the Secretary determines that, because of changes in the mortgagor's financial circumstances, the payments are no longer necessary to avoid foreclosure or that there is no longer a reasonable prospect that the mortgagor will be able to make the payments and repayments specified under subsection (b) (2) (A), (B), and (C).

"(5) All payments shall be secured by such obligation as the Secretary may require, and such obligation shall include a lien on the mortgaged property. Payments shall be repayable upon terms and conditions prescribed by the Secretary, and such terms and conditions may include requirements for repayment of any amount paid by the Secretary toward a mortgagee's expenses in connection with the payments or repayments hereunder. The Secretary may establish appropriate interest charges on payments made under this subsection which shall be payable notwithstanding any provision of State or local law which limits the rate of interest on loans or advances of credit, except that interest shall not be charged at a rate which exceeds the maximum interest rate applicable with respect to mortgages insured pursuant to section 203(b) of this Act.

"(6) Payments under this subsection may be made whether or not the Secretary has previously taken action to avoid mortgage acquisition or foreclosure, except that payments may be provided with respect to a mortgage previously assisted under this subsection only under limited conditions prescribed by the Secretary.

"(7) All expenditures made pursuant to this subsection shall be made from the insurance fund chargeable for insurance benefits on the mortgage covering the property to which the payments made hereunder relate, and any payments received hereunder shall be credited to such fund. For purposes of this subsection, expenditures may include amounts paid by the Secretary toward a mortgagee's expenses in connection with payments or repayments hereunder.

"(8) No payments shall be made under this subsection after September 30, 1984, except that payments which have been commenced on or before such date may be continued beyond such date as provided under paragraph (4) of this subsection.".

(b) The caption of section 230 of such Act is amended to read as follows: "TEMPORARY MORTGAGE ASSISTANCE PAYMENTS AND ACQUISITION OF MORTGAGES TO AVOID FORECLOSURE".

INCREASE IN SECTION 235 MORTGAGE LIMITS IN REVITALIZATION AREAS

SEC. 305. Section 235 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(o) The Secretary may insure a mortgage under this section involving a principal obligation which exceeds, by not more than 25 per centum, the maximum limits specified under subsection (b) (2) or (i) (3) of this section if the mortgage relates to a dwelling in an area designated by the Secretary as an area undergoing significant revitalization activity and the Secretary determines that such action is necessary to enable eligible families already residing in such area to remain in the area as homeowners.".

RESEARCH AUTHORIZATIONS

SEC. 306. Title V of the Housing and Urban Development Act of 1970 is amended by striking out in the second sentence of section 501 "and not to exceed $62,000,000 for the fiscal year 1979" and inserting in lieu thereof "not to exceed $62,000,000 for the fiscal year 1979, not to exceed $53,000,000 for the fiscal year 1980, and such sums as may be necessary for the fiscal year 1981".

FEDERAL HOUSING ADMINISTRATION GENERAL INSURANCE FUND

SEC. 307. Section 519(f) of the National Housing Act is amended to read as follows:

"(f) There are authorized to be appropriated such sums as may be necessary from time to time to cover losses sustained by the General Insurance Fund.".

HOUSING FOR THE ELDERLY OR HANDICAPPED

SEC. 308. Section 202(a)(4)(B)(i) of the Housing Act of 1959 is amended by striking out "and to $3,300,000,000 on October 1, 1978" and inserting in lieu thereof "to $3,300,000,000 on October 1, 1978, and to $3,800,000,000 on October 1, 1979,".

LEGISLATIVE REVIEW PROCEDURES

SEC. 309. Section 7(o)(3) of the Department of Housing and Urban Development Act as added by section 324 of the Housing and Community Development Amendments of 1978, is amended by striking out the second sentence.

SECTION-BY-SECTION EXPLANATION AND JUSTIFICATION

TITLE I—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION REHABILITATION LOANS

Section 101(a) of the bill would amend section 312(d) of the Housing Act of 1964 to authorize the appropriation of an amount not to exceed $130 million for fiscal year 1980 and such sums as may be necessary for fiscal year 1981. The funding amount sought for fiscal year 1980 would provide a program level for the section 312 program of $185 million for that year, and is necessary to continue this program at levels sufficient to carry out the President's Urban Policy Initiatives.

Section 101(b) would amend section 312(h) of the Act to extend the Secretary's authority to make section 312 loans through fiscal year 1981. Under present law, this authority will expire on Sepetmber 30, 1979. The extension through fiscal year 1981 corresponds to the period for which authorizations for appropriations are being sought for the program.

Comprehensive planning

Section 102 would amend section 701(e) of the Housing Act of 1954 by authorizing the appropriation of not to exceed $40 million for fiscal year 1980 and such sums as may be necessary for fiscal year 1981 for the section 701 comprehensive planning assistance program. This would extend the 701 program into fiscal years 1980 and 1981, and provide financial assistance to prepare State and regional strategies to guide decision of State and local governments to support National policy objectives and to undertake related planning and management activities.

Neighborhood self-help development

Section 103 would amend section 705 of the Housing and Community Development Amendments of 1978 to authorize the appropriation of such sums as may be necessary for fiscal year 1981 for the Neighborhood Self-Help Development Act of 1978. Existing law authorizes the appropriation of up to $15 million for this program for fiscal year 1980.

Livable cities

Section 104 would amend section 807 of the Housing and Community Development Amendments of 1978 to authorize the appropriation of such sums as may be necessary for fiscal year 1981 for the Livable Cities Act of 1978. Existing law authorizes the appropriation of up to $10 million for this program for fiscal year 1980.

Community development block grant program

Section 105(a) would amend section 103(c) of the Housing and Community Development Act of 1974, as amended, to authorize the appropriation of up to an additional $275 million for fiscal year 1980 for the urban development action grant program contained in section 119 of that Act. Existing law authorizes the appropriation of up to $400 million for the program for fiscal year 1980.

The action grant program was enacted by the Housing and Community Development Act of 1977 (P.L. 95–128) as a major new initiative for the Nation's distressed urban areas. Under this program, the Secretary is authorized to make urban development action grants to severely distressed cities and urban counties to help alleviate physical and economic deterioration through reclamation of neighborhoods having excessive housing abandonment or deterioration, and through community revitalization in areas of population outmigration or stagnating or declining tax base. These grants are designed to provide a flexible funding mechanism to take advantage of unique opportunities to attract and leverage private investment into severely distressed communities. The additional $275 million authorization proposed for fiscal year 1980 would significantly enhance the Department's ability to provide action grant assistance to severely distressed localities.

Section 105(b) would amend section 104(b)(3) of the Housing and Community Development Act of 1974 by authorizing the Secretary to waive all or part of the program summary, formulation and description requirements contained in section 104(a)(1), (2), and (3), respectively, where an application does not involve a comprehensive community development program, as determined by the Secretary, and the Secretary determines that, having regard to the nature of the activity to be carried out, such waiver is not inconsistent with the purposes of the block grant program. This would eliminate the additional requirement in existing law which limits such waivers to applications involving communities which are located outside an SMSA, or inside an SMSA but outside an "urbanized area," and which have a population of 25,000 or less. Experience has shown that there is no basis for treating applicants for single-purpose funding under the block grant program differently solely on the basis of their size or geographical location. This amendment would permit all single-purpose activity applicants to be treated alike, would reduce the paper burden on affected communities and would simplify HUD's administration of the block grant program.

Section 105(c) would amend section 106(m) of the Housing and Community Development Act of 1974 by extending through fiscal year 1980 the provision that, if the total amount available for distribution under section 106 is insufficient to meet all entitlement funding requirements, and funds are not otherwise appropriated to meet the shortfall, the deficiency is to be made up through a pro-rata reduction in all section 106 grants. Under present law, this authority is available only through fiscal year 1979. On the basis of projected increased SMSA entitlement funding demand, there is a clear possibility that amounts available in fiscal year 1980 for entitlement grants will be inadequate. The proposed amendment to section 106(m) would assure the availability of an equitable reapportionment mechanism should any entitlement deficiency actually materialize in fiscal year 1980.

TITLE II—HOUSING ASSISTANCE PROGRAMS

Low-income housing

Section 201(a) of the bill would amend section 5(c) of the United States Housing Act of 1937 to provide, subject to approval in an appropriation Act, annual contributions contract authority for the public housing and Section 8 Housing Assistance Payments programs in amounts of $1,140,661,275 on October 1, 1979 and of $1,140,661,275 on October 1, 1980. In fiscal year 1980, this contract authority would allow the Department to make commitments for up to an additional 250,000 units under the Section 8 Housing Assistance Payments program, including up to 105,600 newly-constructed units, 41,800 substantially rehabilitated units, and 102,600 existing units. The existing units would include up to 40,000 units to be repaired and upgraded under the moderate rehabilitation program. This contract authority would also support up to 50,000 additional units of public housing, including up to 4,000 units under the Indian Housing program.

Section 201(b) would amend section 9(c) of the 1937 Act to provide an additional authorization of not to exceed $741,500,000 on or after October 1, 1979 and not to exceed $848,000,000 on or after October 1, 1980 for operating subsidies for public housing projects pursuant to that Act. These funds, to be distributed pursuant to the Performance Funding System formula, should allow approximately 2,000 public housing agencies which manage their projects efficiently to keep pace with rising operating and utility costs. In 1980 more than 1 million public housing units will receive operating assistance under this System.

Operating assistance for troubled multifamily housing projects

Section 202(a)(1) of the bill would amend section 201(c)(1)(A) of the Housing and Community Development Amendments of 1978 by deleting the Secretary's discretionary authority to provide operating subsidies under section 201 to troubled multifamily housing projects which, though HUD-assisted, are not covered by a mortgage which is insured under the National Housing Act.[1] Under existing section 201(c)(1)(A), projects which are assisted under section 236 or the section 221(d)(3) (BMIR) programs of the National Housing Act, or under the rent supplement program of the Housing and Urban Development Act of 1965, would be eligible for assistance on or after October 1, 1979, even if not covered by a mortgage insured under the National Housing Act.

Section 202(a)(2) would delete the existing prohibition under section 201(c)(1)(A) of the 1978 Amendments against providing assistance before October 1, 1978 to non-FHA insured projects, since these projects would, under the proposal, no longer be eligible under section 201(c)(1)(A) in any event.

For the same reason, section 202(a)(3) would delete the requirement under section 201(d) of the 1978 Amendments that, before making section 201 assistance available, the Secretary must determine that the mortgagee, in the case of a project not insured under the National Housing Act, will also provide assistance to that project. The existing requirement for the Secretary's determination that a project owner will provide such assistance would remain unchanged.

The more restrictive eligibility requirements under these proposed amendments are consistent with the original concept of the "troubled projects" proposal as submitted by this Department to the 95th Congress, under which eligibility would have been limited to projects insured under the National Housing Act.

Among the long-range objectives which may be achieved by the management improvements resulting from the troubled projects program are the prevention of additional assignments and foreclosures and the mitigation of otherwise potentially excessive losses from insurance claims, as well as the avoidance of substantial rent increases and physical deterioration in HUD-assisted projects for which the Department has a direct responsibility.

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[1] For purpose of this discussion, an "insured" mortgage includes a mortgage formerly insured under the National Housing Act and assigned to the Secretary.

In addition, the Department believes that the maximum benefit can be derived from the use of the limited resources under the program by concentrating on HUD-insured projects whose management is directly supervised by HUD so that subsidy dollars will be closely monitored to assure an efficient distribution of the subsidy and greater control over project expenditures. It is essential that these resources be utilized efficiently and effectively to assure that these projects retain their financial and physical soundness and remain accessible to those families which they were designed to benefit. Accordingly, the proposed deletion of authority with respect to non-insured projects would preclude the provision of assistance to projects which, though HUD subsidized, are not in a position to be regulated or monitored to achieve the goals for which the program has been designed.

Section 202(a)(4) would amend section 201(h) of the Housing and Community Development Amendments of 1978 to provide a funding authorization of not to exceed $82,000,000 for fiscal year 1980 and not to exceed $90,000,000 for fiscal year 1981 for providing operating subsidies to troubled multifamily housing projects under section 201.

In addition, it is anticipated, as discussed below, that an estimated $9,000,000 will be available for such payments in fiscal year 1980 from excess rental charges collected under section 236 of the National Housing Act and deposited in the rental housing assistance fund established under section 236(g) of that Act. This amount, together with the $82,000,000 funding authorization proposed for fiscal year 1980, would be used for assisting an estimated 2,440 projects pursuant to the provisions of section 201 of the 1978 Amendments.

Section 202(b)(1) would amend section 236(f)(3)(B) of the National Housing Act to direct the Secretary to utilize amounts credited to the section 236 rental housing assistance fund prior to October 1, 1978, but remaining unobligated on October 31, 1978 (the date of enactment of the 1978 Amendments), for the sole purpose of carrying out the section 201 troubled projects program. Existing law directs the Secretary to utilize amounts credited to that fund on or after October 1, 1978 solely for such purpose. The Congress had omitted from this requirement monies credited to the rental housing assistance fund before that date so as not to prejudice a pending dispute between the Department and tenants regarding the use of the section 236 tax and utility subsidy program. Settlement or resolution of these matters left unobligated, as of the date of enactment of the 1978 Amendments, $2.766 million of the amounts credited to the rental housing assistance fund prior to October 1, 1978. This proposed amendment to section 236(f)(3)(B) would fulfill the stated expectation of the conference managers on the 1978 Amendments that, in the event that the disposition of the dispute between the Department and tenants left monies unobligated in the rental housing assistance fund, legislative action would be taken to make such funds available for the section 201 troubled projects program.

Section 202(b)(2) would further amend section 236(f)(3)(B) by providing that no amounts may be approved in an appropriation Act for payments from the section 236 rental housing assistance fund for the section 201 troubled projects program for any fiscal year beginning after September 30, 1981. The 1978 Amendments prohibit any amount from being so approved for any fiscal year beginning after September 30, 1979. This proposed amendment is necessary to permit the rental housing assistance fund to be utilized for the troubled project program during fiscal years 1980 and 1981. The Department intends to request approval, in the HUD Appropriation Act for fiscal year 1980, to use the $9 million expected to be received in the rental housing assistance fund during fiscal year 1980.

TITLE II—PROGRAM AMENDMENTS AND EXTENSIONS

Extension of Federal Housing Administration mortgage insurance programs

Section 301 of the bill would extend for two years (through September 30, 1981) the authority of the Secretary of Housing and Urban Development to insure mortgages or loans under certain HUD-FHA mortgage or loan insurance programs contained in the National Housing Act.

Under existing law, the authority of the Secretary of Housing and Urban Development to insure mortgages and loans under these programs will expire on September 30, 1979. After that date, the Secretary may not insure mortgages or loans under any of the major HUD-FHA insuring authorities contained in that Act except, pursuant to a commitment to insure issued before that date.

Insuring authorities which will expire on September 30, 1979 include those for the following HUD-FHA mortgage or loan insurance programs: title I—property improvement and mobile home loan insurance; section 203—basic home mortgage insurance; section 207—rental housing insurance; section 213—cooperative housing insurance; section 220—rehabilitation and neighborhood conservation housing insurance; section 221—housing for moderate-income and displaced families; section 222—mortgage insurance for servicemen; section—223 miscellaneous housing insurance, including insurance in older, declining urban areas and for existing multifamily housing projects; section 231—housing for the elderly; section 232—nursing homes; section 233—experimental housing; section 234—condominiums; section 235—homeownership for lower income families; section 236—rental and cooperative housing for lower income families; section 237—special mortgagors; section 240—homeowner purchases of fee simple title; section 241—supplemental loans for multifamily housing projects; section 242—hospitals; section 243—homeownership for middle-income families; section 244—mortgage insurance on a co-insurance basis; section 245—mortgage insurance on graduated payment mortgages; title VIII—armed forces related housing; title X—land development; and title XI—group practice facilities.

The proposed two-year extension of the above mortgage insuring authorities is designed to guarantee the continued availability of FHA mortgage insurance and thus to maintain and enhance the Department's capacity to contribute to achievement of the national housing goal of "a decent home and a suitable living environment for every American family."

Extension of flexibility interest rate authority

Section 302 would extend, through September 30, 1981, the Secretary's authority administratively to set interest rates for FHA-insured mortgage loans to meet the market at rates above statutory maximum. Under existing law, this authority will expire on September 30, 1979.

Extension of Emergency Home Purchase Assistance Act of 1974

Section 303 of the bill would extend, from October 1, 1979 to October 1, 1980, the authority of the Government National Mortgage Association to enter into new commitments to purchase mortgages under the interim mortgage purchase authority contained in section 313 of the National Housing Act, as added by the Emergency Home Purchase Assistance Act of 1974.

The Emergency Home Purchase Assistance Act of 1974 added section 313 to the National Housing Act authorizing interim or standby authority to purchase mortgages. This authority is subject to a finding by the Secretary that inflationary conditions and related governmental actions or other economic conditions are having a severely disproportionate effect on the housing industry and that a resulting reduction in the volume of home construction or acquisition seriously threatens to affect the economy and to delay the orderly achievement of national goals. The purchase authority also must be released in appropriations Acts.

Mortgage interest rates under the program must not exceed the lesser of 7½ percent or the rate prescribed for mortgages under section 203(b) of the National Housing Act. The Act authorizes the purchase of conventional mortgages, as well as mortgages insured by FHA or guaranteed by the VA.

A total of $7.75 billion was authorized by the Emergency Home Purchase Assistance Act of 1974 and was released by June 24, 1975. The total was fully committed by August 1, 1975. The Emergency Housing Act of 1975 authorized an additional $10 billion, subject to release in an appropriation Act. The 1976 Appropriation Act released $5 billion, of which $3 billion was made available in January 1976. An additional $2 billion was made available in September 1976 and, as of September 2, 1977, all remaining released emergency authority, with the exception of a contingency reserve for amendments to existing contracts, was committed. The 1979 Appropriation Act released $1 billion of recaptured authority. No portion of this amount has been made available and, as noted above, its availability is subject to certain statutory findings.

Temporary mortgage assistance payments

Section 304(a)(1) of the bill would designate existing section 230 of the National Housing Act as section 230(a). Section 230 now authorizes the Secretary, upon receiving a notice of default and for the purpose of avoiding foreclosure, to acquire the loan and security with respect to a mortgage insured under the National Housing Act covering a single family (one-, two-, three-, or four-family) dwelling.

Section 304(a)(2) would amend the first sentence of section 230(a) to provide that the Secretary may exercise the authority to acquire the loan and security, notwithstanding the fact that the Secretary has previously made monthly payments due under the mortgage pursuant to the authority under new subsection 230(b) described below.

Section 304(a)(3) would add a new subsection (b) to section 230. Paragraph (1) of the proposed new subsection would authorize the Secretary, as an alternative to acquisition under section 230(a), to make monthly mortgage payments directly to the mortgagee on behalf of owners of FHA-insured single family dwellings whose monthly mortgage payments are in default. The default would have to have been caused by circumstances beyond the mortgagor's control which render the mortgagor temporarily unable to correct the delinquency and resume full mortgage payments.

As is the case under the existing authority under section 230, the proposed new authority would be exercisable upon the Secretary's receiving notice of default and in the Secretary's discretion. Payments could be made only in accordance with the provisions of the new subsection and would be subject to any additional requirements prescribed by the Secretary.

This proposed authority would serve as an additional means of assisting homeowners who are experiencing temporary financial distress to maintain ownership and occupancy of their homes.

It is estimated the in fiscal year 1980 the proposed alternative to assignment would result in the prevention of as many as 3,000 assignments, with a $51.4 million reduction in outlays for claims payments offset by an estimated $5.2 million in outlays for payments under the proposed new authority.

Paragraph (2) would provide that no payments could be made unless the Secretary determines that the payments are necessary to avoid foreclosure and that there is a reasonable prospect that the mortgagor will be able to:

Resume full mortgage payments upon termination of assistance under the proposal;

Commence repayment of the payments made by the Secretary at a time designated by the Secretary; and

Pay the mortgage in full by its maturity date, or by a later date for completing the mortgage payments previously approved by the Secretary under section 204(a) of the National Housing Act.

Paragraph (3) would provide that payments could be made in an amount, which would be determined in the Secretary's discretion, up to the amount of the principal, interest, taxes, assessments, ground rents, hazard insurance, and mortgage insurance premiums due under the mortgage. The initial payment could include an amount necessary to make the mortgage current. However, payments could not exceed amounts which the Secretary determines to be reasonably necessary to supplement whatever amounts the mortgagor is capable of contributing toward the mortgage payment.

Paragraph (4) would provide that payments could be made for a period of not to exceed eighteen months, inclusive of any period of default for which payments are provided. It would, however, give the Secretary the discretion to extend the payment period for not to exceed eighteen additional months where the Secretary determines that, because of unforeseen changes in the mortgagor's financial circumstances, an extension will be necessary to avoid foreclosure and that there is a reasonable likelihood that the mortgagor will be able to make the payments and repayments specified under subsection (b)(2).

In addition, the Secretary would be directed to review the mortgagor's income periodically, to determine the necessity for continuation or adjustment of the payments. The Secretary would be directed to discontinue the payments at any time when the Secretary determines that, because of the mortgagor's changed financial circumstances, the payments are no longer necessary to avoid foreclosure or there is no longer a reasonable prospect that the mortgagor will be able to make the payments and repayments specified under subsection (b)(2).

Paragraph (5) would require that all payments made under the proposed new authority would be regarded as a loan, and would be required to be secured by such obligation as the Secretary may require. It would require that obligation to include a lien on the mortgage property. It also would provide that the "loan" made under the proposed new authority is to be repayable under terms and conditions prescribed by the Secretary. It is anticipated that these terms and conditions would provide for repayment over a period that would be within the mortgagor's ability to pay. In those cases where the mortgagor's income is insufficient to permit full payment of the mortgage by its maturity date, and where the mortgagee agrees, the Secretary would have the flexibility to utilize existing authority under section 204(a) of the National Housing Act to approve recasting the unpaid balance of the mortgage over a period longer than the remaining term of the mortgage. In these instances it is anticipated that the loan would be repaid over the same term as that of the recast

It is contemplated that during the period for which payments are provided under the proposed authority, as well as during the repayment period, the responsibility for servicing the mortgage would remain with the private mortgage servicer. In this event, any payments made either by HUD or the mortgagor, including repayment of the loan, would be made directly to the mortgage servicer. Accordingly, paragraph (5) would permit the terms and conditions for repayment to include requirements for repayment of any amounts paid by the Secretary towards the mortgagee's expenses in this regard.

Paragraph (5) also would permit the Secretary to establish appropriate interest charges on the "loan". It would provide that any charges so established would be repayable notwithstanding limitations under any State or local law as to the rate of interest on loans or advances of credit. However, it would not permit interest to be charged at a rate which exceeds the maximum interest rate applicable with respect to mortgages insured pursuant to section 203(b) of the National Housing Act.

Paragraph (6) would permit assistance to be provided under the new authority even though the Secretary previously had taken action to avoid acquisition or foreclosure of the mortgage. If the Secretary previously had provided assistance under the proposed new authority with respect to the same mortgage, such assistance could be provided again at a later date in the event of a subsequent default, but only under limited conditions to be prescribed by the Secretary. It is anticipated that the Secretary will exercise the authority to provide payments with respect to a mortgage previously assisted under the new authority only in unique circumstances.

With respect to the funding of the proposal, paragraph (7) provides that all expenditures made pursuant to the proposed new authority shall be made from the insurance fund chargeable for insurance benefits on the mortgage covering the property to which the payments made under the proposal relate, and that any payments received under the new authority shall be credited to such insurance fund. It provides that, for purposes of the new authority, "expenditures" may include amounts paid by the Secretary toward the mortgagee's expenses in connection with the payments and repayments.

Paragraph (8) would provide the proposed new authority through September 30, 1984. This sunset provision would ensure evaluation of the program prior to its extension. However, it would permit payments which have been commenced on or before September 30, 1984 to be continued beyond such date pursuant to the provisions of paragraph (4), discussed above.

Section 304(b) of the bill would amend the caption of section 230 to read: "TEMPORARY MORTGAGE ASSISTANCE PAYMENTS AND ACQUISITION OF MORTGAGES TO AVOID FORECLOSURE". The existing caption reads: "ACQUISITION OF MORTGAGES TO AVOID FORECLOSURE".

Increase in section 235 mortgage limits in revitalization areas

Section 305 of the bill would add a new subsection (o) to section 235 of the National Housing Act.

The proposed new subsection would permit the Secretary to insure a mortgage under section 235 which involves a principal obligation exceeding, by not more than 25 percent, the maximum limits specified under section 235(b)(2) or (i)(3) if the mortgage relates to a dwelling unit located in an area designated by the Secretary as an area undergoing significant revitalization activity and the Secretary determines that such an action is necessary to enable eligible families already residing in the area to remain in the area as homeowners.

The mortgage limit under the section 235 program for a single family home (including a cooperative or condominium) is currently $32,000. However, where a single family home is either in a high cost area or is for a family of five or more persons, the section 235 mortgage limit is $38,000, and where both these factors exist, the mortgage limit is $44,000. The mortgage limit for a two-family dwelling under the section 235 program is $44,000, and, in high cost areas, $49,000.

The objective of the proposal is to mitigate the effect of the displacement of low- and moderate-income families caused by revitalization activities and to promote housing opportunity and integration. The proposed increases in the section 235 mortgage limits are designed to make available homeownership opportunities to families who otherwise would not be able to remain in these areas by assuring that section 235 subsidies and mortgage insurance will not be precluded because of higher housing costs resulting from significant revitalization activity.

In connection with the proposal, the Department anticipates allocating 7,000 units under the section 235 program in fiscal year 1980 for areas designated by the Secretary as experiencing significant revitalization activity.

Research authorizations

Section 306 would amend title V of the Housing and Urban Development Act of 1970 to authorize appropriations of not to exceed $53,000,000 for fiscal year 1980 and such sums as may be necessary for fiscal year 1981 for HUD programs of research, studies, testing and demonstrations as determined to be necessary and appropriate by the Secretary.

The 1980 research program continues to concentrate the Department's research resources on a smaller number of priority areas that are of major concern in terms of HUD's goals. These areas include: urban economic development; public finance and tax policy; housing for the elderly and handicapped; neighborhood reinvestment and revitalization, and reversing decline in neighborhoods; economic and racial freedom of choice in housing; and financial institution regulation and alternative housing finance mechanisms. HUD will also have underway a series of evaluations on every major operating program in the Department, accompanied with an emphasis on dissemination activities intended to stimulate interest and involvement in housing and community development programs.

Continued support will be provided to major programs initiated in prior years such as housing allowances, lead paint hazards, abandonded housing, mobile home standards and the development of model land title recordation systems.

Federal Housing Administration general insurance fund

Section 307 of the bill would amend section 519 of the National Housing Act to strike the $1.506 billion overall limitation on appropriations authorized to cover losses of the General Insurance Fund and authorize, instead, the appropriation of such sums as may be necessary for that purpose.

Losses sustained as a result of the sale of acquired property are not a function of the amount authorized for appropriations to restore such losses. The losses represent the difference between the purchase price of units acquired through the Department's insurance activities, expenses incurred through maintenance and repair and the proceeds realized from sale of these properties. The mortgage. authorization does not limit the loss but merely places a limitation on the amount which may be sought in recompense for losses already sustained. The present authorization limitation requires the Department to seek an increase in the amount authorized for appropriation before an appropriation to restore such losses can be enacted.

Housing for the eldery or handicapped

Section 308 would amend section 202(a)(4)(B)(i) of the Housing Act of 1959 to increase by $500 million on October 1, 1979 the limit on Treasury borrowing authority for the section 202 program of housing for the elderly or handicapped. This increase is necessary to carry out the program at the level provided for in the fiscal year 1980 Budget.

Legislative review procedures

Section 309 would strike out that portion of section 7(o)(3) of the Department of Housing and Urban Development Act, as amended, which provides for a delay of 90 days in the effectiveness of a final rule promulgated by HUD in any instance where the Banking Committee of either House of the Congress has reported out or has been discharged from further consideration of a joint resolution of disapproval of such final rule.

The only effect the proposed amendment would have on the existing legislative review process would be to eliminate the cumbersome and unworkable 90-day waiting period which is triggered by committee action. The Department of Justice has advised that this triggering mechanism is unconstitutional and, therefore, could not impose a binding requirement on HUD in any event.

Legislation to nullify the effectiveness of any rule could, of course, be adopted by the Congress at any time.

THE SECRETARY OF HOUSING AND
URBAN DEVELOPMENT,
Washington, D.C., March 19, 1979.

Subject: Proposed "Housing and Community Development Amendments of 1979."

Hon WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am enclosing proposed legislation to provide funding authorizations for fiscal years 1980 and 1981 for the housing, community development and related programs of the Department of Housing and Urban Development. The proposed legislation also contains a number of program extensions. Among these are proposed extensions of HUD–FHA mortgage insurance and related authorities, and the rehabilitation loan program under section 312 of the Housing Act of 1964. The proposal would also make a number of amendments to the Department's existing programs. Enclosed for your convenience is a section-by-section justification and explanation of the proposal.

With respect to the funding authorizations proposed for fiscal year 1980, the proposal would provide, subject to approval in an appropriations Act, $1,140,661,275 of additional annual contributions contract authority for the public housing and Section 8 Housing Assistance Payments programs, and would authorize the appropriation of an additional $741.5 million on or after October 1, 1979, for operating subsidies for conventional public housing projects. The proposed additional annual contributions contract authority would allow the Department to assist up to an estimated 300,000 units of housing for lower income families in fiscal year 1980, including up to an additional 250,000 Section 8 units and up to 50,000 additional units of public housing. The $741.5 million authorization proposed for public housing operating subsidies in fiscal year 1980 would be distributed pursuant to the Performance Funding System formula, and should allow approximately 2,000 public housing agencies which manage their projects efficiently to keep pace with rising operating and utility costs.

The proposal would also authorize the appropriation of up to $82 million for fiscal year 1980 for providing operating subsidies to troubled multifamily housing projects under section 201 of the Housing and Community Development Amendments of 1978. In addition, the proposal contains provisions which would authorize the approval in appropriations Acts of payments from the rental housing assistance fund under section 236 of the National Housing Act for the troubled projects program through fiscal year 1981, and would remove the restriction against utilization under the program of sums credited to the section 236 fund prior to October 1, 1978, but unobligated as of October 31, 1978. It is anticipated that the $82 million funding authorization proposed for fiscal year 1980, together with some $9 million expected to accrue to the section 236 rental housing assistance fund during that fiscal year, will be used for assisting an estimated 2,440 projects.

The bill also would authorize the appropriation of up to an additional $275 million for fiscal year 1980 for the urban development action grant program contained in section 119 of the Housing and Community Development Act of 1974. Existing law authorizes the appropriation of up to $400 million for the program for fiscal year 1980. This proposed additional authorization would significantly enhance the Department's ability to provide action grant assistance to severely distressed communities.

The proposal would provide authorizations for fiscal year 1980 of $130 million for rehabilitation loans under section 312 of the Housing Act of 1964, and $40 million for comprehensive planning under section 701 of the Housing Act of 1954. These proposed funding authorizations would assure that the programs may continue to be used effectively to carry out the President's Urban Policy Initiatives, and to prepare State and regional strategies to guide decisions of State and local governments to support national policy objectives and to undertake related planning and management activities.

In addition, the proposal would provide an authorization for fiscal year 1980 of $53 million for research under title V of the Housing and Urban Development Act of 1970. The proposed authorization would enable the Department to continue supporting research begun in prior years in major fields and focusing research efforts in areas of major concern, as well as to carry out evaluations on every major operating program in the Department.

With respect to the funding authorizations for fiscal year 1981, the legislative proposal would provide additional annual contributions contract authority of $1,140,661,275 on October 1, 1980 for the public housing and Section 8 Housing Assistance Payment programs, would authorize the appropriation of not to exceed $848 million on or after October 1, 1980 for public housing operating subsidies, and would authorize the appropriation of not to exceed $90 million for the program of operating subsidies for troubled multifamily housing projects. It would also authorize the appropriation of such sums as may be necessary for the section 312 rehabilitation loan program, the Neighborhood Self-Help Development Act of 1978, the Livable Cities Act of 1978, the section 701 comprehensive planning authority, and research under title V of the Housing and Urban Development Act of 1970. These proposed authorizations for fiscal year 1981 are submitted at this time in accordance with section 607 of the Congressional Budget Act of 1974.

The proposed extensions of the HUD–FHA mortgage insurance programs and the Secretary's authority administratively to establish interest rates for FHA-insured mortgage loans through fiscal year 1981 would assure the availability without interruption of mortgage insurance under important programs contained in the National Housing Act. These programs otherwise would expire on September 30, 1979. The one-year extension, through fiscal year 1980, of the authority of the Government National Mortgage Association to enter into new commitments to purchase mortgages under the interim mortgage purchase authority contained in section 313 of the National Housing Act would assure the availability of this authority in fiscal year 1980, should the statutory criteria for implementation of the program be met.

Among the program amendments included in the bill are a proposed "Temporary Mortgage Assistance Payments" program and proposed authority for the Secretary to permit an increase of not more than 25 percent in the maximum mortgage limits specified under section 235 of the National Housing Act. The proposed "Temporary Mortgage Assistance Payments" program would provide additional authority under section 230 of the National Housing Act, through which the Secretary, as an alternative to acquisition of a single family mortgage to avoid foreclosure, could make monthly mortgage payments due under the mortgage directly to the mortgagee on behalf of a mortgagor faced with foreclosure. This program contains a sunset provision after five years to ensure evaluation of the program prior to its extension. The proposed authority regarding increases in the section 235 maximum mortgage limits could be exercised only in the case of a mortgage relating to a dwelling located in an area designated by the Secretary as an area undergoing significant revitalization activity and only if the Secretary determines that the increase is necessary to enable eligible families already residing in the area to remain in the area as homeowners.

The proposal would also make two amendments to the community development block grant program authorized under title I of the Housing and Community Development

Act of 1974. Specifically, the proposal would extend through fiscal year 1980 the authority to provide for a pro rata reduction in block grants in the event of a deficiency in amounts available to fund entitlement communities, and would provide for the waiver of certain CDBG application requirements for single-purpose grant applicants. These changes would facilitate the administration and operation of the block grant program.

Other amendments would remove the Secretary's discretionary authority to provide assistance under the troubled projects program to non-FHA-insured, but HUD-assisted multifamily projects; would remove the existing dollar limitation under section 519(f) of the National Housing Act on the amount of appropriations that may be authorized to cover losses sustained by the General Insurance Fund; and would authorize an increase in Treasury borrowing authority by $500 million on October 1, 1979 in connection with the program of housing for the elderly or handicapped under section 202 of the Housing Act of 1959.

Finally, we have submitted an amendment to strike out that portion of the Legislative Review provision included in last year's Housing and Community Development Amendments which calls for a 90-day delay in the effectiveness of a final HUD rule in any instance where the Banking Committee of either House has reported out or has been discharged from further consideration of a joint resolution of disapproval of such a final rule. This proposal would not, in our view, interfere with congressional intent, expressed in section 324 of last year's Amendments, to exercise increased oversight over HUD rulemaking. The only effect the proposed amendment would have on the existing legislative review process would be to eliminate the cumbersome and unworkable 90-day waiting period which is triggered by committee action. The Department of Justice has advised that this triggering mechanism is unconstitutional and, therefore, could not impose a binding requirement on HUD in any event. The amendment would, of course, present no obstacle to the adoption of specific legislation designed to nullify the effectiveness of any HUD rule objected to by the Congress.

Timely enactment of the enclosed proposal would provide the Department with the necessary authority to carry out effectively its responsibilities in fiscal years 1980 and 1981. I ask that the measure be referred to the appropriate committee and urge its early enactment.

The Office of Management and Budget has advised that the enactment of this legislation would be in accord with the program of the President.

Sincerely yours,

Patricia Roberts Harris.

By Mr. CANNON (for himself, Mr. Thurmond, Mr. Goldwater, Mr. Harry F. Byrd, Jr., and Mr. Talmadge):

S.J. Res. 51. A joint resolution proposing an amendment to the Constitution to provide that electoral votes shall be proportionally divided in each State, based on the direct popular vote in that State; to the Committee on the Judiciary.

● Mr. CANNON. Mr. President, I send to the desk a resolution which provides for the proportional casting of electoral votes in each State and the District of Columbia in exact ratio to the popular votes cast for each candidate for President and Vice President at the polls.

The purpose of this legislation is to first, abolish the office of Presidential elector; second, preserve the electoral votes of each State pursuant to the Constitution; third, insure that the votes are counted before the Senate and House with electoral votes apportioned down to one-thousandth to each candidate; and fourth, provide that the Senate and House act if no candidate receives 40 percent of the votes. Under such circumstances the Senate and House together, by majority vote of both Houses, would choose the President and, by the same method, the Vice President.

Briefly, after the date of a Presidential election, the official election returns of each State would be forwarded to the President of the Senate. Early in January the votes would be counted and each person for whom votes were cast for President in each State and the District of Columbia would be credited with such proportion of the electoral votes as he received of the total popular vote cast by the voters for President. In computing the electoral vote, fractional numbers less than one-thousandth would be disregarded.

The person having the greatest aggregate number of electoral votes would be President if he had at least 40 percent of the total number of electoral votes.

Otherwise, from the persons having the two greatest numbers of electoral votes, the Senate and the House of Representatives, sitting in joint session, would choose the President immediately by ballot. A majority of the votes of the combined membership of the Senate and the House of Representatives would be necessary for election. The same procedure would be followed for the election of the Vice President.

This is a so-called proportional proposal under which the States and the District of Columbia would retain their electoral votes but the office of Presidential Elector would be abolished. Lists of the popular vote for all candidates in each State and the District of Columbia would be sent to the Congress as at present, and on January 6 the votes would be counted by Congress. Each State's electoral votes would then be divided among the candidates for President in proportion to their shares of the total popular vote within the State and within the District of Columbia. Computations would be carried to not less than one-thousandth. Total electoral votes thus computed would be determined and a candidate who received at least 40 percent of such votes would be elected President.

If no candidate received at least 40 percent of the whole number of electoral votes, or if two persons received an identical number of electoral votes which would be at least 40 percent of the whole number, then from the candidates having the two greatest numbers of electoral votes for President, the Senate and the House, sitting in joint session, would choose immediately by ballot, the President. A majority of the votes of the combined membership of the Senate and House would be necessary for a choice.

The Vice President would be elected in the same manner.

The proportional plan eliminates the unit-rule, the Office of the Elector, and contingent election in the House of Representatives with each State having one vote.

By retaining the electoral vote system, it retains State influence in Presidential elections. Dividing the electoral vote of a State in proportion to the popular vote therein won by each candidate would make the electoral system much closer to a direct, popular vote, and it would more accurately reflect the popular vote than the existing system.

The distortion built into the electoral vote system would remain, however, with the proportional plan, because each State would continue to have two electoral votes for its two U.S. Senators.

The plan would reduce the chances of electing a President with less than a majority of the popular vote, without eliminating entirely the political balances achieved with the electoral vote system.

Let me close by saying that I firmly believe that the proportional plan for distribution of electoral votes down to one-thousandth of a vote meets the aims of the proponents of direct popular election system, while at the same time, preserving the constitutional balance of the States by retention of the electoral votes. I urge the Senate's favorable consideration of my plan.

Mr. President, I ask unanimous consent that an editorial from the Las Vegas Sun, published on March 18, 1979, entitled "Nevada Power Base," be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Nevada Power Base

Sen. Howard Cannon has challenged the proposal for direct election of presidents.

Sen. Birch Bayh, D-Ind., has sponsored the constitutional amendment after 12 years of deep study.

We have received a letter from Senator Bayh supporting the elimination of the electoral college. He points out in the letter there is some opposition to the amendment and writes, "It is ironic that a good deal of this opposition has come from senators representing states with small populations. One of the clearest conclusions which has come from the Judiciary Committee's examination of the direct popular election proposal is that it is the smaller states which are most severely disadvantaged under the Electoral College system."

NO AID TO US

We studied all the material accompanying the letter and could find nothing of consequence to back up his contention that Nevada would benefit by elimination of the electoral college.

The mathematics are extremely simple: Nevada has more power under the electoral college system with three votes out of 535 than it does in a direct election where it will have 200,000 votes out of 81 million.

An even better example is available when comparing the last presidential election in California with the results in Nevada. California had more than 7.5 million votes cast and had 45 electoral votes while Nevada cast 0.2 million votes and had three electoral votes. Each Nevada electoral vote was matched by 15 California electoral votes while each actual vote cast in the voting both in Nevada was matched by more than 37 votes cast in California.

SUBSTITUTE DIVIDER

We understand that Senator Cannon will offer a substitute retaining the electoral college but dividing each state's electoral vote proportionally among candidates according to the popular vote each receives. This appears to be a fair approach to the entire matter.

In the meantime it is refreshing to see our senior U.S. senator protecting the small (in population) state he represents. Senator Cannon's action is a clear demonstration why it is so important that our Constitution allows each state to have equal power in the U.S. Senate.

It's obvious that the elimination of the electoral college will be to the advantage of the states with large populations and would destroy our present power base during a presidential campaign.●

ADDITIONAL COSPONSORS

S. 30

At the request of Mr. McClure, his name was added as a cosponsor of S. 30, to repeal section 11(b) of the Federal Reserve Act.

S. 43

At the request of Mr. Heinz, his name was added as a cosponsor of S. 43, a bill to provide for the issuance of a Federal charter to the National Ski Patrol System.

S. 220

At the request of Mr. Matsunaga, the Senator from North Dakota (Mr. Burdick), the Senator from West Virginia (Mr. Randolph), and the Senator from Montana (Mr. Melcher) were added as cosponsors of S. 220, providing for the inclusion of licensed practical nursing services under the medicare and medicaid programs.

S. 246

At the request of Mr. Bentsen, the Senator from South Dakota (Mr. Pressler) was added as a cosponsor of S. 246, to amend the Internal Revenue Code of 1954 to encourage greater individual savings.

S. 262

At the request of Mr. Robert C. Byrd, the Senator from North Dakota (Mr. Burdick) and the Senator from Delaware (Mr. Biden) were added as cosponsors of S. 262, the Reform Regulation Act of 1979.

S. 445

At the request of Mr. Percy, the Senator from Hawaii (Mr. Matsunaga), the Senator from Ohio (Mr. Metzenbaum), the Senator from Oregon (Mr. Hatfield), the Senator from South Dakota (Mr. Pressler), the Senator from Kentucky (Mr. Ford), the Senator from Michigan (Mr. Riegle), and the Senator from Delaware (Mr. Biden) were added as cosponsors of S. 445, the Regulatory Reform Act of 1979.

S. 446

At the request of Mr. Williams, the Senator from Massachusetts (Mr. Kennedy), the Senator from Oregon (Mr. Hatfield), and the Senator from New Mexico (Mr. Domenici) were added as cosponsors of S. 446, the Equal Employment Opportunity for the Handicapped Act of 1979.

S. 522

At the request of Mr. Bayh, the Senator from Nebraska, (Mr. Zorinsky), was added as a cosponsor of S. 522, the Judicial Council Amendments and Discipline Act of 1979.

S. 532

At the request of Mr. Pryor, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of S. 532, the Pension Policy Commission Act.

S. 555

At the request of Mr. Morgan, the Senator from Arizona (Mr. DeConcini) and the Senator from Oklahoma (Mr. Boren) were added as cosponsors of S. 555, a bill to amend the tax laws of the United States to encourage the preservation of independent local newspapers.

S. 594

At the request of Mr. McGovern, the Senator from Missouri (Mr. Eagleton) was added as a cosponsor of S. 594, the Radioactive Waste Management Act of 1979.

S. 623

At the request of Mr. Kennedy, the Senator from Michigan (Mr. Riegle) and the Senator from Montana (Mr. Baucus) were added as cosponsors of S. 623, a bill to provide for the public financing of general elections for the U.S. Senate and for other purposes.

S. 654

At the request of Mr. Goldwater, the Senator from Arkansas (Mr. Pryor) and the Senator from North Carolina (Mr. Helms) were added as cosponsors of S. 654, a bill to remove residency requirements and acreage limitations applicable to land subject to reclamation laws.

S. 669

At the request of Mr. Bayh, the Senator from Rhode Island, (Mr. Chafee), was added as a cosponsor of S. 669 on Industrially Funded Personnel.

S. 696

At the request of Mr. Javits, the Senator from Montana (Mr. Melcher) was added as a cosponsor of S. 696, the Marihuana Control Act of 1979.

S. 715

At the request of Mr. Bellmon, the Senator from New York (Mr. Javits) was added as a cosponsor of S. 715, a bill to allow State and local governments to collect State and local excise taxes on alcoholic beverages and tobacco products sold or consumed on military or other Federal reservations.

SENATE JOINT RESOLUTION 37

At the request of Mr. Sasser, the Senator from North Carolina (Mr. Morgan) was added as a cosponsor of Senate Joint Resolution 37, to authorize the President to proclaim May 1, 1979, as National Bicycling Day.

SENATE RESOLUTION 71

At the request of Mr. Talmadge, the Senator from Alaska (Mr. Stevens) was added as a cosponsor of Senate Resolution 71, relating to the importance of a strong and independent Department of Agriculture.

SENATE RESOLUTION 99

At the request of Mr. Cranston, the Senator from Massachusetts (Mr. Kennedy) and the Senator from Michigan (Mr. Riegle) were added as cosponsors of Senate Resolution 99, relating to the West German statute of limitations applicable to war crimes.

SENATE CONCURRENT RESOLUTION 10

At the request of Mr. Heinz, the Senator from North Carolina (Mr. Helms) was added as a cosponsor of Senate Concurrent Resolution 10, relating to the authorization of the red beret worn by the Army Airborne units.

AMENDMENT NO. 111

At the request of Mr. Dole, the Senator from Wyoming (Mr. Simpson) was added as a cosponsor of Amendment No. 111, proposed to H.R. 2534, an act to provide for a temporary increase in the public debt, and for other purposes.

SENATE RESOLUTION 112—SUBMISSION OF A RESOLUTION TO ESTABLISH A SELECT COMMITTEE ON PRESIDENTIAL FINANCIAL TRANSACTIONS

Mr. WEICKER (for himself, Mr. Baker, Mr. Stevens, and Mr. Dole) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. Res. 112

Resolved,

Section 1. (a) That there is hereby established a select committee of the Senate, which may be called, for convenience of expression, the Select Committee on Presidential Financial Transactions, to conduct an investigation and study of the extent, if any, to which illegal, improper, or unethical activities were engaged in by any persons, acting either individually or in combination with others, in the conduct of the Carter family businesses and financial activities related to them, and to determine whether in its judgment any occurrences which may be revealed by the investigation and study indicate the necessity or desirability of the enactment of new congressional legislation.

(b) The select committee created by this resolution shall consist of seven Members of the Senate, four of whom shall be appointed by the President of the Senate from the majority Members of the Senate upon the recommendation of the majority leader of the Senate, and three of whom shall be appointed by the President of the Senate from the minority Members of the Senate upon the recommendation of the minority leader of the Senate. For the purposes of paragraph 6 of rule XXV of the Standing Rules of the Senate, service of a Senator as a member, chairman, or vice chairman of the select committee shall not be taken into account.

(c) The select committee shall select a chairman and vice chairman from among its members, and adopt rules of procedure to govern its proceedings. The vice chairman shall preside over meetings of the select committee during the absence of the chairman, and discharge such other responsibilities as may be assigned to him by the select committee or the chairman. Vacancies in the membership of the select committee shall not affect the authority of the remaining members to execute the functions of the select committee and shall be filled in the same manner as original appointments to it are made.

(d) A majority of the members of the select committee shall constitute a quorum for the transaction of business, but the select committee may fix a lesser number as a quorum for the purpose of taking testimony or depositions.

Sec. 2. That the select committee is authorized and directed to do everything necessary or appropriate to make the investigation and study specified in section 1(a). Without abridging or limiting in any way the authority conferred upon the select committee by the preceding sentence, the Senate further expressly authorizes and directs the select committee to make a complete investigation and study of the activities of any and all persons or groups of persons or organizations of any kind which have any tendency to reveal the full facts in respect to the following matters or questions:

1. Bank loans and credit extension to the Carter family businesses and whether such loans and credit extension were in conformity with applicable federal laws and regulations and accepted banking practices.

2. Personal bank loans to the President prior to the 1976 Presidential election and whether such loans were made and used in conformity with applicable federal banking and election campaign laws and regulations.

3. The investigations and audits of any matters set forth in paragraphs 1 and 2 by the Securities and Exchange Commission, the Comptroller of the Currency, the Internal Revenue Service, the Department of Justice, and the Federal Elections Commission and whether such investigations were conducted to the fullest extent under the law.

Sec. 3. (a) To enable the select committee to make the investigation and study authorized and directed by this resolution, the Senate hereby empowers the select committee as an agency of the Senate (1) to employ and fix the compensation of such clerical, investigatory, legal, technical, and other assistants as it deems necessary or appropriate; (2) to sit and act at any time or place during sessions, recesses, and adjournment periods of the Senate; (3) to hold hearings for taking testimony on oath or to receive documentary or physical evidence relating to the matters and questions it is authorized to investigate or study; (4) to require by subpena or otherwise the attendance as witnesses of any persons who the select committee believes have knowledge or information concerning any of the matters or questions it is authorized to investigate and study; (5) to require by subpena or order, any department, agency, officer, or employee of the executive branch of the United States Government, or any private person, firm, or corporation, or any officer or former officer or employee of any political committee or organization to produce for its consideration or for use as evidence in its investigation and study any books, checks, canceled checks, correspondence, communications, document, papers, physical evidence, records, recordings, tapes, or materials relating to any of the matters or questions it is authorized to investigate and study which they or any of them may have in their custody or under their control; (6) to make to the Senate any recommendations it deems appropriate in respect to the willful failure or refusal of any person to appear before it in obedience to a subpena or order, or in respect to the willful failure or refusal of any person to answer questions or give testimony in his character as a witness during his appearance before it; or in respect to the willful failure or refusal of any officer or employee of the executive branch of the United States Government or any person, firm, or corporation, or any officer or former officer or employee of any political committee or organization, to produce before the committee any books, checks, canceled checks, correspondence, communications, document, financial record, papers, physical evidence, records, recordings, tapes, or materials in obedience to any subpenas or order;

(7) to take depositions and other testimony on oath anywhere within the United States or in any other country; (8) to procure the temporary or intermittent services of individual consultants, or organizations thereof, in the same manner and under the same conditions as a standing committee of the Senate may procure such services under section 202(1) of the Legislative Reorganization Act of 1946; (9) to use on a reimbursable basis, with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, the services of personnel of any such department or agency; (10) to use on a reimbursable basis or otherwise with the prior consent of the chairman of any other of the Senate committees or the chairman of any subcommittee of any committee of the Senate the facilities or services of any members of the staffs of such other Senate committees or any subcommittees of such other Senate committees whenever the select committee or its chairman deems that such action is necessary or appropriate to enable the select committee to make the investigation and study authorized and directed by this resolution; (11) to have access through the agency of any members of the select committee, chief majority counsel, minority counsel, or any of its investigatory assistants jointly designated by the chairman and the ranking minority member to any data, evidence, information, report, analysis or document or papers relating to any of the matters or questions which it is authorized and directed to investigate and study in the custody or under the control of any department, agency, officer, or employee of the executive branch of the United States Government having the power under the laws of the United States to investigate any alleged criminal activities or to prosecute persons charged with crimes against the United States which will aid the select committee to prepare for or conduct the investigation and study authorized and directed by this resolution; and (12) to expend to the extent it determines necessary or appropriate any moneys made available to it by the Senate to perform the duties and exercise the powers conferred upon it by this rsolution and to make the investigation and study it is authorized by this resolution to make.

(b) Subpenas may be issued by the select committee acting through the chairman or any other member designated by him, and may be served by any person designated by such chairman or other member anywhere within the borders of the United States. The chairman of the select committee, or any other member thereof, is hereby authorized to administer oaths to any witnesses appearing before the committee.

(c) In preparing for or conducting the investigation and study authorized and directed by this resolution, the select committee shall be empowered to exercise the powers conferred upon committees of the Senate by section 6002 of title 18 of the United States Code or any other Act of Congress regulating the granting of immunity to witnesses.

Sec. 4. The select committee shall make a final report of the results of the investigation and study conducted by it pursuant to this resolution, together with its findings and its recommendations, to the Senate at the earliest practicable date, but no later than November 30, 1979. The select committee may also submit to the Senate such interim reports as it considers appropriate. After submission of its final report, the select committee shall have one calendar month to close its affairs, and on the expiration of such calendar month shall cease to exist.

Sec. 5. The expenses of the select committee through November 30, 1979, under this resolution shall not exceed $500,000, of which amount not to exceed $25,000 shall be available for the procurement of the services of individual consultants or organizations thereof. Such expenses shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the select committee. The minority members of the select committee shall have one-third of the professional staff of the select committee (including a minority counsel) and such part of the clerical staff as may be adequate.

● Mr. WEICKER. Mr. President, today I am submitting a resolution creating the Senate Select Committee on Presidential Financial Transactions, to investigate the Carter family businesses and related financial matters.

I undertake this effort to reaffirm the principle that in this Nation, we have one standard of justice which is beyond political or partisan approach.

No technicality in the law should stand in the way of a full and complete investigation of this matter to the satisfaction of the Senate and the American people.●

AMENDMENTS SUBMITTED FOR PRINTING

TEMPORARY EXTENSION OF COUNTERVAILING DUTY WAIVER AUTHORITY—H.R. 1147

AMENDMENT NO. 115

(Ordered to be printed and to lie on the table.)

Mr. DOLE (for himself, Mr. Harry F. Byrd, Jr., Mr. Zorinsky, Mr. Armstrong, Mr. Bellmon, Mr. Exon, Mr. Ford, Mr. Helms, Mr. Jepsen, Mr. Lugar, Mr. McClure, Mr. Melcher, and Mr. Wallop) submitted an amendment intended to be proposed by them, jointly, to H.R. 1147, an act to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of the countervailing duties.

TEMPORARY EXTENSION OF THE PUBLIC DEBT LIMIT—H.R. 2534

AMENDMENT NO. 116

(Ordered to be printed.)

Mr. LONG (for himself, Mr. Bellmon, Mr. Nunn, Mr. Ford, Mr. Exon, Mr. Packwood, Mr. Magnuson, Mr. Muskie, Mr. Robert C. Byrd, Mr. Cranston, Mr. Bumpers, Mr. Hart, Mr. Bentsen, Mr. Stewart, Mr. Chiles, and Mr. Nelson) proposed an amendment to H.R. 2534, an act to provide a temporary increase in the public debt, and for other purposes.

AMENDMENT NO. 117

(Ordered to be printed.)

Mr. DOLE proposed an amendment to H.R. 2534, supra.

NOTICES OF HEARINGS

SUBCOMMITTEE ON FEDERAL SPENDING PRACTICES AND OPEN GOVERNMENT

● Mr. CHILES. Mr. President, I wish to announce that the Subcommittee on Federal Spending Practices and Open Government will be spending 1 day of hearings on S. 5, the Federal Acquisition Reform Act. This legislation is to provide policies, methods and criteria for the acquisition of property and services by executive agencies. The hearing will be on Monday, March 26, 1979, at 10:30 a.m., in room 1114 of the Dirksen Senate Office Building. This hearing replaces the one which was scheduled for Tuesday, March 13, 1979, and was canceled.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public that the Senate Committee on Energy and Natural Resources will hold a hearing on the informal system of worldwide allocation of crude oil supplies which is currently being implemented by international oil companies under the aegis of the International Energy Agency.

The hearing will be held on March 21, 1979, at 10 a.m., in room 3110 of the Dirksen Senate Office Building.

Testimony will be received from the Department of Energy concerning the current free world crude oil supply situation, the meeting of the IEA Board of Governors on March 1-2, 1979, and the data collection and price/supply monitoring system utilized by DOE. Representative U.S. oil companies will be invited to testify regarding the workings of the industry's allocation program that is distributing available crude oil and products among the 20 participating members of the IEA.

The committee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the Record. Statements submitted for inclusion in the Record should be typewritten, not more than 25 double-spaced pages in length, and mailed with 5 copies by April 6, 1979, to George Dowd, counsel, Committee on Energy and Natural Resources, room 3106, Dirksen Senate Office Building, Washington, D.C. 20510.●

HEARINGS ON SENATE JOINT RESOLUTION 28, DIRECT ELECTION OF THE PRESIDENT AND VICE PRESIDENT

● Mr. BAYH. Mr. President, the Committee on the Judiciary has rescheduled hearings on Senate Joint Resolution 28, proposing a constitutional amendment for the election of the President and Vice President. The hearings are presently scheduled for Tuesday, March 27, 1979, at 2 p.m. in room 235, Russell Senate Office Building; Friday, March 30, 1979, at 9 a.m. in room 457, Russell Senate Office Building; Tuesday, April 3, 1979, at 2 p.m. in room 2228, Dirksen Senate Office Building; and Tuesday, April 9, 1979, at 9:3 a.m., in room 318, Russell Senate Office Building.

Any persons wishing to submit written statements for the hearing record should send them to Marcia Atcheson, Subcommittee on the Constitution, suite 102–B, Russell Senate Office Building, Washington, D.C. 20510.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, the Committee on Energy and Natural Resources will hold a hearing on Tuesday, March 27, 1979, at 2 p.m., room 3110, Dirken Senate Office Building, to take testimony on the Standard Oil Co. of Ohio (Sohio) proposal to build a crude oil pipeline from Long Beach, Calif., to Midland, Tex.

Witnesses will appear by invitation only. The following have been invited to attend:

Hon. Cecil Andrus, Secretary of the Interior; Hon. James R. Schlesinger, Secretary of Energy; Hon. Edmund G. Brown, Governor of California; Mr. Alton Whitehouse, chairman of the board, Standard Oil Co. of Ohio.

Questions concerning the hearing should be addressed to Elizabeth A. Moler, staff counsel, at 224–0611.●

SUBCOMMITTEE ON PARKS, RECREATION, AND RENEWABLE RESOURCES

● Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a field hearing before the Subcommittee on Parks, Recreation, and Renewable Resources.

The hearing is scheduled for Monday, April 2, beginning at 9:30 a.m. in the Spalding Conference Room, Lewis and Clark State College, Lewiston, Idaho. Testimony will be heard on S. 95, 96, and 97, the Idaho primitive wilderness proposals. The subcommittee will conduct additional field hearings on these proposals in Idaho later this spring.

For further information regarding the hearing, please contact Mr. Tom Wiliams at 224–7145.

Those wishing to submit a written statement for the record should write to the Subcommittee on Parks, Recreation, and Renewable Resources, 3106 Dirksen Senate Office Building, Washington, D.C. 20510.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, March 27, 1979, to hold oversight hearings on the Sohio pipeline.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to consider S. 14, a bill relating to Federal reclamation laws.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON RURAL DEVELOPMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Rural Development Subcommittee of the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Monday, April 2, 1979, beginning at 1 p.m., to hold a hearing on rural development oversight.

The PRESIDING OFFICER. Without objection, it is so orderd.

ADDITIONAL STATEMENTS

PRESIDENT CARTER IN THE MIDDLE EAST

● Mr. BUMPERS. Mr. President, President Carter, through his personal intervention in Middle East negotiations, has courageously advanced the cause of peace. As many pundits have said in recent days, we demand personal diplomacy, but we are not prepared to accept the risks. President Carter's willingness to accept the risk was the catalyst that made the Middle East Peace Treaty a reality.

An article by Terence Smith in yesterday's New York Times, describes the President's mission, and I ask that this article be printed in the Record.

The article follows:

WINNING TRUST WAS CARTER'S PRINCIPAL AIM, AND HE DID IT

(By Terence Smith)

Washington.—In many ways, it was reminiscent of his campaign for the Presidency. Not just because of the hectic schedule, the crowds, the motorcades and the other trappings. It was more than that.

Jimmy Carter's mission to the Middle East reflected the same kind of "born-again" confidence, the same sense of personal mission that put him in the White House in the first place. He also went about it with the same part-preacher, part-riverboat gambler approach he used in defying the odds in 1976.

The very fact that Mr. Carter pressed ahead with his journey in the face of conventional wisdom reveals a great deal about his personality. Another President, especially one more experienced in foreign affairs, probably would not have risked the trip in the first place. He would have weighed the strategic consequences of failure, the political cost, the damage to his already shaky reputation as a leader, and decided against it.

No doubt Mr. Carter considered all these things on March 3, the day his aides say he first discussed the idea with them. At that point, the drive towards an Egyptian-Israeli peace was dead in the water. Israeli Prime Minister Menachem Begin was across the street in Blair House holding to his stated positions and Egyptian President Anwar el-Sadat was in Cairo, unwilling to come to Washington for further talks until he saw some sign of Israeli moderation.

Some sort of dramatic move was required to prevent the peace process from unraveling altogether, Mr. Carter argued, a grand gesture that either would succeed in overcoming the last obstacles or, if it failed, demonstrate to the world that the United States had gone the extra mile in its role as matchmaker. The President's top advisers were divided in their reactions to the idea. Vice President Mondale was frankly concerned that Mr. Carter would be going into a "poisoned atmosphere" with little or no prospect of success, and Jody Powell, the press secretary, warned that there was no way to control the leaks and conflicting accounts that would come out of such a situation, as there had been in the seclusion of Camp David last fall. But Zbigniew Brzezinski, the National Security Adviser, and Hamilton Jordan, the President's top political aide, liked the idea. They felt that the drama of a Presidential visit to the area might well jolt the parties out of their entrenched positions. In fact, that turned out to be the case. The greatest single pressure on the Israeli Government to reach the concessions it finally did reach was the presence of the American President sitting in the King David Hotel in Jerusalem waiting for them to move.

Another, important ingredient in Mr. Carter's decision and the outcome was his absolute confidence in his own ability to convince others of his point of view when he is given the opportunity to do it in person. This characteristic is common to successful politicians the world over—to say nothing of fundamentalist preachers and insurance salesmen—but it is especially striking in Jimmy Carter. Regardless of the issue, regardless of the adversary, he seems absolutely certain that if he can just get someone to listen—preferably one-on-one—he can persuade them of the wisdom of his argument.

He wanted to try his hand with both parties in the Middle East, his aides say, but especially with the Israelis. "He knew that a lot of distrust and concern had built up in Israel about himself and his Administration," a top Carter strategist said later. "We felt certain that if he could talk directly to the Israeli Cabinet, the Knesset and to the Israeli people, he could dispel a lot of that in person. In his breakfast meeting with the Cabinet last Monday, his televised address to the Knesset and his luncheon with the members of the key Defense and Foreign Affairs Committee, he clearly persuaded many members of his sincerity and goodwill towards Israel. "We came away feeling this was an honest man who meant what he said," one previously skeptical committee member said after their luncheon. Given the prevailing Israeli attitude toward this Southern Baptist whose first important move in the Middle East was to sell high-performance jet planes to the Arabs, that was no mean accomplishment.

The personal chemistry between Mr. Carter and the Israeli and Egyptian leaders also contributed to the success of his mission. His relationship with each is quite different, but there seem to be elements of mutual trust and confidence with both. And unlike his frequently strained personal relations with European leaders such as West German Chancellor Helmut Schmidt, where he finds himself dealing with relative peers, he occupies the clearly dominant position when talking to the Middle East leaders.

With Anwar Sadat, Jimmy Carter has an obvious rapport. "They really are friends," a Carter confidant observed the other day. "They talk easily and naturally about personal things as well as political." With Mr. Begin, on the other hand, the President has frequently been exasperated by the Prime Minister's rigidity and his lengthy perorations about Jewish history. Aides report that the two men respect each other's political skills, are unfailingly courteous with each other and have often laughed together. But they concede that they have had their difficult moments as well.

Mr. Carter used varied personal diplomatic techniques during the six-day journey, ranging from flattery with Mr. Sadat to the veiled threat to the Israeli Cabinet last Monday that he was prepared to go home emptyhanded if no further compromises were forthcoming. Although Mr. Carter left it unsaid, the Cabinet members were in little doubt who would get the lion's share of the blame for a breakdown.

In the end, however, the crucial factor seemed to be the President's success in getting both sides to trust him. His promises of economic assistance, for example, had to be taken on faith since they will not be included in the terms of the treaty.

"We trust Carter," read some of the hand-lettered banners stretched over the streets of Alexandria. And that was a large part of it.●

UNTIE THE CIA'S HANDS

● Mr. GOLDWATER. Mr. President, with each succeeding international crisis affecting the United States, we see the growing need for a strong and effective intelligence community. In fact, there has never been a time when foreign intelligence was more important to the strategic interests and future well-being of the United States. We are presently paying a bitter price for the incessant and ill-advised sniping at and downgrading of the Central Intelligence Agency. I am not saying that some of our covert activities in the past were not ill advised; what I am saying is that the mistakes of the past are no reason for the virtual destruction of this Nation's intelligence capabilities.

Mr. President, recently the Arizona Republic published an important editorial on this subject entitled "Untie the CIA's Hands." The editorial starts off with a question, "Where is the Central Intelligence Agency now that we need it?" I am moved to ask the same question. Because of its importance, I submit the editorial for printing in the Record.

The editorial is as follows:

Untie the CIA's Hands

Where is the Central Intelligence Agency now that we need it?

Rarely have we needed it more in both North Yemen and Afghanistan, but the CIA cannot be found. The reason is congressional overkill.

No one can dispute the fact that several of the agency's covert operations were misguided, to say the least.

However, there is such a thing as throwing out the baby with the bath. Granting the validity of many of the criticisms that have been made of the CIA's covert operations, the fact remains that we must, at times, engage in such operations, because the communists do.

Thanks to Congress we can't.

Cuba and East Germany for years have been training South Yemen's army and police, while Soviet Russia has been supplying them with sophisticated weaponry. The CIA should have been doing the same for North Yemen. Thanks to Congress, it didn't.

Now look at what is happening.

After South Yemen invaded North Yemen, President Carter belatedly announced that he was sending North Yemen arms. One might have imagined North Yemen and Saudi Arabia, which will stand in deadly peril if South Yemen overruns North Yemen, to welcome this move. They didn't and for good reason.

On the very same day, the Kuwaiti newspaper *Al Seyassa* reported that 2,700 Cuban troops and 300 Soviet advisers had been flown into South Yemen from Ethiopia to augment the Soviet-bloc forces already there.

To North Yemen and Saudi Arabia, it seemed that Carter's move had merely given Cuba and Soviet Russia an excuse for increasing their forces.

Afghanistan is made-to-order for a CIA covert operation. A Marxist group seized power there last year with Soviet help.

The countryside has risen in revolt against the Marxist rulers. Pakistan is helping the rebels. The United States isn't because the CIA's hands are tied.

Carter has enunciated the policy that we will not meddle in another nation's internal affairs. This is a defensible policy only if Soviet Russia and its satellites keep hands off, too

There are times when we must intervene in a nation's affairs. That means we must untie the CIA's hands.●

WALTER M. MAYER

● Mr. JACKSON. Mr. President, Walter M. Mayer of Santa Fe, N. Mex., who died on February 20, 1979, was an informed public citizen who, for the benefit of the Nation, dedicated himself in his later years to public service. He was a citizen who gave serious thought to the Nation's pending energy problems long before the OPEC embargo in 1973, and in several letters to the Federal Energy Administration, he carefully laid out his thoughts on the importance of energy conservation correctly pointing out that energy conservation would provide a major cost-effective and near-term supply of energy.

More importantly, Walter Mayer diligently sought out numerous energy conservation devices and, at his own expense, traveled from his home in Santa Fe, N. Mex., to Washington, D.C., to discuss with administration officials and Members of Congress the importance of these energy saving devices. He brought to my attention and the administration's attention, the importance of such simple devices as air deflectors for trucks. The air deflector is one of the most successful of an array of devices developed since the embargo to reduce fuel consumption in the Nation's fleet of trucks which burned 10.1 billion gallons of fuel last year. Prior to his presentation to the Department of Energy, the administration had not realized that this device alone can produce a 10-percent fuel saving, and, as a result of his work, the Deputy Secretary of the Department of Energy phoned Mr. Mayer to personally thank him for drawing his attention to the air deflector and other devices.

During the Congress discussions of the National Energy Act, much attention was focused on not only the energy wasted by the Nation but also the energy wasted by the Federal Government. During that debate, Mr. Mayer in letters to the Committee on Energy and Natural Resources and in personal discussions with me documented the inefficiency of the Federal Government's motor vehicle fleet. He recommended a more energy efficient system for managing the Federal fleet based on smaller, more efficient passenger vehicles, a rapid introduction of energy saving equipment on trucks, carpooling Federal employees, and many other initiatives which are now becoming more standard Government practices. He strongly promoted the idea that the Federal Government must set an example for the rest of the Nation on the efficient use of energy.●

SENATOR LEAHY ON AMTRAK CUTBACKS

● Mr. SCHMITT. Mr. President, the distinguished Senator from Vermont (Mr. LEAHY) recently testified before the Commerce Committee on the proposal by the Department of Transportation to drastically cut Amtrak routes throughout the United States.

His testimony presents such a forceful case for congressional disapproval of the DOT proposal that I thought the other Members of this body should have an opportunity to read his remarks. I ask that Senator LEAHY'S statement be printed in full in the RECORD.

The statement follows:

STATEMENT BY SENATOR LEAHY

Mr. Chairman and members of the committee, I appreciate this opportunity to appear before you on what I consider one of the most crucial issues before the Congress today. Congress' deliberations on this year's Amtrak's authorization bill and our decision to accept or reject DOT's proposed basic route structure for Amtrak will determine what role rail passenger service will play in meeting this country's intercity transportation needs not only for next year, but for the next decade and indeed the next generation.

I believe that rail passenger service will prove to be one of the key components of this country's transportation system in the near future. It can be the efficient, economical and dependable service which will attract and retain users. It is the most energy efficient mode of transportation available. The daily changes of our present makes it impossible to adequately predict the future, but from what we do know and what we can assume, rail passenger service can be a winner. It isn't now and it is not my intention to pretend otherwise. Amtrak has not accomplished all that was hoped for when it was created in 1971. But then, a sincere commitment to rail passenger service has also not been supported either in the agencies or in Congress.

I do not want to defend wanton federal spending or unnecessary $100 million programs. However, we cannot abrogate our responsibilities while we examine our expenditures. We cannot be so shortsighted as to fail to realize that the short-term solution of a lower federal subsidy this year, might well be saddling our children's generation with much more serious, and expensive, transportation problems in the future.

The Amtrak subsidy must also be considered against the federal subsidies other transportation modes receive. For example, we do not know how expensive an airplane ticket would be if it included the cost of FAA air comptrollers, the cost of operating the airports themselves, and the other federal largess which is absolutely crucial to the air industry's survival, but is never listed as a budget line subsidy item. I understand that a report on these costs for all transportation modes is being prepared and should be available in about 1 month. I for one, will be most interested in reading that report and urge all my colleagues to do the same.

Last year the Congress instructed DOT to recommend "an optimal intercity railroad passenger system * * *". A procedure was developed for a preliminary report, public hearings and then a final recommendation. Nowhere in these congressional deliberations was DOT told that the Congress wanted the system to meet a specific cost requirement. No dollars were discussed, no minimums, no maximums. The instruction was clear—DOT was to design the optimal system.

Somewhere along the way things got confused.

Instead of responding to this congressional instruction, DOT, in cahoots with the Office of Management and Budget, arbitrarily selected a figure, $552 million in operating subsidy, and designed a national rail passenger system within that figure. This is not only unresponsive to the congressional request, it raised serious political and legal questions as well.

Congress, not the Executive, is responsible for creating national policy. Elected officials, not anonymous bureaucrats or political appointees, were entrusted with this task, because we have a direct responsibility to the people of this nation, our constituents. This is a basic, constitutional requirement. It is not to be ignored, bypassed, or forgotten.

However, this DOT plan represents an Executive power play designed to usurp the constitutional delegation and separation of power. Make no mistake, when DOT and OMB decided how much they would spend on an Amtrak system, they were declaring national policy. In addition, once they decided which trains will run and which will not, not only have they decided how much we the Congress will spend on Amtrak next year, they are attempting to dictate a national transportation policy which will have a direct impact on our lives and the lives of our children well into the next century.

By reducing Amtrak by 43 percent, by allowing over 10,000 miles of usable track to quickly deteriorate to a stage where future use becomes economically prohibitive, by raiding Amtrak's capital account for nearly $100 million to cover labor protection costs, and by making false and empty promises to have new lines ready to replace the existing lines they have decided to terminate, DOT is attempting one of the biggest political fast shuffles I have witnessed in years.

The transportation needs of our country, although not a politically exciting project, is crucial to shaping the future. Although we know it works sort-of-sometimes, rail passenger service has never been truly tested. Every other developed country has made a commitment in time, money, and priority which puts our efforts to shame. It is clear that DOT's proposal, if it is accepted by the Congress, will eliminate rail passenger service as a major component in meeting our present and future transportation needs. That is a big decision. And I believe it is one too big for DOT to make through administrative fiat.

When Congress instructed DOT to recommend the optimal railroad passenger system, we asked that the route structure be based upon current and future market and population requirements. In addition, the Secretary of DOT was told to consider—

First, any unique characteristics and advantages of rail service as compared to other modes of transportation;

Second, the role that Rail passenger service can play in helping meet the nation's transportation needs while furthering national energy conservation efforts;

Third, the relationship of benefits of given services to the costs of providing such services, computing the costs in loss or profit per passenger mile rather than total loss or profit per route;

Fourth, the transportation needs of areas lacking adequate alternative forms of transportation; and

Fifth, frequent alternatives and the impact of such alternatives on ridership, revenues, and expenses of rail passenger service.

I have read the DOT preliminary report. I have read the contradictory final report. I do not believe the agency has fulfilled the congressional mandate.

The Department of Transportation is foisting this proposal on our country at a time when the call for cutting the budget is popular and easy. Cutting the budget is politically expedient, but not always sensible. DOT is taking advantage of this money-conscious mood and using it as a smokescreen to cripple our national passenger rail system.

By now we are also acutely aware of our responsibility to cut the budget, because our constituents demand lower taxes and inflation is fueled by government spending. Passenger rail systems are an easy target, but will we save money in the long run if we show a quick reduction in costs now?

I would like to elaborate on three points of economy with regard to the transportation study of Amtrak.

If 43 percent of the lines are abandoned as proposed by the agency, those tracks will deteriorate rapidly and become irreparable.

The Department of Transportation recommends that a number of new lines be added, and estimates of contract costs paid to private railroads for this run as high as $100 million, and yet DOT has allocated only $10 million.

Labor contracts for existing lines set for nonrenewal contain labor protection clauses which will cost an estimated $69 million out of Amtrak capital expenditures next year alone and may total nearly $100 million within 4 years.

Besides the folly in false economics and poor policy, I have to admit to a personal gripe with the Transportation Department. The DOT proposed Amtrak route structure calls for the termination of the only passenger rail system to northern and central New

England. That train, the Montrealer, is Vermont's only passenger rail line.

While I have obvious parochial interests in keeping my state's only train I believe the story of the Montrealer and how it was treated in the DOT study highlights general problems with the study in addition to less than equitable treatment for those people who rely on the Montrealer.

Secretary Adams has stated publicly that the Montrealer and the Southern Crescent were the last two trains left out of the recommended system. In fact, in the Department's preliminary report last May, the Montrealer was recommended for continuation. Subsequent to that May Report and in conformance with Congressional instructions, the Rail Service Planning Office of the ICC held public hearings on the proposed route system. Again, pursuant to Congressional intent, affected areas were allowed to be heard. There were no public hearings in Vermont. Neither I nor any other federal or state official was notified or consulted. No attempt was made to either mitigate the train's expenses or determine its impact and popularity in the region.

We had no idea that the Montrealer was in jeopardy until a few days before the Secretary announced his plan at a press conference and submitted it to the Congress thus triggering the approval period and freezing the plan from any modifications.

The Montrealer was one of if not the last train left out of the system because it's a darn good train. In fact, based on many of the technical criteria DOT used to rate trains, the Montrealer is superior to many of the trains DOT recommended for continuation.

If the train was such a good performer I began to wonder why DOT wanted to scrap it.

My investigations turned up a startling fact—DOT used a methodology for evaluating the Montrealer which was both inappropriate and inaccurate.

What DOT has proposed in the final plan is the elimination of the Montrealer service north of Springfield, Massachusetts. What they evaluated in their study was the costs and benefits of eliminating the entire route.

Based on this faulty methodology, DOT could not possibly have had any conception of the cost impacts of their proposed action.

Lacking this essential information, my staff conducted extensive research, and their findings produced revealing results which I will only mention briefly here.

The fact is that in FY 78, the incremental direct operating costs of the Montrealer north of Springfield were equal to or less than the incremental revenues. That is, comparing direct out of pocket costs with revenues, the train may have operated at a surplus north of Springfield.

Furthermore, by continuing past Springfield, the loss per passenger mile of the entire route was more than cut in half. If the train had actually stopped in Springfield, as DOT now proposes, the loss per passenger mile for the route would have soared from 15 cents, to an outrageous 34 cents per passenger mile.

I could go on and on with similar statistics. But the point is that DOT made no attempt to break out the costs and revenues north and south of Springfield, and as a result, they proposed the elimination of service along the most profitable Montrealer's route. I would like to submit the Montrealer performance charts for the record.

Revenue alone was up 27% north of Springfield in 1978, and it was up another 21% already in the first two months of FY 79. The fact is that ridership north of Springfield is growing faster than on any route in the entire Amtrak system.

In the face of overwhelming evidence that the Montrealer is thriving north of Springfield, I was and am outraged by DOT's proposal to abandon this service. What is more, the excellent cost performance I briefly summarized was achieved despite the excessive costs of operating the train in Canada, and without accounting for the positive impact of continued ridership and revenue gains.

To add insult to injury, DOT recommended terminating the Montrealer without benefit of public hearings or an opportunity for the trains supporters to present evidence on its need and use. DOT also failed to make any effort to analyze the Montrealer's expenses to determine if the train's performance could be improved. This is especially significant when you consider, for example, the inflated Montreal terminal, Canadian customs and immigration, and Canadian National contracts. All are obviously bad deals which might have been renegotiated.

The analysis and effort I would have expected DOT to give the Montrealer is not out of line with some of the efforts DOT made to justify some of the trains recommended in the system. DOT has kept trains by projecting and assuming improved performance based on line consolidations and improving service with Amfleet and Superliner cars.

In effect, they have weighed assumption and conjecture against the Montrealer's demonstrated performance, and have ruled in favor of conjecture.

This entire situation has disturbed me and my fellow Vermonters. I met with Secretary Adams last week and after that meeting I remained disturbed. My staff met with DOT personnel to go over the Montrealer figures for over three hours last Friday and after that meeting I still remain disturbed. The Montrealer got a bad deal from DOT. New England and Vermont got a bad deal. I remain disturbed.

It is too late, of course for DOT to correct its error. At my meeting with Secretary Adams last week one DOT official suggested that since no hearings or notice was provided for the Montrealer and if DOT's figures turned out to be wrong, the Department might apologize. Well I for one don't want DOT's apology—I want the Montrealer.

Therefore I urge this committee to include specific authorization provisions which will expand the proposed Amtrak route structure to include proven winners such as the Montrealer. I know this committee wishes to avoid the potential "Christmas tree" problem of adding specific trains to the system because of political pleas or pressure. I share your concern, but I believe there is a way to improve on DOT's recommended structure and not open a Pandora's Box. Add trains based on their performance records. Authorize the funds to be available on a priority basis and insure that it is a substantive standard of performance which determines which trains will be added.

Please do not allow DOT's truncated system to close down viable railroad lines this year when all the evidence points to our need for them in the future.

I would also like to share with the committee a letter which was sent to DOT this morning. This letter, signed by 10 of the 12 New England Senators, calls upon DOT to supply the figures and detailed justification which went into their decision to propose terminating the Montrealer.

Vermonters fought hard to get the Montrealer running in 1972. We fought hard in 1975 when an effort was initiated to cut the line. We have shown it has the support and use necessary to justify its expenses.

DOT ignored everything favorable to the Montrealer. They denied our right to a public hearing. They juggled their own criteria to add trains less profitable than the Montrealer and then they presented their "deal" in a manner which they believe locks in their position. Well, I'm only a single Senator, but I intend to fight this one right down to the last bell.●

SECTION 202 LOAN PROGRAM

● Mr. METZENBAUM. Mr. President, even in a time of fiscal restraint such as the one we are now facing, there are certain programs that deserve to be fully authorized and funded, because they serve a demonstrated national need efficiently and effectively. Section 202 is exactly that kind of program.

I recently cosponsored a bill introduced by Senator WILLIAMS, S. 593, to reauthorize the section 202 loan program over the next 3 years at the present level of 22,000 units, because it serves a very special need—to provide low-income housing to the elderly and the handicapped. This program becomes especially significant, because most of the other federally assisted housing programs in fiscal year 1980 are expected to require construction of family units, thus leaving fewer funds to provide elderly and handicapped housing. We must do everything possible to prevent construction of new elderly units under section 202 from dropping as well.

We have seen a steep decline in recent years in the number of units built under this program, not because of a dramatic drop in the dollars allocated, but because the dollars simply do not go as far in a period of double-digit inflation. In fiscal year 1976, we authorized a reservation to build 27,000 units, a figure which dropped to an estimated 22,000 units in the current fiscal year 1979. Now the administration, in its effort to keep a tight budget, is proposing that the same amount of funds—$800 million—that we had in fiscal year 1979 be authorized for fiscal year 1980. Unfortunately, that will allow the construction of only 19,000 units. That is hardly enough to meet the drastic need that we have all across the country for elderly housing. According to an August 1978 study on housing for the elderly in Cuyahoga County, Ohio, sponsored by the Council on Elderly Persons of the Federation for Community Planning, the Cuyahoga Metropolitan Housing Authority showed 2,122 elderly persons on the waiting list for public housing. The figures for privately owned, subsidized housing for the elderly indicated that all but 3 of the 29 complexes on the program had waiting lists ranging from 100 to 900 applicants. It should also be noted that the study found that the turnover rate in the more desirable, suburban units was considerably less than in the central city.

Mr. President, this bill, which I am cosponsoring, serves a number of other objectives, as it meets the housing needs of our senior and handicapped citizens.

First, it is designed to encourage nonprofit organizations, such as church and labor groups, to get involved in their communities to act as sponsors for such worthwhile projects. In fact, section 3 authorizes special funds to assist minorities who are not familiar with the complicated Federal rules in applying for these funds. This program also promotes the objective of stabilizing and upgrading the neighborhoods in which this housing is located by providing housing for citizens who are being displaced and in some cases utilizing cost-effective rehabilitation. Finally, this program has been shown to serve both urban and rural communities.

Elderly and handicapped housing is needed, and the demand is increasing at a steep rate. We cannot turn our backs on such a worthwhile program. This program—and the people it so effectively serves—needs our support.●

GOVERNMENTAL INTERVENTION IN INTERNATIONAL INVESTMENT FLOWS

● Mr. JAVITS. Mr. President, this country is in the waning hours of crucial negotiations aimed at reforming and harmonizing the rules for international trade. Also, we have been, for several years now, actively involved in multilateral efforts to reform the structure and operations of the international monetary system. While neither of these efforts may yield the solutions that we all had hoped for, it is in my estimation time to direct our attention to another crucial area of international cooperation essential to the smooth operation of the world economy.

I am speaking of the problem of Government involvement in international investment flows. The issue has been with us for many years but has recently surfaced as one of the more egregious manifestations of the general trend toward increased Government intervention in the world economy. Indeed, it is anomalous that as the "third leg" of a stable world economy, international investment has not been accorded the treatment at the Government level as have the trade and monetary areas.

The United States has traditionally taken a neutral approach to international investment in the belief that Government should neither promote nor discourage inward or outward investment flows or activities. In particular, the United States has eschewed on the Federal level the use of special incentives to encourage such investment. Unfortunately, recent events have indicated that foreign governments are increasingly resorting to such policies in order to assist specific industries or regions. A number of these practices, such as the recent Canadian offer of $68 million to the Ford Motor Co. to direct an investment project to Canada instead of the United States, have had the effect of simply redistributing existing investment and do no more than export one country's problems to another.

An incisive editorial on this subject entitled "Setting Rules for Investment" appeared in the March 16 edition of the Journal of Commerce. The editors, in my judgment, correctly call for a series of major international agreements to govern the international investment process. The administration has not been unaware of this problem; and the editorial to which I refer highlights remarks by Assistant Secretary of the Treasury C. Fred Bergsten, who has addressed the problem and the multilateral efforts which are, or could be, taken to control this practice. Among these are initiatives within the OECD to limit official Government incentives and disincentives. Also, I believe the IMF and the World Bank are actively involved in such consideration.

Mr. President, I commend this article to the attention of my colleagues and submit for printing in the RECORD.

The article follows:

SETTING RULES FOR INVESTMENT

To lure the Ford Motor Co. to build a new $475 million engine plant in Windsor, Ont., across the river from Detroit, the Canadian government jointly with the Province of Ontario last year offered the company a cash grant of $68 million. The United States, which protested strongly against the arrangement, said it wasn't as concerned about the provincial subsidy—after all, the American states have been doing things like this for years—as the fact that national governments were getting involved in the plant location race. Ottawa picked up 60 percent of the tab, Ontario 40 percent.

At about the same time, Canada negotiated an arrangement with Volkswagen, which had just started to build cars in the United States, whereby it promised to reduce its duties on U.S.-made Volkswagens proportionately to the amount of auto parts Volkswagen worldwide bought from Canada. The arrangement was seen as a pattern for similar agreements with other non-U.S. automobile companies. The Canadian automobile import duty is 15 percent, but U.S. cars enter Canada duty free under the U.S.-Canadian automobile pact

The agreements were seen as examples of special financial incentives which distort international investment flows, something that is giving increasing concern to the Carter administration. Another example is the Mexican automobile decrees which require all automobile assemblers in that country to cover their full foreign exchange cost through exports and provide tax credits for doing so.

Such deals take many forms, but they usually combine several features: incentives to locate in a country in the first place; requirements that the investment produce jobs, exports or added value as a condition of approval; and requirements that a U.S. company, if it wishes to do business, must agree to transfer technology by means say, of licensing or co-production agreements—so-called offset sale requirements.

In each such case, the host country uses its economic leverage as a weapon to channel the activities of multinational investors into paths they otherwise might not take. In the words of C. Fred Bergsten, assistant secretary of the Treasury for international affairs:

"Although inconsistent with the spirit of the General Agreement on Tariffs and Trade and the concept of an open multinational trade and payments system, these requirements are rapidly becoming a pervasive feature of the world economy."

What is needed is a series of major intergovernmental agreements, akin to the GATT, to govern the international investment process. With offshore output by multinational firms now approaching $1 trillion, it is anomalous in Mr. Bergsten's view that such a structure has yet to come into being.

The administration has not been unaware of the need. At the Bonn summit, it emphasized its willingness to increase cooperation in the field of foreign private investment flows among industrialized countries and between industrialized and developing countries, promising to work for further agreements in the Organization for Economic Cooperation and Development and elsewhere. Within the administration, President Carter has asked for consideration of ways to seek reduction of the adverse impact of defense offset sales through internationally agreed guidelines. The Treasury wants guidelines also for non-defense offsets because of their increasing importance.

Why hasn't such international cooperation developed sooner: Again, in Mr. Bergsten's words:

"In part, this is because direct investment and technology transfer are relatively new as major vehicles for international economic exchange, and their impact has not been as visible as the impact of trade flows and exchange rate changes. There are also ambivalent and conflicting views on the jurisdiction of the different sovereign states involved in the broad-guaged activities of the multinational companies."

A primary U.S. aim so far has been to draw international attention to the matter, something we wholeheartedly commend.●

THE GROWING PROBLEM OF ARSON

● Mr. BOREN. Mr. President, there has been much public discussion of the growing problem of arson in many of our large, metropolitan cities over the past several years. Entire neighborhoods have been reduced to virtual ghost towns by those individuals who torch buildings for a variety of reasons.

For these and other reasons, I am today joining my colleague, Senator GLENN, in cosponsoring S. 25, the Anti-arson Act of 1979.

Any act of arson, for whatever reason, is a major crime. But those who burn buildings in order to collect profits on an over-insured structure are those who most shock the conscience.

Patterns of over-insuring old buildings and the mysterious burning of them are beginning to form in many of our large, inner-city neighborhoods. Not only must all forms of arson be stopped, but surely we must take away the incentive and ease with which arson-for-profit has become prevalent in some cities.

The provisions of S. 252 will enable us to make great strides toward stopping this major problem. The coordinated effort of nine Federal agencies, which now work separately, to investigate arsons will provide for development of a national strategy for the fight against this crime.

Last year, when arson was included in

the FBI major crime charts, the problem that our country was experiencing with this crime was brought to everyone's attention. S. 252 will make arson's place on the FBI major crime charts permanent.

The sunset provisions of S. 252 will insure that this interagency committee does not become a part of our Government's growing bureaucracy. Under this provision, the committee will be able to establish its effectiveness over a period of 3 years and if it is successful, the committee can be recreated. Otherwise, the committee will sunset and no longer function. This sunset provision is important in helping make our Government more accountable by insuring that its work benefits those for which it was created.

Oklahoma has not escaped the arson wave which is plaguing our Nation's larger cities and more populous States. In 1977, 2,829 fires in our State were attributed to arson. This resulted in an estimated loss of $6.8 million.

One of the most heinous aspects of arson is the number of lives lost. There are over 1,000 lives nationally per year claimed by this crime. This included 47 firefighters in 1977. S. 252 will work toward arson prediction, prevention, and prosecution, which can go a long way toward helping our Nation stop this ever-increasing tide of arson.

I appreciate this opportunity to join as a cosponsor of S. 252 and wholeheartedly support the efforts that this legislation will effect in fighting one of our Nation's major crimes.●

IYC—AN EXPRESSION OF FAITH

● Mr. MATHIAS. Mr. President, the international year of the child and the programs and activities being developed in response to it provide a happy grace note to the rather somber symphony of our times. They express our faith in tomorrow and make a pleasant contrast to our fears about today.

Since good news always travels more slowly than bad, I was very happy to see that the March issue of Clipper, Pan Am's monthly publication, carries a feature story on the year of the child which highlights a number of the projects being carried out in different countries around the world to mark the year. This article is timely and sensitive. I shall submit the article for the RECORD at the conclusion of my remarks.

Unfortunately, we cannot reprint the delightful pictures that illustrate this article, but I will include the captions which describe the IYC projects pictured.

The article follows:

1979: THE INTERNATIONAL YEAR OF THE CHILD

"A child is a person who is going to carry on what you have started. He is going to sit where you are sitting, and when you are gone, attended to those things which you think are important. . . . The fate of humanity is in his hands."

Today, more than a century after U.S. president Abraham Lincoln wrote these words, the fate of the world still lies within the small hands of its children. In recognition of this, and of the present needs of millions of the young and helpless, the United Nations has declared 1979, the twentieth anniversary of the UN declaration of the rights of children in Geneva, the International Year of the Child (IYC).

Under the aegis of UNICEF, a special secretariat has been established for IYC, staffed with experts to coordinate the multinational programs planned for 1979. Unlike other, similar commemorative "years," IYC will see no vast, global convocations, few major international meetings. Instead, almost as if in deference to the small forms of the children on whom it focuses, IYC is being recognized nation-by-nation, with overall emphasis on active programs for children's welfare and happiness.

The Geneva Declaration of 1959 outlined the basic human rights of children, including the right to love and affection, the right to adequate nutrition and medical care, to education, to play. Each UN member nation is undertaking programs keyed to these rights in relation to the special needs of its own children.

Because of the great range of economic and social conditions within the UN's global community, these programs will include the most basic of health, educational and nutritional services not only for children in developed countries, but for the 350 million children still beyond the reach of minimal essential resources in the world's developing nations. It will also involve less vital, but no less essential projects: programs such as Singapore's vast Information and Cultural Centre of Southeast Asian Children's Cultures—a library of books, games, toys, dolls and children's history, Japan's planned super-playground outside of Tokyo; Denmark's children's newspaper, IYC News; essay and art competitions in Australia; a television serial focusing on a village for handicapped children near Vienna, Austria; children's book days and theatre performances in Hungary; music and art programs in Israel, and hundreds of other programs geared to children's health, welfare and happiness.

Jean Young, head of the U.S. National Commission for IYC and wife of U.S. Ambassador to the UN Andrew Young, echoes Lincoln's words today, describing children as "our most valuable national resource." On these pages Clipper presents this resource, the world's children, with more information on many national IYC programs.

CAPTIONS TO PICTURES

A serious toddler offers a bouquet at a ceremony in Volgagrad, U.S.S.R. (directly below). The Soviet Union will stress health and the education of both children and parents during IYC. In Peru (bottom) education and legislation for the rights of children will reach out to all the young, including this Indian boy of Pissac.

The two little girls below are dressed for a growing-up ceremony in West Africa's Ivory Coast. Here, and in other West African nations, programs will emphasize health, education and day care, with individual features as diverse as photographic projects, parades and entertainment and first aid and sanitation brigades.

Nomad children of a Tuareg tribe (below) roam the Sahara with their families, their lives scarcely changed from those of children 2,000 years ago. IYC programs for arid regions of Africa such as this include facilitation of health plans and water regulations and sanitation. In Thailand (right), child nutrition and development centers will help ensure a healthy life for children like these young Meo from the Chiang Mai region.

In Singapore (left), a child dressed in her best offers food and flowers at a holiday festival. In addition to creating the information and Resources Center for Southeast Asian Children's Cultures, Singapore will have a children's film festival and songwriting and art contests during the IYC.

Japanese schoolchildren line up for an outing. Their pleasure and play will be enhanced during IYC and after by several major playground and play-land projects, among them a "Children's Castle" to be built just outside of Tokyo at a cost of more than US$54 million. The complex will include theaters, indoor and outdoor sports and games facilities and science laboratories.

In the United States, the IYC and young sportsmen like the lad at left will benefit from programs aimed at eradicating childhood diseases, improving nutrition and education, and legislation for children's rights. High-visibility programs include the ongoing "Music for UNICEF" concerts; internationally famous singing groups such as ABBA and the BeeGees have donated time and song royalties to UNICEF and IYC.

In Saudi Arabia (right), primary education is stressed as well as a strong, Mid-East-wide program of prevention of blindness. Greek children, including this little boy leading a donkey (far right), will receive special health care during and after IYC. The Greek government also plans to undertake projects for disadvantaged children for 1979.

On a kibbutz in Israel, children do their share of the chores; here they feed and water the farm's chickens. Israeli IYC plans include a series of international meetings aimed at promoting the concept of the Year of the Child with topics ranging from "The Role of the Family" to "Underprivileged Children." All schoolchildren will receive a copy of the Geneva Declaration of the Rights of the Child (1959) printed in Hebrew, and the Post Office will issue a special IYC commemorative stamp.●

RULES OF THE SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, in compliance with section 133(b) of the Legislative Reorganization Act of 1946, as amended, the Select Committee on Indian Affairs is publishing the committee's rules, which I submit for printing in the RECORD.

The rules are as follows:

RULES OF THE SENATE COMMITTEE ON INDIAN AFFAIRS

COMMITTEE RULES

Rule 1. The Standing Rules of the Senate, Senate Resolutions 4 and 405, and the provisions of the Legislative Reorganization Act of 1946, as amended by the Legislative Reorganization Act of 1970, to the extent the provisions of such Acts are applicable to the Select Committee on Indian Affairs and as supplemented by these rules, are adopted as the rules of the Committee.

MEETING OF THE COMMITTEE

Rule 2. The Committee shall meet on the first Wednesday of each month while the Congress is in session for the purpose of conducting business, unless, for the convenience of Members, the Chairman shall set some other day for a meeting. Additional meetings may be called by the Chairman as he may deem necessary.

OPEN HEARINGS AND MEETINGS

Rule 3. Hearings and business meetings of the Committee shall be open to the public except when the Committee by majority vote orders a closed hearing or meeting.

HEARING PROCEDURE

Rule 4. (a) Public notice shall be given of the date, place, and subject matter of any hearing to be held by the Committee at least one week in advance of such hearing unless the Chairman of the Committee determines that the hearing is noncontroversial or that special circumstances require expedited procedures and a majority of the Committee involved concurs. In no case shall a hearing be conducted with less than 24 hours notice.

(b) Each witness who is to appear before the Committee shall file with the Committee, at least 24 hours in advance of the hearing, a written statement of his or her testimony in as many copies as the Chairman of the Committee prescribes.

(c) Each Member shall be limited to 5 minutes in the questioning of any witness until such time as all Members who so desire have had an opportunity to question the witness unless the Committee shall decide otherwise.

(d) The Chairman and ranking Minority Member or the ranking Majority and Minority Members present at the hearing may each appoint one Committee staff member to question each witness. Such staff member may question the witness only after all Members present have completed their questioning of the witness or at such other time as the Chairman and the ranking Majority and Minority Members present may agree.

BUSINESS MEETING AGENDA

Rule 5. (a) A legislative measure or subject shall be included on the agenda of the next following business meeting of the Committee if a written request for such inclusion has been filed with the Chairman of the Committee at least 1 week prior to such meeting. Nothing in this rule shall be construed to limit the authority of the Chairman of the Committee to include legislative measures of subjects on the Committee agenda in the absence of such request.

(b) The agenda for any business meeting of the Committee shall be provided to each Member and made available to the public at least 3 days prior to such meeting, and no new items may be added after the agenda is so published except by the approval of a majority of the Members of the Committee. The Clerk shall promptly notify absent Members of any action taken by the Committee on matters not included on the published agenda.

QUORUMS

Rule 6. (a) Except as provided in subsecs. (b) and (c), three Members shall constitute a quorum for the conduct of business of the Committee.

(b) No measure or matter shall be ordered reported from the Committee unless three Members of the Committee are actually present at the time such action is taken.

(c) One Member shall constitute a quorum for the purpose of conducting a hearing or taking testimony on any measure before the Committee.

VOTING

Rule 7. (a) A rollcall of the Members shall be taken upon the request of any Member.

(b) Proxy voting shall be permitted on all matters, except that proxies may not be counted for the purpose of determining the presence of a quorum. Unless further limited, a proxy shall be exercised only upon the date for which it is given and upon the items published in the agenda for that date.

SWORN TESTIMONY AND FINANCIAL STATEMENTS

Rule 8. Witnesses in Committee hearings may be required to give testimony under oath whenever the Chairman or ranking Minority Member of the Committee deems such to be necessary. At any hearing to confirm a Presidential nomination, the testimony of the nominee, and at the request of any member, any other witness shall be under oath. Every nominee shall submit a financial statement, on forms to be perfected by the Committee, which shall be sworn to by the nominee as to its completeness and accuracy. All such statemens shall be made public by the Committee unless the Committee in executive session determines that special circumstances require a full or partial exception to this rule. Members of the Committee are urged to make public complete disclosure of their financial interests on forms to be perfected by the Committee in the manner required in the case of Presidential nominees.

CONFIDENTIAL TESTIMONY

Rule 9. No confidential testimony taken by or confidential material presented to the Committee or any report of the proceedings of a closed Committee hearing or business meeting, shall be made public, in whole or in part or by way of summary, unless authorized by a majority of the Members of the Committee at a business meeting called for the purpose of making such a determination.

DEFAMATORY STATEMENTS

Rule 10. Any person whose name is mentioned or who is specifically identified in, or who believes that testimony or other evidence presented at, an open Committee hearing tends to defame him or otherwise adversely affects his reputation may file with the Committee for its consideration and action a sworn statement of facts relevant to such testimony or evidence.

BROADCASTING OF HEARINGS OR MEETINGS

Rule 11. Any meeting or hearing by the Committee which is open to the public may be covered in whole or in part by television broadcast, radio broadcast, or still photography. Photographers and reporters using mechanical recording, filming, or broadcasting devices shall position their equipment so as not to interfere with the seating, vision, and hearing of Members and staff on the dais or with the orderly process of the meeting or hearing.

AMENDING THE RULES

Rule 12. These rules may be amended only by vote of a majority of all the Members of the Committee in a business meeting of the Committee: *Provided*, That no vote may be taken on any proposed amendment unless such amendment is reproduced in full in the Committee agenda for such meeting at least three days in advance of such meeting. Such proposed amendment shall be mailed to each Member of the Committee at least seven (7) calendar days in advance of the meeting.●

FEDERAL CHARTER TO THE NATIONAL SKI PATROL SYSTEM

● Mr. HEINZ. Mr. President, it is with great pleasure that I rise today to cosponsor a bill introduced by my distinguished colleague, Senator HATCH. S. 43 provides for the issuance of a Federal charter to the National Ski Patrol System.

As a former ski patrol member, I can testify as to the necessary services performed by this organization. Members of the NSPS are expertly trained in first aid, search and rescue techniques, and avalanche control. The NSPS has encountered great difficulty due to the reporting and registration paperwork and fees required in each State in which patrol units operate. The NSPS simply does not have the personnel or financial resources to comply in all of these jurisdictions, and, in fact, may have to severely curtail their work.

For the NSPS to continue its services in each individual State, an enormous amount of paperwork is required. As a nonprofit, volunteer organization, the NSPS does not have either the financial resources or the personnel to meet the filing fees and the registration redtape. The act of placing the NSPS under a Federal charter would not only recognize the exemplary achievements of the NSPS and its dedicated service to people, but would also make the organization directly accountable to the Congress and to the Federal Government for financial reporting, taxes, and other requirements. Such action would significantly reduce the amount of time and money NSPS must raise to stay in operation.

Downhill skiing has become one of the most popular sports in the Nation. Pennsylvania has numerous ski areas offering a variety of interesting terrain. The National Ski Patrol has worked hard at these areas to insure a safe and enjoyable ski experince.

I applaud the efforts of the National Ski Patrol System and believe it should be recognized for its achievements. By providing a national charter, we can insure its continued success.●

TRIBUTE TO DEWEY BARTLETT

● Mr. BUMPERS. Mr. President, Dewey Bartlett was a courageous man. He served the people of Oklahoma and the Nation with distinction. Dewey supported those principles in which he believed with knowledge and tenacity.

Dewey was a gentleman. We were close allies on many issues and friendly adversaries on others, but it was always a pleasure working with him. He even offered to leave his hospital bed and return to the Senate to participate in a debate on which we worked together.

Few who have ever served in this body have had to serve under the same personal adversity. I am not sure that any of us would measure up to the standards which he set. His courage was exemplary—an example few of us are likely to emulate.●

A TRIBUTE TO JEAN MONNET

● Mr. JAVITS. Mr. President, on March 16, 1979, the world lost a true international statesman. Jean Monnet, who died at the age of 90, led a full life not only in the service of the citizens of his native country, France, but also on behalf of the peace-loving people of the world.

I had the good fortune to know Jean Monnet and visited his office often in Paris and delighted in his friendship.

His vision of a unified Europe at a time when Europe stood devastated in the aftermath of World War II stood as as beacon in an otherwise dark night. While never assuming cabinet rank in France, his influence on the direction of world affairs was greater than had he done so.

The tranquility that pervades Western Europe today, its economic strength, and its pivotal role in world affairs are a direct result of the strength provided by the establishment of the European Economic Community, which will stand as the historic legacy of Jean Monnet. I hope that we, his intellectual descendants, can continue his work as he would have wanted us.

Jean Monnet has left us all a great heritage and the richer for having been with us for a time. The New York Times has printed excerpts from the closing chapter of his "Memoirs," which highlight Jean Monnet's conception of the "European idea."

In addition, the New York Times and the Washington Post have captured vividly the great contributions of this eminent international statesman in recent editorials in his memory; and Joseph Kraft, in a column published in the Washington Post on March 20, has stressed the great leadership aspect of Jean Monnet's life. I commend to my colleagues these editorials and submit them for printing in the Record.

The editorials follow:

[From the New York Times. Mar. 18, 1979]

Amid This Changing Scenery, the Europea Idea Goes On

(By Jean Monnet)

A very wise man whom I knew in the United States, Dwight Morrow, used to say: "There are two kinds of people—those who want to be someone, and those who want to do something." I have seen the truth of that saying verified over and over again. The main concern of many very remarkable people is to cut a figure and play a role. They are useful to society, where images are very important and the affirmation of character is essential to the administration of affairs. But, in general, it is the other kind of people who get things moving—those who spend their time looking for places and opportunities to influence the course of events. The places are not always the most obvious ones, nor do the opportunities occur when many people expect them. Anyone who wants to find them has to foresake the limelight. . . .

I never remember saying to myself: "I'm going to be someone." But nor do I remember thinking: "I'm going to do something." What I have done, or helped to do . . . has always been the product of circumstances as they arose.

The roots of the Community are strong now, and deep in the soil of Europe. They have survived some hard seasons, and can survive more. On the surface, appearances change. In a quarter-century, naturally, new generations arise, with new ambitions; images of the past disappear; the balance of the world is altered. Yet amid this changing scenery, the European idea goes on; and no one seeing it, and seeing how stable the Community institutions are, can doubt that this is a deep and powerful movement on an historic scale.

Can it really be suggested that the well-springs of that movement are exhaused, or that other rival forces are taking their place? I see no sign of any such rival forces. On the contrary, I see the same necessity acting on our countries—sometimes bringing them together for their mutual benefit, sometimes dividing them to the detriment of all. The moral is clear, and it cannot be gainsaid. It has taken root in our peoples' consciousness, but it is slow to act on their will: it has to overcome the inertia that hinders movement and the habits that resist change. We have to reckon with time.

I have never doubted that one day this process will lead us to the United States of Europe; but I see no point in trying to imagine today what political form it will take. The words about which people argue—federation or confederation—are inadequate and imprecise. What we are preparing, through the work of the Community, is probably without precedent. The Community itself is founded on institutions, and they need strengthening; but the true political authority which the democracies of Europe will one day establish still has to be conceived and built.

Some people refuse to undertake anything if they have no guarantee that things will work out as they planned. Such people condemn themselves to immobility. Today, no one can say what form Europe will assume tomorrow, for the changes born of change are unpredictable. "Tomorrow is another day," my father used to say, with a zest which my mother, in her wisdom, did her best to calm. "Sufficient unto the day is the evil thereof," she would reply. They were both right. Day-to-day effort is needed to make one's way forward; but what matters is to have an objective clear enough always to be kept in sight. . . .

Have I said clearly enough that the Community we have created is not an end in itself? It is a process of change, continuing that same process which in an earlier period of history produced our national forms of life. Like our provinces in the past, our nations today must learn to live together under common rules and institutions freely arrived at. The sovereign nations of the past can no longer solve the problems of the present: they cannot insure their own progress or control their own future. And the Community itself is only a stage on the way to the organized world of tomorrow.

[From the New York Times, Mar. 18, 1979]

Jean Monnet, 1888–1979

Before he began the most significant quarter-century of his life, at age 61, Jean Monnet had already completed many successful careers—cognac salesman, global financier, reorganizer of Chinese railroads, League of Nations executive, war production coordinator, director of French reconstruction. Then, in 1950, he devoted himself to a single idea: the unification of a fragmented Western Europe.

Many others played important roles in moving from his coal-steel pool to the nine-nation Common Market, a still imperfect economic union. But at every critical point, Jean Monnet's persistence, clarity and dedication saved the day. He maintained from the start that he was developing a method and process for political union, not a mere coalition of nations or economies. He advanced his goal—a "United States of Europe" allied to the United States of America—as the counselor of statesmen and the creator and broker of ideas. He was the ultimate gray eminence.

At the age of 84, in 1973, Jean Monnet embarked upon a typical project. He urged the leaders of Britain, West Germany and France to constitute themselves and their Common Market partners as a "Provisional Government," to decide things, not merely discuss them. He urged them, in effect, to seize supranational power in a peaceful coup. They accepted that plan, if not that name. Jean Monnet will not witness the emergence of his Council of Europe as a veritable government. But he died with undiminished confidence that it would inevitably come, fulfilling the European Dream.

[From the Washington Post, Mar. 18, 1979]

Jean Monnet

Jean Monnet was more than an enormously talented man. He was also a lucky one. He belonged to that very small group of statesmen who seize a noble but improbable idea and live long enough to see their countrymen not only accept it, but also begin to take it for granted. He thought of it as the United States of Europe. While Western Europe has not turned into a United States, and is unlikely to, it is rapidly evolving into another kind of tight federation. A young Frenchman now goes to Germany as casually as his counterpart of Virginia might go to New York, with hardly a thought to the way things might otherwise have been.

The Monnet vision has succeeded to a point where it is now difficult to remember how shaky and unpromising a venture it seemed set against the wreckage of the early post-World War II years. The question for that generation was whether people could actually learn from catastrophes. After the first World War, Europe had been corrupted and deformed by the politics of accusation and revenge. The victors demanded reparations, and the defeated reneged. There was wild inflation in some countries and depression in the others. National passions rose, and shortly the whole horrifying collision was repeated, this time with more powerful weapons and greater hysteria than before. In the years of exhaustion, after 1945, the message of reconciliation and mutual trust which was Mr. Monnet's single-minded theme, seemed unlikely to find much of a following.

A good many Europeans understood that the old tradition of Franco-German hatreds was a luxury that the continent could no longer afford. But Mr. Monnet saw better than any European of his generation the economic conditions that a stable and pacific political life would require. He was uneasy about the role that the old national cartels in basic industries, like steel, had played before the war and might play again. He knew North America well, and perceived the importance of a huge domestic market for a growing economy. He saw the deep political significance in the free movement of commerce across national boundaries. He knew that internationalism would prove more durable if it were founded on interest rather than on ideals.

The first tentative experiment was the European Coal and Steel Community in 1951. It worked effectively, perhaps to the surprise of some of the participants. They expanded it, at Mr. Monnet's urging, into the Common Market. Trade and living standards rose beyond anyone's expectations. Other nations joined. Now they are moving toward the direction election of a European parliament next June—the first investment of real political power in the institutions of the community.

The two great Frenchmen of the last generation were Charles de Gaulle and Jean Monnet, and they represented opposite convictions on the idea of nationalism. One defended it with genius. The other—never a dramatic figure, never in high public office, never a man to stir a crowd—pushed implacably toward the supranational principle. The strange thing was that, by the time he died Friday, at his country house near Paris, Mr. Monnet seemed to be winning.

[From the Washington Post, Mar. 20, 1979]

Monnet's Lesson in Leadership

(By Joseph Kraft)

The life of Jean Monnet, the great Frenchman who died at 90 last week, teaches a lesson in leadership that, like everything else he ever did, is immensely in season. Monnet's special distinction was to achieve high goals in national and international affairs without ever holding public office.

His method was to prepare the way among civil servants, corporations, unions, universities and in the media for ideas and institutions that circumstances eventually forced upon political leaders. That is an art of special value now, particularly here in the United States, where conditions hobble leadership from the top.

The list of Monnet's accomplishments reads like the history of the Atlantic nations in this century. He worked in the international shipping effort, which did so much to make possible the victory of France and her allies in World War I. He promoted what little cooperation existed between France and Britain in the early stages of World War II. He made to Britain's successful resistance a vital contribution of "lend-lease" aid from the United States. He endowed France with an economic-planning mechanism that is perhaps the most successful in the world.

He initiated the France-German rapproachement, and the evolving unification of Europe with the establishment of the European Coal and Steel Community. That led directly, as he knew it would, to the birth of the European Economic Community, or Common Market. With the inclusion of Britain, the European Community has developed into one of the world's major political entities.

But how is it possible for a mere citizen to achieve so much? The answer, I believe, lies in the line Monnet chose as the motto of his memoirs.

"Nous ne coalisons pas des etate," he wrote. *"Nous unissons des hommes."* That is: "We don't coalesce states, we unify men." As Joe Saxe, an American economist now at the World Bank who knew Monnet, once put it: "What he did was organize in many countries networks of people who trusted one another."

Monnet started with the men of business and banking known to him through his work for the family cognac business and as an international financier between the wars. Thanks to them he had access to Roosevelt and to Churchill, and through them flowed the contributions he made in the war years.

Thereafter he moved very quickly to widen his circle of associates. French economists and engineers—Robert Marjolin, Pierre Uri and Etienne Hirsch—were with him at the French planning commission and continued to be close personal friends.

In the 1950s, when his friend Konrad Adenauer was the Christian Democratic chancellor of Germany, Monnet made a special point of reaching out for the socialists and trade-union leaders. As much as anybody, he converted the Social Democratic party away from emphasis on German unification and toward the European ideal. When the Monnet Foundation was set up at his 90th birthday in November, it included former chancellor Willy Brandt and the trade union leader Heinz Oscar Vetter as well as the industrialist Kurt Birrenbach.

But Monnet was no mere technocrat working the interstices of power. He cared about public opinion, and had for it an innate feel that went well beyond connections—which he also maintained—with important people in the press.

He recalls in his memoirs that when he first went out to Canada to sell cognac, his father told him: "Don't take books. . . . Talk to people." His rural home outside Paris, and his daily walk in the woods only drove home a point embodied in the lineage of the man and the very look of his face. At heart Monnet was a peasant, rooted in the soil.

More important still, unlike most mere technocrats, he had a vision—a vision of constructive action for a united Europe. "We must not be overimpressed by material problems," he once said. "They are not very hard to resolve. What counts is to make up our minds to see things in the perspective of building the future, not of preserving the past."

That counts especially for America these days. Recent history has fragmented opinion and inflation fostered a greed that makes presidential leadership extremely difficult—maybe impossible. But that is no reason why the rest of us—in business, labor, the professions and at lower levels of government—should not join hands to work on particular problems, after the fashion of Jean Monnet.

Jean Monnet, a Modern Man for the Ages

To the Editor:

Few are privileged to live 90 years, and no man ever filled that long lifespan with more rich achievement than Jean Monnet. His transcendent purpose was to transform Europe and he quite literally succeeded.

Today most Europeans—and Americans as well—fail to realize how far that transformation has proceeded. The barriers are down and goods, services, even people flow freely across Europe, while one takes for granted practices of cooperation that 20 years ago would have seemed visionary. It taxes the imagination to think of Europe without the European Community; men and women have already forgotten the chaotic, divided continent of quarreling nations that marred the period between the wars and led to ultimate catastrophe.

Jean Monnet, more than anyone else, knew that what has so far been done is only a beginning, and that the Community is a far from completed structure. Yet he never lost his infectious confidence because the carpenters are still busily at work. Today they are building the framework for a monetary union; and in June the peoples—not the nations—of the Community will directly elect their representatives for the European parliament. What Jean Monnet always emphasized was the process, the need to sustain momentum; he died with the heartening knowledge that the structure he designed was still being elaborated.

If I were to try to reduce the essence of Jean Monnet to a single phrase, I would say that he was preeminently a modern man who clearly perceived the major dilemma of our complex times—the disparity between our technology, on the one hand, with its rapid pace of advance and its requirements of scale and scope and, on the other, our institutional arrangements that are so slow to change and so often parochial in character. Events had taught him that history is not static, not constantly a replaying of old themes, but a flow of events which, if mankind is to survive, must be so channeled as to meet the needs of an evolving age. And it was because Jean Monnet so clearly perceived the nature of the great tidal forces now at work that he was sturdily immune to disappointments. I was with him on more than one occasion when progress seemed irrevocably halted by the abrupt intrusion of obsolete—yet fiercely held—ideas that echoed a distant and earlier age. Invariably—and sometimes almost alone—Jean Monnet remained undismayed. "What has happened has happened," he would say with a Gallic shrug. "But it's not fundamental. Let's not be deflected, not lose momentum. We shall find a way to go forward."

It was because of this apparent imperturbability that Monnet was known—to the admiration of his friends and the exasperation of his opponents—as an incorrigible optimist. But to Monnet, optimism was the only serviceable hypothesis for a practical man or woman with a passionate determination to achieve a great objective—and he never wavered in his purpose.

To have worked with Monnet over the years was a privilege beyond price. He was a man one loved as well as admired, a source of sound advice, a warm and constant friend. When the captains, kings, and politicians depart, Jean Monnet's name will outlive many now far more familiar. A man not for the hour but for the ages, he altered the history of his time.

George W. Ball.

New York, *March 19, 1979.*●

YEMEN AND ARMS SALES

● Mr. McGOVERN. Mr. President, a ceasefire between North and South Yemen has been arranged by the Arab League, thus diffusing a dangerous confrontation and lessening the prospect of even more explosive tensions in the Persian Gulf region. An Arab League truce team is present on the border between the two countries and reports that both sides have withdrawn their military forces from the battle zones. I strongly welcome this development. I urge that the two Yemens, their neighbors and the United States and the Soviet Union take every constructive diplomatic step to insure that this ceasefire will hold.

While I welcome this ceasefire, I am concerned that President Carter's waiver of section 36(b)(1) of the Arms Export Control Act of 1976 for the shipment of $400 million in military aid to North Yemen sets a dangerous precedent. In light of the new ceasefire, I had hoped that the President would resubmit his aid package to Congress in accordance with the 30-day review procedures mandated by the Arms Export Control Act. However, letters of offer have already been delivered to North Yemen and much of the equipment is already in transit. Since it is too late to ask the President to submit the package, I can only express my concern that his exercise of the waiver provisions not serve as a precedent for future policy decisions.

The Arms Export Control Act, the War Powers Act and similar legislation were enacted because Congress and the American people wanted to avoid the mistakes of the Vietnam era when a President's unilateral commitment to another country without any review by Congress could lead to the intervention of American military advisers, American military equipment and American political prestige. Once the initial commitment is made by seemingly small and harmless steps—such as a few million dollars in aid or a few advisers—each successive escalation of American involvement becomes a natural consequence of the previous step. The purpose and scope of the original commitment are forgotten as the debate turns to the most effective method of carrying it out.

The passage of the Arms Export Control Act was not a prohibition against all U.S. arms sales or U.S. commitments—it was a prohibition against unexamined major commitments instituted solely by Presidential discretion. It was an effort to prevent another Gulf of Tonkin situation in which a crisis incident becomes the justification for a much larger U.S. commitment involving the deepest interests of the United States. It was an attack on American advisers at Pleiku in South Vietnam in February 1965, which led to the first sustained bombing of North Vietnam. The danger of unexamined, incremental commitments was one of the key lessons we learned—or should have learned—from the Vietnam war.

The President's waiver of the congressional review procedures for the North Yemen arms aid was unwise precisely because it neglected this fundamental lesson. For the real issue involved in the North Yemen aid was not the actual weapons pledged or the actual military situation in Yemen. The arms covered by the waiver—such as the 12 F–5 fighter aircraft, the 100 M–113 armored personnel carriers and the 64 M–60 tanks—could not have been utilized in an effective military role by the North Yemen army for months since it lacked the trained personnel to operate this sophisticated equipment. Mercenary pilots from other countries were being sought, but they could not easily be found and, even still, could not employ the weapons effectively without a coordinated planning and command structure which was beyond the capacity of the irregular North Yemen forces carrying the main combat burden.

The real issue of the arms sales package—and the main motivation for the waiver—is the development of a new American regional security policy for the Middle East and Persian Gulf region in the wake of the collapse of the Nixon doctrine in Iran. It is this new regional security policy which would have been the focus of the arms sales review in Congress.

The North Yemen arms sales are clearly only one element in the more visible American military role in the region which appears to be emerging as the foundation of a new Carter doctrine in the Middle East.

In February, Secretary of Defense Harold Brown made a highly visible tour of the area to show the flag and to negotiate arms deals with North Yemen and the Saudis. On March 5, an American naval task force, including the aircraft carrier *Constellation*, was dispatched to the Arabian Sea. F–15's have been flown to Saudi Arabia several times. Two AWACS radar surveillance planes, developed primarily for a tactical battlefield command and control mission, have been flown to Saudi Arabia. In addition, there have been discussions of bilateral mutual defense treaties with Egypt and Israel. It appears that Egypt is being considered as a replacement for Iran as the policeman of the region, with possible vast new arms shipments to follow. There are also unanswered questions about a possible American military presence at the Sinai air bases and a naval presence in Haifa in the wake of the Israeli-Egyptian Peace Treaty. Finally, a new regional fleet is being considered to beef up the American presence at the Diego Garcia naval base in the Indian Ocean.

All of these steps to increase our military security presence in this region form the context in which the North Yemen arms sales package was conceived and implemented. Therefore, the President's waiver was significant not because some weapons were shipped but because a new security policy, with new American commitments and risks, was being created without any serious congressional review of its scope, character or problems. If this waiver becomes a legal or political precedent, then I fear that the intent of Congress to revise policy procedures after Vietnam will have been wrongfully ignored.

I am not convinced that the waiver was necessary for either military or political reasons in the Yemeni conflict. The military equipment which was the most useful to North Yemen because it could be deployed and used on the battlefield almost immediately—such as TOW antitank missiles, M–79 grenade launchers and ammunition—did not require a waiver because it fell below the $7 million threshold in the 36(b) provisions of the Arms Export Control Act. In fact, American antitank weapons were shipped and used in the fighting. Was not that enough of a demonstration of American interest in the outcome of the fighting to enable Congress to review for only 30 days the more sophisticated weapons? I cannot believe that Saudi Arabia's legal advisers were studying section 36(b) to find out whether the United States was seriously committed enough to waive it. Nor do I believe that a South Yemeni tank commander whose tank was knocked out by an American antitank missile would have regarded the failure to waive 36(b) as a show of weakness by the United States.

Not only did the actual military situation in Yemen not require waiver of the Arms Export Control Act, but the diplomatic situation might also have suggested restraint. On March 6, the Arab League had called for a ceasefire and negotiations within 10 days. On March 7, the President waived the 36(b) provisions. Undoubtedly, his decision was influenced by his personal intervention in the Middle East peace talks and the possible impact on the negotiations of large arms shipments. The wisdom of this step given the subsequent Saudi rejection of the Middle East treaty can be debated, but the point is that the ceasefire now in effect had its origin in diplomatic initiatives prior to the waiver. I believe the President's decision in light of these initiatives was inconsistent with congressional policy on arms sales review. There was time enough to wait. The 30 days would not have jeopardized American security interests.

It may be argued that the President's waiver made the ceasefire possible. I know of no way to objectively evaluate this claim, although it does seem to me unreasonable to believe that the participants would make such fundamental decisions as whether or not to negotiate and disengage based on technicalities of American law. But even if the waiver had some impact, it begs the question whether other steps might not have had a similar benefit without jeopardizing our democratic procedures for congressional involvement in foregin policy decisions. Killing a bee with a sledgehammer may work, but that does not mean it is necessarily a wise policy.

We are now faced with a situation in which more than 90 U.S. military advisers will be accompanying the weapons to North Yemen. What will be their role? How close to the border will they be stationed? What will happen if one of them is injured or killed by either the South Yemenis or by North Yemeni dissidents? These are the kinds of questions which I would seek to have answered in a congressional inquiry—and which should be answered before such advisers are sent.

The problem may become even greater since as many as 300 noncombatant personnel are expected to be sent to North Yemen over the next 2 years, according to press reports.

Mr. President, the waiver of 36(b) comes at a time of flux in American policy after the collapse of the Shah's regime in Iran and on the verge of new uncertainties in the Middle East. On the one hand, there is an explosive mixture of unstable local politics in the two Yemens, regional tensions between Saudi Arabia and its neighbors, and intensifying superpower rivalries. On the other hand, there seems to be a new direction in American security policy based on a more visible American military role and a feeling that the United States must show its will through gunboat diplomacy. This is precisely the environment in which unwise commitments based on inadequate information and hasty judgments get made. The Arms Export Control Act is one of the tools we have to inquire more seriously into the commitments. I believe it should have been used in this case—and that the waiver should not become a precedent for avoiding this inquiry in the future.●

INTERNATIONAL GOVERNMENT PROCUREMENT CODE

● Mr. HEINZ. Mr. President, recently I have been privileged to introduce S. 533

and S. 645, two bills concerning an International Government Procurement Code that is presently being negotiated in Geneva. This code is not new, however, but has, in fact, been the subject of negotiations for several years. The potential effects of such a code have also been debated for several years.

On September 30, 1976, the General Accounting Office completed a study of buy-national practices entitled "Governmental Buy-National Practices of the United States and Other Countries—An Assessment." In this report, the GAO compared the buy-national practices of other countries with the U.S. Buy American Act and found that where other countries tend to completely exclude competition from American suppliers for their Government procurement, the Buy American Act restrictions were not enough to prevent "major purchases of foreign equipment."

In chapter 2 of this report, GAO specifically compared the buy-national practices of other countries with the Buy American Act; and then assessed the need for and elements of an effective International Government Procurement Code. At the end of the chapter they made recommendations to the Congress. They recommended that Congress should assure itself that such a code includes a settlement mechanism for dealing with allegations of buy-national bias; high visibility of procurement practices by all participating nations; and a surveillance mechanism to monitor compliance.

For the same reasons I introduced S. 533 and S. 645, I believe that this GAO report and chapter 2 in particular are necessary to a full evaluation of the International Government Procurement Code that is expected to be presented to Congress shortly. I ask that chapter 2 of the GAO report be printed in the RECORD.

Chapter 2 of the report follows:

CHAPTER 2: COMPARISON OF BUY-NATIONAL PRACTICES AND PROSPECTS FOR REDUCING NONTARIFF BARRIERS

Over the years, much criticism has been directed at the United States for its restrictive Government purchasing policies—the Buy American Act and other buy-national legislation. These restrictions, which are described in chapter 3, have been effective. It is inaccurate to conclude, however, that the United States is more restrictive than Great Britain, France, Germany, and Japan because of present buy-national legislation.

Chapter 5 shows that foreign governments and nationalized industries also exclude most foreign competition when similar items are available domestically. Rather than visible laws and regulations, however, subtle administrative guidance and practices effectively preclude most foreign competition.

United States policies generally limit defense procurement to U.S. sources because of national security considerations; appropriation act limitations on textiles, subsistence items, specialty metals, and shipbuilding; and a 50-percent price differential favoring U.S. suppliers. Foreign companies have an opportunity to underbid U.S. firms for nondefense procurement where the 6- or 12-percent price differentials favoring American suppliers permit some foreign competition. According to a U.S. business representative, the lack of such measurable guidelines overseas limits his firm's ability to appraise its chances of getting foreign government business.

Analysis of fiscal year 1974 procurement data from six Government agencies comprising 90 percent of total government procurement showed that because of national security considerations, other specific legislation and practical constraints, only 3 percent of the procurement was subject to competition from both domestic and foreign sources. For the other 97 percent of the procurement, the sources of competition were either exclusively domestic or foreign. Nevertheless, major purchases of foreign equipment were made. This is evident in the foreign purchases of heavy electrical equipment by the Tennessee Valley Authority and the Department of the Interior. In fiscal year 1974 approximately 20 percent, or $194 million, of TVA's procurement budget was spent on foreign items. Of that amount, $184.4 million was for turbine generators purchased under an invitation to bid where the domestic manufacturer refused to accept the terms and conditions contained in the invitation and the only responsive bidder was the foreign manufacturer. This contrasts with the highly restrictive procurement policies of the Central Electricity Generating Board in Great Britain and l'Electricite de France, a situation which has led to protests by U.S. heavy electrical equipment manufacturers.

Many business and government officials we interviewed felt that efforts to make government procurement systems compatible and open to international competition face the same pressures of political, military, and economic considerations and the natural bias for dealing with familiar domestic suppliers (described in chapter 5) that make a meaningful international agreement very difficult.

Overseas, some hurdles to overcome include the traditionally close government and business relationships in the European countries and Japan, expected pressures from business and labor, lack of reciprocal acccess to national government procurement markets, nationalistic tendencies supporting strategic and other prestige industries, and lack of uniformity in standards and technical specifications.

Altering the close working relationships between business and government in Europe and Japan would be difficult. These relationships have developed over a number of years, and several foreign procurement officials expressed a natural bias in terms of the ease of dealing with familiar domestic suppliers. Purchasing from a nearby source better insures immediate servicing, maintenance, and spare parts.

Domestic industry and labor demands for preferential treatment in government procurement are strong but become even more pronounced during recessionary periods. Interviews disclosed that foreign procurement officials are heavily influenced by such pressure. Aside from government procurement, present economic conditions in one European country prompted a government official in charge of trade matters to publicly urge its citizens to purchase domestically made automobiles. Under these economic circumstances, the prevailing policy of favoring domestic industry in government procurement will be hard to change.

Also working against a comprehensive agreement on government procurement is a nationalistic desire to maintain and develop domestic capabilities for high technology in such fields as computers, electronics, aerospace, communications, and transportation. Other countries feel they are at a competitive disadvantage in high-technology products because of the size of the U.S. market. This sentiment is best expressed by a statement made by a representative of a European country.

"To fail to produce an indigenous industry would expose the country to possibilities that industrial. commercial, strategic or political decisions made in America would heavily influence our ability to manufacture, to trade, to govern or to defend * * *." He went on to point out that it is unrealistic to expect a domestic manufacturer to engage in competition with U.S. manufacturers that compete in an economy which is eight times larger than theirs.

The nationalized industries in Great Britain, France, Germany, and Japan procure high-technology equipment relating to telecommunications, electric power, transportation, etc. Currently, these countries appear to be excluding procurement by nationalized industries from negotiations for an agreement on opening government procurement to international competition. Their rationale for excluding these purchases is that nationalized industries have autonomous purchasing authority and are not part of the central government. We questioned this rationale because discussions with procurement officials showed that the government exert substantial influence over the purchasing policies of the nationalized industries.

Closely related to a nationalistic desire to maintain high-technology industries are the nations' interests in maintaining industries important to their national security. Although the respective industries have not been precisely defined, negotiations for an international agreement for government procurement are not expected to cover weapon systems or items of strictly military hardware. For example, various U.S. industries have attempted to be included under the umbrella of national security to protect themselves from foreign competition (heavy electrical equipment, steel, textiles, etc.). Commodities currently identified by DOD as being restricted for national security reasons include such items as weapons, ammunition and explosives, aircraft and components, engines and accessories, nuclear reactors, communications equipment and instruments, and laboratory equipment.

All the above factors limit foreign competition. Also much Government procurement is not subject to foreign competition because of practical constraints. For example, sole-source and emergency purchases, the need for specific repair parts, maintenance and repair of equipment, transportation services, purchases of perishable subsistence supplies; and the purchase of utility services are some of the practical constraints which may preclude foreign competition. Some of these restraints may become less severe in the future if various countries' standards and technical specifications can be harmonized.

Attempts at negotiating a code on government procurement among Organization for Economic Cooperation and Development countries has thus far had negligible results. The Trade Committee of the OECD has been working periodically since 1966 to negotiate an agreement to open government procurement to all suppliers without regard to the origin of the goods. It is expected that, at some time in the future, the results of these negotiations will be passed on to the Multilateral Trade Negotiations, which includes all the members of the General Agreement on Tariffs and Trade (GATT). Concerned agency officials commenting on our draft report said the countries participating in Multilateral Trade Negotiations have agreed to set up a nontariff barrier subgroup in Geneva which would focus on the negotiation of an international code on government procurement.

If the degree of success reached by the European Community in its negotiations on the subject of public procurement is any indication of the potential results from OECD negotiations, an effective agreement is doubtful. The European Community agreement on public works contracts has been in effect since 1972 but, according to foreign procurement officials, procurement patterns of the countries involved have changed very little.

A second agreement anticipated among the nations of the European Community is expected to cover supplies and equipment. A high-level task force was commissioned in November 1973 to "review the reasons underlying the low and stagnant level of intracommunity public procurement" and to make policy recommendations. After a 6-month fact-finding mission to all members of the European Community, task force members concluded that the major obstacles to increased openness in public procurement were political and not technical in nature. According to their report, the major difficulties, which in our opinion also apply to present OECD efforts, are:

(1) A deep-rooted feeling, common to politicians, officials, and industry that the taxpayers' money should be used to purchase domestic and not foreign goods.

(2) All governments regard themselves (and are so regarded to varying extents by their electorates) as responsible for their countries' economic well-being, employment, balance of payments, industrial development, etc. Government purchasing is used to fulfill these responsibilities.

(3) The public buyer has responsibility to his government and, in the case of criticism, to the public for his actions. A private buyer can make a private bargain and this is the essence of trade. The public buyer must always be aware that he may have to defend his actions, sometimes against political pressures generated by the rejected bidder.

The report recommended that the emphasis of negotiations not be on sanctions for noncompliance but rather on developing a European public purchasing constitution which would, to a large degree, depend upon the goodwill of all members.

A second recommendation was not to include public utilities, such as telecommunications, electricity, and railways, in any prospective agreement. The report concluded that the relationship between public utilities and national suppliers was so inextricably intertwined that an attempt should not be made to sacrifice this relationship to a more liberal public procurement policy. Present indications are that public utilities will not be included in any European Community agreement on procurement.

We believe that dealing in generalities and depending upon the goodwill of the negotiators fail to address the difficult issue of foregoing national control over government procurement policy, both in the European Community and OECD. Also, dropping public utilities from consideration would eliminate a portion of procurement which could have great potential impact upon the procurement patterns of the countries involved.

To insure that Government procurement decisions are, in fact, based on price, quality, and related considerations, some mechanism will be needed to settle disputes between competing suppliers. This implies that some type of supranational body will have the authority to question national government purchasing decisions and apply sanctions, if necessary. In the view of one U.S. industry official, the question of sanctions depends on whether the instrument will ultimately represent a statement of principles or whether it will, in fact, become an instrument of international contractual obligation. In any case, if such an expert body with a final say in procurement decisions is not established, it will be difficult to resolve allegations of bias in awards by governments to their own domestic firms.

The effectiveness of the settlement mechanism will, to a large extent, depend upon the degree of visibility of procurement policy and decisions of all the trading partners. This will involve disclosing all pertinent government purchasing decisions which could, in turn, be examined by competing suppliers to determine whether or not to appeal a government award.

Finally, because of the dispersion of purchasing responsibility among different agencies, divisions within the same agency, different cities, regions, etc., the operations of the code must be regularly monitored to guarantee compliance. Unless a major effort is made to effectively audit the implementation of such a code, noncompliance is possible due to the tendency of procurement officials to favor national supply sources.

For the portion of governmental procurement that is or may be subject to foreign competition, we believe it is not desirable for the United States to unilaterally make major concessions to eliminate its buy-national practices. Arrangements with our trading partners to work toward freer trade with due regard for national interests and safety should:

Be contingent on reciprocal actions by our trading partners that clearly will result in opportunities for U.S. industry and labor to benefit from increased exports.

Encourage a competitive domestic base by increasing competition from foreign sources on a price and quality basis.

Provide for high visibility of procurement practices and surveillance of settlement mechanisms for implementing agreements.

The concerned agencies had not identified any positive results to meet these criteria.

We conclude that because of the pervasive and extensive buy-national practices which exist, as well as the practical constraints limiting foreign procurement, it will be very difficult for much progress to be made in the near future to open a large portion of government procurement to international competition on terms that are equitable to our industry and labor interests.

RECOMMENDATION TO THE CONGRESS

The Congress, in any deliberations on a proposed agreement on an international procurement code, in addition to considering its potential benefits and impact on U.S. industry and labor, should assure itself that the following elements are present:

A settlement mechanism for dealing with allegations of buy-national bias.

High visibility of procurement practices by all participating nations.

A surveillance mechanism to monitor compliance.●

SAM NUNN'S LEADERSHIP

Mr. TALMADGE. Mr. President, there appeared in today's edition of the Wall Street Journal an excellent article about my distinguished colleague from Georgia, Senator Sam Nunn. This article is incisive in the degree to which it indicates the important role of leadership Senator Nunn has assumed in the Senate in vital matters relating to defense and national security.

It is a perceptive article in that it foretells the significance of Senator Nunn's knowledge and leadership in the Senate in the future.

Earlier this month, I had the honor of appearing with Senator Nunn before a joint session of the Georgia General Assembly. At that time, I stated that Senator Nunn is destined to become one of the giants of the Senate.

He is a credit to his State and Nation. Not only has he followed in the footsteps of his venerable predecessor, the late Senator Richard B. Russell, Sam Nunn is making his own indelible mark upon the U.S. Senate and upon the history of our nation.

I congratulate my distinguished colleague and I commend this article to the attention of the Senate, and ask that it be printed in the Record.

The article follows:

[From the Wall Street Journal, Mar. 22, 1979]

In the SALT Debate, Senator Sam Nunn's Role Could Prove Decisive

(By Albert R. Hunt)

Washington.—When the long-awaited Strategic Arms Limitation Treaty reaches the Senate, much attention will focus on a short, balding, owlish-looking Senator, who will have much to say about its fate.

This is Sam Nunn, a 40-year-old Georgia Democrat. If not especially imposing physically, he is intellectually.

At the start of his second term, the cautious and conservative Sam Nunn often wields as much power as anyone in the Senate on military issues, and his influence is widening. He recently became chairman of the Permanent Investigations Subcommittee and is increasingly active in broad economic and tax issues.

"Sam is a man who always seems to know what he's talking about," suggests Sen. Abraham Ribicoff of Connecticut. "He talks softly and thinks clearly." A Carter administration lobbyist calls him "the fastest rising star in the Senate."

As such, he is a study in achieving power and influence in that competitive chamber. The normal route is the seniority ladder leading to a powerful committee chairmanship. Sen. Nunn is the fifth-ranking Democrat on the Armed Services Committee—24 years younger than any senior member and thus a good bet to be chairman someday. Meantime, he is making a major mark without a formal power base.

With a prodigious appetite for work, he has mastered complicated political-military issues and shunned headline-grabbing tactics; he once rejected a staff suggestion to subpoena organized-crime kingpin Meyer Lansky to a drug hearing "because he wasn't relevant."

His quiet, thoughtful approach has impressed many Senate watchers who don't always agree with Sen. Nunn's conclusions. "He is a serious legislator, interested in how the institution itself works and is more problem-oriented than ideological," says David Cohen, president of Common Cause, the citizens' lobbying group.

An exception to his deliberate approach was his hard-line defense in 1977 of the then budget director, Bert Lance, who remained popular in Georgia at the time. Mr. Nunn still smarts that some Senators sought to "railroad" Mr. Lance out of office.

FRIENDLY RELATIONS

But he generally enjoys the friendly collegial relations that help with advancement in the Senate. He is a member of the Senate prayer group, a golfer who shoots in the mid-70s, and he is able to legislate with liberals and conservatives alike. He spearheaded major changes in the North Atlantic Treaty Organization, working with such diverse Armed Services committee colleagues as the late conservative Republican Dewey Bartlett and liberal Democrat John Culver. His influence was particularly evident last year when he was the decisive voice in persuading the Senate not to kill the neutron bomb.

Sen. Nunn is sometimes criticized as being too pro-military. "Nunn certainly grasps defense issues," one defense expert says, "but he's too willing to accept the military line. He lacks the experience to be sufficiently skeptical."

Some of the critics believe he is philosophically committed to opposing the SALT II treaty. Sen. Nunn, for his part, says he is genuinely uncommitted but plans to take an active role in the Senate consideration. "I hope the debate will focus on the much broader context of the American political and military approach in the world," he declares. "We can use the debate to look down the road."

DELIBERATIVE APPROACH

Based on past performance, the Georgian will indeed take a deliberative approach, without being philosophically rigid. He supported the Panama Canal treaties, for instance, and has been known to criticize some military practices. This reputation for open-mindedness, coupled with an astute knowledge of military matters, is what makes Sen. Nunn so important in the coming SALT struggle.

"Sam carries such a solid reputation in military ranks that other Senators will look at him in SALT," Republican Sen. William Cohen of Maine suggests.

This is understood at the White House. Some weeks ago, President Carter invited Mr. Nunn over for two separate private meetings on foreign policy in the same day, an unusual concentration of Oval Office attention. (Feelings between the two Georgians have varied over the years. Mr. Nunn backed Jimmy Carter in both his gubernatorial races, but beat Gov. Carter's hand-picked candidate for the Senate in 1972 and was neutral in the early stages of the 1976 presidential primaries. Associates say the Nunn-Carter relations today are cordial but not close.)

Politically, Sen. Nunn has a lot of leeway on SALT and most other issues. He was reelected last November with an overwhelming 84% of the vote. Unlike many of his peers, who dream of sitting in the White House some day, he likes the idea of an extended Senate career.

"The legislative process has never frustrated me," he says. "I guess it depends on your expectations. I never had executive experience. My background and interests always have been in legislative matters."

With more experience and political security, some colleagues expect the young Democrat to branch out, tackling a wider variety of issues and broadening his philosophical approach.

"Sam has real capacity for growth," suggests Democratic Sen. John Culver of Iowa. "He could be a modern Richard Russell in the fullest sense." (The late Sen. Russell, also a Georgia Democrat, was an immense power in the Senate.)

SOME VOTES WITH LIBERALS

Sen. Nunn has sided with the liberals on occasion. In the last Congress he voted for the constitutional amendment to give Washington, D.C., two Senators and against deregulating natural-gas prices. On some issues—such as abortion, economic sanctions against Rhodesia and legislation to expand the redwoods—he has voted, at different times, with liberals and conservatives.

But overall, he has one of the more conservative voting records of any Senate Democrat. He opposes most major social initiatives, votes against organized labor on major issues and with the business community on most important economic and tax issues. He was the first Senate Democrat to endorse the Republican 35% tax-cut plan last year. Subsequently, he was the author of a revised version, tying more-modest tax cuts to spending restraint, which cleared the Senate but not the House. Currently, he favors a balanced-budget constitutional amendment, although he is unsure exactly how it should be framed.

Even critics of these positions often give him high marks for integrity. "You know Sam Nunn is going to make an intellectually honest judgment," acknowledges Howard Paster, lobbyist for the liberal United Auto Workers. "Unlike some others, he doesn't make crass political moves. I just wish he wasn't so conservative."

MILITARY EXPERTISE

In his chief area of expertise, the military, Sen. Nunn receives almost universal respect. "Many people involved with defense tend to be very ideological," says Robert Pranger, the top foreign-policy and defense expert at the American Enterprise Institute think tank. "But Sen. Nunn is very analytical and always open-minded."

Mr. Nunn's interest in the military comes naturally. He is the grandnephew of Carl Vinson, the longtime former chairman of the House Armed Services Committee. With the influence of Rep. Vinson and Sen. Russell, Georgia is steeped in military installations. After winning a seat on the Armed Services panel, he soon attracted the attention of Chairman John Stennis of Mississippi, who encouraged him to pursue a range of activities.

With this license, the tenacious Georgian has mastered many of the complexities of conventional and strategic warfare, and especially military manpower issues. He travels widely, but not on globe-trotting junkets. He led a five-nation Far Eastern trip late last year, and one of his companions, Sen. Cohen, recalls, "On the plane leaving Washington we were greeted by three large notebooks and didn't stop working until we came home."

Sen. Nunn's most tangible success followed months of scrutiny in 1976 of NATO's conventional-force capabilities in light of the big buildup by the Russians in Eastern Europe. Mr. Nunn and his allies moved to actually trim some costs, while at the same time bolstering the fighting forces. It resulted in modernizing equipment, shifting forces to more strategically located positions and changing 19,000 troops from support positions to combat status. "Sam Nunn's work here was seminal," notes Robert Komer, a top aide to Defense Secretary Harold Brown.

SELECTIVE CRITICISM

He has assailed the taxpayer-subsidized military commissaries and the "top-heavy" concentration of generals and admirals. But he is selective. Despite budget-balancing rhetoric, for example, he avoids criticizing the generous military pensions; Georgia is full of retired military men.

He is opening an inquiry into the volunteer army. There's little doubt how he feels: "I am absolutely convinced it isn't working," he says in an interview. He raises the possibility of a new draft, "with no college deferments this time."

In foreign affairs, he is spending most of his time lately on the Pacific and U.S.-Soviet relations. He opposes U.S. troop withdrawals from South Korea but backs normalization with China as a "long-term stabilizing" move to counter the Soviet threat.

Sen. Nunn thinks that threat is real. A few months ago, he visited Russia with 11 other Senators and frequently became the focal point of discussions with Soviet officials. "Sam was the one person in our delegation who had the knowledge to take on the Soviets on military matters, and it got to them," another participant observes. "They tried to blow him over by getting mad and questioning his facts. But he calmly and cogently discussed, in detail, their buildup in strategic weapons and conventional forces and backed them down. He really won the respect of the other Senators and, I suspect, the Soviets too."

SOVIET SUPREMACY?

The Georgia Democrat views the coming SALT debate as an opportunity to examine these military balance-of-power issues. "We have to decide—and I think the time is now—whether we want to live in a world where the Soviets have a clear military advantage."

That, of course, is a loaded proposition, but Sen. Nunn thinks that's where the recent trend is headed and it must be reversed. Thus, with or without a treaty, he argues for an escalation of U.S. defense spending and an expeditious development of weapons systems such as deployment of the MX intercontinental ballistic missile. "For a long time, we hoped unilateral restraint would work; it hasn't," he asserts.

Moreover, he sees a favorable political climate here. One of the stronger arguments for SALT I (in 1972), he contends, was that in the midst of Vietnam "there was an aversion to all things military. Today, however, that's changed, and there is an opportunity to gain real strategic momentum," he believes.

On SALT II, Sen. Nunn is bothered by some of the specifics, including the vulnerability of U.S. land-based missiles and adequately verifying Soviet compliance. But an even greater concern, he charges, is the process of the negotiations. The U.S., he claims, hasn't any "clearly defined SALT goals" or any overall "arms-control philosophy." By contrast, he thinks the Soviets "plan their long-range strategic forces and then negotiate an agreement." Thus, in the Nunn view, the Soviets' "strategic programs drive their SALT negotiators, while our SALT negotiators drive our strategic programs."

SALT III PREPARATIONS

This is more than an academic debate; Sen. Nunn hopes to use this contention to influence U.S. policy as it enters what he thinks is the far more crucial arms-limitation phase of any SALT III.

From this rhetoric, it's easy to conclude Sen. Nunn will oppose the coming treaty. SALT opponents confidently predict so, and he says he has told President Carter he has "real apprehensions" about the treaty.

But Sen. Nunn isn't that simple to figure. He also praises the goal of long-term arms control and admits, "The consequences of rejecting a SALT treaty (in that vein) aren't to be underestimated." It could, he says, "magnify the existing Soviet tendency towards imperialistic paranoia." Further, any resulting big increase in strategic spending could slight outlays for conventional forces, he acknowledges. And as a proponent of a strong NATO, he worries about the impact on European allies, most of whom support SALT.

PIVOTAL ROLE

Whatever he does, the Georgian's role will be pivotal. This includes seeking separate commitments for defense buildups, even with SALT II, and the delicate possibility of altering parts of the treaty.

Especially critical will be the effect his stance will have on a half-dozen or so Southern Democrats. "If Sam Nunn goes for SALT, it will provide an umbrella for other Southerners," one knowledgeable Senate source predicts. And no matter how partisan the issue, several Republicans are likely to look to the Georgia Democrat for guidance, too. "Sam Nunn probably carries more weight with our guys on this issue than anybody on the other side of the aisle," says a top GOP Senate strategist.

Other important Senators on the issue include Majority Leader Robert Byrd of West Virginia, without whose support a SALT treaty may not even come to a vote; Armed Services Committee Chairman Stennis, whose views and role in the fight are uncertain; Democratic Sen. Henry Jackson of Washington, the leading anti-Soviet arms expert in the Senate and a likely foe, and Sen. Howard Baker of Tennessee, the politically savvy minority leader.

"I can envision winning SALT without Jackson and possibly even without Baker," muses a White House strategist. "But without Nunn, we're dead." ●

JAY SOLOMON RESIGNS

● Mr. HAYAKAWA. Mr. President, yesterday the President accepted Jay Solomon's resignation from his position as Administrator of the General Services Administration. I would like to take this opportunity to commend Mr. Solomon for his efforts in the last few months to unearth and correct the problems within the agency.

Under Mr. Solomon's leadership those people suspected of fraudulent activities in the GSA have been prosecuted, and investigations have been continued to discover the extent of these activities. Employees who were dismissed for attempting to alert their superiors to the widespread abuse have been reinstated by Mr. Solomon. In addition, GSA procurement procedures are being examined and tightened to prevent additional corrupt practices and waste of Federal funds.

It is my hope that Mr. Solomon's successor will follow his example of diligence in seeking out those who have misused the GSA for their own personal gain, and in finding solutions to prevent future fraud within the General Services Administration.●

CONSTITUTIONAL CONVENTION LEGISLATION EXAMINED

● Mr. McGOVERN. Mr. President, a number of bills have been introduced this year which attempt to set guidelines under which a Constitutional Convention might be held.

There are many responsible people who fear a runaway convention. However, a recent study concludes:

> The only group threatening to run away with a convention so far is the Congress itself.

It is, at least, a provocative observation based on a review of convention procedure bills introduced in this and earlier Congresses. It is the author's argument that in the name of limiting the ambit of a convention, there is some risk that the people's right to amend the Constitution could be reduced.

The author of the study, Jim Stasny, is well known to students of the convention issue. His early studies of the problems with the State application process spawned later research by the Library of Congress and led to more accurate reporting of applications in the House portion of the CONGRESSIONAL RECORD. Although this study is critical of the Congress for proposing guidelines that the author views as too restrictive, there is little doubt that if a convention should ever come into being, Congress would have some obligation to establish a framework under which it would conduct its business.

This study injects still another note of caution into the controversy over a possible constitutional convention. I ask that it be printed in the RECORD.

The study follows:

LOCKING THE PUBLIC OUT OF THE AMENDMENT PROCESS

I. INTRODUCTION

Near the end of his life Oliver Wendell Holmes, Jr., one of America's most respected jurists, said "About seventy-five years ago I learned I was not God. And so, when the people of the various States want to do something and I can't find anything in the Constitution expressly forbidding them to do it, I say, whether I like it or not: Damn it, let 'em do it."

In the face of the current dash toward a convention to add a balanced budget amendment to the Constitution there are many who do not share Justice Holmes' casual confidence in the ability of the American people to do it well. Because the convention method of amendment is the great untested element of the Constitution, many fear it almost as an alien force. As a consequence, even while the tide runs high for a convention there is an equally strong push to thwart the convention procedure, either by stopping it altogether or by tightly circumscribing its authority.

People seem to fear a convention because they suspect it might undo many of the constitutional guarantees of liberty in which they have so huge an investment. It may well be that a convention would be a mistake—but not because of the manufactured argument that it might damage the Constitution. Rather it could be a mistake now because there has been only scant involvement in the planning process by people spanning the full range of political opinion. In the last quarter century, it has been only those representing conservative opinion who have had a hand in shaping legislative proposals for convention guidelines. Perhaps as a result of this limited involvement, the convention bills that twice passed the Senate in the early 1970's would have made any convention a weak, second-citizen to the Congressional procedure for amending the Constitution. Under these bills, Congress would have overwhelming control of a convention.

It does not appear that the Founding Fathers intended Congress to dominate both means of amendment. The chronicles of the 1787 Convention suggest that one reason for providing the convention option was to overcome the possible resistance of an obdurate Congress to constitutional change. In fact, the first draft of the Constitution provided for amendment by convention only.

There are those who say all a convention would do is provide a licensed forum for a multitude of one-issue pressure groups. Perhaps. There is, after all, no vehicle of government better fitted to one-issue interests than the amendment process. Once beyond the first ten amendments which were submitted en bloc, all amendments to the Constitution have dealt with a single issue. So it might be expected that assorted factions would raise other possible amendments. It does not follow that a convention would be steam-rolled into adopting them. As Rufus Kind said during the Convention of 1787, "We have power to propose anything, but to conclude nothing." [1]

II. LIMITS

The main issue today is whether a convention could be limited to a single question. That matter already appears to have been settled in a passive fashion. Over the years Congress has received 400 applications from the states requesting a convention. Of those only 29 sought to generally revise the Constitution. Of the 60 applications received in the last five years, all of them have dealt with a single issue. Since Congress has yet to summon a convention, it is evident by this time that a convention will not be called until enough applications have been gathered in a compact enough time frame and on the same subject.

A 1970 National Municipal League study shows there is also precedent for a limited constitutional convention at the state level. Twelve of the 27 conventions held in the period between 1938 and 1968 were limited to a designated subject or subjects.[2] Furthermore, a 1971 Emory University Law School study included a poll of state legislators on their opinions about a limited federal convention. Of those responding, 1,334 legislators (84 percent) supported the idea of a single amendment convention.[3]

There is still another means of limiting a convention and that is by giving the public as much direct voice as possible in the process. The best way to do that is to specify that any amendment submitted by a national convention must be ratified by state conventions. That means of ratification has only been used once before, when the Twenty-first Amendment repealing prohibition was sent to the states. Since the Supreme Court in *Hawke* v. *Smith*.[4] ruled out the prospect of a state-wide referendum on constitutional amendments, ratification by convention would be the best way to circumvent that ruling and allow the public to decide. If convention delegates were elected, the public would have a more direct voice in the amendment process by voting for candidates closest to his or her views on the question of ratification. A procedure of this sort once won a measure of Congressional support. In 1923, the Senate Judiciary Committee reported Senate Joint Resolution 40, popularly known as the "Back to the People Amendment" which would have revised Article V of the Constitution to limit ratification to a referendum procedure.[5]

There is little question that lobbying on the ratification of an amendment submitted by a convention would be fierce. The ferocity, however, would arise from the level of controversy surrounding the subject matter of the amendment rather than the method of its proposal. To fear the lobbying pressure and to suggest, as some commentators already have, that people are not wise enough to handle it is too elite a presumption for anyone other than the people themselves to prove or disprove. As noted in a 1937 article by Malcolm Eiselen for the *North American Review*, "To assume, as many apparently do, that a second convention could alter the Constitution only for the worse is . . . an unwarrantable libel upon the creative statesmanship and political sagacity of the American people." [6]

Nevertheless, if the convention bills approved by the Senate in 1971 and 1973 are any guide, Congress appears to have scant faith in the ability of the public to deal with the Constitution. In the rush to defend the Constitution against predicted convention assault, Congress seems ready to shrink the people's right to deal with their own charter. S. 3, the Federal Constitutional Convention Procedure Act, is a direct, nearly identical descendant of the bills of the early 1970's. To examine those earlier bills is to become aware of just how far Congress is willing to go to restrict the alternate amendment process.

III. VOTE REQUIRED TO PROPOSE AMENDMENTS

When Senator Ervin introduced S. 2307 in August of 1967, it provided at Section 10 that the convention may propose amendments by a majority of the total votes cast on a question. Four years later, when the

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Footnotes at end of article.

Senate passed S. 215, a modified version of S. 2307, the voting requirement had been changed to two-thirds of the total number of delegates. The new super-majority was added as an amendment by Senator Bayh and approved by the Senate 45 to 39.[7]

In the life of parliamentary assemblies, the voting requirements are pivotal. There are oceans of difference between permitting approval of a question by a majority of those recorded on a given issue and requiring two-thirds of the total membership to approve. The Bayh amendment represents an exceptionally severe restriction on the ability of a convention to propose an amendment. That, at any rate, was the view of Senator Ervin, author of the bill. In opposing the Bayh amendment, Senator Ervin noted, "It undertakes to say that the people cannot amend their own Constitution. . . . It would handicap the people of the States in procuring amendments by the convention process."[8]

There is other opposition to the Bayh proposal. A 1971 study of the American Law Division of the Library of Congress noted that any procedural requirements for passage and ratification of an amendment in addition to those specified in Article V are formalities and are not strictly binding.[9] In support of that view, a Harvard Law Review study notes Article V does not expressly require a super-majority vote for the proposal of amendments by a convention even though it does require a two-thirds vote for the proposal of amendments by Congress. The study further states that a "two-thirds requirement predetermined by Congress would appear to be unconstitutional."[10] Moreover, the 1974 American Bar Association study of the convention method of amendment states, "We view as unwise and of questionable validity any attempt by Congress to regulate the internal proceedings of a convention. In particular, we believe that Congress should not impose a vote requirement on an Article V convention."[11]

It might be noted further that the first standing rule of procedure adopted by the Constitutional Convention on May 28, 1787 shows the convention decided voting requirements for itself. The rule stated, "A House to do business shall consist of the Deputies of not less than seven States; and all questions shall be decided by the greater number of these which shall be fully represented; but a less number than seven may adjourn from day to day."[12]

Senator Bayh, during the 1971 debate on his two-thirds voting amendment said, "I can say without fear of contradiction that never in the history of this Republic has a constitutional amendment been referred to the States for ratification without concurrence of two-thirds of the Members, not of one body, but of two bodies, the House and Senate."[13]

History does not support Senator Bayh's contention.

On December 6, 1803 during debate in the House of Representatives on approval of the Twelfth Amendment, the two-thirds question was raised a number of times. Both Congressman Griswold and Congressman Dennis noted that when the Senate, four days earlier, approved the amendment, they did *not* do so with the approval of two-thirds of the entire membership. Mr. Griswold noted, "By a certificate, obtained from the Secretary of that body, it appears that the resolution was passed by the votes of twenty-two members in favor of it; twenty-two voting in the affirmative and ten in the negative. It is known to every gentleman that the Senate consists of thirty-four members, and that it consequently requires twenty-three to constitute two-thirds of its members."[14]

During the same House debate on the Twelfth Amendment, there was also discussion of the means by which the Congress had approved the Bill of Rights for submission to the States. Mr. Rodney spoke to the action taken by the Senate, saying, "The Journal expressly says they were adopted by two-thirds of the Senators present concurring . . . We . . . find that in September, 1789, it is declared on the Journal of the Senate that amendments passed, and which are now part of the Constitution, were ratified by two-thirds of the members present."[15]

Both Hinds' precedents and Cannon's Precedents of the House of Representatives specifically state in bold type that the vote required for passage of a joint resolution proposing an amendment to the Constitution is two-thirds of those voting, a quorum being present, and not two-thirds of the entire membership.[16] To support that precedent, illustrations are provided of House action on two separate proposals on the amendment allowing direct election of U.S. Senators. An excerpt from Cannon's Precedents shows how the two-thirds question was resolved:

"On May 13, 1912, the House was considering the Senate amendments to the joint resolution (H.J. Res. 39) proposing an amendment to the Constitution providing that Senators shall be elected by the people of the several States.

"A motion by Mr. William W. Rucker, of Missouri, that the House concur in the Senate amendment being put, and the yeas and nays being ordered, the yeas were 238, nay, 39, answering present 5, not voting, 110.

"Mr. Thomas U. Sisson, of Mississippi, submitted that the constitutional requirement had not been complied with and the motion had not been agreed to. He cited Article V of the Constitution providing that two-thirds of the two Houses might submit amendments to the Constitution and took the position that under this provision more than 260 votes would be required for affirmative action, whereas only 238 had voted in the affirmative.

"The Speaker said:

"Two-thirds of the House means two-thirds of a quorum.

"It has been held uniformly, so far as the Chair knows, that two-thirds of the House means two-thirds of those voting, a quorum being present.

"When the phrase or collocation of words, 'the House of Representatives,' is used, it means a quorum of the House. If it can do one thing with a bare quorum (it) can do anything; and what precedents there are, both of the Supreme Court and of the Speaker—because Mr. Speaker Reed rendered an opinion—held that in a situation like this 'two-thirds' meant two-thirds of thoes voting, provided it was quorum."[17]

Further comment is found in the Supreme Court's ruling on the *National Prohibition Cases*. Speaking for the Court, Justice Van Devanter wrote, "Two-thirds vote in each house which is required in proposing an amendment is a vote of two-thirds of the members present—assuming the presence of a quorum—and not a vote of two-thirds of the entire membership . . ."[18]

Justice Van Devanter based this statement on the case of *Missouri Pacific Railway Company* v. *State of Kansas* decided by the Court on January 7, 1919. Chief Justice White gave the opinion of the Court and his argument focused in large part on the action of Congress in proposing the Bill of Rights. After citing passages from the Senate Journal indicating that two-thirds of a quorum rather than two-thirds of the elected membership proposed the amendments, the Chief Justice made this observation:

"When it is considered that the chairman of the committee in charge of the amendments for the House was Mr. Madison, and that both branches of Congress contained many members who had participated in the deliberations of the convention or in the proceedings which led to the ratification of the Constitution, and that the whole subject was necessarily vividly present in the minds of those who dealt with it, the convincing effect of the action cannot be overstated.

"But this is not all, for the Journal of the Senate contains further evidence that the character of the two-thirds vote exacted by the Constitution (that is, two-thirds of a quorum) could not have been overlooked, since that Journal shows that at the very time the amendments just referred to were under consideration there were also pending other proposed amendments, dealing with the treaty and law-making power. Those concerning the treaty-making power provided that a two-thirds vote of all the members (instead of that proportion of a quorum) should be necessary to ratify a treaty dealing with enumerated subjects, and exacted even a larger proportionate vote of all the members in order to ratify a treaty dealing with other mentioned subjects; and those dealing with the law-making power required that a two-thirds (instead of a majority) vote of a quorum should be necessary to pass a law concerning specified subjects.

"The construction which was thus given to the Constitution in dealing with a matter of such vast importance, and which was necessarily sanctioned by the States and all the people, has governed as to every amendment to Constitution submitted from that day to this."[19]

When matched against these precedents, the Bayh amendment represents an extravagant imposition on the ability of a convention to reach a decision on proposing an amendment. The two-thirds provision is not included in S.3, the current convention guideline bill before the 96th Congress, and should be rejected if it is offered again as an amendment.

IV. THE APPLICATION PROCESS

As introduced in 1967, S. 2307, the Constitutional Convention Procedures Act, contained a provision that would have allowed individual state legislatures to pass on questions surrounding the validity of their applications for a constitutional convention. Those decisions of the state legislatures were to be binding on all others, including Congress and federal courts.[20] When S. 215, an amended version of S. 2307, was approved by the Senate in 1971, Congress took for itself the power to decide on the validity of state applications.

Cyril Brickfield, author of landmark convention studies for the House Judiciary Committee in the late 1950's, gives evidence that the Congressional attempt to intervene so intimately in the affairs of state legislatures may well be out of order. Citing the case of *Field* v. *Clark*, Brickfield in 1957 wrote, "procedural requirements in the passage of legislation are deemed to have been properly met when the legislation is certified correct by the presiding officer . . . The Supreme Court held in the Field case that the courts should not . . . go behind enrolled acts which carry the solemn assurances of both legislative houses . . . that the legislation has passed." Brickfield concluded, ". . . it would be more prudent in the light of court decisions and historical precedents to recognize the established rule that deliberative bodies have the right to regulate their own proceedings and to accept State applications (for a convention) when certified to, as having been validly adopted."[21]

If Congress involves itself in the process of determining the validity of applications, a tangle of other questions will certainly follow. Many of the state applications attach conditions which will influence the rulings on their validity. Moreover, the application process itself has become a mathematical nightmare. Since 1974, thirty applications from twenty-five states (through March 16, 1979) have been listed in the Congressional

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Footnotes at end of article.

Record under the heading "PETITIONS" or "MEMORIALS" calling for a constitutional convention on balanced budgets. But consider the following problems:

A. The Library of Congress maintains that the Arkansas application does not count because it was only passed by one House of the State Legislature.[22] In March of 1979, however, Arkansas renewed its convention application, apparently with the concurrence of both houses of the legislature.[23]

B. The Library of Congress maintains that the Indiana application is similarly invalid, having passed only one House of the state legislature.[24] That would reduce the number of applications by one.

C. Texas provides an excellent example of how confusing the application process can become. On January 15, 1979, the House of Representatives summarized a Texas opplication calling for a balanced budget amendment. (Memorial No. 5). The House summary said Texas wanted a convention called if Congress failed to submit a comparable amendment.

When the Texas application was finally printed in the Senate on March 1, 1979 (POM-51), it contained no mention of a convention request. The Texas application printed March 1 by the U.S. Senate had been designated "House Concurrent Resolution No. 13" by the Texas Legislature. It noted among its several resolving clauses that its purpose was to reaffirm the provisions of "House Concurrent Resolution No. 31". That raised the question of why one concurrent resolution numbered 13 would "reaffirm" the intent of a subsequent concurrent resolution numbered 31. The Texas legislature would, no doubt, be in a much better position to clear up that matter than Congress.

The confusion cleared somewhat on March 15, 1979. On that day the Senate printed the text of the Texas Concurrent Resolution No. 31 (POM-95). It did, in fact, make amendment by convention the alternative means of obtaining a budget amendment.

Also on March 15, the House of Representatives printed a summary of the Texas application (Memorial No. 74). It appears that the January 15, 1979 House summary had simply been in error.

D. On February 22, 1979 the House of Representatives noted that Florida had requested a convention to propose a balanced budget amendment. However, on March 1, 1979, in the Senate portion of the Congressional Record, two applications from Florida were printed. One, POM-59, came from the Florida Senate. It requested Congress to call a convention to develop a balanced budget amendment. The other application, POM-60, was from the Florida House. Using different deficit figures, citing different reasons, and specifying an exact text of the desired amendment, it also requested a convention. Since the separate applications do not represent an identical request from the full Florida legislature, it would appear that it would not be valid. The Florida legislature would seem to be in the best position to explain.

E. Sixteen of the state applications (as of March 16, 1979) do not make the convention route the primary choice for obtaining an amendment. The first choice, in each case, is to have Congress approve and submit an amendment. That raises two questions: (1) Are any of these sixteen countable as "valid" convention applications, and (2) how much time would Congress have in which to act before being required to initiate the convention alternative? Of the sixteen states making the convention an alternative to Congressional action, none of them established a grace period in which Congress would be given the cnance to act first. Interestingly, five states which make a convention the only means of adding a balanced budget amendment do set a grace period ranging from five months to sixty days following the receipt by Congress of valid applications from two-thirds of the states

As if the arithmetic of the application process wasn't confusing enough, the Standing Rules of the Senate do not mention the term "Application" although it is contained in Article V of the Constitution. Rule VII of the Standing Rules of the Senate mentions both "memorials" and "petitions." In fact, subsection six of that rule provides that communications from state legislatures are to be printed in full in the Senate portion of the Congressional Record. Adding the term "Applications" to Rule VII would give requests for a constitutional convention a separate identity and likely reduce some of the existing confusion. However, in view of the contemporary rush toward a convention it is conceded amending the Senate rules now would be akin to closing the barn door after the horses have left.

In summary, while court precedent indicates Congress should not involve itself so directly in the judging of the validity of state applications, the confusion attending the wording of the applications raises questions of how Congress could determine validity without specific guidance from the States.

V. OTHER RESTRICTIVE FEATURES OF S. 3

In addition to provisions already cited, S. 3 would virtually deny the courts any role as a convention arbiter. Beyond that, the current bill would require the delegates to swear an oath, not to defend the Constitution, but rather "to refrain from proposing or casting his vote in favor of any proposed amendment . . . relating to any subject which is not named or described in the concurrent resolution of the Congress by which the convention was called."[25]

Although S. 3 states that a convention must convene within one year of the time Congress approves concurrent resolution calling it into being and that the convention would meet for no longer than one year unless otherwise extended, there is no specified time in which Congress would be required to take action on the concurrent resolution itself. It becomes clear that a convention would not meet immediately and that Congress would provide itself plenty of time to act on an amendment of its own as a possible means of heading off a convention. If a convention is called, S. 3 leaves little doubt that Congress would be the final master of convention actions.

(It is more than just a matter of passing curiosity to consider what would happen if the opportunity ever arose to change the role of Congress in the Article V amendment process. That chance has never arisen, of course, under this Constitution. It did come up in an extra-constitutional way when the Confederate States drafted their own Constitution at the outset of the Civil War. Their provisional constitution simply provided that "The Congress, by a vote of two-thirds, may, at any time, alter or amend this Constitution."[26] The final Confederate Constitution's provision for amendment was notably different. In fact, it took the power of amendment completely out of the hands of Congress, leaving amendments to be proposed only by the states assembled in convention.)[27]

VI. CONCLUSION

It is lamentable that proposed legislation fits such tight prior restrictions on a possible convention. S. 3 would permit Congress to determine where, when and for how long a convention would meet; decide how the delegates would be selected; set the size of the vote required to prosecute an amendment; and give Congress limited review authority over the amendments produced by a convention. S. 3 also substantially precludes court involvement as an arbiter in the convention process.

To those who fear a "runaway convention" it need only be observed that the only group threatening to run away with it so far is Congress itself.

It is also regrettable that among those who oppose a convention and express the most fears of an unlimited assembly are those who have been so outspoken in the past in defense of individual liberty. Recent news stories have listed the American Civil Liberties Union, the NAACP, Americans For Democratic Action, Common Cause and the League of Women Voters as members of an emerging coalition to oppose a convention. Moreover, one prominent law professor has expressed fears that a convention might become a "rogue elephant."[28]

It is one thing to oppose a constitutional convention, whatever the motive. But before that opposition is converted into statutory language restricting a convention, great caution is in order. It does not seem that among those who speak eloquently for the defense and advancement of human rights, there is a clear-eyed perception of the power residing in the Article V convention clause for the preservation of those rights. Simply put, the convention option is a safety valve to be utilized when and if the Congress proves resistant to the demands of the public. This option involves a number of risks, among them the distant possibility of reducing certain protections of individual liberty. There is a converse of that, however. A convention might also enlarge guarantees of freedom. The risks are there. It should be remembered, nonetheless, that the Convention of 1787 was a gathering of risk-takers who decided that the risk of providing two means of amendment of the Constitution was not so high as leaving amendment solely in the hands of the Congress.

To submit to rigid procedural sleeves on the public's right to amend the Constitution is to Sanforize, at the threshold of free expression, a bit of liberty itself. Before falling victim to anxiety over any one amendment proposal, there should be more thought given to what acting too restrictively can do to the long range freedom of the people to speak for themselves.

FOOTNOTES

[1] *Documents Illustrative of the Formation of the Union of the American States*, 69th Congress, 1st Session, House Document No. 398, p. 877.

[2] Albert L. Sturm, *Thirty Years of State Constitution Marking: 1938–1968*, p. 55.

[3] Doyle W. Buckwalter, "Constitutional Conventions and State Legislators", *Journal of Public Law*, Vol. 20, p. 543.

[4] *Hawke* v. *Smith*, No. 1, 253 U.S. 221 (1920).

[5] *The Congressional Digest*, Vol. II, No. 6, March 1923, p. 169.

[6] Malcolm R. Eiselen, "Dare We Call a Federal Convention?", *North American Review*, Vol. 244, No. 1, (1937), p. 29.

[7] *Congressional Record*, October 19, 1971, p. 36770.

[8] *Ibid*, p. S16531.

[9] Stuart E. Glass, "Amending the Federal Constitution—Procedures of the General Services Administration and of the State Legislatures", American Law Division, Library of Congress, April 6, 1971, p. 1.

[10] *Harvard Law Review*, Vol. 85:1612, (1972), p. 1633.

[11] *Amendment of the Constitution by the Convention Method Under Article V*, American Bar Association, (1974), p. 19.

[12] *Documents Illustrative of the Formation of the Union of the American States*, *op. cit.*, p. 111.

[13] *Congressional Record*, October 19, 1971, p. 36770.

[14] *Annals of Congress*, December 6, 1803, p. 646.

[15] *Ibid*, p. 656.

[16] See, e.g., *Hinds' Precedents of the House of Representatives of the United States*, Section 7027, p. 1009.

[17] *Cannon's Precedents of the House of Representatives*, Vol. VIII, Section 3503, p. 904.

[18] *National Prohibition Cases*, 253 U.S. 350.

[19] *Missouri Pacific Railway Company* v. *State of Kansas*, 248 U.S. 276.

[20] *S. 2307*, August 17, 1967, Section 3(b).

[21] Cyril F. Brickfield, "Problems Relating to a Federal Constitutional Convention", House Judiciary Committee Print, 1957, pp. 14–15.

[22] David C. Huckabee, "Constitutional Convention Applications", September 29, 1978, p. 7.

[23] *Congressional Record*, March 8, 1979, p. 4372.

[24] Huckabee, *opt. cit.*, p. 7.

[25] *S. 3*, 96th Congress, 1st Session, Sec. 8 (a).

[26] Charles Robert Lee, Jr., *The Confederate Constitution*, p. 169.

[27] *Ibid*, p. 196.

[28] *The Washington Post*, March 16, 1979.●

"TECHNOLOGY FOR THE THIRD WORLD": THE INSTITUTE FOR TECHNOLOGICAL COOPERATION

● Mr. JAVITS. Mr. President, I call to the attention of my colleagues and submit for printing in the Record an editorial that appeared in the New York Times on March 20, 1979. The editorial expresses strong support for the administration's proposed Institute for Technological Cooperation (IFTC), which is currently being considered by the Senate Foreign Relations Committee.

The IFTC would assist developing countries in improving their scientific and technologial capacities through active collaboration between the LDC's and the United States on specific research and development projects addressed at developing solutions to the central problems of economic development.

As the Times points out:

> The dream has persisted that scientific knowledge could help poor countries to catch up with the rich ones.

I share the belief that the technological expertise of the United States could have a tremendous impact on the problems of the developing countries. The establishment of a new Institute is also in our own political and economic self-interest since it would serve better the development needs of the middle-income developing countries, which are not being helped by our present bilateral and multilateral aid programs. While these countries are making progress on the development ladder, they still have serious development problems that must be addressed in a comprehensive and cooperative manner. It is imperative that we respond to the evolving needs of the middle-income countries now that these important countries have outgrown traditional U.S. bilateral aid in order to maintain our trade ties with them which are so important to them and to us.

In a year of fiscal austerity and questioning of the effectiveness of our AID program, authorizing $25 million for a new Institute should like all programs be considered carefully. But I believe it is the very deficiencies in our current AID program and the questions as to its political effectiveness that merit serious consideration of the IFTC. The Times concurs on this point and states that the Institute represents an opportunity to improve the quality of U.S. foreign aid with high dividends and at a modest cost.

The editorial follows:

> [From the New York Times, Mar. 20, 1979]
>
> BRINGING TECHNOLOGY TO THE THIRD WORLD
>
> Ever since the Truman Administration proposed "technical assistance" to the developing countries—with the celebrated Point Four program—the dream has persisted that scientific knowledge could help poor countries catch up with rich ones. But technology has never been fully put to work on the problems of development. An overdue attempt to improve that performance is now to be made, if Congress permits.
>
> The Carter Administration proposes to set up a small Institute for Technological Cooperation. It would act as honest broker in training more third-world scientists in promoting international research on the food, health, population, energy, environmental and natural resource problems of poor countries.
>
> Some of this has been done in the past by the Agency for International Development. Its agricultural research centers around the world can claim much credit for the "miracle" rice and high-yielding wheat strains that have doubled, even quadrupled, output at a fraction of the cost of traditional forms of assistance. But, as Frank Press, the President's science adviser observes, less than one percent of the world's investment in nonmilitary research is aimed at meeting the needs of the one billion people who live in absolute poverty.
>
> Vast research, for example, is done on temperate zone crops and livestock, but very little on goats, sheep and root crops that can grow productively where soil is poor and water and fertilizer are limited. Without a breakthrough on this problem, warns the National Academy of Sciences, there will be serious food shortages by the year 2000.
>
> Other problems cry for attention. Tuberculosis vaccine is 80 percent effective in Britain but ineffective in India; not enough has been done to find out why and to look for a substitute. Measles kills 1.5 million children in the poor countries every year because the vaccine that has virtually eliminated fatalities in the advanced nations requires more refrigeration facilities than are available in hot countries. Not enough is being done on the parasitic diseases that continue to afflict millions.
>
> The developing countries tend to think of technology transfers as the kind that advance industrialization. They have tried to write a "code of conduct" to gain easier access to patents and other information held by multinational companies, even as they resist measures that would encourage the private instrument and joint ventures that bring such know-how.
>
> The proposed Institute for Technological Cooperation cannot solve this complex problem. But it could help mobilize other scientific resources. The research of governmental agencies, like the Bureau of Standards, Department of Health, Education and Welfare, and the Agriculture and Energy Departments could be expanded into areas useful to the poor countries. University, foundation and other nonprofit laboratory research could also be aimed in that direction, and existing technology could be adapted for development.
>
> In a tight-budget year that finds the United States reluctant to increase foreign aid, the institute represents an opportunity to improve the quality of American developmental aid at small cost; only $25 million in new money is asked for the first year. Even if that sum later grows somewhat, the dividends could be high.●

TOWARD DEMOCRACY AND SOCIAL JUSTICE IN BRAZIL

● Mr. KENNEDY. Mr. President, March 15 marked the Presidential inauguration in Brazil of the fifth general in a row since the military coup of 1964. After a period of brutal repression from 1969 to 1974, Brazil has moved slowly toward the fuller protection of basic human rights against arbitrary arrest and torture. Some of the enabling legislation and some of the institutions of repression remain, but we can all take heart from these first steps, and we wish the new President, General Figueiredo, well in his stated intention to continue the process of returning Brazil to full democracy under civilian rule.

I believe that it is both possible and desirable for the United States and Brazil to work together to enlarge democracy and social justice for both our peoples—so as to "consolidate in this hemisphere, within the framework of democratic institutions, a system of personal liberty and social justice based on respect for the essential rights of man," as called for by the Preamble of the American Convention of Human Rights. To that end, we must all hope that Brazil will move rapidly toward national reconciliation, with an amnesty for political exiles and prisoners, and a return of free political party and electoral activity without fear of intervention by the armed forces.

The basic problems of Brazil, and of so many other developing nations, are the problems of misery and poverty—problems that can only be satisfactorily resolved in an atmosphere of full democratic participation of all of the Brazilian people in a free environment. I hope Brazil will soon be able to address its urgent social problems through a fully democratic system in which all groups have access to the Brazilian media, can organize without fear of reprisals, and can compete according to the rules of democratic dialog.

Brazil is a dynamic and creative nation, endowed with rich human and natural resources. It is a model, a giant laboratory, whose struggles to find greater freedom and social justice for its people are not only important to the Brazilian people, but are watched with great interest by the rest of the world. Not only the less developed and developing countries, but the developed countries, may have much to learn from the Brazilian experience of the next few years.

Over the coming years, Brazil can show the rest of the world how it is possible to promote social justice and freedom through democratic and peaceful means. Today I state my unequivocal support for the Brazilian people in their struggle for social justice and democracy.●

CONSTITUTIONAL AMENDMENT LIMITING GOVERNMENT SPENDING

● Mr. HEINZ. Mr. President, several weeks ago Senator Stone and I announced our intention to introduce a constitutional amendment to limit Government spending. The proposed amendment will be modeled after the ideas of the Nobel Prize-winning economist Dr. Milton Friedman and the National Tax Limitation Committee. We have been hard at work the past month consulting with various economists, listening to legal scholars, and examining economic projections to insure that our amendment is fiscally responsible and insures that excessive Government spending is finally brought under control.

When Senator Stone and I announced our support for this approach to controlling the size of the Federal Government, we called for a national debate on the issue. I note that many of my colleagues have now spoken out on the need to bring Government spending under control. In addition, I have read with interest the many newspaper accounts, editorials, journal reports, and magazine articles dealing with this issue. I believe this exchange of ideas is informative and contributes to our understanding of the economic problems facing this country.

Today, I would like to bring to the attention of my colleagues three articles that recently appeared in the Washington Post and I ask that they be printed in the Record. I believe the three articles provide a thorough analysis of the problems inherent in direct balance-the-budget approaches and the troubling uncertainties of a constitutional convention. The points expressed reaffirm my view that Congress should support a constitutional amendment to limit Federal spending. Senator Stone and I will introduce our proposal within the next few weeks, and I am confident that the Congress will find it a reasonable and rational approach.

The articles referred to follow:

The Historical Experience

(By John W. Anderson)

In this happy land of short memories, half of the states' legislatures are now demanding a balanced budget enforced by constitutional amendment. Not to be outdone, several dozen congressmen have drafted language that would also require the government to pay off the federal debt within the next century.

If those ideas seem right and good to you, you owe it to yourself—and to the country—to look at their history. Those were the ideas that prevailed in this country until late in the New Deal, and they locked the American economy into a pattern of short booms that quickly crested in financial panics and severe unemployment.

There were six financial crashes and two long depressions between the Civil War and World War II.

Those depressions were periods of violent collisions between labor and management. They brought the United States closer to the European style of social-class politics than ever before or since. Through it all, presidents and Congresses agreed that federal budgets always ought to be balanced except in national emergencies, and they struggled conscientiously to pay off the war debts.

Then, in the late 1930s, things changed.

Does it strike you as important that this country has now gone through 34 years since World War II with no financial panics, and with the unemployment rate never as high as 10 percent? The reason is that the federal government has learned to use budget deficits and debt to stabilize the whole national economy. If you rule out deficits and debt, you return the economy to the jolting instability of the 19th century.

The United States had paid off the federal debt in the 1830s, but it had to borrow heavily in the Civil War. For nearly 30 years after the war, the budget was held consistently in surplus and the debts were slowly reduced. The social costs were severe.

Banks, then as now, used government bonds—that is, pieces of the federal debt—as their reserves. When the government retired the bonds, it was inadvertently tightening the money supply. The constraints got tighter than ever when Congress put the country back on the gold standard.

The first of the great American financial panics arrived in 1873—triggered, apparently, in Europe by the reparations that France paid to Germany after the war of 1870. Credit collapsed in the United States, throwing the country into a depression that lasted five years.

The 1880s brought a tremendous boom as immigrants flooded into the country, new land came into production and new resources were opened. But this surge in production, against a tightly limited money supply, forced a steady fall in prices—a disaster for the farmers and small businessmen trying to pay off loans with shrinking incomes.

In 1893 there was another panic, this time incited by financiers' fears that coinage of silver would bring inflation. Again a depression followed. In 1892 the unemployment rate was 3 percent. In 1894 it was 18 percent.

Modern Americans are apt to think of William Jennings Bryan's famous Cross of Gold speech in 1896 as a faintly comic piece of old-fashioned hyperbole:

"You come to us and tell us that the great cities are in favor of the gold standard; we reply that the great cities rest upon our broad and fertile prairies . . . We will answer their demand for a gold standard by saying to them: You shall not press down upon the brow of labor this crown of thorns, you shall not crucify mankind upon a cross of gold."

Bryan was speaking for the plains farmers who had seen wheat drop to half the price of the early 1880s, in response to steadily tightening money. It was deflation, the opposite of the present inflation.

But the distress was not confined to the plains. The extreme insecurity of industrial life generated a wave of pitched battles between the new labor unions and employers. The Homestead strike was in 1892 and the Pullman strike, that President Cleveland broke with federal troops, in 1894. Thoughtful Americans began to fear that the country was sliding toward another civil war, this time along social and economic lines.

Then pure luck ended the long deflation. Prospectors suddenly found gold in Alaska and Australia, and chemists developed the cyanide process to recover it from low-grade ores. Gold prices dropped. Ironically, the gold standard became, for a time, inflationary.

The cycles of growth and contraction continued through the early 20th century, with the greatest of the crashes coming, of course, in 1929. The collapse of credit again caused bankruptcies, resulting in unemployment that diminished demand and brought further unemployment in a long spiral downward. By 1933 the unemployment rate was 25 percent.

In England, John Maynard Keynes—in one of the great intellectual triumphs of this century—was working out this theory of employment and money. He urged governments to use their public credit to replace the collapsed private credit, and to extend public spending to offset the decline in private demand.

In the United States, the New Dealers, far less radical than their reputation, were suspicious of Keynes. When the economy slowly and painfully began to recover in 1937, the Roosevelt administration immediately reverted to conventional economics and tried to cut federal spending. President Roosevelt himself urged Congress to eliminate the deficit. As Keynes had warned, the patient immediately suffered a relapse. Unemployment shot from 14 percent in 1937 back up to 19 percent in 1938. That persuaded Roosevelt, who instantly began widening the deficit again. But it took three years, rearmament and the draft to get the unemployment rate down under 10 percent. It has been there ever since because every subsequent administration, Republican and Democratic, has followed the Keynesian method of using the federal budget as the balance wheel of the economy.

Why do a good many respectable people now want to forbid it, by constitutional amendment? Having grown accustomed to steady growth and stable prosperity, they have lost interest in the mechanism that provides it. They have forgotten what life was like without it.

How a Small Crusade Grew

(By Carrie Johnson)

Unless its new visibility slows it down, a campaign that many people dismissed as far-fetched could, very soon, force Congress to consider a balanced-budget amendment to the Constitution, try to set ground rules for the first federal constitutional convention since 1787, or perhaps wrestle with both huge problems at once.

The small crusade with such great implications has been the political sleeper of the year, an anti-spending, anti-Congress drive that had been endorsed by 21 states before it came to general attention when California Gov. Jerry Brown embraced the cause last month.

Since then, four more states (Arkansas, North Carolina, South Dakota and Utah) have signed on. That makes 25. Advocates such as Jason Boe, Oregon senate president and head of the National Conference of State Legislatures, expect to collect the required 34 by this summer—though opponents claim some of the resolutions are invalid.

Where did this startling movement start? Proposed anti-deficit amendments have been kicking around for years. So have convention calls on other issues.

The idea of combining the two apparently came to several men in scattered states about four years ago. One of those, state representative David Halbrook of Belzoni, Miss., recalled recently that he "was sitting around with some friends in the back of a drygoods store—no kidding—and we got to talking about what could be done, what could be done to get some handle on the [federal] government."

Meanwhile, in Maryland, state senator James Clark (D–Howard) decided that a convention call might arouse his congressional delegation, which had ignored his first appeal for a no-deficit amendment.

After getting their measure through their own states in 1975, Clark and Halbrook got together and got organized. Halbrook lobbied across the South. Clark recruited the aid of the National Taxpayers Union (NTU), a small Washington-based group best known until recently for issuing frequent lists of lavish or silly-sounding federal grants.

While using NTU's mailing lists and ties with other anti-spending groups, they worked primarily through informal networks of state legislators. Recently Clark and James Davidson, NTU's founder, did recruit one paid coordinator: George Snyder, a former Maryland state senator now based in Florida.

"If this isn't grass-roots," said Halbrook, "I don't know what is."

Instead of seeking much publicity, the movement's sponsors nurtured their obscurity to keep opposition down. "We put out just enough statements so we couldn't be accused of hiding anything," Davidson said recently. They also encouraged impressions that their project was outlandish and their resolutions about as meaningful as endorsements of apple pie.

Still, hundreds of minor crusaders plod through the country all the time without winning even one state. This effort has caught on because its themes have at least superficial appeal. Rightly or wrongly, "balanced budget" is a catch-phrase for economic stability, strong dollars and governmental self-control—just as "deficit spending" symbolizes recklessness, inflation and general civic decline.

Clark summed up this brand of economic fundamentalism recently by saying, "People may not understand all the theory, but they know instinctively what's wrong." And when "what's wrong" seems to include an irresponsible Congress and a runaway bureaucracy, using the Constitution as a checkrein is a saleable idea.

Thus, in Virginia, where most proposed constitutional amendments get stalled for years, the balanced-budget measure went through both houses without dissent in 1966. In Oregon last November, two state tax-curbing measures were rejected, but an advisory question on the amendment plan, put on the ballot by Jason Boe, got 82 percent of the vote.

As the plan became linked with other anti-spending, anti-Washington protests, it attracted more notice and much more fire. Last year in Colorado, for instance, the proposal was backed noisily by tax-protesting groups and a bloc of aggressive, arch-conservative Republicans. It passed, but only after a legislative brouhaha.

Clark and Davidson had hoped to proceed quietly until they had perhaps 30 states in tow. Brown's leaping-in obviously shattered that strategy and touched off political jockeying that they cannot hope to control.

The publicity has also brought a scrutiny that the movement is not ready for. Their proposals are still vague; they have not yet endorsed any specific amendment language or proposed convention rules. Thus they are ill prepared to explain, for instance, what kinds of "national emergencies" might justify a federal deficit, or how convention delegates should be picked. And they now find national figures whose aid they had hoped to seek, such as economist Milton Friedman, advancing competing plans.

Moreover, the state-initiative strategy has become a dicey approach. Clark, for one, says he does not want a convention or expect one to occur; his aim has been to force Congress to submit an amendment to the states. But if apprehensions about a possible convention cause the drive to stall, Congress could easily put the amendment question back on the shelf. On the other hand, if state legislatures are not deterred, stopping at 30 or 33 states—while congressional deliberations amble on—could become difficult.

Congress and the country are just starting to focus on all the problems involved. But the next important decisions may be made in the remaining state legislatures, mostly in the East and Midwest. The immediate question is how many of those legislators recognize that their votes really matter, and that the issue is no longer as easy as apple pie.

THE AMENDING PROCESS: A MORASS OF UNKNOWNS

(By James E. Clayton)

Sometime this spring, according to those who keep track of such things, the 34th state legislature will formally petition Congress to call a constitutional convention to draft a budget-balancing amendment. What happens when (and if) that resolution reaches Capitol Hill? The answer is that no one knows. There are no precedents, no laws and few guiding principles. Congress—and the nation—would be off into the unknown.

The only guidance we have is Article V of the Constitution, which reads as follows:

The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the Application of the Legislatures of two-thirds of the several States, shall call a Convention for proposing Amendments, which, in either Case, shall be valid to all Intents and Purposes, as part of this Constitution, when ratified by the Legislatures of three-fourths of the several States, or by Conventions in three-fourths thereof, as the one or the other Mode of Ratification may be proposed by Congress. . . .

There is nothing in that article about the scope of that convention, who is to be represented in it, how it is to proceed, or what is to happen to its product. Nor is there any indication in the Constitution of what happens if Congress simply refuses to issue the call.

Since two-thirds of the states have never asked for a convention on the same subject, there are no examples to follow. The Senate, under the prodding of former senator Sam J. Ervin Jr., did pass legislation a decade ago that attempted to fill some of the voids, but the House never considered it seriously. And the framers of the Constitution, although they must have had something quite specific in mind, left few traces in their commentaries on what a convention is to be.

It is easy, given so many unknowns, to dream up scenarios that throw the nation into a political crisis. What, for instance, if Congress refuses to call the convention? Those who have organized the drive for one say they would ask the Supreme Court to order Congress to do its duty. But the Court has never ordered Congress to do anything—an old legal maxim holds that courts do not enter orders they cannot enforce. There is a strong possibility the justices would rule the matter is a "political question" beyond their jurisdiction. If they did that, then what? Congress would be in clear disobedience of the Constitution and the states would have a moral right to make it obey in any way they could.

While that scenario is unlikely, a more refined version has Congress refusing to call a convention because the resolutions requesting it are not identical. The possibility of a congressional refusal on that ground was seriously discussed in the 1960s during the drive for a convention to deal with the apportionment of state legislatures. The issue was not resolved then because that drive fell two states short. It hasn't been resolved since. If Congress did such a thing, no one knows how its action would fare legally or politically.

The most likely scenario, of course, is that Congress would heed the resolutions and either pass a budget-balancing amendment itself or call the convention. Any other course would repudiate too many of the basic principles of the nation. If it chose to call the convention, all the other unsettled questions would arise.

Chief among them is whether Congress can restrict a convention to one subject, in this case budget-balancing. Most authorities think Congress could do that and then could ignore any action the convention took on other subjects. But it can (and no doubt would) be argued that Congress lacks that power. The argument for congressional power rests on inferences that can be drawn from the Constitution and from some of the things its authors wrote about their work. The argument against such limitations rests largely in political theory; a constitutional convention, after all, is the supreme authority of a free people.

The Constitution is also silent on who is to be represented at a convention. Should it be the states, with one vote each, as it was in 1787? Or the people as a whole with delegates allocated strictly on a population basis? Or, as Congress is, a mixture of state and popular representation? Should delegates be chosen by state legislatures or popularly elected? Presumably, Congress is the only body that can decide, since it is the body that must call the delegates together. Once they were assembled, however, they might claim the power to revise the voting pattern or any other rules that Congress had attempted to impose upon them, such as a two-thirds vote to approve amendments.

The ultimate scenario for political chaos is one in which a convention rebels against efforts by Congress to restrict its work. Suppose Congress said the convention was limited to budget-balancing, but the delegates also proposed amendments on abortion, prayer in the schools, segregation, apportionment or women's rights.

Those who say a convention can be limited assert Congress could simply refuse to submit those extraneous amendments to the states for ratification. That assumes the convention's work goes through Congress on its way to the states, an assumption based on the fact that Congress must decide whether state legislatures or state conventions are to do the ratifying. But the Constitution does not specifically route a convention's proposals through Congress. It merely says those proposals become effective when three-fourths of the states ratify them in the method proposed by Congress.

If a runaway convention—asserting that it, not Congress, speaks for the people—shipped its proposals directly to the states and told Congress merely to designate the mode of ratification, could (and should) Congress refuse to do so? Would the Supreme Court stay out of such a hassle, as it has always stayed out of arguments involving the validity of constitutional amendments? If it did, how would the impasse be resolved?

The answer to those questions, like the answers to almost all the others, is that no one knows. That's why the drive for a constitutional convention sends chills down the backs of most of those who have ever thought about the forces that could be unleashed. There are in that drive the seeds of conflicts that would make the other political crises since the Civil War look puny.●

NATIONAL ASSOCIATION OF COUNTIES SAYS "NO" TO A DEPARTMENT OF NATURAL RESOURCES

Mr. TALMADGE. Mr. President, on March 13 the board of directors of the National Association of Counties met to discuss the proposed reorganization of the natural resource functions of the Government. The association now has joined commodity, conservation, and recreation interests in opposing a reworked Department of the Interior to be called by the administration the Department of Natural Resources.

Mr. President, I ask that the resolution of the board of directors of NACO be printed in the Record.

The resolution follows:

RESOLUTION OPPOSING TRANSFER OF FOREST SERVICE AND SOIL CONSERVATION SERVICE FROM DEPARTMENT OF AGRICULTURE

Whereas, the President of the United States has proposed to study whether federal responsibilities for natural and environmental programs are effectively organized and to consider possible improvements; and

Whereas, the scope of the study includes a proposal to remove the United States Forest Service and the United States Soil Conservation Service from the United States Department of Agriculture to the United States Department of the Interior; and

Whereas, the United States Department of Agriculture has a long history of land management with resource capabilities for carrying out land programs and related activities; and

Whereas, there is a close relationship between land resources and the production of food and fiber which has been historically administered by the United States Department of Agriculture; and

Whereas, when land and water resource management is viewed as the mutual responsibility of government and the private sector, the United States Department of Agriculture is centrally involved, in that 90 percent of the land area of this nation is affected by its programs and policies for conservation and its use of renewable resources; and

Whereas, the United States Department of Agriculture has historically managed to balance the demands on public lands and has more experience in the multiple use concept of public lands than any other federal department or agency; and

Whereas, such actions are being proposed which concern the transfer of certain functions of the United States Department of Agriculture to other departments will relegate said Department to less than a cabinet-level department of the federal government and leave it without a voice concerning the economic growth of this nation; therefore, be it

Resolved by the National Association of Counties, that we oppose the transfer of the United States Forest Service and the United States Soil Conservation Service from the United States Department of Agriculture to the United States Department of the Interior and that the federal government move cautiously in its deliberations regarding any change in the organization for management of the nation's renewable resources.●

ACCEPT PROGRAMS

● Mr. HAYAKAWA. Mr. President, I would like to say a few words to my colleagues about the upcoming media campaign sposored by the Alcohol Counseling Center for Early and Preventive Training (ACCEPT).

ACCEPT is a San Francisco Bay area agency that offers a program for handling early problems with negative alcohol use. The problems involved can be those of the drinking person, or someone who is close to the drinking person. ACCEPT is a privately funded, nonprofit agency serving people based on their abilities to pay for services.

The programs offered by ACCEPT are intended to help individuals whose lives are being interrupted or disturbed through alcohol use by themselves or by someone else's drinking problems.

The media campaign sponsored by ACCEPT will extend from March 22 through June 22. The purpose of this campaign is to promote public awareness of the early warning signs of alcohol-related problems in the San Francisco Bay area. I want my colleagues in the Senate to be aware that there are privately run, community-based groups doing fine, people-oriented work such as this. Organizations like ACCEPT perform noble services to the community and its people, and I believe that we should commend them for their public service interests.

All of us at one time or another have known someone who has been directly or indirectly affected by alcoholism. ACCEPT should be commended for its efforts to raise public awareness of the early warning signs of alcohol-related problems to a level of at least 60 percent by June 22, 1979.

I heartily endorse this concept, and extend my best wishes for the success of ACCEPT in its campaign.●

WHY THE SHAH FELL

● Mr. McGOVERN. Mr. President, the collapse of the Shah's regime in Iran has led some observers to draw the lesson that American willpower was lacking or that our human rights policy undermined an ally. These lessons ignore the fact, however, that the Shah's downfall was caused not by any external threat but rather by internal problems. In my view, the major fault of the Nixon doctrine—the American strategic policy which shaped our relations with the Shah—was that it exacerbated those internal weaknesses and identified the United States as unsympathetic to the legitimate nationalist aspirations of the Iranian people.

Our reexamination of U.S. policy in the Persian Gulf region should concentrate on the shortcomings of the Nixon doctrine—and on positive alternatives which do not rely on massive arms sales or military security arrangements to solve essentially political problems. George Ball, the distinguished American diplomat, has just written an analysis of what brought down the Shah which illuminates the origins and impact of the Nixon doctrine in Iran. I believe it is an important first step in learning some lessons for future American policy.

I ask that George Ball's series of articles from the Washington Star, be printed in the RECORD.

The articles follow:

WHAT BROUGHT DOWN THE SHAH

(By George W. Ball)

The most puzzling question in the aftermath of the shah's departure is not why his regime crumbled after almost three decades of autocratic power but why it did not collapse earlier.

The shah's form of government—an absolute monarchy—was a museum piece. Even as a museum piece it lacked authenticity since the Pahlavi dynasty was established only a little more than 50 years ago when the shah's father, a colonel in a Persian Cossack regiment, seized power in a military coup.

Continually conscious of his shaky claim to legitimacy, the shah staged costly extravaganzas to create the impression that his reign was in the line of succession from the great Persian emperors Cyrus and Darius, exploiting as theatrical props treasures from Persia's glorious past. In 1967 he crowned himself and his empress in the spectacular setting of the Golestan Palace and the famous Peacock Throne.

Four years later he spent $125 million of public funds to celebrate the 2,500th anniversary of the founding of the Persian empire with a spectacular pageant against the backdrop of Cyrus' former capital, Persepolis.

Though most Iranians—conditioned by their history to monarchical display—accepted the shah for what he was, the glamor of royalty had far more effect on many Americans—including presidents and secretaries of state. They instinctively accorded him a presumption of legitimacy and permanence they would nevěr have extended to a dictator unaccoutered in the robes of royalty.

Yet, expensive as those robes might be, they did not immunize Iran from the ills endemic to most developing countries. Nor did they save the shah from the mistakes dictators habitually make.

Iran was beset by three problems that are the common cause of Third World countries: demography, urbanization and spendthrift and corrupt government. Its revolution stands out from the traditional Third World pattern only because of the country's strategic location, its huge oil resources and the role of Islamic fervor in the revolutionary process.

As with many other Third World countries, the product (apart from oil) that Iran most amply produces is more Iranians, and the consequences of an annual population increase of 2.8 percent have been twofold.

Not only has the population vaulted from 13 or 14 million at the end of the Second World War to 35 or 36 million today, but such a rapid rate of increase has drastically distorted the profile of that population, shifting the median age sharply toward the lower end of the spectrum. Today nearly half of the Iranian people are under the age of 16 and two-thirds under the age of 30.

Since subsistence farmers cannot go on indefinitely splitting up small plots among an expanding number of children who survive into adolescence, the young flocked into the cities. While at the end of the Second World War only a quarter of the population was "urban," today the cities (and particularly Tehran) have been the victims of a pernicious hypertrophy, forced by social and economic pressures to accommodate 50 percent of the entire population.

It is a currently faddish cliche that the shah's regime came apart because he tried to modernize Iran too quickly. Yet his error was not the speed of his effort but the way he undertook it.

With a mounting number of young Iranians clamoring for a place in the labor force, a wise ruler would have concentrated his country's revenues on agriculture and labor-intensive industries. Instead the shah lavished money on spectacular undertakings—process industries, steel mills, automobile factories and fantastically costly nuclear power plants—projects that absorbed significant amounts of unskilled labor only during the construction period.

Nor did he provide fulfilling employment for educated Iranians. To operate and manage these 20th century facilities, he gave preference to a vast number of foreign technicians, leaving the educated Iranian elite to find unrewarding work in a greatly overblown bureaucracy.

Even so, the shah might have mitigated the corrosive effects of many of his policies had he not developed an almost psychotic sense of his own importance—and to this the United States contributed.

During the 1960s, America had dealt with Iran as a friendly, medium-sized country that faced serious problems of development. The United States had encouraged the shah to use his nation's revenues prudently for the benefit of the people and to try to advance Iran's political and social evolution in pace with its developing economy.

FROM LAND REFORM TO PROFLIGACY

Under our prodding, the shah in 1962 adopted a land reform program and made some efforts to permit limited freedom for opposing views.

But in 1972 the United States recklessly reversed course. Instead of urging the shah to fiscal prudence, we encouraged his *folie de grandeur* and his profligacy.

That critical reversal occurred when President Nixon and the then national security adviser, Henry Kissinger, paid a brief visit to Tehran in May 1972. Because the British had withdrawn from the Persian Gulf four years earlier, President Nixon decided that Iran was a good place to apply the so-called Nixon Doctrine, which held that instead of providing direct protection, the United States would build up friendly nations "to assume the primary responsibility of providing the manpower for [their] defense.

In the case of Iran he went beyond the literal language of his earlier pronouncements by anointing the shah as the "protector" not only of his own country but of the whole Persian Gulf area.

That meeting was a turning point in America's relations with Iran. Nixon no longer treated the shah in the correct-but-arm's-length manner we had hirtherto followed but, rather, as a co-equal leader. Iran under the shah's leadership was, he implied, a power that could provide the same protection in the Persian Gulf the United States provided in other areas of the world.

As Kissinger has recently conceded, the time to have urged the shah to stop repression and move toward a more liberal society was when he was at the height of his power and authority—or, in other words, at the precise time when Nixon and Kissinger called on him in 1972.

IGNORE U.S. LIBERALS, NIXON SAID

Within the next four years he had passed his peak; even though oil prices had by then increased fivefold, his extravagant spending on arms and grandiose projects was producing budgetary deficits and forcing him to cut back on projects already commenced.

But Nixon did not urge him to adopt more democratic practices and give more recognition to human rights. On the contrary, Nixon told the shah of his admiration and envy at the way he handled his dissident students (by putting them in jail) and advised the shah to pay no attention to American liberals who were, in his words, "all failures."

Such talk enormously inflated the shah's sense of importance, but to make matters worse Nixon recklessly agreed that the United States would sell him unlimited quantities of even our most advanced weapons—much the same as giving an alcoholic the keys to the world's largest liquor store.

Pursuant to that agreement, Kissinger, in the name of the president, directed the departments of Defense and State to sell the shah any arms he wanted, making it explicitly clear that the Iranian government—not our defense authorities—should be the final judge of what was needed.

The Kissinger directive specifically mentioned such highly sophisticated weapons as F–14s (which carry Phoenix missiles) and F–15s, both still on the drawing board at the time, and laser-guided bombs just being delivered to our troops in Vietnam.

That set the shah on a buying binge unparalled in history. Up to that point, postwar American administrations had consistently kept a tight rein on his appetite for arms, selling him only such weapons and equipment as our defense authorities thought appropriate.

U.S. AGENCY CRITICISM INHIBITED

In the 21 years from 1950 through 1971, the shah's military purchases from America had thus amounted in the aggregate to only $1.2 billion; but, in the first year following the Nixon visit, the shah ordered from the United States military goods amounting to $2.1 billion, and in the seven years following the Nixon-Kissinger visit, the purchases aggregated $19.5 billion.

The designation of the shah as America's chosen instrument entitled to special favors had major effects both in the United States and Iran. It discouraged our foreign service and intelligence bureaucracies from ever suggesting any criticism of the shah's behavior or from reporting any weakening of his political strength.

It made it personally inadvisable for any American official to urge him to modernize his political structure to keep pace with his country's progress. At the same time, it helped induce in the shah a progressive personality change.

Increasingly, our government found itself talking to a ruler who believed his own fantasies. During the 1960s the shah told me on several occasions that by the time he died he hoped that his country would achieve a standard of living equal to that of a European country (which I took to mean Greece or Portugal); in the latter 1970s he began to boast to other visitors that, by the end of his reign, Iran would be the fifth most powerful nation in the world, even overtaking West Germany, and that God had several times intervened to block assassins' bullets so he might achieve that destiny for his country.

Lacking objective advice from us and isolated from his own people by the iron barrier of his increasingly authoritarian power, the shah escaped further and further into unreality.

Since he tolerated only sycophants in his entourage, used his secret police (SAVAK) ruthlessly to suppress dissent and kept the press under tight censorship, he had no means of finding out what was going on in his country.

INSENSITIVITY TO CONDITIONS

Thus, he could hardly be expected to know that the cancer of discontent had metastasized through the whole body of Iranian society and that he had in fact alienated his entire country.

Apart from cruelty and corruption, his major fault was insensitivity to the condition of his people.

In spite of vast revenues, his wild spending led to a cash squeeze; belatedly, he responded by cutting back on construction programs, an action that ruthlessly threw unskilled workers out of their jobs. At the same time he had lopped off bureaucratic make-work that furnished employment to educated Iranians crowded out of jobs by his imported technicians.

No sector of society was immune from his heavy hand. Though his land reform program was well-intended, he had angered both the rich landowners and the mullahs by taking their lands, while pre-empting a quarter of the appropriated land for his own family's graft-ridden foundation.

He had outraged members of the professional middle class by denying them any place in the political life of the state. He had incensed the students by suppressing the free expression of their views, and offended the bazaar merchants by harsh price-control measures.

Finally—and this was his most unforgivable offense—he had sickened the whole-country by the mindless cruelty of his secret police.

With members of literally thousands of families suddenly disappearing without a trace, the legion of his enemies constantly grew. When added to this was the corruption openly pacticed by his family and hangers-on and their indecent display of wealth and waste in a country where the bulk of the population was still abysmally poor, it is no wonder the shah had to go.

With almost every sector of the population hating him, Iran was clearly ripe for revolution. All that was required was a unifying symbol, and that symbol appeared in the form of Ayatollah Khomeini.

Iran's Revolution Isn't Over Yet

(By George W. Ball)

Particularly after 1972, when he began to acquire vast armaments, and 1974, when burgeoning oil prices encouraged his vaulting ambitions, the shah built up resentments in every part of Iranian society.

The desire to get rid of his regime was all-pervasive—shared not only by the mullahs and other religious leaders (who talked vaguely of an "Islamic republic").

Also seeking it were middle-class professional men, many of whom had been secret members of the National Front (the party of Mohammed Mossadegh) and who primarily wanted a Western-style democracy; Marxists, some presumably allied with the Tudeh Party (the pro-Soviet Communist Party that had been underground since 1954) and others who were anti-Soviet but still committed to a Marxist state; unemployed workers; and embittered students, who, whether militantly leftist or militantly rightist, all hated the shah and his brutal rule.

But since different groups had different reasons for hating the shah, they had no central focus. That need was filled when, during 1978, the Ayotollah Ruhollah Khomeini offered the convenient banner of Islamic fervor under which millions of people could unite for the single purpose of driving the shah from power.

Ironically, it was the shah himself—or at least his palace cronies—who supplied the impetus for Khomeini's emergence. In January 1978 a leading Tehran newspaper published an anonymous letter that was widely attributed to the palace—and even to the shah himself.

That letter viciously attacked Khomeini, who was then in exile in Iraq, and heaped scurrilous insults on members of his family. Some of the ayatollah's supporters demonstrated their displeasure and when police tried to break them up, six were killed.

Under Moslem practice, 40 days after the occurrence of a death, there is a day of mourning. That day of mourning was marked by another demonstration that resulted in 12 more deaths. Again 40 days later, on the day of mourning for that incident, another demonstration and more shootings occurred.

Demonstrations spread from one city to another until, in May, 34 cities were involved, including Tehran. By June thousands of people were engaging in protests.

In August, a fire in a theater in Abadan killed 430 people. Though it is still not clear who set the blaze, it raised the level of anger and excitement. Violence was building up with cumulative intensity and acquiring an increasingly ugly quality.

With religious leaders in the vanguard, all who hated the shah for quite disparate reasons found a respectable point of unity in the ayatollah's campaign—and, in the process, discovered with surprise that their anti-Pahlavi sentiments were universally shared.

By October the unrest had risen to such a point that I concluded the shah's days were numbered. What led me to that conclusion was not perceptive analysis but the despairing decision by several Iranian friends with substantial interests to leave their country with little hope of return.

What had shocked them was the discovery of their own anti-shah feelings manifest throughout the population. The entire country, they suddenly realized, was determined to have an end of the Pahlavis.

What Iran sorely needed—and still does—was a political leader who could draw the country together once the shah had departed. United only by a common desire to dethrone the shah, the masses marching under Khomeini's flag of convenience were bound to fragment once they had achieved their initial goal, thus precipitating an almost inevitable struggle for power.

Except for the ayatollah and his followers, the only institution that could command substantial power was the army, which was more the shah's private instrument than a national resource. He had personally picked and deployed the top command; and in order that they not be contaminated by the libertarian ideas of the West, he had kept the armed forces strictly outside the national life of the country—to the extent that no one under senior officer rank could talk to a foreigner without permission.

During the fall of 1978 there was increasing evidence that the discontent pervading the country had found resonance in the armed forces. By the time I was asked to consult on the Iranian crisis in Washington early in December, it seemed almost certain that the army would disintegrate if called on to suppress the people's opposition to the shah.

The enlisted men and conscripts were drawn from the people and they could not be counted on to shoot their fathers and brothers; increasing incidents of insubordination were making that plain, even to the shah.

CAN KHOMEINI REGIME LAST?

If the Army did disintegrate under pressure, that could well mean civil war—which would provide the Soviet Union with the troubled waters in which it could most effectively fish.

Uncertainty as to who might win the ultimate power struggle led the Carter administration to support the shah longer than some thought prudent.

There was an understandable reluctance to give up the devil one knew for the devil no one could clearly identify. Today, of course, the final outcome is still in doubt.

The Shahpour Bakhtiar government never had a chance to survive, since it was the shah's creature. But will its successor, which is Khomeini's creature, show the requisite staying power?

That question cannot be answered with assurance, at least until the Mehdi Bazargan regime becomes something more than a provisional government designated by an aged religious leader who is not fully in control of his own henchmen.

So far the government seems to have only a vague schedule for moving toward legitimacy—presumably because the political neophytes who surround the ayatollah have not been able to agree among themselves on anything resembling a coherent program.

What has been promised, first of all, is a referendum "to be held in a matter of weeks," but that election presumably will do nothing more than record popular sentiment against the monarchy and for an "Islamic republic"—whatever that vague term may mean.

Meanwhile, some of the ayatollah's close supporters are preparing a draft constitution that is expected to follow more a presidential than a parliamentary model.

Only after that constitution has been put to the people in another referendum will elections be held to choose a new government and a new head of state or chief of government, who may, or may not, be Dr. Bazargan, and—through the point is not clear—a new parliament.

If any government survives until then—which is far from certain—it will be unable to act effectively until the liquidation of the Revolutionary Council to which the Bazargan government is now responsible.

That council today acts, in the words of the deputy prime minister, Ibrahim Yazdi, as "a kind of legislative body." It is, however, an unusual type of legislative body that executes generals without even bothering to tell the government.

Even if an Iranian government achieves legitimacy, it will face formidable tasks. The most destructive political effect of the shah's 26 years of absolute power was to exclude two whole generations of the most responsible citizens from any role in the political life of their country.

No opposition leader not in the government before 1953 has had any political experience whatever, while anyone in government since that date has been compromised by his association with the shah.

As a result, the only experienced opposition leaders are old men—at least in their 70s (Bazargan is 73), and those who would normally be managing the country have little idea how to go about taking power, and thus are easily neutralized by more activist groups.

This makes the contest for power a struggle between the very old (symbolized by the 78-year-old Khomeini) and the violent young; and since half the population is under 16 and two-thirds under 30, only the young can mobilize overwhelming numbers.

The ironic result is, therefore, that the ancient ayatollah may inadvertently have delivered his country to competing bands of armed and undisciplined youths.

Bazargan's agenda would be difficult even for an experienced government of unquestioned authority. Not only must he establish control of his government over the men around the ayatollah, he must disarm the 400,000 youthful civilians who now possess weapons looted from army camps and police station arsenals, get the army back to its barracks and return it to some discipline under new commanders.

He must increase oil production sufficiently to make possible a resumption of substantial exports if the country is to have the foreign exchange it needs to survive.

Today, many in Washington are playing a simple-minded game of historical identification. If Bakhtiar was Prince Lvov (the prime minister in the first Russian provisional government after the departure of the czar), then is Bazargan Kerensky, who was overthrown by a conspiratorial band of Bolsheviks.

Such fanciful analogies prove little. Since the Shiites are violently anti-Communist and the Iranian people have a historic hatred of Russia, Soviet apparatchiks would face a formidable—though not necessarily insuperable—obstacle in trying to impose their will on the Iranian people.

What are the forces battling for power today? The Bazargan government, though under the leadership of a long-term supporter of Khomeini's, contains technocrats, Western-educated liberals with social democratic tendencies and members of the National Front—those who served with Mossadegh in the early 1950s, and, hence, tend to be old, tired and rather conservative. These men are essentially pro-Western.

Second are those young Iranians who have been in the forefront of street fighting and find it hard to give up the guns that have provided them with a sense of power.

They are represented today on the Revolutionary Council, which does not seem to be a formally constituted body but a loose designation for whatever group of his court followers the ayatollah has most recently met with, and in hundreds of so-called revolutionary committees that have sprung up all over the country and owe allegiance to no central authority.

This proliferation of committees is in the anti-hierarchial spirit of Islam, with self-constituted autonomous groups, each in its own way interpreting and applying words of the prophet—in this case, the ayatollah.

No one is quite sure to what extent the activities of the various leftist factions are being orchestrated through the Tudeh Party (the Iranian Communist Party) that was largely liquidated and forced underground at the time of the fall of Mossadegh.

There is some evidence that members both of the people's Mujahedeen (who call themselves "Islamic Marxists") and the Marxist People's Fedayeen may have received money from Libya and weapons and training from extremist Palestinian groups.

Apart from Tehran itself, it is in the oil fields that the Marxist elements present the most serious danger.

A huge, so far unstructured Progressive Workers' Committee has emerged that probably will try to use its leverage to dictate Iran's oil policy: the number of foreign technicians who will be permitted to return, how much oil will be produced and at what price and where that oil will be sold. That could be a powerful club held over the government.

MORE STRUGGLE LIKELY

This group is likely to show its strength when the next political crisis occurs and, until there is an effective confrontation with the group and a test of its hold over the oil workers, it is impossible to predict when—and to what extent—Iranian workers may be again willing to produce an export surplus.

The most optimistic guess seems to be that Iran is not likely to produce an export flow of more than 2.7 million barrels a day (as against its former exports of 5 million barrels), even by the end of the year. It may well have to be a negotiated figure worked out with the Workers' Committee.

With its present tenuous authority, it is not at all clear whether—or how rapidly—the government can gain a full hold on the levers of national power. Meanwhile, the slow and uncertain pace with which it is moving may provide the extreme left with adequate time and freedom to organize its cells, expand its influence, extend its apparatus and ultimately seize control.

At the moment, the dominant direction is toward particularism, which shows itself not only in the emergence of many groups, each pursuing its own special objectives, but which could also result in regional ethnic fragmentation (Kurds, Baluchis, etc.).

The most likely prospect is, therefore, that Iran will face a protracted struggle among different—largely youthful—factions, each pursuing its own version of the truth, before Iranians can discover what their revolution really meant. It is a struggle that could well turn the country into another Lebanon.

Meanwhile, all one can safely conclude is that the revolution has seen only its first phase—and no one can predict the final outcome.

MIDEAST POLICY LESSONS FROM IRAN

(By George W. Ball)

The collapse of the shah's government in Iran has injected a new element of instability in a strategically vital area on which the West depends for an essential part of the oil required for its industrial existence. We must make certain we understand the lessons of that experience in shaping our policies for the future.

Let us first dispose of the fatuous contention that America could have saved the shah from the wrath of his people had we only flexed our military muscles more visibly by intervention in Angola or Ethiopia or even by steaming the 6th Fleet up the Gulf. There is no mystery about what happened in Iran. A whole country turned against a hated ruler in a long overdue internal revolution, which American intervention could only have exacerbated. One of the lessons of Vietnam is that even in situations where there is a large measure of external aggression, American power is blunted when the conflict has a revolutionary basis.

Befuddling the current post-mortem is the nostalgia of those who recall that, through the CIA, we did help restore the shah to power in 1953. But the conditions then were totally different. The shah was still a young, rather modest man who reigned rather than ruled. The Iranian people had not yet experienced the brutality from the secret police and the corruption by the royal family they came to know increasingly during the next 26 years. Furthermore, the attempted usurper of the shah's power, Dr. Mohammed Mossadegh, had betrayed his own followers by resorting to increasingly dictatorial methods.

Thus, rather than a whole country desiring to depose its ruler—which was recently the case—there was substantial opposition to the efforts of Mossadegh to dislodge the shah. To the extent that the United States assisted in mobilizing that opposition—which is still a matter of some conjecture—we could do so only because it was there to mobilize. Even so, our assistance had an unhappy byproduct: It marked the shah in the eyes of his own people as being too much America's creature.

Thus the shah was right in saying, as he did on several occasions while resistance was boiling up during the agonizing days of 1978: "We must remember this is not 1953."

Apart from the inexorability of revolution when conditions are ripe, the first lesson we should learn from the Iranian debacle is the urgent need to reduce our dependence on Middle-Eastern oil.

Today the non-Communist nations derive 48 percent of their oil from countries on the littoral of the Persian Gulf—Saudi Arabia, Kuwait, Iraq and the gulf emirates and sultanates. Saudi Arabia alone produces 18 percent of America's oil imports. Already the drying up of Iran's oil flow is causing a substantial rise in spot oil prices that threatens to inspire some upward revision of the OPEC price structure.

From the sheer logic of survival we must stop the lotus-eating in which we have so long engaged, recognize the critical nature of the oil problem, and, through a variety of means, reduce our overall requirements and increase the domestic production of all forms of energy.

Today we have become almost ludicrously vulnerable. We have let our economic well-being—and that of other non-Communist countries—depend on the reactions of a few small backward states—particularly Saudi Arabia—to forces and pressures we cannot control no matter how much we flex our muscles and pound our chests. We are betting our economic survival, in other words, not only on the hope that the current Saudi regime—one of the world's last few absolute monarchies—will continue to survive the strains and tensions of an intensely turbulent area but that it will be willing indefinitely to exhaust its only significant natural resource at a rate substantially exceeding its own economic best interests. The risks implied in a mere statement of that reckless position should give Americans sleepless nights.

SAUDIS RESENT U.S. PRESSURE

Unless we break out of our lethargy, we will face a dour day of reckoning. Then a violent argument will ensue as to why America so stupidly slept and reproaches and recriminations will defile the political dialogue.

Yet, no matter how quickly and decisively we move, we cannot greatly reduce our dependence on Middle Eastern oil overnight. Meanwhile we must be sensitive to the needs and attitudes of countries in the gulf area, and particularly Saudi Arabia, the only nation with the marginal capacity to sustain the industrial economies of the West.

Though in the Middle East stability is only a relative term, Saudi Arabia should still prove more stable than Iran. While there are some backsliders, the Wahabi ruling family is stricter in adhering to Islamic practices; the royal family has greater legitimacy than the shah and its ramifications extend throughout the country; the population is small and more homogeneous; and, though there is immense corruption with total government receipts of $125 million a day there is enough revenue to permit a larger part of the population to have a share in them.

Yet with its inordinate wealth and traditional society Saudi Arabia and its foreign policies are still inherently unstable. The country is excessively dependent on imported unskilled labor and on foreign technicians who are an indigestible lump in the body politic. Its government's close relations with America rest on assumptions and conditions that can quickly change—and indeed may already by changing. In recent months anti-Americanism has become shockingly prevalent, and there is no doubt the Saudi government is unhappy with its American friend. The fact that three American businessmen have just been sentenced to flogging perhaps reflects this changing attitude.

That unhappiness stems in part from a mistaken reading of the Iranian experience—the belief that the United States could somehow have protected a friendly state from its own revolutionary convulsion. But the Saudi government is even more upset by our diplomatic activities in the wake of Camp David.

The Saudis resent our pressure on them to support a bilateral agreement between Israel and Egypt. As a tiny state surrounded by activist Arab countries far larger and more powerful, it cannot afford to ignore the common Arab position toward the occupied areas and, if we continue to press it to do so, we may jeopardize a relationship on which we are dangerously dependent.

The Saudis are already showing signs of alienation, offset only by their heightened dependence on us for security—a dependence highlighted by the current fighting in Yemen. They are, for the first time, showing an interest in normalizing their relations with the Soviet Union, which they have always regarded as their No. 1 enemy. Crown Prince Fahd has postponed his trip to Washington, either to show his disapproval of our post-Camp David exertions or because his government wants time to reassess its policies.

Clearly, the government is having increasing difficulty achieving agreement among its own members and making decisions, and there is reason to believe that the younger members of the royal family—largely Western educated—may be gaining influence. Some younger princes, trained in economics and less conservative politically than the elder generation (who learned their lessons in the desert and not in universities), are urging that their country restrict its oil production to perhaps no more than 6 million barrels a day—which would be catastrophic for America. They also tend to favor improved relations with the radical Arab states—a trend evident ever since the Baghdad conference in November of last year.

SOVIETS POSE THREAT TO AREA

If we are prudent, we will recognize the sensitivity of Saudi Arabia's position in the Arab world. Meanwhile, we should do everything possible to reassure not only the Saudis but other states in the area that they can depend on us for their security.

What are the major dangers that they face?

They are two in number: direct aggression by the Soviets—or by their Cuban puppets—against some state or states in the area; and Soviet supported attacks by a local state against its neighbors. In addition the United States and our Western allies face the danger that internal insurrections might install a hostile government in an oil-producing country.

I do not, for the time being, believe it likely that the present Soviet government would undertake any direct military move, that would involve too great a risk of confrontation with the United States. But we should leave no doubt as to our response. Moscow must keep its hands off the Persian Gulf area, including Iran, since any aggression there would threaten oil resources that are vital to the whole non-Communist world. We cannot let that happen.

If the Soviet Union is not likely to launch a direct attack against any state in the gulf area, it still poses a threat through its support of Ethiopia and South Yemen. The United States is moving to counter that threat by supplying aircraft and equipment to the North Yemenis and, as a warning, has ordered a carrier task force into the Gulf of Aden. There is however, serious doubt as to the effectiveness of the North Yemen fighting forces, no matter how many weapons we supply.

Though North Yemen has a far larger population than South Yemen the North Yemen military have so far shown a disturbing lack of will and competence. The Saudis are necessarily nervous at military action on their borders that can be efficiently resupplied from Ethiopia, particularly because they depend on nearly a million emigre Yemeni workers.

But an even more serious threat posed by South Yemen is to the small gulf states—in some of which Palestinians form the backbone of the work force. It is essential that we develop arrangements for military cooperation with those states as quickly as possible.

To make the threat of a U.S. reaction credible to the Soviets while reassuring the states in the gulf area, we must visibly improve our capability for quick military response. Unfortunately permanent forward basing— as distinct from the prepositioning of supplies—is no longer very feasible. (Apparently the Saudis made clear to Defense Secretary Harold Brown on his recent visit that an American base on their territory would be politically compromising.)

But we should substantially beef up our presence in the Indian Ocean, assist the Saudis with surveillance (as by the current deployment of AWACs) and give constant reminders of our improving ability to deliver force quickly, even from American bases.

With Iran eliminated as the "protector" of the gulf area, a mindless reflex is leading many to search for another surrogate country such as Egypt or Saudi Arabia to assume the shah's role as "policeman." That is, it seems to me, a temptation we should sturdily avoid. If the debacle of Iran proves anything, it is that we cannot assure the security of a strategic region by stuffing a backward state with massive quantities of arms. It shows, in other words, the fatuity of the Nixon Doctrine.

SYMPTOMS OF SAUDI MALAISE

With diligence and determination we should be able to cope effectively with external military threats to nations in the gulf area. But as experience has taught on many occasions, we can do little to influence an internal power struggle once widespread revolutionary forces have built up as was the case with Iran. To be effective we must concentrate on preventing such a buildup, which means that we must act while a nation is still relatively stable, conditioning our military commitments on its correction of conditions (including corruption) that could, sooner or later, incite revolutionary change. It is essential that this be done well before discontent spreads widely; otherwise, it may only accelerate the revolutionary process.

The government of Saudi Arabia is today showing unhealthy symptoms of a malaise that could lead to internal troubles. While many would consider the assessment overly pessimistic, one knowledgeable recent visitor to Riyadh told me: "The atmosphere in Saudi Arabia seems disturbingly reminiscent of Iran two years ago. There is widespread criticism of the government and the royal family while the increase in magnitude of the graft and corruption suggests a spirit of 'Let's get it while we can' "

If we have properly learned the lesson of Iran we should have an appropriate representative of our government talk to the Saudis in a frank but friendly manner before it is too late. He should emphasize the need for prudent reforms, including halting the corrosive evils of the current flagrant corruption. In addition—though it is a sensitive subject touching on customs with a religious sanction—he should point out the urgent need to liberalize the medieval treatment of women who are today denied the freedom that even such other orthodox Wahabi states as Kuwait and Qatar long since learned to take for granted—the opportunity to be properly educated and to work.

In a country of only 4 million people, where only one in eight can read and write Arabic and with perhaps no more than 250,000 skilled male Saudis of effective working age, the denial of normal work opportunity to half the population is not only offensive to human values but a profligate misuse of scarce human resources.

In addition, we Americans should squarely face the prospect that no Saudi government will be likely to continue permanently producing oil at a level substantially exceeding the country's revenue needs. We should, therefore, seize the present moment, when the Saudis are concerned about their security and welcome our military assurances and concrete military proposals, to try to reach an understanding that they will for at least the next 10 years or so produce oil at not less than agreed minimum level needed to sustain the Western economy while the United States and other user countries take steps to reduce their dependence.

At the same time we should caution them not to repeat Iran's error and use the vast surpluses thus generated for the reckless construction of elaborate but ill-advised projects; rather they should be encouraged to establish something akin to the Fund for Future Generations to which the Kuwaitis now commit 10 percent of their government's receipts to build up revenue against the day when their oil runs out.

If we now stay silent as we did with Iran, and do not try to condition our military help on the necessary internal measures that will relieve Saudi Arabia of grinding pressures for revolutionary change, we may one day—perhaps within two or three years—be confronted by a new regime and a new situation. If that occurs, we can be confident the new regime will exploit to the fullest the demagogic value of anti-Americanism and will very like cut back oil production.

U.S. PRESTIGE INVESTED

While we are reviewing the lessons disclosed by the debacle in Iran and its effect on our vital interests in Saudi Arabia and other Gulf states, we should also consider the possible consequences of President Carter's apparent success in achieving an agreement between Egypt and Israel. That agreement is a remarkable achievement in itself—for which the president deserves great commendation. Yet it is only the first step in bringing about a larger understanding between Arabs and Israelis. Unless the president shows equal dedication and courage in transforming this initial agreement into an overall settlement, it could conceivably do more harm than good.

Implicit in the president's spectacular diplomatic action are the hazards of a process that has caused us problems before. Our government sets out to achieve certain broad and desirable goals—in this case, an overall Arab-Israeli settlement. But as increasing obstacles are encountered, it invests such great prestige that the achievement of some kind of treaty produces a set of agreements so filled with dangerously heavy obligations, qualifications and contrived ambiguities that they create more tensions and misunderstandings than they resolve.

That was, in my view, the story of the second Sinai negotiation, where, to achieve an agreement, the United States not only obligated itself to make onerous financial commitments but also accepted humiliating restrictions on its own freedom in future bargaining that greatly inhibited its recent more ambitious diplomacy.

Though the agreement about to be formalized apparently provides at least a suggestion of a schedule for holding elections looking toward limited self-government for the West Bank and the Gaza Strip, we must be careful not only to make sure that that time schedule is maintained but that in the haggling which will inevitably accompany an agreement on modalities, the Israelis do not so emasculate the concept of self-government as to make it little more than a modification of the present military occupation.

In that case, the bitterness in the occupied area would intensify, violence would increase and the neighboring Arab states would accuse the United States of a sellout.

We must not lose sight of this point. The Palestinian issue—not the disposition of the sands of the Sinai—is at the heart of the overall Arab-Israeli quarrel. If we leave more than a million people in the West Bank and Gaza Strip under a military occupation that has already continued for 11 years, not only will we call into question the sincerity of our concern for human rights, but, left untreated, the Middle East's festering ulcer will sooner or later have lethal consequences.

Our vigorous pursuit of a Palestinian settlement is also necessary to prevent Egyptian President Anwar Sadat from being seriously undermined. Unless we can persuade the Saudis, for example, that this is only a first step and that America is fiercely determined to secure an overall settlement, the Saudis may well feel compelled by the dynamics of Arab opinion to cut back on their huge annual subsidy to Egypt. Meanwhile other Arab states may block the remittances of Egyptian workers, on which much of Egypt's foreign exchange depends. Unless America is prepared to pick up an even larger check than that contemplated by the agreement so far reached, Egypt's economy would collapse.

RISKS IN EGYPT-ISRAEL PACT

I do not at all underestimate how difficult it will be to maintain the momentum of negotiations. Once Egypt and Israel formalize their narrow arrangement for the return of the Sinai, thus halting Iraq's recent but tentative drift toward the West and driving the rest of the Arab world into hard resentment, progress toward a settlement of the central substantive problems will be extremely hard sledding. With Egypt neutralized, the Israelis will feel under even less pressure to deal with the intricate substantive issues—of which the Palestinian problem is the most important.

In view of the inertia that results from the complex interplay of Israeli domestic politics, we shall have to enjoy extraordinary pressure to convince the Israeli government to negotiate these issues seriously.

At the same time, we must do everything possible to assure the rapprochement we have arranged with Egypt and Israel does not weaken our relations with Saudi Arabia and the gulf states and thus diminish their willingness to maintain their current level of oil production. This will strain to the limit our capacity for sustained attention and sensitivity.

How we conduct our affairs in the Middle East will sternly test our wisdom and diplomatic skills. The revolution in Iran requires us to reexamine certain key assumptions of our existing policy, including the Nixon Doctrine. The repercussions on Saudi Arabia and other oil-producing states of our narrow focus on an Egyptian-Israeli treaty equally force us to question the methods by which we conduct that policy and specifically the current excessive indulgence in personal diplomacy.

Finally—and most compellingly—events in Iran and the implications of our recent summit diplomacy make it vividly clear that we must free ourselves from overdependence for energy on the inherently fragile governments of the Middle East. Iran has shown that we can no longer afford to live in a fool's paradise. Revolution is a constant threat throughout the Middle East and we now know what we should always have known—that no matter how great our military competence, there is little we can do to stop internal convulsions once they begin.●

PROPOSED CONTINGENCY PLANS

● Mr. McCLURE. Mr. President, the Senate Committee on Energy and Natural Resources has held several hearings on the administration's proposed emergency energy conservation and rationing contingency plans. Dr. Walter W. Rostow, formerly at MIT and now professor of economics, University of Texas, was one of many witnesses, but his statement stands as a beacon illuminating each of the others.

Professor Rostow today made a very incisive statement concerning the standby gas rationing program. He concludes that it is both a symptom of the failure of the United States to learn the lesson of the 1973 oil embargo and reduce foreign oil imports; and it is indicative of insidious regulations being promulgated by our increasingly centralized Federal Government. I agree with this conclusion.

There really is no physical energy shortage from natural causes, but rather one resulting from years of Government intervention and controls. Our Nation has one of the world's most generous energy endowments and it is illogical that we should now be faced with energy shortages. We have the oil, the coal, the natural gas and the uranium to provide for our needs, plus opportunities for more use of solar, wind, geothermal, and low-head hydroelectric energy. What we need is a national policy which allows us to utilize them.

The United States now imports almost half of the oil it consumes. This dependence is due to our Federal energy policy, which discourages domestic production and subsidizes imports. Unnecessary and bureaucratic Government restrictions are primarily responsible for the higher prices of fuel, the spot shortages, the push for mandatory gasoline rationing, and proposed weekend gasoline sales restrictions. The worldwide oil shortage created by the Iranian revolution has been made up largely by increased production from Saudi Arabia and other OPEC producers. The shortage and rise in fuel prices being experienced in the United States, however, is due to the loss of crude oil in the world spot markets, which is bid away by Europeans who are not under our Federal controls.

Concerning the proposed rationing plans, I believe that the economic impact of such actions would be disastrous. The imposition of more Federal controls is certainly not the direction we should be headed. While conservation definitely has its place in our production strategy, it alone cannot solve our energy crisis. We must both conserve and produce our way out.

The United States is not presently exporting oil to other countries, but we did sign the International Energy Agreement in 1974, as a result of the 1973 oil embargo. We also have a commitment to Israel, but Israel has a relatively low oil demand and they have built up an enormous stockpile, equivalent of nearly 1 year's needs. While I did not support these agreements at the time they were made, they are now official and binding on the United States. I do not believe, however, that we will actually have to export any oil.

The solution to our energy problems has to begin in Congress. The Congress and the administration must approve a policy that allows the American economic system to produce. With the continued and growing support of concerned Americans, I believe that we are moving in that direction. Mr. President, I ask that Professor Rostow's statement be printed in the RECORD.

The statement follows:

TESTIMONY OF W. W. ROSTOW

(Charts mentioned in text not printed in RECORD)

I

I speak today as an academic student of energy and other global economic problems and as a concerned citizen of my country. It has been a privilege to live and work in Texas over the past ten years. I now have abiding attachments to the state, as I do to New York where I was born, Connecticut where I grew up, Massachusetts where I spent ten busy and productive years at MIT. But I am convinced that the overriding interest of Texas, and of every other state, is that, at long last, this nation set in motion a national energy program that would rapidly reduce our dangerous over-dependence on energy imports.

Turning to the subject matter of these hearings, my basic comments on the stand-by rationing program that lies before you are two: It is a symptom of the failure of the nation to use the 5½ years since the quadrupling of the international price of oil to reduce its reliance on energy imports; and it is the forerunner of a progressively tightening system of central controls on energy that this nation will experience unless we unite as a community and break out of the trap into which we have fallen.

My argument leads to the conclusion that this Committee should not approve the standby regulations now before it unless and until the President lays before the Congress an all-out energy production as well as conservation program that holds serious promise of reducing radically our energy imports and lifting the danger of protracted energy rationing from our people—as well as certain strategic dangers to which I shall refer.

II

I turn now to the energy trap into which we have fallen that promises to make the stand-by proposals before you merely the first laying around our necks of a noose that will tighten with the passage of time.

For some years now, energy experts in every part of the world have been warning that, unless non-OPEC energy production and conservation were accelerated, a major global crisis would occur in the 1980's. The crisis would occur because the demand for OPEC oil, required to balance the world's energy books, would exceed OPEC production capacity, which was expected to peak out at 35–40 million barrels per day.

In its April 1977 study the CIA set the date for the crossing of the curves as 1983. The MIT study, organized by Prof. Carroll Wilson with wide international participation, set the date sometime in the 1980's. In its May 1978 report to the Congress the Energy Information Administration exhibited the crossing of the curves, under four sets of assumptions about economic growth, non-OPEC energy production, and energy conservation, between 1981 and 1989 (Chart 1).

If this were merely a matter of experts playing with projections in an uncertain world, responsible political leaders might have noted the prognosis but awaited the oucome before acting to redress the energy balance. After all, experts can be wrong. The reason such complacency was—and is—extremley unwise is two-fold.

First, even under the most optimistic assumptions about energy conservation and lower energy/GNP ratios, the world economy will require an increase of energy production of, say, 2.5% per annum if growth is not to be inhibited and unemployment to rise. Second, and even more fundamental, are energy production and conservation lead times (Chart 2). As Chart 2 shows, energy production lead times range from 1–4 years (new onshore oil and gas fields) to 9–13 years (nuclear and hydro-electric plants) Therefore, if we await the arrival of the energy crisis of the 1980's, we will be gripped for a considerable time in an acute crisis.

Members of the Executive Branch have been aware of this danger and have warned of it in vivid terms. This is how Charles Schultze, Chairman of the Council of Economic Advisers, in a speech of November 30, 1977, described our prospects:

"Energy prices in the U.S. would skyrocket as a worldwide scramble for increasingly short oil supplies ensued.

"We would be pressed into hastily fashioned and draconian measures to force conversion to coal and other resources; to limit automobile use, to ration heating oil and gas, and to spend huge sums of taxpayers' money on crash programs.

"A desperate scramble to make good after several years' delay would most assuredly lead to a virtual scrapping of our progress in cleaning up the environment, instead of modest and temporary impacts on the environment from a well-designed energy policy undertaken in good times.

"Industries that depend heavily on energy would begin losing money, laying off workers and scrapping their productive capacity.

"Mounting energy prices would mean accelerating inflation, even as the number of jobs available in the economy declined.

"U.S. products would become increasingly uncompetitive on world markets, the value of the dollar would fall drastically, and the cost of products we import would rise rapidly.

"Finally, because business firms can predict that this would be the outcome in the absence of an energy policy, their investments in the intervening years would begin to dry up. We won't have to wait until the inevitable crisis occurs before its anticipation costs Americans jobs and incomes."

This would not be a crisis confined to the United States. Both advanced industrial and developing countries would find themselves short of oil. Here is how Richard Cooper, Under Secretary of State for Economic Affairs, on December 8, 1977, described the potential crisis:

"If our nations do not prepare for the oil shortfall in the 1980's, the framework of international cooperation which we have worked so hard to build since World War II wil be imperiled. Severe economic disturbances would be followed in some countries by political instability. The trend toward freer international trade, which has been responsible for much of our post World War II prosperity, would surely be reversed under conditions of recession and oil-induced balance-of-payments difficulties. The prosperity and cohesion of the Western industrialized nations would be at stake, putting in jeopardy our own security and ultimately our way of life.

"The non-oil producing developing countries would also be hard hit economically. These nations are not profligate energy users; these use very little energy, but their economic development—both in industry and agriculture—depends on the availability of imported energy. If oil prices are rising, the burden on the already fragile external financial condition of these countries could become insupportable. The cost of their imports would rise, and in world recession their exports would contract. Economic development would stop, if not regress."

But that is not all. Staring at the same impending crisis, the MIT study, directed by Professor Carroll Wilson, concludes: "The major political and social difficulties that might arise could cause energy to become a focus for confrontation and conflict."

I have subjected you to these somewhat ghoulish quotations to indicate the breadth, precision, and seriousness of the consensus that now exists on the dangers ahead—and not very far ahead. I could add many more such quotations from knowledgeable and responsible Americans and others—in Europe, Japan, and the Middle East.

III

While these predictions were being made, the world economy was in what might be called a period of energy remission. It appears in Chart 1 as a dip in the global demand for OPEC oil. That dip was the result of three factors: the sharp recession of 1974-1975; the coming on line of North Sea oil; and the coming on line of Alaska oil. As 1978 came to an end, the global demand for oil began to rise. OPEC had accepted for a few years a decline in the real price of oil. Its relatively fixed price was permitted to erode in the face of global inflation and a weakening dollar. But by the end of 1978, with oil demand rising, a 15% OPEC price increase was scheduled for 1979. Then came the crisis in Iran.

As of 1978, OPEC production capacity was about 36 mbod, with 31 mbod produced. Saudi Arabia, Kuwait, Iraq and a few others held 5 mbod potential production off the market to avoid breaking the OPEC price. Iran produced at just about the level of its production capacity: 6 mbod, which was 1 mbod more than total idle OPEC production capacity. Political troubles in Iran, for about two months, brought Iranian production to about 650,000 barrels per day, barely enough to meet its domestic needs. Therefore, the world confronted for an interval a version of the crisis predicted for some time in the 1980's. World demand for OPEC oil was greater than OPEC production; pipelines and reserves were run down. Saudi Arabia helped by activating 1 mbod of further capacity which it sold at premium prices. Saudi production capacity is about 10.5 mbod: it has recently raised output from 8.9 to 9.9 mbod. But spot prices shot up, as you all know, with serious implications for the U.S. balance of payments and the fate of the dollar. Iranian production is rising and oil exports have been resumed. We may have an awkward interval of shortage this spring and summer, due to the eight week gap in the oil flow. But some are assuming that, if there is reasonable political stability, the crisis will pass and we will be back in a familiar world in a few months.

This complacency ignores three new factors.

First, it is virtually certain that Iran's production will not return to 6 mbod. Representatives of Khomeini have said Iran will activate only 60% of its production capacity; that is, about 3.6 mbod. (Others have suggested a lower target.) But at an optimistic maximum, energy experts expect Iranian production to return to 4–5 mbod, rather than 6. This lowering of the OPEC production curve in Chart 1 brings the energy crisis of the 1980's closer than it was before the Iranian crisis. Second, OPEC has had a vivid demonstration of how sensitive the international oil price is to a restriction of supply. Its members are asking themselves: Why run down our finite oil reserves rapidly when we can, at higher prices, acquire at least as much foreign exchange with less production?

This experience is reinforced by a third factor, which also results from the Iranian crisis.

Mexico and some other oil exporters have concluded that the Shah's policy of a blind rush to industrialization would be both wasteful and disruptive of balanced growth and modernization of their societies. In his second State of the Union message of September 5, 1978, the President of Mexico articulated this doctrine with great clarity. Saudi Arabia is, apparently, drawing a similar conclusion from the tragic events in Iran. Restraint on Saudi energy production over coming years could be at least as serious for the oil importers as the reduction in the Iranian supply; for Saudi Arabia commands the largest potential reserve capacity within OPEC; and production from some OPEC countries is expected to peak out and decline in the 1980's.

These three factors taken together suggest that, even if Iranian production and exports revive to their new lower level, without further political interruption, we can expect OPEC supply at substantially lower levels and higher prices than predicted for the 1980's. We have had a whiff of what the energy crisis of the 1980's will be like; we face, in any case, some awkward months before the pipelines and reserves are refilled; but, above all, the energy crisis of the 1980's is substantially closer than it was.

IV

Now, where does the United States stand in the face of this threatening situation?

In April 1977 President Carter laid before Congress a National Energy Plan. Its central purpose was to reduce U.S. oil imports to about 7 mbod by 1985 while permitting a real growth rate in our economy of 4.3 percent. This was to be accomplished by a mixture of increased conservation and increased production.

The conservation goal was to bring the energy/GNP ratio below .5 by 1985; that is, to a point where a 4.3 percent annual growth rate would be associated with a 2 percent annual increase in energy consumption. The various energy projections that have been made outside the U.S. government would suggest President Carter's conservation goal was somewhat over-ambitious. An energy/GNP ratio of .7 appears a more realistic but still impressive target for the mid-1980's. For example, the Energy Information Administration in April 1978 projected figures from .68 to .83 in a series of alternative scenarios down to 1990. But the fact is that the United States has made considerable progress in energy conservation. The energy/GNP ratio was .97 for the whole period 1960–1976, rising as high as 1.1 between 1965 and 1975. But as of 1979 we may have brought the energy/GNP ratio down to .8. This is the result of lighter, more energy-efficient automobiles, substantial measures of energy conservation in industry, and some household savings. Given the fact that our energy price system has not been fully geared to encourage conservation, it is a reputable performance. But it still means that at a 4 percent growth rate U.S. energy consumption will increase at a rate of more than 3 percent per annum. Even with a predicted slow growth rate of 2.5 percent for 1979, we would still require a 2 percent increase in energy supplies. This comes to more than an additional 1 mboed.

Where will that increment in energy consumption come from?

The answer is that, if present trends continue, it will not come from a significant increase in U.S. energy production. The attached table and Charts 3 and 4 show how the recent and projected path of U.S. energy production is likely to yield an oil import requirement of about 13 mbod rather than the 6–7 mbod envisaged in NEP.

The component production figures exhibit some interesting features.

Crude Oil and Liquids. The coming in of North Slope oil arrested the declining the declining trend for 13 months. It has now resumed and will yield, on rough extrapolation, a 1.6 mbod shortfall as compared to NEP calculations for 1985.

Natural Gas. The surge of production, in response to deregulated prices in the intrastate markets, yielded a trend, down to 1978, higher than that envisaged in NEP. It is uncertain, however, that this hopeful trend will continue in the face of the administrative complexities of the Natural Gas Act of 1978.

Coal. The great production shortfall (5.5 mboed) comes in coal, which is demand constrained. The coal price is higher than the average controlled natural gas price in btu equivalents. Demand is also constrained by environmental rulings.

U.S. ENERGY CONSUMPTION AND PRODUCTION: NEP (1977) GOALS AND CURRENT (1978) PROJECTIONS FOR 1985 (MBOED)

	Oil NGL	Coal	Natural gas	Nuclear	Other	Total production [1]	Total consumption [2]	Oil imports
1972	11.3	7.3	11.1	0.3	1.5	31.4	35.8	4.7
1973	11.0	7.2	11.1	.5	1.5	31.2	37.3	6.3
1974	10.5	7.2	10.6	.6	1.6	30.6	36.2	6.1
1975	10.1	7.6	9.8	.9	1.6	30.1	35.3	6.1
1976	9.8	7.9	9.7	1.0	1.5	30.0	37.2	7.3
1977	9.8	8.0	9.8	1.3	1.2	30.1	38.2	8.7
1978	10.3	7.1	9.7	1.4	1.5	30.1	39.1	8.0
Projections:								
1985 current production trends [1]	9.0	9.0	9.3	2.5	1.7	31.5		
1985 NEP production goals	10.6	14.5	8.8	3.8	1.7	40.0		
1985 consumption estimate							46.4	
1985 consumption at 2 percent annual increase [2]							44.9	
1985 NEP oil import goal								(net) 6.4
1985 projected oil import requirement as of 1979 [2]								About 13.0

[1] Includes some coal exports.

[2] Extrapolated from recent trends.

Nuclear. Since 1974 cancellations have outstripped new plant orders. The current production increased is based on 160,000 MW of net capacity ordered in the period 1970–1974. The shortfall is estimated at 1.6 mboed as compared to NEP projection for 1985.

As noted earlier, consumption may be less than envisaged mainly due to a probable lower average growth rate than the 4.3 percent per annum set as a target in NEP; althought, as noted earlier, considerable progress has been made in reducing the energy/GNP ratio.

Our rough-cut estimate of U.S. oil import requirements for 1985, of about 13 mbod, does not greatly differ from the Energy Information Administration's April 1978 estimate of 12 mbod (Case C: medium demand, medium supply). One major difference is the EIA's estimate of 11 mboed for coal production, as opposed to the 9 which emerges from a rough projection of the current situation. On the other hand, we are more sanguine about natural gas production in 1985.

The simple fact that emerges from this rather dismal portrait of U.S. energy production and its prospects is that, through our political processes, we as a nation have chosen to rely on increased oil imports rather than face up to the requirements for an all-out energy production effort; this excessive reliance on imports was judged imprudent before the Iranian crisis; and the direct and indirect effects of that crisis make such a policy a real and present danger.

Even if Iranian production revives to something like 60 percent of its former level, the United States, Western Europe, and Japan will experience three major effects of the Iranian crisis in 1979 and 1980: the cost of imported energy will rise, accelerating inflation and reducing real incomes; growth will decelerate and unemployment increase; some official measures to reduce energy demand will have to be installed as the deliberations of this committee suggest. The hopes for improving the American balance of payments position and strengthening the dollar in 1979 are likely to fade. We are experiencing, then, a relatively minor version of the massive energy crisis that awaits us down the road—the crisis Mr. Schultze evoked so vividly.

V

Quite aside from its economic consequences, our excessive reliance on OPEC oil has already greatly weakened the strategic position of the United States, Western Europe, and Japan; and it promises to weaken it further in the future.

There are four distinct ways in which the energy crisis has its impact on the strategic position of the United States and our allies.

Our over-dependence on OPEC supplies has tempted the Soviet Union to launch a policy of great activism in the Middle East and the Horn of Africa. Its results can be seen in Ethiopia, Yemen, Afghanistan and at other points.

It has directly weakened the strength and freedom of action of the United States. That weakness, symbolized by the low estate of the dollar and our extreme, indeed life and death, dependence on Saudi Arabia, has indirect as well as direct consequences. Whether we like it or not, in a nuclear age the United States remains the only possible guarantor of Western Europe, Japan, and our friends in the Middle East and elsewhere. When we appear enfeebled, the foundations for their security are shaken.

A gross global energy shortfall could well bring about a radical reduction in economic growth in an OECD world whose political life is already strained and corroded by almost five years of stagflation. Further large increases of unemployment against the background of a global energy shortage might well so weaken the political and military as well as economic cohesion of the OECD community as to open up major opportunities for Soviet pressure and attempted extensions of its power, backed by the image and reality of its growing arms preponderance. In addition, the oil importing nations of the developing world, whose viability depends heavily on the momentum of the advanced industrial nations, as well as on the real price of oil, would be greatly strained, with significant political and, potentially, strategic consequences.

Finally, our over-dependence on OPEC imports could well lead to direct military action, notably to protect the flow of Saudi Arabian oil. Our adversaries are likely to try to inhibit or cut off that flow by means which do not offer a target for U.S. conventional military force; but the situation in Yemen suggests the process by which we could be drawn into conflict.

I do not have to tell this committee that the economic pain and strategic danger we are now experiencing—which may worsen in the years ahead—are substantially unnecessary. You all know that this nation commands the natural resources and technologies to reduce radically our oil imports and, indeed, to make a substantially increased contribution to other nations in the form of greatly enlarged coal exports.

To do these things three changes in policy are required.

First, we must promptly deregulate the price of oil and natural gas. Every objective disinterested analysis of the problem I know—done here or abroad—begins with this requirement; for example, the analyses done by the International Energy Administration in Paris. It is the most fundamental way to stimulate both energy production and conservation. I would immediately add that this action should be accompanied by tax measures that would guarantee that windfall profits in the energy industry would be ploughed back into energy production. I would also add that, contrary to a widely held belief, deregulation is not a narrow, parochial interest of the oil and gas producing states. It will result in the accelerated depletion of their reserves and will require accelerated measures to build a new energy base in the Southwest. But deregulation is an unambiguous national interest.

Second, we must find a politically responsible way to settle promptly and definitively energy-environmental conflicts. I do not believe serious environmental degradation need result from an all-out energy production effort. But the uncertainties and wastage of time are holding up the large flows of investment necessary to expand nuclear, coal, and offshore production. In this connection we shall have to find rational rules for exploiting needed resources in the Federal Estate consistent with environmental protection. The longer we wait, the more likely it is that Mr. Schultze's prediction will prove correct: ". . . a virtual scrapping of our progress in cleaning up the environment."

Third, we must develop methods for accelerating the commercialization of known but presently high-cost methods of energy production: synthetics, *in situ* conversion of coal and lignite, shale, geopressurized methane, biomass conversion, and the other familiar but unexploited possibilities. Honest energy pricing would help. But I do believe we shall need some version of the public-private collaboration achieved during the Second World War to bring about prompt, large scale production of synthetic rubber.

Each of these three policies involves difficult choices, new ways of thinking and acting. Perhaps the most difficult is the effect of price deregulation on the rate of inflation. Without doubt, deregulation would raise the price level to a degree. On the other hand, it is clear the real price of OPEC oil will, in any case, rise, and with it the price of other forms of energy; dereguation is essential if we are ever to generate the production and conservation which might, in time, bring down the real price of energy; and we would also get some immediate mitigation of inflationary pressures. From the day the United States adopted a serious and credible energy policy, the dollar would begin to strengthen. The lack of such a policy is a major reason why the dollar is so weak in international markets—in fact, undervalued. Looking to the future, the international financial community can see only a progressively enlarged flood of dollars into the world as the United States, in effect, finances its increasing oil imports by borrowing. Those expectations would reverse if we adopted an effective national energy policy; the dollar would strengthen; the cost of imports would immediately decline; and the inflationary pressure from that source would be reduced.

There is another wholesome consequence that would follow from an effective national energy policy: this nation, in all its regions, would move towards sustained full employment. I have studied the investment requirements for a production and conservation program that would reduce oil imports to 7 mbod.* Without burdening you with details I conclude that such a program would induce additional investment of 2–3 percent of GNP. This figure is enough to close the investment gap which accounts for recent low growth rates. Moreover, some $100–120 billion (in $ 1976) would be required in the Northeast and a similar amount in the industrial Middle West. Such increases in investment would do much to re-invigorate those important but recently lagging regions of the country.

This perception, independently arrived at, lies behind the bill recently introduced into the Congress at the initiative of the Northeast Governors for an Energy Corporation for the Northeast an for the 1977 energy resolution of the Midwest Governors, supporting a similar concept.

VII

I would not underestimate the difficulty of shaking this nation out of its present passivity, moving as if hypnotized down the road to a truly major crisis. I would not underestimate the problems involved in formulating and implementing the three lines of policy I have described. And I know there are Americans and there are both friends and adversaries of America abroad who believe we have come to a stage in our hisotry when we no longer command the capacity for a resilient, energetic response to challenge. They think we are trying to go down, as gracefully as possible, in the style to which we are accustomed.

I don't happen to believe that is true. I think we were spoiled by the ease of economic progress in the 1950's and 1960's—during an era of cheap energy—and that we are in an awkward and rather dangerous transition to a time when we face our energy problems and get on with the job. But what I think doesn't much matter. It is the performance of the nation from here on out that will answer the question. And I can't think of a better place to start than with the insistence of this committee that the stand-by provisions before you not go into effect unless the President lays before the Congress an all-out energy production as well as conservation program of the kind I outlined earlier. Such a program is the only hope we have that we are not entering a world of permanent and ever tighter rationing and centralized controls over our lives.●

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* See "Energy and Full Employment" in Charles J. Hitch (ed.), *Energy Conservation and Economic Growth*, Boulder, Colorado: Westview Press for the American Association for the Advancement of Sciences, 1978, pp. 59–112.

FEDERAL SPENDING THROUGH THE TAX LAWS

● Mr. KENNEDY. Mr. President, each year, the Joint Committee on Taxation of the Congress prepares a table identifying the many different forms of Federal spending through the tax laws and providing revenue estimates for each tax expenditure.

In this period of fiscal austerity, in which most forms of Federal spending are receiving strict scrutiny by Congress in an effort to reduce spending wherever possible, it is important that Congress give equally strict scrutiny to the large amount of Federal spending that takes place each year through tax subsidies—an estimated $170 billion for fiscal year 1980.

Mr. President, I believe that all of us will find the Joint Committee on Taxation's analysis of interest. I submit for the RECORD table I from the committee's pamphlet, "Estimates of Federal Tax Expenditures for Fiscal Years 1979–1984," dated March 15, 1979. I also submit for the RECORD a table I have prepared comparing direct spending and tax spending in each budget function, and a table comparing the annual increases in direct spending and tax spending since 1971.

The material follows:

TABLE 1.—TAX EXPENDITURE ESTIMATES BY FUNCTION [1]

[Fiscal years; in millions of dollars]

Function and item	Corporations						Individuals					
	1979	1980	1981	1982	1983	1984	1979	1980	1981	1982	1983	1984
National defense:												
Exclusion of benefits and allowances to Armed Forces personnel							1, 370	1, 470	1, 585	1, 715	1, 850	2, 000
Exclusion of military disability pensions							120	130	135	145	150	160
International affairs:												
Exclusion of income earned abroad by U.S. citizens							530	555	600	645	695	755
Deferral of income of domestic international sales corporations (DISC)	1, 170	1, 260	1, 300	1, 400	1, 525	1, 640						
Deferral of income of controlled foreign corporations	530	445	480	520	560	605						
Special rate for Western Hemisphere trade corporations	15	5										

Footnotes at end of table.

TABLE 1.—TAX EXPENDITURE ESTIMATES BY FUNCTION[1]—Continued

[Fiscal years; in millions of dollars]

Function and item	Corporations						Individuals					
	1979	1980	1981	1982	1983	1984	1979	1980	1981	1982	1983	1984
General science, space, and technology: Expensing of research and development expenditures	1,550	1,745	1,980	2,230	2,490	2,780	30	35	40	45	50	55
Energy:												
Expensing of exploration and development costs	1,060	1,160	1,280	1,365	1,475	1,605	430	505	590	675	890	1,025
Excess of percentage over cost depletion	1,190	1,265	1,355	1,440	1,525	1,625	435	485	525	535	540	550
Capital gains treatment of royalties on coal	10	10	10	10	15	15	65	75	90	100	110	115
Residential energy credits							715	435	465	505	555	610
Alternative conservation and new technology credits	220	390	495	595	460	160	[2]	[2]	[2]	[2]	[2]	[2]
Natural resources and environment:												
Exclusion of interest on State and local government pollution control bonds	200	220	245	270	295	325	215	240	265	290	320	355
Exclusion of payments in aid of construction of water and sewage facilities	10	60	110	110	110	110						
5-yr amortization on pollution control facilities	−25	−10	15	55	95	90						
Tax incentives for preservation of historic structures	5	5	5	5	5	5	5	5	1	10	10	5
Capital gains treatment of certain timber income	315	355	400	440	485	530	90	100	115	125	140	150
Capital gains treatment of iron ore	10	10	10	10	10	10	10	10	10	10	10	10
Agriculture:												
Expensing of certain capital outlays	75	75	80	85	85	90	445	430	475	545	565	585
Capital gains treatment of certain ordinary income	10	10	15	15	15	20	365	385	405	425	445	465
Deductibility of noncash patronage dividends and certain other items of cooperatives	505	540	590	625	670	710	−170	−175	−190	−200	−210	−220
Exclusion of certain cost sharing payments							[2]	30	75	80	80	75
Commerce and housing:												
Dividend exclusion							450	450	470	495	515	540
Exclusion of interest on State and local industrial development bonds	240	380	335	395	455	510	255	305	360	430	490	555
Exemption of credit union income	90	100	115	125	140	155						
Excess bad debt reserves of financial institutions	780	855	965	1,015	1,090	1,260						
Deductibility of mortgage interest on owner-occupied homes							8,225	9,290	10,965	12,935	15,265	18,010
Deductibility of property tax on owner-occupied homes							5,920	6,615	7,765	8,905	10,330	11,980
Deductibility of interest on consumer credit							2,585	2,945	3,475	4,100	4,835	5,705
Expensing of construction period interest and taxes	525	555	585	615	645	675	90	145	165	160	155	150
Excess first-year depreciation	50	50	50	55	55	60	135	135	145	150	160	170
Depreciation on rental housing in excess of straightline	70	65	65	70	70	75	290	285	290	295	305	320
Depreciation on buildings (other than rental housing) in excess of straight line	135	135	140	150	165	185	120	120	125	135	150	165
Asset depreciation range	2,460	2,880	3,400	3,940	4,330	4,300	130	150	180	215	225	225
Capital gains (other than farming, timber, iron ore, and coal)	555	625	725	785	870	965	7,520	10,150	10,905	11,730	12,615	13,580
Deferral of capital gains on home sales							1,125	1,010	1,115	1,225	1,350	1,485
Capital gains at death							9,015	10,005	11,105	12,275	13,555	14,965
Corporate surtax exemption	3,070	135										
Reduced rates on first $100,000 of corporate income	3,270	6,940	7,425	7,890	8,350	8,735						
Investment credit, other than for TRASOPs and for rehabilitated structures	13,405	15,370	17,380	18,965	20,180	21,300	2,665	3,090	3,510	3,870	4,110	4,360
Investment credit for rehabilitated structures	55	120	140	155	170	185	10	60	65	65	65	70
Transportation:												
Deductibility of nonbusiness State gasoline taxes							350					
5-yr amortization on railroad rolling stock	−40	−40	−40	−40	−35	−20						
Deferral of tax on shipping companies	75	70	75	75	80	90						
Community and regional development:												
5-yr amortization for rehabilitation of low-income housing	5	5	10	10	10	5	10	10	15	20	15	10
Exclusion of interest on State and local housing bonds	450	680	975	1,320	1,715	2,165	90	140	200	270	350	440
Education, training, employment and social services:												
Exclusion of scholarship and fellowship income							355	365	375	390	400	410
Parental personal exemption for students age 19 or over							935	1,020	1,025	1,020	1,020	1,020
Exclusion of employee meals and lodging (other than military)							325	350	380	410	445	480
Exclusion of contributions to prepaid legal services plans							15	20	35	10		
Investment credit for employee stock ownership plans (TRASOPs)	385	450	520	600	655	360						
Deductibility of charitable contributions (education)	320	355	380	420	455	485	710	795	925	1,070	1,240	1,140
Deductibility of charitable contributions to other than education and health	395	440	475	520	560	600	5,320	5,965	6,920	8,030	9,310	10,805
Maximum tax on personal service income							1,335	1,625	2,030	2,540	3,175	3,970
Credit for child and dependent care expenses							610	705	770	845	925	1,015
Credit for employment of AFDC recipients and public assistance recipients under work-incentive programs	55	120	160	185	215	240	5	40	55	65	70	75
General jobs credit	1,035	215	110	55	35	20	860					
Targeted jobs credit	125	345	470	320	85	85	15	135	190	135		
Employer educational assistance							20	30	30	35	40	40
Health:												
Exclusion of employer contributions for medical insurance premiums and medical care							8,255	9,595	11,150	12,955	15,030	17,490
Deductibility of medical expenses							2,890	3,120	3,525	3,985	4,505	5,090
Expensing of removal of architectural and transportation barriers to the handicapped	10	[2]	[2]	[2]	[2]	[2]						
Deductibility of charitable contributions (health)	195	220	235	260	280	300	1,065	1,195	1,385	1,605	1,865	2,160
Income security:												
Exclusion of social security benefits:												
Disability insurance benefits							615	735	860	1,010	1,175	1,370
OASI benefits for retired workers							5,455	6,430	7,535	8,750	10,115	11,630
Benefits for dependents and survivors							825	940	1,075	1,210	1,365	1,540
Exclusion of railroad retirement system benefits							275	305	345	365	380	390
Exclusion of Workmen's compensation benefits							1,035	1,285	1,590	1,975	2,450	3,035
Exclusion of special benefits for disabled coal miners							50	50	50	50	50	50
Exclusion of unemployment insurance benefits							1,780	1,935	2,150	2,095	2,010	1,940
Exclusion of public assistance benefits							355	395	425	455	515	525
Exclusion of disability pay							140	150	155	165	175	185
Net exclusion of pension contributions and earnings:												
Employer plans							11,325	12,925	14,740	16,815	19,175	21,860
Plans for self-employed and others							1,920	2,205	2,535	2,920	3,355	3,860
Exclusion of other employee benefits:												
Premiums on group term life insurance							875	915	950	990	1,030	1,075
Premiums on accident and disability insurance							75	80	85	90	90	95
Income of trusts to finance supplementary unemployment benefits							10	10	10	10	10	10
Exclusion of interest on life insurance savings							2,475	2,720	2,990	3,290	3,635	4,015
Exclusion of capital gains on home sales for persons age 55 and over							300	335	590	645	710	785
Additional exemption for elderly							1,670	1,855	1,950	2,045	2,150	2,255

Footnotes at end of table.

TABLE 1.—TAX EXPENDITURE ESTIMATES BY FUNCTION[1]—Continued

[Fiscal years; in millions of dollars]

Function and item	Corporations 1979	1980	1981	1982	1983	1984	Individuals 1979	1980	1981	1982	1983	1984
Additional exemption for the blind							30	35	35	35	40	40
Deductibility of casualty losses							435	475	540	610	685	775
Tax credit for the elderly							160	160	160	160	160	160
Earned income credit:												
Nonrefundable							265	535	515	495	475	455
Refundable							840	1, 535	1, 475	1, 415	1, 360	1, 305
Veterans benefits and services:												
Exclusion of veterans disability compensation							905	1, 005	1, 085	1, 165	1, 265	1, 340
Exclusion of veterans pensions							45	55	60	60	60	65
Exclusion of GI bill benefits							195	170	150	135	120	105
General government: Credits and deductions for political contributions							80	100	140	100	125	100
General purpose fiscal assistance:												
Exclusion of interest on general purpose State and local debt	3, 245	3, 515	3, 900	4, 335	4, 815	5, 360	2, 120	2, 365	2, 625	2, 915	3, 240	3, 600
Deductibility of nonbusiness State and local taxes (other than on owner-occupied homes and gasoline)							10, 935	12, 450	14, 690	17, 335	20, 455	24, 135
Tax credit for corporations doing business in U.S. possessions	685	730	805	885	970	1, 070						
Interest: Deferral of interest on savings bonds							615	625	640	655	665	680

[1] All estimates are based on the law enacted as of Dec. 31, 1978.

[2] Less than $2,500,000.

TABLE—FEDERAL SPENDING IN FISCAL YEAR 1980

[In billions of dollars]

Budget function (1)	Direct spending[1] (2)	Tax spending[2] (3)	Total (2)+(3) (4)
National defense	125. 8	1. 6	127. 4
International affairs	8. 2	2. 3	10. 5
General science, space and technology	5. 5	1. 8	7. 3
Energy	7. 9	4. 3	12. 2
Natural resources and environment	11. 5	1. 0	12. 5
Agriculture	4. 3	1. 3	5. 6
Commerce and housing credit	3. 4	72. 9	76. 3
Transportation	17. 6	. 03	17. 6
Community and regional development	7. 3	. 8	8. 1
Education, training, employment and social services	30. 2	13. 0	43. 2
Health	53. 4	14. 1	67. 5
Income security	179. 1	36. 2	215. 3
Veterans benefits and services	20. 5	1. 2	21. 7
Administration of justice	4. 4		4. 4
General government	4. 4	. 1	4. 5
General purpose fiscal assistance	8. 8	19. 1	27. 9
Interest	57. 0	. 6	57. 6
Allowances	1. 4		1. 4
Undistributed offsetting receipts	(—)19. 0		(—)19. 0
Total	531. 6	170. 3	702. 0

[1] Source: Outlays recommended by administration in the fiscal year 1980 budget (Jan. 22, 1979).

[2] Source: Joint Committee on Taxation, "Estimates of Federal Tax Expenditures for Fiscal Years 1979–1984" (Mar. 15, 1979).

TABLE—INCREASES IN DIRECT SPENDING AND TAX SPENDING

Fiscal year	Direct spending: Amount (billions)[1]	Direct spending: Index (1971=100)	Direct spending: Percent increase over prior year	Tax spending: Amount (billions)[2]	Tax spending: Index (1971=100)	Tax spending: Percent increase over prior year
1971	$211. 4	100. 0		$51. 7	100. 0	
1972	232. 0	109. 7	9. 7	59. 8	115. 7	15. 7
1973	247. 1	116. 9	6. 5	NA	NA	NA
1974	269. 6	127. 5	9. 1	82. 0	158. 6	NA
1975	326. 2	154. 3	21. 0	92. 9	179. 7	13. 3
1976	366. 4	173. 3	12. 3	98. 5	190. 5	6. 0
1977	402. 7	190. 5	9. 9	114. 5	221. 5	16. 3
1978	450. 8	213. 2	11. 9	124. 4	240. 6	8. 6
1979	493. 4	233. 4	9. 4	150. 7	291. 5	21. 2
1980	531. 6	251. 5	7. 7	170. 3	329. 4	13. 0

[1] Source: Fiscal year 1980 budget.

[2] Source: Publications of the Joint Committee on Taxation, 1972–79.

SUM OF THE EXPENDITURE ITEMS BY TYPE OF TAXPAYER, FISCAL YEARS 1979–84

[In millions of dollars]

	Corporations and individuals	Corporations	Individuals
Fiscal year:			
1979	150, 655	38, 495	112, 160
1980	170, 320	42, 760	127, 560
1981	192, 675	47, 770	144, 905
1982	216, 260	52, 280	163, 980
1983	241, 935	56, 180	185, 755
1984	270, 285	59, 485	210, 800

Note: These totals represent the mathematical sum of the estimated fiscal year effect of each of the tax expenditure items included in the table. The limitations on the use of the totals are explained in the text.

Source: Staffs of the Treasury Department and the Joint Committee on Taxation ●

DICK CLARK AS AMBASSADOR AT LARGE

● Mr. HAYAKAWA. Mr. President, I would like to offer some comments regarding the nomination of Senator Dick Clark to serve as U.S. Ambassador at Large. I have voted for the nomination in committee. However, it is necessary for me to point out that after reading Dick Clark's remarks before the Judiciary Committee I felt uncertain whether the Senate has at its disposal all the information needed to reach a correct decision. I, therefore, wrote to the Department of State requesting a clarification of certain ambiguous aspects surrounding the Clark appointment. The State Department promptly supplied the needed information. While it clarifies more fully the role which Senator Clark will play in his new job, I still have some reservations in this regard. Nevertheless, rather than delaying the confirmation process any longer I decided to make my exchange with the State Department a matter of public record. Mr. President, I accordingly request that my memorandum of March 20 to the State Department and the reply be printed in the RECORD as part of my comments. Thank you Mr. President.

The material follows:

NOMINATION OF SENATOR DICK CLARK

Senator Hayakawa would deeply appreciate it if you could furnish him promptly with answers to the following questions:

1. Senator Clark states that part of his diplomatic efforts will be "to induce repres-

sive states to moderate their practices." He would thus seem to have a role in the implementation of the U.S. human rights policy toward other countries. What will be the scope of his official policy making power in the human rights area? What will be his role vis a vis the Office on Human Rights? Will his role be the equivalent of an ex-officio member? What specific functions might he be involved in in this capacity? Would he ever be sent on a trouble-shooting mission to countries whose human rights record the U.S. is concerned about?

2. Senator Clark will also be involved in "finding political solutions to regional political disputes." I would like for this to be defined with greater precision. Am I correct in presuming that the geographical emphasis of this aspect of his role will be in Africa? What precisely will his functions be? Would he serve in an adjunct capacity to Ambassador Andrew Young? Might he at some future date be named head U.S. negotiator in relation to the future of a nation in Africa or any other continent?

3. What will be the budget and projected personnel requirements for his diplomatic role?

4. How much of Senator Clark's time is to be devoted on the average to diplomatic functions vis a vis the implementation of refugee programs?

Department of State,
Washington, D.C., March 21, 1979.

Dear Senator Hayakawa: This is in response to John Backer's memorandum to me of March 20 regarding the nomination of former Senator Dick Clark as Ambassador-at-Large and U.S. Coordinator for Refugee Affairs.

On Mr. Backer's first two points, Senator Clark has not stated that part of his personal diplomatic efforts would be "to induce repressive states to moderate their practices." Nor has he said that he would be involved in "finding political solutions to regional political disputes." These quotations are taken out of context from Senator Clark's testimony before the Senate Judiciary Committee on March 14, 1979, when he was pointing out the need to recognize the causes as well as the effects of refugee problems overseas. Taken in context, it is clear that he was speaking about the combined efforts of the U.S. Government, rather than just his own role:

Despite the participation of many other governments and international agencies, the U.S. share of the current refugee problem entails a substantial financial burden. Therefore among the most crucial elements of our refugee policy we must include strenuous diplomatic activity to alleviate the causes of refugee migration and equally strenuous activity to get other governments to assume a greater share of the burden. Increased emphasis on this aspect of our work means different types of activity:

Encouraging other governments to work with us in finding political solutions to regional political disputes that are causing refugees to flee;

Exerting diplomatic influence, in cooperation with other governments, to induce repressive states to moderate their practices;

Working with the international agencies, such as the UN High Commissioner for Refugees, to improve their programs and management of resources, and urging other governments to give their full support to these ends; and

Encouraging other governments to carry their own fair share of the burden, in terms both of providing resettlement opportunities and making financial contributions to international efforts.

The basis of Senator Clark's authority is the President's directive of February 28, 1979, which was made available to the Foreign Relations Committee before the confirmation hearing and submitted for the record. It states that the U.S. Coordinator, working under the direction of the President and the Secretary of State, will "be responsible to the fullest extent permitted by law" for, among other things:

(b) Coordination of all United States domestic and international refugee and resettlement programs with a view to assuring that policy objectives are met in a timely fashion;

(f) Representation and negotiations on behalf of the United States with foreign governments and international organizations in discussions on refugee matters and, when appropriate, submitting refugee issues for inclusion in other international negotiations;

As with his other responsibilities, Senator Clark is assisted "in the coordination and implementation of U.S. Government refugee policies, programs, and activities" by an Interagency Committee on Refugee Affairs. The Committee consists of representatives of all federal agencies involved in U.S. refugee efforts.

On the third point, it is difficult to separate out the budget and personnel requirements for Senator Clark's diplomatic role, since the U.S. refugee programs and policies involve such a close relationship between domestic and international efforts. Senator Clark has one staff member who devotes his attention solely to diplomatic functions, but he also calls upon the assistance of experts in the State Department and other agencies when appropriate.

Finally, it is misleading to imply a distinction between diplomatic functions and "the implementation of refugee programs." By necessity the success of our programs depends on cooperation and negotiations with other governments and international organizations to provide relief to refugees overseas and to bring them to the United States. In recognition of the importance of minimizing the U.S. burden by encouraging others to increase their contributions, Senator Clark has stated that he intends to devote a portion of his time to diplomatic efforts to strengthen international contributions to refugee programs. However, the day-to-day operational responsibilities for specific refugee programs will remain with the appropriate agencies.

I hope that this clarifies your questions about Senator Clark's role. The President and the Secretary of State are confident that his mandate has been properly defined to give him the responsibilities and authority necessary to carry out the functions of Ambassador-at-Large and U.S. Coordinator for Refugee Affairs.

Sincerely,
Douglas J. Bennet, Jr.,
Assistant Secretary for Congressional Relations.●

NO OIL SHORTAGE, JUST A SHORTAGE OF LEADERSHIP AT DOE

● Mr. METZENBAUM. Mr. President, as my colleagues are well aware, more than a year ago I first called for the resignation of Dr. James Schlesinger as the Secretary of Energy. For many months, it was a solitary crusade but today I no longer feel lonely.

Last week, I was joined on the floor by a group of distinguished Senators and I note that yesterday, my good friend, the junior Senator from Tennessee, made an eloquent statement indicating his disapproval of the Secretary's leadership at DOE.

Since last week's colloquy, more evidence has surfaced to bolster our contention that the Department of Energy under Dr. Schlesinger is rapidly losing the confidence of the American people. Numerous articles have appeared in newspapers and magazines outlining the depth of dissatisfaction with the policies of the Department of Energy and editorials calling for the President to accept the reported offer of Dr. Schlesinger's resignation have appeared.

While I understand that he is not actually joining our call for Dr. Schlesinger's resignation, I commend our distinguished majority leader for the statements he made last Saturday in his weekly press conference. I feel that he hit at the crux of the argument that we have been making in relation to the problems at the Department of Energy. According to the Washington Post, my good friend from West Virginia pointed out that the Department of Energy under Dr. Schlesinger has been marked by—

> Shifts in policy, shifts in direction, confused statistics, etc., etc., that are causing great troubles. The administration should have had its standby oil supply proposals up before Congress two years ago. There is still no comprehensive energy policy in place that I know about . . . we're just sort of on a treadmill.

I could not be more in agreement but I will go one step further and place the blame where it rightfully belongs—on the shoulders of the Secretary of Energy.

Last Sunday, another of our distinguished colleagues, the senior Senator from Idaho and chairman of the Foreign Relations Committee voiced similar complaints on the CBS network show, Face the Nation. Senator Church also did not join us in the call for the Secretary's resignation, but spent several moments outlining the same problems we have had in dealing with the Department of Energy. He has publicly called it the fudge factory.

Mr. President, every day, more and more evidence comes forth to strengthen the case against the Secretary of Energy.

For instance, the Secretary presented a plan to Congress recently for emergency conservation. Included in the four-point plan was a proposed ban on weekend gasoline sales.

Last month, the Secretary told the Senate Energy Committee that weekend and Sunday closings may be necessary by this summer to make up for lost supplies resulting from the Iranian oil squeeze.

But now we learn from another Washington Post article that an internal Department of Energy study completed more than a week before the proposal was sent to Congress concludes that a ban on weekend gasoline sales "would result in longer service station lines the rest of the week and save little gas."

Continuing the DOE study says:

> Reduced hours of operation of gasoline stations should be discouraged, if not prohibited.

The DOE study, according to the Washington Post, found that ending weekend gas sales would create longer lines on other days and result in more gasoline waste than each of seven other possible savings plans.

What I wonder about, Mr. President, is how much money did we spend to make a study and come up with that amazing conclusion. If we spent any more than calling up a dozen service station operators who were in business in 1974 to have them cite their experiences, then we wasted a lot of the taxpayers' money.

Last Sunday, in an incisive article in the New York Times, Richard Halloran added more fuel to the fire of our argument and threw a giant cloud of suspicion over the so-called shortage we are now suffering. In a well-documented article entitled "Oil Facts Don't Quite Match the Rhetoric," Mr. Halloran laid bare the facts of this so-called shortage that Dr. Schlesinger has been laying before us. And, Mr. President, after reading this article, no reasonable person could come to any other conclusion than that our Department of Energy, in conjunction with the oil industry, has been a willing partner in, at best, drastically overstating the shortage from Iran or, at worst, deliberately deceiving the American public.

I ask unanimous consent that the article be printed in its entirety at this point in the Record.

One day later, Mr. John O'Leary, Dr. Schlesinger's right-hand man at the Department of Energy, virtually confirmed Mr. Halloran's contentions and also verified what many of us have been suspecting—that the oil companies have created the so-called shortage by holding back supplies in anticipation of price decontrol.

Mr. President, I ask unanimous consent that the article from the New York Times of March 20, 1979, by Richard Halloran, entitled "Increased Iranian Shortfall Seen," be printed in its entirety in the Record at this point.

Mr. President, I am also aware that the President, after last week's colloquy and in answer to a letter from my distinguished colleague, the junior Senator from Arizona, stated that he still has full confidence in Dr. Schlesinger. The President added that the Secretary needs all the help he can get.

I would add that the American consumer is more in need of all the help he can get—and he certainly is not getting any from the Secretary of Energy.

I again urge the President to accept the offer of resignation that the Secretary of Energy told the Senate Energy Committee he has made. Only then can we get the new and forceful leadership that is so desperately needed at the Department of Energy.

Mr. President, I ask that two articles concerning this subject, "Energy Battle Takes a Turn for the Worse," from the March 26, 1979, issue of U.S. News & World Report and "Oil: How High Is Up?" from the March 26, 1979, issue of Time magazine be printed in their entirety in the Record.

The articles follow:

[From the New York Times, Mar. 18, 1979]

OIL "FACTS" DO NOT QUITE MATCH THE RHETORIC

(By Richard Halloran)

WASHINGTON—Bewildered by the continuing uproar over the supply of oil, or lack of same? You're in good company.

The Department of Energy says—Energy Secretary James R. Schlesinger testified so last week—that the nation is short 500,000 barrels a day, and creeping toward 800,000 barrels. The Congressional Research Service says the shortage is only 80,000 barrels a day. The big oil companies say that, worldwide, it's 2.5 million barrels a day and so they must parcel out deliveries to make sure everyone gets a fair share. The General Accounting Office, Congress' investigative arm, finds that puzzling. It says that the companies are cutting the United States back 10 to 15 percent while at the worst the loss of Iranian oil puts it down only 4 percent.

Such reputable challenges to the "official" figures from the Department of Energy and the American Petroleum Institute, the industry's trade association, suggest that the crisis talk is overblown—at least for now. During the three months since Iran's troubles turned off the tap on its exports, demand for crude oil and its refined products, such as gasoline, has risen only 1.9 percent, compared with the same period a year ago. Supplies are up a solid 3.4 percent. Conventional wisdom has it that the United States is dipping into its stocks 500,000 barrels a day more than normal. But the numbers show that an average of 250,000 barrels a day less than a year ago is being drained out, and at this point in the annual supply and consumption cycle, dipping into stocks is usual.

Moreover, the basic crude oil stocks appear to be quite sufficient. They are down from the level of a year ago—Government officials and oilmen agree they were abnormally high then—but they are above the level of the same period in 1977, a more nearly average year. The latest figures show that the slide that began last August may have bottomed in January, with stocks picking up now. Production of domestic oil is up; imports of crude are up—not down, despite the loss of 900,000 Iranian barrels a day; and imports of refined products are up.

Why then there should be shortages of refined products, especially of jet fuel? Although some oil companies have reported spot shortages of jet fuel and several airlines have cancelled flights, since December, demand has been almost exactly what it was a year ago, and the year before that. Indeed, air lines have been consuming the same amount of jet fuel they did back in 1973, before the Arab oil embargo, and jet fuel stocks are inside the range within which they have fluctuated for more than two years.

Gasoline is less mysterious. Americans are driving more. Even so, stocks appear healthy, dropping from last year's high to roughly the 1977 levels in December through February. The difficulties with unleaded gasoline are unrelated to Iran; the companies say refinery capacity is inadequate to keep up with demand, and they haven't built more because current price controls would not give them a reasonable return on their investment. But at the other end of the scale, distillate fuel, largely heating oil, is in trouble. Consumption is up and stocks have fallen to their lowest levels in more than two years, presumably because of the cold weather.

Outside of heating oil, why all the fuss? At first, many oil companies asserted that they had to ration their products because Iran meant their supplies of crude oil had shrunk. In recent weeks, however, the vocabulary has changed. Oil executives contend now that "prudent management" makes the allocations necessary. They say they must be ready for the driving season next summer and the heating season next fall. But some Government analysts speculate privately, as did the General Accounting Office publicly, that the oil companies are holding supplies out of the market because they expect, one way or another, that prices will go higher—and by doing so, they guarantee that prices will go higher. Some also suggest that the companies may have shifted supplies into the spot market, where a barrel of oil commands upward of $6 or more than the posted price of $14.

It has also become increasingly clear that the oil companies are using the current troubles as an argument for removing controls from domestic crude oil. The theme that runs through most oilmen's speeches and press releases today is that if controls are removed, the companies will spend the money at home to explore and produce more crude and to build more refineries, thus reducing the reliance on foreign oil.

The argument over decontrol is reportedly also running through the Administration, with a decision by President Carter expected soon. Secretary Schlesinger favors decontrol to stimulate production. But Mr. Carter's chief inflation fighter, Alfred E. Kahn, fears the consequences. Many economists and oilmen contend that, at least for the foreseeable future, consumption will continue up, no matter what prices are set. The President's domestic policy adviser, Stuart E. Eizenstat, is said to worry about the political consequences. The head of the Council on Environmental Quality, Charles Warren, is worried that removal of price controls will be linked with relaxed pollution restrictions to get more efficient use of fuel.

For now, Iran's new government is producing almost enough to cover what is supposed to be the worldwide shortfall. At the same time, new questions have arisen, the answers to which may determine whether American motorists wait in line this summer to buy gasoline: They include:

Will Saudi Arabia continue producing enough to overcome the potential shortage from Iran? The Saudis have cut back from the 10.4 million barrels a day they produced in December to 9.5 million barrels a day, withdrawing almost 1 million barrels a day from the world supply.

Will Libya, Iraq, and other big producers hold crude oil out of the market, breaking long-term contracts to sell in the spot market? The plans of the producing nations may become clear—along with their new prices—after their March 26 meeting in Geneva.

Will the agreement reached in the International Energy Agency work? The 19 members, including the United States and Japan, agreed two weeks ago to cut imports by 5 percent by conserving or producing more. But the plan is voluntary and vague about 5 percent of what and when.

Will a shortage of oil, or something else, produce a recession in the United States and the rest of the industrial world? No matter what the cause, less oil will most likely be consumed and thus ease the pressure on supplies.

One thing seems certain, and that is that the price of oil and gasoline will continue to go up. As an oil executive said over coffee the other day: "When Iranian oil went off the market, OPEC tacitly agreed to limit production. It's much simpler to limit production so that price increases are automatic. The OPEC nations are acting the same way the Texas railroad commission did for 30 years."

[From the New York Times, March 20, 1979]

INCREASED IRANIAN SHORTFALL SEEN

(By Richard Halloran)

WASHINGTON, March 19.—John F. O'Leary, Deputy Secretary of Energy, testified today that the United States had not yet experienced a shortage of oil caused directly by the halt in imports from Iran, but warned that the nation might be deficient by 900,000 barrels a day, or 4 percent of current consumption, before long.

As President Carter and his economic advisers met at Camp David, Mr. O'Leary sketched out an assessment of the oil situation that differed from earlier analyses in which senior officials of the Administration said the United States was already short 500,000 barrels of oil a day.

Mr. O'Leary acknowledged that there had been what he called a "statistical shortage" because of the lag—due to the time needed for transportation—between the beginning of the cutoff in Iran and the last arrival of tankers in the United States.

But he said that an actual shortfall would "in all likelihood" not develop until this month.

In testimony before the House Energy and Power subcommittee, Mr. O'Leary also said that oil companies had been restraining deliveries, causing some dislocation to consumers.

Some critics of the oil industry have asserted that the companies are holding back until they can get higher prices. But Mr. O'Leary defended their action.

"Companies with an adequate stock position are husbanding and safeguarding that stock position," he said. "That is entirely prudent. We could find ourselves in a terrible position from the standpoint of stocks in June when the driving season starts."

There were the following other developments in energy today:

Senator Henry M. Jackson, Democrat of Washington, chairman of the Energy and Natural Resources Committee, announced that the committee would investigate the cancellation by the Standard Oil Company (Ohio) of a tanker facility in Long Beach, Calif., and a pipeline system to move oil from California to the Middle West and East. He said that Gov. Edmund G. Brown Jr. of California and the company's president, Alton Whitehouse, would be invited to testify.

The Republican Senate and House leaders, Senator Howard H. Baker Jr. of Tennessee and Representative John J. Rhodes of Arizona, urged President Carter to name a new energy administrator with special powers and to formulate a new policy to encourage the production of energy.

Opposition to the President's proposed standby plan to close gasoline stations on Sundays was strong both in the Congress and at a meeting of representatives of tourist-oriented state governments in Tampa, Fla. The general theme was that the closings would severely damage the tourist business while not saving a large amount of gasoline.

The Army's Corps of Engineers recommended that the Secretary of the Army approve plans to build a $600 million oil refinery at Hampton Roads, Va., a spokesman for the Hampton Roads Energy Company said. If the 175,000-barrel-a-day refinery is built, it would be the first new refinery on the East Coast in 24 years.

The director of Pemex, the Mexican national oil company, Jorge Diaz Serrano, said in Mexico that the price of Mexican oil, of which the United States imports 400,000 barrels a day, would be raised by an undisclosed amount on April 1.

[From U.S. News & World Report, Mar. 26, 1979]

ENERGY BATTLE TAKES A TURN FOR THE WORSE

Efforts to cope with the nation's energy problems are bogging down in turmoil and recrimination.

In a rapid-fire barrage of developments in mid-March:

Energy Secretary James Schlesinger's resignation was demanded in Congress, but President Carter answered by giving him strong support.

Standard Oil Company (Ohio) canceled a pipeline project in the Western U.S. necessary to speed up oil production in Alaska.

Five nuclear power plants were ordered shut down by the government, a move that will cost an extra 100,000 barrels of oil a day.

Texaco, Inc., after a promising gas strike in its first try, reported failure of its second drilling effort in the Atlantic Ocean.

Auto manufacturers warned that meeting the government's 1985 fuel-efficiency standards would "cost three times as much as it did to put a man on the moon."

Coming at a time when fuel shortages are spreading and prices rising, these developments seemed to stall, for the time being, decisive action by the government on energy problems. Much of the furor over energy swirled around Schlesinger, who has been one of Carter's chief advisers since the 1976 presidential campaign.

A group of Democrats took to the Senate floor on March 14 to denounce Schlesinger in an attempt to force his resignation. Senator Howard Metzenbaum of Ohio, a leader of the movement, said that the U.S. needs "new leadership and direction" in dealing with its energy problems.

Even lawmakers who defended Schlesinger as a man of integrity who is trying to solve energy problems that Congress has ducked admitted that he is often wrong, unpopular and stubborn. A White House aide privately describes him as "insufferably arrogant."

President Carter, however, appears satisfied with Schlesinger. In a letter to one critical senator, the President wrote: "I continue to have full trust and confidence in Secretary James Schlesinger. He has a very difficult job, and needs all the help and support he can get—he's got mine."

Schlesinger, in an appearance before the Senate Energy Committee, disclosed that oil consumption has surged to a record 21 million barrels a day, citing it as proof that Carter's call for voluntary energy conservation was not working. As a result, he said, mandatory curbs on energy use may be necessary sooner than planned.

More bad news came on March 13, when Sohio announced cancellation of plans for a 1-billion-dollar pipeline to transport Alaskan crude oil from Long Beach, Calif., to Midland, Tex.

After spending 50 million dollars and five years trying to obtain more than 700 government permits, Sohio claimed the project is no longer economically attractive. Said a company official: "A quagmire of federal and state regulations . . . can bog down any project, no matter how worthy and regardless of the national interest."

The pipeline would have allowed oil companies to increase production in Alaska from 1.2 to about 2 million barrels a day by eliminating a transportation bottleneck on the West Coast, where there are not enough refineries to handle all of Alaska's output. The pipeline also would have reduced the high cost of shipping Alaskan oil through the Panama Canal.

Some congressmen accused California Governor Jerry Brown of sabotaging the project in order to keep a glut of oil in California. State officials, however, blamed Sohio for the delays.

The five nuclear power plants ordered shut down on March 13 by the Nuclear Regulatory Commission are located in the East, the nation's most oil-dependent region. The NRC action followed revelation that faulty design of the plants—at Shippingport, Pa.; Wiscasset, Me.; Scriba, N.Y., and two at Gravel Neck, Va.—left them vulnerable to possible earthquake damage.

The shutdowns, which could last for several months, will place an added strain on U.S. energy supplies already pinched by the Iranian oil cutback.

Loss of the nuclear plants also will hamper government plans for coping with oil shortages by transferring power from areas with nuclear reactors to those depending on oil.

CONSUMERS PAY

Operators of the plants warned that the action will result in higher electric bills. Virginia Electric & Power Company said that the Gravel Neck shutdown could make electricity 6 percent more costly.

Atop all this, hopes for major oil and gas discoveries in the Atlantic Ocean suffered another setback with Texaco's announcement that a well it was drilling to confirm an earlier gas discovery came up dry. Nine wells drilled by other companies also have been dry.

Meanwhile, the nation's auto makers warned that increases in fuel efficiency would come at great expense to the driving public. Testifying at House hearings, they said that it would require an investment of 80 billion dollars to meet the government's 1985 deadline for producing cars that average 27.5 miles per gallon.

With the nation's energy policy in such seeming disarray, even critics had to agree with Schlesinger when he said: "The only way the outlook will change is for Americans to have the will to do it."

[From Newsweek, Mar. 26, 1979]

OIL: HOW HIGH IS UP?

Jimmy Carter returned from his successful Mideast peace mission last week only to find a new war raging on the domestic energy front. Even as supplies continued to tighten in the aftermath of the Iranian oil cutoff, Americans were consuming record amounts of petroleum—and in some locations, gasoline pumps were running dry amid predictions that prices could climb to $1 a gallon as early as this summer. While the Administration continued to discount the nation of an oil-induced recession, others were far from convinced. "You are going to see a *deep* recession, not just an ordinary recession," said Democratic Sen. Henry Jackson.

The news last week was uniformly discouraging. Standard Oil Co. of Ohio announced it was canceling plans for a California-to-Texas pipeline that would have carried excess Alaskan crude from the West Coast to inland refineries. Exxon declared it would phase out its historic policy of selling oil to non-affiliated companies. "Basically, we don't have enough oil," explained a spokesman. And the Nuclear Regulatory Commission (NRC) ordered the closing of five East Coast nuclear plants because they might be unsafe in an earthquake. To make up the generating capacity lost in the closings, the utilities involved will have to burn an additional 100,000 barrels of oil a day—roughly half the amount of oil consumed by Israel. "Who needs Iran when we have the NRC?" sighed an official of the Energy Department.

If this weren't bad news enough, a preoccupied President Carter and his staff still had not come up with an effective plan for domestic conservation. On Capitol Hill, Senate critics were in full cry for the scalp of Energy Secretary James Schlesinger, principal architect of what energy policy there is.

OPEC MEETING

But the worst may be yet to come. Next week, ministers of the Organization of Petroleum Exporting Countries (OPEC) sit down in Geneva for what could be their most important meeting since the Arab oil embargo five years ago. When the closing of the Iranian oil fields cut world output by up to 4 million barrels a day, many OPEC members were quick to tack on surcharges, and now—angry over the prospective peace treaty between Egypt and Israel—they want to make even bigger increases official. Algeria, for example, is pushing for a 28 per cent price hike in the second quarter that would push the official rate from $13.34 a barrel to around $19. As in the past, the Saudis are expected to resist such increases, and if spot prices collapse from their current level of over $20 a barrel, they may succeed. Much to everyone's surprise, Iran last week signed several contracts to sell oil well below the latest spot prices. But if OPEC does push through a big increase, there could be a serious recession.

President Carter is expected to make a major speech soon on the born-again energy crisis. Almost certainly he will call for voluntary conservation efforts and may seek to close service stations on certain days and limit the heating and cooling of public buildings. The big question is whether he will raise the price of domestic crude oil. Under current law, the President can begin next June 1 to dismantle the cumbersome controls that oilmen say have discouraged both production and conservation. But decontrol, though it might cut consumption by raising prices, would further strain Carter's already shaky anti-inflation program. Administration officials have held an endless series of meetings on the issue since last fall, but so far there is no consensus. "This is a tough call," says one White House staffer.

CALLS TO RESIGN

But even the hint of decontrol was too much for some Senate liberals who joined last week in a chorus demanding the resignation of Schlesinger, a chief booster of decontrol. "Why shouldn't Congress abolish the Department of Energy or at least ask for your resignation in light of your performance over the last year?" Democrat John Durkin of New Hampshire asked Schlesinger during a hearing. The Energy Secretary could barely hold his temper. "In the course of your statement you have accumulated more misapprehensions and misinformation than I have seen put together in any question—if that's what it is—yet provided here on Capitol Hill," he told Durkin. "As to my own resignation, I have offered it several times . . . That offer is still open."

But Jimmy Carter expressed his "full trust and confidence" in Schlesinger, and the Energy Secretary still seemed firmly in control as he limned the crisis facing the country. Even if Iran succeeds in increasing its exports from the current average of less than 1 million barrels a day, "we will continue to have a very tight situation with regard to oil supply," he asserted.* Americans are consuming oil at a record rate of 21 million barrels a day, he said, and spot shortages of both heating and diesel fuel "could appear in the coming weeks if there is another major cold spell." That point was strongly underscored by a report from the American Petroleum Institute: in the single week ended March 9, total U.S. petroleum stocks plunged 19 per cent (chart). "The call for voluntary conservation isn't working," declared Schlesinger.

Sohio's decision to shelve its $1 billion California-to-Texas pipeline worsened the supply problem. Federal officials fear the lack of the pipeline will discourage Alaskan producers from increasing their output. Today, the West Coast oil surplus runs to 500,000 barrels a day, but because of a law forbidding the sale of Alaskan crude to foreign buyers, that oil has to be shipped to Gulf Coast terminals via an expensive Panama Canal route.

Sohio officials said they were backing out of the project largely because of lengthy environmental delays by California officials—prompting one critic of Gov. Jerry Brown to label him the "ayatollah of California." Fearing damage to his Presidential ambitions, Brown charged that the delays "came from an unwillingness on the part of British Petroleum Co. and its subsidiary, Sohio, to enter into a responsible agreement to clean up the air they would dirty" while unloading oil at a Long Beach terminal. "The days when British Petroleum can ride roughshod over foreign governments are over," he said.

STRANGE LOGIC

Oilmen insist that decontrol is the best answer to the impending shortages. Sun Co., for example, is sitting on a lot of what the government calls "old oil"—reserves that were discovered before 1973. At the current government ceiling price of about $5.80 a barrel, says John Savoy, Sun's manager for policy analysis and development, it simply doesn't pay to pump old oil. Consequently, Sun is allowing some of its older drilling rigs to fall apart—and that, strange as it may seem, makes good economic sense in today's wacky world of oil. For once a well deteriorates to the point where it can produce only ten barrels a day, the old oil becomes "stripper oil"—and producers may charge whatever the market will bear.

Supporters of decontrol also argue that it would encourage the use of costly "enhance recovery" techniques to tap the two thirds of a reservoir commonly left in the ground once conventional drilling methods are exhausted. Lawrence Goldstein, an economist for the Petroleum Industry Research Foundation estimates that enhanced recovery could eventually add 10 to 15 billion barrels to domestic proven reserves. And over the long term, higher prices would lead to new exploration that by some estimates could double or triple proven reserves. Samuel Schwartz, senior vice president of Continental Oil Co., figures that if oil prices are gradually decontrolled and drillers are given more access to Federal land "oil production could be increased by as much as 500,000 barrels a day by 1981."

PRICE IMPACT

Those benefits, however, would not come cheaply. Jonathan C. Zamzow, an energy economist for Chase Econometric Associates, notes that refiners paid an average of $12.50 per barrel of crude last year under decontrol, he says, the price would soar to $17. That increase would ripple throughout the economy, increasing the overall cost of living by one-half of 1 percent this year and a full percentage point in 1980. "We're talking about an awfully large increase in oil prices," says Zamzow.

That point hasn't escaped the Administration's chief inflation fighter, Alfred Kahn. Although he made his reputation by deregulating the airline industry, Kahn opposes any move to free oil prices at least until the fall when the first round of labor negotiations under wage-price guidelines will be over. Though Treasury Secretary Michael Blumenthal and Federal Reserve chairman G. William Miller both favor decontrol, the crucial Administration figure may well be domestic adviser Stuart Eizenstat. But so far he has said little, and White House insiders say he simply has not yet decided whether to recommend decontrol to the President.

Regardless of what happens domestically, there was growing evidence last week that conditions were deteriorating in the Mideast. Palestinian guerrilla groups urged Arab oil producers to retaliate against the Israeli-Egyptian settlement by using their oil weapon. Even in traditionally friendly Saudi Arabia, says Cyprus-based OPEC watcher Ian Seymour, "there are growing elements" calling for action against the West. "The Saudis are in transit at the moment," adds one DOE expert, "and I don't know where they are in transit to."

HISTORIC CRUNCH

It was plain that Western governments could no longer postpone the hard decisions. "There is no coming back from this one," says a London-based analyst. "Iran was a random thing. But when are we going to learn that the world is made up of special circumstances like these and that history is written afterward?" Last week, the lesson of history became increasingly clear. Another oil crisis was no longer just around the corner—it had arrived.●

CONGLOMERATE MERGERS

● Mr. HELMS. Mr. President, one of the issues we will be asked to discuss in this Congress is the issue of conglomerate mergers. Some in this body have already suggested the need for antimerger legislation which would restrict the size of corporations who wish to merge. I suggest that discussion on the problems we may or may not face as a result of the growth of corporate size and power has just begun.

Mr. President, this week U.S. News & World Report features a debate-format interview with two of our colleagues, Mr. Hatch, of Utah, a Republican member of the Judiciary Committee and the Antitrust Subcommittee, and Mr. Kennedy, of Massachusetts, chairman of the Judiciary Committee. Both of these men have strong opinions on the issue of large corporate mergers. Let me commend U.S. News for bringing the contrasting views of our two colleagues to publication. I am sure we will hear much more on this issue from both men—but the discussion they have is a valuable one that should have wide distribution. It is extremely important that we carefully consider proposals that will affect the traditional economic structure of our country. I ask consent that this debate be printed in full in the Record.

The material follows:

A Ban on Big-Company Mergers?

INTERVIEW WITH SENATOR EDWARD M. KENNEDY, DEMOCRAT, OF MASSACHUSETTS

Yes—"The power they create threatens democracy, tends to reduce competition."

Q. Senator Kennedy, why do you favor banning mergers by large companies?

A. There are several good reasons for doing it, in my view. Such mergers concentrate economic power in fewer and fewer hands. They reduce diversity of economic decision making and thereby hinder innovation. The power they create threatens democracy and tends to reduce competition. And the substitution of absentee conglomerate ownership for independent businesses disrupts a business's relationship with its workers, customers and community.

Q. How do mergers hurt competition?

A. They hurt competition in three basic ways:

Where diversification comes by merger rather than internal growth, the number of new competitive enterprises is reduced. When control of companies is concentrated in fewer and fewer hands, the opportunities and incentives for companies to cooperate rather than compete increase. Also, some mergers increase barriers for competitors wanting to enter the market or entrench an already dominant firm's position in a market.

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*One reason for the continuing U.S. shortage is that international oil firms, responding to guidelines of the International Energy Agency, are now allocating available supplies according to a formula that favors nations heavily dependent on imports. Thus the U.S., which produces about 50 per cent of its oil needs, suffered a proportionately greater cut in allocations than Japan, which is forced to import virtually all the oil it consumes.

Q. Just how rapidly is economic power being concentrated in fewer and fewer companies?

A. In 1975, there were 14 mergers in which the purchase price was 100 million dollars or more; in 1977, there were 41 mergers of that size; in 1978, 80 mergers of that size or larger. In 1975, the 500 largest manufacturing companies owned 83 percent of all manufacturing and mining assets. By 1977, that percentage had increased to 89 percent.

Q. What size merger should be banned?

A. The bill I am sponsoring would affect about 1 or 2 percent of mergers now taking place. The bill affects mergers between two companies, *both* of which are very large. Companies with annual assets or revenues exceeding 2 billion dollars—essentially the top 100 manufacturing corporations—would not be able to merge with each other. Firms with at least 350 million dollars in revenues or assets—another 500 firms or so—could not acquire another firm of that size unless they divested themselves of assets equal to the assets of the company acquired or proved that the merger would increase efficiency or competition.

My bill would not restrict mergers involving small and medium-sized companies. Such mergers are most likely to improve management, increase availability of capital, improve efficiency and promote liquidity.

Q. Are you saying that bigness is bad in itself?

A. No. I want to make it clear that I'm not opposed to bigness per se. As a matter of fact, I think companies that have grown large from internal growth based on innovation, creativity, managerial expertise, efficiency and productivity are to be applauded. But I do object to growth through acquisition that is unrelated to productivity, efficiency, business management or service to the consumer.

Q. Don't mergers often lead to better management and greater efficiency—in short, lower prices for consumers?

A. There may be some instances in which mergers do provide better efficiency, increased productivity and better service to consumers—and such mergers are allowed under our bill's exceptions. But in most instances it appears that large mergers do not have that result.

In fact, that's not even why many mergers are undertaken. Many mergers are made for tax reasons, or simply to grow for growth's sake, or sometimes because executive compensation is linked to revenue or profit growth.

This can cause many problems, especially for the employes of the acquired company whose owners no longer have a direct stake in their livelihood or in the community where the firm is located. It can lead to profitable firms being closed down for tax reasons and the workers thrown out of work. This has happened in my own state and elsewhere.

Q. Don't some mergers give companies access to capital and technology that they wouldn't otherwise have?

A. Some do, and they would still be permitted under my proposal. If a company can prove that a merger will increase productivity, improve service and lead to better prices for consumers, then it ought to be able to move ahead.

Q. Aren't the present antitrust laws adequate to attack mergers that would reduce competition?

A. I think the Justice Department and the Federal Trade Commission can use them to a stronger degree than they have. But even with more-aggressive action, the present law cannot adequately address the problem of conglomerate mergers. For example, the courts have generally interpreted the existing antitrust laws as forbidding mergers that would reduce competition in a particular market, but not mergers that increase overall economic concentration.

Q. Wouldn't new restrictions on mergers only add to the regulatory burden already imposed on business, and thus help drive up prices?

A. On the contrary, they would ward off that threat of greater regulation. Economic concentration historically has led to demands for regulation. Reducing economic concentration is a necessary step in keeping our system of unregulated private enterprise as a viable alternative to extensive government regulation and control of very large businesses. And as we have seen in the airline industry, federal regulations often tend to reduce competition and drive up prices.

Q. How big an expansion of the federal bureaucracy would be needed to enforce the merger ban you propose?

A. The Justice Department's antitrust division has about 425 lawyers on its payroll and a budget of 38 million dollars. Since there are relatively few mergers affected by the bill, there would not be a need for greatly increased resources.

The bill, which does not ban all mergers but rather prohibits those that are not justified, could be enforced by existing personnel with a reordering of the antitrust division's priorities.

INTERVIEW WITH SENATOR ORRIN G. HATCH, REPUBLICAN OF UTAH

No—"Mergers are not the danger to small business; big government is."

Q. Senator Hatch, why do you oppose banning mergers by big companies?

A. We built a big country. Should we have stopped at the Mississippi? We don't ban families when they reach a certain size. Why ban a company just because it grows?

Bigness is not the issue here; quality is. I am much more concerned about whether or not a company—large or small—is providing consumers with a good product or service at a reasonable price.

The point is not big or small; it's good or bad. If a business—or a labor union or governmental bureaucracy, for that matter—is doing a bad job, it must be corrected, regardless of its size.

J. C. Penney built a big and good business. McDonald's is a big and good business. On the other hand, many of us know some smaller businesses that are not serving people as they should.

To repeat: Good or bad is the issue, not big or small.

Q. Don't mergers often reduce competition?

A. Mergers that substantially reduce competition or lead to monopolization should—and will—be blocked under current antitrust laws.

Actually, in industries where a few large firms dominate the market, acquisitions by big companies can pump new life into smaller and less efficient businesses to make them serious competitors, thereby protecting jobs and usually creating new ones.

Business should not bear the burden of proving a merger is good. Why should businesses have to spend billions of dollars annually to justify their existence to an almighty federal government, which already has the legal means at its disposal to correct abuses through existing antitrust laws? These costs will just be passed on to consumers, who will be the ultimate losers.

The government should have the obligation to prove that a particular merger is a threat to competition.

Q. Isn't there a danger that big mergers will concentrate economic power in fewer and fewer companies?

A. Properly enforced, our present antitrust laws are more than adequate to prevent unreasonable concentration.

Q. Aren't small businesses often hurt by mergers?

A. Only in isolated situations. You can point to some small businesses that have been acquired because of the power of larger businesses. Nevertheless, our free-market system permits mergers which do not substantially lessen competition or tend to create monopolies.

With present-day government regulations and tax policies, it is very difficult for small firms to get investment capital. A merger is one way a small company with great research-and-development potential can get capital to expand and develop and become a successful competitor. Mergers are not the danger to small business, big government is!

Q. Aren't many mergers economically unsound, stemming only from a desire for unlimited growth?

A. No. Many U.S. companies have grown in order to compete effectively in the world marketplace. American firms have been losing business abroad because they have to compete with government-subsidized foreign cartels.

Only strong, diverse, efficient American companies of competitive size can compete in world markets and combat government-subsidized foreign competitors domestically.

Q. Don't mergers sometimes create inefficiency?

A. No. Mergers don't create inefficiency, poor management does. In fact, mergers can help increase a firm's efficiency and stability. The threat of acquisition provides a necessary check upon management. Sometimes, a new boss is just the thing to get people back on the ball.

Q. When companies use their excess cash to buy other companies instead of spending it to increase output and jobs, aren't they hurting the economy?

A. I don't see anything wrong with firms spending their money for acquisitions. Given today's high costs and low profit levels, there's often no rational basis for firms to invest in new plants and equipment, when they can acquire already-existing plants and equipment while stabilizing jobs.

Q. For tax purposes, some firms buy a small concern and then close it down. Is that fair?

A. If there is a problem, I suspect that it is in the tax laws, not the merger laws. Maybe it is the tax laws that should be changed.

However, most of us realize that if the small company is capable of making profits, the big company will keep it going or spin it off in some productive way.

Q. Don't employes frequently lose their jobs as a result of mergers?

A. On the contrary, acquisitions may often be the only way to save a dying company and jobs. And by making more alternative employment opportunities available within the company, mergers can help stabilize employment.

Also, large firms typically give their employes better fringe benefits than smaller, underfinanced concerns.

Q. Are our present antitrust laws adequate to block some of today's large mergers that reduce competition?

A. The present laws have all the teeth necessary to block anticompetitive mergers. They just haven't been enforced adequately. The Justice Department and the Federal Trade Commission have more than enough lawyers, but there is some jurisdictional overlap between the two agencies, which results in inefficiency.

We need to utilize law enforcement more effectively than we have in the past, in order to protect the interests of the consumers and taxpayers of America.●

CAMBODIA

● Mr. McGOVERN. Mr. President, last summer I raised a strong protest against the massive violations of human rights in Cambodia. I raised the possibility that the United Nations Security Council should consider some action to end the systematic slaughter of Cambodians sanctioned by the Pol Pot government. Since last summer, of course, there has been a change of regime in Cambodia, although not by the authority of the U.N. as I had suggested. Mr. William Shawcross, the British journalist responsible for exposing many of the horrible practices of the Pol Pot regime, recently examined the changes in Cambodia since the Vietnamese invasion force captured Phnom Penh on January 7, 1979. The changes he reports confirm the brutality of the Pol Pot regime toward its people.

Mr. Shawcross mentions the possible future political role of Prince Sihanouk. In recent days, the Prince has expressed a renewed interest in returning to Cambodia and in assuming a more active political role. He remains the one individual who might be acceptable to the Cambodian people, the Vietnamese, the Chinese, and the United States. His return to a major governing role in Cambodia could be the single most useful step to facilitate the withdrawal of Vietnamese forces and to hasten the social and economic reconstruction of that war-torn nation. We should put diplomatic pressure on China to support a Sihanouk-Hanoi diplomatic settlement and we should resume efforts to normalize our relations with Vietnam to improve our ability to influence future developments in the region.

I ask that William Shawcross' article, "Cambodia Is Safer for Now in Enemy Hands," from the March 18 Washington Star, be printed in the Record.

The text of the article follows:

CAMBODIA IS SAFER FOR NOW IN ENEMY HANDS

(By William Shawcross)

The immediate cause, certainly the catalyst, of China's invasion of Vietnam was Vietnam's own previous invasion of Democratic Kampuchea. After Chinese action in Vietnam began, many nations, including the United States, linked the two invasions, calling for the withdrawal of foreign troops from all countries in Indochina. This was not acceptable to the Vietnamese but the Chinese welcomed it. China's ambassador at the UN declared on February 27 that "the Chinese government has repeatedly made it clear that we do not want an inch of Vietnamese territory. . . . The question now is whether or not the Vietnamese authorities can also commit themselves to withdraw all their invading forces from Kampuchea."

Well, on March 5 China announced that its mission in Vietnam was accomplished and that the withdrawal of its troops had begun. There was no similar announcement from Hanoi about Kampuchea. Indeed, on that very day the Vietnamese and their Cambodian supporters, the forces of Heng Samrin, captured Poipet, the principal border town with Thailand, and raised their flag by the bridge at Aranyaprathet, the main road into Thailand. If, as some diplomats and "Western analysts" had argued, the Chinese invasion of Vietnam was designed to pressure Vietnam out of Cambodia, it does not seem to have been a success.

The Vietnamese invasion of Kampuchea aroused widespread protest in the West and in the Third World. At the UN Security Council debate about it, only two countries—the Soviet Union and Czechoslovakia—supported the Vietnamese action. The general reluctance to endorse a blatant violation of one country's sovereignty by another was commendable enough. Vietnam's traditional hostility toward Cambodia and its evident ambition to incorporate all of Indochina into a federation dominated by Hanoi make suspicion about its motives understable.

Nevertheless, the principle of territorial integrity is not always applied in such a straightforward manner. Cambodia was invaded once before, nine years ago, without official U.S. protest. And an invasion of Uganda by Tanzanian forces began last month with nary a peep from Ambassador Andrew Young.

The rulers of Democratic Kampuchea were not winning any prizes for good government. It seems reasonable to ask, therefore, what the actual effect of the Vietnamese invasion of Cambodia has been. The account that follows is based principally on talks with diplomats in Hong Kong and Bangkok, Thai officials, refugee workers, missionaries and Cambodian refugees in Thailand.

Last summer Senator George McGovern caused a minor sensation when he speculated whether the United Nations should intervene in Cambodia. He was appalled, he said, by the well-confirmed reports of brutality perpetrated by the Khmer Rouge leaders of Cambodia against their own people. Those reports also led President Carter to call the Khmer Rouge "the world's worst violator of human rights." The stories brought out by refugees from Cambodia were being loudly promoted by the propaganda machinery of Hanoi.

The simmering feud between the two communist neighbors and former allies had burst into public in January 1978, when Democratic Kampuchea denounced Vietnam and Vietnam launched a limited attack into Kampuchea. The feud involved ancient rows over the two countries' common border, Kampuchea's perception of Vietnam's desire to "swallow" it, and the clear provocations the Khmer Rouge had offered: constant brutal raids over the border to kill Vietnamese villagers and disrupt the "new economic zones" which Vietnam was trying to establish. "Their purpose" said a senior Vietnamese official, "is to provoke a disease which keeps us always sick." He said it was part of China's plan to debilitate Vietnam.

It became clear last summer that Vietnamese patience was nearly exhausted. So the Khmer Rouge leadership, "the Pol Pot-Ieng Sary clique" in Hanoi's words, began to prepare to return to the jungles and mountains whence they had emerged only in April 1975. Phnom Penh and other towns were still only very lightly populated and so preparations for evacuation were simple; all stores of food and ammunition were shifted to the countryside.

The Khmer Rouge do not seem to have anticipated the speed with which the Vietnamese would roll through eastern Cambodia and capture Phnom Penh, but a dry season attack at the end of 1978 was considered inevitable. When the Vietnamese captured Phnom Penh on January 7, they found they needed to import food not only for themselves but also for the Cambodian civilians they now controlled.

Ever since, the Vietnamese apparently have had trouble getting supplies. They are short of rice in Vietnam itself. And in their blitzkrieg on Phnom Penh they inevitably bypassed Khmer Rouge positions. At once their lines of communication came under attack. These attacks do not seem to have abated. Through January and early February the Vietnamese had to continually reinforce their positions. By the time the Chinese invasion began, they had 15 to 16 main force divisions of 1,000 men each deployed in Cambodia, with only six stationed on the northern perimeter of Hanoi.

It is not clear how many men the Khmer Rouge are still able to field—estimates in Bangkok range from 15,000 to 60,000. Their tactics are said to be very successful; they are using the same guerrilla techniques the Vietnamese used against the United States, and thus forcing the Vietnamese to stick to the roads and the towns. In many ways the Vietnamese situation appears similar to that of the Lon Nol government which the Khmer Rouge forced into smaller and smaller enclaves in the 1970–75 war. The Khmer Rouge also are said to be using heavy weapons such as artillery and armor for major battles. They recaptured the town of Takeo for a few days and have staged frequent raids on Phnom Penh's Pochentong airport, capturing supplies and killing defenders. One of those ubiquitous "Western analysts" in Bangkok states with certainty that Russians and Cubans have been killed at Pochentong.

Meanwhile, the Cambodian refugees have poured into Thailand, about 2,000 in the last month. They are almost all poor peasants from the western provinces of their country. Most are children and most of the rest are women, very few of their menfolk came with them. The women say many of the men are dead. They all tell similar stories about the impact of the Vietnamese invasion upon their lives.

Some of the refugees did not know that the Vietnamese were coming. They simply became aware of that, for whatever reason. Khmer Rouge controls upon their village had relaxed, and so took the opportunity to flee into the forests. When the Vietnamese together with their few Cambodian collaborators have approached a village, the Khmer Rouge usually have left without a fight. The Vietnamese appear anxious to win the hearts and minds of the people and seem to behave well towards them. They distribute rice and cooking utensils so that families can once again eat *en famille* instead of *en masse*. They also either appoint or supervise the election of new village officials. Refugees give the impression that these changes are widely welcome, despite the fact that they are imposed by the ancient enemy of the Khmers.

But the Vietnamese apparently are stretched too thin to stay in the villages they have occupied. Invariably they move on, sometimes leaving behind a radio for emergency calls. This is ineffective. The Khmer Rouge then return, discover from spies they left behind what has happened, kill those who collaborated (or were elected to official posts under Vietnamese guidance), take away the food and then force the people to march into the jungle, where the Vietnamese (confined to the roads, like the Lon Nol troops a few years ago) cannot reach them. This pattern seems to have been repeated frequently, at least in the west of Cambodia. One missionary who works with the Khmer refugees (and previously lived for years in Cambodia) conjures up the dreadful image of hundreds of thousands of people trapped in the jungle without medicine, food or water. Another refugee worker estimates that there are now about 30,000 in this plight along the border with Thailand. Most are detained there by the Khmer Rouge and the new war.

The Khmer Rouge, however, are only one hazard. The way some foreign refugee workers here tell it, the Thai authorities can pose almost as great a threat to refugees. If they are lucky, refugees coming west may meet little groups of right-wing Khmer Serei (Free Khmer) guerrillas who are based along the border and help refugees through the minefields which both the Khmer Rouge and the Thais have laid. In Bangkok, refugee officials insist that Thai troops either have orders to send Cambodians back into Cambodia (to certain death if the Khmer Rouge discover them) or to kill them on the spot. In the last two months almost 3,000 refugees have actually made it to Thailand. Refugee officials claim that hundreds may have been killed by the Thais. Many of those who have been allowed across have been subjected to total body searches by Thai troops and have been parted from any gold or other valuables they may have been able to secrete from the Khmer Rouge.

The Thai authorities insist on segregating all those refugees who have arrived since the Vietnamese invasion. They say this is to sift out the Khmer Rouge amongst them. The new arrivals are being detained in a special camp at Trat in southeast Thailand; all foreigners are refused access. But this camp is already full and those to whom I spoke are in a temporary camp at Aranyaprathet, where they are lucky to be under control of as humane and well intentioned a district officer as one could hope to find.

It is hard when talking to these refugees, especially through an interpreter, to envisage the lives they have had to lead in recent years. Those to whom I talked had tales not of enormous massacres, but rather of relentless cruelty and hardship. One girl said that all the men in her family had disappeared because they were Lon Nol soldiers. All of them spoke of starvation, of unremitting labor and of the terminal disappearance—hands tied in front, pushed into the jungle—of anyone who offended the Khmer Rouge. Almost all of these people were suffering at least from anemia and worms; some of the children seemed much sicker. But they did not speak with obvious rancor; some even made jokes as they told their stories. The impression of Cambodia today is still, however, horrifying.

The Vietnamese are still not secure enough in Cambodia to have allowed visits by Western journalists. But East European reporters have been there and they have recounted stories which, even in the light of all we know about the nature of the Khmer Rouge, are hard to believe. Recently Alan Dawson, the UPI bureau chief in Bangkok, met in Hanoi Wieslaw Gornicki, a Polish correspondent. Gornicki said that the Vietnamese took him to the town of Prey Veng and told him that almost all the 20,000 inhabitants had been massacred by the Khmer Rouge, their bodies thrown into the sewers. Gornicki asked Dawson, "Have you ever heard of liquid bodies? What we saw were the remains, which were just liquified flesh with millions of maggots and worms." Dawson observed that the Poles, allied to Vietnam's ally the Soviet Union, have reason to exaggerate the crimes of the Khmer Rouge; nevertheless, he believed that Gornicki and other East Europeans were truly shocked by what they had seen.

Understandably enough, the refugees are not clear what they wish to do next. Some say they would return home if Sihanouk were in power again. Others maintain that the prince is discredited by his alliance with the Khmer Rouge. But clearly they regard the Vietnamese as less of a threat than the Khmer Rouge. It is to join the Heng Samrin forces, not the Khmer Rouge, that some groups of men have already returned to Cambodia.

For almost four years now the Khmer Rouge have run loose in Cambodia, demonstrating their hatred of the Cambodian people. They have caused, at the very least, several hundred thousand deaths. Even though they are now facing extinction and might be expected to cherish more carefully the fish through which they should swim, the reprisals continue. They are still killing and at this moment thousands of peasants are corralled in the jungles, starving to death just so Vietnamese should not have them. One Western doctor who worked in Phnom Penh before April 1975, who at first welcomed the Khmer Rouge victory, and who has worked with refugees since then, points out that in the last four years Khmer Rouge cadres have become younger and more violent. Pol Pot is trying to create a society with no past in which no alternatives are possible. He has not yet succeeded completely; the implications of complete success are really frightful.

Some in Bangkok believe that the Vietnamese and Chinese might still come to an agreement over Cambodia, and could arrange the return of Sihanouk. But at the moment Sihanouk would be powerless; he could do nothing to deal with the Khmer Rouge. But if and when the Vietnamese manage to deal with the Khmer Rouge, the prince would have a chance of restoring some sort of order to his country. It is not much of a chance because there are so few people who could help. The Vietnamese are said to be finding it almost impossible to locate any Cambodian administrators or technicians, they have either been killed or are too frightened to reveal themselves for fear of a Khmer Rouge resurgence.

Jimmy Carter probably was right when he called the Khmer Rouge the world's worst human rights violators. So is it consistent to ask that the Vietnamese withdraw and the country be returned to them? Such a call may have a dim strategic logic, above all to provide a buffer between Thailand and Vietnam, but it has nothing to do with the fate of the Cambodian people. In the refugee camp at Aranyaprathet, many Cambodians and those who work with them seem to believe that, however unattractive in principle, Vietnamese imperialism might help Cambodia in the short term. In the long run they maintain that no Cambodian puppet, be he Heng Samrin or anyone else, will always dance to Vietnam's tune.

Mao Tse-tung wrote in his essay on "Contradictions" that the people should make any alliance to defeat its greatest enemy. The greatest enemy of the Cambodian people is undoubtedly the Khmer Rouge. The contradictions between the Khmers and the Vietnamese can wait for resolution; those between the Khmers and the Khmer Rouge cannot.●

THE SOFT DRINK BOTTLING INDUSTRY

● Mr. SASSER. Mr. President, today I am pleased to cosponsor S. 598, the Soft Drink Interbrand Competition Act, which is designed to protect the competitive nature of the soft drink bottling industry.

The recent decision of the Federal Trade Commission with respect to the legality of territorial licenses has important implications for the soft drink industry. The right of a small soft drink bottler to market his product depends in large part on his right to maintain exclusive territoriality for distribution. Thus, the FTC decision not only has the potential to destroy the relationship between the small bottler and larger, parent companies, but it could also destroy the basis for the keen competitive spirit which pervades the soft drink industry.

This legislation is also important for keeping the cost of soft drinks at reasonable prices. In the last 38 years, the average price per ounce of soft drink has increased only 2.6 percent, compared to 344 percent in the Consumer Price Index for the same period. The FTC action would facilitate the takeover of small bottlers by the larger, national companies, thereby opening the way for price increases more consistent with the Consumer Price Index.

S. 598 will also play a major role in protecting the existence of the most economical and ecologically sound soft drink package ever to appear—the returnable bottle. As major bottlers take over the industry, assuming the FTC decision would stand, returnables could cease to exist. S. 598 will prevent such action, maintaining the substantial price savings of returnables over disposable cans.

Finally, and perhaps most important, S. 598 will protect the small soft drink bottlers of our Nation. In my own State of Tennessee, there are 60 soft drink bottling operations. Thirty-two of those are single plant operations. Thirty-eight employ between 1 and 49 persons. The small bottler and the benefits of his operations are important to Tennessee, as I am sure they are throughout the Nation.

Mr. President, I am cosponsoring S. 598 because of implications it has for protecting the competitive structure of the soft drink industry, because it will maintain low costs and environmentally safe packages for the consumer, and because it will insure the continued viability of small soft drink bottlers. I am pleased to join Senator BAYH and my colleagues in full support of the Soft Drink Interbrand Competition Act.●

NUTRITION AND HEALTH

○ Mr. McGOVERN. Mr. President, 2 weeks ago Senator KENNEDY's Health Subcommittee heard testimony about the current status of the national cancer program. The National Cancer Institute testified that cancer incidence and mortality have continued to increase in the 1970's, with incidence increasing somewhat more rapidly than mortality. Even when smoking-related cancers are removed from the incidence data there were still increases in cancer incidence. In fact, cancer is the only major cause of death in the United States that has continued to rise throughout this century. Thus, even though we are investing almost a billion dollars a year in cancer research, we have not yet been able to turn the corner on reducing overall cancer incidence and mortality.

However, there have been some very interesting findings reported recently. Sandwiched between Senator KENNEDY's 2 days of hearings on March 5 and 7, was a news article in the New York Times by Ms. Jane Brody that indicated cancer-blocking agents have been discovered in foods. The basic research findings, presented at a symposium on the environmental determinants of cancer, suggest a range of possible new approaches to prevent cancer. Of particular note was that some vegetables and fruits carry naturally occurring chemicals that are potent and apparently safe inhibitors of certain carcinogens. In addition, it has been recognized for some time that there is a correlation between high fat diets and cancer of the colon and breast, which suggests the possibility that fat is a cancer promoter.

We have seen some encouraging signs on other fronts as well. For example, since 1968 there has been a 24-percent decrease in age-adjusted mortality from cardiovascular disease—our No. 1 killer. The exact reasons for this decline are not yet fully understood, but it is believed that it is because of altered smoking habits, and lowered blood pressure and blood cholesterol levels—the three major heart disease risk factors.

The probable causes of this decline bring to mind testimony given to the Select Committee on Nutrition and Human Needs in 1976 during its hearings on the relationship between diet and health. The then-Assistant Secretary for Health, Dr. Ted Cooper, told the committee:

> In formulating health policy, I believe that we have now reached a crucial point.
>
> Many of today's health problems are caused by a variety of factors not susceptible to medical solutions or to direct intervention by the health provider.
>
> While scientists do not yet agree on the special causal relationships, evidence is mounting and there appears to be general agreement that the kinds and amount of food and beverages we consume and the style of living common in our generally affluent, sedentary society may be the major factors associated with the cause of cancer, cardiovascular disease, and other chronic illnesses.

In concluding that series of hearings, the present Assistant Secretary for Health, Dr. Julius Richmond, concurred with his predecessor. In all, 6 of the 10 leading causes of death were linked to diet. It was this realization, more than anything else, that led to the publication of "Dietary Goals for the U.S." in 1977 and the updated second edition later that year.

The concept of setting dietary guidelines has been well established since 1943 when the Food and Nutrition Board of the National Academy of Sciences set forth "Recommended Dietary Allowances" (RDA) for the first time. The RDA, which focus on micronutrients, protein, and total energy in the diet, are now in their eighth edition and were most recently revised in 1974.

"Dietary Goals for the U.S." simply extended to macronutrients the same approach the NAS had been using for years with regard to micronutrients.

I cannot envision the Congress legislating specific national dietary guidelines. The "Dietary Goals" report was intended as the committee's best advice, based on current scientific evidence, on how to minimize the disease risks associated with our current diet. Its recommendations are directed toward keeping Americans healthy. It is not meant to be therapeutic advice to those people who already have some type of illness.

The "Dietary Goals" should be viewed in an on-going context as part of the evolution of a national agriculture, food, and nutrition policy. As part of that process a number of groups and individuals are trying to bring to the public's attention the vital diet and health relationship. For example, April has been chosen Natural Foods Month by the National Nutritional Foods Association in cooperation with its various regional and educational affiliates across the country.

The National Nutritional Foods Association is a nonprofit organization representing retailers, manufacturers, distributors, publishers, educators, and agronomists from every State of our Nation. Natural Foods Month was created to remind Americans of the need to establish better dietary goals for the maintenance of their health.

Fruits, vegetables, and whole grains, which were once the mainstay of the American diet, now comprise less than 25 percent of the diet. Last year, for instance, consumers spent $22 billion on alcoholic and soft beverages alone. The average American ate over 125 pounds of fat and more than 100 pounds of sugar. According to Dave Ajay, president, National Nutritional Foods Association, "It is this tremendous increase in the consumption of refined, 'empty calorie' foods that has led to the initiation of Natural Foods Month."

Many educational events will be held throughout the country in April by members of the National Nutritional Foods Association to increase the nutrition knowledge of all citizens.

For instance, during April the National Nutritional Foods Association will feature on its nationally syndicated "Viewpoint on Nutrition" educational television series special programs that can help the consumer to make wise nutritional choices for the promotion of better health through better nutrition.

Finally, a more specific attempt to disseminate the Dietary Goals recommendations was undertaken last year by the Alameda County, Calif., Heart Association. A similar initiative was begun by the Division of Preventive Medicine of the Massachusetts Department of Public Health. I believe my colleagues would find these two Publications and the article on Cancer Blockers to be of interest. Therefore, I ask unanimous consent that they be printed in the RECORD.

The material follows:

FOOD AND HEALTH: THE U.S. DIETARY GOALS

During this century, the composition of the average diet in the United States has changed radically. Fruits, vegetables and grain products, which once were the mainstay of the diet, now play a minor role. At the same time, the consumption of fats and sugars has risen to the point where these two foods alone now comprise at least 60 percent of the diet, an increase of 20 percent since the early 1900s.

In the view of many doctors and nutritionists, these and other changes in the diet amount to a wave of malnutrition that may be as profoundly damaging to the Nation's health as the widespread contagious diseases of the early part of the century. The overconsumption of foods high in fat, cholesterol, refined and processed sugars, salt and alcohol has been associated with cardiovascular diseases, obesity, diabetes, dental diseases, cirrhosis of the liver, and some cancers. It has been conservatively estimated that improved nutrition might cut the Nation's health care costs by $40 billion.

Cardiovascular diseases claim more American lives than all other causes of death combined. One in three men and one in six women can be expected to die of heart disease or stroke before age 60. It is estimated that 35 million suffer from high blood pressure and that about 5 million are afflicted with diabetes. It is believed that approximately one-third of all adults in the U.S. are overweight to a degree that interferes with their health and longevity.

Many of these health problems are closely linked to our general over-consumption of food, combined with our sedentary lifestyle. At the same time, our eating habits may also be leading to malnutrition through undernourishment. Fats and sugars are relatively low in essential micronutrients, and diets high in these foods can lead to vitamin and mineral deficiencies.

The rise in American malnutrition motivated the U.S. Senate Select Committee on Nutrition and Human Needs to establish the Dietary Goals for the United States. During 1976–77, the Committee considered a wide variety of scientific data and testimony in developing the recommended guidelines. The information received came from dieticians, nutritionists, research scientists, health officials, professional panels, and health organizations, including the American Heart Association.

This is the first time that a government body has closely examined the American diet. In the Dietary Goals, the Committee has attempted to recommend guidelines for improving our eating habits, which in turn should lower our risk of the associated illnesses. It should be noted that the U.S. Dietary Goals very closely parallel the dietary recommendations of the American Heart Association.

Briefly, the U.S. Dietary Goals recommend that we avoid overweight, eat more fruits, vegetables, and grains, eat less sugars and sweets, eat less fat and cholesterol, and eat less salt. Based on a survey of the eating patterns of 6000 households, it is estimated that less than 3 percent would meet the Dietary Goals. Following the Goals' guidelines would clearly indicate a major change in our lifestyle and eating habits.

In the following pages, the Dietary Goals are examined in five parts: weight control, carbohydrate, sugars, fat and cholesterol, and salt.

One must approach the suggested diet as an average to be reached over a period of a few days, and not expect to eat each day the exact recommended proportion from fats, carbohydrate, and protein, or the exact amount of salt and cholesterol. Keep in mind as well that the Dietary Goals are guidelines for the general population, that is, for the "average" person. Nutritional requirements vary from individual to individual and will be particularly different for certain groups such as young children, pregnant and lactating women, the elderly, and persons with physical or mental ailments. For the average person, however, there is substantial evidence that following these guidelines may be generally beneficial.

WEIGHT CONTROL

Goal: To avoid overweight, eat only as many calories as are used; if overweight, eat fewer calories and increase exercise.

About one-third of the American population is overweight to a degree which has been shown to diminish life expectancy. Fifteen million Americans are overweight enough to be considered obese, a condition which seriously raises their risk of ill health.

Obese persons frequently have high levels of blood cholesterol, blood pressure, and blood glucose. Obesity is associated with the onset and progression of heart disease, hypertension, diabetes and gall bladder disease. Data from a major study indicated that each

10 percent reduction in weight in men 35–55 years old would result in about a 20 percent decrease in incidence of coronary disease. Conversely each 10 percent increase in weight would result in a 30 percent increase in coronary disease.

The food energy needs of individuals vary from day to day depending upon their level of physical activity. People become overweight by eating more calories than their bodies use. This may mean that they are eating more than before, that they are physically less active, or both. Also, people's caloric needs decrease as they grow older.

Clearly our society is physically less active than during the early parts of this century or even just 20 years ago, while our food energy consumption (number of calories) has remained about the same. As one result, more adult Americans are putting on more body weight and body fat than ever before, and this trend is appearing earlier and more often during childhood and adolescense.

New weight reduction diets are continually marketed to the overweight public promising quick and easy weight loss; however, they often result only in frustration or temporary weight loss. The most successful course has often been to modify the total diet in a balanced manner to include less calories, combined with increased exercise.

The Dietary Goals in sections relating to fat, sugars, and carbohydrate, are to a great extent guidelines that will help us maintain normal weight. We need to cut down on high calorie foods such as those with high fat, sugar, or alcohol content. On the other hand we should greatly increase our consumption of the lower calorie complex carbohydrates (starches, vegetables, fruits, and beans). At the same time, regular exercise can and should play an integral role in maintaining proper weight.

The obvious, but often difficult solution is to eat less and be more physically active.

CARBOHYDRATE

Goal: Eat more complex carbohydrates (starches) and "naturally occurring" sugars. At present they comprise about 28 percent of energy intake (calories) and should be increased to about 48 percent.

Until the turn of the century, complex carbohydrates—fruits, vegetables, beans and grains—were the principal source of energy (calories) in the American diet. Since 1910 there has been a decrease in complex carbohydrates and an increase in fats and sugars in the U.S. diet.

Much of this change has occurred in the past 30 years. Compared to 1947, people in 1976 ate (per person, per year) 18.3 pounds less vegetables, 31 pounds less flour and cereal products, 19.5 pounds less fruit, and 21 pounds less potatoes. While the consumption of these complex carbohydrate foods has decreased, the total level of food energy consumed has remained about the same. We are simply eating more fat and refined sugars to compensate.

There are several possible reasons for this change. A key factor may be the rise in real income, allowing a movement away from inexpensive foods such as greens, beans, potatoes, and whole grains. A related factor might be the prestige value associated with more expensive foods, such as steak and butter. There is also relatively little advertising or promotion of fruits, vegetables, and whole grains. Advertised foods tend largely to be highly processed foods with high fat, high sugar, or high salt content.

The eating of complex carbohydrates—fruits, vegetables, beans and whole grains—may be important to health for several reasons. They are good sources of vitamins, minerals, and fiber, they can help to control weight, and they may help reduce the risk of heart disease, certain cancers, and diabetes.

It is possible to be well-fed and yet undernourished at the same time. By eating more fat and sugar and less complex carbohydrate, Americans are sometimes getting inadequate amounts of vitamins and minerals. Fats and refined sugars are relatively poor sources of these nutrients, particularly in view of their caloric value.

It is important to note that there is only limited knowledge of the human requirements for most nutrients, and the full range of vitamins and minerals is still unknown. Although vitamin and mineral supplements and fortification may improve chances for obtaining vitamins and minerals, they cannot be seen as substitutes for food. Nor can it be assumed that taking supplements or eating fortified foods, while continuing to eat a diet high in fats and refined sugars, will meet one's nutritional needs.

Some complex carbohydrates, particularly whole grains and legumes (beans), are good sources of protein. This vegetable protein has the advantage that it is relatively free of the high fat and cholesterol content that frequently accompanies animal sources of protein, such as red meat and dairy products. When whole grains and legumes are eaten together they are an excellent low fat, protein source. For example, 1½ cups cooked rice and ½ cup cooked beans is equivalent in calories and protein to 3 ounces of cooked, drained regular ground beef.

Contrary to popular belief, starches such as breads, cereals, potatoes, corn, rice, and pastas have considerably less calories than foods with high fat or sugar content. By displacing fats and refined sugars in the diet, complex carbohydrates are likely to ease the problem of weight control.

There is also increasing evidence that moderate consumption of complex carbohydrates may affect blood fat and cholesterol levels, important risk factors in heart disease and diabeters. Most population groups with a low incidence of heart disease consume 65 percent to 85 percent of their total energy in the form of starches. We eat only 28 percent of our energy in starches.

The dietary fiber which occurs in complex carbohydrates, particularly whole grains, may also be beneficial. Only recently have the properties of fiber and its role in nutrition begun to be explored. It is postulated that an increase in fiber consumption will markedly reduce the incidence of bowel cancer and other disease, primarily those of the intestine.

In short, this goal simply suggests we eat more fruits, vegetables, and starches. Highly refined fruits and vegetables should not be thought of as the nutritional equivalents for the same foods in their fresh forms. For example, potato chips are 40 percent fat, are highly salted, and have fewer vitamins and minerals than a baked potato.

SUGAR

Goal: Reduce the consumption of refined and processed sugars by about 45 per cent to account for about 10 percent of total energy intake.

Sugar consumption has been increasing in the U.S. for more than a hundred years. In 1976, Americans consumed on the average 126.4 pounds of refined and processed sugars per person. In 1875, we consumed less than 40 pounds per person. Just since 1960, consumption has increased 15 pounds per person.

A large portion of the sugar we consume is concealed in the form of food products and beverages, such as candies, soft drinks, cakes and cookies, sugared cereals, and ice cream. Soft drink consumption in the U.S. doubled between 1960 and 1975, rising from an average of 13.6 gallons per person to 27.6 gallons. This translates to 295 12-ounce cans or 21.5 pounds of sugar a year.

The increased use of refined sugar in food products is traceable in large part to the desire of food manufacturers to create unique products with a competitive edge. For example, the addition of sugar in cereal in 1948 was the primary reason for the recovery of slumping cereal sales. Since then, the variety of sweetened cereals has grown dramatically.

Refined sugar is essentially an energy (calorie) source that offers no other nutritional value. Sugar with its "empty calories" often displaces complex carbohydrates in the diet, depriving the body of essential vitamins and minerals. There is some evidence that sugar calories may actually increase the body's need for certain vitamins.

Sugar is certainly implicated in tooth decay, which may be the most widespread disease related to diet. Eating sugar and sugared foods can lead to cavities, gum disease, and eventual loss of teeth. It has been estimated that 98 percent of American children have some tooth decay and by age 55 half of the population have no teeth. Countries with lower sugar consumption have also been shown to have less dental disease.

This goal recommends that sugar consumption be cut almost in half, from 18 percent of our caloric intake to 10 percent. This would return the consumption of such sugars to a point slightly below that of the early 1900s. We should reduce our eating of candies, sweet baked goods, sugared cereals, ice cream, and particularly soft drinks. Total elimination of soft drinks from the diet would help many people reach at least half the recommended reduction in sugar. Fruit juices make a good substitute.

It is important to remember that refined and processed sugars have been added in many forms to a wide range of products. Examine the ingredients on product labels closely. If sugar or some kind of sugar such as corn syrup, fructose, dextrose, honey or molasses is listed as one of the first two or three ingredients, it is reasonable to assume that there is a lot of sugar added.

There are many misconceptions about honey and molasses. In reality they are little better than white sugar. Honey has only a trace of micronutrients and molasses contains some iron and little else. Like other sugars, both are very high in calories

FAT AND CHOLESTEROL

Goal: Reduce overall fat consumption from approximately 40 percent to about 30 percent of energy intake. Reduce saturated fat consumption to account for less than 10 percent of energy intake. Reduce cholesterol consumption to about 300 Mg. per day.

Our high level of consumption of fat and cholesterol presents a definite threat to our health. High cholesterol levels in the blood, especially certain types of cholesterol, are strongly correlated to heart attack and atherosclerosis. Blood cholesterol is the result of two factors: the cholesterol our body manufactures and cholesterol that we consume in animal products. It is widely believed that eating foods high in cholesterol thus increases our risk of heart diseae.

Fat poses a risk in several ways. First it is the most concentrated source of food energy. Fat supplies 9 calories per gram whereas protein and carbohydrates supply only 4 calories per gram. Thus the overconsumption of fat is usually a contributing factor to overweight and obesity, which in turn are associated with high blood pressure, heart disease, and other illnesses. Secondly, eating saturated fats, which are found in both animal and vegetable products, has been directly linked to increased levels of blood cholesterol. As previously mentioned, high fat consumption also displaces complex carbohydrates, which generally carry higher levels of vitamins, minerals and fiber. And finally, there is evidence from studies of populations suggesting a connection between dietary fat and cancer of the breast and colon.

Overall fat consumption has risen 25 percent since the beginning of the century, or about 24 pounds a year per person. Approximately 42 percent of our food energy (calories) is from fats. Of these fats, 38 percent are saturated, 45 percent are mono-unsaturated, and 17 percent are poly-unsaturated. It would be benefical if we could not only decrease our total fat consumption but also substitute more polyunsaturated fats in place of saturated fats. Whereas saturated fats increase blood cholesterol, poly-unsaturated fats lower cholesterol.

The U.S. Dietary Goals and the American Heart Association Dietary Recommendations both advise that we reduce considerably our overall consumption of cholesterol and fats, especially saturated fats. This is not an easy task. We most often eat fat and cholesterol in the form of animal produtcs such as red meats, eggs, and dairy products. The fat and cholesterol contribution of a few individual foods can be quite significant. For example, the goal suggests eating less than 300 mg. cholesterol per day, however a single egg yolk contains 250 mg.

Here are a few suggestions for avoiding fat and cholesterol. Select lean meats, poultry and fish and trim off any visible fat. Cut down on butter, lard, shortenings, salad dressings oils and fried foods. Substitute margarine made with poly-unsaturated oil for butter, but keep in mind that margarine is still very high in calories. When you must use oil, use vegetable oils such as corn, safflower, and sunflower oils. Substitute non-fat and low-fat milk for whole milk, and low-fat dairy products for high-fat dairy products. Be more aware of the hidden fat in foods such as hamburger, cheese, ice cream, french fries, bakery products, eggs, whole milk, potato chips, and many highly processed foods.

There are a few exceptions to these guidelines. Eggs, though high in cholesterol, are an excellent, inexpensive source of high quality protein, vitamins, and minerals. For this reason it may be advisable that infants and young children, the elderly, and women until they reach menopause, include eggs in their diet. Likewise the low-fat dairy products recommendation probably should not be applied to infants and young children.

SALT

Goal: Limit the intake of sodium by reducing the intake of salt to about 5 grams per day (1 teaspoon).

The primary source of sodium in the American diet is salt (sodium chloride). Studies indicate that the desire for salt is not a physiological necessity but rather an acquired taste. Individual salt consumption in the U.S. is estimated to range from 1 to 4 teaspoons a day, however the average human requirement is probably about 1/10th of a teaspoon.

Sodium is difficult to avoid as it occurs naturally in many foods. Sodium is also added to many processed foods in the form of salt to enhance the flavor.

The most adverse health effect of excessive salt consumption is high blood pressure. The exact relationship between salt and high blood pressure is not firmly established, however salt clearly increases the blood pressure of many individuals. High blood pressure in turn accelerates coronary heart disease. It is estimated that approximately 35 million people suffer from high blood pressure, 40 percent of whom are unaware of their condition.

The available data suggest that it is prudent to reduce the intake of salt in the diet. The Dietary Goals suggest a level of 5 grams of salt per day or about 1 teaspoon. Because many foods contain sodium, the daily goal will be met for most people without the addition of salt or consumption of foods with visible salt. We should particularly cut down on high salt foods such as pretzels, potato chips, french fries, corn chips, salt nuts, pickled foods, ham, bacon, smoked meats, and seasoned salts.

One exception to this level should be noted. People who do heavy work under hot conditions or who exercise extensively can lose significant amounts of sodium through sweat. They will require higher levels of water and sodium to compensate.

SUMMARY: THE U.S. DIETARY GOALS

Keep your weight normal. Eat only as much food as your body uses. If you are already overweight, eat less and exercise more.

Eat more fruits, vegetables and starches. Eat more breads, cereals, rice, potatoes, pastas, beans, fresh vegetables and fruits.

AND EAT LESS OF THESE

Eat less sugars and sweets. Eat less white sugar, brown sugar, honey, molasses, raw sugar, dextrose, and corn syrup. Cut down on candies, sweet baked goods, sugared cereals, ice cream and particularly soft drinks.

Eat less fat and cholesterol. Choose lean meats, poultry and fish. Cut down on eggs, butter, salad dressings and fried foods. Substitute non-fat or low-fat milk for whole milk, and margarine for butter. Use polyunsaturated vegetable oils. Eat less foods with hidden fat such as hamburger, cheese, french fries, ice cream, and potato chips.

Eat less salt. Think twice before you add salt to food. Cut down on high salt foods such as pretzels, potato chips, french fries, corn chips, pickled foods, salted nuts, ham, bacon, smoked meats, and seasoned salts.

U.S. Dietary Goals

WHAT ARE THE U.S. DIETARY GOALS?

The Dietary Goals are a set of national dietary guidelines prepared in 1977 by the U.S. Senate Committee on Nutrition and Human Needs. The Goals are based upon available scientific information which is reviewed in the full report.*

WHO SHOULD USE THE DIETARY GOALS?

The Goals are written for the general public. Individuals, families, food program directors and food service managers should use the Goals as guidelines in purchasing and preparing food. Medical professions and government agencies should use the Goals in developing agricultural, food and health policies.

WHY DO WE NEED THE DIETARY GOALS?

Changes in dietary patterns in the U.S. over the past fifty years have led to an increase in obesity, diabetes, cardiovascular disease, dental caries, hypertension, and certain types of cancer. In fact six of the ten leading causes of death have been associated with diet. Although following the Dietary Goals cannot guarantee the prevention of illness, it can significantly decrease the chances that these diseases will develop.

Here are the seven Dietary Goals with some important information to help you make healthy food choices.

Goal one. To avoid overweight, consume only as much energy (calories) as is needed; if overweight, decrease caloric intake and increase exercise.

Obesity is the most common type of malnutrition in the U.S. Too much body fat complicates every disease and may contribute to the development of high blood pressure, diabetes and heart disease. Weight lost through fad diets or reducing gimmicks usually returns quickly. For best results in weight reduction, increase exercise while eating a nutritious, low fat diet.

Goal two. Increase the consumption of complex carbohydrates and "naturally occurring" sugars from about 28 percent of caloric intake to about 48 percent of caloric intake.

There are two types of carbohydrates: simple and complex. Simple carbohydrates (sugars) can be found naturally in fruits and vegetables or can be added to foods during processing to increase their sweetness (See Goal 3). Complex carbohydrates (starch) are found naturally in cereals, grains, bread and pasta. Complex carbohydrates are often added during processing to thicken food products.

It is best to eat carbohydrates in whole grain products and fresh fruits and vegetables since these foods are packed with vitamins, minerals and fiber.

Goal three. Reduce the consumption of refined and processed sugars by about 45 percent to account for about 10 percent of total caloric intake.

Sugar is only one kind of sweetener being added to our foods. By law, all sweeteners must be listed on food labels. Check your food labels for other forms of sugar:

Dextrose, maltose, lactose, fructose, glucose, sucrose, maple syrup, corn syrup, honey, molasses, dextrins, and brown sugar.

Goal four. Reduce overall fat consumption from approximately 40 percent to about 30 percent of caloric intake.

Fat is fattening. There are 9 calories in every gram of fat as compared with 4 calories per gram of carbohydrate or protein. Check your food labels for the number of grams of fat. If you multiply this number by 9, you will find out how many "fat" calories are in that food.

Goal five. Reduce saturated fat consumption to account for about 10 percent of total caloric intake, and balance that with polyunsaturated and mono-unsaturated fats, which should account for about 10 percent caloric intake each.

Although the caloric value of all fats is the same, fats vary in their effect on blood cholesterol levels. High levels of blood cholesterol are associated with heart disease.

Saturated fats tend to raise the level of cholesterol in the blood, while poly-unsaturated fats tend to lower the level. Mono-unsaturated fats have little effect on blood cholesterol. This list, together with your food labels, will help identify the type of fat in the food you eat.

High in Poly-unsaturated Fats: Safflower oil, corn oil, soybean oil, cottonseed oil, sesame seed oil.

High in Saturated Fats: Butter, lard, palm oil, coconut oil, hydrogenated oils, meat and chicken fat, fat back.

High in Mono-unsaturated Fats: Olive oil, peanut oil.

Goal six. Reduce cholesterol consumption to about 300 milligrams a day.

Cholesterol, a fat-like waxy material is essential to life. It is in all animal cells, but never in plant cells. You should choose foods that will supply protein and other nutrients, without excessive amounts of cholesterol. Here is a list of high protein, low cholesterol foods:

Low fat or skim milk, buttermilk;
Low fat yogurt;
Cheese made from low fat milk;
Uncreamed cottage cheese, farmers or pot cheese;
Ricotta cheese made from skim milk;
Peanut butter;
Nuts;
Beans (kidney, black, lentils, garbanzo);
Fish; and
Chicken without the skin.

Goal seven. Limit the intake of sodium by reducing the intake of salt to about 5 grams a day.

Four checkpoints in reducing dietary Sodium:

1. Reduce salt used in home cooking and at the table.
2. Choose foods that have not been previously processed, e.g. fresh fruits and vegetables.

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*The full report of the Dietary Goals for the U.S. is available from the Government Printing Office, Washington, D.C. 20402. Stock Number 070-04376-8. $2.30.

3. Reduce consumption of food with "visible salt", e.g. pretzels, potato chips, corn chips.

4. Reduce consumption of food with "hidden salt", e.g. canned soups and vegetables, luncheon meats, bouillon, convenience foods (TV dinners, meal mixes, food from fast food restaurants).

Cancer-Blocking Agents Found in Some Common Foods

(By Jane E. Brody)

Cancer researchers have discovered that a number of common substances, including certain food additives, pesticides, vitamins and constituents of vegetables, can block the action of cancer-causing chemicals.

Among the effective agents, studies in animals and people indicate, are the preservatives BHA and BHT, which are commonly added to cereals and baked goods, and a group of chemicals naturally present in such vegetables as cabbage, Brussels sprouts and broccoli. Vitamins C and E and certain chemical relatives of vitamin A have also shown effectiveness against cancer-causing chemicals, as have several sulfur-containing pesticides.

The findings, described last week at a symposium on the environmental determinants of cancer, offer a wide range of possible new approaches to cancer prevention. Some, in fact, are already being tested in people who are highly susceptible to developing certain types of cancers. Others require further study to be certain that they prevent cancer rather than promoting it or causing some other serious damage.

ORIGIN OF NEW TECHNIQUES

The new techniques stem from chemical carcinogenesis, the process—still understood only incompletely—through which chemicals cause cancer. The investigation of this process began with the discovery more than 30 years ago by Drs. Elizabeth and James Miller that chemical carcinogens had to be activated in the body before they could change normal cells to cancer cells.

Dr. Elizabeth Miller, a University of Wisconsin biochemist who presided over one of the sessions at the symposium last week, explained the current understanding of carcinogenesis as follows:

Most of the substances now thought of as carcinogens are actually precarcinogens. These may be either detoxified in the body to form harmless compounds or they may be activated into "proximate" and finally "ultimate" carcinogens.

The ultimate carcinogen can attach itself to critically important target cell molecules, including DNA, RNA and proteins that are involved in transmitting genetic information from one cell generation to the next. Once attached to its target, the carcinogen can initiate the development of cancer by altering the genetic message of the cells. Next, researchers believe, promotion of the initiated cells occurs. A second substance, such as a hormone, acts as a promoter, causing the initiated cells to grow into a clump of similar cells and finally into a full-blown cancer.

"In terms of cancer prevention," Dr. Miller said at the meeting, "if you interrupt these processes anywhere along the way, you stop tumor production."

In light of this understanding, Dr. Lee Wattenberg of the University of Minnesota outlined four possibilities for cancer prevention. "By far the best thing you can do, of course, is avoid exposure to the carcinogen," he said, adding that this is and probably always will be the most potent weapon for cancer prevention.

A second approach is to block the chemical formation of carcinogens within the body, for example, the hookup of nitrites with amines from foods to form nitrosamines, which are potent carcinogens. Studies described by Dr. Steve Tannenbaum of the Massachusetts Institute of Technology showed that ascorbic acid (vitamin C) and alpha-tocopherol (a free form of vitamin E) can inhibit the formation of nitrosamines in the stomach and large intestine of experimental animals. However, Dr. Wattenberg said his own research revealed no anticancer effect of vitamins C or E.

Studies are under way in Canada and South America as well as in the United States to test the ability of ascorbic acid and alpha-tocopherol to prevent cancers of the stomach and large intestine in people known to be highly susceptible to these cancers.

A third tactic—the one Dr. Wattenberg, among others, is focusing on—is to intercept the carcinogen before it hooks up to its target, either by preventing the chemical from reaching its target or by blocking the link-up with the target. In studies of this approach, the inhibitor is given before or simultaneously with the carcinogen.

Dr. Wattenberg reported that BHA, an antioxidant used as a food additive, can block a rather large group of carcinogens, including nitrosamines, polycyclic hydrocarbons—which are believed to be important in smoking-caused cancers—and urethan, an industrial carcinogen. It works by altering enzymes, thus preventing activation of the precarcinogen and increasing the amount of the chemical that is detoxified. BHT, another antioxidant food additive, has a similar effect but is too toxic to consider using it as an anticancer agent, Dr. Wattenberg said.

Disulfiram (the alcoholism drug known as Antabuse) and related chemicals used as pesticides also block the activation of precarcinogens, but these are also too hazardous to be used aaginst cancer, he added.

However, certain naturally occurring chemicals called indoles that are found in plants of the cabbage family are potent and apparently safe inhibitors of certain carcinogens. In addition to cabbage, these indoles are found in broccoli, Brussels sprouts, turnips, cauliflower and related vegetables.

In animal studies, two such indoles markedly reduced the ability of a carcinogen to cause breast cancers, Dr. Wattenberg reported. And a detailed diet study by Dr. Saxon Graham of the State University of New York at Buffalo revealed that people who eat a lot of cabbage, Brussels sprouts and broccoli are less likely to develop cancer of the colon.

Other plant constitutuents called coumarins, found in a variety of fruits and vegetables, are also able to block carcinogen-caused mammary cancers in experimental animals.

Dr. Paul McCay of the Oklahoma Medical Research Foundation described yet another dietary approach to inhibiting carcinogens—a low-fat diet. In worldwide studies, diets high in fat have been linked to an increased risk of developing cancers of the colon and breast. Dr. McCay said that when animals are placed on a low-fat diet, the detoxifying action of enzymes appears to be encouraged; fewer cancers develop in response to a carcinogen and those that do develop grow more slowly.

However, the reverse occurs when the animals are fed a diet high in fats, particularly polyunsaturated fats. In Dr. McCay's opinion, "eating as little fat as possible is the best idea."

Dr. Wattenberg cautioned that carcinogen inhibitors can be unpredictable. Some may actually promote the action of certain carcinogens while blocking others. Timing is also critical: the drug phenobarbitol, for example, suppresses cancer when given before exposure to the carcinogen, but it fosters the development of cancer if it is administered after the carcinogen.

Another way to inhibit carcinogens, Dr. Wattenberg has reported, is to flood cells with decoy targets that tie up the carcinogen, thereby preventing its link-up with heredity-determining molecules. One such effective trapping agent is a compound called glutathione.

In the fourth approach, carcinogenic action may be blocked after the chemical has linked up with critical cell molecules and initiated the cancer process, probably during the promotion phase. Dr. Michael Sporn of the National Cancer Institute said at the symposium that a derivative of vitamin A called 13-cis retinoic acid is being tested as a cancer preventive in patients who face a very high risk of developing bladder cancers. The compound may also be able to inhibit cancers of the breast, lung, pancreas, colon and esophagus.●

REPEAL AUTHORITY TO SEIZE GOLD

● Mr. McCLURE. Mr. President, I am honored to cosponsor S. 30, a bill introduced by my good friend, Senator Jesse Helms, to amend the Federal Reserve Act to terminate the authority of the Secretary of the Treasury to require the delivery of gold owned by private citizens to the Treasurer of the United States.

This obscure provision of the Federal Reserve Act came into being in the Depression year 1933 at a time when emergency legislation was being enacted with little regard for the lessons of history or the freedom of individuals.

I quote from this provision, 12 U.S.C. 248(n):

> Whenever in the judgment of the Secretary of Treasury, such action is necessary to protect the currency system of the United States, the Secretary . . . in his discretion, may require any or all individuals . . . to pay and deliver to the Treasurer of the U.S. any or all gold coins, gold bullion, and gold certificates owned by such individuals . . . Upon receipt of such . . . the Secretary . . . shall pay therefore an equivalent amount of any other form of coin or currency coined or issued under the laws of the U.S. . . . Any . . . failing to comply . . . shall be subject to a penalty equal to twice the value of the gold or gold certificates.

Many such laws thus passed have since been repealed or revised.

In 1973 Congress restored the right of Americans to own gold. I'm proud to have been a sponsor of the legislation that restored this important freedom.

I believe that it is now time to repeal this antiquated provision which once again might be used to deprive Americans of the right to own gold.

I believe that any rationale for retaining this provision would be riddled with inconsistencies.

I quote the Assistant Secretary of the Treasury, C. Fred Bergsten:

> Consistent with the general move toward elimination of a monetary role for gold, and toward its treatment internationally and domestically like any other commodity, the United States repealed the prohibition on the holding of gold by private U.S. citizens effective December 31, 1974.

I believe he is tragically wrong, and if he checks his facts, he will learn that the leaders in Congress who pushed that bill through were not those who think gold has been "demonetized"—or should be.

But, if the Treasury Department thinks that gold has no proper role in the monetary system, then protecting "the currency system" and seizing gold would seem contradictory.

If Americans are free to buy and own gold like any other commodity such as shoes or potatoes, why should the Federal Government have the authority to confiscate this or any other such private commodity?

And what would an equivalent amount of any other form of coin or currency issues by the United States be? Would it be $42.22 per ounce gold, as is the "official" price at which U.S. gold reserves are still accounted?

This bill has received the support of the Chairman of the Federal Reserve Board, G. William Miller. In a letter to Senator Helms he stated he had no objection to the proposal.

The President has said that mandatory wage and price controls would be "ill-advised and also counterproductive." It would seem that consistency would dictate that the administration's policy concerning economic controls would extend to support the repeal of the extraordinary power of the Secretary of the Treasury to seize gold.

I personally cosponsored Helms' successful Gold Medallion Act of 1978 because Americans have demonstrated a desire to have and own gold. The U.S. gold market is now that largest in the world. There is a growing domestic demand for a gold unit for investment, display, collecting, and exchange.

Americans feel secure when they have the option to buy and own gold. The confiscation of freshly produced gold medallions or any other privately held gold would be an act which would greatly lower public confidence in the integrity of our Government or the future or our currency—especially at a time when the U.S. Treasury is selling off U.S. gold to wealthy foreign investors and bankers.

I want to thank the Institute on Money and Inflation for the work they have done for me on this legislation. It is vitally important that we have a public policy research organization like IMI to provide Members of Congress with important data on sound money legislation.

Mr. President, I urge adoption of this bill and I submit this data for printing in the Record.

The material follows:

Repeal the Power to Seize Gold

By Mr. Helms:

S. 30. A bill to repeal section 11(n) of the Federal Reserve Act (12 U.S.C. 248(n)); to the Committee on Banking, Housing, and Urban Affairs.

Mr. Helms. Mr. President, in the depth of the depression, Congress made a number of changes in the law which were subsequently repealed or revised.

In 1973, Congress acted to restore the freedom of Americans to own gold. At that time, Congress did not address the subject of a little-known provision of the Federal Reserve Act, 12 U.S.C. 248(n). This subsection is as follows:

"(n) Exchange of gold coin, bullion, and certificates for other currency on order of Secretary of Treasury; costs; penalties.

"Whenever in the judgment of the Secretary of the Treasury such action is necessary to protect the currency system of the United States, the Secretary of the Treasury, in his discretion, may require any or all individuals, partnerships, associations, and corporations to pay and deliver to the Treasurer of the United States any or all gold coin, gold bullion, and gold certificates owned by such individuals, partnerships, associations, and corporations. Upon receipt of such gold coin, gold bullion or gold certificates, the Secretary of the Treasury shall pay therefor an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States. The Secretary of the Treasury shall pay all costs of the transportation of such gold bullion, gold certificates, coin, or currency, including the cost of insurance, protection, and such other incidental costs as may be reasonably necessary. Any individual, partnership, association, or corporation failing to comply with any requirement of the Secretary of the Treasury made under this subsection shall be subject to a penalty equal to twice the value of the gold or gold certificates in respect of which such failure occurred, and such penalty may be collected by the Secretary of the Treasury by suit or otherwise."

I believe this subsection should have been repealed when the freedom to own gold was restored.

I asked the Chairman of the Federal Reserve Board, William E. Miler for his thoughts on this bill and he responded saying:

"Dear Jesse: Thank you for your letter of December 14 requesting views on the proposed repeal of 12 U.S.C. 248(n), which grants the Secretary of Treasury authority to call in gold from private holders. I have no objection to the proposal.

"Sincerely,

Bill."

The Treasury Department has, as we know, adopted a policy of reducing the monetary role of gold. Therefore, it seems anachronistic to keep the arbitrary authority over gold which supposedly has no monetary role. But even if we were on a gold coin standard, this extraordinary power would be unjustifiable.

Finally, some with whom I have discussed this bill feel that the Congress can again vote to confiscate gold. That is true. However it would require an overt act of Congress before that authority could be exercised. Today all that is needed is "adjustment" undefined except as to somehow protect the "currency system."

I introduce this bill today, as the beginning of the 96th Congress so that opinions can be requested for appropriate agencies, businessmen academicians, and interested citizens, so that early in the 96th Congress action can be taken on this archaic piece of law.●

THE 200TH ANNIVERSARY OF THE DAILY JOURNAL

● Mr. WILLIAMS. Mr. President, I would like to call my colleagues' attention to the 200th anniversary of the Daily Journal newspaper. Since February 16, 1779, the Journal has been recording the Nation's history, its triumphs and failures, its good news and bad. Only two other newspapers in the United States and no other paper in New Jersey have reached such an impressive milestone in their history.

The Journal is to be commended not only for its length of service to Elizabeth and the State of New Jersey, but it should also be commended for its consistently high caliber reporting. Through the years, Journal reporters have pursued the truth with dogged determination and a fine eye for separating fact from fiction.

Of course, the paper was not always so committed to publishing totally realistic portrayals of events of the day. In its fledgling years, the Journal was run by feisty reporter-editor-printer Shepard Kollock who is said to have "deliberately distorted the news to give the British forces nearby a false impression that the American troops were in fine condition." Evidently even the enemy read the Journal.

I would like to take a few moments to share this brief history of the paper with my colleagues in the Senate. The following article by Jean-Rae Turner appeared in the February 16, 1979, edition of the Daily Journal.

I ask that it be printed in the Record.

The article follows:

200th Anniversary

The Daily Journal—New Jersey's oldest newspaper and one of the six oldest in the country—is 200 years old today.

A special edition featuring copies of front pages containing major news stories during that period will be published April 20 as part of a celebration of the birthday anniversary.

The Journal was born on Feb. 16, 1779 as "The New Jersey Journal," a weekly, in the backroom at Day's Inn, the site of B. Altman's parking lot in the Short Hills Mall on the Morris Turnpike, to serve as the voice of those fighting for independence.

New York City had been under British control since the summer of 1776 and all the printers espoused the Loyalist cause. Gen. Henry Knox, after consulting with Gens. Nathanael Greene, "Mad" Anthony Wayne and George Washington, decided the Revolution needed a printer favorable to the cause.

Young Alexander Hamilton, who served on Gen. Washington's staff at the Morristown headquarters during the winter encampment, referred Gen. Knox to Shepard Kollock, a young first lieutenant in the field artillery. Hamilton and Kollock met on St. Christopher Island in the West Indies, where Kollock had gone because of poor health. After a hurricane in 1776, Hamilton a native of the island, wrote a most eloquent account of the storm and took it to Kollock, who was working on a newspaper there, for publication.

Kollock was impressed by Hamilton's essay and urged Hamilton to attend the Academy in Elizabethtown. Hamilton did so and their friendship resumed when Kollock returned to the colonies.

After Kollock agreed to become editor of the new government-subsidized venture, he was given an honorable discharge from the army. He obtained the necessary printing equipment from his uncle, William Goddard, in Philadelphia and set up his print shop. The army supplied him with paper from military supplies and he was given large quantities of army rags to make his own paper.

In those days, all the work of publishing a newspaper was done by one person. Kollock collected the news, wrote the stories, set the type and printed the paper. The paper then was distributed by circuit riders. Kollock is said to have deliberately distorted the news to give the British forces nearby a false impression that the American troops were in fine condition. He did not write about the terrible suffering at Morristown during one of the worst winters of the war.

The publisher was forced to move his small press frequently to avoid capture by the British. It is said that he even put out one edition on a tiny island in the Passaic River. Despite the many moves, Kollock only missed one edition—during the week of the Battle of Springfield, when the British advance was stopped just below First Mountain.

Kollock moved across the Passaic River to Chatham in 1782, to New Brunswick in 1783 and to Elizabeth in 1785, where the paper has remained.

The paper was first published at the White House on Elizabeth Avenue (Water Street) at Jefferson Avenue, a dwelling built by Gov. Philip Carteret in 1680.

Later he moved to the home of his father-in-law, Isaac Arnett, on E. Jersey Street on the site of the Second Presbyterian Church. He built his first office on Broad Street opposite the First Presbyterian Church on the site of the Regent Theater in 1800 or 1801. The paper has been at different sites on Broad Street ever since.

These locations included "two doors south" of River's Tavern, 1 Grant's Row at the corner of E. Jersey Street, north of E. Jersey Street and, in 1888, at 72–74 Broad Street next to the National State Bank.

In 1924, a building was constructed at 195–297 N. Broad St.

Kollock sold the Journal when he was appointed postmaster in 1818. It subsequently was sold many times and its name was frequently changed.

Frederick Foote, a former teacher at the old North End School at Salem Avenue and North Broad Street, joined the firm in 1863 and started the daily newspaper, "The Elizabeth Daily Journal," in 1871. He merged the old weekly and the new daily in 1890.

Augustus C. Crane joined the staff as a copy boy and rose rapidly. In 1905, he became president. He was succeeded by his son, Fred L. Crane on Jan. 9, 1923.

His grandson, Robert C. Crane, served as editor and publisher from 1948 to 1959, when the paper was sold to Mid-Atlantic Newspaper Inc., headed by Ralph Ingersoll. The paper's name was changed to The Daily Journal on June 1, 1960.

It was purchased by its current owner—Hagadone Newspapers Inc.—on July 25, 1975.

Hagadone Newspapers constructed a new $2 million publishing plant next to the N. Broad St. structure, opening it in July 1977 and conducting a series of open houses to show the public its computer-operated facility.●

THE SOVIET MIRV

● Mr. HATCH. Mr. President, the news in last week's New York Times is very disturbing to me and should be of great concern to every Member of this body. According to information just released by the CIA, the Soviet Union has test fired a missile with the capability of carrying up to 14 individual warheads.

I am sure that all of my colleagues will remember the controversy that surrounded the test firing of the SS–18, the largest ballistic missile in the world, last December. At that time it was reported that the Soviets had encrypted the telemetry of the test to prevent the United States from monitoring the results of the test. Well, shortly after that test the Soviets test fired another SS–18 and the United States was able to monitor the results. Those results show conclusive evidence that the Russians have no intention of slowing down the arms race. They have sat back and watched the United States make several unilateral cancellations and delays in strategic programs, all the while they were moving forward to increase their own strategic capability.

This news raises the spector of verification once again. Many of my colleagues have argued that we will be unable to verify Soviet compliance of a new SALT II accord. I am sure that they will see this as proof that we are able to monitor Soviet programs. What they will not mention is that it is now evident that the SS–18 has the capability to carry more than 10 wareheads, the number that was supposedly agreed upon in the SALT II negotiations. If this was agreed and the Soviets were planning on living within the parameters of the agreement, then why would they be testing a missile carrying in excess of that number? It also raised the question of future verification problems. How will the United States know if the SS–18's deployed by the Soviets are carrying in excess of the number of warheads permitted? Pictures alone will not give us the necessary data.

Mr. President, I am concerned that the Soviets will attempt to use SALT II in the manner that they used SALT I to further their own strategic goals and widen the growing assymetry between the two nation's strategic forces. During the life of the SALT I interim agreement there were many charges that the Soviets violated the agreement. Mention was made of the deployment by the Soviet Union of heavy missiles beyond the limitations implicit in the interim agreement. Concern has been magnified by other Soviet actions. These include the deployment along the Trans-Siberian Railway in Soviet Asia of silos that allegedly are for launch control but that, on removal of the purported launch-control facilities, could easily be converted to accommodate ICBM's. It has also been alleged that the Soviet Union has sought to conceal activities at Kamchatka and Sary Shagan, where tests of antiaircraft radars against medium-range missiles fired at angular trajectories, simulating the flight of incoming U.S. ICBM's, comes close to violating the letter of the ABM Treaty.

These allegations and more lose their force in light of the manifold ambiguities in the SALT I agreement and the ABM Treaty. The least that can be concluded, however, is that the Soviets are prepared to exploit and all ambiguities and uncertainties about compliance and monitoring procedures will multiply as the focus in SALT II shifts to the qualitative aspects of contending strategic postures. The actions by the Soviets in December are exactly in the area of qualitative improvements. These are the hardest to verify and may be the fatal flaw in a SALT II agreement.

On February 23, 1978, Mr. Paul Warnke, then the chief arms control negotiator for the United States, testified before the Senate Foreign Relations Committee and stated:

> The anticipated SALT II agreement is adequately verifiable. This judgment is based on assessment of the verifiability of the individual provisions of the agreement and the agreement as a whole.

This testimony came before the United State lost the monitoring stations that we had in Iran. This came before we were in danger of losing our station in Turkey. Can we be sure that compliance with the agreement will fall within the ability of the United States to monitor such compliance. I seriously question that we will have that capability. Technology has taken us to a point where national technical means appear to be insufficient to do the job required. The possibility of missile deployment in buildings undetectable by satellite-surveillance looms large. It may be that the apparent increased activity of Soviet submarine building may well be aimed at such a program. The increased range and accuracy of new SLBM's has made this a viable option.●

GREEK INDEPENDENCE DAY

● Mr. DOLE. Mr. President, to the Greek people March 25 is a day of pride. On that date in 1821 Bishop Germanos and the Greek people raised high the flag of revolt and gave notice that the Greeks were again a free people. The ensuing struggle was long and difficult, but after 8 trying years it culminated in victory, and freedom returned to the birthplace of democracy.

NEED FOR A FREE AND INDEPENDENT GREECE

It is imperative that the integrity and independence of the birthplace of democracy and freedom be preserved. In today's world, this area is of utmost strategic importance, for it guards the Mediterranean, gateway to the Atlantic. Strife must not be allowed to end the delicate fabric of peace in this area, for this fabric is the protective cloak of Western Europe.

RIGHTS OF GREEK CYPRIOTS

Cyprus remains a weak stitch in this fabric, and will be as long as the fundamental rights of Greek Cypriots continue to be violated. Though the Greek Cypriots constitute 80 percent of the Cypriot population, 40 percent of the island, containing a staggering 70 percent of the island's natural resources, remains under illegal foreign domination. It is imperative that we do all in our power to help the Greeks, Turks, and Cypriots resolve this situation by peaceful means. This issue should not be left by the United States to merely simmer on the back burner, with the chance that a new conflagration may ensue.

LESSONS TO BE LEARNED FROM THE GREEKS

The Greeks originated the values of freedom and democracy and there is much we can learn from them. Indeed, all Western thought and culture is indebted to the Greeks.

One of the many lessons the Greeks have taught us is the power of a single man's courage. Western civilization rests on a foundation built by Greeks who had the courage to pursue what they know to be right. I would like to cite a few of the men whose courage is a continual source of inspiration to me. The development of Western philosophy was made possible because Socrates had the courage to stand up for his teachings, even when this cost him his life. Themistocles, knowing that ships would be needed to defeat the invading Persians, advocated this until he convinced the populace, despite heavy opposition. Today we take special note of the extraordinary courage of Bishop Germanos, Alexandros Ypsilantis and the countless others whose courage resulted in the liberation of Greece.

Individual courage is necessary to achieve great things, but often it alone is not enough. The ancient Greeks could not have succeeded if their city-states had not unified to defeat the Persians. The revolution of 1821 almost failed when it started to break up into factions. Fortunately, the movement was again unified, thereby enabling its success. It would be instructive for us to bear in mind this proven need for unity as we enter the 1980's.

THE BIGGEST LESSON

Perhaps the biggest lesson to be learned from the Greek experience is that the pursuit of freedom is an invincible force, for freedom is a gleaming idea that cannot be dulled by the passage of time. For 1,800 long years the Greeks languished under under foreign domination, first Roman, later Byzantine, and finally Ottoman, March 25, 1821, proved that even 1,800 years without knowing the feeling of freedom could not erode the Greek determination to be free. May our drive to preserve, and quest to further freedom be as unyielding.●

LEGEND IN PUBLIC SERVICE

● Mr. CULVER. Mr. President, at age 87, Mrs. Ruth Hollingshead of Albia, Iowa, can look back at more than a half-century of intensive political and civic activity with the same drive and enthusiasm that first motivated her to get into public affairs. She calls herself an "old warhorse," but her spirit and her sparkle reinforce the belief in our democratic system of all who know her. Her career can be appropriately called a "legend in public service."

Her extraordinary public career includes 54 years on the board of trustees of the Albia Public Library, 16 years on the Iowa Democratic Central Committee, 21 years as postmaster, three terms on the School Board, and overseas service in World War I as a canteen worker. Her single try for elective office came when she ran for Congress in 1938. She has had a happy marriage and raised two sons while maintaining her public service activities. To this day, I can think of no one who is a more alert and sagacious observer of the current political scene than Mrs. Hollingshead. She knows it because she was so long a part of it—and still is.

Mr. President, I submit an article about Mrs. Hollingshead in the Des Moines Register of March 7, 1979, to be printed in the Record.

The article follows:

Albia's "Old Warhorse" Still Knows Politics

(By Randy Evans)

Albia, Iowa.—It has been 40 years since Ruth Hollingshead opened the eyes of people in southern Iowa by running for Congress.

She no longer is running. Advancing years have slowed her to a walk.

But the years haven't dimmed her enthusiasm for politics nor taken away her spunk.

"I don't want to rust out," said the 87-year-old Albia resident. Her career in public service includes an astonishing 54 years on the board of trustees of the Albia Public Library, 16 years on the Iowa Democratic Central Committee, three terms on the Albia School Board, 21 years as postmaster here, and even overseas duty during World War I as a canteen worker.

GOINGS ON

Politicians still come knocking on the door of the self-proclaimed "old warhorse" to talk about issues and enlist her support. And Ruth has occasionally flagged down a passing reporter from the big city to question him about the goings on at the capitols in Des Moines or Washington, D.C.

One of her longtime friends said of the white-haired woman with the infectious smile, "She's a wise and tough old bird. . . . She was a woman's libber before the word was even coined."

Hollingshead disagrees with the notion that she is a "libber," although she readily admits that you can get her dander up if you seriously believe that women aren't qualified to serve in Congress or that they aren't entitled to be paid equally with men.

ELECTION IRONY

Ironically, however, Hollingshead believes it was women who kept her from being elected to the U.S. House of Representatives in 1938.

"She's convinced—at least she told me once," said one friend, "that she lost that race for Congress to Karl LeCompte because voters thought she should stay home and cook and mind the kids instead of galloping off to Washington."

Said Hollingshead: "The men supported me a lot better than the women did. They were a lot more open-minded about a woman running. It was the housewives who thought I should stay at home.

"My mother voted for me—or so she said. But my mother's friends didn't vote for me. They thought I'd gone off my rocker. Of course, they were Republicans."

Other than her three terms on the School Board here, Hollingshead's campaign for Congress was her only try for elective office.

"Let me tell you," she said, "that took all the running out of my system. I wouldn't even run for the church board after that. . . . I was just utterly exhausted, and I just didn't want to go through it again."

THE BEST THING

Although at the time she was disappointed when defeated by LeCompte, a Corydon newspaperman, Hollingshead now says, "It was the best thing that ever happened to me that I lost—on account of my family.

"They wouldn't have been happy," she said of her late husband, Albert, and their two sons, "Lige," and Milton, who now live in Colorado. "I said (to Albert) afterwards, 'Why did you let me run?' And he said, 'How in the hell could I stop you?' "

Albert knew then what others found out later, if they already didn't know: That Ruth Hollingshead is not easily swayed. Indeed, Albert, a born and bred Republican, converted to the Democratic faith when his wife announced her candidacy.

"He changed," Ruth said with a chuckle one day recently. "He couldn't live with me and not change."

BOSSY, BULLHEADED

Monroe County Attorney Frank J. Karpan, 58, a longtime Democrat and friend of Hollingshead, put it this way: "She's bossy, domineering, bull-headed. No question about that. . . . She's very opinionated, and she expresses them in a very firm and loud tone of voice."

Informed of Karpans comments, Hollingshead said, "I'm not bullheaded, but I am bossy, I guess. I have opinions for everyone, but they don't always listen to me, and I have opinions on everything."

"They never use the term 'wishy-washy' about me. I've been called many things, but not that."

Hollingshead got her first taste of politics as a child when she accompanied her father, Wiley S. Fall, Democratic county chairman here, on his political travels. And she tagged along to the Democratic National Convention around the turn of the century. "I don't remember who the candidate was, but I can remember I had my first ice cream sundae then," she said.

After graduating from the University of Iowa in 1914, Hollingshead taught history and economics in Albia, Cedar Falls and Mason City. ("Meredith Willson was one of my pupils in Mason City," Hollingshead said. "I didn't teach him music though. I taught him modern European history. . . . It would be ancient history now.")

Hollingshead returned to Albia after World War I, and she began dabbling again in politics after ratification in 1920 of the 19th Amendment to the U.S. Constitution, which gave women the right to vote.

DOESN'T SUPPORT ERA

She was not, however, one of the active suffragettes in Iowa. And she has not supported ratification of the Equal Rights Amendment because she thinks it has drawbacks, including the possibility that women could be drafted into the military.

"I was quite indifferent about it," she said, referring to the fight to win the right to vote for women. "I wasn't anywhere where they were getting all hot and bothered about it. . . . I was more interested in hard roads than I was in the women's right to vote."

But when women got the right, Hollingshead traveled through southern Iowa, speaking at rallies to encourage women to use their newly acquired privilege.

She joined the Democratic State Central Committee in 1920, and in 1932 she was a delegate to the national convention that nominated Franklin D. Roosevelt for the first time.

OUTLIVED THEM ALL

Hollingshead recently attended a celebration in Des Moines honoring former U.S. Senator Dick Clark, and she was depressed when she observed that none of her contemporaries from her nearly 60 years in politics was present. "I've outlived them all," she sighed.

But the loyal Democrat took heart when someone pointed out that that included Republicans, too.●

TRIBUTE TO SENATOR DEWEY BARTLETT

● Mr. HEINZ. Mr. President, Dewey Bartlett was, although not in the order it comes to mind, a good American, good legislator, good public servant good fighter, good advisor, good companion, good example, and good husband and father.

While sharing my colleagues' admiration for his perseverance, commitment to his principles, his love for his job and his country, and the great strength he drew from prayer—I would like to recount a brief personal impression of the late Senator from Oklahoma as my own tribute to him.

During 1978, Dewey and I were scheduled to travel to Geneva to observe the SALT II negotiations and the MTN talks. Our flight from Dulles Airport was postponed and rearranged several times because of the critical Senate votes on the sale of F–15 fighter planes to Saudi Arabia taking place that evening. As the day wore on, it became apparent that we would either make the 9 p.m. flight, or have to miss the trip. Being a little new and inexperienced with such lofty matters, I took Dewey aside in the Cloakroom and asked him what we should do. "John," he said, "we have got to stay and vote, and we have got to go to Geneva—and if our good colleagues and the good Lord need us in both these places, then they will find a way to do it." Dewey must have used his connections, because we made the vote and the plane.

Our flight to Geneva gave me the opportunity to learn a lot from the Senator from Oklahoma. He made a profound impression as he shared his thoughts on the role of our Nation's leaders in shaping the discussion and resolution of complex and critical issues such as arms control and energy policy. And, at the same time, he injected his own vibrant, personal belief that people, not policies should come first.

I admired Dewey Bartlett, not just for his skills as a politician and a legislator, but especially as a wise and humorous man who was willing to share his experience and knowledge with a junior Senator who was trying to learn his way around.

The Senate will be a different place without Dewey Bartlett—but it will be a better place for the spirit and love of this Chamber he left with us.●

SOUTH YEMEN

● Mr. HATCH. Mr. President, recent developments in Iran as well as the pressures of the Israel and Egypt negotiations have apparently prevented U.S. officials from paying the amount of attention to South Yemen it deserves.

The war between North and South Yemen requires our full attention and concern. The developments in South Yemen appear to be another element in the overall Soviet strategy to change the political systems in the area and at the same time cut off the energy resources of the free world. Thus, the events in Yemen appear to be the natural concomitant of events in Africa and Iran. Unfortunately, the prevailing opinion in the United States seems to be that this war between North Yemen and South Yemen is a longstanding fight between primitive tribes. Under such circumstances, the theory goes the United States should not get involved in these internal problems. Such opinions merely show how ill-informed both the politicians and the media seem to be.

Intelligence sources in Oman indicate that the Soviets decided to take advantage of the psychological effects on the free world of the events in Iran. The sure signs of such Soviet decisiveness are the presence of 1,500 Soviet advisers who appear to be in basic control of the entire state apparatus. Also reported to be in South Yemen are 400 affiliates of the East German secret police as well as 3,000 Cubans.

Furthermore, General Vladimir Sharajew was recently transferred from Ethiopia to Aden. This latter event particularly underlines the seriousness of the situation because General Sharajew is alleged to be the head of the KGB department responsible for the Indian Ocean area. Recently he directed the activities of the Soviet, East German, Cuban and Ethiopian forces in the Ogaden and Ethiopia itself. General Sharajew presumably controls similar activities in South Yemen. The recent attack on North Yemen is really aimed at creating disturbances in Saudi Arabia, the United Emirates and Kuwait. This danger had been recognized by the late King Faisal of Saudi Arabia who repeatedly warned the United States about paying more attention to the political situation in Iran.

These same problems concern the States of the United Emirates for the Soviet Union has apparently already tried to create disturbances through the agency of South Yemen. These disturbances had been brought under control solely because the Shah of Iran sent regular troops to the area at the time. The fall of the Shah obviously has changed the whole situation and raises the question of the stability of these States. Of course, the very same problem arises for Kuwait, which, unfortunately, is caught between pro-Soviet Iraq and precariously unstable Iran.

In the light of these facts, what may have seemed to be rivalry between primitive tribes gains international significance. Not to recognize this significance is not just a political sin, but rather a grievous error similar to our assessment of the situation in Iran prior to the Shah's fall.

In the irrigation canals (kanats) of Iran there is a certain fish which is white and blind. That fish symbolized the position of the U.S. Government with respect to the recent events in Iran. I would hope that that fish will not again symbolize our position with respect to the events in Yemen.●

PRINCETON'S PRESIDENT AND SOME ENLIGHTENING REMARKS

● Mr. WILLIAMS. Mr. President, President Bill Bowen of Princeton University spoke recently to a gathering of Princeton alumni who serve here in Congress and on Capitol Hill in a variety of positions.

I found his remarks most enlightening and I think they raise many of the fundamental issues that face Federal policy in higher education.

It is a pleasure for me to share President Bowen's remarks with my colleagues and I ask that the text of his speech be printed in the RECORD.

The remarks follow:

REMARKS BY WILLIAM G. BOWEN

In Alec Leitch's Princeton Companion published last fall, the legacy to the University from Woodrow Wilson (of this year's centennial Class of 1879) is described as "a vision of an institution dedicated both to things of the mind and the nation's service. . . ."

That continues to be our vision, and we fulfill it in essential ways through our commitment to scholarship and research of the highest quality. This will be the theme of my annual report to the University community later this spring, and I would like to take advantage of this very special gathering here in Washington to discuss with you what I believe are—and should be—widely shared convictions and concerns in this area.

As Jim Leach emphasized on the floor of the House last year, and as President Carter stated in his recent budget message, scholarship and research constitute an essential investment in the nation's future. They yield insights and discoveries that increase productivity, that enhance the competitive position of American industry, and that can serve to improve standards of living all over the world. While precise calculations of economic effects are not possible, careful studies suggest that advances in knowledge have accounted for roughly one quarter to one third of the increase in national income in the United States since 1929.

As is evident in the sciences and engineering, but is no less true in other branches of knowledge which help us to understand other peoples and societies, scholarship and research also contribute importantly to national security and improved international relations. They are essential as well to the very concept of freedom. I do not believe I exaggerate when I say that all the freedoms of our society depend in significant degree on the critical exercise of scholarship and research, unfettered by any ideological or political harness and uncompromising in the pursuit of truth.

Finally, scholarship and research matter greatly for more intangible reasons that have to do with our zest for learning, and with the hopes, fears, and spiritual concerns that drive us. Any literate society, interested in human values, needs its poets and philosophers, its art historians and its scholars of religion, no less than its physicists, mathematicians, and engineers. All are necessary for our health and vitality—and perhaps even for our individual and collective sanity. (Please note that at this point in time I did not think it appropriate to mention economists!)

Fortunately, there is today in the United States an enviable capacity for outstanding accomplishments in many disciplines—much of it, especially in scientific fields, developed since World War II. According to figures compiled by the National Science Foundation, for example, of 492 major technological innovations in the period 1953 to 1973, 65 percent resulted from work in the United States. And 50 percent of the Nobel Prizes in science awarded since the war have gone to Americans, as opposed to only 20 percent up to that time.

As we think about the origins of this capacity to generate new ideas, we need to remember Francis Bacon's injunction of three and a half centuries ago that we must "from experience of every kind first endeavor to discover true causes and axioms; and seek for experiments of Light, not for experiments of Fruit. For axioms, rightly discovered and established, supply practice with its instruments not one by one, but in clusters, and draw after them trains and troops of works."

While the task of finding applications of new knowledge is obviously of enormous importance, the applications and the technologies of any given age depend critically on the basic research of earlier times, generally conducted by people interested in understanding the fundamental "axioms" of their fields without the deliberate intention of solving a practical problem or achieving a specific utilitarian end.

I realize that basic research frequently is criticized—and sometimes even ridiculed—by those who question its significance and who seek assurances of more or less immediate payoffs. In assessing such views, we do well to recall that the most important medical advances of this century are rooted in basic research that included no hint whatsoever of such applications as the development of antibiotics, that one of the most important "practical" discoveries of all time (hybrid corn) owes much to a one-time Princeton professor, George Shull, who was equally fascinated by his studies of the evening primrose, and that the modern science of genetics received more than a small push forward as a result of a study by Gregor Mendel that could well have been titled "How to Segregate Round from Wrinkled Peas"—a surefire candidate for a "Gold Fleece" award in its time.

It certainly is true that scholarship and research, and even basic research, are conducted in places other than universities, but universities offer special advantages, and evidence suggests that the university environment has proven to be exceptionally conducive to major advances in knowledge.

To cite just one set of findings: When the National Science Foundation recently compile a list of 85 significant advances over the past 20 years in four fields (mathematics, chemistry, astronomy, and the earth sciences), university scientists were found to have been responsible for more than 70 percent of them. (I might note that a tabulation of where the university scientists received their highest degrees showed that, as small as it is, Princeton ranked fifth, and was one of only four universities—with Harvard, the University of California at Berkeley, and Columbia—to have educated at least one person in each of the four fields. A tabulation of where the work was done showed that Princeton ranked second, behind only the California Institute of Technology.)

There are, I believe, several characteristics of universities which account in large measure for this record of accomplishment. First, universities are committed to the twin concepts of academic freedom and the pursuit of the most fundamental questions, however unsettling or controversial they may be. Moreover, the university environment tends to encourage independent thinking, comprised as it is of individuals who are charged with a particular responsibility to think for themselves, to challenge each other as well as orthodoxies old and new, and to feel no obligation to follow anyone else's sense of the right way to attack a particular problem.

Another characteristic of universities is that they encompass work in a great variety of disciplines. Thus it is possible—though no one should claim that it happens always or necessarily—for faculty members in various fields to "kibitz" on the work of colleagues in other fields, thereby providing fresh perspectives and some hope of avoiding overly narrow approaches to fundamental problems. The relatively small size and the cohesiveness of Princeton offer special opportunities in this regard, and the cross-departmental programs we have established in such areas as energy and environmental studies, East Asian and Near Eastern studies, and economic development and modernization represent efforts to take advantage of this characteristic.

Finally, universities are "special" because of the interrelationship between research and teaching which is as important as it is evident. The involvement of graduate students in advanced research—and frequently at Princeton of undergraduates as well—not only provides exceptional opportunities to prepare the next generation of scholars, but benefits the scholarship and research of this generation by subjecting it to new sources of criticism. Almost every faculty member on our campus, I suspect, can cite examples where students have asked a question or made a suggestion that opened a promising new line of inquiry, clarified a puzzle, or called into question a convention that ultimately proved to be deficient.

What this means, in part, is that the investment in university research produces a double benefit: Not only is the research accomplished in an unusually conducive environment, but those who will be the research leaders of the next generation are instructed and encouraged at the same time.

This relationship between scholarship and research, on the one hand, and teaching, on the other, was discussed in a memorable Baccalaureate address given in 1975 by Gregory Vlastos, at that time the distinguished chairman of our Philosophy Department, when he identified four processes necessary to advance and disseminate knowledge: (1) the discovery of new ideas and new forms; (2) the critical scrutiny of these innovations; (3) the assimilation of these very new results with the vast inheritance of previously discovered knowledge; and (4) the transmission of appropriate portions of this aggregate to succeeding generations of incoming students. "The excellences at the two extremes—of research and teaching," he went on to say, "have essential bonds with what comes in between—with criticism and erudition: without excellence in each of these the creator's work would be wild and the teacher's shallow."

As we look to the future of scholarship and research, we need to bear in mind that, as always, it is the quality of the people involved that matters most—our principal task is educating, recruiting, and motivating those rare individuals who are genuinely creative as well as committed to the hard work that is indispensable to first-rate scholarship and research. Unhappily, however, even the best people generally require at least some support. I am not convinced that the hair shirt will attract the best people to theology or poetry, never mind to Chinese politics or Plasma Physics. To be sure, pain can lead to creativity—but these days it would be more than just fashionably outrageous to argue the case for poverty as a stimulus to good work; it would be extraordinarily foolish and extraordinarily dangerous.

In my annual report, I shall describe in some detail the decrease in the real value of federal support for scholarship and research that has been a fact of the last decade at the major research universities. From a national standpoint, suffice it to say that the federal government supports about two-thirds of the nation's total basic research effort and more than two-thirds of all research and development conducted at colleges and universities. And federal support or basic research, in constant dollars, has declined by roughly five percent over the last decade. Looked at another way, between 1962 and 1975, while the fraction of GNP devoted to research and development in West Germany increased by 80 percent and the comparable fraction in Japan grew by 31 percent, in the United States there was a 15 percent decline.

This is a time, I know, when many of us question the role of government in various areas; I know that I do. But let us make no mistake about the role of government in supporting basic research. It is rooted directly in the character of the activity: basic research is unpredictable, and the benefits it confers take the form of new ideas which no private entity can keep entirely to itself, but which naturally and inevitably "spill over" to the entire society. Accordingly, there is widespread agreement with the proposition that government has a clear responsibility to foster advances in knowledge which are the common property of all. President Carter, his science advisor Frank Press, and others have spoken forcefully of the importance of increasing support for research, and especially basic research, and they have done so at a time of great budgetary stringency. They deserve credit for making this case, and the case they have made deserves the support of all who have a sense of the long-term values at stake.

Beyond the general question of levels of support, I have time today only to mention, almost in passing, five other specific concerns related to the future of scholarship and research—all of them, I think, familiar to you, and all deserving of much more attention that I can give them in this talk.

First, there is the terribly discouraging outlook for young scholars in essentially all fields of knowledge. As is well known various factors—anticipated declines in enrollment, an unfavorable age distribution of faculties, tight budgets, and legislative pressures for later retirement—have combined to diminish drastically opportunities for new people to be appointed and then advanced. One set of projections done for the American Council on Education illustrates the seriousness of the problem. If certain factors are held constant (student-teacher ratios, fractions of age-groups being educated, etc.), and if all faculty members who do not retire before age 65 were to continue teaching until 70, aggregative statistical projections indicate that on a net basis there would be literally no new faculty openings across the country for six consecutive years—from 1983 through 1988. All such projections are, of course, based on assumptions subject to modification, and I am certain that in fact there will be some openings in many institutions, including Princeton. Still, the national outlook has to be seen as bleak—and not of course just for the individuals concerned, but for the quality of teaching and research, dependent as it is on new people, new ideas, and the continuity of research efforts. We cannot afford to lose a generation.

Second, there is the problem of support for the major tools of scholarship and research—which are very expensive. Special mention has to be made of the major research libraries, critical as they are to scholarship in all fields, and of the costs involved in providing proper equipment and instrumentation in laboratories. What is needed in these areas is both more money and some new organizational arrangements that will facilitate the sharing of costly resources.

Third, there is a danger that the combination of severe budgetary limitations, political pressures to spread the available funds broadly, and worries about "relevance" will strengthen the inclination of both writers of proposals and reviewers of proposals to prefer "safe" projects. Yet, it is often true that the most "unpredictable outcomes" are the most significant. The same NSF study referred to earlier documented the importance of broadly-gauged, flexible research projects. In studying the origins and characteristics of the 85 most significant advances in the four scientific fields over the last 20 years, it was found that only 43 percent of the projects which led to these advances had actually contained, in the funding proposal, a direct reference to the significant outcome; 40 percent of the advances were derived from grants for broadly defined research in the general area; and 17 percent were related neither directly nor generally to the justification used in requesting support.

A fourth concern—and I hate even to mention it because I know everyone in Washington is sick to death of hearing about it—is administrative burdens. Having mentioned it, I'm almost sorry already that I did, because it's become a kind of code phrase, used in some cases to say things I don't want to say but do not have time today to disavow. In any event, it is a fact that, whatever the reasons and justifications, time and personnel available to do research have been reduced by substantially increased administrative demands. As always, what is needed is a balanced perspective, some acceptance by the universities of their own responsibilities to be at least reasonably orderly and businesslike in their procedures, some trust on the part of government, and a renewed determination by all concerned not to let contract administration become an end in itself, independent of, if not destructive of, other goals. When bureaucratic detail and regulatory zeal threaten to crowd out creative effort, there are no winners, and the original purpose of the undertaking is defeated.

Fifth—and this is an enormous subject all its own—in our concern for science, technology, productivity, and all the rest, we dare not lose sight of the importance of those other fields of knowledge which give meaning and direction to our lives. Asymmetries in the support of the sciences and humanities need to be reviewed in the most thoughtful way—not with an eye to somehow "equalizing" things, an objective both impossible and undesirable—but with an eye to recognizing the separate needs and critical contributions of each set of subjects.

Scholarship and research, and our concerns for their future, can be thought of in quite practical, utilitarian terms; and in one sense, there is nothing wrong with such a conception since these activities do matter so very importantly to our well-being. But such an orientation is, in my view, dangerously incomplete.

Ultimately, our commitment to the advancement of knowledge must be seen at least as much in terms of values that are more easily felt than entered on any ledger of the usual kind. For me at least, the importance of our commitment to scholarship and research transcends measurable needs. It reflects our pressing irrepressible need as human beings to seek understanding for its own sake. It is tied inextricably to the freedom to think freshly, to see propositions of every kind in ever-changing light. And it celebrates the special exhilaration that comes from a new idea.

My greatest personal debt to Princeton as a teaching institution derives from an experience I had as a beginning graduate student in the fall of 1955. As a student in one of the last classes in the History of Economic Thought taught by Professor Jacob Viner, I was given the privilege of seeing at first hand what constitutes scholarship of a high order, and how the standards and values of scholarship can inform work that otherwise might seem routine or pedestrian—and, for that matter, can affect the whole of a person's life. I hope that those who were unable to witness Professor Viner's scholarship, or who do not know the fruits of it, will nonetheless sense the spirit of what I am trying to say through the following comment of his:

"All that I plead on behalf of scholarship is that, once the taste for it has been aroused, it gives a sense of largeness even to one's small guests, and a sense of fullness even to the small answers to problems large or small which it yields, a sense which can never in any other way be attained, for which no other source of human gratification can, to the addict, be a satisfying substitute, which gains instead of loses in quality and quantity and in pleasure-yielding capacity by being shared with others—and which, unlike golf, improves with age." ●

NOT A CZAR, BUT A WIZARD

● Mr. DOLE. Mr. President, tomorrow night, upward of 50 million children of all ages will turn on a television set, forsake the workaday world of traffic jams and pollution, and journey to a place which the songwriters assure us is "beyond the moon, beyond the stars * * * over the rainbow."

Now naturally we take special pride in the fact that Dorothy Gale begins her voyage to Oz from Kansas. On this fortieth anniversary of "The Wizard of Oz," when there might seem little that has not been said about that fantastic kingdom, might we simply put in a plug for Dorothy herself. In the midst of blatant unreality, of poor administration and rampant deceit by the powers that be, she remains a paragon of commonsense and priarie virtues.

We hope the analogy with Washington, D.C. is apt.

But Oz remains what it has always been: A dream brought to life, a utopia gone awry. It has good and evil, beauty and wickedness. Ultimately, it gives way before the desire of a young farmgirl from Kansas to rediscover what it is about home that gives her a sense of identity and purpose.

Is it too much to compare the last decade to Dorothy's journey? Would it spoil the fun to attach a moral? Might not all of us rediscover the foundation of homely virtues—individual respect for one another, courtesy, a generous heart, a bold courage—that light up Dorothy's Kansas? And, fortified by such knowledge, perhaps we could approach our current problems with the steady hand that even a tornado cannot stay. Perhaps we can not melt down OPEC or the rate of inflation, but we can try.

Of course, we have always been proud of the home we share with Frank Baum's timeless creations. We have always known "there's no place like home." After all, Dorothy may have run away to Oz. But she came back to Kansas.●

CLARENCE K. CHU HING

● Mr. MATSUNAGA. Mr. President, it is with great sadness that I inform my colleagues of the recent death, in Hawaii, of Clarence Kealoha Chu Hing, the president of the Hawaii State Veterans Council.

Mr. Chu Hing, a life member of the Veterans of Foreign Wars of the United States (VFW), was a beloved friend of veterans throughout the United States and had devoted much of his adult life to the welfare of veterans and their families. He was especially interested in the long-term health care needs of veterans in Hawaii, since the island State has no VA hospital or domicilary facility and, at the time of his death, he was actively promoting the establishment of a long-term care facility for veterans at Tripler Army Medical Center in Honolulu.

Clarence Chu Hing was an active member of Kawaihao Church, serving as President of its Board of Trustees, and gave unselfishly and unstintingly of his time to many other civic endeavors. His untimely death is a great loss to the people of Hawaii and the Nation, and I know that veterans throughout America will join me in this expression of heartfelt sympathy to Clarence's bereaved family.●

NO TIME LIMIT ON FAIRNESS

● Mr. HATCH. Mr. President, on March 22, 1972, Congress gave final approval to House Joint Resolution 208, proposing the equal rights amendment to the Constitution. The resolution expressly provided that ratification by three-fourths of the States would have to occur within 7 years to be effective. Today, exactly 7 years from the date of that resolution, the equal rights amendment has not been adopted by three-fourths of the States. Yet, in the minds of some people, the amendment is still open to ratification by the States. How can this be?

Congress purported late last year to extend the ratification period for the equal rights amendment by approximately 3½ years. There can be no "time limit on equality" we were told by proponents of this action.

Let me briefly refresh the memories of my colleagues with respect to the extent of the constitutional violation worked by the ERA extension:

First. For the first time in the history of the Nation, Congress extended the time period within which ratification of a proposed amendment could occur;

Second. In extending the time period for consideration, Congress specified that debate could continue only in those States which had not yet ratified the amendment. No matter how many times such States had rejected the amendment, they were to be allowed 3½ more years of debate. Those States that had already ratified—no matter how hastily— were to be locked in forever to their action. They were prohibited from rescinding their ratifications even during the extension period;

Third. State legislators who had ratified the amendment on the basis of the 7-year time period, or who had relied upon it in making their decisions, were, in effect, told that they were foolish in having relied upon the express terms of a congressional resolution;

Fourth. Congress adopted the extension resolution by a majority vote in each House despite the fact that the original resolution had been adopted by a two-thirds vote. Thus, the Members of the 92d Congress who had voted for the amendment on the basis of the 7-year time period, or who had relied upon it in making their decisions, were deceived in the same way as the State legislators. In approving the extension resolution by a simple majority vote, it was improperly assumed that the same coalition achieved in the 92d Congress for the ERA with a 7-year time limit would have been achieved had there been a longer period of time;

Fifth. Congress approved the extension through the use of a completely novel sort of legislative vehicle. It created a joint resolution which did not require the approval of the President. Extension proponents faced an insurmountable paradox—they wanted to avoid involving the President in the constitutional amendment process, something which he is prevented from doing by the Constitution while utilizing a legislative vehicle that would not require the two-thirds majority required by article V for constitutional amendments;

Sixth. Congress implicitly suggested that constitutional questions of recission, time period extensions, and vote majorities were all "political questions" with respect to which courts had no review authority. Thus, with respect to the provision of the Constitution specifying how that document was to be amended, Congress would be entitled to act in any manner that it wished. Constitutional checks and balances, and separation of powers, under this theory, would be inapplicable to the most fundamental provision of the entire Constitution.

Mr. President, I do not believe that the Constitution has ever been as abused by this body as it was during the ERA extension debate. We have purported to establish constitutional precedents that will live far after the substantive debate over the Equal Rights Amendment is completed. They are precedents which, in the context of other amendments not viewed so favorably by the majority as the ERA, will be recognized as undermining the integrity of the Constitution, and subordinating considerations of fairness to short-term political goals.

I do not believe that the ERA extension action was legal.

It is clear now that there will be extensive litigation over our action. There is no way, unfortunately, that we can now avoid an extended debate over this matter. The certainty of procedure that has traditionally been the hallmark of article V has been eroded, and the Constitution will presently be involved in a imbroglio of a basically political nature. Not only will the constitutional processes of our Government now be tested in what might be an extremely tortuous series of litigation, but, most assuredly, the legitimate cause of equal rights for women will be done no good. The ERA extension debate was not completed last year. It is only now beginning.●

EXTENSION OF ERA RATIFICATION DEADLINE

● Mr. BAYH. Mr. President, on October 6 of last year the Senate voted by a margin of 60 to 36 to extend the time period for the ratification of the equal rights amendment until June 30, 1982. This extension period for ratification begins after today.

During the consideration of the resolution to extend the time period for ratification, the Senate rejected an amendment by Senator Garn which would have permitted a State which has already ratified the ERA to withdraw its ratification during the extension period. One of the reasons advanced by the distinguished Senator from Utah in support of his amendment was that several States in ratifying the ERA had also ratified the language stating the original time limit for the ratification period. No evidence, however, was provided by the General Services Administration, the Justice Department, or any individual legislature, that such State legislatures had passed the amendment contingent upon the 7-year time limitation.

Despite Congress rejection of the contention that some States had relied upon the 7-year limit, there have been several resolutions introduced in various State legislatures to declare the ratification of the equal rights amendment "null and void" once the original deadline had expired. I think that it is extremely important for those legislatures considering such legislation to understand that such resolutions have no binding legal effect.

I submit for the Record legal opinions on the so-called null and void resolutions from the Department of Justice, the office of the attorney general of Kansas, and the Library of Congress.

The material follows:

Department of Justice,
Washington, D.C., February 27, 1979.
Hon. Don Edwards,
Chairman, Subcommittee on Civil and Constitutional Rights, House Committee on the Judiciary, Washington, D.C.

Dear Mr. Chairman: This responds to your letter of February 21, 1979, requesting our views on the constitutionality and validity of bills apparently pending in the legislatures of several States which purport to "withdraw" prior ratifications of the proposed Equal Rights Amendment by those States if that proposed amendment is not ratified by the requisite number of States by March 22, 1979. For reasons set forth more fully in our opinion to the Counsel to the President of October 31, 1977 and in our testimony before your Subcommittee on November 1, 1977, we do not believe that State legislatures may "withdraw" ratifications of the proposed Equal Rights Amendment.

In our October 31 opinion, we concluded—after examination of relevant historical precedent and case law—that States may not rescind a ratification of a proposed amendment. We went on to say that applicable case law rejected the proposition that States, rather than Congress, are to have the final say concerning whether an amendment has been ratified within a "reasonable" time. It follows from these conclusions that a State's attempt to "withdraw" a prior ratification would not have legally binding effect on the 96th or 97th Congresses should either of them have occasion to decide whether the proposed Equal Rights Amendment has become part of the Constitution.* When the 95th Congress adopted H.J. Res. 638, it necessarily decided that a period of slightly more than ten years was "reasonable" for the States to consider ratification of the proposed Equal Rights Amendment. It is our firm view that no State legislature may constitutionally set aside that judgment of the Congress by either "withdrawing" or "rescinding" a prior ratification.

Sincerely.

John M. Harmon,
Assistant Attorney General, Office of Legal Counsel.

September, 14, 1978.
Hon. Birch Bayh
Chairman, Subcommittee on the Constitution of the Senate Committee on the Judiciary, Washington, D.C.

Dear Mr. Chairman: This responds to your request for our views regarding whether this Congress or a future Congress, should the occasion arise, might take into account purported rescissions by States of their ratifications of the proposed Equal Rights Amendment. For reasons stated hereafter, we think that nothing in Article 7 of the Constitution would preclude Congress from considering purported rescissions in making its ultimate determination whether that proposed amendment had been ratified in a timely fashion so as fairly to represent the contemportaneous consensus of three-fourths of the States.

Because this precise question has never arisen, there are no court decisions directly on point. Two cases decided by the Supreme Court, however, offer some guidance. In *Dillon* v. *Gloss*, 256 U.S. 368, 375 (1921), the Supreme Court stated that

> an alteration of the Constitution proposed today has relation to the sentiment and the felt needs of today, and . . . if not ratified early while that sentiment may fairly be supposed to exist, it ought to be regarded as waived, and not again to be voted upon, unless a second time proposed by Congress.

Reasoning from this language, the Court unanimously held that Congress had the power to establish a time period for ratification and indicated *in dictum** that a period of seven years for ratification would generally be constitutionally acceptable.

In *Coleman* v. *Miller*, 307 U.S. 433, 453–54 (1939), the Court, appearing to depart from the more mechanical approach of *Dillon*, identified the substantive considerations upon which the reasonableness of a time period might be based:

> the question of a reasonable time in many cases would involve . . . an appraisal of a great variety of relevant conditions, political, social and economic . . . [And it] can be decided by the Congress with full knowledge and appreciation ascribed to the national legislature of the political, social and economic conditions which have prevailed during the period since the submission of the amendment.

We think that part of the "full knowledge" ascribed to Congress by this language in *Coleman* could include the fact of purported rescissions by one or more States and that this fact could therefore be taken into consideration by Congress in its final determination of the timeliness question. We would emphasize, however, our view that purported rescissions may not, consistently with Article V, be viewed as having legally binding effect nor could the 95th Congress bind future Congresses on this point in connection with the present effort to extend the time period for ratification of the proposed ERA.

Sincerely,

John M. Harmon,
Assistant Attorney General, Office of Legal Counsel.

State of Kansas,
Office of the Attorney General,
Topeka, February 13, 1979.

[Attorney General Opinion No. 79–19]

Hon. Keith Farrar,
Kansas House of Representatives,
Topeka, Kans.

Hon. Lee Hamm,
Kansas House of Representatives,
Topeka, Kans.

Re U.S. Constitution—Amendments—Contingent Ratification

Synopsis: The provisions of 1972 House Concurrent Resolution No. 1155 (L. 1972, ch. 388), by which the Kansas Legislature ratified the proposed Equal Rights Amendment to the U.S. Constitution do not manifest a legislative intent that such ratification be contingent upon ratification of the proposed amendment by the required three-fourths majority of the states by the original deadline therefor established by Congress. Irrespective of any such legislative intent, the validity of a state's contingent ratification of an amendment to the U.S. Constitution can be determined only by Congress.

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* Our letter to Chairman Bayh of the Subcommittee on the Constitution of the Senate Committee on the Judiciary of September 14, 1978 discusses this issue as well as other related issues. A copy of that letter is attached.

* After stating that the reasonableness of the seven-year period involved there had not been challenged, the *Dillion* court went went on to say, 256 U.S., at 376, "nor could [the reasonableness of the seven-year period] well be questioned considering the periods within which prior amendments were ratified."

Dear Representatives Farrar and Hamm: You inquire whether the State of Kansas is bound by its ratification of the proposed Equal Rights Amendment to the U.S. Constitution, if thirty-eight states have not ratified the proposed amendment by March 22, 1979. In your letter of January 16, 1979, you stated your belief that the 1972 Legislature clearly intended that its ratification of the amendment be contingent upon the ratification thereof by the constitutionally required three-fourths majority of states within the original deadline set by Congress. In essence, your inquiry is whether the Kansas ratification is rescinded automatically if the amendment is not thusly approved by March 22, 1979. It should be noted that Congress subsequently extended the ratification deadline an additional 39 months, such that the proposed amendment becomes part of the U.S. Constitution only if ratified by the required number of states within the extended time. See 124 *Cong. Rec.* H. 8665, Aug. 15, 1978; 124 *Cong. Rec.* S. 17318, Oct. 6, 1978. Even though we presume that this congressional action may have prompted your request, it is not, in our view, pertinent to answering your inquiry.

The 1972 Kansas Legislature ratified the proposed Equal Rights Amendment by adopting House Concurrent Resolution No. 1155 (L. 1972, ch. 388). The principal resolving clause of this resolution states as follows:

"Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein: That the foregoing and above recited amendment to the constitution of the United States be, and the same is, hereby ratified by said legislature of the state of Kansas as a part of, and amendment to, the constitution of the United States."

In our judgment, the foregoing resolution expresses a clear legislative intent to ratify unequivocally the proposed Equal Rights Amendment, as set forth in the preamble to 1972 House Concurrent Resolution No. 1155 It does not contain any reservation or contingency to such ratification. Further, we find nothing in the preamble to this resolution that would imply contrary legislative intent.

The first portion of the preamble, in reciting the congressional resolution whereby the proposed amendment was submitted to the states, provides in pertinent part:

"[T]he following article is hereby proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution only if ratified by the legislatures of three-fourths of the several states within seven years from the date of its submission by the Congress. . . ."

The remaining paragraph of the preamble recites almost identical language, as follow:

"Whereas, Said article will become valid as a part of the United States Constitution only if ratified by the legislatures of three-fourths of the several states within seven years from the date of its submission by the congress. . . ."

We do not find in these quoted excerpts from the preamble an express manifestation of legislative intent that the Kansas ratification be contingent upon the approval by said three-fourths majority by March 22, 1979, the end of the seven-year period. It appears that the latter excerpt is merely a restatement of similar language in the congressional resolution, and is not, as you imply, a condition or contingency upon which the Kansas ratification depends. In our judgment, the preamble to 1972 House Concurrent Resolution No. 1155 does nothing more than recite the facts giving rise to the resolution, *i.e.*, the adoption of a congressional resolution containing the proposed amendment and submitting the proposition to the states.

Generally, a preamble to a statute is merely "explanatory of the reasons for its enactment and the objects sought to be accomplished" (footnote omitted) 73 Am. Jur. 2d *Statutes* § 92. As to the import of a preamble in statutory construction, the Kansas Supreme Court, in *State, ex rel.*, v. *Consumers Cooperative Association*, 163 Kan. 324, 345 (1947), quoted with approval the general rule then stated in 50 Am. Jur. 297, § 309 (now essentially restated in 73 Am. Jur. 2d *Statutes* § 92):

" 'The preamble is especially helpful when the ambiguity is not simply that arising from the meaning of particular words, but such as may arise in respect to the general scope and meaning of a statute. The preamble is not, however, conclusive. Where the language of a statute is plain and unambiguous, the courts may not resort to the preamble of the act. It has also been held that the necessity of resorting to the preamble in order to ascertain the true intent and meaning of the legislature is fatal to any claim which by ordinary rules of interpretation can be sustained only by clear and unambiguous language. The preamble is not an essential part of the act, and cannot confer or enlarge powers.

Express provisions in the body of the act cannot be controlled or restrained by the preamble. Hence, it has been stated by some courts as the general rule that if there is a broader proposition expressed in the act than is suggested in the preamble, the body or enacting part of the law will prevail over the preamble.' "

Even though the foregoing technically applies to preamble included as prefatory to a statute, the rules applicable there have relevance to the concurrent resolution adopted by the 1972 Legislature to ratify the Equal Rights Amendment. Accordingly, since the language of the resolution itself is plain and unambiguous, resort to the preamble to ascertain legislative intent is inappropriate. Nonetheless, we find nothing in the preamble that would impart a contingency to the ratification accomplished by the principal resolving clause of the concurrent resolution.

It is our conclusion, then, that 1972 House Concurrent Resolution 1155 itself does not convey any legislative intent to ratify contingently the Equal Rights Amendment. Further, we find nothing in the legislative history of this resolution that would impart such an intent. See *1972 Journal of the Kansas House of Representatives*, pp. 875, 876; *1972 Journal of the Kansas Senate*, p. 550.

However, assuming *arguendo* that the contingency you suggest is implicit in the Kansas resolution, it should be noted that the validity of a conditional ratification may be decided only by the United States Congress, if and when the required majority of states ratify the proposed amendment. Rescission of the Kansas ratification of the Equal Rights Amendment has been the subject of numerous opinions written by the Attorney General in the years since the amendment was approved. Although the precise question of whether a state may contingently ratify and subsequently rescind a proposed constitutional amendment due to failure of the contingency has not been considered previously by this office, it entails the general question: does a state have constitutional power to ratify, and later rescind its ratification of, a constitutional amendment?

This question has been answered by the 1939 U.S. Supreme Court decision in *Coleman v. Miller*, 307 U.S. 433, 83 L. Ed. 1385, 59 S. Ct. 972. Here, in holding that Congress must decide whether the Kansas Legislature could effectively ratify a proposed amendment which a previous legislature had rejected, the Court stated the controlling rule:

"[T]he question of the efficacy of ratifications, in the light of previous rejection *or attempted withdrawal*, should be regarded as a political question pertaining to the political departments, with the ultimate authority in the Congress in the exercise of its control over the promulgation of the adoption of the amendment." *Id.* at 450, 83 L. Ed. at 1394, 59 S. Ct. at 980. (Emphasis added.)

The Court decided *Coleman* in light of the "historic precedent" of the adoption of the Fourteenth Amendment of the U.S. Constitution in 1868. The Legislatures of Ohio and New Jersey had both rescinded earlier resolutions ratifying the proposed amendment. Despite those rescissions (and ratifications following earlier rejections by some of the southern states), Congress declared the amendment ratified and part of the U.S. Constitution, reciting that three-fourths of the States had ratified, naming Ohio and New Jersey as among that number. The Court noted: "This decision by the political departments of the Government as to the validity of the adoption of the Fourteenth Amendment has been accepted." *Id.* at 449, 450, 83 L. Ed. at 1394, 59 S. Ct. at 980.

In summary, the U.S. Supreme Court, with deference to the separate and co-equal powers of Congress, concluded in *Coleman* that Article V of the U.S. Constitution vests in Congress plenary control over the constitutional amendment process, that questions as to the effectiveness of rescissions or withdrawal of earlier ratifications may only be decided by the Congress and that neither courts nor state legislatures may interfere with that determination.

None of the foregoing is to suggest that the Kansas Legislature may not withdraw or rescind its ratification of the proposed Equal Rights Amendment. If Kansas, or any other state which has previously ratified the amendment, chooses to rescind, Congress must then decide, as it did in 1868, whether or not such rescissions are effective. Whether the Congress will abandon or follow its "historic precedent" also is a question which only the Congress may decide.

However, as discussed above, the Kansas Legislature, in our judgment, has not contingently ratified the proposed amendment whereby its ratification is no longer binding if thirty-eight states fail to ratify the amendment by March 22, 1979.

Very truly yours,

Robert T. Stephan,
Attorney General of Kansas.
W. Robert Alderson,
First Deputy Attorney General.

AN ANALYSIS OF THE CONSTITUTIONALITY AND LEGAL VALIDITY OF LEGISLATION PENDING IN SOME STATE LEGISLATURES WHICH DECLARES THEIR PRIOR RATIFICATIONS OF THE PROPOSED EQUAL RIGHTS AMENDMENT (ERA) "NULL AND VOID"

Pursuant to your request we have examined the legislation currently pending in certain state legislatures, and which has actually been passed in South Dakota, and in the analysis that follows we have attempted to assess the constitutional and legal validity of such bills and/or resolutions. These bills or resolutions declare the States' prior ratifications of the proposed Equal Rights Amendment (ERA) "null and void" after the original, unextended deadline of March 22, 1979 passes.

These "null and void" resolutions can be viewed in either one of the following two ways:

(1) merely as rescissions, i.e., *withdrawals* of the state legislatures' prior ratifications of the proposed amendment or

(2) as challenges to H.J. Res. 638, the 95th Congress' extension of the original deadline for thirty-nine additional months beyond March 22, 1979.

Our research has led us to conclude that when interpreted in either manner such legislation which passed in South Dakota and which is pending in other state legislatures is subject to the discretion of Congress under the political question doctrine and that Congress well could determine that such legislation is ineffective in accomplishing its purported goals. If interpreted as a rescission, the validity of such a measure is really an "open question" because, as will be shown below, the question is a political one for the Congress, sitting at the time the thirty-eighth state legislature has ratified, to make the ultimate determination. At this stage, it would be premature to say how that Congress will resolve the issue. We can only conjecture based upon available case law and past legislative precedents.

When looked upon as a challenge to the H.J. Res. 638 extension measure, the problem becomes somewhat more complex. It involves the overall general matter of whether the state legislatures did in fact condition their ratifications upon the presence of the original seven year time limit contained in the underlying resolution of the proposed amendment. In terms of making the challenge by actually suing in court, other relevant questions include those relating to whether the parties have (1) a "justiciable" claim (2) a claim which is "ripe" for judicial resolution and (3) "standing" to bring the case into a court of law. Our research has led to the conclusion that Congress could reasonably make the determination that the state legislatures did *not* make their ratifications contingent upon the March 22, 1979 deadline, and even assuming they did, it would be practically impossible to present sufficient evidentiary proof to establish that such was the case. With respect to the questions of "justiciability," "ripeness," and "standing" standards for bringing a challenge in Federal court, the situation at this time is of such a nature that it is unlikely that a Federal court would find the challenge to the legality of the extension ripe for judicial review; not to also say that the issue is, on the precedents, one which comes within the purview of the "political question" doctrine and would therefore be beyond the review of the courts. The analysis which follows will discuss in detail first, the matter of rescission and second, the question of challenging the legal validity of H.J. Res. 638.

The term "rescission" is used here to mean the act of revoking or repealing a prior action of a state legislature ratifying a proposed constitutional amendment. The pendency of the ERA before the States has revived a longstanding controversy—whether a State, once having voted to ratify, may withdraw—i.e., "rescind"—its ratification. In our March 5, 1977 report on the efficacy of a rescission of a ratification, we stated that this issue seems to be regarded by the Supreme Court as raising a political question, and, therefore, a matter for Congress to decide. *Coleman* v. *Miller*, 307 U.S. 433 (1939).

The only time that Congress has dealt with the issue was in the instance of the Fourteenth Amendment. (See pp. 6–8 of Killian, "The Efficacy of State Rescission of Ratification of a Federal Constitutional Amendment," March 15, 1977, for a detailed discussion of how Congress dealt with the rescission issue in the instance of the Fourteenth Amendment.) In that case, the Congress adopted a concurrent resolution listing twenty-nine States—including two States (Ohio and New Jersey) which had ratified but subsequently rescinded—as having ratified. Accordingly, "being three-fourths and more of the several States of the Union," Congress concluded that the ratification process was completed. 15 Stat. 709. The resolution, which did not expressly state the basis of the congressional action, counted as ratifying States two States which had attempted to rescind their prior ratifications.

The issue of rescission would not appear to be foreclosed by this one precedent since the actions of one Congress do not bind subsequent Congresses. It may be regarded as persuasive precedent by the current Congress and subsequent Congresses, but it is not binding upon them. Unlike courts, Congress does not operate under the principle of *stare decisis*. Therefore, the question of whether a rescission by a State is valid is an open one.

Congress has not stated a general position with respect to the rescission issue or as regards ERA. The problem apparently was not discussed by the 92d Congress when it approved the proposed Equal Rights Amendment. During the debate in the 95th Congress on the question of extending the March, 1979 deadline, H.J. Res. 638, measures relative to defining Congress' position on rescission were introduced but all were defeated. [See *Congressional Record*, Vol. 124 (1978): August 15, considered and passed the House; September 28, October 3, 4, 6, considered and passed the Senate.] It will be a matter for the 97th Congress, after June, 1982 (the extended deadline), to resolve if three more States ratify.

Decisional authority indicates that Congress could adopt a general rule with respect to rescission. For example, Congress could amend 1 U.S.C. 106(b) to provide for the purposes of determining the thirty-eight States needed to make the three-fourths required for ratification, the Administrator of the General Services Administration shall accept (or, alternatively, disregard) as valid any attempted rescissions of prior ratifications. Congress has never done this to date. Of course, such a statutory requirement could be amended at anytime.

In the final analysis, the rescission question is an open one. It does not need to be faced until the thirty-eighth State, counting those rescinding States, has ratified. If the "null and void" resolutions pending in certain state legislatures and passed by South Dakota are viewed as rescissions, nothing constitutionally would prevent the 96th Congress from stating its own position on rescission; however, it would be acting prematurely because to date thirty-eight States have *not* ratified, and a decision with respect to rescission at this time would not be binding upon future Congresses. Of course, a future Congress may decide to abide by the action taken by a prior Congress. In light of *Coleman* v. *Miller* and other cases, the decision of the proper course to be followed when the issue of rescission is raised appears to rest exclusively with the Congress.

If the "null and void" bills are viewed as a challenge to the validity of the 95th Congress' extension of the deadline for the proposed ERA, H.J. Res. 638, it is necessary to first examine the basis for that extension.

When the 95th Congress considered the extension issue, there were actually two factors involved: (1) whether Congress had the authority to extend the ratification deadline of the proposed ERA and (2) if there was such authority, what procedure could Congress use to express that extension of time. We shall briefly summarize the basis of the congressional determination of its answers for the two questions. (For a more detailed explanation, see Lewis, "Analysis Regarding the Issue of Extending the Ratification Deadline of the Proposed Equal Rights Amendment," August 19, 1977.)

The question of whether Congress may extend the deadline for ratification of a proposed amendment is not adressed by the Constitution itself. Article V simply provides that Congress, by a two-thirds vote of each House, may propose amendments to the States; an amendment becomes a part of the Constitution when ratified by three-fourths of the States. There is no mention of either deadline or extension.

Congress itself first imposed a deadline when it submitted the Eighteenth (Prohibition) Amendment to the States and provided in the language of the Amendment that it would not become valid unless ratified by the required number of States within seven years. The Supreme Court upheld this requirement holding that the matter of setting time limits for ratification was a "detail" clearly within the power of Congress, and that seven years was a reasonable time. *Dillon* v. *Gloss*, 256 U.S. 368 (1921).

Moreover, the Supreme Court has also held that other questions concerning the ratification process have been committed by the Constitution to the Congress rather than the courts for resolution. As we have indicated earlier, the Supreme Court has declined to involve itself in the resolution of such questions as the length or lapse of time that could cause a pending amendment to lose its vitality or the authority of a State to rescind its ratification of a proposed amendment. *Coleman* v. *Miller, supra*. As we have emphasized above, these are political questions, and the discretion of Congress to decide them is final and unreviewable by the courts.

The seven year time limit for ratification of the ERA, unlike the Eighteenth Amendment, was not included in the text of the ERA itself. It was simply part of the underlying resolution passed by Congress when it proposed the Amendment. The time limit is not a substantive part of the proposed amendment as submitted to the State and did not require ratification.

The seven year ratification deadline was established by Congress in the first place and was included in the accompanying resolution rather than in the text of the ERA itself. The Supreme Court has affirmed the authority of Congress to determine the details of the ratification process, to set reasonable time limits, to judge the validity of a purported rescission, and to determine if an amendment has lapsed. While the Supreme Court has not ruled on the question of extension of the ratification period, the Dillon and Coleman decisions, read together, lead to the conclusion that this is a political question committed to Congress rather than the courts.

Based upon the foregoing reasoning, the 96th Congress approved H.J. Res. 638. It did so by a simple majority vote, believing that that was all that was necessary given the following three points (1) the two-thirds requirement, like any supermajority requirement, is rare and whenever the Constitution requires it, that requirement is clearly spelled out; (2) the alteration of the time deadline contained in the underlying resolution proposing the amendment and not in the text of the amendment involves a procedural change and not a substantive one relative to the amendment itself; and (3) past congressional practice, e.g. in the case of the adoption of the Fourteenth Amendment by the 39th Congress, a simple majority was all that was used to pass the concurrent resolution listing rescinding States as having ratified the Amendment.

Therefore, while there was virtually no case law on the question, in Congress view, both logical principles, derived from a reading of Article V and the Constitution itself in terms of what is and is not spelled out, and historical precedent led to the conclusion that only a simple majority of each House was required to extend a time period not built into the text of a proposed amendment as is the case of the proposed ERA. Congress could have, by internal rule, required a larger majority, but that internal rule did not appear to be required by the Constitution.

Challenges to the legal validity of the extension measure, H.J. Res. 638, are directed for the most part at the above two issues:

(1) that Congress did not have the authority to extend the deadline in the first instance and (2) even assuming it did have the power, to do so by a simple majority vote violated the Constitution because when dealing with a constitutional amendment the vote requirement should be two-thirds.

The recent phenomenon of "null and void" bills from some States can be viewed as an expression of opposition to the constitutional and legal validity of H.J. Res. 638. One contention made by those supporting such a challenge is that the state legislatures that ratified the proposed ERA did so contingent upon the seven year time limitation. The argument made is that these state legislatures ratified contingent upon the ratification thereof by the constitutionally required three-fourths majority of the States within the original deadline set by the 92d Congress in 1972. This theory is reminiscent of the one raised by Professor Jules B. Gerard, Washington University Law School, St. Louis, Missouri, when H.J. Res. 638 was pending before the 95th Congress. In his June 14, 1978 letter to the House Judiciary Committee, Professor Gerard set out a case for the reliance of States upon the seven year time limit in the underlying resolution proposing the ERA. In a subsequent letter and also in testimony before the Senate Judiciary Subcommittee on the Constitution, he claimed that he was not arguing reliance but rather in the contractual sense that the seven year period was a term mutually consented to by the States and the Congress, and he pointed out that a number of the States in fact included the time in their ratifying resolutions. Regardless of whether one speaks in terms of reliance or mutual consent to an agreed upon term, Congress may not find the thesis persuasive. [For a more detailed analysis of the Gerard theory, see our earlier memorandum, "State Ratifications of the Proposed Equal Rights Amendment (ERA)," June 28, 1978.]

From our research concerning 1 U.S.C. 106(b) and the procedures that in the past have been followed and accepted by the Administrator of G.S.A., we found that the only thing required of the States that they ratify the *text* of the proposed constitutional amendment. We define the *text* as the substantive sections of the amendment because there are what in fact become part of the United States Constitution when duly ratified by three-fourths of the States. If a State chooses to include the time period in its ratifying resolution and certification, the action of adding dispensable language would *not* make the ratification defective.

Professor Gerard made the presumption that those States which did mention the seven year time limit did so deliberately. His theory can only be adequately supported by examining the debates which were conducted in the state legislatures at the time they approved the proposed ERA and to ascertain from these the actual intent of the States which decided to incorporate the time limit in their ratifying documents. This form of research is practically impossible because with the exception of a few States, no records of debates are kept by the legislatures. Furthermore, our research has revealed that many of the early States that ratified did so very quickly with little opposition and there was hardly any debate over the question.

Professor Gerard also asserted that many of the States explicitly stated in their ratification documents that their ratifications were *conditioned* upon the time limit. Our examination of the ratifications by those States does not point to that conclusion. There is a significant case law holding that a State cannot condition its ratification of a proposed constitutional amendment. *Leser* v. *Garnett*, 258 U.S. 130, 137 (1922); *Hawke* v. *Smith*, 253 U.S. 221 (1920).

In our June 28th memorandum discussing the Gerard arguments, we concluded that from the available case law, States may not impose conditions or reservations on their ratification of an amendment, since their sole function under the Constitution is simply to approve or disapprove the language proposed by Congress. We also pointed out that, unless the time limit is embodied in the actual language of the proposed amendment, the inclusion of language from the underlying resolution does not serve to condition or limit an otherwise unconditional ratification. Recently there have been two State Attorney General Opinions which have essentially rejected Professor Gerard's contentions.

In response to an inquiry whether Vermont's ratification of the ERA extended beyond the seven year time period specified by Congress for ratification, the State Office of the Attorney General, after some analysis, stated,

> Vermont ratified the Equal Rights Amendment on March 1, 1973. The seven year ratification period was contained in the proposing clause of the Amendment, not in the text. Since Vermont had no authority to ratify anything but the text of the E.R.A., it is therefore our opinion that Vermont's ratification of the Equal Rights Amendment remains valid after the expiration of the seven year period or until June 30, 1982, unless Congress determines to extend it further.

Letter of January 5, 1979, Re: Opinion No. 50-79, Op. Att'y Gen., at 3.

The Kansas Office of the Attorney General also issued an opinion basically reaching a similar conclusion. Op. Att'y Gen. No. 79-19, February 13, 1979. This Opinion examined the language of the Kansas Legislature's ratification resolution and stated,

> In our judgment, the . . . . resolution expresses a clear legislative intent to ratify unequivocally the proposed Equal Rights Amendment . . . It does not contain any reservation or contingency to such ratification. Further, we find nothing in the preamble to this resolution that would imply contrary legislative intent.

Op. Att'y Gen. No. 79-19, *supra* at 2.

The Kansas State Attorney General's Opinion went on to emphasize that the preamble to its legislature's ratifying resolution did "nothing more than recite the facts giving rise to the resolution, i.e., the adoption of a congressional resolution containing the proposed amendment and submitting the proposition to the states." *Id.*

Not only did the Office of the Kansas State Attorney General not find in the Kansas resolution any evidence that the Kansas legislature intended to ratify the ERA contingently, it also found after examining the relevant documents embodying the legislative history, that there was nothing in the legislative history of the resolution that revealed such an intent. *Id.* at 4.

In your request in addition to asking us to examine the constitutional and legal validity of the "null and void" bills pending in some state legislatures and passed by South Dakota, you inquired as to the likelihood of actual court challenges after March 22, 1979 with respect to the extension measure. Some States which pass these "null and void" resolutions may want to actually litigate the issue, e.g., by going to court seeking a declaratory judgment to nullify the extension. Another possibility is that the States which have not ratified may seek a writ of prohibition from a court directing the Administrator of the General Services Administration *not* to accept any more ratifications after the original March 22, 1979 deadline.[1] States that have not ratified could try to sue requesting elimination of all the past ratifications with a declaratory judgment stating that the amendment process is over. States opposing H.J. Res. 638, the extension measure, contend that it is unconstitutional because Congress lacked the power to enact it and notwithstanding its constitutionality, their ratifications have expired and are "null and void." These States would be suing to seek a declaratory judgment holding to that effect.

In order for any of the above legal challenges to H.J. Res. 638 to be heard in a court of law, the claim must be "justiciable," be "ripe" for judicial resolution, and the parties suing must have "standing" to bring the case in the first place.

The courts will only decide questions of law which present a "case or controversy." If the questions presented meet this requirement, they are regarded as being "justiciable." The Federal courts do not sit to render advisory opinions. In an effort to explain what a "case or controversy" is, Chief Justice Hughes once wrote:

> "A 'controversy' in this sense must be one that is appropriate for judicial determination. A justiciable controversy is thus distinguished from a difference or dispute of a hypothetical character; from one that is academic or moot. The controversy must be definite and concrete, touching the legal relations of parties having adverse legal interests. It must be a real and substantial controversy admitting of specific relief through a decree of a conclusive character, as distinguished from an opinion advising what the law would be upon a hypothetical state of facts." (*Aetna Life Ins. Co.* v. *Haworth*), 300 U.S. 229, 240-241 (1937).)

While there is a great deal of vagueness in Chief Justice Hughes' definition and in the labels he used, it can be discerned that the term "case or controversy" at the very least implies the existence of *adverse* parties whose contentions are submitted to the court for adjudication.

Not only must there be a "case or controversy" present, the suit must be "ripe" for judicial review and resolution. The complaining parties must either be immediately harmed by the law being challenged or at the very least threatened with the harm of the enforcement of the statute. *Poe* v. *Ullman* 367 U.S. 497 (1961). The controversy must have "ripened" to the point where it should be decided by a court.

Another requirement that the parties seeking to challenge H.J. Res. 638 must possess is "standing" to sue. "The fundamental aspect of standing is that it focuses on the party seeking to get his complaint before a federal court and not on the issues he wishes to have adjudicated." *Flast* v. *Cohen*, 392 U.S. 83, 99 (1968). The "gist of the question of standing" is whether the party seeking relief has "alleged such a personal stake in the outcome of the controversy as to assure that concrete adverseness which sharpens the presentation of issues upon which the court so largely depends for illumination of difficult constitutional questions." *Baker* v. *Carr*, 369 U.S. 186, 204 (1962). Standing as a doctrine is composed of both constitutional and prudential restraints on the power of the Federal courts to render decisions. In sum, standing generally requires that the plaintiff have a "stake" in the outcome of the controversy; that there be injury in fact; and that a successful court determination will bring relief to the plaintiff. *Warth* v. *Seldin*, 422 U.S. 490, 498–499, 501 (1975); *Baker* v. *Carr, supra; Simon* v. *Eastern Kentucky Welfare Rights Organization*, 426 U.S. 26, 38 (1976).

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[1] Both the writs of prohibition and mandamus are discretionary writs which only apply to ministerial acts.

A *writ of prohibition* is directed at a public official ordering him or her to refrain from performing a certain act.

A *writ of mandamus* is directed at a public official ordering him or her to perform the official duties that he or she is supposed to be carrying out. Mandamus cannot be used to order an official to perform a task that is not officially within the realm of the duties he or she is authorized to perform as defined by statute and/or the office itself.

Applying the above standards to potential lawsuits challenging the constitutionality of H.J. Res. 638 will probably result in Federal courts finding the litigation premature and not ready for judicial resolution. The effect of the extension measure will not occur until the new deadline, June 30, 1982, when at that time if thirty-eight States have not ratified the proposed ERA, the Congress will have to reassess the political, social and economic situation and determine whether another extension is warranted. A legal challenge now would be premature. There does not appear to be a "case or controversy" ripe for review. In the situation with the actual adoption of the amendment, it occurs when the thirty-eighth State has ratified and not before that occurrence. Legal challenges to adoption of the Equal Rights Amendment could not occur until after the amendment is part of the Constitution and actually goes into effect. After that in a suit by a party claiming his or her rights have been violated under the ERA, the defendant could conceivably allege that there could be no denial of rights because the amendment was improperly ratified. This allegation by the defendant could be directed at (1) the number of States that ratified and/or (2) the extension. At that point, but not before, both issues would probably present a justifiable case ripe for adjudication.

However, a court may at the very outset, even before June 30, 1982, determine that the challenge to the constitutionality of H.J. Res. 638 is a "political question" and not a matter for judicial review. In an earlier analysis, we pointed out that whether Congress may extend the time period for ratification of the proposed ERA and whether a State may rescind a prior ratification of a constitutional amendment were issues that raised political questions which must be resolved by Congress. Lewis, "Appraisal of the Relationship Between Extension and Rescission With Respect to the Equal Rights Amendment (ERA)," October 31, 1977. Congress' power to determine each of these matters is based upon the continuing validity and applicability of the political question doctrine. (See *Baker* v. *Carr, supra; Powell* v. *McCormack*, 395 U.S. 486 (1969); *Gilligan* v. *Morgan*, 413 U.S. 1 (1973). These cases indicate that the resolution of certain questions, described as being political questions, is committed by the Constitution to the other branches of the national government. Congress decided to extend the deadline for ratification of the proposed ERA when it passed H.J. Res. 638, and it may well be that a court will follow the precedent in *Coleman* v. *Miller, supra*, and deem the matter as one involving a "political question" and Congress' determination being beyond the review of the judicial branch.

Even if a court does not regard the extension question as being political in nature and non-justiciable, a challenge at this time would probably not only fail to get into court because of the absence of a "case or controversy" and the lack of "ripeness" but also because the parties do not have standing. The parties making the challenge will have to prove to the court that they are the proper plaintiffs because they (1) have a "stake" in the outcome; (2) have suffered injury from the extension; and (3) will benefit directly from the court's judicial resolution of the case. Assuming that state legislators are going to bring the suits challenging the constitutionality of H.J. Res. 638, they would have to prove that they meet every one of the foregoing three standards and therefore have standing to sue.

These requirements have been interpreted very strictly by the Supreme Court and are difficult to meet. However, such potential plaintiffs might pursue their actions in state courts where the standing requirements have generally not been construed as narrowly.

In summary, our research leads us to conclude that an assessment of the constitutional and legal validity of the recent "null and void" resolutions pending in some state legislatures and passed by South Dakota entails examining them from two perspectives: (1) as rescissions of prior ratifications or (2) as challenges to H.J. Res. 638 which extended the deadline for the ERA. Viewed as rescissions, their validity is an open question to be resolved by the Congress sitting at the time that the thirty-eighth State has submitted its ratification. When interpreted as a challenge to the H.J. Res. 638 extension measure, their validity is in doubt if they rest on the proposition that their prior ratifications were passed contingent upon that original seven year limitation. As we explained, it is practically impossible to prove that the state legislatures conditioned their ratifications on that ground. Moreover, it would appear that if the members of the state legislatures decided to pursue the legal challenge to the extension by initiating a lawsuit in Federal court their action would be premature. There does not appear to be a case or controversy ripe for review at this time. Furthermore, such litigants are going to have to meet the stringent standing requirements for maintaining an action in the Federal courts. There is also the possibility that a court will not even review the extension issue because based on current precedent it could conclude that the matter is a "political question" beyond judicial review.

Karen J. Lewis,

Legislative Attorney, American Law Division.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If there be no further morning business, morning business is closed.

EXTENSION OF THE PUBLIC DEBT LIMIT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of H.R. 2534, which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 2534) to provide for a temporary increase in the public debt limit, and for other purposes.

The Senate resumed consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, what is the pending question before the Senate?

The PRESIDING OFFICER. The pending amendment, amendment No. 111, by the Senator from Colorado (Mr. Armstrong) and the Senator from Kansas (Mr. Dole).

Mr. ROBERT C. BYRD. I thank the Chair.

And I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. I thank the Chair.

REMOVAL OF INJUNCTION OF SECRECY—EXECUTIVE M, N, AND O, 96TH CONGRESS, 1ST SESSION

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Treaty of Extradition with the United Mexican States (Executive M, 96th Congress, first session); and two related protocols to the Convention on International Civil Aviation (Executives N and O, 96th Congress, first session), transmitted to the Senate today by the President of the United States.

I ask that the treaties be considered as having been read the first time, that they be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty of Extradition Between the United States of America and the United Mexican States, signed at Mexico City on May 4, 1978.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty is one of a series of modern extradition treaties being negotiated by the United States. It expands the list of extraditable offenses to include narcotics offenses, aircraft hijacking, bribery, and obstruction of justice, as well as many other offenses not now covered by our existing Extradition Treaty with Mexico. Upon entry into force, it will terminate and supersede the existing Extradition Treaty and Additional Conventions between the United States and Mexico.

This Treaty will make a significant contribution to international cooperation in law enforcement. I recommend that the Senate give early and favorable considerations to the Treaty and give its advice and consent to ratification.

Jimmy Carter.

The White House, *March 22, 1979.*

To the Senate of the United States:

I transmit herewith, for advice and consent of the Senate to ratification and acceptance, respectively, the following two related Protocols:

The Protocol Relating to an Amendment to the Convention on International Civil Aviation (Chicago, 1944), done at Montreal September 30, 1977.

The Protocol on the Authentic Quadrilingual Text of the Convention on International Civil Aviation (Chicago, 1944), with annex, done at Montreal September 30, 1977.

I also transmit, for the information of the Senate, the Report of the Department of State with regard to these Protocols.

The 1944 Chicago Convention establishes the International Civil Aviation Organization (ICAO) and a framework for the safe and reasonable conduct of international civil aviation. The 1977 Protocols are designed to permit the establishment of an authentic Russian language text of the Chicago Convention on an equal footing with the English, French and Spanish texts, which are currently the only existing authentic texts. The U.S.S.R. has been a Party to the Chicago Convention since November 14, 1970, and Russian has been an official working language at ICAO since early 1972.

Additionally, several other Eastern European States use Russian in ICAO. While these Protocols impose no new substantive obligations on the United States, they would appear to be quite important in facilitating the complete integration of the Russian language speaking States, or States which use Russian for aviation purposes, into the international civil aviation community. I therefore recommend that the Senate give early and favorable consideration to these Protocols and advice and consent to their respective ratification and acceptance.

JIMMY CARTER.

THE WHITE HOUSE, *March 22, 1979*.

RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2 p.m. today.

There being no objection, the Senate at 12:45 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PRYOR).

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 2 p.m. recessed for 30 minutes; whereupon, at 2:30 p.m., the Senate reassembled when called to order by the Presiding Officer (Mr. PRYOR).

SPECIAL ORDERS FOR MONDAY, MARCH 26, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees have been recognized under the standing order, Messrs. DOLE, DANFORTH, and DOMENICI be recognized, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DISCHARGING COMMITTEE ON RULES AND ADMINISTRATION FROM FURTHER CONSIDERATION OF SENATE CONCURRENT RESOLUTION 8

Mr. McGOVERN. Mr. President, this request has been cleared with both the majority leader, the minority leader, as well as with the chairman of the Rules Committee and the ranking minority member on that committee.

Under those circumstances, I ask unanimous consent that the Committee on Rules and Administration be discharged from further consideration of Senate Concurrent Resolution 8, the so-called Hayakawa-McGovern resolution.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object—and I will not object—the distinguished Senator is correct.

Could we also state for the record that the Committee on Rules and Administration is acceding to this request, because there is a time constraint involved here, that this is not meant to be a precedent?

Mr. McGOVERN. Yes. The problem, as the majority leader knows, is that this resolution calls for the sending of observers to the Rhodesian election, and that election is practically on us. So if we are going to do anything, we have to move expeditiously.

It is under those conditions that I make this request.

I want to thank the Senator from Rhode Island, the distinguished chairman of the committee (Mr. PELL), and Senator HATFIELD, the ranking minority member on the committee, for their cooperation in this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 2:30 p.m., recessed for 30 minutes; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BAUCUS).

EXTENSION OF PUBLIC DEBT LIMIT

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I yield to the distinguished Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank my good friend, Senator HELMS.

Mr. President, perhaps one of the strongest arguments to be made for a mandated balanced budget, or at least a balanced budget presumption, has already been made this year by a majority of Senators, and these Senators have done so by their votes because the committees of the Senate on March 15 must send reports from the authorizing committees to our Budget Committee.

Preliminary work completed late last night for my distinguished colleague, Senator BELLMON, the ranking minority member of the Budget Committee, and me, shows that the requests of the authorizing committees of the Senate total between $30 and $40 billion more than the budget request of the President.

That means that if the authorizing committees of the Senate had their way, instead of a $29 billion deficit we would have a $59 to $69 billion deficit, and that is not just something that exists in the air. It is now a matter of record.

Our committees have said to the Budget Committee, "Here is our recommendation," and it is $30 to $40 billion more than the President's request, in terms of budget authority that which fires the cost of the future, $70 billion in budget authority more than the President asked in his budget.

Mr. HATCH. Mr. President, will the Senator yield for a question?

Mr. DOMENICI. I am delighted to yield.

Mr. HATCH. I did not get what the Senator was talking about. Who is authorizing this amount of money?

Mr. DOMENICI. I say to my good friend from Utah, under the Budget Impoundment Act, every authorizing committee of the Senate must furnish to the Budget Committee its recommendations for what we should spend in the year we are talking about, fiscal year 1980.

Mr. HATCH. I see.

Mr. DOMENICI. They all go through a formal process of evaluating the American programs under their jurisdiction and they recommend.

I say to my friend, they are all running around the country saying: "We want a balanced budget. We do not want this mechanistic system being recommended. We need to use judgment."

The judgment was used and it asks for between $30 and $40 billion more than the President.

Mr. HATCH. The Senator is saying $59 to $69 billion?

Mr. DOMENICI. In deficits.

Mr. HATCH. In deficits.

Mr. DOMENICI. Asked for by the Senate committees, correct.

Mr. HATCH. Could I ask the Senator one other question?

Mr. DOMENICI. Indeed.

Mr. HATCH. Does this include the off-budget items that are always hidden in Congress and the American people never hear about?

Mr. DOMENICI. I say to my good friend from Utah this $30 to $40 billion, and we will be perfecting it, are just the outlay figures that are shown in the normal budget manner as outlays. If they are off-budget items that we do not put on the budget they are not included in this deficit that I am asking about.

Mr. HATCH. In other words, we could add those to the $60 or $70 billion?

Mr. DOMENICI. Indeed.

Mr. HATCH. I heard, at least according to the distinguished chairman of the Senate Budget Committee, that the off-budget items that are never mentioned, that the American people never hear about, that were not put into the $29 billion deficit lean and austere budget of the President, approximate $12 billion more. So we are talking about, I guess, $72 to $82 billion.

Mr. DOMENICI. Correct.

Mr. HATCH. I apologize to the Senator for interrupting.

Mr. DOMENICI. I make this point to the Senator from Utah and other Senators who will have interest and take some interest in what we are doing and saying here today. I emphasize that these numbers are the recommendations of the authorizing committees. I am not suggesting that the Budget Committee is going to do this. I mean I hope they cut $10 billion out of the President's $29 billion so that it is only $19 billion. The point I am making is that while we are busy as Senators saying we do not want any constitutional approach, we will do it ourselves, yet when it comes to doing it to programs that we have created we recommend more, never less. We are saying spend more, while the American people are crying spend less, and then we do not want a system that will assure a balanced budget, because we say we will do it ourselves.

I came to the Chamber, because I think there is a good lesson to be learned. The evidence is that we will not do it unless it is forced on us.

I was not for any balanced budget forced on us from the outside. I thought we should do it. I still lean that way. But I am growing extremely concerned as to whether we will have the will to do it with our own special interests, with committees wanting to keep their programs, their projects going, not having the strength to at least come in with recommendations equivalent to the President's so-called lean and austere budget when almost everyone says we can do that and cut some more. But instead of that the committees are recommending $30 to $40 billion more and then, when the committee goes through a month of trying to cut, those very same people will be down here saying: "You didn't cut enough. Why don't you have a balanced budget?" What we will do is ask them where they were when they recommended $30 to $40 billion more than the President.

Mr. HATCH. One of the points I am making is that $30 to $40 billion plus the $29 billion deficit of the President, which is expanded by $5 billion more by the Congressional Budget Office, does not include approximately $12 billion in off-budget items no one mentioned and the American people and taxpayers of this country are deceived by.

Mr. DOMENICI. I hope that we will vote on this Dole-Armstrong amendment. I am a cosponsor of it and pleased to be.

It seems to me that it says clearly and unequivocally that in 1981:

> Budget Committee, you have a mandate from this institution from all 100 Senators; you have a mandate to bring in a balanced budget, and if you do not two-thirds of the Senators are going to have to vote for a budget that is anything more than a balanced budget.

We can have all kinds of technical arguments as to what does a balanced budget mean; can we not go off budget? But the facts are we set a pretty good trend of what the budget is. Following the same principles we know how to get to a balanced one. So what I am assuming this amendment means is, using the same budget authority, same outlay approach, come in with one that shows no deficit. If you want more than that two-thirds you will have to vote on it.

I know that 51 Senators could come up here in a few months with an amendment and destroy that amendment, but at least we will have put on the record a good substantial mechanical way to do it. We will have given the Budget Committee the impetus by mandate of this Congress to do it, and we will provide a way to get around it in the event they want to, and that is for more than a majority voting to get around it.

Mr. HATCH. Mr. President, will the Senator yield on that point?

Mr. DOMENICI. Let me make one further point.

Indeed, the final figures may show that the committees have asked for almost $40 billion outlays above the President's number and about $70 billion in authority. That is a deficit of $59 to $69 billion.

I emphasize that these numbers will change slightly. But, it is manifestly clear that if actions speak louder than words, then the authorizing committees are screaming, "spend more," while the American people are crying, "spend less."

I believe that the President's budget should be cut an additional $10 billion, not increased by the $30 billion that the authorizing committees have requested. When the American people realize what the Senate committees have asked for—this enormous increase of 7 percent in the Federal budget on top of a Presidential request of almost an 8-percent increase—I believe the pressure for a constitutional amendment for a balanced budget will increase.

I am not naturally disposed to a mechanistic approach to the budget. But, I must admit that I am shocked by the recommendations of the authorizing committees. In light of these requests, I am going to take a look at whether or not we in Congress will ever really be able to take the pressure that comes with real budget cutting.

Perhaps it may be that the American people, in their innate wisdom, have realized that Congress cannot be trusted to really cut the budget, to show the political courage it takes to stand up to the interest groups whose main aim is to "Get theirs," and the consequences be damned. I hope that we will prove the American people's skepticism misplaced. But, certainly the recommendations of the authorizing committees must give us all pause.

I must also commend the Senate Finance Committee, which alone of the authorizing committees apparently asked for no more than the President's budget, based upon preliminary examination.

I thank my good friend, Senator Helms, for yielding the floor, and it is not with joy that I make this report. It comes at a most opportune time, however, it appears to me, because there was a great deal of discussion as to whether we should be doing what we are doing here in the Chamber, and I think we should. And if there have been arguments that the Budget Committee will take care of it, then I say yes. But why do you not help us? So pass the amendment. It will provide an invaluable tool when we come around to that budget. Should it be balanced in 1981 or not? We can say the Senate told us to, and so I think we should know that it is going to be tough, and we need some help from the institution. When the institution's committees say that a lean and austere budget should be $30 or $40 billion heavier, more severe, add that much more to the expenditures. I think the Senate should know about it. Maybe a few more Senators will vote for the amendment that is pending before us.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. DOMENICI. I am pleased to yield.

Mr. ARMSTRONG. Mr. President, I simply wish to take a moment to thank the Senator from New Mexico for his very valuable contribution which is, as he pointed out, most timely.

I am distressed to hear what he has said to us, but it does underscore the importance of adopting the pending amendment.

As one who serves on the Budget Committee with the Senator from New Mexico, I must also congratulate him for the perspicacity and leadership he has shown not only today but on many occasions in the Budget Committee, and if we had a whole Congress full of Members like the Senator from New Mexico perhaps the pending amendment would not be necessary.

But I appreciate his indication of support for the amendment and his cosponsorship and his good words.

Mr. HATCH. Mr. President, will the Senator yield for a comment?

Mr. DOMENICI. I would be pleased to yield.

Mr. HATCH. I am delighted to hear the message of the distinguished Senator from New Mexico. As I understand it, the Senator has just come back from an election where he told his people that he was going to try to stand up for a balanced budget in this society, and try to get inflation under control, and I am pleased to see the Senator from New Mexico, as he has always done, doing everything he can to try to fulfill those obligations.

One of the things I think which really turned out to be one of the best editorials I have seen in recent months is in the Wall Street Journal of Wednesday, March 21, 1979. It is entitled "It's about Time." It says this:

IT IS ABOUT TIME

President Carter has ordered all federal agencies to include limits on credit programs when they prepare their next budget. At long last there is a glimmering recognition of the ongoing explosion in federal credit programs. Both the Executive and the Congress have long chosen to ignore this problem, which by now is well out of hand.

In the current fiscal year over $159 billion will be advanced to borrowers under federal auspices, including federally guaranteed loans by private lenders and loans by government sponsored agencies. That figure has climbed 30% in the last two years. In the last five years, funds raised under federal auspices have ranged from 25% to 40% of all borrowing in the U.S. economy. The Congressional Budget Office notes that in this fiscal year only $4.3 billion—the net increase in loans outstanding of "on-budget" federal agencies—will show up in the federal budget. The rest of the $159 billion is invisible.

What all this means is that in recent years Washington has secretly commandeered $150 billion of the nation's financial resources, allocating them to its pet projects with barely a nod in the official federal accounts. Even this figure on borrowing, of course, doesn't include all the hidden allocations—untold billions more are commandeered under another cloak, federal regulation. And this enormous impact on the economy comes in addition to the $500 billion spent above-board in the federal budget.

The beauty of all this, from a Washington point of view, is that Congress and the federal bureaucracy can run politically attractive programs without ever having to go directly to the taxpayers for money. The money, along with the federal budget deficit, comes out of the credit markets, where no one notices except enterprises starved for loans or equity capital. And even the pressure here is not overwhelming so long as the Federal Reserve covers the debts through inflation.

Congress has been generous indeed with its credit programs. It has guaranteed the bonds to build a gold-plated Washington, D.C., subway system and has underwritten New York City's notes. It sponsors the Student Loan Marketing Association, which has some $1.3 billion in loans outstanding. It backs the Federal National Mortgage Association, which holds some $42 billion in housing debt. These are but a few of the government's off-budget credit enterprises.

The CBO, to its credit, can see several problems with all this activity. For one thing, borrowers and lenders alike tend to be less careful about borrowing when Uncle Sam is the guarantor. Student loans, with their high 18% default rates, have been a particular problem but by no means the only one.

There is a broader economic effect in the fact that the government, in allocating credit and setting up political dependencies that are hard to end, reduces the ability of the credit markets to adapt to changing needs. Credit has continued to flow into housing, for example, at times when housing was in surplus but there were major unmet needs in particular for industrial capital. Inefficient use of available capital means that living standards will improve more slowly if at all.

Finally, of course, there is that problem of inflation. The inefficient use of capital increases pressure on the Fed to inflate; but ultimately that only discourages saving and makes the capital squeeze worse.

President Carter's new order is only the first small step toward bringing the problem under control. The credit problem is especially intractable because many of the programs establish entitlements—giving guarantees or other help to anyone who meets certain criteria. The administration wants Congress to cap the process by setting limits on federal lending programs as well as an overall limit on government credit. We are happy to see that Nancy Teeters, a new governor at the Federal Reserve, supports this idea, calling government credit "a major loophole in the federal budget process."

Congress, of course, does not easily surrender powerful tools. But Congress is in trouble with the voters over its failures of stewardship and would do well to ask what it can do to make amends. The only thing wrong with restricting credit allocation is that it is about 10 years overdue.

I thank my dear friend from New Mexico and I applaud his efforts here today.

I hope that my colleagues on the floor will support the distinguished Senators from Kansas and Colorado in this amendment before the Senate.

Mr. **HARRY F. BYRD, JR.** Mr. President, the Senator from New Mexico, in his comments earlier, mentioned the fact that President Carter had called his new budget a lean and austere budget.

The Senator from Virginia does not regard this new budget as being lean and austere. When Jimmy Carter was a candidate for President in 1976, one of his major campaign planks was that the Federal budget was swollen beyond all reason and that it was vitally important that a balanced budget be achieved.

Now, since that time, including the budget now pending before Congress, Federal spending has increased more than 30 percent. This new budget alone calls for an increase in spending of 9 percent. So I do not call that a lean and austere budget.

How can it be considered lean and austere, when it provides for a 9-percent increase in spending on top of what President Carter himself had called "swollen" Federal spending?

The second comment I wish to make is this: The Senator from New Mexico mentioned the deficit figure as being $29 billion for fiscal 1980, the budget now before Congress.

That figure, of course, is correct on a unified budget basis. When the budget is considered on a unified basis, then the surpluses which exist in the trust funds are used to reduce the Federal budget funds deficit. That is how the figure of $29 billion is arrived at. But there is a substantial surplus in the trust funds, mostly in the civil service retirement fund and in the unemployment insurance fund.

When one disregards the trust funds—and trust funds can be used only for a specific purpose—one finds that the deficit in the Federal funds; namely, for the general operations of Government, is $49 billion. Yes, there is a $49 billion deficit in the Federal funds budget.

Mr. President, I think something of a major nature must be done to bring runaway Federal spending under control.

Mr. President, I ask unanimous consent to have printed in the RECORD three tables which I have had prepared, dealing with unified budget receipts, outlays, and deficits; deficits in Federal funds and interest on the national debt; and a third table showing the national debt in the 20th century.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Unified budget receipts, outlays, and surplus or deficit for fiscal years 1958 to 1980, inclusive

(Prepared by Senator HARR Y F. BYRD, JR., of Virginia)

[In billions of dollars]

Fiscal year	Receipts	Outlays	Surplus (+) or deficit (−)	Fiscal year	Receipts	Outlays	Surplus (+) or deficit (−)
1958	79.6	82.6	−3.0	1970	193.8	196.6	−2.8
1959	79.2	92.1	−12.1	1971	188.4	211.4	−23.0
1960	92.5	92.2	+.3	1972	208.6	231.9	−23.3
1961	94.4	97.8	−3.4	1973	232.2	247.1	−14.8
1962	99.7	106.8	−7.1	1974	264.9	269.6	−4.7
1963	106.6	111.3	−4.7	1975	281.0	326.2	−45.2
1964	112.7	118.6	−5.9	1976	300.0	366.4	−66.4
1965	116.8	118.4	−1.6	1977	357.8	402.7	−45.0
1966	130.8	134.6	−3.8	1978	402.0	450.8	−48.8
1967	149.5	158.2	−8.7	1979*	448.7	487.5	−38.8
1968	153.7	178.8	−25.1	1980**	502.6	531.6	−29.0
1969	187.8	184.6	+3.2				

*2d Concurrent Congressional Budget Resolution.

**Estimated figure.

Source: Office of Management and Budget.

Deficits in Federal funds and interest on the national debt for fiscal years 1959 to 1980, inclusive

(Prepared by U.S. Senator HARRY F. BYRD, JR., of Virginia)

[In billions of dollars]

Year	Receipts	Outlays	Surplus (+) or deficit (−)	Debt interest[1]	Year	Receipts	Outlays	Surplus (+) or deficit (−)	Debt interest[1]
1959	65.8	77.0	−11.2	7.8	1970	143.2	156.3	−13.1	20.0
1960	75.7	74.9	+0.8	9.5	1971	133.8	163.7	−29.9	21.6
1961	75.2	79.3	−4.1	9.3	1972	148.8	178.1	−29.3	22.5
1962	79.7	86.6	−6.9	9.5	1973	161.4	187.0	−25.6	24.8
1963	83.6	90.1	−6.5	10.3	1974	181.2	199.9	−18.7	30.0
1964	87.2	95.8	−8.6	11.0	1975	187.5	240.1	−52.6	33.5
1965	90.9	94.8	−3.9	11.8	1976	201.1	269.9	−68.8	37.7
1966	101.4	106.5	−5.1	12.6	1977	241.3	295.9	−54.5	41.9
1967	111.8	126.8	−15.0	14.2	1978	270.5	332.0	−61.5	48.7
1968	114.7	143.1	−28.4	15.6	1979[2]	306.1	361.3	−55.2	59.8
1969	143.3	148.8	−5.5	17.6	1980[2]	332.8	381.8	−49.0	65.7

[1] Interest on gross Federal debt.

[2] Estimated figures.

SOURCE: Office of Management and Budget.

The National Debt in the Twentieth Century[1]

(Totals at the end of fiscal years; rounded to the nearest billion dollars)

1900	1
1901	1
1902	1
1903	1
1904	1
1905	1
1906	1
1907	1
1908	1
1909	1
1910	1
1911	1
1912	1
1913	1
1914	1
1915	1
1916	1
1917	3
1918	12
1919	25
1920	24
1921	24
1922	23
1923	22
1924	21
1925	21
1926	20
1927	19
1928	18
1929	17
1930	16
1931	17
1932	19
1933	23
1934	27
1935	29
1936	34
1937	36
1938	37
1939	48
1940	51
1941	58
1942	79
1943	143
1944	204
1945	260
1946	271
1947	257
1948	252
1949	253
1950	257
1951	255
1952	259
1953	266
1954	271
1955	274
1956	273
1957	272
1958	280
1959	288
1960	291
1961	293
1962	303
1963	311
1964	317
1965	323
1966	329
1967	341
1968	370
1969	367
1970	383
1971	409
1972	437
1973	468
1974	486
1975	544
1976	632
1977	709
1978	780
1979[1]	839
1980[1]	899
1981[1]	940
1982[1]	952

[1] Gross Federal debt estimated figures.

SOURCE: Office of Management and Budget.

Mr. HARRY F. BYRD, JR. Mr. President, at this point, acting on the request of the majority leader, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

The PRESIDING OFFICER. Will the Senator withhold that request for a moment?

Mr. HARRY F. BYRD, JR. Yes, I withhold it.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 4355(a), appoints the following Senators to the Board of Visitors to the U.S. Military Academy: the Senator from Louisiana (Mr. JOHNSTON) (Appropriations), the Senator from Nebraska (Mr. EXON) (Armed Services), the Senator from Kansas (Mr. DOLE) (At-Large), and the Senator from Nevada (Mr. LAXALT) (Appropriations).

The Chair, on behalf of the Vice President, pursuant to 10 U.S.C. 9355(a), appoints the following Senators to the Board of Visitors to the U.S. Air Force Academy: The Senator from South Carolina (Mr. HOLLINGS) (Appropriations), the Senator from Colorado (Mr. HART) (Armed Services), the Senator from Alaska (Mr. STEVENS) (Appropriations), and the Senator from Arizona (Mr. GOLDWATER) (At-Large).

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. HARRY F. BYRD, JR. Now, Mr. President, I renew my request that the Senate stand in recess awaiting the call of the Chair.

The PRESIDING OFFICER. Without objection, the Senate stands in recess subject to the call of the Chair.

Thereupon, at 3:25 p.m. the Senate took a recess subject to the call of the Chair.

The Senate reassembled at 4 p.m., when called to order by the Presiding Officer (Mr. BAUCUS).

EXTENSION OF THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of H.R. 2534.

DEBT LIMIT DISCIPLINE

● Mr. CHURCH. Mr. President, the bill which is being debated today, to raise the Federal debt limit to $830 billion, has become an annual ritual which, in my view, the Senate has taken far too lightly in the past.

Debt limit legislation originates in the House of Representatives. The Senate is always presented with this bill at the last minute. If the Senate does not concur in the House's action to increase the debt ceiling, the Federal Government would be unable to function. It is a "must bill," a cliffhanger over a bottomless abyss.

Senator DOLE has offered an amendment to the debt limit bill this year which would inject a measure of discipline into this process. It would also reinforce congressional restraint in regard to future spending. The Dole amendment would freeze the debt ceiling at its new level, until Congress either achieves a balanced budget or approves of future deficits by a two-thirds vote.

The Federal deficit, Mr. President, is declining. Current estimates indicate that the deficit for the present fiscal year will be less than the $39 billion set by Congress, perhaps even down to half of the $66 billion deficit in the last year of the Ford administration. President Carter's budget for the coming year anticipates a deficit of less than $30 billion, and I believe that Congress should lower it further. Nevertheless, the urgency of balancing the budget is still not being taken seriously enough.

The Dole amendment will focus attention on deficit spending as we take up the appropriation bills later in the session. On this basis, I will vote for it.●

UP AMENDMENT NO. 50

(Subsequently Printed Amendment No. 116)

(Purpose: Substitute for Dole Amendment No. 111)

Mr. LONG. Mr. President, I send an amendment to the desk, on behalf of myself and Messrs. PACKWOOD, MAGNUSON, MUSKIE, ROBERT C. BYRD, CRANSTON, BUMPERS, HART, BENTSEN, STEWART, CHILES, and NELSON.

The PRESIDING OFFICER. Is the Senator asking unanimous consent that the pending amendment be laid aside?

Mr. LONG. This is an amendment to the amendment, Mr. President.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from Louisiana (Mr. LONG), for himself and others, proposes an unprinted amendment numbered 50:
>
> In lieu of the language proposed to be inserted by Amendment 111, insert the following:
>
> SEC. 5. Congress shall balance the Federal budget. Pursuant to this mandate, the Budget Committees shall report, by April 15, a Fiscal Year Budget for 1981 that shall be in balance, and also a Fiscal Year Budget for 1982 that shall be in balance, and the Budget Committees shall show the consequences of each budget on each budget function and on the economy, setting forth the effects on revenues, spending, employment, inflation and national security.

Mr. LONG. Mr. President, I share the desire of other Senators who have been discussing the proposal for a balanced budget that the budget should be balanced, and it is my hope that the budget will be and can be balanced for fiscal year 1981.

It is my understanding that Congress already has enacted a proposal which provides that we shall have a balanced budget for 1981. That was the amendment of Mr. HARRY F. BYRD, JR., which was agreed to some time ago.

However, what I object to, and what I believe the majority on this side object to, is the proposal which would provide that in a situation in which, by virtue of war or by virtue of a depression, a recession, or economic conditions, it might be totally and wholly impractical and not in the national interest to have a balanced budget, we nevertheless would have no choice but to go ahead with it, even though it would clearly be wrong.

It reminds me of the old story they tell along the Mississippi River, about a big flood. The morning after the flood, a man looked out and saw a straw hat moving around on top of the water, and he said, "What's that?"

The lady said, "That's Grandpa."

He said, "Why is that?"

She said, "Grandpa said he was going to mow the grass today, come hell or high water."

[Laughter.]

Mr. President, I can recall when Gerald Ford, an honest and sincere man, was President of the United States and was committed to a balanced budget. I recall that his program to fight inflation played the major role in the fact that the Nation soon found itself in a deep recession that could have been disastrous. It could have led to a depression, perhaps of the depth that occurred during the Hoover administration.

When the economy began to decline precipitously, Mr. Ford called me in and said that he was going to have to ask for a big tax cut because, otherwise, what could happen to the economy from that point forward could be a disaster. I became persuaded that he was right about that. He asked me what I thought about it, and I said:

> Mr. President, the worst thing you could do would be to do what Herbert Hoover did in 1929: While the country was going into its worst depression in this century, when he should have been trying to put more money into circulation and save the people from the disaster that was occurring, the Government, instead, was trying to balance the budget by cutting spending and putting more and more people out of work and adding to the downward spiral. That helped bring about the disaster that put a great country on its knees for many years to come.

Mr. President, that economic mistake is the greatest disservice that was done to the Republican Party in this century. It meant that the people of this country were not willing to trust the Republicans with the executive branch of the Government from 1932 until 1952. That is a long time for a party to stay out of power, because the people felt that the Republicans did not appreciate the fact that there come times when the survival of families—the ability of a family to earn a living—is more important than balancing the budget.

So that if such conditions occur, we should not have it so that just one-third of the Senate or one-third of the House would have a veto over a matter that could mean the survival of the country.

So far as I am concerned, I would like to vote for a balanced budget. This is an amendment to bring that about.

The first order of business, if you want a balanced budget, is to call upon the Budget Committees to bring in a balanced budget. We cannot vote for a balanced budget if we do not have one in front of us. Someone should say: "Which item do you cut? Where do you cut? How do you make the reductions? How do you suggest we go about all this?" That responsibility, under the laws we have passed, is the responsibility of the Budget Committees, so we call upon the Budget Committees, as the first order of business, to submit to us a balanced budget.

We say, "Insofar as it might have some consequences that might be hard to handle, tell us what that would be, and we could take all that into account in voting on it."

Mr. President, to a considerable degree, this amendment was inspired by a suggestion by the Senator from Oregon (Mr. Packwood). Mr. Packwood has an amendment that says something to the effect that the President of the United States shall submit to us two budgets if he wants to recommend an unbalanced budget. If he wants to recommend a budget that is not in balance, he should also submit one that is in balance, so that we would have the choice and vote for the one he is recommending or vote for the one he says he would be recommending if he had to submit a balanced budget.

It was in large measure because I observed the logic of that approach that I thought we should say that they should submit a balanced budget. Then, if someone thinks we should not have a balanced budget, including those on the Budget Committee, they can make recommendations to the contrary. They could say that to do this would not be in the Nation's interest, that we should do something else.

I hope that those on the Budget Committee, who have the jurisdiction and the duty to bring us a recommendation, will bring us, in good faith, their recommendation of what they think a balanced budget should be, and we could work from there.

Mr. PACKWOOD. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. PACKWOOD. I appreciate the compliment of the Senator from Louisiana.

In reading the Senator's amendment, I want to make sure we are talking about the same thing. The Senator does not mean that by April 15 of this year, the Budget Committee shall present a balanced budget for fiscal year 1981 and for fiscal year 1982?

Mr. LONG. That is what I do mean.

Mr. PACKWOOD. This year?

Mr. LONG. Yes.

Mr. PACKWOOD. Then, is there anything binding on the Budget Committee, next year, when they present their concurrent resolution to April 15, 1980, for the fiscal year 1981 budget, that that budget be in balance?

Mr. LONG. It is my intention that they must recommend to us a balanced budget for fiscal years 1981 and 1982.

Mr. PACKWOOD. In the concurrent resolution, the first concurrent resolution that is presented to Congress, by April 15, 1980?

Mr. LONG. We want them to submit, by April 15 of this year, a balanced budget for 1981, as well as their recommendation for a balanced budget for 1982.

Mr. PACKWOOD. The Budget Committee, as I understand it, is planning to submit some out-year projections and out-year budget projections. However, the important part of the Senator's amendment, I thought, was that the Budget Committee, when it presented its concurrent resolution for fiscal year 1981, by April 15, 1980, would present a balanced budget.

That is a different thing from the Budget Committee by April 15 of this year presenting their outyear budget projection for fiscal year 1981.

What they present us on April 15 of this year is not what binds this Congress for fiscal year 1981. It is their suggestion. It is their hope. It is their prayer for what happens in 1981. But what binds this Congress in fiscal year 1981 is the first and then the second concurrent resolution presented in 1980. And if that is not what this resolution means, it is what I thought it meant and, if it is not what it means, then I have some misgivings about just asking the Budget Committee to present us a hope by April 15 of this year as to what we might do to balance the budget a year and a half hence.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. LONG. Mr. President, let me say to the Senator from Oregon that my intention is the same as his intention. I want the budget committee to recommend to us a balanced budget and one that we can vote for. I completely respect the right of that committee and anyone else and every member on it, just as I respect the right of every Senator to offer an amendment or offer a substitute, and I respect the right of everyone to offer an alternative to it, to say no, we should not have a balanced budget, we should to thus-and-so.

But my intention is, as the Senator's intention, to require that they submit a balanced budget to us so that we can act on a balanced budget.

Mr. PACKWOOD. Then I think perhaps the amendment should read this way, bearing in mind the Budget Committee now has the power to submit a balanced budget for 1982, but it is not binding. Perhaps the amendment should read:

> By April 15, 1980, a fiscal year budget for 1981 that shall be in balance and by April 15, 1981, a fiscal year budget for 1982 that shall be in balance.

That is the concurrent resolution that they submit to us.

Mr. LONG. Mr. President, before we vote on the amendment——

Mr. DOLE. Mr. President, will the Senator yield?

Mr. LONG. In a moment.

Mr. DOLE. We may not do it today.

Mr. LONG. Before we vote on the amendment, unless the Senator from Maine (Mr. Muskie) has arrived on the scene prior to that time, I will suggest the absence of a quorum and explore his views to see if he agrees with me and if he agrees with the Senator from Oregon about this matter.

I say that, because I have discussed this matter with the Senator from Oregon, with the Senator from Maine, as well as the Senator from West Virginia, and others.

Let me say that after I discussed this subject with the Senator from Oregon, I discussed it with the majority leader (Mr. Robert C. Byrd), and he appointed on our side of the aisle an ad hoc committee to talk about this matter. That included Mr. Muskie, Mr. Magnuson, Mr. Cranston, Mr. Bumpers, Mr. Hart, Mr. Bentsen, Mr. Stewart, Mr. Chiles, Mr. Nelson, and Mr. Nunn.

And these Senators, discussing this matter, felt that we should have a balanced budget and we should have the opportunity to vote for the balanced budget and at the same time any Senator and the Budget Committee itself, if it wanted to, having reported out a balanced budget, could also report an alternative budget and say that they would urge that we vote for the alternative budget instead.

Mr. PACKWOOD. Was it the understanding of the Senator from Louisiana and the group to which he alluded that the budget the Budget Committee reports out is to be balanced? Will the concurrent resolution that they send out, and that will be the resolution from which we work, contain a balanced budget?

There is some very good language in here about the Budget Committee shall present what the effects will be on revenues, spending, employment, inflation, and national security of a balanced budget. At the same time the Budget Committee can send out an alternative unbalanced budget, and they can say, "Look, if you want to balance the budget that means cutting $8.5 billion from defense, $3 billion from social security, $2 billion from health, and $2.5 billion from education, but that will balance the budget." At least it will be the budget that we work from. It will be the concurrent resolution.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I hope the Senator from Maine has heard enough of the debate to know what we are discussing here. I wish to let him state his view of this matter. Otherwise, he can reserve judgment and we will come back to him.

Mr. MUSKIE. I am ready, but the Senator from Virginia (Mr. Harry F. Byrd, Jr.) has been seeking recognition.

Mr. HARRY F. BYRD, JR. I have been seeking recognition.

Mr. MUSKIE. He is before me, and I have no objection to yielding.

Mr. LONG. Then I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, the Senator from Oregon points out that this amendment, as it stands, is completely ineffective.

Can the Budget Committee or any other committee make a reasonable logical estimate today of the revenues and expenditures for fiscal 1981 and 1982?

Mr. PACKWOOD. Two and a half years.

Mr. HARRY F. BYRD, JR. Two and a half years hence? Why, the Office of Management and Budget and the Treasury Department cannot even make it on an annual basis. Yet, this would be asking them to look ahead 2½ years. It is just totally ineffective because what the Budget Committee submits this year dealing with the outyears would not even require a binding vote.

The other aspect of the proposal is this: I think we should understand what the law requires today. What is the law today? Here is what the law says:

> Beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts.

That is the law now. That became law on October 10, 1978.

That amendment was passed by the Senate by a vote of 58 to 28 on the 31st day of July 1978. Then the Senate appointed conferees. Every conferee, except one, was opposed to that amendment and had voted against that amendment.

But a funny thing happened on the way to the House of Representatives. What did the House do? It took a very unusual action. The House instructed its conferees to support in conference the Byrd amendment which had been passed by the Senate of the United States. So the Senate conferees, although opposed to the Byrd amendment, were locked in and the amendment was locked in.

Then when it went to the President of the United States he signed it on October 10, 1978. That is the law now. The basic part of this amendment which has been proposed is already the law.

Mr. PACKWOOD. Mr. President, will the Senator yield?

Mr. HARRY F. BYRD, JR. Yes.

Mr. PACKWOOD. It is the law, but I was interested in the exchange that the Senator from Virginia had with Mr. McIntyre some time ago about whether or not the President was going to, indeed, submit a balanced budget or whether they were going to seek to amend or change the law.

Mr. HARRY F. BYRD, JR. I do not want to interrupt the Senator at that point but, if I may, I think they would need to wait a little longer, according to what Mr. McIntyre said. They would have to wait a little longer so they could get a little clearer picture as to what the revenues and expenditures would be, which emphasizes that they cannot even look ahead to the next 9 months when the fiscal 1981 budget will be submitted. It would be much more difficult, of course, to look ahead 30 months, as the new proposal would require.

Mr. PACKWOOD. It is interesting though, after the Senator's discussion with Mr. McIntyre, I made some inquiries as to how the administration regards the law. It says:

> Your amendment is beginning with fiscal year 1981. The total budget outlays of the Federal Government shall not exceed its receipts.

That does not require the President to submit a balanced budget. He can submit a budget that is $40 billion in deficit.

Mr. HARRY F. BYRD, JR. This pending proposal does not require the President to submit a balanced budget.

Mr. PACKWOOD. I agree. I do not think, however, that Senator Long intended to do what I am afraid this does. I think he intended it for the Budget Committee—it does not do it.

Mr. HARRY F. BYRD, JR. I am just judging the Long proposal by what the legislation actually says.

Mr. PACKWOOD. Here is what we are up against if we adopt it as it is written. The President does not have to submit a balanced budget. All the law says is that we shall have one. That is up to Congress.

Mr. HARRY F. BYRD, JR. That is right.

Mr. PACKWOOD. He can submit one which is $40 billion out of whack. It should be announced, and it should state, that it will require the President to submit an alternative balanced budget. But unless we change the date that the Senator from Louisiana suggests, we are right where the Senator from Virginia says. It is a pious thing. It is a hope, it is a message. It is something that the Budget Committee will recommend ahead of the fiscal year, in effect.

Mr. HARRY F. BYRD, JR. It is worse than being a hope and a pious thing. It would be misleading to Congress and to the country because there is no way that they can sit here today and work up a reliable budget for 2½ years hence. This budget year is half over but the President is still submitting changes in key figures.

Mr. PACKWOOD. We can make the best estimate possible. I have just gone on the Budget Committee, and I think in fairness we ought to make the best estimate possible for 2, 3, or 5 years ahead. But, most important, if we change slightly the date in this amendment so that indeed it says, "The concurrent resolution that the Budget Committee presents to this Congress by April 15, 1980, for the budget for fiscal year 1981 shall be a balanced budget," that is a very important step.

Then if the Budget Committee wants to say the effects of that are terrible and cataclysmic and we are going to lose a war to the Russians or that social security is going to be cut, if we do, then that is a choice Congress can make, given those alternatives. But this amendment as written does not do that.

Mr. HARRY F. BYRD, JR. You are quite right. It does not do that at all. As I say, the law today states—and let me read it once more, it is only 18 words—

> Beginning with fiscal year 1981 the total budget outlays of the Federal Government shall not exceed its receipts.

That is the law today. The proposed new legislation is not stronger than that. So the proposed amendment by the Senator from Louisiana adds nothing to what is already present law yet it would displace a proposal by the Senator from Kansas (Mr. Dole), which seeks to force some fiscal discipline on the Congress.

Mr. DOLE. Mr. President, will the Senator from Virginia yield?

Mr. HARRY F. BYRD, JR. Yes.

Mr. DOLE. I concur with the Senator from Virginia. This is a hoax. It is supposed to tell the American people that Congress will balance the Federal budget.

There is a great demand by the American people that we balance the budget. However, there are some who might be fooled by this language. Congress can get off the hook. We can all put out a newsletter and quote this section as indicating that we are going to balance the Federal budget.

I might suggest there never were any Republicans contacted about trying to work out this compromise. We were told about it after the fact. It seems to this Senator that if we want to try to approach this in the right way we might be able to work out some amendment that has some substance. I certainly share the view expressed by the distinguished Senator from Virginia which is that this compromise does not do anything.

We could do this now. The Budget Committee can bring this over, right now. I know they have a very able staff. They have got the figures. They can make the projections. Why wait until April 15? We could do it tonight.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. DOLE. I do not have the floor.

Mr. MUSKIE. The Senator has been a member of the Budget Committee and has been through the markup sessions, which have not even begun. We have 20 Members today, including 10 new ones. To suggest to Senators that we could tonight produce——

Mr. DOLE. Well, by tomorrow.

Mr. MUSKIE (continuing). A budget resolution for the Senate's consideration is as unrealistic as to suggest that I can fly around the moon.

Of course, we have able staff. But what the Senator is asking us to do, if you adopt this proposal, is something different from what we would be likely to do, insofar as I can try to predict with the behavior of 20 unpredictable members of the Budget Committee, is going to be different, and it is going to be hard to do in the time frame.

The Senator may not be aware, but we have modified the proxy rule in the Budget Committee, and that is going to create an attendance problem for the upcoming markup.

We have got to do all of this between April 1 and April 15. I am perfectly prepared to try, if that is the Senate's wish, and I think we can present by April 15, but not long before, a budget resolution which indicates what you have to do to achieve a balance by fiscal year 1982, and an alternative one—the phrase used by Senator Packwood, as I understand it—which will show what we have to do to get a balance by 1981. The Senate will then be in position to vote on which of those it prefers.

Now, as I came into the Chamber, I understood Senator Packwood to be raising the following questions: Would you not have the same procedure for next year? Certainly, we could have the same procedure next year. As a matter of fact, I think there is something to be gained by focusing the country's attention hopefully, but at least the Senate's attention, on the consequences of the two budget approaches, and there may even be three budget approaches.

I am for anything that contributes to a gradually stiffening discipline in the budget process. That is what I think the Senator from Oregon had in mind, and, I think, that is what the committee had in mind.

It is true, as Senator Dole has suggested, that this sort of ad hoc group was developed on our side of the aisle. But as soon as we thought we had something that made sense, the next instinct of that group was to see if we could get some support on your side of the aisle. I wish that it had happened simultaneously, but it did not.

In any case, this is a product of several hours of concentrated attention, and I would commend it to my colleagues. I do not know whether it can sell, but I commend it as a sound approach to the problem. It is a commitment.

You cannot pass the 1981 first resolution this year, but you can adopt in principle a budget for 1980 that is consistent with a balanced budget in 1981 and commit yourself to some figures for 1981.

The Senate can then change its mind about it next year or economic conditions next year might by their nature change, but it would be a commitment insofar as you can make a commitment for the future.

Several Senators addressed the Chair.

Mr. LONG. Mr. President, I believe I have the floor.

The PRESIDING OFFICER (Mr. Stewart). The Senator from Louisiana has the floor.

Mr. LONG. Mr. President, permit me to say I have discussed this matter with the Senator from Kansas (Mr. Dole) and I have discussed it with him more times than once today, and I discussed this precise language before I even offered the amendment.

I want to also say, Mr. President, that in discussions I have had with the Senator he has impressed me as being most fair, most reasonable, most considerate of any suggestions someone had to offer. The Senator has never impressed me for a moment as being ironclad or locked in on any particular word or phrase or language that appears in his amendment or in what we have here.

I have explained to him the problems as I saw them that would be involved, from this side of the aisle, in agreeing to the kind of thing that he would like to do, and I have tried to explain to him what some of the problems might be in reaching a meeting of the minds on doing something effective.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. LONG. I want to do something effective about this. Yes, I yield to the Senator.

Mr. DOLE. I want to make clear, that while the Senator and I did discuss the debt limit matter earlier today, we did not discuss this specific amendment earlier today. About 3:30 p.m., we first saw this amendment. Maybe I misunderstood, but I was under the impression that I would be given an opportunity to meet with some Senators on this side about this substitute amendment. However, at 4 o'clock, I found the Senate was considering the substitute amendment language. Thus, there was no meeting of the minds on the substitute amendment. It was presented to us as a take it or leave it proposition.

I do not want to quarrel with the distinguished Senator from Louisiana. All I am saying is that we were not part of the meeting that drew up the substitute language. I am not suggesting we have all the answers. Now, however, you have one Republican's support.

Mr. LONG. I would hope, Mr. President, that we would have a lot of Republican support. May I say, from my point of view, the genesis of what we have here was the Packwood amendment, to begin with. It was the Senator from Oregon (Mr. Packwood) who suggested that the President ought to submit two budgets, that if he wants to submit one that is not going to be balanced, he ought to submit one that is balanced as well, explaining how he, the President, would go about balancing the budget if he were compelled to do so.

In the discussions we have had about this matter, the name of Senator Packwood has been mentioned many times, that he had a very thoughtful suggestion and that we ought to consider asking the committee to report in the alternative, as well as even asking the President to report in the alternative.

This does not refer to an alternative budget, but implicit in it is that when the committee reports out a balanced budget, if it, for any reason, in its conscience feels there are reasons why we should not do that, it has the privilege to report out something different as well, and it would give us the option to vote for whichever one we want.

I would think, Mr. President, that what we are talking about here could lead to the type of situation where the Budget Committee on one side, the House side, would recommend that we balance the budget one way, and the Budget Committee on the Senate side would recommend that we balance the budget in a different way, and any Senator who might like some of the recommendations on the House side and some of the recommendations on the Senate side could put together his own package and suggest his own proposal as to how the budget should be balanced. In the end, we would have to decide, do we want a balanced budget or do we not want one?

I would think our committee would recommend a package of how we would do it if we had to balance it, and the Senate would recommend a package on how it would do it if it had to balance the budget.

Mr. PACKWOOD. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. PACKWOOD. I think there is great merit in the argument Senator Muskie is making, because there are two types of opinion in this Congress. One view says that once we are given the direction to balance the budget, we will do it right away. The other says that even though we have been given the direction to balance the budget, we will not do it.

I think it would be salutary for both views to consider the options and weigh the consequences.

I think it would be fair to ask the

chairman of the committee, did you read the amendment Senator LONG has submitted for the Budget Committee, in its concurrent resolution next year, to submit a balanced budget?

Mr. MUSKIE. I have read it. I see no reason not to make it applicable in the future.

Mr. PACKWOOD. The reason why I think it should be nailed down more specifically, for the Budget Committee to say, as of April 15 this year, "We think this may be how the budget ought to be balanced," if there is no compulsion that next year the budget will be balanced, this could be a charade to avoid balancing the budget next year. I do not think there is any intention of doing that, but there is a feeling that that is something that might happen.

Mr. MUSKIE. Mr. President, let me say that what we would present is a full budget for 1980, a full budget for 1981, and a full budget for 1982 by April 15 of this year. Then, with respect to the 1981 balanced budget target, we would present a full budget for 1980 and a full budget for 1981, because the 1980 budget would be different in the two cases.

In other words, if you are moving for a 1982 balance, the 1980 budget can be relaxed or less austere than if you are moving for a 1981 balance.

So when you adopt this year's budget with either of these scenarios, you are making a commitment this year to a balanced budget in either 1982 or 1981. So this year's program will not be meaningless; it will be meaningful next year, if you have the same procedure.

I have no objection to writing it in here. We may find, after 1 year's experience, that that is a pretty rigid procedure, but, be that as it may, I have no objection to adopting the procedures suggested.

Mr. PACKWOOD. If the Senator will yield, I think it is very important that there be written into it a requirement that the first concurrent resolution next year be for a balanced budget. I think there is good prospect that we could do it by April 15 of this year for a year and a half away, stating what we think our revenues might be and what our expenditures might be. We know that if a year from now we are going to be able to present a concurrent resolution that is not balanced, there are some who sort of feel, "Well, they are not going to do it." I think we ought to put in here a requirement for a balanced budget, so that we will be working from a concurrent resolution, at the start, that is balanced.

Mr. MUSKIE. As a matter of fact, may I say to the Senator, not only will we have to do it this spring, but this fall, because otherwise, you know, we will not have completed what we began in the spring.

So I am perfectly agreeable that appropriate language be added.

Mr. DeCONCINI. Mr. President, will the Senator yield for a question?

Mr. LONG. One moment.

While we have been discussing this matter, I asked our staff to prepare language to cover the point made by the Senator from Oregon (Mr. PACKWOOD). I have the language prepared, and I would invite any Senator to take a look at it and see if it carries out what they had in mind. If someone finds something wrong with it, he can let me know, but in due course I plan to modify the amendment to do what the Senator suggests.

This accomplishes what I had in mind. I know how suspicious Senators can be; I have been that way myself sometimes. But I would certainly want, in good faith, everyone to understand that what we are trying to do here is have the Budget Committee recommend a balanced budget for fiscal year 1981 and a balanced budget for fiscal year 1982, and then to allow everybody to take a look at these budgets. If anyone has some doubts about it, talk about them. And there will be people outside Congress who will be concerned about it; let them all make themselves heard, and then if the people say, "No, you must not balance the budget," then by the time we get through with it, the concerned people, many of whom want a balanced budget now, when they look at what that will amount to, will say, "Oh, my goodness, that will break the country." Give them a chance to be heard; for all we know they might be right. If we are doing the wrong thing for the country, by the time we get through, they might come around to that point of view.

I yield to the Senator from Arizona.

Mr. DOMENICI. Mr. President, I have a point for the Senator from Maine. You said you would have to report out a balanced budget now, but you would not have to do that by this amendment, would you? It only says April 15.

Mr. MUSKIE. What we would have to do in September is to follow through on whatever decision the Senate and Congress would reach with respect to the choice presented to them in spring.

Mr. DeCONCINI. But would Congress only make a choice on the 1980 budget and not be making a choice on the 1981 budget?

Mr. MUSKIE. No. I want to make that clear. Let us take the 1981 target. We will report out with respect to that option in the 1980 budget and a full 1981 budget. Last year we put 5-year budget projections in the report. This year we will put 1980 and 1981, with a balance in 1981.

Mr. DeCONCINI. Can the Senate in this Congress bind 1981 now?

Mr. MUSKIE. Well, it can pass any law now and repeal it next year.

Mr. DeCONCINI. That is right. It could be repealed next year.

Mr. MUSKIE. That is correct.

Mr. DeCONCINI. So this really has no binding effect except it is the sense of the Senate at the time.

Mr. MUSKIE. It has the same effect any of the pending amendments would have. Congress could change its mind about those next year.

Mr. DeCONCINI. But the amendment of the Senator from Kansas, as I understand it, is a little different. It goes a little further than that.

Mr. MUSKIE. In what sense?

Mr. DeCONCINI. Well, it set forth a surtax if the budget is not balanced.

Mr. MUSKIE. What is to prevent the Congress from repealing that?

Mr. DeCONCINI. It would take an affirmative act to repeal that or we will have a surtax or a balanced budget.

Mr. MUSKIE. This would take an affirmative act.

Mr. DeCONCINI. All we would have to do is just take the concurrent resolution and change it. It would be a lot easier than changing the surtax that would be placed on it.

Mr. MUSKIE. But we still have to have action by each House, agreement by each House.

Mr. DeCONCINI. Would the Senator from Maine agree that the proposal where a surtax would be imposed, where a balanced budget did not exist, it would be much more difficult to overcome than the concurrent resolution as passed in 1979 for 1981?

Mr. MUSKIE. It depends upon the state of the economy. I would expect if the economy is deteriorating, if we have 11 percent unemployment, the climate in this Chamber could change drastically. Is the Senator saying that somehow we should find a way to tie the hands of future Congresses to act on such matters?

Mr. DeCONCINI. No. This Senator is saying that what we should do is tell the American public we want a law today that is going to bind the Senate in 1980 and 1981 for a balanced budget.

Mr. MUSKIE. Irrespective of the consequences?

Mr. DeCONCINI. At that time, certainly, this body could elect to change it. But we should not hold up this amendment and tell the public that this is balancing the budget for 1981, because it is not.

Mr. MUSKIE. Let me say to the Senator that the Senator's surtax amendment is absolutely no guarantee, absolutely none, that we will have a balanced budget in 1981. As a matter of fact, if that surtax should hit at a point when we are in a recession, it could deepen the recession; it could reduce revenues—Herbert Hoover tried this in 1931; it could raise the social cost of income support programs; and we would end up with a worse deficit, not less.

Mr. DeCONCINI. Right. And if the Senator would agree——

Mr. MUSKIE. The Senator would want to tie our hands today so we could not meet that emergency.

Mr. DeCONCINI. That is not correct. If the Senator will yield, the amendment No. 113 would permit overriding that by a two-thirds vote, which would indicate that it is so severe that it is a national emergency, and not just to continue spending with deficit dollars.

Mr. MUSKIE. I have a different view than the Senator about when we should deal with a national emergency. Should we deal with it when we first perceive it, or should we deal with it after the roof has fallen in?

For over 21 years I have seen the difficulty in this body in getting a two-thirds vote for anything. As a matter of fact, the cloture vote has been reduced from two-thirds to three-fifths because of the difficulty of getting a two-thirds vote. So what the Senator would put in the hands of a minority of one-third is the absolute veto power over economic policy with which it disagreed, a policy designed to meet the onslaught of a depression.

(Mr. EXON assumed the chair.)

Mr. DOLE. Will the Senator yield?

Mr. MUSKIE. If that is the kind of rigid, fixed, imprisoning kind of policy the Senator wants written into law, it is his privilege to support it, I do not. But when the Senator seeks to support his proposal by suggesting that this proposed alternative has no binding effect, then I challenge him.

It has a binding effect unless, when Senators vote for balanced budgets, they are just voting headlines back home. I would assume that when a Senator votes for this amendment for a balanced budget in 1981 that either he means it or he does not mean it. If all he is doing is finding a convenient occasion to say to the people back home, "I am for balanced budgets in 1981," a vote as to which he has mental reservations that he intends to implement a year from now, then I cannot see that any vote the Senate takes amounts to anything.

This proposal, if the Senators' words and votes mean anything, if it results in the approval of a 1981 balanced budget late in April when we act on the first concurrent resolution for 1980. I would assume that the Senators who vote for it mean what they are saying. If they mean what they are saying, they are going to have to vote for the same thing in September. If they mean what they are saying then, they are going to have to vote the same way the following April. And if they do not, they are going to be held accountable.

What the Senator wants, apparently, is to write this matter into the Constitution, or something like that, so that the one-third minority hereafter—whatever the exigencies of the country's economic environment, whatever national security needs may be, whatever economic conditions may be—would have an absolute veto power over economic policy.

I am not ready to tie up this Congress in those kinds of handcuffs. The Senator may be, and he has made his point very clear. That is his prerogative.

With respect to this description of this amendment, he is completely in error.

Mr. DeCONCINI. It appears to me that the amendment at the desk now by the Senator from Louisiana does not bind anyone to anything. It only says the Budget Committee shall report by April 15 a fiscal year budget for 1980 and 1981. There is no vote; there is no affirmative action whatsoever. The original amendment of the Senator from Kansas, amendment 113, which is at the desk, has affirmative action now. That is what this commitment ought to be. As the Senator from Maine says, if we vote for this we should live by it and not be afraid to do just that.

Mr. MUSKIE. The Senator now reduces himself to 6 weeks.

The Senator from Arizona would like to vote before he knows the consequences of each budget on each budget function and on the economy, setting forth the effects on revenues, spending, employment, inflation and national security. He does not want to know those facts even though it only takes 6 weeks to get them before he votes.

This amendment requires that the Senate vote on the first budget resolution.

Mr. DeCONCINI. Where does it require that the Senate vote?

Mr. MUSKIE. The Budget Reform Act requires that the first concurrent resolution be adopted by May 15.

Mr. DeCONCINI. For 1981?

Mr. MUSKIE. The Senator's amendment does not adopt a budget for 1981. This does not adopt a budget for 1981.

Mr. DeCONCINI. That is my point.

Mr. MUSKIE. But it commits us, as of this moment, to a specific budget for 1981, or will in April, which we would then have to repudiate in order to vote differently a year later. Is the Senator not willing to put himself on the line after the consequences are understood? It is easy to be for a balanced budget when you do not know whether that would reduce social security benefits, whether it would reduce veterans' benefits, whether it would require a tax increase in order to avoid those two results, whether it would require a reduction in health benefits or education benefits.

It is easy to vote for a balanced budget, as the polls tell us. The polls tell us that 70 percent of the American people are for a constitutional amendment to balance the budget; but then, when you get down through the elements of the budget and ask the same voters, are you for taking a substantial cut in social security to get that balance, 70 percent say, "No." When you go through national defense, education, health, all the major elements of the budget, the American people say, "No." So they want both a balanced budget and all of these goodies, favorite programs and the Senator does not want them to know, when he votes for a balanced budget, that their favorite programs might be in danger.

What this amendment says is that by April—6 weeks from now—we will then vote on whether we are for a balanced budget in 1981, after we know the consequences of that action. That kind of vote, taken 6 weeks from now, takes more courage than just a general vote for a balanced budget today, before we know what the consequences are going to be. That is what the game is all about.

Mr. DeCONCINI. If the Senator will yield, that is not what this says. Nobody can kid himself in this body.

Mr. MUSKIE. I am not in the habit of kidding myself.

Mr. LONG. Mr. President, I ask unanimous consent to modify my amendment, after the words, "April 15," on the second line, to insert the figure, "1979," and on the fourth line, at the end thereof, after the word "balance,", insert the words "and by April 15, 1980, a fiscal year budget for 1981, that shall be in balance, and by April 15, 1981, a fiscal year budget for 1982 that shall be in balance;".

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

The amendment is so modified.

The amendment, as modified is as follows:

SEC. 5. Congress shall balance the Federal budget. Pursuant to this mandate, the Budget Committees shall report, by April 15, 1979, a Fiscal Year Budget for 1981 that shall be in balance and also a Fiscal Year Budget for 1982 that shall be in balance, and by April 15, 1980, a Fiscal Year Budget for 1981 that shall be in balance, and by April 15, 1981, a Fiscal Year Budget for 1982 that shall be in balance; and the Budget Committees shall show the consequences of each budget on each budget function and on the economy, setting forth the effects on revenues, spending, employment, inflation and national security.

Mr. LONG. Along the line of what the Senator from Maine is saying, I am amused to tell what happened last year on the tax bill. Some of our friends proceeded to vote for first one tax cut and next another, until, by the time they got through fattening up the tax cut, you could not comply with the budget resolution and take out the tax increase that was implicit in repealing the deduction for the State gasoline taxes. When the motion was made to strike that out of the bill, the Senator from Maine made the point of order that we could not do that, because at that point, the bill would violate the budget resolution. One would have thought that we were Jesse James and his brother, Frank, in here robbing the Senate of the United States of all its rights, because the budget resolution said that you could not consider an amendment that would break the budget.

After the Senators had enjoyed the fun of voting for all the billions of dollars of goodies to add to the bill, they then felt that they were being imposed upon, because some of the tax increases in the bill that made it possible to have all these tax cuts could not then be taken out.

Compare the furor that we heard from the Republican side of the aisle on that occasion, when Mr. HELMS made the motion, and when the Republican whip would have led one to believe that we were absolutely taking away the rights of all Americans, committing an act of tyranny to what will happen when we are going to have to vote for a balanced budget no matter whom we have to ask to pay increased taxes; that we are going to vote for a balanced budget no matter what poor people have to suffer, however many of them there are or however aged they may be, or how disastrous their plight may be; that we are going to vote for a balanced budget even though it means that the country cannot be defended and that any time the Communists want to take us over, all they have to do is come and take us with a minimum of resistance.

The amendment offered by the Senator from Kansas proposes to say, "Fine." They want to lock it in by requiring a two-thirds majority to pass a budget. Even if the Senate, by a unanimous vote, wants to change it, and over on the House side, a majority wants to concur with what the Senate did, we could not have an unbalanced budget because there may be some timid souls over there who think that, in the minds of their constituents, balancing the budget is so sacred that they dare not do what the national interest requires. One-third on the other side could prevent the majority of both Houses from providing for the safety of the Nation or avoiding a mistake that would do grievous injury, that would make one want to cry, involving the fate of 20 or 30 million unfortunate Americans.

I should think, Mr. President, that if anybody wants to balance a budget, he would want somebody to bring him a concrete proposal he could vote for. I should hope, Mr. President, that as a result of this, we would see what the Budget Committee in good conscience would recommend to us; to say, well, if you are going to balance this budget, you are going to have to cut out a lot of things some people will not like. I have been telling some of the people now, "I am not going to vote to take away your burial allowance; I am not going to vote to take away that money to bury grandmother." But that is nothing compared to what we will have to do to balance the budget, if I hear the Senator from Maine, the chairman of the Budget Committee, correctly.

We will have to do some things that we are reluctant to do. It is a lot easier to say, "I am for balancing the budget; we are going to balance it unless a two-thirds majority says, do not balance it." Why not say, "We will balance it unless a unanimous vote agrees that we will not balance it"? It would involve similar logic.

This is a good-faith proposal, that the committee would do what I hope it would do. I point out that the Senator from Kansas (Mr. Dole) is a member of that committee. I hope that he and others on that committee will, in good faith, tell us how they think this budget ought to be balanced and give us their best judgment as to how it can be done.

I hope I can support it. To set the stage, I shall hold the amendment in good faith. I want to vote for a balanced budget. I hope it can be done in a way that does not do grievous injury to anybody. If you want a balanced budget, show us how to balance it.

I yield to the Senator from Kansas.

Mr. DOLE. Will we have an opportunity on our own to discuss the Senator's amendment?

Mr. MUSKIE. Mr. President, I ask unanimous consent to add the ranking member of the Budget Committee (Mr. Bellmon), who has had a chance to study this amendment, as a cosponsor. He wanted to indicate that the Budget Committee leadership is united behind this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. I ask unanimous consent that the Senator from Georgia (Mr. Nunn) be added.

Mr. FORD. Mr. President, I ask unanimous consent that I may be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. I am prepared to yield the floor, Mr. President.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kansas.

Mr. DOLE. Mr. President, I have been listening to the debate on the balanced budget here today and I certainly have total respect for all those who have addressed the issue. But I would like to turn to the specific issue before us, the amendment that I proposed yesterday. As the distinguished Senator from Arizona just pointed out, this amendment provides that, beginning with fiscal year 1981, there may be no more statutory debt limit increases beyond the May 1, 1980, level unless the second concurrent resolution on the budget provides for a balanced or surplus budget or more than two-thirds of the House and Senate agree to a resolution which projects a deficit.

The amendment does not address the question whether there ought to be any additional increases in the debt limit for fiscal year 1980. It increases and extends the combined temporary and permanent debt at the same level provided in H.R. 2534, $830 billion, which will cover our debt needs through the end of fiscal year 1979.

It implements the so-called Byrd amendment, which the distinguished Senator from Virginia discussed earlier. The Byrd amendment, which passed last year, as part of Public Law 95–435, provided that Congress shall balance the budget by fiscal 1981.

The Dole-Armstrong amendment implements the administration's projection that we will have a balanced budget by fiscal year 1981. That projection is contained in the March 1979 OMB update of the President's budget. In that document, OMB projects a $3 million surplus for 1981.

The amendment would permit a deficit in the event of extraordinary circumstances.

The amendment also allows sufficient time for the administration and the Congress to plan for the difficult choices a balanced budget will impose.

The Dole-Armstrong amendment further permits debt limit increases after the budget is balanced. This is necessary because even with a balanced budget the public debt is still raised by off-budget items.

If we look at the House action on an amendment quite similar to the Dole-Armstrong amendment, I think one would find a very close vote on the matter. I did not look at the rollcall vote, but I understand there was bipartisan support for the amendment.

I certainly wanted and still want to cooperate in trying to find some solution to a very difficult problem.

I assume we will have 50 votes on balanced budgets in this year. This is only the first.

Perhaps if the two-thirds vote is too restrictive, we could change it to three-fifths.

Mr. President, at the appropriate time, I will offer a perfecting amendment to the Dole amendment which would change the levels to three-fifths. The perfecting amendment would also include the Long amendment, then we could have both amendments before us.

UP AMENDMENT NO. 51

(Subsequently printed amendment No. 117)

Mr. DOLE. Mr. President, I send that amendment to the desk.

The PRESIDING OFFICER. The amendment to the Dole amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kansas (Mr. Dole) proposes an unprinted amendment numbered 51.

Mr. DOLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the amendment strike "two-thirds" and insert in lieu "three-fifths" and insert at the appropriate place the following:

Sec. 5. Congress shall balance the Federal budget. Pursuant to this mandate, the Budget Committees shall report, by April 15, a Fiscal Year Budget for 1981 that shall be in balance, and also a Fiscal Year Budget for 1982 that shall be in balance, and the Budget Committee shall show the consequences of each budget on each budget function and on the economy, setting forth the effects on revenues, spending, employment, inflation, and national security.

Mr. LONG. A point of order, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. Would that not be an amendment in the third degree?

My amendment is to the Dole amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from Kansas is an amendment to the text proposed to be stricken by the Senator's amendment and, as such, it is a second degree amendment, is in order, and takes precedence over the amendment of the Senator from Louisiana.

Mr. DOLE. Mr. President, I would modify the last part of the perfecting amendment to conform with the modification of the Long amendment which was previously sent to the desk.

The modification would take care of the questions raised by the distinguished Senator from Oregon (Mr. Packwood).

I think now the perfecting amendment addresses the issue raised by the distinguished Senator from Maine that a two-thirds requirement is too high. Now it has been changed to three-fifths.

The amendment, as modified, is as follows:

At the appropriate place in the amendment strike two-thirds and insert in lieu three-fifths, and insert at the appropriate place the following:

Sec. 5. Congress shall balance the Federal budget. Pursuant to this mandate, the Budget Committees shall report, by April 15, 1979 a Fiscal Year Budget for 1981 that shall be in balance, and also a Fiscal Year Budget for 1982 that shall be in balance, and by April 15, 1980, a Fiscal Year Budget for 1981 that shall be in balance, and by April 15, 1981, a Fiscal Year Budget for 1982 that shall be in balance and the Budget Committees shall show the consequences of each budget on each budget function and on the economy, setting forth the effects on revenues, spending, employment, inflation and national security.

Mr. DOLE. Mr. President, the amendment as modified it addresses the concerns of the distinguished Senator from Louisiana because we have added the

Long amendment, as modified, as part of the perfecting amendment.

It seems to me that we are now in a position to discuss the issues.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER (Mr. RIEGLE). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, let me just review one more time what the amendment would do in its present form.

It would implement the Byrd amendment passed last year. It satisfies the administration because it implements their projections for a balanced budget in fiscal year 1981. It would permit a deficit in the event of extraordinary circumstances, and allows time for Congress to make a determination.

It permits debt limit increases after the budget is balanced. I think we have satisfied some of the resistance by changing it from two-thirds to three-fifths vote.

If we can argue that we just cannot legislate this kind of amendment on the Senate floor, then I assume the same argument can be made against every constitutional amendment now pending in the Judiciary Committee.

Perhaps there are better ways to address the issue. The Senator from Kansas is willing to find the appropriate way to address the question of a balanced budget. The issue is not going to go away.

Most of the constitutional amendments pending before the Judiciary Committee require a balanced budget. Many of those would permit a deficit if we had a two-thirds vote in both houses of Congress.

I share the views expressed by the distinguished Senator from Maine, that a balanced budget is difficult to achieve.

It could be argued that these proposed constitutional amendments, like the Dole-Armstrong amendment, may in some way interfere with the budget process.

We have attempted to address a concern responsibly. I still hope, as I said to my distinguished chairman earlier today, there is some way to resolve this impasse in a bipartisan fashion. Maybe there will be a way to resolve it by Monday, or even later tonight.

Certainly, the Senator from Kansas—I cannot speak for the Senator from Colorado—is willing to compromise, my good faith is demonstrated by sending the three-fifths modification to the desk.

I think there is the broader question of whether we are ever going to have any meaningful vote on budget balancing amendments, whether they be statutory or constitutional.

There is a great deal of pressure being applied by State legislative bodies, and it is being applied on them by voters in their States to balance the budget. Every State in the Union except Connecticut and Vermont has adopted a balanced budget requirement.

I agree with the distinguished Senator from Maine, maybe the polls do not indicate whether we should move or not move on a constitutional amendment any more than we should move, perhaps, on direct election or any other measure.

We all could give the figures on how much Government spending has skyrocketed. I know the difficulties we are facing.

As I said to the distinguished Senator from Louisiana in the hallway today, we should be responsible. If we can be satisfied that the approach of the Senator from Louisiana is the most responsible approach, then the Senator from Kansas may accept it. There are those who feel very strongly the substitute is not the right approach. Perhaps we need to make further modifications either to the Armstrong-Dole amendment or to the Long amendment, or both.

The Senator from Kansas hopes we will have an opportunity—Republicans and Democrats—to sit down and try to construct some compromise.

If we are being told, in effect, "Take that amendment or nothing" then I suggest we just vote on the amendment now pending and find out what the sentiment may be, and then proceed to consideration of other amendments. But I am just speaking now for one Senator.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. DOLE. I am prepared to yield, and I yield the floor to the Senator from Colorado.

Mr. ROBERT C. BYRD. Mr. President, the Senator cannot yield the floor.

Mr. DOLE. I yield for a question.

Mr. ARMSTRONG. I appreciate the Senator yielding.

I feel, as the Senator from Kansas has expressed, that there are many in this Chamber who are prepared to compromise and are prepared to work with other Senators who wish to bring this issue to a point of resolution.

However, I think there is great danger that in the course of this debate we are going to lose perspective as to the very reason why the Senator from Kansas has brought this amendment before us. It is well to talk about the prerogatives of the Senate and the prerogatives of the Budget Committee and the prerogatives of Congress and how we are going to bring resolutions to the floor, and this, that, and the other thing.

In his remarks the other day before this body, the Senator from Kansas forcefully pointed out that over and over again, not just this year but every year since we can remember, people have been talking about balancing the budget.

Somehow, there was always a reason to put it off, a reason to refer it to committee, always a reason—that this was not the time or this was not the vehicle. For one reason or another, we never met the issue head-on.

As a consequence, we have not met the issue head-on; and every year, except 1, in the last 20, we have had large deficits. They have not been modest deficits, but deficits of staggering, breathtaking, stupendous proportions.

These are not just numbers on some economist's chart. The consequence of these deficits has been a raging inflation which has affected every family, every working man and woman, every business, every municipal government, everyone in this country.

Last year, inflation was 9.5 percent, and the outlook is not bright for an early conclusion with respect to deficits of that magnitude.

I suggest that the circumstances—not just somebody's theory but what actually has transpired in the country and is now transpiring—justify extraordinary measures. What the Senator is suggesting is that we have an extraordinary majority if we are going to increase the debt limit in the years ahead. He has not said it cannot be done. He has not barred further debt increases at sometime if a supermajority feels that is necessary. He simply has said that we cannot go on in this particular way without causing great damage to the economy of our country and great hardship to many families.

I said that this is not a theoretical concern. The stock market is stagnant. The dollar is plunging. Inflation is raging at high levels and threatens to go out of control.

The Senator is right in suggesting that it is time to do something. I think the subject which has been hinted at, that there is something drastic about this measure, is completely wide of the mark. This is not a punitive measure. It is not all that unusual. After all, the requirement for a two-thirds majority is the same kind of requirement that already exists in our budget procedure. You cannot bring a bill to the floor unless there has been a resolution adopted on certain dates and unless the appropriations bills conform to that requirement. So this is nothing that is farfetched or unusual.

I hope we will proceed to vote. Personally, I would like to vote on this matter this afternoon. I see no reason for it to lay over, unless there is a real spirit of accommodation and a sense that we can work something out. If that is the case, I assure the Senator from Kansas that I will be pleased to work with him or anybody else over the weekend, or whenever we can, to resolve this matter. Barring that, I will support the pending amendment and hope others will as well.

Mr. DOLE. Mr. President, I appreciate the response of the Senator from Colorado.

I think assurances have been given to some that we probably would not arrive at a vote unless there could be some compromise of the differences. I am not certain that that will happen in the next hour or so. Therefore, I doubt that there will be any votes this evening.

I assume that a number of Senators here would like to speak on the general issue and on the amendment itself. We are prepared to do that at some length.

Does that satisfy the Senator from Colorado?

Mr. ARMSTRONG. It does.

If the Senator from Kansas will yield further, I should like to address an inquiry to the distinguished chairman of the Finance Committee about the effect of his portion of the amendment. I ask the chairman if he will clarify the amendment as it now stands. I have read the interesting colloquy he engaged in with the distinguished chairman of the Budget Committee on October 15 regarding the jurisdictional questions, and I am not sure whether or not the Senator's amendment unintentionally changes the outcome of that decision.

In brief, as I understand what happened last October 5, it was to say that anything in the outyears—that is, beyond the budget years—which was normally a finance committee bill or normally a bill assigned to another committee would not fall within the jurisdiction of the Budget Committee.

However, it seems to me that there might be an interpretation of the amendment of the Senator from Louisiana, were it to be adopted, to place an additional year—that is, beyond the budget year—within the jurisdiction of the Budget Committee. Therefore, if that happened, under section 306 of the Budget Act, I am wondering if additional years legislation would come under the Budget Committee's jurisdiction.

I doubt that the chairman intended that, and I wonder whether he can clarify that.

Mr. LONG. We will consider that. There are ways provided in the law that those types of problems can be satisfied. We would propose to comply with the requirements of the budget law. I do not know that I would try to abide by the suggestion that the Senator from Kansas made yesterday afternoon, that we should not be denied the opportunity to vote on his amendment by a technicality or by one of the provisions of the budget law. There are ways it can be done, and the Senator from Kansas is pretty familiar with those problems. He serves on the Budget Committee. I am learning, and I have been for some years. We have in mind complying with the procedures that are necessary in the budget law, and in due course we will.

Mr. ARMSTRONG. Perhaps at another time—apparently, he is not prepared to take us into his confidence now—the distinguished chairman could go into that, because it seems to me that this is an important issue.

As things now stand, I understand the parliamentary situation is that the Finance Committee cannot bring to the floor a tax bill affecting current year revenues or budget year revenues unless it had obtained a waiver from the Budget Committee. I am concerned that whether or not we adopt the Senator's portion of the pending amendment, the effect would be to extend the jurisdiction of the Budget Committee an additional year. Is it the Senator's opinion that that would not be the case?

Mr. LONG. What we would have here, in the first instance, is that on April 15 we would have projections of what is to be expected if we are to balance the budget as envisaged by the Budget Committees. It may be that the Budget Committees will recommend some things that would cause some problems on the Finance Committee and perhaps the Appropriations Committee as well. But at that point we are not bound by it. We are looking at what they think you would have to do to have a balanced budget. Obviously, that will leave open the alternatives for any of us to suggest that you should do it somewhat differently—for example, if their projections would envisage that we pass a tax, that does not bind the Senate at that point to do it that way and it does not bind us to pass that particular tax. It simply says, "Here is how we think it should be done"; and we would hope to work from that and arrive at what we think would be the best way to balance the budget.

Mr. PACKWOOD. Mr. President, if I may further respond, as I read this and intended it, the Budget Committee's binding authority is only year by year, other than for some very technical exceptions that we already discussed in past debates in the Chamber. If this passes by April 15 this year, the Budget Committee will recommend how they think the budget might be balanced in fiscal year 1981 and fiscal year 1982.

Let us say, for example, the Budget Committee says, "All right, we think the way it might be balanced in 1981, considering that we might have a 7, 8, to 9 percent inflation, is there will simply be no tax cut and because people are pushed into higher tax brackets and the revenues go up it will catch up with the expenditures, and that is our estimate how we might balance the budget in fiscal year 1981."

That is not binding on this Congress.

Mr. ARMSTRONG. Is the Senator saying, then, the amendment, if adopted, does not expand the jurisdiction of the Budget Committee within the meaning of section 306 of the Budget Act?

Mr. PACKWOOD. It is not my intention. I do not think it does. The Budget Committee has authority now to bring out estimates, guestimates, if you want to call them that, estimates or suggestions. The only thing binding is the resolution we finally adopt, the last one in September.

As I read the resolution, the Budget Committee will do two things for fiscal years beyond the fiscal year that we are preparing the budget for. The Budget Committee will make suggestions as to how the budget might be balanced, cutting expenditures, increasing taxes, or a combination of both. On April 15 of the year in which we are preparing the budget for the following fiscal year, the Budget Committee will come forth with a concurrent resolution and that resolution, according to this amendment, will be a balanced budget resolution, and they may come forth with alternative suggestions for 1 year, and that after we debate it and after we get to September 15 will bind this Congress. But we are giving them no additional authority beyond what they currently possess for outyear binding budget recommendations.

Mr. ARMSTRONG. I appreciate the Senator's explanation.

I wonder if the distinguished chairman of the Budget Committee shares that understanding of the amendment.

Mr. MUSKIE. Yes, I share it. I think that explanation is a very lucid one. I found nothing in it, and I listened closely, with which I will disagree.

Mr. ARMSTRONG. I am sorry. I cannot hear the Senator.

Mr. MUSKIE. I listened to the explanation of the distinguished Senator from Oregon very closely because I was interested in his response, and I found nothing in what he said to which I take exception.

Mr. ARMSTRONG. I thank the Senator for the explanation, and while for policy reasons I still adhere to my early decision, I think that clarification is useful so there will not be any muddy water in the RECORD about expanding the jurisdiction of the Budget Committee.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas still has the floor.

Mr. BUMPERS. Mr. President, will the Senator from Kansas yield for a question?

Mr. DOLE. I yield for a question.

Mr. BUMPERS. The perfecting amendment offered by the Senator from Kansas provides that once the Senate adopts a balanced budget, it may not be rescinded by less than three-fifths vote of the Senate. Is that correct?

Mr. DOLE. That is correct.

Mr. BUMPERS. This is a simple piece of legislation. Of course, it is not a constitutional amendment. Could not that requirement of the three-fifths majority be amended at any time by a simple majority of the Senate?

Mr. DOLE. That is correct.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for what I believe is a correction?

Mr. DOLE. I yield.

Mr. ROBERT C. BYRD. The distinguished Senator asked if the amendment by the distinguished Senator from Kansas meant that a three-fifths vote of the Senate is what is being required. The Senator means three-fifths vote of both Houses, does he not?

Mr. DOLE. That is right, both Houses.

Mr. BUMPERS. That is a correction. I misspoke myself. I meant both Houses.

But both Houses can change that requirement by a simple majority. The Senator will agree with that, will he not?

Mr. DOLE. I would like to point out that my amendment, if the distinguished Senator from Arkansas would note, applies to the debt limit. It simply provides that beginning with fiscal year 1981 there may be no more debt limit increases beyond the May 1, 1980 level unless the second concurrent resolution on the budget provides for a balanced or surplus budget or unless more than three-fifths of the House and Senate agree to a budget resolution which projects a deficit.

Mr. BUMPERS. We can do either of two things then. We can adopt by that time a balanced budget or three-fifths of Congress can vote to raise the debt ceiling. Is that the substance of the amendment?

Mr. DOLE. Yes.

Mr. BUMPERS. If it can be changed by a simple majority vote, what is the purpose of the requirement of three-fifths vote? Procedurally I assume at the time we reach that point any Senator could offer an amendment to amend this amendment to require a simple majority and once that is done, then a second vote will be taken to raise the debt ceiling by a simple majority. Is that not correct?

Mr. DOLE. It is the view of the Senator

from Kansas that we are going to have more discipline and we are not going to permit a debt limit increase unless we have a balanced budget or surpus budget or more than three-fifths of the House and Senate agree to a budget resolution which projects a deficit.

Mr. BUMPERS. If I may pursue this just a little further, does not the Senator object to that part of the substitute amendment which goes beyond 1981? What is the objection to that part of the substitute which carries it 1 year further to 1982 and also requires a balanced budget in that year?

Mr. DOLE. As the Senator from Kansas said earlier, I am still not satisfied—maybe before we finish the distinguished Senator from Maine can satisfy all of us. Just what legal effect does the April 15, 1979, provision have on the Budget Committee as far as the fiscal year 1981 budget is concerned or the fiscal year 1982 budget is concerned? That is one of the reservations. All we have said, in effect, and I assume the Senator is talking about the Long substitute, is that Congress shall balance the Federal budget. Pursuant to this mandate, the Budget Committee shall report by April 15, 1979, the fiscal year budget for 1981, which shall be in balance.

I think the question has been asked of the distinguished chairman a number of times, is the understanding of this Senator correct that on April 15, 1979 or soon thereafter we would vote on a budget for 1981?

Mr. MUSKIE. The Senate will vote, as I understand the Senator's amendment, on the budget for 1980, which it must under the present law; and in addition, the same resolution, as I read this amendment, would require the Senate to vote on the balanced budget for 1981.

Mr. DOLE. Would we avoid any votes in April next year?

Mr. MUSKIE. Of course not, because each year the Senate and Congress as a whole have the responsibility to adopt a budget for the current year. That would mean we would have to take a look at what we voted on this year in light of the economic circumstances a year from now, and either we affirmed our vote of this year or changed it.

There is one other point to be made. As the Senator knows, even if we agreed to a balanced budget for 1981 this year and also next year, the makeup of those two budgets could be different, depending upon the rate of inflation, the rate of unemployment, and so on. So it would be necessary for us to act again next year. Indeed, it would be the better part of wisdom to act again next year, because the makeup of the balanced budget for 1981 next year would very likely look different than the makeup for the 1981 balanced budget we put together this year, and to prevent ourselves from recognizing the need for making those changes, I think, would be foolhardy.

But, as I read this, it is an attempt within the constraints of our inability to control economic forces ultimately and within the requirements of the Budget Act to enable the Senate to make a commitment within 6 weeks to a balanced budget for fiscal year 1981, if that is the decision of the Senate after the Senate has been given the Budget Committee's best estimate of the consequences of such a decision. The Budget Committee will also present the option of a balanced budget in 1982 to the Senate for its consideration.

Then, of course, in addition, the Budget Committee may have some recommendations to offer with respect to either year for the consideration of the Senate, which I would expect the Senate would regard it as its duty to do. Then, of course, it is always open to any Senator to offer a substitute to any budget resolution or amendments to any budget resolution. All the options would be open, but the commitment would be clear.

The Budget Committee, may I reassure the Senator, would not try to play games with it. If you tell us to present a balanced budget for 1981, we will do our best to present it in such a way that there was a reasonable distribution among the priorities in the budget. We would not try to play games that would prejudice any particular interest or any other priority. I can assure the Senate of that. We would present a straight document, an honest document, that reflected, as best we could, our understanding of the priorities which the Senate wished to have addressed in that balanced budget.

Mr. DOLE. I appreciate the comments of the Senator from Maine. I have the greatest respect for him. I know how diligently the Budget Committee works. I have been on the Budget Committee so I know how painful the process is. I also know how easy it is to say one thing and do another—and I am not talking about the distinguished Senator from Maine. But I think the Senator had a chart last year that indicated that those who stood up as conservatives were really not conservative about budget cutting.

We had the example this year in the Committee on Agriculture where we had to cut about a half-million dollars out of the school lunch program and the summer program, and that was not easy.

Then we moved over to the Committee on Finance, where we had to take $1.5 billion out of the health care category, and that was not easy, but it was done to stay within the $29 billion deficit.

So the Senator from Kansas certainly understands the enormity and the severity of the problem and the way it has been addressed—which I think is in the most appropriate way—by the Budget Committee. So I certainly have no quarrel with the distinguished chairman of the Budget Committee.

Several Senators addressed the Chair.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. DOLE. Yes, I yield.

Mr. MUSKIE. There is another point I need to make. As the Senator knows, and as everyone in the Senate now knows, on March 15 every committee of the Senate, including Appropriations, Finance, and the other legislative committees, is required under the Budget Act to report to the Budget Committee its best estimates of program needs for the budget year for which we are budgeting.

We have received those March 15 reports for fiscal year 1980. We have not totaled them up finally, but if I understand correctly these reports ask us to provide almost $40 billion more in budget authority than is required over current law.

So even before we get to cutting the President's budget, we are going to have to look at and cut most of the additional requests that committees have told us on March 15 are essential services for fiscal year 1980.

That is not going to be easy. I am on a couple of legislative committees myself, and try as we might we were not able to hold our requests down to the President's recommendations.

Now we are being asked to cut below the President's recommendations in order to achieve a balance in 1981. Senators ought to understand that.

It is consequences of that kind about which I am talking. We have all these legislative committees making honest judgments based on their experience of the minimum necessary in the areas over which they have jurisdiction. But we are going to have to ignore those recommendations, by and large, or cut even more deeply into some functions of the Government in order to preserve what legislative committees have recommended as to other functions, and that is not going to be easy.

Mr. DOLE. Mr. President, I would be happy to yield to the distinguished majority leader, but not for a motion to table.

Mr. ROBERT C. BYRD. I would like to ask the Senator a question.

Mr. DOLE. I yield for a question.

Mr. ROBERT C. BYRD. May I ask the distinguished Senator how long he intends to hold the floor?

Mr. DOLE. I might say in all candor to the distinguished majority leader that I have just checked, and there are five proponents of the amendment missing on this Senator's side. I would assume I would talk as long as necessary for them to return.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. DOLE. I yield for a question.

Mr. ROBERT C. BYRD. Mr. President, may the Senator yield for a statement, and I ask unanimous consent that he may?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, no Senators have been informed on this side of the aisle that there would not be votes today, and so if Senators leave on their own momentum or volition, with the obvious understanding of the Rules that the pending amendment is subject to a motion to table at any time but is not debatable, as I see it they make their own choice. I am sorry if they have been advised that there will not be a vote.

We have been moving along at a rather casual pace in order to let committees meet the May 15 deadline, allow committees to meet without interruption so they can get legislation on the calendars.

I have stated that the Senate would not be in on Fridays through April so as to give committees an opportunity to meet on Fridays and summon witnesses to be present on Fridays who may have to travel long distances without any fear that the Senate will be meeting and committee members cannot get to the Senate committees.

I am going to stick to that promise. I did say the promise would not hold in the event there is emergency legislation or expiring deadlines or immediately impending legislation, and so on. I do not guess that is the case here.

But I think I would be, in keeping with my own promise, fully justified to come in tomorrow since Senators have left, four or five of them gone home, on the other side of the aisle and, perhaps, with the understanding over there that there is not going to be any vote today. So under my own assurance to the Senate I think I certainly would be justified in asking the Senate to come in tomorrow.

But I am not going to do that in this instance. However, in the future I might be forced to ask the Senate to come in on Friday. I hope that Senators would on Thursdays at least not leave too early because the Senate might have to reach a decision on a tabling motion involving an important amendment to the debt limit.

Now, having said that, Mr. President, I ask unanimous consent, if the Senator will yield to me for this purpose, that when the Senate completes its business today—I take it the Senator is not going to hold the floor for a considerable length of time.

Would he be willing to vote if enough of us over here were paired? I have not checked our sheet, but I am willing to take a gamble one way or the other. On Monday, who knows how many will be absent? How many will be absent on that side on Monday? How many will be absent on that side on Tuesday? I am willing to make a gamble here.

If he has five absentees, I am willing to give a pair for one of those. Senator LONG is willing to give a pair for another one. Let us have a showdown tonight. Let us have a shootout now. I do not know whether we will be in better shape on my side on Monday or Tuesday than we are now, or whether we will be in worse shape. But I am willing to take a gamble. Would the Senator be willing to let us pair off and let us reach a vote on the motion to table?

Mr. DOLE. Mr. President, I certainly appreciate the suggestion of the distinguished majority leader. I have considered it carefully. But I decided not to do it.

I will just say the Senator from Kansas has been around for 2 days. We have had recesses. I know they were well motivated with the greatest intentions. I have not been known to delay the Senate in the 11 years I have been here. I have not delayed the Senate too long.

I did not make any assurances to those who left on this side there would be no votes. I hinted to a few Senators on the way out that they might be protected, but not that I could protect them. However, I do have 30 or 40 pages here on the merits of the constitutional amendment to balance the budget and other material that I could read. I prefer not to do that because I respect the Senate and I respect those who have commitments. I would hope that we might extend this matter until another day in this one instance. I think this is the only time I can recall from memory that the Senator from Kansas has tried, not to delay but maybe to extend a matter until another day.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. DOLE. Yes.

Mr. ROBERT C. BYRD. Mr. President, the Senator is right in saying that he is not accustomed to delaying the Senate. I have to say that to his credit. As a usual thing, he is willing to call up an amendment and get a time limitation on it of 5 minutes, 10 minutes, 30 minutes. He is very fair and reasonable in that respect. Will the Senator yield for a unanimous-consent request?

Mr. DOLE. Yes.

ORDER FOR RECESS UNTIL 11 A.M. MONDAY, MARCH 26, 1979, AND FOR A RECESS DURING SESSION ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. Monday with the proviso that after the orders for the recognition of Senators, and no later than 12:30 p.m., the Senate stand in recess until the hour of 3:30 p.m. on Monday, the reason being Senators are being invited down to the White House for the signing ceremony with respect to the Mideast Treaty. Senators will be leaving at 1 o'clock, I believe, or thereabouts. The signing ceremony is at 2 o'clock. I assume it would be 3:30 before all Senators could be back on the floor. If we came in early we can at least get the orders for the recognition of Senators out of the way, we could get morning business out of the way, and I could provide further, if it meets with the manager's approval, that the resumption of the Senate on the pending bill will not reoccur until 3:30 p.m. on Monday.

Mr. DOLE. Reserving the right to object, I might just add I would be willing to add to that agreement that we have an up or down vote on my amendment at 4 o'clock.

Mr. ROBERT C. BYRD. Mr. President, I might be willing to gamble on Monday. We may have a vote in relation to the amendment by 4 o'clock, or maybe some other motion which may be made.

Mr. DOLE. I was hoping we might avoid that other motion.

Mr. ROBERT C. BYRD. Mr. President, will the Senator allow me to get this request so Senators will know that there will be no more votes today, that they can meet their airline reservations, and the Senate can proceed to debate?

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from West Virginia?

Mr. DECONCINI. Reserving the right to object, and I do not believe I will object, I am not sure exactly whether I heard the unanimous-consent request.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 a.m. Monday; that at no later than 12:30 p.m. on Monday the Senate stand in recess until the hour of 3:30 p.m. on Monday; that at the hour of 3:30 p.m. on Monday the Senate resume its consideration of the debt limit message.

Mr. DECONCINI. And there will be no more votes tonight?

Mr. ROBERT C. BYRD. There will be no more rollcall votes tonight.

Mr. DECONCINI. I have no objection.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator from Kansas.

Mr. DOLE. Mr. President, I might just suggest, and again with reference to the perfecting amendment, I am very willing to enter into a time agreement on Monday, if we could have an up or down vote. It is not that I want to delay consideration of the debt-limit increase. I know that starting about April 3 it has certain consequences we want to avoid.

I would suggest we may be able to work out some additional compromise between now and Monday at 4 o'clock. Certainly, we are prepared to work tomorrow and over the weekend. Failing that, the Senator from Kansas would be willing to vote on the amendment—not the entire amendment but the perfecting amendment—30 minutes after we convene on Monday.

Mr. LONG. Will the Senator yield?

Mr. DOLE. I yield.

Mr. LONG. As far as this Senator is concerned, Mr. President, he wants the Senate to work its will. I really do not anticipate that we are going to have any difficulty getting right to a vote.

Mr. DOLE. I do not either.

Mr. LONG. I think it would be just as well to leave every Senator with his own rights. I fully respect the rights of the Senator. So far as I am concerned, I am not aware of any Senator's desire to filibuster. I think we would do just as well if we try to protect the rights of all Senators. There may be some who might object or who might want to make some motion or offer some amendment of which I am totally unfamiliar. I think it would protect all if we leave it just the way it is. I would think we could settle this issue on Monday and go to the next issue.

Mr. DOLE. I appreciate the advice from my distinguished chairman. I think it is good advice. I want to assure the majority leader we have no intention of trying to delay on Monday, or whenever the vote may occur.

I am prepared, not to have any more votes, but to suggest that perhaps between now and Monday we can address some of the reservations we have about the proposal presented by the distinguished chairman. Perhaps there may be room for compromise or there may not be.

I want to comment on one other point. The distinguished Senator from Arkansas said that they could change if mine were adopted by a majority vote. But it takes 60 votes to support cloture. I believe that those who supported my amendment, where we asked for a three-fifths vote to increase the debt, should be aware of that in the event there was an effort to change.

I am prepared to yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, the distinguished Senator form Louisiana (Mr. LONG) has discussed the pending amendment and so has the distinguished Senator from Maine (Mr. MUSKIE), and others.

On yesterday, I appointed an ad hoc committee to consider legislation that would represent a responsible approach to balancing the budget. We all want to balance the budget. I get many letters from back home asking "When are you going to balance the budget? When are you going to cut Federal spending? And when am I going to get my check?"

Some group will wire me to "balance the budget. Cut Federal spending." And within the next week or so I will find members of the same group in my office urging me to use my influence, which they think is immeasurable, limitless, as a matter of fact, to get this Federal agency or that Federal agency to approve an application for Federal funds for such-and-such a project in that community.

So, Mr. President, they want to have it both ways.

Mr. LONG. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. LONG. Mr. President, recently one of the able mayors of the State of Louisiana was in my office. He said, "Please be considerate and tolerant of my city council. They sent you up two resolutions the same day. One of them was to say that Congress should not make any of these grants with strings and all that, but just give us our share of money in revenue sharing and not have any more grants-in-aid. Just give us our share of the money and let us spend it as we see fit. The other was a request to get us a $700,000 grant."

He said, "Please be tolerant of my people and understand that they have to play a little politics just like some of you people do, from time to time. Do not expect us always to be consistent, because that is not how it is with these fellows who have to run for office."

I think we should be, because our constituents one day find that they have their ox in the ditch and Congress must come to their aid and save the old family homestead, and the next day, they find that Congress did something for someone else along the same line, in which they did not share the benefit, so they write in, upbraiding us for being irresponsible and spending money on something that is not entirely necessary.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. President, to go on with my statement, Congress has been moving in this direction. Last year, the President projected a budget deficit of $60 billion in January. Congress, through its budget process, reduced that budget deficit from $60 billion to something like $39 billion, which was a $21 billion reduction in the deficit. So Congress has been moving in this direction, and it recognized the national mood when it did that.

We all want to continue in that direction. We want to balance the budget. But we want to approach this matter in a responsible way. It is easy to vote for an amendment that says, "Balance the budget; Congress must balance the budget this year." That is easy. But, Mr. President, when it comes to determining what areas will be cut, I have a feeling that Senators are going to hear from people back home, because if we have to make cuts, are we going to make them in defense? The President has pledged a 3-percent increase annually in the defense budget. He did this at the NATO summit, and the other NATO countries pledged that they would also increase their annual defense budget in real terms by 3 percent. So are we going to cut defense?

If not, what are we going to cut back? Are we going to cut out some of the social programs? We have a move on in this country for a constitutional amendment that will mandate a balanced budget annually. What that will do is remove from the Congress, if such an amendment is ever adopted, that fiscal tool which has been used by Franklin D. Roosevelt and all Presidents subsequent thereto from time to time, the budget. Deficit spending, call it whatever you may, it will remove that fiscal tool to deal with economic situations that cannot be foreseen in advance. Congress has to have flexibility in enunciating and formulating fiscal policy and it has to use the budget—as a tool, an instrument. So there as a great wave around this country for a constitutional amendment.

They say, "Well, I balance the budget in my household. I cannot operate on an unbalanced budget in my household. Why cannot those people in Washington balance the budget?"

People in West Virginia say, "We have a constitutional provision that mandates West Virginia to balance its budget." That is true, I say to the distinguished Senator from Kansas. West Virginia has a surplus right now. I do not know what it is, 50 some million dollars, I suppose. A surplus. West Virginia is mandated to balance its budget. But the Federal Government has many responsibilities that the States do not have. National defense is one of those responsibilities. The Federal Government has to provide for the national defense.

So, to those States the legislatures of which are asking Congress to balance the budget or are moving in the direction of a constitutional convention and moving in the direction of a constitutional amendment that would mandate a balanced Federal budget, I say, "Present your inventory of items that you would be willing for the Federal Government to reduce or eliminate. Tell us where you want to cut the Federal funding for your State."

Mr. President, that is what this amendment that was offered by Mr. LONG and other Senators attempts to achieve. It is a realistic approach. It mandates Congress to balance the budget. It requires the Budget Committee, by April 15 of this year, to report a balanced budget for 1981 and a balanced budget for 1982, together with the consequences of such balanced budget, so that Senators may see, and the people back home may see, what the consequences will be of a balanced budget in 1981 and what the consequences will be of a balanced budget in 1982. They will see whether veterans' programs are going to be cut; they will see whether education programs are going to be cut; they will see whether welfare programs are going to be cut; they will see whether national defense will be cut. Then they can make their choice.

But just blindly to vote for something and say, "Let us have a balanced budget,"—no, unless two-thirds of both Houses or three-fifths, whatever it may be, may say otherwise.

Mr. President, the hue and cry we have heard for a balanced budget is going to be a volume of moans and groans when the people find out what this means. Let us vote for a balanced budget with our eyes open, knowing and saying where the cuts are going to be, where the reductions are going to be. If you want a balanced budget, let us understand whether we are going to have to cut social programs, whether we are going to have to cut defense programs or whatever. Let us understand where the cuts are going to have to be made. Let us make a decision on that. That is the responsible approach, Mr. President.

Mr. MUSKIE. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MUSKIE. There are even two other alternatives. If, for example, a balanced budget forces us to cut too deeply into some very high-priority programs like defense or income support programs, an alternative for balancing the budget might be to increase taxes. There is more than one way to balance a budget. In addition to reducing spending, we could increase taxes.

There is still another alternative. There are tax expenditures, which have been a very volatile and controversial subject on the floor of the Senate. We might balance the budget by eliminating some of those that are of great value to business groups or education groups or health groups. All of these consequences, of which there are many need to be examined, presented, and understood. The majority leader is absolutely right in his analysis and debate. I could not do it better.

I compliment the majority leader on assembling this ad hoc group to put together this approach. Even this approach is a little restrictive, but I think we ought to get used to it. I think it is going to work out well. I hope that Senators read the majority leader's statement and understand that those of us who put it together intended to do what it says: to spell out the consequences, but to clearly point to the road of the balanced budget and give the Senate a chance to vote for it.

Mr. ROBERT C. BYRD. Yes, and give our constituents a chance to see what is going to be reduced, what is going to have to be reduced, or what will be increased in order to achieve that goal of a balanced budget.

We are not buying a pig in a poke. We are going to buy a balanced budget with our eyes open.

It is for that reason, realizing that Senators all want the balanced budget, that I appointed the ad hoc committee and named Mr. MUSKIE as chairman of it, and Mr. LONG, chairman of the Finance Committee—Mr. MUSKIE is chairman of the Budget Committee—Mr. MAGNUSON, chairman of the Appropriations Committee, Mr. CRANSTON, majority whip, Mr. HART, Mr. CHILES, who is also on the Budget Committee, Mr. NELSON, Mr. BENTSEN, who is chairman of the Joint Economic Committee, Mr. BUMPERS, Mr. NUNN, who is on the Finance Committee, and that committee worked yesterday and today seeking a language that would represent a responsible, reasonable, realistic approach to this problem that concerns all of us.

We welcome bipartisan support of it and, as Mr. LONG indicated, during those meetings he referred to the amendment that had been offered by Mr. PACKWOOD, and it was the consensus of everyone there that we would like to have and hope to get Republican sponsors, and we have some.

So it should be a bipartisan approach. After all, the Democratic Party wants a balanced budget. The Republican Party wants a balanced budget. Neither party has a monopoly on the desire for a balanced budget. Both parties want it. So let it be a bipartisan effort; that is exactly what the amendment offered by Mr. LONG and others represents.

I want to compliment the members of the ad hoc committee. I hope that over the weekend Senators will study the amendment, and realize that it does represent a reasonable approach, because sooner or later they are going to meet this thing coming back. It is not just a question of voting for a balanced budget today, but sooner or later we are all going to have a showdown on the reductions that will have to be made in some areas to achieve a balanced budget.

With that in mind, I hope Senators will support the amendment and feel that it is a responsible answer to the concerns that are being expressed.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the language of the amendment (No. 50, as modified.)

In lieu of the language proposed to be inserted by Amendment 111, insert the following:

SEC. 5. Congress shall balance the Federal budget. Pursuant to this mandate, the Budget Committees shall report, by April 15, 1979 a Fiscal Year Budget for 1981 that shall be in balance, and also a Fiscal Year Budget for 1982 that shall be in balance, and by April 15, 1980, a Fiscal Year Budget for 1981, that shall be in balance, and by April 15, 1981, a Fiscal Year Budget for 1982 that shall be in balance; and the Budget Committees shall show the consequences of each budget on each budget function and on the economy, setting forth the effects on revenues, spending, employment, inflation and national security.

Mr. ROBERT C. BYRD. Mr. President, I have no further need for the floor. I am going to yield it, for the moment.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, that Senators may be permitted to speak therein for up to 10 minutes each, and that the period not extend beyond 30 minutes.

The PRESIDING OFFICER (Mr. BRADLEY). Without objection, it is so ordered.

"SARATOGA" SLEP AMENDMENT

Mr. WARNER. Mr. President, today in the Senate Armed Services Committee my senior colleague, Senator HARRY F. BYRD, JR., offered an amendment, which I was honored to cosponsor, to S. 429, the supplemental authorization bill for fiscal year 1979. This amendment, which was adopted by the committee, will insure that the rebuilding of the aircraft carrier *Saratoga* will be at the least cost to the U.S. Government and will prevent the use of over 1,100 sailors who would otherwise be assigned to the shipyard labor force to rebuild the *Saratoga*.

Mr. President, the many issues of this amendment will be debated in depth when the bill is considered in this body. My purpose today is to cite certain background information before the committee on this matter and to place in the RECORD information which will be useful on a number of the issues.

Congressional concern over the cost factors and other implications of the *Saratoga* shipyard assignment has existed for 2 years.

First, in 1977 the Senate Armed Services Committee report on the Defense Authorization bill emphasized the committee's concern over whether the preliminary Navy plan represented "the least cost approach."

Later, in 1978, Congress enacted legislation requiring the Navy to conduct a complete review of the matter including a cost comparison analysis.

The Navy completed the study on the carrier modernization program and the study was submitted to Congress on January 25.

Subsequently, the Senate Armed Services Committee conducted hearings on the legally mandated study and received testimony from the Secretary of the Navy, the Chief of Naval Operations, the Comptroller General of the United States and others. Deputy Secretary of Defense Duncan testified on this matter at an earlier hearing.

The Navy study concluded that it would be from $37 to $80 million more costly to accomplish the *Saratoga* modernization at Philadelphia. In addition, the Chief of Naval Operations pointed out in the study that there would be severe manpower and military readiness problems associated with the necessary assignment of over 1,100 of the *Saratoga* crew personnel as involuntary industrial labor at the Philadelphia Naval Yard.

On the basis of the negative impact on manpower and military readiness of a Philadelphia assignment and on the basis of "the large cost difference in favor of Newport News * * *" the Chief of Naval Operations unequivocally recommended that the *Saratoga* be assigned to Newport News.

This recommendation was subsequently overruled by the Deputy Secretary of Defense.

On the basis of all this information, the Armed Services Committee today adopted the *Saratoga* amendment.

The primary reasons for this committee action were:

First. It will save the taxpayers a minimum of at least $80 million. Despite all the accounting arguments attacking the cost studies of the Navy and the Comptroller General, there is no doubt of the validity of their conclusions.

Second. The amendment will preclude as a matter of law the use of over 1,100 trained seamen and petty officers of the *Saratoga* crew who would otherwise be assigned as part of the shipyard work force because of the inability of recruiting more than 1,600 new Federal workers.

The reduction in the readiness of the operating fleet caused by the 1,100 crew diversion as a shipyard work force would be indefensible. The fleet is already below full strength in many ratings. Further, over 50 percent of the crew which would be assigned to Philadelphia, will be engineering ratings which are critical to fleet readiness and in short supply at this time.

The committee amendment is in full accord with the recommendations of the uniformed Navy, including the Navy's chief procurement officials and the Navy's chief operating officer, the Chief of Naval Operations, Adm. Thomas B. Hayward.

Mr. President, when this issue is fully debated on the floor, the soundness of the committee's decision will be amply demonstrated in all its implications.

I ask unanimous consent that the following attachments to my statement be printed in the RECORD.

First. A two-page summary setting forth some of the issues affecting both the American taxpayer and the personnel of the U.S. Navy.

Second. A more detailed nine-page summary of the issues involved.

Third. A summary of the report of the Comptroller General of September 22, 1978.

Fourth. The memorandum of the Chief of Naval Operations of January 23, 1979, on the SLEP least cost study approach.

Fifth. The Senate Armed services staff memorandum submitted to all committee members.

Sixth. A memorandum of November 10, 1977, from the Commander of the Naval Sea Systems Command to the Chief of Naval Operations recommending that Newport News be designated as the first SLEP execution yard, and a further memorandum of November 23, 1977, from the Chief of Naval Materiel to the Chief of Naval Operations endorsing the November 10, 1977, memorandum recommending the Newport News location. Both of these documents will be printed in the hearings of the Committee on Armed Services of February 9.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SARATOGA ISSUE

BACKGROUND

The SLEP program will be an over $2 billion effort to extend the life of four aircraft carriers. For two years, Congress has been concerned with the cost and other implications associated with the shipyard assignment of the Saratoga—the first SLEP. In order to ensure that the SLEP assignment would be made on the basis of "fairness and competition", the Congress, by law in 1978, held up the SLEP assignment until the Navy submitted a comprehensive report, including comparative cost, on shipyard assignments. Other sequential developments were: in the fall of 1977 the highest procurement officers of the Navy recommended the Newport News location; in April 1978, prior to the cost study, the Secretary of the Navy and the Vice President announced Philadelphia; on January 23, 1979 the Chief of Naval Operations, based on the cost and other military considerations that emerged from the legally mandated study, recommended Newport News; on January 25, 1979 the Deputy Secretary of Defense overruled the Chief of Naval Operations.

ISSUE FOR THE CONGRESS TO DECIDE

The Congress must decide whether to insist upon achieving the cost savings, the better Navy manpower utilization, and other advantages associated with a Saratoga assignment to Newport News or to endorse the Administration's intervention and an assignment to Philadelphia.

RESULTS OF A PHILADELPHIA ASSIGNMENT

Cost—A minimum $80 million additional cost at Philadelphia

Using current government-wide cost guidelines applicable when private and public entities are competing for the same work, the comprehensive Navy study, independently confirmed by the General Accounting Office, found that to assign the Saratoga to Philadelphia would cost an additional $80 million. This $80 million premium is unacceptable when the Navy can afford only 39 attack aircraft in the FY 80 budget.

Higher labor costs are primarily responsible for the additional $80 million cost at Philadelphia: higher man-day costs resulting from higher government wages and fringe benefits ($112 at Newport News compared to $169 at Philadelphia in 1977); and higher productivity at Newport News resulting from the long Newport News carrier experience, the newly trained nature of the projected Philadelphia work force, and various other productivity studies.

The extra costs at Philadelphia could be as low as $37 million only by assuming a 7.1% federal payroll cost for civilian retirement rather than the OMB validated and required 20.4% (GAO indicated that recent retirement cost experience would justify a 30% payroll factor), and further assuming the enactment of legislation reducing future federal blue-collar increases which Congress has failed to enact in the last several years and has not been recommended by the Administration to the current Congress.

SHIP'S CREW MUST MAKE UP FOR LABOR DEFICIENCIES AT PHILADELPHIA

Because of an inability to recruit more than 1600 new federal workers, 1100 of the Saratoga crew must be assigned to supplement the shipyard work force at Philadelphia. Newport News, on the other hand, has in being a full civilian work force available to modernize the Saratoga.

Moreover, the Saratoga crew will be compelled, in effect, to subsidize the labor cost at Philadelphia by $73 million, the additional cost of a full civilian labor force were it available.

REDUCTION IN MILITARY FLEET READINESS

The diversion of 2½ years of 1100 urgently needed and highly trained Saratoga crew members to perform industrial shipyard work will reduce the readiness of the Operating Fleet, already 25% below full strength in many of the skilled ratings to be detailed to the shipyard. Admiral Hayward: "We need them badly elsewhere".

AGGRAVATION OF NAVY RECRUITING AND RETENTION PROBLEMS

When assigned as part of a shipyard work force, many sailors are compelled to perform duties for which they are unfamiliar and have not been trained. Consequently, desertion rates rise about 60% and the Navy's already severe recruiting and retention problems are intensified.

DISCHARGE OF CURRENTLY EMPLOYED WORKERS TO CREATE NEW GOVERNMENT JOBS

In order to create 1600 new federal jobs at Philadelphia, almost twice as many (2600) trained, private sector employees at Newport News will be discharged, of whom 50% will be black—trained in many instances at federal expense. This can only be accomplished by using 1100 military personnel to displace 1100 union employees at Newport News. This result is contrary to all federal and congressional labor policies.

EFFECT ON OTHER NAVAL SHIPYARDS

The expansion at Philadelphia can be expected to increase the pressure for further reductions at other Naval shipyards, which under the current DOD budget must now absorb without Philadelphia a 1500 job cut by end FY 79 and another 1900 job cut for FY 80.

INTEGRITY OF THE NAVY PROCUREMENT PROCESS

The Newport News recommendation of the Chief of Naval Operations was made strictly on the basis of economic and military considerations—in the best interest of the Navy in terms of the least cost to the government and the avoidance of severe personnel problems. Sound procurement policy demands that the *SARATOGA* be assigned on the basis of least cost and military advantage.

ANSWERS TO CERTAIN ARGUMENTS

With respect to the charge that the cost estimates are "soft"—there is nothing uncertain about the cost estimates for the roughly 1.5 million man hours already programmed for SLEP, and there will be no change in the relative cost at the two yards for the additional *SARATOGA* man hours to be determined. The Navy omitted certain accounting issues, some of which would have reduced the cost difference at Philadelphia, but also omitted others which would have widened the cost gap to Newport New's further advantage. The Navy provided sound answers to all of these accounting questions.

With regard to an alleged need to create a third carrier capable yard on the East Coast, both Secretary Claytor and Admiral Hayward testified that Philadelphia is already a carrier capable yard. Indeed there are five U.S. shipyards that are now carrier capable, ample capacity for future Navy needs.

With respect to the current strike at Newport News (not over wages but union representation), SLEP would not involve the shipyard production force before August 1980 and it can be firmly anticipated that the strike will be settled long before that date. Navy work is presently on schedule with two-thirds of the workers already having returned. SLEP design work is unaffected by the strike.

PHILADELPHIA IS NOT THREATENED WITH DECLINE

Without SLEP, Philadelphia will continue as a critical and amply utilized shipyard in its specialized role of overhaul and repair. As the size of the U.S. Navy, and particularly carrier forces, has stabilized, there is no justification for undertaking a costly expansion at Philadelphia while at the same time contracting at Newport News.

THE AMERICAN TAXPAYER

The Philadelphia assignment will involve (1) the unnecessary waste of at least $80 million per ship, (2) the unnecessary reduction in the readiness of the Operating Fleet of the United States Navy, and (3) the unnecessary addition of 1600 new federal government employees.

The Congress cannot justify this result to the American taxpayer.

THE SARATOGA DECISION FOR THE CONGRESS

SUMMARY

Because the 15-year Service Life Extension Program (SLEP) will be a crucial and expensive procurement, Congress has for two years been concerned that the selection of the shipyard to modernize the first aircraft carrier in the program, the U.S.S. *Saratoga*, be on "a sound economic and businesslike basis" consistent with principles of "fairness and competition." As a special precaution, Congress in 1978, by law, required the Navy to perform a comprehensive study of the comparative costs and other factors relevant to assigning such programs to either public or private shipyards.

Based on the Navy study, the Chief of Naval Operations recommended that for cost reasons—the *Saratoga* could be modernized for $80 million less at Newport News—and for military reasons—1100 fewer Navy crew and 1600 fewer federal civilians would be required, disruption from emergency naval work would be avoided, and existing carrier work force skills could be preserved—the *Saratoga* be assigned to Newport News. The Navy's general findings were independently confirmed by a comprehensive GAO study.

The Administration has overturned summarily the findings and recommendations of the Chief of Naval Operations. The decision for the Congress is whether to endorse the Administration's intervention and a Philadelphia assignment or insist upon achieving the cost savings, the better Navy manpower utilization, and other advantages associated with a Newport News assignment.

BACKGROUND

The Navy has been planning a major modernization, beginning with the U.S.S. *Saratoga*, of four aging aircraft carriers as a way of relieving the need for new carrier construction while still being able to deploy 12 carriers at sea until the year 2000. SLEP differs from the normal overhaul or reconditioning of a ship in that it is of far greater scope and complexity. As a complete rebuilding and conversion program, rather than a routine overhaul and maintenance program, the SLEP is funded under the Navy ship procurement account and, therefore, requires Congressional authorization.

Although three shipyards on the east coast and two on the west coast technically have the facilities to modernize carriers, the Navy quickly reduced the alternative sites for the *Saratoga* SLEP to the private shipyard at Newport News, Virginia, and the public shipyard at Philadelphia, Pennsylvania. As the Navy began a preliminary shipyard assessment, the Senate Armed Services Committee, in May 1977, questioned the cost of implications and the wisdom of placing the SLEP program in a public shipyard (requiring substantial new hiring and training of unskilled personnel) at a time when private shipyard employment was expected to decline sharply. The Committee requested a justification of such a procurement approach and also a cost comparison analysis as required by OMB regulations, neither of which were forthcoming.

In July 1977, the Pesident, in a letter to then Congressman Eilberg, stated that with respect to the Philadelphia Navy Yard, "another 2000 positions are expected to be created at that installation in 1980." Following the normal Navy procurement process, in November 1977, both the Commander of the Naval Sea Systems Command and the Chief of Naval Materiel recommended to the Chief of Naval Operations that Newport News be designated for the first SLEP carrier. Later, In April 1978, Vice President Mondale announcing the "transfer" of the Saratoga to the Philadelphia Navy Yard, emphasized that the Administration had succeeded in its efforts to alleviate the impact of a broken campaign pledge, the closing of Frankfurt Arsenal.

In May 1978, the two Armed Services Committees adopted language requiring the Navy, as a matter of law, to conduct a least-cost analysis for both the SLEP and the DDG-2 modernization programs. Funds for activities related to either yard were frozen until 60 days after a report covering both of these progams had been submitted to the Congess. The purpose of the language, as stated in the House Committee report, was "to emphasize fairness and competition" and "to insure that the merits of the ultimate assignment of the Saratoga is founded on a sound economic and businesslike basis."

Furthermore, in April of 1978, 25 members of the Congress joined in requesting the General Accounting Office (the investigative arm of Congress) to conduct a cost study and review of the Saratoga assignment. That GAO study concluded that it would be from $90–105 million more costly to accomplish the Saratoga overhaul at Philadelphia rather than Newport News.

THE NAVY COST STUDY

In performing its analysis, the Navy found that in order to complete the work on time at Philadelphia, 1100 combat-trained Navy crew personnel would be necessary to supplement a civilian work force of 1600, not-yet-hired, not-yet-trained government civilian personnel. At Newport News, the work force would consist of 2600 in-place, skilled carrier experienced private sector employees.

On January 25, 1979, the Congress received the legally mandate Navy cost study, the product of months of professional analysis, in which Admiral Hayward recommended the Newport News location because of an $80 million cost difference favoring Newport News based on the application of existing law and OMB cost regulations. By understating current civilian retirement cost and assuming federal wage reform, the Navy study found the cost advantage to Newport News could be as little as $37 million. Although their own figures had indicated an even greater cost advantage to Newport News, the GAO endorsed the Navy's $80 million difference as realistic.

This $80 million cost advantage to Newport News is only reasonable given the substantial differences in manday rates between the two yards (1977: $112 per day to $169 per day), the well-documented productivity advantage at Newport News, and the much greater experience in aircraft carrier work at Newport News.

In addition, Admiral Hayward concluded that many non-cost factors favored Newport News:

No Diversion of Combat-Trained Personnel from the Operating Forces of the Fleet Which Reduces Military Readiness.

The Chief of Naval Operations noted that the scarce manpower assets represented by the 1100 crew would be urgently needed for the operational readiness of the fleet. The fleet is 25 percent below full strength in most of the ratings which would be detailed to the shipyard. Moreover, the Navy is presently falling short on its recruiting goals.

Less Turbulence in Naval Personnel.

When assigned as part of a shipyard work force, many ratings are compelled to perform duties for which they have been neither trained nor normally perform and desertion rates rise considerably (about 60%) when Naval personnel are assigned to perform industrial labor at a shipyard. Re-enlistment rates also go down considerably.

No Interference With Other Navy Work.

Admiral Hayward also cites in support of his recommendation the "ability of Newport News to take all four SLEP ships without interference with other Navy work." The Philadelphia Navy Yard, as part of its normal overhaul mission, is required, when necessary, to perform emergency repair and overhaul work. The interference of this high priority emergency work, if it occurred, would extend the Saratoga modernization and delay its completion. Admiral Hayward emphasized the "fact that Newport News will not be required to respond to high priority emergency work, as Philadelphia would, which could dilute the SLEP effort."

Lesser Demand on Navy Civilian and Uniform Personnel.

As previously mentioned, the Navy is currently below authorized strength for uniformed personnel and is not meeting its recruiting goals. Moreover, current DoD regulations require that the number of Navy civilian personnel (including the 1500 naval shipyard workers in FY 1979 and 1900 for FY 1980) be reduced by 12,000 by the end of the next fiscal year. The increase of 1600 workers at Philadelphia will surely aggravate these already planned reductions.

Preservation of Critical Carrier Skills.

Admiral Hayward cites this factor as a reason for the assignment to Newport News. Without the SARATOGA, 2600 civilian shipyard workers, all trained in carrier construction, will be discharged due to lack of work. Presently, Newport News has only three surface ships under construction—two Navy, one commercial. By August 1980, only one surface ship—the carrier VINSON will remain under construction. Even if Newport News were to be awarded a carrier in the FY 1980 budget, this would only forestall further layoffs but would not restore the jobs of the 2600. Consequently, attempting to create a carrier capability at Philadelphia would be more than offset by a reduction in such a capability at Newport News.

Claytor View and Duncan Decision

Navy Secretary Claytor recommended that the SARATOGA to go Newport News unless relief were granted from existing manpower ceilings. If ceiling relief were granted on balance, Philadelphia would be "an acceptable alternative."

Deputy Secretary of Defense Duncan simply concluded that ". . . the cost study and other non-cost factors considered have not provided a sufficient basis to change the decision the Secretary of the Navy made last April."

Reasons for supporting the Navy cost study, the GAO study, and the recommendations of the Chief of Naval Operations.

To Avoid the Waste of $80 Million Dollars.

Despite technical arguments over the details of the cost estimates, all responsible officials have concluded that it will cost millions more to modernize the SARATOGA at Philadelphia. As the first of four and possible eight carriers to be modernized, the wasted funds could approach one-half billion dollars. Payment of such a premium cannot be in the best interest of the Navy or the nation. These funds are urgently needed to support other defense activities.

Avoid Reduction in Military Readiness.

Assigning 1100 trained, uniform naval personnel as a part of the industrial shipyard work force must inevitably lower fleet readiness. Removing 1100 combat-trained personnel from their fleet assignments is a dangerous and extravagant diversion. The Navy is already 25 percent below full strength in most of the ratings which would be detailed to the shipyard, and furthermore, the Navy is currently unable to meet its recruiting goals.

Avoid the Misuse of Crew Personnel as Industrial Labor.

Admiral Hayward, strongly opposing the use of 1100 trained and skilled SARATOGA crew personnel as part of the industrial shipyard work force, testified that absenteeism rises about 60 percent among Navy crewmen assigned to shipyard duties; the retention problem more than doubles; many of the ratings involved will be compelled to perform duties for which they have neither been trained nor normally perform.

Avoid Eliminating 2600 Private Sector Jobs In Order to Create 1600 Government Jobs.

The 2600 skilled carrier workers will be terminated at Newport News if the *Saratoga* is assigned to Philadelphia. Over 50% of the 2600 displaced workers at Newport News will be skilled, black workers, most of whom were trained at government expense. Abolishing 2600 union jobs in order to create 1600 new federal payroll jobs is a fundamentally unsound employment policy which Congress should not endorse.

Displacement of Private Union Jobs with Military Labor.

It should be totally contrary to Congressional policy to permit the use of military labor for laying off an equal number of private civilian jobholders already working and able to accomplish the modernization at a lesser cost.

The Inappropriateness of Using Navy Crew Labor to Hold Down Shipbuilding Costs at Philadelphia.

The GAO stated that the cost of a full civilian force at Philadelphia, if available, would be $73 million higher than the work force contemplating the use of the 1100 *Saratoga* crew members. The *Saratoga* crew, therefore, would involuntarily subsidize the cost of the *Saratoga* by $73 million over what a full civilian force would cost. The Department of Defense offered no justification for this result.

Protect the Integrity of the Navy Procurement Process.

It is essential to the Navy procurement process that decisions be made strictly on the basis of economic and military considerations. By law, the Navy was required to evaluate both of these considerations with respect to the *Saratoga* assignment. After an extensive and objective study, the Navy has provided the results to the Congress. The Defense Department has not refuted these results and indeed is unable to refute these results. Consequently, the Congress should insist that these economic and military considerations alone should be the basis for an assignment decision.

OPPOSITION ARGUMENTS AND RESPONSES

The Cost Estimates are "Soft" and Uncertain.

For every doubtful accounting issue favorable to Philadelphia eliminated by the Navy, there are corresponding cost issues likewise ommitted favorable to Newport News which would greatly increase the cost difference.

The total SLEP work is expected to extend beyond the present 1.5 million man hours already programmed. However, as both Admiral Hayward and the GAO testified, the relative difference in cost between the two locations is not expected to change and has been established with a high degree of confidence.

Newport News has a History of Late Deliveries While Philadelphia has Met All Delivery Deadlines in the Last Three Years.

For well over a decade—not three years—all of the work performed by Newport News comparable to that done at Philadelphia (i.e. overhauls) has met the agreed upon delivery dates. These include 19 Navy submarines, both attack and ballistic, as well as the overhaul and refueling of the carrier ENTERPRISE and the cruiser LONG BEACH.

It was only in construction of new ships where uncertainties and Navy-imposed design changes were extensive, that original delivery dates were not met.

Cost Overruns Render Cost Estimates for Newport News Understated.

SLEP will be performed under a cost plus fixed-fee contract totally different than the contracting procedures of the 1960's and 1970's which were the root cause of the claims problems experienced by all three of the major private shipbuilders in recent years. The Navy has admitted to liability claims settlements for $165 million.

The only new ship construction comparison between Newport News and Philadelphia concerns command ships—the LCC 19 built by Philadelphia and the LCC 20 built by Newport News—both constructed in the same time frame—1965–1971. The Philadelphia ship was delivered in February 1971, 28 months late in delivery, and cost $36 million more than the Newport News ship delivered in December 1970, only eight months late.

Philadelphia Should Not be Charged With Any Loss in Federal Taxes.

The current government-wide cost guidelines require that for comparison purposes, government yards should include the cost of taxes foregone, had the work been performed at a corporate taxpaying entity. The charge is that Tenneco is not representative of any profits that might be lost by Newport News.

The Navy study conforms to regulations, however, even if Newport News were treated as a separate entity corporate taxes will be lost in the absence of SLEP. Currently, every Navy ship under construction at Newport News is in a profit position. Furthermore, losses from past claims were written off in 1978 and will, therefore, not offset any future profits. The SARATOGA contract (cost plus fixed-fee) as in other like-contracts, would involve a probably target profit of 9–10% resulting in corporate taxes to the federal government. Such taxes would, therefore, be lost if the SARATOGA is performed at Philadelphia.

Interestingly enough, even if the factor of lost taxes were eliminated from the cost comparison, as Philadelphia supporters are urging, the cost difference in favor of Newport News would be even greater—by over $10 million. The reason for this is that the Navy added to Newport News's cost figures $28.7 million as the estimated Saratoga profit. If one eliminates from the cost analysis the $18 million of lost corporate taxes, then one also has to eliminate from the cost analysis the $38 million charged to Newport News as profit.

The 15–20 percent Productivity Advantage by the Navy for Newport News is Unfair Since It Was based on Comparisons of Submarines Rather than Carrier Overhaul.

The GAO testified that several official Navy studies over the last 10 years have indicated that private productivity was consistently more than 20 percent higher than Navy shipyards.

A 1971 Ernst & Ernst study commissioned by the Navy concluded that the cost per man hour in Naval shipyards was 49 percent higher than in private yards and that similar jobs took from 39 percent to 59 percent more man hours in Naval yards than in private yards. More recent studies in 1972 and 1977 by Booz-Allen confirmed that these kinds of cost differences still exist (for details see GAO testimony before the Senate Armed Services Committee, February 9, 1978).

Admiral Hayward also summarized the productivity advantage for Newport News as follows:

It is also considered reasonable to assign a productivity advantage to Newport News in view of that yard's experience in the construction and overhaul of large ships and the fact that Newport News will not be required to respond to high priority emergency work, as Philadelphia would, which could dilute the SLEP effort. This is significant in that it has a direct beneficial effect in the areas of planning, management and supervision, as well as on the accomplishment of the industrial effort on the waterfront. Though difficult to assess, the advantage is real and should not be ignored if a true comparison of costs is to be made.

Common sense and logic would indicate the productivity advantage of a trained carrier work force in being compared to 1600 yet-to-be-hired and trained civilian workers and 1100 of the Saratoga crew who will be detailed as a part of the shipyard work force.

It is Unfair to Penalize Philadelphia by Excluding Overhead Reducations Resulting from SLEP.

The Navy wisely excluded this element from both yards because of the unpredictability of the other business to be at both locations during the SARATOGA period. In addition, as Admiral Hayward points out, the SLEP effort at Philadelphia would be diluted whenever that yard responded to high priority emergent repair and overhaul work (one of the primary purposes of Navy yards).

The Navy cost study also excluded certain other cost issues, which had they been included, would have favored Newport News—the failure to charge Philadelphia with depreciation and interest expense—the exclusion of increased overhead costs at other yards due to other work being pulled to Philadelphia for pre-SLEP buildup—the increased cost and negative morale impact of assigning 1100 crewmen to the Philadelphia work force—the cost of reduced fleet readiness due to the unavailability of the 1100 crew personnel.

The Steel Workers at Newport News will Increase Future Wages Greater than Now Projected.

As a defense contractor, Newport News is bound by the Presidential wage guidelines of about 7% per year. In order to be on the safe side, the GAO cost study on SLEP allowed for a 12% annual increase at Newport News which still results in the $80 million additional cost at Philadelphia.

Since the Navy has Complete Control of Philadelphia, It Will Be Better Able to Manage a Modernization.

There has never been any difficulty between the Navy and Newport News on cost type fixed-fee contracts over the many years of servicing and overhauling Navy ships. Admiral Hayward, whose command will do the managing on the contract recommended Newport News, among other reasons, because of its long experience in carrier construction work.

The Navy will have a binding contract to protect itself at Newport News. The company would have every incentive for the highest performance in order to have a record justifying further SLEP work.

On the contrary, the emergency work and unexpected repair work at Philadelphia would pose an additional problem with management control.

Present Strike at Newport News Could Jeopardize the Saratoga SLEP.

The current strike has resulted from a dispute over which one of two unions should represent the workers and not over wages and fringe benefits. Once the representational issue is resolved there will be no further basis for a strike.

Even at the present time the strike is not affecting production.

Approximately two-thirds of the production work force has returned to work with the numbers increasing each day. The shipyard force would not begin work on the SARATOGA until August, 1980, in any event.

In the meantime, work on the Saratoga is of a design and engineering nature and is proceeding wholly unaffected by the strike.

EXTENDING THE SERVICE LIFE OF AIRCRAFT CARRIERS—WHERE SHOULD THE WORK BE DONE?

The Navy plans to extend by 15 years the service life of four aircraft carriers. The Navy estimated it will take 28 months to do the work on each carrier, and it plans to do the work between October 1980 and November 1989.

The U.S.S. Saratoga is the first carrier scheduled, and the Navy decided to have the Philadelphia Naval Shipyard do the work on the U.S.S. Saratoga at an estimated cost of $554 to $569 million.

The Navy considered having the work done on contract by the Newport News Shipbuilding and Dry Dock Company and the estimated cost was $539.1 million.

This report discusses the Navy's cost estimates and other factors the Navy considered in deciding to do the work at Philadelphia and recommends that the decision be validated again.

DIGEST

The Navy has established a program—called the service life extension program—to extend by 15 years the normal 30-year life of its 4 Forrestal Class aircraft carriers to insure that it has a total of 12 deployable aircraft carriers to year 2000. The Navy estimated that it will take 28 months to do the work on each carrier, and it plans to do the work between October 1980 and November 1989.

The U.S.S. Saratoga is the first carrier scheduled for the extension program, and the Navy decided that the work on the U.S.S. Saratoga would be done by the Philadelphia Naval Shipyard at an estimated cost between $554 million and $569 million. The lower estimate assumes that the Congress passes the proposed wage board reform bill which would lower future pay raises for Federal blue collar employees: the $15 million higher estimate assumes no reform.

The Navy considered having the Newport News Shipbuilding and Dry Dock Company in Virginia do the work on contract and estimated that it would cost $539.1 million. Although the cost estimate was lower, the Navy said the difference is insignificant in relation to the total estimated cost and the estimates are rough estimates based on many unknown factors. For this reason, the Navy concluded that for decision making purposes the costs were about eqaul and made the site selection decision on the basis of other factors.

EVALUATION OF COST ESTIMATES

GAO found that the Navy had to make assumptions concerning the size and complexity of the work package because the specific work is currently being defined. In addition, the Navy made several assumptions about future conditions which may or may not be correct. The final work package is not expected before February 1980. Total costs cannot be determined with any degree of accuracy at this time and could be off by millions.

GAO reviewed the Navy's methodology for estimating the various cost elements for reasonableness and consistency and adjusted the Navy's estimates where appropriate. The revised estimates should not be considered as GAO's estimates of the costs for the actual program, but rather as comparative costs which could be used with other factors to evaluate the Navy's site selection decision.

GAO's review disclosed the following differences in assumptions, inconsistencies, and errors in the Navy's cost study.

Using military personnel to do 395,000 labor days of work at Philadelphia which lowered its estimated costs, but not considering the use of military personnel at Newport News to lower its estimated costs.

Projecting labor and overhead rates on the basis of bids for ship construction when actual rates were available for making projections.

Including profit on shipbuilder material at Philadelphia and double profit on this material at Newport News.

Estimating contract modification costs at both Newport News and Philadelphia using the Newport News basic construction price and a factor used for estimating changes to contracts for follow-on ships rather than lead ships.

Estimating military personnel costs in discounted 1977 dollars and all other costs at the anticipated price levels that will exist in the future.

The net effect of these inconsistencies and errors was that the Navy understated the estimated costs at Philadelphia and overstated them at Newport News. The revised estimates showed that it would cost between $88.9 million and $105.2 million less at Newport News. This compares to the Navy's estimates of $14.9 million to $29.9 million less at Newport News.

GAO's review also disclosed that additional costs should have been considered such as the costs to hire and train new personnel at Philadelphia to perform the work and the costs for facility modifications at both Philadelphia and Newport News to accommodate the program.

OTHER FACTORS

As indicated above, the Navy made the site selection decision on the basis of other factors as well as costs. According to the Navy, the relevant factors were:

There are learning advantages for both the production work force and shipyard management by having the overhauls done in series at one shipyard.

The Philadelphia Naval Shipyard is the secondary aircraft carrier shipyard on the east coast, and it met all the Navy's basic criteria required for accomplishing the program on all four ships.

The Newport News shipyard could perform the work on the U.S.S. Saratoga, but construction of a new aircraft carrier at the shipyard would preclude it from accomplishing the work on the follow-on ships.

The Navy considered (1) sending the first to Philadelphia and (2) sending all four ship to Newport News and follow-on ships to Philadelphia.

The Navy identified the following advantages to the first alternative.

Utilities available carrier capability at Newport News during fiscal years 1980-82.

Provides an orderly and steady buildup of the personnel required at Philadelphia to perform the work.

Provides increased workload for Philadelphia during the buildup.

The Navy identified only one advantage to the second alternative which was that it provides increased workload for Philadelphia. However, the following disadvantages were identified by the Navy.

Short training lead time at Philadelphia to develop aircraft carrier expertise.

Requires the use of the ship's crew to perform part of the work.

Requires rapid buildup in Philadelphia from the 7,700 people in December 1977 to 9,650 people by the end of fiscal year 1981.

The Navy may not meet congressionally directed policy of doing no more than 70 percent of shipwork in-house.

Requires an increase in the personnel ceiling at Philadelphia.

Based on historical information, Philadelphia may have difficulty in hiring the required skilled workers and there may not be sufficient time to recruit and train unskilled workers to perform the work on the first ship. It appears that generally similar problems would not exist at Newport News for the first ship, but could exist for the follow-on ships if a new aircraft carrier is constructed at Newport News.

Newport News is currently constructing an aircraft carrier for the Navy and if additional work is not obtained, many workers would be *subject to lay offs as the work* on the carrier *is completed*. Many of these skilled workers *could* be used to perform the work on the U.S.S. Saratoga. The Navy plans to modify its ship overhaul schedule to support the increased employment during the buildup at Philadelphia and to provide training for the new people.

GAO found that the cost differences were greater than the Navy estimated and that Newport News may be able to perform the work on the follow-on ships in series by using the facilities currently used for commercial work.

On June 22, 1978, Newport News told the Navy that it had the facilities required to overhaul the four ships in series under the Navy schedules without conflicting with other Navy programs. The Newport News' proposal involved using facilities in the south yard for the lead ship and facilities in the north yard, now being used for commercial work, for the follow-on ships. It estimated that minor modifications costing about $2.5 million in 1978 dollars would be required and that a lead time of 3 to 6 months would be sufficient to make the facility modifications. Newport News probably would not need to use north yard facilities for the follow-on ships if a new aircraft carrier is not constructed at this site.

GAO found that the Navy's evaluation of Newport News' facilities was limited primarily to the facilities in the south yeard which are currently used for Navy work and that the Navy did not know whether the service life extension program could be done in the north yard. This issue requires further evaluation. The Navy requested from Newport News some additional information concerning the facilities' capability. This information was furnished to the Navy on August 28, 1978, and the Navy is evaluating it.

RECOMMENDATION

In view of the large cost differences between the two sites and the new information which indicates that Newport News may be able to perform the follow-on service life extension programs, a revalidation of the site selection decision is appropriate. Consequently, GAO recommends that the Secretary of the Navy reevaluate the decision to do the service life extension program work on the U.S.S. Saratoga at the Philadelphia Naval Shipyard and determine whether the decision can still be justified.

AGENCY COMMENTS

As requested, GAO did not follow its usual procedure of obtaining written comments on this report from agency officials. However, GAO discussed the matters covered in the report with Navy officials and their comments are incorporated where appropriate.

[Dollar amounts in millions]

Location and cost element	Amount included in Navy study [1]	GAO adjustment	Revised estimate [2]
Philadelphia with wage board reform:			
Basic shipbuilder conversion and contract modification allowance	$363.0	$1.0	$364.0
Projected escalation	30.8	−.6	30.2
Reserve for program growth	4.2	−4.2	
Government-furnished material, services, and test	67.0		67.0
Military personnel	69.7	15.9	85.6
Corporate taxes lost	19.3	−5.1	14.2
Total	554.0	7.0	561.0
Philadelphia without wage board reform:			
Basic shipbuilder conversion and contract modification allowance	376.6	2.6	379.2
Projected escalation	31.9	−.6	31.3
Reserve for program growth	4.5	−4.5	
Government-furnished material, services, and test	$67.0		$67.0
Military personnel	69.7	$15.9	85.6
Corporate taxes lost	19.3	−5.1	14.2
Total	569.0	8.3	577.3
Newport News:			
Basic shipbuilder conversion and contract modification allowance	374.0	−95.9	278.1
Projected escalation	51.6	−13.6	38.0
Reserve for program growth	3.4	−3.4	
Government-furnished material, services, and test	67.0		67.0
Military personnel	39.7	45.9	85.6
Contract administration	3.4		3.4
Total	539.1	−67.0	472.1

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[1] Assumes (1) a ship's crew of 1,474 military personnel at Philadelphia and 300 military personnel at Newport News and (2) the crew does 395,000 labor-days of work at Philadelphia and none at Newport News.

[2] Assumes a ship's crew of 1,474 military personnel at both locations.

WASHINGTON, D.C.,
January 23, 1979.

Memorandum for the Secretary of the Navy.
Subject CV Service Life Extension Program (SLEP) Least-Cost Approach Study
Enclosure (1) CV Service Life Extension Program (SLEP) Least-Cost Approach Study

1. Enclosure (1) is forwarded for your review and submission to the Secretary of Defense for consideration and transmittal to the Senate and House Armed Services Committees.

2. The comparative costs contained in enclosure (1) vary substantially from the initial study submitted in May of this year and is now considered a factor in the final shipyard assignment decision. The principal reasons for the changes are the incorporation of some new assumptions and some revisions in methodology. Two major changes are:

(a) Newport News has offered to make their North Yard commercial facility available to do the SLEP industrial work. This facility had previously been restricted to commercial work only.

(b) The initial study compared program costs using a nucleus crew of 1474 in Philadelphia with a crew of 300 in Newport News. This premise was criticized within the GAO report which asserted that the Navy's initial comparison was not based upon true comparative assumptions. Enclosure (1) therefore includes estimated program costs using both 300 and 1474 Navy personnel in Newport News.

3. The enclosed study, although utilizing the guidelines of OMB Circular A–76, differs in that firm bid data from candidate activities could not be obtained. The work package is being developed and is not sufficiently well defined for shipyards to bid. The estimates used in this revised study remain primarily Class F quality based on an incompletely defined work package. A more definitized work package will not be available until May 1979; however, the relative cost difference between the shipyards is not expected to change.

4. In view of Newport News Shipbuilding's offer to utilize their North Yard facility for follow-on CV SLEPs, it is now possible to do the four ship program at Newport News without interference with other projects. This factor eliminates some of the major concerns attendant to assignment of CV SLEP to Newport News considered in submission of the initial study.

5. The percentage increase in productivity awarded Newport News over Philadelphia on page 3 of enclosure (8) of the study as the result of allowing the same fixed number of mandays at both yards, while discounting the differences in labor charging practices, is considered a reasonable approach for study purposes. Though not mentioned in the study, it is also considered reasonable to assign a productivity advantage to Newport News in view of that yard's experience in the construction and overhaul of large ships and the fact that Newport News will not be required to respond to high priority emergent work, as Philadelphia would, which could dilute the SLEP effort. This is significant in that it has a direct beneficial effect in the areas of planning, management and supervision, as well as on the accomplishment of the industrial effort on the waterfront. Though difficult to assess, the advantage is real and should not be ignored if a true comparison of costs is to be made.

6. Enclosure (7) of the study points out the rationale for excluding from the cost study specific dollar savings on other (non-CV SLEP) government work at either shipyard due to the allocation of overhead. These cost avoidances are estimated to be $44 million at Philadelphia and $18.2 million at Newport News. It can be argued that the respective cost avoidances should be deducted from the cost of each yard, providing a net advantage of $25.8 million for Philadelphia. However, the decision to exclude these costs is concurred in for the following reasons:

(a) There is no way of predicting with certainty what other work would occur in either yard in the absence of CV SLEP (and the resultant overhead effects are therefore unpredictable).

(b) It is not clear that the $18.2M and $44M are comparable costs (i.e., include the same cost elements).

(c) The present study has not reflected the costs associated with equipment depreciation and/or interest expenses at Philadelphia (such costs are implicit in the overhead rates of commercial activities).

In summary, the omission of the $44 to $18.2 million comparison works to Philadelphia's disadvantage, while the omission of depreciation/interest costs works to Philadelphia's advantage. Since these effects are difficult to estimate and tend to be offsetting in the comparison, it is prudent to omit them for the cost comparison.

7. It is also stated in enclosure (7) of the study that a decrease in manday rates of between $20 and $27 per manday would occur at Philadelphia if SLEP is accomplished there. This would be due to an increase in the shipyard direct labor workload base. The amount of work impacted is based on the current workload projection at Philadelphia with CV SLEP. This decrease accounts for the major reduction in the cost of SLEP itself at Philadelphia in the revised cost study.

8. The current restriction in formal assignment of the first CV SLEP to an industrial activity is requiring unusual dual planning efforts to preserve the scheduled 1 October 1980 start date of Saratoga SLEP. The lack of official assignment is also adversely affecting the Navy's ability to firm up the East Coast overhaul schedule for 1979 and beyond. This is having a serious downstream effect on public and private shipyard workload scheduling with concomitant effects on ship homeport changes. It is essential that a decision on the assignment of Saratoga SLEP be permitted no later than 1 April 1978 in order to retain the existing CV SLEP schedule.

9. The effect of the Leach Amendment to the Civil Service Reform Act and related executive limitations on civilian personnel end strength will require a net reduction of approximately 12,000 in the Navy's civilian employment level. The additional personnel required at Philadelphia to accomplish SLEP would be additive to this figure and would, therefore, result in a further reduction to the Navy's civilian employee ceilings elsewhere. These limitations severely impact any expansion of work at the Navy's industrially funded activities.

10. Despite the large cost difference in favor of Newport News, cost alone still is not controlling. Decisions of this nature seldom take into account other less tangible factors, particularly those affecting our naval personnel. They should not be overlooked in this instance. Since two-thirds of all Atlantic Fleet carriers are already homeported in Norfolk, far less turbulence to our people will result from a decision favorable to Newport News. Likewise, the ability to conduct the majority of the SLEP with over 1,100 fewer naval personnel who can avoid the rigors of a lengthy shipyard environment is also of paramount importance, to say nothing of the advantage accruing to our better use of these scarce manpower assets elsewhere in the Fleet. Taken in aggregate with all the other relevant factors, such as ability of Newport News to take all four SLEP ships without interference with other Navy work, lesser demand for both military and civilian manpower and preservation of critical CV skills, and severe limitations on the Navy's civilian end strength, cost lends strong support to reversing the earlier decision, and assigning CV SLEP to Newport News. Accordingly, I conclude that on balance the first CV SLEP should be assigned to Newport News.

T. B. HAYWARD,
Admiral, U.S. Navy, Chief of Naval Operations.

WASHINGTON, D.C.,
March 21, 1979.

Memorandum for all committee members.
From Frank Sullivan.
Subject: SLEP Testimony.

Attached is a copy of the staff summary of testimony on the USS Saratoga Service Life Extension Program. This summary is the one that the Chairman announced would be made available to all Committee Members as part of the consideration of the FY 1979 Defense Supplemental Authorization Bill.

Attachment.

STAFF SUMMARY OF TESTIMONY ON THE U.S.S. SARATOGA SERVICE LIFE EXTENSION PROGRAM

INTRODUCTION

This paper summarizes testimony received by the Senate Armed Services Committee on the Navy's Service Life Extension Program (SLEP) for aircraft carriers. The key issue in this testimony is assignment of the first carrier SLEP to Philadelphia Naval Shipyard vice Newport News Shipbuilding and Dry Dock Company. Testimony was received from Deputy Secretary of Defense Charles W. Duncan, Jr., on January 30, 1979 and from the following witnesses on February 9, 1979:

Honorable W. Graham Claytor, Jr., Secretary of the Navy.

Admiral Thomas B. Hayward, USN, Chief of Naval Operations.

Honorable Elmer B. Staats, Comptroller General of the United States.

Dr. Claude S. Colantoni, Professor of Accounting and Chairman of the Accounting Department, Wharton School, University of Pennsylvania.

Mr. William N. Lanen, Assistant Instructor in Accounting, Wharton School, University of Pennsylvania.

Mr. Thacher Longstreth, President, PenJerDel Corporation.

Mr. Gordon W. Rule, Procurement Consultant to Senator Warner.

Three key studies that compared the costs of undertaking the SLEP in the Philadelphia and Newport News yards supported the testimony of the witnesses: (1) a Navy cost analysis completed in January, 1979; (2) a September, 1978 General Accounting Office (GAO) review of an earlier Navy cost study; and (3) a study by Mr. Lanen of the Wharton School completed in January, 1979. Only the Navy study is part of the hearing record; however, relevant facts and considerations from the other two studies are included in this paper to clarify testimony.

BACKGROUND

The Navy has decided to extend, by 15 years, the service life of four aircraft carriers of the Forrestal class through an extensive overhaul and modernization program. Although the current Navy program is for the modernization of only these four carriers, Admiral Hayward has testified that all eight remaining carriers may be modernized. The USS SARATOGA (CV–60) will be the first ship of this class to be modernized. The Navy plans to begin work on the SARATOGA SLEP in October, 1980 at the Philadelphia Naval Shipyard. In making this decision, the Navy had also considered undertaking the SLEP at Newport News Shipbuilding and Dry Dock Company. There has been substantial disagreement over the relative cost and non-cost considerations associated with doing this work in either yard. While it would be desirable on a cost basis to undertake the four SLEPs in series at one yard, the decision on the yard for the SARATOGA does not necessarily prejudge yard selections for the SLEPs of the last three carriers.

The concern of the Senate Armed Services Committee in the yard selection for this first carrier SLEP was first presented in the Committee's Fiscal Year 1978 Authorization Report:

". . . current Navy plans to annually modernize four DDG–2 destroyers in naval shipyards and two in private yards and to perform the carrier service life extension in a naval shipyard may not be in the national interest. It seems inconsistent to project serious declines in future private yard workforces and at the same time plan to increase naval shipyard workforces to perform the DDG–2 modernization and carrier service life extension programs. Further, the committee is not convinced that Navy's current plans represent the least cost approach.

Accordingly, the Secretary of the Navy is requested to review current Navy plans and be prepared to justify the recommended procurement approach in connection with the Fiscal Year 1979 authorization request. In addition, a copy of the cost comparison study of inhouse versus contractor costs, as required under the provisions of Office of Management and Budget Circular A–76, should be made available to the committee when completed".

The committee's concern was reemphasized in the Fiscal Year 1979 Authorization Report:

". . . the Secretary of the Navy was requested to be prepared to justify the recommended procurement approach in connection with the fiscal year 1979 authorization request.

Justification of the recommended procurement approach was not available, presumably because the required studies had not been completed. Yet a decision on the procurement approach for one of the programs was announced.

The committee, therefore, recommends bill language to prevent the Navy from taking any action to carry out the SLEP or modification programs, except advance planning or purchase of long-lead items, until a report has been submitted to the committee evaluating the cost and other factors entering into the choice of public versus private shipyards for such work".

Part of the requested report—the portion covering the carrier SLEP program—was submitted by the Department of Defense on January 25, 1979 (the Navy cost analysis) and was addressed in testimony. (The part of the requested report covering the DDG–2 modernization program was submitted by the Department of Defense on March 13. 1979.)

RECOMMENDATIONS OF WITNESSES

The current recommendations of the witnesses are as follows:

Deputy Secretary of Defense Duncan—"We continue to feel that the Philadelphia Naval Shipyard is the logical place to perform the SARATOGA SLEP and that the cost study and other non-cost factors considered have not provided a sufficient basis on which to change the decision the Secretary of the Navy made last April". (letter to Chairman Stennis, January 25, 1979)

Secretary of the Navy Claytor—"Under these circumstances unless relief from civilian end-strength limitations anticipated last year can in fact be obtained, I must recommend that we contract out the SLEP of SARATOGA to Newport News. If, however, such relief is possible I feel that the pros and cons, given the various uncertainties, are sufficiently balanced that assignment of USS SARATOGA to Philadelphia Naval Shipyard would be an acceptable alternative to the Navy". (memorandum to the Secretary of Defense, January 25, 1979)

Admiral Hayward—"Taken in aggregate with all the other relevant factors, such as the ability of Newport News to take all four SLEP ships without interference with other Navy work, lesser demand for both military and civilian manpower and preservation of critical CV skills, and severe limitations on the Navy's civilian end strength, cost lends strong support to reversing the earlier decisions, and assigning CV SLEP to Newport News. Accordingly, I conclude that on balance the first CV SLEP should be assigned to Newport News". (memorandum to the Secretary of the Navy, January 23, 1979)

Comptroller General Staats—"We believe the current Navy figure of $80 million in favor of Newport News is the more realistic". (testimony, February 9, 1979)

Dr. Colantoni and Mr. Lanen—"It is our conclusion that a significant difference in cost between the two locations has not been documented". (testimony, February 9, 1979).

Mr. Longstreth—"A great deal of soft material, I guess that is the way Secretary Claytor described it, would indicate that it is quite, quite clearly established that there is no 80 or 100 million-dollar differential here, which has been talked about, but quite obviously not documented, that we are talking about a difference which is probably, a very, very small one insofar as we can identify positively, and that the extraneous aspects, which were touched upon by the Navy and by the Defense Department, are probably going to be crucial in the final decision that must be made". (testimony, February 9, 1979)

Mr. Rule—"every single factor involved in making a sound and prudent decision in this case clearly tilts in favor of Newport News". (testimony, February 9, 1979)

SHIPYARD CAPABILITIES

1. Philadelphia Naval Shipyard—This shipyard is a publicly owned yard that specializes in the overhaul and emergency repair of naval vessels. The yard is not experienced in either the overhaul or construction of aircraft carriers. Modest facility modifications and new equipments, totaling $2 million, have been identified in order to undertake this SLEP at Philadelphia. However, the work force at the yard would have to be expanded over a 24-month period from 8,000 to 9,600 Navy civil service employees to accomplish the work; this additional manpower will come from unskilled workers trained after they are recruited. In addition, Philadelphia must be augmented with a ship's crew of 1,474 naval personnel in order to complete the SLEP on the 28-month schedule; five more months would be required if the ship's crew were not used.

2. Newport News Shipbuilding and Dry Dock Company—This shipyard is currently constructing a nuclear powered aircraft carrier, CARL VINSON (CVN–70), and is the most experienced U.S. yard for carrier work. Newport News has identified $2.5 million in required facility modifications for the SLEP. Newport News plans to use 2,600 workers no longer needed for CVN–70 construction to accomplish the SARATOGA SLEP. If these workers are not so employed, Newport News will most likely be forced to release them. The availability of adequate, skilled labor at Newport News would permit on schedule completion of the SLEP with a ship's crew of only 300 naval personnel although the work could be undertaken with the ship's crew of 1,474 personnel and fewer shipyard workers.

COST ISSUE

Several studies have been completed that compare the costs of the SARATOGA SLEP performed at Philadelphia and at Newport News. All studies show a higher cost for accomplishing the SLEP at the Philadelphia Naval Shipyard. The GAO review of the earlier Navy cost analysis and the most recent Navy study are believed to be the most valid for comparing relative costs. In testimony, Mr. Staats stated:

"GAO has not had an opportunity to review in detail the revised (Navy) study, however, we do not have serious problems with the Navy's cost estimates. As pointed out earlier we had reached substantial agreement on the prior data. The paramount question here is what assumptions should be used, and what data should be compared".

Due to the lack of cost information available to Mr. Lanen, his cost estimates, which show a $4 million advantage to Newport News, are not satisfactory for meaningful comparison. In testimony, Mr. Lanen agreed that he did not have access to Navy or GAO data and, therefore, had to make a number of assumptions on his own. GAO reviewed Mr. Lanen's study and found that necessary adjustments resulted in a $88.9 million cost advantage in Newport News' favor. Other cost analysis issues raised in Mr. Lanen's study are included in subsequent sections of this paper.

Final cost estimates for the SLEP cannot be developed because the complete SLEP work package has not been defined. There is some uncertainty as to whether the GAO and Navy studies identify relative costs between the two yards that are representative of any final cost estimates.

In sum, both studies show Newport News to be less costly:

GAO concludes that the cost difference would range between $89 and $119 million; and

Navy concludes that the difference would be between $37 and $80 million.

Cost of Saratoga SLEP

(Fiscal year 1981—dollars in millions)

Newport News:

GAO	$472
Navy	476

Philadelphia:

	GAO	Navy
With Wage Board reform:		
20.4 percent retirement:		
Factor	$575	$537
14.1 percent	561	525
7.14 percent	---	512
Without reform:		
20.4 percent	591	556
14.1 percent	577	543
7.14 percent	---	529

Three assumptions in the GAO and Navy studies are critical: size of the work augmentation by the ship's crew, likelihood of blue-collar wage board reform, and the appropriate civil service retirement factor. To be able to validly compare the costs of the two shipyards, the basis must be consistent. Although this issue is not directly discussed in testimony, comparisons that propose a 1,474-man ship's crew augmentation for Philadelphia and 300-man augmentation for Newport News are invalid because they fail to include the costs to the Navy of poorer fleet readiness, lower reenlistment rates, and other personnel problems associated with the larger work augmentation at Philadelphia. If these costs could be fully quantified, a valid comparison with different augmentation levels would be possible. In the absence of such data, the only valid basis for comparing the costs of Philadelphia and Newport News is with the same ship's crew augmentation. The costs in the preceding table are on this basis.

For assumptions concerning wage reform and civil service retirement costs, there is uncertainty. In the preceding table, a range of appropriate factors has been used. GAO has stated that passage of wage board reform legislation does not appear imminent. GAO recommends that a 20.4 percent or higher retirement factor be used. From October, 1976 through June, 1977, the Office of Management and Budget required the use of a standard retirement cost factor of 24.7 percent of payroll; this was reduced to 14.1 percent in June, 1977. The Office of Federal Procurement Policy is now proposing to increase this factor to 20.4 percent.

The Navy has also estimated that if it decided to use only a 300-man ship's crew at Newport News, the cost would increase by $48 million. However, this decision by the Navy should be on the basis of a cost-benefit analysis regarding the use of naval personnel and should primarily be independent of a decision on yard selection.

MANPOWER ISSUES

1. Navy's Civilian Employment Levels—Current congressional and executive limitations will require a reduction of approximately 12,000 Navy civilians by the end of FY 80. This includes reductions in Naval shipyard employment levels of 1,500 personnel during FY 79 and another 1,900 during FY 80. These reductions and possibly 1,600 additional cuts may have to be made by other Naval shipyards if the Philadelphia Naval Shipyard is to expand by 1,600 Navy civilians. Deputy Secretary Duncan has assured the Navy that 1,600 personnel spaces will be made available for the Philadelphia Naval Shipyard without requiring offsetting reductions elsewhere. (It is uncertain whether he was referring to offsetting reductions elsewhere in the Navy or in Naval shipyards.) Deputy Secretary Duncan indicated that this increase may have to come from the 1.25 percent flexibility in civilian manpower ceilings given to the Secretary of Defense by law. The Deputy Secretary was not questioned as to why he had not considered this extraordinary measure to preclude layoffs of already employed and trained workers at other public yards. In summary, an increase of 1,600 civil service employees at Philadelphia will occur at the same time that at least a 3,400-worker reduction will be realized at other public yards and a 2,600-worker layoff will occur at Newport News.

2. Use of Naval Personnel as Shipyard Workers—Admiral Hayward has indicated that of all the non-cost issues, the impact on naval personnel is the most important. Regarding the option provided by Newport News of using about 1,200 fewer naval personnel for the SLEP, Admiral Hayward has stated:

"Overhauling in Newport News will afford the reassignment of those 1200 personnel throughout the Navy which is fundamentally undermanned. With 1200 less personnel on board, personnel turbulence inherent in life at an industrial activity is minimized. Twelve hundred fewer personnel will be subjected to the hardships of the shipyard which include:

"Family separation or a short term move

"Difficult interface of responsibilities for equipment repair

"Industrial facility inconveniences attendant with a ship's tear-down and resulting loss of shipboard hotel services, messing and berthing."

Most of those 1200 personnel will be trained and experienced operators whose skills are needed to better operate other fleet units".

In addition, he stated:

"We know that absenteeism (unauthorized absence and desertions) for ships in overhaul occurs at a rate about twice the Navy norm and the impact on retention (our most significant Navy problem) will be predictably adverse".

and

"My staff has compiled data on two carriers which illustrates a dramatic drop in career and first-term retention during periods of overhaul, i.e., there was a 20% decline in reenlistment on each carrier".

In testimony, Mr. Staats refers to a previous study of Navy overhaul practices in which GAO "concluded that the use of these highly trained personnel to do industrial task, administrative, and support functions represents a waste of training and experience that is needed on operational ships and elsewhere in the Navy".

OTHER ISSUES

1. Labor Productivity—The Navy cost study assumes a 15–20 percent labor productivity advantage for Newport News; GAO believes this estimate is reasonable. As Dr. Colantoni and Mr. Lanen noted, this productivity advantage was not developed in detail but is an estimate based upon previous studies of public versus private shipyard productivity. These studies have shown the following advantages for private yards:

STUDY

Navy comparison of submarine overhauls in Newport News and Bremerton Naval Shipyard: Ernst and Ernst.

Increase in public yards compared to private yards

Year	*Percent greater*
----, Man-hours expended	15 to 20
1971, Man-hours expended	39 to 59

In addition, the Ernst and Ernst study showed that the average cost of a public yard work is 49 percent greater than in a private yard. In 1972, Booz-Allen compared the costs of public and private yards, but did not identify the differences caused by labor productivity and wage rates. This study showed the following percentage cost increases in public yards:

	Percent
Conversions	17–115
New construction	40
Repair	23

In 1977, Booz-Allen revalidated its earlier study. At that time, they found the average daily wage rates at Newport News and Philadelphia to be:

Newport News	$112
Philadelphia	$169

2. Overhead—In testimony and studies on the Saratoga SLEP issue, the manner in which shipyard overhead was handled is poorly described and appears to be inconsistent with the principle of including only those costs that are affected by the decision. In the Navy study, the total overhead at both Philadelphia and Newport News was reallocated over the greater work base that would result from assigning the SLEP to that yard. While such a reallocation would be valid from a cost accounting approach, it is not valid from a decisionmaking approach.

In making a decision as to the relative costs of assigning the Saratoga SLEP to Philadelphia or Newport News, only the marginal costs of the decision should be included. From the Government's point of view, certain overhead costs at both yards represent sunk costs. At Philadelphia, the Government's decision to continue to operate the yard at a workload that would support about 8,000 employees commits the Government to pay certain overhead costs; these costs are sunk. Likewise, the Government already has certain sunk overhead costs associated with the assignment of other Government work to Newport News.

In the Navy's cost analysis, some portion of these sunk costs in both yards are reallocated to the Saratoga SLEP.

By doing so, the marginal costs to the Government of the SLEP decision are misstated. GAO did not challenge the Navy on this reallocation. In testimony, Dr. Colantoni appears to be challenging the Navy on this issue; however, his testimony is unclear on this point. In his study, Mr. Lanen states: "It is important, therefore, to insure that the labor rates for Philadelphia Naval Shipyard do not include any fixed overhead which would not, by definition, be affected by performance of the SLEP". This should also apply to Newport News.

In its study, the Navy apparently identifies the amount of sunk overhead allocated against the Saratoga SLEP as $44 million at Philadelphia and $18.2 million at Newport News. Forwarding memoranda of the Navy study address this issue as follows:

"It can be argued that the respective cost avoidances (sic) should be deducted from the cost of each yard, providing a net advantage of $25.8 million for Philadelphia. However, the decision to exclude these costs is concurred in for the following reasons:

"(a) There is no way of predicting with certainty what other work would occur in either yard in the absence of CV SLEP (and the resultant overhead effects are therefore unpredictable).

"(b) It is not clear that the $18.2M and $44M are comparable costs (i.e., include the same cost elements).

"(c) The present study has not reflected the costs associated with equipment depreciation and/or interest expenses at Philadelphia (such costs are implicit in the overhead rates of commercial activities).

"In summary, the omission of the $44 to $18.2 million comparison works to Philadelphia's disadvantage, while the omission of depreciation/interest costs works to Philadelphia's advantage. Since these effects are difficult to estimate and tend to be offsetting in the comparison, it is prudent to omit them for the cost comparison".

Concerning overhead at Philadelphia, there is also the issue of the allocation of training costs, estimated at $2 million, for the 1,600 unskilled workers to be hired and trained. The Navy's approach was: "The increased training costs from the influx of the personnel build-up will be borne by the individual customers with work in the shipyard prior to the commencement of the CV–SLEP program. The cost to customers of the training and inefficiencies due to the new hires is considered to be offset by a decrease in the overhead portion of the manday rate due to the increase in the direct labor base". These training costs are marginal costs directly related to the Saratoga SLEP and should be charged to Philadelphia's costs. GAO stated: "The Navy's study should have included other costs such as costs to hire and train personnel to do the work", (among others).

3. Corporate Taxes Lost—Dr. Colantoni and Mr. Lanen criticized the charge of $14.2 million, used in both the Navy and GAO studies, against the cost of the SLEP in Philadelphia based upon loss of corporate federal taxes if the work is not performed at Newport News. The Navy and GAO used a factor of 4.58 percent of revenues in calculating lost taxes. This is based upon the average of federal taxes paid as a percentage of total revenues of Newport News' parent corporation, Tenneco, over 1974–1977. Their criticism was based upon two arguments:

The profit rate at Newport News has not been equal to the overall Tenneco rate; and

There might be other business at Newport News generating profits and federal taxes if they do not undertake the SLEP project.

The Office of Management and Budget Circular A–76 requires that for cost comparisons between Government and private facilities, corporate taxes lost be included as a factor. In this regard Tenneco (not Newport News) pays federal taxes against its overall corporate profit. For this reason the use of percentage of tax to total corporate revenue appears to be the most valid approach. Regarding the second point, while Newport News might acquire additional business this would most likely be at the expense of another U.S. private shipyard, hence no new taxes would be generated. Only the corporation that pays them would change.

4. Better Cost and Work Control in a Navy Yard—Secretary Claytor has stated that there is an advantage to assigning the SLEP to Philadelphia in that Navy yards under Navy control do have better control of the work than private yards because there are no contractor or costing disputes. Several statements were made by various witnesses regarding cost overruns, claims, and litigation associated with past Newport News government shipbuilding work and the possibility of such problems on the Saratoga SLEP. Mr. Rule countered, in part, this argument by stating that Newport News has greater incentive than Philadelphia to control costs. In both yards the Saratoga SLEP will be accomplished under a cost-type contract. If Philadelphia gets the contract, the project order will not have a cost ceiling and there will be no penalty for exceeding the target cost. There is no incentive to control costs. Newport News will get a cost plus incentive fee contract. This contract will have a penalty: Newport News' profit will be diminished by every dollar over the target cost. So Newport News, unlike Philadelphia, has an incentive to save money and make a profit.

5. Schedule—Both shipyards can start and complete the SLEP on schedule assuming that Philadelphia is augmented by a 1,474-man ship's crew and that Philadelphia can recruit and train the necessary additional workers on a timely basis. In this regard, Philadelphia has achieved a net gain in employment in FY 78 greater than that required in any of the three years following start of the SLEP in October 1980. (Whether the skill categories recruited in FY 78 are the same as would be required for the SLEP build-up was not presented.)

In addition, both Philadelphia and Newport News have the capability to accomplish all four carrier SLEPs without interfering with other work. Newport News has stated that it is willing to commit the necessary facilities in the south and north yards for the work on the four ships provided that it received a similar commitment from the Navy. In this regard, Secretary Claytor stated:

"So as we look at it now there are no congestion problems immediately foreseeable, However, this is still a possibility, particularly as we get to subsequent SLEPS, and if Newport News should engage in a major private shipbuilding program that would occupy the entire north yard and shipbuilding picked up in the years ahead, there could be a congestion problem there that would not be under our control."

6. Need for Carrier-Capable Yards—At present, there are two carrier-capable yards on the U.S. east coast: Newport News and Norfolk Naval Shipyard. There is no requirement to upgrade Philadelphia so that it is also fully carrier-capable. Secretary Claytor stated: "An advantage there (regarding Philadelphia), of course, is one I have mentioned, the desirability of maintaining a second East Coast Navy yard with current carrier capability, but I don't think this is a driving factor either, since both Norfolk Naval Shipyard and Newport News are qualified. It would be desirable but not driving". In this regard, Mr. Staats noted: "Section 809 of the Defense Industrial Reserve Act of 1973 (PL 53–155) clearly states that for mobilization planning, Government-owed plants are to be held to the minimum requirements for immediate use in time of national emergency, and that to the maximum extent practicable, reliance will be placed upon private industry for support of defense production".

7. Labor Controversies at Newport News—Currently, there is a labor dispute at Newport News over which union will represent the yard's workers. While work at the Saratoga SLEP will not start for 18 months, long-term disruption of the work effort at Newport News could delay scheduled completion of current work and thereby impact on start of the SLEP. In addition, Secretary Claytor stated in this testimony: "the fact that there is a serious labor problem down there (Newport News), that shows no signs of improving, is a factor that one has to consider".

8. Cost Impact of Unionization at Newport News—At the present time, the wage rate of yard employees at Newport News is substantially lower than the rate at Philadelphia. Whether this would apply in the future was questioned in light of the fact Newport News yard workers may be represented by a new union, United Steelworkers. The Navy and GAO studies assumed annual wage increases of 12 percent at Newport News in calculating labor costs. This is 5 percent over the Presidential wage guidelines of about 7 percent per year. GAO indicated that for every percent increase above 12 percent, Newport News' costs would increase by $2.4 million.

9. Public/Private Split of Overhaul and Repair Work—Congress has mandated that 30 percent (by cost) of the Navy's overhaul and repair work go to private shipyards. The Navy has indicated that assignment of the Saratoga SLEP to Philadelphia will not violate this directed allocation for FY 79 through FY 83. It should also be noted that additional overhaul work (one destroyer and one frigate) are being transferred to Philadelphia as part of the buildup for the Saratoga SLEP.

10. Interference by Other Navy Repair Work—A primary mission of Philadelphia is emergency repair work on naval ships. Substantial demand for this unscheduled work could interfere with progress and cause cost growth on the Saratoga SLEP.

11. Carriers Homeported in Norfolk—Admiral Hayward stated: "Since two-thirds of all Atlantic Fleet carriers are already homeported in Norfolk, far less turbulence to our people will result from a decision favorable to Newport News". However, Secretary Claytor stated: "There are some carriers already homeported in Norfolk, so there would be less disruption if the homeported carriers are kept there. But I must point out that three out of the first four carriers to be SLEPed, including the Saratoga, are not homeported at Norfolk. I think this is not really a driving factor".

WASHINGTON, D.C.,
November 10, 1977.

From Commander, Naval Sea Systems Command.
To Chief of Naval Operations.
Via Chief of Naval Material.

Subject: CV 59 Class Service Life Extension program (SLEP); Shipyard selection.

1. During the CEB of 21 June 1977, NAVSEA presented the results of a study conducted relative to selecting a shipyard to accomplish the CV 59 Class Service Life Extension Program (SLEP). It was recommended that Philadelphia Naval Shipyard be designated for planning purposes. Final selection would be contingent upon favorable action on shipyard personnel ceiling increases. A decision was expected by the last quarter of FY 78. It now appears likely that naval shipyards will have constrained ceilings. Based upon a detailed study of the industrial base NAVSEA recommended during the CEB of 16 September 1977 that the first SLEP ship be assigned to Newport News Shipbuilding and Drydock Company. The rationale for this recommendation was that the Newport News workforce can readily accept the ship without requiring early build up and training and associated start up costs. In fact, Newport News may be able to accommodate one or more of the follow SLEP ships depending on the out year new construction programs (CVV/CVN).

2. It is desirable to have the active involvement of the execution yard to insure orderly and effective advance planning. Neither Philadelphia nor Newport News is in a position to allocate resources to SLEP planning without some assurance of being the execution yard, subject, of course, to Congressional authorization. It would work to the Navy's advantage to make a decision concerning the execution yard now. This would alleviate the difficulties that NAVSEA is experiencing in getting started.

3. Accordingly, it is recommended that Newport News be designated as the U.S. SLEP execution yard.

4. If this recommendation is approved, NAVSEA will initiate negotiations for a planning contract, which will include dry docking, T&I evolutions scheduled for the availability, CFE procurement and off-ship prefabrication. These items plus an option to start early clearly defined and limited production work will preclude any delay which could possibly result from administrative time required for finalization of the prenegotiated SLEP conversion contract. This option utilizing FY 81 funds will not be exercised until the FY 81 full-funding has been authorized and appropriated. The Department of the Navy FY 79 budget has been adjusted to cover assignment to Newport News. Specifically, $20M has been transferred from FY 81 full-funding to FY 80 advance procurement for the additional work under the planning contract and an increase of $36M in the end cost (FY 81) as compensation for no ship's force involvement in production cost.

C. R. BRYAN.

Washington, D.C., November 23, 1977.

First Endorsement on COMNAVSEASYCOM ltr 942CB/JIK 4720 Ser 69–942C of November 10, 1977.
From Chief of Naval Material.
To Chief of Naval Operations.
Subject: CV 59 Class Service Life Extension Program (SLEP); Shipyard Selection.

1. For reasons of continuity, assignment of all SLEPS to the Philadelphia Naval Shipyard is the preferable alternative. However, timing and ceiling constraints recommend against this alternative for the first SLEP. Sizable disruption to workloading plans for all naval shipyards would be caused by movements of ceiling points to Philadelphia Naval Shipyard to accommcdate build up necessary to accept the first SLEP unless personnel ceiling relief beyond the POM end year FY–79 level is provided. Furthermore, an early decision is needed to permit definitive planning.

2. Accordingly, this endorsement concurs with the basic recommendation to perform the first SLEP at Newport News Shipbuilding and Dry Dock Company and the subsequent SLEPs at Philadelphia Naval Shipyard.

E. M. MICHAELIS.

CONSERVATIVE SUPPORT FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, support for the Genocide Convention is not confined to one end of the political spectrum. That may surprise people. It is not a simple liberal proposal. Organizations and individuals from varied and opposing ideological backgrounds have rallied behind the Genocide Convention and the universal ideals which it embodies. Christians and Jews, Republicans and Democrats, Presidents, top ranking Pentagon officials, numerous labor unions, and the legal profession have all endorsed this treaty. Let us look today at what some of the recent supporters of this treaty have had to say:

In February 1976, the Department of Defense fully endorsed the Genocide Convention, claiming that ratification would be a "positive step in the national interest of our country." In addition to the Defense Department, the judge advocate generals for the Army, Air Force, and Navy gave their full approval in separate opinions.

In February 1970, President Nixon urged the Senate "to consider anew this important convention and to grant its advice and consent to ratification." He stated further that ratification was needed to "demonstrate unequivocally our country's desire to participate in the building of international order based on law and justice."

The American Bar Association, which had for many years opposed the Genocide Convention, reversed its position in February 1976. The ABA concluded that its arguments had not withstood the test of time and they now fully support Senate ratification of the convention. Numerous other legal authorities have given their endorsement to the Genocide Convention, including former Chief Justice Earl Warren, who lamented:

> We as a nation should have been the first to ratify the Genocide Convention . . . Instead, we may well be the last.

In the field of journalism, conservative columnist, William F. Buckley, Jr., has given his complete endorsement to the Genocide Convention. In an editorial in the Chicago Daily News on June 21, 1977, Mr. Buckley wrote that—

> We should officially identify ourselves as approving the proposition that genocide is a violation of international law.

Mr. Buckley's article is concise and well argued and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Senate and Genocide

(By William F. Buckley, Jr.)

Senator Javits has announced his intention to press for the ratification of the Genocide Convention, and although there are abundant reasons to doubt it will save any endangered species, the arguments in favor of its passage outweigh the negative arguments. Here is what one should bear in mind in thinking about any international human rights law:

1) The ideological enemies of human rights, most conspicuously the Communist states, will not be contained by the legislation. But this does not mean that the legislation cannot be put to useful effect. It wasn't until September, 1973, that the Soviet Union ratified the several conventions on human rights passed by the United Nations in the late '40s; and, while on the same binge, the Soviet Union ratified in 1975 the Helsinki agreements. Add the new Soviet Constitution, and one would think one could go to live in the Soviet Union as to a libertarian paradise. As for China, human rights is regarded as a kind of kinky Western habit, to be shunned along with Beethoven and Mozart.

2) Non-ideological enemies of human rights are much likelier to benefit from stipulated definitions of human freedom. Evelyn Waugh's prophetic book, "Black Mischief," describes the state of Azania in which efforts, hilariously clumsy, are made to emulate the manners and morals of the British. The Azanians manage to get things just a little confused, as when a reception is given to two visiting British ladies representing the Royal Society for the Prevention of Cruelty to Animals. The Society's name is misread by the local host, who gives a speech on the earnest efforts being made in Azania to imitate the British by the Cultivation of Cruelty to Animals.

The pasquinade is wonderfully carried off, but the residue of the novel reminds us that norms achieved by the more civilized states after millenia of agonizing experience are a part of the universal patrimony. If and when human rights finally arrive in nations like Iran and Chad, it will be because of the persistent idealism of such people as have fought for universal declarations of human rights.

3) The Genocide Convention was signed by President Truman in December of 1948, and although three times recommended to the floor of the Senate, to the Foreign Relations Committee, has heretofore failed of passage. Probably the main reason for this was the opposition of the American Bar Assn. It was widely feared, during the '50s and '60s, that Americans might be detained in murky parts of the globe and charged with "genocide" against American Negroes or Vietnamese peasants, tried and imprisoned.

In fact, our passage of the Genocide Convention or our rejection of it, would not have stood in the way of a state that chose to press such a charge against a U.S. citizen. Available to us in such situations is nothing more than our diplomatic resources, and our atom bombs. If Marshal Amin decides to try a U.S. reporter for complicity in genocide because he carries a check book of the Chase Manhattan Bank that has branches in South Africa, he will do so irrespective of any legislation passed by the Senate.

Even so, the recommendation of the Bar Association, which now favors ratification, is based on the attendant protocols. The Genocide Convention's Article V reads: "The contracting parties shall enact the necessary implementing legislation to enforce provisions of the convention." This means that only Congress can pass laws that would give teeth to the Genocide Convention: and Congress is in our hands, not in those of General Amin.

(4) With these qualifications, what is the point of the convention? It is a moral point, but moral points are after all about all we have left. We should officially identify ourselves as approving the proposition that genocide is a violation of international law.

The crime of genocide is one of the distinctively hideous crimes of the century: practiced against the Armenians, against the Jews, against any number of African tribes, against Asiatics, against Cambodians—and, in less than a systematic way, against Irish. The failure of the Senate to declare itself on the subject is itself arresting, and Senator Javits is right to urge its passage.

Mr. PROXMIRE. Mr. President, the Defense Department, the American Bar Association, Mr. Nixon, and Mr. Buckley are no sentimental softies. If there was ever a question of whether ratification of the Genocide Convention was against our national interest, these men have answered it. I fully agree with Mr. Buckley that "the failure of the Senate to declare itself on the subject is itself alarming," and I strongly urge the Senate to remedy this disgrace by ratifying the Genocide Convention.

Mr. President, I yield the floor.

SENATE RESOLUTION 113—AUTHORIZING THE APPEARANCE AND/OR THE FILING OF A BRIEF ON BEHALF OF THE SENATE AS AMICUS CURIAE IN *HUTCHINSON* V. *PROXMIRE, ET AL.*, NO. 78–680

Mr. ROBERT C. BYRD. Mr. President, on behalf of myself and the distinguished minority leader (Mr. Baker), I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The second assistant legislative clerk read as follows:

> A resolution (S. Res. 113) authorizing the appearance and/or the filing of a brief on behalf of the Senate as amicus curiae in the Supreme Court proceedings in *Hutchinson* v. *Proxmire, et al.* No. 78–680, on the issue of the scope of Article I, section 6, of the Constitution, the speech and debate clause.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, this resolution authorizes the Senate to appear as amicus curiae before the U.S. Supreme Court and to file a brief on behalf of the U.S. Senate in the case of Hutchinson against Proxmire, et al.

I just looked that term up in a dictionary, and I have looked it up in several dictionaries. The pronunciation is amicus curiae, and I hope Senators will pardon me if I differ from their pronunciation. I have heard it about a hundred different ways.

Mr. BAKER. I will pronounce it that way from now on.

Mr. ROBERT C. BYRD. For 200 years, the speech or debate clause of the U.S. Constitution has protected the independence of the legislative branch of our Government. It protects what we say in order to insure a meaningful exchange of ideas in debate. It prevents either the executive or judicial branches from interfering in or usurping the powers and prerogatives which are given to the Congress under the Constitution.

In recent years a series of decisions and a pronouncement of dicta from the courts have either endangered the speech or debate clause or confused its meaning and application. It is important that the Senate enter as an amicus in order to defend and protect our Constitutional prerogatives.

It is for the Senator from Wisconsin in his brief to assert his defenses on the grounds available to him. The Senate, as an institution, has its own separate and special interests with respect to the speech or debate clause, and it is to that issue that the Senate brief would be addressed.

The purpose of the amicus brief is to defend the interests of the Senate. The conclusion might be drawn by the Judicial branch that we are uninterested in our rights if we fail to defend them.

Finally, Mr. President, both Houses of the Congress have previously appeared as amicus curiae in important cases where constitutional prerogatives were involved. There is a precedent for doing so. Failure to do so in this case, when the rights and interests of the legislative branch are directly affected, could lead to the diminution of those rights.

For all these reasons, Mr. President, I urge that the resolution be passed.

I urge that the resolution be agreed to, and I yield to the distinguished minority leader.

Mr. BAKER. I thank the majority leader.

Mr. President, I join the majority leader in this request, and I am pleased to cosponsor the resolution. I think it is not only an appropriate but also a highly desirable act by the Senate, and I express my thanks to those who have sponsored it.

Mr. PROXMIRE. Mr. President, I thank both the majority leader and the minority leader from the heart for this.

I think the majority leader put it very well when he said this is not a matter of taking the part of a Senator. This is a matter of defending the interests of the Senate.

I also am happy to say that the House leadership, including Speaker O'NEILL, Majority Leader WRIGHT, and Minority Leader RHODES, also have taken action to support the amicus curiae. I am extremely grateful for the steps they have taken. I think it is right to defend the rights of both legislative bodies, although I have a personal interest, which is something else.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 113) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

Whereas the Supreme Court of the United States on January 8, 1979, issued a writ of certiorari in the case of *Hutchinson* v. *Proxmire, et al.*; and

Whereas this civil action against the Senator from Wisconsin (Mr. Proxmire) seeks damages for actions that were performed within the scope of the Senator's duties and responsibilities as a Member of the Senate under the Constitution of the United States; and

Whereas the Senate, by Senate Resolution 463, 94th Congress, has supported the defense of Senator Proxmire in defending the civil action brought against him for the purpose of protecting the interests of the Senate; and

Whereas in this case the Supreme Court will consider the scope and meaning of the protection provided to Members of the Congress by Article I, Section 6, of the United States Constitution, the speech and debate clause, including the application of this provision to Senators and their aides, and the types of activity protected; and

Whereas this case involve the informing function of the Congress and the right of Members of the Senate to inform their constituents, colleagues, and the public; and

Whereas this case involves the investigation and oversight functions of the Congress and the right of the Members of the Senate to obtain information in their contact with the executive branch of the Government; and

Whereas the District Court and the Circuit Court of Appeals have recognized the application of the Speech and Debate clause to the conduct complained of in this case; and

Whereas a decision in this case may impair the constitutional independence and prerogatives of every individual Senator, and of the Senate as a whole; and

Whereas the Senate of the United States has a responsibility to insure that its interests are properly and completely represented before the Supreme Court: Now, therefore, be it.

Resolved, That there is established a committee of the Senate consisting of the President pro tempore of the Senate, the Majority Leader and Minority Leader of the Senate, and the chairman and ranking minority member of the Committee on Rules and Administration. Such committee is authorized and directed to appear and/or to file, on behalf of the Senate of the United States, a brief as *amicus curiae* in the case of *Hutchinson v. Proxmire et al.*, now pending in the Supreme Court of the United States.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the Supreme Court.

Mr. ROBERT C. BYRD. Mr. President, lest future scholars be puzzled by what has been said about the pronunciation of this Latin term, until recently I thought the only pronunciation was amicus curiae. I continued to search, however, and found that it could be pronounced as amicus. But I will stick with my own old ways, old-fashioned as they are.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, I spent 3 years in law school at the University of Tennessee, and I spent 17 years practicing law. Never before have I heard that term pronounced with the resonance and with the appeal that the majority leader has pronounced it, and I herewith declare that to be my preference for pronunciation.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. PROXMIRE. Mr. President, I think we should recognize what "amicus" really means. It means "friend"—and these are two good friends, believe me. They are not only "amicuses"; they are "amicii."

Mr. BAKER. Mr. President, I think we are out of our depth.

COMMEMORATION OF DAYS OF REMEMBRANCE OF VICTIMS OF THE HOLOCAUST

Mr. ROBERT C. BYRD. Mr. President, I send a resolution to the desk, cosponsored by myself, Mr. DANFORTH, Mr. BAKER, and Mr. JACKSON, and I ask that it be stated.

The PRESIDING OFFICER. The resolution will be stated by title.

The second assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 16) relating to a ceremony to be held in the Capitol Rotunda as part of the commemoration of the days of remembrance of victims of the holocaust.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. PROXMIRE. Mr. President, I am delighted to support the resolution. It calls to our attention the terrible tragedy of the attempt by Hitler's Germany to exterminate the Jews. This resolution is similar to the Genocide Convention I have been talking about almost every day for 11 years.

This would not simply be a resolution indicating our sympathy and our consternation but a resolution indicating that we intend to do something about it.

Mr. President, I hope that this fine resolution, which I support—and I commend the leaders for offering it—will be followed this year, at long last, after 30 years, by ratification of the Genocide Convention.

Mr. ROBERT C. BYRD. Mr. President, due credit should be given to Mr. DANFORTH. I believe that his is the first name to appear on the resolution.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, I take special pleasure in the resolution that is now before the Senate. I was especially pleased to nominate the distinguished Senator from Missouri (Mr. DANFORTH) to serve on this commission. I did so with the knowledge that his background and educational experiences would make him especially and suitably sensitive to the matter at hand. I believe this resolution is a vindication of that judgment.

I express my appreciation to both Senator DANFORTH and Senator JACKSON for their recommendation, and I support the action taken. I express my agreement with the remarks made by the distinguished majority leader and by Senator PROXMIRE.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

Resolved by the Senate (the House of Representatives concurring), Whereas, Public Law 95–371 designates April 28 and 29 of 1979 as "Days of Remembrance of Victims of the Holocaust;"

Whereas, on November 1, 1978, the President of the United States established the President's Commission on the Holocaust, which was charged with the responsibility of recommending appropriate ways for the nation to commemorate the Days of Remembrance of Victims of the Holocaust;

Whereas, the President's Commission has recommended that a one-half hour ceremony be held in the Capitol Rotunda on April 24, consisting of prayers, speeches, readings and musical preservations as part of the Days of Remembrance activities;

Whereas, the President's Commission has recommended that the U.S. Senate and U.S. House of Representatives should stand in recess during the ceremony: Now, therefore be it

Resolved by the Senate (the House of Representatives concurring), That from noon on April 24, 1979, the Capitol Rotunda shall be available until 1:00 p.m. for a ceremony as part of the commemoration of the Days of Remembrance of Victims of the Holocaust.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I believe the are three measures on the calendar that have been cleared for action by unanimous consent. The minority leader is present, and he can verify that that is the case.

I ask unanimous consent that the Senate proceed to the consideration of calendar Nos. 45, 46, and 47.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—the majority leader is correct. I appreciate his inquiry in that respect. These items are cleared on our calendar, and we are happy to join him in the request to proceed to their consideration.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZING PRINTING OF "DEVELOPMENTS IN AGING: 1978"

The resolution (S. Res. 108) authorizing the printing of additional copies of part 1 of the Senate report entitled "Developments in Aging: 1978," was considered and agreed to, as follows:

Resolved, That there shall be printed for the use of the Special Committee on Aging the maximum number of copies of part 1 of its annual report to the Senate, entitled "Developments in Aging: 1978", which may be printed at a cost not to exceed $1,200.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–38), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Resolution 108 would authorize the printing for the use of the Special Committee on Aging of the maximum number of copies of part 1 of its annual report to the Senate, entitled "Developments in Aging: 1978," which may be printed at a cost not to exceed $1,200.

AUTHORIZING PRINTING OF "FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1979"

The concurrent resolution (S. Con. Res. 15) authorizing the reprinting of the Senate report entitled "First Concurrent Resolution on the Budget—Fiscal Year 1979" (S. Rept. 95–739), was considered and agreed to, as follows:

S. CON. RES. 15

Resolved by the Senate (the House of Representatives concurring), That there shall be reprinted for the use of the Senate Committee on the Budget one thousand copies of its report to accompany Senate Concurrent Resolution 80, Ninety-fifth Congress, second session, entitled "First Concurrent Resolution on the Budget—Fiscal Year 1979" (S. Rept. 95–739).

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–39), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Senate Concurrent Resolution 15 would authorize the reprinting for the use of the Senate Committee on the Budget of 1,000 copies of its report to accompany Senate Concurrent Resolution 80, 95th Congress, second session, entitled "First Concurrent Resolution on the Budget—Fiscal Year 1979" (S. Rept. 95–739).

This proposal is similar to that contained in Senate Resolution 84, which was referred to the Committee on Rules and Administration on March 1, 1979. Since the concurrence of the House of Representatives is required on proposals to print additional copies costing in excess of $1,200 (44 U.S.C. 703), the Committee on Rules and Administration is expressing its approval of this proposal by reporting out this original concurrent resolution in lieu of Senate Resolution 84.

The printing-cost estimate, supplied by the Public Printer, is as follows:

Printing-cost estimate

Back to press (1,000 copies)	$3,043.86

LARRY J. LARSEN

The resolution (S. Res. 111) to pay a gratuity to Larry J. Larsen, was considered and agreed to, as follows:

S. RES. 111

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Larry J. Larsen, widower of Louise W. Larsen, an employee of the Senate at the time of her death, a sum equal to three months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funderal expenses and all other allowances.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TECHNICAL CORRECTIONS AMENDMENT TO THE DISTRICT COURTS IMPROVEMENTS ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of H.R. 2301.

THE PRESIDING OFFICER. The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 2301) to amend the Federal District Court Organization Act of 1978 with respect to certain administrative matters arising from the redrawing of the Federal judicial districts in the State of Illinois.

The bill was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 41, S. 443, which is a companion bill, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Dennis R. Wyant to be Deputy Assistant Secretary of Labor for Veterans' Employment, that being Executive Calendar Order No. 67.

There being no objection, the Senate proceeded to consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

DEPARTMENT OF LABOR

The second assistant legislative clerk read the nomination of Dennis R. Wyant, of Maryland, to be Deputy Assistant Secretary of Labor for Veterans' Employment.

Mr. CRANSTON. Mr. President, I urge the Senate to confirm the nomination of Dennis R. Wyant to be Deputy Assistant Secretary of Labor for Veterans' Employment—DASVE.

The nomination of Dr. Wyant for the position was received by the Senate on March 1, 1979, and referred jointly to the Veterans' Affairs and Labor and Human Resources Committees. I chaired a joint confirmation hearing on March 12. On March 16, the nominee submitted to the committees written responses to a number of questions, as Senator THURMOND and I had requested at the hearing.

If confirmed by the Senate, Dennis Wyant will be the second person to serve in the capacity of DASVE. By law, he will be the principal adviser to the Secretary of Labor with respect to the formulation and implementation of all departmental policies and procedures to carry out chapters 41, 42, and 43 of title 38, United States Code, as well as all other Labor Department employment and training programs as they affect veterans.

Of paramount importance to me, as well as to many others, is the DASVE's access to the Secretary in his role of principal adviser, as well as arrangements that have been made with respect to his relationships to the Assistant Secretaries of Labor. I stressed this question of access at the confirmation hearing and requested that a letter be sent to the chairman of both committees by Secretary Marshall assuring direct access to him and outlining relationships with the Assistant Secretaries. At this time, Mr. President, I ask unanimous consent, that a copy of Secretary Marshall's letter of March 14 be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CRANSTON. Mr. President, the challenges facing Dr. Wyant as DASVE are difficult—indeed, some might call them impossible. Since authorized by law in October 1976, the DASVE position has been officially filled for only about 11 months, and the position has been officially vacant since last July.

During the confirmation hearing, Dr. Wyant's commitments, priorities, and thoughts with respect to the important position to which he has been nominated were explored extensively. Testimony in support of the nominee was heard from the Blinded Veterans Association, Veterans of Foreign Wars, Disabled American Veterans, Paralyzed Veterans of America, American Association of Minority Veterans' Program Administrators, and the Non-Commissioned Officers Association. Letters on behalf of the nominee were received from the American Legion and Amvets.

I am convinced, as are the other members of the Veterans' Affairs and Labor and Human Resources Committees, that Dennis brings with him to this position enormous dedication, determination, and enthusiasm for the task at hand—providing meaningful training and employment opportunities to our Nation's veterans.

Mr. President, in closing, I would like to express my deepest appreciation and thanks to the present Deputy Assistant Secretary of Labor for Employment and Training, Larry Weatherford, who for the last 7 months served as interim Deputy Assistant Secretary of Labor for Veterans' Employment. His commitment to veterans' employment problems was, and, I hope will continue to be, a major and most constructive one. He was an exceptionally able caretaker. All of those who are involved in this area owe Larry an enormous debt of gratitude for a job well done.

Mr. President, the nomination of Dennis Wyant has been long and anxiously awaited. I urge the Senate to take prompt and affirmative action on the nomination at this time so that he can be officially installed as the new Deputy Assistant Secretary of Labor for Veterans' Employment.

At this time, Mr. President, I ask unanimous consent that there be printed in the RECORD, preceding Secretary Marshall's letter, a biographical sketch of the nominee.

There being no objection, the biographical sketch was ordered to be printed in the RECORD, as follows:

PERSONAL DATA SHEET

Dennis R. Wyant, Ed. D., 10113 Hurst Street, Bethesda, Maryland 20014. Telephone (301) 897-8576. Age 34; married, two children; height 6 feet 3 inches; weight 186 pounds; excellent health with the exception of a visual impairment.

Education: Doctor of Education, June 1974, major Adult Education, minor Vocational Education (GPA-4.0), University of Cincinnati. Masters of Business Administration, December 1971, major Marketing (GPA-3.5), Wright State University. Attended approximately 15 additional courses in Management, Sales, Business Systems, Training Procedures, Public Speaking, and Data Processing. Accredited as National Service Officer in 1973. Certified as Rehabilitation Counselor (CRC) 1975. Received Able Toastmasters Award (ATM) and Distinguished Toastmasters Award (DTM).

Employment: September 1977 to present. Special Assistant to the Administrator, Veterans Administration. Coordinates all activities for handicapped individuals and disabled veterans in the nation's second largest Federal agency (over 200,000 employees). Also work on special projects involving handicapped veterans (over 5,000,000). Top advisor to many committees, both in and out of the Federal government, involving legislation, regulations, publications and training relating to handicapped individuals.

May 1976 to September 1977, Chief of Economic Concerns and Disabled Veterans. Coordinator for the White House Conference on Handicapped Individuals, serving as a Division Head to conduct National Conference on Handicapped Individuals. Worked with all aspects of Vocational Rehabilitation, Affirmative Action, Personnel Management, Economic security and opportunity for handicapped individuals.

January 1975 to May 1976, Staff Coordinator to Committee on Disabled Veterans, President's Committee on Employment of the Handicapped. Served as Chief liaison with veterans organizations and volunteer health organizations involving disabled veterans and handicapped individuals. Provided technical assistance to consumer organizations for solving the employment problems facing handicapped individuals.

February 1973 to January 1975, National Field Director for the Blinded Veterans Association. In this position, an outreach program to assist handicapped persons with rehabilitation and employment opportunities was conducted. Other duties involved lobbying, fund raising, public relations, contract and grant proposals, publications, administration and management of four regional offices.

May 1966 to February 1973, employed by large marketing oriented business equipment manufacturer, National Cash Register. 2 years as a Sales Representative, 1½ years as a Sales Training Instructor, 1 year as a Course Developer, 2 years as a Training Coordinator for new EDP Sales Representatives. Involved in recruitment, selection, and management development. Supervised three Training Specialists.

Outside Activities: Consultant or Advisor to the American Foundation for the Blind (job opportunities and job retention for the blind), President's Committee on Employment of the Handicapped, White House Conference on Handicapped Individuals, Intra-agency Committee on handicapped employees; board member for the D.C. Job Placement Division of the National Rehabilitation Association. I have also served the Blinded Veterans Association as Chairman of the Board, National President, Vice-President, Secretary, Convention Chairman, Fund Raising Chairman, as well as other regional committee assignments.

Publications: Blinded Veterans in Search of Work, The Disabled Puerto Rican Veteran: A Study, Double Dilemma, Two Good Reasons Why You Should Hire Disabled Veterans, Purple Heart Movin' On, Blinded Veterans Across the Atlantic, and also Tie the Speaker to the Audience.

Awards and Honors: Cardinal Citation (Outstanding Alumni Award of the College), Veterans Administration Commendation, Diener Award for Service to Blinded Veterans, BVA Commendation, Semi and Regional finalist for White House Fellows. Who's Who in America, Meritorious Service Award from the President's Committee on Employment of the Handicapped, Governor's (Ohio) Community Action Award, Service to Mankind and Best Speaker of the Year by Kettering Ohio Sertoma Club, one of the five outstanding young men of the year by the Greater Dayton Jaycees. Winner of 23 speech contests, finishing third in regional-international competition on two occasions. Red Cross Four Gallon Blood Donor Certificate, and a Brown Belt in Karate.

EXHIBIT 1

U.S. DEPARTMENT OF LABOR,
Washington, March 15, 1979.

HON. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: At his confirmation hearings on March 12, 1979, Dr. Dennis Wyant, the President's nominee to become the next Deputy Assistant Secretary for Veterans' Employment (DASVE), was asked to provide a statement on the extent of his direct access to me.

As Dr. Wyant indicated at the hearings, he met with me on March 7 to discuss a number of subjects including how we could best communicate to ensure that veterans' concerns were reaching the highest echelons of the Department. I assured Dr. Wyant at that time that he would have complete access to me and my staff, either in person or via phone or memorandum, with the choice to be his based on factors such as timeliness and the need to include a substantial amount of detail. I also encouraged Dr. Wyant to keep me informed of all veterans' issues which he believes require my involvement.

During our meeting on March 7, Dr. Wyant and I also discussed ways in which he could most effectively carry out his responsibilities to me as principal advisor on the formulation and implementation of policies and procedures affecting veterans. Dr. Wyant told me that in the 8 weeks he had been with the Department of Labor he had been the recipient of total cooperation not only from the entire staff of the Employment and Training Administration, but also from each of the line Assistant Secretaries. I expect that this cooperation will continue and, through it, Dr. Wyant will be afforded every opportunity for communicating his concerns either to me or the appropriate Assistant Secretary. Working together in this fashion I would hope that the Department can be most effective in dealing with veterans' needs.

I hope that this letter satisfactorily responds to the concerns of the Committee expressed at Dr. Wyant's confirmation hearings.

Sincerely,

Ray Marshall,
Secretary of Labor.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominee was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominee, and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL ORDERS

Mr. ROBERT C. BYRD. Mr. President, the Senate will meet at 11 a.m. on Monday. I believe there are three orders for the recognition of Senators, are there not?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may be added to that list of special orders for a 15-minute speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DESIGNATION PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the aforementioned orders there be a period for the transaction of routine morning business not to extend beyond 12:30 p.m. and that Senators may be permitted to speak during that period for not to exceed 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING CERTAIN ACTION DURING RECESS UNTIL MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that during the recess of the Senate over until 11 a.m. on Monday the Vice President of the United States, the President pro tempore of the Senate, and the Acting President pro tempore of the Senate be authorized to sign all duly enrolled bills and joint resolutions and that the Secretary of the Senate be authorized to receive and appropriately refer messages from the other body and/or from the President of the United States and that committees may have until 5 p.m. tomorrow to file committee reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene at 11 a.m. on Monday. After the two leaders or their designees have been recognized under the standing order, there will be four orders for the recognition of Senators, in each case not to exceed 15 minutes, at the conclusion of which there will be a period for the transaction of routine morning business not to extend beyond 12:30 p.m. with Senators to speak during that period for up to 3 minutes each.

At the conclusion of morning business, if it is prior to 12:30 p.m. or no later than 12:30 p.m., the Senate will stand in recess until the hour of 3:30 p.m. at which time the Senate will reconvene and the pending matter before the Senate at that time will be the debt limit measure with Mr. Dole's perfecting amendment pending. There is also pending, but it does not have precedence over Mr. Dole's perfecting amendment, an amendment that was offered by Mr. Long and other Senators to Mr. Dole's amendment to the debt limit measure. As of now the pending question would be on the perfecting amendment by Mr. Dole to the debt limit measure.

Mr. President, rollcall votes will likely occur on Monday in relation to the amendments or in relation to motions that may be made. Tabling motions may be made. Motions to commit may be made. There are various motions that can and may be made. And Senators I think should be on notice that rollcall votes are expected.

During the interim from 12:30 p.m. to 3:30 p.m. Senators will attend the signing ceremony in respect to the Middle East Treaty at the White House. That signing ceremony, I believe, begins at 2 p.m. and is not expected to last over 30 minutes, perhaps, but ample time should be given and is being given to Senators to return to the Senate by 3:30 p.m., at which time the Senate will resume its consideration of the debt limit measure.

That is the statement of the program.

Mr. President, I hope that committees will take advantage of tomorrow's recess to work. The idea of our being off on Fridays is to accommodate committees in their work.

There is a May 15 deadline that has to be met. The first concurrent budget resolution has to be adopted, not just passed by the Senate, but has to be law by May 15. So I urge all committees to utilize this time on Fridays and at other times during the week, when possible, to get their work done.

Time is flying. Spring is here. The snows of winter have gone.

> The year's at the spring
> And day's at the morn;
> Morning's at seven;
> The hillside's dew-pearled;
> The lark's on the wing;
> The snail's on the thorn:
> God's in his heaven—
> All's right with the world.

RECESS UNTIL 11 A.M. MONDAY, MARCH 26, 1979

Mr. ROBERT C. BYRD. Now, Mr. President, all is right with the world. I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 11 o'clock Monday morning.

The motion was agreed to; and at 6:31 p.m., the Senate recessed until Monday, March 26, 1979, at 11 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate March 22, 1979:

Department of Labor

Dennis R. Wyant, of Maryland, to be Deputy Assistant Secretary of Labor for Veterans' Employment.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duty constituted committee of the Senate.

EXTENSIONS OF REMARKS

ROBERT J. MILTON MERITORIOUS SERVICE AWARD

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. McCLORY. Mr. Speaker, a longtime friend and fellow public official, Lake County Auditor Robert J. Milton, died last year after devoting virtually his entire life to public and political affairs in Lake County and in the State of Illinois.

Prior to his service as auditor for Lake County, Bob Milton served as an alderman in the city of Lake Forest, as a member of the Lake County Board and for many years as the chairman of the Lake County Republican Central Committee—the principal Republican political organization in Lake County, Ill., and as Republican State central committeeman of my congressional district.

Mr. Speaker, in addition to his elected political and public offices, Bob Milton served under Gov. William G. Stratton and other State officials. For a brief period Bob Milton served as an administrative assistant on my staff for Lake County during my early years in this body.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Mr. Speaker, when I speak of the outstanding public and political services of the late Bob Milton, I cannot help but recall that this service was a way of life in his household. Bob's late dad, Jack Milton was a nationally recognized figure in the Speakers' Bureau of the Republican National Committee. He campaigned actively for Republican presidents and Republican officials just as Bob Milton continued to do—as he followed in his dad's footsteps.

Mr. Speaker, Bob Milton's mother, Irene Milton, survives him and continues to be seen frequently at political and public gatherings where her interest and influence are always felt and where her presence serves as a reminder that the Milton household is a political entity with broad interests in the political and public affairs of our area and our Nation. Likewise, Bob's sister Virginia Milton—an erstwhile supporter of her brother, Bob, and who likewise received her political education directly from her late dad, Jack Milton—has served in both political and public supporting roles and is a proud member of this prominent political family.

Mr. Speaker, the Lake County Republican Federation has established an annual award in honor of Bob Milton and begins this year to award the Robert J. Milton plaque at its annual spring meeting to a prominent Republican who has rendered meritorious service to the Republican Party and has contributed to the welfare of the Lake County community.

Mr. Speaker, I plan to be present at the annual meeting at the Brae Loch Country Club in Grayslake on Saturday, April 7 for the annual award ceremony and to express words of eulogy to the memory of Bob Milton. I will also present copies of these remarks to his dear mother, Irene, and his sister, Virginia.

Mr. Speaker, I take this occasion to express publicly my respect and affection for Bob Milton and to join with many of his longtime associates and friends in this tribute.●

PORT OF LONG BEACH—RECIPIENT OF THE PRESIDENTIAL-STAR AWARD

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. ANDERSON of California. Mr. Speaker, I am proud to announce that the Port of Long Beach, located in my home district, will be receiving the E-Star Award on Monday, March 26, 1979, for its outstanding performance in export trade. The Port of Long Beach received the first E for Excellence Award in 1974, and this E-Star Award signifies the second award for continued outstanding performance. This Presidential award is the highest governmental peacetime honor that can be given to a business. It is an honor well-deserved, which will be presented on behalf of the President by Mr. J. Bruce Llewellyn, president of the Overseas Private Investment Corp.

The Port of Long Beach has a proven record of excellence in the field of export trade. In 1978 it handled 20.5 million tons of foreign cargo both inbound and outbound, and leads all other west coast ports in this category. To achieve this status, port officials are continually involved in promoting foreign trade by working with shiplines and terminal operators to facilitate this exchange.

To capitalize on a potentially great new market for American goods, the port is leading the way in opening up new communication channels with trade officials from the People's Republic of China. Visitors from that country have already inspected the port's facilities and, just recently, port officials have returned from a trip to China. This marked the first time that representatives from an American port authority have toured Chinese port cities. The sign of success will come sometime within the next few months when the first vessel flying the Chinese flag will dock at Long Beach. And at about this same time, the first American vessel sailing from Long Beach bound for China will leave the port. This boldness in initiating export trade with China serves to illustrate the imagination and dedication of this port's export program.

Mr. Speaker, the Port of Long Beach has had a longstanding reputation of being a top rated international trade center. The economic activity it generates has done much to improve the livelihood of the residents in the entire south bay area.

Now, the port is receiving just recognition for boosting this Nation's export trade program. I join in congratulating the port's commissioners, its general manager, and his staff for the fine work they are doing in this field. They are demonstrating how a well run port can add to the health of the national economy while at the same time be of enormous benefit to a local community.

I congratulate the Port of Long Beach for a job "well done." ●

THE HUMAN SIDE OF HAZARDOUS WASTES

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. LaFALCE. Mr. Speaker, both yesterday and today the Oversight and Investigations Subcommittee of the Commerce Committee has been holding hearings on the pernicious effects hazardous wastes have on our health and environment when they are improperly handled and buried.

Over the past year we have all read in the national press and seen on network television the tragedy that has befallen innocent victims of these toxic wastes at the Love Canal in Niagara Falls, N.Y. This site is in my congressional district and it was victims of this terrible tragedy who came to Washington to tell how hazardous wastes leaching from an abandoned landfill have left an indelible mark on their lives.

Another site, also within my congressional district, was the subject of hearings yesterday. This site is known as the Hyde Park landfill in the town of Niagara. This site has approximately four times as much waste buried in it as the Love Canal and there are not only homes which have been built near it but there are also factories situated around the landfill and built on top of the stream, Bloody Run, which emanates from the landfill. Health investigators are only beginning to accumulate information about this site, but it may prove to be every bit as much of a horror as the Love Canal.

We in Congress all too often discuss problems such as hazardous waste disposal in a dispassionate manner—as if the problem existed only for "them" and not "us". I would like to take a moment to tell you now about these people who came to Washington to tell their story so that we could know it is like to be one of "them" and do all we can to prevent another terrible tragedy from striking elsewhere in the country.

Dr. James Dunlap, a pediatrician in the Erie-Niagara Counties area of New York, explained in his expert testimony the serious health ailments that have developed in children who live near the Hyde Park dump. Dr. Dunlap has devoted countless hours to doing extensive medical studies on these children and has even treated these children without collecting fees from the parents because the parents just cannot afford all the visits which the children need in order to be treated for their chronic respiratory illnesses caused by the dump.

Testifying with Dr. Dunlap were Mrs. Eileen Jasper and her infant daughter, Susie. Mrs. Jasper told the subcommittee of her heartbreaking miscarriage last fall. Doctors have found no logical reason for the miscarriage and tend to attribute its causes to the proximity of Mrs. Jasper's home to the dumpsite. Eileen Jasper is one of Dr. Dunlap's patients. She is just an infant and yet she is plagued with upper respiratory diseases which do not fit normal patterns and which Dr. Dunlap believes are attributable to the toxic fumes from the Hyde Park dump.

Mr. Fred Armagast also testified at the hearing. He is a resident of the area who has had to have his drinking water tested by the State because it is well water. Mr. Armagast's children and grandchildren have suffered from the same problems as Susie Jasper as well as other ailments which doctors believe are the result of living so close to the toxic waste dump.

The Hyde Park landfill is located in the midst of several factories as I mentioned earlier. A representative of the Steelworkers Local No. 12256, Dennis Virtuoso, Steelworkers Local No. 12230, Carl Sabey, and a representative of the Oil, Chemical, and Atomic Workers Local No. 8-778, Clifton VanEpps, related to the subcommittee the complaints they have lodged over the years as a result of working near the hazardous waste dump. They have reported incidents of skin lesions, itching, burning eyes, upper respiratory problems, burning throats, nausea, and muscular problems. These workers, through the leadership of the gentlemen who testified, made known their complaints to me this winter and I have called in OSHA and NIOSH to investigate. However, it is to the credit of these gentlemen that they came to Washington to testify before the subcommittee to bring to the attention of the entire public the terrible effects hazardous waste dumpsites can have on anyone who must work near one.

The second site which was discussed at length yesterday was the Love Canal. This site, perhaps more than any other, has led Congress to investigate the tragic effects of improperly buried hazardous wastes on the health and welfare of our citizens as well as the devastating toll they have taken on our environment.

The first witness called to discuss the Love Canal was Dr. Beverly Paigen. I have worked with Beverly ever since she began her work on behalf of the Love Canal Homeowners Association last summer. Dr. Paigen is a biologist who is currently employed by Roswell Park Memorial Institute in Buffalo. She has donated many, many hours of her time to collect data regarding the adverse health effects the leaching toxic chemicals from the Love Canal have had on the area residents. Dr. Paigen has questioned the findings of the New York State Department of Health—who is also her employer—and has presented the State with theories based on her data which have led the State to investigate additional hypotheses. Dr. Paigen has consistently maintained a professional demeanor while simultaneously acting as an advocate for the Love Canal Homeowners Association. I laud her efforts and praise her dedication. The homeowners are most fortunate to have someone of Dr. Paigen's ability step forward to assist them.

Another witness from Niagara Falls to testify about the Love Canal was Lois Gibbs. Lois has served as president of the Love Canal Home Owners Association—LCHOA. The LCHOA is a citizens group consisting of over 1,000 families representing more than 90 percent of the residents in the area. The association was formed to deal with the problems of living near a chemical dumpsite and to voice the opinions of members of the association to local, State, and Federal officials who would be making decisions affecting the lives of the residents. Lois has led this group during times of terrible stress and emotionalism. However, she always remained calm and acted with the greatest objectivity and forcefulness, which gained her the total respect and admiration of every official with whom she worked. The LCHOA is indeed fortunate to have someone of Lois Gibbs' caliber as its president. She has represented them well and I am sure will continue to act responsibly as she continues to work for assistance for the innocent victims of the Love Canal.

Another dumpsite in the city of Niagara Falls is known as the "S" site. It is owned by Hooker Chemical and Plastics Co. and is located only 200 yards from the water treatment plant which serves the city of Niagara Falls. According to Hooker documents over 74,000 tons of chlorinated hydrocarbons and other chemical waste products were buried at this site. Although the water currently being consumed by the residents of Niagara Falls, which comes from the city plant, is clean and safe according to all tests that have been performed by both the city and the State department of health, this dumpsite does pose a potential problem to the city.

Elliot Lynch ran the water works plant from the early 1950's to 1978. He is currently retired and living in the village of Youngstown. Mr. Lynch testified to the need to clean the plant's forebay shaft during 1968-69 due to chemical contamination and the fact that again in the fall of 1978 the chemical contamination was discovered in the same part of the water plant. Mr. Lynch believes that the contamination comes from the "S" site.

Mr. Harold Allen testified as the owner of the Allen Marine Salvage Co., the company which was contracted to clean the forebay shafts at the water works. Mr. Allen has a great deal of experience with pollution problems and should be commended for the advice that he has given the water works plant operators.

Mr. Robert Matthews, director of utilities for the city of Niagara Falls, testified in his capacity as director of current water plant operations. Mr. Matthews has a tough job and he has stated that he has tested continually to insure that the water the residents of Niagara Falls drink is pure and completely safe. He has acted responsibly and has worked with the New York State Department of Health to insure that the water is not contaminated. In order to trace the migration of chemicals into the raw water which enters the plant, Mr. Matthews has worked closely with Dr. David Axelrod, commissioner of health for the State of New York, to sink deep wells so that the migration of contaminants into the plant can be traced, so that whatever remedial action as may be necessary can be taken when all the data is collected. I commend Mr. Matthews for his willingness to acknowledge a potential problem and to work long hours to learn as much as possible about it so that the city can solve the problem in a comprehensive manner, not as a piecemeal effort. I also believe that the city is fortunate to have someone such as Mr. Matthews whose only priority is to protect the people of the city of Niagara Falls by insuring that they drink only clean water.

As I hope this summary of my constituents' testimony shows, Mr. Speaker, the tragedies of the Love Canal, Hyde Park, the "S" site—and hundreds of similar situations throughout the Nation—have brought out only the best qualities in those who have suffered the most. They have given of themselves inordinately. Many in government, at all levels, have sought to assist them, yet far more remains to be done. I hope that you and all our colleagues in Congress will soon join me in seeking to provide not only more financial assistance for the innocent victims of situations of this kind, but also in passing laws to clean up and monitor hazardous waste sites as well as provide a comprehensive system of compensation for victims of toxic pollutants.●

MIDDLE AMERICA RESPONDS ON WASTE—PART II

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. BENJAMIN. Mr. Speaker, I would like to share with my colleagues the second of two news articles from the Post Tribune regarding a survey on attitudes toward the Federal Government in middle America. I refer you to my remarks of March 21, 1979, on the first article in this series, which was printed on pages 5838-5839 of that day's RECORD.

I reiterate my belief that this analysis accurately summarizes the irony and contradictions inherent in the expressed attitudes toward the Federal Government which may be typical of most of our constituencies. Besides the political realities and possible consequences of a blanket "against the Government" attitude, we must be responsive to the growing "lack of leadership" concept espoused by the citizens in this survey. In my previous remarks, I exhorted my colleagues to critically examine each and every agency and program under his or her respective subcommittee's jurisdiction. Let us show the citizens of this country that we are responsive and combine our efforts to give them the most for their money. Where cutbacks are in order, let us cut back—and if a program no longer serves an effective purpose, let us abolish it—while assuring our citizens of efficient and effective Government services.

These actions will go far to diminish the frustrations and contradictions expressed in the following article:

MIDDLETOWN: POLITICIANS, TOO, A TURNOFF

(By Saul Friedman and Frank Greve)

MUNCIE.—Marjorie White, who loves to talk politics, was saying just before church that "Robert Cunningham is a nice, honest man who doesn't belong in the mayor's office because, well, he can't even get the snow removed."

Moments later, Mrs. White, a plump matron and a proud Democrat, was making a similarly harsh judgment about another elected official for whom she had voted.

"Jimmy Carter is a nice honest and religious man and we could all use a little religion," she said. "But he has no business being president because he can't seem to get things done."

In this winter of trouble for politicians high and low, such complaints have been common.

But when they come to Muncie, famous as America's "Middletown," the nation's common denominator, the complaints and the parallel drawn by Marjorie White could be ominous—for Jimmy Carter as well as Robert Cunningham.

Theodore Caplow, the University of Virginia sociologist who is directing a new Middletown study says Muncie is so typical it's "eerie."

Robert Cunningham, a nominal Democrat, for instance, was a grocer from the south side—the wrong side—of the tracks and an outsider in city politics when he ran against the party machines and won the mayorality in 1975.

Folks in town say that the mood that worked for Cunningham helped Carter win the presidency a year later.

But now, said Ball State University historian Warren Vanderhill, the mayor is seen as someone who "hopes that the sun would get rid of the snow. And on a national level we get the picture here of Jimmy Carter smiling through the apocalypse."

Vanderhill, at work on a television series about life in "Middletown," said, "We really thought that if we could take someone with limited experience from the outside—someone like ourselves—that he would be able to handle himself on the job. That is the Cunningham-Carter model, a short rebirth of the Jacksonian idea. It worked in the 1830s, but it doesn't work very well today."

Thus, if Muncie is any indication—and social scientists certify that it is—voters are becoming increasingly disillusioned with the notion that an outsider with a fresh face and good intentions can produce the changes they had expected.

As a consequence, Cunningham expects serious problems if he runs for re-election this year. And that may point to big trouble for Carter in 1980.

A new poll by Michael Corbett, a Ball State political scientist, confirms that Carter is in the same trouble here as elsewhere. Only 42 percent in Muncie say that Carter is doing well as president, including less than 5 percent who say he is doing a "very good" job.

The irony is that Muncie's voters, even Democrats, generally agree with Carter's move towards the right, away from traditional Democratic positions favoring spending and new federal programs.

Muncie's conservative, anti-Washington newspapers (owned by the right-wing Pulliam family) have helped push the town's voters toward the right. And labor leaders and other traditional Democrats have learned, Vanderhill said, that unemployment is no longer the "tried and true" issue it once was. The ghost of the Depression has faded for the moment, he added, and inflation is the greater fear.

Nevertheless, as the president's competence has come under question and his popularity had declined, Sen. Edward M. Kennedy of Massachusetts, a traditional liberal Democrat, has become the overwhelming favorite among voters. The biggest reason seems to be that Kennedy represents the sort of experienced, charismatic and strong leadership Muncie's residents admire and don't see in Jimmy Carter.

Paul Cox, a police lieutenant and a police union official who once supported Cunningham but now opposes him said, "We need experienced leadership in Muncie and people here and in the rest of the country want a president who doesn't look like just another guy in the room. I think that's what people mean by leadership. They want someone who turns them on, you know, and can inspire them."

John Hannaford, a city commissioner and acting dean of Ball State's business school, says Cunningham and Carter have the same problem, in running their respective governments and in providing leadership for the citizens of Muncie and the nation.

"After Nixon, the voters said that his kind of high-powered role-playing is something we should be suspicious of," said Hannaford. "They looked for somebody who was believable, a normal human being, rather than someone capable of being an imperial president.

"Now the Watergate reaction has worked itself out, and by a combination of events, we need to solve problems and give leadership. We just don't have the leadership we need here to work on the development of Muncie.

"And people here and elsewhere are looking for U.S. leadership to solve such problems as energy and inflation and the lack of respect they see coming from abroad. They want some vision from the president, but Mr. Carter just doesn't play that role effectively. When he speaks, the heart just isn't lifted."

Reporters for Knight-Ridder Newspapers first went to Muncie in 1977 after 100 days of the Carter presidency to interview the city's opinion leaders and ordinary citizens. The prevailing view then, within both parties, was that Carter should be given time and a chance, because he was an inexperienced outsider.

Now midway in Carter's term, the dissatisfaction and the impatience with his administration appear prevalent. And the central reason given is the president's seeming lack of competence and political know-how.

In the Workman's Donut Shop ("Where Ma Saves Pa's Dough"), a middle-aged mechanic, a United Auto Workers member, said: "Carter tries his best, but he just can't cut it. He just doesn't command respect from the people he has to deal with. A president shouldn't be just another guy, you know. He's gotta look like a president and act like it."

A commercial photographer dunked a cinnamon twist into his coffee and mumbled: "Yeah, the job needs someone who knows something about politics and making deals to get things done."

Mrs. White touched on the same theme when she was questioned just before the start of a Sunday church service:

"Carter just doesn't project and because of that he doesn't get the respect he needs in Washington or a president should get from foreigners.

"Look at how they greeted him in Mexico. He should have turned around and gotten back on that plane, especially because of what happened that same day—the killing of the ambassador in Afghanistan and the attack on the embassy in Iran."

The church service, incidentally, was held in Muncie's new Central High School building, where the High Street Methodist Church has been meeting since a gas explosion last year wrecked the church.

The Central High Bearcats, it is important to know, have won more state basketball championships (six) than any other school and once the school was censured for passing poor students who could shoot baskets well. The walls of the school are plastered with signs screaming, "Go, Bearcats, Go." And their games are always sold out.

Typical Muncie likes to be turned on by the hard-charging, fast-break, slam-dunk style.

"If Ted Kennedy walked into this room with the President," said Kent Irwin, a political scientist and former city official who is running for mayor, "all eyes would shift to Kennedy."

John Rouse, a Ball State political researcher, noted that Carter's emphasis on fighting inflation rather than unemployment, his opposition to more spending programs, his hostility towards the federal bureaucracy and his promise to balance the budget more nearly coincides with the views of Muncie's voters than Kennedy's more liberal positions.

But, he said, Kennedy "has charisma, the quality of leadership people seem to want now. People just don't see Carter as a leader or as a person who can get things done. They do see Kennedy as a man who can build coalitions and be politically effective."

Corbett, Rouse's Ball State colleague, acknowledged that Kennedy is the favorite among Democrats and most independent voters. But he cautioned that Carter could quickly change his image of ineffectiveness with a presidential spectacular, such as helping achieve peace in the Middle East.

And an old-line Democrat, Everett Ferrill, Ball State history professor and former chairman of Muncie's city council, said a campaign, which would publicize Kennedy's liberalism as well as Chappaquiddick, could win for Carter.

But Irwin, who fits the pattern of the pragmatic new breed of politicians (he publicizes his campaign by jogging), insists that Kennedy would win (and so will he) because "people are still worried about unemployment and the loss of jobs in Muncie. Although Democrats take a more conservative approach, they still want the money and the programs of the federal government."

Irwin is given a fair chance to win. But he and Cunningham may be the victim of another one of those "eerie" parallels between "Middletown" and the national scene.

Most observers agree that neither Cunningham nor Irwin could win if the most popular politician in town—an Irishman named James Patrick Carey (who is known as "Big Jim")—decided to run. But Carey, the former sheriff, is being coy.●

THE EXPORT ADMINISTRATION ACT OF 1979

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. GIBBONS. Mr. Speaker, yesterday I submitted a bill entitled the Export Administration Act of 1979 on behalf of myself and Mr. CONABLE.

Last year the United States experienced a trade deficit of some $34 billion, the largest deficit in our history. To a significant extent, this deficit reflects the fact that our Government currently gives too little emphasis to exports, and in fact places substantial disincentives in the path of American exporters. Given our current trade situation, this is clearly unacceptable.

Excessive delays and complications in obtaining an export license is one of the more commonly cited disincentives to American exporters by the private sector. The Subcommittee on International Economic Policy and Trade of the Foreign Affairs Committee has held extensive hearings on export controls, and my colleague Mr. Bingham has submitted a comprehensive bill to improve the current system of administering export controls. In my judgment, this bill, H.R. 2539, is well thought out and is on the right track.

The bill I submitted yesterday represents the approach recommended by the National Governors' Association. The Governors have given the subject of export controls a great deal of thought also, and I believe the Subcommittee on International Economic Policy and Trade should consider the Governor's proposals prior to marking up H.R. 2539, which I understand is scheduled for the near future. Accordingly, I would hope that the bill that I submitted yesterday on behalf of myself and Mr. Conable will assist the subcommittee in this process, and that the ideas contained in this bill will be given full consideration.●

GREEK CYPRIOT REFUGEES REQUIRE HUMANITARIAN AID FROM THE UNHCR

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. BIAGGI. Mr. Speaker, on July 20, 1974, Turkey invaded Cyprus, and since that time, Turkey has occupied some 40 percent of the island.

The Cyprus conflict is far more than a political issue. It is a profound human tragedy. The invasion and occupation has uprooted and displaced almost one-third of the island's predominantly Greek population. Today, almost 5 years later, about 200,000 Greek Cypriots continue to be refugees in their own homeland.

As the original sponsor of an amendment which produced the first U.S. humanitarian aid to Cyprus, I am pleased to say that the efforts and policies of the Cyprus Government during the past 5 years have been fairly successful in improving the appalling living conditions of the refugees. However, despite these improvements, the Cyprus Government's expenditure for the displaced population will continue to increase in the near future.

According to a report published by the "Special Service for the Care and Rehabilitation of the Displaced," a Greek Cypriot organization under the Ministry of Labor and Social Insurance, the increased expenditure is necessary to provide for such needs of the displaced population as housing, education and health. In an attempt to achieve this goal, the Government of Cyprus has confined its 1980 request for humanitarian aid from the United Nations High Commissioner for Refugees (UNHCR) to those three main areas of need.

I fully agree with the Special Service for the Care and Rehabilitation of the Displaced that:

> The Government of Cyprus has used economic and humanitarian aid in the best possible manner.

However, further assistance is still necessary to meet the continued humanitarian needs of the displaced persons. In this regard, I urge my colleagues to join me in supporting the Government of Cyprus and their efforts to channel foreign aid received through the UNHCR into the fields of housing, education and health.

Mr. Speaker, at this time, I insert the detailed report on this situation that was prepared in January 1979 by the Special Service for the Care and Rehabilitation of the Displaced:

Requirements for Humanitarian Aid Through U.N.H.C.R. to Meet Certain Essential Basic Needs of the Displaced Population of Cyprus in 1980

INTRODUCTION

The Turkish invasion of Cyprus in July/August 1974 and the havoc it wrought in humanitarian and material loss placed the very survival of the Cypriot people in jeopardy. As is well known, more than one third of the population were driven from their homes and properties, deprived of all their possessions and became refugees dependent on the State for their means of livelihood, thousands of them living in the open for months. At the same time, 40 percent of the area, representing 70 percent of the economic wealth of the country, came under the occupation of the invading forces. The economic and social dislocation was almost complete and mass unemployment prevalent. The need for emergency relief and humanitarian aid was then the paramount concern.

2. Parallel to the immediate relief of the refugees, it was urgently necessary to replace, albeit on a temporary basis, some of the infrastructural works essential to the functioning of the State. A few examples will serve to illustrate the essentiality and immediacy of these needs: the only airport of the island—the Nicosia International Airport—became inaccessible as a result of the invasion and an airport had to be constructed overnight, at Larnaca. The largest port of the island—Famagusta—lies in the Turkish occupied area and the existing ports had therefore to be enlarged and improved as a matter of urgency. Telecommunications and important road arteries were also cut off and it was urgently necessary to restore or replace those essential to ensure adequate communication. In addition, approximately 30 percent of the hospital bed capacity of Cyprus and one third of the schools lie in the Turkish occupied area. 72.5 percent of the existing tourist establishments (85 percent if one includes those under construction) are in the Turkish occupied area. The same situation applies to the mining and quarrying, manufacturing, agricultural and other sectors—a large percentage of which lie behind the Attila Line.

3. The economic and social measures adopted by the Government to meet this emergency had a two-fold aim: on the one hand, to provide to the refugees such essential relief as was absolutely necessary for their survival, and on the other to draw up emergency economy plans designed to reactivate and revitalize the economy within the shortest possible time, thus gradually providing employment and incomes to displaced and affected persons.

4. Naturally, the State budget could not bear the whole burden of this effort. Substantial emergency assistance from overseas to meet some of the most urgent humanitarian needs was essential.

5. Over the past four years, the Government of Cyprus with its amputated economy, through its own depleted resources and making the best possible use of the aid received, has managed to provide that minimum of assistance essential for the survival of the thousands of displaced and unemployed, whilst at the same time embarking on an intensive reactivation programme. The aid received also helped to release resources for reactivation projects, the establishment of essential industrial concerns and the building of the urgently needed infrastructural works mentioned above to replace some of the most urgent essential losses.

TOTAL NEEDS OF THE DISPLACED

6. The mass displacement of population and the losses of fixed assets, estimated at 1974 prices, to be in the region of US $6.7 billion brought the economy almost to a standstill and created a multitude of serious problems of an economic, social and cultural nature, all of which required speedy solutions.

7. The efforts and policies of the Government during the past four years, which had as their primary aim the relief and improvement of the appalling living conditions of the refugees, brought about an improvement in the general situation. Furthermore, the economic progress made during this period has reduced the direct dependence of the displaced on the Government. Nevertheless, Government expenditure for the displaced population in the near future will tend to increase. This is because, apart from the satisfaction of urgent basic needs, other needs of the displaced population, such as housing, education and health, will have to be raised to a tolerable level within a reasonable time. Even partial satisfaction of these needs will absorb substantial resources in the very near future.

8. At the same time, and although aid to displaced persons in money and in kind is decreasing because of the reactivation of the economy, other expenditure, such as expenditure for the functioning and maintenance of the various institutions of a mainly social character rendered necessary as a result of the invasion, is increasing to a point offsetting the reductions in the various allowances.

9. The amount spent by the Government in 1977 for meeting refugee needs was US $91.7 million and the sum spent in 1978 is estimated to be US $103.2 million.

HUMANITARIAN AID REQUESTED FROM U.N.H.C.R. FOR 1980

10. As in the case of 1979, the request for assistance in 1980 has been confined to the main fields of housing, education and health.

1. Housing

11. The most pressing need continued to be for housing. Of the 200,000 Greek Cypriot refugees, representing about 50,000 households, only about 26,000 housing units, to house about 104,000, will have been provided under the 1975–1979 Programmes of the Cyprus Government. There are two parallel schemes for housing: a programme for the erection of low-cost houses to provide temporary housing for refugees, and a "self-help"

housing scheme, under which the refugees are provided with a grant or loan for the purchase of materials and they build the houses themselves, providing their own labour, either on land granted by the Government or on privately-owned plots.

12. Under the first scheme 10,258 housing units are expected to have been provided under the 1975–1979 Programmes, and 11,195 under the second. In addition, 4,500 abandoned Turkish Cypriot houses will have been restored and put into use.

13. Thus, only about half of the displaced will have been accommodated on completion of the housing being erected under the 1975–1979 Programmes, which are expected to be ready for occupation by the end of 1980.

14. It must be borne in mind that there already existed, prior to the invasion, a substantial deficiency in housing, ascertained also by a U.N. expert who made a study on housing in 1972. This deficiency in 1973, in respect of the population normally residing in the Government controlled area, irrespective of the refugees was estimated at about 15,000 units in 1973. To this number must be added the needs for such non-refugee population for the years 1975–1980 to cover the natural population increases, replacement of obsolete housing, etc., estimated at another 18,000 units, making a total of 33,000 units. Only 12,000 units have in fact been erected by the private sector, leaving a deficiency in the private sector in respect of the non-refugee population of 21,000 units.

15. It is estimated that the sum required for low-cost housing for 1980 will be approximately U$60.0 million, whilst about U$22.0 million will be required for self-help housing and U$3.50 for the restoration of abandoned Turkish Cypriot houses. Wherefore, the total expenditures for housing for the displaced persons in 1980 is expected to be in the order of about U$85.50 million.

2. *Education*

16. Another important problem calling for urgent attention is the erection and equipping of school buildings for elementary and secondary education, mainly in areas with concentrations of refugee populations.

17. About one third of the Island's public and private school buildings and educational facilities are under Turkish occupation. It was naturally impossible for the remaining school buildings to meet the needs of the refugee elementary and secondary school pupils. The situation was aggravated by the influx of refugees into urban areas where shortages of school places were already acute even before the invasion. Special education for the handicapped (deaf, mentally retarded, crippled etc.) also suffered severe losses: almost 60 percent of such schools lay in the Turkish occupied area, with their valuable facilities and equipment. Current programs provide for the gradual replacement of these educational institutions.

18. As an emergency measure to relieve the situation the Government introduced a double shift system in existing schools, rented buildings which could be used as schools and set up prefabricated classrooms. Eventually programs for school construction were adopted to meet the very unsatisfactory situation. Existing programs envisage the construction of a number of new school buildings particularly in, or adjacent to, housing estates for the displaced, while a limited number of abandoned Turkish Cypriot school buildings have been suitably repaired and have been put to use by the educational services. Parallel to the need to provide school buildings and equipment, the Government also had to shoulder the additional burden or providing free education to displaced and needy children.

19. The needs are so great that only an intensive long-term program can provide the necessary infrastructure and relieve school building shortages. The program under preparation for 1980 is expected to make provision for 5 elementary school buildings and two secondary school buildings for a total of about U$1.5 million. All such schools will be built in or near the new housing estates.

3. *Health*

20. Another serious problem is the provision of adequate medical treatment to displaced persons. Two of the six public General Hospitals, representing about 16 percent of total bed capacity of this type, and more than 34 percent of the bed capacity of Rural Health Center lie in the area under the control of the Turkish army. At the same time, some 8 percent of the capacity of specialist hospitals was either lost or destroyed by aerial bombardment, whilst the private health sector lost about 24 percent of its capacity.

21. The situation is even more serious than the relative figures betray, due to the fact that existing hospital capacity and facilities in the areas under Government control were already outmoded and inadequate to meet pre-invasion needs. In fact the Government was in the process of signing a contract with a team of Health Systems Consultants for the preparation of a feasibility study for a new Nicosia General Hospital as well as for individual studies for the replacement of the Larnaca District Hospital and the proper expansion of the other District Hospitals which were already proving to be inadequate.

22. The position was further aggravated by the great increase in the number of persons entitled to free medical treatment and medicines, since it became necessary to provide these services to the displaced and others who became needy as a result of the economic distress brought about by the invasion. This multiplied the annual costs and the pressure on already grossly insufficient resources. In order to meet the increased demand, the Government resorted to emergency measures such as the renting of private clinics, the expansion of capacity by the erection of prefabricated patient wards or even the use of corridors and every vacant corner of the Hospitals.

23. The concentration of the displaced in the urban centres of Nicosia, Limassol and Larnaca completely upset the already delicate balance between supply and demand of health services in these areas.

24. The situation is most critical in Larnaca where a pre-second world war building, badly planned and inadequately equipped, suffering from all sorts of deficiencies and crammed in a most restricted space had to be almost doubled in capacity with the construction of prefabricated wards and the use of every available corner as patient accommodation. Its capacity is now 150 beds as compared to 86 in pre-invasion days.

25. With UNHCR assistance, work is expected to begin in 1979 for the construction of a 225-bed General Hospital in Larnaca, at a cost now estimated at about U$8.0 million.

CONCLUSION

26. Over the past four years the people and the Government of Cyprus have made great efforts to survive and have succeeded in mitigating some of the most acute immediate problems. However, no country in the world could have suffered the holocaust which Cyprus has suffered and be expected to have recovered in four years or to have replaced to any adequate degree the immense losses sustained. The magnitude of the problem facing the Cyprus Government can only be appreciated one remembers that the massive burdens created by the invasion had to be borne by only 30 percent of the economic resources of the country, and that such a high proportion of the population (corresponding in USA terms to 83,000,000 people), deprived of all its possessions and means of livelihood, was thrown onto the remaining 30 percent to be fed, clothed, housed, given employment, provided with schools, hospitals, etc. whilst at the same time the essential infrastructures and necessary capital stock had to be replaced and the economy reactivated. Indeed, the only solution to the problems is the return of the refugees to their homes and properties within the framework of a just and viable solution of the Cyprus question.

27. The needs of the displaced persons continue to be great and pressing and must be given priority. A large part of the budget and the foreign aid provided are being, and will continue to be, utilized for the relief of refugees. It is estimated that almost 50 percent of the Government expenditure and 70 percent of the Government domestic revenues go to social services and social grants. In meeting the basic humanitarian needs of the displaced population the Government has, where possible, endeavoured to utilize relief assistance in such a way that it may be turned to good use, and not be wasted, when a political solution is found and the displaced persons return to their homes. An illustration of this is the construction of housing so that it may serve the low income sections of the population when no longer required for the accommodation of the displaced persons.

28. Furthermore, the losses in accumulated capital stock, and the need to retrain the labour force to meet the new challenges and new directions of policy is a long-term process requiring vast amounts of scarce investible funds.

29. It is generally admitted that the Government of Cyprus has used economic and humanitarian aid in the best possible manner. Further external assistance is, however, necessary to meet the continued humanitarian needs of the displaced persons. Hence, the new request of the Government of Cyprus to channel foreign aid received through U.N.H.C.R. into the fields of housing, education and health. The attached Appendix "A" gives a tentative picture of projects in these fields that are being prepared for implementation in 1980, amounting to a total of U $87.4 million.

APPENDIX "A"

Summary table of Government of Cyprus programmes for 1980 in the fields of housing, education, and health

[In U.S. dollars]

Housing:	
Low cost Housing Estates (Providing for 2,650 units)	$60,000
Self-help Housing Projects	22,000
Education:	
5 Elementary school buildings	810
2 Secondary school buildings	650
Health:	
Larnaca General Hospital	
Estimate expenditure for 1980	4,000
Total	87,460

Note: C pound equals U.S. $2.70.●

BLACK FAMILY INCOME LEVELS LOWEST IN 12 YEARS

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mrs. COLLINS of Illinois. Mr. Speaker, I would like to bring to the attention of my colleagues the plight of the black family of America which finds itself in a less viable economic position today than it held 12 years ago. Our national economic trend over the last 12 years shows that it takes approximately twice as many dollars today than it took in 1967 to buy the same goods and services and that the black American family has proportionately fewer of these dollars to spend.

One of the reasons, I believe, we have not been aware of the failing economic health of the black American family is because of the proportionate decrease in the salary differences between black and white wage earners. However, this trend, though inspiring, does not counteract the deteriorating effects of depression level rates of unemployment among blacks which contributes to the increase in welfare roles. Unemployment has been cited as the largest contributor to the detriment of black family income; now down from 62 percent in 1976 to an alarmingly low 57 percent of those incomes reported by white families.

I respectfully solicit the support of all of you in my efforts as chairwoman of the Congressional Black Caucus to bring to the attention of our President the need, especially at this time, to reassess his decision to make budgetary cuts in the area of social programs. If implemented properly, these programs will provide training and jobs to millions of potential wage earners who are on welfare, many of whom are black. These Americans do not have viable skills to compete in today's tight job market and need only training to become full contributors to our economic system. I need not remind my colleagues of the secondary effects of high unemployment on our social fabric: Larger welfare rolls, higher desertion, dropouts and crime rates. As you can see, this trend is self-perpetuating and if we, as a legislative body, do not make an effort now to provide means to our communities nationally to establish or continue programs that provide meaningful training for the jobless and provide meaningful incentives to industries that can provide jobs for those trained, we will be responsible for consequences too awesome to contemplate.

[From the Wall Street Journal, Mar. 6, 1979]

AFTER SHRINKING, THE GAP WIDENS AGAIN BETWEEN BLACK AND WHITE FAMILY INCOME

(By Alfred L. Malabre, Jr.)

Headlines denote an array of distressing economic trends—torrid inflation, a shaky American dollar in world currency markets, statistical indicators that point to a recession.

But surprisingly little attention has been paid to another economic development that seems fully as distressing as those grabbing headlines. It is depicted to the right in a chart tracing the relationship, since the 1964 Civil Rights Act, between the incomes of black and white families.

The pattern is plain enough. Just after the 1964 legislation, which forbids discrimination on the basis of race or color, the median income of black families came to about 54 percent of that of white families. The percentage climbed for half a decade, fell briefly, and then rose again, reaching a high of nearly 62 percent three years ago.

A 12-YEAR LOW POINT

However, since that time, as the chart makes clear, the trend has been down, down, down. The latest percentage—57.1 percent—is the lowest in a dozen years. A current figure isn't available, but a Census Bureau economist who monitors such comparisons estimates that the decline of recent years is continuing.

Why has this economic gap between black and white families once again begun to widen? And why has this development attracted such little notice?

In fact, some black leaders have recently attempted to draw attention to the trend. Last month, Vernon E. Jordan, Jr., president of the National Urban League, stressed at a Washington press conference that "the gap between white and black citizens is widening." He spoke of a need "to call the nation's attention to the unfinished business of treating all Americans equitably." And he warned of increasing "frustration and alienation" among American blacks.

In the main, however, commentary about the economic condition of black people has tended of late to be sanguine. A recent cover story in the Sunday magazine of the New York Times is titled "The Black Middle Class: Making It." The article is replete with photographs of well-heeled blacks. The New York Daily News recently ran a series called "New York's Black Millionaires."

BRIGHT SPOTS IN THE GLOOM

One reason that the gap lamented by Mr. Jordan has escaped wide attention is that statistics bearing on the economic health of black Americans are by no means uniformly gloomy.

In absolute terms, black-family income keeps rising. The latest median of $9,563 is a record, up from $9,242 a year earlier. (In the same 12 months, the white-family income figure rose to $16,740 from $15,537.) The median wage-and-salary earnings of *individual* black workers also suggests a happier picture. In a recent seven years, a Labor Department study shows, these earnings, for black men, rose from 69% of the comparable white level to 77%. Still more impressive is the corresponding rise for black women—from 80% of the level for white women to 94%.

Other data bearing on employment appear encouraging. A rapidly rising percentage of black workers hold relatively attractive jobs. A dozen years ago, only 9% of black employes were in professional or managerial positions. The rate now, at 17%, is almost twice that high. (In the same period, the comparable rate for white workers has risen only two percentage points, to 26% from 24%.)

Statistics that pinpoint educational attainment also seem encouraging. A dozen years ago, the median number of years of school completed by blacks was 10; recently, the number reached 12.3. (In the same span, the comparable figure for whites rose only from 12.3 to 12.6 years.) Along the same line, a study by New York's Conference Board shows that in a recent six years "the number of black college students more than doubled . . . from 520,000 to 1,100,000." This gain far exceeds a 35% rise in overall college enrollment in the six years.

Despite such welcome developments, the economic gap between black and white families has recently widened for a variety of complex reasons.

BLACKS NOT "MAKING IT"

While it is true that many blacks are indeed "making it," as the Times article maintains, yawning areas of unemployment exist within the general picture. This column recently noted that the jobless rate for teen-age blacks was close to four in 10, nearly triple the comparable white rate. In the early 1970s, the black teen-age rate had been dropping. But since 1974, a year of deepening recession, the rate for young blacks has risen appreciably while that for white teen-agers has inched down.

While depression-level jobless rates plague black teen-agers, a rising percentage of black males, teen-agers and adults, are not in the labor force at all. They neither work nor seek work. In the mid-1960s, about 20% of the country's population of black males of working age were outside the labor force. The comparable rate for whites was also about 20%. Now, in contrast, the rate for blacks has risen to 30%, but the white rate remains close to 20%.

Many analysts attribute this exodus of black males from the labor force in large measure to a widespread discouragement about job prospects. They note that the dropping-out gained momentum during the severe recession of 1973-75. Compounding the job problem, they add, is an increasing premium that the American economy places on skilled workmanship, an area where blacks continue to be underrepresented.

Some economists claim that governmental welfare subsidies to families where the male head is absent may be inducing an increasing number of family breakups, particularly among blacks.

IS WELFARE A FACTOR?

"Subsidies to female-headed homes create a definite incentive for family disruption," says Richard Freeman, a Harvard University economist. In many states, he notes, "a family with children in the home cannot obtain subsidy payments if a male household-head is also present." In recent years, there has been considerable discussion in Washington and elsewhere about overhauling such welfare rules. But thus far, Mr. Freeman remarks, "the same old regulations by and large still are in effect."

Fabian Linden, senior economist at the Conference Board, mentions a demographic consideration. Noting that the average age of blacks is some six years below that of whites, he declares: "A much higher proportion of the black population falls within the relatively young age groups where family breakups are likeliest to occur."

Whatever the reasons, the upshot is that the proportion of black families with two or more income producers has been shrinking. In a recent 10 years, the rate fell to 48% from 58%. In the same period, the comparable rate for white families rose to 55% from 52%. By no coincidence, about four of every 10 black families nowadays is headed by a female. A decade ago, the ratio was only one in four. Only one white family in 10 has a female breadwinner, nearly the same ratio as 10 years ago.

"The income of a family headed by a female, whether black or white, tends to be a lot lower than that of a family with a male breadwinner," remarks Mr. Linden of the Conference Board.

Not surprisingly, there is evidence of a widening economic gulf between successful blacks and other blacks. William J. Wilson, a University of Chicago sociologist, cites a recent study of black males in the northeast. Some 8% earn at least twice the average for all black males in the region, he notes, and 31% earn no more than half the average. In the mid-1960s, the respective averages were 6% and 22%.●

CALIFORNIA DIRECTOR OF DEPARTMENT OF TRANSPORTATION URGES REJECTION OF U.S. DEPARTMENT OF TRANSPORTATION'S PROPOSAL TO CUT AMTRAK

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. ANDERSON of California. Mr. Speaker, I insert the statement of the director of the California Department of Transportation, Adrianna Gianturco, on the Amtrak route restructuring proposal of the U.S. Department of Transportation:

TESTIMONY OF ADRIANNA GIANTURCO

Mr. Chairman and Members of the Subcommittee: Thank you for allowing me to testify before you today. My testimony is presented in strong opposition to the U.S. Department of Transportation's proposal to cut back the Amtrak system, both from the perspective of the likely adverse impacts of this cutback nationwide and from the perspective of what the system means to the western part of the country, in particular, California. It is our position—based on the energy situation, the broad context of Federal support to modes of transportation other than rail, and market, cost and other factors relating to Amtrak itself—that passenger rail service should be expanded, not cut back as DOT proposes. In addition, we believe that a more equitable regional balance should be achieved within the Amtrak system to make passenger rail service truly national in scope and not just an incidental feature in all but the northeast corridor.

I'd like to begin by quoting directly from the instructions you originally gave to the U.S. Secretary of Transportation when you told him to prepare a proposal for revisions to the Amtrak system. You told him to come up with a proposal which would, and I quote, "provide an optimal intercity railroad passenger system based on current and future market and population requirements," end quote. Providing additional guidance and reflecting concerns that many of us have had with the thrust of the U.S. DOT's approach to Amtrak, you further instructed the U.S. DOT last year to consider, in their analysis, a number of factors in addition to population and market requirements, including specifically the furtherance of national energy conservation efforts and the impact of frequency and fare structure alternatives on ridership, revenues and expenses of rail passenger service. In our opinion, the U.S. DOT's recommendations of and the analysis upon which these recommendations are based, have not met the directives you set forth. It takes a leap of the imagination to agree that the system, as proposed by DOT would be "optimal" and the DOT analysis which leads us to their proposal is in our view, seriously flawed.

The logic used by the U.S. DOT in thinking through what we ought to support in the way of passenger rail service in this country appears to be approximately this: First, take the current route system as the base. Don't worry too much about what might be causing problems with various routes in this base or the system as a whole, but just use current passenger miles per train miles the indicator of whether any particular route should be continued. Second, top off those routes with low passenger miles per train mile (with a minor adjustment here and there to take account of tourism or weather conditions or the like). Third, calculate what would be "saved" (quote) by this surgery—major surgery as it turns out, because you lose 43% of the route-miles. Finally, as a postscript, suggest that Amtrak use its "management flexibility" to keep the amputated system alive, by adjusting frequencies of service, fares and all the other things that probably had a great deal to do with how many passengers you had, what your costs were, and why the original route mileage wasn't working as well as it could have in the first place. It seems to us that a good doctor starts out by diagnosing what ails his patient; he doesn't just amputate the patient's limbs on the theory that the patient will as a result suffer less proportionately and spend less for food and clothes. We don't think that route surgery is going to do much for the ailments Amtrak has, and while we're debating whether or not to cut, the patient is weakening because his problems aren't being treated.

In our view, some of Amtrak's problems are as follows:

First, featherbedding. Labor costs are a very large share of total Amtrak costs. While only two crew members are required to operate and collect tickets on most European trains, five to six crew members are required to do this same job on most Amtrak trains. Senator Long has recently been quoted as saying, "Is it easier to shut down the service than it is to do something about featherbedding?" Congress in the early 1960's helped curb freight train featherbedding, and a simple bill could do the same for passenger trains, most likely when much less of a lashing effect on railroad employment than we're going to get by eliminating 11,800 route-miles.

We also feel that the potential for added income through increased mail and express service has been underplayed and that increasing such service on Amtrak trains could significantly narrow the gap between costs and revenues of the system. In 1964, combined railroad mail revenues equaled $329 million, against passenger revenues of $578 million. Today, less than 5% of revenues come from mail, compared to 36% in the mid-60's. What happened was that Federal Government action removed hundreds of millions of dollars of mail from passenger trains and put it mostly onto trucks and freight trains where it in many cases moves more slowly, taking one to two additional days to be delivered. Bulk mail and first-class mail traveling less than 500 miles are now truck cargo, but it doesn't have to be that way. A provision such as was deleted from last year's Amtrak bill could put $50 million a year of mail revenue back onto passanger trains, and the potential income is much higher. This action is one which Congress could take itself, saving many of the threatened routes and saving money at the same time.

Another major cause in our view for Amtrak's current problems has to do with service levels, which affect ridership and therefore revenues. One important reason that the current service hasn't been satisfactory is that Amtrak lacks enough authority to force the railroads to provide good service. For instance, Amtrak is powerless to enforce laws about on-time performance and passenger train priority. To make things worse, in a number of instances Amtrak can't even use the tracks it needs. One consequence is that the San Joaquin, the Lone Star, and the Floridian do not pass through Los Angeles, Dallas and Atlanta respectively. The U.S. Department of Transportation's solution is to cut these trains out of the system. We think a more productive solution would be for Congress to give Amtrak more clout. At the least, Congress should restore the powers of States to mandate passenger service on railroads within their jurisdictions.

Yet another thing that ought to be built in to the development of an "optimal system," and not considered as medication to be prescribed by Amtrak management after dismemberment of the system, is frequency of service. We in the west have some working experience with infrequent train service, since many of our routes, as well as many routes in the south, were cut back in 1971 to one train per day or less. This underutilizes station personnel, terminals and other facilities, and besides it makes train service unattractive to much of the traveling public, escalating costs per remaining rider. On most routes, running one train per day just doesn't provide enough travel options. Running three trains per week, as is done with the Sunset Limited from Los Angeles to New Orleans, pretty much limits patronage to diehard train-lovers.

Pricing and marketing policies are another important issue that should be an integral part of the analysis and not treated as an afterthought. We agree with the U.S. DOT that fares on Amtrak trains need a lot of change. We are disturbed on the other hand, by the conclusion U.S. DOT seems to have reached—in the admitted absence of any good data to support such a conclusion—that generally speaking fares should be raised, surcharges imposed and discounts reduced. We would suggest the opposite thrust: Look for more discount opportunities and other ways to stimulate ridership; don't cut back peak demand but try to raise off-peak demand; don't penalize current users to the extent the traffic will bear.

On the over-all issue of ridership and, more broadly, the role to be played by passenger rail service in this country's future transportation system, it is our opinion that the U.S. Department of Transportation has seriously underplayed energy as an issue. Energy appears to have been considered in only one context—where existing rail routes have been compared one to another in terms of passenger miles per train mile. Because of the way the U.S. Department of Transportation has framed the energy issue, the Department reaches the odd conclusion that less train service, which means more auto and plane use, is going to help our energy conservation efforts. During the 1974 energy crunch, Amtrak ridership jumped 18 percent. Whether next time petroleum use is limited by Sunday closing of gas stations, or rationing or steep, steep prices, the demand for Amtrak service is going to increase. We think it will soar except this time, the trains will be gone.

I'd like to say just a few words now about what we consider to be an anti-West bias in the report, and then conclude my remarks.

We favor a high level of rail service in the northeast corridor; we support improvements to that corridor; and we look positively on the marketing efforts used by Amtrak in the corridor. We think what's good for the northeast is equally good for the west. We have in the coastal zone of California alone one-half the population of the northeast corridor. Trains currently running within California or with a terminal point in California generated 953 million passenger miles in 1977, only 108 million passenger miles less than trains in the northeast corridor. And yet we are scheduled, if the U.S. DOT recommendations go through, to get no track or facility improvements (compared to a recommended $2.5 billion worth of such upgrading in the northeast), and further, to have 2 of our routes combined, one cut entirely, and nothing added.

To conclude, as we have previously testified we favor an expanded Amtrak system, along the lines of Scenario E in the U.S. Department of Transportation's preliminary report. Scenario E is a truly national system and its cost per passenger mile is only about two-thirds that of the U.S. DOT's latest recommended system. We believe that the $693 million in operating subsidy required to support the Scenario E system in 1980 is small compared to the estimated $23 billion a year in taxpayers' funds being spent on highways or the over $2 billion being provided annually to subsidize American airports and airways. We urge the rejection of the U.S. DOT's proposal to cut Amtrak. The $166 million annually in so-called "savings" which the 11,800-mile cutback will supposedly generate, would build only 4 miles of 8-lane urban freeway at today's costs. For the 1980's we think we need to have some real alternatives in transportation. Thank you.●

HATCH ACT REPEAL RUSE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. DERWINSKI. Mr. Speaker, Hatch Act opponents have come up with a new game plan in a desperate effort to subject the Federal work force to partisan political activity. In what amounts to a legislative shell game, priority consideration will be given to the removal of postal workers from Hatch Act restrictions on the specious argument they really are separate and apart from other Federal workers. If, by some miracle, the ruse works, it then would be argued postal employees should not be given preferential treatment at the expense of other Federal workers. What is involved in the misguided effort to undercut legislation which has demonstrated its effectiveness is an effort to open the door to the political proselytization of all Federal employees. The Washington Star, in a March 16 editorial, pinpoints the strategy involved in the two-step effort to repeal the Hatch Act. The editorial follows:

[From the Washington Star, Mar. 16, 1979]

HATCH ACT REPEAL RUSE

Opponents of the Hatch Act have come up with a new wrinkle in their persistent effort to remove restrictions on partisan political activity by federal workers, but it's still the same old bad piece of work it always was.

Instead of trying to repeal the prohibition for all federal employees, a move that has failed regularly for decades, they now propose first to lift the ban for postal workers.

This piece of mischief was concocted by Rep. William Clay, a congressional water carrier for the federal-employee unions that are behind the effort to get rid of the Hatch Act restrictions. Mr. Clay figures that if he and his cohorts can persuade Congress to lift the restrictions on postal workers, it will then be easier to lift them for all federal employees.

Part of the strategy, of course, is to assure sympathetic committee treatment for Mr. Clay's legislation. No problem there, since Mr. Clay's bill will be considered by the House subcommittee on postal personnel and modernization, chaired by none other than Mr. Clay.

Mr. Clay's main argument for releasing postal employees from Hatch Act restrictions is that they are different from other federal employees because they work for the quasi-independent U.S. Postal Service. It's an artificial distinction that Congress shouldn't buy.

The Postal Service is a government-created agency that operates under rules laid down by Congress. Its workers have federal civil service status. Its deficits are covered by funds from the U.S. treasury. The "postal policy" statement issued by Congress when it enacted the Postal Reorganization Act of 1970, under which the USPS was created, said: "The United States Postal Service shall be operated as a basic and fundamental service provided to the people by the Government of the United States, authorized by the Constitution, created by Act of Congress, and supported by the people. . . ."

In the public mind, certainly, postal workers are considered government workers. And it is the public interest, as well as the interest of federal workers, that the Hatch Act seeks to protect. The public is not interested in having partisan politics delivered with the mail. Nor, we suspect, does the average postal worker relish the prospect of having his job possibly depend on whether or how well he performs partisan political activities.

Make no mistake about it. Removing Hatch Act restrictions from postal workers would be a preliminary to politicizing the entire federal work force.

If the restrictions are removed for postal workers, we can imagine what Mr. Clay will say in arguing for its extension to others. How, he will ask, can "federal" workers be denied the right to participate in partisan politics when postal workers are allowed to do so? There is not, he will say, a dime's worth of difference between them.●

CONGRATULATING DOM PERNO AS NEW ENGLAND COACH OF THE YEAR

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. RATCHFORD. Mr. Speaker, I rise today to ask my colleagues to join me in sending my heartfelt congratulations to Dom Perno, head basketball coach at the University of Connecticut, upon being named as the New England Coach of the Year.

To the surprise of many, perhaps even Dom himself, the Huskies upset Rhode Island to win the ECAC New England title this season. Surely much credit is due to the assistant coaches and the inspired play of a young but extremely talented team. However, it was the leadership and ability of this fine second year coach that made a most successful season possible.

I have long known Dom to be a personable and understanding human being. These personal attributes as well as his coaching ability were why his peers chose to bestow this great honor upon him. There was certainly no one better deserving of this award, Mr. Speaker, and it is a distinction that Dom and the State of Connecticut should be proud of.●

HOUSING OPPORTUNITY ACT OF 1979

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. LAFALCE. Mr. Speaker, it is a real pleasure for me to join my colleague from Oregon (Mr. AUCOIN) today in introducing the Housing Opportunity Act of 1979, a bill designed to stimulate the housing industry by making homeownership a realistic option for a substantially larger number of American families.

This bill will be of particular help to first-time homebuyers, for it provides reasonable downpayment requirements and contains an enhanced "graduated payment" provision to hold down monthly costs during the early years of the mortgage.

Perhaps most important, Mr. Speaker, the bill achieves these goals without impacting on the Federal budget. With the problem of inflation and our continuing desire to hold down the Federal deficit, this was an important consideration in the drafting of this bill, and I am pleased to say that we were able to achieve it.

The United States is among the best-housed nations of the world. Yet there are still far too many Americans who want to own their own homes but who cannot, both because of high downpayment requirements and because the traditional mortgage, with its level payments over the life of the instrument, results in monthly payments too high for many middle-income families to reach. The new FHA approach embodied in this bill will help alleviate both of these problems, without creating undue risk to the FHA or participating lenders, and thus open up the market to millions of buyers who otherwise could not afford to purchase a home. That alone makes the program worthwhile.

But in addition to this, the expansion of the housing market will help considerably in preventing a disastrous recession in the housing industry, traditionally the most cyclical industry in the country. High interest rates, tight money supply, and various other fiscal and monetary efforts to help control inflation hit first and hardest at the housing industry, and already we are seeing signs that the volume of building is dropping.

The risks of continuing the traditional cyclical pattern are well known. Hundreds of small homebuilders will be hurt, many mortally, as their ability to stay afloat declines. Thousands of construction workers will lose their jobs or find the amount of work available to them substantially reduced. Suppliers and associated businesses will suffer as well. The multiplier effect of a severe downturn in the housing industry is always great. And it is relevant to point out that the impact of a national decline in housing production is always greater in those areas of the country where the local economy is already weak. In other words, those areas which need help the most are hit the hardest by a downturn in the housing industry.

For all of these reasons, then, it has been a pleasure to work with the National Association of Homebuilders in developing this legislation. I would like at this time to insert into the RECORD a fact sheet describing the Housing Opportunity Act of 1979 in more detail. I am hopeful that this bill will be enacted into law this year.

The material follows:

FACT SHEET ON THE HOUSING OPPORTUNITY ACT OF 1979

OBJECTIVE

The purpose of the Act is to bring homeownership within the reach of millions of middle income families presently priced out of the market, but doing so without requiring any federal expenditures.

Increasing numbers of American families are being priced out of the homeownership market by the rapidly escalating costs of housing. The median sales price of a newly constructed single-family home in October, 1978 was $58,400, an increase of $5,300 from six months earlier. Using FHA qualification standards, a first time home buyer would need an income of almost $27,000 in order to purchase this home. The purpose of the Homeownership Opportunity Act is to bring homeownership within the reach of families with incomes of $15,000* to $24,000.

NATURE OF THE PROGRAM

The program offers a 10 year graduated payment mortgage, with initial monthly mortgage payments low enough to qualify families with incomes between $15,000 and $24,000. As presently structured, families would have the option of keeping the initial low monthly mortgage payment for two years or five years. They would also have the option of having their payments increase at a rate of 4% per year or 6% per year. This will assure that any family, regardless of its income expectations, would be able to qualify for the program and meet future mortgage payments.

EXAMPLES

The attached tables show how the monthly mortgage payment for a $55,000 home would be reduced from $459 to as low as $333 per month. This would mean up to 8 million additional families would be qualified to purchase a $55,000 home.

On the first table, the monthly mortgage payment is held constant for the first two years of home ownership, and the payments then increase at the rate of 6% per year for 10 years. The other three tables show the change in monthly payments if the family elects to have the initial monthly payment held constant for five years and/or to have monthly mortgage payments increase at the rate of 4% per year for 10 years.

The fifth table shows the comparable monthly mortgage payments and downpayment under the most popular option (7½ percent increase in payments, 5 years of graduated payments) of HUD's current Section 245 GPM program.

The tables demonstrate that despite the negative amortization in the early years of the mortgage, an appreciation rate of only 4% in the value of the house will result in positive equity buildup and a decreasing loan to value ratio.

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*For a $40,000 mortgage, the income needed to qualify would be about $15,000 a year.

$55,000 SALES PRICE—HOA GRADUATED PAYMENT MORTGAGE PLAN WITH 10 YR OF PAYMENTS INCREASING 6 PERCENT PER YEAR; CONTRACT RATE 9.5 PERCENT

[30-yr term; 2 yr of level payments; mortgage amount $52,750; downpayment $2,250; income to qualify, $18,000]

Year	Monthly payment	Annual mortgage insurance premium	Amount of principal paid in year	Loan balance at end of year	Estimated value of home [1]	Loan to value ratio	Owner's net equity
1	$316.57	$266.60	−$1,266.59	$54,016.59	$57,200	94.4	$3,183.41
2	316.57	273.22	−1,392.30	55,408.89	59,488	93.1	4,079.11
3	335.57	279.96	−1,292.37	56,701.26	61,868	91.6	5,166.74
4	355.70	286.14	−1,168.22	57,869.48	64,342	89.9	6,472.52
5	377.04	291.64	−1,017.00	58,886.09	66,916	88.0	8,029.91
6	399.66	296.30	−833.90	59,719.99	69,593	85.8	9,873.01
7	423.64	299.99	−616.03	60,336.02	72,376	83.4	12,039.98
8	449.06	302.49	−358.52	60,694.54	75,271	80.6	14,526.46
9	476.01	303.60	−56.33	60,750.87	78,282	77.6	17,531.13
10	504.57	303.09	296.13	60,454.74	81,413	74.3	20,958.26
11	534.84	300.69	705.05	59,749.69	84,670	70.6	24,920.31
12	566.93	296.10	1,177.33	58,572.36	88,056	66.5	29,483.64
13	566.93	289.95	1,294.15	57,278.21	91,579	62.5	34,300.79
14	566.93	283.19	1,422.62	55,855.59	95,242	58.6	39,396.41
15	566.93	275.76	1,563.81	54,291.78	99,051	54.8	44,759.22

[1] Based on a 4-percent appreciation value per year.

Source: NAHB Economics Division.

$55,000 SALES PRICE—HOA GRADUATED PAYMENT MORTGAGE PLAN WITH 10 YR OF PAYMENTS INCREASING 6 PERCENT PER YEAR; CONTRACT RATE 9.5 PERCENT

[30-yr term; 5 yr of level payments; mortgage amount $52,750; downpayment $2,250; income to qualify, $19,300]

Year	Monthly payment	Annual mortgage insurance premium	Amount of principal paid in year	Loan balance at end of year	Estimated value of home [1]	Loan to value ratio	Owner's net equity
1	$343.88	$265.83	−$924.23	$53,674.23	$57,200	93.8	$3,525.77
2	343.88	270.66	−1,015.95	54,690.18	59,488	91.9	4,797.82
3	343.88	275.97	−1,116.97	55,806.97	61,868	90.2	6,061.03
4	343.88	281.80	−1,227.63	57,034.60	64,342	88.6	7,307.40
5	343.88	288.21	−1,349.45	58,384.05	66,916	87.2	8,531.95
6	364.51	294.68	−1,224.73	59,608.78	69,593	85.7	9,984.22
7	386.39	300.46	−1,072.09	60,680.87	72,376	83.8	11,695.13
8	409.57	305.40	−887.87	61,568.74	75,271	81.8	13,702.16
9	434.14	309.35	−667.91	62,236.65	78,282	79.5	16,045.35
10	460.19	312.10	−407.62	62,644.27	81,413	76.9	18,768.73
11	487.80	313.45	−101.93	62,746.20	84,670	74.1	21,923.80
12	517.07	313.16	254.86	62,491.34	88,056	71.0	25,564.66
13	548.09	310.95	669.10	61,822.24	91,579	67.5	29,756.76
14	580.98	306.53	1,147.80	60,674.44	95,242	63.7	34,567.67
15	615.84	299.55	1,698.69	58,975.75	99,051	59.5	40,075.25

[1] Based on 4-percent appreciation value per year.

Source: NAHB Economics Division.

$55,000 SALES PRICE—HOA GRADUATED PAYMENT MORTGAGE PLAN WITH 10 YR OF PAYMENTS INCREASING AT 4 PERCENT PER YEAR; CONTRACT RATE 9.5 PERCENT

[30-yr term; 2 yr level payments; mortgage amount $52,750; downpayment $2,250; income to qualify, $19,800]

Year	Monthly payment	Annual mortgage insurance premium	Amount of principal paid in year	Loan balance at end of year	Estimated value of home [1]	Loan to value ratio	Owner's net equity
1	$355.51	$265.50	−$778.47	$53,528.47	$57,200	93.5	$3,671.53
2	355.51	269.57	−855.73	54,384.20	59,488	91.4	5,103.80
3	369.73	372.64	−762.39	55,146.59	61,868	89.1	6,721.41
4	384.52	277.20	−652.66	55,799.25	64,342	86.7	8,542.75
5	399.90	280.18	−524.63	56,323.88	66,916	84.1	10,592.12
6	415.89	822.47	−376.14	56,700.02	69,593	85.8	12,892.98
7	432.53	283.96	−204.93	56,904.95	72,376	78.6	15,471.05
8	449.83	284.54	−8.37	56,913.32	75,271	75.6	18,357.68
9	467.82	284.08	216.39	56,696.93	78,282	72.4	21,585.07
10	486.54	282.42	472.44	56,224.49	81,413	69.1	25,188.51
11	505.99	279.40	763.33	55,461.16	84,670	65.5	29,208.84
12	526.24	274.84	1,092.81	54,368.35	88,056	61.7	33,687.65
13	526.24	269.14	1,201.27	53,167.08	91,579	58.1	38,411.92
14	526.24	262.86	1,320.51	51,846.57	95,242	54.4	43,395.43
15	526.24	255.96	1,451.55	50,395.02	99,051	50.9	48,655.98

[1] Based on a 4-percent appreciation value per year.

Source: NAHB Economics Division.

$55,000 SALES PRICE—HOA GRADUATED PAYMENT MORTGAGE PLAN WITH 10 YR OF PAYMENTS INCREASING AT 4 PERCENT PER YEAR; CONTRACT RATE 9.5 PERCENT

[30-yr term; 5 yr of level payments; mortgage amount $52,750; downpayment $2,250; income to qualify; $20,800]

Year	Monthly payment	Annual mortgage insurance premium	Amount of principal paid in year	Loan balance at end of year	Estimated value of home [1]	Loan to value ratio	Owner's net equity
1	$376.19	$264.92	−$519.24	$53,269.24	$57,200	93.1	$3,935.76
2	376.19	267.63	−570.77	53,840.01	59,488	90.5	5,647.76
3	376.19	270.61	−627.43	54,467.44	61,868	88.0	7,400.56
4	376.19	273.89	−689.71	55,157.15	64,342	85.7	9,184.85
5	376.19	277.49	−758.15	55,915.30	66,916	83.6	11,000.70
6	391.23	281.03	−644.73	56,560.03	69,593	81.3	13,032.97
7	406.88	283.95	−512.57	57,072.60	72,376	78.9	15,303.40
8	423.16	286.17	−359.37	57,431.97	75,271	76.3	17,839.03
9	440.08	287.57	−182.88	57,614.85	78,282	73.6	20,667.15
10	457.69	288.03	19.66	57,595.19	81,413	70.7	23,817.81
11	475.99	287.41	251.14	57,344.05	84,670	67.7	27,325.95
12	495.03	285.56	514.78	56,829.27	88,056	64.5	31,226.73
13	514.84	282.31	814.10	56,015.17	91,579	61.2	35,563.83
14	535.43	277.48	1,153.06	54,862.11	95,242	57.6	40,379.89
15	556.85	270.85	1,535.98	53,326.13	99,051	53.8	45,724.87

[1] Based on a 4-percent appreciation value per year.

Source: NAHB Economics Division.

$55,000 SALES PRICE—HUD GRADUATED PAYMENT MORTGAGE PLAN III WITH 5 YR OF PAYMENTS INCREASING AT 7.5 PERCENT PER YEAR; CONTRACT RATE 9.5 PERCENT

[30-yr term mortgage agmount $50,800; downpayment $4,200; income to qualify, $18,400]

Year	Monthly payment	Annual mortgage insurance premium	Amount of principal paid in year	Loan balance at end of year	Estimated value of home [1]	Loan to value ratio	Owner's net equity
1	$323.70	$256.22	−$983.71	$51,783.71	$57,200	90.5	$5,416.29
2	347.97	260.67	−777.07	52,560.78	59,488	88.4	6,927.22
3	374.07	263.99	−526.99	53,087.77	61,868	85.8	8,780.23
4	402.13	265.95	−227.52	53,315.29	64,342	82.9	11,027.71
5	432.28	266.29	127.86	53,187.43	66,916	79.5	13,728.57
6	464.71	264.70	547.13	52,640.30	69,593	75.6	16,952.70
7	464.71	261.85	601.42	52,038.88	72,376	71.9	20,337.12
8	464.71	258.71	661.12	51,377.76	75,271	68.3	23,893.24
9	464.71	255.25	726.74	50,651.02	78,282	64.7	27,630.98
10	464.71	251.46	798.87	49,852.15	81,413	61.2	31,560.85
11	464.71	247.29	878.13	48,974.02	84,670	57.8	35,695.98
12	464.71	242.70	965.31	48,008.71	88,056	54.5	40,047.29
13	464.71	237.65	1,034.10	46,947.61	91,579	51.3	44,631.39
14	464.71	232.11	1,193.41	45,781.20	95,242	48.1	49,460.80
15	464.71	226.02	1,282.19	44,499.01	99,051	44.9	54,551.99

[1] Based on a 4-percent appreciation value per year.

Source: NAHB Economic Division.●

HOUSING OPPORTUNITY ACT OF 1979

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. AuCOIN. Mr. Speaker, I am joining with my colleague from New York, Mr. LaFalce, in introducing important new legislation to help make homeownership a reality for thousands of Americans. This bill, the Housing Opportunity Act of 1979, will soon be introduced on the Senate side by Senator Williams and Senator Proxmire together with four cosponsors.

Mr. Speaker, for the past year, I have been chairing a special task force on homeownership appointed by the distinguished chairman of the Housing Subcommittee, Mr. Ashley. During the past year, the task force held a series of field hearings and roundtable discussions to examine the causes of rising homeownership costs. And the task force devoted a good deal of time to examining solutions to keep homeownership a real possibility for all American families.

One of the conclusions I have drawn as a result of that study is this: That one way to increase homeownership opportunities is to better fit income flows to financing costs through alternative mortgage instruments. These alternative mortgage instruments do nothing to halt inflation in housing prices, but they do provide an important means for homeowners to cope with inflation.

The bill I am introducing today makes use of one of those alternative instruments—the graduated payment mortgage. The bill amends the existing FHA program for graduated payment mortgages by reducing the downpayment and extending the graduation period for the mortgage payment.

These simple steps will bring homeownership within the financial reach of an additional 8.5 million families.

These changes in the graduated payment program are possible because the bill allows FHA to consider appreciation in the home's value in determining the appropriate monthly payment level. In the early years of the new program, the required monthly payments would not cover all of the interest on the outstanding balance, creating a negative amortization. The program will be effective so long as there is a minimal increase—at least 4 percent annually—in the value of the home.

Mr. Speaker, this bill is not a cure-all. It will not put an end to the skyrocketing costs of housing. Nor will it be the right choice for every aspiring homeowner. What this bill will do is add one more tool to help thousands of families realize the benefits of homeownership—at a time when thousands are being priced out of the market.●

PERSONAL EXPLANATION

HON. ROBERT A. YOUNG

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. YOUNG of Missouri. Mr. Speaker, I was unavoidably absent from the floor on March 21, 1979, due to official business. Had I been present, I would have voted as follows:

Roll No. 49, for approval of House Resolution 38, reestablish Select Committee on Population, "no."●

SCRAP IRON PRICES SKYROCKETING

HON. J. WILLIAM STANTON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. STANTON. Mr. Speaker, the severe shortages and inflationary price increases in ferrous scrap due to record exports requires immediate action. This critical situation was brought to my attention by the A. C. Williams Co. of Ravenna, Ohio, and the Copperweld Steel Co. of Warren, Ohio, which employs hundreds of people in my congressional district.

Scrap prices in Northeastern Ohio have skyrocketed 61 percent since wage price guidelines were established last October and this is intolerable.

I'm told that if prices continue to increase at their present rate and shortages widen, the inability to compete will result in shutdowns by steel mills and foundries. Given the projected economic recession facing us, it is foolish to allow the iron and steel industries, which are basic components of our economy, to be crippled by present policy.

It is therefore incumbent upon the Commerce Department to protect the domestic ferrous scrap supply by placing export controls on scrap under the authority of the Export Administration Act. It is imperative that the United States recognize the critical strategic nature of ferrous scrap for the economy and also for our national defense.

A national policy halting the drain of this vital strategic material is essential. I urge immediate action to protect both jobs and industry.●

THE NEED FOR ECONOMIC GROWTH

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. KEMP. Mr. Speaker, the case for enacting policies to promote economic growth is compelling of itself. But when someone as articulate as George Gilder treats the subject, the case is overwhelming. Mr. Gilder wrote an article which appeared recently in the National Review, the theme of which was that "there is no reasonable case against economic growth." Economic expansion is indispensable to fight pollution with advanced technology, to develop alternative sources of fuel, to relieve world hunger and poverty.

As Mr. Gilder points out so eloquently, growth is necessary also to finance pensions in the private and public sector. All in all, George Gilder brings new insight and vision to the need for a dynamic and creative American economy which can also serve as a model for the rest of the world looking for a way out of the pessimistic and dismal predictions of the Malthusians who advocate zero economic growth and income redistribution.

My colleagues will benefit from reading George Gilder's article particularly in light of the administration's effort to slow down the economy as its answer to inflation.

THE NEED FOR GROWTH

Let's go to the ZEG party! That's Zero Economic Growth to you, a first cousin to ZPG (Zero Population Growth), and another adopted child of the dubious union among the Ford Foundation, Stewart Mott, and other moneyed seraphim of the established Left. Not much fun, you say? Why not? What's more fun than a tax-exempt barrel of bearded social democrats fearfully talking of power plants as if they were bombs? Vegetarians in leather jackets drive their imported cars to Seabrook listening to the Grateful Dead on their Japanese tape decks amid a marijuana haze.

There is no reasonable case against economic growth. All the attempted arguments turn back on themselves. Economic expansion is indispensable, for example, to fight pollution or to develop alternative sources of fuel or to create a new "soft energy system." The mandate of "beautiful smallness" is best fulfilled in the semi-conductors and microprocessors that are our leading industry of growth. To relieve the world's hunger and promote development in the Third World, we will need unending economic boom and technological creativity in the West. It will take vast economic gains even to pay for the indexed pensions and medical needs of the coming generations of zealously childfree codgers and crones.

In any case, the significant peril comes not from the ZEG fanatics, but from suave advocates of growth whose policies are now bringing productivity gains in America to a halt. The real ZEG party is in Washington and consists of men who think you can have progress against poverty without a growing gap between rich and poor; who imagine that you can reap the benefits of capitalism without permitting large concentrations of personal wealth; who think government can "create" work through jobs that produce far less than they cost; who prattle about human rights while resisting immigration from Mexico and Southeast Asia, as if it were a threat rather than a precious resource of liberated human energy and spirit; who want growth but whose planning smothers it.

All government planning must be based on what is already known. It tries to create a safe and secure society by "rearranging our known reserves," redistributing our existing wealth, reusing our measurable waste, reorganizing our current population. This effort cuts off the spontaneous energies, unplannable innovations, and disrupting immigrations—the supplanting of the known by the new, of established industries by unpredictable challengers, of risen poor by poverty imported from afar—on which growth always depends.

The deeper problem is religious. No society can long grow if it fears the unknown. The secular sensibility is terrified by the void, quakes pathetically before the mystery, recklessly refuses to face the indeterminacy of human life. Therefore it tries to plan and control and suppress and domesticate the inevitable darkness before it. All progress, though, depends on faith, a willingness to plunge into the darkness and find the redeeming light. Growth depends on worship of what we do not know, on penetrating the opacity of how to reach the luminous reality beyond, on the willingness to accept the risk of failure and death in order to uncover the unknown gifts of Providence.

The proponents of ZEG—like the primitive ungrowing societies they so revere—worship little that they cannot see and feel. Our bodies, ourselves, the sun. Even children often seem dangerously unpredictable to them. Everything beyond their ken is assumed to be conspiratorial or carcinogenic. If this attitude were confined to the radical Left we could merely deride it. But it expresses the deepest potentialities of the secular-humanist world. It is the timorous and paralytic vision that lurks behind the great stone face of Washington bureaucracy.

—GEORGE GILDER.●

WORLD WAR I VETERANS PENSION

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. BIAGGI. Mr. Speaker, today I am introducing a bill that would provide $150 a month for all World War I veterans, their surviving spouses, and children. The benefits provided to World War I veterans under my bill will never be reduced as a result of cost-of-living increases in social security payments. I firmly believe that World War I veterans have long been shortchanged, especially when compared to the benefits received by veterans of subsequent wars. The World War I Pension Act of 1979 would certainly do a great deal to improve this unfortunate situation.

While legislation passed by the 95th Congress provided for some very important improvements in the VA pension structure, the World War I veteran was still overlooked to a large extent. Of the 650,000 World War I veterans who are still alive, of which 85,000 reside in the State of New York, more than 50 percent still receive no VA pension benefits. I firmly believe that all World War I veterans who meet reasonable service requirements should be entitled to fair and equal treatment, and strongly support the World War I Pension Act of 1979 as a means to attain this goal.

As a member of the House Select Committee on Aging, I have seen the devastating effects inflation has had on our Nation's elderly, who are forced to live on fixed incomes. This is especially true of the many World War I veterans whose total income has been allowed to increase above the maximum allowable limit due to annual increases in social security, resulting in the loss of most, if not all, of their VA pension benefits. Since there does not appear to be any short-range solution to the inflation problem, something must be done to assist these persons. I support the World War I Veterans Pension Act of 1979 as an effective measure in this regard.

The need for prompt consideration of this legislation is crucial. The veterans who would be eligible for this pension are dying at an increasing rate of almost 11 percent per year. For a 1 year period beginning September 1977, 81,000 of these World War I veterans, or 22 per day, died, many of them in poverty.

Many World War I veterans are justifiably embittered by the seeming abandonment of their well-being by the very same Nation for which they so courageously jeopardized their lives. Mr. Speaker, this legislation would certainly serve to reconcile this neglect, and I urge that it be given prompt and favorable consideration.●

THE 61ST ANNIVERSARY OF BYELORUSSIAN INDEPENDENCE PROCLAMATION

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. FLORIO. Mr. Speaker, March 25, 1979 marks the 61st anniversary of the independence proclamation of the Byelorussian Democratic Republic, where the freedom-loving people of Byelorussia cast off the yoke of the oppressive czarist rule. I would like to join my distinguished colleagues in saluting Byelorussians the world over, and Americans of Byelorussian decent for their endless pursuits of the ideals of freedom and human rights.

Sixty-one years ago, the Byelorussian people drew up a constitution that called for a sovereign, self-governing state with free elections and guarantees of basic human rights. They kindled the flame of knowledge in a free society which led to great strides in culture, education, and social welfare. This beacon still shines today as Byelorussians continue to strive for independence and personal freedoms in their oppressed land within the Soviet Union.

The people of Byelorussia fought and died for their independence during World War I, and they are still fighting today for the beliefs and privileges which we live by and enjoy today. They yearn to hear broadcasts of Voice of America and to read of news from the free world. I commend their undying efforts to make a better world for their children, and we should recognize and honor their work for human rights.

I join all the Byelorussian people of the world in celebrating their 61st independence day in the hope that all men can share the blessings of freedom and a life dedicated to preserving basic human rights and ideals.●

SHOULD WE BRING BACK THE DRAFT?

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. PAUL. Mr. Speaker, a lot of political leaders, in Texas as well as Washington, are urging that we reinstitute the draft or set up a system of universal national service. Under the latter, young people who chose not to be in the military would work for civilian bureaucrats for 2 or 3 years.

I believe either would be a major mistake.

First of all, our Constitution clearly forbids involuntary servitude. But there are also compellingg moral, economic, and military reasons for keeping a voluntary military.

Do the lives of our young people belong to Uncle Sam? The essence of what makes America worth defending is free choice. If our national security were truly imperiled, I have faith that Americans would line up to do the job. But given our foolish policy and no-win wars, is it any wonder young people wouldn't want to be drafted to fight at the direction of Carter, Brzesinski, and Andy Young? After Vietnam, the law breakers got amnesty; 55,000 young men who obeyed the law got killed.

But in today's world, to defend our country, we don't need a horde of green kids toting rifles. Spending billions to train young people who only serve one hitch isn't economic.

We need more nuclear submarines armed with MIRVed missiles, cruise missiles, laser antimissile weapons, defensive satellites, and more accurate ICBMs.

To get the highly trained military techniciais we need to man such weapons, we should pay much higher salaries.

The weapons development money we need, and the higher salaries, should be funded in two ways: (1) we should stop subsidizing the defenses of such wealthy allies as Japan and West Germany; and (2) we should dismantle our expensive and outmoded overseas bases and after beefing up American bases, use the surplus for weapons and salaries.

I was honored to serve as a flight surgeon in the United States Air Force and the Air National Guard, and I am proud of our military men.

Using an authoritarian method such as the draft to defend our free society demeans our Armed Forces and our Constitution. And it makes neither military nor economic sense.

The even worse idea of national service—with our sons and daughters serving HEW—would be a disaster. I will oppose both, and work for a militarily stronger United States.●

INDIANA UNIVERSITY HOOSIERS N.I.T. CHAMPIONS

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. MYERS of Indiana. Mr. Speaker, it is with great pleasure that I take the well again to praise the accomplishments of two collegiate basketball teams from the State of Indiana and especially one from the Seventh District of Indiana. Last evening, the Indiana University Hoosiers defeated intrastate and intraconference rival Purdue University to win the championship of the 42d annual National Invitation Tournament at New York's Madison Square Garden.

After beginning the season ranked among the top 20 teams in the Nation, the Hoosiers suffered several early season defeats which made many skeptics write them off. But Coach Bobby Knight led the Hoosiers to a respectable 18–12 record and a 10–8 finish in the tough Big Ten.

Many doubters were surprised when Indiana University was given a spot in the National Invitation Tournament, but Coach Knight and the Hoosiers soon made believers of everyone. They earned a trip to New York City by defeating Texas Tech and previously undefeated Alcorn State after drawing a bye into the semifinals, the Hoosiers defeated another Big Ten rival, Ohio State, 64–55. Last night, they won the championship by defeating Purdue 53–52 to finish 22–12 overall. The Seventh District of Indiana now is half way toward winning college basketball's double crown. Undefeated Indiana State is our representative in this weekend NCAA tournament finals.

I congratulate Coach Bobby Knight and his Hoosiers on their great accomplishment. The Hoosiers are: Steve Reish, Randay Wittman, Ted Kitchel, Scott Eells, Landon Turner, Eric Kirchner, Steve Risley, Glen Grunwald. Butch Carter, Mike Woodson, Phil Isenbarger, and Ray Tolbert.●

UNIVERSITY OF NORTH ALABAMA NATIONAL BASKETBALL CHAMPIONS

HON. RONNIE G. FLIPPO

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. FLIPPO. Mr. Speaker, I am proud to have the honor of recognizing the accomplishments of a group of young men who have made a name for themselves. The University of North Alabama Lions basketball team has earned a national basketball championship in the National Collegiate Athletic Association Division II Tournament.

These young men have made all Alabamians proud because they have brought the first national basketball title to the State of Alabama. In a State known for athletic excellence, the University of North Alabama in Florence has gained special recognition as a result of the extra efforts of these young men and their coach Bill Jones.

The unheralded UNA Lions did not know when to quit. Their fortunes in the early part of this year's basketball season looked bleak. But they showed the perseverance to turn it all around. They had to win to stay in and they put together a string of nine victories in a row against the top teams in NCAA Division II to capture the national championship. The impossible dream became a reality for these UNA players.

As a University of North Alabama alumnus I am especially proud of the accomplishments of players and coaches who represented our school in the national arena. More important though is what they have shown us about character even when the task ahead looks difficult and the going gets tough. Collegiate sports are often pointed out as character-building, and these champions are proof of that maxim.

The UNA team proved you can sometimes accomplish your goal through determination and courage. Even if these players had not won a national championship, they have the personal satisfaction of knowing that they have accomplished more and gone further than anyone had expected. Each of us can learn a lesson from these courageous young men of how to meet adversity head on.

Their story is worth while for all of us to read and I would like to take this opportunity to place in the RECORD the press accounts of this remarkable championship team. Telling the UNA story are Mike Goems of the Florence Times/Tri-Cities Daily, and Bill Lumpkin of the Birmingham Post-Herald.

[From the Birmingham Post-Herald, Mar. 14, 1979]

NORTH ALABAMA CHASES A CHAMPIONSHIP

(By Bill Lumpkin)

The next time the guy on an adjoining stool at your favorite pub wants to argue about college basketball, try this on him.

Has any Alabama university ever made the NCAA's final four?

If he's fairly knowledgeable, he'll say no.

If not, he'll probably guess the University of Alabama, or tell you where to go.

Before reaching into the wallet, check the location. You're dead in the TriCities. They know the answer.

The University of North Alabama has made the NCAA's Division II final four once, and will be playing in the championship round a second time in three years at Springfield, Mo., Friday night.

If someone had told coach Bill Jones that a couple of months ago, he might have laughed or ignored such ignorance.

"We were 8–7 after the first half of the season," Jones was saying over the telephone yesterday. "We just had a great second half.

"I don't know what turned us around. It wasn't coaching. I was coaching the same way. Our man-to-man didn't do too well and we began playing a little more zone. The kids also began to get confidence.

"We lost five games by a total of seven points. We were playing pretty good people."

The move North Alabama was to put on the rest of the Gulf South Conference would have made an excellent plot for a Bronc Burnett novel. All the Lions did was win seven in a row and 12 of the last 14.

"The thing about this season is that every game was do-or-die for us," said Jones. "When a team in the conference wins all of its road games, it's a pretty good team.

"Nicholls did that and won the conference early. We were fighting Jacksonville and Troy for a second and hoping the NCAA would invite a second team from our conference to play in the region."

To finish second, North Alabama had to dispose of both Troy and Jacksonville, which it did, before standing-room-only home crowds of 3,500 each night.

"This happened to be the year on the NCAA rotation when the South region winner played the South Central region champion. Nicholls went to the South Central and we were invited to play in the South at Lakeland, Fla."

Victories over Florida Southern, a team that had broken even in 10 meetings against Division I foes, and Valdosta State put North Alabama against Nicholls for a berth in the final four.

"We had beaten Nicholls at their place for their only conference loss. We were playing there again.

"We got on top and went into a delay with about five minute left. It was the longest five minutes I ever remember. Nicholls started fouling and we hit on 25 of 27 free throws. We finally won 103-97."

In the five years Jones has been coaching at his alma mater, which was Florence State Teachers College when he was a basketball player, the Lions have become a local favorite. They carry their own cheering section.

"It really helped at Nicholls. We had about 400 fans there. There was enough to be heard.

"We're going to have a good crowd going with us to Springfield. A fan came in today and bought 39 tickets. He said a lot of people in his neighborhood are going.

"Since it is AEA week, some of our fans are turning it into a vacation. We may have between 800 and 1,000 up there. We have led the Gulf South Conference in attendance the last four years."

It's always rewarding to an old school when one of its own returns and coaches the sport in which he excelled to prominence.

Jones has done that. It took him awhile to find his way back to the Tri-Cities area of Florence, Tuscumbia and Muscle Shoals.

After high school coaching tenures at Yuma, Colo., Opelika and Lauderdale County, he broke into college ranks, first at Marion and then at Montevallo.

Since his arrival at North Alabama, the Lions have won 92 basketball games, lost 43. Jones' teams have one third place finish in the Division II national championships and a Gulf South title, plus third and second place finishes.

Jones may be the only small college coach in the state with a weekly TV show and North Alabama may be the only small college that has home games carried on delayed TV 30 minutes after each game. All playoff games were televised back home, too.

Five Lions will be making a return to the nationals. One is Otis Boddie, an honorable mention All-American, and another is Gerald Lavender, the tallest starter at 6-7.

"I think having been to the nationals will be an asset. We have been in the battle at the highest level. We have played well on the road. We have played loose and we have players who have been there before.

"I expect us to play well up there."

North Alabama's opening rival is Bridgeport, Conn., a team ranked fifth in the nation. Others in the magic circle are Wisconsin-Green Bay and Cheyney State, fourth ranked.

North Alabama will be a little out of place. The Lions don't have any lofty national ranking to impress their opponents.

"We're not ranked. We haven't been ranked all year. With the way the year began, I can see why we aren't."

But, as Jones says, the season isn't over.

[From the Florence Times/Tri-Cities Daily, Mar. 18, 1979]

(By Mike Goens)

SPRINGFIELD, Mo.—A full year of memories . . .

The University of North Alabama basketball team made a name for itself here Saturday night at Hammons Center. UNA grabbed the national spotlight with a crushing 64–50 triumph over Wisconsin-Green Bay for the championship of the NCAA Division II basketball. It signified the fulfillment of a lifelong dream for the Lions.

When you look back and see what the Lions had to go through to get the coveted prize, you can appreciate the feat much, much more. They had to overcome hurdle after hurdle, even when it appeared hopeless. When you are 8–7 and fighting for your life just to stay over .500, you have a tendency to give it up and look ahead to another year.

But a driving force inside each player refused to allow the inevitable to happen. They rebounded in style as they quickly mounted an incredible comeback charge. Those close games which had been going into the loss column suddenly turned into victory. The Lions won 14 of their last 16 games, including the final nine in succession against the top outfits in the nation.

That's what class and pride are all about.

It couldn't have happened to a more deserving group of young men, either. They have shot down the theory, "Nice guys finish last." Indeed, you can display class and still become a winner.

Head Coach Bill Jones noted the quality even before the team entered the national playoffs.

"This is a class group of young men," he said before the playoff opener against Florida-Southern. "They have done an outstanding job all year. They have taught us all a tremendous lesson. They've show what can happen to you if you keep plugging and don't quit.

This group has done everything we've asked of them. If you can't trust them, you can't trust anyone. It's just a great pleasure to be associated with them."

The Lions represented the University of North Alabama and the entire Shoals area in the same manner on and off the court. They have shown people throughout the nation what charisma really is.

The UNA players have shown they richly deserve to wear the title, "National Champions 1979".

In Review . . .

The Lions proved, in the championship game, it's not how big you are but how big your heart is. Green Bay, which featured a pair of 6'10'' players and another 6'11'' were not able to beat UNA inside. Ron Darby and Gerald Lavender equalized the opponents strength.

There were many other factors which led to UNA's drive to the championship. Over 500 UNA supporters made the trip to urge their team on. "It's great to see so many people drive this far to see us play," senior forward Bobby Montgomery said. "It means a great deal to us to have them with us. You have no idea how much we appreciate it."●

AUTHORITY OF HSA'S NEEDS CLARIFICATION

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. McCLORY. Mr. Speaker, today I am introducing legislation which will limit the function of health system agencies to planning for and promotion of health care facilities and personnel.

When legislation authorizing health systems agencies was enacted during the 93d Congress, I did not feel that it was the intention of the Congress to give the health service agencies the broad power they now appear to exercise.

As a result of this wide-ranging authority, my own congressional district recently experienced a confrontation between residents of the three-county service area of the health service agency—Kane, Lake, and McHenry Counties—and board members of the health systems agency over a document concerning maternal and newborn services.

The original support document, as proposed, included provisions which could be interpreted to allow schools and other organizations outside of the family structure to provide family planning materials and information to teenagers and preteens in this area without parental knowledge or consent.

Mr. Speaker, without commenting on the advisability of providing information of this nature to our young citizens, this responsibility clearly does not lie within the jurisdiction of these agencies of the Federal Government.

Mr. Speaker, the health systems agency in Kane, Lake, and McHenry Counties has proven itself to be beneficial to our area in many ways. However, it is my view that we need to limit such agencies to making recommendations regarding health care facilities and personnel and to assure that they do not become involved in areas which have traditionally and rightfully been reserved for the family.

I urge my colleagues to join me in cosponsoring this legislation.●

EUROPE'S VIEW OF U.S. GASOLINE PRICES

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. BROWN of California. Mr. Speaker, as Americans adjust to the inevitable rise in gasoline prices, it is worth observing how Western Europe, whose standard of living is similar to our own, has dealt with this problem. There is no question that rising prices of gasoline will cause hardships, generate windfall profits, and change the competitive position of many subcomponents of the U.S. economy. The Congress should try to address the inequities which will surely result.

Even more serious, in my mind, is the already dangerous problem of fuel switching, which is the use of leaded gasoline in cars which should only use unleaded gasoline. This added complication comes about because U.S. automakers decided to go the route of add-on pollution control devices to meet air pollution control needs. In some parts of the United States, the price differential between leaded and unleaded gasoline is over 10 cents per gallon, and rising. This differential, which is totally unjustified and easily controllable, is the main cause for fuel switching. In order to protect the multibillion-dollar investment in air pollution control equipment, and in order to protect the health of those this equipment is intended to protect, we must deal with this price differential.

Mr. Speaker, I commend the article about Europe's view of U.S. gasoline prices.

The article follows:

[From the Los Angeles Times, Mar. 22 1979]

LOW PRICE OF U.S. GASOLINE FUELS DEBATE

(By Murray Seeger)

BRUSSELS, BELGIUM.—The anguished cries from the United States about the imminent possibility of paying a dollar for a gallon of gasoline are giving Europeans some good laughs.

For decades, West European motorists have been paying more for their fuel than Americans, and during the last five years of international energy crisis the price spread between the United States and the continent has grown.

A U.S. Army colonel, accustomed to paying near-stateside prices the American military gets in West Germany, found the real world recently when he drove across Switzerland for a skiing holiday in France.

After paying $2.42 a gallon for Swiss high-test, a price that included $1.50 in taxes, the colonel observed, "Switzerland looks awfully small on the map, but when you drive across it, the country becomes very big—and expensive."

A similar picture faces motorists in all Western European countries—they usually pay in gasoline taxes alone more than what Americans pay for gasoline.

The European Common Market recently found that the cheapest high test gasoline among its nine-member countries was sold in Britain at the equivalent of $1.40 a gallon with a tax of just under 50%. The most expensive was France at $2.40 for a gallon, 68% of which was represented by taxes. (Switzerland is not a Common Market member).

Some of these figures are exaggerated by using dollar terms to express prices in European currencies. The decline of the dollar's value against that of the West German mark, the Swiss franc and other strong currencies has made the prices of most goods and services here appear large when converted to dollars.

Even allowing for this effect, however, the typical European must work far longer to earn the price of a gallon of gasoline than does the typical gas station customer in the United States.

In some European countries, such as France and Italy, gasoline prices are fixed by the government. Countries like Belgium, Ireland and Denmark set maximum prices and allow lower prices, particularly for self-service stations.

To run a small car (1500-cc engine) like the Honda Civic 10,000 miles in a year, gas taxes alone range from a minimum of $304 in Britain to $864 in Denmark.

The clear difference in economic outlook involving the auto is at the heart of the disagreement between Europeans and Americans on a key issue of energy policy.

"The subject comes up all the time," a spokesman for the International Energy Assn. in Paris observed.

Continental political leaders question the commitment of U.S. officials to reduce oil consumption and the volume of imported oil when nearly all the policy options discussed in Washington avoid the topic of raising taxes on motor fuel as a deterrent to its use.

In President Carter's original energy program of two years ago, a rise in gasoline taxes was proposed. It never got past the first hurdle in Congress and hardly has been mentioned since.

Carter did promise his negotiating partners at the economic summit in Bonn last summer that the United States would allow its prices on domestically produced oil to rise to world levels by the end of 1980.

Even with the world price higher now than any of the political leaders expected last summer, fulfillment of the president's pledge still would leave Americans paying considerably less than Europeans do to use their automobiles.

The difference in attitude toward automobiles is inherent. In Europe owning a car is still less common than in the United States, despite the rapid rise in European incomes since World War II.

Unlike the United States, Europe had virtually no domestic oil sources until the discovery of petroleum under the North Sea between Great Britain and Norway.

Land always has been more precious in Europe than in the United States. Big parking lots, suburban shopping centers, drive-in restaurants, roadside strip commercial developments—all products of the auto age in America—are rarities in Europe.

"There are a lot of McDonald's restaurants in Europe nowadays, but few of them have parking lots," the Paris energy expert commented.

While European nations slapped stiff controls on gasoline sales immediately after the 1973 Arab oil embargo and the resulting big rise in world petroleum prices, they have gone back to business as usual—almost.

Continental political leaders have found it easier to let people drive their cars as fast as they wish but charge them heavily for the privilege.

In Germany, for instance, the motorists' lobby is so strong that the government has been unable to impose a fuel-saving speed limit on its national super highway system. The recommended speed rate of about 78 m.p.h. is far above the official, but usually ignored, U.S. speed limit of 55 m.p.h.

Among the Common Market nations, only the Netherlands tries to enforce a speed limit close to that of the United States, about 63 m.p.h.

The European attitude toward autos also has meant that public transportation systems are far more complete on the continent than in the United States. Thus, many continental middle-class citizens drive their cars only on weekends, taking buses or trains to work.

Europe has built a major network of superhighways, but almost invariable the roads halt at the edges of cities, and traffic to the city centers is on local streets.

At the same time, governments have invested heavily in underground parking facilities and subway systems.

Medium-size cities such as Frankfurt and Brussels now have well-functioning—if small—underground transit systems while the old networks in London and Paris have been expanded and improved.

Sales of automobiles have been consistently strong for several years despite the high taxes and gasoline prices.

But the kinds of cars sold in Europe differ considerably from those made and sold in the U.S. The best-sellers in Europe are what Americans would call sub-compacts and often think of as second cars.

For the young secretary buying her first car in Europe, there are the "minis," which get superb mileage and perform remarkably well. The scale then moves up to limousines at the top of each major manufacturer's list.

The price of regular gas within the Common Market ranges from 8 percent less than high-test in France to only 2 percent less in Britain, Ireland and Denmark. Regular gas is taxed at a higher rate than high-test.

For many Europeans, the big savings comes in purchasing diesel fuel. In Italy, for instance, diesel costs only one-third as much as regular; in the Netherlands it is 42 percent cheaper.

There is little difference in price between diesel and regular fuels in Germany and Britain, but diesel-engine cars still are much more popular in Europe than in the United States. A large proportion of taxicabs in Europe are diesel-powered because of the good mileage they achieve.

There is no leaded-unleaded gas classification since European air pollution standards are much less strict and less well-defined than those in America.

European cars have one thing in common—they generally are more efficient than American-made cars, using less gas and oil regardless of speed.

Largely for this reason, Europe has not faced the invasion of Japanese cars that has deluged the U.S. market and made its deepest penetration on the American West Coast.●

EXTENSION OF DUTY SUSPENSIONS ON BICYCLE PARTS

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. ROSTENKOWSKI. Mr. Speaker, I am today introducing legislation that would extend the suspension of duty on such parts as brakes, three-speed hubs, multiple freewheel sprockets, and cotterless type crank sets which are not presently manufactured domestically and on frame lugs which are manufactured in only limited quantities. My bill seeks to extend the duty suspensions until the close of June 30, 1983.

Many of our domestic bicycle manufacturers are forced, because of the absence of American-made component parts, to rely on foreign sources of supplies for essential parts. One such company is the Schwinn Bicycle Co. of Chicago which is located entirely within the confines of my congressional district. Unless the suspension of the duties is continued, our manufacturers will be assessed a duty of 15 percent on these imported parts while their foreign competitors will be able to bring assembled bicycles made from the same parts into this country at a duty rate of only 5.5 percent. This tariff differential represents a competitive advantage that is enjoyed by foreign manufacturers.

The American bicycle manufacturers must purchase these parts abroad in any event. Therefore, the duty suspension eliminates the need to inflate the price of the bicycle to the consumer because of a duty which does not protect any domestic manufacturer of parts.

The bill also removes from the duty-free categories, rims. There is a domestic source of supply for both steel rims and aluminum alloy rims and therefore this item will be withdrawn.

For these reasons, I strongly urge that the duty suspension on certain bicycle parts be extended for a 3-year period, that rims be deleted from the duty-free category and that frame lugs be added to this category.●

U.S. SHOULD EASE OIL CONTROL

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to submit for the benefit of my colleagues, the following editorial advocating the easing of U.S. controls on oil. The editorial appeared on Friday, March 9, 1979, in the Oxnard Press Courier, Oxnard, Calif.

The editorial follows:

U.S. Should Ease Oil Control

President Carter should exercise the power vested in him by the 1975 energy act and end all oil price controls on May 31.

That would mean there would be an increase in the price paid for oil pumped from wells in the United States. The present price is set by the government. The price for much domestic oil is set far below the price we must pay for imported oil. If the United States ends price controls, the price of domestic oil will rise in the free market, probably approaching the price of imported oil.

Price control discourages production. Producers hold back, hoping for a higher price. This was what happened to natural gas, too. But a compromise bill enacted last year allowed prices of natural gas to increase gradually until 1985, when price controls on newly discovered gas will be lifted entirely. And what has happened? Since the partial deregulation of natural gas prices, the supply of domestic gas had suddenly increased. We find ourselves with a surprise surplus—a gas bubble—and U.S. companies are encouraging industries to burn more gas instead of oil.

The price control on oil discourages conservation. It keeps the price artifically below the world market price. So industry and the public are, in effect, subsidized to use more oil. The most effective conservation measure we can think of would be to allow a free market in oil—both domestic and foreign. That would raise the price of gasoline, for instance, and what better way to encourage the purchase of smaller cars?

The price control, on oil encourages imports of foreign oil. By discouraging domestic production and encouraging domestic consumption, it makes the United States consumer evermore dependent on foreign supplies. No wonder the deficit in foreign trade jumped to $3.1 billion in January! And what does that do to the value of the dollar overseas?

The main argument against oil price deregulation is that it will add to inflation. It will certainly do so in the short run. But in the long run it will reduce inflation. The United States cannot continue indefinitely in a fools' paradise. Sooner or later the U.S. must pay the piper. And it will be more inflationary the longer America delays.

Shortages are appearing.

Gas stations are closing.

Foreign countries are raising their oil prices.

The dollar is sinking.

It is time to quit selling our own oil short.

It is interesting to see how quickly abundant supplies appear when top price is paid for a certain product.

Gas is just one of the products that became abundant when economic indicators moved in the direction of the suppliers.

The same should happen with domestic oil, and the American people, as well as world stability, must look to oil price control easement to again make the United States competitive.●

UNDESIRABLE EFFECTS OF ETHICS LAW

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. DERWINSKI. Mr. Speaker, in the 95th Congress, when the ethics bill was being considered, I voiced concern that passage of such a law would discourage managerially successful men and women from serving our Republic.

Now, just 3 short months before the law is to become effective, there are, unfortunately, ominous signs of an exodus from Government of the very people I cautioned we might lose if such a law were passed.

I share the following newspaper article on this serious development with my colleauges.

[From the Washington Star]

Ethics Law May Trigger Exodus From Government

(By Lance Gay)

A though new federal ethics law that will become effective in July has prompted several high-level political appointees and longtime government officials to launch an unprecedented round of job-hunting trips.

Officials in several agencies say the problem is potentially "very serious" and some agencies worry that they are on the verge of losing some of their smartest and most experienced people.

"A lot of people are talking and we are very seriously concerned," said a Pentagon official.

"We're very concerned about it," added an official of the Federal Aviation Administration.

Other agency attorneys who have been studying the new law say much of the flurry of job-hunting has come from misunderstanding the regulations, which have yet to be written.

"I can't say if the misunderstanding is real or not, but I know that the exodus is real," said a high administration source.

And last week, in a breakfast session with reporters, HEW Secretary Joseph Califano warned that the bureaucracy is on the verge of "the greatest brain drain in the history of federal service."

The cause celebre for all the activity is the new Federal Ethics in Government Act, which President Carter signed into law Oct. 26.

It was designed to put new brakes on the decades-old "revolving door" between government and private industry. For years, high-ranking government officials have taken well-paid jobs in the industries they previously regulated.

The law, which goes into effect July 1, made three significant changes in existing ethics laws that:

Extend the ban on high-ranking government officials—above GS–17 levels and political appointees—representing private parties before their former agencies from one to two years.

Forbid these officials in that two-year period from giving "aid, assistance or counsel" to anyone on any governmental matter they had responsibility for while in office.

Bars government officials from contacting for one year anyone in their previous agency with the intent of influencing them.

The new law carries penalties of up to a $10,000 fine and two years in prison.

Most of the concern comes over the provision barring former government officials from aiding non-governmental clients—and exactly how this will apply will be spelled out in regulations being written by the new Office of Government Ethics.

Those regulations are expected within the next few weeks, but in the meantime some bureaucrats are not waiting.

Already gone is HEW Undersecretary Hale Champion and two attorneys for the Securities and Exchange Commission. And almost all federal agencies and commissions report rumblings from people looking for jobs or preparing to resign before the July 1 deadline.

Attorney General Griffin Bell also has told aides that he's seriously considering moving up the date of his leaving because of the law. "He's concerned about it—particularly that clause that says you can't counsel. What he's worried about is blindly stumbling into a felony because of this," said the aide.

Bell already has said he plans to leave the Justice Department this year to return to private practice, but the aide said the new law may change his timing.

So serious has the problem become that it reportedly has been twice discussed at Cabinet meetings with Energy Secretary James Schlesinger, Defense Secretary Harold Brown and Califano leading the chours of complaints about the effect the law is having on their departments.

And this week Rep. George Danielson, D-Calif. introduced legislation to postpone the effective date of the new law and said he plans to hold hearings before the Judiciary subcommittee he heads.

But it is not only the threat of losing some here, but the worry that top-flight people will no longer come into the government, said one high administration official.

"I couldn't run my office without first-rate scholars that we are now attracting," said the official, who currently has 50 academics working on specialized programs in her office.

A Pentagon attorney said those who seem most concerned about the new law are academicians and technological people—"the lawyers seem to understand this because it's already in their ethics codes, it's the laymen that are playing lawyer and seeing trouble here."

He said there are two provisions of the law that could be broadened by the regulations to allow for the continued work of academics and those with specialized trades. One provision exempts anyone who is communicating scientific information to the public.

A second provision of the new law allows a government agency to seek a specific exemption for a person by going through the relatively cumbersome procedure of printing a notice in the Federal Register stating why this person's expertise is needed.

This, the Pentagon attorney said, could solve the problem of allowing high-level research and development personnel to keep contacts with agencies after they leave the government.●

TRANSITION DIFFICULT FOR NEW CONGRESSIONAL FAMILIES

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. BEILENSON. Mr. Speaker. I would like to call to the attention of my colleagues an article by June (Mrs. Jack) Bingham which appeared recently in the Washington Star.

The article is a particularly perceptive and understanding description of the problems which congressional wives encounter in their personal and professional lives when their husbands are first elected to Congress, and of how some congressional wives who have themselves experienced the problems of this transition period are trying to help.

[From the Washington Star, Dec. 31, 1978]

New Congressional Families Find the Washington Transition Difficult

(By June Bingham)

There will be an unusually large batch of new members of Congress coming to Washington—20 to the Senate, 77 to the House—for the new session. Moving to a new job is a trying experience for any family but there are special considerations facing the transition from private citizen at home to elected representative in the nation's capital.

It is this period of change that is generally agreed to be the most difficult for the spouse. "You have one foot on the boat and the other on the dock," recalls Antoinette Hatfield, wife of Senator Mark Hatfield, R-Ore., of her transition.

With this in mind, the large new group of congressional wives arriving in Washington in January will receive an unprecedented orientation. Their prime welcomers and mentors are colleagues who arrived here only two years ago and were given what was, up to then, the most comprehensive orientation. Sisterhood thus seems to be on the march near the Capitol (less so within its walls, with three fewer women having been elected to the new 96th Congress than to its predecessor).

So difficult can this balancing act become that some people compare it to being psychologically drawn and quartered. Between her harried husband learning the twisted ropes on the Hill and her youngsters starting a new school in the middle of the academic year, between making arrangements for the old home empty of people in the congressional district and the new one empty of furniture in the Washington area, the wife may feel she is coming apart at the seams. "I cried for the first six months," says an ordinarily equable woman from the Middle West, "and my three teenagers fought non-stop."

"Coming to Washington is as hard for us congressional wives as going to a foreign country is for you," said Margaret McCormack from the state of Washington to a Foreign Service wife at a State Department meeting earlier this month. Margaret, wife of Rep. Mike McCormack, is president of The Democratic Wives' Forum. When the diplomatic wife suggested that at least knowing the language must be of help, Margaret insisted that for her, at least, the culture-shock could not have been greater. A fellow congressional wife agreed: "Nobody in Bethesda spoke to me for six months anyway, so who cared what their language was?"

To some people, especially from the West and South and from towns smaller than Washington, the indifference here toward newcomers is a source of shock that may trigger depression. Equally so may be the distrust exhibited by store keepers toward persons whose drivers license is not from nearby.

A new congressman from California and his wife tried to cash a $12 check. Each had a driver's license with photo as well as signature, a fresh congressional I.D. also with photo and signature, and an up-to-date BankAmericard. But over and again store keepers to whom their respectable middle-aged faces were not familiar refused to come forth with the cash. "Too many transients, I guess," the wife says in an attempt at understanding, "too many bad experiences with strangers. But it was hard on me: I felt rejected. I'm glad my husband was along. He didn't feel rejected: he felt furious."

To feel oneself a nonentity is part of the culture-shock often faced by new congressional wives. Chances are that where each comes from she is well known (as perhaps her grandparents, before her). And the recent political campaign has magnified her recognition-factor among the people to whom she typically refers as "our" constituents, "our" voters.

Newly arrived in Washington she is either not recognized at all or she is relegated to a lowly sub-caste, namely, "The Wife Of . . ." The spouse with hand on the levers of power is the one to whom Washington people visibly want to talk. Even if they go through the motions of saying to the wife, "Pleased to meet you," they may promptly ask, "And what does your husband think the chances are for X to be voted on this year?

The wife's feeling of nonentity may be increased by the attitude exhibited by her husband's staff on the Hill During a campaign, the candidate's family is considered by him and his home-state staff as being of inestimable value. But to the Washington staff, the family may seem unimportant, indeed, a nuisance, in that its members compete with themselves for a portion of the elected official's much fought-over time.

The wife's own role-shift between October and January may also feel like a form of denigration. At the height of her husband's campaign she may have been working overtime with and for him, making speeches, decisions, contacts, judgments perhaps crucial to his success. "Now he's gone all day," said a new wife two years ago, "and most of the evening too. When he gets home he is so tired that he can't explain all he's been doing and he doesn't want to be badgered by all I haven't been able to do. Weekends, instead of resting and getting back together with me and the kids, he's off to the home district."

Before long some politicians develop a swelled head as a result of all the attention bestowed on them both by their office staff and that of the committees on which they serve, by media people in Washington or the home district, from bureaucrats in those executive branch departments being overseen by their committees, from the lobbyists who want their vote, from the constituents who want their ear, and from the many attractive unattached (or not overly attached) women, whether hostesses or guests, paid or volunteer Congresswatchers, who react to power in men as some men do to perfume on women.

And these women may be right on in an evolutionary sense: ethologists who observe primates in the wild, for example, report that in some bands only the male that has conquered other males gets to mate with the most delicious females.

During the 92nd Congress (1972) Mary Jane Dellenback, wife of then-Rep. John Dellenback (R-Oregon), sent a multiple choice questionnaire to 471 congressional wives. Of the 179 (38 percent) who answered, several mentioned what one called the "Movie star syndrome" developed by her husband as a result of being treated as such a big shot (this is more of an occupational hazard in the Senate than the House). Two wives went on to describe their counteractive behavior when some girl began swooning over The Great Man: "Don't be too impressed," said one, "he takes out the garbage."

The other said, "Sometimes at parties, women try to grab my husband to dance with, simpering and giggling. When they say, 'Do you mind?' I say, 'Yes I do,' and he gets the message."

The nonentity feeling of the newly arrived wife may also be heightened by the contrast between the fascinating national and international issues that her husband considers during committee hearings and the accumulation of mundane problems that beset her in getting settled.

These problems, moreover, continue to be coped with by her on her own most of the time. If she needs his help, he may not be reachable by phone, or he may sound so distracted that she is sorry she ever did reach him. Said one wife, "I resent being secondary to his job except at times of crisis." Said another, "I hate being left out of so much of his world—and his lack of understanding for the work I do—which is professional."

Finally, the wife's self-esteem may be undermined by the kind of question that assails her when he goes back to the district at least every third weekend, which is the average, or for one of the several ten-day "district work-periods" scattered throughout the year. Said one wife, "When Congress passed a law providing 'expenses' for a secretary to visit our home state each year this created problems. Expense accounts can divide a good family."

Even when the husband's fidelity can be trusted, the wife may remain uneasy. If she stays in Washington with the children, the voters at home may complain she must be getting snooty: why else would she not come "home"? Yet if she goes home, she may be worried about the children in Washington. Whom would they turn to if they got sick, etc. While most people know when they are doing wrong, congressional wives may not know when they are doing right.

The money problem too can divide a family. "I hate being thought rich," said one wife. "Certainly $57,500 a year looks enormous to our voters. But it doesn't cover many trips, home for the kids and me, what with two places to keep up and political expenses."

When money is tight the discrepancies between the needs of husband on the one hand and family-members on the other are highlighted. How to choose between braces for a child and a political mailing that might mean the difference, between the husband's re-election and defeat?

If the congressional wife decides to earn money on her own, or pursue studies or non-paid work, she may thereby add to the already large total of separations between her husband and herself. Moreover, with the children missing so much time with their father, she may feel the more uncomfortable about causing them to miss time with her as well.

What to do?

"I am amazed," said Dr. Stephen Pieczenik, psychiatrist and deputy assistant secretary of state for administration, "that congressional wives don't have any professional back-up or support groups."

Yet today, like Topsy, such support-groups are spontaneously growing. Perhaps because of the Women's Movement, congressional wives are coming out of the closet of their discontent and are identifying common problems. Perhaps because of the Human Potential Movement the wives are less afraid to voice their doubts and report their failures.

For whatever, the cause, peer-support is one of the aims of the Orientation Chairman of the 95th Congressional Wives' Club, Dolores Beilenson, wife of Rep. Anthony Beilenson D-Calif., and her hard-working seasoned-wife colleagues.

Forty new wives, as a result, have already been given a daylong seminar this month covering subjects such as time-management, stress-handling, career choices, and how to guide children toward viewing change as a challenge rather than simply a parentally-devised form of personal torture. The meeting was co-sponsored by Georgetown University where it was held by the Sears Foundation.

In January, February, and March there will be further meetings, each at a different key spot in the capital.

First Lady Rosalynn Carter will receive the group at the White House and discuss the partnership role of the political wife.

Grace Vance, wife of the Secretary of State, will receive the group at the State Department and offer a mixture of formal substantive briefing by experts and informal brown bag lunch followed by a hair-down comparison of congressional life and diplomatic life by the wife of a man who has done both (Rep. Jonathan Bingham, D, N.Y. was formerly an ambassador at the United Nations in Geneva as well as New York City).

Daniel Boorstin will receive the group at the Library of Congress and explain what services are available to congressional spouses and scholarly constituents.

Roger Stevens will receive the group at Kennedy Center and report on the National Center for the Performing Arts. This is of interest not only to Washington residents and visitors but also constituents in the home state. Its College Festival, for example, brings winning student productions from all over to the Kennedy Center. Going out from Washington to the country at large is for example, the art program for the handicapped.

The Smithsonian Associates will also receive the group, as will one of the foreign embassies.

In addition to these carefully planned large meetings will be the important small ones. Coffees in seasoned wife's living room will be arranged as soon as the new wives have found homes. They will thereby meet fellow wives from their neighborhood, especially those with similar career interests and children of comparable ages. The coffees will include say, three new wives and three of their 95th Club predecessors.

"It's no use our just handing out an information packet," says Dolores Beilenson. "People can't ask a packet a question. But they can ask a person a question, especially if they've been given the chance to see that person several times before."

To see a fellow-wife from the House of Representatives frequently enough to make friends in a natural and unforced manner has not been easy in Washington. The Senate Wives group meets regularly on Tuesdays on a bipartisan basis. But on the House side there have been only partisan groups, The Democratic Wives Forum and The Republican Wives group which meet only once a month. Both include wives from the Senate but the membership is predominantly from the House.

A few state delegations have held wifely meetings but not usually on a regular or frequent basis. New York, for example, has never had such a meeting.

Into the vacuum two years ago came a no-nonsense group of attractive young wives who started a bipartisan, bicameral weekly group called the Congressional Wives Task Force. Its prime purpose is to take up one issue a year that is of genuine interest to the wife but not so controversial that it will blow her husband out of office if she takes a public stand on it.

This years Task Force co-chairs are Landis (Mr. Stephen) Neal from North Carolina and Elinor (Mrs. Berkley) Bedell from Iowa. Last years were Tipper (Mrs. Albert) Gore from Tennessee and Suzie (Mrs. Norman) Dicks from Washington state. All are young with husbands who are Democratic Members of the House. Active Senate wives have been Suzie (Mrs. Dennis) DeConcini from Arizona, Cece (Mrs. Edward) Zorinsky from Nebraska, and Shirley (Mrs. Howard) Metzenbaum from Ohio, also Democrats. Active Republican wives have been Helen Marie (Mrs. Thomas) Corcoran from Illinois, Nancy (Mrs. James) Johnson from Colorado, and Deba (Mrs. James) Leach from Iowa.

In 1977 the Task Forces issue was violence on television; in 1978 it was nutrition. In 1979 it will be problems of the aging.

Experts on all sides of the issue are invited to address the group and they come, often at amazingly short notice, to do so, for free. Some must feel as if they were addressing a graduate seminar, with the many young shiny heads bent over voluminous notetaking, and then the sharpest of questioning.

After listening to the experts, discussing the issues and the politics involved, the Task Force members painstakingly write a brief hard-hitting report. Examples:

1977: "We are opposed to censorship of television in all its forms, but . . . we think the heavy reliance of American television broadcasters on violence in entertainment programming is an outrage against young people and . . . could well be defined as a secondary form of child abuse."

1977: "If six out of every 10 deaths in this country are nutritionally related, then the medical community must change its emphasis from a 'curative' framework to a 'preventive' one." They went on strongly to recommend that nutrition courses therefore be added to the curricula of the 80 percent of medical schools that do not as yet provide these.

A subcommittee keeps up with the previous year's issue and the group's mini-expertise on several fronts may thus become grounds for action. In 1978, for example, the women forcefully supported the Federal Trade Commission's controversial study of television advertising aimed at children. Said the group, "Current advertising budgets for the nation's food companies total $5 billion per year, with only a small fraction being spent for educational purposes. High powered advertising campaigns directed at both children and adults often encourage consumers to eat and drink food items that have little or no dietary value."

In the process of their work, the wives make fast friends with one another—and some enemies on the side, such as the Sugar Lobby. When the year's report is ready some twenty Task Force members fan out over the Capitol, delivering copies to the 535 offices and chatting briefly with the Member if he or she is in. The group also holds a press conference, and press releases go to the media in the home district. Some wives make speeches before PTAs and other groups, or organize letterwriting campaigns to hometown newspapers or relevant congressional committees.

The women want to help their husbands—as political wives traditionally do—but they want to accomplish this in a new way. They want to use their own well-honed, well-furnished minds and themselves receive credit as accrues for the result. True, were it not for their husband's position, they would not have access to the experts. But it is equally true that were it not for skills and hard work of the wife, the husband's campaign might not have landed him on the hill.

These young wives and husbands thus move a step beyond—or to the side of Women's Liberation in its extreme form. The women do not want a career separate from that of their man. They know that they can significantly supplement his efforts and they enjoy being a team-player with him. But they want their work to bring credit (or blame) to themselves as individuals, not merely as adjuncts. The fact that the First and Second Lady do likewise is not lost on them, Rosalynn Carter in regard to mental health, Joan Mondale in regard to art.

Husbands of Task Force members are generally happy to see their respective wife working hard with her colleagues and taking risks. She is thus the better able to understand his life, as well as to feel fulfilled in her own. He feels unthreatened by the possibility both of failure on her part and of success. And he throws back his head with delight when, on meeting for the first time one of her colleagues he is asked, "Are you the husband of . . .?"

The number of congressional divorces in recent years have exceeded even the high national average. But because of the new kind of orientation for incoming wives and the continuing groups such as Task Force which give opportunity for the women to encompass friendships as well as ideas, the political marriages may now be better off. Said a seasoned wife, "Sharing my husband's love, his life, and his career has been wonderful. It's like being part of history." Said another, "The growth of our relationship in every respect increases continually. Amazing!"

So Washington may yet be known as the city of powerful women, and the men they married when they were young.●

HOW TO TEST SALT II

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. SIMON. Mr. Speaker, Roscoe Drummond recently had an article in the Christian Science Monitor "How to test SALT II" which I think contains eminent good sense.

I am taking the liberty of inserting it in the RECORD at this point:

HOW TO TEST SALT II

(By Roscoe Drummond)

WASHINGTON.—It would be well for all of us to decide for ourselves whether we favor or oppose the forthcoming U.S.-Soviet strategic arms treaty.

Already the polls show that 81 percent of the country approves a SALT agreement. That is useful to know, but it is mostly irrelevant, far from conclusive. The real question is not whether most Americans welcome a SALT treaty but whether they will approve the SALT treaty which President Carter hopes soon to submit to the Senate for ratification.

The controlling issue is not whether a U.S.-Soviet arms pact is desirable in principle—I think it is—but whether the actual provisions of the final document will make it desirable in substance. The purpose of this column is to try to set out the questions which need to be raised and satisfactorily answered before the Senate gives its assent.

Will the treaty adversely affect the security of the United States, will it harm the U.S.?

Does it produce a rough overall equivalence of strategic forces? Does it benefit both sides equally?

Does the treaty leave the U.S. with adequate strength in non-nuclear forces so that in any limited or regional conflict the U.S. would not be forced to resort to nuclear weapons?

Do the provisions of SALT II preserve invulnerable our main strategic forces so that we could sustain a preemptive attack and retaliate devastatingly? To impair our retaliatory capacity would destroy our nuclear arsenal as a deterrent against attack.

On this vital point Prof. Sidney Drell, deputy director of the Stanford Linear Accelerator Center, Stanford University, writes informatively in the Washington Quarterly: "Survivability lies at the heart of much of the current debate on SALT II and strategic stability. There is, quite properly, serious concern about whether the Minuteman will be vulnerable to a preemptive strike in the 1980s due to improved Soviet accuracy and extensive ICBM MIRVing [using multiple war heads] on their part. In my judgment this is a serious issue to which the United States should respond with its own military programs. However, it should be understood that this problem has not been created by SALT but by our own as well as Soviet weapons decisions.

"While it is true that SALT does not resolve our concern about Minuteman survivability, it does not impede our taking steps which are responsive to these concerns. Quite the contrary, the numerical ceilings on Soviet deployment of missiles and MIRVs will allow us to plan more rationally and, if needed, initiate missile rebasing in response to the threat."

The President has said: "I will sign no agreement which does not enhance our national security." The terms of the treaty will have to attest to that.

Can we be assured that neither side can violate any of the conditions of the treaty?

The President has said: "I will sign no treaty which cannot be verified." Each of us and the members of the Senate will have to decide whether the provisions of the treaty on verification are adequate.

Guard against the bland use of statistics. Some advocates are making a great debating point that the treaty will require the Soviets to cut back its 2,500 strategic launchers to 2,250. But they do not point out that the Soviets can make up for them in several permitted ways.

I put at the top of questions: "Does SALT II harm the US?" If it doesn't, it will be well, I believe, to ratify it because it is eminently desirable to keep the arms limitation dialogue continuing in the hope that something better will be forthcoming.●

TEXAS LEGISLATURE CALLS FOR ALL-OUT ENERGY PRODUCTION AND CONSERVATION EFFORT

HON. KENT HANCE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. HANCE. Mr. Speaker, it is inconceivable to me that we continue to experience problems with energy without developing a major program of all-out production and conservation. There is no question that we must do something to help alleviate our energy problem before we are faced with another crisis of proportions even greater than during the oil embargo of 1973.

The Federal energy program we have now concentrates on regulation at the marketplace rather than a more feasible program of promoting production of domestic sources. Because of this policy we have seen production in the United States decrease drastically and our dependence on foreign sources continually climb.

The Texas Senate, with the Texas House of Representatives concurring, has approved a resolution calling for the moral equivalent of war in order to regain our energy independence. I highly commend this action and the following is the resolution and the State senators who approved it.

SENATE CONCURRENT RESOLUTION

Whereas, The United States experienced its first major energy crisis in 1973 as a result of the Arab oil embargo, and the American public became acutely aware of this nation's growing energy demands and heavy reliance on foreign sources; and

Whereas, The imminent possibility of gasoline rationing in 1979 because of political instability in one country, Iran, clearly indicates the failure of the federal government's response to the mammoth energy problems of this nation; and

Whereas, Texas officials and numerous energy analysts have warned for years that unless this nation embarks upon an all-out energy production and conservation effort its economy and national security will be severely threatened when global demands for OPEC oil exceed production capacity in the 1980's; and

Whereas, The federal energy program, rather than promoting domestic energy production, relies heavily on regulatory control of the marketplace, which has contributed to the drastic reduction in United States energy production, the continual balance of trade deficits, the plight of the United States dollar on the world money market, and the current energy crisis with prospects of peacetime rationing of gasoline; and

Whereas, A strong economy must be a goal of the energy program, and this can be achieved only if the program is based on the free enterprise system, involves a minimum of government control, promotes energy conservation, and fosters the maximum development of all energy sources on a nationwide scale; and

Whereas, Energy experts from the respected Organization for Economic Cooperation and Development in Paris have recommended the following policies as some of those needed to achieve increased domestic production: elimination of price controls on crude oil and natural gas; accelerated granting of exploration leases and production licenses, principally in Alaska, the North American Continental Shelf, and some sectors of the North Sea; moderation of environmental requirements for new energy developments, particularly coal and nuclear power; incentives for application of secondary and tertiary oil recovery techniques; active promotion of coal utilization by removal of demand constraints; substitution of coal and nuclear fission for oil whether possible; and stronger government programs for project development in solar energy, coal conversion, and extraction techniques for shale oil and tar sands; and

Whereas, These experts also believe significant potential exists for further reducing future energy demands through such action as pricing domestic energy at world levels, which would produce conservation through market forces, and selected mandatory measures such as speed limits, transportation efficiency standards, industry conservation monitoring, and insulation standards and building codes; and

Whereas, To preserve domestic prosperity and maintain its national security and place as a leader among the nations of the Free World, the United States must implement immediately an energy production and conservation program that is truly "the moral equivalent of war" in order to regain its energy independence; now, therefore, be it

Resolved by the Senate of the State of Texas, the House of Representatives concurring, That the 66th Legislature hereby memorialize the President and the Congress of the United States to launch, without delay, an all-out energy production and conservation effort consistent with policy recommendations from the Organization for Economic Cooperation and Development and to halt the steady encroachment into the American marketplace by energy and environmental bureaucrats, who are largely responsible for the decline in the domestic production and development of energy resources; and, be it further

Resolved, That official copies of this resolution be prepared and forwarded to the President of the United States, the Secretary of the Department of Energy, the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and all members of the Texas delegation to the Congress with the request that this resolution be officially entered into the Congressional Record as a memorial to the Congress of the United States of America; and, be it further

Resolved, That Texas state agencies and officials be hereby directed to lead the way in fuel conservation and production efforts on the state level aimed at regarding this nation's energy independence.

LIST OF TEXAS SENATORS WHO VOTED IN SENATE CONCURRENT RESOLUTION 28

Betty Andujar, Fort Worth.
Roy Blake, Nacogdoches.
Bill Braecklein, Dallas.
Chet Brooks, Pasadena.
Bill Braecklein, Dallas.
Tom Creighton, Mineral Wells.
Lloyd Dogget, Austin.
Ray Farabee, Wichita Falls.
O. H. Harris, Dallas.
Ed Howard, Texarkana.
Gene Jones, Houston.
Grant Jones, Abilene.
Glenn Kothmann, San Antonio.
Raul L. Longoria, Edinburgh.
Oscar Mauzy, Dallas.
Payton, McKnight, Tyler.
Bill Meier, Euless.
Walter Mengden, Houston.
William P. Moore, Bryan.
Jack Ogg, Houston.
Carl Parker, Port Arthur.
William Patman, Ganado.

Bob Price, Pampa.
H. Pati Santiestiesteban, El Paso.
A. R. Shwartz, Galveston.
E. L. Short, Tahoka.
W. E. Snelson, Midland.
John Traeger, Seguin.
Carlos Truan, Corpus Christi.
R. L. Vale, San Antonio.
Lindon Williams, Houston.●

INTERNATIONAL TRADE AND THE FEDERAL REGULATORY BURDEN

HON. BALTASAR CORRADA

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. CORRADA. Mr. Speaker, once again our huge trade deficit has increased, reaching $3.1 billion for January 1979. In order to deal with this cancerous growth effectively we must make some serious efforts on the domestic front before we can expect any long-term benefits from the trade package forthcoming from Geneva.

Even the objectives of an ambitious export promotion program will be undercut unless we come to grips with the Federal regulatory burden. This burden can best be defined as the effect upon labor, industry, and the Nation's economy of the uncoordinated promulgating of regulations by the Federal regulatory agencies. At the present time, regulatory agencies such as EPA and OSHA promulgate regulations in a vacuum. The comment and reply procedure does not lend itself to mediate a conflict in national policymaking between social and economic objectives.

Fair trade liberalization policies will only be workable when we force the regulatory agencies to coordinate their actions among themselves and with the policies of the executive branch. Only then will we be able to make serious inroads into our trade deficit and expand international trade effectively.

In a recent paper entitled "Impediments to International Trade Expansion," the International Trade Club of Chicago (ITC) explores the effect of Federal regulatory costs on the competitiveness of the United States in international trade:

> Federal regulation of business has become a major constraint on both domestic and foreign activity. While the underlying social and environmental objectives of government regulation are widely shared, the profusion of minute and often contradictory specifications for compliance has not only hindered attainment of these social goals, it has diluted and jeopardized the increased investment, productivity improvement, and inflation control required to keep the United States competitive internationally. In the process, creeping red tape and burdensome paperwork imposed by the Federal bureaucracy have also reduced business's incentive to develop, produce, and market internationally competitive products—therein also losing the capacity to create new jobs based on the associated export potential.
>
> The costs of this regulatory burden are alarmingly large, and unfortunately still growing. Administrative expenses of regulatory agencies alone will reach almost $5 billion in fiscal 1979. Adding a conservatively estimated $95 billion in costs business must incur just to comply with Federal regulations brings the total bill to a minimum of $100 billion.
>
> Government mandated regulations in just three fields—environment, safety, and health—now divert some $10 billion annually from productive business investment. According to recent studies, this diversion of already low investment outlays is costing the U.S. economy .5 percentage points of yearly GNP growth and fully one fourth of the potential annual increase in productivity.
>
> The implications of these trends are grave since the United States already ranks behind Japan, France, the Netherlands, Belgium, and Germany in annual productivity increases, and in real GNP growth.
>
> While the U.S. can be proud to be the world's leader in safety, health, environmental, and related standards, the added cost of this compliance, when factored into the price of finished products, weakens the competitiveness of U.S. products in the U.S. marketplace against imports from countries having lower cost or no compliance standard.
>
> The regulatory burden is harming our international price performance, innovative capacity, and customer responsiveness of today, as well as our longer-term ability to meet increasingly stiff foreign competition. Uncertainties about the scope and severity of new regulations, as well as the penalties for noncompliance, further compound the confusion and difficulty with which both established exporters and potential entrants must grapple in seeking to expand foreign sales.
>
> To reduce these impediments to increased trade, the United States must examine, reform, and simplify its regulatory process.

The costs of the Federal regulatory process must be clearly recognized before we begin to develop a solution to our trade problems. We cannot continue to rely on stopgap measures like the trade adjustment assistance program which is necessarily premised on the fact that the United States presently cannot compete with other developed countries in many product areas. Negotiating tariff cuts, the removal of nontariff barriers and an aggressive export promotion program are positive measures whose effectiveness in reversing our trade deficit is greatly diminished by Federal regulatory costs.

I urge my colleagues to give serious consideration to a variety of proposals currently being aired, which are aimed at resolving our trade problems. Among these proposals are the establishment of a Cabinet-level Department of International Trade, the creation of a regulatory commission to coordinate regulatory policy, and a requirement that the regulatory agencies issue economic impact statements on proposed regulations in much the same way that environmental impact statements are currently required in certain cases.●

IS THERE A CARTER GOOBERGATE?

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. SHUSTER. Mr. Speaker, in a New York Times essay of March 19, William Safire raises serious questions about several scandals in the Carter administration which possibly are being covered up.

The Attorney General's recent refusal to appoint a Special Prosecutor to independently investigate the Carter warehouse scandal casts fresh doubt on the Carter administration. I commend Mr. Safire's article to my colleagues and call upon the Democrat majority for prompt action:

> FOUR OTHER SCANDALS
>
> (By William Safire)
>
> WASHINGTON.—Man says: "What do you think of Carter?" Other man replies: "I like him. I like his Mideast policy and I like his forthrightness. The only thing I don't like about him is his brother—the one in the White House."
>
> That current Washington joke offers a shortcut to an understanding of the scandals now brewing that will surely bedevil and probably engulf the Carter Presidency. The investigations now creeping forward are not primarily directed at brother Billy, but go to the question of the personal honesty of the partner of the Carter family business who most profited from what may be tax-cheating and conspiracy to misapply bank funds—the brother in the White House.
>
> We know that the Carter family businesses were given enormous expansions of credit in 1975 and 1976, when the Carter political race began and when cash flow became important. We know that through unlawful means, loan repayment checks were kited and held so as to give the Carter business a big cash "float," with a bank official keeping a separate set of books. We know that in the primaries of 1976, when the Supreme Court held up matching funds for candidates, the only candidate who had ready access to big money during the crucial Pennsylvania primary was Jimmy Carter.
>
> In the slow unraveling of the Carter financing plot, we are witnessing four related scandals:
>
> 1) *The Federal Election Commission scandal.* Accounts on all other 1976 campaigns have long been settled. Not the Carter campaign.
>
> The statute of limitations on election-law violations runs three years. Violations committed in the 1976 primaries may be, week by week, becoming unprosecutable. The F.E.C. may not have evidence of criminal acts, but its information could be used by others to fit together the jigsaw puzzle of Carter warehouse "business loans," campaign needs and creative bookkeeping.
>
> 2) *The Al Ullman "see-no-evil" I.R.S. oversight scandal.* When an F.B.I. "preliminary" investigation showed that an Internal Revenue Service audit of the Carter businesses was probably inept and possibly corrupt, House Minority Leader John Rhodes on March 9 requested the Joint Committee on Taxation to undertake as thorough a tax investigation as had been made of a previous President.
>
> Committee chairman Al Ullman, Democrat of Oregon, backed by Democratic Senators Russell Long and Herman Talmadge, refused to order the investigation. They argued that the committee would act only on the request of the President to "dispel public doubts" about his honesty.
>
> At the next Presidential press conference in the unlikely event the President is asked whether he will request that the joint committee dispel such doubts, Mr. Carter will decline. Thus does a Democratic committee chairman, by refusing to do his duty, contribute to a coverup.
>
> 3) *The Department of Justice's footdragging scandal.* Fully a year after Bert Lance's speculations came to light, the biggest of his loans—$7 million to the Carter family business—went curiously uninvestigated. Four

months after the President's brother-partner took the Fifth Amendment before the Lance grand jury, Criminal Division chief Philip Heymann was finally prodded into launching a separate inquiry.

At long last, we now have a "preliminary investigation" by the F.B.I., which the Carter men do not deny points to violations of law. Newspaper reporters (The Washington Post has belatedly decided to compete with the New York Times on this) has shown that the F.B.I. did not bother to interview the men who winked at Carter warehouse receipt-rigging and worthless Carter checks. Official investigators follow up with the speed of lava.

4) *The patsy prosecutor scandal.* When Criminal Division chief Heymann meets with Republican members of the House Judiciary Committee this Tuesday, he is likely to try to circumvent the process by which independent special prosecutors are supposed to be selected by a panel of judges. I suspect this because he has been sounding out prestigious Republicans to be appointed *by the Carter Justice Department* to act as front man, or patsy prosecutor, for Justice. (Such a scheme is equivalent to "letting Judge Stennis review the tapes.")

Attorney General Bell is Charles Kirbo's former law partner; Deputy Attorney General Ben Civiletti is Mr. Kirbo's former correspondent lawyer; is it proper for interested parties to decide (or tell Professor Heymann to decide) who shall investigate Charles Kirbo, trustee of the Carter not-so-blind trust?

A patsy prosecutor would not interfere in the Lance case; but an independent prosecutor, *chosen by the courts as provided in the Ethics in Government Act* might choose to ameliorate the Lance indictment—if ol' Bert is ready to implicate Robert Lipshutz, campaign finance director who is now White House counsel, or to implicate the candidate who was the majority owner of Carter warehouses.

Scandal begets scandal; some may dismiss the dishonesty of the Carter warehouse operation as a third-rate burglary, but one of the Attorney General's associates has already advised him that "if we don't get better answers, the President is in trouble." ●

ERA

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. EDWARDS of California. Mr. Speaker, in the continuing campaign for ratification of the equal rights amendment, opponents are turning to previously considered and discarded arguments to justify their objections to the ERA.

Resolutions have been introduced in a few State legislatures recently which purport to declare the States ratifications null and void after March 22, 1979.

The rationale behind these resolutions is that the ratifications were only for the original 7-year ratification period and once that period has expired so have the ratifications.

This spurious argument was raised—and rejected—during the congressional debate over the ERA extension last summer. However, in response to a recent written request from the majority leader of the Montana State House of Representatives, I asked for an additional opinion on the legal significance of this approach from the U.S. Department of Justice. Our correspondence is printed below.

COMMITTEE ON THE JUDICIARY,
Washington, D.C., February 21, 1979.

JOHN M. HARMON,
Assistant Attorney General, Office of Legal Counsel, U.S. Department of Justice, Washington, D.C.

DEAR MR. HARMON: A question has been raised with respect to the legal significance of legislation designed to declare a State's ratification of the proposed Equal Rights Amendment "null and void".

I understand that resolutions to that effect have been introduced in several State legislatures recently. Examples from South Dakota, Montana and Indiana are enclosed.

It seems to me that the reasoning behind such legislation is similar to that of the argument made by Professor Jules Gerard of the Washington University Law School in letters to members of the House Judiciary Committee during last summer's debate over H.J. Res. 638. You may recall that I asked for Justice Department's views on one of those letters. Your response was most helpful, so I am once again requesting your assistance. I would appreciate it if you would examine the three enclosed resolutions and give me your opinion as to their legal significance and effect.

I am very grateful for all the excellent work your office has done for me and my subcommittee on the numerous legal questions that have developed because of the Equal Rights Amendment extension.

With kind regards,
Sincerely,

DON EDWARDS,
Chairman, Subcommittee on Civil and Constitutional Rights.

DEPARTMENT OF JUSTICE,
Washington, D.C., February 27, 1979.

Hon. DON EDWARDS,
Chairman, Subcommittee on Civil and Constitutional Right, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your letter of February 21, 1979, requesting our views on the constitutionality and validity of bills apparently pending in the legislatures of several States which purport to "withdraw" prior ratifications of the proposed amendment is not ratified by the requisite number of States by March 22, 1979. For reasons set forth more fully in our opinion to the Counsel to the President of October 31, 1977 and in our testimony before your Subcommittee on November 1, 1977, we do not believe that State legislatures may "withdraw" ratifications of the proposed Equal Rights Amendment.

In our October 31 opinion, we concluded—after examination of relevant historical precedent and case law—that States may not rescind a ratification of a proposed amendment. We went on to say that applicable case law rejected the proposition that States, rather than Congress, are to have the final say concerning whether an amendment has been ratified within a reasonable time. It follows from these conclusions that a State's attempt to "withdraw" a prior ratification would not have legally binding effect on the occasion to decide whether the proposed Equal Rights Amendment has become part of the Constitution.[*] When the 95th Congress adopted H.J. Res. 638, it necessarily decided that a period of slightly more than ten years was "reasonable" for the States to consider ratification of the proposed Equal Rights Amendment. It is our firm view that no State legislature may constitutionally set aside that judgment of the Congress by either "withdrawing" or "rescinding" a prior ratification.

Sincerely,

JOHN M. HARMON,
Assistant Attorney General,
Office of Legal Counsel.

SEPTEMBER 14, 1978.

Hon. BIRCH BAYH,
Chairman, Subcommittee on the Constitution of the Senate Committee on the Judiciary, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for our views regarding whether this Congress or a future Congress, should the occasion arise, might take into account purported rescissions by States of their ratifications of the proposed Equal Rights Amendment. For reasons stated hereafter, we think that nothing in Article V of the Constitution would preclude Congress from considering purported rescissions in making its ultimate determination whether that proposed amendment had been ratified in a timely fashion so as fairly to represent the contemporaneous consensus of three-fourths of the States.

Because this precise question has never arisen, there are no court decisions directly on point. Two cases decided by the Supreme Court, however, offer some guidance. In *Dillon* v. *Gloss*, 256 U.S. 368, 375 (1921), the Supreme Court stated that "an alteration of the Constitution proposed today has relation to the sentiment and the felt needs of today, and . . . if not ratified early while that sentiment may fairly be supposed to exist, it ought to be regarded as waived, and not again to be voted upon, unless a second time proposed by Congress."

Reasoning from this language, the Court unanimously held that Congress had the power to establish a time period for ratification and indicated *in dictum* [*] that a period of seven years for ratification would generally be constitutionally acceptable.

In *Coleman* v. *Miller*, 307 U.S. 433, 453–54 (1939), the Court, appearing to depart from the more mechanical approach of *Dillon*, identified the substantive considerations upon which the reasonableness of a time period might be based: "The question of a reasonable time in many cases would involve . . . an appraisal of a great variety of relevant conditions, political, social and economic . . . [And it] can be decided by the Congress with full knowledge and appreciation ascribed to the national legislature of the political, social and economic conditions which have prevailed during the period since the submission of the amendment."

We think that part of the "full knowledge" ascribed to Congress by this language in *Coleman* could include the fact of purported rescissions by one or more States and that this fact could therefore be taken into consideration by Congress in its final determination of the timeliness question. We would emphasize, however, our view that purported rescissions may not, consistently with Article V, be viewed as having legally binding effect nor could the 95th Congress bind future Congresses on this point in connection with the present effort to extend the time period for ratification of the proposed ERA.

Sincerely,

JOHN M. HARMON,
Assistant Attorney General,
Office of Legal Counsel.

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[*] Our letter to Chairman Bayh of the Subcommittee on the Constitution of the Senate Committee on the Judiciary of September 14, 1978 discusses this issue as well as other related issues. A copy of that letter is attached.

[*] After stating that reasonableness of the seven-year period involved there had not been challenged, the *Dillon* court went on to say, 256 U.S., at 376, "nor could [the reasonableness of the seven-year period] well be questioned considering the periods within which prior amendments were ratified."

COMMITTEE ON THE JUDICIARY,
Washington, D.C., March 1, 1979.
ANN MARY DUSSAULT,
Majority Leader, Montana State House of Representatives, Helena, Mont.

DEAR REPRESENTATIVE DUSSAULT: In response to your letter of February 21, I have enclosed an opinion letter from the Assistant Attorney General for the Office of Legal Counsel. In the letter, Mr. Harmon states the Department's view that resolutions such as the one passed by the Montana Senate have no legal effect or significance.

The letter was written in response to my request for the Department's opinion on so-called "null and void" or "withdrawal" resolutions which have been introduced recently in several state legislatures. As part of my request, I attached a copy of the Montana resolution, as well as copies of similar resolutions introduced in Indiana and South Dakota. I have enclosed my request to the Department for your information.

I realize that you requested my own opinion, as well as any information I might have on the subject. I think that the opinion of the Office of Legal Counsel, as legal advisor to the Attorney General and the President, is probably far more valuable than my own views. However, because you asked expressly for my opinion, I will say that the resolutions I have seen, including the one you sent me, appear to me to be based on the same argument that was made by Professor Jules Gerard last summer during the debate on the Equal Rights Amendment extension. Professor Gerard wrote several letters to members of the House Judiciary Committee explaining his belief that a number of states' ratifications of the ERA were conditioned on the original seven year time limit and therefore those ratifications would cease to be valid after March 22, 1979. I requested the Justice Department's opinion of Professor Gerard's thesis at that time, as well as the opinion of the Congressional Research Service of the Library of Congress. Copies of both of those opinions are enclosed. I am in full agreement with the Justice Department that there can be no conditional ratification of a constitutional amendment. Thus, any attempt to withdraw that ratification because it may have been "conditioned" on a time limit no longer in effect—even if such a condition could be proved—is of no legal effect. This view is most fully explained in the Department's original memorandum on the extension and on rescission, written in November, 1977. A copy is enclosed for your information.

I hope that this material is helpful to you. If I can be of further assistance, please do not hesitate to contact me.

With kind regards,
Sincerely,
DON EDWARDS,
Chairman, Subcommittee on Civil and Constitutional Rights.●

INFORMATION TECHNOLOGY: THE FUTURE IS BRIGHT IF * * *

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. FORSYTHE. Mr. Speaker, the increasing involvement of the Federal Government in the computer technology field—not only as a user but also as a regulator—has far-reaching national and international ramifications.

For instance, as a user of information technology the Federal Government is investing heavily in expanding its computer capabilities. But is the investment in equipment matched by a corresponding investment in people? Are we attracting and retaining top people in the field to manage the new systems for maximum efficiency? There are strong indications that the Federal Government is experiencing a definite people problem in this regard, a problem which severely limits our ability to take advantage of new developments in the computer field.

As a regulator of information technology, the Federal Government is heavily involved in defining telecommunications, enacting privacy and security laws and regulating domestic and international data flow. All of these areas represent opportunities for progress or disaster, especially in relation to international trade. But there is slight indication at the Federal level of either interest or even awareness of the potential in this rapidly changing field.

As Members of the House of Representatives, we all ultimately share the responsibility for shaping our Government's policies—for better or worse—in the information technology field. I would like to provide for your information, therefore, a wide-ranging discussion of some of these issues published in the February issue of the Government Executive. Reflecting the views of a man intimately involved in the field, the article provides an important overview of the problems and the potential we face in the information technology area.

INFORMATION TECHNOLOGY: THE FUTURE IS BRIGHT IF * * *

With present trends in industry capital investment, technology advance market demand, "the future should be bright" for the kinds of companies represented by the Computer and Business Equipment Manufacturers Association, says CBEMA President Vico Henriques.

Example: "All the way from very simple word processing equipments to very large scale computers, new systems will meld digitized and audio-visual technologies in ways that will be economically attractive. They've been physically possible for some time." (One unwanted side-effect he notes in passing: "As equipment gets smaller, it's getting easier to steal.")

"The only thing that will contain us is the ability of potential users to define their systems needs in a systematic way." He can recite lists of examples in Government, banking, law, private corporations where "people haven't been trained and/or retrained so they can live with highly structured systems."

Result: "Since they don't appreciate how to use (a system), they can't make an intelligent decision on how to specify and acquire, much less work it into their operation." Thus, in spite of the fact that "our systems are ubiquitous," one obstacle he sees in the marketplace is, among systems users, "almost nobody ever budgets for upgrading people."

In Government, for instance, he points out, "If you hire 20 computer programmers, you may be incurring a 30-year, $40 million obligation. Are you getting $40 million worth of productivity out of them? If you hire three people for a 3-year job, what do you plan to do with them after that job is finished?"

If they become under-utilized, then obsolete, "you'll never get up-to-date systems." In short, if people aren't upgraded as often as equipment, "if you always have obsolete people, you'll have obsolete systems." It's a particular problem in Government, he thinks, because the personnel system was designed when 80% of a computer system was hardware. Today, "it's a strain" to find a system that is not at least 75% software and people.

That does justify OFPP's (Office of Federal Procurement Policy) advice to agencies to use so-called A-76 contracting out procedures—"but even there, whenever you go outside for the services, make sure you go to people with current knowledge and not 10-year-old knowledge."

Another way to manage the "people hump," he says, "is to keep moving them to new applications;" but that means maintaining a steady, reasonably rapid decision-making rate, i.e. avoiding snags in orderly management due to funding stretch-outs, not putting a system in a warehouse because the Agency's organization people aren't ready for it, not giving Congressmen excuses to hold "over-sight hearings."

PEOPLE PROBLEM

One suggestion, he thinks, the Government is handling the "people problem" poorly: "information technology" talent is sorely needed all over the economy. At one time, private industry raided Government for those people. That doesn't happen much any more.

Nor can much of that trend be attributed to the rapid jump in Federal pay and fringe-benefit scales over the last decade, though they have far-out stripped practically all other workers. Evidence it's not as much a factor as some believe: CBEMA-member firms answered last Fall's White House anti-inflation appeal by saying, in sum, they could not promise to hold down wages and salaries because employing top talent was essential to their staying competitive.

(They did say, generally, that holding down prices should be no particular problem since the industry has run counter to inflation trends for the last several years, anyway.)

Related somewhat to the people problem, "One thing we do agree with in the President's ADP Reorganization report is the lack of top management involvement; not poor management but no management, no central direction or policy in, probably, 10 years." He finds it "curious, for instance, that the budget process calls for an integrated budget—*except* it treats ADP (automatic data processing) as a separate line item."

Moreover, if an Agency changes its mission, "they don't change the ADP though they should be interrelated." The only way to get all that solved, he believes, "is strong OMB (Office of Management and Budget) *management* direction; and holding non-ADP Agency personnel responsible for integration of ADP with missions."

Besides the budgeting neglect, Henriques claims, even if budgeting to buy a system and acquisition of it goes smoothly, "nobody ever comes back to ask how well the system works." Result: a neglect in budgeting and in auditing obsolescence" has meant a focus on the middle piece of the circle, procurement.

Even here, unlike in industry, "The concept of ROI (Return on Investment) is alien to Government. They should look at ADP as an investment that relates to productivity; at effectiveness and, for instance, social-program utility; at, 'What is a reasonably acceptable error rate?' at 'What are the norms for certain kinds of operations?'; at 'Does anybody prosecute the welfare crooks?' "

"If they did," he contends, "I'm sure they would find results that far outweigh any one-time savings that may have been achieved" by "zealous" pushing of the purchase price down at computer system procurement time.

EVERYWHERE AT ONCE

Beyond those observations on how Government, itself, could vastly improve its exploitation of "Information Technology," CBEMA jumps in, or finds itself dragged in, to a wide array of public policy issues. They range from potential raids on company-proprietary data by wielders of the Freedom of Information Act to pressures from the Securities & Exchange Commission to change ("unrealistically," CBEMA says; "unhelpfully," security analysts say) the way member companies describe what businesses they're in.

But, for a combination of circumstances, 1979 may be a pivotal year for CBEMA-member companies—and many like and/or competing with them. Reason is a whole batch of critical subjects seem to be coming to a head all at once. Among them:

PROPOSED UP-DATE OF THE TELECOMMUNICATIONS ACT OF 1934

More than just Congress is involved. The FCC (Federal Communications Commission) has been trying for a couple of years to define what, technically, is data processing and should be left, according to their past general attitude, to free-market competition; and what is communications which should be tariff regulated.

At the same time, AT&T filed last year a request for a declaratory ruling that the company could offer customers an Advanced Communications Service (ACS) under current tariffs and licensing. If FCC rules on a "separation" definition between data processing and communications, it would virtually decide the ACS request. On the other hand, ruling on the ACS filing may or may not decide the "definition" question.

In any case, on the third leg of the stool—proposed update of the Communication CBEMA's position, in brief, is that House/Senate Bills "should make it explicit that data processing and related fields now unregulated should remain unregulated:" that "non-voice terminal equipment" marketplaces should remain unregulated—though technology may make the "voice terminal marketplace" a problem in transition."

Further, CBEMA thinks certain communication services including "all re-sale services and those which do not fall in the category of basic switched or private-line services" should be allowed to operate unregulated. Needless to say, AT&T and the independent telephone companies do not care much for their viewpoint.

One of the problems this backs into is, says CBEMA, that the U.S. doesn't have an information policy; doesn't even have a telecommunications policy. Where the issue "really comes into focus" is in international data flow, they say.

PRIVACY AND SECURITY

Both in the U.S. among the States and on an international scale, "data flow" started out as a privacy and security problem. Domestically, last year, some 387 pieces of privacy-related legislation were proposed in State legislatures across the country. Arkansas and Utah already have privacy statutes, California has a limited one, Massachusetts has two different commissions working on a wide range of privacy requirements for all sorts of records.

They have the potential, and the ones already passed are to some extent, to be conflicting. Further, a proposed Florida computer crime bill, patterned after a suggested U.S. Senate bill, was so general a digital watch could be classified as a computer.

Though they would affect CBEMA-type companies, from a "data flow" perspective CBEMA is at least as interested in getting the copyright law rewritten to protect proprietary rights of inventors to software—a market they think will contain thousands in annual sales potential (just like books) instead of the few hundreds that go on now.

What surprises them is that CBEMA-company customers aren't vastly more interested in the privacy legislation that threatens, at the very least, the present cost of their inter-State traffic in, almost entirely, customer information. Though they recognize "minorities" objection to it, their private view is that "People who are wards of the State should have to give up certain personal information."

CBEMA-company customers, the association thinks, should be pressing this harder than CBEMA, however. "They're the ones who can be liable if, for instance, they don't collect certain information such as arrest records and then an employee commits a second crime."

But moving that privacy and security issue overseas, the international data flow question has m[illegible] to an even greater complexity. He[illegible] and security gets all muddled to[illegible]h economic factors, non-tariff trade b[illegible]. In general, the U.S. starts from a positi[illegible] advocating free flow of information period.

For Europe, it is a privacy issue, though they recognize what they consider economic overtones. (Even in the U.S., in what some officials like to call "our information Society," what's billed on the basis of providing a service is only about 1–2% of the Gross National Product; but it's a whole different matter, more like 55–60% of the GNP, if the research and development, the cost of building the installed data base and the libraries, is totalled.)

And it is a lot more complicated than even that just on the "privacy" subject alone. For instance, should "legal persons" (companies) have the same privacy right as "person" persons? Should the U.S. have some sort or regulatory body to arbitrate disputes as virtually all European countries have? (The thrust of European Napoleonic law is that a person, or company-person is guilty until he/it proves innocence; and, lacking a regulatory device, a company can be barred from doing business until the indictment is resolved.)

And in the so-called LDC's (less developed countries) the issue "is definitely economic and not privacy." Said one South American, "When you're dealing with a country where people are not clothed, privacy is not an issue."

Brazil, says CBEMA, is probably the strongest anti-data flow country. "If you want to process data in their country, or even over the border, they handle it case-by-case." Upshot: they might grant the VISA credit card company permission to operate in Brazil but that doesn't necessarily mean they will do the same for American Express.

And Chile is talking of charging countries whose satellites overfly their country; could "punish" non-complying countries technologically by just interrupting the satellites' operations. They are discovering, in sum, that just as defense information is military power, so economic information on probable crop yields, ore deposits, is economic power—and they want a piece of the profits.

FOREIGN TRADE

It is a bare half-step away from "International Data Flow" to foreign trade. And if nobody really knows how big the data flow is (which CBEMA says they don't "and therefore don't know what kind of problem they've got, if any"), Government, at least the U.S. Government, doesn't act as if it knows a whole lot more about foreign trade and such related matters as technology transfer, either.

Government has made virtually no significant moves since President Carter's announced "new policy" to encourage exports. (Computer/business equipment industries are one of the few left in the U.S. currently showing a positive overall balance of trade. Yet, while that U.S. industry is growing at about a 24% rate per year, exports are rising only 12–14%, a sign it's being out-sold in overseas markets by foreign competition—actively aided by foreign governments.)

The Export Administration Act comes up for renewal by September, 1979. If it dies, the U.S. won't be able to export anything that requires licensing. Yet, if anything, the White House has complicated the process since Carter's policy pronouncement last September by ruling that the National Security Council can invite itself into the license application-review process "whenever it sees fit."

Even the equipment reclassification process is going on in GSA since it's tougher to get license approval for an item classified under Class 70 (computers) than Class 74 (office equipment.) In short, over the past year or more, Federal programs (such as "human rights") and practices have had a dampening effect on export leaders in industry.

Especially aggravating: "We know foreign competitors are briefing potential third-country customers on how stable and reliable they are, how easy government licensing processes are in their countries." And CBEMA-type companies among others are worried about the potentially disastrous outcome of a growing "protectionist" attitude in the U.S. Congress; about the stifling of exports that could result from an emotional, naive anti-technology-export attitude that seems to be welling up.

Summed up one CBEMA executive in what may end up a classic understatement, "It looks like we're going to have a busy year."●

ANOTHER CASE OF GOVERNMENT OVER-REGULATION

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. BEREUTER. Mr. Speaker, yesterday I had an opportunity to testify before the House Subcommittee on Health and Safety about the serious impact facing sand, gravel, and stone operators in Nebraska because of regulations promulgated by the Mine Safety and Health Administration. I spoke briefly about this matter on the House floor as well.

I wish to again call to the attention of my colleagues the bill sponsored by Congressman RON MARLENEE, H.R. 1603, which would exempt these operations from the burdensome regulatory requirements of the Mine Safety and Health Act. I place in the RECORD at this point a copy of my statement to the subcommittee:

REMARKS BY HON. DOUGLAS BEREUTER

Mr. Chairman: I would like to begin by thanking you and the members of the Subcommittee for holding this hearing today and providing me with an opportunity to express my concerns and those of my constituents about the impact of the Federal Mine Safety and Health Amendments on the sand, gravel and stone operations in Nebraska.

During my recent congressional campaign, one theme among all others was impressed upon me by the voters in my District. If I were fortunate enough to win election to the U.S. Congress, the people of the First District of Nebraska would give me a message along with their vote. They have had enough of a government that has grown way beyond all reasonable proportions. In short, they want less government—period.

Needless to say, I was not surprised, therefore, when I began reading the many letters that were waiting for me when I came to Washington in January to find that a large percentage of them related directly to citizens' complaints against government regulatory matters. Standing out in that stack of mail were the letters from the sand and gravel operators across the state of Nebraska, calling for relief from regulations promulgated by the Mine Safety and Health Administration under the authority of the Federal Mine Safety and Health Amendments Act (P.L. 95–164).

It's my understanding that this law was approved by Congress in 1977 to toughen enforcement of mine health and safety standards. It also applied a single statute—the Federal Coal Mine Health and Safety Act of 1969—to both coal and non-coal mines. In other words, it had the effect of including the metallic and non-metallic industries under its provisions and under the same regulations as coal mines. Since passage of the law and issuance of the regulations, however, I believe new information is available which merits Congressional reconsideration of the law. What may be applicable and appropriate for deep underground mining operations, represents an over-reaction for the sand, gravel and stone industries.

For the most part, these operations are small, many of them family-owned businesses. The value of the commodity does not warrant its transportation a great distance. Information supplied to me by the Nebraska Sand, Gravel and Ready-Mixed Concrete Association indicates that we have 160 sand, gravel and stone operations in Nebraska. While several are larger operations (20 employees at any pit location), most are father-son type operations with three or four employees. To expect these small operators to comply with a law and regulations that are designed primarily to deal with the special health and safety problems associated with coal mining is impractical, costly, inflationary and counter-productive.

It was interesting to me to learn that some Members of Congress were concerned about the impact of lumping the coal and non-coal industries under the same law when the 1977 legislation was considered. Simply stated, the industries are different, and unfortunately, the rigidity of the law, coupled with the over-zealous interpretation of the law by the Mine Safety and Health Administration (MSHA) has made the concerns of a minority of congressmen in 1977 become the reality of 1979.

The sand, gravel and stone industries are more closely aligned with construction trades than with coal mines. They do not share the same methods of extraction; nor do they face the same dangers. The equipment used in these industries is more analogous to that used in the construction industry or by general industry rather than the highly specialized equipment used by deep, underground mining operations. For example, equipment used by sand, gravel and stone operators includes: dump trucks, bulldozers, shovels, fork lifts and loading systems as opposed to man hoist, low-profile mobile equipment and continuous mining machines.

Yet, under the law and regulations, they face the same fines, paperwork and compliance costs as deep, underground mining operations.

Congressman Morris Udall, distinguished Chairman of the House Committee on Interior and Insular affairs, on which I am privileged to serve, made the distinction quite clear:

> "We started out four years ago to write a surface mining bill that would cover all minerals, and we soon discovered that the problems were quite different and that you can't include the same kind of provisions for both kinds of mining."

The Nebraska Sand, Gravel and Ready-Mixed Concrete Association has to date held four seminars in various locations in Nebraska to educate those operators as to what must be done to comply with the MSHA regulations. The Association estimates that compliance with the regulations will result in a 30% increase in costs—costs which will be passed on to consumers.

Your Subcommittee probably has seen figures compiled by the National Crushed Stone Association which conservatively estimates the annual cost of compliance on the entire industry at $273 million!

While complaints from operators relate to compliance with the regulations, enforcement procedures, citations, etc., most Nebraskans contacting me focused their frustrations on the new training requirements. Under MSHA, the mine operator is responsible for all persons on the mine site, even those functioning as service or maintenance contract workers and over whom he exercises no authority or control. The operator is charged with training these people and receives the citations and fines attributable to them. He must be trained as a certified instructor by the Mine Safety and Health Administrator.

I understand, for example, that in the near future the Nebraska Association expects to hold a three-day seminar, bringing in MSHA instructors to train operators to become instructors who in turn can go out and instruct other operators! One gentleman from Atkinson, Nebraska, has since November, 1978, attended two seminars, traveled some one thousand miles, and spent up to $700 in time and money preparing and printing schedules, programs, etc. He has yet to be certified!

Another gentleman from Garland, Nebraska, has contracted with Central States Training, Inc. of Pittsburgh, Kansas, to train his employees at a cost of $150 per employee. This same gentleman anticipates that because of MSHA regulations, agricultural lime costs will increase by 50c to $1.00 per ton. Sand and gravel will increase by $1.00 a ton. Again, we can be certain that these costs will be passed on to consumers.

Mr. Chairman, I yield to no person in my desire to assure the health and safety of workers at the worksite. But, I think our past experiences with OSHA will clearly testify that burdensome, impractical and costly regulations hinder achievement of that goal. To see it develop in yet another federal agency affecting small, often family-owned businesses is frustrating and downright ridiculous when one examines the safety record of these operations.

The National Crushed Stone Association reviewed the Department of Labor's reports for Nebraska sand, gravel and stone operations during the period January–September, 1978. The records show that no fatalities occurred at these operations during that period. Non-fatal accidents resulting in days lost on the job amount to 14. Non-fatal accidents resulting in no days lost on the job totaled 18.

In other words, of the almost one million man-hours worked during that period, only 14 accidents occurred which resulted in time lost on the job.

To impose the same, rigid requirements on a sand and gravel operator in Nebraska who hasn't had an accident in 25 years of business, as we would to protect against the type of coal mine disasters which led to passage of the law in the first place, is inequitable.

For these reasons, I have joined my colleagues, Congressmen Doug Barnard, Ron Marlenee, and many other Members of Congress in co-sponsoring H.R. 1603, which would exempt sand, gravel, and stone operations from the requirements of the Federal Mine Safety and Health Amendments.

It is important to note that this exemption does not mean that these operations will go unregulated. Rather, they will be subject to the same enforcement procedures as general industry under the Occupational Safety and Health Administration. Additionally, the Secretary of Labor could create a special category for these industries should he feel that the general standards are not sufficient. Sand, gravel, and stone operations would then be placed in a special category with regulations matching their special problems. In addition to recognizing the uniqueness of the industry, the exemption would avoid unnecessary, costly duplication.

In conclusion, Mr. Chairman, I urge the subcommittee to report H.R. 1603 to the full committee and then to the floor of the House of Representatives. I am sure that the examples I mentioned from Nebraskans could be duplicated by representatives of nearly every State. Let us listen to the people who would have to live and work by the rules. If we are to heed the call of our citizens to "get Government off their backs" this seems like a good place to begin.●

ANDERSON CRIME CONTROL BILL HAS 100 COSPONSORS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. ANDERSON of California. Mr. Speaker, I would like to call to your attention, and that of our colleagues, the fact that legislation I have introduced imposing a mandatory minimum 5-year prison sentence for firearms-connected Federal felonies, has now attracted 100 cosponsors.

During the entire 95th Congress, a similar bill I introduced was cosponsored by 107 Representatives. The fact that so many of us have endorsed this proposal in so short a time this year, reflects the continuing need for this responsible approach to crime control.

I would like to submit for the Record a list of the 100 Members who have joined me in cosponsoring mandatory sentencing legislation, H.R. 1495 or H.R. 3148. At the same time, I would like to invite even more of you to help us enact this effective crime-fighting weapon:

Cosponsors of Anderson Mandatory Sentencing Bill

Glenn Anderson, Mark Andrews, Les AuCoin, Don Bailey, Doug Barnard, Adam Benjamin, James Blanchard, David Bonior, Marilyn Lloyd Bouquard, Clarence Brown, James Broyhill, John Buchanan, Clair Burgener, John Cavanaugh, Bill Chappell, Jr., James Cleveland, Tony Coelho, E. Thomas Coleman, Tom Corcoran, and Baltasar Corrada.

Lawrence Coughlin, Dan Daniel, William Dannemeyer, Mendel Davis, Robert Davis, Edward Derwinski, Robert Dornan, Thomas Downey, John Duncan, Robert Edgar, Glenn English, Allen Ertel, Melvin Evans, Vic Fazio, Floyd Fithian, L. H. Fountain, Richard Gephardt, Sam Gibbons, Dan Glickman, and Albert Gore, Jr.

S. William Green, Tennyson Guyer, Tom Hagedorn, W. G. (Bill) Hefner, Cecil Heftel, Harold Hollenbeck, Jerry Huckaby, Richard Ichord, Ed Jones, James Jones, Thomas Kindness, Robert Lagomarsino, Jim Leach, Raymond Lederer, Elliott Levitas, Gillis Long, Trent Lott, Paul McCloskey, Jr., Matthew McHugh, and Stewart McKinney.

Edward Madigan, James Martin, Robert Matsui, Romano Mazzoli, George Miller, Norman Mineta, Donald Mitchell, Joe Moakley, Robert Mollohan, Ronald Mottl, Leon Panetta, Charles Pashayan, Jr., Jerry Patterson, Claude Pepper, Melvin Price, Nick Joe Rahall, II, Charles Rangel, J. Kenneth Robinson, Robert Roe, Charles Rose, and Keith Sebelius.

F. James Sensenbrenner, Jr., Paul Simon, Ike Skelton, Gerald Solomon, Floyd Spence, Harley Staggers, Bob Stump, William Thomas, Paul Trible, Jr., Robert Walker, William Wampler, G. William Whitehurst, Charles Wilson (Texas), Charles H. Wilson (California), Timothy Wirth, Lester Wolff, Antonio Borja Won Pat, Robert Young, and Leo Zeferetti.●

IN SUPPORT OF CONGRESSIONAL RURAL CAUCUS

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. JONES of Tennessee. Mr. Speaker, I would like to express my support of the Congressional Rural Caucus resolution on the premise that it will protect rural America from the effects of an unnecessary bureaucratic shuffle. I feel the reorganization plan to remove the Forest Service and the business and industrial loan program from the Department of Agriculture is a gamble that is not worth the risk.

There have been accusations that opposition to the President's plan stems primarily from political motives. However, political interests become inconsequential in light of what is at stake here. This is, and must remain, a question of what is best for the rural community and the rest of the Nation. Whatever the political inclinations of the Congress may be, the interests of the people take precedence. The work that USDA has done through the Forest Service and the business and industrial loan program has been commendable. This work should continue under the auspices of the Department of Agriculture because USDA has proven itself a worthy administrator. To take both the Forest Service and the business and industrial loan program from the Department of Agriculture would undermine its very reason for existence and diminish its effectiveness in dealing with the special problems of rural America. The strength of USDA as an advocate of an important segment of our population depends upon its being able to have jurisdiction over the functions of Government that readily apply to our rural people. Its long experience in handling such matters should not be dismissed because of unproven, idealistic proposals.

I do not take issue with the fact that we should strive for greater efficiency in Government. That should always be a goal we seek to realize. However, a remedy for Government ills such as the administration proposes, would be like performing major surgery when a simpler treatment would be effective. Why not correct the problems in the Forest Service and the business and industrial program before drastically altering the framework that now exists? If these functions of the Department of Agriculture are transferred to a new Department of Natural Resources and the Department of Commerce (respectively), the problems that are now present will not simply fade away. They will still need solutions. Additionally, it is a logical assumption that new problems associated with the process of reorganization will arise. I believe this type of situation can and should be avoided. After all, we have enough problems without creating new ones.

The Forest Service has a solid record of achievement. It has implemented programs designed to protect our renewable natural resources. Under the guidance of the Department of Agriculture, it has provided maintenance for public and private lands. The continuation of such success must be guaranteed, and I sincerely believe that it will be if it remains with USDA. The concept of a Department of Natural Resources ignores these significant attributes. Indeed, the reorganization plan would have us believe that the only way to solve existing inadequacies is to start all over with a new department. I contend that the Forest Service, under the direction of USDA, has made enormous progress and that progress should not be interrupted.

The business and industry loan program has also had a profound effect upon the lives of those who reside in rural areas. The economic development assistance it has provided has encouraged expansion and progress in communities across the Nation. The Farmers Home Administration has developed delivery systems for these loans that are unsurpassed. It would be a shame to wrench this responsibility from FmHA since they have fostered such a superb network of delivery systems. I might add they have a real understanding of what rural America needs, and this type of knowledge would be hard to duplicate in another department.

The Department of Agriculture serves the rural community well. I would like to see that it is able to continue its important work in the areas of forestry and also economic development assistance for the benefit of the rural community as well as the remainder of the Nation. Reorganization would hinder these efforts, and, in fact, make it almost impossible for USDA to fully represent those it serves. I feel that this would certainly be a tragedy.●

FEDERAL AID FOR POTHOLE REPAIR

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. WOLFF. Mr. Speaker, today I am introducing a bill to provide $350 million for emergency assistance to the States, for the repair of certain winter weather-related damage to highways and urban mass transportation systems.

The measure seeks to provide aid to the many States across the Nation which have experienced major road maintenance repair problems as a result of severe winter weather. The bill through a formula of matching funds will attempt to alleviate the chronic lack of moneys on the State level for such repairs. The legislation specifies that the funds are to be spent in addition to and not as a substitute for repairs normally undertaken by the States themselves. Each State will become eligible for funding on the basis of criterion to be determined by the Secretary of Transportation. An additional provision places the enactment under automatic scrutiny within a year of execution to determine its cost effectiveness.

The focus of the efforts on our Nation's highways have been directed more toward building roads and have remained generally indifferent to the maintenance-related problems. This neglect has borne bitter fruit as illustrated by the human costs of hazardous roads which have caused one-fifth of all motor vehicle accidents and $267 million in property, hospital costs, and payments to victims in the year 1977 alone.

The deterioration has reached epidemic proportions and is an ever-expanding problem. It has been found that the rate of corrosion accelerates as the condition of the pavement declines. Forty-four States have submitted data in which 42 percent of their aggregate paved highways were rated fair to poor in quality. It is estimated that 100,000 bridges in the Nation are in need of a major overhaul. The increment to maintenance costs for repair, from last year, was 20 to 40 percent in a large number of the States.

It is time to appraise exactly where the rubber meets the roads and see the realities of deteriorating road pavements which are akin to the crater ridden surface of the Moon. In a time of increased consciousness of the scarcity of fuel resources it is shocking to note that 626 million gallons of extra fuel were expended due to inadequate roads. It costs an average of 41 percent more to drive on fair to poor road surfaces then those rated good. In costs for the repair of automobiles the problem culminates. In total for 1977 winter damage to pavement cost $882 million in tire, brake, steering, and suspension repairs. This is approximately 72 percent in accelerated wear to motor vehicles.

I ask my colleagues to actively lend their support for this proposal and join with me in cosponsoring the measure. The stated facts underscore the need to attend to the taxpayers' vast investment in our Nation's highway system. America's roads have been the most expensive public works undertaking of all time. The ancient roads of Rome remain proof that roads can stand for centuries. The highways of the past and present world are the arteries for the commerce and communication of their nations and must be preserved.●

BAD EFFECTS OF RAISING MINIMUM WAGE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. PAUL. Mr. Speaker, my good friend and constituent, Mr. Keith Sherman, wrote a most eloquent letter to the President earlier this year.

Mr. Sherman is president of The Jalapeño Tree, a wonderful restaurant, and he demonstrates graphically the bad effects raising the minmum wage have on employers and employees.

Because this House believes it is helping people when it raises the minimum wage, while it is actually hurting them, I would like to bring Mr. Sherman's letter to my colleagues' attention by inserting it in the RECORD.

THE JALAPEÑO TREE,
January 12, 1979.

MR. JIMMY CARTER,
President, The White House,
Washington, D.C.

DEAR MR. PRESIDENT: By way of introduction, the Jalapeno Tree is a restaurant located in Webster, Texas, specializing in a variety of hamburgers. With a very informal atmosphere, we enjoy a cross-section of customers from families to young adults. Opened in early 1973, we have had the normal difficulties of any small business in the struggle to survive, but have been fortunate in achieving a moderate level of success and truly do have fun at our work.

To aid your office in waging an intelligent war on inflation I thought perhaps you might be interestd in a few details on the impact of the recent Wage/Price Guidelines on our business.

The January, 1979, issues of Restaurant Business magazine, in an article entitled " 'Seven percent solution' stymies industry", outlines the voluntary plan and briefly explores the ramifications to the food service industry. The following points are made with respect to my understanding of the "guidelines" as related in the above-mentioned article.

Throughout the food service industry as a whole, the majority of employees are paid at or near the minimum wage. Historically, the reasons are many for this situation but, today this fact enables the food service industry to provide employment opportunities for thousands upon thousands of individuals who would not otherwise be able to find employment. Students, housewives, and many other categories of people are able to derive a part-time income because of the wage structure in this industry.

On the surface, perhaps, this minimum-wage standard may appear to exploit this group of wage-earners, but allow me to illustrate a point. If the food service industry were to undertake to adjust the pay levels of young, inexperienced employees to, say 50% above minimum wage, prices would have to be increased to partially cover the increased cost. At the same time, to absorb the costs not covered by the price increases, service personnel would be reduced to an absolute minimum level, thereby eliminating a considerable number of job opportunities. The higher pay scale would also force the employer to be much more selective in hiring, causing certain individuals, who may presently be marginally qualified, to be rejected. Part-time employees would be almost totally eliminated due to the high cost of training.

A probable ripple-effect would be the added incentive for the employer to aggressively seek mechanized replacements for many of the human-performed tasks, resulting in a further reduction of job availability.

The next time you pull into a "service" station for gasoline and observe a single individual behind a bullet-proof window, dispensing gasoline through electronic switching units, ask yourself where the high school kids are that used to work at that same service station ten years ago, at minimum wage levels, and they checked your oil, cleaned your windshield, and smiled. Yet today, the price of gasoline has doubled, the service is non-existent, that single employee makes $3.50/$4.50 per hour, and the high-school students have been all but eliminated from consideration in that particular job market. Some may call this progress, but I fail to see who benefits from such changes.

The 1979 minimum wage, mandated by the Federal Government, increased 9.4%, somewhat higher than the 7% called for in the guidelines. The overall effect is a little more serious, however. Our waitresses in 1978 were paid $1.325 per hour which, with the 50% tip credit, met minimum wage requirements. As of January 1st, due to the increased minimum and the decrease, to 45%, in tip credit, our waitresses are now paid $1.595, an increase of $0.27 per hour, or, a 20.4% increase.

Additionally, we have a number of employees that have earned merit raises. A young person paid $0.15 per hour more because of performance cannot be maintained at the same pay level as a new employee, so they also must be compensated accordingly.

The net result is illustrated by our payroll for the first week of this new year, and this is for a 6-day period only. Exclusive of management personnel, the gross payroll was $1,579.88. At the 1978 wage level, this gross payroll would be $1,429.54, a difference of $140.34, or a 9.7% overall increase in labor costs.

Granted, the guidelines specifically exclude workers earning less than $4.00 per hour, but that excludes the overwhelming majority of the workers within the food service industry. And yet no special dispensation is provided in the price guidelines to allow our industry to absorb an immediate increase of almost 10 percent in labor costs alone, not to mention the anticipated increase in other costs.

As I understand the guidelines on price increases, the limit is 9.5 percent or 0.5 percent less than 76–77 increases, or a demonstration that pre-tax profit levels are no higher than in the best two of the last three years.

Our last price increase was in December of 1977, and was slightly less than 6 percent overall. The price we paid for our ground beef in January, 1978, was 75 cents per pound. Today we are paying $1.26 per pound, an increase, in twelve months time, of 68 percent. Through careful controls, we were able to avoid an increase in pricing until late in 1978, but we elected to postpone the change until the minimum wage increased, although experiencing a steady erosion of profits. As a result of this questionable management decision, we anticipate a substantial loss for the month of January. Due to operational problems such as menu printing, sign changes, and the like, our price increase is scheduled for January 22nd, not early enough to impact this loss substantially.

After exhaustive analysis, the required increase in our prices falls right at 10 percent overall. The price increase will not offer a "buffer" of increased profitability but merely brings our earnings statement to the level of one year ago. This is a rather frightful position at the moment, with a predicted food cost increase of 8 percent for 1979, and an anticipated price of $1.75 per pound for ground beef by mid-summer.

Mr. President, this letter has been written in a state of frustration and my apologies for such a lengthy and disjointed narrative. I do hope, however, that it may prove helpful for you to be aware of the impact, at our level, of the Wage/Price Guidelines for 1979 on an industry that is comprised of a majority of small, independent operations and yet is one of the largest employers in this country.

In closing, our particular situation dictates some small variation from the guidelines, but the task ahead of every American in curbing inflation requires an extended effort from all of us. You shall have our support in every way possible, Mr. President, and we share the hope of an early end to this grave situation.

I thank you for listening.

Very respectfully yours,
KEITH SHERMAN, *President.*

P.S.—Enclosed, Mr. President, are two jalapeno lollipops—one for the secretary that opens this letter and one for you. The fellow that originated these things, Mr. Sam Lewis of San Angelo, Texas, claims they cure everything. I'm not sure about inflation, but they taste so bad, they're bound to cure something.●

INTRODUCTION OF THE URBAN GRANT UNIVERSITY ACT OF 1980

HON. JOHN BUCHANAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. BUCHANAN. Mr. Speaker, it is with pleasure that I note the introduction today of the Urban Grant University Act of 1980—a bill which is designed to support working relationships between universities and local governments to help solve their urban-related problems.

This bill is the result of the tireless effort of the Subcommittee on Postsecondary Education's chairman, Representative WILLIAM FORD, and the very good field recommendations which came from subcommittee hearings in five urban areas around the country: San Francisco, Calif.; Birmingham, Ala.; Detroit, Mich.; Wichita, Kans., and Washington, D.C.

In addition to the many helpful recommendations from local governments and universities in these urban areas, the Committee of Urban Program Universities (CUPU)—a Washington-based organization of urban universities—offered significant recommendations for the improvement of this piece of legislation.

It is a timely introduction, as the Subcommittee on Postsecondary Education of the Committee on Education and Labor began hearings yesterday on the reauthorization of the Higher Education Act of 1965. As a new title XII of that act, the Urban Grant University Act would establish a competitive grant program for project assistance to urban universities to enable them to join their research efforts with the planning efforts of local government agencies, enabling a cooperative effort to alleviate the problems plaguing our urban areas.

The bill recognizes that many institutions not located in standard metropolitan statistical areas of 500,000 or more do have the research capacity to assist in a meaningful way in helping to solve urban problems. For this reason, the bill provides for the creation of consortia arrangements consisting of groups of colleges and universities not otherwise eligible to compete for grant moneys, and who wish to join a designated urban university to compete for project assistance grants.

The Urban Grant University Act of 1980 is a 4-year authorization with slight increments providing for $50 million in fiscal year 1981, $70 million in fiscal year 1982, $90 million in fiscal year 1983, and $100 million in fiscal year 1984. It is a fiscally modest proposal which recognizes the overwhelming needs that exist in urban areas today, and offers an incentive for local response to local problems.●

A DESERVED TRIBUTE TO THOSE WHO ARE WORKING FOR A BALANCED FEDERAL BUDGET

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. RUDD. Mr. Speaker, it is clear from the public opinion polls that the people of our great country expect this Congress to take resolute action toward a balanced Federal budget.

I am privileged to have joined with more than 100 of my colleagues in cosponsoring various House resolutions proposing a constitutional amendment to require a permanently balanced Federal budget—except in times of war or similar national emergency.

There are those in powerful positions in the Congress and elsewhere who are working to prevent a balanced Federal budget.

They are serving powerful vested interests, with a stake in continued profligate Federal spending.

But there are others in this Congress—both Democrats and Republicans—who will not abdicate this responsibility, and who are working together to achieve this objective of fiscal responsibility by the Government.

I am confident that we will overcome the obstacles that are being thrown up to prevent passage of this vital legislation proposing a balanced Federal budget amendment to the U.S. Constitution.

The States should be allowed to consider ratification of such an amendment on its merits.

Several of our colleagues took the lead in bringing this issue of balancing the Federal budget to the House floor earlier this month in connection with legislation to raise the temporary limit on the U.S. national debt. A tribute to their effort by veteran Washington correspondent Sarah McLendon appeared in the current issue of a local newspaper, Washington Weekly.

I commend my colleagues for their efforts, and would like to include the newspaper tribute at this point in the RECORD:

[From the Washington Weekly, Mar. 27, 1979]

A TEXAS FRESHMAN NEARLY TOPPLES TIP

(By Sarah McLendon)

WASHINGTON, D.C.—A freshman congressman has brought the Democrat leadership in the House of Representatives to its knees and forced it to promise members that it will move toward balancing the budget.

He is a conservative, Rep. Phil Gramm, (D-Tex) a former college professor and economist. When the annual question of increasing the nation's debt ceiling arose in the House, he served notice to the Leadership "no budget balancing, no debt increase." Then he set about to organize.

At first, largely through a speech he made against the debt increase, it was defeated by 222 to 197.

But Gramm was being largely rejected by the Leadership in his plea for budget balancing. The Leadership (Tip O'Neill) reduced the amount of the debt increase by $6 billion and brought out another bill from the Ways and Means committee.

Gramm pleaded with the House Leadership to accept what he called the No. 1 issue before the nation—budget balancing—as its primary issue. He even went so far as to tell Speaker Tip O'Neill, D., Mass., that unless the Democratic Majority accepted this issue, it was not capable of leadership. "If we want to continue to be the Majority party and lead the system," said Gramm "then we have to balance the budget."

Since he realized that he was not getting anywhere, Gramm decided he needed help. He approached a young and independent member of the House Ways and Means committee, Rep. Jim Jones, D., Okla. Jones went along. He then got 13 other members of the Ways and Means committee to sign dissenting views to a report approving H.R. 2534 as it went to the House Rules committee for clearance before going to the House floor. Gramm decided also that he needed a Republican member to help. He recruited Rep. Trent Lott, R-Miss., a member of the House Rules committee. Lott is as dedicated to budget balancing at Gramm and Jones. Gramm kept on, organizing within the system. The three tried to amend the debt increase bill in the Rules committee, but failed. They laid plans to amend the Rule or at least to fight acceptance of the Rule by the House.

Finally, a few days before this confrontation, Speaker O'Neill began to realize their growing strength.

He saw that Gramm had put together a coalition of conservative and liberal Democrats and most Republicans. It was too late for O'Neill to stop them, but he tried.

First, he called in the two Democrats, Gramm and Jones. At the same time, the Republican leaders talked with Lott. When Speaker O'Neill could not get anywhere with Gramm and Jones by telling them that "this is not the time, not the place" to tie in budget balancing, he then called in 30 of his House organization men. They talked with Gramm and Jones for some time, but could get nowhere. Then O'Neill tried a third time—this time with a smaller group.

Was there pressure put on them? "At no time was I threatened," said Gramm. "But I guess this was a case of a freshman not knowing enough to realize when he was being intimidated. I knew I was not going let anyone tell me to quit. I was determined to go through the ordinary channels of the system. For a time, Gramm hoped they could reach a compromise. He feels that the House Majority Leader Jim Wright, D-Tex., thought that possible, also. But such did not happen.

Then came the vote on the House floor. Gramm's attempt to win the right to amend the Rule lost by only two votes, 199 to 201. Some observers said it might not have lost then, had it not been for the quick gaveling of O'Neill. The speaker cut off the vote while some members were still coming onto the floor. Others said later that O'Neill promised that there would be a later opportunity for the House to vote on budget-balancing. After that, the debt increase bill passed by only 212 to 195. Until then, the government was faced with the crisis of not being able to pay bills.

From the time of the first defeat of debt increase on Feb. 28 to the second vote on March 15, Gramm had gained 12 votes, O'Neill, 8. But there were a lot of absentees the second time. No one can figure out exactly why.

"I think we have gained a point with the Leadership," said Gramm, who worked so hard on this drive in the last few weeks that he became groggy with fatigue. Weeks seemed like months, he said. He wrote letters to his colleagues, he buttonholed them and he lined up recruits to lobby with other members. "Now is the time, now is the place," he said. When the Leadership said the debt increase merely meant that Uncle Sam was paying the debts already incurred as any gentleman would pay his wife's debts, Gramm replied:

"No gentleman is going to fail to pay those bills, but only a fool would pay the bills without demanding some guarantee against future abuses as a price for making that payment."

Gramm showed unusual gall. He and his men stood at the doors to the House floor—just like House Whip John Brademas, D-Ind., and his cohorts, telling the incoming members how they should vote. "I figure the House floor belongs to us all," said Gramm.

After the vote, he and his colleagues said the question may be brought up in the future, tied to other issues. They intend to keep bringing it up every chance they get, encouraged now to feel that the House majority is with them, even if they are not loved by the Democratic leadership.●

ECONOMIC FALSEHOODS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 22, 1979

● Mr. PAUL. Mr. Speaker, one of our country's master debunkers of economic myths is Dr. Murray Rothbard, also one of the world's most distinguished economists. He is an eloquent advocate of the Austrian School of Economics, which correctly advocates the consumer as master of the marketplace, unlike the Keynesian and Monetarist schools, which fight over different forms of government planning.

Dr. Rothbard recently exploded 10 of the most insidious economic falsehoods in Personal Finance. Because they are of such supreme relevance to the issues we discuss, I would like to insert Dr. Rothbard's remarks into the RECORD.

THE TEN MOST DANGEROUS ECONOMIC FALLACIES OF OUR TIME

(By Murray N. Rothbard)

Our country is beset by a large number of economic fallacies, which distort public thinking on important problems and lead us to accept unsound and dangerous government policies. Here are some of the most dangerous economic fallacies and their refutation.

WHAT CAUSES INFLATION?

1. Inflation is caused by higher prices in specific industries. Inflation is generally defined as a rise in most prices. It is common to see the cause of inflation attributed to increases in one or more particular prices. One month food prices get the blame; another month it is a rise in the price of petroleum. But this is circular reasoning. It is like saying that the cause of high prices is high prices.

Suppose, in fact, that the prices of a few particular products shoot up: say wheat, or coffee, or oil. Will such increases push up all other prices? How? Everyone, after all, has only a certain amount of money at any given time. If the price of coffee or oil goes up, consumers will have less money to spend on other products; those prices, then should fall, not increase. It is impossible, therefore for one or two prices to "push up" other prices. Prices are determined by supply and demand; they can go up across the board only if the supply of most products goes down, or if the demand generally goes up. Since supplies and production usually increase from year to year, this means that the only plausible explanation for our chronic inflation is a continuing rise in consumer demand for most goods and services. But this can happen only if the supply of money in the hands of consumers goes up, and that can occur only if the supply of money in the country increases and keeps increasing year after year. The federal government has absolute control over the supply of dollars, just as the central governments of other countries have absolute control over the supply of pounds, francs, marks, etc. And the various governments keep increasing the supply of new money by printing new dollars, francs, or marks, day in and day out. As long as they continue to do so, all these countries will suffer from chronic inflation. The price of oil, coffee, and other products will climb as a result of this government-induced monetary inflation.

THE PHILLIPS CURVE

2. There is a tradeoff between unemployment and inflation. Everytime someone calls for the government to end its inflationary policies, establishment economists warn that the result would only be higher, chronic unemployment. Originally, the Keynesians promised that by manipulating deficits and government spending, they would bring us permanent prosperity without inflation. Then, when inflation became chronic, they changed their tune to warn of a tradeoff between inflation and unemployment, so that the more the rate of inflation is cut, the higher unemployment will be. This is the famed "Phillips curve," based on an article published many years ago by British economist A. W. Phillips.

There is one obvious problem with this "curve." How is it that, in the late 1950s, when inflation was only 1 to 2 percent a year, unemployment was only 3 percent; while, on the other hand, unemployment now ranges from 5 to 8 percent, and inflation from 7 to 11 percent? By rights, this embarrassing set of facts should have laid the Phillips "tradeoff" to rest for all time. But ideologues seldom give way to the facts. The Keynesians simply concluded that the "Phillips curve" must have "shifted" to a new set of tradeoffs. On that basis, of course, one can never refute any theory.

In fact, inflation now will lead to more unemployment later, not less. Chronic inflation eventually brings increased unemployment in its wake, and we are now suffering these effects.

"COST PUSH" INFLATION

3. Inflation is caused by cost pushing up prices. Since most costs are wage costs, this fallacy boils down to saying that unions, by demanding higher wage rates, cause businesses to raise their selling prices and pass the higher costs on to the public.

But this notion misconceives how prices are set in the market. They are set by supply and demand. The lower the supply of a good, the higher the price; the higher the demand, the higher the price. How, then, is it possible for businesses to pass on higher costs or wages to the public? If neither supply nor demand has changed—and "cost push" clearly doesn't change either one—then there is no way prices can rise. To put it another way: businesses would always like to raise prices. They don't have to wait around for unions to raise costs. The reason that they don't raise prices more is that consumers won't buy enough of the product to make the rise worthwhile. Sales will fall off enough to cause a drop in profits.

Chronic price rises, therefore, can occur only if supply falls or demand increases. Yet the supply of goods keeps going up. We should then ask ourselves, not how are costs pushing up prices, but why are businesses willing to pay unions higher wages? Obviously, because they believe that prices can go up enough to pay for these higher costs; and this can happen only because consumer demand is rising. As I have already pointed out, consumer demand rises, year after year, because the supply of money is going up and spreading throughout the economy, continually raising consumer demand.

WHAT IF PRICES FELL?

4. Deflation is unthinkable, and would cause a catastrophic depression. Memories are short. We tend to forget that, from the beginning of the Industrial Revolution in the mid-18th century until the beginning of World War II, prices largely went down, year after year. That's because increasing productivity and masses of output generated by free markets caused prices to fall, year after year. There was no depression, because costs fell along with prices. Usually, wage rates would remain constant and prices would gradually fall, so that "real" wages, or everyone's standard of living, steadily rose.

Virtually the only times when prices rose during those two centuries were periods of war (War of 1812, Civil War, World War I), when the warring governments turned on the printing presses and inflated the money supply so badly as to more than offset the continuing gains in productivity and increases in supply.

We can see how free-market capitalism works if we look at what has happened to the price of pocket electronic calculators. A few years ago, when they first emerged, they cost about $500. Now, thanks to free competition and increased supply, better-quality calculators cost about $18. This in the face of general inflation! Or look at what has happened to the price of TV sets. In the late 1940s, when TV first came on the market, you had to pay $2000 for a murky and almost unviewable image. Now, despite chronic inflation, you can pay less than $100 for a far better quality image, and only a few hundred dollars for a color set. This is how prices can fall drastically, and still leave the industry healthy and prosperous.

WAGE-PRICE CONTROLS

5. Wage and price controls can stop inflation. From the Roman emperor Diocletian down to the American and French revolutions and to Richard Nixon from 1971 to 1974, governments have tried to stop inflation by imposing price and wage controls. None of these schemes has worked. All they brought was tyranny, dislocations, black markets, and shortages. And since the effect of the controls was to reduce production, prices actually rose faster than they would have without the controls. The upshot of Nixon's 1971–74 controls was only that prices rose faster afterward than they did before the controls began.

Trying to stop inflation by imposing price controls is like trying to cure a fever by breaking open the thermometer and pushing down the mercury column. It attacks the symptoms and not the underlying cause: the government's continual printing of new money.

The major effect of price controls is shortages. Suppose the government decreed that a loaf of white bread could no longer be sold for more than 25 cents. What would happen? There would be a rush to the shelves. Very quickly the bread would disappear—and it would never return. Either the bread would no longer be produced at this unprofitable price, or else it would get diverted into "black" market channels, and "hot" bread would be sold to you at the corner, or under the counter. And since normal competition and advertising would be impossible, the quality of the bread would be lower and the black market price higher than without the controls.

DEFICIT SPENDING

6. Deficits stimulate the economy. This fallacy was the unfortunate contribution of John Maynard Keynes to economics. Before Keynes, economists, while divided on many other questions, stood firm in opposition to government deficit spending.

The government can finance its deficits in only two ways: by selling bonds to the public or by selling bonds to the banking system. If bonds are sold to the public, the result is simply to shift funds from the hands of the public to the hands of the government. There is no net stimulative effect; funds are simply diverted from private to public resources, from private to public spending.

If government finances its deficits by selling bonds to the banking system, new money is created to pay for the deficits. Through a complex process, the Federal Reserve banks create new reserves for the nation's commercial banks, which in turn are allowed to pyramid the creation of new money at approximately a 6:1 multiple of the new reserves. In short, the government and its controlled banking system "print" new money to pay for the federal deficits. Creating new money is not "stimulative," but inflationary.

But isn't the creation of new money needed during a recession to get us over the crisis and put us back on the road to recovery? This fallacy ignores the fact that a recession is not a bolt from the blue or an unfortunate visitation from above. A recession is the result of previously unsound policies, in particular the distortions and malinvestments of the preceding inflationary boom. The recession is a painful but necessary procedure by which the market liquidates the distortions of the boom and returns the economy to efficient satisfaction of the needs and desires of consumers. The faster the recession does its work, the better, and the more rapidly will recovery arrive. Government intervention in the form of new money and larger federal deficits only prolongs the recession and makes it chronic, for these policies prevent the recession from doing its corrective tasks.

COMPUTER FORECASTING

7. Economists, using sophisticated computer models and economic techniques, can accurately forecast the future. This myth has been propounded largely by econometricians themselves, and for obvious reasons. Yet study after study has demonstrated that the economy cannot be predicted with any precision. On the contrary, a simple extrapolation of past trends has done better than the most sophisticated computer models. Economists who leave all the work to the computer have compiled a much poorer batting average than those who "correct" the computer results with their own seemingly unscientific hunches. There is no substitute for the insight and the unique abilities of the individual forecaster.

Computer models can only embody *past* quantitative linkages But there is no guarantee that these same linkages and ratios will hold in the near or far future. Ratios and trends change. It is no great thing simply to extrapolate past trends into the next year; anyone can do this with a ruler, and there is no need for high-speed computers. The real trick is to forecast sudden changes and reversals of trend; and econometricians have been spectacularly unsuccessful in doing so. None of them succeeded in forecasting the severe 1973-75 recession, nor did any of them forecast the sharp acceleration of inflation in 1978.

Let us consider this commonsense point: if our computer wizards are as good as they purport to be in making economic forecasts, why don't they make a few billion dollars in the stock and commodity markets? Indeed, it is safe to say that if they could *really* forecast the economic future, the econometricians would not be spending their time forecasting on behalf of their clients; they would be out there in the speculative markets, making billions for themselves.

THE FALLACY OF PROTECTIONISM

8. Imports from countries with cheap labor cause unemployment in the United States. One of the many problems with this thesis is that it ignores the reason that wages are low in a foreign country and high in the United States. They are low abroad because productivity is low; they are high here because productivity, aided by a large amount of capital equipment, is high. Hence, high wages in the United States are the *effect* of high productivity; they are the result of prosperity and not a standing threat to prosperity.

More particularly, wages in one industry in the United States are high because they are bid high by all industries. Wages are interconnected from one industry and occupation to another. If the steel or textile industries in the United States find it difficult to compete with their counterparts abroad, it is not because the foreign firms are paying lower wages, but because other *American* industries are bidding up American wages to that high level. In short, the steel or textile firms are using labor inefficiently as compared with other American industries. Tariffs or import quotas to keep inefficient firms in operation not only hurt similar firms abroad; they not only injure consumers of all countries by keeping up prices and distorting production; they also injure other efficient American industries by keeping resources tied up in inefficient and wasteful ways. Tariffs and import quotas injure *American* consumers more than anyone else.

ADVERTISING: BOON OR BANE?

9. Consumers are brainwashed by advertising. This fallacy holds that consumers are not autonomous or "sovereign" in making production decisions, since business, by advertising, can manipulate and determine consumer demand. In a deep sense, corporations can "force" consumers to buy their product.

This fallacy can easily be refuted by looking around at business practice. If businesses can tell consumers what to do, why should business go through the costly and risky process of inventing and marketing new products, new brands, improved-quality processes? Why not just "force" consumers to buy more of the same old stuff?

Moreover, business spends an enormous amount of money on market research, on trying to figure out what products and what advertising packages will sell best. There would be no need to spend any of that money to court the consumer if businesses could simply force consumers to buy any products they wished. In fact, the money spent on advertising and on market research demonstrates the reverse of the common myth: that business is almost desperately engaged in courting consumers—in presenting new products and new marketing packages for their hoped-for approval.

In the last analysis, furthermore, the consumer has a clear-cut test of the validity of business promises or advertising. If the radio doesn't work, or if he doesn't like the new shaving cream, no pictures of pretty girls presenting the product are going to work. Every consumer product faces the stern test of the market, once purchased; and its positive or negative reputation will spread very quickly. The famous flop of the Edsel car, despite massive promotion and advertising, was a striking indication of the abject powerlessness of advertising in the face of consumer disapproval of the final product.

WHO RUNS GENERAL MOTORS?

10. Managers, not stockholders, run the big corporations. The usual implication of this charge is that since managers are no longer responsible to the stockholder-owners of corporations, the corporations should be either regulated or operated by government, whose managers supposedly *are* responsible to the voters.

Apart from the fact that civil service bureaucrats are insulated permanently from the voters, this common assertion is a fallacy. It is true that stockholders don't make the day-to-day decisions of a factory, but clearly they have no interest in doing so. And this fact does not mean that stockholders are not in ultimate control. If someone went to David Rockefeller's estate in Pocantico Hills and observed that the head gardener was making all the day-to-day gardening decisions around the estate, would it be correct to conclude that the head gardener had "seized control" of the gardening from Rockefeller? Clearly, if Rockefeller wasn't pleased with the results, he could always order the head gardener to change plans. Or he could fire the gardener and replace him with someone else.

In the same way, the stockholders remain the ultimate bosses of the corporation. They can and do hire and fire, and, through their representatives on the board of directors, they make the ultimate investment decisions. That does not mean that if I own one share of General Motors stock, I would have much to say about the operations of the company. Obviously, the more shares of stock you hold, the greater your influence over the company. But the market is such that even small stockholders, taken together, have great influence over the decisions of a corporation. For if one or more stockholders don't like the way the corporation is being run and are unhappy with its profit record, they can sell their stock on the market. Selling pressure will lower the value of the stock and make existing stockholders, small and large, increasingly unhappy with the company. Its managers will then be even more insecure, and will eventually be replaced. Through all these mechanisms, ultimate power still resides in the hands of the stockholders. In contrast, wouldn't it be nice if all of us "powerful" voters could sell our "shares" of the U.S. Postal Service or TVA?●

SENATE—*Monday, March 26, 1979*

(Legislative day of Thursday, February 22, 1979)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. DENNIS DECONCINI, a Senator from the State of Arizona.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

God is our refuge and strength . . .
He maketh wars to cease unto the end of the earth;
He breaketh the bow, and cutteth the spear in sunder
He burneth the chariot in the fire.
Be still and know that I am God.
—Psalms 46: 1, 9–10a.

Our Father-God, we thank Thee for this day bright with the promise of peace between two nations and with hope for that peaceable kingdom without geographical boundaries, the law of which is love, the citizenship of which is the human race.

Save us from expecting too much or accepting too little. Help us to live by our faith and not by our doubt.

Guide the leaders of the world by Thy higher wisdom to the time when "nation shall not lift up sword against nation, neither shall they learn war any more" when peacemakers will be blessed and called "the children of God." Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 26, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DENNIS DECONCINI, a Senator from the State of Arizona, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. DECONCINI thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I reserve the remainder of my time.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized. The Senator from Oregon.

Mr. PACKWOOD. Mr. President, I would like to reserve my time, and not use it now.

Mr. ROBERT C. BYRD. Mr. President, are there orders for the recognition of Senators?

The ACTING PRESIDENT pro tempore. Yes, there are. Under the previous order, the Senator from Kansas (Mr. Dole) is recognized for not to exceed 15 minutes.

Mr. PACKWOOD. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time for the quorum call be taken from the minority leader's time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SPECIAL ORDER

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Kansas (Mr. Dole) is recognized for not to exceed 15 minutes.

S. 748—CATASTROPHIC HEALTH INSURANCE AND MEDICARE IMPROVEMENTS ACT OF 1979

Mr. DOLE. Mr. President, joined by Senators Danforth and Domenici, I am introducing a legislative proposal which would create a health insurance program providing a means for all Americans to protect themselves and their families from financial bankruptcy caused by catastrophic illness or medical expense.

Before going further, we would like to take this opportunity to thank the staff of the Library of Congress, Congressional Research Service, Division of Education and Public Welfare, for their assistance in preparing this bill.

We propose an alternative to past proposals.

It occurs to the Senator from Kansas that while some proposals may get headlines, this proposal may get the votes. I think that is, in essence, the difference between our approach and the approaches we have heard advanced by others. Ours is realistic, recognizing the present fiscal and political climate.

As I am certain Members of this body are aware, starting tomorrow morning we will have hearings on catastrophic health insurance in the Senate Finance Committee. They will continue on the 28th and 29th of March, and I assume sometime subsequent to that last hearing we will have serious consideration by the committee itself.

This bill heralds in broad form what promises to be a protracted debate over national health insurance. Its provisions are open to debate. Some provisions may be improved after constructive criticism and suggestions for change.

Let us work toward the day when serious or catastrophic illness need not be aggravated by fear of financial chaos. The need is too great for delay or obstruction. The need exists and must be met now.

SERIOUS FINANCIAL THREAT

Some 83 million Americans face a serious financial threat because of inadequate insurance. Existing health programs suffer from gaps in coverage, gaps which in the event of catastrophic illness can destroy the financial security of even upper middle income families. Last year alone an estimated 7 million families had out-of-pocket medical expenses exceeding 15 percent of their incomes.

CURRENT SYSTEM GAPS

In recent years there have been impressive gains in the health status of many Americans and in their access to high quality medical care. Public or private health insurance now pays for 90 percent of all hospital charges. Medicare and medicaid provide benefits for nearly 50 million citizens, and yet 10 to 16 million Americans lack any health coverage at all.

People with incomes of less than $10,000 are twice as likely to be without health insurance coverage as those with incomes above that level.

One-third of all those uncovered by insurance are full-time heads of household employees—10 percent of our work force. Many young adults between the ages of 19 and 24 are uninsured as are 30 percent of the unemployed. These sobering facts leave little doubt: Far too many Americans are vulnerable to financial loss due to tragic catastrophic illness.

ALTERNATIVES

There are those who have proposed adding fuel to the fire of escalating governmental spending. Some have suggested that the Federal Government underwrite the costs of comprehensive health insurance for everyone creating yet another system for financing health care. This seems unrealistic, in view of rapidly rising health care costs—costs that devour a full month out of every year's salary for the average worker. As it is, health care costs account for approximately 9 percent of the gross national product. Health expenditures cause a drain on all personal and national resources, and threaten the stability of Federal and State budgets. Moreover, demographics point toward an aging society which will presumably require even more health care than in the past.

Thus, we need to look at the sobering realities of a federally funded or controlled comprehensive approach. First and foremost is the ability of the American people to support any costly new system of anything. Do not forget that by 1981 the individual earning $30,000 a year will find himself paying $165 per month, after taxes, to support his membership in the social security system alone. In addition, we have been warned by many experts of health care that what appears to be "free" is in fact a dangerous psychological spur to further inflation.

Two goals must be met. We must address the problem of health insurance for each citizen in the context of what we can afford, and every American should have access to high quality health care at a cost he can ultimately bear.

We ought to afford individuals the opportunity to protect themselves and their families from financial ruin due to illness, for the devastating effects of major illnesses can incur personal expenses far beyond what personal resources can be reasonably expected to meet. It is this critical financial problem that must be addressed.

We believe that protection from financial ruin due to illness should be and is an obtainable goal and can be accomplished in spite of the serious economic problems with which our country is confronted. Protection can be achieved without the Federal Government taking over the financing and control of the private sector, as other catastrophic health insurance proposals have advocated in the past.

WHAT IS NEEDED

What we need is an approach which builds on the private market place—one that recognizes the importance of incentives and competition—one that supports the private sector—one that does not encourage the development of yet another inefficient, costly, oppressive Federal bureaucracy.

Unlike some of our colleagues, we do not believe that we should force individuals to participate in the plan. We believe that individuals, to the extent possible, should be given the opportunity to choose where and how they obtain catastrophic health insurance. Unlike some of our colleagues, we do not believe that the measure of catastrophic should be limited to a fixed dollar amount or number of days in the hospital. In some instances, it should also be directly related to the percentage of income extended for health card services. Also, unlike some of our colleagues, we believe that fixing a set dollar amount in 1979 to measure a catastrophe may not be truly representative of the situation in 1980 or 1981 or 1982.

We are now told that the administration recognizes that they cannot do everything for everyone. The Secretary of Health, Education, and Welfare announced last week that the administration plans to develop a limited proposal that offers, among other things, catastrophic protection. The cost of this "first phase" is estimated to be $10 to $15 billion. While acknowledging that we do not know all the details, the Senator from Kansas nevertheless feels that this is still too much. Although it is refreshing to see the administration is attempting to look at economic realities, this approach is still unrealistic.

PROPOSAL OVERVIEW

The catastrophic health insurance proposal that Senator DANFORTH, Senator DOMENICI, and I are introducing today has three key parts. First, those eligible for medicare will be protected by expansion of their present benefits. Second, the large majority of the employed will be assured of the availability of adequate private insurance protection. Third, those who are part of the residual marketplace, and not already covered, may choose to have the Federal Government serve as a facilitator and in some instances a financial backup in contracting with the private insurance companies for catastrophic coverage. This plan is designed primarily for low-income families not covered by medicaid; however, all except those covered by medicare and medicaid would be eligible for participation.

This last component recognizes the complex problem of how to reach those now uncovered by health insurance for catastrophic illness. Since these people are so varied, there is no single dimension (such as unemployment) that can be used to define a population toward which to target assistance.

MEDICARE IMPROVEMENTS

This portion of the proposal is intended to protect its beneficiaries by modification of the present benefit package and present cost-sharing provisions. Despite present medicare and medicaid coverage, the out-of-pocket costs for medical care by the elderly have been estimated at as much as $600 per person per year. These individuals are particularly at risk because they are often on fixed budgets with little extra for emergency purposes.

In fact, some may have witnessed on CBS' "60 Minutes" several weeks ago abuses and fraud that occurs. There are those who have taken advantage of the elderly.

Many elderly have bought additional private insurance policies in order to protect themselves against such costs and potential catastrophic expenses, but many still experience financial disaster because of these costs. There has been a lot of duplication and overlapping in these policies. It is our intention to reduce the risk for the medicare beneficiary by making some changes in the medicare program.

Medicare pays only 38 percent of the total health care costs of the elderly. In addition to medicare deductibles and coinsurance, the elderly are required to pay for many types of services that are not reimbursable under the medicare program at this time. Examples of such services are outpatient drugs, eyeglasses, hearing aids, dental care, and most importantly, certain types of long-term care. The average annual out-of-pocket costs for prescription drugs alone is over $100; for long-term care for $200. The intent of this portion of the bill is not to eliminate all out-of-pocket expenses. However, we do intend to make changes to limit the potential for catastrophic expenses in the context of current medicare policy.

HOSPITAL CARE BENEFIT

Current law requires an initial patient deductible ($160 in 1979) and then medicare pays in full for hospital services for the first 60 days. Medicare continues to pay for these services from the 61st through the 90th day, except for a daily copayment ($40 in 1979). After the 90th day, beneficiaries are required to pay an additional amount per day ($80 in 1979). It is easy to see that an extended illness of more than 60 days could quickly exceed the ability of most senior citizens' budgets.

The proposed plan deletes the limitation on the number of days covered by inpatient hospital services and eliminates all copayment requirements after the 60th day. The deductible remains in recognition of the importance of some cost sharing at the noncatastrophic level for the patient.

Is is clear that after that 60th day, the cost starts to escalate and many senior citizens would be literally wiped out financially without some additional assistance.

SKILLED NURSING HOME SERVICES

The same is true of nursing homes. Under current law, medicare will pay for inpatient care in a participating skilled nursing facility following hospitalization. After the 20th day, however, there is a daily patient copayment requirement ($20 in 1979). Our plan makes skilled nursing facility services more available by eliminating the copayment requirement and lengthening the time after discharge from a hospital during which you can transfer to an SNF. It is also our intention to ease restrictions on reentry into an SNF after discharge from such a facility.

By making these services more readily available, unnecessary use of acute hospital services can often be avoided.

HOME HEALTH SERVICES

Home health services benefits are improved by deleting the current 100 visit limitation and 3-day prior hospitalization requirement. Also, the home bound requirement for such services will be liberalized, occupational therapy will be considered a primary service, and all home health aides will require appropriate training.

By upgrading home health services, more patients will be offered the opportunity of being cared for in the home. Patients shoud be encouraged to participate in limited activities such as adult day care as they might desire and not be forced to return to more expensive skilled nursing facilities or acute care facilities because of rules that do not accommodate reasonable circumstances.

MENTAL HEALTH BENEFITS

The plan calls for a modest increase in coverage of out-patient psychiatric benefits to $750 per year with cost-sharing that is consistent with other physician services.

Additionally, community mental health centers are recognized as providers. The Secretary of Health, Education, and Welfare is directed to determine the appropriate number of visits which will be covered. We believe we must move cautiously in this area to avoid the potential for abuse or overuse in the future, while still moving forward in making these important services more available. These provisions recognize the importance of psychiatric services while stressing the importance of mental health care in general.

LONG-TERM DRUG BENEFIT

"Catastrophic" coverage will begin for medicare beneficiaries when they have incurred $5,000 in expenses for certain covered services or have spent an amount equal to 20 percent of that deductible out of pocket for these same services. The deductible amount is for fiscal year 1980. In future years, this amount will be indexed to the medical care component of the consumer price index and other health care economic measures.

Certain prescription drugs, while not normally a covered expense, would count toward calculating the deductible and would be covered under the catastrophic program after the deductible has been met. This limited drug benefit (similar to one passed by the Senate as part of the 1972 medicare/medicaid amendments) would include payment for drugs traditionally used on a long-term basis for chronic problems, such as hypertension. Such drugs often comprise a significant portion of the patient's out-of-pocket expenses. Once the beneficiary meets the $5,000 incurred expense deductible or the out-of-pocket deductible, payment for these drugs would be made until termination of the catastrophic benefit period. Although this drug provision is limited because of cost, it is our hope that fuller coverage could be provided in the future.

Once the catastrophic test has been met, medicare would pay 100 percent of the usual and customary charges or reasonable cost, whichever is appropriate, for services covered under medicare, part B, such as doctor bills. Since Medicare usually pays 80 percent of such charges, this provision would serve to protect the medicare beneficiary from additional out-of-pocket expenses during a catastrophic situation.

The financing mechanism for these modifications in the present medicare benefits will be unchanged from the existing program. Although estimates are still very preliminary, our current projections for the cost of these program changes are between $500 to $700 million in fiscal year 1981. All of these medicare changes will go into effect January 1, 1981, except for the drug benefit which would begin January 1, 1982.

PRIVATE CATASTROPHIC INSURANCE

The intent of the second part of the plan is to assure that the large majority of the employed population has available the option of protecting themselves and their families from catastrophic illness through the purchase of private insurance.

This, I am sure, will cause some controversy and some opposition to our proposal, but all employers will be required to offer their employees group health insurance with minimal catastrophic benefits. These plans will include coverage for inpatient hospitalization after the 60th day of hospitalization and payment for certain services which are identical to those provided under part B of medicare without copayment after $5,000 in medical expenses for those services has been incurred.

This minimal coverage would have to be offered to all who have been employed for 30 days and work at least 25 hours per week without regard to health status. Employees would be free to choose to participate or not, and plans could not exclude benefits for preexisting medical conditions.

The plan calls for a cost-sharing which would limit the employee's share of the premium to a maximum 25 percent of the cost for catastrophic coverage.

The bill includes provisions to allow tax deductions for premium costs for both the employer and employee. The employer would be allowed to claim a business expense for health insurance premiums only if the policy contains the requisite catastrophic coverage. As under current law, employees would be able to deduct one-half of the cost of their premiums (up to $150). However, we require that the plan, in order to qualify for deduction purposes, must include the minimum catastrophic benefits defined by this act.

There are provisions to continue coverage during periods of unemployment. The employer will be required to continue his contribution for a maximum of 3 months; after which the employee could continue coverage at his own expense.

The plan will also provide a hardship subsidy to the employer based on an increase in payroll costs due to compliance with this law. Employers would be subject to a civil penalty for not offering an appropriate plan to their employees. Employees would also be able to bring a private right of action against any employer, who fails to make available the required catastrophic coverage, for amounts that would have been payable under such coverage.

It is our belief by requiring at least minimum catastrophic insurance coverage for those who are employed we will significantly decrease the total number of unprotected individuals since over one-third of those without any health insurance are full-time wage earners and heads of families. Also, when an employed family head is without insurance, the chances are 8 in 10 the family members are also without insurance. This proposal recognizes the importance in reaching those without adequate coverage by including the entire family unit in approved plans. All employers will be required to comply by January 1, 1982.

RESIDENTIAL MARKET PLAN

Those who choose (except those covered by medicare, medicaid, or private insurance) can participate in the third portion of this program. The purpose of this portion of the plan is to provide the opportunity for those who are not otherwise covered to purchase a private catastrophic health insurance plan.

The Secretary of Health, Education and Welfare will enter into agreements with private insurance companies for them to make available policies which provide catastrophic coverage. These benefits would include coverage for hospital services after the individual or family unit has been hospitalized for 60 days in a year and coverage for medical services after $5,000 expenses have been incurred for these services. Catastrophic coverage would also begin if the family has out-of-pocket costs for these same services that equal 15 percent of their total income.

Insurance companies would establish premiums which would be community rated. The premiums might vary from one area to another, but they would not vary based on the individual's or his family's health status.

A subsidy would be provided to those with lower incomes to assist them in purchasing a policy. This subsidy would be indexed according to income such that someone without income could have their entire premium paid for by the Government while someone whose income was 120 percent of the national poverty level would pay the entire premium. The indexing would be phased in such a manner as to avoid any "notching." We believe that this approach will enable all those who so desire to purchase catastrophic health insurance for a price they can afford.

State medicaid programs will be required to provide catastrophic coverage for their beneficiaries. States would have to protect their beneficiaries after 60 days of hospitalization or $5,000 of incurred expenses for medical services as covered under the State program. These State programs will be allowed to "buy in" to a private insurance plan for these benefits if they so choose. The financing of premium subsidies provided for this portion of the program will be through general revenues.

CONCLUSION

What we have outlined in broad form today is a contribution to what promises to be a protracted debate over national health insurance. We look forward to working closely with our colleagues in perfecting this bill, which we believe represents an improvement over past catastrophic proposals. We look forward to perfecting the imperfect and honing the broad outlines submitted here today into a viable alternative to the impossibly expensive cradle-to-the-grave approach favored by some of our colleagues.

If a single principle unites our thinking, it is this: Slogans, however appealing politically, do not assure adequate coverage. Promises are cheaper then performance. Here, as elsewhere, what we do is bound by the shape of the American economy. In health care, as in economic planning, the guiding principles should be individual freedom and practical results.

Mr. President, we ask unanimous consent that this bill and a detailed outline be printed in the RECORD.

There being no objection, the bill and fact sheet were ordered to be printed in the RECORD, as follows:

S. 748

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Catastrophic Health Insurance and Medicare Improvements Act of 1979".

PURPOSE

SEC. 2. It is the purpose of this Act to provide the opportunity for all Americans to be protected against the costs of catastrophic illness by improving the medicare program established by title XVIII of the Social Security Act, assuring that the majority of the population is protected against catastrophic illness through private insurance, and providing premium subsidies for those who cannot afford such private insurance.

TITLE I—MEDICARE IMPROVEMENTS

MODIFICATIONS IN SCOPE OF BENEFITS FOR HOSPITAL, EXTENDED CARE, AND HOME HEALTH SERVICES

SEC. 101. (a) (1) Section 1811 of the Social Security Act is amended by striking out "post-hospital".

(b) (1) Paragraphs (1), (2), and (3) of section 1812 (a) of the Social Security Act are amended to read as follows:

"(1) inpatient hospital services;

"(2) post-hospital extended care services for up to 100 days during any spell of illness; and

"(3) home health services.".

(2) Section 1812 (b) (1) of such Act is repealed.

(3) Subsections (c) and (d) of section 1812 of such Act are repealed.

(4) Section 1812 (e) of such Act is amended to read as follows:

"(e) For purposes of subsection (b), inpatient psychiatric hospital services shall be taken into account only if payment is or would be, except for this section or the failure to comply with the request or certification requirements of or under section 1814 (a), made with respect to such services under this part.".

(c) Section 1814(a)(2)(D) of such Act is amended—

(1) by striking out "post-hospital"; and

(2) by striking out "for any of the conditions with respect to which he was receiving inpatient hospital services (or services which would constitute inpatient hospital services if the institution met the requirements of paragraphs (6) and (9) of section 1861(e)) or post-hospital extended care services".

(d) Section 1814(i) of such Act is amended—

(1) by striking out "posthospital" in the heading thereof; and

(2) by striking out "posthospital" in paragraph (1).

(e)(1) Section 1932(a)(2)(A) of such Act is amended by striking out "for up to 100 visits during a calendar year".

(2) Section 1832(b) of such Act is amended to read as follows:

"(b) For definitions of 'medical and other health services' and other terms used in this part, see section 1861.".

(f) Section 1834 of such Act is repealed.

(g) Section 1861(i) of such Act is amended by striking out "if he is admitted to the skilled nursing facility—" and all that follows and inserting in lieu thereof the following: "if he is admitted to the skilled nursing facility within 30 days after discharge from such hospital if he is admitted on account of a condition which is directly related to the condition for which he was hospitalized. An individual shall be deemed not to have been discharged from a skilled nursing facility if, within 30 days after discharge therefrom, he is admitted to such facility or any other skilled nursing facility.".

(h) Sections 1814(a)(2)(D) and 1835(a)(2)(A) of such Act are each amended—

(1) by striking out "was confined to his home" and inserting in lieu thereof in each instance "was substantially confined to his home"; and

(2) by inserting ", occupational," after "physical".

(i)(1) Section 1861(n) of such Act is repealed.

(2) Section 1861(e) of such Act is amended—

(A) by striking out "subsections (i) and (n)" in the matter preceding paragraph (1) and inserting in lieu therof "subsection (i)"; and

(B) by striking out "subsections (i) and (n)" in the third sentence and inserting in lieu thereof "subsection (i)".

(j) Section 1861 (o)(6) of such Act is amended by inserting before the seimcolon at the end thereof the following: ", which shall include standards developed by the Secretary with respect to health, safety, and the quality and appropriateness of services, including the training of home health aides".

(k) Section 226 (c) (1) of such Act is amended—

(1) by striking out "and post-hospital home health services" and inserting in lieu thereof "and home health services"; and

(2) by striking out "or post-hospital home health services" in clause (B).

(l) Section 7 (d) (1) of the Railroad Retirement Act is amended by striking out "posthospital home health services" and inserting in lieu thereof "home health services".

MODIFICATION OF CO-INSURANCE AND DEDUCTIBLES

SEC. 102. (a) (1) Section 1813 (a) (1) of the Social Security Act is amended by striking out all after the first sentece thereof.

(2) Section 1813 (a) (3) of such Act is repealed.

(b) Section 1833 (c) of such Act is amended by striking out "there shall be considered" and all that follows and inserting in lieu thereof "there shall not be considered as incurred expenses for purposes of subsections (a) and (b) any amounts which exceed (in the aggregate) $937.50.".

COMMUNITY MENTAL HEALTH CENTERS

SEC. 103. (a) Section 1812 (a) of the Social Security Act (as amended by section 101 of this Act) is further amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(3) by adding the following new paragraph at the end thereof;

"(4) community mental health center services for up to a reasonable number of visits (as defined by the Secretary) during a calendar year.".

(b) Section 1812 of such Act is amended by adding the following new subsection at the end thereof:

"(g) (1) Payment under this part may be made for community mental health center services furnished an individual for only up to a reasonable number of visits (as defined by the Secretary) during any calendar year.

"(2) Services shall be taken into account for purposes of paragraph (1) of this subsection only if payment is or would be, except for this section or the failure to comply with the request and certifications requirements of or under section 1814(a), made with respect to such services under this part.".

(c) Section 1814(a)(2) of such Act is amended—

(1) by striking out "or" at the end of subparagraph (D);

(2) by inserting "or" at the end of subparagraph (E); and

(3) by adding the following new subparagraph at the end thereof:

"(F) in the case of community mental health center services, (i) such services are or were medically necessary, (ii) a plan for furnishing such services has been established by a physician (as defined in section 1861 (r)(1)) or other mental health professional (as defined for this purpose in regulations by the Secretary) and is periodically reviewed and approved by a physician, and (iii) such services are or were furnished while the individual is or was under the care of a physician;".

(d) Section 1814(b) of such Act is amended—

(1) by striking out "or" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; or"; and

(3) by adding the following new paragraph at the end thereof:

"(3) with respect to community mental health center services, equal to the costs which are reasonable and related to the cost of providing such services or which are based on such other tests of reasonableness as the Secretary may prescribe in regulations, including those authorized under section 1861(v)(1)(A).".

(e) Section 1861(l) of such Act is amended by inserting "or community mental health center" after "nursing facility" each time it appears therein.

(f) Section 1861(u) of such Act is amended by inserting "community mental health center," after "home health agency,".

(g) Section 1861(w)(1) of such Act is amended by inserting "community mental health center,", after "nursing facility,".

(h) Section 1861 of such Act is amended by adding the following new subsection at the end thereof:

"Community Mental Health Center Services

"(bb)(1) The term 'community mental health center services' means the following items and services furnished to an individual as an outpatient by a community mental health center or (to the extent permitted in regulations by the Secretary) by others under arrangements with them made by the center—

"(A) active diagnostic and therapeutic services furnished by qualified mental health professionals (as defined by the Secretary in regulations), including psychologists and psychiatric social workers and psychiatric nurses;

"(B) drugs and biologicals which cannot, as determined in accordance with regulations, be self-administered; and

"(C) such items and supplies as are ordinarily furnished to outpatients by community mental health centers in connection with an active mental health program of diagnosis and treatment,

excluding, however, any item or service if it would not be included under subsection (b) if furnished to an inpatient of a hospital.

"(2) The term 'community mental health center' means a facility which—

"(A) meets the definition of a community mental health center under section 201 of the Community Mental Health Centers Act and the regulations prescribed thereunder;

"(B) is primarily engaged in providing outpatient mental health services;

"(C) has a requirement that all mental health services are provided under the case management physician;

"(D) meets such requirements as the Secretary may prescribe with respect to staffing requirements and qualifications of the staff;

"(E) maintains clinical records on all patients;

"(F) has in effect a utilization review plan in accordance with regulations prescribed by the Secretary;

"(G) has in effect an agreement with a hospital pursuant to subsection (l);

"(H) in the case of a community mental health center in any State in which State or applicable local law provides for the licensing of community mental health centers in licensed pursuant to such law;

"(I) has appropriate procedures or arrangements (in compliance with applicable State and Federal law) for storing, administering, and dispensing drugs and biologicals; and

"(J) meets such other conditions of participation as the Secretary may find necessary in the interest of the health and safety of individuals who are furnished services by such center.".

(i) Section 1832(a)(2)(B)(i) of such Act is amended—

(1) by striking out "or" at the end of subclause (I);

(2) by striking out "and" at the end of subclause (II) and inserting in lieu thereof "or"; and

(3) by adding the following new subclause after subclause (II):

"(III) a physician to a patient in a community mental health center; and ".

(j) Section 1864(a) of such Act is amended—

(1) by inserting ", or whether a facility therein is a community mental health center as defined in section 1861(bb)(2)" before the period at the end of the first sentence;

(2) by inserting "or a community mental health center" after "home health agency" in the second sentence; and

(3) by inserting "community mental health center," after "laboratory," each time it appears in the fifth sentence.

(k) Section 226(c)(1) of such Act is amended by inserting "community mental health center services," after "post-hospital extended care services," the first time it appears therein.

(l) Section 7 (d)(1) of the Railroad Retirement Act of 1974 is amended by inserting "community mental health center services," after "inpatient hospital services,".

MEDICARE COVERAGE FOR CATASTROPHIC ILLNESS

SEC. 104. (a) Section 1833(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof ", and"; and

(3) by adding at the end thereof the following new paragraph:

"(4) in the case of covered services as defined in section 1861(cc), which are rendered during a catastrophic benefit period (as defined in section 1861 (cc)), 100 percent of the reasonable charge, reasonable cost, customary charge or other criteria (as the case may be) as those criteria are otherwise determined for such services under this section or section 1861(cc).".

(b) Section 1861 of such Act is amended by adding after subsection (bb) (as added by section 103 of this Act) the following new subsection:

"BENEFITS DURING PERIOD OF CATASTROPHIC ILLNESS

"(cc)(1) Any individual enrolled under part B of this title shall be entitled to catastrophic illness benefits as provided in section 1833 (a)(4) during a period of catastrophic illness.

"(2)(A) A period of catastrophic illness with respect to any individual shall begin when such individual has either—

"(i) had out of pocket expenses for coinsurance for services for which payment may be made under part B of this title which exceed, in the aggregate $1,000 in any 15-month period consisting of one calendar year plus the last three months of the preceding calendar year; or

"(ii) incurred expenses for covered services (as defined in paragraph (3)) which exceed, in the aggregate, $5,000 in any such 15-month period.

"(B) A period of catastrophic illness with respect to any individual shall end on—

"(i) the day in such calendar year which follows the first period of 90 consecutive days therein during which the individual incurred expenses for covered services (as defined in paragraph (3)) which aggregate less than $500; or

"(ii) the last day of such calendar year, if earlier.

"(C) The dollar amounts of incurred expenses which determine the beginning or end of a period of catastrophic illness under subparagraph (B) shall be adjusted each year by the Secretary, beginning on September 1 with respect to the following calendar year, by a percentage equal to the percentage increase or decrease (as the case may be) in the medical care services component of the Consumer Price Index (as determined by the Department of Labor) as adjusted to reflect other appropriate economic factors (as determined by the Secretary) during the twelve-month period ending on the June 30th last preceding such September 1st.

"(3) For purposes of this subsection and section 1833(a)(4) 'covered services' means—

"(A) any services with respect to which benefits are payable to eligible individuals under section 1832; and

"(B) eligible drugs (as defined in subsection (t)(2)).".

ELIGIBLE DRUGS

SEC. 105. (a) Section 1861(t) of the Social Security Act is amended—

(1) by inserting "(1)" after "(t)";

(2) by inserting before the period at the end thereof the following: ", or as are approved by the Formulary Committee established under section 1882"; and

(3) by adding at the end thereof the following new paragraph:

"(2) The term 'eligible drug' means a drug or biological which (A) can be self-administered, (B) requires a physician's prescription (except for insulin), (C) is prescribed when the individual requiring such drug is not an inpatient in a hospital or extended care facility, during a period of covered care, (D) is included by strength and dosage forms among the drugs and biologicals approved by the Formulary Committee, (E) is dispensed (except as provided by section 1833(i)), by a pharmacist from a participating pharmacy, (F) is dispensed in quantities consistent with proper medical practice and reasonable professional discretion, and (G) is a drug which is necessary for treatment of a crippling or life-threatening chronic disease which is common to the population of beneficiaries under this title (as determined by the Secretary in regulations).".

(b) Section 1861 of such Act is amended by adding after subsection (cc) (as added by section 104 of this Act) the following new subsection:

"Participating Pharmacy

"(dd) The term 'participating pharmacy' means a pharmacy, or other establishment (including the outpatient department of a hospital) providing pharmaceutical services, which—

"(1) is licensed as such under the laws of the State (where such State requires such licensure) or is otherwise lawfully providing pharmaceutical services in which such drug is provided or otherwise dispensed in accordance with this title;

"(2) has agreed with the Secretary to act as a provider of services in accordance with the requirements of this section, and complies with such other requirements as may be established by the Secretary in regulations to assure the proper, economical, and efficient administration of this title;

"(3) has agreed to submit, at such frequency and in such form as may be prescribed in regulations, bills for amounts payable under this title for eligible drugs furnished under part A of this title; and

"(4) has agreed not to charge beneficiaries under this title any amounts in excess of those allowable under this title with respect to eligible drugs except for so much of the charge for a prescription (in the case of a drug product prescribed by a physician, of a drug entity in a strength and dosage form included in the Formulary where the price at which such product is sold by the supplier thereof exceeds the reasonable allowance) as is in excess of the reasonable allowance established for such drug entity in accordance with section 1884.".

(c) Section 1861 (u) of such Act (as amended by section 103 of this Act) is further amended by inserting "pharmacy," after "community mental health center,".

(d) Section 1833 of such Act is amended by redesignating the second subsection (g) as subsection (h) and by adding at the end thereof the following new subsection:

"(i) Payment may be made under this part for eligible drugs only when such drugs are dispensed by a participating pharmacy; except that payment under this part may be made for eligible drugs dispensed by a physician where the Secretary determines, in accordance with regulations, that such eligible drugs were required in an emergency or that there was no participating pharmacy available in the community, in which case the physician (under regulations prescribed by the Secretary) shall be regarded as a participating pharmacy for purposes of this part with respect to the dispensing of such eligible drugs.".

(e) Part C of title XVIII of such Act is amended by adding at the end thereof the following new sections:

"MEDICARE FORMULARY COMMITTEE

"SEC. 1882. (a)(1) There is established, within the Department of Health, Education, and Welfare, a Medicare Formulary Committee (hereafter in this section referred to as the 'Committee'), a majority of whose members shall be physicians and which shall consist of the Commissioner of Food and Drugs and four individuals (not otherwise in the employ of the Federal Government) who do not have a direct or indirect financial interest in the composition of the Formulary established under this section and who are of recognized professional standing and distinction in the fields of medicine, pharmacology, or pharmacy, to be appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The chairman of the Committee shall be elected annually from the appointed members thereof, by majority vote of the members of the Committee.

"(2) Each appointed member of the Committee shall hold office for a term of five years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and except that the terms of office of the members first taking office shall expire, as designated by the Secretary at the time of appointment, one at the end of each of the first five years. A member shall not be eligible to serve continuously for more than two terms.

"(b) Appointed members of the Committee, while attending meetings or conferences thereof or otherwise serving on business of the Committee, shall be entitled to receive compensation at rates fixed by the Secretary (but not in excess of the daily rate paid under GS-18 of the General Schedule under section 5332 of title 5, United States Code), including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(c)(1) The Committee is authorized, with the approval of the Secretary, to engage or contract for such technical assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Committee such secretarial, clerical, and other assistance as the Formulary Committee may require to carry out its functions.

"(2) The Secretary shall furnish to the Committee such office space, materials, and equipment as may be necessary for the Formulary Committee to carry out its functions.

"(d) (1) The Committee shall compile, publish, and make available a Medicare Formulary (hereafter in this section referred to as the 'Formulary').

"(2) The Committee shall periodically update the Formulary and the listing of drugs.

"(e) (1) The Formulary shall contain an alphabetically arranged listing, by established name, of those drug entities within the following therapeutic categories:

"Adrenocorticoids
"Anti-anginals
"Anti-arrhythmics
"Anti-coagulants
"Anti-convulsants (excluding phenobarbital)
"Anti-hypertensives
"Anti-neoplastics
"Anti-Parkinsonism agents
"Anti-rheumatics
"Bronchodilators
"Cardiotonics
"Cholinesterase inhibitors
"Diuretics
"Gout suppressants
"Hypoglycemics
"Miotics
"Thyroid hormones
"Tuberculostatics

which the Committee decides are necessary for individuals using such drugs. The Committee shall exclude from the Formulary any drug entities (or dosage forms and strengths thereof) which the Committee decides are not necessary for proper patient care, taking into account other drug entities (or dosage forms and strengths thereof) which are included in the Formulary.

"(2) Such listing shall include the specific dosage forms and strengths of each drug entity (included in the Formulary in accordance with paragraph (1)) which the Committee decides are necessary for individuals using such drugs.

"(3) Such listing shall include the prices at which the products (in the same dosage form and strength) of such drug entities are generally sold by the suppliers thereof and the limit applicable to such prices under section 1884 (b) (1) for purposes of determining the reasonable allowance.

"(4) The Committee may also include in the Formulary, either as a separate part (or parts) thereof or as a supplement (or supplements) thereto, any or all of the following information:

"(A) A supplemental list or lists, arranged by diagnostic, prophylactics, therapeutic, or other classifications, of the drug entities (and dosage forms and strengths thereof) included in the listing referred to in paragraph (1).

"(B) The proprietary names under which products of a drug entity listed in the Formulary by established name (and dosage form and strength) are sold and the names of each supplier thereof.

"(C) Any other information with respect to eligible drug entities which in the judgment of the Committee would be useful in carrying out the purposes of this title.

"(f) In considering whether a particular drug entity (or strength or dosage form thereof) shall be included in or excluded from the formulary, the Committee is authorized to obtain (upon request therefore) any record pertaining to the characteristics of such drug entity which is available to any other department, agency, or instrumentality of the Federal Government, and to request suppliers or manufacturers of drugs and other knowledgeable persons or organizations to make available to the Committee information relating to such drug. If any such record or information (or any information contained in such record) is of a confidential nature, the Committee shall respect the confidentiality of such record or information and shall limit its usage thereof to the proper exercise of its authority.

"(g)(1) The Committee shall establish such procedures as it determines to be necessary in its evaluation of the appropriateness of the inclusion in or exclusion from the Formulary, of any drug entity (or dosage form or strength thereof). For purposes of inclusion in or exclusion from the Formulary the principal factors in the determination of the Committee shall be—

"(A) the factor of clinical equivalence in the case of the same dosage forms in the same strengths of the same drug entity; and

"(B) the factor of relative therapeutic value in the case of similar or dissimilar drug entities in the same therapeutic category.

"(2) The Committee, prior to making a final decision to remove from listing in the Formulary any drug entity (or dosage forms or strengths thereof) which is included therein, shall afford a reasonable opportunity for a formal or informal hearing on the matter to any person engaged in manufacturing, preparing, compounding, or processing such drug entity who shows reasonable ground for such a hearing.

"(3) Any person engaged in the manufacture, preparation, compounding, or processing of any drug entity (or dosage forms or strengths thereof) not included in the Formulary which such person believes to possess the requisite qualities to entitle such drug to be included in the Formulary pursuant to subsection (e), may petition for inclusion of such drug entity and, if such petition is denied by the Formulary Committee, shall, upon request therefor, showing reasonable grounds for a hearing, be afforded a formal or informal hearing on the matter in accordance with rules and procedures established by such Committee.

"LIMITATIONS ON MEDICARE PAYMENT FOR CHARGES OF PROVIDERS OF SERVICES

"SEC. 1883. (a) Any provider of services as defined in section 1861(u), whose services are otherwise reimbursable, under any program under this Act in which there is Federal financial participation on the basis of 'reasonable cost', shall not be entitled to a professional fee or dispensing charge or reasonable billing allowance as determined pursuant to this section.

"(b) A fee, charge, or billing allowance shall not be payable under this section with respect to any drug entity that (as determined in accordance with regulations) is furnished as an incident to a physician's professional service, and is of a kind commonly furnished in physicians' offices and commonly either rendered without charge or included in the physicians' bills.

"REASONABLE ALLOWANCE FOR ELIGIBLE DRUGS

"SEC. 1884. (a) For purposes of this title, the term 'reasonable allowance' when used in reference to an eligible drug means the following:

"(1) When used with respect to a prescription legend drug entity, in a given dosage form and strength, such term means the lesser of—

"(A) an amount equal to the customary charge at which the participating pharmacy sells or offers such drug entity, in a given dosage form and strength, to the general public, or

"(B) the price determined by the Secretary, in accordance with subsection (b) of this section, plus the professional fee or dispensing charges determined in accordance with subsection (c) of this section.

"(2) When used with respect to insulin such term means the charge not in excess of the reasonable customary price at which the participating pharmacy offers or sells the product to the general public, plus a reasonable billing allowance.

"(b)(1) For purposes of establishing the reasonable allowance in accordance with subsection (a) the price shall be (A) in the case of a drug entity (in any given dosage form and strength) available from and sold by only one supplier, the price at which such drug entity is generally sold (to establishments dispensing drugs), and (B) in any case in which a drug entity (in any given dosage form and strength) is available and sold by more than one supplier, only each of the lower prices at which the products of such drug entity are generally sold (and such lower prices shall consist of only those prices of different suppliers sufficient to assure actual and adequate availability of the drug entity, in a given dosage form and strength, at such prices in a region).

"(2) If a particular drug entity (in a given dosage form and strength) in the Formulary is available from more than one supplier, and the product of such drug entity as available from one supplier possesses demonstrated distinct therapeutic advantages over other products of such drug entity as determined by the Committee on the basis of its scientific and professional appraisal of information available to it, including information and other evidence furnished to it by the supplier of such drug entity, then the reasonable allowance for such supplier's drug product shall be based upon the price at which it is generally sold to establishments dispensing drugs.

"(3) If the prescriber, in his handwritten order, has specifically designated a particular product of a drug entity (and dosage form and strength) included in the Formulary by its established name together with the name of the supplier of the final dosage form thereof, the reasonable allowance for such drug product shall be based upon the price at which it is generally sold to establishments dispensing drugs.

"(c)(1) For the purpose of establishing the reasonable allowance (in accordance with subsection (a)) a participating pharmacy, shall, in the form and manner prescribed by the Secretary, file with the Secretary, at such times as he shall specify, a statement of its professional fee or other dispensing charges.

"(2) A participating pharmacy, which has agreed with the Secretary to serve as a provider of services under this title, shall, except for subsection (a)(1)(A), be reimbursed, in addition to any price provided for in subsection (b), the amount of the fee or charges filed in paragraph (1), except that no fee or charges shall exceed the highest fee or charges filed by 75 percent of participating pharmacies (with such pharmacies classified on the basis of (A) lesser dollar volume of prescriptions and (B) all others) in a census region which were customarily charged to the general public as of June 1, 1978. Such prevailing professional fees or dispensing charges may be modified by the Secretary in accordance with criteria and types of data comparable to those applicable to recognition of increases in reasonable charges for services under section 1842.

"(3) A participating pharmacy shall agree to certify that, whenever such pharmacy is required to submit its usual professional fee or dispensing charge for a prescription, such charge does not exceed its customary charge.".

EFFECTIVE DATES

SEC. 106. (a) Except as provided in subsection (b), the amendments made by this title shall become effective on January 1, 1981, with respect to services rendered and expenses incurred on or after such date.

(b) For purposes of section 1861(cc) of the Social Security Act, the term "covered services" shall include eligible drugs only with respect to expenses incurred and benefits payable for such eligible drugs on or after January 1, 1982.

TITLE II—CATASTROPHIC ILLNESS INSURANCE

EMPLOYER AND RESIDUAL PLANS

SEC. 201. The Social Security Act is amended by adding at the end thereof the following new title:

"TITLE XXI—CATASTROPHIC ILLNESS INSURANCE

"PURPOSE OF TITLE

"SEC. 2101. It is the purpose of this title to make available to all citizens and permanent residents of the United States insurance against high-cost catastrophic illness under an employer plan required under part A of this title or under an individual policy approved under part B of this title.

"PART A—EMPLOYER PLANS

"PURPOSE

"SEC. 2102. It is the purpose of this part to require that each employer make available to each of its employees the option to participate in a group catastrophic health insurance plan which meets the requirements of section 2105.

"EMPLOYER DEFINED

"SEC. 2103. (a) For purposes of this part the term 'employer' means—

"(1) a person engaged in a business affecting commerce;

"(2) the United States; and

"(3) the District of Columbia;

but such term does not include any State or political subdivision of a State.

"(b) For purposes of this part the term 'full-time employee' means any employee who works for any one employer at a rate of at least 25 hours per week.

"(c) For purposes of this part the term 'State' includes a State of the United States, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

"EMPLOYER REQUIREMENTS

"SEC. 2104. (a) Every employer shall make available to each of his full-time employees who has been such an employee for more than 30 days, the option to participate in a catastrophic health insurance plan meeting the requirements of section 2105 (hereafter in this part referred to as the 'plan') subject to the plans open enrollment requirements.

"(b) No employee may be required by his employer to pay more than 25 percent of the cost of participating in the plan, and the employee shall have the option of paying his share of the cost through a payroll deduction system.

"PLAN REQUIREMENTS

"SEC. 2105. (a) A group catastrophic health insurance plan must meet the following requirements:

"(1) The plan must provide the option to enroll in the plan to all employees and other individuals for whom the employer is required to provide such option under section 2104.

"(2)(A) The plan must offer an open enrollment period of at least 30 days—

"(i) at least once each year with respect to all employees; and

"(ii) during the calendar month immediately following a change in circumstances with respect to the employee experiencing such change.

"(B) For purposes of this paragraph a change of circumstances means any of the following events with respect to an employee:

"(i) The unemployment of a spouse who was covered under a group catastrophic health insurance plan.

"(ii) The death of a spouse.

"(iii) Marriage or divorce.

"(iv) A change in the number of the employee's dependents.

"(3) The plan must offer an option to convert to an individual policy (plus reasonable handling costs) to any individual covered by the plan who ceases to be eligible under the plan, without proof of insurability or reference to prior medical condition. Such option must be available up to the time such individual ceases to be eligible, or for 90 days thereafter in the case of an individual who ceases to be eligible on account of age.

"(4) The plan must provide coverage for the member employee, his spouse, and for any of his unmarried dependents under the age of 26, who are not otherwise covered under a plan, without regard to any preexisting medical condition. For purposes of this title, the term 'dependent' shall have the meaning assigned to it by the Secretary in regulations, but such meaning shall include at least those individuals who are considered to be dependents of such employee under section 152 of the Internal Revenue Code of 1954. The plan must also continue coverage for any such dependent who became totally disabled prior to age 26, for so long as he remains totally disabled, or until such time as he qualifies for benefits under title XVIII, or a State plan approved under title XIX, of this Act.

"(5)(A) The plan must continue coverage for the surviving spouse of a member employee of such spouse was covered by the plan at the time of such employee's death, for a period of at least three months, but the plan may discontinue such coverage for any such surviving spouse who remarries or becomes eligible to enroll in a plan as an employee.

"(B) The plan must continue coverage for any surviving dependent of a member employee if such dependent was covered by the plan at the time of such employee's death, for a period of at least three months, but the plan may discontinue coverage for any such surviving dependent who reaches age 26 or becomes eligible to enroll in a plan as an employee or as the spouse of an employee.

"(C) The plan must continue coverage under the plan for covered individuals for a period of 3 calendar months after the member employee becomes unemployed or ceases to be a full-time employee. Such coverage must be continued in the same manner and subject to the same conditions as when such member employee was a full-time employee, but the plan may discontinue such coverage if the member employee becomes eligible to enroll in a plan as an employee of another employer or contains equivalent catastrophic coverage. This subparagraph shall not apply to a member employee who was an employee for a period of less than three months.

"(D) In the case of an individual who was an employee for less than three months, such coverage must be continued for a number of calendar months equal to the number of calendar months or fraction thereof during which the individual was an employee.

"(6) The plan must provide for payment, without cost sharing by any individual covered by the plan, for inpatient hospital services (as defined in section 1861(b) of this Act) provided to any individual covered by the plan during any period which is a hospital benefit period with respect to that individual (as determined under section 2106(a)).

"(7) The plan must provide for payment, without cost sharing by any individual covered by the plan, for services for which benefits are payable under section 1832 of this Act (to individuals enrolled under part B of title XVIII) provided to any individual covered by the plan during any period which is a medical benefit period with respect to that individual (as determined under section 2106(b)).

"BENEFIT PERIODS

"SEC. 2106. (a)(1) A hospital benefit period with respect to any individual shall begin on the day following the 60th day during the 15-month period (consisting of a calendar year and the last three months of the preceding calendar year) in which that individual, or any other individual who is a member of his family (as defined in subsection (c)), received inpatient hospital services (as defined in section 1861(b) of this Act).

"(2) A hospital benefit period with respect to any individual shall end on—

"(A) the day in such calendar year following the first period of 90 consecutive days therein during which neither that individual, nor any member of his family, was receiving inpatient hospital services; or

"(B) the last day of such calendar year, if earlier.

"(b)(1) A medical benefit period with respect to any individual shall begin when such individual and his family have incurred expenses for services for which benefits are payable under section 1832 of this Act (to individuals enrolled under part B of title XVIII) which aggregate more than $5,000 in the 15-month period (consisting of a calendar year and the last three months of the preceding calendar year).

"(2)(A) A medical benefit period with respect to any individual shall end on—

"(i) the day in such calendar year which precedes the first period of 90 consecutive days therein during which that individual and the members of his family incurred expenses for such services which aggregate less than $500; or

"(ii) the last day of such calendar year, if earlier.

"(B) The dollar amounts of incurred expenses which determine the beginning or end of a medical benefit period under subparagraph (A) shall be adjusted each year by the Secretary, beginning on September 1 with respect to the following calendar year, by a percentage equal to the percentage increase or decrease (as the case may be) in the medical care services component of the Consumer Price Index (as determined by the Department of Labor) as adjusted to reflect other appropriate economic factors (as determined by the Secretary) during the twelve-month period ending on the June 30th last preceding such September 1st.

"(c) For purposes of this title the term "family" means, with respect to an individual, the unit consisting of that individual and any other person who is—

"(1) related to that individual by blood, marriage, or adoption;

"(ii) living in a place of residence maintained by that individual or by a person described in clause (i) as his or their own home (and for purposes of this clause a child under age 22 who is absent from home for the purpose of attending an educational institution as a full-time student shall be deemed to be living in such place of residence); and

"(ii) is (I) the spouse of that individual, (II) a dependent (as determined by the Secretary in regulations) of that individual, (III) the person (or the spouse of the person) of whom such individual is a dependent, or

"(iv) a person who is a dependent of the same person of whom such individual is a dependent.

"CIVIL PENALTY FOR FAILURE TO COMPLY

"SEC. 2107. (a) Any employer who fails to comply with the provisions of this part shall be subject to a civil penalty in an amount up to 100 percent of the amount which the Secretary determines would be the additional expense incurred by such employer to comply with this part.

"(b)(1) The Secretary shall determine the amount of the penalty on a monthly basis, and the penalty shall continue to be assessed for each month during which such employer fails to comply with this part.

"(2) In determining the amount of a civil penalty, the Secretary shall take into account the nature, circumstances, extent, and gravity of the violation or violations and, with respect to the violator, ability to pay, effect on ability to continue to do business, any history of prior such violations, the degree of culpability, and such other matters as justice may require.

"(3) The Secretary may compromise, modify, or remit, with or without conditions, any civil penalty which may be imposed under this section. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the employer charged.

(c) A civil penalty for a violation of this part shall be assessed by the Secretary by an order made on the record after opportunity for a hearing in accordance with section 554 of title 5, United States Code. Before issuing such an order, the Secretary shall give written notice to the employer to be assessed a civil penalty under such order of the Secretary's proposal to issue such order and provide such employer an opportunity to request, within 15 days of the date the notice is received by such employer, such a hearing on the order.

"(d) Any employer who requested in accordance with subsection (c) a hearing respecting the assessment of a civil penalty and who is aggrieved by an order assessing a civil penalty may file a petition for judicial review of such order with the United States Court of Appeals for the District of Columbia Circuit or for any other circuit in which such employer resides or transacts business Such a petition may only be filed within the 30-day period beginning on the date the order making such assessment was issued.

"(e) If any employer fails to pay an assessment of a civil penalty—

"(1) after the order making the assessment has become a final order and if such employer does not file a petition for judicial review of the order in accordance with subsection (d), or

"(2) after a court in an action brought under subsection (d) has entered a final judgment in favor of the Secretary,

the Attorney General shall recover the amount assessed (plus interest at currently prevailing rates from the date of the expiration of the 30-day period referred to in subsection (d) or the date of such final judgment, as the case may be) in an action brought in any appropriate district court or the United States. In such an action, the validity, amount, and appropriateness of such penalty shall not be subject to review.

"PRIVATE RIGHT OF ACTION

"SEC. 2108. (a) Any employee may commence a civil action against his employer if such employer is alleged to be in violation of this part for damages consisting of any expenses incurred by such employee or his family on account of the failure of such employer to comply with the provisions of this part.

(b) An action brought under this section shall be brought in the United States district court for the district in which the employee resides, in which the employer resides, or in which the employer's principal place of business is located. The United States district courts shall have jurisdiction over any action brought under this section without regard to the amount in controversy or the citizenship of the parties. In any action brought under this section, process may be served on a defendant in any judicial district in which the defendant resides or may be found and subpenas for witnesses may be served in any judicial district.

"(c) The court, in issuing any final order in any action brought pursuant to subsection (a), may award costs of suit and reasonable fees for attorneys and expert witnesses if the court determines that such an award is appropriate. Any court, in issuing its decision in an action brought to review such an order, may award costs of suit and reasonable fees for attorneys if the court determines that such an award is appropriate.

"(d) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of this Act or any rule or order under this Act or to seek any other relief.

"(e) When two or more civil actions brought under subsection (a) involving the same defendant and the same issues or violations are pending in two or more judicial districts, such pending actions, upon application of such defendant to such actions which is made to a court in which any such action is brought, may, if such court in its discretion so decides, be consolidated for trial by order (issued after giving all parties reasonable notice and opportunity to be heard) of such court and tried in—

"(1) any district which is selected by such defendant and in which one of such actions is pending,

"(2) a district which is agreed upon by stipulation between all the parties to such actions and in which one of such actions is pending, or

"(3) a district which is selected by the court and in which one of such actions is pending.

The court issuing such order shall give prompt notification of the order to the other courts in which the civil actions consolidated under the order are pending.

"PART B—RESIDUAL PLAN

"PURPOSE OF PART; APPROPRIATION

"Sec. 2150. (a) It is the purpose of this part to provide Federal payments to enable individuals to purchase private catastrophic health insurance policies.

(b) For the purpose of carrying out the provisions of this part there are authorized to be appropriated such sums as may be necessary.

"ELIGIBLE INDIVIDUALS

"Sec. 2151. Any individual who—

"(1) is a resident of the United States, and

"(2) is a citizen of, or an alien lawfully admitted to, the United States, or an alien otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act),

shall be entitled to a premium subsidy under section 2156 if such individual wishes to purchase an approved policy (as defined in section 2154) and such individual is not—

"(A) covered under a catastrophic health insurance plan which meets the requirements of section 2105 of this Act,

"(B) entitled to benefits under part A of title XVIII of this Act, or

"(C) eligible for services under a State plan approved under title XIX of this Act which are at least substantially equivalent (as determined by the Secretary) to the services required to be covered under an approved policy.

"AGREEMENTS WITH CARRIERS

"Sec. 2153. (a)(1) The Secretary shall enter into agreements with private carriers that are willing and able to do so, whereby such carriers shall make available catastrophic health insurance policies which the Secretary determines meet the requirements of this part. The Secretary shall agree to pay a portion or all of the premium cost of such a policy on behalf of any individual who is entitled to such a subsidy payment under section 2156.

"(2) Any health maintenance organization qualified pursuant to title XIII of the Public Health Service Act shall qualify as a carrier under this subsection.

"(b) For purposes of this part the term 'carrier' means a voluntary association, corporation, partnership, health maintenance organization, or other nongovernmental organization, which is engaged in providing, arranging, paying for, or reimbursing the costs of health insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar arrangements, in consideration of premiums or other periodic charges.

"(c) The amount of the premium which may be charged by an entity having an agreement under this section for approved policies for which the Secretary may make subsidy payments, may vary by region according to reasonable cost differences, but may not vary according to the health status of the individual (or his family) purchasing the policy (or on whose behalf the policy is purchased).

"APPROVED POLICY

"Sec. 2154. (a) In order to be an approved policy for purposes of this part, a catastrophic health insurance policy must meet the following requirements:

"(1)(A) The policy must offer an open enrollment period of at least 30 days—

"(i) at least once each year with respect to all covered individuals; and

"(ii) during the calendar month immediately following a change in circumstances with respect to the individual experiencing such change.

"(B) For purposes of this paragraph a change of circumstances means any of the following events with respect to a covered individual:

"(i) The unemployment of a spouse who was covered under a group catastrophic health insurance plan.

"(ii) The death of a spouse.

"(iii) Marriage or divorce.

"(iv) A change in the number of the individual's dependents.

"(2) The policy must provide coverage for an individual, his spouse, and for any of his unmarried dependents under the age of 26, who are not otherwise covered under a group plan approved under part A of this title, without regard to any pre-existing medical condition. The term 'dependent' shall have the meaning assigned to it by the Secretary in regulations, but such meaning shall include at least those individuals who are considered dependents of such individual under section 152 of the Internal Revenue Code of 1954.

"(3) The policy must provide for payment, without cost sharing by any individual covered by the policy, for inpatient hospital services (as defined in section 1861(b) of this Act) provided to any individual covered by the policy during any period which is a hospital benefit period with respect to that individual (as determined under section 2155(a)).

"(4) The policy must provide for payment, without cost sharing by any individual covered by the policy, for services for which benefits are payable under section 1832 of this Act (to individuals enrolled under part B of title XVIIII) provided to any individual covered by the policy during any period which is a medical benefit period with respect to that individual (as determined under section 2155(b)).

"(5) The policy must provide for payment, without cost sharing by any individual covered under the policy, for all services described in paragraphs (3) and (4) provided to any individual covered by the policy during any period which is a total benefit period with respect to that individual (as determined under section 2155 (c)).

"BENEFIT PERIODS

"Sec. 2155. (a)(1) A hospital benefit period with respect to any individual shall begin on the day following the 60th day during the 15-month period (consisting of a calendar year and the last three months of the preceding calendar year) in which that individual, or any other individual who is a member of his family (as defined in subsection (d)), received inpatient hospital services (as defined in section 1861(b) of this Act).

"(2) A hospital benefit period with respect to any individual shall end—

"(A) on the day in such calendar year which follows the first period of 90 consecutive days therein during which neither that individual, nor any member of his family, was receiving inpatient hospital services; or

"(B) on the last day of such calendar year, if earlier.

"(b)(1) A medical benefit period with respect to any individual shall begin when such individual and the members of his family have incurred expenses for medical services (as defined in subsection (e)) which aggregate more than $5,000 in the 15-month period (consisting of a calendar year and the last three months of the preceding calendar year).

"(2) A medical benefit period with respect to any individual shall end—

"(A) on the day in such calendar year which follows the first period of 90 consecutive days therein during which that individual and the members of his family incurred expenses for medical services which aggregate less than $500; or

"(B) on the last day of such calendar year, if earlier.

"(c)(1) A total benefit period with respect to any individual shall begin when such individual and the members of his family have made expenditures for which they are not reimbursed for inpatient hospital services and medical services which aggregate more than 15 percent (but at least $200) of the income (as determined by the Secretary under subsection (f)) of such family in the 15-month period (consisting of a calendar year and the last three months of the preceding calendar year).

"(2) A total benefit period with respect to any individual shall end the last day of such calendar year.

"(d) For purposes of this part the term 'family' has the same meaning, with respect to any individual, as in section 2106(c) of this Act.

"(e) For purposes of this section the term 'medical services' means those services for which benefits are payable under section 1832 of this Act to individuals enrolled under part B of title XVIII.

"(f)(1) For purposes of this section, the Secretary shall determine when an individual meets the requirements of subsection (c) based on income determinations under sections 2156 and 2157, and shall notify each insurance company having an agreement with him under this part whenever a policyholder of such company under the agreement meets the income test under such subsection (c).

"(2) In carrying out his responsibilities under this section, the Secretary may contract with appropriate State and local government agencies.

"(g) The dollar amounts of incurred expenses which determine the beginning or end of a medical benefit period under subsection (b) shall be adjusted each year by the Secretary, beginning on September 1 with respect to the following calendar year, by a percentage equal to the percentage increase or decrease (as the case may be) in the medical care services component of the Consumer Price Index (as determined by the Department of Labor) as adjusted to reflect other appropriate economic factors (as determined by the Secretary) during the twelve-month period ending on the June 30th last preceding such September 1st.

"AMOUNT OF PREMIUM SUBSIDY

"Sec. 2156. (a) The amount of the subsidy to be paid to an insurance entity on behalf of any individual shall be determined by the Secretary, based on the standards set forth in subsection (b).

"(b)(1) An individual whose family income is equal to or greater than 120 percent of the official nonfarm poverty guideline, published by the Office of Management and Budget and adjusted annually pursuant to section 625 of the Economic Opportunity Act of 1964, for a family of the same size, shall not be eligible for a subsidy under this part.

"(2) An individual with a family income of less than the amount determined under paragraph (1) shall be eligible for a subsidy, determined on a sliding scale basis, which takes into account the following factors:

"(A) The amount of the premium.

"(B) The family income.

"(C) The family size.

"(D) Coverage provided by the policy which goes beyond the minimum coverage required of an approved policy.

"(c) No more than one member of the same family shall be eligible for a subsidy under this part.

"MEANING OF 'INCOME'"

"Sec. 2157. (a) For purposes of this part, 'income' means (subject to subsection (b)) both earned income and unearned income; and—

"(1) 'earned income' means only—

"(A) wages as determined under section 203(f)(5)(C) of this Act; and

"(B) 'net earnings from self-employment', as defined in section 211 of this Act (without application of the second and third sentences following subsection (a)(10), and the last paragraph of subsection (a)), including earnings for services described in paragraphs (4), (5), and (6) of subsection (c); and

"(2) 'unearned income' means all other income, including—

"(A) support and maintenance furnished in cash,

"(B) any payments received as an annuity, pension, retirement, or disability benefit; including veterans' compensation and pensions; workmen's compensation payments; old-age, survivors, and disability insurance benefits; railroad retirement annuities and pensions; and unemployment insurance benefits,

"(C) cash gifts, support and alimony payments, and inheritances, and

"(D) rents, dividends, interest, and royalties.

"(b)(1) In determining, for purposes of this section, the income of any individual or family, for any period of time, there shall be excluded—

"(A) the aggregate value of any cash gifts which do not exceed $240, if such period of time is equal to 12 months, or, if such period of time is less than 12 months, then an amount which bears the same ratio to $240 as such period bears to 12 months, and

"(B) any scholarship, grant, fellowship, or loan received for use in paying for tuition, books, and related fees at any educational (including technical or vocational education) institution.

"(2) For purposes of paragraph (1) and subsection (a)—

"(A) a loan of $240 or more (or aggregate thereof) shall be regarded as a gift if such loan—

"(i) is unsecured (or is without adequate security), or

"(ii) has no maturity date; and

"(B) in the case of a loan which—

"(i) bears no interest, or

"(ii) bears interest at a rate which is not more than one-half of the prevailing rate of interest imposed with respect to similar loans, the recipient of such loan shall be regarded as having received, as a gift, an amount, with respect to any period of time, equal to the excess of—

"(iii) the amount of interest which would have been payable by him, with respect to such period, on such loan if such loan bore a rate of interest equal to the prevailing rate of interest imposed (as of the time such loan was made) with respect to similar loans, over

"(iv) the amount of interest (if any) payable by him, with respect to such period, on such loan.

"APPROVED POLICIES FOR MEDICAID RECIPIENTS

"Sec. 2158. (a) Notwithstanding the provisions of section 2152(C), any State having a plan for medical assistance approved under title XIX of this Act may purchase approved policies under this part, on behalf of individuals who are qualified to receive assistance under such plan and are not entitled to benefits under part A of title XVIII, or on behalf of any reasonable category thereof.

"(b) The amount expended by the State for purchasing such policies shall be considered an amount expended by such State for medical assistance for purposes of section 1903 of this Act.

"FEDERAL ACTUARIAL COMMITTEE

"Sec. 2159. (a)(1) There is established a Federal Actuarial Committee which shall consist of five members appointed by the President, one of whom shall be designated as the Chairman.

"(2) A majority of the members of the committee shall constitute a quorum, but a lesser number may conduct hearings.

"(3) A vacancy in the committee shall not affect its powers, but shall be filled in the same manner as that herein provided for the appointment of the member first appointed to the vacant position.

"(4) Each member of the committee shall be entitled to per diem compensation at rates fixed by the Secretary, but not more than the current per diem equivalent of the annual rate of basic pay in effect for grade GS-18 of the General Schedule for each day (including travel time) during which the member is engaged in the actual performance of duties vested in the committee, and all members of the committee shall be allowed, while away from their homes or regular places of business in the performance of service for the committee, travel expenses (including per diem in lieu of subsistence) in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703 of title 5, United States Code.

"(b) The committee shall prepare on an annual basis a table of values of catastrophic health insurance coverage for an individual, to be used as a guideline by which to evaluate the actuarial value of catastrophic health insurance coverage, and the costs of premiums for such coverage, offered through private carriers. The table shall be made available to carriers, health maintenance organizations, and all other interested parties.

"(c) The Secretary shall provide such technical, secretarial, clerical, and other assistance as the committee may need.

"(d) The committee may secure directly from any department or agency of the United States such data and information as may be necessary to enable it to carry out its duties under this section. Upon request of the Chairman of the committee, any such department or agency shall furnish any such data or information to the committee.

"(e) There are hereby atuhorized to be appropriated such sums as may be necessary to carry out this section.

"INSURANCE POOLS

"Sec. 2160. Notwithstanding any other provision of law, carriers may enter into contracts with any other carrier or group of carriers for the purpose of establishing or participating in an insurance pool to provide catastrophic health insurance coverage under this title.".

EEFECTIVE DATES

Sec. 202. (a) Except as provided in subsection (b), the provisions of title XXI of the Social Security Act (as added by this title) shall become effective on January 1, 1982.

(b) If, at the time that part A of title XXI of the Social Security Act becomes effective, an employer has in effect a group health plan which is an item covered under a collective bargaining agreement, the provisions of such part A shall not apply to such employer until such time as the collective bargaining agreement expires, or January 1, 1984, whichever is earlier.

MEDICAID REQUIREMENTS

Sec. 203. Section 1902(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (39);

(2) by striking out the period at the end of paragraph (40) and inserting in lieu thereof a semicolon; and

(3) by adding the following new paragraphs:

"(41) beginning January 1, 1982, provide to all individuals otherwise eligible for services under the plan, (A) catastrophic illness services, which must at a minimum, provide, without cost sharing by the individual or his family, (i) inpatient hospital services during any hospital benefit period (as defined in section 2155(a) of this Act) and (ii) those categories of medical services (as defined in section 2155(e)) which were included under the State plan during January 1979, during any medical benefit period (as defined in section 2155(b)), or (B) private insurance protection as provided in section 2158 of this Act; and

"(42) provide that no category of individuals who are eligible for assistance under the plan in January 1979 may be eliminated from coverage under the plan.".

TITLE III—AMENDMENTS TO INTERNAL REVENUE CODE

DEDUCTION FOR INDIVIDUAL

Sec. 301. (a) Section 213(e)(1)(C) of the Internal Revenue Code of 1954 (relating to the definition of medical expenses) is amended to read as follows:

"(C) for insurance covering medical care referred to in subparagraphs (A) and (B) which meets the requirements of paragraph (5).".

(b) Section 213(e) of such Code is amended by adding at the end thereof the following new paragraph:

"(5) For purposes of paragraph (1)(C) the term 'insurance' means—

"(A) supplementary medical insurance for the aged under part B of title XVIII of the Social Security Act,

"(B) a policy which contains at least the catastrophic health coverage required under part B of title XXI of the Social Security Act, or

"(C) in the case of a group health plan provided by an employer, a plan which meets the requirements of part A of title XXI of the Social Security Act.".

DEDUCTION FOR TRADE OR BUSINESS EXPENSE

SEC. 302. Section 162 of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended—

(1) by redesignating subsection (h) as subsection (j); and

(2) by inserting after subsection (g) the following new subsections:

"(h) Health Insurance for Individuals.—No deduction shall be allowed under subsection (a) for the cost of any health insurance policy purchased by an individual for himself or his family unless such policy under part B of title XXI of the Social Security Act.

"(i) Contributions by Employer to Accident and Health Plans.—No deduction shall be allowed under subsection (a) for contributions by an employer to accident or health plans for compensation (through insurance or otherwise) to his employees for personal injury or sickness unless such employer complies with the provisions of part A of title XXI of the Social Security Act if so required under that part.".

EMPLOYER CREDIT

SEC. 303. (a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by adding after section 44C the following new section:

"SEC. 44D. CREDIT FOR CERTAIN COSTS OF CATASTROPHIC HEALTH INSURANCE.

"(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this subchapter an amount determined under subsection (b) in the case of any taxpayer who is an employer within the meaning of part A of title XXI of the Social Security Act.

"(b) AMOUNT OF CREDIT.—The amount of the credit shall be equal to a percentage (determined under subsection (d)) of the amount of excess payroll costs (determined under subsection (c)) experienced by an employer during the taxable year.

"(c) EXCESS PAYROLL COSTS.—The amount of an employer's excess payroll costs shall be equal to the amount by which his payroll costs in the taxable year exceed 102 percent of what his payroll costs would have been in such taxable year if such employer had maintained the same level of contribution and the same scope of coverage under the accident or health plans he provided for his employees as he did in his last taxable year which ended prior to the date of the enactment of the Catastrophic Health Insurance and Medicare Improvements Act of 1979.

"(d) PERCENTAGE FOR DETERMINING CREDIT.—

"(1) For purposes of subsection (b), the percentage for the first taxable year beginning on or after the date on which part A of title XXI of the Social Security Act becomes effective with respect to the employer more than 24 months after the date of the enactment of the Medicare Improvements and Catastrophic Health Insurance Act of 1979 shall be 50 percent.

"(2) For the next four succeeding taxable years such percentage shall be the percentage as in effect in the preceding taxable year, minus 10 percent.".

(b) The table of sections for such subpart is amended by inserting after the item relating to section 44C the following new item:

"Sec. 44D. Credit for certain costs of catastrophic health insurance.".

(c) Section 6401 (b) of such Code (relating to excessive credits treated as overpayments) is amended—

(1) by striking out "and 43 (relating to earned income credit)" and inserting in lieu thereof "43 (relating to earned income credit), and 44D (relating to certain costs of catastrophic health insurance)", and

(2) by striking out "32, 39, and 43" and inserting in lieu thereof "31, 39, 43, and 44D".

EFFECTIVE DATES

SEC. 304. (a) The amendments made by this title shall apply to taxable years beginning with the first taxable year beginning after the date on which the requirements of title XXI of the Social Security Act are in effect with respect to the employer (in the case of the taxable year of an employer as defined in such title) or the taxpayer's employer (in the case of the taxable year of an individual who is an employee of an employer as defined in such title).

(b) The amendments made by this title shall apply to taxable years beginning on or after January 1, 1982, in the case of a taxpayer who is not an employer, or an employee of an employer, as defined in title XXI of the Social Security Act.

FACT SHEETS DOLE-DANFORTH-DOMENICI CATASTROPHIC HEALTH INSURANCE AND MEDICARE AMENDMENTS ACT OF 1979

Part 1. Medicare improvements.

A. Provides for unlimited hospital coverage without coinsurance.

B. Eliminates co-pay for physicians' services and certain other medical services after $5,000 of incurred expenses.

C. Other improvements including expansion of skilled nursing facility benefits, home health benefits, mental health coverage and certain drugs.

Part 2. Employment-related private catastrophic health insurance program.

A. Employers must offer employees catastrophic health insurance with at least the following provisions:

1. Unlimited in-patient hospital benefits after 60 days of hospitalization.

2. Coverage of expenses for certain medical services after $5,000 incurred.

B. Employer must offer coverage of spouse and dependent unmarried children up through age of 25.

C. Employer must provide coverage of widow/widower of covered employee for up to 3 months after death of covered employee.

D. Employer must continue to offer coverage to a terminated employee for up to 3 months after termination.

E. Employees may choose not to participate.

F. Employer may require employee contributions but of no more than 25 percent of the premium cost.

G. Individual and employee tax deductions may only be claimed if the requisite catastrophic coverage is included in the health benefit package.

H. A refundable tax credit, starting at 50 percent and phasing out over 5 years, is available to employers with significant increases in payroll costs as a result of providing the catastrophic coverage.

I. Employers not offering the required catastrophic insurance protection would be penalized.

Part 3. Residual market catastrophic health insurance program.

A. HEW enters into agreements with insurance carriers for them to make available approved catastrophic health insurance plans.

B. The premiums are subsidized on a sliding scale for low-income individuals and families.

C. All individuals with no other catastrophic coverage are able to participate.

D. Policies cover at a minimum (A) all inpatient hospital bills after 60 days of hospitalization in a year, or (B) all expenses for certain covered services after $5,000 incurred expense or (C) all inpatient hospital services and expenses for certain covered services after the individual or family has expended 15 percent of income out of pocket for these services.

E. Medicaid has to cover all inpatient hospitalization after 60 days of hospitalization, and medical services as currently required for States Medicaid program after $5,000 of incurred expenses for these services.

PART I—MEDICARE IMPROVEMENTS OF 1979

This proposal would:

A. Incorporate certain improvements in the Medicare benefit package and

B. Provide coverage for certain specified catastrophic expenses.

Eligibility: Medicare Beneficiaries.

A. Benefit Modifications.

1. Hospital Services.

a. Delete current limitations on number of days of hospital care covered;

b. Delete current co-insurance requirements for hospital services.

2. Skilled Nursing Home Services.

a. Delete current co-insurance requirements for skilled nursing facility services.

b. Liberalize current law requiring entry and re-entry into a skilled nursing facility within a specified period of time following hospitalization.

The proposed provision would not delete the 3-day prior hospitalization requirement.

3. Home Health Services.

a. Delete current prior hospitalization requirement.

b. Delete current limit on number of home health visits;

c. Add occupational therapy as a primary service;

d. Require training of all home health aides;

e. Limited liberalization of home-bound requirement.

4. Mental Health Services.

a. Increase coverage of out-patient psychiatric benefits to $750/yr. Co-insurance to be the same as for other physician services.

b. Recognize Federal Qualified Community Mental Health Centers as providers and provide for a limited number of visits.

B. Catastrophic Coverage.

Catastrophic coverage will trigger when the Medicare beneficiary has incurred expenses of $5,000 in a year or had an out-of-pocket expense equal to 20 percent of that deductible for certain covered services. The $60 deductible is not included in computation of the deductible. The program would have a deductible carryover feature under which covered medical expenses incurred in the last three months of one calendar year could be counted toward meeting the deductible for the next year. The specific dollar measure of catastrophic, i.e., $5,000 would be adjusted annually to reflect changes in the medical care component of the Consumer Price Index and other economic factors.

1. Prescription Drugs.

a. Incurred expenditures for certain outpatient prescription drugs which are necessary for the treatment of the most common crippling or life-threatening chronic diseases of the Medicare recipient will count toward meeting the deductible. A formulary will be prepared listing eligible drugs.

b. Once the Medicare beneficiary meets the deductible, payment would be made for these certain outpatient drugs without co-insurance, until the termination of the catastrophic benefit period.

2. Other Part B Services.

Once the deductible has been met, Medicare would pay 100 percent of the reasonable charge or reasonable cost as appropriate.

3. Catastrophic Benefit Period.

Following the first period of any 90 consecutive days during which the individual incurred less than $500 in covered medical expenses, catastrophic benefits would temporarily terminate, until such time as the individual once again satisfied the deductible.

C. Phase In.

All benefit modifications take effect, with the exception of the drug benefit, January 1, 1981. The drug benefit, including allowing expenses for drugs to count towards the deductible, would take effect January 1, 1982.

PART II—EMPLOYMENT RELATED PRIVATE CATASTROPHIC HEALTH INSURANCE PROGRAM

The intent of the Employment Related Program is to assure that the employed population is protected through private insurance against the costs associated with catastrophic illness.

A. Requirements for Employers.

All employers would be required to offer to their employees group health insurance which provided at least catastrophic coverage:

1. Coverage must be offered to all employees who have been employed for 30 days and work at least 25 hours per week without regard to health status.

2. Employees would be free to choose to participate or not.

3. A plan could not exclude benefits for preexisting medical conditions or require any waiting period beyond that noted above.

B. Benefits.

1. Coverage without patient cost sharing after the individual or covered family unit has been hospitalized for 60 days in the calendar year for costs of inpatient hospital services.

2. Payment of covered services (identical to those covered under Part B of Medicare which include physicians' services, home health visits, laboratory and X-ray services, outpatient physical therapy services, and other medical and health services such as medical supplies, appliances and equipment, and ambulance services) without co-insurance after the individual or covered family unit has incurred medical expenses of $5,000 for these covered services. The medical deductible is adjusted annually to reflect the differences in the medical care component of the Consumer Price Index and other indicators of health care costs.

C. Additional Requirements for Policies.

1. The policy would have to offer open enrollment to employees experiencing a change in circumstances during the calendar month following these changes. Situations meeting definition of change in circumstances should include:

a. Unemployment of spouse covered under another employer's group plan;

b. Death of spouse;

c. Marriage;

d. Divorce;

e. New dependents.

2. The plan must make coverage available to the employee, the employee's spouse and dependent unmarried children through the age of 25. Employers must offer payroll deduction for employee premium contributions. The definition of these dependents must include at least those defined as dependents by the IRS. Also, coverage would be continued for a dependent unmarried child beyond age 25 if the child had become totally disabled before age 25 for as long as disabled or until such time as they qualify for Medicare or Medicaid.

3. Policy required to permit the widow/widowers, or divorced spouse, or orphaned children of covered employee to continue participation in the group plan for a minimum of three months after the death or divorce of covered employee (unless otherwise covered).

4. The plan must permit those noted above, in addition to the unemployed, dependent children, and dependent children upon attainment of majority, who have been members of the insured group, to convert, without proof of insurability or reference to prior medical conditions, to individual coverage (plus reasonable allowance for handling costs), prior to termination of their group coverage, or within 90 days of termination in the case of a child. There would be no mandated employer contribution after conversion.

D. Premium Cost-Sharing.

No employee shall be required to pay more than 25 percent of the cost of the premium for catastrophic coverage.

E. Federal Actuarial Committee.

Established under Part III of this bill would make available to the employer a Table of Values of Catastrophic Health Insurance coverage as a guideline by which to evaluate the actuarial value of catastrophic health insurance coverage offered through private carriers.

F. Unemployed.

1. The employer must continue to offer at least catastrophic coverage for the employee and the employee's spouse and dependents for the three calendar months (unless the individual has worked less than three months) following termination of employment (or until reemployment or entry into new insurance plan) without additional cost to the employee.

2. At the end of the three-month period, all premium cost-sharing responsibilities for the employer cease. An option must be offered to the employee to convert the policy.

3. In the case where the employee has worked less than three calendar months, he will earn one calendar month of continued catastrophic coverage for each calendar month or fraction thereof the employee has worked.

G. Tax Deductions.

1. Employer may claim business expenses for any health insurance premiums only if the policy contains the requisite catastrophic coverage.

2. Individuals who itemize deductions may deduct one-half of the cost of purchasing health insurance (up to a maximum of $150) only if the policy contains the requisite catastrophic coverage.

3. The self-employed not required to obtain private catastrophic health insurance under this program may not take a business deduction for premiums if their insurance policies do not contain a catastrophic benefit as outlined in this bill.

H. Employer Hardship Subsidy.

1. If in order to come into compliance with this law, an employer's payroll costs increase by 2 percent or more over what its payroll costs would have been in the first year of compliance, a subsidy in the form of a refundable tax credit will be provided. The Department of the Treasury will be responsible for administration of this provision which will phase out over five years.

2. The tax credit will be equal to 50 percent of the total amount above the 2 percent increase in payroll costs in the first year and then decrease by 10 percent each year thereafter (i.e., 40%, 30%, 20%, 10%).

I. Phase In.

1. All employers shall comply with this Act by January 1, 1982.

2. If an employer's health plan under a collective bargain agreement was in effect on the date of enactment of this program, the requirements of the program would not apply to the employer until the agreement expired—but not later than January 1, 1984.

J. Penalty.

Employers not offering the required catastrophic health insurance protection would be subject to a civil penalty. The employee shall also be provided a private right of action against any employer which fails to make available the required catastrophic coverage for amounts that would have been payable under such coverage.

PART III—RESIDUAL MARKET CATASTROPHIC HEALTH INSURANCE PROGRAM

The proposal would provide for agreements with private insurance companies for the availability of catastrophic insurance for those not covered under Medicare, Medicaid or other private insurance. The Federal Government would subsidize the premiums for persons with low incomes insured pursuant to these agreements. The proposal would also modify Medicaid to provide similar coverage under that program.

A. Eligibility.

All individuals with no other catastrophic insurance coverage, Medicare or Medicaid.

B. Insurance Plans.

Private insurance carriers would, at their option, submit to HEW a catastrophic policy for certification. The Secretary of HEW would enter into agreements with such private insurance carriers for them to offer approved catastrophic health insurance plans. The term "carrier" means a voluntary association, corporation, partnership, HMO, or other nongovernmental organization which is engaged in providing, arranging, paying for, or reimbursing the costs of health services under insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar arrangements, in consideration of premiums or other periodic charges to the carrier.

Notwithstanding the other provisions of this section, a plan offered by a health maintenance organization qualified pursuant to title XIII of the Public Health Services Act may be approved by the Secretary for purposes as described.

1. Premiums.

Approved plans would be offered at a community-rated premium, and would be available to all applicants. The premium or periodic charge to the participant could vary in different regions of the country, depending on health costs in that region. The premium or charge would not, however, vary according to the individual's or family's health status. There will be different rates for individuals and families.

2. Subsidy.

Based on the estimated premium, the Secretary of HEW would establish a formula based on income, under which HEW would subsidize the payment of premiums by low income individuals or families. To avoid a "notch" effect, the subsidy would be gradually indexed according to income and would phase out at 120 percent of the national poverty line.

Example: 0 Income=100% subsidy; income equals 30% of poverty line=80% subsidy; income equals 120% of poverty line=0 subsidy.

The subsidy would be paid directly to the insurance carrier on behalf of the individual.

3. Federal Actuarial Committee.

Each year a five-member Federal Actuarial Committee would prepare a table of values of catastrophic health insurance coverage for one individual and for families. This table could be used by individuals and employers as a guideline by which to evaluate the actuarial value of catastrophic health insurance coverage, (and the premium charged therefor) offered through private carriers. Such table of values developed shall be made available to all carriers who offer catastrophic health insurance plans and to health maintenance organizations qualified pursuant to title XIII of the Public Health Services Act and to all other interested parties.

D. Catastrophic Coverage.

Policies would be required to include the following coverage:

1. Coverage for costs for inpatient hospital services without patient cost sharing after the individual or family unit has been hospitalized for 60 days in a calendar year.

2. Payment of covered services (identical to those covered under Part B of Medicare which include physicians' services, home health visits, laboratory and x-ray services, outpatient physical therapy services, and other medical and health services such as medical supplies, appliances and equipment, and ambulance services) without co-insurance after the individual or family unit has incurred medical expenses of $5,000 for these covered services. The medical deductible is adjusted annually to reflect the differences in the medical care component of the Consumer Price Index and other indicators of health care costs.

3. Coverage for those services as defined in 1 and 2 above after an individual or family unit has out-of-pocket costs (paid bills or bills incurred for which there is no other coverage) for such services equal to 15 percent of income. However, in no instance could the out-of-pocket expense be less than $200. No additional co-insurance would be requried for benefits paid under this provision.

Examples:

a. If a family has income of $5,000 and then spends $750 on certain services as defined above (either hospital care or medical services), they would be covered because they had spent $750, 15 percent of income.

b. Someone with an income of $50,000 would have to spend $7,500 to meet this 15 percent test, but could possibly have "triggered" in before this, having met one of the two other deductibles, e.g., $5,000 medical expenses or 60 days in a hospital.

4. Benefits excluded under Medicare are not mandated under this part.

D. Additional Requirements for Policies.

1. Policy would have to offer open enrollment to beneficiaries experiencing a change in circumstances during the calendar month following these changes. Situations meeting definition of change in circumstances might include:

a. Unemployment of spouse covered under another employer's group plan;

b. Death of a spouse;

c. Marriage;

d. Divorce;

e. New dependents.

2. The plan must make coverage available to the beneficiary, the beneficiary's spouse and dependent unmarried children up to the age of 25. The definition of these dependents must include at least those defined as dependents by the IRS.

E. Administration.

1. Secretary of HEW would be responsible for certifying the plans.

2. Agreement with carriers would be made by HCFA.

3. For premium subsidy: Health Care Financing Administration would administer and be responisble for income determinations for subsidy purposes.

4. To determine if the 15 percent catastrophic test has been met: The Department of Health, Education, and Welfare would be responsible for determining who on the local level would make income determinations and check bills and notify the insurance company if the 15 percent test has been satisfied.

F. Tie-in with Medicaid.

1. State Medicaid programs must provide certain catastrophic coverage under their Medicaid plan, with benefits equal to or exceeding coverage for services after the individual or family meet the $5,000 deductible for medical services and coverage for hospital services after individual or family has been hospitalized for 60 days in one year.

2. States would be allowed to "buy" into, if they choose, a private plan as defined in this Act for their clients with Federal cost sharing as current for their Medicaid program.

3. States retain same Medicaid coverage groups who would have been covered as of January 1, 1979, e.g., medically indigent.

G. Antitrust Exemption for Insurance Companies.

Insurers may enter into contracts, combination or other arrangements with any other insurer or group of insurers for the sole purpose of establishing or participating in an insurance pool, i.e., insurance, other residual market arrangement for purposes of providing qualified catastrophic health insurance policies.

Mr. DOLE. Mr. President, I note that one of the strong proponents of catastrophic coverage, our distinguished chairman (Mr. LONG), has just entered the Chamber.

Mr. LONG. Will the Senator yield?

Mr. DOLE. I am happy to yield to my distinguished chairman.

Mr. LONG. Mr. President, I wish to congratulate the Senator for introducing this legislation to make available the alternatives that he suggested, that they might be considered in the hearings which will be starting shortly.

I really feel and I hope that the Senator agrees with this view, that there is a great deal of the health insurance that is now and in the future should be handled by private companies. We would hope it would be good insurance, that it it would give the people a good buy for their money, and that it would have a very high payout rate that only involves a modest amount of profit, comparable to the kind of profit we would expect people to make when they are helping in something of great concern to suffering individuals. Yet, we would not have the Government trying to do it just as a matter of muscling private companies away from something that is logically their activity. The Federal Government should not be telling people to do what people can be doing for themselves.

I am pleased to see that the Senator finds a lot of appeal to that approach. I hope we can agree on something that would overwhelmingly muster votes on both sides of the aisle. I think what we are trying to achieve is not a partisan victory, but a victory for all the people of the United States. One that all Senators and all Members of the House can take great pride.

Mr. DOLE. I appreciate the remarks of the distinguished chairman.

That is precisely the way this has been approached by the Senator from Kansas, the Senator from New Mexico, and the Senator from Missouri.

As I said earlier, although we may not receive headlines on this proposal, I believe we have, along with the distinguished Senator's proposal, the basis of some agreement that might pass the Congress and that might help the American people.

The purpose of our proposal is to start a dialog, to find some middle ground, and to actually offer something to the people other than a program we cannot afford. Nor do we want a program that might destroy the private sector or the doctor-patient relationship.

I appreciate the Senator's remarks.

Mr. DANFORTH. Mr. President, it is my understanding that I had 15 minutes and the Senator from New Mexico had 15 minutes.

Is that correct?

The ACTING PRESIDENT pro tempore. The Senator from Missouri is correct.

Mr. DANFORTH. We would like to reverse the order.

The ACTING PRESIDENT pro tempore. Is there objection?

Without objection, it is so ordered.

The Senator from New Mexico is recognized.

Mr. DOMENICI. I thank my good friend from Missouri. I do not think I will take the entire time because I have a hearing that I must attend with witnesses from my State of New Mexico.

Before the good Senator from Louisiana leaves the floor, might I indicate to him that, although I am not on the Finance Committee, the committee with prime jurisdiction in this area. None the less, I was very interested in his remarks this morning.

Because I have been very concerned about the health needs of our senior citizens, the increase in the size of the senior population, and the need to prudently modify medicare in the area of catastrophic insurance, I have joined with Senators DOLE and DANFORTH in a package that addresses both catastrophic needs and improvements in medicare.

Before I discuss the Dole-Danforth-Domenici Catastrophic Health Insurance and Medicare Amendments Act of 1979, I would like to briefly comment on Senatore LONG's remarks.

What I am interested in is the way the Senator put the problem this morning. For instance, as I look at America's energy problems I see a similar situation.

We know where we ought to go to try to solve it, but we find some things not quite to our liking that are very small in comparison to the nature of the energy problem, and we let the smaller problems impede us from solving the big problem.

If I understood the Senator's analogy, he is saying that if we are worried that insurance companies might make too much money on the process, let us try to solve that rather than turn this entire catastrophic program over to the Government to pay for and run.

I think if we can keep that in focus and direct our attention to the approach of letting the employers of America, many of whom who are currenty providing insurance coverage to their employees—if we will then say we all have to do it, and set the guidelines, and we can buy it from a private carrier, and then work together to see their private carrier is furnished the kind of coverage at minimal kinds of profits, at least not astronomical, as some would assume they will do—I think we will make some real strides in this regard.

Mr. LONG. Will the Senator yield?

Mr. DOMENICI. I am delighted to yield.

Mr. LONG. I think one of the things we have a right to ask of private industry, and we can do this in legislation, is that the public have the benefit of the kind of rate we think would be appropriate, and the competitive nature of the bid.

This tends to guarantee that. But I do not think anyone could object if the Congress or the Secretary of Health, Education, and Welfare, or some appropriate group, would pass judgment on what the profit would be on that type of thing.

The Senator knows that there is a very small profit on group insurance, particularly group health insurance, because, basically, it is sort of a term policy and the people are selling it for about only slightly more than it costs to pay out the protection.

Private industry has a selling cost. But if we approach it the way we perhaps will, we will try to do it on the basis that the selling cost will be only a one-time cost. Assuming that the companies do a good job, once a particular carrier is looking after a certain group of employees, it should not be necessary to have a selling cost over and over again.

By working it out the way it could be worked out, to make good use of private insurance, it would greatly reduce the burden on the taxpayers for having to pay for something that could be done between employers and insurers, with proper employee representation.

Mr. DOMENICI. I thank the Senator from Louisiana.

I certainly do not know how we should go about establishing the confidence of the American public, which the Senator from Louisiana has mentioned, but I believe it must be done and be consistent with what we are trying to accomplish in the legislation which Senators DOLE, DANFORTH and I are introducing today I am pleased that the legislative proposal we are discussing here today is a realistic approach for a way to provide catastrophic insurance to those people in America who are not covered.

I believe that, as part of any catastrophic approach, we must take a thorough look at how we are providing long-term care to our senior citizens in this country, and examining the need to strengthen alternatives—such as home health care. I know the Senator from Lousisiana agrees that we have to do that. Further, we have to do one other thing. While we have been pursuing institutionalization as the principal way to care for our elderly citizens, we must reassess this attitude, and again consider noninstitutional approaches to meeting these needs. Such approaches would not only be more human, but I believe, it could also be cost-effective.

We must, and I cannot emphasize this enough, look at home health care and other ways to take care of people, without putting them in long-term nursing homes or hospitals. We have to amend current laws to do this, and I am sure the committee will do that.

Mr. President, I am pleased to join today my distinguished colleagues Senator DOLE and Senator DANFORTH in introducing a bill to make catastrophic health insurance available to all Americans. We believe that the "Catastrophic Health Insurance and Medicare Amendments Act of 1979" is a major step forward toward reaching this goal.

The legislation we are introducing today is designed to provide protection to all Americans against large medical expenses that often bankrupt them, and in many cases force them unnecessarily to join the rank and file of the welfare population.

In fiscal year 1978, it was estimated that over 83 million Americans had inadequate health insurance coverage to protect them against catastrophic medical costs. In addition, it was estimated that 10–16 million Americans were without any form of health insurance coverage. However, even more startling is the fact that 6.9 million Americans during this same time period paid out-of-pocket catastrophic expenses that exceeded 15 percent of their incomes. For the elderly, who are more vulnerable to illness and less able to cope with the high cost of medical care, their problems are truly catastrophic. And medicare has proven inadequate to meet their needs. The elderly are paying more out-of-pocket expenses now than they did before the inception of medicare. In fact, they are paying twice what they paid a decade ago. Many older people are having to choose between essential medical care, food, or heating their homes or apartments.

Current research indicates that the incidence of catastrophic illness is closely associated with age. For persons 75 years of age and older, it has been reported that the incidence of catastrophic illness is 74 percent higher than for older persons aged 65–74. Thus, individuals will be hospitalized for longer periods of time with increasing age.

While Senator DOLE has presented an overview of the legislation, I would like to discuss in greater detail part I of the bill, the medicare improvements of 1979.

As I mentioned earlier, the older the individual, the greater the likelihood of a catastrophic illness. Current medicare law covers a medicare recipient for 90 days of hospital care per spell of illness. However, medicare law requires a daily copayment for each day of hospital care from the 61st through the 90th day. Our bill will delete the limitations on the number of days of hospital care, and it will delete the coinsurance requirements for hospital services. By doing so, we can help alleviate the out-of-pocket expenses that often deter the medicare recipient from seeking out further medical assistance.

Second, current statistics indicate that 5 percent of the elderly population are institutionalized, most in nursing homes. Under current law medicare will pay for the first 20 days of nursing home care. After that period of time, the individual is required to pay a copayment. Further, current law covering entry and reentry into a skilled nursing facility requires that an individual must reenter a skilled nursing home facility within 14 days in order to be eligible for further coverage.

Under our bill, the coinsurance requirements for skilled nursing home facility services will be deleted, and the current law requiring entry and reentry into a skilled nursing facility will be liberalized.

Third, as ranking minority member of the Senate Special Committee on Aging, I have been continually concerned about the many older persons who are prematurely institutionalized because of the unavailability of home health services. Recently, I introduced S. 489, the Medicare Home Health Amendments of 1979, a bill to improve and prudently expand the availability of home health services to medicare recipients.

We are committed to promoting preventive health care and developing effective health legislation which will help maintain medicare recipients in their own homes for as long as possible, thus avoiding unnecessary institutionalization. For this reason, we believe that a liberalized home health policy is very important to this goal. The legislation we are introducing today will amend the home health section of medicare in the following ways:

Eliminate the 3-day prior hospitalization requirement;

Delete the current requirement on the number of visits allowed;

Require training of all home health aides;

Provide a limited liberalization of the current homebound requirement; and

Add occupational therapy as a primary service.

Fourth, the bill provides for catastrophic coverage for medical services under part B of medicare, the medical insurance portion. After expenses of $5,000 have been incurred, medicare will pay all reasonable costs, without a deductible or copayment; medicare will also pay all reasonable costs after a beneficiary has incurred out-of-pocket expenses of $1,060 or more.

Fifth, incurred expenses for certain outpatient drugs which are necessary in the treatment of the most common crippling or life-threatening chronic diseases will count toward meeting the deductible. Once the deductible has been met, payment would be made for certain outpatient drugs without coinsurance.

Finally, the development of a comprehensive system of health services for the elderly is critical to meeting both their personal health needs and equally as important, their mental health needs. Today's mental health services for medicare recipients has greatly improved from years passed. However, medicare still requires a recipient to pay a 50-percent copayment for mental health services and medicare will only cover $250 of out-of-pocket expenses for out-patient mental health services.

In our bill we will increase the coverage of outpatient psychiatric benefits to $750 annually and the coinsurance requirement will be the same as for other physician services. In addition, federally qualified community mental health centers will be recognized under medicare as providers for a limited number of services.

The measure we are introducing today presents what I consider to be the most important legislation in the past decade. It provides more adequate and complete health insurance coverage for elderly Americans, and protection against catastrophic costs and illnesses for other Americans.

Mr. President, a parliamenary inquiry. How much time remains?

The ACTING PRESIDENT pro tempore. The Senator has 9 minutes remaining.

Mr. DOMENICI. I yield the remaining 9 minutes of my time to the Senator from Missouri.

Mr. DANFORTH. Mr. President, at the outset, I compliment Senator Dole for his leadership and his vision in putting together the proposed legislation. It is characteristic of the Senator from Kansas to recognize real problems that exist and to prepare realistic solutions to meet those problems.

I must say that prior to just a few minutes ago, when the chairman of the Finance Committee appeared on the floor, my thought was that there was a fairly good chance that this particular bill would be a talking point and an ingredient in the general discussion with respect to providing health care for the American people but that it would soon become submerged under the myriad other proposals that have been offered by the administration and by other Members of Congress.

However, I think there is a good likelihood that this bill, or something very like it, will become law, if we have the kind of cooperation and flexibility on both sides of the aisle which are necessary to achieve forward movement with respect to providing health care for the American people at a price they can afford. The Senator from Kansas has gone a long way in providing just that in the bill that has been introduced today.

I am pleased to join Senator Dole and Senator Domenici today in introducing the Catastrophic Health Insurance and Medicare Improvements Act of 1979. As I have talked to people in my State of Missouri and elsewhere in the country, I have found one thing that many people who have managed to save money for their families are terribly afraid of. That is that they will one day suddenly be stricken with cancer or some other lingering, incapacitating, expensive illness which will, in a single blow, wipe out their entire life savings and leave their families destitute. This is a terrible fear and burden to live with. At the same time, I believe many Americans have had enough of big expensive government. They are tired of paying taxes, they are tired of redtape and they are tired of being told what to do.

These dual—and in many ways—inconsistent concerns were what was at the base of the bill we are introducing today. Our bill simply makes catastrophic insurance available to people who want it. It keeps Government out of the business of providing insurance benefits.

Although many people are terrified of a catastrophically expensive illness, we discovered that most have at least some basic insurance coverage. According to the Congressional Budget Office, in 1978, 90 percent of all Americans have some health insurance, whether private or public. In 1977, 67.8 percent of all Americans had private insurance protecting them against large medical expenses.

What our bill is not intended to do is to encourage all these people with coverage to cancel their policies and join a public plan. It is not our intent to supplant service insurance and build a big, new Government program. What we want to do is provide those who have no reasonably priced insurance available to them the opportunity to purchase insurance.

Although young adults between the ages of 19 and 24 account for 11 percent of the population, they represent 20 percent of those without any health insurance coverage whatsoever. Part of the reason is that many insurance companies do not cover family members over age 18 unless they are in school, even though they may still be dependent on their parents.

We address that problem by requiring that employers offer insurance to their employees which covers their dependent unmarried children up through age 25.

Less than 10 percent of all employees and self-employed are without any insurance coverage. Although it is a small percentage, it is of course a significant problem. Many of these people are without coverage because the employer has a very long waiting period before coverage is available. Further, many self-employed find individual policies too expensive. By limiting the waiting period to 30 days and by providing insurance companies a limited antitrust exemption so that they can enter into joint risk pool arrangements and thereby spread the risks for employers with very few employees, we enable these people to purchase insurance.

Another big group without coverage is the unemployed. Many individuals who lose their jobs lose their health coverage as well. Even with generous employers, coverage generally runs out after 30 days. However, many people are unemployed for several months. We help these people by requiring the employer to continue catastrophic coverage for up to 3 months after the date of termination.

By expanding medicare and medicaid to include catastrophic coverage, we are assisting the elderly and the poor. Anyone else who somehow slipped through the cracks may purchase insurance from an insurance company which has agreed with HEW to offer catastrophic insurance meeting the Federal standards. If that person is of low income, he or she is entitled to a Federal subsidy, calculated on a sliding scale, to help with the payment of the premiums.

While S. 350 and S. 351, the Long-Ribicoff and Long-Talmadge bills, finance their program through a hidden payroll tax on employers, we intentionally designed a program where the insured would have to bear part of the cost of the program himself or herself. I believe that one reason hospital costs have risen so high is that our Government health programs have been designed to fool people into thinking there is such a thing as free care. The truth, of course, is that health care is not free. It is paid by all of us either directly—out-of-pocket or through premiums for insurance—or indirectly—through higher taxes, foregone wages and higher costs for goods and services. Although we do not try to correct what has been done in the past with our bill, we do not exacerbate the problem with a new program supported only by taxes without any individual choice or responsibility.

Mr. President, I yield back the remainder of my time.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Without objection, the time will be charged against the remainder of the time of the Senator from Missouri.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time under the order and yield back the majority leader's time, and I take it the minority leader will yield his time back at this time.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business for not to extend beyond 12:30 p.m. with statements therein limited to 3 minutes each.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may be allowed to speak up to 5 minutes each during the period for transaction of routine morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

PENTAGON UMBRELLA STUDY GOLDEN FLEECE RECIPIENT

Mr. PROXMIRE. Mr. President, every month since March of 1975, 4 years, I have been giving the Golden Fleece Award of the Month.

Today I am awarding my Golden Fleece of the month for March to the Air Force for conducting a 6-month $3,000 test at the Pentagon on the use of umbrellas by male personnel in uniform.

I hate to throw cold water on this exercise but the taxpayers are the ones getting soaked. Here is how it happened.

From time to time the USAF Uniform Board has been asked if it were proper for male uniformed Air Force members to carry umbrellas. The answer always came back—no! It was deemed unprofessional and out of image for an Air Force male to carry or use an umbrella while in uniform.

Nonetheless, the question persisted in Air Force ranks. Why should we not be able to use an umbrella?

So, the Air Force Uniform Board, which has jurisdiction over such things, decided to conduct an umbrella test. The plan went up the chain of command and was approved by a general officer last October. The test was scheduled for a 6-month period between November 1, 1978, and April 30, 1979.

An announcement went forth to all USAF male personnel working in the Pentagon. For 6 months you can use an umbrella if you want—nothing outrageous, of course, just a standard black or blue commercial model.

Meanwhile the planners had been busy. A survey was developed. A random sample of 1,700 Pentagon-based Air Force males was designed. According to the survey research experts in the Air Force personnel office, this survey would be 95 percent reliable.

On March 1, 1979, the survey went out to the 1,700 randomly selected males. The package contained a covering page explaining the purpose of the survey and giving return mailing instructions. Also included was a foreword, a Privacy Act statement and instructions for completing the survey. Attached were four pages of umbrella questions and the computer survey answer sheet.

What did the Air Force want to know? Such things as: Frequency of umbrella use; whether or not it was used with a raincoat; comments received for using an umbrella by military and civilian personnel; type of umbrella used; opinions as to the masculinity of carrying an umbrella; whether or not the umbrella interfered with saluting and other military courtesies; if umbrellas reduced professional image; female Air Force reaction to the use of an umbrella; potential for detracting from the combat-ready image of U.S. forces; recommended types of umbrellas; freedom of choice for the use of umbrellas; and problems with the design or style of umbrellas.

Sometime in April the survey responses will be fed into a computer. Then the staff experts will sort out the major conclusions. A recommendation will be made. The recommendation will go to the USAF Uniform Board, which will reach a decision and pass it up the chain of command to the Air Force Chief of Staff.

Maybe the survey could come to a conclusion on whether Neville Chamberlain's umbrella was a psychological factor in persuading Hitler the British were too lacking in masculinity to strike back.

Or maybe they should examine Sir George Bowen's poetic observation:

> The rain it raineth on the just
>   And also on the unjust fella;
> But chiefly on the just because
>   The unjust stole the just's umbrella.

The great umbrella escapade is just the kind of issue that should have been settled by good old-fashioned military decisionmaking. No need for a survey, use of tax dollars, or any other device. A simple decision one way or the other would have solved the problem long ago. After all, we are not talking about combat readiness or success on the battlefield. How about someone taking a stand, biting the bullet, belling the cat and all the other cliches? If the Air Force cannot make a decision on this matter, heaven help the MX program.

It is hoped that this survey will put an end to the great umbrella debate. Perhaps it will. Perhaps not. It is hard to keep a good idea down.

Mr. President, the cost of this test was computed on the following basis: 70 hours of GS 9–11 staff time, distribution, computer time for a total of $844. Seventeen hundred surveys requiring 10 minutes each to complete at the average DOD-wide military salary would total $2,260. The grand total thus would be $3,104. This is an approximate figure. To compute more closely would require a 6-month study.

Mr. President, I ask unanimous consent that the Air Force letter discussing the umbrella test be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE AIR FORCE,
Washington, D.C., March 19, 1979.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: This is in response to your recent inquiry concerning an Air Force Uniform Board survey and confirms information telephonically provided a member of your staff.

Proposals to permit male airmen (officer and enlisted) to use umbrellas while in uniform have been reviewed periodically over the past few years. The umbrella issue was raised again and considered at the 68th meeting of the Air Force Uniform Board in July 78. The Board recommended a test period in which these individuals could use the umbrella while in uniform. The recommendation was approved in October 1978.

The plan calls for a six month test period (November 1, 1978 to April 30, 1979), with a survey of attitudes/feelings to be taken toward the end of the test period. After an analysis of the survey results, a final recommendation will be forwarded to the approving authority for final decision.

The Air Force selected the Pentagon as the test site. Attached for your use are the estimated manhour and cost data associated with the survey.

It is a pleasure to provide you this information. If we may be of further assistance please do not hesitate to ask.

(S) Air Force Liaison Office.

GENOCIDE AND THE VALUE OF A HUMAN LIFE

Mr. PROXMIRE. Mr. President, briefly on one other subject: In our pragmatic deliberations, we often have to determine the value of various bills, amendments, and programs. But today I would like to ask my fellow colleagues how much a human life is worth. There are certain statistics which claim the value of a human body to be in the neighborhood of $5.

Such a figure sounds absurd, but let us consider it in the light of another figure. During World War II in the Nazi concentration camps at Dachau, Trelinka, Belsen, and Auschwitz, 17 tons of gold was extracted from the millions of Jews who were murdered: 17 tons of gold represented the sole value of a whole race.

Mr. President, a human life cannot be shackled by a dollar figure. The value of a human life is immeasurable. And, therefore, human rights should have an immeasurable value. But do they?

For 30 years now the Senate has carefully weighed the pros and cons of the Genocide Convention, the only international treaty which serves to protect the most fundamental right of each human being, the right to live.

For 30 years the Senate has deliberated whether the Genocide Convention would be to the benefit of our country and to the world. Mr. President, all the questions have been answered and resolved. Nothing stands in our way anymore except inertia. Let us reaffirm our wholehearted belief in the immeasurable value of human life. Let us ratify the Genocide Convention.

I yield the floor.

The **PRESIDING OFFICER** (Mr. PRYOR). The Senator from Vermont is recognized.

BILLBOARDS: THE "VEGETATION" ISSUE

Mr. STAFFORD. Mr. President, one of nature's glories is the arrival of spring, the flowers, the sudden new growth of vegetation. That is a glorious time of year, unless you happen to be the owner of a billboard. Then the growth and flowering of vegetation, often financed by the Federal taxpayers, becomes a bane.

So what does the billboard owner do? The owner arranges to have the State, with Federal compliance, chop down that pesky vegetation, so that the billboard will shine ever brightly. It reminds me of the Ogden Nash poem:

> I think that I shall never see,
> A billboard lovely as a tree,
> Perhaps, unless the billboards fall,
> I'll never see a tree at all.

Now it is the other way around. With your tax dollars, we are planting trees. Then, with your tax dollars, we are cutting them down. All so that motorists can see those billboards.

Mr. President, I ask unanimous consent that an article, which discusses this issue, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Pittsburgh Press, May 9, 1978]

BILLBOARD INDUSTRY FIGHTING TO BEAT DOWN BRUSH, LAWS

(By William Steif)

WASHINGTON.—The national billboard industry is being given a crucial role that ultimately could keep its signs visible along even the most scenic federal highways.

Some state governments are entering into agreements with the industry in which billboard interests will help the state clear trees and bushes from interstate highway and primary road rights-of-way.

The billboard industry has already agreed with California, Michigan and Georgia to help direct road crews to bulldoze vegetation that hides signs aimed at the motoring public.

Through these state agreements, the industry not only seeks to improve billboard visibility but to increase the value of the signs. That could pay off because many of the signs don't conform to federal-state standards and eventually are to be purchased, with 75 percent federal funds, under the 1965 billboard-control law.

The reason state governments enter into such agreements is that the industry would agree to "maintain" some rights-of-way. But one official of the Federal Highway Administration said the arrangements are "like setting the fox to guard the henhouse."

The policy permitting the states to enter into pacts with the industry emerged from a "vegetation battle" within the Department of Transportation.

The battle began when the Roadside Business Association complained that states were deliberately blocking billboards with federally funded landscaping on rights-of-way of the 42,000-mile interstate and 350,000-mile primary road systems. RBA lobbies in behalf of rural sign owners.

On Dec. 30, 1976, a highway administration directive to the states said, "Adoption of rules which guarantee the visibility of all outdoor advertising signs . . . would have an adverse effect on highway beautification and would be contrary to policy." The 1976 memo said the agency could not approve state-industry agreements.

Thereafter, a former agency official now lobbying for the billboard industry visited Associate Administrator Joe O'Connor and discussed the industry's needs. Richard Sullivan, chief counsel of the House Public Works Committee, also discussed the matter with O'Connor and on March 15, 1977, the highway agency reversed its position and in a memo written by O'Connor said states and the industry could enter into pacts to maintain rights-of-way.

The RBA lobbyists visited Administrator William M. Cox and sought to persuade him to issue rules barring the states from deliberately blocking billboards with vegetation. For months a covert struggle took place within DOT, but Cox's proposed rules were never issued before he left the agency May 1 to return to Kentucky to run for lieutenant governor.

Behind the vegetation battle is a determined industry push to shoot the 1965 billboard control law full of loopholes and make it inoperative. Backers of the law already say that if the industry wins, the law should be repealed and enforcement turned over to the states.

Mr. STAFFORD. I close by reminding myself again—

Perhaps, unless the billboards fall, I'll never see a tree at all.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I thank the Chair.

AMERICAN WHEAT FOR FOREIGN OIL?

Mr. HELMS. Mr. President, in recent weeks the Secretary of Agriculture and other distinguished officials of the Department of Agriculture have come before the Senate Committee on Agriculture, Nutrition, and Forestry to give reports on our trade situations, and the important contributions being made to a favorable balance of trade by our Nation's farmers.

Naturally, the question arises as to why we must continue to suffer ever-increasing prices of the petroleum we import from countries that are very dependent upon this country for food. For instance, it is my information that some 90 percent of all the grain imported by Iran comes from the United States. I am sure the situation is the same for many of the other Middle Eastern and OPEC nations.

Mr. President, I have made numerous efforts to draw substantive comment from high USDA officials as to why we cannot use our wheat and other agricultural products that the world so desperately needs as leverage in obtaining favorable consideration on oil imports. The responses from USDA have not been very enlightening. I think our officials ought to give more thought to such a possibility.

With that on my mind, I was very pleased to receive a very cogent letter on the subject from Mr. R. Martin Palmer, Jr., of Hagerstown, Md. Because Mr. Palmer raises questions that ought to be more carefully considered, I ask unanimous consent that his letter be printed in full at the conclusion of my remarks.

There being no objection, the letter was ordered to be printed in the Record, as follows:

R. Martin Palmer, Jr.,
Hagerstown, Md., March 12, 1979.

Hon. Jesse Helms,
U.S. Senate,
Washington, D.C.

Dear Senator Helms: Will Rogers once remarked:

"I thought I was going to have some farm relief to report to you by this day. But the commissions are just gathering data. They won't take the farmer's word for it that he is poor. They hire men to find out how poor he is. If they took all the money they spend on finding out how poor he is, and give it to the farmers he wouldn't need any more relief.

Postscript—Farmers get (some) relief today. Tariff was raised on window panes. Cheap glass from Glasgow has always hurt our agrarian glass growers."

In 1979 the farmers are telling us that they need, at a minimum, parity to stay in business. May I respectfully proffer that the American farmer produces a renewable natural resource (grain) which, if properly utilized by the Congress in international trade, could reduce the impact of high oil and inflation to every American. Paul Harvey suggested on his news cast some time ago that instead of selling Russia grain on credit we could trade our grain for Russian oil—a novel idea. Paul Harvey, in his newscast of March 8, 1979, stated that while Iran is again exporting oil, it is only producing at one half the rate it did previously and they want $20.00 a barrel for any that they do export. He stated, "I still think the solution is to charge Iran $20.00 a bushel for American wheat."

As you may know, in the years prior to the Arab oil embargo of 1973 a bushel of wheat or grain and a barrel of oil were equivalent in value, both selling for approximately $2.00 respectively. Today the bushel of grain sells for between $2.50–$3.00 on the world exchanges whereas the same barrel of oil sells for $14.00 and some cents a barrel, not counting the 7 percent increase of last week.

Prior to OPEC, a bushel of grain would purchase for America one barrel of crude oil. In 1978 it took five barrels of grain to purchase the same barrel of crude oil. This creates a balance of trade deficit which exacerbates the devaluation of the dollar overseas and affects every American through the indirect tax of inflation.

America controls, or rather has the autonomy to control the world price of wheat and grain since we represent in excess of over 50 percent of the world export market in this commodity. If the United States required that the asking price for a bushel of exported grain be equivalent to the price we pay for a barrel of imported oil what would the effect on the balance of payments be:

Course grain exports (1978):
Wheat, 1.124 billion bushels.
Corn, 1.948 billion bushels.
Sorghum, .213 billion bushels.
Barley, .057 billion bushels.
Oats, .011 billion bushels.
Rye, less than one million.
Total: 3.353 billion bushels.
Crude petroleum imports (1978):
2.39 billion barrels (2,392,350,000).

Thus it may be seen that our grain exports exceed our oil imports almost by one billion bushels. Yet in 1978 we paid over $32 billion ($32,140,391,000.00) for the 2.39 billion barrels of oil imported. Using an average price of $2.50 a bushel it becomes readily apparent that we received in 1978 only $8.4 billion for our grain exports giving us a balance of trade deficit of approximately $23.7 billion for these two commodities. The entire U.S. trade deficit (excess of imports over exports) for 1978 was $28.45 billion, up from the previous record total of $26.53 billion in 1977.

We paid for the crude oil we imported in 1978 an average of $13.44 a barrel. Had we received $13.44 a bushel for our grain exports we would have been paid a total of $45.06 billion for these exports, thereby paying for all our oil imports in full, offsetting our $28.45 billoin deficit and giving up $8.2 billion balance of trade surplus. Prior to OPEC the value of our agricultural exports was the sole reason for a favorable balance of payments. If the U.S. received a parity price (in parity with pre-OPEC prices) agriculture in 1979 would again account for a favorable balance of trade.

Japan, Western Europe, China, the U.S.S.R., and Mexico are the primary purchasers of United States grain exports. Japan purchases American wheat for between $2.50–$3.00 a bushel and adds a tariff when it reaches her shores to increase its price to their millers to $9.00 and some cents a bushel. Thus it may be seen that if Japan purchases 100 million bushels from the U.S. the imposition of a $6.00 a bushel tariff by Japan results in a windfall to that government of an instant $600 million.

Thus it may be seen that we are poor businessmen internationally. There are only so many areas in the world where temperature, rainfall, and climate conditions are right to raise grain. The breadbasket of America is the major area of the world for such grain production. The world must knock at our door to feed its billions. The American farmer is efficient enough to feed his own country as well as a substantial part of the world, and if he received a fair price for the fruit of his labors the American farmer could, at the same time, help to solve his nation's balance of payments and inflationary problems.

The American farmer needs parity to stay in business. America must receive a parity for its grain to correct its trade deficit.

Your very sincerely respectfully,
R. Martin Palmer. Jr.

BILL SIMON ON INFLATION

Mr. HELMS. Mr. President, in this past Thursday's Wall Street Journal, an advertisement appeared sponsored by the Smith Kline Corp. The ad was not to sell any Smith Kline product; it was to promote understanding. It utilized the clear and forceful words of former Secretary of the Treasury, William E. Simon, and it was titled "The Malignant Growth of Federal Spending."

Bill Simon has made countless friends with his best selling book, "A Time for Truth," which I recommend highly. But in the forum provided by this newspaper advertisement, I believe he has caused added thousands of people to realize that the only way we will ever cure inflation is to get to its source: Big government.

Government-caused inflation is one of the most destructive forces ever unleashed on a society. It has disruptive effects on every major social, economic, and political institution.

Mr. President, I ask unanimous consent that the statement, and the preceding quotes by Nikolai Lenin and John Maynard Keynes, be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

THE MALIGNANT GROWTH OF FEDERAL SPENDING

Commentary: William E. Simon examines the true cause of the inflation that can put an end to our way of life.

"The best way to destroy the capitalist system is to debase the currency."—Nikolai Lenin

"By a process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens. By this method they not only confiscate, but they confiscate arbitrarily; and while the process impoverishes many, it actually enriches some . . . There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction and does it in a manner that not one man in a million is able to diagnose."—John Maynard Keynes

The fight to restore fiscal responsibility to our national government and overcome inflation is, above all, a fight for the freedom, dignity and prosperity of all Americans—a fight that compels the utmost support of anyone who cherishes those values.

Americans are a practical and compassionate people. It is vital, therefore, to broaden understanding of the misguided policies that hobble American productivity, and to demonstrate that the poor, the elderly, the sick and the disadvantaged have everything to gain from an orderly move away from big spending and big government. For this aspect of the fight, we must arm ourselves with the facts.

IF THE POOR DID NOT EXIST, THE COLLECTIVISTS WOULD HAVE TO INVENT THEM

Despite a quintupling of the Federal budget (from under $100 billion to over $500 billion) in just eighteen years, rationalized as the cure for a host of social ills, the record of accomplishment is dismal.

A little math clearly illustrates the inefficiency and actual effect of government programs. By dividing the number of America's officially defined poor in 1975 (25 million) into the *increase* in annual Federal expenditures for social welfare between 1965 and 1975 ($209 billion), we discover that had we simply given the money to the poor, each would have received some $8,000 a year. $32,000 for a family of four! Instead, the bulk of this enormous wealth has been absorbed in the process of bureaucratic redistribution. In effect, government has forced the privately employed middle class to finance the growth of a publicly employed (and far less productive) middle class—at the cost of rampant inflation, due primarily to government's ceaseless spending beyond its means and its excessive printing of money.

Since 1930, government spending at all levels has risen from ten percent to forty percent of total national income. The Federal government has already become the dominant force in our society. It is the biggest single employer, the biggest consumer and the biggest borrower.

If government spending and taxing trends of the last two decades persist for the next two, government will so dominate the economy that the State will control many of the most important personal decisions of its citizens. And if our economic freedom disappears, history warns us, our personal and political freedoms also will disappear.

THE FLEECING OF AMERICA

Consider the staggering Federal debt that has resulted from a string of seventeen deficits in the past eighteen years. Consider the deceptively low figure of nearly a trillion dollars, quite apart from the additional seven-trillion-dollar mortgage on the future represented by Social Security and other vast obligations.

Interest payments on the debt amount to some fifty billion dollars a year, making them the third largest item in the Federal budget after transfer payments (redistribution of wealth programs) and defense. That is an average of a thousand dollars a year from every American household. And, of course, the debt is not being paid off. It is being continuously refinanced at increasing cost. And still the deficit spending continues.

The average American must now work until mid-May of each year to pay Federal, state and local taxes. But burdensome taxation and debt are only two of the Federal government's three ways of sustaining its pointless spending spree. The third is printing money.

GREENBACKS, GREENBACKS EVERYWHERE

Between 1967 and 1978, the government caused the money supply to grow nearly three times as fast as the economy's true output, fueling inflation and allowing the government to make payments on its debt with dollars worth far less than those originally borrowed from the citizenry. This debasement of the currency is not only unconscionable trickery, it is the route of financial and economic collapse. Not only does it steal the fruits of past and present labors from Americans, it also courts disaster.

Inflation must be identified for what it is: not grease for the economic machine, but the most vicious hoax ever perpetrated for the expedient purposes of a few at the cost of many; a clear and present danger to the progress of our economy and the standard of living of all Americans.

Let us clarify the way the insidious cycle of spending, taxing, borrowing and inflation cripples the private sector.

Excessive taxation for the alleged purpose of social welfare, confiscates resources from the most productive sector of the economy and transfers them to the least productive.

Government's borrowing to finance spending beyond its tax revenues usurps the majority of funds in the private financial markets, leaving private enterprise little with which to modernize, increase productivity and create lasting jobs.

Government's excessive printing of money to pay its debts dilutes the value of the dollar and generates inflation.

Inflation encourages individuals to spend and borrow for present consumption at the expense of saving and investing for the future. America devours her seed corn as citizens follow government's example, living beyond their means.

TYRANTS WITHOUT JACKBOOTS

We can identify other ways in which big government is trampling the free enterprise system (such as the overregulation of business at an annual cost of over $125 billion), but let us new see *why* our government continues the destruction of an economic system that has brought us the greatest prosperity, the highest standard of living, and most important, the greatest individual freedom in the history of mankind. Why have politicians been so eager to increase spending year after year?

The answer lies in human nature—in the same immense forces of self-interest that the free enterprise system benignly channels into the creation of wealth. It lies, specifically, in insatiable appetites for power and position—the appetites of politicians who hold that nobody was ever reelected by promising less, and who have discovered that popular spending need not be financed with unpopular new taxes as long as there is deficit spending, money creation, and the resultant cruel and hidden tax of inflation.

How can we rid ourselves of the small group of professional officeholders who continuously take wealth from everyone and redistribute it for purposes they alone deem important? As a beginning, I recommend limiting the term of Congress to twelve years, and a single six-year term for the presidency. These changes would give us citizen lawmakers who would return home and live under the laws they had enacted; lawmakers who would be less concerned with reelection than with America's long-range interests.

IT'S LATER THAN WE THINK

The irrational, unrealistic fiscal, monetary tax and regulatory policies of nearly half a century have so damaged our economy that financial collapse is probable within this century unless the trend is quickly reversed.

If collapse does occur, the United States will, in my judgment, simultaneously turn into an economic dictatorship. So many citizens have been trained to see the government as economically omniscient and omnipotent, and to blame all economic ills on "business," that disaster could easily bring popular demand for a takeover of the major means of production by the State. Legal precedent and ideological justification exist. It would take little to accomplish the transition.

Political courage and public wisdom are our only hope for preserving the premier economy of the world, as well as our individual freedoms.

We must make all Americans aware of the fact that the fundamental guiding principles of American life have been reversed, and that we are careening with frightening speed toward socialism and away from individual sovereignty, toward centralized coercion and away ffrom free choice.

We must generate broad-based support for a plan to reduce the growth of Federal spending, match the growth of the money supply to the true growth of the economy, reduce taxes and eliminate unnecessary regulation. We must save our votes for politicians committed to such a plan.

THE ULTIMATE CHOICE

The longer we delay the hard decisions, the less likely we are to succeed. The American people must now decide whether they will sell the liberty that is the envy of the world for the empty promise of the Welfare State, or whether they will restrict government to its proper functions: defense of the nation, protection of the helpless from the avaricious, and creation of an environment for sustained economic growth through sensible fiscal, monetary, tax and regulatory policies.

Personal and political freedoms are inseparable from economic freedom. Tell those who characterize the fight for liberty as "reactionary" that in the context of history coercion is clearly reactionary and liberty progressive. Tell them that the twin ideas of human liberty and the free market were born only yesterday. Tell them that allowing millions upon millions of individuals to pursue their material interests, with minimal interference from the State, will unleash an incredible and orderly outpouring of inventiveness and wealth. Tell them that lack of vision threatens to extinguish the brightest light ever to appear in the long night of tyranny and privation that is the history of the human race.

Tell them about America.

AGRICULTURAL POLICY STATEMENT

Mr. BAKER. Mr. President, for the second year in a row farmers from across the country have come to Washington in a citizens lobby to encourage Congress to address the real economic anguish faced by many of those in American agriculture today. It is incumbent on those in Congress and within the administration to find a meaningful way to promptly and effectively respond to these problems.

It is my understanding that the American agriculture movement, both in Tennessee and nationally, feels that the national administration has turned its back on the American farmer by its refusal to aggressively implement the provisions of the 1977 farm bill, a course of action which deprives many farmers of any hope of receiving a reasonable return on their investment and labors. It may be true as the administration indicates that gross farm income is up, but they seem to ignore the fact that inflation and cost of production on the farm have exceeded any profits which the farmer may have realized. It is my belief that the administration has at its disposal, under present authorities, a wide array of tools with which it might address the economic plight of American agriculture.

My philosophy has been for years that farmers' profits should be derived from the marketplace, but in the event free market forces fail to provide an adequate income, as seems to be the case this year, they have supported safeguards such as target prices and loan levels in order to assure that the American farmer is given the same advantages in fighting inflation as other segments of the U.S. economy through such measures as guidelines on wages and prices.

Senate Republicans are also on record as having called for a land diversion initiative, in an effort to bring farm production more in line with demand. It is my personal view that an effective program to address loan levels and target prices cannot succeed without an effective land set-aside program. While there may be other initiatives important to effective implementation of the 1977 farm bill, I believe that the two approaches described above will provide the backbone of any program to improve and stabilize the American agricultural economy. I pledge to actively pursue these goals as a Member of the 96th Congress.

Over the last few years in attempting to stimulate and stabilize farm income, I have initiated or supported a number of legislative measures. I might note that in these legislative efforts it has sometimes been extremely difficult to balance the various interests of different segments of the agricultural industry.

One of the most important of these efforts involves farm exports. I look at agriculture as an item of commerce and one that can substantially add to the export resources of the country and offset our balance of trade and balance-of-payments deficit. I will continue to make every effort toward increasing international agriculture trade. I might note that it is an extremely delicate task to balance the farmers' cost of production with the need to keep commodity prices at a competitive level in the international export market.

I have also supported legislation to extricate the livestock industry from the economic depression it faced over the past few years. I will continue in the 96th Congress to insure that reasonable controls are placed on the importation of foreign meats and that these foreign meats and meat products are required through appropriate labeling laws to meet the same health and quality standards as our own domestic producers must meet.

In spite of farm price increases in mid-1978, there has been a massive increase in the need for agricultural credit due to skyrocketing production costs and farm land prices. During the past Congress one of the principal complaints voiced by the members of the Tennessee AAM was their difficulty in securing prompt and reasonable credit through existing farm credit sources. I, along with the other members of the Tennessee delegation have worked to see that FHA loan programs were improved to meet the farmers' needs. Along these lines, I believe that the idea of having local banks and lending institutions handle farm loans which is contained in the 1978 Agricultural Credit Act is a good one and I plan to see that implementation of this approach proceeds quickly.

In closing, I would say that the current administration has apparently lost contact with the grassroots farmer. The authority to make many beneficial initiatives is there now—through the 1977 farm bill. The administration should act, in fact, it is past time to move forward on these problems. A strong agricultural economy is essential if we are to have a sound national economy. The President should realize this and take action.

RECESS UNTIL 3:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, under the order I ask unanimous consent that the Senate now stand in recess until 3:30 p.m. today.

There being no objection, the Senate, at 12:09 p.m., recessed until 3:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BOREN).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may retain the floor following a quorum call.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

Mr. MATHIAS. Will the distinguished majority leader yield to me to make a unanimous-consent request?

Mr. ROBERT C. BYRD. Yes, I withdraw my suggestion.

SAM FRIEDEL, A MAN WHO LISTENED

Mr. MATHIAS. Mr. President, it is my sad duty to advise the Senate of the death of our former colleague in the other body, former Representative Samuel Friedel of Maryland.

Mr. President, last Thursday the people of Maryland were informed of the passing of one of its old favorites, former Representative Sam Friedel. Sam was a good friend and colleague when we both served in the other body. If there was one trait that exemplified Sam Friedel's mark on the congressional district he served so well for 18 years, it was his openness and genuine regard for people.

As one of Baltimore's three powerful committee chairman in the mid-sixties Sam could have let the public come to him, but that was not his way. He took an active interest in people and their problems, and he remained accessible to everyone. He not only kept faith with the people he represented in northwest Baltimore but he reached out and touched many others by his strong advocacy of civil rights and President Lyndon B. Johnson's war on poverty.

Mrs. Mathias joins me in expressing our sympathy to Mrs. Friedel.

An editorial in last Friday's Baltimore Sun pays tribute to Sam far better than I could. I ask unanimous consent that it be inserted in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SAM FRIEDEL

Sam Friedel listened to his constituents more than he listened to his colleagues preach in the House of Representatives. Windy congressmen bored him like few other things. Not only did he pay more attention to folks back home, whenever possible he'd help them resolve their problems with government. He was hooked on providing personal service long before "cutting red tape" became a catchy euphemism for compassion. What's more, his attention to basic needs later compelled his strong support for Lyndon Johnson's War on Poverty and other socially beneficial programs. His talents for serving the underprivileged and needy are the contributions he leaves.

Mr. Friedel was deeply disappointed when his constituents rejected him in 1970 by 38 votes. He also was baffled. He did not understand that the social breakthroughs he encouraged with his congressional votes helped Parren J. Mitchell, a popular black leader, to win the Northwest Baltimore seat held by Mr. Friedel for 18 years. The election was a test of ethnic pride, a demonstration of something new in Baltimore politics. And Sam Friedel practiced old politics, first under Tommy D'Alesandro and later with Jack Pollack.

But he learned in political precincts and club houses the best they had to offer. If illness struck a poor person unexpectedly, the congressman would call to see if he could be of aid. He also would help an unemployed constituent find a job, even if it had to be created. The motivations and concerns of the old politics, as practiced by Sam Friedel, were not very different from the new. No one saw the emerging parallel in 1970, but it is far more apparent nearly nine years later.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, with the same understanding as previously had, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor, without losing it, temporarily, without objection, to the Senator from Michigan (Mr. LEVIN).

The PRESIDING OFFICER. Without objection, it is so ordered.

EXTENSION OF THE PUBLIC DEBT LIMIT

The PRESIDING OFFICER. The Chair would now point out that the Senate is resuming consideration of the pending business, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2534) to provide for a temporary increase in the public debt limit, and for other purposes.

The PRESIDING OFFICER. The pending question is amendment No. 117.

The Senator from Michigan is recognized.

Mr. LEVIN. I thank the Chair and I thank the majority leader.

I rise to comment on the amendments which are before the Senate at this time. First, I want to commend the Senator from Louisiana for giving us an amendment which permits us to vote on a budget in a knowledgeable and knowing way. In order to determine whether or not we should balance the budget in any year, we have to know in that year what we are striking, what we are adding, and the implications for our economy, on unemployment, and in other respects, of those actions.

The provisions of the Long amendment will give us that opportunity both for fiscal years 1980, 1981, 1982, and the years ahead.

However, I am very much troubled by one aspect of the Long amendment, on which I want to comment in a moment. Before I get to that, I also would like to add a comment about the two-thirds requirement, later amended to a 60 percent requirement, that appears in the Dole amendment.

I am very leery, Mr. President, of giving to a minority of this Senate an opportunity to stymie the will of a majority of the Senate if it determined that an unbalanced budget were necessary in time of war, in time of emergency, or in time of economic distress.

It is absolutely essential to our future that the majority of the Senate be able to work its will in those kinds of circumstances. I note that a majority of Congress can declare war. It would seem to me both ironic and unwise if we adopted a position which prohibits a majority of this Senate from appropriating needed funds by means of an unbalanced budget, to pursue a war declared by the majority of the Congress. It would also be unwise to attempt to destroy the power of a majority of the Senate to have an unbalanced budget in order to get out of or to prevent a recession or depression.

So I cannot support the provisions of the Dole amendment which first required two-thirds and then 60 percent in order to adopt an unbalanced budget, and I cannot do so for those reasons. It is just simply too dangerous to give a minority that kind of power over the future of this country.

As I indicated, there is one aspect of the Long amendment, as desirable as it otherwise is, which troubles me, and that is the first line of the amendment which states that Congress shall balance the Federal budget. Those words purport to make a pledge, a vow, an assurance, a covenant, a declaration, and a commitment when I do not think that is what is intended.

From the floor debate which occurred last week that what I believe the first line of the Long amendment intends to state that commitment as a general purpose, and for the balance of the amendment to state the manner in which that purpose can be achieved. To tell the Budget Committee in effect, "Come in with a balanced budget." It also, by implication, tells them that they can come in with an unbalanced budget as well, but we also want a first budget resolution in the years ahead which is balanced. I think that is a desirable goal, and I commend the Senator and the other supporters of this amendment for setting forth that goal so that we can, hopefully, achieve a balanced budget in the nearer future rather than in the later future.

Mr. President, I am constrained nonetheless to indicate that the first line of that amendment clearly sets forth what appears in plain language to be a commitment of Congress to balance the budget. However, what is stated in the lines that succeeded it, and what was stated on the Senate floor, indicates that the amendment does not mean quite that or exactly that. I think the words in the first line are so clear when it states that Congress shall balance the budget that I am unable to support the amendment because it appears to promise more than the Congress is really committing itself to.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. LEVIN. I would be happy to yield.

Mr. MOYNIHAN. I would like to congratulate my friend from Michigan for the two points he has made, the first of which is to state that after 50 years of learning to manage the ups and downs of an industrial economy we seem to be on the verge of scrapping a half century's hard won knowledge.

If the amendment of the Senator from Kansas had been in effect in 1975, it is very likely that because of the inability of Congress to respond, as the then President and the entire economic and business and labor community felt it ought to have responded, we would have gone rolling into a depression that would curl your hair, if I may use the term of a Republican Secretary of the Treasury under President Eisenhower.

I asked the current Chairman of the Council of Economic Advisers what would have been the effect of such a restriction in 1975. Dr. Schultze said they put it into the Computer at the Council, and the computer blew up.

I offer you for an analogy the image that is used about nuclear reactors, if an uncontrolled reaction ever commenced. The term they use is "halfway to China." They do not know where that material would end up once it started dropping.

The fact is that, for purposes hard for me to understand, we are committing ourselves to policies which a half century ago we understood to be a disaster. It was precisely the behavior of the Federal Reserve Board in 1930 and 1931, which had the effect of doing what this amendment would require Congress to do, that brought on the worst depression in the history of our country.

I make a second point to my friend from Michigan: That when we talk about balancing the budget of the public sector, it is not enough to talk about the Federal aspect of the public sector. State and local governments are just as much a factor in the overall impact on the economy, and we ignore that factor completely.

Finally, I would say to the Senator from Michigan that I have taken the liberty of sending a "Dear Colleague" letter around, which has a table from the National Journal which shows the extraordinary disparity between the inflow of Federal funds to some States and the outflow from other States. The State of Michigan has the doubtful distinction, in 1976, of having had the second largest outflow of any State: $5.4 billion in a negative flow of Federal funds, in terms of your taxes.

As this debate proceeds, I am going to introduce a series of resolutions which will say that if the budget is to be balanced by reduction, then those reductions ought to be balanced in their impact; and that we cannot go on with such extraordinary disparity of the effects of the Federal budget on individual States, and act as if they were not happening.

I am going to propose that the balanced budget that the Budget Committee is required to produce provide equal outlays per capita in all States. Then I wonder what will be the respose of our colleagues and friends from those States which now have so much higher rates of Federal outlays than do we in the Northeast. I ask if they are serious about cutting, can we not cut in those areas where obviously, if there excess is spending, it should be found in those States which are much above the average in per capita expenditure?

I congratulate the Senator from Michigan on his statement.

Mr. LEVIN. I thank the Senator from New York.

As I say, what troubles me about the so-called Long amendment is not the last part of it, which mandates the Budget Committee to give us an opition to vote for a balanced budget. I think that is a vital step forward for the Senate, and I commend all those who helped to produce this alternative for us. I think it is most useful.

I think everyone in this country wants us to strive for a balanced budget, and I think most of us will work as hard as we know how to balance this budget as soon as possible. But what does disturb me, again, Mr. President, is the first line, which I believe commits the Senate and, as part of the law of this country, commits Congress to balance the Federal budget. It promises more than we might be able to deliver; and that, I believe, is the flaw in that line, and the reason that I am unable to support the amendment, and the only reason I am unable to support it.

Attempting to balance the budget is, I believe, a thoroughly laudatory goal. The public wants a balanced budget, Mr. President; but if they want one thing more than that, they want us not to promise more than we might be able to deliver. We might not be able to deliver what apparently is—and I say, "apparently," because I do not believe that is the intention—but what apparently is the clear meaning of the wording of this line:

CONGRESS SHALL BALANCE THE FEDERAL BUDGET

Without that, I believe the amendment is an important step forward for the Senate.

Mr. ROBERT C. BYRD and Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I sought the floor with the intention of moving to table the amendment by the Senator from Kansas (Mr. Dole). The distinguished manager of the bill (Mr. Long) is on the floor, and I think it would be more appropriate, if he should see the wisdom in that action, for him to make the motion. So I yield the floor.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, the pending Dole amendment (No. 117) to the Dole amendment (No. 111) includes the language that I am offering in my so-called substitute for the Dole amendment. I would not favor the Dole amendment if it included the language I am offering in the fashion that I am offering it, and I would like to have the opportunity to vote for the amendment that I offered in the first instance.

In order to do that, Mr. President, I will in due course offer a perfecting amendment to the Dole amendment which would give us an opportunity to vote on the perfected amendment, rather than having to vote first on these various additions to the Dole amendment. So, in order to offer the amendment as I had initially intended, so that we will have an opportunity to vote on that first, it would be necessary to table or to set aside the pending Dole amendment to the Dole amendment. Therefore, Mr. President, I am going to move in due course to table the Dole perfecting amendment, so that I might offer the perfecting amendment that I had in mind in the first instance, I hope that I can be recognized to make my motion for that purpose.

If for some reason Senators have made commitments that force them not to be here, that is something else, but I would hope, in view of the fact that this matter was discussed on Thursday, and that the only reason the motion to table was not made at that time was that Senator Dole had indicated to some of his colleagues that there would be no votes Thursday, that it would be appropriate for us to vote on it now.

I, therefore, Mr. President, move to lay on the table the amendment (No. 117) in the nature of a perfecting amendment to the Dole amendment (No. 111).

Mr. BAKER. Ask for the yeas and nays.

Mr. LONG. And I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment (No. 117) of the Senator from Kansas. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. Biden), the Senator from Iowa (Mr. Culver), the Senator from Missouri (Mr. Eagleton), and the Senator from Kentucky (Mr. Huddleston) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Pennsylvania (Mr. Heinz), the Senator from Kansas (Mrs. Kassebaum), the Senator from Nevada (Mr. Laxalt), the Senator from Illinois (Mr. Percy), the Senator from South Dakota (Mr. Pressler), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. Percy) would vote "nay."

Mr. DOLE. Regular order, Mr. President.

The PRESIDING OFFICER (Mr. Matsunaga). The regular order is to record the votes of the Senators in the Chamber.

Mr. TOWER. Regular order, Mr. President.

The PRESIDING OFFICER. Have all Senators in the Chamber desiring to vote voted?

Mr. DURKIN. Mr. President, am I recorded?

The PRESIDING OFFICER. The Senator is recorded in the affirmative.

Are there any Senators in the Chamber who have not voted?

Mr. PRYOR. Mr. President. I should like to vote "aye."

Mr. TOWER. Regular order, Mr. President.

The PRESIDING OFFICER. The clerk will tally the vote.

The result was announced—yeas 46, nays 44, as follows:

[Rollcall Vote No. 20 Leg.]

YEAS—46

Baucus
Bayh
Bentsen
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
Durkin
Exon
Ford
Glenn
Gravel
Hart
Inouye
Jackson
Johnston
Kennedy
Leahy
Levin
Long
Magnuson
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Pell
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stennis
Stevenson
Stewart
Talmadge
Tsongas
Williams

NAYS—44

Armstrong
Baker
Bellmon
Boren
Boschwitz
Byrd,
Harry F., Jr.
Chafee
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Garn
Goldwater
Hatch
Hatfield
Hayakawa
Heflin
Helms
Hollings
Humphrey
Javits
Jepsen
Lugar
Mathias
McClure
Packwood
Proxmire
Roth
Schmitt
Schweiker
Simpson
Stafford
Stevens
Stone
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—10

Biden
Culver
Eagleton
Heinz
Huddleston
Kassebaum
Laxalt
Percy
Pressler
Weicker

So the motion to lay on the table amendment No. 117 was agreed to.

UP AMENDMENT NO. 52

Mr. LONG. Mr. President, I send to the desk an amendment in the nature of a perfecting amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Louisiana (Mr. Long) (on behalf of himself, and Mr. Packwood, Mr. Magnuson, Mr. Muskie, Mr. Robert C. Byrd, Mr. Cranston, Mr. Bumpers, Mr. Hart, Mr. Bentsen, Mr. Stewart, Mr. Chiles, Mr. Nelson, Mr. Bellmon, Mr. Nunn, Mr. Ford, Mr. Exon, Mr. Riegley, and Mr. Leahy) proposes an unprinted amendment numbered 52 to amendment No. 111.

On page 1, line 1, insert the following: strike "(a) It" and insert in lieu thereof "Congress".

Beginning on page 1, beginning with the word "not" strike all that follows and insert in lieu thereof the following: "balance the Federal budget. Pursuant to this mandate, the Budget Committees shall report by April 15, 1979, a Fiscal Year Budget for 1981 that shall be in balance, and also a Fiscal Year Budget for 1982 that shall be in balance, and by April 15, 1980, a Fiscal Year Budget for 1981 that shall be in balance, and by April 15, 1981, a Fiscal Year Budget for 1982 that shall be in balance; and the Budget Committees shall show the consequences of each budget on each budget function and on the economy, setting forth the effects on revenues, spending, employment, inflation and national security."

Mr. LONG. Mr. President, the pending amendment is the same amendment that I had offered before. It has simply been drafted as a perfecting amendment to the Dole amendment, just for fear that there may be others who want to offer perfecting amendments. As a perfecting amendment, it would be the next amendment we shall vote on, rather than have other amendments offered that would prevent us from voting on the amendment I had originally offered. It is the same amendment, and I hope the same sponsors will not object to having their names on it, because I assume they will feel exactly the same way about it, since it is exactly the same thing I offered before.

I ask for the yeas and nays on it.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

Mr. DOLE. Mr. President, a parliamentary inquiry.

Mr. LONG. Mr. President, let me make clear that this amendment is offered for the purpose of achieving a balanced budget. This amendment that I am offering, in the nature of a perfecting amendment, requires the Budget Committee to submit, on April 15 of this year, a fiscal year budget for 1981 and 1982, together with the backup information that would be expected for that.

It would also require that on April 15 next year, when the first budget resolution is submitted, the Budget Committee submit a balanced budget.

It would also require that a balanced budget be submitted again on April 15, 1981 for fiscal year 1982.

Mr. President, if one wants to have a balanced budget that is what he ought to want the Budget Committee to submit to us, a balanced budget, so that those who want to vote for it can vote for it.

The chairman of the Budget Committee stood before the Senate and made the statement that, if this amendment becomes law, he will, to the very best of his ability, recommend to us what in their conscience they would recommend to this Senate if required to recommend a balanced budget, what this would require, and we will know what they think we should do to balance the budget. It would require the Budget Committee on the House side to do the same thing.

So when the two Budget Committees have the opportunity to recommend a balanced budget, Senators will have this choice. They can vote for the balanced budget recommended by this Budget Committee, they can vote for the balanced budget recommended by the other Budget Committee.

Mr. President, I am pleased that the chairman of the Budget Committee would support this amendment and even join as a cosponsor on it.

I will, personally, also vote for an amendment to be offered subsequently by Mr. PACKWOOD, which will apply the same principle with regard to the President's budget, that would say in this case that if the President submitted a budget that is not a balanced budget, he will also submit an alternative budget that would be a balanced budget.

I hope that Senator PACKWOOD would be willing to modify his amendment in a couple of ways I have mentioned to make it something the administration, I think, can better live with. The Packwood amendment has not been cleared with the administration. I do not ask any Senator to commit himself on that. I personally think that it should be done. I will vote for it. I will fight for it if it is agreed to. If the House insists on opposing it in conference I think we ought to go that extra step and ask the President to do the same thing that we are asking the Budget Committee to do—submit a balanced budget.

But, Mr. President, if Senators are serious about a balanced budget, this is an amendment to get us a balanced budget.

I am fully aware of the fact that the legislation as offered and agreed to by the Senator from Virginia (Mr. HARRY F. BYRD, JR.) says that under law we must have a balanced budget next year. But that does not say that the Senate Budget Committee has to recommend one, and that does not say that the Budget Committee on the House side has to recommend one, nor that the President has to recommend one. They could if they wanted to, recommend something at variance with that and urge us to do something other than have a balanced budget.

So if you want to have one, it seems to me call upon the appropriate committees to submit a balanced budget means we are serious about it and we want the opportunity to vote for a balanced budget.

Senators, of course, can vote for this amendment and when they see what the budget is, if they find that it is just a lot tougher than they have in mind, they can either change their minds, or if they want to they can put the pieces together differently. But they would at least, insofar as they want to take some things the President recommends, or some things the Budget Committees in the House or Senate—either one—should recommend, they would have those alternatives.

I am not at this point offering the Packwood proposal, although I think it should be known that I personally agree with the Senator from Oregon. I will support his proposal at such time as it is subsequently offered. I personally favor it.

Mr. BENTSEN. Will the Senator yield?

Mr. LONG. Yes.

Mr. BENTSEN. I want to congratulate the distinguished chairman of the committee. I think he has come up with an amendment that allows us to stay within the order of planning we brought about in the Budget Committee, get them to fulfill their responsibility, and give us a choice of voting on a balanced budget, the result of hearings and considerable study.

I also agree with him on the Packwood amendment. I will be pleased to support it. I ask unanimous consent that I be included as a cosponsor.

Mr. LONG. I so request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, let me say that if Senators want a balanced budget, in my judgment, this is the way to get it. It is my own opinion, if we send down the Dole amendment without this amendment, the President will toll that bell. When that happens, I strongly suspect that his veto will be upheld. It would take only one-third of either House or Senate. So we would not have anything.

I think it would be better to proceed with something we think the administration could live with an urge them to live with it, to take something we think the House can live with and urge them to live with it.

I believe we would be in far better shape to proceed with something that says, "Yes, we think we ought to have a balanced budget," and call on all those in the budget process to submit one to us, to give us the opportunity to vote for it. If that scenario should prevail, we would have the recommendations from enough different sources as to how they thought the budget should be balanced.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. LONG. Yes, for a question.

Mr. DOMENICI. Aside from the Packwood amendment, which is not part of the pending proposal, why would the President veto Senator DOLE's and not the one the Senator proposes, other than the sponsor?

Mr. LONG. The big difference is that under the Dole amendment, if we should have a situation like we had when Herbert Hoover was President of the United States, when that fine man put his name in bad repute for the next 20 years by trying to balance the budget, when every time he cut down further on Government spending, he put the Nation deeper and deeper and deeper into an absolutely devastating disaster.

If we had that on the books at that time, one-third of either House or Senate could have utterly wrecked this Nation.

If we had had the Dole amendment on the statute books when Gerald Ford said, "Look, this recession could become a real depression, this would be a disaster," and he called on us for one of the biggest tax cuts in history, then just one-third of either the House or the Senate could have denied Gerald Ford the cooperation he needed to save this country, which would have made his reputation as bad as Herbert Hoover's was for the next 20 years.

Mr. MOYNIHAN. Will the Senator yield?

Mr. LONG. Yes.

Mr. MOYNIHAN. I would like to support the chairman's point and read to him a letter that just arrived from Mr. Lyle Gramley, a member of the Council of Economic Advisers. Dr. Schultze is not in town today.

The Council of Economic Advisers tested on its computer a module of what would have happened in 1975 had the amendment just tabled been in effect, or its substantial equivalent; two figures, simply: one, that we would have had to cut Federal spending an enormous amount, perhaps $100 billion, to be in compliance with the amendment, and the net result would have been to cut GNP by 12 percent. And two, we would have lost a sizable chunk of the GNP, about 12 percent below the 1973 level, that is 12 months. We would still be trying to dig our way out of it.

Several Senators addressed the Chair.

Mr. LONG. We could have had ourselves in a situation where the President of the United States, elected by all the people, recommends action to stop a depression and two-thirds of both Senate and House would not have it within their power to bring about the right decision. Just a minority in either the Senate or House would be in position to condemn this National to a course that could be disaster.

I do not think the House wants that, nor does the Senate.

I am satisfied that a President, looking at the potential disaster that could be imposed upon this country by a minority in just one house, would veto the bill, no matter what the consequences. That sort of confrontation undoubtedly would result in a situation, the time element being what it is, that the Nation would be compelled to default for the first time in its 200-year history on its obligations because it could not pay them, because the debt limit had expired.

Here we are in a situation in which the people are going to hold someone responsible for the fact that this Nation had been brought down on its knees, unable to pay its debts, unable to pay its obligations, defaulting on those that are outstanding, merely because we were fighting about a situation which should not be permitted to develop.

What is the difference between my amendment and the Dole amendment? Responsibility.

Mr. DOMENICI. It is what?

Mr. LONG. Responsibility—r-e-s-p-o-n-s-i-b-i-l-i-t-y.

[Laughter.]

If you find yourself in the kind of economic disaster that Herbert Hoover found himself in, good judgment on the part of the President and the majority of the country could save you. If you found yourself in the kind of situation Gerald Ford found himself in, good judgment on the part of the President and the majority of Congress could save you. If you found yourself in the kind of situation that Richard Nixon found himself in——

Mr. DOLE. Which one?

[Laughter.]

Mr. LONG. Mr. President, I hope the Record will show who asked the question.

[Laughter.]

The PRESIDING OFFICER. The Record will so show. It came from the Republican side of the aisle.

Mr. DOLE. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. Mr. President, the situation I am referring to is when Richard Nixon asked us to repeal the investment tax credit, and we did it, and then when the Nation found itself in a recession, with every indication that it was going to get worse, and he called us back and asked us to restore the investment tax credit and to enact other methods to try to restore the economy, measures that gave us a bigger deficit.

If he found himself in that type of situation, a President and a majority of Congress could save the economic affairs of this country from what otherwise could be a disaster. In contrast, the Dole amendment would lock us into a situation whereby a President plus a majority in both Houses of Congress could not save the American people their jobs, could not save their economic well-being, could not save us from a disastrous depression, a Hoover-style depression.

Mr. President, that would be the height of irresponsibility, and we should not do it for partisan reasons or for any other reasons.

I yield to the Senator from Kansas.

Mr. DOLE. Does the Senator yield the floor? May I have a chance to make a speech?

Mr. LONG. So far as I am concerned, the Senator can do anything he wants to do. He can have the floor as soon as I am through.

Mr. DOLE. I will wait.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

Mr. LONG. I yield.

The PRESIDING OFFICER. The Senator from Louisiana yields to the Senator from New Mexico.

Mr. DOMENICI. Just a question.

Under the substitute the Senator from Louisiana is going to offer, now that we have responsibility in an amendment, is the Budget Committee mandated to bring a balanced budget to the floor of the Senate in 1981?

Mr. LONG. Yes.

Mr. DOMENICI. In the first concurrent resolution or the second?

Mr. LONG. The first concurrent resolution.

Mr. DOMENICI. What about the second one?

Mr. LONG. It seems to me that the first concurrent resolution sets the pattern.

So far as I am concerned, I am willing to make it the second concurrent resolution, also. At this moment, I will ask for the yeas and nays. I cannot amend my own amendment. If my amendment prevails, I will be happy to support language to add the second concurrent resolution as well.

Mr. DOMENICI. I would greatly appreciate that, and I think we should do that. I do not think it is very much difference from the Dole proposal, but let me explore this for a moment.

Do I correctly understand, then, that the Senator from Louisiana is saying that the U.S. Senate, if it does not want to accept the balanced budget recommendation, would have to vote by a majority vote to accept something different from that balanced budget as recommended? What makes it so different from Senator DOLE's proposals? Because two-thirds would be required under the Dole proposal, the Senator says, while America could go down the economic drain?

Mr. LONG. I am proposing to go by way of the budget process.

Mr. DOMENICI. So the Senator from Louisiana is offering to amend the Budget Act of the United States by resolution here on the floor. Is that right?

Mr. LONG. This would be law.

Mr. DOMENICI. If it is going to be law, what is the difference—if it is law under the debt limit as an amendment or law another way? Is there any difference? Are they not both law?

Mr. LONG. The point is that my amendment is not tied to the debt limit; it is tied to the budget process.

Mr. DOMENICI. Does the Senator intend it to be binding, that the Senate of the United States would have to vote by some kind of affirmative vote to have an unbalanced budget or not?

Mr. LONG. When they submit a balanced budget, all the Senate has to do is to vote for the budget they submit.

Mr. DOMENICI. So I assume the law that the Senator is proposing that we adopt here is the law which says that the Senate will have to vote for an unbalanced budget. Is that right?

Mr. LONG. Yes. I am assuming that we will vote—that someone will say either vote for the balanced budget or vote for the unbalanced budget. In any event, when they submit the balanced budget, if just one Senator wants a vote on that balanced budget, he is entitled to have a vote on the balanced budget.

Mr. DOMENICI. What I want to find out is this: What is the difference between a law that is made law by being part of the debt ceiling and a law that is made law another way?

Mr. LONG. One big difference is that if you do it the way I am talking about, in my judgment, it is going to become law. I think the President will sign it.

Mr. DOMENICI. Why would he not sign the other one?

Mr. LONG. I just got through explaining that. If I did not convince the Senator——

Mr. DOMENICI. The Senator from Louisiana did not. Let me tell him why.

Mr. LONG. That is not the first time.

[Laughter.]

I hope I always will convince the Senator; but I have failed many times before, and this will not be the last time.

Mr. DOMENICI. Let me ask one more question: Does the Senator assume that, under the Dole amendment, as a matter of law, two-thirds of the Senate actually would have to vote to have an unbalanced budget, or does he think a majority would? If he thinks a majority would, is that not the same thing that is going to occur under the proposal of the Senator from Louisiana, if indeed it is law, or is there something else we are talking about?

Mr. LONG. Under the Dole amendment, in order to vote on a debt ceiling bill—to prevent a default by the Federal Government—it would take a two-thirds majority on the budget resolution in order to vote for something that would not be a balanced budget.

Mr. DOMENICI. I thank the Senator.

Mr. LONG. Mr. President, I am prepared to yield the floor.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. HARRY F. BYRD, JR. The Senator mentioned that the Hoover depression was created by President Hoover's balanced budget processes.

Mr. LONG. I said it helped. It helped to get us down to the depths of that depression. In my judgment, many good economists share this view. The effort to balance the budget while the Government revenues were declining simply mean that every cut in the budget put more people out of work, and that added to the pace of the downward spiral.

Mr. HARRY F. BYRD, JR. My question is this: Does the Senator realize that in the 4 years that President Hoover served as President, he had a deficit 3 years out of the 4 years?

Mr. LONG. Mr. President, I did not come here to make Mr. Hoover's campaign plan. I just said that it was a mistake, in my judgment, to try to balance the budget while the Nation was on its way into a deeper depression.

Mr. HARRY F. BYRD, JR. The record shows that he did not balance the budget. That is the point. That is the point I am making.

Mr. LONG. All he did was make a bad situation worse. I understand that.

As a matter of fact, it did not help a bit when Roosevelt came in after that and tried to balance the budget. I know the Senator from Virginia does not share my view on that.

Mr. HARRY F. BYRD, JR. I want to

set the record straight. President Hoover did not operate under a balanced budget.

Mr. LONG. But he tried. He cut spending at a time when we should have been expanding spending and building public works and putting people to work at something useful. President Hoover did put the Reconstruction Finance Corporation into business, and I will give him credit for that; but, generally speaking, he was trying to deal with a bad situation, and one of the things he was trying to do was to balance the budget.

When President Roosevelt came in he was trying to balance the budget for a while to begin with, and I think he thought he was doing that. After a while he found out it was just making a bad situation worse, and he made the move that should have been made. He said, "Let us put people to work." And so the Government decided to go ahead and have a deficit in order to put people to work at the WPA, planting trees where eroded land existed, building and improving things, such as Central Park in New York, and doing things that would make this a better country to live in by improving the landscape and improving the cities in America and at the same time hoping that by providing employment for people who were otherwise out of work, we would be able to work our way out of the depression.

That today is pretty well agreed upon as to what we should do. In fact, it is so well agreed now that the last two Republicans bought that philosophy. That is the attitude they took.

So when one wants to find some President who is advocating anything different than that, he has to go back to Herbert Hoover to find one.

But at least, Mr. President, I believe the case is clear that there are those of us who believe that and the record shows that there are these cases when the economic well-being of this country can very well depend upon the Government taking action that might result in an unbalanced budget and if that should be the case we would expect the President and majority of Congress to do what is necessary, and they should not require two-thirds in both Houses to save this country from what could be an economic disaster.

I would be the first to agree that is not the unanimous view of the Senate. I hope it is a majority view of the Senate.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, would it be possible to determine what the vote was on the motion to table when the 15 minutes expired? How many votes were changed after the time expired?

Mr. TOWER. Mr. President, will the Senator yield?

Mr. DOLE. I am happy to yield.

Mr. TOWER. I checked on that. Actually the tabling motion was carrying when 15 minutes expired, but there seemed to be something miraculous that happened in the 3 minutes subsequent when it went to an 18-minute vote that the amendment of the Senator from Kansas was tabled in that 3-minute period.

Mr. DOLE. As I understand it, we won in the regular time and lost in overtime.

Mr. TOWER. That is right. We lost in overtime.

Mr. DOLE. I just want the record to show that when we tried to have regular order we were nine points ahead, and then they started to shoot free throws and in the overtime we lost by one vote.

The PRESIDING OFFICER. The Chair will respond to the Senator from Kansas by saying that regular order in the time that the Senator from Kansas asked for it was to permit those Senators who were in the Chamber to vote. It was so allowed.

Mr. DOLE. I understand.

Mr. TOWER. I might note a lot of other Senators who had already voted were seeking recognition. As a matter of fact, at the expiration of 15 minutes all Senators present had voted one way or the other.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. DOLE. Mr. President, I am happy to yield to the majority leader. I cannot change my vote, though.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, a few days we had a vote on my motion to table the Percy amendment to the Taiwan legislation. I saw the same thing happen. The 15 minutes went by. There was a lot of switching of votes on that side that occurred. My motion to table lost, but I did not shed any tears about it. We lost in the overtime because of switches on that side.

Mr. LONG. Mr. President, if the Senator will yield, does the Senator not think that it is fair to be charitable to Senators changing the vote in this situation in view of the fact that what they were voting on was the Dole amendment to the Dole amendment, and Senators needed to know which Dole amendment they were voting for and which Dole amendment they were not voting for? Does that not justify a little bit of charity on the part of Senators?

Mr. DOLE. I am not going to be uncharitable and I am not going to name those who switched their votes because I am not certain who did. I do not quarrel with switching votes because I have done the same, but never in the overtime. I think that is the distinction.

If we can defeat this watered-down version of a constitutional amendment for a balanced budget, then we can get back to the real amendment—the Dole-Armstrong amendment.

I know that a motion to table is a good way to cloud the issues so the people do not really know what the Senate voted on.

When there is a vote to table an amendment, not many people in or out of the Chamber really understand what happened. Thus, all that trickles down back home is that the Senate had a close vote on some procedural matter.

This afternoon I went down to attend the historic treaty signing. When I came back I found that my amendment was being tabled. I am glad I was passing through the Chamber because the Dole-Armstrong amendment may have been tabled in my absence. Nevertheless, I understand those are the common courtesies that are extended to the minority and I appreciate that.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. LONG. The Senator surely knows, does he not, that the majority leader would like to have made that motion to table the Dole amendment to the Dole amendment last Friday——

Mr. ROBERT C. BYRD. Thursday.

Mr. LONG. Last Thursday, but the Senator from Kansas (Mr. DOLE) did not want a vote on his amendment at that time, and he indicated right here in the Chamber he was prepared to hold the floor all evening if need be to prevent us from voting on the amendment no matter how we voted on it, and I understand why he took that attitude, and I do not quarrel with him, but he was shown a courtesy at that time because the majority leader simply told him whenever he wanted to adjourn we would adjourn, and we would not press for a vote on his amendment at that time.

It is going to cost this Government a lot of money to keep delaying this bill because the Treasury is having to delay the refundings of various obligations that are coming due. Courtesies have been extended to both sides, and if anyone asked me at that particular moment to say "Hold on a minute, will you be willing to withhold until we can make a brief statement or something of that sort," I would have been glad to do so. But the Senator's argument was in the RECORD, it was well explained in the RECORD, and I really do not think that anyone can say he did not have the opportunity to acquaint himself with the views of Mr. DOLE and the Dole amendment to the Dole amendment.

Mr. DOLE. I understand that, and I do not quarrel with my chairman because I know we have a lot going on today. I know there are a number of Senators who wish to dispose of the debt limit bill. Certainly the Senator from Kansas does. But I was a little surprised when I walked into the Chamber this afternoon to learn that there was a motion to table my amendment.

I just suggest that we have to resolve the balance-budget issue at some point. I expect that there will be a number of votes this year on different approaches to balance the budget. Certainly the distinguished chairman of the Budget Committee made an excellent case for his position on Thursday. I also know very well that the chairman of the Finance Committee wants to balance the budget as soon as we can have a balanced budget. That is not the question. I assume that everyone in this Chamber wants a balanced budget as soon as we can have a balanced budget.

The real issue is whether to use one aproach or the other. Perhaps the distinguished Senator from Louisiana has a better approach. He has more votes, which probably makes his seem to be a more effective approach. Whether or not Dole-Armstrong approach would have actually been a better approach I guess we will never know.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. DOLE. I thank the distinguished Senator from Louisiana for bringing up the names of the Republicans from the past and pointing out how they have helped and how they might have been hurt by an approach like the Dole-Armstrong amendment. They did not have the Budget Committee in Herbert Hoover's time. Perhaps that committee might have saved Herbert Hoover.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. GOLDWATER. Mr. President, I just wish to make a comment or two to try and set the record straight.

I happen to have been in business when the so-called Hoover depression took place, and I just wish to orient my friends who did not have that pleasure as to what really happened.

Austria started the world depression in 1928 when the Austrian mark was one of the dominant currencies in the world. Austria was engaged in deficit financing. Austria was nearly broke and finally the great banking house Creditanstalt did collapse with warnings from every country in the world of what would happen.

I just want to remind my colleagues that the United States is doing precisely today what Austria was doing all through the 1920's, spending money she did not have. The dollar was not a very important piece of currency at that time. It is not too valuable now, but it is important, and I suggest that if we continue this deficit spending for just a few more years, you are going to see a depression that is going to make that last one look like a firecracker, because this one is going to look like a Roman holiday.

It is time, my colleagues, that we start watching what we are doing and have the courage to do something about it instead of trying to table every motion that comes down the road, table amendments that have been ordered and asked for by the American people.

I do not want to be part of an Austrian world depression. It was not Herbert Hoover's depression. When we had deficit financing it was nothing compared to what the Democrat Franklin Roosevelt had.

Let me remind you that after years and years of trying to get this country out of the depression, it took World War II to do so, and I do not want to see it take world war III to get us out of the mistakes we have been making.

I thank the Senator.

Mr. DOLE. I thank my distinguished colleague from Arizona.

Mr. DOMENICI. Mr. President, will the Senator yield just 1 minute?

Mr. DOLE. I will yield for a question, I guess, or I can yield the floor and then get it back.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. DOLE. Yes.

Mr. DOMENICI. It may be hard to find a question, but I am just going to make an observation here.

My good friend, the chairman of the Committee on Finance, is a wizard. You know, he has us talking about Herbert Hoover when what we are talking about is whether or not the U.S. Senate should submit a balanced budget to itself for its approval in 1981.

I just want to say—and I say this in all deference, to the wonderful people here on the floor who want to defend what happened back in Hoover's day—that it really is not the issue. The issue is do we want to pass a law that makes it mandatory to the Budget Committees of the U.S. Senate and the House to submit a balanced budget in 1981 or not, and do we want to pass that in such a way that it is apt to become law and not just some rhetoric to be passed around and go to conference and get watered down or killed.

The reason Senator DOLE's amendment is the best is not the two-thirds part, because I submit that is irrelevant. A constitutional lawyer will tell you you can change the two-thirds with a simple majority, but the reason it is good is that America needs to extend the debt. That has to go to the President. He has to sign that kind of bill, and that is the kind of bill to put in a mandate to force the Senate and the House to submit a balanced budget to this institution. Anything short of that, and short of that approach, is wizardry of some type that has to do with Herbert Hoover, and has nothing whatsoever to do with what the American people want, which is what the Dole-Armstrong amendment would do.

I thank my friend from Kansas.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. DOMENICI. That would be a question.

Mr. DOLE. I think the answer is "yes." [Laughter.]

Mr. ARMSTRONG. Mr. President, will the Senator yield to me?

Mr. DOLE. I would be happy to yield to the cosponsor of the amendment.

Mr. ARMSTRONG. Mr. President, I appreciate the Senator's yielding to me.

I say to the Senator from New Mexico and the Senator from Louisiana that we are really getting wrapped around the axle. It does not relate to Herbert Hoover or who is going to get credit for or who is going to be blamed for what is going on. In my own political view there is a new political consensus shaping up in this country, and the occupant of the White House and Congress are going to be blamed for the economic activity and the consequences of the last few years. But that is not the issue and I share the view of the Senator from New Mexico that it is wizardry; it is a diversion from our main purpose to even be thinking about it.

The issue is how what we are doing in this Chamber will affect the working men and women and their families of this country.

Over the weekend the Department of Labor reported that prices went up 1.2 percent in the month of February. That is at a seasonally adjusted rate about 15 percent a year. That comes on top of a price increase in the Consumer Price Index of 9.5 percent last year.

In the last 5 years the purchasing power of the average American family's dollars and savings has declined by nearly half. That is not a theory, that is not speculation. This is what is going to happen in the future, that is what is happening today. The dollar is plummeting, the stock market is stagnant, people are out of work as a result of the economic policies which this Congress has approved over the last several years. Inflation does threaten every family in America, and the cause of it—there is a growing agreement not just in this Chamber but, I would suggest to the Senator from Kansas and others, a growing agreement among economists and among the rank and file people in this country—that it is not the weather that has caused this, it is not an act of God, it is not the act of big business, the act of big labor; it is the Government with its printing press money that has caused it and occasioned by this huge deficit.

If I may put it in the perspective of what we are doing here, the legislation which the Committee on Finance has brought to the floor is to increase the debt limit to $830 billion. That is just about twice as much as it was when I came to Washington only 6 years ago.

I think there are a great many in this Chamber—I hope a majority—who will not approve a continuation of this debt increase unless we tie it to a substantial permanent reform. I believe the proper reform, a reform which would justify again increasing the national debt, is the Dole amendment. But the proposal which we now have offered as a substitute for the Dole amendment is really just sentiment. The amendment pending expresses the sentiment, with which I agree, that hopefully we will have a balanced budget.

I will promise the Senator from Louisiana, as one member of the Budget Committee, that there will be a proposal on this floor for a balanced budget. I do not know whether it will pass, but I will be doing my best to try to have it passed.

We need more than a pious hope, we need more than a declaration of a purpose, we need more than a sentiment. What we need is a solid, substantial permanent procedural reform written into our statute, and I suggest that that is the Dole amendment.

Several Senators addressed the Chair.

Mr. DOLE. Let me first thank the distinguished Senator from Colorado. Since he just came through an election, I think the Senator understands the public mood probably better than most in this Chamber. Remember, this is the joint Dole-Armstrong amendment. The distinguished Senator from Colorado has had more than half the input into that amendment.

It seems to me that the way to address it is to defeat the substitute and get back to the original amendment.

I yield to the distinguished minority leader.

Mr. BAKER. Mr. President, I thank the Senator for yielding. I rise only to say that I commend the Senator from Colorado and the Senator from Kansas for a worthwhile and important initiative on the floor of the Senate.

I intend to support them. I hope the substitute is defeated. I hope we can return to the original proposal not because I think this is the only way to reach this, but because I think it is the first significant opportunity the Senate has to speak to this issue.

I have just been through an election,

too, and I do not know much, but I know that the people of the United States expect us to do something on this issue.

This is our first real chance and, Mr. President, I wish to take this opportunity to commend the Senator from Colorado and the Senator from Kansas for presenting this matter in an intelligent and important way, and I hope we will support their point of view.

Mr. DOLE. I yield first to the Senator from Massachusetts.

Mr. TSONGAS. I must say Mr. President, I also just came off a campaign, and I think I have some feel of what is out there. I would just like to ask a question of the distinguished Senator from Arizona before he leaves.

Mr. President, can the Chair indicate what the process is under the circumstances?

The issue was raised as to the depression, and the comment was made by the distinguished Senator from Arizona that it took World War II to get us out of the depression. I do not have the same experience, not having been born during most of that period of time, but could the Senator explain why World War II brought us out of the depression and what the process was?

The PRESIDING OFFICER. The Senator from Kansas has the floor.

Mr. GOLDWATER. Mr. President, will the Senator yield for just a short answer?

Mr. DOLE. I ask unanimous consent that I might yield for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. After Franklin Roosevelt took office on, I must say, one of the most conservative platforms we had in this century, he was hoodwinked into believing by the early Keynesian forces that the Federal Government could save the economics of any nation. I do not say the Keynesian theories are all wrong. They will work in war, they will not work in peace, and they have not been working.

All I can tell you is that from my memory of 1938, I think there were still 17 million people out of work in this country. It had reached a high of over 25 million.

In 1939, it was rather obvious that we were going to go to war, though the President said we were not. Aircraft factories and munitions factories started to employ people, and the depression ended with the coming of World War II.

That is all I can tell you; we had an almost nonexistent rate of unemployment after 1940.

Mr. TSONGAS. If the Senator will yield, the point I am trying to make is that if one goes back and looks at the expenditures of the Federal Government in that period rather than the GNP, the figures are rather worrisome.

The reason that we came out of the depression was the necessity of defense expenditures. No one at that time was talking about a balanced budget; we were talking about winning the war. That is historically why we crawled out of that situation, and the same historical rationale, I think, will apply in future problems. It was not the war; it was what we did to win the war that caused us to come out.

Mr. GOLDWATER. I might add that at that time we were not burdened with such a factor as "gross national product." I think that is possibly the worst factor that ever crept into our economic thinking. I have always called it the "gross national lie." It does not take account, for example, of a home increasing sixfold in value.

What the American people wanted in the 1930's was to get back to work. They did not want war. I do not think the President wanted war, but I think he knew we were going to war. And we did, and that is what ended the depression, not Franklin Roosevelt or Federal spending.

Mr. TOWER. Mr. President, will the Senator from Kansas yield?

Mr. DOLE. I yield to the Senator from Texas.

Mr. TOWER. Mr. President, I would just like to note that you can use historical knowledge to prove almost anything, and I think anyone with any knowledge of history can do that; but I think we had better think about our present situation.

I know my friend from Kansas is aware of the fact that some 28 States have now petitioned for the convening of a constitutional convention for the purpose of reporting out a constitutional amendment that would require a balanced budget.

I am sure the Senator from Kansas would agree with me that we would really be taking a journey into the unknown if such a convention were called. We do not know what the makeup of it would be, who would be elected to it. I can think of such a convention made up of such distinguished delegates as Bella Abzug, Ralph Nader, and others, and I fear what would happen.

I think most of us feel it would be desirable not to have such a convention if it can be avoided. But I think we are going to be pushed into the position, at some point, of having to report out such an amendment to forestall a national convention.

To me, it is unfortunate that we have to even consider putting into our organic law a provision that applies discipline on the President and Congress to do something they ought to be doing anyway. To me, it is tragic that we have to get into the business of considering a constitutional amendment because we have failed to discipline ourselves to do what the people want us to do, and what I think the economic considerations of today demand that we do. I would suggest that if we do not act on something that has teeth in it, such as the amendment offered by the Senator from Kansas and the Senator from Colorado, that if we resort to the kind of legerdemain and gimmickry that I think is inherent in the amendment offered by the Senator from Louisiana, we are going to have our hands forced further. And if you are talking about flexibility, if you are concerned about flexibility, if we get a constitutional amendment mandating a balanced budget, we really will not have much flexibility; and if we go beyond the purview of the amendment in framing a budget and authorizing taxes and expenditures, then you are going to see us tied up in court over a lot of legislation that will be declared invalid by virtue of incompatability with the Constitution.

That will really wreak havoc in terms of our ability to deal flexibly with problems that confront us. I suggest that we had better attempt now to do what is necessary to achieve what people demand. I would hope we would reject the proposal of the Senator from Louisiana and return to the proposal offered by the Senator from Kansas and the Senator from Colorado.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Kansas still has the floor.

Mr. DOLE. Mr. President, I would like to indicate to the distinguished Senator from Louisiana that we are trying to make a judgment as to whether or not we should vote right away. We have six absentees on our side. In looking at the last vote, it could have made a difference. But I think your side had four absentees, and that could have made a difference also.

Mr. LONG. Mr. President, as far as I am concerned, if we can determine how the absentees would vote, I would be perfectly willing to agree to arrange to pair, in the event you have more absentees than we have. If someone could get a tally sheet up and give us the comparisons, as far as I am concerned, in matters of this sort. Senator, you know yours is not the only amendment to be considered here.

Mr. DOLE. I understand.

Mr. LONG. I have some information from the Treasury Department pointing out that if this matter drags on until Friday, it will cost this Nation over $35 million in additional interest costs, because that is their estimate of what it will cost by virtue of having to call off some of their debt offerings and to pack all their offerings into a shorter period of time.

If the Senator's amendment is agreed to, there will be other amendments offered, and in addition to that, there will have to be a conference with the House of Representatives, and you cannot tell what will happen when the bill goes down to the White House.

I suggest that if the Senate is going to agree to the Dole amendment, we really should not be wasting a lot of time on it. As far as I am concerned, if someone can show me that your side has one more absentee than my side has, I will pair with the absentee, provided that is mutual.

Mr. DOLE. I thank the Senator. I am ready to yield the floor. I understand Senator MOYNIHAN would like the floor in his own right.

I would suggest that we carefully consider what the Senator from Louisiana suggests to see how it breaks down. Certainly there will not be any effort, so far as I know, to table the pending amendment. We will give you an up-and-down vote, or an up-and-up vote.

Mr. LONG. Senator, I am not asking for any favors. Do whatever you want to.

Mr. DOLE. If we can defeat the watered-down balanced-budget approach, we can get back to the real balanced-budget approach. If we address the problem now that the distinguished Senators from Colorado and New Mexico so well articulated, we might avoid a number of arguments later on this year. I certainly understand the need to pass the increase in the deficit ceiling. I think April 3 is the outside date by which an extension must be provided. That would fall in the next week.

Mr. LONG. The information I have is that the Treasury estimate is that if passage of the debt ceiling bill is delayed until the end of the week, instead of voting on it tomorrow, that would increase the interest cost by at least $35 million, and possibly more.

So time is beginning to become important in this matter, and it is important that we try to pass this bill no later than tomorrow, if we can. Of course, we cannot pass it tonight, I understand that, but time is running out on us from the point of view that it costs money to delay this bill any longer.

Apparently it does not become crucial until tomorrow, but if we do not pass it tomorrow and it drags on past then, there will be concern.

Mr. DOLE. According to the information the Senator from Kansas has, on March 27 the regular monthly auction of 52-week bills will have to be postponed because delivery cannot be assured by April 3. Three billion dollars of the bills would be affected, but there would be no loss of income until April 3. However on April 3, the U.S. Government will run out of cash. On this date the Government can no longer meet its obligations.

In any event, I know we have a problem.

Mr. ARMSTRONG. Will the Senator yield?

Mr. DOLE. I yield.

Mr. ARMSTRONG. It seems to me there is a little uncertainty on the part of the Treasury, which would be an unfortunate thing. When I came into the other body a few years ago, it was the custom to pass the debt extensions as a routine matter. Nobody gave them any thought. I have noted that in the last nine times the debt has been extended by this body, on four of the occasions there has not been a rollcall vote. It has been taken in a casual manner.

I would suggest to the Senator from Louisiana that the greater cost is not the cost of interest that may be entailed in a day or two of delay, but the greater cost will be if we fail to scare the daylights out of them down there so that there is some responsiveness to the concerns we are expressing about ultimately solving this problem and acting with permanent and substantial reform. I thank my colleague.

Mr. DOLE. I yield to the Senator from Iowa.

Mr. JEPSEN. What is the legal status of the mandate or law by 1981 that was referred to here earlier? Is that legal? Do we have something that is legal? Are we required to have a balanced budget for 1981? It was passed in the last session.

Mr. DOLE. We have an amendment offered by Senator BYRD which became Public Law 95–435, on October 10, 1978. The Byrd amendment says beginning with the fiscal year 1981 the total Federal outlays of the Federal Government shall not exceed its receipts.

Mr. JEPSEN. Is that in existence? Is it legal? Are we bound by it?

Mr. DOLE. It is the view of the Senator from Kansas that by passing the Dole-Armstrong amendment we would effectively implement the Byrd amendment. The Byrd amendment states a goal. We believe we have the language, the vehicle, by which we could implement the Byrd amendment, so that we could actually have a balanced budget by fiscal 1981.

Mr. JEPSEN. One last question: I still do not quite understand what the legal status is. That Byrd amendment, is that for real, is it for eye wash, or what is it?

Mr. DOLE. The Byrd amendment is for real. Nevertheless, it was our feeling that by adopting the Dole-Armstrong amendment we can effectively implement both the Byrd amendment and the administration's projection in fiscal year 1981. The administration is now projecting a $300 million surplus. Also, the Dole-Armstrong amendment would go one additional step, as the distinguished chairman pointed out, by tying balanced budget compliance to the debt ceiling. So while the Byrd amendment is meaningful, we would supplement it with the Armstrong-Dole amendment.

Mr. President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. BRADLEY). The Senator from Mississippi.

Mr. STENNIS. Mr. President, I wanted to ask the Senator from Indiana a question about his pending amendment. Any amendment which the Senator from Louisiana proposes is serious, Mr. President.

As I interpret his amendment now, he would be requiring the filing of a budget by the Budget Committee which could be 3 consecutive years at one time.

My real question is: What are we going to do on the Armed Services Committee? We work all year. That is a large budget, as the Senator knows, which is kicked back and forth. It is gone through very carefully here on the floor, in conference, and in the White House. But as I read this amendment, should it become law, the Budget Committee could file a budget here for the armed services, for the Department of Defense, at least, or all of the services, for 3 consecutive years. They could do it. In that way, the Armed Services Committee would not have a part or a participating part even in the formulation of that budget.

It seems to me like that cuts right across the purposes of the Senate in having committees on money matters and on authorization matters for these large departments of the Government. What is the Senator's explanation?

Mr. LONG. As the Senator knows, we are debating fiscal year 1980 right now. When the Budget Committee reports, it is contended by the chairman of the Budget Committee, and I believe he is correct in this, that if we are going to insist on a balanced budget in 1981 we ought to start moving to balance it in 1980.

For example, let us assume that we are going to build a nuclear aircraft carrier. If we cannot afford to continue construction in fiscal 1981, we should not start it in fiscal 1980 and stop it the year after. If we are going to move to a balanced budget in 1981, the decision in 1980 should reflect the fact that we are going to have a balanced budget in 1981, and in the areas in which there will be cuts, we ought to start making a decision which would be consistent with that.

That being the case, when the Budget Committee comes out with the first resolution on April 15, under the resolution it would tailor its decision for 1980 to be what we would anticipate if we are going to have a balanced budget in 1981. That being the case, we would indicate what decisions would be expected to be made in fiscal 1980 in order to have a balanced budget in 1981.

Of course, we are not bound by that until we vote in April 1980 on the first resolution for 1981. Even then we are not bound. But as the Senator knows, the committees will then start tailoring their activity to conform with that first budget resolution.

Presumably, by the time we get around to the second budget resolution in 1981, we would then be voting a balanced budget because the decisions that we would be making before then would be those that would lead to a balanced budget on the second resolution.

Of course, then, if we wanted to have a balanced budget in the third year, by knowing what we are going to have in the 1981 we would then project what we think that would be. But we would not be bound on it. We would simply see how they would think the budget could be balanced.

Mr. STENNIS. Mr. President, I agree. There are some illustrations which the Senator has given that would be applicable because, as he says, the 1981 budget will certainly be influenced by the 1980 budget. But the main import of the Senator's amendment as to the Armed Services Committee—and I have no grievance with the Budget Committee; I have supported them—just transfers over the making of the military budget for these fiscal years to the Budget Committee of the Congress. That was one of the avowed purposes that we were not going to do when we adopted the concept of a legislative budget. It would still be primarily the situation of the legislative committees of the Senate passing on the White House budget as to authorizations and, therefore, control of the appropriations. This goes across the board.

Let me remind the Senator, this relates to manpower and relates to all kinds of hardware. As the Senator will remember, he was at one time a member of the Armed Services Committee. It has ships, guns, tanks, missiles, everything, and it also relates to research and development that has now reached some $15 billion.

Mr. LONG. Might I just ask the chairman of the Committee on Armed Services if he will not agree with me that if we are going to balance the budget, and if we want to assume, as some would assume, that that may require us to make some reductions in our military spending, assuming we were going to do that, would it not make sense that we would start setting the pattern in 1980 for what the situation would necessarily have to be in 1981?

I ask the Senator please to understand that I, personally, would be reluctant, no matter how it is done, to vote for a major reduction in military spending. I was sitting beside Mr. Howard Jarvis the other night, and this matter came up about military spending. His view was that we do not decide how much military spending we are going to do, the Russians do that. When they decide what their military budget is going to be, they pretty well dictate what we are going to do.

I believe that, whatever it takes to keep this country secure, we ought to provide it.

Mr. STENNIS. We have given some consideration now, and I am sure we do on the floor—in passing the 1980 military budget, some thought was given to the 1981 budget. As the Senator said, some consideration was given to a new family of planes. If we are going to start these, we shall need 50 in the first year and 100 in the next year.

But the Senator's amendment, with great deference to him as the author, and he is always to be taken seriously, especially in these matters, puts the initiative on the Budget Committee of going on and making up, even 2 years in advance, a budget that has the dignity of being a budget from one of our committees on the Senate floor and then, 2 years later, we would be called on to see what we could do as an arm of the Senate to pass on the same budget.

I favor the idea of trying to get at this balanced budget, in time—not abruptly. I think the Senator's amendment would require a great deal more work on it, suppositions and analyses and so on, before it could be passed.

Mr. LONG. Mr. President, then there would be some Senators who would feel that you should balance the budget in 1982, but not in 1981.

Mr. STENNIS. Yes.

Mr. LONG. So, if they have before them—in other words, there are some who feel that 1982 is the year we ought to balance it. I believe the President has indicated that, while he campaigned for a balanced budget in 1981, he has developed doubts about the matter and feels that 1982 would be the appropriate year to have a balanced budget. That is a possibility.

There are two choices that we face, as I see it. We face this situation: Assuming we make a mistake—just assuming we make a mistake—how many votes should it take to correct it? Should it be a majority, or should it be a two-thirds majority if we prove to be in error?

Frankly, in my judgment, if we make a mistake, I would feel a lot better thinking that we could correct our mistake by a majority vote when we see we make a mistake, rather than saying, no, we commit ourselves and if we are in error, it will take a two-thirds majority on both sides of the Capitol to correct that. That, I suppose, is the difference between my position and Senator DOLE's position.

Mr. STENNIS. I do not mean to hold the floor, Mr. President, because others wish to speak, but I pointed out the Armed Services Committee because I am more familiar with it and know what a vast job it is. We work on it all the year. But here is HEW and here are all these other departments that the Senator's amendment would affect. It would have the Budget Committee coming in here with a proposed budget for each of those departments 1 year in advance and 2 years in advance, also. It seems to me there is confusion compounded. To government as a whole and to one department, as to the Armed Services Committee, it is a kind of notice to our possible adversaries of things to come. They are the ones that would benefit more than anyone else.

I have to say that, under the present situation, I would have to vote against the Senator's amendment; on those grounds, not any other.

Mr. LONG. But, Mr. President, may I submit to the Senator that on this next vote, that is not what he is voting on. On this next vote, what he is voting on is whether we are going to lock ourselves into a decision that, if we find it to be wrong, can only be changed by a two-thirds majority vote in both Houses. That, I submit, is a mistake that we should not make.

Mr. STENNIS. I thank the Senator. Mr. President, I yield the floor.

Mr. PACKWOOD and Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I shall not take but a moment. I only want to say, while the distinguished chairman is here, that I have no desire to unduly shorten the debate; indeed, I am willing to stay as long as necessary. But I thought I should advise the distinguished chairman of the Committee on Finance that I have a request on this side to make a motion to table the amendment. So, notwithstanding the statement made by the distinguished Senator from Kansas that he is willing to have an up or down vote, I advise the Senator from Louisiana that it is my intention, at the appropriate time, to make a motion to table.

Mr. PACKWOOD. Mr. President, I am a cosponsor of the amendment with Senator LONG and others. I think it is a solid, substantial, procedural step in the right direction. When his amendment is voted on, whether it is voted up or down, I shall offer my amendment and I shall be willing to accept, if we can work out an agreement, a one-half hour time limit on it, which will fortify that step. That is simply that we shall require the President and the Congressional Budget Committees to give us alternative budgets so we will know what has to be cut if we have to balance it: Is it going to be $10 billion in defense; $5 billion in social security, or health, or education, or what? Knowing that, we may choose to have a balanced budget or not choose to have a balanced budget.

It is a step forward, because never in Congress, while we have had deficit budgets, have we had alternatives, knowing where the President would cut, knowing where we would cut if we were moving toward a balance.

I might further say that if we would hurry the procedure—and again, I say I would be will to accept a half-hour time limit on my amendment—the amendment of the Senator from Louisiana, myself, and others can be voted up or down, my amendment can be voted up or down, and we would be back to the bill, still open for amendments of the Senator from Kansas or Colorado or elsewhere.

Some of those amendments I may support. Simply because we vote for or against the amendment of the Senator from Louisiana does not preclude us, this evening or, at the latest, tomorrow, from considering—and we have had substantial debate—and adopting or defeating other, more restrictive, tighter amendments, amendments that would compel balanced budgets. Simply because we vote for or against the amendment of the Senator from Louisiana does not mean we preclude our options on other amendments.

ORDER TO RECESS TODAY UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may retain the floor. I want to put in a quorum call first.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I reiterate, I have no desire to unduly shorten debate on this amendment.

I do not want to cut anybody off, but if there is no further debate on the amendment, I am prepared at this time to make a tabling motion.

Mr. ROBERT C. BYRD. Go ahead.

Mr. BAKER. Mr. President, I see no one seeking recognition or asking me to yield. Therefore, I move to table unprinted amendment No. 52 by the distinguished Senator from Louisiana, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be no more rollcall votes today.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table UP amendment No. 52 of the Senator from Louisiana (Mr.

Long). The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Delaware (Mr. Biden), the Senator from Missouri (Mr. Eagleton), and the Senator from Kentucky (Mr. Huddleston) are necessarily absent.

Mr. BAKER. I announce that the Senator from Pennsylvania (Mr. Heinz), the Senator from Kansas (Mrs. Kassebaum), the Senator from Nevada (Mr. Laxalt), the Senator from Illinois (Mr. Percy), the Senator from South Dakota (Mr. Pressler), the Senator from Alaska (Mr. Stevens), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. Percy) would vote "yea."

The PRESIDING OFFICER. Are there any Senators in the Chamber who have not voted who wish to do so?

The result was announced—yeas 36, nays 54, as follows:

[Rollcall Vote No. 21 Leg.]

YEAS—36

Armstrong
Baker
Boschwitz
Byrd,
Harry F., Jr.
Chafee
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Garn
Goldwater
Hatch
Hatfield
Hayakawa
Helms
Humphrey
Jepsen
Lugar
Mathias
McClure
Proxmire
Roth
Schmitt
Schweiker
Simpson
Stafford
Stennis
Thurmond
Tower
Wallop
Warner
Young

NAYS—54

Baucus
Bayh
Bellmon
Bentsen
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chiles
Cranston
Culver
Durkin
Exon
Ford
Glenn
Gravel
Hart
Heflin
Hollings
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Long
Magnuson
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stevenson
Stewart
Stone
Talmadge
Tsongas
Williams
Zorinsky

NOT VOTING—10

Biden
Eagleton
Heinz
Huddleston
Kassebaum
Laxalt
Percy
Pressler
Stevens
Weicker

So the motion to lay on the table UP amendment No. 52 was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion to lay the amendment on the table was rejected.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY and Mr. PACKWOOD addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I wish to endorse the approach to balancing the budget offered by Senator Long.

It is my firm belief that this amendment—the product of many hours of careful and difficult deliberations and compromises—represents an approach to balancing the budget which is well reasoned and responsible, and at the same time ambitious, both in its scope and in its implementation schedule.

There is not a person in the Senate, nor in the country for that matter, who would not like to see a balanced budget—and if it could be accomplished today or tomorrow, so much the better.

Last week's news of the February increase in the Consumer Price Index of 1.2 percent—the largest monthly CPI increase in some 4½ years—dramatically underscores the need for this Congress to adopt responsible fiscal attitudes and policies.

But balancing the budget is not a magician's trick, it is not done with smoke and mirrors. It takes hard work, careful planning, and tough decisions.

I have in the past refused to associate myself with the balance the budget "gadgets," and other forms of economic trickery which have been advanced as "responsible" approaches to budget balancing. I have refused to associate myself with these politically popular and expedient approaches because in all sincerity, I do not believe that fiscal restraint can be imposed by artificial and arbitrary spending ceilings.

The amendment offered by Senator Long, however, is one which I can support enthusiastically and wholeheartedly, and one which I am pleased to cosponsor.

By requiring that the Budget Committees prepare two separate 3-year budgets by April 15 of this year—one which would be in balance in 1981, and another that would be in balance in 1982—and by also requiring that they prepare detailed descriptions of the effects of those budgets on the economy—on revenues, spending, employment, inflation, and national security—this amendment provides an approach to balancing the budget which is based on responsible and concrete multiyear planning and action.

All too often I receive letters from constituents that start off by asking me to support a balanced budget, and conclude with a request for my support of a particular program or expenditure.

We cannot have it both ways. If we want a balanced budget, we must be prepared to accept the consequences. If this amendment passes, Senators and the American pepole will be able to see the direct consequences—both in terms of specific program cuts and levels of employment and inflation—of balancing the budget in 1981 or 1982.

Decisions on what to cut, and in what amounts, can be made with full knowledge of both the alternatives and consequences, and with active and well-informed constituent participation in the budget cutting process.

I have praised this amendment, because it will improve our understanding of the consequences of balancing the budget. We already know the grave and unacceptable consequences of failing to control budget deficits.

This approach means a lot of work and it means a lot of difficult and often unpopular decisions. As a member of the Appropriations Committee I am prepared to accept the additional work, to assume the additional responsibility, and to live with the eventual consequences.

I see no better and no easier way to reduce spending levels in a responsible and equitable way.

Mr. PACKWOOD. Mr. President, I have an amendment, 112, at the desk which I am going to withdraw and send up a slight change, but I would be willing to agree to a time limit on it if the majority leader would agree to it. I cannot bring it up untli Senator Long's amendment is disposed of.

Let me repeat, I have an amendment which I will call up after Senator Long's amendment is disposed of which, in essence, requires the President to do the same thing that Senator Long's amendment requires the congressional Budget Committees to do.

I would be willing to accept a time limit of 10 minutes on a side. It is not a complex amendment, and I would be willing to agree to a time limit. We cannot vote on it tonight, but I would wish it to be the pending business when Senator Long finishes his amendment.

Mr. LONG. Mr. President, so far as this Senator is concerned, it is all right with me to have a limitation of 10 minutes on each side. But I expect to vote for the amendment. I do not think it will be unanimous. There will be some people who will be opposed to it. For example, it may very well be that the chairman of the Budget Committee (Mr. Muskie) might be opposed to it, and I do not see him here, so I think maybe it would be best to wait until Mr. Muskie or someone who is familiar with his position is here, because I personally favor the amendment. I am on the same side as the Senator, so if someone who is opposed to the amendment should be available to let us know if he thinks they would have adequate time——

Mr. DeCONCINI. Mr. President, point of order.

Mr. PACKWOOD. Mr. President, I have the floor.

Mr. DeCONCINI. Point of order.

The PRESIDING OFFICER. The Senator will state his point of order.

Mr. DeCONCINI. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DeCONCINI. The pending business right now is the Dole amendment as perfected by the Long amendment; is that correct?

The PRESIDING OFFICER. The Long amendment has not been acted upon.

Mr. DeCONCINI. What is the pending business?

The PRESIDING OFFICER. The pending question is on the amendment of the Senator from Louisiana to the amendment of the Senator from Colorado.

Mr. DeCONCINI. Which is the perfecting amendment to the Dole amendment 111?

The PRESIDING OFFICER. Of the Senators from Colorado and Kansas, that is correct.

When that is disposed of, the Senator's amendment will be the pending order of business.

Mr. DeCONCINI. That is 113?

The PRESIDING OFFICER. That is correct.

Mr. DeCONCINI. I thank the Senator.

Mr. PACKWOOD. Mr. President, do I still have the floor?

The PRESIDING OFFICER. Yes.

Mr. PACKWOOD. I yield to the Senator from Mississippi.

Mr. STENNIS. Is the unanimous-consent request pending?

Mr. PACKWOOD. No, there was objection.

Mr. STENNIS. I was going to inquire the same thing. What is the pending matter? As I understood, I had not heard what happened to the motion to table the Long amendment.

Mr. LONG. That was not tabled.

Mr. STENNIS. So that matter is pending as before, the same Long amendment?

Mr. LONG. Yes.

Mr. PACKWOOD. Mr. President, can I make this request then, because the amendment I have is directly akin to the amendment of the Senator from Louisiana? I ask unanimous consent that when his amendment is disposed of that mine be taken up next. If, at that time, agreement is reached, I would renew my request for a time agreement.

Mr. DeCONCINI. Objection.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, does any Senator seek recognition on the pending business at this point?

Mr. MOYNIHAN. I would like to be recognized.

Mr. ROBERT C. BYRD. I yield the floor.

Mr. MOYNIHAN. I thank the Chair.

Mr. President, I rise for a very simple point which I would like to be made a part of the record of this debate.

The distinguished Senator from Colorado, who is a cosponsor of the amendment we dealt with earlier, is not on the floor, but I know he would not object to my simply putting into the RECORD a statement of the actual balance of expenditures in the public sector in the most recent fiscal year for which we have records.

The problem of inflation is a formidable one and, at this point, it is beyond the clear understanding of the economics we have available to us. But if there is one thing we can be clear about, it is that it involves a much more complex set of phenomena than simply the deficit or surplus of the Federal budget.

At the very least if you are talking about the public sector, you have to combine the State and local public sectors with the Federal public sector.

In 1978 the Federal deficit was $29.4 billion. On the other hand, in that year State and local governments had a surplus of $27.8 billion, so that the net deficit of the public sector was $1.6 billion. That is a deficit, but of a relatively insignificant number, given the imprecision of the GNP itself.

A second point I would like to make just for the record, and again my revered friend from Arizona is not here, but he spoke in less than panegyrical terms about the GNP and its role in the world, I would like to point out that the economic historians who have studied the Second World War have come to the conclusion that, as a matter of fact, one of the most important differences, an important element in the outcome, was that the British had acquired the concept of a GNP from Simon Kuznets. They knew how much their economy had and they used it right up to the edge, whereas the all-efficient and all-knowing government of Nazi Germany, having had no such experience, in fact let a very great deal of available resources go unused right to the end of the Second World War, because they did not know their true economic strength.

When the American and allied troops arrived in Germany they frequently found the Germans looking marvelously prosperous. They assumed it was because they had plundered the other nations. Well, they did their best. But basically the Government did not know they were that prosperous, which might have made a difference in the outcome.

Do not underestimate the role of economists. I thank the Chair.

The PRESIDING OFFICER. Does any other Senator seek recognition to speak on the bill?

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when all Senators have finished with their debate on the pending matter there be a period for the transaction of routine morning business of not to exceed 30 minutes, and that Senators be permitted to speak thereon up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under authority of the order of the Senate of March 22, 1979, the Secretary of the Senate, on March 23, 1979, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on March 23, 1979, are printed at the end of the Senate proceedings.)

PROPOSED RAILROAD DEREGULATION ACT OF 1979—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 44

Under authority of the order of the Senate of March 22, 1979, the Secretary of the Senate, on March 23, 1979, received the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

Today I am submitting my proposals to deregulate the nation's freight rail industry. This legislation is part of a continuing effort to promote more competition in America's transportation system, and to reduce the burden of federal regulation on the nation's economy. It follows last year's successful laws deregulating air freight and passenger service. Later this spring I will submit proposals addressing motor carriers and intercity passenger buses.

The private freight railroads are the backbone of our industrial and agricultural production. But today the private freight railroad industry faces a crisis, which could have grave consequences for our nation's economy.

Though the railroads still carry more than a third of the nation's freight and most of its bulk commodities such as coal, grain, and chemicals, the industry is in a deep and dangerous decline. Year by year, the percentage of freight carried by the railroads has shrunk, while profits have fallen and costs have soared.

Many factors contribute to these problems:

Government regulation of virtually every aspect of rail operations has restrained innovative management and efficient pricing.

Increasing competition from unregulated trucks and barges has eroded rail markets.

The industry has been slow to adapt to changing freight patterns and unable to rationalize its system.

Improvements in labor productivity have not kept pace with the rest of the economy.

A recent study by the Department of Transportation develops the grim consequences of these trends. The study, *A Prospectus for Changes in the Freight Railroad Industry* shows that without major changes in structure and operation, the railroads will be unable to generate the funds needed to sustain themselves. Within a few years, this shortfall of funds could become so severe that it will paralyze the private railroad system and jeopardize its existence.

The facts pointing to these sobering conclusions are overwhelming. Railroad revenues have not met railroad costs, and to survive in a tightly regulated environment railroads have been forced to consume their assets. Deferred maintenance on branch and main lines now totals $5.4 billion, while total industry profits for the year ending September 30, 1978, were only $50.2 million. A sixth of all track in the nation can only be served at restricted speeds, yet even with these restrictions accidents due to track defects have quadrupled in the past ten years. The DOT *Prospectus* estimates that the capital needed to sustain the freight rail system between now and 1985 will total $42.5 billion; it estimates that the industry itself is capable of generating or borrowing less than $30 billion. These figures do not include the federally-aided Conrail system in the Northeast which is losing $300-400 million per year. All railroads are caught in the squeeze between tight regulation on the one hand, and increased competition on the other. If the situation is not changed, even some healthy railroads of the South and West will face grave difficulties within a few years.

The solution to the railroads' difficulties is not massive government subsidies or new government intervention. Simply to maintain the current rail system would require $2.5 billion of Federal funds each year between now and 1985 with the totals likely to grow larger after that. Investing such large sums of tax dollars to preserve an outmoded system would be highly inflationary and ultimately fruitless.

Deregulation presents the only viable option to either massive increases in federal subsidies to the railroads or increased government intervention in their operation—both of which are highly undesirable. Instead of relying on huge federal subsidies we must seek to create an environment in which the railroads themselves can regain their economic health by aggressively improving their operations and profitability. We must eliminate the outmoded rules that have prevented railroads from managing their operation efficiently, responding to competitive opportunities and utilizing equipment profitably. We must allow the industry the flexibility to set rates at levels that generate a fair return on the investment and that attract traffic lost to unregulated modes. Where continued regulation of market abuse is still necessary, we must insure that ICC decisions are rendered promptly, fairly and consistently.

The legislation that we are proposing results from a full examination of the existing regulatory system for railroads. The legislation would create a far more limited regulatory scheme—one that reflects the railroads' current competitive and financial status, and one that provides incentives for the railroads to cut costs, improve service and productivity, and price services competitively.

Specifically these proposals would:

Allow railroads to set prices for their services without interference from the government. To prevent sudden dislocations, this rate freedom would be phased in gradually over five years with real rate ceilings allowed to increase by 7 percent per year. At the same time, inflationary general rate increases should be gradually phased out in favor of company-by-company pricing of services.

Transfer jurisdiction over rail mergers from the ICC to the Justice Department under standard antitrust laws. There is no reason why railroads that do not compete with each other should be treated differently from other businesses seeking to merge.

Set new guidelines for ICC approval of rail abandonments. These tests would insure that railroads are not forced to continue to serve money losing lines, but would allow shippers, States or communities to provide subsidies to maintain service.

Clarify provisions preventing discrimination among shipping communities, ports or connecting carriers. The new rules would continue to prevent abuses without tying railroads to rigid price structures.

Establish new rules to protect railway employees who may be affected by rail mergers or abandonments.

Eliminate ICC jurisdiction over many day-to-day aspects of managing the rail system.

The transition period to the new regulatory environment may involve some dislocations and may lead to temporary uncertainty for some shippers, railroads and communities. To the extent possible we shall continue to use existing federal programs enacted by previous Congresses to meet these needs as they arise. In addition, new federal resources will be available to compensate, retrain, and relocate workers who are affected by the restructuring of the system.

These regulatory changes alone will not be enough to fully solve problems of the rail industry. Revitalizing the railroads will take a concerted effort by railroad management and labor, working with shippers and communities. Only a complete overhaul of the nation's rail system leading to higher labor productivity and more efficient use of plant and equipment may be able to reverse current unfavorable trends. The government can assist in that effort but the most important contribution must be made by the industry itself.

Without regulatory changes, however, it is certain that the industry will not be able to pull out of its long decline. Without the changes I am recommending, we will face a catastrophic series of rail bankruptcies, sharply declining service and massive federal expenditures.

Unless we act expeditiously the unfortunate pattern we have seen among eastern railroads will be repeated on a national scale. Bankruptcies, followed by huge federal bailouts will spread to the Midwest and ultimately throughout the country. We can act now, while there is still time to address the crisis in an orderly way; or we can wait and have events dictate drastic solutions.

All of us—railroads, shippers, communities, workers and the public—have a vital interest in solving this rail crisis. I am confident that we can work together to solve it. I urge the Congress to act promptly on this important legislation.

JIMMY CARTER.

THE WHITE HOUSE, *March 23, 1979*.

REPORT ON THE STATUS OF FEDERAL ADVISORY COMMITTEES—MESSAGE FROM THE PRESIDENT RECEIVED DURING THE RECESS—PM 45

Under authority of the order of the Senate of March 22, 1979, the Secretary of the Senate, on March 23, 1979, received the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with the provisions of Section 6(c) of the Federal Advisory Committee Act (Public Law 92-463), I am transmitting the seventh annual report on the status of Federal advisory committees.

This report reflects further progress toward accomplishing the objectives I set in 1977: to assure that unnecessary committees are terminated, and new committees are established only when they are essential to meet the responsibilities of the government. At the end of 1978:

—The total number of committees was 816, 59 fewer than at the beginning of the year; and

—Since the beginning of 1977 the total number of committees has been reduced by 343 (from 1,159).

JIMMY CARTER.

THE WHITE HOUSE, *March 23, 1979*.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

PROPOSED REGULATORY REFORM—MESSAGE FROM THE PRESIDENT—PM 46

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Governmental Affairs and the Committee on the Judiciary, jointly, by unanimous consent:

To the Congress of the United States:

I am today announcing a program of major reforms in the regulatory process, including both legislative and executive action. This program will make new regulations more efficient and effective; ensure reviews of existing regulatory laws and individual rules to eliminate or revise those that are outmoded; and reduce the burden of regulation and paperwork without jeopardizing our progress toward vital regulatory goals.

Since the first Federal regulatory agency was established nearly a century ago, regulatory programs have grown steadily in number, scope, and impact. During that time, however, little attention has been paid to the management of the regulatory process. There was little effort to re-examine rules which no longer served the public or to ensure that needed programs are run on a common sense basis, so that missions are accomplished with maximum results and minimum burdens.

The time has come to stop this neglect. Just as we have injected a new sense of discipline into the management of Federal budgetary and personnel resources, we must reform the government's regulation of others' resources.

Much of Federal regulation is vitally important to modern society. Goals such as equal opportunity, a healthy environment, a safe workplace, and a competitive and truthful marketplace cannot be achieved through market forces alone. In the last decade, the regulatory programs created to achieve these goals have produced a wide range of benefits, such as:

Workplace health standards have been established which are protecting more than two and one-half million workers exposed to cancer causing substances, such as asbestos, arsenic, and vinyl chloride.

Automobile safety devices such as seat belts, collapsible steering wheels, interior padding, and side door strength are saving an estimated 9,000 lives per year.

Fuel economy standards are reducing automobile gasoline consumption by about 1.5 billion gallons this year.

Populated areas have more protection

against fires, explosion and the spilling of hazardous materials transported by rail because of new rules on tank cars.

We are making real progress on water pollution. Salmon are swimming in the Connecticut River for the first time in almost two centuries.

Regulations requiring child-proof containers for such products as household cleaners and drugs have prevented as many as 200,000 accidental poisonings of young children.

Emission controls for automobiles helped reduce carbon monoxide air pollution by 20% between 1972 and 1977.

The regulatory programs that produced these benefits are essential to the Nation's well-being. I am committed to continuing this progress.

The overall regulatory system, however, has become burdensome and unwieldy. We now have 90 regulatory agencies issuing some 7,000 rules each year. When Congress established these programs, it usually focused on isolated objectives. There was little effort to coordinate overlapping agency mandates or to assess cumulative impact. Little attention was given to analyzing the benefits and costs of proposed rules or to using regulatory approaches which could reduce the cost of achieving the goals. Many regulatory programs were allowed to continue unreviewed for decades, in spite of changing conditions. Some rules, such as certain rules affecting transportation rates and routes, came to do more harm than good by crippling competition. The last comprehensive legislation to improve regulatory procedures was passed more than 30 years ago.

We can no longer afford this neglect. Regulation has a large and increasing impact on the economy. Uncertainty about upcoming rules can reduce investment and productivity. Compliance with regulations absorbs large amounts of the capital investments of some industries, further restricting productivity. Inflexible rules and massive paperwork generate extra costs that are especially burdensome for small businesses, state and local government, and non-profit groups. Regulations that impose needless costs add to inflation.

Our society's resources are vast, but they are not infinite. Americans are willing to spend a fair share of those resources to achieve social goals through regulation. Their support falls away, however, when they see needless rules, excessive costs, and duplicative paperwork. If we are to continue our progress, we must ensure that regulation gives Americans their money's worth.

During the past two years, I have used my authority as President to improve regulatory management.

After extensive public comment, I issued Executive Order 12044, establishing far-reaching new procedures for development of regulations by Executive agencies. Under that Order, agencies are now analyzing the costs of all major new regulations to seek out the most cost-effective approach; they are expanding opportunities for public participation; and they are starting to identify and eliminate out-dated rules.

To assist individual agencies in meeting the goals of Executive Order 12044, I established the Regulatory Analysis Review Group, which prepares reports on particularly important proposed rules.

Until this year, there was no way to get a picture of upcoming regulations. Now, each agency is publishing agendas of the rules it is developing. To provide a government-wide picture of major rules, I have established a Regulatory Calendar to be published twice a year. The first Calendar, issued last month, listed 109 rules being developed this year.

I created the Regulatory Council to prepare the Calendar and use it to identify and deal with areas of overlapping and conflicting regulations. The Council is composed of Executive regulatory agencies plus those independent commissions that agreed to join.

The men and women I appointed to head the regulatory agencies are working to implement these steps and improve regulatory management. They are achieving results. HEW has eliminated 300 pages of rules. OSHA voided nearly 1,000 nitpicking rules, and the Federal Trade Commission cancelled 145 more. The FCC rewrote its rules on citizens band broadcasting into plain English. The FAA reduced the hours small airlines have to spend filling out their forms by more than two-thirds. EPA designed creative procedures that allow companies flexibility in meeting pollution standards, leading to potential savings of millions of dollars without sacrificing clean air goals. We reorganized regulation of pension programs to eliminate duplication and reduce paperwork.

These efforts will continue in 1979. We have important non-legislative initiatives underway, including: a wide-ranging review of rules affecting technological innovation; revisions of all OSHA safety standards to make them simpler and more flexible; overhauls of the regulations imposing costs on hospitals; streamlining EPA permit procedures; review of restrictions on banking; development of a coordinated policy on identification and regulation of cancer-causing substances; and increased research to improve the factual basis for regulatory decisions on toxic chemicals, air pollutants and radiation. We will continue to scrutinize major new rules to ensure that they accomplish their statutory mandates without imposing needless burdens.

These steps are having an impact. Regulatory programs were created by legislation, however, and we need legislation to achieve comprehensive reform. Last year we and Congress made an important beginning. The Airline Deregulation Act substantially deregulated a major industry and enabled more people to fly while saving passengers $2.5 billion in air fares.

My regulatory reform program has two elements:

We must work together to review the laws that established the regulatory programs. Those that needlessly restrict competition, impose rigidity, or are otherwise out of date must be revised or eliminated.

For the programs that are needed, we must assure that the statutory mandates are executed sensibly. We must identify alternative means of achieving goals, choose efficient and effective approaches, and improve planning and coordination. We must make it easier for the public and those affected by regulations to anticipate them, participate in developing them, comply with them, and benefit from them. We must provide common sense management for the regulatory process.

This year I am proposing that Congress act in three areas:

I. *Regulation Reform Act of 1979*

Once a statute creating a regulatory program is passed, the quality of the program depends mainly on the men and women who are running it. We have a competent and dedicated group of regulators in government now, and they are producing real advances in regulatory reform.

We need legislation to set uniform standards for the work they do and give them the tools to continue the progress. I am submitting, with this Message, a bill to revamp regulatory procedures. This bill strengthens the reforms introduced by E.O. 12044, makes them permanent, and applies them to the independent regulatory commissions. It also overhauls key parts of the Administrative Procedure Act, for the first time since 1946. It sets vital new rules for the regulators:

Cost-Effectiveness: The bill requires that when an agency develops a major rule, it lists the alternative means of accomplishing the objective and the costs and benefits of each alternative. The public will be asked to comment on that analysis and to suggest any additional options that should be considered. The agency must select the least costly way to achieve the rule's objective, or—if another is needed—explain the reasons.

Review of Old Rules: Each agency will establish a schedule to review its major rules and smaller rules which may be outmoded or ineffective. The reviews, to be conducted over a 10-year period, will be used to ensure that rules are kept up-to-date or eliminated.

Planning and Management: The bill requires agencies to publish semi-annual agendas of upcoming rules; ensures that senior officials are fully involved in developing rules; and strengthens selection and oversight for the Administrative Law Judges who make many key regulatory decisions.

Delay: To eliminate needless legal formality and delay, the bill revamps the procedures for agency hearings. It also requires that agencies set deadlines on most proceedings.

Public Participation: The bill helps those affected by regulation participate in the regulatory process, through more notice to the public, a longer comment period, and consultation with affected state and local governments. It also authorizes limited funding for groups that would present important information and could not otherwise afford to participate.

The Office of Management and Budget will oversee the key management reforms The Administrative Conference of the U.S. will oversee administrative law judges and use of the participation funds. I will soon submit a reorganization plan to enable the Conference to carry out these missions.

II. *Paperwork Reduction*

The Federal Government must collect information from the public to enforce the laws, analyze the economy and establish sound public policy. But too many paperwork requirements are duplicative, unnecessary, or place an unreasonable burden upon small organizations. Over the past two years, we have cut the time the public spends filling out Federal forms by about 15 percent. But we must do more.

The job of reviewing Federal paperwork requirements should be performed in one place—not divided as it is now, among OMB, GAO and other agencies. I shall submit legislation to the Congress to centralize this mission in the Office of Management and Budget.

In addition, I will soon issue an Executive Order to further reduce the paperwork burden. The Order will require agencies to consider the special problems that small businesses and organizations face in filling out Federal forms and will authorize simpler forms and requirements for such groups. It will establish a "paperwork budget" for Executive agencies and create an information locator system to help agencies determine whether the information they need is already available elsewhere. No report should be approved if the information can be obtained, within privacy and confidentiality protections, elsewhere in the government.

III. *Reform of Individual Statutes*

All regulatory programs were created by legislation and many of their problems can be solved only by amending individual statutes. Much of the trouble with regulation built up because laws have gone unchanged in spite of changing needs.

This problem applies to many Federal programs in addition to regulation. One answer is to pass a sunset bill. This legislation would set a schedule for Congressional review of each program, once every 10 years. The reviews would be timed so that related programs are considered simultaneously. To ensure that the reviews are serious, spending authority would terminate unless Congress acts to renew or revise the program.

Sunset will make a crucial contribution to the effort to cut the waste from government regulation and government spending. An excellent sunset bill passed the Senate last year. With the addition of sunset reviews for Federal tax expenditures, this legislation will make a great contribution to effective management. I urge Congress to put it into law.

In addition, my Administration will work with Congress this year to reform several individual regulatory statutes. We just submitted the first of our proposals to reduce economic regulation of surface transportation. We will submit legislation on drugs, nuclear plant siting, meat and poultry inspection and other areas. And we will work with Congress on bills already introduced to revamp regulation of communications.

To reform regulation, we and Congress must act in partnership, within our respective spheres of responsibility under the Constitution. The program I have stated follows that principle. From Congress, it asks reform of underlying statutes and modernizations of the ground rules for administering them. From me, and from the agency heads I have appointed to help me execute the laws, it demands competent management and coordination.

I ask Congress to join me in this effort and to refrain from seeking authority to veto individual regulatory decisions and thereby to administer the laws itself. The legislative veto is an illusory solution to the problems of regulation. In some cases it would make rules weaker; in others it would make them stricter. But in all cases, it would increase delay, undermine fair procedures, and fragment responsibilities. It would disrupt our effort to manage the regulatory process, and it would distract Congress from the fundamental job of reforming underlying statutes. Any serious effort to administer the legislative veto would require a major increase in congressional staff and threaten the Constitutional division of power.

The program I am proposing will not solve all the problems overnight. But these steps will make regulation a more effective tool to improve our lives. They will help get needless rules and paperwork off our backs, and they will help marshal our resources to attack the real problems with maximum efficiency. By doing so, they will help us advance our national commitment to the regulatory goals we all believe in—a healthier, safer and fairer America.

JIMMY CARTER.

THE WHITE HOUSE, *March 26, 1979.*

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 11:02 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 2301. An act to amend the Federal District Court Organization Act of 1978 with respect to certain administrative matters arising from the redrawing of the Federal judicial districts in the State of Illinois.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2774. An act to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes.

The message further announced that, pursuant to the provisions of section 170 (a)(3)(B), Public Law 95-599, the Speaker appoints Mr. Michel as a member of the National Alcohol Fuels Commission, vice Mr. Regula, resigned.

HOUSE BILL REFERRED

The following bill was read twice by title and referred as indicated:

H.R. 2774. An act to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under authority of the order of the Senate of March 22, 1979, the following report of a committee was submitted on March 23, 1979:

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 105. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 349 (Rept. No. 96-46).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations:

Report entitled "Legislative Activities Report of the Committee on Foreign Relations, United States Senate, Ninety-Fifth Congress" (Rept. No. 96-47).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOLE (for himself, Mr. DANFORTH, and Mr. DOMENICI):

S. 748. A bill to protect all Americans from the costs of catastrophic illness through improvements in the medicare program and the creation of private and public catastrophic health insurance programs; to the Committee on Finance.

By Mr. GOLDWATER (for himself and Mr. DECONCINI):

S. 749. A bill to encourage the international exchange of information and to promote friendly foreign relations by repealing the amendments made by section 602 of the Tax Reform Act of 1976; to the Committee on Finance.

By Mr. CHURCH:

S. 750. A bill to provide for the use of alcohol produced from renewable resources as a motor vehicle fuel; to the Committee on Energy and Natural Resources.

By Mr. DECONCINI:

S. 751. A bill relating to the relocation of the Navajo Indians and the Hopi Indians, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. SASSER:

S. 752. A bill to require that the National Railroad Passenger Corporation establish a reduced fare program for elderly and handicapped individuals; to the Committee on Commerce, Science, and Transportation.

By Mr. INOUYE:

S. 753. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the credit for the elderly and to adjust the adjusted gross income limitation; to the Committee on Finance.

By Mr. CRANSTON (by request):

S. 754. A bill to amend chapter 19 of title 38, United States Code, to permit the unrestricted assignment of a beneficiary's interest in the proceeds of a Government Life Insurance policy in cases involving contested claims, and to increase the amount an attorney may receive for representing a claimant in such cases; to authorize the Administrator to establish a program of dividends for certain types of National Service Life Insurance; to authorize the Administrator to use a flexible interest rate in cases where the beneficiary of Government Life Insurance receives the proceeds of such insurance under certain settlement options; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. RIBICOFF:

S. 755. A bill to make regulations more cost-effective, to ensure periodic review of regulations, to improve regulatory planning and management, to eliminate needless legal formality and delay, to enhance public participation in the regulatory process, and for other purposes; to the Committee on Governmental Affairs and the Committee on the Judiciary, jointly, by unanimous consent, that if one committee orders bill reported, the other committee has 45 days in which to report.

By Mr. CHILES:

S. 756. A bill to authorize appropriations for the Office of Federal Procurement Policy for fiscal years 1980 through 1984; to the Committee on Governmental Affairs.

By Mr. BAKER (for himself and Mr. Sasser):

S. 757. A bill to clarify the authority of the Tennessee Valley Authority to establish and maintain administrative offices anywhere within its service area; to the Committee on Environment and Public Works.

By Mr. INOUYE:

S. 758. A bill to authorize appropriations for the fiscal years 1980 and 1981 under the International Investment Survey Act of 1976, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. CRANSTON (by request):

S. 759. A bill to amend title 38 of the United States Code to provide for the right of the United States to recover the costs of hospital, nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for nonservice-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. LONG:

S. 760. A bill to amend the Social Security Act by adding thereto a new title XXI which will require employers to provide insurance against the costs of catastrophic illness for their employees and their families; by providing tax credits to assist other persons to purchase such coverage on their own behalf; by replacing the medicaid program with a Federal medical assistance plan for low-income people, and by adding a new title XV thereto which will encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges, and for other purposes; to the Committee on Finance.

By Mr. RANDOLPH (by request):

S. 761. A bill to repeal section 506 of the Communications Act of 1934; to the Committee on Commerce, Science, and Transportation.

By Mr. MATSUNAGA:

S. 762. A bill to permit the vessel *Scuba King* to be documented for use in the fisheries and coastwise trade of the United States; to the Committee on Commerce, Science, and Transportation.

S. 763. A bill for the relief of Paul E. Zirkle; to the Committee on Finance.

S. 764. A bill for the relief of Otozuchi and Tei Kaneshige, or if deceased, their legal representatives or successors in interest; to the Committee on the Judiciary.

S. 765. A bill for the relief of Herbert T. Matsuo, Patrick Wayne Matsuo, Susan Villarta, and the estate of Arline L. Matsuo; to the Committee on the Judiciary.

S. 766. A bill for the relief of Commander Bernard E. Hartnett, United States Navy; to the Committee on the Judiciary.

S. 767. A bill for the relief of Paul E. Zirkle; to the Committee on the Judiciary.

S. 768. A bill for the relief of James C. Dodds; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE (for himself, Mr. Danforth, and Mr. Domenici):

S. 748. A bill to protect all Americans from the costs of catastrophic illness through improvements in the medicare program and the creation of private and public catastrophic health insurance programs; to the Committee on Finance.

(The remarks of Mr. Dole when he introduced the bill appear elsewhere in today's proceedings.)

By Mr. CHURCH:

S. 750. A bill to provide for the use of alcohol produced from renewable resources as a motor vehicle fuel; to the Committee on Energy and Natural Resources.

GASOHOL: GROWING AMERICA'S ENERGY

● Mr. CHURCH. Mr. President, today I am reintroducing the Gasohol Motor Fuel Act of 1979, legislation designed to establish a national requirement to mix alcohol produced from renewable resources with gasoline, in a 10-percent alcohol, 90-percent gasoline blend. Such blends are popularly known as "gasohol."

Since introduction of this bill a year ago, our Nation's appetite for ever more expensive foreign oil has continued to grow unabated. Almost one-half our daily consumption of petroleum comes from foreign sources. Not only has the price of this imported oil routinely increased, but we have witnessed again, as a result of the Iranian oil production halt, that our Nation remains shockingly reliant on unstable supply sources.

When the OPEC cartel embargoed oil shipments to the United States in 1973, we were importing about 36 percent of our petroleum needs. Since that time, the price for foreign oil has increased about 500 percent and our dependency on it has reached 45 percent of requirements. In 1979 alone, the United States will likely pay over $50 billion for foreign oil. Such enormous transfers of wealth daily drain our financial strength and result in record balance-of-trade deficits. Moreover, the escalating cost of energy triggers widespread inflation in the cost of almost every item we purchase.

The bulk of the foreign oil we import is consumed as gasoline. Much of the vitality and strength of America stems from the vast transportation network we have developed. The most broadly used segment of this network is our highways. Yet it is the flow of people and goods through these vital arteries of commerce that are directly threatened by continued heavy reliance on imported oil. Almost half of the oil we consume each day is used to fuel motor vehicle driving. That is why our energy problem is primarily a liquid fuels problem. The daily lifeblood of our commercial system is gasoline and almost half of our gasoline comes from imported petroleum.

Dwindling supplies of petroleum, the spectre of further supply disruptions and the prospects of gasoline prices spiraling upward every week, makes it imperative that we develop alternative sources of fuel for our transportation system. The erosion of the value of the dollar abroad, record trade deficits due to oil imports and the grim outlook for further energy-induced inflation clearly illustrate the necessity to develop domestic supplies of liquid fuel.

Mr. President, last fall I chaired hearings held by the Energy Research and Development Subcommittee on this bill. Those hearings made it clear that we possess the technology to produce alcohol to blend with our gasoline. There are two primary types of alcohol which are usable as extenders of our gasoline supplies. They are ethanol, produced by the fermentation of surplus farm crops, for example, and methanol, which can be produced from wood wastes or even urban garbage. The raw materials needed to produce a considerable volume of alcohol for motor fuel use are at hand. Almost every agricultural commodity is in surplus and our farm policy additionally pays farmers for keeping millions of acres out of production. Daily our cities dump millions of tons of potential energy into the sea, into our rivers and into smoldering pits. Advances in biomass technology and commonsense dictate that we begin to convert these urban wastes into alcohol fuels.

In the Pacific Northwest, as in many other areas of our land, there is an abundance of by-products from forestry operations which should also be converted into alcohol fuels. Wood chips, bark, sawdust, and other forms of wood waste can be effectively used to help power our motor vehicles.

Enactment of the Gasohol Motor Fuel Act will be a giant step toward solving these pressing problems. This bill establishes an expeditious, yet prudent timetable for bringing gasohol into the market. The Secretary of Energy is directed by this bill to formulate a program which will commence blending alcohol produced from renewable resources into gasoline by 1981. The volume of alcohol to be blended is steadily increased until a minimum blend of 10 percent alchol/90 percent gasoline is reached nationwide.

This bill puts the burden of production and distribution of renewable resource-derived alcohol where it belongs, directly on our oil refiners. They possess the distribution network for liquid fuels and the corporate strength to rapidly commercialize the gasohol concept. I am pleased to note that over 500 gasoline service stations are now marketing gasohol. While this activity demonstrates that gasohol is economically competitive with gasoline, it is also clear that any significant national marketing of gasohol cannot occur without involving the oil companies directly in its production and marketing. Widespread construction of alcohol production facilities will not occur until a market for the product is clear. This bill would establish such a market.

Passage of this act could result in a reduction of our need to import oil by one-fifth. New and needed markets for surplus farm products will be opened. Wood wastes and urban refuse could be put to use. We can grow a portion of our energy needs and replenish it as long as the soil lasts and the Sun shines.

Methanol can also be produced from coal, a resource our Nation enjoys in abundance. While this bill does not emphasize the production of alcohol from coal, there is plenty of room for methanol derived from coal to also fulfill a substantial portion of our future liquid fuels needs. When additional hearings are held on this bill, I will be looking for ways to accommodate the production of alcohol from coal.

Experience both in the United States and abroad with the use of gasohol demonstrates that it works. The blended mix raises the octane rating, may yield improved mileage and significantly reduce pollution emissions. What is required to get this process started is a decision to begin to grow a portion of our energy needs.

I urge my colleagues to join with me in the commencement of such an undertaking.

I ask unanimous consent that this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 750

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Gasohol Motor Fuel Act of 1979".

FINDINGS

SEC. 2. (a) The United States is currently importing large quantities of crude oil.

(b) A substantial portion of this crude oil is needed for the production of gasoline sold in interstate commerce.

(c) Renewable resources in the United States can provide a sufficient source of alcohol suitable for blending with gasoline to decrease the need for imported oil.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "alcohol" means methanol, ethanol, or any other alcohol which is produced from renewable resources and which is suitable for use by itself or in combination with other fuels as a motor fuel;

(2) "alcohol-blended fuel" means any fuel consisting of a mixture of gasoline and alcohol motor fuel;

(3) "alcohol motor fuel" means alcohol produced for use as a motor fuel;

(4) "commerce" means any trade, traffic, transportation, exchange, or other commerce—

(A) between any State and any place outside of such State; or,

(B) which affects any trade, traffic, transportation, exchange, or other commerce described in subparagraph (A).

(5) "motor fuel" means any substance suitable as a fuel or self-propelled vehicles designed primarily for use on public streets, roads, and highways;

(6) "refiner" means, for purposes of this Act, any person engaged in the refining of crude oil to produce motor fuel, including any affiliate of such person, or any importer of gasoline for use as a motor fuel;

(7) "Secretary" means the Secretary of Energy;

(8) "United States" means each State of the several States and the District of Columbia;

(9) "ultimate purchaser" means, with respect to any item, the first person who purchases that item for purposes other than resale;

(10) "renewable resource" means any substance which is a source of energy, and which is available in an inexhaustible supply in the foreseeable future.

PROGRAM

SEC. 4. The Secretary shall establish pursuant to this Act a program to promote the use of alcohol-blended fuels in the United States. The purpose of the program shall be to replace gasoline used as a motor fuel with an alcohol-blended fuel containing the maximum percentage of alcohol motor fuel as is economically and technically feasible for use as a motor fuel.

STUDY

SEC. 5. (a) The Secretary, in consultation with the Secretary of Transportation, the Secretary of Agriculture, the Secretary of Commerce, and other appropriate agencies, shall conduct a study to determine—

(1) the most suitable raw materials, other than petroleum or natural gas, for the production of alcohol motor fuel; and

(2) the nature of the alcohol motor fuel distribution systems and the various production processes, using feedstock other than petroleum and natural gas;

that will be necessary for the rapid development of an alcohol motor fuel industry. Such study shall identify ways to encourage the development of a reliable alcohol motor fuel industry and shall identify the technical, economic, and institutional barriers to such development, and shall include an estimation of the production capacity of alcohol motor fuel needed to implement the provisions of this Act.

(b) The Secretary shall report to the Congress not later than six months after the date of enactment of this Act on the results of the study described in subsection (a), together with such legislative recommendations as may be appropriate to further the purposes of this Act.

PRODUCTION GOALS

SEC. 6. The Secretary, by rule, within six months after the completion of the study in section 5, set production goals for the production of alcohol motor fuel in the United States in each of the calendar years 1981 through 1990. In setting such goals, the Secretary shall take into account the availability of reliable sources of alcohol produced from renewable resources. The production goal for alcohol motor fuel for calendar year 1981 shall be not less than 1 percent by volume of the projected consumption of gasoline used as a motor fuel in the United States for that year. The production goal for alcohol motor fuel for calendar year 1985 shall be not less than 5 percent by volume of the projected consumption of gasoline used as a motor fuel in the United States for that year. The production goal for alcohol motor fuel for calendar year 1990 shall be not less than 10 percent by volume of the projected consumption of gasoline used as a motor fuel in the United States for that year.

ALCOHOL-BLENDED FUEL REQUIREMENTS

SEC. 7. (a) The total quantity of gasoline sold annually in commerce in the United States by any refiner for use as motor fuel shall contain, on the average, not less than the percentage alcohol motor fuel by volume set forth for the calendar years shown in the following table:

Calendar year:	Percentage alcohol motor fuel by volume
1981	1 percent.
1982	Determined by the Secretary under subsection (b) of this section.
1983	Determined by the Secretary under subsection (b) of this section.
1984	Determined by the Secretary under subsection (b) of this section.
1985	5 percent.
1986	Determined by the Secretary under subsection (b) of this section.
1987	Determined by the Secretary under subsection (b) of this section.
1988	Determined by the Secretary under subsection (b) of this section.
1989	Determined by the Secretary under subsection (b) of this section.
1990	10 percent.

(b) Not later than July 1, 1980, the Secretary shall prescribe, by rule, the percentage alcohol motor fuel by volume required to be contained, on the average, in the total quantity of gasoline sold annually in commerce in the United States in calendar years 1982 through 1984 and 1986 through 1989 by any refiner for use as a motor fuel. Such percentage shall apply to each refiner, and shall be set for each such calendar year at a level which the Secretary determines (A) is technically and economically feasible, and (B) will result in steady progress toward meeting the percentage alcohol motor fuel by volume required pursuant to this section for calendar year 1990.

(c) Each refiner shall report annually to the Secretary the percentage alcohol motor fuel by volume contained on the average in the total quantity of gasoline for use as a motor fuel that refiner sold during the preceding calendar year.

ENFORCEMENT BY THE SECRETARY

SEC. 8. (a) Any person who violates any requirement of section 7(a) is subject to a civil penalty of not more than $1 per gallon for each gallon of fuel sold that is not in compliance with section 7(a). Such penalties shall be assessed by the Secretary.

(b) (1) Before issuing an order assessing a civil penalty against any person under this section, the Secretary shall provide to such person notice of the proposed penalty. Such notice shall inform such person of his opportunity to elect within 30 days after the date of such notice to have the procedures of paragraph (3) (in lieu of those of paragraph (2)) apply with respect to such assessment.

(2) (A) Unless an election is made within thirty calendar days after receipt of notice under paragraph (1) to have paragraph (3) apply with respect to such penalty, the Secretary shall assess the penalty, or order, after a determination of violation has been made on the record after an opportunity for an agency hearing pursuant to section 554 of title 5, United States Code, before a hearing examiner appointed under section 3105 of such title 5. Such assessment order shall include the hearing examiner's findings and the basis for such assessment.

(B) Any person against whom a penalty is assessed under this paragraph may, within sixty calendar days after the date of the order of the Secretary assessing such penalty, institute an action in the United States court of appeals for the appropriate judicial circuit for judicial review of such order in accordance with chapter 7 of title 5, United States Code. The court shall have jurisdiction to enter a judgment affirming, modifying or setting aside in whole or in part, the order of the Secretary, or the court may remand the proceeding to the Secretary for such further action as the court may direct.

(3) (A) In the case of any civil penalty

with respect to which the procedures of this paragraph have been elected, the Secretary shall promptly assess such penalty.

(B) If the civil penalty has not been paid within sixty calendar days after the assessment order has been made under subparagraph (A), the Secretary shall institute an action in the appropriate district court of the United States for an order affirming the assessment of the civil penalty. The court shall have authority to review de novo the law and the facts involved, and shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part such assessment.

(C) Any election to have this paragraph apply may not be revoked except with the consent of the Secretary.

(4) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order under paragraph (2) or after the appropriate district court has entered final judgment in favor of the Secretary under paragraph (3) the Secretary shall recover the amount of such penalty in any appropriate district court of the United States. In such action, the validity and appropriateness of such final assessment order or final judgment shall not be subject to review.

ALCOHOL DISTILLATION FUEL REQUIREMENTS

SEC. 9. (a) Any person constructing a facility to distill alcohol for motor fuel use shall use fuel sources which are renewable.

(b) The Secretary shall, six months after enactment of this Act, promulgate, by rule, procedures for certifying that any facility built for alcohol distillation pursuant to this Act comply with the following priorities of fuel use:

(1) First priority for fuel sources to operate such distillation facilities shall be given to renewable energy resources.

(2) Last priority for fuel sources shall be given to petroleum, petroleum derivatives and natural gas.

(c) The Secretary may by waiver authorize the use of subsection (b)(2) fuel sources upon finding that it would be economically or technically infeasible to comply with the requirements of subsections (a) and (b), above.

PROCEDURES FOR RULEMAKING

SEC. 10. Any rulemaking by the Secretary pursuant to this Act shall be, unless otherwise provided in this Act, in accordance with section 501 of the Department of Energy Organization Act of 1977.

AUTHORIZATION OF APPROPRIATIONS

SEC. 11. There is authorized to be appropriated to the Secretary to carry out section 5 and section 6 not to exceed $1,000,000 for fiscal year 1979.●

By Mr. DECONCINI:

S. 751. A bill relating to the relocation of the Navajo Indians and the Hopi Indians, and for other purposes; to the Select Committee on Indian Affairs.

NAVAJO/HOPI LIFE ESTATES

● Mr. DECONCINI. Mr. President, this bill will modify Public Law 93-531, the Navajo-Hopi Settlement Act, which was designed to resolve the Navajo-Hopi joint-use area land dispute. This proposed legislation was passed by the Senate last September.

The Navajo-Hopi Settlement Act established procedures for the resolution of a century-old dispute between the Navajo and Hopi Tribes over joint-use area lands in Arizona. The act basically provides for a negotiated settlement of the dispute, or failing agreement, a mediated settlement to be approved by the district court. Guidelines for mediation and court settlement are set forth in the act and mechanisms are established for the transition period following a settlement.

Negotiations having failed, the mediator, William Simkin, filed his report to the court on December 12, 1975. The report recommended partition of the lands between the tribes and set out a line of partition. Hearings and filings of briefs were held through 1976. On February 10, 1977, the court issued its judgment of partition in which it confirmed the report of the mediator and ordered that the lands be partitioned in the manner set out in the report.

Since the issuance of the partitioning judgment by the U.S. District Court for the District of Arizona, the Relocation Commission—a three-member panel, established by Public Law 93-531 to administer the required relocation of tribal members—has begun to formulate its relocation plan for approximately 3,500 Navajos and 32 Hopis who must move. However, on May 15, 1978, the U.S. Court of Appeals for the Ninth Circuit vacated the original partition decree. Although the substance of the court's opinion is important, its most dramatic effect will be to delay the submission of the relocation plan to Congress. The Relocation Commission, according to the law, cannot submit its plan until the district court issues its decision on the full, final line of partition.

Congress has 30 days in which to approve or disapprove the plan after its submission. According to the law, the Commission must complete the entire relocation plan 5 years after its effective date.

The act directs the Commission to make relocation incentive payments of decreasing value each year after the plan is in effect to households which voluntarily enter into relocation contracts with the Commission. Additionally, payments and programs to make restitution for dwellings and improvements, as well as the funds for new housing after relocation, are authorized.

Mr. President, the intent of this law to resolve a century-old land dispute is admirable. However, implementation problems have arisen which should be considered. The law authorizes the Secretary of the Interior to transfer, upon the payment of fair market value, up to 250,000 acres of Bureau of Land Management lands to the Navajo Tribe to restore a portion of the Navajo land base lost in partitioning. This additional land would be used by those Navajos required to relocate. Although a draft environmental impact statement has been issued, and hearings have been completed, no land has been transferred to the Navajos. Bureau of Land Management land in the House Rock Valley-Paria Plateau area of Arizona is one of the areas being considered for purchase. The purchase of land in this area is strongly opposed by ranchers in the vicinity and various environmental and wildlife organizations. Even if this land transaction were consummated, it is estimated that only 10 percent of the Navajo families now living on the Hopi portion of the joint-use area would be accommodated.

An alternative suggestion has been to relocate at least a portion of the Navajos in urban areas such as Gallop, Flagstaff, or Alburquerque. Many of these relocatees have no skills that would allow them to become productive members of an urban population and in all probability they would be forced onto the welfare rolls.

The Senate Committee on Interior and Insular Affairs in its report which accompanied H.R. 10337, as amended, now Public Law 93-531, recognized the serious impact relocation would have if not handled properly:

> The Committee believes it vitally important, that the plan take into account all social, economic, cultural, and other adverse impacts of relocation on persons involved in the relocation and be developed to avoid or minimize, to the extent possible, such impacts. The plan must also identify the sites to which such households are to be relocated and assure that housing and related community facilities are available at the relocation sites, the Committee believes this requirement is particularly important in effecting the purpose of minimizing the adverse impacts of relocation.

In view of the fact that lands have not yet been found for most of the relocatees, the committee's intent "of minimizing the adverse impacts of relocation" may not be implemented.

Mr. President, not only will relocatees possibly suffer "adverse impacts," but many have lived their entire lives on the joint-use area, and it is home. I recently received a letter which vividly illustrates the plight of those residing in the disputed area:

> We, the McCabes, of Tolani Lake (Area 5-B), would like to express our true feelings about our land. . . .
>
> Our late father, Everett McCabe, Sr., was born on this land that we now live on and he is buried on the land, too. Our father worked on the land so that we can have a home. We were all born on this land and he raised all twelve of us along with our mother until he died in 1956. Now there are 81 of us including all our children and mother. Our grandmother and her family have been moved three times before for the same problems. It is high time that we, the children and grandchildren, put our foot down and demand our rights. So this is where we all stop and stay for the rest of our lives.
>
> Our father and mother had a grazing permit (350) for this land and they raised sheep, cattle, and horses. They built homes, wells, dikes, fences, and planted trees and corn. To this day we still have all of what they built and we still plant corn, and plus fond memories of our childhood and our families. We know every square foot of our land. Our relatives and friends live close by and this is our happiness. . . .

Hearings, conducted by the Senate Select Committee on Indian Affairs in February of 1978 on S. 1714, a bill I introduced to lessen the impact of relocation, gave me additional incentive to pursue modification of Public Law 93-531. The hearings were held in Winslow, Ariz., with over 200 Navajos and Hopis in attendance.

Also, in May of 1978, I visited the joint-use area and personally talked with many of those who will be required to relocate. This personal contact indicated to me that the Congress has no choice but to help these people.

Several legislative alternatives have been reviewed, all of which would help alleviate the relocation problems previously discussed. After listening to many of the relocatees and studying various proposals, I am convinced that some form of life estate should be provided—at least for those most adversely affected by relocation.

Therefore, Mr. President, the bill that I am introducing today is a modified version of S. 1714, the bill that I introduced on June 17, 1977. This proposal will assist those who are most adversely affected by relocation—the elderly. They will be allowed to live out their remaining years on their traditional homelands with sufficient livestock for their livelihood.

This proposed legislation provides for limited life estates. In order to qualify for the life estate, one of the spouses of the household must be at least 40 years of age. After meeting this criterion, it then must be established that the head of household does not have the necessary job skills to compete in an urbanized society. Heads of households who are disabled may receive life estates without meeting the age requirement.

The life estate bill I originally introduced, S. 1714, required that the Secretary of the Interior implement the program. A major modification is included in this bill—the Navajo-Hopi Relocation Commission will be required to implement the life estate program. This change will not extend the life of the Commission because the life estate must be granted prior to the expiration of the 5-year relocation period. Assistance to those receiving a life estate will be provided through the Secretary of the Interior. Thus, the Commission will end its duties related to the relocation process as envisioned in Public Law 93-531.

This bill will require the Commission to grant life estates with enough land for the family to maintain livestock at a subsistence level. Further, the Secretary of the Interior is authorized to give assistance to those who maintain livestock.

The remaining major provisions in the bill include:

First. Those receiving life estates will be able to make improvements on the property during the tenure of the life estate.

Second. The life estate will remain in effect until the head of household or spouse dies, whichever is later.

Third. The Relocation Commission will be authorized to purchase up to 250,000 acres for relocation purposes. No condemnation authority is granted—the sales are voluntary. Also, there is an in-lieu-of-tax provision. This provision will permit local governmental units to receive payment for any private lands that are bought and held in trust.

Fourth. The authorization for Relocation Commission expenses is increased from $500,000 to $1,000,000 annually.

Mr. President, this legislation will provide for a more humane relocation than is called for in present law. I urge my colleagues to support it.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 751

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) (1) Notwithstanding the provisions of the Act of December 22, 1974 (88 Stat. 1712), in any case in which a Navajo or Hopi individual believes that he or she can qualify as an eligible applicant (as defined by subsection (e) (1) of this section), such individual is authorized, within the forty-eight month period following the effective date of the relocation plan pursuant to the Act of December 22, 1974, to file an application with the Navajo and Hopi Indian Relocation Commission requesting that he or she be granted a life estate in lands in accordance with this section. Such application shall be submitted in such manner, and contain such information, as the Commission shall prescribe.

(2) If the Commission determines, on the basis of such application, timely filed, that the applicant is an eligible applicant, the Commission shall make available to such applicant a limited tenure, of such land as the Commission determines necessary, in order to avoid the necessity of relocating such applicant, and his or her spouse and dependents, if residing with such applicant. Such tenure shall consist of the right of use and occupancy of such land, including a grazing area of such size as the Commission determines necessary in order to enable such applicant to raise livestock in such numbers as are necessary to meet a subsistence level for such applicant, his or her spouse, and dependents residing with such applicant, for a term ending at the death of the applicant or the death of the spouse of the applicant, whichever last occurs. Nothing in this Act or any other law shall preclude such applicant from making improvements within the area covered by such tenure. Nothing in this section shall be construed as prohibiting any such applicant who receives a life estate under this section from relinquishing, prior to its termination, such estate at any time and voluntarily relocating. Upon relinquishing such estate, by such means or instrument as the Secretary of the Interior shall prescribe, such applicant shall be entitled to relocation benefits from the Secretary of the Interior comparable to those provided by subsections (b), (c), and (d) of section 15 of such Act of December 22, 1974.

(b) The Secretary of the Interior is authorized to receive, consider, and pay any claim received by it from the Navajo Tribe, or Hopi Tribe, for compensation for any losses or other expenses incurred by such tribe by reason of such life estates conferred pursuant to this section. Such claims shall be submitted at such time, in such manner, and contain such information, as the Secretary of the Interior may prescribe. Any payment made pursuant to a claim filed under this subsection shall be in lieu of rental payments under section 16 of the Act of December 22, 1974, with respect to lands covered by such claim.

(c) Notwithstanding any other provision of law, the Secretary of the Interior shall compensate the head of each household, who receives a life tenure of land under an application submitted pursuant to this section, for the fair market value of the habitation and other improvements owned by such head of household within the area from which he, but for such tenure, was required to relocate. Such compensation shall be paid to the estate of such head and shall be based on the fair market value of such habitation and improvements as of the time of the expiration of such tenure, and, except as hereinafter provided, shall not be payable until such time. Any such compensation or assistance owing to the estate of any such head shall be paid and distributed in accordance with the last will and testament of such head, or in the event no such valid will and testament is left, such compensation shall be paid and distributed to his heirs in accordance with the laws of the tribe of which such head is a member. Notwithstanding the foregoing provisions of this subsection, in any case in which any such compensation would be payable to the estate of any such applicant, such compensation shall, in the event such applicant relinquishes such life estate prior to its termination in accordance with subsection (a) (2) of this section, be payable to such applicant at the time of the relinquishment of such life estate. Such payment shall be in lieu of any other payment pursuant to subsection (a) of section 15 of the Act of December 22, 1974.

(d) (1) Any such eligible applicant, and his or her spouse and dependents, so living on the Navajo Reservation shall be subject to the jurisdiction of the Navajo Tribe, and any such eligible applicant, and his or her spouse and dependents, so living on the Hopi Reservation shall be subject to the jurisdiction of the Hopi Tribe, except that the land laws of the Navajo Tribe shall not be applicable to any tenure granted to a member of the Hopi Tribe, and the land laws of the Hopi Tribe shall not be applicable to any tenure granted to a member of the Navajo Tribe.

(2) Within ninety days following the date of the enactment of this subsection, the Secretary shall promulgate such regulations as may be necessary to assure that in the case of a life estate granted pursuant to this section, no person may reside on the land covered by such life estate other than the applicant, his or her spouse, and the applicant's dependents, except that such regulations may provide that in case of illness or disability persons necessary to attend upon and care for such applicant, spouse, or dependent may reside on such lands during such illness or disability. Such regulations shall further provide for the right of all residents and visitors to the lands covered by such life estate to have access thereto by use of all established roads or ways leading thereto.

(3) The Secretary of the Interior is authorized to take such action as may be necessary in order to assure the protection, until relocated, of the rights and property of individuals subject to relocation pursuant to the Act of December 22, 1974, or any judgment of partition pursuant thereto, including any individual authorized to reside on land covered by a life estate conferred pursuant to this section.

(4) With respect to any individual referred to in paragraph (3) of this subsection, the Secretary shall take such action as may be necessary to assure that such individuals are not deprived of benefits or services by reason of their status as an individual subject to relocation.

(e) As used in this section, the term—

(1) "eligible applicant" means, with respect to a Navajo or Hopi individual, an individual—

(A) who on December 22, 1974, maintained a place of abode in an area from which such applicant, but for this section, would be required to relocate; and

(B) who on or before the date of application for a life estate, was at least forty years of age; and

(C) with respect to whom the Commission determines, if required to relocate, would most likely be unable to earn a livelihood by reason of age, mental or physical disability, inability to adequately speak the English language, lack of education or skill, or otherwise;

(2) "commission" means the Navajo and Hopi Relocation Commission;

(3) "dependent" shall have the same mean-

ing as that provided by section 152 of the Internal Revenue Code of 1954.

(f) Notwithstanding any other provision of this section, any applicant who meets the requirements of clause (C) of subsection (e)(1) by reason of his or her mental or physical disability shall not be required to meet the requirements of clause (B) of subsection (e)(1).

(g) The Secretary of the Interior is authorized to make available to applicants receiving a life tenure under this section such assistance, during that tenure, as may be necessary to enable such applicant to feed and maintain that applicant's livestock.

(h) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

SEC. 2. (a) The Commission is authorized to purchase, with appropriated funds, but not by condemnation, such lands, not to exceed 250,000 acres, in the aggregate, as the Commission determines necessary to enable it to relocate members of the Navajo tribe pursuant to the Act of December 22, 1974. Title to such lands so acquired by the Commission, if contiguous or adjacent to the Navajo Reservation, shall be taken by the United States in trust for the benefit of the Navajo tribe. With respect to such lands so acquired which are not so contiguous or adjacent to such reservation, the Commission is authorized to transfer title to such lands to the head of a household and his or her spouse so relocated thereon.

(b) In the case of any land or interest therein acquired by the Secretary pursuant to this section and which was subject to local real property taxes within five years preceding such acquisition, the Secretary of the Interior shall, if such land or interest becomes a part of the Navajo Reservation, make payments, for the fiscal year following the fiscal year in which lands are acquired, and each fiscal year thereafter, to the governmental entities within the jurisdiction of which such lands or interests therein are located. The amount of such payment for any such entity for any such fiscal year shall be an amount equal to the amount of tax revenue which that entity would have received for that fiscal year in connection with such lands, if such lands had remained on the tax rolls.

(c) For purposes of this section, the term "governmental entity" includes local governments and school districts.

(d) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

SEC. 3. Effective December 22, 1974, paragraph (4) of section 5(a) of the Act of December 22, 1974, is repealed.

SEC. 4. Notwithstanding any other provision of law to the contrary, the Commission shall on a preferential basis provide relocation assistance and relocation housing under subsections (b), (c), and (d) of section 15 of the Act of December 22, 1974, to the head of each household of members of the Navajo tribe who were evicted from district 6 of the Hopi Indian Reservation as a consequence of the survey conducted by the Department of the Interior in 1972:

Provided, That such heads of households have not already received equivalent assistance from Federal agencies.

SEC. 5. Section 25(a)(5) of the Act of December 22, 1974 (88 Stat. 1712, 1723), is amended by striking out "$500,000" and inserting in lieu thereof "$1,000,000".●

By Mr. SASSER:

S. 752. A bill to require that the National Railroad Passenger Corporation establish a reduced fare program for elderly and handicapped individuals; to the Committee on Commerce, Science, and Transportation.

ELDERLY AND HANDICAPPED INDIVIDUALS TRANSPORTATION ACT OF 1979

● Mr. SASSER. Mr. President, today I am introducing the Elderly and Handicapped Individuals Transportation Act of 1979. This bill would require the National Railroad Passenger Corporation to establish a system of reduced fares for elderly and handicapped persons.

We find far too often in our society that the elderly and the handicapped are shut out from our great transportation network. Many of these persons are no longer able to drive automobiles and many do not have the financial resources to fly or take the train at regular fares.

It is our obligation as a nation to assist these individuals in leading productive lives in the mainstream of society.

Amtrak, the Government-subsidized railroad corporation, is the ideal vehicle for meeting the transportation needs of the elderly and handicapped. Since it receives money from the tax dollars of the American people, we should insure that Amtrak operates in a manner closely reflecting our national priorities.

NO ADDITIONAL COST

Mr. President, while Amtrak has not provided exact figures, we know that there are far too many empty seats on each passenger train. These are seats that could be filled at reduced fares by the elderly and handicapped who need this transportation. We need to look only as far as airline deregulation to realize the enormous benefits of reduced fares where there is available space.

My bill, Mr. President, is expected to pay for itself, offering greater access to transportation for those most in need at no cost to the taxpayer. To insure that increased ridership covers the cost of reduced fares, my bill requires Amtrak to report to Congress within a year on the economic effect of the special fare structure. If the structure is not paying for itself, Congress should determine whether continued support is warranted.

AMTRAK NEEDS CONGRESSIONAL PUSH

Mr. President, Amtrak itself has made admirable efforts to facilitate the access of elderly and handicapped individuals to its trains. Over $6 million has already been spent in remodeling just a fraction of the total Amtrak fleet. But, ridership on Amtrak remains at dismally low levels.

On board surveys conducted by Amtrak reveal that in fiscal year 1978, Amtrak carried 5.1 million passengers on trips more than 300 miles. Persons over the age of 55 comprised between 23 and 27 percent of all passengers, with only half of this percentage being persons over the age of 65.

And, in the Northeast Corridor, for example, Amtrak carried 10.4 million passengers in fiscal year 1978. Of these, 18 to 22 percent were over the age of 55, with only 10 percent over 65.

Estimates of handicapped individuals patronizing Amtrak are also extremely low. In 1977, at its five reservation centers, Amtrak recorded only 3,600 inquires about special assistance for a handicapped person. Following promotional efforts with meetings, brochures, and exhibits, the number of inquiries rose to 9,000.

Amtrak itself has recognized the potential benefits from a special fare program. In comments before the U.S. Department of Transportation and the Interstate Commerce Commission in 1978, Amtrak said:

> If travel opportunities for handicapped persons are expanded at reasonable cost, the entire population of this nation may benefit from their further entry into the social and economic mainstream.

Congress needs now to prod Amtrak into setting up a special fare program. With low ridership figures there is an enormous potential for success.

ENERGY SAVINGS

Mr. President, we should also not overlook the energy savings that this bill could provide. By encouraging the elderly and handicapped to utilize Amtrak, we encourage a not insignificant reduction in the use of fossil fuels. And by that reduction we promote the future energy independence of the United States.

Furthermore, the degree of pollution and congestion that plague many areas in the United States will be subject to reduction as gasoline use is decreased. In short, any time we increase ridership on mass transportation, we are keeping cars off the road, saving gasoline and protecting our environment.

Incentives to underserved persons to ride already-scheduled trains can only benefit our energy-strained transportation network.

ELDERLY AND HANDICAPPED MOST DESERVING OF SPECIAL ATTENTION

I firmly believe that this legislation will provide many people with the opportunity to use Amtrak who would otherwise find it financially impossible. The senior citizens and handicapped of our Nation have great contributions to make if we can reduce the barriers to their full participation in society.

It is time for the Federal Government again to take steps to assist in integrating the elderly and handicapped into society. We have taken similar steps in previous years—the Rehabilitation Act of 1973 and the Older Americans Act, to name just two. Yet our efforts must not end there.

It is our responsibility to insure that there are no artificial barriers in any program supported by tax dollars. This bill will give special attention to those most in need and those most capable of returning the benefits with positive contributions to our Nation.

I ask unanimous consent that the text of the Elderly and Handicapped Individuals Transportation Act of 1979 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 752

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Elderly and Handicapped Individuals Transportation Act of 1979".

REDUCED FARE PROGRAM

SEC. 2. Section 305(c) of the Rail Passenger Service Act (45 U.S.C. 545(c)) is amended—

(1) by inserting "(1)" immediately after "(c)"; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A) Within ninety days after the date of enactment of this paragraph, the Corporation shall establish a reduced fare program for elderly and handicapped individuals. Such program shall establish a fare for elderly and handicapped individuals for rail passenger service provided by the Corporation which is not in excess of 75 percent of the regular fare for such service.

"(B) For purposes of this paragraph—

"(i) the term 'elderly individual' means a person who has attained the age of sixty five years; and

"(ii) the term 'handicapped individual' means any person who has a physical or mental impairment which substantially limits one or more of such person's major life activities, has record of such an impairment, or is regarded as having such an impairment, but the term handicapped individual does not include any person who is an alcoholic or drug abuser.".

STUDY REQUIRED

SEC. 3. Within one year after the date of enactment of this Act, the National Railroad Passenger Corporation shall prepare and transmit a report to the Congress concerning the effect of the amendments made by this Act. This report shall include an analysis of the social and economic impacts of providing a reduced fare program for elderly and handicapped individuals.●

By Mr. INOUYE:

S. 753. A bill to amend the Internal Revenue Code of 1954 to increase the amount of the credit for the elderly and to adjust the adjusted gross income limitation; to the Committee on Finance.

● Mr. INOUYE. Mr. President, I rise today to introduce a bill which I believe will have an important effect on correcting the disparity in the tax treatment of those elderly who receive social security benefits and those who do not.

Congress has long recognized the economic plight of the elderly and has attempted to provide relief wherever possible. The overwhelming majority of our elderly citizens receive tax-free social security benefits. And for those who are not eligible for such benefits or who have only partial coverage, Congress has attempted to achieve some degree of equality by providing modest tax credits. Unfortunately, the credit falls far short of providing equal treatment for all elderly.

The Senate's Special Committee on Aging 2 years ago estimated that some 5 million older Americans out of a total 22 million Americans 65 years or older live in poverty. The bill I am introducing today attempts to correct this very shameful and distressing fact.

The Tax Reform Act of 1976 attempted to correct some of the problems I am presently concerned with. However, I regret to say that experience with the tax credit for the elderly seems to indicate that it has structural deficiencies and inadequate credit levels which make its intended relief grossly inadequate.

While it was hoped that in the long run, the tax treatment of public service retirees, social security recipients, and all other retirees would be the same, this was disproven both on simplicity and equity grounds. The adjusted gross income phase-out discriminated against the taxpayer with additional sources of income and not included in the national social security system. Finally, by applying the phase-out rule to all types of retirement income those elderly on a pension plan other than Social Security were discriminated against.

However, despite these aforementioned downfalls of the 1976 Tax Reform Act, it remains the policy objective of the Federal Government to accord some form of tax relief to that portion of an elderly person's income which enables him to afford basic medical and other social necessities relative to advanced age. The Government achieves this objective for more than 90 percent of the elderly population by granting tax free status to income received from the social security system. But a surprisingly large number of elderly must still file a tax return.

Even though a tax credit for the elderly was provided for in the Tax Act of 1976, aging groups contend that the amount of tax credit is too low to provide substantive relief under the current inflationary conditions of our economy. For many of our citizens, old age is not a time of peace but of impoverishment. Elderly people find themselves on a fixed income, the value of which is constantly being gnawed away by inflation. At the same time, they are finding themselves more and more in need of expensive medical services.

The purpose of my legislation is to rectify the deficiencies in the tax credit for the elderly by providing permanent and slightly more substantial relief for those not covered by social security. This legislation attempts to correct this inequity by raising the maximum base figures used in computing the credit and by substantially increasing the present phaseout provisions.

Mr. President, I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 753

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Paragraph (2) of section 37(b) of such Code (defining initial amount) is amended—

(1) by striking out "$2,500" each place it appears and inserting in lieu thereof "$3,000",

(2) by striking out "$3,750" and inserting in lieu thereof "$4,500", and

(3) by striking out "$1,875" and inserting in lieu thereof "$2,250".

(b) Subsection (c) of section 37 of the Internal Revenue Code of 1954 (relating to limitations on credit for the elderly) is amended—

(1) by striking out "$7,500" each place it appears and inserting in lieu thereof "$15,000",

(2) by striking out "$10,000" each place it appears and inserting in lieu thereof "$17,500", and

(3) by striking out "$5,000" each place it appears and inserting in lieu thereof "$8,750".

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1978.●

By Mr. CRANSTON (by request):

S. 754. A bill to amend chapter 19 of title 38, United States Code, to permit the unrestricted assignment of a beneficiary's interest in the proceeds of a Government life insurance policy in cases involving contested claims, and to increase the amount an attorney may receive for representing a claimant in such cases; to authorize the administrator to establish a program of dividends for certain types of national service life insurance; to authorize the administrator to use a flexible interest rate in cases where the beneficiary of Government life insurance receives the proceeds of such insurance under certain settlement options; and for other purposes; to the Committee on Veterans' Affairs.

VETERANS INSURANCE AMENDMENTS ACT OF 1979

● Mr. CRANSTON. Mr. President, I am introducing today, at the request of the administration, S. 754, the proposed Veterans Insurance Amendments Act of 1979. I ask unanimous consent that the letter of transmittal, the section-by-section analysis, and the text of the bill be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 754

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

(a) this Act may be cited as the "Veterans Insurance Amendments Act of 1979".

(b) Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—ASSIGNMENTS AND ATTORNEYS' FEES

SEC. 101. Section 718 is amended by:

(a) inserting in subsection (b), after the word "title," the following: "or contested claims which are resolved in accordance with subsections (c) and (d) of this section,";

(b) inserting the words "or her" immediately following the word "his"; and

(c) adding at the end of subsection (b) the following: "(c) In cases involving claims by two or more persons with opposing interests to proceeds of policies maturing on and after the date of enactment of this subsection, resolution of these conflicting claims by assignment of all or any portion of the proceeds to persons outside the class specified in subsection (b) of this section will be permitted. Except in cases where payment under this section will be made in a lump sum, the contingent beneficiary must join any assignment under this subsection. This subsection is not applicable to insurance granted under the provisions of subsection 722(b) of this title.

"(d) Each claimant to whom insurance proceeds will be paid under an assignment effected pursuant to subsection (c) of this section may assign a portion of the proceeds to be paid to an attorney who represented such claimant in the contesting claim. The assignment to an attorney under this subsection may not exceed the lesser of (1) 10 per centum of the proceeds to be paid to that claimant, or (2) the amount of the fee payable pursuant to an agreement between the claimant and attorney. This assignment will be the only fee payable for professional services rendered in connection with the claim for insurance proceeds.".

SEC. 102. Section 753 is amended by:

(a) Deleting at the beginning thereof: "Any person to whom United States Government Life Insurance shall be payable may assign his";

(b) inserting in lieu thereof the following: "(a) Except in cases involving contested claims to insurance proceeds, which will be governed by subsection (b) of this section, persons to whom United States Government Life Insurance shall be payable may assign their"; and

(c) adding at the end thereof the following:

"(b) In cases involving claims by two or more persons with opposing interests to insurance proceeds maturing on and after the date of enactment of this subsection, resolution of these conflicting claims by assignment of all or any portion of the proceeds to persons outside the class specified in subsection (a) of this section is authorized. Except in cases where payment under this section will be made in lump sum, the contingent beneficiary must join any assignment under this subsection. "(c) Claimants to whom insurance proceeds will be paid under an assignment effected pursuant to subsection (b) of this section may assign a portion of the proceeds to be paid to an attorney who represented them in the contested claim. The assignment to an attorney under this subsection may not exceed the lesser of (1) 10 per centum of the proceeds to be paid to the claimant, or (2) the amount of the fee payable pursuant to an agreement between the claimant and attorney. This assignment will be the only fee payable for professional services rendered in connection with the claim for insurance proceeds.".

SEC. 103. Subsection 784(g) is amended by:

(a) redesignating this subsection as paragraph 784(g)(1);

(b) deleting the number "10" and inserting in lieu thereof the number "25";

(c) deleting the number "one-tenth" and inserting in lieu thereof the number "one-fourth";

(d) deleting the word "his" and inserting in lieu thereof the words "the veteran's" immediately following the word "during";

(e) inserting the words "or her" immediately following the word "his"; and

(f) adding at the end thereof the following:

"(2) In cases brought under this section where insurance proceeds were paid before the litigation was commenced, and the person or persons to whom prior payment was made are ultimately the successful parties to the litigation, the court shall determine a reasonable fee, not to exceed 25 per centum of the disputed proceeds, to be paid to the attorneys of such party or parties; this attorney fee shall be incorporated into the judgment or decree of the court. This fee will be paid by the successful party or parties to their attorneys and may be apportioned as determined by the court. No other fee will be payable to any attorney for services in cases to which this subsection pertains.".

SEC. 104. Section 3405 is amended by:

(a) inserting immediately after the number "3404" the following:

", 718, 753"; and

(b) inserting the words "or her" immediately following the word "him".

TITLE II—DIVIDENDS

SEC. 201. Section 725 is amended by:

(a) deleting in subsection (b) the semicolon after the word "practicable" and all of clause (8); (b) deleting clause (4) in subsection (c) and redesignating clauses (5), (6), and (7) as clauses "(4)", "(5)", and "(6)", respectively; and (c) deleting the first sentence in paragraph (d)(1) and inserting in lieu thereof the following: "All premiums and collections on insurance issued pursuant to this section and any total disability income provision attached thereto shall be credited to the Veterans Reopened Insurance fund, a revolving fund established in the Treasury of the United States, and all payments on such insurance and any total disability provision attached thereto, including payments of dividends and refunds of unearned premiums shall be made from that fund and the interest earned thereon."

TITLE III—FLEXIBLE INTEREST RATES

SEC. 301. Subchapter I of chapter 19 is amended by:

(a) adding at the end thereof the following new section:

"§ 726. Flexible interest rate; National Service Life Insurance.

"Notwithstanding sections 702, 722, 723 and 725 of this title, the use of a flexible interest rate is authorized where the beneficiary of an insurance policy issued pursuant to the provisions of this subchapter receives the proceeds of such policy under a settlement option providing for 36 to 240 equal monthly installments. Such flexible interest rate shall be established by the Administrator as may from time to time be determined administratively and actuarially sound for each program of insurance, except that such flexible interest rate shall not be less than the interest rate upon which all calculations must be based for the type of insurance policy payable as required by sections 702, 722, 723, or 725 of this title."; and

(b) inserting at the end of the table of sections of such title:

"726. Flexible interest rate; National Service Life Insurance.".

SEC. 302. Subchapter II of chapter 19 is amended by:

(a) adding at the end thereof the following new section:

"§ 761. Flexible interest rate; United States Government Life Insurance.

"Notwithstanding section 744 of this title, the use of a flexible interest rate is authorized where the beneficiary of an insurance policy issued pursuant to the provisions of this subchapter receives the proceeds of such policy in 36 to 240 installments. Such flexible interest rate shall be established by the Administrator as may from time to time be determined to be administratively and actuarially sound, except that such flexible interest rate shall not be less than the interest rate upon which all calculations must be based as required by section 744 of this title."; and

(b) inserting at the end of the table of sections of such title:

"761. Flexible interest rate; United States Government Life Insurance.".

TITLE IV—EFFECTIVE DATE

SEC. 401. The amendments made by this Act shall take effect as of the date of enactment of this Act.

VETERANS ADMINISTRATION,
Washington, D.C., March 16, 1979.

HON. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith a draft bill, "To amend chapter 19 of title 38, United States Code, to permit the unrestricted assignment of a beneficiary's interest in the proceeds of a Government Life Insurance policy in cases involving contested claims, and to increase the amount an attorney may receive for representing a claimant in such cases; to authorize the Administrator to establish a program of dividends for certain types of National Service Life Insurance; to authorize the Administrator to use a flexible interest rate in cases where the beneficiary of Government Life Insurance receives the proceeds of such insurance under certain settlement options; and for other purposes." It is requested that it be introduced and considered for enactment. Also transmitted is a section-by-section analysis of the draft bill for your convenience.

The measure, to be cited as the "Veterans Insurance Amendments Act of 1979," would primarily accomplish the following purposes:

a. Permit unrestricted assignment by beneficiaries of insurance proceeds of policies administered by the Veterans Administration in cases with contesting claimants;

b. Permit payment of attorney's fees in cases resolved by assignment without litigation;

c. Increase the amount of attorneys' fees payable in insurance cases involving litigation;

d. Authorize payment of attorneys' fees where the prevailing party in litigation involving insurance proceeds has previously received the proceeds;

e. Authorize payment of dividends on policies of Veterans Reopened Insurance, issued pursuant to 38 U.S.C. § 725; and

f. Permit payment of interest at flexible rates on proceeds paid on National Service Life Insurance and United States Government Life Insurance policies in certain settlement options.

Title I of the bill relates to assignments and attorneys' fees. Sections 101 and 102 would affect the portions of the insurance chapter relating to assignments in National Service Life Insurance and United States Government Life Insurance cases. Statutory provisions on assignments, contained in sections 718 and 753, respectively, enumerate a class of relatives of the insured to whom the beneficiary may assign an interest in the proceeds. For NSLI, the class includes the insured's spouse, children, parents, siblings, and grandparents. The class for USGLI assignments encompasses the same group and also extends to aunts and uncles, nephews and nieces, and brothers-in-law and sisters-in-law of the insured. It should be noted that the insured is not restricted to a particular class in designating a beneficiary despite the limitations imposed on the beneficiary in disposing of the proceeds through assignment. The restrictions on assignments are considered to be useful in cases where there is no question as to the designated beneficiary, as that person is thereby permitted to direct payment of the proceeds to a close relative of the insured.

In many NSLI and USGLI cases, however, there is a contest between two or more persons as to the last designated beneficiary. These contests may not necessarily involve members of the class to which an assignment is possible, such as a former spouse with custody of children of the veteran or a close friend. It has previously been the experience of the Veterans Administration that contested claims to insurance proceeds may be resolved by an agreement between the claimants as to a division of the proceeds. An assignment from the named beneficiary to the contesting claimant of part of the proceeds is an efficient mechanism for effecting such an agreement and provides full acquittance of liability for the Veterans Administration. This method of resolution is not available, however, when the potential assignee is not within the classes set forth in sections 718 and 753. Accordingly, claimants in those cases are forced to engage in time-consuming and expensive litigation, abandon their claims, or resort to an unsanctioned agreement to divide the proceeds and in which the agency is not a participant.

In view of the frequency with which similar situations occur, amendments to sections

718 and 753 have been proposed. These amendments made by sections 101(c) and 102(c) of the bill would permit assignments to be made in contested claims without regard to the restrictions now imposed. This would permit extrajudicial settlement of these cases with full release of the Government's liability when the parties have reached an amicable agreement regarding the proceeds. Under current law, a former spouse who has been designated as a beneficiary may assign a portion of the proceeds to the surviving spouse, but the reverse is not permitted. The amendments made by these sections would permit such assignments.

In the course of administering the insurance programs, the Veterans Administration has recognized certain shortcomings with the statutory scheme by which attorneys' fees are authorized. Subsection 784(g) provides for payment of attorneys' fees in litigated cases. (A nominal fee for cases resolved in the administrative proceedings before the agency is provided in section 3404.) As indicated above, significant numbers of insurance cases are not resolved by either the agency or the courts but rather are terminated through agreement and assignment of the parties. At that point the claimants have frequently obtained counsel but there is no statutory authority for payment of any fee without the entry of a judgment.

Clause (c) of section 101 and clause (c) of section 102 of the proposed bill would establish a procedure for payment of attorneys' fees where contested claims have been resolved in this way. The maximum fee of 10 percent is considered to be reasonable remuneration for an attorney who has not had to litigate the matter. The payment will essentially be compensation for having negotiated an acceptable settlement. Under these circumstances, a maximum fee of 10 percent of the claimant's recovery should be sufficient. In cases where an attorney and claimant have entered a fee arrangement in which the fee would be less than 10 percent of the recovery, the amount arranged for would be the maximum fee under the proposed subsections. These fee schedules should permit representation by attorneys without serious diminution of the proceeds.

Sections 101 and 102 of the proposed bill also contain technical amendments to sections 718 and 753. They would clarify the relationship of the recommended amendments to the existing portions of the statute.

Section 103 would amend the provisions of 38 U.S.C. § 784(g) which govern attorney's fees in litigated NSLI and USGLI cases. Subsection 784(g) currently authorizes fees for attorneys representing successful claimants of up to 10 percent of the amount recovered. These fees which are subject to court discretion are payable from the insurance proceeds held by the VA.

The first substantive amendment to section 784(g) would increase the maximum permissible discretionary fee to 25 percent. We believe this increased maximum percentage is a more realistic fee schedule where a case has gone to trial and where the prevailing attorney has undertaken a substantial amount of preparation. It should be emphasized that this is a maximum fee permitted, and we would expect that the court would exercise discretion by allowing fees less than the maximum where less effort has been required, particularly in those cases which have been resolved by stipulation and assignment. In such cases, we believe the 10 percent maximum fee enumerated in sections 718 and 753 (as amended by this bill) should serve as a general guide for courts.

The second substantive amendment to subsection 784(g) would authorize attorney fees in cases involving litigation instituted following the payment of insurance proceeds by the Veterans Administration. Currently no authorization of attorney fees is permitted where a party who has received proceeds has been required to defend his or her status as the proper beneficiary in a court action. Under the amendment proposed, the court would determine a reasonable fee not to exceed 25 percent of the disputed proceeds which would be authorized for the attorneys of the prevailing party and would be paid by the prevailing party. In instances where there is more than one attorney representing successful litigants or more than one claimant represented, the court may apportion the authorized fee to be paid. It is believed that our proposal would have the effect of allowing persons sued for recovery of proceeds to be able to obtain representation by counsel on an equal basis with parties in suits where proceeds have not previously been paid.

Title 38, United States Code, section 3405, establishes penalties for violations of the sections of the statute pertaining to attorneys' fees. Section 104 of the proposed bill would amend this section to reflect the proposed addition of attorneys' fees provisions in sections 718 and 753.

Section 201 of the draft bill would authorize the payment of dividends in the Veterans Reopened Insurance program. Under the provisions of 38 U.S.C. § 725, the National Service Life Insurance program was reopened on May 1, 1965, for a 1-year period to allow certain disabled veterans to apply for insurance. Three types of insurance were offered and all three were required to be self-supporting with the veterans paying all costs. Since the statute expressly provided that the insurance be issued on a nonparticipating basis, dividends cannot now be paid on these policies.

Although the Administrator was authorized to adjust the premiums charged for the insurance at intervals of not less than 2 years, a substantial surplus has accumulated in the Veterans Reopened Insurance Fund. The surplus has accumulated due to a number of factors, but principally because the conservatively established premium rates on reopened policies have in experience been higher than needed to meet actuarial liabilities and because interest earnings on the fund have been in excess of those originally contemplated. We believe that equitable considerations require additional action in this program beyond periodic reductions of the premiums to reduce this surplus. We believe that the payment of dividends is the most equitable method to accomplish this.

A perfect example of the need for the authority to pay dividends in the reopened program is illustrated by the present status of "JS" policies. This type of insurance was issued to veterans who were unable to obtain commercial insurance because of non-service-connected disabilities. As of October 1977, the Administrator declared all 364 "JS" policies to be paid up. This action was taken because it was determined that the reserves on hand were sufficient to pay all future claims arising under "JS" policies without the payment of further premiums.

However, the reserves in the fund will continue to grow because of interest earnings. Each policyholder's equity in the fund will therefore increase with the passing of time. As the policyholders die and leave the program, under existing law, the only payment that can be authorized to their beneficiaries is the face value of their policies. The additional equity accrued through interest cannot be paid. If the reopened insurance program is to be managed on a sound actuarial basis, some provision must be made for the equitable distribution of the fund. Establishment of a program of dividends appears to be the best solution.

A somewhat similar situation occurred in the administration of the Veterans' Special Life Insurance program authorized by section 723 of title 38, United States Code. Veterans' Special Life Insurance was also originally nonparticipating. However, Congress authorized the payment of dividends in that program through enactment of the Veterans' Insurance Act of 1974, Pub. L. No. 93–289, § 2.

Sections 301 and 302 of the draft bill would affect the rate by which interest is computed on proceeds paid to National Service Life Insurance and United States Government Life Insurance beneficiaries, respectively, under monthly installment options. Currently, installment options, ranging from 36 to 240 months, are paid with interest rates of 2¼ percent per annum for service disabled veterans insurance and Veterans' Special Life Insurance (38 U.S.C. §§ 722 and 723), 3 percent for National Service Life Insurance (38 U.S.C. § 702), and at 3½ percent for Veterans Reopened Insurance (38 U.S.C. § 725) and United States Government Life Insurance (38 U.S.C. § 744). These statutory percentage rates are considered to be part of the insurance contracts issued pursuant to the applicable sections.

However, the assets in the insurance trusts are earning interest at a rate in excess of 6 percent, with the extra earnings being paid to insured veterans as dividends. Inasmuch as the beneficiary's interest in the insurance proceeds vests at the veteran's death, we believe that excess earnings on proceeds to be paid over a period of years should be payable to the beneficiaries rather than continuing to be available as dividends to living insureds. This would be an equitable resolution of the question of what to do with excess earnings now that sufficient reserves have been established.

To accomplish this, the proposed bill would add a new section pertaining to National Service Life Insurance and one pertaining to United States Government Life Insurance which would authorize the Administrator to use flexible interest rates in the computation of monthly benefits paid in installment options. As proceeds received in lump-sum payments (option one) draw no interest, the changes in the draft bill would not affect this mode of payment. The rates to be established by the Administrator under the new sections would be determined on the basis of administrative and actuarial soundness for each program of insurance and could be varied at appropriate times as circumstances warranted, but in no event, less than the current statutory rate previously mentioned.

Section 401 of the proposed bill sets the date of enactment as the effective date for the provisions. Where necessary throughout the proposed bill, references to gender have been amended.

The draft bill, if enacted, would not result in any additional cost to the Government.

Advice has been received from the Office of Management and Budget that there is no objection to the submission of the draft legislation and that its enactment would be in accord with the program of the President.

Sincerely,

MAX CLELAND,
Administrator.

SECTION-BY-SECTION ANALYSIS

Section 101 of this draft bill would amend section 718 of title 38, United States Code, to permit the resolution of conflicting claims to the proceeds of National Service Life Insurance policies by means of assignments of all or any portion of the proceeds to persons outside the class specified in subsection 718(b). It would also permit each claimant to whom insurance proceeds would be paid under an assignment to assign a portion of the assigned proceeds to be paid to the attorney representing him or her in the contested claim. An assignment to an attorney cannot exceed the lesser of 10 percent of the proceeds to be paid to that claimant, or the amount of the fee payable pursuant to an agreement between the claimant and his or her attorney.

Section 102 of this draft bill would amend section 753 of title 38, United States Code, to provide similar provisions concerning the resolution of conflicting claims by means of unrestricted assignments and the payment of attorney fees in cases involving United States Government Life Insurance.

Section 103 of this draft bill would amend subsection 784(g), title 38, United States Code, to increase the present attorney fee limitation from 10 percent of the amount recovered under a judgment and payable by the Veterans Administration to 25 percent. In addition, subsection 784(g) is amended to permit a court to determine a reasonable attorney fee in cases where the insurance proceeds were paid prior to commencement of litigation, and the party to whom prior payment was made is the successful party in the litigation. This fee is not to exceed 25 percent of the disputed proceeds and is to be paid by the successful party to his or her attorney. No other fee is payable to any attorney who renders professional services to a client under these circumstances.

Section 104 of this draft bill would amend section 3405 of title 38, United States Code, to extend the current exemption from criminal penalty to the solicitation or receipt of attorney fees as provided in sections 718 and 753.

Section 201 of this draft bill would amend section 725 of title 38, United States Code, to authorize the payment of dividends in the Reopened Insurance program.

Section 301 of this draft bill would amend subchapter I of chapter 19 of title 38, United States Code, by adding a new section entitled "Flexible Interest Rate; National Service Life Insurance." The new section would authorize the Administrator to use a flexible interest rate in the computation of monthly installments in cases where the beneficiary of National Service Life Insurance receives the insurance proceeds under a settlement option providing from 36 to 240 equal monthly installments. This flexible interest rate is to be established by the Administrator as is determined to be administratively and actuarially sound. However, the rate cannot be less than the interest rate upon which all calculations must be based for the type of insurance policy payable as required by either section 702, 722, 723, or 725, title 38, United States Code. The table of sections would be amended to reflect the addition of this section.

Section 302 of this draft bill would amend subchapter II of chapter 19 of title 38, United States Code, by adding a new section entitled "Flexible Interest Rate; United States Government Life Insurance." This new section would authorize the Administrator to use the flexible interest rate in the computation of monthly installments in cases where the beneficary of United States Government Life Insurance receives the insurance proceeds under a settlement option providing from 36 to 240 equal monthly installments. Again the flexible interest rate is to be established by the Administrator as is determined to be administratively and actuarially sound, except that such flexible interest rate shall not be less than the intterest rate upon which all calculations must be based as required by section 744 of title 38, United States Code. The table of sections would be amended to reflect the addition of this section.

Section 401 of this draft bill provides that the effective date of the amendments made by this Act will be the date of enactment.●

By Mr. RIBICOFF:

S. 755. A bill to make regulations more cost-effective, to insure periodic review of regulations, to improve regulatory planning and management, to eliminate needless legal formality and delay, to enhance public participation in the regulatory process, and for other purposes; to the Committee on Governmental Affairs and the Committee on the Judiciary, jointly, by unanimous consent, that if one committee orders bill reported, the other committee has 45 days in which to report.

THE PRESIDENT'S PROPOSAL FOR REGULATORY REFORM

Mr. RIBICOFF. Mr. President, at the request of President Carter, I am pleased to introduce the "Regulation Reform Act of 1979."

I commend the President for this important initiative. Far-reaching reform of Federal regulation is long overdue. The case for change is clear and convincing. And I believe the year for improving regulation has finally arrived.

In concrete terms, the President has again indicated his commitment to an effective and efficient process of regulation. That objective is also the No. 1 priority of our committee this year.

On April 6, the administration will testify on behalf of the President's bill. Over a period of 6 to 8 weeks, the committee will continue its consideration of the various proposals to improve regulation. I want a wide variety of testimony on this important and complex matter.

It is gratifying to note that the President's bill parallels many of the provisions of S. 262, the Reform of Federal Regulation Act of 1979. This past January, that bill was introduced by Senator PERCY, Senator KENNEDY, and myself. Today 30 cosponsors, including six committee chairmen, have joined in support of that measure. Last week the regulatory analysis provisions of S. 262 were endorsed by the Business Roundtable. Both bills draw heavily on the findings and recommendations of the committee's six-volume study on Federal regulation.

The President's proposals—like S. 262—are wide ranging. They address problems of pressing concern to all Americans affected by regulatory controls. Both proposals will—

Require all Federal agencies to consider the costs, benefits, and alternatives before adopting major regulations.

Reduce delay, by encouraging better agency planning and management, and by streamlining agency procedures.

Mandate agencies to periodically review existing regulations to make certain that they are working effectively and efficiently.

Insure effective public participation in agency proceedings.

Establish an improved process for appointment and evaluation of administrative law judges.

Revitalize the administrative conference, to enable it to assume a major role in dealing with problems of undue delay and inadequate planning.

There are also differences, of course, between S. 262 and the President's proposals contained in the legislation I am introducing for him today. Hearings should help clarify those differences as well.

I recognize the complexity of these problems. I know they will require careful and deliberate consideration. But I am confident that 1979 will witness major reforms in Federal regulation so that it works, and works well.

Mr. President, I ask unanimous consent that the Regulation Reform Act of 1979 be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the President's regulatory reform message, when it arrives, the Regulation Reform Act of 1979, be referred jointly to the Committees on Governmental Affairs and the Judiciary, with instructions that after one committee orders the bill reported, the other shall have 45 days in which to report the bill or be deemed discharged from further consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXHIBIT 1

S. 755

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Regulation Reform Act of 1979".

TABLES OF TITLES AND PARTS

TITLE I—THE ANALYSIS, MANAGEMENT AND ORGANIZATION OF AGENCY FUNCTIONS

Part A—Agency Analysis and Planning.
Part B—Agency Organization.
Part C—Periodic Review of Regulatory Requirements.

TITLE II—REORGANIZING AND IMPROVING AGENCY PROCEEDINGS AND ADMINISTRATIVE LAW JUDGE SELECTION AND EVALUATION

Part A—Agency Proceedings.
Part B—Selection and Evaluation of Administrative Law Judges Under the Civil Service Laws.

TITLE III—ORGANIZATIONAL AND PROGRAM IMPROVEMENTS

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) in recent years, the use of regulation has increased—

(A) in order to protect the environment and public health and safety;

(B) to promote conservation of energy and other natural resources;

(C) as a means of governing economic and commercial activity;

(D) to enhance human rights; and

(E) for other essential public purposes;

(2) regulation is an effective means of accomplishing public purposes and has significantly improved the health, safety, and environment of the Nation;

(3) the expanding impact of regulation on the economy, State and local governments, businesses, nonprofit institutions, and individuals requires that—

(A) the regulatory process be competently and sensitively managed to achieve the vital national objectives with which the process is entrusted;

(B) the regulatory process be open to effective public participation;

(C) regulatory action be both fair and not unreasonably delayed; and

(D) regulations be as clear and simple as possible, achieve statutory goals effectively and efficiently, and impose no unnecessary burdens on the public.

(b) Therefore, it is the purpose of this Act to assure that—

(1) each new regulation is developed through a process that provides—

(A) opportunity for timely and meaningful comment in the decision-making process to ensure that all essential views are heard on the desirability of the proposed action and its alternatives;

(B) flexibility, within relevant statutory standards, in order to (i) permit agencies to tailor procedures in accordance with differing circumstances, matters, and issues, (ii) enable agencies to assemble relevant data and make informed policy judgments, (iii) minimize red tape and delay, and (iv) assure fairness to affected parties;

(C) analysis of (i) the objectives and benefits to be achieved by a proposed regulation, (ii) altertnative methods of attaining these objectives, and (iii) the consequences of such alternative methods, in order to assure that compliance costs, paperwork, and other burdens on the public are minimized, and that effective techniques are employed to reach statutory goals;

(2) regulations currently in effect and new regulations are subjected to systematic, continuing, and thorough review and evaluation in order to assure that overlapping, outdated, or unnecessarily burdensome regulatory requirements are eliminated or reformed and that regulations that are inadequate to achieve their statutory purpose are strengthened as necessary;

(3) problems of overlap, duplication, inconsistency, and undue burden among new and existing regulations, regulatory programs, practices, and priorities, are identified and resolved in accordance with pertinent statutory standards;

(4) innovative strategies and techniques, such as increased reliance on performance standards rather than design standards, are developed, evaluated, and applied for regulatory management, administration, and enforcement, and the promotion of statutory goals; and

(5) the President and agency heads exercise their authority to assure effective regulatory management and to achieve the objectives of this Act and other applicable laws.

EFFECTIVE DATE

SEC. 3. Except as otherwise provided, this Act shall take effect 180 days after its enactment.

TITLE I—THE ANALYSIS, MANAGEMENT, AND ORGANIZATION OF AGENCY FUNCTIONS

PART A—AGENCY ANALYSIS AND PLANNING

SEC. 101. Title 5, United States Code, is amended by adding immediately after chapter 5 the following new chapter:

"Chapter 6—PLANNING AND MANAGEMENT OF AGENCY FUNCTIONS

"Subchapter I—Analysis of Agency Proposals

"Sec.
"601. Definitions.
"602. Regulatory analysis.
"603. Judicial review.

"Subchapter II—Establishing Agency Priorities and Schedules for Completing Proceedings

"621. Regulatory agenda.
"622. Deadlines.

"§ 601. Definitions

"For purposes of this chapter—

"(1) the term 'agency' means an agency as defined in section 551(1) of this title—

"(2) the term 'rule' means a rule as defined in section 551(4) of this title which is a major rule or which the proposing agency estimates in accordance with section 623(c) of this title will have a significant impact on the public, except that the term 'rule' does not include—

"(A) a rule involving a military for foreign affairs function of the United States;

"(B) a rule involving agency management or personnel, or the internal revenue laws of the United States;

"(C) rules relating to:

"(i) acquisition by the Federal Government by contract of real or personal property or services, through purchase, lease, or barter, that are promulgated in compliance with criteria and procedures established by the Administrator for Federal Procurement Policy; or

"(ii) disposal by contract of sale of surplus and personal property of the United States that are promulgated in compliance with criteria and procedures established by the Administrator of General Services, or

"(D) interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice;

"(3) the term 'agency head' includes the Chairman of any multi-member agency to the extent that applicable law assigns final decisional authority for functions under this chapter to the Chairman of such agency, and in any other case of a multi-member agency, the term 'agency head' means the agency acting collectively; and

"(4) the term 'major rule' means a rule that the proposing agency—

"(A) estimates will have an annual effect on the economy of $100,000,000 or more;

"(B) estimates will cause a substantial change in costs or prices for individual industries, geographic regions, or levels of governments; or

"(C) otherwise determines will have a major impact.

"§ 602. Regulatory analysis

"(a) Prior to publishing notice of any proposed rule, each agency head shall determine whether the rule is a major rule.

"(b) When an agency publishes notice of a proposed major rule, the agency shall issue a preliminary regulatory analysis. Each preliminary regulatory analysis shall contain—

"(1) a succinct statement of the need for, and objectives of, the proposed rule;

"(2) a description of the reasonable alternatives to the proposed rule that may accomplish the stated objectives of the rule in a manner consistent with the applicable statutes; and

"(3) for the proposed rule, and for each of the alternatives listed in the analysis, a preliminary analysis of the projected benefits and adverse economic and other effects, and of the effectiveness of the proposed rule and each alternative in meeting the stated objectives of the proposed rule.

"(c) When an agency publishes a final major rule, it shall issue a final regulatory analysis. Each final regulatory analysis shall contain—

"(1) a succinct statement of the need for, and the objectives of, the rule;

"(2) a description of the alternatives to the rule that were considered by the agency;

"(3) an analysis of the projected benefits and the adverse economic and other effects of the rule;

"(4) either

"(A) an explanation of why the rule attains its objectives, in a manner consistent with applicable statutes, with less adverse economic effects than the other alternatives considered; or

"(B) an explanation of why an approach entailing greater adverse economic effects was selected; and

"(5) a summary of the significant issues raised by the comments submitted during the public comment period in response to the initial regulatory analysis, and a summary of the assessment by the agency of the comments.

"(d) (1) In order to avoid duplication or waste, an agency may——

"(A) consider a series of closely related rules as one rule for the purposes of this section; and

"(B) whenever appropriate, incorporate any data or analysis contained in a regulatory analysis in any other impact statement or analysis required by law, or in any part of the record of the rulemaking for purposes of judicial review, and incorporate by reference in any initial or final regulatory analysis information contained in a notice of proposed rulemaking or a statement of basis and purpose.

"(2) Each agency shall include, in the notice of each proposed and final major rule, a statement of how the public may obtain copies of the initial and final regulatory analyses. An agency may charge a reasonable fee for the copying and mailing of regulatory analyses. Regulatory analyses shall be furnished without charge or at a reduced charge where the agency determines that waiver or reduction of the fee is in the public interest because furnishing the information can be considered as primarily benefiting the general public.

"(3) Each agency shall send a copy of any initial or final regulatory analysis to the Director of the Office of Management and Budget.

"(e) An agency head may delay completing some or all of the requirements of this section by publishing in the Federal Register, not later than the date of publication of the rule, a written finding, with reasons, that the rule is being adopted in response to an emergency that makes timely compliance with the provisions of this section impossible.

"(f) The requirements of this section do not alter the substantive or procedural standards otherwise applicable to the agency action.

"§ 603. Judicial review.

"(a) Except as provided in subsection (b) of this section, no agency action or failure to act under this chapter shall be subject to judicial review. No agency action under any authority other than the provisions of this chapter shall be invalidated, remanded, or otherwise affected by any court on account of any failure to comply with the requirements of this chapter. The provisions of this chapter do not change in any way the substantive or procedural standards for judicial review of agency actions.

"(b) The provisions of this chapter do not bar judicial review of any impact statement or other similar statement required by any law other than the provisions of this chapter.

"Subchapter II—Establishing Agency Priorities and Schedules for Completing Proceedings

"§ 621. Regulatory agenda.

"(a) (1) Each agency shall publish at least semiannually a regulatory agenda. Each regulatory agenda shall contain a list of rules that the agency expects to propose or promulgate within the succeeding 12 months. On the first Monday in October of each year, each agency shall publish in the Federal Register a schedule showing the dates during the fiscal year in progress on which the semiannual regulatory agenda of the agency will be published. Each agency head shall approve the regulatory agenda of the agency before it is published.

"(2) For each rule listed on a regulatory agenda, the agenda shall describe the rule; state the objectives of and the legal basis for the rule, specify any dates established or anticipated by the agency for taking action, including dates for advance notices of proposed rulemaking, notices of proposed rulemaking, and final agency action; and state whether the agency estimates the rule to be a major rule. For each major rule, the agenda shall state the best available estimate of the agency of the cost of the rule.

"(3) Each regulatory agenda shall include a list of rules, policies and practices scheduled to be reviewed in accordance with section 641 of this title during the coming year and the status of proposed rules listed on previous agendas that have not either been promulgated or explicitly withdrawn.

"(4) Each regulatory agenda shall state

the name, address, and telephone number of an agency official responsible for handling inquiries about each rule, policy or practice listed.

"(5) The first regulatory agenda published in any calendar year shall contain or refer to the report required by section 622(b) of this title.

"(b) An agency may propose or promulgate a rule that was not listed on a regulatory agenda only if it publishes with the rule an explanation of the reason the rule was omitted from an agenda.

"§ 622. Deadlines

"(a)(1) Whenever an agency provides notice of a proposed proceeding pursuant to section 553(b) or 554(b) of this title or other similar requirement of law, the agency shall include in such notice an announcement of the date by which it intends to complete final agency action in the proceeding. Whenever the agency announcement indicates that the proceeding will require more than one year to complete, the agency shall also indicate the date by which it intends to complete each major portion of the proceeding. In carrying out the provisions of this subsection, the agency shall select dates for completing agency action that will assure the most expeditious consideration of the matter possible consistent with the interests of fairness and other agency priorities.

"(2) The requirements of this subsection do not apply to any proceeding in which the agency intends to complete action within 180 days of providing notice of the proposed action.

"(3) If an agency fails to complete action in a proceeding or a major portion of a proceeding by the date announced pursuant to paragraph (1) of this subsection, or, in the case of a matter within the provisions of paragraph (2) of this subsection, an agency fails to complete action within 180 days of providing notice of such proposed action, the agency shall establish a new date by which the agency intends to complete action in such proceeding or each major portion of such proceeding. The provisions of this paragraph do not apply to proceedings for which the agency expects the delay in completing action to be less than or equal to thirty days.

"(b)(1) The first regulatory agenda published in any calendar year by an agency under section 621 of this title shall contain or refer to a report on proceedings of the agency in the prior calendar year that are subject to the establishment of deadlines under this section. Each report shall include—

"(A) the number of such proceedings initiated by the agency during the prior year;

"(B) the number of such proceedings concluded by the agency during the prior year; and

"(C) the number of instances during the prior year in which the agency failed to conclude a proceeding by the date originally announced for its completion and an explanation of the reasons therefor, arranged by categories based on the type of proceedings involved.

"(2) In carrying out the provisions of subparagraph (C) of paragraph (1), each agency shall use only such categories as are approved by the Director of the Office of Management and Budget.

PART B—AGENCY ORGANIZATION

RESPONSIBILITIES OF AGENCY HEADS

SEC. 111. (a) Subchapter II of chapter 6 of title 5, United States Code (as added by section 101 of this Act) is amended by adding at the end thereof the following new section;

"§ 623. Agency head responsibilities

"(a) Within six months after the effective date of this section, each agency head shall establish a single office or other organizational unit, or shall designate an already existing office or other unit within the agency, as the unit to exercise, as one of its principal functions, primary responsibility for the planning and management of the regulatory activities of the agency. If an agency is composed of one or more component agencies, the head of the agency shall require each component agency to establish or designate a unit in accordance with the provisions of this subsection or the head of the agency shall establish or designate a single unit with primary responsibility for the planning and management of the regulatory activities of the entire agency.

"(b) Within six months after the effective date of this section. each agency head shall, for each of the requirements under sections 602, 621, 622, and 641 of this chapter, formally assign, either to the office designated under subsection (a) or to another office or offices within the agency, responsibility for the compliance of the agency with the provisions of this chapter. The office designated under subsection (a) shall monitor the compliance of the agency with the provisions of this chapter.

"(c) Within six months after the effective date of this section, each agency head shall issue agency guidelines for determining which rules of the agency will have a significant impact on the public. In making a determination under this subsection, an agency shall consider such factors as—

"(A) the type and number of individuals, businesses, organizations, and State and local governments affected by the rule;

"(B) the compliance and reporting requirements likely to be involved in the rule;

"(C) the direct and indirect effects of the rule; and

"(D) the relationship of the rule to rules of other programs and agencies.

"(d) Each agency head or the designated official with statutory responsibility shall approve any final rule before it is adopted.

"(e) Within six months after the effective date of this section, each agency head shall issue agency guidelines to ensure that when a rule is adopted—

"(1) the rule is needed;

"(2) the rule is written so that it can be readily understood by persons likely to be affected;

"(3) the benefits and adverse economic and other effects of the rule have been adequately considered;

"(4) alternative approaches to the rule have been considered, and an approach selected that avoids imposing unnecessary adverse economic and other effects;

"(5) the rule has been designed to provide effective and enforceable means of compliance;

"(6) there has been full consultation with affected State and local governments;

"(7) the name, address and telephone number of an agency official responsible for handling inquiries about the rule is included in the publication of the rule; and

"(8) the public has been given a full opportunity to participate in the rulemaking process through techniques such as—

"(A) publication of an advance notice of proposed rulemaking;

"(B) publication of notices of proposed rules to publications likely to be read by persons affected by the rule;

"(C) direct notification of interested persons;

"(D) holding of open conferences or public hearings concerning the rule;

"(E) modification or elimination of procedural rules which increase the costs or complexity of participation; and

"(F) funding of public participation as authorized by section 591 of this title.".

(b) The analysis of chapter 6 of such title (as added by section 101 of this Act) is amended by adding at the end thereof the following:

"623. Agency head responsibilities.".

PART C—PERIODIC REVIEW OF REGULATORY REQUIREMENTS

SEC. 121. (a) Chapter 6 of title 5, United States Code (as added by section 101 of this Act) is amended by adding at the end thereof the following new subchapter:

"Subchapter III—Agency Review of Policies and Practices

SEC. 641. Periodic review of regulatory requirements:

"(a)(1) Not later than six months after effective date of this section, each agency shall prepare and publish in the Federal Register for comment a draft schedule for the review, over a ten year period, of (A) each rule already adopted, by the agency that the agency estimates to have an annual effect on the economy of $100,000,000 or more, and (B) such additional rules, policies, or practices as the agency may select. In selecting rules, policies, or practices under clause (B) of this paragraph, the agency shall consider—

"(i) the extent to which the rule, policy, or practice has significant economic, health, safety, or other effects;

"(ii) the length of time since the rule, policy, or practice was adopted or became established;

"(iii) the nature of any technological, economic, social, or other changes which have taken place in the area affected by the rule, policy, or practice since the rule, policy, or practice was adopted or become established;

"(iv) the effectiveness of the rule, policy, or practice in achieving its stated objectives;

"(v) whether the rule, policy, or practice can be readily understood by those who are affected by it; and

"(vi) any comments made by members of the public concerning the effects of the rule, policy, or practice, as implemented by the agency.

"(2) At least 90 days before publishing the draft schedule in the Federal Register, each agency shall make the draft schedule available to the Office of Management and Budget. Each draft schedule shall contain a brief explanation of the reasons for selecting each rule, policy, or practice on the schedule and shall set a date for the completion of each such rule, policy or practice. The agency shall set a date for each item on the schedule in a manner to insure the simultaneous review of related items and to achieve a reasonable distribution of reviews over the period of the schedule.

"(3) Not later than one year after the effective date of this section, each agency shall publish in the Federal Register a final schedule for the review of rules, policies, and practices. Each final review schedule shall contain the information required under paragraph (1) of this subsection. Each agency shall publish with the final schedule the response of the agency to comments received concerning the draft schedule.

"(b) On the date of publication in the Federal Register of a major rule, each agency shall announce a date for the review of the rule in accordance with subsection (c). The agency shall set the date for review of the rule at not more than 10 years from the date on which the final major rule is published in the Federal Register.

"(c)(1) When an agency reviews a rule, policy, or practice scheduled for review under subsection (a) or (b) of this section, the agency shall prepare an assessment of the rule, policy, or practice, including a statement of—

"(A) the benefits being provided by the rule, policy, or practice;

"(B) the adverse economic and other effects caused by the rule, policy, or practice;

"(C) the cost and nature of any problems encountered by the agency in obtaining compliance with the rule, policy, or practice;

"(D) whether the objectives of the rule, policy, or practice may be met through an alternative that imposes less adverse economic and other effects than the existing rule, policy, or practice.

"(E) whether the rule, policy, or practice should be revised to better achieve its objectives;

"(F) the extent to which the rule, policy, or practice overlaps or duplicates other Federal rules, policies, or practices, including rules, policies, or practices of other agencies; and

"(G) whether the rule, policy, or practice should be rescinded, amended, or continued without change.

"(2) Each agency shall publish in the Federal Register a summary of each assessment made under paragraph (1) of this subsection. Each agency shall make the complete assessment available to the public and may charge a reasonable fee for the copying and mailing of the assessment. An agency may cover a series of closely related rules in a single assessment. Assessments shall be furnished without charge or at a reduced charge where the agency determines that waiver or reduction of the fee is in the public interest because furnishing the information can be considered as primarily benefiting the general public.

"(3) An agency may comply with the requirements of this subsection by publishing a notice of produced rulemaking instead of an assessment if the notice of proposed rulemaking concerning the rule, policy, or practice under review contains the information required by paragraph (1) of this subsection.

"(d)(1) Notwithstanding the provisions of subsection (b) of this section, any agency that has more than one hundred rules in effect on the effective date of this section which the agency estimates to have an annual impact on the economy of $100,000,000 or more, may request that the Director of the Office of Management and Budget establish a period longer than ten years for the completion of the review of such rules, policies, and practices. The Director of the Office of Management and Budget may extend the period for agency review to a period in excess of ten years but not in excess of fifteen years.

"(2) The agency may amend any schedule for review of rules, policies, and practices with the concurrence of the Director of the Office of Management and Budget by publishing such amendment in the Federal Register.

"(e) This section shall not apply to any rule, policy, or practice involving the internal revenue laws of the United States."

(b) The analysis of chapter 6 of such title (as added by section 101 of this Act) is amended by adding at the end thereof the following:

"Subchapter III—Agency Review of Rules, Policies, and Practices

"641. Periodic review of regulatory requirements."

TITLE II—REORGANIZING AND IMPROVING AGENCY PROCEEDINGS AND ADMINISTRATIVE LAW JUDGE SELECTION AND EVALUATION

PART A—AGENCY PROCEEDINGS

INFORMAL RULEMAKING PROCEDURES

SEC. 201. (a) Section 553 of title 5, United States Code, is amended by redesignating subsection (e) as subsection (f) and amending subsections (a) through (d) to read as follows:

"(a)(1) General notice of proposed rulemaking shall be published in the Federal Register, unless persons subject thereto are named and either personally served or otherwise have actual notice thereof in accordance with law. Each notice of proposed rulemaking shall include—

"(A) a statement of the time during which public comments will be received concerning the proposed rule, and the time, place, and nature of any hearings to be held concerning the proposed rule;

"(B) a reference to the legal authority under which the rule is proposed;

"(C) either the terms a substance of the proposed rule or a description of the subjects and issues involved; and

"(D) a statement that the agency seeks proposals from the public for alternative ways to accomplish the objectives of the proposed rule that are more effective or less burdensome than the approach used in the proposed rule.

"(2) Except where notice or hearing is required by statute, this section does not apply to the extent the agency for good cause finds that notice and public procedure on the rule are impracticable, unnecessary, or contrary to the public interest and publishes, at the time of publication of the final rule, such finding and a brief statement of the reasons therefor.

"(b) An agency shall provide a public comment period of at least 60 days after the issuance of a notice of proposed rulemaking. During the period for public comment any interested person may submit written data, views, or arguments. The agency, in its discretion, may provide an opportunity for oral presentations concerning the proposed rule.

"(c) After consideration of the relevant matter presented, the agency shall publish any rule adopted with a concise general statement of the basis and purpose of the rule. The statement shall include a response to the significant issues raised by the comments concerning the proposed rule received by the agency during the public comment period.

"(d) Not less than 30 days before the effective date of a final rule, an agency shall give notice of the issuance of the final rule in the manner prescribed by subsection (b) of this section for a notice of proposed rulemaking. In the case of a final rule that grants or recognizes an exemption or relieves a restriction, the notice of a final rule need not be given 30 days before the effective date of the rule. An agency may make a final rule effective in less than 30 days after giving notice of that final rule for good cause found and published in that notice.

"(e) This section does not apply to—

"(1) any rule involving a military or foreign affairs function of the United States;

"(2) any rule involving agency management or personnel;

"(3) rules relating to:

"(i) acquisition by the Federal Government by contract of real or personal property or services, through purchase, lease, or barter, that are promulgated in compliance with criteria and procedures established by the Administrator for Federal Procurement Policy; or

"(ii) disposal by contract of sale of surplus and personal property of the United States that are promulgated in compliance with criteria and procedures established by the Administrator of General Services;

"(4) interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice; or

"(5) any rules to which section 554 of this chapter or any other exclusive statutory rulemaking procedure applies.

(b)(1) The section heading of 553 of such title is amended to read as follows:

§ 553. Informal rulemaking".

(2) The item relating to section 553 in the analysis of subchapter II of chapter 5 of such title is amended to read as follows:

"553. Informal rulemaking".

EXPEDITED PROCEDURE FOR FORMAL HEARINGS

SEC. 202. (a) Section 554 (d) of title 5, United States Code, is amended to read as follows:

"(d) Any employee presiding over hearings under section 555 or 556 of this title, or participating in decisions under such sections or section 557 of this title, shall carry out his functions in an impartial manner. A presiding or participating employee may at any time disqualify himself. On the filing in good faith of a timely and sufficient affidavit of personal bias or other disqualification of a presiding or participating employee, the agency shall determine the matter as a part of the record and decision in the case."

(b)(1) The section heading of section 554 of such title is amended to read as follows:

"§ 554. Proceedings on the record".

(2) The item relating to section 554 in the analysis of subchapter II of chapter 5 of such title is amended to read as follows:

"§ 554. Proceeding on the record".

(c)(1) Sections 558 and 559 of such title are redesignated as sections 559 and 560 of such title, respectively.

(2) Section 555 of such title is redesignated as section 558 of such title.

(d)(1) Title 5, United States Code, is amended by inserting immediately after section 554 the following new section:

"555. Expedited procedure

"(a) This section applies to—

"(1) any ratemaking, rulemaking or licensing proceeding subject to section 554 of this title, other than a proceeding to withdraw, suspend, revoke, or annul a license; and

"(2) any other agency proceeding subject to section 554 of this title which the agency determines should be conducted in accordance with the provisions of this section after considering such factors as the extent to which the decision in the proceeding is likely to depend on the resolution of genuine and substantial disputes of facts, the number of persons interested in participating in the proceeding, and whether the conduct of the proceeding solely in accordance with the provisions of section 556 of this title is essential to a full and fair disclosure of all material facts. Agencies may not make subject to this section any proceeding to assess a civil penalty or otherwise to determine culpable violations of pre-existing law.

"(b)(1) A presiding employee shall preside at hearings conducted pursuant to this section. The presiding employee may be—

"(A) the agency;

"(B) one or more members of the body which comprises the agency; or

"(C) one or more administrative law judges appointed under section 802 of this title, except that nothing in this paragraph shall supersede the manner in which specified classes of proceedings are conducted, in whole or in part, by or before boards or other employees specifically provided for by or designed under statute.

The presiding employee for a hearing held under this section shall comply with the requirements of section 557 unless he becomes unavailable to the agency. If the presiding employee becomes unavailable to the agency, another employee qualified to preside at hearings under this section shall discharge the functions of the unavailable employee.

"(2) For the purposes of any proceeding under this section, the agency may designate one or more employees to assist the presiding employee by questioning witnesses or advising the presiding employee. No employee designated under this paragraph shall have any authority to issue any findings, decisions, or orders in the proceeding other than a recommended decision issued under section 557(b)(2) of this title.

"(3) In any proceeding under this section, the presiding employee shall have the powers conferred by section 556(b) of this title.

"(c) In any proceeding under this section, the agency shall conduct a hearing to afford parties an opportunity to submit for the record such written data, views, or arguments and such responses to the data, views, or arguments submitted by other parties, as the agency or the presiding employee may specify. At the request of any party in the proceeding, the hearing shall include an opportunity for oral argument with respect to such written submissions. To the extent authorized by section 558 of this title or other law, the hearing shall be preceded by such discovery procedures as the agency rules provide. The agency shall require each moving party, including the agency, to submit in written form, at the time the proceeding is initiated, all the facts and arguments upon which that party proposes to rely that are known at such time to that party.

"(d)(1) At the conclusion of any proceedings under subsection (c) of this section, the presiding employee shall designate any disputed question for formal cross-examination only if he determine—

"(A) there is a genuine and substantial dispute of fact, including a dispute involving factual assumptions or methodology upon which expert opinion is based, or concerning the credibility or competence of an expert witness significantly relied upon by one or more of the parties to the proceeding, which can only be resolved with sufficient accuracy by formal cross-examination; and

"(B) the decision of the agency in the case is likely to depend in whole or in part on the resolution of such dispute.

"(2) In making a determination under this subsection, the presiding employee shall designate in writing the specific facts that are in genuine and substantial dispute, the reason why the decision of the agency is likely to depend on the resolution of such facts, and the reason why formal cross-examination is likely to resolve the dispute. Upon review, no court shall hold unlawful or set aside any agency action, finding, or conclusion on the basis of the choice of procedures made by the agency under this section, unless such choice was a clear abuse of discretion that substantially prejudiced the rights of the parties.

"(e)(1) An employee or agent engaged in the direct performance of investigative or litigating functions for an agency in a proceeding under this section may not, in that proceeding or a factually related proceeding under this section or section 556, participate or advise in the making of any agency decision pursuant to section 557 of this title except as a partcipant or counsel in public proceedings.

"(2) For purposes of this subsection, "investigative or litigating functions" refers only to such functions as the presentation or cross-examination of witnesses, or the preparation of pleadings, after a proceeding has begun. It does not include participation in a judicial proceeding relating to the agency proceeding."

(2) The analysis of subchapter II of chapter 5 of such title is amended—

(A) by redesignating the items relating to sections 558 and 559 as the items relating to sections 559 and 560, respectively;

(B) by redesignating the item relating to section 555 as the item relating to section 558; and

(C) by inserting immediately after the item relating to section 554 the following:

"555. Expedited procedure.".

AGENCY SUBPOENA AUTHORITY

SEC. 203. Section 558 (d) of title 5, United States Code (as redesignated by section 202 (c) (2) of this Act), is amended to read as follows:

"(d)(1) In any proceeding subject to section 554 of this title, the agency is authorized to require by subpoena any person to appear and testify or to appear and produce books, papers, documents, or tangible things, at a hearing or disposition at any designated place. Any subpoena authorized by law shall be issued to a party on request and, when required by rules of procedure, on a statement or showing of general relevance and reasonable scope of the evidence sought. Each agency shall designate by rule the officers authorized to sign and issue subpoenas, and shall include in such designation the presiding employee in all proceedings subject to section 554 of this title.

"(2) In case of the failure or refusal of any person to obey a subpoena or similar process issued in connection with a proceeding under section 554 of this title the agency, acting through the Attorney General or through the attorneys of the agency as applicable statutes may permit, may invoke the aid of the district court of the United States for any district in which such person is found or resides or transacts business, or in which the proceeding or inquiry is carried on, to enforce the subpoena or similar process. In a proceeding for enforcement of a subpoena or similar process found to be in accordance with law, the court shall issue an order requiring compliance with such subpoena or similar process, and any failure to obey such order of the court may be treated by such court as a contempt thereof. The Federal Rules of Civil Procedure apply to such a proceeding except as otherwise provided by statute or by rules of the district court or order of the court in the proceeding.

"(3) Whenever the validity of an agency subpoena or similar process issued in connection with a proceeding under section 554 of this title is directly in question in any proceeding before a district court, the district court shall issue a final ruling on such matter within 45 days, unless the court agrees to extend the period for deciding the matter upon the request of all parties to the proceeding.

"(4) No court shall have jurisdiction over any action to enjoin the enforcement of any subpoena or similar process issued by an agency in connection with a proceeding under section 554 of this title or to challenge its validity, unless the action is brought by a person upon whom a notice of default respecting such subpoena or similar process has been served, or by a person authorized by other law to bring such action. Any such action shall at the agency's request be transferred to a court in which there is pending an action or proceeding for enforcement or civil penalties based on the same or a substantially similar subpoena or other similar process.

"(5) In any proceeding subject to section 554 of this title, the agency is authorized, whenever a person fails to comply with a subpoena or similar process issued in the course of that proceeding, to take such action in regard to such failure as is just, including; (A) refusing to allow such person to support or oppose designated claims or defenses, or prohibiting such person from introducing designated matters into the record; (B) inferring that the testimony, documents, or evidence concerning which the subpoena or similar process was issued would have been adverse to such person; or (C) striking out pleadings or motions or parts thereof, or staying further proceedings until the subpoena or similar process is obeyed, or dismissing the proceedings or any part thereof, or rendering any decision by default against such person.

"(6) The authority granted by this subsection is in addition to, and does not limit, any other statutory authority for the issuance of agency subpenas or similar process or the enforcement thereof.".

THE CONDUCT OF TRIAL-TYPE PROCEEDINGS

SEC. 204. (a) Section 556(a) of title 5, United States Code, is amended to read as follows:

"(a) This section applies to any case in which a formal hearing is required by section 554 of this title that is not conducted in accordance with section 555 of this title.".

(b) Section 556(b) of such title is amended to read as follows:

"(b)(1) A presiding employee shall preside at hearings conducted pursuant to this section. The presiding employee may be—

"(A) the agency;

"(B) one or more members of the body which comprises the agency; or

"(C) one or more administrative law judges appointed under section 802 of this title, except that nothing in this paragraph shall supersede the manner in which specified classes of proceedings are conducted, in whole or in part, by or before boards or other employees specifically provided for by or designated under statute.

The presiding employee for a hearing held under this section shall comply with the requirements of section 557 unless he becomes unavailable to the agency. If the presiding employee becomes unavailable to the agency, another employee qualified to preside at hearings under this section shall discharge the functions of the unavailable employee.".

(c) Section 556(c) of such title is amended to read as follows:

"(c) Subject to the published rules of the agency and within the powers of the agency, (1) the presiding employee at a hearing may—

"(A) administer oaths and affirmations;

"(B) issue subpenas;

"(C) take depositions or have depositions taken when the ends of justice would be served;

"(D) regulate the course of the hearing;

"(E) upon his own initiative or at the request of the parties, hold conferences for the settlement or simplification of the issues;

"(F) dispose of procedural requests or similar matters;

"(G) ask such questions or conduct such cross-examination as he believes are appropriate;

"(H) make or recommend decisions or findings in accordance with section 557 of this title;

"(I) request the agency to consider and act on interlocutory appeals when agency action on such appeals would help expedite final agency action; and

"(J) take other action authorized by agency rule consistent with this subchapter.

"(2) In a hearing pursuant to this section, the presiding employee shall act to—

"(A) assure that discovery, and all other prehearing and hearing stages of the proceeding, are completed in an expeditious manner;

"(B) provide a record of the proceeding that is not unduly repetitious and which contains in a concise form only matters that are relevant and material to a decision in the case;

"(C) establish, whenever appropriate, deadlines for the completion of the hearing, or any other portion of the proceeding, except that any such deadline shall be consistent with the deadlines established by the agency pursuant to section 622 of this title;

"(D) rule on questions of fact or law in such a manner as to define the issue as precisely and specifically as possible; and

"(E) take any other appropriate action authorized by this subchapter or any other applicable law designed to assure prompt disposition of the matter.".

(d) The last sentence of section 556(d) of such title is amended to read as follows: "Subject to the published rules of the agency and within the powers of the agency, the presiding employee at a formal hearing may rule on offers of proof and receive relevant evidence. The presiding employee may require the submission of evidence in written form, or the conduct of cross-examination in written form, if oral presentation of testimony or oral cross-examination is not required for a full and true disclosure of relevant evidentiary facts and a denial of such opportunity for oral proceedings would not materially prejudice a party. Upon the motion of any party, the presiding employee may, prior to the completion of the hearing, issue a decision in the case when there is no genuine and substantial dispute as to any material fact and the moving party is entitled to a judgment as a matter of law."

(e) Subsection (e) of section 556 of title 5, United States Code, is amended to read as follows:

"(e) (1) Except to the extent required for the disposition of ex parte matters as authorized by law, no employee presiding at a hearing under this section may:

"(A) consult a party or an interested person outside the agency on a fact in issue, except on notice and opportunity for all parties to participate; or

"(B) be responsible to or subject to the supervision or direction of an employee or agent engaged in the performance of investigative or prosecuting functions for an agency.

"(2) An employee or agent engaged in the performance of investigative or prosecuting functions for an agency in a case under this section may not, in that or a factually related case under this section or section 555, participate or advise in any decision pursuant to section 557, except as witness or counsel in public proceedings.".

(f) (1) The section heading of section 556 of such title is amended to read as follows:

"§ 556. Formal hearings; powers and duties of presiding employees; burden of proof; evidence".

(2) The item relating to section 556 in the analysis of subchapter II of chapter 5 of such title is amended to read as follows:

"556. Formal hearings; presiding employees; powers and duties; burden of proof; evidence."

INITIAL DECISIONS, APPEAL BOARDS AND AGENCY CERTIORARI REVIEW

SEC. 205. (a) (1) The first sentence of section 557 (b) of title 5, United States Code, is amended to read as follows:

"(1) When the agency did not preside at the hearing the presiding employee shall initially decide the case unless the agency requires, either in specific cases or by general rule, the entire record to be certified to the agency for decision, in accordance with paragraph (2) of this subsection."

(2) The last sentence of such section 557 (b) is amended to read as follows:

"(2) If the agency makes the decision without having presided at the hearing, the agency may require the entire record to be certified to it for decision without an initial decision by the presiding employee. In any such case, the presiding employee shall first recommend a decision, or the agency may, in any case conducted pursuant to section 555 of this title, require the presiding employee to submit the record without a recommended decision, but with such analysis of the record as the agency may specify. Whenever the presiding employee submits the record without an initial or recommended decision, the agency shall issue a tentative decision or the agency shall designate one of the responsible employees of the agency to recommend a decision, except that such tentative or recommended decision may be omitted in a case in which the agency finds on the record that due and timely execution of its functions imperatively and unavoidably so requires."

(b) Section 557 of such title is amended by redesignating subsection (d) as subsection (f) and by inserting immediately after subsection (c) the following new subsection:

"(d) (1) Each agency may establish by rule one or more employee boards to review decisions of presiding employees in accordance with the provisions of this section. No agency may subject any decision of a presiding employee to more than two different levels of review, including any review conducted by the agency itself. Each board authorized by this subsection shall be composed of one or more members of the body comprising the agency, or three or more agency employees of any type, including any member of the body comprising the agency, any administrative law judge or any other appropriate agency employee, other than the presiding employee, or any member of a hearing panel under section 555 of this title for the proceeding on appeal. An agency may provide by rule that—

"(A) any decision or any category of decisions by the presiding employee will become final unless reviewed by an employee board or by the agency; and

"(B) any decision or any category of decisions made by an employee board on review will become final unless reviewed by the agency.

"(2) Each agency shall specify by rule the circumstances and conditions, if any, under which the agency will entertain and consider appeals from the decision of the employees board or presiding employee under paragraph (1) of this subsection. Each agency shall specify by rule the circumstances and conditions under which the agency shall exclude from the jurisdiction of the employee board responsibility of reviewing a decision or category of decisions.

"(3) This subsection does not supersede—

"(A) any provision of law specifically governing the composition and organization of any employee board or the right of any agency members to direct review of decisions in a particular agency, or

"(B) any authority otherwise possessed by an agency to delegate the making of a final decision to any agency members or other employees."

(c) Section 557 of such title is amended by adding a new subsection (e) reading as follows:

"(e) The transcript of testimony and exhibits, together with all papers and requests filed in the proceeding, constitutes the exclusive record for decision in accordance with this section and, on payment of lawfully prescribed costs, shall be made available to the parties. When an agency decision rests on official notice of a material fact not appearing in the evidence in the record, a party is entitled, on timely request, to an opportunity to show the contrary."

JUDICIAL REVIEW OF RULEMAKING

SEC. 206(a). Section 704 of title 5, United States Code, is amended—

(1) by inserting "(a)" immediately before "Agency"; and

(2) by adding at the end thereof the following new subsection:

"(b) If no special statutory review proceeding is applicable, an action for review of a rule as described in section 551(4) of this title shall be brought in the United States Court of Appeals, and venue shall be determined in accordance with section 2343 of title 28, United States Code.".

(b) (1) Chapter 83 of title 28, United States Code, is amended by adding at the end thereof the following new section:

"1295. Agency Rulemaking

"The United States Courts of Appeals shall have exclusive original jurisdiction of any civil action under section 703(b) of title 5, United States Code, to enjoin, set aside, suspend, modify, or otherwise review an agency rule.".

(2) The chapter analysis of chapter 83 of such title is amended by adding at the end thereof the following: "1295. Agency rulemaking."

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 207. (a) Section 554(a) of title 5, United States Code, is amended by striking out "case of adjudication" and inserting "proceeding".

(b) Section 554(c) of such title is amended by striking out "556 and 557" and inserting in lieu thereof "555 or 556, and 557".

(c) Section 556(d) of such title is amended by

(1) striking the first sentence;

(2) striking "rule or order" and inserting "an order"; and

(3) striking "557(d)" and inserting "557(f)".

(d) Section 557(a) of such title is amended by striking out "section" and inserting "sections 555 or".

(e) The first sentence of section 559(c) of such title (as redesignated by section 202(c)) is amended by striking out "556", and inserting "555"; and

(f) Section 706 of such title is amended by striking the words "sections 556 and 557" and inserting instead "sections 555 or 556, and 557".

PART B—SELECTION AND EVALUATION OF ADMINISTRATIVE LAW JUDGES UNDER THE CIVIL SERVICE LAWS

SEC. 211(a). Title 5, United States Code is amended by adding the following new chapter immediately following chapter 7:

"Chapter 8—APPOINTMENT AND EVALUATION OF ADMINISTRATIVE LAW JUDGES"

"Sec.
"801. Definitions
"802. Appointment
"803. Classification and Pay
"804. Performance and Qualification Appraisal System
"805. Performance and Qualification Reviews
"806. Actions Involving Unacceptable Performance
"807. Reassignment

"§ 801. Definitions

"For purposes of this chapter—

"(1) the term 'agency' means an agency as defined in section 551(1) of this title;

"(2) 'administrative law judge' means an individual appointed under section 802 of this title;

"(3) 'Chairman' means the Chairman of the Administrative Conference of the United States.

"§ 802. Appointment

"(a) Subject to the provisions of this section, each agency shall appoint as many administrative law judges as are necessary for proceedings required to be conducted in accordance with section 554 of this title. Administrative law judges shall be assigned to cases in rotation so far as practicable, and may not perform duties inconsistent with their duties and responsibilities as administrative law judges.

"(b) (1) The Chairman shall provide for the wide dissemination of information about administrative law judge positions and shall recruit for administrative law judge positions among all groups of qualified persons.

"(2) In consultation with the Office of Personnel Management the Chairman shall establish the qualifications for administrative law judges and shall adopt and administer a system for examining and selecting administrative law judges. The system adopted shall provide for:

"(A) ranking eligible candidates for administrative law judge in accordance with their relative qualifications;

"(B) a predetermined limitation on the number of eligible candidates who may be certified to an agency for each position; and

"(C) consistency with section 2302 of this title. Eligible candidates may be ranked and certified in numerical order or by category. A minimum of five eligible candidates shall be submitted to an agency by the Administrative Conference for each available position.

"(3) If an appointing agency requests from the Conference a list of eligible candidates for the position of administrative law judge, the Chairman, upon determining a need therefor, shall certify from the register of eligible candidates for the position of administrative law judge the names of an appropriate number of candidates with the highest rating.

"(4) For appointment to each vacancy as an administrative law judge, the appointing agency shall select from the list of eligible candidates furnished under paragraph (3) of this subsection.

"(5) Each administrative law judge appointed under the provisions of this section shall be appointed for a term of 7 years, but shall serve until appointed to another 7 year term or until another individual is appointed to that position as prescribed in section 805 of this title, unless the administrative law judge is removed under section 806.

"(6) Administrative law judges appointed before the effective date of this chapter shall automatically be appointed for a term of 7 years at the agency where they are employed beginning with the effective date of this chapter.

"§ 803. Classification and Pay

"(a) The Chairman of the Administrative Conference of the United States shall establish and from time to time revise the maximum number of administrative law judges that may at any one time be placed in GS-16, 17 or 18 of the General Schedule. The total number of such positions may not exceed 800. These positions shall not count against any other government-wide or agency limit on positions specified in section 5108 of this title. If an administrative law judge is placed in another such position under section 805 (e) of this title, that position also shall not count against any government-wide or agency limits on such positions specified in section 5108 of this title.

"(b)(1) Administrative law judges appointed under section 802 of this title are entitled to pay prescribed by the Administrator independently of any agency recommendations or ratings and in accordance with subchapter III of chapter 53 and with chapter 51 of this title.

"(2) To encourage excellence in performance, the Chairman in consultation with the Director of the Office of Personnel Management shall establish criteria for pay performance awards to administrative law judges and shall prescribe administrative law judges entitled to receive these awards.

"(3) Performance awards shall be in addition to the basic pay paid under paragraph (1) of this subsection.

"(4) Performance awards under this section shall be prescribed for administrative law judges on the basis of the results of a performance appraisal and rating conducted under section 804 of this title.

"(5) The amount of a performance award under this section shall be determined by the Chairman but may not exceed 20 percent of the rate of basic pay of the administrative law judge. In addition, the sum of the basic pay and any performance award under this section shall not exceed the rate of pay established in section 5314 of this title.

"§ 804. Performance and Qualification Appraisal System

"(a)(1) The Chairman shall, after consultation with the review boards established under subsection (b) of this section, establish, a performance appraisal system for administrative law judges that provides for an evaluation of the performance and qualifications of an administrative law judge at least once every 7 years, and that provides for performance standards and for evaluations of the performance and qualifications of administrative law judges at such other times as the Chairman determines appropriate.

"(2) The Chairman shall transmit, in writing, the findings of any evaluation conducted under this subsection to the administrative law judge and to the head of the agency employing the administrative law judge, and whenever applicable, to the chief administrative law judge of that agency.

"(b) The Chairman shall establish performance and qualification review boards, more than one-half of the members of which shall be administrative law judges, to assist the Chairman in establishing the performance appraisal system or in conducting the evaluations described in subsection (a), and to make recommendations to the Chairman relating to the performance and qualification of administrative law judges.

"§ 805. Performance and Qualification Reviews

"(a) Before the expiration of the term of an administrative law judge, a performance review and qualification review board shall—

"(1) conduct an evaluation of the performance and qualification of the administrative law judge under the procedures set forth under section 806 of this title to determine whether the administrative law judge is affirmatively qualified to be appointed to another 7 year term; and

"(2) make recommendations to the Chairman with respect to such appointment.

"(b) The Chairman shall review any recommendation received under subsection (a) of this section and shall make a determination as to whether the administrative law judge is affirmatively qualified to be appointed to another 7 year term.

"(c) An agency—

"(1) shall appoint to a 7 year term any administrative law judge the Chairman determined affirmatively qualified for an additional appointment; and

"(2) may not retain in office any administrative law judge determined not so qualified.

"(d) The determination of the Chairman under subsection (b) is final and may not be appealed to the Merit System Protection Board or any court of the United States.

"(e) Any individual serving as an administrative law judge before the effective date of this chapter who is not appointed to an additional 7 year term under this section when the term is ended shall be entitled to be placed by the agency in which the administrative law judge is employed in a competitive civil service position for which the administrative law judge is qualified in that agency. This position shall not be a position in the Senior Executive Service.

Any such individual—

"(1) may choose to be placed in the expected service; and

"(2)(A) shall otherwise be placed in a position at the level in the General Schedule equivalent to or above the highest level of the position in which the individual served as an administrative law judge; and

"(B) shall be entitled to receive basic pay at the higher of

"(i) the rate of basic pay in effect for the position in which the individual is placed; or

"(ii) the rate of basic pay in effect for the individual as an administrative law judge immediately before being appointed to the civil service.

The placement of any such individual under this paragraph may not be made to a position that would cause the separation or reduction in grade of any other employee.

"(f) Any individual who is appointed as an administrative law judge after the effective date of this chapter who is not reappointed under this section at the end of the 7 year term who was an employee of the Federal government at the time of being appointed as an administrative law judge shall be—

"(1) entitled to a position in the excepted service in the agency from which the individual was appointed at a level equivalent to or above the highest level of the position in which he served as an administrative law judge but no higher than level GS-15.

"(2) entitled to receive basic pay at the higher of (A) the rate of basic pay in effect for the position in which the individual is placed or (B) the rate of basic pay in effect for the individual as an administrative law judge at the expiration of the seven-year term.

"(g) An employee who is receiving basic pay under paragraph (2)(B) of subsection (f) of this section is entitled to have the basic pay rate of the employee increased by 50% of the amount of each increase in the maximum rate of basic pay for the grade of the position in which the employee is placed under paragraph (1) of subsection (f) of this section until the rate is equal to the rate in effect under paragraph (2)(B) of subsection (f) of this section for the position in which the employee is placed.

"§ 806. Actions involving unacceptable performance

"(a) Whenever the Chairman of the Administrative Conference finds, on the basis of an evaluation conducted in accordance with section 804 of this title (other than an evaluation on which a determination is made under section 805 of this title), that the performance of an administrative law judge was unacceptable, the Administrator may file a complaint with the Merit Systems Protection Board requesting that the administrative law judge be reduced in grade or removed. The Board shall reduce in grade or remove an administrative law judge under this section if the Board based on substantial evidence finds on the record, after a hearing before the Board, that the performance of the administrative law judge was unacceptable.

"(b) The Board may direct any agency to place an administrative law judge removed under subsection (a) in a position in the same manner and at the same rate of basic pay as prescribed in section 805 of this title."

"807. Reassignment

"The Chairman of the Administrative Conference of the United States shall select administrative law judges appointed under section 802 of this title to be detailed from any agency to any other agency that occasionally or temporarily is insufficiently staffed with administrative law judges, and such administrative law judges shall be detailed if the agency from which they are to be transferred consents to the transfer.",

(b)(1) Chapter 21 of Title 5, United States Code, is amended by adding the following section after section 2101a:

"2101b. Administrative Law Judge Career Service.

"The Administrative Law Judge Career Service consists of administrative law judges appointed under section 802 of this title.".

(2) The analysis of chapter 21 of such title is amended by adding immediately after the entry for section 2101a the following new entry:

"2101b. Administrative Law Judge Career Service.

(c) Section 210(A)(1) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of subparagraph (B);

(2) by adding "and" at the end of subparagraph (C); and

(3) by adding at the end thereof the following new subparagraph:

"(D) administrative law judge positions."

(d) Section 2103 of title 5, United States

Code, is amended by striking out "or the Senior Executive Service" and by inserting in lieu thereof "the Senior Executive Service or the Administrative Law Judge Career Service."

(e) Section 2108(3) of title V, United States Code, is amended by striking out the period at the end and inserting a semicolon in lieu thereof, and by adding at the end thereof, "but does not include applicants for the position of administrative law judge or administrative law judges."

(f) Section 7521 of title 5, United States Code, is amended to read as follows:

Law Judges

"(a) If, after investigation, the Chairman of the Administrative Conference of the United States finds that an action should be taken against an administrative law judge appointed under section 802 of this title, the Administrator may file a complaint with the Merit Systems Protection Board seeking such action. The Board shall order such action if the Board, based upon the preponderance of the evidence finds on the record that such action would promote the efficiency of the service.

"(b) The actions covered by this section are—

"(1) a removal;

"(2) a suspension;

"(3) a reduction in grade;

"(4) a reduction in pay; and

"(5) a furlough of 30 days or less; but do not include—

"(A) a suspension or removal under section 7532 of this title;

"(B) a reduction-in-force in action under section 3052 of this title;

"(C) any action initiated under section 1206 of this title; or

"(D) any action under section 4323 or 4324 of this title."

(g) Section 3320 of title 5, United States Code is amended by adding at the end thereof the sentence "This section does not apply to administrative law judges appointed pursuant to Section 802 of this title."

(h) Section 3324 (a)(1) of title 5, United States Code is amended by substituting "in section 802 or 5108(c)(2) of this title" for "in section 5108 (c)(2) of this title."

(i) Section 4301(2)(D) of title 5, United States Code is amended by substituting "Section 802" for "Section 3105."

(j) Section 1305 of title 5, United States Code is amended by striking "For the purpose of Sections 3105, 3344, 4301(2)(D) and 5372 of this title and the provisions of Section 5335(a)(B) of this title that relate to administrative law judges, the Office of Personnel Management may and for" and inserting in lieu thereof "For."

(k) Sections 3105, 3344, and 5372 of title 5, United States Code are repealed.

(l) Sections 559 and 1305 of title 5, United States Code, are amended by striking out "3105", "3344" and "3372" and inserting in lieu thereof "802", "807" and "803" respectively.

(m) Sections 554, 4301(2) and 5335 of title 5, United States Code, are amended by striking out "3105" and inserting in lieu thereof "802".

TITLE III—ORGANIZATIONAL AND PROGRAM IMPROVEMENTS

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

SEC. 301. Section 573 (b) (6) of title 5, United States Code, is amended by striking out the last sentence thereof.

PUBLIC PARTICIPATION

SEC. 302. (a) Chapter 5 of title 5, United States Code, is amended by adding at the end there of the following new section:

"§ 591. Participation expenses

"(a) Each agency is authorized to provide financial assistance, including advance payments, to eligible persons for the costs of participation (including the costs of attorneys and other experts) by such persons in any agency proceeding in which there may be public participation pursuant to statute, agency rule, or agency practice. Financial assistance is authorized when—

"(1) the person is an effective representative of an interest which, if represented in the proceeding, could reasonably be expected to contribute substantially to a fair disposition of the proceeding, taking into account whether the interest is adequately represented by another person in the proceeding, the need for representation of a fair balance of interests, and the complexity and importance of the issues involved; and

"(2) the economic interest of the person, or of the majority of the members of such person as individuals, in the disposition of the proceeding is small in comparison to the costs of effective participation in the proceeding, or the person does not have sufficient resources available to participate effectively in the proceeding in the absence of financial assistance.

"(b) Within 90 days after the effective date of enactment of this section, each agency shall publish for comment rules to carry out this section. The agency shall adopt and put into effect such rules within 180 days after the effective date of enactment of this section.

"(c)(1) No determinations regarding financial assistance under this section may be made by any office, bureau, or other division of an agency having responsibility for the presentation of the case or the initial decision or recommendation in any proceeding to which this section applies, except that agency personnel involved in any such proceeding may provide information relevant to such determinations. The Administrative Conference of the United States shall review the rules and procedures of each agency to assure compliance with this subsection and shall report any violations thereof to the President.

(2) No determinations regarding financial assistance made under this section shall be subject to judicial review.

"(d) From time to time, the Administrative Conference of the United States shall report to the President on the agencies which have failed to make an effective use of the authority contained in this section or the funds appropriated thereunder. Agencies shall provide the Administrative Conference of the United States with such information as it may reasonably require to carry out its obligations under this subsection.

"(e) There are authorized to be appropriated for the purpose of carrying out this section $20,000,000 for each of the fiscal years ending September 30, 1980, September 30, 1981, and September 30, 1982.

"(f) This section does not confer any additional rights on any person to intervene or otherwise participate in any agency proceeding.".

(b) The analysis of chapter V of such title is amended by adding at the end thereof the following:

"591. Participation expenses.".

By Mr. CHILES:

S. 756. A bill to authorize appropriations for the Office of Federal Procurement Policy for fiscal years 1980 through 1984; to the Committee on Governmental Affairs.

OFFICE OF FEDERAL PROCUREMENT POLICY AUTHORIZATIONS

● Mr. CHILES. Mr. President, in August 1974, the Office of Federal Procurement Policy (OFPP) was established by Public Law 93–400 and placed in the Office of Management and Budget. The creation of OFPP showed the Congress recognition that effective management of the procurement process requires a high degree of direction and control of basic policy. Except in isolated instances, executive agencies had never been able to achieve that central direction on a voluntary basis. In a system which accounts for close to $90 billion of expenditures each year, this vacuum in central policy direction and leadership inevitably lead to inconsistencies, inefficiency, and waste. OFPP's creation underscored the importance Congress attached to the efficient spending of these funds.

OFPP was charged with providing overall executive branch guidance and direction of Federal procurement policy. It was located in the Executive Office of the President to put it on a level above the procuring agencies and to enhance its stature and effectiveness. It was specifically placed in the Office of Management and Budget to assure that procurement policy could be integrated into the other management and program review activities OMB is supposed to carry out. These basic features, coupled with the specific responsibilities set out in Public Law 93–440, provide an expression of what OFPP should be: A small group of experts placed at a high level in the executive branch, charged with leadership in basic procurement policies.

SUNSET HEARINGS

Public Law 93–400 contains a sunset provision. Funds were authorized for OFPP, but only through the end of this fiscal year. In order to determine if OFPP should be given a new lease on life, I held 2 days of hearings earlier this month. The Federal Spending Practices Subcommittee, which I chair, heard from over a dozen witnesses representing industry, Government agencies, the General Accounting Office, the American Bar Association, and organized labor. In addition, the subcommittee received written assessments of OFPP's performance from many other interested observers.

Mr. President, as a result of the comments received on OFPP's work, I have decided to go ahead with legislation which would reauthorize appropriations for OFPP for the next 5 fiscal years.

The message from the hearings was clear. We needed an OFPP 5 years ago, and we still need one today. OFPP has been a leader in executive branch procurement policy. It can point to initiatives which have simplified and streamlined the system it inherited. It has shown great progress in carrying out some of its statutory responsibilities, limited progress in others. It has taken actions which have raised important questions about the precise scope of its authority. It has many important projects under way. To complete those projects and maintain the leadership which a central agency provides, OFPP should be reauthorized.

ADMINISTRATION, GAO SUPPORTS OFPP

Dr. John White, the Deputy Administrator of the Office of Management and Budget, testified that the administration supports reauthorization of OFPP and retention of its present authority. In his words:

> Speaking from my own experience in both OMB and the Defense Department, I know that OFPP has added immeasurably to the stature, visibility and effectiveness of the Federal acquisition process. . . . The Administration supports continuation of OFPP in its present form, size and mission. OFPP will continue to receive other support to pursue an aggressive reform program that, I believe, serves both the Congress and the President very well.

Other executive agencies, in testimony and written comments, echoed Dr. White's recommendation that OFPP be reauthorized, as a unit in OMB, with directive authority derived from its own statutory base. In a position somewhat at odds with the rest of the executive branch, the Defense Department supported continuing OFPP, but called for deemphasis of those OFPP initiatives which, according to Defense Department representatives, entailed reviews of defense programs to monitor compliance with OFPP policies.

The General Accounting Office called for reauthorization of OFPP. GAO has been actively involved in reviewing and assessing OFPP's performance since its inception. In its testimony, GAO pointed out OFPP's success and its shortcomings, both in meeting its specific statutory responsibilities and in fulfilling its role as the leader in executive branch procurement policy. GAO concluded that "OFPP has a difficult role to perform and while we have some criticism of actions and its lack of progress in some areas, we believe on balance that the Office has done a very credible job, and we recommend that the Office be reauthorized."

BUSINESS, LABOR SUPPORT REAUTHORIZATION; LABOR CALLS FOR LIMIT ON OFPP'S AUTHORITY IN WAGE DETERMINATION AREA

Representatives from business and labor supported reauthorization of OFPP. Representatives from aerospace manufacturers, commercial suppliers, and small business emphasized the importance a high level leadership unit like OFPP can play in simplifying regulations and reducing paperwork for business.

Members from unions representing private sector workers, and Federal employees testified in favor of continuing OFPP, but expressed deep concern over the nature and scope of OFPP's involvement in the application of labor standards laws to the Federal procurement system. Last year OFPP issued a directive which attempted to settle a longstanding dispute between the Air Force and the Department of Labor over the application of prevailing wage laws to contracts for the overhaul of jet engines. OFPP ruled in favor of the Air Force, and the Labor Department challenged OFPP's authority to do so. OFPP asserted that its statutory authority to set Government procurement policies extends to deciding which prevailing wage law applies to different classes of contracts. The Labor Department contended that it alone has the authority to make such determinations. At the request of the Counsel to the President, Mr. Robert Lipshutz, each agency has filed a brief in support of its position with the Attorney General.

ATTORNEY GENERAL OPINION

Last week, in a letter to the President, the Attorney General issued his opinion. He concluded that the powers of the Office of Federal Procurement Policy were not intended to extend to the construction of the substantive provisions of wage protection statutes, including questions of coverage. OFPP has the authority to set policy over the procurement aspects of the labor standards laws in the interest of uniformity, but it does not have substantive authority to implement socio-economic objectives. For wage standards statutes, the Department of Labor sets the basic interpretation of the law, decides which statute covers a particular class of contracts, and sets the wage rates.

In my mind, the Attorney General's ruling has resolved the question of the scope of OFPP's authority in this area. I certainly expect OFPP, the Labor Department, and the procuring agencies to comply with that opinion. Moreover, I believe that the opinion has helped to clarify legislative intent, and has done so accurately. I certainly do not think that Public Law 93–400 needs to be amended in this area, since its intent, as interpreted by the Attorney General, is now clear.

It is worth noting that oftentimes in the past, major procuring agencies have simply ignored the Labor Department's determination as to which prevailing wage law applied to certain classes of contracts. OFPP's action crystalized that dispute, and has focused high level attention on the resolution of the problem. In my mind, this underscores the benefits of having an OFPP.

OFPP'S ACCOMPLISHMENTS

Mr. President, I would like to briefly review some of OFPP's major accomplishments since its inception.

OFPP is the process of developing a single set of procurement regulations—the Federal acquisition regulation—to substantially replace the over 800 sets of regulations currently in use. The target completion date for this project is August 1979.

In 1976, OFPP issued Management Circular A–109, which is designed to overhaul the way the Government acquires major systems. OFPP currently is monitoring agency compliance with this new directive.

OFPP is upgrading procurement career development programs and working with colleges and universities to incorporate acquisition topics into college curricula. Numerous training sessions and seminars have been held for Government procurement officials.

OFPP is pushing for fundamental changes in the way the Government buys commercial-type products. This means moving away from detailed product specifications and toward reliance on commercial descriptions and commercial distribution channels.

In accordance with its statutory directive, OFPP has moved to solicit public participation in the promulgation of its procurement policies and has held numerous public hearings on proposed regulations.

OFPP has just established a system to collect data about Government procurement activities. As many Members of Congress know, it has always been virtually impossible to get information about the size and scope of procurement activities.

THE ROAD AHEAD

There are other examples of OFPP success stories, and of projects where OFPP has fallen short in meeting its responsibilities. On balance though, I believe that it has performed its job very well. We now have a focal point for the development of governmentwide acquisition policies. Its location in the Office of the President allows it to address issues involving both the mechanisms of the acquisition process and the use of the acqusition process to carry out social and economic objectives. At a time when the public outcry over excessive, confusing Federal regulations and paperwork is increasing, the need for a top level management agency to coordinate regulations is more important than ever. At a time when serious questions about the efficiency of Government programs are being raised, the need for an agency to set basic policies for the expenditure of $90 billion each year is more important than ever. At a time when more and more people think that the Federal Government has gone out of control, the need for a highly visible agency responsive to Congress and the public is more important than ever.

Mr. President, the bill I introduce today is a simple one. It reauthorizes the Office of Federal Procurement Policy in its present form, for 5 more years. OFPP has done a good job so far; it is well along the way toward making some significant improvements in Federal acquisition policies. It has an important job to carry out, and I think that we need to make sure that it can carry on its work.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 756

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 11(2) of the Office of Federal Procurement Policy Act is amended by striking out "four" and inserting "nine".●

By Mr. BAKER (for himself and Mr. SASSER):

S. 757. A bill to clarify the authority of the Tennessee Valley Authority to establish and maintain administrative offices anywhere within its service area; to the Committee on Environment and Public Works.

● Mr. BAKER. Mr. President, I send to the desk for introduction and appropriate referral a bill to amend the TVA Act to clarify congressional intent regarding the location of TVA's administrative offices.

This legislation would obviate further judicial consideration of an unfortunate ruling which threatens the stability of the administrative organization at TVA. On January 25, 1979, a district judge sitting in the northern district of Alabama, ordered the TVA to move its headquarters, presently (and for over 45 years) located in Knoxville, Tenn., to Muscle Shoals, Ala. The decision would appear to be an amusing parochial foray were it not a serious judicial opinion undertaking to interpret the legislative intent of section 8(a) of the TVA Act of 1933.

The congressional debate on section 8(a) of the TVA Act regarding the location of TVA's administrative headquarters at Knoxville, Tenn., began in the 1930's. In 1953, in response to a proposal by the Board of Directors that the administrative office be moved to Muscle Shoals as a more efficient location, my father introduced a bill to require that it remain in Knoxville. Neither that bill nor the Board's proposal to move were acted on.

In the context of the present controversy, I find the arguments of Congressman Andrews of Alabama, a leading congressional proponent of the Muscle Shoals move at that time, interesting. I quote:

> I say that it is a matter of principle that if we entrust 3 directors with the expenditure of some $400 million a year, and if we charge them under the law with the duty of operating TVA, certainly we should rise above any political attraction that might be involved in this case and give those directors the privilege of putting that office where they say it should be located and from where they say they can operate more effectively, more efficiently, and more economically.

Under the language of 8(a), the Board then had that flexibility, it retains it now. I think the soundness of Congressman Andrews statement is clear—the question especially in this time of management transition at TVA and fiscal restraint in the Federal Government, should be efficiency and economy, not parochial politics.

It is for that reason that I have drafted my proposed amendment to underscore the flexibility of the Board of Directors in providing for the general administration of the Corporation.

A corporation with wide ranging operations will typically locate administrative offices at convenient locations within its market or service area. So TVA has located its general administrative offices in Knoxville; its office of power and other energy oriented offices in Chattanooga; its agricultural research, fertilizer and chemical offices in Muscle Shoals, Ala. (in the heart of one of the most productive agricultural areas in the region). Conversely, the "principal office" or "legal residence" of a large corporation may in fact be established in a city where it has little or no administrative activity.

Two years ago, TVA moved its headquarters into a new building complex. The two 12-story offices on a plaza in downtown Knoxville, house approximately 4,900 administrative workers (this compares to a total population of 7,000 in Muscle Shoals, Ala.). The cost in Federal tax dollars and lost efficiency would be substantial if these workers were uprooted and moved to Muscle Shoals to say nothing of the disruption to the two communities involved.

As much as I support the fullest possible role for TVA in its Alabama service area, I must take strong exception to the proposal that TVA arbitrarily and at substantial expense relocate its administrative headquarters from Tennessee to Alabama.

I hope that we can quickly put this issue aside and turn to constructive avenues for enhancing TVA's programs in Alabama and the other States it serves.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 757

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 8 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831g (a)) is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "The Corporation shall maintain an office in the immediate vicinity of Muscle Shoals, Alabama, which shall be considered for purposes of jurisdiction, venue, service of process, and other similar judicial purposes, as the principal office of the Corporation.", and

(2) by adding at the end of such subsection the following new sentence: "The Board of Directors may establish and maintain such administrative or other offices for the Corporation as they deem in the best interests of the efficient and effective operation of the Corporation." ●

By Mr. INOUYE:

S. 758. A bill to authorize appropriations for the fiscal years 1980 and 1981 under the International Investment Survey Act of 1976, and for other purposes; to the Committee on Commerce, Science, and Transportation.

● Mr. INOUYE. Mr. President, today I am introducing a bill to authorize appropriations for administering the International Investment Survey Act of 1976, for the next 2 fiscal years. The measure authorizes $4.4 million for fiscal year 1980, and $4.5 million for fiscal year 1981.

The President's budget requests $4.362 million for fiscal year 1980. Of that sum, $988,000 would be for the Office of Foreign Investment in the United States, Department of Commerce; $1.8 million for the Bureau of Economic and Statistical Analysis, Department of Commerce; and $1.574 million for the Department of the Treasury. Both the Commerce and the Treasury Departments are presently engaged in conducting benchmark surveys pursuant to the act.

The $4.5 million authorized for 1981 was arrived at by deducting from next year's figure a nonrecurrent amount plus a 7-percent increase to reflect an increase in inflation.

Foreign investment in the United States and American investment overseas are continuing at a very high level. The latest official figures released in August 1978 showed that foreign direct investment (FDI) in the United States at year-end 1977 has reached $34 billion, 11 percent more than the previous year. Since that time, such venerable companies as A. & P. have become foreign affiliates. This total also probably misses a significant number of land transactions which do not become public and which are not caught because of their relative small size and difficulty in detection.

One feature of such investment—foreign purchases of agricultural land—was debated at length in the last Congress and resulted in the Agricultural Foreign Investment Disclosure Act. The previous Congress also directed the Secretary of the Treasury to conduct a study on the taxation of foreign investors to be concluded within 6 months of enactment.

Foreign direct investment (FDI) in the United States is only one side of the worldwide movement of investment capital across national boundaries. American firms are pioneers in the development and growth of the modern multinational corporation. The benchmark survey now underway in the Department of Commerce will provide us with new, up-to-date statistics and analyses of American investment overseas.

Although the foreign investment in American farmland has dominated public and media attention, there are still many issues raised by FDI which deserve scrutiny by the Congress and Executive policymakers. The Senate Commerce Committee, as it proceeds in its consideration of this authorization, will examine some of these issues and subject American policy to careful reevaluation in the context of our national interest in 1979.

In his hearings last year, Congressman BENJAMIN ROSENTHAL's Subcommittee on Commerce, Consumer, and Monetary Affairs raised legitimate issues about the adequacy of Federal Government programs to collect information on foreign investment. Moreover, I believe that we must pay particular attention to FDI in American high-technology firms since they constitute a major national resource. Foreign government ownership of overseas investors is also an issue of interest. Many multinationals, for example, Renault and British Petroleum are government controlled. This participation raises important issues about competitiveness and the relationship of ostensibly private entities to their public owners.

Further investigation and inquiry by the Congress into the many still unresolved issues raised by foreign investment in the United States are necessary and desirable. There are many benefits to be gained by foreign investment such as capital, technical expertise, and new jobs, and I do not advocate that we should alter our current policy regarding foreign investment. However I do believe that we must always remember that foreign investment in the United States is a multifaceted phenomenon with potential drawbacks as well as benefits. By creating additional economic ties to the rest of the world, international investment pushes us further toward an interdependent world order which limits the range of national action. The public interest requires us to keep FDI under continued scrutiny and review policy on a continuing basis.●

By Mr. CRANSTON (by request):

S. 759. A bill to amend title 38 of the United States Code to provide for the right of the United States to recover the costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State, and for other purposes; to the Committee on Veterans' Affairs.

● Mr. CRANSTON. Mr. President, I am introducing today, at the request of the administration, S. 759, a bill to amend title 38 of the United States Code to provide for the right of the United States to recover the costs of hospital, nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State, and for other purposes. I ask unanimous consent that the letter of transmittal, the section-by-section analysis, the text of the bill, and also that a letter I wrote to the Administrator of Veterans' Affairs on March 1, 1979, on this legislation be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 759

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 610 of title 38, United States Code, is amended by adding at the end thereof new subsection (e) as follows:

"(e) (1) Where a veteran is furnished hospital or nursing home care for a nonservice-connected disability pursuant to subsection (a) of this section or outpatient medical care for a nonservice-connected disability pursuant to subsections (b) (5), (f), (g) and (h) of section 612 of this chapter—

"(A) And such veteran is entitled to care, or reimbursement for the expense of care, under an insurance policy or contract, medical or hospital service agreement membership or subscription contract or similar arrangement for the purpose of providing, paying for, or reimbursing expenses for health services; or

"(B) The veteran's illness or inqury is so related to his or her employment as to provide entitlement for payment of hospital, nursing home and medical care by the employer, insurance carrier, or other sources under workers' compensation, or employers' liability, or where entitlement to health care is provided under automobile accident reparation acts, or similar laws of any State,

the United States shall have the right to recover the reasonable value of the care and treatment so furnished or to be furnished to the extent of coverage and/or entitlement described in clauses (A) and (B) of this paragraph and shall, as to this right, be subrogated to any right or claim that the injured or diseased person, his guardian, personal representative, estate, dependents, or survivors has under such coverage and/or entitlements to the extent of the reasonable value of the care and treatment so furnished or to be furnished.

"(2) No contract, arrangement, or entitlement described in the above clauses (A) and (B) entered into, renewed, or accrued after the effective date of this subsection and no State law shall after such effective date exclude the right of the United States to recover the charges or reasonable value for hospital, nursing home, and outpatient care furnished for nonservice-connected disabilities pursuant to subsection (a) of this section, and subsections 611(b) and 612(b) (5), (f), (g) and (h) of this title, if such care or charges would be covered under such contract, arrangement, or entitlement when furnished by private facilities.

"(3) The renewal of a contract or arrangement within the meaning of this subsection includes the exercise of an insurer's rights to modify the premiums or coverage of such contract or arrangement and the first opportunity to exercise that right after the effective date of this subsection."

Sec. 2. This Act shall take effect on the first day of the first month which begins 90 days after the date of its approval, provided, however, that this Act shall not prejudice any existing rights of the United States under the contracts, arrangements and entitlements described in clauses (A) and (B) of section 1 of this Act.

Veterans' Administration,
Washington, D.C., March 20, 1979.

Hon. Walter F. Mondale,
President of the Senate,
Washington, D.C.

Dear Mr. President: There is transmitted herewith a draft bill "To amend title 38 of the United States Code to provide for the right of the United States to recover the costs of hospital, nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for nonservice-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entititlement to private medical care under workers' compensation or automobile accident reparation statutes of any State, and for other purposes", with the request that it be introduced so that it may be considered for enactment.

Under existing law, a veteran who is under age 65 is eligible for necessary hospital care for a nonservice-connected disability if he or she is unable to defray the expenses of private hospital care. (Veterans who are age 65 or older are entitled to such care without regard to their ability to bear the cost of private care.) We cannot deny hospital admission to a veteran who files the required statement of inability to pay, even though it may be later ascertained that the veteran is entitled to medical care and treatment, or to reimbursment for all or part of the cost thereof, from a third party (38 U.S.C. § 622).

The Veterans' Administration has statutory authority for the recovery of hospital costs from tortiously liable third parties as provided by the enactment of the Federal Medical Care Recovery Act (Public Law 87-693) in 1962. This Act has been interpreted as reflecting the congressional intent that the United States is entitled to reimbursement for medical care rendered veterans in the same manner as if the medical care were provided from private sources. Although the Veterans' Administration has in the past carried out a cost-effective effort to collect the medical care costs where a private provider would be paid, this effort has resulted in extensive litigation and demonstrated that further legislation is necessary.

The right of the Federal Government to recover the costs in this area has been resolved in favor of the United States in three recent decisions by the Fifth Circuit Court of Appeals, after more than 7 years of litigation. A petition for review filed by an insurance carrier has been denied by the United States Supreme Court. However, some insurance companies have now begun a program of appealing every decision favorable to the United States. One result of this practice is to unnecessarily burden the courts and the Department of Justice.

In its report to the Senate and House Committees on Veterans' Affairs, the National Academy of Sciences, National Resarch Council Study of Health Care for American Veterans (Senate Committee Print No. 4, House Committee Print No. 36, 95th Congress, 1st Session dated June 7, 1977) included in its recommendations on page 279 the following:

". . . the VA should be reimbursed by third-party insurers, both private and governmental, wherever such coverage is available. This will require appropriate action by Congress."

In its response, the Veterans Administration, in Senate Committee Print No. 7, 95th Congress, 1st Session, dated September 22, 1977, beginning on page 46, stated:

"The VA concurs with this recommendation. The VA agrees to reimbursement by third-party insurers and has proposed such legislation. . . ."

In the Report to Congress by the Comptroller General of the United States, title "New Strategy Can Improve Process for Recovering Certain Medical Care Costs" dated September 13, 1977, pertaining to the Department of Defense, the Comptroller notes with approval the efforts of the VA to obtain legislation in this area. On page 24 it is stated:

". . . we believe that the Government should not be excluded from recovering the cost of medical care provided to insured beneficiaries if recovery would have been available to civilian hospitals. We believe that VA's attempts to establish a clear right of recovery in situations where certain veterans have applicable insurance is reasonable. . . .

To allow an insurer to eliminate from its obligation under an exclusion provision expenses incurred by the Veterans Administration means that the insurer has been carrying limited or no liability exposure under its policy while charging the veteran-insured the full premium that is charged an insured who has no equivalent Federal coverage. To do this provides a windfall in the nature of a Federal subsidy for third parties, such as insurance companies, at the expense of veterans.

The draft bill would address those situations where private health insurance programs, State no-fault statutes, and State workers' compensation statutes and policies now exclude payment to the Federal Government for the cost of medical treatment furnished while permitting payment for similar services to health care providers in the private sector. Thus, if enacted, it would enable the United States to recover the reasonable value of medical services provided to veterans with nonservice-connected injuries or disabilities for outpatient medical, hospital, or nursing home care provided in a Veterans Administration facility to the extent that they are entitled to care, or reimbursement for the cost of care, under a State no-fault statute, under a health insurance policy or contract, or medical care coverage provided by law or through employment. ("Health Insurance" does not include either the Medicare or Medicaid program.) It would also prohibit, prospectively, the exclusion of the costs of Veterans Administration outpatient or inpatient medical, hospital, or nursing home care for treatment of nonservice-connected injuries or disabilities from coverage under such policies or contracts, if such care would be covered when furnished by private facilities.

The Department of Justice participated in the drafting of this legislation and considers the proposal to be a constitutional exercise of the powers of the Federal Government.

The bill would be effective the first day of the first month which begins 90 days after the date of enactment. This deferred date would give affected insurance companies time to redraft future contracts in conformity with the new law.

In Fiscal Year 1978, the Veterans Administration recovered approximately $4 million under workers' compensation and other similar statutes not based on negligence where treatment of veterans for nonservice-connected injuries or illnesses was provided by the Veterans Administration. The projected cost savings to the Government with the enactment of this proposed legislation, as it pertains to recovery based on health care contracts, are estimated as follows:

(Dollars in millions)

FY 1980	$170
FY 1981	227
FY 1982	227
FY 1983	227
FY 1984	227

We request that this bill be introduced and recommend its favorable consideration.

We are advised by the Office of Management and Budget that they have no objections to the submission of this draft legislation to Congress and that its enactment would be in accord with the program of the President.

Sincerely,

MAX CELAND,
Administrator.

SECTION-BY-SECTION ANALYSIS OF DRAFT BILL

A bill "To amend title 38 of the United States Code to provide for the right of the United States to recover the costs of hospital, nursing home or outpatient medical care furnished by the Veterans Administration to veterans for nonservice-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State, and for other purposes."

Section 1:

The draft bill adds a new subsection 610(e) to chapter 17. Subsection (1) of the bill would authorize the United States to recover costs expended for medical care provided to veterans for treatment of nonservice-connected disabilities where the veteran is entitled to care, or reimbursement for the expenses of care, pursuant to an insurance policy or contract or similar agreement. It also allows the United States to recoup its costs for services provided under workers' compensation, automobile reparation, or similar State statutes. The United States would have the right to recover the reasonable value of the care and treatment furnished and, to the extent that there was coverage or entitlement, would be subrogated to the right of the person with the entitlement, or other persons who would stand in his/her place.

Subsection (2) sets forth a prohibition on excluding the United States from coverage under the terms of reimbursement contracts or other arrangements or entitlements. It also sets forth the time that the prohibition against excluding the United States becomes effective in existing contracts.

Subsection (3) defines the term "renewal" of a contract or arrangement to include the exercise, or the opportunity to exercise, an insurer's rights under such contracts or arrangements.

Section 2:

This sets forth the effective date of the act.

U.S. SENATE,
Washington, D.C., March 1, 1979.

Hon. MAX CLELAND,
Administrator of Veterans Affairs,
Veterans' Administration,
Washington, D.C.

DEAR MAX: I am writing with regard to past Veterans' Administration legislative proposals to amend title 38, United States Code, to require that veterans receiving hospital, nursing home, or outpatient care from the VA for non-service-connected disabilities be charged for such care to the extent that workers' compensation or health insurance or similar contracts would provide for payment for the same kind of care when furnished to them by non-VA sources. Your fiscal year 1980 budget request shows that you intend to propose similar legislation this year.

I have the following major concerns about any such legislation:

1. In a March 6, 1978, hearing, I questioned then Chief Medical Director Chase about such proposed legislation. The President's fiscal year 1979 budget had assumed an April 1, 1978, enactment date for such a measure and had forecast a fiscal year 1979 cost savings of $120 million. Yet, at the hearing, Dr. Chase stated that full implementation, which would consist of designing and phasing in necessary modifications in the VA's existing cost accounting mechanism, would require at least two years. An interim billing system using an "all-inclusiveability mechanism", which Dr. Chase believed the VA could implement within about one year, would not be a fully satisfactory system, he said. In fact, in the VA's February 3, 1978, report of its plans to implement recommendations in the National Academy of Sciences' report, "Health Care for American Veterans", the VA indicated that to "develop and implement a uniform health care cost accounting procedure suitable for third party billing" would take more than three years (see pages 1 through 5 of the VA's report, Committee Print No. 15, 95th Congress).

In the meantime, it would appear that successful implementation of reimbursement legislation would be contingent on the willingness of insurers to accept the VA's interim, all-inclusive billing system with the modifications which the VA appears to be planning but has not made. As Dr. Chase indicated, last year and insofar as I am now aware, the difficulties involved in the interim billing process have not yet been resolved with the carriers. I strongly believe that those difficulties should be resolved before a health insurance reimbursement measure is implemented on the basis of an interim billing system; bad experiences with an interim system might prejudice negotiations with the insurance companies with respect to the development and implementation of a satisfactory, permanent cost-accounting and billing system, which may be a necessary part of a national health insurance program in the future.

We have asked to be kept advised on a continuing basis of negotiations (begun many years ago) with insurance companies in this regard and have received no recent information on developments in this area. Therefore, I would appreciate a report on the status of these negotiations and the accomplishments to date. I am also looking forward to reviewing the response to my February 2, 1979, letter to the current Chief Medical Director, Dr. Crutcher, requesting a report on the progress of the joint Department of Medicine and Surgery/Comptroller task force to study and improve the VA's cost accounting system.

2. In his testimony, Dr. Chase also pointed out—correctly, I believe—that any cost-savings estimates must take into account the fact that health and other insurers may decline to strike from their existing contracts (or decline to disregard) the clauses which exclude VA-provided care from coverage. There is no reason to believe that insurers would readily be willing to strike or disregard such clauses. Thus, so long as existing contracts remain in force, the insurers involved cannot be required to reimburse the VA.

I should also note that legislation which you submitted on April 20, 1978, would have prohibited exclusionary clauses in contracts "entered into" after the effective date of the new provision and in contracts "renewed, changed, or amended" after that date. I have very serious concerns about the constitutionality of legislation so broadly requiring deletion of a clause from a contract whenever the contract is amended to any extent and for any purpose and whenever the contract is renewed. The issues regarding the constitutionality of such a provision should, I believe, be resolved as authoritatively as possible prior to any resubmission of this legislation. Thus, by letter dated January 12, 1979, I have asked the Attorney General for his opinion on those issues. If it appears that the exclusionary clauses would be unconstitutional, then the question arises as to what extent must the Administration's cost savings estimate be reduced. A copy of my letter is enclosed.

3. Insurance reimbursement issues were also raised at a September 30, 1977, hearing, during which I questioned Dr. Chase whether the VA was willing to submit to utilization review mechanisms employed by insurers to determine the reasonableness of the costs involved. Dr. Chase responded that there were "no [VA] objections to . . . being audited or examined relative to cost by any group" but that there was "great reluctance to have utilization review in terms of length of stay standards . . . because we are dealing with . . . two different systems." The extent to which health insurance companies legally can be—or, as a matter of public policy, should be—required to reimburse the VA without being able to employ their usual utilization review mechanisms is, of course, a very serious issue. I do not believe that this issue has been adequately addressed in prior VA legislative submissions. Therefore, I urge that this question be thoroughly examined prior to, and addressed in, any resubmission of this legislation and that discussions with major insurers that may be affected be undertaken immediately.

4. Finally, legislation to shift from Federal taxpayers to those who pay insurance premiums the economic burden of paying for the non-service-connected care involved raises very complex issues of equity and economic impact that have not been addressed adequately when similar proposals have been made in the past.

On first analysis, it would appear fully reasonable and equitable to require private health insurers and similar contractors to reimburse the VA for health care provided to their insureds by the VA for non-service-connected care. Such a proposal is especially attractive in light of our strong mutual desire to reduce the federal deficit and cut taxes. However, we must scrutinize the plan to determine whether the cost savings to be realized by the federal taxpayer as a result of anticipated decreases in taxes are not in fact offset by corresponding increases in his health insurance premiums. It may be that, upon analysis, much or nearly all of the burden of paying for the non-service-connected care involved would fall on the very same individuals and businesses who are currently paying—through their taxes—for such care because they pay both the insurance premiums involved and federal taxes. If this is found to be the case, the Administration's estimated cost savings may be illusory in terms of their economic impact on taxpayers.

Thus, I believe that an analysis must be made of whether there would be a significant shifting of the economic burden as a result of this legislation. If it is found that the shift is not significant, then the administrative costs involved in implementng the legislation would not appear to be justified. If the shift is found to be significant, the issue would then be whether the nature and extent of the shift would warrant the administrative costs that the Federal government and the insurance companies would incur. Clearly, additional information is needed before we can make sound judgments on these aspects of the proposal. The necessary information would include a description and an estimate of the anticipated administrative and implementation costs. It would also be useful to examine whether the proposed change in the source of funding—insurance premiums instead of taxes—for the non-service-connected care in question would result in an increase in the amounts paid by veterans (through increased insurance premiums for policies carried to meet the health care needs of their families) with service-connected disabilities—the group for whose service the VA health-care system exists primarily—for the provision of that non-service-connected care.

* * * * *

Max, the issues which I have raised may only scratch the surface. Very similar questions exist with respect to workers' compensation reimbursement, which was part of the legislation you submitted last year; these also need answers. Thus, I think you will agree that there are very complicated economic considerations that must be addressed thoroughly before Congress acts on any such legislation.

I believe that, until all of the foregoing issues are resolved, it would be premature for the Congress to consider this type of legislation. I also believe that, in light of the issues pertaining to implementation and the Constitutional issues involved, the VA's claim that legislation would produce $218 million in cost savings in fiscal year 1980 is totally unrealistic and misleading. In view of these considerations, I am requesting that you postpone the resubmision of insurance reimbursement legislation pending adequate analyses and resolutions of the issues outlined above.

I would appreciate your comments on the points I have raised and your full consideration of my request that such legislation not be resubmitted at this time.

Thank you for your continuing cooperation with the Committee.

Cordially,

ALAN CRANSTON,
Chairman.

U.S. SENATE,
Washington, D.C., January 12, 1979.

Hon. GRIFFIN BELL,
The Attorney General,
Washington, D.C.

DEAR GRIFFIN: For the past several Congresses, the Veterans' Administration has submitted to Congress legislative proposals to amend title 38 of the United States Code to require that veterans receiving hospital, nursing home, or outpatient medical care from the VA for nonservice-connected disabilities be charged for such care to the extent that they have workers' compensation or health insurance or similar contracts generally providing for payment for the same kind of care from private sources.

These proposals have raised the issue whether any such legislation altering contractual obligations in existence on the date of the enactment of the legislation would violate the due process clause of the Fifth Amendment of the Constitution. That issue was addressed in a February 6, 1970, letter from Richard G. Kleindienst, then Deputy Attorney General, to Robert P. Mayo, then Director of the Bureau of the Budget, in which the Deputy Attorney General stated:

> Of course, any attempt to alter existing contractual obligations would raise a serious problem of deprivation of due process of law. See *Lynch* v. *United States*, 292 U.S. 571, 579 (1934); *Pennsylvania Coal Co.* v. *Mahon*, 260 U.S. 393 (1922). But Congress could provide, in effect, that contracts entered into subsequent to the effective date of the statute may not exclude from coverage hospital care furnished by the Veterans' Administration for non-service-connected disabilities. Clearly, such legislation would not raise any constitutional problems on due process grounds.

Despite this caution against legislation that would alter existing contractual obligations, the VA has continued to submit legislative proposals which would apply to certain existing contracts. Thus, the legislation that the VA submitted on April 20, 1978 (which I introduced by request as S. 3023) would prohibit clauses that exclude VA-provided care from coverage not only under insurance contracts "entered into" after the effective date of the new provision, but also under contracts "renewed, changed, or amended" after that date.

I have very serious concerns about the constitutionality of legislation so broadly requiring deletion of a provision from a contract whenever the contract is amended to any extent and for any purpose and whenever the contract is renewed. It is my expectation that the VA will again submit similar legislation during the 96th Congress, and I would, therefore, greatly appreciate your assistance in providing an analysis of the constitutionality of such a provision.

Thank you, Griffin, for your assistance in this matter. I have enclosed, for your convenience, copies of the April 20, 1978, letter from the Administrator of Veterans' Affairs to the President of the Senate by which the VA transmitted the draft bill mentioned above, and the bill, S. 3023, as introduced.

Cordially,

ALAN CRANSTON,
Chairman.●

By Mr. LONG:

S. 760. A bill to amend the Social Security Act by adding thereto a new title XXI which will require employers to provide insurance against the costs of catastrophic illness for their employees and their families; by providing tax credits to assist other persons to purchase such coverage on their own behalf; by replacing the medicaid program with a Federal medical assistance plan for low-income people, and by adding a new title XV thereto which will encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges, and for other purposes; to the Committee on Finance.

Mr. LONG. Mr. President, on Tuesday, Wednesday and Thursday of this week the Committee on Finance will hold hearings on Catastrophic Health Insurance and medical assistance reform proposals.

Our consideration will include S. 350 and S. 351, as well as a bill being introduced today by Senator DOLE and others.

I am pleased that the President intends to propose legislation along the lines of bills which I have sponsored during the past several Congresses. I look forward to the specifics of the President's proposal.

I believe we have a good bill. But a good bill can always be made better.

The bill I am introducing today represents one kind of approach that warrants consideration. This bill includes some basic changes in approach toward the provision of catastrophic health insurance.

This bill, of course, is not technically perfect nor does it represent what I necessarily will end up supporting. It does, however, contain some significant alternatives which I believe are worthy of careful consideration. That is my purpose in introducing the proposal at this time.

The most significant change in approach is that of mandating that employers provide insurance against catastrophic health care costs for their employees. This is in contrast to the approach in S. 350 and S. 351, under which a 1 percent payroll tax is levied against employers.

Under those bills an employer has the option of purchasing qualified private catastrophic health insurance, the premiums for which become an offset against his tax obligation. At the end of the year each employer receives either a 50 percent tax credit or rebate against his 1 percent payroll tax liability.

The difference between the two approaches is obvious. The approach in the bill I offer today does not finance catastrophic health insurance by levying a tax. It simply requires that employers provide the coverage.

Because small employers often have the greatest difficulty in financing adequate private insurance, and because public and nonprofit employers have no tax liability against which they can deduct insurance premium costs, the bill I am introducing today provides assistance.

Small employers—those with taxable payrolls of less than $250,000 a year—would have the option of taking a deduction for their premium costs or a 50 percent tax credit for those costs.

Similarly, public and nonprofit employers, regardless of payroll size, would be eligible for a rebate of 50 percent of the premium costs for approved catastrophic health insurance coverage.

Mr. President, one of the important features of mandating employer coverage is that employers would continue to be concerned with both the reasonableness of premium charges for insurance and the utilization and costs of health care. These are important questions which cannot be ignored.

Moreover, the bill I am introducing would permit dependent children to remain under a parent's policy until age 26. Perhaps the age should be raised even beyond that.

The new bill also would provide for the continuation of coverage for up to 6 months after a worker loses his job.

There are additional questions not specifically addressed in this bill, but which I believed should be considered during the course of our hearings and markup on catastrophic health insurance.

These include matters such as whether a combined deductible for hospital and medical expenses is preferable to separate deductible amounts for those expenses, as is provided under S. 350 and S. 351.

Additionally, there is the question of whether the Federal Government should provide catastprophic health insurance benefits directly for medicaid recipients or whether requiring States to purchase that coverage under medicaid would be preferable.

Mr. President, these are all important questions. I am hopeful that, during the course of our work, we will come up with equitable and workable answers.

None of us who are sponsoring catastrophic health insurance legislation are locked into uncompromising positions.

We are seeking a common objective—protection for all Americans against the high costs of serious and continuing illness and injury.

I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 760

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—CATASTROPHIC ILLNESS INSURANCE

AMENDMENTS TO SOCIAL SECURITY ACT

Sec. 101. The Social Security Act is amended by adding after title XX the following new title:

"TITLE XXI—CATASTROPHIC HEALTH INSURANCE PROGRAM

"Sec. 2101. (a) Every employer shall, under the terms and conditions hereinafter stated, provide to his employees who are not otherwise protected under an approved employer plan, and to their qualified family members, protection under an approved catastrophic health insurance plan. Employees which have a payroll of $250,000 or less in a year will be eligible for a refundable 50-percent tax credit under section 44D of the Internal Revenue Code of 1954 if they choose such a credit in lieu of claiming such premium payments as business expenses.

"(b) Individuals who are not covered under an employer-sponsored catastropnic health insurance plan may purchase coverage under an equivalent individual coverage plan, and be eligible for a similar 50-percent credit or rebate with respect to their premium payments.

"(c) The term 'employer' as used in this title shall have the same meaning as when that term is used for purposes of section 3121 of the Internal Revenue Code, except that the provisions of section 3121(b) shall be applied without regard to the exclusions specified in paragraphs (5), (6), (8), and (9) of subsection (b) thereof. (See section 44D for treatment of State and local employees and nonprofit organizations as employers for purposes of recovering catastrophic health insurance rebates.)

"DEFINITIONS

"Sec. 2102. For purposes of this part—

"(a) The term 'employer plan' means—

"(1) an insurance policy, contract, or other arrangement entered into between an employer and a carrier under which the carrier, in consideration of premiums or other periodic payments, undertakes to provide, pay for, or reimburse the costs of, health services received by those of the employer's employees (and those of the family members of such employees) who are covered by the plan, or

"(2) a plan under which the employer, as a self-insured employer (as defined in subsection (d)), undertakes to provide, pay for, or reimburse the costs of, health care services received by those of the employer's employees (and those of the family members of such employees) who are covered by the plan.

"(b) The term 'individual coverage plan' means an insurance policy, contract, or other arrangement entered into between a carrier and an individual who is not covered under an employer plan under which such carrier, in consideration of premiums or other periodic payments, undertakes to provide, pay for, or reimburse the costs of, health services received by such individual (and those of the family members of such individual who are covered by the plan).

"(c) The term 'carrier' means a voluntary association, corporation, partnership, or other nongovernmental organization which is engaged in providing, paying for, or reimbursing the costs of, health services under insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar arrangements, in consideration of premiums or other periodic charges payable to the carrier.

"(d) The term 'self-insured employer' means an employer who (either through outside administrators, including carriers, or otherwise) engages, without insurance arrangements with a carrier, to provide, pay for, or reimburse the costs of, health services for some of all of his employees.

"(e) The term 'employer' includes a State (or political subdivision thereof) and the Federal Government.

"APPROVAL OF PLANS

"Sec. 2103. (a) (1) In order for an employer plan or an individual coverage plan to be approved by the Secretary under this part—

"(A) such plan, in the case of any plan other than an employer plan of a self-insured employer, must be a plan offered by a carrier which is approved by the Secretary pursuant to subsection (e);

"(B) the coverage provided under such plan must include, but shall not be limited to the scope of benefits prescribed in subsection (b).

(2) (a) Secretary shall offer a catastrophic health insurance policy, which meets the criteria prescribed under this title with respect to approved plans to employers or to individuals in any State in which there is not actually and generally available employers or to individuals, as the case may be, one or more approved catastrophic health insurance policies approved under this title.

"(b) The premiums imposed under any such policy shall be in an amount designed to cover the costs (inclusive of administrative costs and appropriate reserves which will be incurred in furnishing the benefits provided in the policy.

"(c) No such policy shall be offered in any area prior to the expiration of the 3-year period which commences on the date of enactment of this title.

"(d) Premiums collected by the Secretary for insurance policies offered by him under this section shall be deposited in an Insurance Revolving Fund, and moneys in such fund shall be available, without fiscal year limitation, for the payment of claims under such policies.

"(e) For the purpose of providing a contingency reserve for the insurance program established by this section, there is authorized to be appropriated such sums as may be necessary; and any sums appropriate for such purpose shall remain available for the purpose of making repayment advances (without interest) to the Insurance Revolving Fund authorized to be established under subsection (d).

"(f) The Secretary, in making payment for services covered under any insurance policy issued pursuant to this section, shall utilize the payments methodology and administrative mechanism employed by him for making payment for services covered under the insurance programs established by title XVIII.

"(b) (1) For purposes of subsection (a), the coverage provided under an approved plan must include, but shall not be limited to:

"(A) hospital and related services (as defined in paragraph (2)) which are furnished to such individual during a period with respect to which he has met the deductible imposed by paragraph (4) (B), and

"(B) medical and other health services (as defined in paragraph (3)) which are furnished to such individual during a period with respect to which he has met the deductible imposed by paragraph (4) (C).

"(2) The term 'hospital and related services' means—

"(A) inpatient hospital services (as defined in section 1861(b)),

"(B) post-hospital extended care services (as defined in section 1861(i)), and

"(C) home health services (as defined in section 1861(m)).

"(3) The term 'medical and other health services' means—

"(A) medical and other health services (as defined in section 1861(s)),

"(B) home health services (as defined in section 1861(m)),

"(C) outpatient physical therapy services (as defined in section 1861(p)), and

"(D) rural health clinic services (as defined in section 1861(aa)).

"Deductible Amount

(a) (A) For purposes of payment of benefits under this part with respect to expenses incurred for health services furnished to any insured individual, there shall be taken into account—

"(i) in case of expenses incurred for hospital and related services (as defined in paragraph ((2)), only so much of such expenses as are incurred for such services furnished during a period with respect to which the deductible imposed by subparagraph (B) is met, and

"(ii) in case of expenses incurred for medical and other health services (as defined in paragraph (3), only so much of such expenses as are incurred for such services furnished during a period with respect to which the deductible imposed by subparagraph (C) is met.

"(B) The deductible imposed by this subsection with respect to expenses incurred for hospital and related services (as defined in paragraph (2) shall be met by an insured individual—

"(i) for the period, in the calendar year, which commences on the day following the 60th day, during the calendar year and the last 3 months of the preceding calendar year, in which such individual received inpatient hospital services; and

"(ii) for the period, in the calendar year, which is prior to the first consecutive 90-day period therein in which such individual is neither an inpatient in a hospital nor an inpatient in a skilled nursing facility, but only if the first day for which such services in the calendar year occurs not later than 90 days after the last day with respect to which benefits were payable under this part on account of inpatient hospital services furnished to him in the preceding calendar year.

"(C) The deductible imposed with respect to expenses incurred for medical and other health services (as defined in paragraph (3)) shall be met by an insured individual—

"(i) for the period, in the calendar year, which occurs after such individual has incurred, during such year and the last 3 months of the preceding calendar year, expenses (including expenses deemed under subparagraph (D) to be incurred by him, but excluding amounts required to be excluded under paragraph (4) (F) for such services) of $2,000 (or, if higher, the amount determined under subparagraph (G) (2)); and

(ii) for the period, in the calendar year, which occurs prior to the first 90-day period therein during which such individual incurs for such services expenses (including expenses deemed under paragraph (2) to be incurred by him) the aggregate of which is less than $500 (or, if greater, the amount determined under paragraph (5)), but only if (i) during the last 3 months of the preceding calendar year, such individual incurred for such services expenses (including expenses deemed under paragraph (2) to be incurred by the individual) of at least $500 (or, if greater, the amount determined under paragraph (5)), and (ii) such individual had met (by reason of the application of clause (A)) for a period in the preceding calendar year the deductible imposed by this paragraph.

(D) In determining, for purposes of this subsection, the amount of expenses incurred by an individual for medical and other health services furnished during any period, there shall be deemed to have been incurred by such individual any expenses incurred for such services furnished during such period to each other member of such individual's family, but only if such other member is (i) the spouse of the individual, (ii) a dependent of such individual, (iii) the person (or the spouse of the person) of whom such individual is a dependent, or (iv) a person who is a dependent of the same person of whom such individual is a dependent.

"(E) For purposes of subparagraph (D)—

"(i) the term 'dependent' shall have the meaning assigned to it by regulations of the Secretary;

"(ii) the term 'family' means two or more individuals who are (I) related by blood, marriage or adoption, and (II) living in a place of residence maintained by one or more of them as his or their own home (and for purposes of this clause, a child under age 26 who is absent from home for the purpose of attending an educational instiutional as a full-time student shall be deemed while so absent to be living in such place of residence); and

"(iii) the term 'member', when used in reference to a family means an individual described in clause (ii).

"(F) In determining, for purposes of this subsection, the amount of expenses incurred (or deemed to be incurred) by an individual for medical and other health services in any calendar year, there shall be disregarded all amounts in excess of $500 incurred in connection with the treatment of mental, psychoneurotic, or personality disorders of such individual.

"(G) The Secretary shall, between July 1 and October 1 of 1981 and of each year thereafter, determine and promulgate the deductible which shall be applicable for purposes of subparagraph (C)(1) in the succeeding calendar year. Such deductible shall be equal to whichever of the following is the higher:

"(i) $2,000, or

"(ii) $2,000 multiplied by the ratio of the component of the Consumer Price Index, prepared by the Department of Labor for June of the year in which such determination is made and promulgated, which represents fees for physician services to such component of such Consumer Price Index for the month of June 1980, with such product, if not a multiple of $100, being rounded to the nearest multiple of $100.

"(H) The Secretary shall between July 1 and October of 1981 and of each year thereafter, determine and promulgate the amount which shall be applicable for purposes of subparagraph (C)(ii) in the succeeding calendar year. Such amount shall be equal to whichever of the following is the higher:

"(A) $500, or

"(B) $500 multiplied by the ratio of the component of the Consumer Price Index, prepared by the Department of Labor for June of the year in which such determination is made and promulgated, which represents fees for physician services to such component of such Consumer Price Index for the month of June 1980, with such product, if not a multiple of $50, being rounded to the nearest multiple of $50.

"(5) Payments with respect to expenses incurred in connection with the treatment of mental, psychoneurotic, and personality disorders shall not be made unless such treatment consists of 'mental health care services.' As used in this subparagraph, the term 'mental health care services' includes only care and services for mental conditions—

"(i) which, if provided on an inpatient basis, consist of a course of active care and treatment provided in and by an accredited medical institution (as determined by the Secretary),

"(ii) which, if provided on a partial hospitalization basis, are provided (i) in and by an accredited medical institution (as determined by the Secretary), or (ii) in and by a qualified community mental health center (as determined in accordance with regulations of the Secretary),

"(iii) which, if provided on an outpatient basis, are provided by a qualified community mental health center (as determined in accordance with regulations of the Secretary), or provided by a psychiatrist;

except that such term does not include any outpatient services provided by a psychiatrist, during a 12-month period, for purposes of diagnosis or treatment of acute psychosis in excess of (I) five visits, plus (II) such additional visits as shall have been approved in advance by an appropriate professional review mechanism upon a finding that, in the absence of such additional visits, the patient will require institutional care.

"(6) The plan (in the case of an employer plan) (i) must cover all of the employees of such employer (other than employees who perform service for less than 25 hours per week or temporary employees), and (ii) may, at the option of the employer, cover all of the employees of the employer.

"(7) The plan must cover the spouse and dependent family members (including dependent children until age 26) of any employee (in the case of an employer plan) or individual (in the case of an individual coverage plan) covered by the plan.

"(8) Such plan (in the case of an employer plan) must not require or permit any financial participation in the cost of the plan by any individual covered thereunder.

"(9) such plan (in the case of an employer plan) must provide that coverage (in the case of a new employee, his spouse, and dependent family members) will begin not later than the first day of the first calendar month which commences more than 30 days after the date the employee's employment commences, and that coverage of an employee (and of members of his family who are covered by the plan) will not be terminated by reason of the separation of the employee from his employment by such employer prior to 180 days after the date of such separation, or (if earlier) the first day after the date on which such employee first obtains coverage under another employer plan approved under this part;

"(10)(A) such plan, in the case of any employer plan (other than an employer plan of a self-insured employer) must be a plan under which there are available to the employer arrangements for the pooling of risks under the plan by which his employees are covered and under the plans by which employees of other employers are covered so that the premium or other periodic charge payable therefor to the carrier are determined on a class basis either (i) without regard to the payment or reimbursements for health services received by the employer's employees (and family members of such employees) covered by the plan, or (ii) without regard to the payments or reimbursements for health services received by the employer's employees (and family members of such employees) in excess of a specified amount agreed to between the employer and the carrier of payments or reimbursements as to any one individual or family and under which the premium or other periodic charge made under such arrangement is specifically identified to the purchaser;

"(B) the premium or other periodic charge imposed for the pooling arrangements described in subparagraph (A) shall (in case of any plan other than an employer plan of a self-insured employer) be stated, to the employer or self-employed individual subscribing to the plan, in annual (or more frequent) billings or renewal notices which shall be expressed in such a manner as to facilitate a comparison of such premium or charge with the amount allowable on account of such plan as a tax credit under section 1403 or section 3114, as the case may be, of the Internal Revenue Code of 1954.

"(C) In any case where, pursuant to one or more collective bargaining agreements, health insurance responsibilities for one or more groups (but not all) of the employees of an employer have been placed with a labor organization, the Secretary may waive the requirement imposed by subsection (b)(6) with respect to such group or groups of the employer's employees for such period as may be necessary to enable the employer and the labor organizations with which he has collective bargaining agreements a reasonable opportunity so to arrange health insurance coverage of the employees of the employer as to meet the requirement imposed by subsection (b)(6). The Secretary shall provide technical assistance to, and recommend procedures to be employed by, such employer and such organizations in meeting such requirement.

"(3) Approval of the Secretary of any plan (other than an employer plan of a self-insured employer) shall not be denied because such plan is provided under arrangements with carriers involving the plans of two or more employers in the same industry or under a trust or trade association arrangement.

"(d)(1) No employer plan or individual coverage plan shall be approved by the Secretary except on the basis of an application for approval submitted by the employer or individual (or by a carrier on such person's behalf) to the Secretary, which application shall be in such form and contain such information and assurances as the Secretary shall by regulations require.

"(2) Applications for approval may contain provision for recommendations of approval, by the insurance department or similar agency of the State involved; and the Secretary may employ any such recommendations as a basis for expediting approval of the application with respect to which such recommendations are made.

"(3)(A) The Secretary shall not approve any application of an employer plan by a self-insured employer unless such application contains or is supported by proof and assurances satisfactory to the Secretary that the employer has the financial ability to discharge his obligations under the plan and has the administrative ability effectively to discharge such obligations.

"(B) The Secretary may, as a condition of approval of an employer plan by a self-insured employer, require the employer to deposit in a depository designated by the Secretary either an indemnity bond or securities (at the option of the employer) of a kind and in an amount determined by the Secretary, and subject to such conditions as the Secretary may prescribe (which shall include authorization to the Secretary in case of default of the employer's obligations to provide benefits under the plan to sell any of such securities sufficient to discharge such obligations or to bring suit upon such bonds to procure the prompt discharge of such obligations).

"Approved carrier

"(e) (1) As used in this section—

"(A) the term 'catastrophic health insurance' means a health insurance policy or plan which provides the coverage which is required pursuant to subsection (b) (1); and

"(B) the term 'carrier' includes any nonprofit hospital or medical service corporation.

"(2) (A) In order for a carrier to be approved by the Secretary under this subsection, the carrier must—

"(i) offer, in each State in which such carrier does health insurance business, catastrophic health insurance to all individuals and groups on an annual or shorter contract basis, with the option of the policyholder to renew at the expiration of the term of the policy, and with provision that the coverage so offered will not be discontinued or denied in the case of any individual or group except for failure to make timely payment of premium therefor:

"(ii) provide claims determination procedures with respect to catastrophic health insurance benefits which (I) comply with the requirements imposed by section 503 of the Employee Retirement Income Security Act of 1974 and the regulations issued thereunder by the Secretary of Labor and (II) are consistent with those employed by the carrier in its noncatastrophic health insurance business and which in general are at least as favorable to claimants as those employed under the Federal plan established by part A, and

"(iii) operate in accordance with procedures satisfactory to the Secretary for meeting its obligations with respect to policies of catastrophic health insurance and for disposition of unearned premiums on such policies in the event of the discontinuance of such policies or the withdrawal of its status as an approved carrier by the Secretary.

"(B) In order to better enable carriers to meet the requirements imposed by subparagraph (A) (ii), the Secretary shall provide to carriers, offering approved plans under this part, reasonable access to claim data developed under the Federal plan established by title XVIII.

"(d) Approval of a plan by the Secretary under this section shall not have the effect of causing such plan to be a 'governmental plan', as that term is employed in and for purposes of title I of the Employee Retirement Income Security Act of 1974, if such plan would, in the absence of such approval, not be a 'governmental plan', as that term is so employed.

"(e) (1) It shall not be unlawful, under any antitrust law, for any carrier or group of carriers to enter into or participate in any pool, reinsurance, or other residual market arrangement, or for any carrier to carry on any activity which is necessary or appropriate to discharge its functions under any such arrangement, if and to the extent that, such arrangement and the activities taken pursuant thereto are confined to the offering and adminitsration of plans approved by the Secretary under this section.

"(2) As used in paragraph (1), the term 'antitrust law' means the Federal Trade Commission Act, each statute referred to in section 4 of that Act (15 U.S.C. 44) as an Antitrust Act, any other statute of the United States in pari materia, and any law of any State or political subdivision thereof which prohibits or restrains contracts, combinations, or other arrangements in restraint of trade.

"CERTIFICATIONS TO THE SECRETARY OF THE TREASURY

"SEC. 2104. (a) Whenever the Secretary approves, or withdraws approval of, any employer plan or individual coverage plan under this part, he shall submit a certification of his action to the Secretary of the Treasury.

"(b) (1) The Secretary shall, prior to January 1, of each calendar year, certify to the Secretary of the Treasury the Table of Values of Catastrophic Health Insurance Coverage which shall be in effect for such calendar year, together with such additional data as may be needed by the Secretary of the Treasury in connection with the administration of sections 42, 1403, and 3114 of the Internal Revenue Code of 1954.

"(2) The table of values referred to in paragraph (1) shall be developed, for each calendar year, by the Secretary and shall, except for such adjustments as the Secretary shall deem to be necessary, be the same as the Table of Values of Catastrophic Health Insurance Coverage which is prepared and recommended to the Secretary for such year by the Actuarial Committee established pursuant to section 2105.

"(3) Such table of values developed by the Secretary shall be made available to all carriers who offer approved catastrophic health insurance plans and to all other interested persons.

"ACTUARIAL COMMITTEE

"SEC. 2105. (a) (1) There is hereby established an Actuarial Committee which shall consist of five individuals, who are not otherwise in the employ of the United States, appointed by the Secretary.

"(2) (A) Members of the Committee shall be persons who are qualified to perform the functions and duties of the Committee. No individual shall be a member of the Committee unless he (i) is enrolled, or meets the conditions for enrollment (other than those relating to pension experience), as an actuary in the Joint Board for the Enrollment of Actuaries established by section 3041 of the Employee Retirement Income Security Act of 1974, and (ii) has significant actuarial experience in the field of health insurance.

"(B) At no time shall more than two members of the Committee be in the employ of a carrier (as defined in subsection (e)) which does health insurance business.

"(3) Members of the Committee shall serve for terms of 4 years, except that of those first appointed, one shall be appointed for a term of 1 year, one shall be appointed for a term of 2 years, one shall be appointed for a term of 3 years, and two shall be appointed for terms of 4 years. A member may be reappointed, but no member may serve for more than 2 successive terms. A member appointed to fill a vacancy shall be appointed only for the unexpired term of his predecessor. A majority of the members of the Committee shall constitute a quorum thereof and action taken by the Committee shall be by majority vote of those present and voting. The Secretary shall, from time to time, designate a member of the Committee to serve as Chairman thereof.

"(4) The Secretary shall furnish to the Committee an executive secretary and such secretarial, clerical, and other services as may be required to enable the Committee to carry out its duties and functions.

"(b) (1) Members of the Committee shall each be entitled to receive the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of duties vested in the Committee.

"(2) While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government are allowed expenses under section 5703(b) of title 5 of the United States Code.

"(c) Section 14(a) of the Federal Advisory Committee Act shall not apply to the Actuarial Committee established pursuant to this section.

"(d) (1) It shall be the duty and function of the Committee to prepare and recommend to the Secretary, not later than October 1 of each year, a Table of Values of Catastrophic Health Insurance Coverage which shall be in effect for the calendar year commencing on the following January 1.

"(2) Such table of values shall establish, for each State, the actuarial value of one year's catastrophic health insurance coverage for one individual, as estimated for the calendar year for which such table of values is to be in effect, and shall be designed (with the use of a table of adjustment factors) to enable employers, carriers, and others involved with plans approved under section 2103 to determine the actuarial value of the catastrophic health insurance coverage provided under any such plan.

"(3) The value of catastrophic health insurance coverage shall be established by the Committee according to the best data and information available to it on the basis of the expected costs or charges for health care services, the expected utilization of health care services by all persons having such coverage, the expected administration and claim payment expenses (including an allowance for risk) applicable to plans providing such coverage, and such other information as the Committee determines to be relevant. In establishing such value of coverage in any State, the Committee shall employ appropriate adjustment factors, which shall be applied uniformly within the State, to reflect significant cost differences related to geographic variations and the age and dependency characteristics of individuals covered under plans providing such coverage.

"(4) The term 'catastrophic health insurance', as used in this section, means health insurance provided under plans approved under section 2103 which provides that minimum coverage necessary to meet the requirement imposed in section 2103(b).

"(e) (1) The Committee shall have the further duty (A) of reviewing (by random claim or data sample or otherwise) the marketing and rating practices of plans approved under section 2103 with a view to determining whether such practices unduly or inappropriately restrict, for particular groups, the availability of coverage under plans approved under such section, and (B) upon request of the Secretary of the Treasury, to assist him in establishing procedures designed to assure the proper administration of sections 42, 1403, and 3114 of the Internal Revenue Code of 1954.

"(2) The Committee shall report to the Secretary its findings resulting from its review functions, together with such recommendations as it may have based on such findings.

AMENDMENT TO THE INTERNAL REVENUE CODE

SEC. 102(a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting immediately before section 45 the following new section:

"SEC. 440. CREDIT FOR CATASTROPHIC HEALTH INSURANCE PREMIUMS PAID BY CERTAIN TAXPAYERS.

"(a) ACTUARIAL VALUE OF CATASTROPHIC HEALTH INSURANCE COVERAGE UNDER APPROVED INDIVIDUAL COVERAGE AND CERTAIN EMPLOYER PLANS.—If, during any part of the taxable year (1) an employer which has a payroll of $250,000 or less during such year, or (2) some other taxpayer, who is not an employee, has secured for his employees or for himself, as the case may be, catastrophic health insurance coverage under a plan which is approved by the Secretary of Health, Education, and Welfare under section 2103 of the Social Security Act, the taxpayer may, in lieu of any deduction and to the extent provided in this subsection and subsection (b), credit against the taxes otherwise imposed by this chapter for such taxable year an amount equal to one-half the actuarial value of such coverage, as determined under the appropriate Table of Values of Catastrophic Health Insurance Coverage certified by such Secretary pursuant to section 2103 of such Act. Such credits shall be refundable to the taxpayer to the extent they exceed his tax liability.

"(b) **Limit on Credits.**—The total credits allowed a taxpayer under this section shall not exceed 100 percent of the premiums against which such credits are allowable.".

"(c) A State and the local government employees in a State in which all such public employers provide catastrophic health insurance to their employees under the terms and conditions prescribed for employers in title XXI of the Social Security Act shall be deemd to be an employer for purposes of subsection (a) regardless of payroll amounts if such State enters into an agreement with the Secretary of the Treasury to comply with the provisions of such title XXI and if the Secretary of Health, Education and Welfare certifies that such State and each of its subdivisions is in compliance with the provisions of such title. For purposes of subsection (a), a nonprofit organization shall also be deemed to be an employer without regard to the amount of its payroll.

EXCISE TAXES

(5) Chapter 36 of the Internal Revenue Code of 1954 (relating to certain other excise taxes) is amended by adding at the end the following new subchapter:

"Subchapter F—TAXES ON CERTAIN UNINSURED EMPLOYERS

"Sec. 4495. Imposition of taxes.

"Sec. 4495. Imposition of Taxes.

"(a) Taxes on Uninsured Employers—

"(1) If an employer has failed to insure his employees under an approved employer catastrophic health insurance plan pursuant to section 2101 of the Social Security Act with respect to any taxable year, there is hereby imposed on the employer a tax equal to 150 percent of the amount of premiums that it is estimated he would have paid had his employees been so insured.

TITLE II—MEDICAL ASSISTANCE PLAN FOR LOW-INCOME PEOPLE

Sec. 201. (a) Effective October 1, 1980, title XIX of the Social Security Act is amended to read as follows:

"TITLE XIX—MEDICAL ASSISTANCE PLAN FOR LOW-INCOME PEOPLE

"Part A—General Provisions

"PURPOSE

"Sec. 1901. It is the purpose of this title to provide, for low-income individuals and members of low-income families, assistance toward the costs of necessary hospital, skilled nursing facility, medical, and other health care services.

"FREE CHOICE BY PATIENT GUARANTEED

"Sec. 1902. Any individual entitled to benefits under this title may obtain health services provided hereunder from any institution, agency, or person qualified to participate under this title in accordance with reimbursement and service requirements if such institution, agency, or person undertakes to provide him such services. The provisions of the preceding sentence shall not be applicable in the jurisdiction of Puerto Rico, the Virgin Islands, or Guam for any period with respect to which there is in effect an election (submitted to the Secretary in such form and manner as he shall by regulations prescribe) by the Governor of such jurisdiction that such provisions not be applicable to such jurisdiction.

"OPTION OF INDIVIDUALS TO OBTAIN OTHER HEALTH INSURANCE PROTECTION

"Sec. 1903. Nothing contained in this title shall be construed to preclude any State from providing, or any individual from purchasing or securing (through collective bargaining or otherwise), protection against the cost of any health services.

"Part B—Description of Medical Assistance Plan

"ELIGIBLE INDIVIDUALS

"Sec. 1910. (a) Every 'medicaid eligible' (as defined in section 1916(a)) shall be eligible for the health benefits provided under this title in the manner prescribed by section 1916. Every individual who—

"(1) is (A) a low-income individual, or (B) a member of a low-income family,

"(2) is a resident of the United States, and is either (A) a citizen or (B) an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act), and

"(3) has filed (in the case of a low-income individual), or has had filed in his behalf by an appropriate person an application under this title (filed in such form and manner and containing such information as the Secretary shall by regulations prescribe), shall be eligible for the health benefits provided under this title for the benefit period (as determined under subsection (d)(2)) to which such application is applicable; except that no such individual shall be entitled to such benefits on account of services received by him during any period with respect to which he does not meet the condition imposed by paragraph (2) of this subsection.

"(b) Whenever the Secretary approves any application (referred to in subsection (a)(3)), he shall issue a health benefits card to each individual who, by reason of such application, is eligible for a benefit period to the health benefits provided by this title. Such health benefits card which shall be used to assist in identifying an eligible individual, shall identify the individual or family member to whom it is issued (by name, sex, age, and social security account number and such criteria as the Secretary shall by regulations prescribe) as being eligible for such benefits for such period.

"(c) An application (referred to in subsection (a)(3)) on behalf of the members of a low-income family shall be filed by the head of such family or by such other appropriate person as the Secretary shall by regulations specify.

"(d)(1)(A) Any application (referred to in subsection (a)(3) shall be filed with respect to—

"(i) the coverage year in which the application is filed, or

"(ii) the coverage year immediately following the coverage year in which the application is filed and which begins not later than 60 days after the date on which such application is filed.

"(B) As used in this subsection and section 1911, the term 'coverage year' means the 12-month period beginning April 1 of any year.

"(2) The benefit period of any individual resulting from the filing of an application (referred to in subsection (a)(3)), shall commence—

"(A) on the first day of the first month in which the application is filed, or

"(B) if earlier, the first day of the third month prior to the month in which the application is filed and in which such individual or the family of which he is a member first met the conditions imposed by section 1910(a) (1) and (2),

and shall end on whichever of the following is earlier—

"(C) the close of the coverage year with respect to which such application is filed, or

"(D) such date as may be specified iin regulations of the Secretary (promulgated in accordance with the provisions of section 1911(d)), if such individual, prior to the date referred to in clause (C), ceases to meet the applicable condition imposed by subsection (a)(1), or fails to submit reports which the Secretary deems to be necessary or useful to enable him to determine whether such individual continues to meet the conditions imposed by subsection (a) (1) and (2);

except that, if on the date that any individual's benefit period would (as determined under the preceding provisions of this paragraph) end, such individual is an inpatient in a health care institution (which is a hospital, skilled nursing facility, or intermediate care facility) participating under title XVIII or this title, such individual's benefit period shall not end until the day following the first day, after such date, that such individual either is no longer an inpatient in or no longer requires care in such an institution.

"DETERMINATIONS OF ELIGIBILITY

"Sec. 1911. (a) Whenever an application (referred to in section 1910(a)(3)) has been filed by or on behalf of an individual or on behalf of the members of a family, the determination of whether such individual or such family meets the applicable condition imposed by section 1910(a)(1) (A) or (B) shall be based on the actual income of the individual or family for the 2-month period immediately preceding the date of filing of the application and the prospective income of the individual or family for the 2-month period immediately following such date.

"(b) An individual shall be deemed, for purposes of subsection (a), to have no income for the 2-month period immediately preceding the date of the filing of an application (referred to in section 1910(a)(3)) if—

"(1) at the time such application is filed by such individual, he is not a member of a family, and

"(2) during all of such 2-month period (A) such individual was a member of a family, (B) was not regularly employed, and (C) was not the head of such family.

"(c) The Secretary, in determining (for purposes of subsection (a)) the prospective income of any individual or family, may take into account current income (if any) and other relevant factors (including, in appropriate cases, actual income for preceding periods).

"(d) An individual (referred to in section 1910(d)(2)(D)) shall be deemed not to have ceased to meet the applicable condition imposed by section 1910(a)(1) in a current coverage year because the income of such individual or of the family of which he is a member, as the case may be, has increased, if such income, as so increased, does not exceed 120 per centum of the maximum amount of income which such individual (or such family) can receive while still being a 'low-income' individual or family (as the case may be). The preceding sentence shall apply also to decreases in family income maximums brought about by a diminution in the number of members thereof, except that a diminution in the number of members of a family of not more than one such member during a benefit period shall not affect the eligibility of the remaining members of such family during the remainder of such benefit period.

"SCOPE OF BENEFITS

"SEC. 1912. The benefits provided to an individual eligible in any benefit period under this title shall consist of eligibility to have payment made (subject to the provisions of this title) on his behalf for—

"(a) necessary inpatient hospital services;

"(b) medical and other health services;

"(c) skilled nursing facility services;

"(d) home health services;

"(e) intermediate care services;

"(f) mental health services;

"(g) pre-natal and well-baby care;

"(h) family planning counseling, services, and supplies;

"(i) in the case of eligible children under age 18, early and periodic screening, diagnosis, and treatment; and

"(j) payment of any premium imposed under part B of title XVIII for coverage under the insurance program established by such part;

and to have reimbursement made to him in an amount equal to one-half of the amount (i) of the actuarial value, as determined under the appropriate Table of Values of Catastrophic Health Insurance Coverage certified by the Secretary pursuant to section 2104 (b), of catastrophic health insurance coverage for any period for such individual (or such individual and family members) under a self-employed plan approved by the Secretary under section 2122, and (ii) paid by such individual (and by family members) as premiums for such plan.

"COPAYMENT REQUIREMENTS

"SEC. 1913. (a) (1) Any individual or family who, for any coverage year, is eligible for the health benefits provided by this title shall be responsible for the first $3 of the cost incurred for a visit for physicians' services (other than as an inpatient) if such visit is not for the purpose of securing appropriate well-baby care, family planning services, or services described in section 1912(i). Such $3 copayment shall be applicable only to each of the first ten visits of any individual or family for physicians' services. In the case of an individual covered under title XVIII, the copayment or deductible requirements of this section shall apply to the extent they are less than the copayment required under title XVIII.

"(2) In the case of any individual who—

"(A) is, for any benefit period, entitled to the health benefits provided under this title,

"(B) is not a member of a family or is a member of a family all of whose members meet the requirements of subparagraph (C),

"(C) for a continuous period in excess of 60 days (whether or not in the same benefit period), is an inpatient in an institution which is a hospital, skilled nursing facility, or intermediate care facility.

there shall be imposed in each month (which begins after such period) in which he is an inpatient in such an institution a special copayment, with respect to health care services in such institution to which he is entitled under this title during each month, equal to the amount by which his cash income for such month exceeds $50.

"(b) The amount payable under this title with respect to physicians' services where a copayment is required by subsection (a) (1) or (a) (2) shall be reduced by an amount (if any) equal to the copayment imposed.

"RESIDUAL NATURE OF BENEFITS

"SEC. 1914. Amounts otherwise payable under this title with respect to any item or service specified in clauses (a) through (i) of section 1912 provided to an individual during any benefit period shall be reduced by the amount which is paid (or upon claim by the individual, or a person claiming on his behalf, would be payable) under any other public or private insurance or health care benefits plan by which such individual is covered (including the insurance program established by title XVIII, the program established by title XXI, and any workmen's compensation law), except that payments under this title shall be primary in the case of a State program designed to supplement (through higher income tests) the eligibility of this program.

"SPECIAL PROVISIONS RELATING TO MEDICAID ELIGIBLES

"SEC. 1915. (a) For purposes of this section and the first sentence of section 1910(a), the term 'medicaid eligible' means an individual (whether as a member of a family or otherwise) who, for any month after December 1980 and prior to October 1981, was determined to be eligible for assistance under a State plan approved under this XIX (as in effect prior to October 1, 1981).

"(b) Notwithstanding any other provision of this title, any individual who is a medicaid eligible shall (subject to subsection (c)) be eligible for the health insurance provided by this title for any period after September 1981 if, for such period, such individual—

"(1) merits the requirements imposed (or deemed by Federal law to be imposed) as a condition of eligibility for assistance under the State plan under which his status as a medicaid eligible is established, as such plan was in effect for September 1981,

"(2) does not meet such requirements but would meet such requirements except for the amount of his income (or the income of the family of which he is a member), if his income (or the income of the family of which he is a member) does not exceed 105 per centum of the maximum applicable income standard imposed as a condition of eligibility under such requirements as in effect for September 1980, or (if greater) for September 1981.

except that no individual shall, by reason of the provisions of this subsection, be deemed to be eligible for health benefits under this title unless such individual meets the requiremnts of section 1910(a) (2) and there has been filed (in the manner provided by section 1910(a) (3)) by or on behalf of such individual an application for benefits under this title with respect to such period.

"PART C—CONDITIONS AND LIMITATIONS ON PAYMENT AND ADMINISTRATION

"BASIS FOR PAYMENT FOR HEALTH SERVICES

"SEC. 1920. (a) Except as is otherwise provided in subsection (d), covered health care services provided to individuals insured under this title shall, in the case such services are provided by a provider of service (as defined in section 1861(u)) or an intermediate care facility, be paid for on the basis of the reasonable cost subject to the limitations otherwise provided under title XVIII for such services and, in the case such services are provided by a person (other than a provider of service or an intermediate care facility), be paid on the basis of the reasonable charge (subject to the limitations with respect thereto imposed under title XVIII).

"(b) In the event that such amounts are not payable due to the failure of the individual or family to enroll in a health insurance plan for which he or such family was otherwise eligible, and to the extent such coverage would have been in effect during the benefits period, and in which his or such family's premium or rate liability was 25 per centum or less (or failure to enroll in part B of title XVIII) amounts otherwise payable under this title shall be reduced by not more than $250 in a benefit period.

"(c) As used in subsection (a), the term 'reasonable cost' shall have the same meaning as when such term is employed in title XVIII.

"(d) (1) To the extent that the regulations of the Secretary promulgated pursuant to paragraph (2) are applicable to a skilled nursing facility or an intermediate care facility, covered services furnished by such facility shall be paid on the cost-related basis established under such regulations rather than on the basis of reasonable cost.

"(2) In the interest of the efficient and economical administration of this title, the Secretary shall promulgate regulations under which covered services furnished by all or one or more types or classes of skilled nursing facilities or intermediate care facilities in any area (consisting of one or more States) will be paid for on a reasonable cost-related basis, as determined in accordance with methods and standards prescribed in such regulations.

"CONDITIONS OF AND LIMITATION ON PAYMENT FOR SERVICES

"SEC. 1921. (a) Services and the payment therefor under this title are subject to the same conditions and limitations as those imposed by sections 1814, 1834, and 1835 with respect to services, and the payment therefor, provided under title XVIII.

"(b) No payment shall be made under this title to any person on account of any health care service furnished by such person to an individual who is covered under this title for such service unless such person accepts the amount of such payment, together with any co-payment required under section 1913 with respect to such service, as payment in full for such service. Whenever payment under this title is made in supplementation of a payment made under any insurance program (whether public or private) for a service, the amount of the payment under this title shall not be in excess of amount which would be paid had such service been provided under this title, and no person accepting such payment as payment for such service shall charge any amount in excess of the amount so paid to the individual receiving such service.

"(c) If any eligible individual (as determined under section 1910) who is a low-income individual or a member of a low-income family (as determined without regard to section 1932) is enrolled in—

"(1) a health maintenance organization which meets the applicable requirements of section 1876, or

"(2) an organization which (A) provides medical and other health services (or arranges for their availability) on a prepayment basis, and (B) receives and prior to September 1, 1973, received, payments under part B of title XVIII under the authority contained in section 1833(a) (1) (A),

the Secretary may, in lieu of making payments for health benefits on behalf of such individual as provided in other provisions of this title, make payment therefor in the manner authorized by section 1876 for any period, during which he is so enrolled, and for which he is such an eligible individual.

"(c) Payments under this title may not be made for services provided by any group practice unit unless such unit meets the applicable requirements of section 1876.

"ADMINISTRATION AND QUALITY CONTROL

"SEC. 1922. (a) The provisions of this title shall (subject to the provisions of section 702(b)) be administered by the Secretary.

"(b) The provisions of title XVIII (and other provisions of law applicable to the health insurance programs established by such title, including part B of title XI) relating to utilization and professional review and conditions of participation required with respect to persons or providers of health services under title XVIII, shall be applicable to all health services provided under this title.

"(c) To the maximum extent practicable, the Secretary, in the administration of this title, shall utilize and otherwise coordinate with the procedures employed in the administration of the health insurance programs established by title XVIII (including the procedures for certification of providers of service), and shall have the same authority (except as otherwise specifically provided) as that conferred upon him with respect to the administration of the insurance programs established by title XVIII.

"REQUIREMENTS FOR CARRIERS AND INTERMEDIARIES

"SEC. 1923. (a) The Secretary, in the administration of this title, shall, whenever he determines that the interests of quality of service to eligible individuals or program economy, or efficiency of administration would be furthered, require consolidation of activities on the part of carriers (utilized pursuant to authority contained in section 1842) and agencies or organizations (utilized pursuant to authority contained in section 1816) geographic regions with minimum size populations of individuals covered under this title and under the insurance programs established by title XVIII.

"(b) No private carrier or other organization shall after the 3-year period which commences on the date of enactment of this section, be utilized in the administration of this title or title XVIII unless such carrier or other organization is an 'approved carrier' under section 1505.

"MEDICAL COVERAGE TRUST FUND

"SEC. 1924. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the Medical Coverage Trust Fund (hereinafter in this section referred to as the 'Trust Fund'). The Trust Fund shall consist of such gifts and bequests as may be made as provided in section 201(i)(1), and such amounts as may be deposited in, or appropriated to, such fund as provided in sections 1925 and 1926.

"(b) With respect to the Trust Fund, there is hereby created a body to be known as the Board of Trustees of the Trust Fund (hereinafter in this section referred to as the 'Board of Trustees') composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio. The Secretary of the Treasury shall be the Managing Trustee of the Board of Trustees (hereinafter in this section referred to as the 'Managing Trustee'). The Commissioner of Social Security shall serve as the Secretary of the Board of Trustees. The Board of Trustees shall meet not less frequently than once each calendar year. It shall be the duty of the Trustee to—

"(1) hold the Trust Fund;

"(2) report to the Congress not later than the first day of July of each year on the operation and status of the Trust Fund during the preceding fiscal year and on its expected operation and status during the current fiscal year and the next 2 fiscal years;

"(3) report immediately to the Congress whenever the Board is of the opinion that the amount of the Trust Fund is unduly small; and

"(4) review the general policies followed in managing the Trust Fund, and recommend changes in such policies, including necessary changes in the provisions of law which govern the way in which the Trust Fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the Trust Fund during the preceding fiscal year, an estimate of disbursements to be made from the Trust Funds during the current coverage year and each of the next 25 fiscal years. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(c) The Managing Trustee shall pay from time to time from the Trust Fund such amounts as the Secretary of Health, Education, and Welfare certifies are necessary to make the payments of benefits provided for in this title, and the payments with respect to administrative expenses in accordance with section 201(g)(1).

"STATE CONTRIBUTIONS TO MEDICAL COVERAGE TRUST FUND, AND TO CATASTROPHIC HEALTH INSURANCE TRUST FUND

"SEC. 1925. (a) In order for individuals residing in any State to receive for any period the benefits provided by this title, there must be in effect for such period an agreement between such State and the Secretary entered into under this section.

"(b) Any agreement between the Secretary and a State under this section shall provide that the State will (subject to subsection (c)) pay, with respect to each fiscal year for which such agreement is in effect, to the Secretary of the Treasury at such time or times as may be specified in the agreement, an amount equal to—

"(1) in case such State is a State which (for the fiscal year ending September 30, 1980, or September 30, 1981, had in effect a State plan approved under title XIX, as in effect prior to the effective date of the program established by this title) the sum of the following:

"(A) an amount equal to (i) the total amount expended from non-Federal funds for the purpose of providing (under such State plan to persons eligible under such plan) services of the types for which coverage is provided by this title, for the four-quarter period ending September 30, 1980, or (ii) if greater, the total amount expended from non-Federal funds for such purpose for the four-quarter period ending September 30, 1981, plus

"(B) an amount equal to one-half of (i) the total amount expended (as determined by the Secretary) from non-Federal public funds for the purpose of providing, for individuals not covered under such plan but who are eligible under this title, services of the types for which coverage is provided by this title, for the four-quarter period ending September 30, 1980, or (ii) if greater, the total amount expended (as determined by the Secretary) from non-Federal funds for such purpose for the four-quarter period ending September 30, 1981; and

"(2) in case such State did not, for the fiscal year ending September 30, 1980, or September 30, 1981, have in effect a State plan referred to in paragraph (1), (A) the total amount expended (as determined by the Secretary) from non-Federal funds for the purpose of providing services of the types for which coverage is provided by this title for persons eligible under this title, for the four-quarter period ending September 30, 1980, or (B) if greater, the total amount expended (as determined by the Secretary) from non-Federal funds for such purpose for the four-quarter period ending September 30, 1981.

"(c) The amount payable by any State under subsection (b) with respect to a coverage year shall be reduced by an amount equal to one-half of the amount expended by such State during such coverage year from non-Federal funds in providing to individuals in such State services of a type—

"(1) which is not covered under this title, but

"(2) with respect to the cost of which there could have been Federal financial participation under title XIX (as in effect prior to the effective date of the program established by this title) if such type of service had been included in a State's plan approved under such title XIX.

"(d) Amounts paid to the Secretary of the Treasury under this section shall be deposited by him in the Medical Coverage Trust Fund.

"APPROPRIATIONS TO MEDICAL COVERAGE TRUST FUND

"SEC. 1926. There are authorized to be appropriated for each fiscal year to the Medical Coverage Trust Fund such sums as may be necessary to carry out the program established by this title.

"MINIMUM PAYMENTS

"SEC. 1927. If the amount payable to an insured individual at any particular time as benefits under this title is less than $5, no payment shall be made to him until such time as the payment to which he is entitled as such benefits is $5 or more.

"OPTOMETRISTS' SERVICES PROVIDED IN CERTAIN STATES

"SEC. 1928. In the case of any State which—

"(1) does not provide for the payment of optometrists' services furnished to individuals who are eligible or benefits under the medical assistance plan for low-income people established by this title,

"(2) during all or some part of the 2-year period ending on the effective date of such medical assistance plan, did provide, under its State plan approved under title XIX (as in effect prior to such effective date), payment of optometrists' services,

The term 'physicians' services, as employed in such medical assistance plan established by this title, shall, with respect to individuals residing in such State, be deemed to include any service which is furnished by an optometrist, if—

"(3) such service is one which an optometrist is legally authorized to perform,

"(4) such service would constitute physicians' services', as that term is employed in such medical assistance plan established by this title, if it had been performed by a physician.

"PART D—DEFINITIONS AND MISCELLANEOUS PROVISIONS

"MEANING OF 'LOW-INCOME INDIVIDUAL' AND 'MEMBER OF A LOW-INCOME FAMILY'

"SEC. 1930. (a) For purposes of section 1910 (a)(1)(A), the term 'low-income individual' means an individual—

"(1) who is not a member of a family (as determined under subsection (b)(1)), and

"(2) whose income is at a rate of not more than $3,000 for the calendar year 1981 or any calendar year thereafter.

"(b) For purposes of section 1910(a)(1) (B)—

"(1) the term 'family' means two or more individuals who are—

"(A) related by blood, marirage, or adoption, and

"(B) living in a place of residence maintained by one or more of them as his or their own home;

"(2) the term 'member', when used in reference to a family, means an individual described in paragraph (1), and

"(3) the term 'low-income', when used in reference to a family, means a family, the aggregate income of all the members of which is at a rate of not more than—

"(A) in case there are only two members of such family, $4,200, or

"(B) in case there are only three members of such family, $4,800, or

"(C) in case there are only four members of such family, $5,400, or

"(D) in case there are more than four members of such family, an amount equal to $5,400 plus $400 for each member of such family in excess of four.

"(c) The Secretary may prescribe the circumstances under which, consistent with the purposes of this title and in the same manner as authorized in section 1611(d), the gross income on an individual or family from a trade or business (including farming) will be considered sufficiently large to cause such individual or family not to be regarded as a 'low-income individual', or a 'low-income family', even though such individual's or family's income does not exceed the applicable dollar amount prescribed in subsection (a)(2) or (b)(3).

"(d) In the case of jurisdictions of the Commonwealth of Puerto Rico, the Virgin Islands, and Guam, the amounts set forth in subsection (b)(3) (A), (B), (C), and

(D) shall each be deemed to be reduced to such amount as the Secretary determines to be appropriate to assure that the ratio of individuals and families in any such jurisdiction who meet the criteria for low income (for purposes of this title) to the total population of such jurisdiction is not greater than the ratio of individuals in that State of the United States which has the highest such ratio of individuals who meet such criteria to the total population of such State.

"MEANING OF 'INCOME'

"SEC. 1931. (a) For purposes of this title, 'income' means (subject to subsection (b)) both earned income and unearned income; and

"(1) 'earned income' means only—

"(A) wages as determined under section 203(f)(5)(C); and

"(B) 'net earnings from self-employment', as defined in section 211 (without application of the second and third sentences following subsection (a)(10), and the last paragraph of subsection (a)), including earnings for services described in paragraphs (4), (5), and (6) of subsection (c); and

"(2) 'unearned income' means all other income, including—

"(A) support and maintenance furnished in cash,

"(B) any payments received as an annuity, pension, retirement, or disability benefit; including veterans' compensation and pensions; workmen's compensation payments; old-age, survivors, and disability insurance benefits; railroad retirement annuities and pensions; and unemployment insurance benefits,

"(C) cash gifts, support and alimony payments, and inheritances, and

"(D) rents, dividends, interest, and royalties.

"(b)(1) In determining, for purposes of this section, the income of any individual or family, for any period of time, there shall be excluded—

"(A) the aggregate value of any cash gifts which do not exceed $240, if such period of time is equal to 12 months, or, if such period of time is less than 12 months, then an amount which bears the same ratio to $240 as such period bears to 12 months, and

"(B) any scholarship, grant, fellowship, or loan received for use in paying for tuition, books, and related fees at any educational (including technical or vocational education) institution.

"(2) For purposes of paragraph (1) and subsection (a)—

"(A) a loan of $240 or more (or aggregate thereof) shall be regarded as a gift if such loan—

"(i) is unsecured (or is without adequate security), or

"(ii) has no maturity date; and

"(B) in the case of a loan which—

"(i) bears no interest, or

"(ii) bears interest at a rate which is not more than one-half of the prevailing rate of interest imposed with respect to similar loans,

the recipient of such loan shall be regarded as having received, as a gift, an amount, with respect to any period of time, equal to the excess of—

"(iii) the amount of interest which would have been payable by him, with respect to such period, on such loan if such loan bore a rate of interest equal to the prevailing rate of interest imposed (as of the time such loan was made) with respect to similar loans, over

"(iv) the amount of interest (if any) payable by him, with respect to such period, on such loan.

"SPEND-DOWN REQUIREMENT

"SEC. 1932. (a) For purposes of determining eligibility, the amount of the income of any individual or family (as determined under section 1931) shall be reduced by an amount equal to such individual's or family's incurred health care expenses to the extent such expenses constitute a legal obligation and are not payable by any other third party payor (whether public or private) (as determined under subsection (b)) for the benefit period with respect to which such individual's or family's income is determined.

"(b)(1) The term 'health care expenses', when applied to any individual or family, means (subject to paragraphs (2) and (3)) reasonable expenditures by or on behalf of such individual or the members of such family (as the case may be) for any of the following:

"(A) inpatient hospital services (including services in an institution for tuberculosis or mental diseases),

"(B) outpatient hospital services,

"(C) other laboratory and X-ray services,

"(D) skilled nursing facility services,

"(E) physicians' services furnished by a physician (as defined in section 1861(r)(1)), whether furnished in the office, the patient's home, a hospital, or a skilled nursing facility, or elsewhere,

"(F) optometrists' and podiatrists' services,

"(G) home health services,

"(H) private duty nursing services,

"(I) clinic services,

"(J) dental services,

"(K) physical therapy, speech, pathology, and audiology services,

"(L) prescribed drugs, dentures, durable medical equipment and related supplies, and prosthetic devices, and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist,

"(M) other rehabilitation services,

"(N) intermediate care facility services,

"(O) inpatient psychiatric hospital services,

"(P) health insurance premiums, or

"(Q) ambulance service.

"(2) For purposes of paragraph (1), the expenditure for any item or service specified therein means—

"(A) in case payment for such item or service has been made prior to the time the determination of health care expenses (which includes such item or service) is made, the amount actually paid for such item or service,

"(B) in case payment for such item or service has not been made at such time and such item or service is of a type which is covered under the health coverage plan established by this title, whichever of the following is the lesser:

"(i) the actual charge for such item or service, or

"(ii) the reasonable charge or reasonable cost (as the case may be) for such item or service as determined under this title when such item or service is provided as an item or service covered under such health plan.

"(3) The term 'health care expenses' also includes an amount equal to one-half of the amount (A) of insurance premiums paid by or on behalf of an individual for catastrophic health insurance coverage for such individual (or for such individual and family members) under a self-employed plan approved by the Secretary under section 2103.

"(c) The health care expenses (as determined under the preceding provisions of this section) may, in the case of any individual, be determined on a prospective basis for any future period for which such individual's income (or the income of the family of which an individual is a member) is determined, but only if such individual is determined (in accordance with regulations of the Secretary) to be an individual who, on the basis of his recent past medical history, can be expected, for such future period to require inpatient institutional care for all or a substantial part of such future period.

"INPATIENT HOSPITAL SERVICES

"SEC. 1933. For purposes of this title, the term 'inpatient hospital services' shall have the meaning assigned to such term by section 1861(b).

"HOSPITAL

"SEC. 1934. For purposes of this title, the term 'hospital' means an institution which meets the requirements set forth in clauses (1) through (9) of section 1861(c).

"MEDICAL AND OTHER HEALTH SERVICES

"SEC. 1935. For purposes of this title, the term 'medical and other health services' shall have the meaning assigned to such term in so much of section 1861(s) as precedes the last sentence thereof; except that such term shall include (1) such physician's and other services, diagnostic X-ray tests, diagnostic laboratory tests, and other diagnostic tests as are involved in providing appropriate well-baby care (as determined in accordance with regulations of the Secretary) and (2) outpatient rehabilitation services.

"SKILLED NURSING FACILITY SERVICES

"SEC. 1936. For purposes of this title, the term 'skilled nursing facility services' means the items and services which (1) are described in clauses (1) through (7) of section 1861(h), and (2) are furnished by a skilled nursing facility; excluding, however, any item of service if it would not be included under section 1861(b), if furnished to an inpatient of a hospital.

"SKILLED NURSING FACILITY

"SEC. 1937. For purposes of this title, the term 'skilled nursing facility' means an institution (or a distinct part of an institution) which meets the criteria set forth in section 1861(j).

"HOME HEALTH SERVICES

"SEC. 1938. For purposes of this title, the term 'home health services' shall have the meaning assigned to such term in section 1861(m); except that the term 'skilled nursing facility', as used in clause (7) of such section, shall be deemed to include a skilled nursing facility (as defined in section 1937); except that such term shall not include any term or service if it would not be included under section 1932 if furnished to an inpatient of a hospital.

"HOME HEALTH AGENCY

"SEC. 1939. For purposes of this title, the term 'home health agency' shall have the meaning assigned to such term in section 1861(o).

"PHYSICIANS' SERVICES

"SEC. 1940. For purposes of this title, the term 'physicians' services' means professional services performed by physicians, including surgery, consultation, and home, office, and institutional calls (but not including services which are included within the definition of inpatient hospital services).

"PHYSICIAN

"SEC. 1941. For purposes of this title, the term 'physician' shall have the meaning assigned to such term in section 1861(r)(1).

"MEANING OF CERTAIN OTHER TERMS

"SEC. 1942. For purposes of this title, any term which—

"(1) is defined in section 1861;

"(2) is employed in provisions which, by reference, are used in defining any of the terms defined in sections 1932 through 1940; and

"(3) is not otherwise defined in this section;

shall, insofar as such term is applicable to the provisions of this title and except as the Secretary (in order to carry out the purposes of this title) shall otherwise by regulations provide, have the meaning assigned to it in section 1861.

"INTERMEDIATE CARE FACILITY

"SEC. 1943. (a) For purposes of this title, the term 'intermediate care facility' means an institution which (1) is licensed under State law to provide, on a regular basis, health-related care and services to individuals who do not require the degree of care and treatment which a hospital or skilled nursing facility is designed to provide, but who because of their mental or physical condition require care and services (above the level of room and board) which can be made available to them only through institutional facilities, (2) meets such standards prescribed by the Secretary as he finds appropriate for the proper provision of such care, and (3) meets such standards of safety and sanitation as are established under regulations of the Secretary in addition to those applicable to nursing facilities under State law.

"(b) The term 'intermediate care facility' also includes—

"(1) any skilled nursing facility or hospital which meets the requirements of subsection (a);

"(2) a Christian Science sanatorium operated, or listed and certified, by the First Church of Christ, Scientist, Boston, Massachusetts, but only with respect to institutional services deemed appropriate by the Secretary;

"(3) any institution which is located on an Indian reservation, if such institution is certified by the Secretary as meeting the requirements of clauses (2) and (3) of subsection (a) and providing the care and services required under clause (1) of such subsection; and

"(4) with respect to intermediate care services described in section 1944(b), the public institution (or distinct part thereof) providing such services.

"INTERMEDIATE CARE SERVICES

"SEC. 1944. (a) For purposes of this title, the term 'intermediate care services' means services provided by an intermediate care facility to an inpatient thereof, but only if (1) such individual meets the conditions referred to in section 1943(a), and (2) such services are required to meet the needs of such individual because of such condition.

"(b) The term 'intermediate care services' also includes services in a public institution (or distinct part thereof) for the mentally retarded or persons with related conditions, but only if—

"(1) the primary purpose of such institution (or distinct part thereof) is to provide health or rehabilitative services for mentally retarded individuals and which meet such standards as may be prescribed by the Secretary; and

"(2) the mentally retarded individual with respect to whom a request for payment under this title is made is receiving active treatment under a program of active treatment designed to meet the needs of such individual.

"MENTAL HEALTH CARE SERVICES

"SEC. 1945. (a) The term 'mental-health care services' includes only care and services for mental conditions—

"(1) which, if provided on an inpatient basis, consist of a course of active care and treatment provided in and by an accredited medical institution (as determined by the Secretary),

"(2) which, if provided on a partial hospitalization basis, are provided (A) in and by an accredited medical institution, as determined by the Secretary), or (B) in and by a qualified community mental health center (as determined in accordance with regulations of the Secretary), or

"(3) which, if provided on an outpatient basis, are—

"(A) provided by a qualified community mental health center (as determined in accordance with regulations of the Secretary), or

"(B) provided by a psychiatrist;

except that such terms shall not include any outpatient services provided by a psychiatrist, during any 12-month period, for purposes of diagnosis or treatment of acute phychosis in excess of (i) five visits, plus (ii) such additional visits as shall have been approved in advance by an appropriate professional review mechanism upon a finding that, in the absence of such additional visits, the patient will require institutional care.

"(b) (1) The term 'mental health services', in the case of services provided on an outpatient basis by a qualified mental health center (as determined in accordance with regulations of the Secretary) or by a psychiatrist, includes any drug which is prescribed for a patient by the physician under whose direction such patient is receiving such services, but only if—

"(A) such drug is included on the list (referred to in paragraph (2)) and is prescribed in accordance with the criteria indicated in such list, and

"(B) such physician determines that unless such patient receives such drug, such patient can reasonably be expected to require institutional care.

"(2) The Secretary is authorized (after consultation with appropriate professional individuals and organizations) to compile and publish (and from time to time revise) a list of drugs which he has determined to be effective in the treatment of various mental conditions. Such list shall indicate, with respect to each drug included therein, the particular mental conditions with respect to which such drug is effective, and the appropriate dosage (in terms of quantity and intervals at which such drug shall be administered) of such drug.

"OUTPATIENT REHABILITATION SERVICES

"SEC. 1946. (a) For purposes of this title, the term 'outpatient rehabilitation services' means physical therapy, speech pathology, occupational therapy, and medical-social services furnished by a provider of services, a clinic, rehabilitation agency (including a single service rehabilitation agency), or a public health agency, or by others under an arrangement with, and under the supervision of, such provider, clinic, rehabilitation agency, or public health agency, to an individual as an outpatient—

"(1) who is under the care of a physician, and

"(2) with respect to whom a plan prescribing the type, amount, and duration of such services that are to be furnished to such individual has been established, and is periodically reviewed by a physician;

excluding, however—

"(3) any item of service if it would not be included under 'inpatient hospital services' if furnished to an inpatient in a hospital; and

"(4) any such service—

"(A) if furnished by a clinic or rehabilitation agency, or by others under arrangements with such clinic or agency, unless such clinic or rehabilitation agency—

"(i) provides an adequate program of such services for outpatients and has the facilities and personnel required for such program or required for the supervision of such a program, in accordance with such requirements as the Secretary may specify,

"(ii) has policies, established by a group of professional personnel, including one or more physicians (associated with the clinic or rehabilitation agency) and one or more qualified physical therapists or speech pathologists (as may be appropriate) to govern the services (referred to in clause (i)) it provides,

"(iii) maintains clinical records on all patients,

"(iv) if such clinic or agency is situated in a State in which State or applicable local law provides for the licensing of institutions of this nature, (I) is licensed pursuant to such law, or (II) is approved by the agency of such State or locality responsible for licensing institutions of this nature, as meeting the standards established for such licensing; and

"(v) meet such other conditions relating to the health and safety of individuals who are furnished services by such clinic or agency on an outpatient basis, as the Secretary may find necessary, or

"(B) if furnished by a public health agency, unless such agency meets such other conditions relating to health and safety of individuals who are furnished services by such agency on an outpatient basis, as the Secretary may find necessary. The term 'outpatient rehabilitative services' also includes rehabilitation services furnished an individual by a physical therapist or speech pathologist (in his office or in such individual's home) who meets licensing and other standards prescribed by the Secretary in regulations, otherwise than under an arrangement with and under the supervision of a provider of services, clinic, rehabilitation agency, or public health agency, if the furnishing of such services meets such conditions relating to health and safety as the Seretary may find necessary.

"PROHIBITION AGAINST EXCLUSION BY EMPLOYERS OF CERTAIN EMPLOYEES FROM COVERAGE UNDER GROUP HEALTH INSURANCE PLANS

"SEC. 1947. (a) If any employer provided for some or all of his employees coverage under a group health insurance plan, it shall be unlawful for such employer to exclude from coverage under such plan any employee of such employer if—

"(1) such employee belongs to a category of employees who would ordinarily be eligible for coverage under such plan, and

"(2) such employee is excluded from coverage under such plan because of the coverage provided under this title.

"(b) Any person violating the provisions of subsection (a) shall be fined not more than $10,000 and imprisoned for not more than one year.".

(b) (1) Section 201(i) (1) of the Social Security Act is amended by striking out "and the Federal Supplementary Medical Insurance Trust Fund" and inserting in lieu thereof "the Federal Supplementary Medical Insurance Trust Fund, and the Medical Coverage Trust Fund".

(2) Section 201(g) (1) (A) of such Act is amended—

(A) by inserting "the Medical Coverage Trust Fund, and" immediately after "shall include also", and

(B) by inserting "title XIX," immediately after "title XVI," wherever it appears therein.

TITLE III—PRIVATE BASIC HEALTH INSURANCE CERTIFICATION PROGRAM

SEC. 301. The Social Security Act is amended by adding after title XIV thereof the following new title:

"TITLE XV—PRIVATE HEALTH INSURANCE CERTIFICATION

"PURPOSE

"SEC. 1501. It is the purpose of this title to encourage and facilitate the availability to the public of private basic health insurance coverage at a reasonable premium charge by—

"(a) establishing a procedure whereby basic health insurance policies offered by private insurers may be certified by the Secretary as meeting minimum standards with respect to adequacy of coverage, conditions of payment, opportunity for enrollment, and reasonableness of premium charges,

"(b) facilitating arrangements whereby basic health insurance policies meeting such standards can be offered through pools of private insurers, and "(c) encouraging States, through their laws and regulations pertaining to the health insurance industry, to facilitate the offering, within the State, of such basic health insurance coverage by carriers doing health insurance business within the State.

"CERTIFICATION OF BASIC PRIVATE HEALTH INSURANCE POLICIES

"SEC. 1502. (a) Any insurer which desires to have a health insurance policy certified for use in one or more States specified by the insurer may (in accordance with regulations of the Secretary) provide to the Secretary, for his examination and certification, any health insurance policy.

"(b) (1) If the Secretary, after examining any such policy and evaluating any data submitted in connection with such policy, determines that such policy meets the standards prescribed in section 1504, he shall certify such policy for use in each State which has in effect a basic health insurance facilitation program (as defined in section 1510).

"(2) (A) The certification by the Secretary of any such policy shall be conditioned upon such policy's continuing to meet the standards prescribed in section 1504; and no policy shall be deemed to have been certified by the Secretary under this title for any period for which it fails to meet such standards.

"(B) The Secretary shall establish procedures whereby any insurer having secured the Secretary's certification of any policy offered by such insurer shall from time to time provide to the Secretary (i) relevant data with respect to such policy in order for the Secretary to determine whether such policy continues to meet the standards prescribed in section 1504, and (ii) such data and information as the Secretary may require in order to assure proper coordination of the administration of titles XIX and XXI.

"(c) Notwithstanding the preceding provisions of this section, the Secretary shall not certify any health insurance policy of any insurer for use in any State unless such insurer furnishes assurances satisfactory to the Secretary that such insurer (whether as a member of a health reinsurance or other residual market arrangement or otherwise) will make generally available, in each geographic area of the State in which the insurer does health insurance business, to all individuals and family members the following two health insurance policies: (i) a policy which meets the standards of section 1504, and (ii) a policy which, if it were issued in combination with a plan meeting the minimum coverage necessary to meet the requirement imposed by section 2122(a) (1) (B), would, in the aggregate, meet the standards of section 1054.

"UTILIZATION OF STATE AGENCIES FOR CERTIFICATION OF POLICIES

"SEC. 1503. If any State has in effect a basic health insurance facilitation program (as defined in section 1510), the Secretary shall, if such State is willing to do so, enter into an agreement with such State whereby the agency responsible for the regulation of the health insurance industry within such State will, on behalf of the Secretary, make such determinations regarding whether basic health insurance policies meet the requirements for certification under this title, as may be specified by the Secretary. Such agreement shall provide that the agency will be reimbursed for its reasonable expenses incurred in carrying out activities specified in the agreement.

"STANDARDS WITH RESPECT TO BASIC HEALTH INSURANCE POLICIES

"SEC. 1504. (a) The Secretary shall not certify under this title any insurance policy offered (or to be offered) by an insurer unless he finds that—

"(1) such policy provides—

"(A) inpatient hospital coverage (without any deductible in excess of $100 or copayment by the insured person) for at least 60 days during any policy year,

"(B) medical coverage which shall include home, office, hospital, and other institutional care provided by physicians,

"(C) with respect to medical coverage, that—

"(i) subject to clauses (ii) and (iii), payment in full shall be made with respect to not less than the first $2,000 of reasonable expenses incurred by any insured person for any policy year for services with respect to which coverage applies,

"(ii) the copayment required of any insured person with respect to such reasonable expenses shall not exceed 20 per centum thereof, and

"(iii) in the case of any deductible applicable to the payment of such reasonable expenses for any benefit year or benefit period of not less than 12-months duration, such deductible shall not exceed $50 for any insured person, and that, for purposes of computing such deductible for any calendar, policy, or other fixed benefit year or period, the insured person shall be given credit for any deductible applied toward such expenses for the last 3 months of the preceding policy year,

"(D) in case such policy is a group policy, there will be no exclusion from coverage or limitation on payment on account of any medical condition (including any preexisting condition) or any waiting period prior to the beginning of coverage with respect to any such condition,

"(E) in case such policy is an individual policy (including a policy for an individual and members of his family), there will be no exclusion from coverage on account of any medical condition (including any preexisting condition) other than pregnancy, and there will be no waiting period prior to the beginning of coverage with respect to any preexisting condition which is greater than 90 days after the date the policy is issued,

"(F) in case such policy covers an individual and members of his family, coverage will be provided for all dependent unmarried children in the family under age 22, and coverage will be automatically extended, at birth to any newborn and upon adoption to any newly adopted, child of such individual or his spouse,

"(G) in case such policy is a group policy which covers all or a certain category of employees of any employer, that—

"(i) coverage will not be terminated with respect to any employee (and members of such employee's family, if such policy covers such members) because of the termination of such employee's employment prior to the expiration of 31 days after the date of such termination,

"(ii) the insurer offering such policy will afford to any employee covered by such policy whose employment has been terminated a reasonable opportunity to secure, from such insurer a basic private health insurance policy which has been approved under this title,

"(iii) there will be a periodic open enrollment period of at least 31 days (which shall occur not less often than once during each policy year) in which all eligible employees, who are not covered by such policy because of failure to elect coverage at the time of initial employment or during previous open enrollment periods, can secure coverage thereunder,

"(2) the premium charge for such policy is such that there is not an unreasonable ratio of expenses to premiums (as determined under subsection (d)); and

"(3) there is established an appropriate (but different) premium rate for such policy when it is offered to cover (A) a single individual, (B) a married couple, or (C) a family.

"(b) The Secretary, in determining whether any comprehensive prepaid group practice plan is eligible for certification under this section, shall, in lieu of the standards imposed by subsection (a), develop and apply criteria which assure that such plan meets requirements which are, on an actuarial and benefit basis, at least equivalent to such standards.

"(c) Notwithstanding the provisions of subsections (a) and (b), the Secretary shall not withhold approval under this title of any health insurance policy solely because such policy excludes—

"(1) charges for services or supplies in connection with an occupational disease or injury,

"(2) items or services for which the insured individual furnished such items or services has no legal obligation to pay, and which no other person (by reason of such individual's membership in a prepayment play or otherwise) has a legal obligation to provide or pay for,

"(3) any item or service to the extent that payment has been made, or can reasonably be expected to be made (as determined in accordance with regulations), with respect to such item or service, under a workmen's compensation law or plan of the United States or a State,

"(4) charges for services or supplies with respect to which benefits are provided under title XVIII or title XXI,

"(5) items or services which are not reasonable and necessary for the diagnosis or treatment of illness or injury, pregnancy, or to improve the functioning of a malformed body member,

"(6) charges for care, treatment, services, or supplies, provided to any individual, to the extent that the payment of benefits with respect thereto is prohibited by any applicable law of the jurisdiction in which such individual is residing at the time he receives such care, treatment, services, or supplies,

"(7) charges for care, treatment, or supplies provided to any individuals, to the extent that they are not reasonably priced (except that, for purposes of this paragraph, the charge for any item or service shall be deemed to be reasonable, if such charge is not in excess of the allowable charge therefor under title XVIII or XXI).

"(8) charges in connection with routine physical checkups,

"(9) expenses incurred for items or services, where such expenses are for cosmetic surgery or are incurred in connection therewith, except as required for the prompt repair of accidental injury or for improvement of the functioning of a malformed body member,

"(10) charges made by a hospital for the professional services of any resident physician or intern to the extent that such charges are in excess of the actual cost incurred by the hospital in providing such services,

"(11) charges for the professional services of a psychiatrist to the extent that such charges exceed $400 in a policy year, or

"(12) amounts which represent deductible and coinsurance provisions and which generally result in aggregate benefit coverage which is at least equal to the actuarial equivalent of the benefit coverage resulting from the application of the deductible and coinsurance provisions in section 104(a) (1).

"(d) (1) With respect to policies submitted to the Secretary for his certification under this title, the Secretary shall establish (after considering the size of the groups to be covered by any such policy and the nature of the insurer) appropriate reasonable ratios of expenses to premiums imposed for cover-established by the Secretary for group policies such ratios shall be the same as those established by the Secretary for group pol. icies covering the smallest groups. After making an initial determination with respect to any such policy, the Secretary shall periodically thereafter review and make a redetermination of such ratios based on actual expenses thereunder and the actual premium charges made for the period with respect to which the review is made, in order to determine whether such policy continues to meet the requirements for certification.

"(2) In determining the appropriate reasonable ratio of expenses to premiums imposed with respect to any particular health insurance policy offered by an insurer, the Secretary shall, in his determinations of such ratio, give consideration to the average ratio, with respect to group policies generally underwritten by insurers (classified on the basis of nonprofit or profitmaking) with respect to policies excluding those which are not certified under this title.

"APPROVED CARRIER

"SEC. 1505. For purposes of sections 1923 (b), 1816, and 1842, an 'approved carrier' is an insurer which the Secretary has found (1) to offer one or more health insurance policies approved under section 1502 to the general public in each geographic or normal service area in which such insurer offers health insurance policies (including any which are not approved under this title) and (2) to employ effective procedures and practices designed to assure, through means consistent with efficient practices within the insurance industry, appropriate controls of utilization of health care services and the costs and charges imposed therefor with respect to which it will financially participate.

"ANTITRUST EXEMPTION

"SEC. 1506. (a) It shall not be unlawful under any antitrust law for any insurer to enter into any contract, combination, or other arrangement with any other insurer or groups of insurers for the sole purpose of establishing or participating in an insurance pool, reinsurance, or other residual market, arrangement whereby there will be offered to the public health insurance policies approved under section 1502, if such contract, combination, or other arrangement is approved by the Secretary, as being consistent with the purposes of this title, before any party to the contract, combination, or other arrangement has carried out any activity, or refrained from carrying out any activity, under is terms (other than such activity as may be necessary to negotiate the contract, combination, or other arrangement and to apply for approval of the same under this section). The Secretary shall not approve any contract, combination, or other arrangement under which the parties thereto agree to act in a manner which constitutes a violation of any such law for which no exemption is provided under the preceding sentence or for purposes other than the purposes for which the exemption contained in the preceding sentence is established. Nothing contained in this subsection shall exempt from any antitrust law any predatory pricing or practice, or any other conduct in the otherwise exempt activities of two or more such insurers under a contract, combination, or other arrangement approved under this section which would be unlawful under any such law if engaged in by only one such insurer.

"(b) For purposes of this section, the term 'antitrust law' means the Federal Trade Commission Act, each statute referred to in section 4 of that Act (15 U.S.C. 44) as an Antitrust Act, any other statute of the United States in pari materia, and any law of any State or political subdivision thereof which prohibits or restrains contracts, combinations, or other arrangements in restraint of trade.

"ESTABLISHMENT OF EMBLEM TO INDICATE CERTIFICATION

"SEC. 1507. (a) The Secretary shall cause to be designed an appropriate emblem which may be used as an indication that certification of an insurance policy under this title has been made by the Secretary; and any insurer which has secured certification of an insurance policy by the Secretary under this title may have printed thereon such emblem, and may, in advertising such policy to potential subscribers, state that such policy has received such a certification.

"REPORT TO CONGRESS

"SEC. 1508. The Secretary shall, at the earliest practicable date (but not later than 60 days) after the expiration of the three-year period which commences on the date of enactment of this section, submit to the Congress a report indicating (1) the extent to which basic private health insurance policies certified by the Secretary under this title are actually and generally available to the residents of each State, and (2) the extent to which residents in each State are covered by such policies.

"DUTY OF SECRETARY TO MAKE AVAILABLE INDIVIDUAL AND FAMILY HEALTH INSURANCE POLICIES ON A COST BASIS

"SEC. 1509. (a) The Secretary shall offer a standard health insurance policy, which meets the applicable criteria prescribed under this title with respect to approved basic or catastrophic health insurance policies, to individuals, married couples, and families living in any State (1) which does not have in effect a basic health insurance facilitation program (as found by the Secretary under section 1510), and (2) in which there is not actually and generally available one or more approved basic health insurance policies approved under this title.

"(b) The premiums imposed under any such policy shall be in an amount designed to cover the costs (inclusive of administrative costs and appropriate reserves) which will be incurred in furnishing the benefits provided in the policy.

"(c) No such policy shall be offered in any area prior to the expiration of the 3-year period which commences on the date of enactment of this title.

"(d) Premiums collected by the Secretary for insurance policies offered by him under this section shall be deposited in an Insurance Revolving Fund, and moneys in such fund shall be available, without fiscal year limitation, for the payment of claims under such policies.

"(e) For the purpose of providing a contingency reserve for the insurance program established by this section, there is authorized to be appropriated such sums as may be necessary, and any sums appropriate for such purpose shall remain available for the purpose of making repayable advances (without interest) to the Insurance Revolving Fund authorized to be established under subsection (d).

"(f) The Secretary, in making payment for services covered under any insurance policy issued pursuant to this section, shall utilize the payments methodology and administrative mechanism employed by him for making payment for services covered under the insurance programs established by title XVIII.

"BASIC HEALTH INSURANCE FACILITATION PROGRAM

"SEC. 1510. (a) For purposes of this title, a State shall be regarded as having in effect a basic health insurance facilitation program only if the Secretary, after examining the pertinent laws and regulations of such State governing the doing of health insurance business within the State by carriers, determines that such laws and regulations—

"(1) require the establishment of one or more health reinsurance or other residual market arrangement to be utilized by such carriers in connection with the offering within the State of basic health insurance policies which meet the standards for certification by the Secretary established by this title,

"(2) require all such carriers to be members of a health reinsurance or other residual market arrangement and provide that losses, under any such arrangement, will be shared by all members thereof on a prorata basis in proportion to their respective shares of the total health insurance premium earned in the State during the calendar year,

"(3) provide that premiums charged for policies issued to individuals or family members under any such health reinsurance or other residual market arrangement shall not be less than 125 per centum nor more than 150 per centum of the average group rate for the same coverage under a group policy covering ten lives, and

"(4) otherwise encourage and facilitate the offering of such policies within the State by all carriers doing health insurance business therein on a basis which is fair and equitable to each such carrier.

"(b) The Secretary is authorized, upon the request of any State, to provide appropriate technical assistance to aid the State in developing a program which meets the conditions prescribed in subsection (a).".

TITLE IV—OTHER AMENDMENTS

PROGRAM IMMUNIZATIONS

SEC. 401. (a) Section 1861(s) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (8),

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof "; and ",

(3) by inserting immediately after paragraph (9) the following new paragraph:

"(10) such immunizations as the Secretary determines are appropriate, but only if provided on a scheduled allowance basis (as determined under regulations of the Secretary.", and

(4) by redesignating paragraphs (10) through (13) as paragraphs (11) through (14), respectively.

(b) Section 1864(a) of such Act is amended by striking out "paragraphs (10) and (11)" and inserting in lieu thereof "paragraphs (12) and (13)".

(c) Section 1862(a)(7) of such Act is amended by inserting immediately after "(7)" the following: "except as provided in section 1861(a)(10),".

(d) The amendments made by this section shall apply only with respect to services furnished on or after the first day of the month following the month in which this section is enacted.

MENTAL HEALTH SERVICES

SEC. 402. (a) Section 1833(c) of the Social Security Act is amended—

(1) by striking out "$312.50" and inserting in lieu thereof "$500", and

(2) by striking out "62½ per centum" and inserting in lieu thereof "80 per centum".

(b) Section 1812 of such Act is amended—

(1) by striking out subsection (c) thereof,

(2) in subsection (b) thereof, by striking out "(subject to subsection (c))", and

(3) in subsection (e) thereof, by striking out "subsections (b), (c), and (d)" and inserting in lieu thereof "subsections (b) and (d)".

(c) The amendments made by subsection (a) shall be effective only with respect to services furnished after December 31, 1980. The amendments made by subsection (b) shall be effective only with respect to services furnished after December 31, 1981.

AMOUNT OF PREMIUMS FOR HOSPITAL INSURANCE COVERAGE

SEC. 403. (a)(1) The second sentence of section 1818(d)(2) of the Social Security Act is amended by striking out "Such amount shall be equal to $33, multiplied by" and inserting in lieu thereof "Such amount shall be equal to 50 per centum of the product of $33 multiplied by".

(2) The amendment made by paragraph (1) shall be applicable in the case of premiums imposed on and after July 1, 1979.

(b) In addition to other moneys appropriated to the Federal Hospital Insurance Trust Fund, there shall be appropriated from time to time, with respect to periods commencing after June 30, 1979, amounts equal to 100 per centum of the amounts deposited in such Fund pursuant to section 1818(f) of the Social Security Act from premiums payable for such period.

PAYMENT FOR EXTENDED CARE SERVICES

Sec. 404. Section 1861(v)(E) of the Social Security Act is amended to read as follows:

"(E)(1) In the case of services furnished by a skilled nursing facility with respect to which payment for services furnished under title XIX is made on a cost-related basis pursuant to the provisions of section 1920(d)(2), such regulations may provide for the use of rates which are the same as the rates obtaining for such services under title XIX (except that such rates may be increased by the Secretary on a class or size of institution, or on a geographical basis by a percentage factor not in excess of 10 per centum to take into account determinable items or services or other requirements under this title not otherwise included in the computation of such rates under title XIX): *Provided*, That no such regulations shall become effective prior to the 60th day following the date on which the Secretary submits to the Congress a copy thereof together with a full and complete description of the methodology which would be employed in the determination of rates pursuant thereto, and an evaluation by the Secretary and by the Comptroller General of such methodology in terms of the extent to which the employment thereof will promote the efficient and economical administration of this title and equitable treatment to and between skilled nursing facilities furnishing services for which payment may be made hereunder.".

EXTENSION OF COVERAGE UNDER RENAL DISEASE PROGRAM

Sec. 405. Section 226(e) of the Social Security Act is amended by adding at the end thereof the following: "For purposes of the preceding sentence, any individual, who on or after the date of enactment of this sentence fails to meet the conditions imposed by clause (2) of such sentence, shall be deemed to meet such condition. There are authorized to be appropriated, from time to time, to the Federal Hospital Insurance Trust Fund and to the Federal Supplementary Medical Insurance Trust Fund such sums as may be necessary (as based on estimates of the Secretary) to place each such Fund in the same financial condition that it would have occupied had the preceding sentence not been enacted.".

ENCOURAGEMENT OF PHILANTHROPIC SUPPORT FOR HEALTH CARE

"Sec. 406. Part A of title XI of the Social Security Act is amended by adding after section 1131 the following new section:

"ENCOURAGEMENT OF PHILANTHROPIC SUPPORT FOR HEALTH CARE

"Sec. 1134. (a) It is the policy of the Congress that philanthropic support for health care be encouraged and expanded, especially in support of experimental and innovative efforts to improve the health care delivery system and access to health care services.

"(b)(1) For purposes of determining, under title XVIII or XIX, the reasonable costs of any service furnished by a provider of health services—

"(A) except as provided in paragraph (2), unrestricted grants, gifts, and endowments and income therefrom, shall not be deducted from the operating costs of such provider, and

"(B) grants, gifts, and endowment income designated by a donor for paying specific operating costs of such provider shall be deducted from the particular operating costs or group of costs involved.

"(2) Income from endowments and investments may be used to reduce interest expense, if such income is from an unrestricted gift or grant and is commingled with other funds, except that in no event shall any such interest expense be reduced below zero by any such income.".

ADDITIONAL COSPONSORS

S. 33

At the request of Mr. Roth, the Senator from Minnesota (Mr. Boschwitz) was added as a cosponsor of S. 33, to provide for permanent tax rate reductions for individuals.

S. 34

At the request of Mr. Roth, the Senator from Minnesota (Mr. Boschwitz) was added as a cosponsor of S. 34, the Spending Limitation Act of 1979.

S. 91

At the request of Mr. Thurmond, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of S. 91, to amend title 10, United States Code, to remove certain inequities in the survivor benefit plan proved for under chapter 73, and for other purposes.

S. 92

At the request of Mr. Thurmond, the Senator from Hawaii (Mr. Matsunaga) was added as a cosponsor of S. 92, to amend title 5, United States Code, to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 112

At the request of Mr. Dole, the Senator from North Dakota (Mr. Young) was added as a cosponsor of S. 112, a bill to repeal the provision for carryover basis.

S. 190

At the request of Mr. Kennedy, the Senator from Nevada (Mr. Laxalt) and the Senator from Washington (Mr. Jackson) were added as cosponsors of S. 190, the Victims of Crime Act of 1979.

S. 294

At the request of Mr. Mathias, the Senator from New York (Mr. Javits) was added as a cosponsor of S. 294, a bill to eliminate the social security offset provision.

S. 383

At the request of Mr. Sasser, the Senator from North Carolina (Mr. Morgan) and the Senator from North Carolina (Mr. Helms) were added as cosponsors of S. 383, a bill to amend title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes.

S. 414

At the request of Mr. Bayh, the Senator from Alaska (Mr. Gravel) was added as a cosponsor of S. 414, the University and Small Business Patent Procedures Act.

S. 523

At the request of Mr. Hart, the Senator from Kentucky (Mr. Ford), the Senator from Indiana (Mr. Lugar), and the Senator from Maine (Mr. Cohen) were added as cosponsors of S. 523, the Uniformed Services Professionals Special Pay Act of 1979.

S. 535

At the request of Mr. Schmitt, the Senator from Kansas (Mr. Dole) was added as a cosponsor of S. 535, the Nuclear Waste Transportation Safety Act of 1979.

S. 587

At the request of Mr. Schweiker, the Senator from New Mexico (Mr. Schmitt) was added as a cosponsor of S. 587, the Food Additive Safety Amendments of 1979.

S. 598

At the request of Mr. Bayh, the Senator from Idaho (Mr. Church) was added as a cosponsor of S. 598, the Soft Drink Interbrand Competition Act.

S. 621

At the request of Mr. Mathias, the Senator from Hawaii (Mr. Inouye) was added as a cosponsor to S. 621, to provide for further research and services with regard to victims of rape.

S. 664

At the request of Mr. Schweiker, the Senator from Idaho (Mr. Church) was added as a cosponsor of S. 664, a bill to amend the Health Programs Extension Act of 1973 to provide for unbiased consideration of applicants to federally supported health professionals schools.

S. 665

At the request of Mr. Bentsen, the Senator from Arizona (Mr. DeConcini) was added as a cosponsor of S. 665, to establish an Office of Hispanic Affairs in the Executive Office of the President.

S. 697

At the request of Mr. Sasser, the Senator from Missouri (Mr. Danforth) and the Senator from Kentucky (Mr. Huddleston) were added as cosponsors of S. 697, to reduce by $500,000,000 the amount which may be obligated for travel and transportation of officers and employees in the executive branch during fiscal year 1980.

SENATE JOINT RESOLUTION 37

At the request of Mr. Sasser, the Senator from Iowa (Mr. Jepsen) was added as a cosponsor of Senate Joint Resolution 37, authorizing the President to proclaim May 1, 1979, as National Bicycling Day.

SENATE RESOLUTION 97

At the request of Mr. Hart, the Senator from Florida (Mr. Stone) and the Senator from Nebraska (Mr. Zorinsky) were added as cosponsors of Senate Resolution 97, relating to the effective date of Rule XLIV of the Standing Rules of the Senate.

SENATE RESOLUTION 114—SUBMISSION OF A RESOLUTION AUTHORIZING PRINTING OF THE GEOLOGICAL ATLAS OF THE UNITED STATES

Mr. HATFIELD submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. RES. 114

Resolved, That there shall be printed as a Senate document the Geological Atlas of U.S., by Herbert Hoover, in such style and form as may be directed by the Joint Committee on Printing.

SEC. 2. In addition to the usual number, there shall be printed three thousand five hundred copies for use by the U.S. Senate.

AMENDMENTS SUBMITTED FOR PRINTING

TEMPORARY EXTENSION OF THE PUBLIC DEBT LIMIT—H.R. 2534

AMENDMENTS NOS. 118 THROUGH 123

(Ordered to be printed and to lie on table.)

Mr. MOYNIHAN submitted six amendments intended to be proposed by him to H.R. 2534, an act to provide for a temporary increase in the public debt limit, and for other purposes.

AMENDMENT NO. 124

(Ordered to be printed.)

Mr. LONG proposed an amendment to H.R. 2534, supra.

NOTICES OF HEARINGS

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

● Mr. TALMADGE. Mr. President, I wish to announce that the Committee on Agriculture, Nutrition, and Forestry will consider the nomination of James M. Stone to be Chairman of the Commodity Futures Trading Commission (CFTC) on Wednesday, April 4, at the regular committee business meeting.

Mr. Stone was nominated by President Carter in January to become a member of the Commission, and in a separate nomination, to become its chairman.

The committee will meet at 10 a.m. in room 322 Russell Senate Office building.

Anyone wishing to testify on Mr. Stone's nomination should contact Denise Alexander of the committee staff at 224-0014.●

CHANGE OF SUBCOMMITTEE MEETING

● Mr. CRANSTON. Mr. President, because of activities surrounding the signing of the Middle East peace treaty, I am rescheduling the meeting of the Subcommittee on Child and Human Development to consider S. 329, the proposed "Domestic Volunteer Service Act Amendments of 1979", which was previously scheduled for Tuesday, March 27. The subcommittee meeting will take place on Wednesday, March 28, at 10:15 a.m. in room 412 of the Russell Senate Office building.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ENERGY RESOURCES AND MATERIALS PRODUCTION

Mr. ROBERT C. BYRD. Mr. President, the following request has been cleared on the other side of the aisle.

I ask unanimous consent that the Subcommittee on Energy Resources and Materials Production of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to consider the current status of the strategic petroleum reserve program.

The PRESIDING OFFICER. Without objection, it is so ordered.

ON THE SIGNING OF A PEACE TREATY BETWEEN EGYPT AND ISRAEL

● Mr. DOLE. Mr. President, a feeling of dazed sobriety has followed the hope and the euphoria, the doubts and the misgivings, the disappointments and the renewed hope that we have experienced during these recent months of negotiations in the Middle East. The full scale of emotions that has played on our minds will culminate at last in the signing of a treaty between Israel and Egypt. Our mood now is one of subdued expectations, as one dare not yet use the word "peace" for fear of challenging the Almighty. Too many unanswered questions remain, too many unresolved riddles are juxtaposed.

The agreement leading to the signing of today's treaty illustrates one inescapable fact about our world. Quite simply, smaller nations cannot afford to compromise their security unless their strongest ally, the United States, shows itself willing to become involved in the settlement—and what comes after. Both Sadat and Begin desperately needed American military strength, American economic assistance, and American political commitment. Only by leaning on Washington for necessary support could they gamble to end three decades of bloodshed on terms acceptable to the main parties.

Israel exists on the thin margin of survival. She cannot take risks without some backing in security. At least now our leadership has learned the lesson that only with the participation of American strength and determination can we expect our friends and allies to cooperate toward peace and stability throughout the world. This Middle East Treaty signals the first realization of that lesson.

PEACE IN THE MIDDLE EAST

Peace between Egypt and Israel. The words seem too good to be true. Indeed the sentiment is premature. But it is not premature to begin applying the lessons learned here to help resolve our future problems.

This treaty is, perhaps, an excellent first step toward real peace. Today we celebrate this peace. Today we formalize it. But for the future tomorrows there remain problems which we must keep in mind. It is not enough for us to ratify euphoria. We must turn our attention to the new dilemmas.

THE NEW DILEMMAS

The primary problem will remain the future of the Palestinians and the West Bank or, as Prime Minister Begin calls it, Judea and Samaria.

Much can be said about the issue, and compromise is inevitable if there is to be any stable resolution of this problem, or complex of problems. However, the starting point—as with so many issues over the past three decades—must acknowledge the security of Israel. The PLO cannot expect to champion the rights of the Palestinians and awaken the world's conscience if it continues to call for the destruction of the State of Israel. When it is willing to live peaceably alongside the Jewish State—then and only then—can the world, and particularly the Americans and Israelis, address the important questions of political boundaries and government in the territory.

There are many territorial disputes not ended by today's treaty. Indeed they have just begun. But the means for addressing them is now at hand. In my opinion, the Golan Heights should be permanently invested with a joint U.N.-Israeli peace keeping mission—not just a token force but a full establishment of men, equipment, and physical structures that would make any Syrian military sweep impossible. I suggest that various international organizations or their branches be headquartered in the heights—a new city of peace that would serve as a new institutional bulwark to aggression by any force—one in which all nations of the world would have a stake, and in which military maneuver would become impossible if not unthinkable.

Perhaps the most troubling issue is that of Palestinian autonomy on the West Bank and in Gaza. Looking over the recent historic past of these lands, one cannot help but ask: Why were these territories never granted political autonomy between 1948 and 1968, when the West Bank and Gaza were governed by Arab rule and not by the Israelis? That Israel is yielding on this issue can only be seen as the overwhelming desire for peace of a nation that has been pressured unremittingly into more and often unilateral concessions.

The 11 member ministerial committee appointed by the Israeli Cabinet, to elaborate proposals defining Palestinian autonomy, has a formidable task ahead. It is only by remaining a most neutral arbiter that the United States can manifest both understanding and cooperation with the Israeli views, accepting as a sine qua non the fact that Israel knows best what is good for Israel. The potential danger to Israeli security of Palestinian autonomy is not a point that can be pushed aside. The reality of an Israeli population of 6 million people that includes 2½ million Israeli Arabs is not to be ignored, either, when one considers that Israel is surrounded by Arab nations totaling approximately 100 million people.

QUESTIONING MORE ARMS TO EGYPT

It strikes me as incongruous that a nation plagued, as is Egypt, by social ills of overwhelming magnitude, should present a shopping list for advanced weaponry as a priority. I am not satisfied by President Sadat's reassurances that Egypt seeks protection not from Israel but from Libya, Ethiopia and the Sudan. Rather than increase his arsenal, I suggest that President Sadat put his house in order first. Has his buoyancy over his success with Israel made him oblivious to the fragility of the fate of rulers in the Middle East, when they promise but fail to deliver? The Egyptian peoples desire for peace is strongly intertwined with expectations of economic progress in a nation where hunger, unrelieved poverty, hopeless disease and rampant illiteracy prevail. What is needed is a vigorous and urgent economic program in which a partnership with Israel, characterized by mutual trust, could accomplish some of the miracles that tourists marvel at when visiting the land of the Bible, where milk and honey are rapidly replacing the desert that once was.

THE MORAL OBLIGATION

Israel is our friend. She is our ally. More than that, she remains what she has always been—a towering example of moral leadership in a world that usually prefers rule by the aggressive.

Israel lives in the name of human dignity. She carries in the heart of her constitutional and political state a message that is profoundly moral. It is not unjust to say that Americans see in Israel the living proof she provides that God still ordains men's affairs, and that mankind still heeds His call. Egypt too seeks ties of closer friendship and alliance with the United States. President Sadat has shown his people how to respond to the ferment of change abroad in the world. If we can help keep that spirit alive and prospering, we may indeed be able to look forward to true peace.

In the words of Pope Paul VI: "Peace is something that is built up day after day, in the pursuit of an order intended by God, which implies a more perfect form of justice among men."

It is that peace that Prime Minister Begin and President Sadat seek for their peoples. It is that peace that America must guarantee. To do less would be a betrayal of our past, and of our claim to speak the language of justice and decency. Peace must come to the Middle East. Let it begin anew with the signing of this treaty.●

FORMER FTC COMMISSIONER DOLE'S OBSERVATIONS ON ANTITRUST ISSUES

● Mr. KENNEDY. Mr. President, recently Commissioner Elizabeth Hanford Dole resigned from the Federal Trade Commission. Her decision to leave the Commission is regretted by all who are familiar with her work over the past 5 years. The Commission is losing a valued and respected member with a fine reputation for fairness and integrity. She will be missed not just by her colleagues in the Government, but industry and consumers will miss her thoughtful and objective voice.

At the end of her 5 year term as a Commissioner, Ms. Dole has been gracious enough to share with us reflections on some of the key antitrust issues facing us today. I believe her views reflect the fact that antitrust matters cut across narrow partisan lines. The concept of promoting free and fair competition is one to which both liberals and conservatives can adhere.

Mr. President, I ask to print in the RECORD this letter from Commissioner Dole.

The letter follows:

FEDERAL TRADE COMMISSION,
Washington, D.C., March 9, 1979.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on the Judiciary, United States Senate, Washington, D.C.

DEAR MR. CHAIRMAN: As you know, I have resigned my office effective today. I thought this would be an appropriate time for me to share with you my views on some of the important issues pending in the antitrust area.

During my five years as a member of the Federal Trade Commission, we have expanded our efforts to ensure that both business and the consumer enjoy the full range of benefits of our free enterprise economy. We know that the perpetuation of fair prices and open markets requires that government keep a watchful eye for noncompetitive behavior and market structures which threaten the smooth functioning of a free economy. But, too, we have learned that over-zealous regulation by government can be just as injurious to businesses and consumers.

DEREGULATION

During the last few years, the Commission has been a strong force in advocating deregulation in areas such as the airline and railroad industries. Excessive regulation can stifle competition as effectively as private price fixing and other collusive activities.

While federal agencies are now more sensitive to the competitive implications of their actions, Congress can institutionalize this sensitivity by directing federal departments and agencies to consider the competitive impact of their decisions.

Of course, not all regulations are anticompetitive—rules which, for example, help consumers make informed purchase decisions can promote competition—and many regulations which limit competition are necessary to protect other vital interests, such as health and safety. However, regulators should be encouraged to attempt to minimize the burden of their rules and orders and to periodically review their impact to ensure that they are serving their intended purpose and that they continue to be needed. I am proud of our recent efforts at the Federal Trade Commission to systematically evaluate the effects of our activities. We have eliminated a number of old regulations which we felt were no longer in the public interest, and I believe our impact evaluation program can be a useful model for other agencies.

CONGLOMERATE MERGERS

For at least twenty years 200 corporations have controlled roughly 40% of all nonfinancial corporate assets. During recent years, we have seen an increase in large merger activity which has reinforced this pattern of control.

Many of these large mergers have been conglomerate, that is, they have not been between direct competitors or between buyers and sellers. Conglomerate mergers which lessen potential competition, create a danger of reciprocal buying, or threaten to entrench the market power of the acquired firm can be challenged under existing law. Others, however, cannot be reached under current law. A number of proposals have been suggested to deal with the problem of conglomerate mergers, and no doubt, additional proposals will be forthcoming in the future. Many details remain to be worked out through the legislative process, but I think it is important that Congress take affirmative action to foster more efficient operation of the laws dealing with conglomerate mergers.

In considering one aspect of this problem, I hope the Committee will consider legislation to make it easier to challenge a broader range of perhaps smaller, but significant, conglomerate mergers which threatens to eliminate the competition which a potential entrant can offer by making a "toehold" or *de novo* entry into a concentrated market. First, the Congress could answer the question reserved in *United States* v. *Marine Bancorporation*, 418 U.S. 602 (1974), and *United States* v. *Falstaff Brewing Corp.*, 410 U.S. 526 (1973), by amending Section 7 of the Clayton Act to make it clear that an acquisition which has no immediate market effect except for the elimination of a probable future entrant can violate Section 7. Secondly, Congress might strengthen this important theory by legislatively overturning decisions which require that a showing be made that a future entrant, but for the challenged acquisition, would probably have entered the market in the "near future", *BOC International Ltd.* v. *FTC*, 557 F.2d 24 (2d Cir. 1977), and suggest that there must be "clear proof" that the firm would in fact have entered the market. *FTC* v. *Atlantic Richfield Co.*, 549 F.2d 289 (4th Cir. 1977). It should be enough to show that a firm, but for the challenged acquisition, would probably have eventually entered the market when, for example, it could raise the necessary capital or when firms already in the market raised prices to a level which would make entry attractive.

ROBINSON-PATMAN ACT

It is difficult, in the abstract, to predict how effective the Robinson-Patman Act has been in curbing discriminatory pricing practices which are neither cost justified nor designed to meet competition. I suspect a large portion of the business community has become familiar with its requirements whether through Commission enforcement proceedings, advisory opinions and guides, or through private treble damage actions filed by private litigants over the years; and I believe most businessmen try, in good faith, to comply with its proscriptions.

As I stated in a letter dated January 26, 1976, to the Chairman of the House Ad Hoc Subcommittee on Antitrust, the Robinson-Patman Act, and Related Matters, I think there are important consumer interests in protecting small business from unfair competitive practices. The antitrust laws would, in my judgment, be seriously deficient if they failed to prevent the type of territorial price discriminations which could, over time, substantially weaken competitors of the discriminating supplier. Selective price predation may, in some instances, be used as a method of intimidating existing competitors or discouraging entry by potential competitors; and this, in my opinion, impairs, rather than promotes, the full interplay of free market forces. Smaller firms may either be financially unable to survive periods of sustained predation or, if they do survive, they may be inclined to submit to price leadership out of fear of retaliation or become reluctant to otherwise engage in vigorous competitive activities. At various levels in the chain of distribution, many types of discrimination by a supplier among its competing customers may, under certain circumstances, have adverse consequences, the net effect of which may be a decline in the competitive health of a particular market. It is of concern to me that reduced competition today may translate into reduced consumer welfare in the future.

Over the years, the Commission has had an important presence in the framework of the Robinson-Patman Act enforcement scheme. There is, however, another equal, if not more, important aspect of Robinson-Patman Act enforcement, and that is private treble damage actions. There actions are designed to allow small business to protect itself from unfair discrimination. To facilitate these types of private actions, and I believe it would be in the interest of small business to do so, consideration should be given to amending the law (1) to permit a private plaintiff to receive attorney's fees for successful prosecution of an injunction action under Section 16 of the Clayton Act; (2) to clarity that a plaintiff should be awarded costs when a court requires compliance with a discovery request; and (3) to cover the inducement, under 2(f), of discriminatory brokerage payments, advertising and promotional allowances, and services and facilities. These suggestions would strengthen the Robinson-Patman Act in the interest of small business, and I recommend them to you for your careful consideration.

NO-CONDUCT MONOPOLIZATION PROPOSALS

Recently the National Commission for the Review of Antitrust Laws and Procedures had before it the issue of whether it should recommend legislation that would eliminate the requirement of proving objectionable conduct in certain government monopolization cases. As one of the two federal agencies principally responsible for antitrust enforcement, the Commission supported the concept of such legislation and recommended that it should be endorsed by the National Commission.

While the National Commission, based on the arguments presented to it, stopped short of endorsing a "no-conduct" standard, it did conclude that (1) dissipation of persistent monopoly power is the chief goal of the Sherman Section 2 monopolization offense, (2) that where persistent monopoly power is shown, deliberate conduct designed to create or maintain that power can be presumed, and (3) that existing litigation practice under Sherman Section 2 has not dealt effectively with the problem of persistent monopoly power. The National Commission, therefore, recommended that the appropriate House and Senate committees promptly undertake hearings to explore the impact on business and consumers of adopting a no-conduct proposal. I support this recommendation believing that it will foster a national dialogue and compile a legislative record concerning the various approaches to the monopoly problem.

It is a basic premise of the antitrust laws that monopoly power unjustified by patents or efficiencies of scale tends to raise prices and reduce output. Such power may also retard innovation, encourage inefficiency, and hinder the achievement of other economic and social goals of competition policy. These undesirable consequences tend to occur whether or not such power has been acquired or maintained through objectionable conduct. Thus, as the Commission stated in its comment to NCRALP, once substantial, persistent, single-firm monopoly power is demonstrated, it makes sense that proceeding should immediately focus on the availability of workable and beneficial relief. Objectionable conduct may often be present in such cases, but the trier of fact should not be compelled to undertake the expensive and time-consuming appraisal of past conduct required by current law.

Moreover, a preference for structural relief is appropriate. Even where monopoly power is based on objectionable conduct, conduct relief may require an unacceptably long period of time before it restores competition to the marketplace. Structural remedies, in contrast, tend to act much more rapidly. And where monopoly power is primarily attributable to causes other than objectionable conduct, structural relief may be the only effective means of dissipating that power.

These are among the reasons which persuaded me that the basic concept underlying legislative proposals supporting no-conduct monopolization are sound and important, and I hope that you will give serious consideration to enacting legislation which would eliminate the requirement of proving objectionable conduct in government monopolization cases in instances where a firm has substantial, persistent monopoly power.

THE ILLINOIS BRICK DECISION

Several times over the past few years, the Commission has supported bills designed to solve the problems raised by the Supreme Court's decision in *Illinois Brick Company* v. *Illinois*, 431 U.S. 720 (1977). That decision, coupled with the Court's decision in *Hanover Shoe, Inc.* v. *United Shoe Machinery Corp.*, 392 U.S. 481 (1968), allows, except in very limited circumstances, only direct purchasers to collect damages for injuries resulting from antitrust violations.

In holding that "indirect purchasers" may not maintain treble damage actions against antitrust law violators, even when overcharges resulting from the violations have been "passed on" to them, this decision denies injured consumers the right to compensation for the overcharges they may have paid as a result of these violations.

As Justice Brennan noted in his dissent in *Illinois Brick*, Section 4 of the Clayton Act is designed to compensate victims of antitrust violations and to deter others from future violations. The *Illinois Brick* decision, however, would in many instances limit recoveries to middlemen. Yet, middlemen may not be harmed financially and frequently have longstanding relationships with manufacturers. Consequently, they may have little incentive to pursue damage remedies assuming the violation has caused them some injury. As a result, the purposes of the treble damage action may be defeated, and this places a greater burden on public antitrust enforcement officials.

The majority in *Illinois Brick* appears to be concerned with potential dangers of multiple recoveries against defendants. There is such a risk, but as the dissent points out, existing procedures keep the risk within acceptable bounds. The greater risk, therefore, appears to be that antitrust offenders will be permitted to retain illegally obtained overcharges

A majority of the Court was also concerned with the difficulties in determining damages, should "indirect purchasers" be permitted to sue. To be sure, proof of damages may be made difficult in some cases, but the problems created are not insurmountable, and certainly do not justify leaving injured parties without remedies.

Accordingly, I have, in the past, joined the Commission in supporting legislation to allow consumers and "indirect purchasers" to seek treble damages for injuries suffered as a result of antitrust violations, and I will continue to support passage of similar measures, such as S. 300, in the future.

GENERAL DYNAMICS DEFENSE

One of the most controversial areas of merger law under Section 7 of the Clayton Act is the *General Dynamics* defense, as the doctrine emanating from the Supreme Court's decision in *United States* v. *General Dynamics*, 415 U.S. 486 (1974) has come to be known. In that case, the Court held that despite a statistical showing of undue concentration resulting from the acquisition under consideration, "other pertinent factors" affecting the industry and the business of the merging companies mandated the conclusion that no substantial lessening of competition had occurred or was threatened by the acquisition.

The Court recognized that market share statistics are the primary index of market power, but stated that an examination of the structure, history, and probable future of the market was necessary to assess the probable anticompetitive effect of the merger. In this examination, the "pertinent factors" found by the Court to rebut the prima facie showing of a Section 7 violation stemming from a merger between coal producers were that coal had been losing ground to other sources of fuel and that the electric utility industry had become the major consumer of coal, purchasing nearly all coal under long-term requirements contracts. The acquired companies had very low uncommitted reserves of recoverable coal and was not in a position to increase them.

As a result, even though the acquired company was financially healthy at the time of suit, it could not compete effectively for long-term contracts, and was thus "a far less significant factor in the coal market than the Government contended or the production statistics seemed to indicate."

The Court made it clear in *General Dynamics* that it was due to fundamental changes in the market that the statistics relied on by the Government were insufficient to sustain its case. The Court also made it clear that the defense recognized in the decision was not "identical with or even analogous to" the failing-company defense, which had not been met by the facts of the case. Thus, *General Dynamics* established no "quasi-failing company" defense. In addition, the Court gave absolutely no indication that it meant that the day-to-day problems of a business somehow excuse its elimination. Most businesses suffer fluctuations in prices, costs, and profits; the decision did not remotely reflect that these are to be routinely considered in Section 7 cases as factors which may rebut a prima facie showing of illegality resulting from a merger.

Unfortunately, the *General Dynamics* decision appears to have been misread and misapplied by many, including some courts. Some seem to interpret it as a back-up to a failed company defense. Others mistakenly read it as implying that vigorous competition in a market, financial weakness, low profits, or technological difficulties, without more, are pertinent facts which can sanction a merger. In *United States* v. *International Harvester*, 564 F.2d 760 (7th Cir. 1977), the court extended the *General Dynamics* defense to require assessment of whether the "weakened" or "very precarious" financial condition of the acquired company would leave it with "sufficient resources to compete effectively". Such an assessment is, by necessity, very speculative and imprecise. More importantly, it seems to miss the point of *General Dynamics*—that deep-rooted, permanent structural changes in an industry are relevant in evaluating the quantitative significance of an acquisition.

I do not mean to imply that market share statistics should be the only indicia of the likely competitive effect of a merger. In the landmark decision of *Brown Shoe Co.* v. *United States*, 370 U.S. 294 (1962), the Court took into account in assessing that merger the trend toward concentration, the substantiality of the barriers to entry, and the viability of the acquired company.

But I am concerned that there may be an emerging trend toward over-extending *General Dynamics* beyond its intended confines. Such a trend, I believe, would pose great danger to the purpose of Section 7, which Congress unequivocally stated is to stem the rising tide of economic concentration in the American economy by preventing anticompetitive tendencies in their incipiency. Accordingly, I would urge you to carefully monitor the impact of the *General Dynamics* decision on merger law and the judicial decisions which construe it.

CONCLUSION

I leave the Federal Trade Commission more firmly committed than ever before to the preservation and expansion of our free enterprise system, to a government which is dedicated, as a matter of national policy, to spreading the benefits of free enterprise to every citizen of this land.

Certainly, government must continue to act—and act vigorously—when anticompetitive actions in the private sector threaten to deny the benefits of competition to business and consumers. And, just as importantly, government must refrain from acting when the benefits of regulation are outweighed by the detriments of unnecessary and burdensome official interference.

With all its flaws, our system of democratic capitalism has provided more people with a wider range of products and services at fair prices than any other economic system in the world. It is an economic system worth preserving. And it is our duty, as regulators, legislators, businessmen, and consumers, to do everything we can to make the free enterprise system work even better in the years ahead.

Sincerely,

ELIZABETH HANFORD DOLE.●

THE MUNTU EMBLEM—SYMBOL OF BLACK UNITY

● Mr. DECONCINI. Mr. President, I wish to bring to the attention of my colleagues the growth of an important new symbol of black unity, the MUNTU. The MUNTU emblem consists of a black engraving of the United States on a background of the African Continent and emphasizes the awakening of cultural unity among black Americans based upon common ancestral pride.

The MUNTU is enjoying increasing recognition by prominent black Americans and the black community as a whole as outlined in recent Washington Star and Washington Post articles. Mr. President, I commend these articles to my colleagues, and ask that they be printed in the RECORD.

The articles follow:

MUNTU MEDAL: "SOUL" SYMBOL—PINNING ON A LINK TO AFRICA

(By Jacqueline Trescott)

When Mayor Marion S. Barry showed up at the White House recently wearing a small pin—a black outline of the United States recessed into a silver silhouette of the African continent—Vice President Walter Mondale peered closely and asked about its origins.

It was a Muntu medal, which in Swahili means "soul" or "essence of mankind," and in the jewelry market, is a new line that's taking off as a symbol of the black American link with Africa.

The medal is also worn by NAACP Executive Director Benjamin Hooks, labor leader William Lucy, civil rights lobbyist Yvonne Price and, occasionally, by U.N. Ambassador Andrew Young and Mayors Ernest Morial of New Orleans, Maynard Jackson of Atlanta and Coleman Young of Detroit.

Ten years ago, many blacks were inspired by the stormy civil-rights struggle to don flowing dashikis, adopt the colors of red, black and green, and wear medallions of clinched fists as symbols of black identity and cultural pride. Such symbols were largely relinquished during the 1970s. Still, some blacks quest for a symbol, and the Muntu is for them a statement.

Its creator, Sam Lax, is a white former San Quentin inmate, who is now a Los Angeles-based jewelry maker and photographer. It is a sign of the times—some would say sophistication—that most wearers and promoters seem not to object.

Mayor Barry owns three Muntu lapel pins and calls them "an expression of solidarity with my African brothers and sisters in general and with the liberation struggle of people in South Africa in particular."

The jewelry also is gaining mileage from a current charity drive for the NAACP. Lax convinced the Pillsbury Co. to substitute its usual advertisement in the weekly black press with a plug for a Muntu-NAACP drive. Lax says he is contributing 50 cents of every dollar (the retail price is $12.50) to the civil rights organization.

"We judged Lax's sincerity by the amount of time and energy he puts into it and the commitment of his resources," said NAACP spokesman Paul Brock.

Ray Eiland, a Pillsbury vice president, said, "I think the project is fantastic. Lax calls up and says he loves me, he calls himself a son of a black revolutionary. I respond and don't question the idea of a white creating a symbol for blacks."

Lax, 45, is a tall, bony man who prefers the look of the old West, Levi's shirt and jeans, a fleece-lined vest and a silver belt buckle of horses, his own design. His voice and manner tend toward the agitated.

As he paces around his Los Angeles office, a converted dry-cleaning plant that is the headquarters of his company, SALA and Associates, his circuitous story is one of a latter-day believer, unaware of discrimination problems until one riveting experience and now driven to grandiose displays of brotherhood. He calls Yvonne Price "my sister" and Benjamin Hooks "Dr. Ben."

"I was raised in a medical family on the West Coast and was not really aware of the civil-rights groups and struggle. Not until I was 19½ years old and traveled across the country and saw those (segregated) bathrooms, those four bathrooms, then it hit me," says Lax.

After that cross-country trip, Lax joined some political groups but largely pursued his career of photography and jewelry making. He had a jewelry business in Los Angeles and worked on advertising accounts for Mattel Toys and Frederick's of Hollywood.

In 1967 Lax ended up in San Quentin for violation of parole from a bad check charge. There he says he experienced another kind of personal outrage. "I walked into San Quentin and it was 60 percent black, less than 1 percent of the administrators were black. And that was totally out of proportion to the state's population of 12.5 percent." He helped start a black awareness program and designed a cover of a prison program that became popular with the inmates, he says. The sketch gradually evolved into the jewelry.

After his release, Lax returned to buckles, rings and earrings, but says the Muntu idea became a passion. He started marketing a piece called the Afro-American in 1972 by taking out a full-page ad in Ebony. In six months, however, Lax and his wife went broke.

As the dust of curiosity about the black experience settled following the "Roots I" telecast, Lax decided the time was right to try to market Muntu again. Two years ago, Sam and Carole Lax reopened their sales campaign with a press conference that featured Los Angeles Mayor Tom Bradley and actor Louis Gossett. Gossett became Muntu's national spokesman. Lax went out on the road, pressing pins on author Alex Haley and Ambassador Young. The promotion tour with Gossett failed and Lax turned to individual distributorships.

The jewelry caught the eye of Yvonne Price, director of the Leadership Conference on Civil Rights. "I sought Sam out after I saw the jewelry. Then I bought a couple of hundred pieces and sold them to friends. In the last two years she has become an adviser to Lax, visiting the workshops in Los Angeles, and introducing him to leadership of black church ushers groups and black trade unionists. "I like the design because I am a person who has roots in America and roots in Africa. And I just believe in Lax."

Lax says the Muntu isn't an identity symbol. "It simply shows the world we all have one stem, scientifically we all come from Africa," says Lax. He relishes his own observation but his smile evaporates quickly. "The people in the jewelry business think I'm crazy. I know I can always go back to the other jewelry but right now I have a disease called Muntu."

MUNTU PIN CARRIES A BLACK HISTORY MESSAGE

(By Chuck Stone)

Langston Hughes ("The Negro Speaks of Rivers"):

"I've known rivers ancient as the world and older than the flow of human blood in human veins . . .

"I bathed in the Euphrates when dawns were young.

"I built my hut near the Congo and it lulled me to sleep.

"I looked upon the Nile and raised the pyramids above it . . .

"My soul has grown deep like the rivers."

Warm hearted exchanges between two old friends paused just long enough to be captured as a tableau in American memorabilia. It was a reunion of two once-powerful civil rights militants, and an introduction to February as Black History Month.

Stokely Carmichael, now a Pan-African socialist revolutionary, had come to pay respects to a beloved former colleague, Marion Barry, now the mayor of the capital of the capitalist world.

Ideologies as distant as their homes now separated the two men. Yet, both were bound by a symbolic umbilical cord in Barry's lapel.

The "Muntu," a gold-colored Africa-shaped pin with a black engraving of the United States and etched with lineal roots connecting the two continents, sparkled on the mayor's three-piece suit.

"Right on! Hold up the flag!" exclaimed an exuberant Carmichael. He had previously noticed the pin in pictures of Barry chatting with President Carter.

"I always wear it," Barry replied smilingly.

So do NAACP President Benjamin Hooks, actor Lou Gosset of "Roots" fame, Rep. Bill Gray, D-Pa., Alex Haley, actress Gail Fisher, Tina Turner, U.N. Ambassador Andrew Young and Los Angeles Mayor Tom Bradley.

For years impoverished by no emblem for peoplehood, black Americans at last could venerate a symbol of their ancestoral roots.

Robert E. Hayden ("O Daedalus, Fly Away Home"):

"Do you remember Africa?

"I knew all the Stars of Africa.

"My gran, he flew back to Africa just spread his arms and flew away home."

As an idea whose time previously not come, Muntu now is being exalted by many black Americans into symbolic ties with their past.

"That's what I had in mind when I designed it," explained Los Angeles-based Sam Lax.

That was back in 1967, and Lax was serving time beyond the greystone walls of San Quentin.

A civil rights quake was rumbling across America. Black convicts were quick to embrace any new affinity for black pride.

But how does one wear an idea? It happened this way.

When the San Quentin convicts clustered in their respective ethnic enclaves, Jews wore their Stars of David, and Chicanos carried their crucifixes.

Blacks at first turned to Afros and dashikis. But tonsorial and sartorial styles can be coopted and lost their uniqueness.

Maybe, suggested one of the toughest black convicts, that "together" white dude who is a jeweler over there in the other cell block could design an emblem.

Trusted and respected by black inmates, Lax went to work. He poured his relentlessly created energy into after-hours metal-smithing, using smuggled metals and a Zippo lighter.

Even one of the black correctional officers, Darrow W. Smith, assisted in the underground manufacturing unit.

Within weeks, Muntu became a thing of beauty.

No longer obsequious "Negroes," the black convicts clasped the new pin around their necks and become proud descendants of African warriors.

Malcolm X: "If you put a cat in an oven and she has kittens, you don't call them biscuits.

But the idea was still denied. Nationally, blacks weren't ready for this summons from the African Diaspora.

After Lax had served 22 months and was released from prison, he and his new wife, Carole, mortgaged their home, invested all of their savings into merchandising Muntu—and went broke.

"I still owe so many people money," Lax said in a telephone conversation, "I look like a miniature national debt."

Then, the "Roots" phenomenom swept across the national landscape with the speed of a Zulu-drummed message.

Blacks dug down deep into their psyches and rediscovered their African origins.

"The time is now," declared a black friend of Lax. They formed Sala & Associates in Los Angeles and started to market Muntu.

"I want the money from Muntu to stay in the black community," says Lax.

"Muntu is only being offered to the public through black churches, black-owned businesses, civil groups, organizations like the NAACP, and educational institutions in places like Washington, New Orleans, New York City, Los Angeles and Providence, R.I.

"It's already been assigned a Library of Congress number.

"But there is only one person authorized to speak or negotiate on behalf of either myself or the Muntu symbol. And that's Yvonne Price, an executive assistant with the Leadership Conference on Civil Rights. Other than my wife, there is no other person in the country dearer to me. She's a rare person."

Had he encountered any flak because he is a white man and he had designed Muntu?

Lax has been hanging out with the "bloods" so long, he explained it in a black perspective.

"Man, that's not where it's at. The bottom line is that all of us come from Africa because that's where the first man originated." He chuckled, and added, "And a white scientist said that.

"Muntu says three things," said Lax. "I am African, I am American. And I'm proud of them all."

W. E. B. duBois ("Of Our Spiritual Strivings"—1903): "It is a peculiar sensation . . . this double consciousness . . . one ever feels his twoness an American, a Negro; two souls, two thoughts, two unreconciled strivings, two warring ideals in one dark body."

Seventy-five years after the father of Pan-Africanism, duBois, wrote these words, Muntu has begun to harmonize those "warring ideals in one dark body."

"No more appropriate symbol than the Muntu exemplified the meaning of February Black History month.●

FRED KAHN ADDRESS TO ECONOMIC CLUB OF CHICAGO

● Mr. PRYOR. Mr. President, on March 13, Fred Kahn addressed the Economic Club of Chicago. His speech outlines the principal elements of the President's anti-inflation program and focuses on the particular responsibility of the business community—along with Government and labor—to make it work. Dr. Kahn's conclusion—reinforced by the 1.2-percent raise in February's Consumer Price Index—is that up to now we have not done very well Mr. President, I recommend Dr. Kahn's remarks to my colleagues and ask that the text of his address be printed in the RECORD.

The address follows:

REMARKS OF ALFRED E. KAHN

I'm here today to bring you some bad news. First, you are on the spot. You have a heavy responsibility to help us bring under control the inflation that is afflicting all of us, without necessitating so hard a jamming of the monetary and fiscal brakes as would plunge us into a serious recession, or putting the American economy in the straightjacket of comprehensive mandatory wage and price controls.

I'm sure it will already have occurred to you that I have at least the economics upside down—and probably the politics, too. Let's hold off on the economics for awhile. Surely, you will be thinking, it's President Carter's neck that's on the line—and possibly Fred Kahn's—not yours.

You're probably right about the President, although you can forget about Fred Kahn: I still have tenure at Cornell University. But that doesn't get you off the hook. Surely you can't believe that, after ten years of inflation that has run consistently at about 6 percent or worse, the free enterprise system itself isn't on trial? You may protest that if that's so, it's terribly unfair—to which the obvious response is, whoever said that life was fair? And if the President's anti-inflation program fails, do you seriously think we can get off without either a genuine recession, or comprehensive controls, or both?

Don't fool yourselves, you are in the same boat as the President and I; except that I have a life preserver.

My second piece of bad news is that you're not doing very well: just have a look at the January and February Producer Price Indexes—1.3 percent and 1.0 percent, respectively. Double-digit.

Don't despair, however, I also have some good news. I refer, of course, to the President's anti-inflation program, and to the widespread agreement about its basic fairness and soundness—particularly when, as the old man said when he was asked how he felt on turning 70, one considers the alternatives.

There are, to be sure, strong differences of opinion as to the program's chances for success. But consider what it has going for it. First, the close to unanimous view of the American people that inflation is our most serious domestic problem, and that the prospect of its continuation at present rates is simply unthinkable. Second, the widespread recognition that its solution is going to require restraint on the part of all of us: public opinion poll after public opinion poll elicits affirmative answers, by margins of three and four to one, to the question: "Would you be willing to take a lesser increase in income, if it offered some promise of helping bring inflation under control?" And consider, finally, the close to unanimous belief on the part of the people who are worth listening to—of course, it will have to be I who defines that category!—that all of the conceivable alternatives really are terrible.

So you do have a chance of getting out of this boat we are both in. But—and this is my conclusion—more of you are going to have to try a lot harder than you have so far.

I am tempted, having summarized my message, to sit down, but I suspect, this close to the gates of the University of Chicago, I still have some fast talking to do.

I suspect, specifically, that some of you are going to need some persuading that American business has a particular responsibility either for inflation itself or for its remedy. The conventional wisdom, of course, is that the fault is government's, and the sufficient remedy is reduced government spending and a restraining monetary policy.

The conventional wisdom is, of course, not all wrong. If you look to the sources of the unacceptably high inflation we have been suffering from these last ten years, you would, I agree, probably have to assign blame first to the ill-advised expansions of the money supply and of Federal spending, unmatched by taxes, during the late '60s and again in 1971–73.

I do not think, however, that a similar criticism can be levelled at our macroeconomic policies since 1975. Expansion of aggregate demands has surely been desirable, as we have emerged from a deep recession; I do not think the Federal Government can be accused of having sought an excessively rapid reduction of unemployment, or of having overstimulated the economy. Its budget deficits have been large, but their effect on aggregate demand has been offset by large surpluses in the State and local governmental sectors and the greatly expanded deficit in our current balance of international payments. I do not say that this was a healthy state of affairs; our economy would almost certainly have been stronger in the long run had both the deficit in the Federal budget, on the one hand, and in our balance of payments, on the other, been smaller, and private investment expenditures higher; all I am saying is that Federal spending had not during the last few years—not, that is to say, until something like the last six months—produced an overheated economy, as it did in the late '60s and early 1970s.

On the other hand, I think there is little doubt that Federal Government policy has in other ways contributed substantially to inflation in the last few years—for example, with tighter restrictions on agricultural production, sharp increases in the minimum wage and social security taxes, and in the increased costs imposed on the private economy by its regulatory activities, about which I will have more to say later.

But actions such as these merely underscore the point that I want to make—that the responsibility for both inflation and its remedy is one that we must all bear. When the Federal Government engages in these activities, it does not do so out of some malevolent will of its own, merely to aggrandize the power of some bureaucrats in Washington; it does so in response to pressures from the American people—all kinds of people—to meet some need that they express.

If inflation has become a chronic problem in Western society, as well may be the case, it is I think because we have experienced a decreasing willingness to rely upon and expose ourselves to the functioning of an uncontrolled market system. The fact is that most people in this country don't like the way a truly competitive economy operates, and have found ways of protecting themselves from it. The growing commitment of our government to maintaining full employment, to widely expanded income transfer programs, to a broad range of economic and social regulations—most of them clearly laudable and desirable, to the extent that we can afford them—are all manifestations and components of this change.

Similar changes have occurred in the way in which the private economy functions. In much of the economy, for example, wages and prices are obviously not determined by a process of competitive demand interacting with competitive supply. Labor bargains are powerfully influenced by the presence of market power, on both sides of the table, and by what has happened in the preceding months and years to the cost of living, rather than what is happening currently to the demand for labor. Similarly, businesses respond to increases in wages, and in the prices of other inputs, almost regardless of what is happening to demand for their products, by simply passing through their increased costs. It would obviously be difficult, for example, to explain the regular increases in the price of steel in the last thirty-five years on the basis of sharply increased demand.

And so the problem continues to feed upon itself: wages chase prices and prices chase wages, in an apparently unending spiral.

This wage-price machine is, of course, not totally impervious to declines in aggregate demand. For this reason, fiscal and monetary restraint are two of the major components of the President's anti-inflation plan.

The President has proposed a much leaner budget for fiscal 1980 than we have seen in many years. In nominal dollars, it will grow by 7.7 percent. In real dollars, that is less than one percent; and for non-defense spending alone, no growth, at all. If you take uncontrollable expenditures out of that total, the remainder goes down even in nominal dollars—and much more in real terms.

Why, you may ask, do I consider fiscal restraint an important ingredient in the war against inflation today, in view of the doubt I have expressed that excessive Federal spending has been a major source of inflation over the last several years?

The first, obvious reason is that we are far closer to full employment now than we have been in some time; and there are clear signs of excessive aggregate demand all around us.

Another is that with interest rates as high as they are, we ought to try to hold down the extent to which financing the Federal deficit competes with private investment demands for tight credit.

Finally, I do not think one can overestimate the symbolic importance—to business, consumers, financial institutions—of the Federal Government's exercising budgetary restraint. I simply do not believe that we are going to elicit the kind of restraint we must have from all parts of our society, unless people believe that the government is setting the example.

The second component of the President's anti-inflation package is monetary restraint. In view of the greater flexibility of monetary than fiscal policy in the short run, it is on this part of the program that we must place our principal reliance for cooling down the economy in the months immediately ahead.

As necessary and useful as these two tools are, however, they are not sufficient, by themselves, to combat the kind of deep-rooted inflation we're experiencing today—unless we are prepared to apply them more ruthlessly than I believe desirable or the American people would be willing to tolerate.

For this reason, the President's program includes as the third major component intended to put the brakes on inflation immediately, the voluntary wage and price standards. Their purpose is to increase the amount of inflation control we get from a given degree of macroeconomic restraint, and thereby to reduce the amount of recession and unemployment it takes to bring the rate of inflation down.

I'm sure most of you are generally familiar with these standards. Perhaps you are less generally aware that in addition to the general standards, which we made final last December, the Council on Wage and Price Stability has issued special guidelines for retailing, food processing, professional fees, petroleum refining, medical, dental and other insurance, and for Federal, State and local governments, reflecting the special characteristics and problems of these sectors of the economy. We expect to be issuing standards for the electric and gas utilities at any moment—which leaves only banking as our major outstanding puzzlement.

A fourth major component of the President's anti-inflation plan are the legislative initiatives the President has proposed—two of which are of critical importance. First, there is the Real Wage Insurance proposal which, in my view, we simply must have, if we are going to be succesful in persuading labor to exercise wage restraint in the face of ever-rising prices.

Second, there is the hospital cost containment bill introduced just last week. I'll return to this one presently.

The final major component of the program consists in the President's firm commitment to review all the ways in which Federal regulatory policies drive prices up. This review, like the accentuated attention we must give to reversing our deplorable recent productivity record, will take longer to produce results; but—again like the productivity effort, to which it is in many ways linked—it comes closer in my opinion to getting at the fundamental problems than any of the others. I am interpreting this part of my mission broadly, to embrace all government interventions that protect and promote special interests, restrict competition, interfere with the functioning of markets, and impose excessive costs on the economy.

This part of the President's program has inspired exaggerated and unjustified expectations on both sides—serious demands by businessmen for a total moratorium on all new regulations, if not an abolition of all old ones; and bitter complaints by environmentalists that the President has set up a new, secret cabal to unleash a new spoliation of the American continent.

It seems to me essential that both sides recognize—and, even more important, recognize that the President recognizes—that there are at least two different kinds of regulations: the ones that protect particular economic interests against competition, by limiting price-cutting, market entry, or the free flow of goods and services; and the ones that have as their purpose such broader social goals as protection of the environment or health or safety.

I intend to subject the first kind of economic regulation to the most exacting scrutiny. We're going to look at trucking; at agricultural price supports; at import tariffs and quotas; at steel trigger prices. We are urging the States to take a look at the way they regulate insurance companies, hospitals and utilities. Protectionism and restrictions on competition typically mean higher prices we can ill-afford at any time, but least of all in time of inflation.

Incidentally, I have already been asked several times how I reconcile this attitude of mine toward economic regulation with my advocacy of hospital cost containment. The answer is really quite simple: I am in favor of relying on competition wherever it is feasible and likely to be effective—as in air transport; but I'm not in favor of relying on the free market where it will not work. The reasonableness of hospital charges and services can simply not be left to the competitive marketplace; the elementary checks present elsewhere are not present here. More than 90 percent of all hospital bills are paid by third parties—insurance companies, Medicaid or Medicare. This means that neither the consumer—that is, the patient—nor the provider—the doctor and the hospital—nor the agency that decides what costs will be incurred—the doctor—feels the pinch of rising costs in deciding what kind of facilities and care are to be provided.

Moreover, the typical method by which these third parties reimburse hospitals for their services is on a cost-plus basis: hospitals receive about 60 percent of their revenues on the principle of the more they spend, the more they get. The rest are made on the basis of hospital-established prices; the hospitals are paid what they ask. And neither of these kinds of charges is subject to the test of a competitive marketplace: consumers do not make comparisons and shop around. Most of the decisions are made not by them but by physicians.

The other kind of regulation—environmental, occupational and product safety—is more difficult to judge. No one in his or her right mind could argue that the competitive market takes care of protecting the environment—it doesn't. Competition in the absence of regulation is competiton in the degradation of the environment. Moreover, the popular conception that we must make choices between "economic welfare" and environmental protection is simply wrong. Environmental values *are* economic values.

Of course, the other side of that coin is that environmental protection must, if it is to be rational, be subjected to economic tests.

There can be little doubt that we have not consistently done so in the past. The anti-inflation program quite properly requires that we begin to do so now. But the businessman who hopes for a complete moratorium must realize that that makes no sense even as an anti-inflation policy.

This, then, is the broad outline of the President's anti-inflation program. It is not mere loyalty that leads me to assert that the plan is an admirable one, in its design and conception, its scope, its reach. What, however, about its grasp? To put it mundanely, how are we doing?

The first answer has got to be: not nearly as well as we had hoped. After a couple of months hovering on the brink of double-digits, we have now had two months in which we shattered that barrier, and it seems highly likely we'll have a couple more ahead. The Producer Price Index went up 1.3 percent in January, 1.0 percent in February. Those of you who cannot do compound interest in your heads, just multiply by 12: that's bad enough.

What is especially discouraging about these recent price increases is not only their size, but their ambiguity. Let's confine our attention to the February PPI, simply because it is the most recent. While the increase in the finished goods index was heavily concentrated on food—it went up 1.6 percent in that one month, all other finished goods 0.9—there were sharp double-digit increases in alcoholic beverages (1.2 percent), textile house furnishings (2.3); footwear (3.1 percent—all of this in one month, mind you), tires and tubes (2.9), motor trucks (2.1). And when we turn to intermediate products, whose index went up 1.1 percent, we find far above average rises not just in food, but in leather (5.2 percent), inedible fats and oils (5.8), phosphates (2.1), paper (1.9), various non-ferrous metal products (ranging between 3.4 and 10.1 percent!).

But stop and think, what does all this mean?

First, take the extraordinarily sharp increases in food products. Beef and veal alone went up 4.7 percent at the finished goods level: about the only good thing one can say about that is that it was less than the 13.3 percent they went up in the single month of January! But there were others even worse in February: fresh fruits went up 9.2 percent, fresh and dried vegetables 12.2 percent, and fish 7.2 percent, all seasonally adjusted. What we are witnessing here is the consequence of the long-term decline in the size of our cattle herds, and unusually severe weather (as someone with a modest training in statistics, I find it very difficult to understand how the weather can be unusually severe every winter in memory; but that's what it says here).

Next, consider the disproportionately large increases in energy prices. Gasoline went up 3.2 percent in January, 2.2 percent in February, and there's not the slightest doubt it will keep going up for several months; natural gas went up 2.7 percent last month. You know the reasons for this as well as I.

There are probably several ways of looking at these extremely painful developments. One is that you can't blame them on the President's program. There is not very much you can do with wage and price controls—except harm—to remedy a shortage of cows, a strike cf lettuce growers, or the predations of the international oil cartel; and there is precious little you can do with monetary and fiscal policy either, except what we're already doing.

But the more important truth, by far, is that these unhappy developments make even more urgent—indeed, absolutely inescapable—the need for the restraint that is the essence of the President's program. Every one of these developments means that, at least in the short-term, we are as a country poorer than we were a short time ago. There is either absolutely less to go around than before, or its real costs to us are enormously increased. To permit money incomes to rise in a vain effort to compensate for these increased prices is to deceive ourselves into believing that we really aren't poorer than we were before, that we really can maintain our real standards of consumption of beef, lettuce and gasoline as well as everything else; and cf course the only consequence will be an accelerated decline in what each one of our dollars will buy.

Consider, third, the implications of the fact that the increases in wholesale prices were so widespread. Consider, particularly, the fact that while the index for finished goods went up 1.0 percent, the prices of crude goods went up 3.3 percent—2.8 if we leave out food and feedstuffs. This is a very thin index, heavily dominated by just a few products: hides and skins went up 12.6 percent (that I guess is the other side of what's happened to beef), potash 8.7 percent, iron and steel scrap 6.3, non-ferrous scrap 10.7. But observe also, at the intermediate level, the sharp increases in building materials: asphalt roofing, 4.0, cement, 1.9 (on top of 4.0 percent in January), plastic construction products, 4.3. What we obviously are witnessing here is evidence of an overheated economy.

What does that mean? Several things, again. No one ever pretended, or should have pretended, that voluntary—or even mandatory—standards can effectively restrain inflation when aggregate demand is excessive. But all that means is that the fiscal and monetary restrain that are an essential component of the President's program are, as usual, taking time to take hold.

The critical question in the days and weeks immediately ahead, while this is happening, is whether we can keep these largely externally-originating elements of inflation from being built into our basic wage and price structure. When the President's program was being fashioned, it seemed a reasonable expectation that if labor would settle within the 7 percent wage standard, it could expect a modest rise in real income; that plus that backup that we hoped the President's Real Wage Insurance proposal would provide, it was reasonable to hope, would produce the necessary restraint.

The need is still there. If labor insists on higher settlements in order to compensate for the couple of points of additional increase in the CPI that have been visited upon us by beef, fruits and vegetables and oil, the only effect—and the inescapable one—will be to build something like 9 percent rather than 7 percent inflation into our basic cost structure. It will simply give a faster twist to the inflationary spiral, and so accentuate the cycle of discontent, frustration, and anger.

That is what the wage and price standards are all about—to stop building into our price structure wage increases so manifestly in excess of any remotely achievable productivity gains as to be inescapably self-frustrating. and increases in profit margins that will have the same effect. Or, to put it somewhat more ominously, to get the most anti-inflationary and the least recessionary bang out of the macroeconomic buck.

What has been most heartening to me has been labor's willingness, so far, to make this act of faith. Over the last several months, we have had reports of settlement after settlement within the standards. The most striking was the one reached last January by the Oil, Chemical and Atomic Workers—definitely within the standards, and this is an industry where labor costs are only a tiny percentage of the total, and profits have been very good.

I will not attempt to explain why the oil workers were willing to take this genuine risk in settling as they did, and in setting so admirable an example for all of the rest of us. I do genuinely believe, however, that, whatever the external pressures, it was a sign of maturity, a reflection of the fact that the people in this country are sick of inflation, and are willing to accept some limitation in their money incomes if that offers hope of bringing it under control.

But organized labor is also complaining, more and more loudly each week, that the program is fundamentally unfair. It is easier, they point out, to monitor wages than prices—and you and I know that they are right. Every employer in the country, they assert, will be glad to help enforce the pay standard: certainly the oil companies were, and so were the 73 percent of the 600 companies who responded to a recent survey that they had reduced their planned allowances for wage increases from 8.5 to 7.1 percent.

The critical question at the moment is how long will labor be willing to demonstrate that type of restraint, while Congress dawdles over the Real Wage Insurance proposal, while prices are rising at a rate several points higher than the one at which we are asking labor to settle, and while—mark this—every indication is that profit reports are going to be extremely high in the months ahead. When the final reports are in, we expect them to show corporate profits for the fourth quarter of 1978 25–30 percent higher than for the same period the year before.

These higher profits are, of course, not necessarily bad. For one thing, profits naturally fluctuate more widely with the business cycle. And there is no evidence of any long-run tendency for the profit share of our gross national income to increase. In addition, money profit figures, computed on the basis of historic depreciation rates, seriously overstate real profits in time of inflation. And, most compelling of all, there are the facts that both personal savings and our rates of capital formation are deplorably low—and that all of us would be better off if they were higher.

Nevertheless, at a time when the President has called on all of us to show restraint and we are asking labor to settle for what looks at the moment like a decline in real income—although we have genuine hope that the prospects will look a great deal better in a few months—reports of record-high corporate profits are almost as much of a catastrophe as the January PPI. And that brings me to why I believe you, all of you, are on the spot, and in trouble. What these PPI and profit reports underscore, what the complaints of labor and the tenuousness of the wage standards at the present juncture underscore, is a strong belief that the business community has not been doing its share in the anti-inflation fight.

I know that that will strike many of you as monstrously unjust. By far the preponderant majority of the very largest corporations, I am convinced, intend to comply with the price standards; and I have no evidence that they are not doing so. There have been leaders among them—conspicuously Thomas Murphy of General Motors and John DeButts of AT&T—who have given strong public endorsements to the program, and clearly emphasized their belief that it must be made to succeed. And I have had many heartening expressions of support, delivered both to me and to the business community, by many, many others of you.

The fact remains that the business community as a whole has not responded aggressively and publicly to the challenge. It has not assumed the leadership in this fight. It has not boldly sought to meet the legitimate criticisms of organized labor. It has not forthrightly and publicly proclaimed to its membership and its constituencies that this program has to work; that the only conceivable alternatives, if it does not, are unthinkably worse, not just for America but for the business community itself.

And it has not, I am quite certain, come anywhere near to uniform compliance with the standards.

As I say, we believe that the very biggest companies are, in fact, intending to comply with the price standards. I must qualify this statement somewhat by reporting an apparent tendency, in some industries, for companies to regard the standards as not just ceilings but floors, and to take their permitted increases at the earliest possible moment. But the evidence of this is so far scattered.

However, there are many more businesses who aren't talking, at least up to now. Indeed, I see disquieting signs of a kind of "who, me?" attitude—an attitude suggesting not only that business doesn't believe it's part of the problem, but worse, that it may not care.

And where small and medium-sized companies are concerned, it now appears that many are *not* complying at all.

Because so much attention is focused on the biggest units, I'm afraid there is an inclination among the rest to believe, or perhaps hope, that the program is not concerned with them. The smaller the company, the less it is exposed to scrutiny from Washington.

In spite of their low profile, small and medium-sized companies would be well advised not to throw compliance to the winds. Council investigations of excessive price increases in specific markets will not be limited to the biggest companies. Those who violate the standards will be publicized in equal measure, regardless of their size.

Those investigations have now begun, and will continue with ever-increasing intensity in the weeks and months ahead. We have now received filings of the requisite information from over a thousand companies with annual sales of over $250 million. I observe, parenthetically, that we have received complaints that these requests are unreasonable and onerous. I find the complaints utterly amazing, not only because the information we have requested is nothing more than what each of these companies would have to have compiled in order to satisfy itself that it was in effect complying with the standards, but also because it seems to me to show a shocking failure to recognize what is at stake, and what the inescapable consequences would be if we were not honestly to try to monitor the price part of the program.

This information, along with what we will collect from other government agency reports and from the trade press, will form the foundation for our price monitoring effort over the next nine months. In addition, where our scrutiny leads us to markets in which smaller firms play a significant role, we will have no hesitation in seeking reports on pricing from firms whose sales are less than $250 million.

We are already well into an intensive check of a dozen product groups where the January price increases seemed out of line: meat packing, tobacco, beer, bakeries, drugs, chemicals, gypsum, cement, plywood, batteries, textiles, shoes and tires. We are actively calling companies in these product areas for verification of compliance. And we will do the same for February.

It is probably superfluous for me to warn you that the mere fact that we have identified industries or product lines in which the price increases seem troublesomely high does not mean that all or even any of the companies involved have in fact violated the standards. However, it is also a fact that we have now identified several that we believe are not in compliance with the standards; and after giving them, under procedures we've already set up, ten days in which to respond, we will, with a degree of enthusiasm that I suspect some of you may consider unseemly, identify the miscreants publicly.

The success or failure of this program depends in the last analysis on the enlightened self interest of the American people. I see my own role in this effort far less as that of enforcer, jawboner, or chicken—that allusion is to Groucho Marx's classic allusion to his brother—than as one that is far more congenial to me, that of a teacher. What I try to do is go around the country stating what seem to me unexceptionable truths: the truth that inflation is painful to most of us; that the responsibility for exercising the restraint necessary to bring our demands into compatibility with the ability of our economy to satisfy them rests in the last analysis with all of us, in our roles as wage earners, businessmen, and claimants on government; that anyone who in these circumstances demands more than his or her fair share is committing aggression on the rest of us. And, finally, that we do not have to do this to ourselves.

What I try to do, in short, is appeal to the maturity and social conscience of the American people. I am going to assume, until I am proved wrong, that the business leaders of this country—no, every single individual businessman—has these qualities to no less a degree than the rest of us.

We can lick this problem, without doing greater damage to ourselves than we are now doing. But if we are to do so, American businesses—all of them—have got to be in the front seat, not the back. This boat we're in is yours far more than it is mine; you're driving it, not me. Don't delude yourselves that if it springs a leak at the other end, you will remain dry.●

CARTER ADMINISTRATION DOCUMENTS ON PUBLIC BROADCASTING

● Mr. GOLDWATER. Mr. President, on February 26, 1979, I informed the Senate of the Carter administration's release of documents purportedly detailing efforts by the Nixon administration to influence public broadcasting. At that time, I pointed out that during the 95th Congress, the Communications Subcommittee had requested disclosure of records of oral and written contacts that have occurred between Carter administration officials and public broadcasting.

The subcommittee never received a reply to that request. Later, the Carnegie Commission on the Future of Public Broadcasting requested similar information regarding all White House contacts with public broadcasting beginning in 1969.

White House and National Telecommunications and Information Administration staff members responded to the Carnegie request and released certain documents on the theory that the Nixon administration was engaged in improper conduct and it was therefore in the public interest to release that information.

After release of the Nixon documents, I reiterated my request for the release of Carter administration documents. I ask that my letter be printed in the RECORD at this point.

The letter follows:

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION,
Washington, D.C., February 26, 1979.

Hon. HENRY GELLER,
Assistant Secretary for Communications and Information, U.S. Department of Commerce, Washington, D.C.

DEAR MR. GELLER: In view of your public release of documents detailing contacts between Nixon Administration staff members and officials of public broadcasting, I am renewing and expanding the Senate Communications Subcommittee's previous request (which was not honored) for records of similar contacts that have occurred during the Carter Administration.

Specifically, I am requesting disclosure of the records of each and every written and oral contact between Carter Administration officials and the following persons: directors or director nominees and officers of the Corporation for Public Broadcasting; directors, officers and employees of the Public Broadcasting Service, National Public Radio, Greater Washington Educational Telecommunications Inc. (WETA), Educational Broadcasting Corporation (WNET), Community Television of Southern California (KCET), Chicago Educational Television Association (WTTW), and the WGBH Educational Foundation (WGBH).

I also request the same information regarding Carter Administration appointees' contacts with the members and staff of the Carnegie Commission for the Future of Public Broadcasting and with trustees, officers, employees and consultants of the Ford Foundation.

In view of President Carter's efforts to promote openness in government, I expect you to be able to reply promptly to this request.

Sincerely,

BARRY GOLDWATER.

Mr. GOLDWATER. Mr. President, on Tuesday, March 20, I received a reply from Mr. Geller in which he suggested that Subcommittee Chairman Hollings and I, accompanied by staff, along with our counterparts on the House Communications Subcommittee, examine NTIA files on public broadcasting.

I have written Mr. Geller that his proposal is unacceptable. There is evidence of apparent improper conduct during the Carter administration. As an example of it has come to my attention. I would cite a memorandum which I ask be printed in the RECORD at this point.

AUGUST 2, 1977.

To: Henry Loomis
From: Cortland Anderson
Subject: Conversation with Barry Jagoda

I called Jagoda to continue our newly established relationship. I greeted him with the statement that I am twice as smart and three times as knowledgeable as when we had dinner some weeks ago.

He responded, "I have learned a whole lot since we last met, too." He said that he had given considerable time and serious thought to public broadcasting, has read numerous reports on the subject and studied in depth letters from Henry Loomis. He said that he thinks the difference between his viewpoint and yours are a lot narrower than he once thought. He called you a successful commentator in the area of checks and balances. He said there may be some differences in the philosophical approach concerning some kinds of programming but he knows a lot more, for example, what a CSG is.

It seemed to me that Jagoda has filled in some of the informational lacks I noticed when we had dinner. I suspect he spent a lot of time with your letter to Bo Cutter. I think ours was a good conversation that revealed an information maturation, that we should welcome.

I am having lunch at the White House with Jagoda on August 16, and I suspect we will hear more.

Two footnotes:

1. When Jagoda said he heard about Elson's involvement in NPR programming he said he got incensed and spoke to Elson about such

situations which are more serious for what they appear to be as opposed to what they actually are.

2. In response to my questions, he said Rockefeller and Sorensen are all greased with the Committee and that Minnow, who had withdrawn his name once, is sort of back in the game.

Mr. GOLDWATER. Because there may be documents containing evidence of similar conduct, I have reiterated and expanded my request for the disclosure of documents to include memoranda or phone logs relating to meetings between Barry Jagoda and Cortland Anderson, the Executive Vice President of the Corporation for Public Broadcasting, on the three dates mentioned and any prior or subsequent contact.●

NATIONAL BICYCLING DAY

● Mr. SASSER. Mr. President, since coming to the Senate I have consistently advocated the removal of barriers to the use of efficient forms of energy. In this regard, we cannot ignore the most energy efficient form of transportation of all, the bicycle.

My colleague from Vermont (Senator Stafford), has introduced legislation which I am proud to cosponsor. His bill, S. 460, would assure safe bicycle parking facilities at Federal buildings across the Nation.

As the weather turns warm again, we are reminded that the bicycle is not just a form of exercise. Thousands of people each day use the bicycle as a serious transportation source. We must encourage this use.

It is estimated that every mile biked "earns" about 17 cents. For every mile pedaled, no automobile fumes are generated and precious gasoline is conserved. The air remains clean and we are healthier for it. The benefits of bicycling, then, redound to all of us, even if we do not ourselves ride.

I feel very strongly that the Federal Government needs to take the lead in promoting energy conservation and developing innovative solutions to energy shortages. By providing proper facilities for Federal employees to park their bikes, we encourage Federal workers and people across the country to leave their energy-inefficient vehicles and ride bikes.

I commend my colleague from Vermont and urge all Senators to cosponsor S. 460, as well as my resolution, Senate Joint Resolution 37, which authorizes the President to designate May 1, 1979, as National Bicycling Day.●

AFGHANISTAN

● Mr. LUGAR. Mr. President, I have joined with Senator Pell in urging cutbacks in our present ties with Afghanistan. It has been close to 5 weeks since our Ambassador to Afghanistan, Adolph Dubs, was murdered there. The present regime in Afghanistan has shown little or no regret over its obvious mishandling of his attempted rescue, and our own administration's response has been inadequate to express the depth of our concern over this event.

Mr. President, it will be said that we ought to do no more than express our displeasure with such an event. It will be said that we must continue various forms of foreign assistance to the current regime in Afghanistan in order to maintain some "leverage" over it. But I would submit that the kidnaping, botched rescue and murder of our Ambassador demonstrates that we have very little leverage there at present. Without a vigorous response now, we are unlikely to be able to purchase more in the near future. Ambassadors are not political pawns whose lives are expendable; Ambassadors are representatives of their countries and of the time-honored traditions of international discourse. There is simply no reason whatever to continue to fund a regime which does not subscribe to even the most minimal rules and practices of international relations.

Mr. President, Senator Pell has proposed a series of very reasonable and moderate responses to the Afghan regime. He has introduced a resolution for the Senate to withhold its advice and consent on a new Ambassador to Afghanistan until responsibility for Mr. Dubs' murder is assumed, apologies offered, and adequate protection in the future guaranteed. Beyond this, Senator Pell has urged an end to all economic aid, military aid, and military sales until these conditions are met. Senator Pell's proposals do not represent vindictiveness or national assertiveness they represent our insistence upon what ought to be a matter of course in foreign relations. These are reasonable proposals, Mr. President, which are designed to demonstrate that the United States expects all countries with which it conducts diplomatic relations to abide by minimal international standards. I am pleased to associate myself with them.●

BYELORUSSIAN INDEPENDENCE DAY

● Mr. WILLIAMS. Mr. President, I would like to take a few moments to call attention to a day of great significance for Americans of Byelorussian descent. On March 25, Byelorussians throughout the world observed the 61st anniversary of the proclamation of independence for the Byelorussian Democratic Republic.

As a result of the turmoil of World War I, Byelorussians were presented with the opportunity to escape the yoke of centuries of Tsarist oppression and declared their nationhood. On March 25, 1918, the freely elected representatives to the First All-Byelorussian Congress proclaimed the establishment of the Byelorussian Democratic Republic. This genuine government moved rapidly to revitalize a war-shattered economy.

This flowering of Byelorussian nationhood was, however, cut tragically short. Callously disregarding the right of national self-determination, the Bolsheviks invaded the young republic in 1919. This incursion eventually resulted in the partition of Byelorussia between the U.S.S.R. and Poland. At the conclusion of World War II, the Soviet Union extended its control to the entirety of Byelorussia.

The 60 years of Soviet domination of Byelorussia have been characterized by a harsh and continuous policy of forced Russification. Byelorussian intellectuals were purged in the name of ideological purity, and millions of peasants experienced deportation or execution as agricultural production was collectivized. This campaign of cultural suffocation has continued to the present day, with Soviet officials maintaining their total control of all aspects of Byelorussia's intellectual, social, and cultural life.

In spite of the effects of six decades of Soviet oppression, the independent spirit and desires of the Byelorussian people remain strong and whole. Mr. President, this 61st anniversary of Byelorussian independence is an occasion in which Americans can join with the other free peoples of the world in expressing our continuing admiration and support for the courageous struggle for self-determination waged by the Byelorussian nation.●

A TECHNOLOGICAL COOPERATION FOUNDATION

● Mr. STEVENSON. Mr. President, the Carter administration has recommended the creation of an Institute for Scientific and Technological Cooperation and I have introduced legislation for a similar purpose. These proposals recognize that most all of science and technology is related to conditions in the developed world and that science and technology offer great promise for an improved condition in the lesser developed nations. These proposals do not contemplate the transfer of technology so much as to cooperatively develop technologies that are relevant to the needs of the poor, helping ourselves in the process, and aiding also in the development of a scientific and technological infrastructure for the lesser developed countries. While there is much agreement on the importance of the purpose some disagreement persists over the methods. In a recent article in Science magazine, Dean Brewster C. Denny of the University of Washington underscores the importance of an independent foundation, as opposed to an agency which is or appears to be another aid agency. This is a subject of considerable significance in an unstable, interdependent world, and Mr. President, I, therefore, ask that a copy of Dean Denny's article be printed in the Record.

The article follows:

FITC: Something New or More of the Same?

On 29 March 1978 President Carter announced his Administration's plan to create a Foundation for International Technological Cooperation (FITC). The proposed foundation will be considered in this session of Congress and is expected to be part of the 1980 budget. The purpose of the FITC is to expand knowledge and increase the availability of technology to meet the needs of developing countries. The FITC will engage in or contract for programs aimed at building an indigenous capacity for science and technology in developing countries as well as a capacity to plan for expansion of the technical sector and for amelioration of side effects of such expansion. It will support and foster direct nongovernmental linkages among scientists, planners, and analysts engaged in development activities in the United States and developing countries.

The FTC offers an opportunity to foster a collegial, expert-to-expert, nonbureaucratic, nonpatronizing, no-strings-attached approach. It could also be a signal of real change in the U.S. response to the entirely new environment for development. The foundation form appears to promise that assistance will be awarded on the basis of the merit of proposals. A major expansion of the arm's-length foundation model for exchange of personnel, experts, and professional groups has long been needed in international programs. The Agency for International Development (AID) has provided some support to the development of collegial, productive exchanges by funding programs such as those of the Board on Science and Technology for International Development of the National Academy of Sciences. But AID support has been too small in relation to the need and has been conducted in the shadow, real or perceived, of any agency dominated by American political objectives abroad and political pressures at home.

Widespread consultation gives encouragement that the FITC will be well planned, adequately funded for this time of necessary budget restrain, and launched with the support and enthusiasm that are needed. But there is a real hazard that it may not keep a sufficient distance from government and make a distinct break with the past, and without these features the enterprise will surely fail. The FITC will probably become one of the group of agencies under the general rubric of a new International Development Cooperation Agency. Such a placement may be administratively necessary, but it would be risky. A major part of the FITC budget and possibly of its personnel will be transferred from the present AID. Its public board will probably be only advisory, without policy or program responsibilities. The aura of the AID, fair or unfair though the image may be, will be very much around. Whatever the true nature of the new agency, it may not be perceived as new and independent.

The proposed foundation offers this country the best available chance to participate in international political and economic development under the present circumstances, which are entirely different from those on which past programs have been based. To succeed, it must be completely insulated from large bilateral national aid programs and their associated political history. It must have, both in fact and in perception, the independence that the word foundation implies.

The United States is at its best in foreign scientific and technological programs when it treats foreigners like colleagues and not like wards. The "ugly American" has too often been a patronizing U.S. expert. A separate foundation, independently operated, can make an immense contribution to development. It may be able to achieve more with limited funds than has been possible with large infusions of capital into development projects. This is a chance to create a long-needed institution; it will be a shame if we fall short of meeting that need.—BREWSTER C. DENNY, *Dean, Graduate School of Public Affairs, University of Washington, Seattle, Washington 98195.*●

THE BYELORUSSIAN MINORITY IN THE SOVIET UNION

● Mr. LUGAR. Mr. President, we in America often take for granted the existence of civil liberties, political diversity, and tolerance of differing opinions. The worship of God, the free exchange of views, and the pursuit of cultural and economic goals do not invite political repression in this country. But such is not the case in many countries around the world. In many nations, political punishment, including beatings, imprisonment, and death, is the reward for the exercise of the freedoms we take for granted.

Mr. President, I would like to raise in this forum the case of the Byelorussian minority in the Soviet Union. Like so many minorities there, the Byelorussians are undergoing a campaign of "russification" designed to diminish and ultimately to destroy their identity. Such is the way of an ideological tyranny, in which all diversity and individuality must yield to the homogeneous whole which they threaten. The Byelorussian minority in the Soviet Union has been subjected to a campaign of systematic oppression for its political, religious, and cultural views.

Mr. President, there exists in America a concerned Byelorussian-American community which wishes fervently to aid its friends and relatives in the Soviet Union.

It does not seek to do so by illegal or violent means. It seeks to do so simply through communication, the exchange of views, and encouragement of Byelorussians to maintain their cultural heritage and individuality. This group deserves our thanks and our support. This group reminds us of our own liberties and of the sad fact that these liberties are not enjoyed universally. Indeed, this group reminds us that there are present in the world many political regimes which thrive on the suppression of political, religious, and cultural freedom and diversity. We ought to support this group in its efforts to bring to Soviet Byelorussians a greater awareness of American ideals and practices.●

ONLY A STRONG NAVY CAN DEFEND VITAL U.S. INTERESTS IN THE PERSIAN GULF

● Mr. HART. Mr. President, a recent Washington Post carried yet another article, one of the many we all have seen in recent days, about vital U.S. interests in the Persian Gulf. It indicated administration spokesmen have suggested the United States would use force to protect our vital oil interests in that area.

The question is, what kind of force would be useful? The only ground forces which we could send quickly enough in a crisis would be Marine Corps or Army light infantry. But light infantry would be largely ineffective in battle against any major ground threat, especially in the terrain conditions prevalent in the Arabian peninsula. Air Force tactical air units might be effective militarily, but as the recent visit of Air Force F–15's to Saudi Arabia showed, they require a massive support effort which might be difficult to set up in an emergency.

In fact, only naval forces have sufficient strategic mobility, tactical punch, and logistical autonomy to be a useful tool of national policy in the Persian Gulf area. Naval forces can protect the tanker tracffic, interdict the sea supply lines of hostile forces, threaten enemy forces from the air, and launch amphibious raids against the opponent's rear areas. They carry with them their own airfields, their own support facilities, and their own supplies. Their operations are controlled solely by the United States, with no need for approval by any third country.

It is highly ironic to see the administration indicate that it would use force to protect vital U.S. interests in the Persian Gulf, for this administration has consistently, even systematically, gutted the naval shipbuilding program. It has cut back projected building plans in every catagory except escort ships, a type of ship virtually useless in influencing events ashore. It has stifled almost every new technology program, attempting to kill, among other options, hydrofoils, surface effect ships, V/STOL carriers and their aircraft, new amphibious ships, and air-capable escorts.

If the United States is going to attempt to protect its allies and its vital interests in the Persian Gulf from external aggression, either the administration or the Congress must change our naval shipbuilding policy. Only naval forces can defend those interests, and only a fully adequate naval shipbuilding program can provide those naval forces. We cannot continue the administration's continental strategy, cutting the Navy to fund the Army in central Europe, and still expect to be able to defend our vital maritime interests. It is time we recognized this fundamental inconsistency between strategic reality and the administration's allocation of defense resources.

Mr. President, I ask that the relevant portions of the article from the Washington Post, "U.S. Again Hints It Would Protect Saudi Oil Supply," be printed in the RECORD.

The material follows:

U.S. AGAIN HINTS IT WOULD PROTECT SAUDI OIL SUPPLY

(By John M. Goshko)

The growing impression that the United States would use military force to protect Saudi Arabia's oil fields against outside threats was given fresh support yesterday by two of the leading figures in U.S. foreign policy circles.

That message was underscored by Secretary of State Cyrus R. Vance and Sen. Frank Church (D-Idaho), chairman of the Senate Foreign Relations Committee, in separate television interviews.

Although both qualified their statements very carefully, they also made unmistakably clear that the U.S. stake in Saudi Arabian oil supplies is so important it could justify a reversal of America's post-Vietnam reluctance to become involved in foreign military adventures.

During recent weeks, the tumultuous rush of events in the Middle East—the internal upheaval in Iran, the Arab-world hostility toward the Egyptian-Israeli peace accord, the fighting between South and North Yemen—has caused such Carter administration leaders as Defense Secretary Harold Brown and Energy Secretary James R. Schlesinger to cite the need for protecting the flow of oil from that region to the West.

Last week, a middle-level State Department official, Deputy Assistant Secretary William R. Crawford, caused a sensation before a House subcommittee when he gave testimony implying that the administration would intervene military against a threat to Saudi Arabia, America's largest oil supplier.

Yesterday, Vance was asked about these statements during his appearance on "Face the Nation" (CBS, WDVM). He replied that it was "premature to speculate about hypothetical situations" and said that, if a situation jeopardizing Saudi Arabia arose, President Carter would deal with it in strict accordance with constitutional processes.

But Vance added pointedly: "There is no question that we have vital interests in the area. We consider the territorial integrity and security of Saudi Arabia a matter of fundamental interest to the United States. We're talking about the stability of the region, which is important not just to the United States, but to the world."

Church was even more direct in an interview on "Issues and Answers" (ABC, WJLA). He said he believed the United States would be willing "to commit American forces" to counter aggression that might be launched against Saudi Arabia by an outside power like the Soviet Union.

However, Church drew a distinction between what he called "external and internal threats." He noted that an army of 700,000 couldn't save the shah of Iran's government when that country was seized by internal anarchy, and said: "I would oppose the commitment of American troops in cases where they could be of no use."●

ALCOHOL FUELS INITIATIVES

● Mr. BAYH. Mr. President, along with the rest of my colleagues, I am anxiously awaiting President Carter's speech this Thursday evening, at which time he will present his recommendations to the American people for reducing our Nation's dangerous reliance on imported liquid fuels.

I am hopeful that this message will contain some fresh and new initiatives aimed at reducing our reliance on the OPEC nations. Over the past months, I have been very encouraged by Secretary Schlesinger's increasingly favorable comments about the feasibility of using alcohol fuels as petroleum extenders or substitutes. Further, I understand that administration officials have included a number of possible initiatives on alcohol fuels in their recommendations to the President.

In light of the important decisions the President will make this week on energy questions, I have personally written to him today to urge that he incorporate alcohol fuels initiatives in the energy recommendations he will make this week. I ask that my letter to President Carter be printed in the RECORD at the conclusion of my remarks for the information of my colleagues and urge those Senators who have taken an active interest in this exciting new energy source to likewise express their views to the President.

Mr. President, the enthusiastic acceptance of alcohol fuels by a large number of American consumers has been one of the bright lights in an otherwise bleak picture on our energy front. In my own State of Indiana, the Indiana Farm Bureau Coop began marketing gasohol—a blend of alcohol and gasoline—this fall. At last count, 60 of the Coop's county associations were selling gasohol. In the first 2 months of this year, the Coop sold over 1.2 million gallons of gasohol for use by Hoosier motorists. Hundreds of my constituents have written to me about how pleased they are with the performance of this new product. Many farmers have inquired about the possibility of producing alcohol on their own farms for personal use. Others have inquired about how to go about setting up local or regional production facilities. The Internal Revenue Service estimates that over 500 retailers are now marketing gasohol and distributors throughout the Midwest are finding public demand exceeding supply. This is occurring at a time when service station dealers are having their gasoline allocations reduced and the administration has sent the Congress a rationing plan and recommended weekend service station closings.

Mr. President, I hope that the administration will follow the public's lead and build on this grassroots willingness to add this new domestic liquid fuel to our energy mix. As Chairman of the newly created National Alcohol Fuels Commission, I hope to work with the President and the administration over the next year to make some real progress in moving ahead in this area. To my mind, alcohol fuels are one of the most exciting energy and agricultural issues on our agenda.

The letter follows:

U.S. SENATE,
Washington, D.C., March 26, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I know that one of your top priorities this week will be the fashioning of new Administration recommendations for reducing our Nation's dangerous reliance on imported liquid fuels. As you consider the various options your advisers have developed for your consideration over the next few days, I wanted to take this opportunity to urge you to include initiatives in your recommendations to stimulate use of one of America's newest and most promising near term synthetic liquid fuels—alcohol fuels made from domestic and renewable natural resources.

The turmoil in Iran, which has resulted in a drawdown of world oil supplies, skyrocketing oil prices on the spot market and possible disruption here in the United States, as the major oil companies reduce their allocations of crude oil to independent refiners and service station dealers, has once again made all too clear our enormous vulnerability as a Nation due to our heavy reliance on foreign oil.

As we look toward the future, I think it is clear to most of us that there is not going to be one answer to our energy problems, but that future supplies will come from a number of diverse sources. Our clear vulnerability to events in foreign lands, and the direct impact of such developments on our foreign policy, economy and fuel supplies, makes it incumbent on all of us with responsibility for developing government policy to exploit every option available to us to avoid short-term disruptions associated with spot or regional shortages and move toward greater energy independence in the years ahead.

I have long felt that fuels from America's abundant renewable resources are an option that has not received the attention it merits. I am confident that removal of unnecessary bureaucratic red tape, a relatively small federal investment to stimulate private sector involvement in alcohol fuels production and application of our best technology to this effort will yield payoffs that can be potentially momentous. This nation did not grow and prosper by approaching problems timidly. As a Nation, and as individual citizens, Americans have always set our goals and then looked at existing obstacles as challenges rather than as barriers. This is the kind of effort we must make today as we move to increase our energy independence and harness our abundant and renewable natural resources to meet America's energy needs.

Last year, the federal government paid farmers $1.644 billion not to grow crops on their setaside acres. These lands, along with countless acres of unused marginal lands, can serve as American "energy farms," growing conventional and other energy crops to help meet our Nation's liquid fuel needs. Agricultural residues and municipal, wood and other wastes—now a problem for rural and urban communities and industry alike—can be used for energy production, thus giving a boost to local economies all over this Nation while at the same time converting what are now problems into opportunities.

Mr. President, several attributes of alcohol fuels make them particularly attractive as petroleum extenders or substitutes which can have a beneficial impact in the very near future.

Alcohol fuels work. They are a versatile fuel suitable for use in automobiles, gas turbine utility peaking units, utility boilers, industrial heating units, fuel cells and chemical applications.

Alcohol fuels are a domestic energy source, made from diverse renewable resources available in meaningful quantities in every region of the country.

Alcohol fuels can reduce the cost of farm subsidies, an irritant to urban residents and farmers alike.

Alcohol fuels are proven and environmentally benign octane boosters, at a time when lead based additives are being removed from the market and unleaded gasoline is becoming increasingly expensive and scarce and performing poorly in our newer automobiles.

Alcohol fuels can reduce our dependence on imported oil, relieving our trade deficit and pressure on the dollar while lessening the impact of oil imports on our foreign policy and our economy.

Alcohol fuels can be produced in idle distilling capacity available all over this country. Further, new production facilities are comparatively inexpensive, without serious environmental problems, and can be brought on line quickly.

Alcohol fuels can be tailored to meet the needs and resources of local communities. If developed wisely, I can imagine a time when both urban and rural communities can significantly increase their energy self-sufficiency by using locally available resources to produce energy and by-products suitable for local needs.

Alcohol prices are not prohibitive in the short run, and can be brought down significantly in the long run. As oil prices continue to rise, they will be even more competitive.

In closing, Mr. President, as you weigh the costs and benefits of the options you will be considering this week, I urge you to give very serious consideration to initiatives in the area of alcohol fuels.

The American people are more than willing to adopt this new energy source and I believe they would welcome a positive step forward by the Administration with respect to this issue. In my own state of Indiana, the Indiana Farm Bureau Coop has 60 county associations selling gasohol, a blend of gasoline and alcohol. In the first two months of this year, they sold over 1.2 million gallons of gasohol for use by Indiana motorists. The Internal Revenue Service estimates that over 500 retailers are now marketing gasohol, and distributors throughout the Midwest are finding public demand exceeding supply. This is occurring at a time when many independent refiners are faced with deficits of crude oil and service station dealers are experiencing reduced allocations of gasoline.

As Chairman of the newly created National Alcohol Fuels Commission, I look forward to working with you and your Administration to stimulate use of this exciting new energy source. I will be listening to your speech Thursday evening with great interest and look forward to your response.

Best personal regards.

Sincerely yours,

BIRCH BAYH,
United States Senator.●

PROPOSED INSTITUTE FOR TECHNOLOGICAL COOPERATION

● Mr. STEVENSON. Mr. President, recognition of the potential science and technology hold for developing countries prompted President Carter to propose an Institute for Technological Cooperation as part of this year's International Development Assistance Act. My interest in the subject, as chairman of the Subcommittee on Science, Technology, and Space led me to draft a similar bill, S. 499, to create a Foundation for International Scientific and Technological Cooperation.

These two pieces of legislation differ not at all in their objectives, nor in their perceptions of the problem. They differ slightly in approach, and in the balance struck between the desire to coordinate such an Institute with other foreign assistance programs and its need for the independence to pursue a unique mission. Mr. President, I ask to have printed in the RECORD an editorial from the Washington Post which explains well the significance of these proposals.

The editorial follows:

RESEARCH AND FOREIGN AID

In an otherwise sparse season for new government activities, President Carter's proposed Institute for Technology Cooperation commands notice not only for its rarity, but also for its sound intent—plus a few minor design problems that Congress might examine. The institute, which would be one of several components of a revamped foreign-aid organization, is a product of high hopes for and dissatisfaction with the performance of science and technology as instruments of economic development. The once-heady illusions of research producing short-cuts to economic improvement long ago gave way to the realization that scientific techniques and advanced know-how cannot work development miracles.

Nonetheless, it's been found that, when prudently employed, they can make valuable contributions. A major difficulty, however, has been that, while our foreign-aid programs have found utility in "quick-fix" research, they have failed to develop durable congenial relationships with the types of long-term inquiries that hold the prospects for really big payoffs. Furthermore, it has also become evident that high-technology research and development are often poorly suited to the needs and capacities of the poorer nations.

An attractive solution, which has been gestating for over a decade, would be to insulate a major part of aid-related research from day-to-day demands, while simultaneously assisting the developing countries in acquiring their own research resources. In brief outline, that's what the institute would do—and we commend Mr. Carter for exempting this overdue innovation from what is, by and large, a budget of no new starts.

The main difficulty that we see—in company with Sen. Adlai E. Stevenson III (D-Ill.) and Rep. George E. Brown Jr. (D-Calif.)—is the thinness of the bureaucratic insulation around the proposed institute. In the administration's formulation, it would be just another part of a big foreign-aid organization. Though presidentially appointed, and assisted by an outside advisory council, the director and the institute would be subordinate parts of the very same enterprise whose track record inspires so little confidence in regard to the utilization and promotion of research.

Given Mr. Carter's penchant for packing as many activities under as few roofs as possible, we see little prospect for reviving the original concept of a free-standing research organization. But, between autonomy—which brings its own problems—and submergence, there are a varley of organizational arrangements. Prominent among them is the Stevenson-Brown proposal for equipping the institute with a small, but high-powered board—with authority over expenditures—that might help protect programs and budgets against the sort of short-sighted depredations that have frequently stunted foreign-aid research.

The proposed institute is—apart from this objection—so well formulated and potentially of such great value to the needs of the developing nations that it merits protection against the very problem that inspired its creation.●

HUMAN RIGHTS VIOLATIONS IN ARGENTINA

● Mr. KENNEDY. Mr. President, Saturday, March 24, marks the third anniversary of the military coup in Argentina. There has been no significant improvement in the abysmal human rights situation of that country since 1976.

Numerous international organizations have documented the continuing arbitrary arrests, detentions, torture, and "disappearances." Amnesty International has reported that over 15,000 people have disappeared, with an estimated 4,000 people currently detained for political reasons. Since the military coup, the number of political prisoners and "disappeared" in Argentina has exceeded those in all other Latin American countries combined.

A tragic dimension of these figures is the fact that children are included in this group. CIMADE, a respected ecumenical service organization based in France, has compiled a list of 22 children and adolescents abducted by paramilitary and security forces in Argentina. Twelve of these children were under 4 years of age when abducted; one was 20 days old. Their families have not heard from them since. I request that a description of these cases be printed in the RECORD at the conclusion of my remarks, together with an article by Stephen Kinzer which appeared in the New Republic last December.

These actions are more than abstract "violations of human rights." When a nation destroys its children, it attacks the very concept of human dignity and hope. In this International Year of the Child, the Argentine Government owes it to its people and the world to investigate and resolve each and every one of these abductions.

Last October, Senator CRANSTON, SARBANES, and I wrote a letter to President Carter, strongly protesting the administration's decision to approve a $270 million Export-Import Bank loan to Argentina that it had previously turned down because of continued, gross violations of human rights in Argentina. The human rights situation in Argentina has not improve since then. Only an end to the torture, a complete accounting for the "disappeared," and the release of political prisoners could be an acceptable basis for considering additional assistance to Argentina, beyond aid for humanitarian purposes.

Equally objectionable was the administration's agreement to help train 30 Argentine military officers, hours before such training became illegal. As the Congress debates proposed IMET funding of such training programs, it is vital to consider their negative impact on the struggle for human rights and democracy in Argentina.

I am heartened by the courage and persistence of Argentine citizens in protesting continued human rights violations by their government. On March 11, La Prensa of Buenos Aires criticized the repressiveness and inefficiency of the legal system, attacked the stubborn silence of the Justice Ministry and the courts despite Supreme Court orders for investigations, and demanded a response from those "functionaries of the executive branch and judicial magistrates in whom is vested public responsibility."

The continuing protests of the Madres del Plaza de Mayo, every Thursday in front of the Government House in Buenos Aires, are further testimony to the courage and determination of the Argentine people to see an end of arbitrary and repressive rule. I have met personally with members of this brave group. They represent thousands of Argentine women in the same situation. All that they are asking is for news of the fates of their missing relatives. Instead, their requests have been ignored and they have been constantly harassed by the police. Some of these women have been waiting for years never knowing from one day to the next whether their loved ones are dead or alive. Their government has a moral obligation to give them honest answers to the questions that have been troubling them for so long. The Madres del Plaza de Mayo have earned broad recognition and support for their tireless efforts, and they serve as an inspiration to us all.

Mr. President, international concern for the situation in Argentina is growing. Numerous organizations have documented the continuing human rights violations in that country and have worked both to help individual victims of government repression and to encourage a return to democracy and respect for human rights in Argentina. Their actions have encouraged liberal forces within that country and have underlined our own moral responsibility on this question.

Amnesty International, the International Study Days for a Society Overcoming Domination, which involves leading Catholics, the Human Rights Office of the National Council of Churches, the Council on Hemispheric Affairs, and the Washington Office on Latin America have all prepared statements which reflect their profound concern for recent events and a continuing hope of reform. I welcome their leadership on the human rights issue in Argentina as well as elsewhere, and I request that their statements be printed in the RECORD. I also request that an article by Rabbi Morton M. Rosenthal, Director of the Latin American Affairs Department of the Anti-Defamation League of the B'nai B'rith be printed in the RECORD.

The statements and the article mentioned follow:

STATEMENT BY AMNESTY INTERNATIONAL

There has been no significant improvement in the human rights situation in Argentina over the past year, Thousands of disappeared people remain unaccounted for, and thousands remain in preventive detention without charge or trial. Some prisoners have recently been brought before closed military tribunals and given summary justice. Generally all that is published of the proceedings is the sentence, which is usually very long. There are no indications that the government intends to lift the state of seige which has been in force since November 1974, despite its claim to have eliminated subversion. There are also no indications that the military junta will allow civilian political participation, despite various calls by political leaders for a return to constitutional rule, and despite the extreme austerity measures applied by the Minister of Economy, Sr. Martinez De Hoz. The annual rate of inflation for 1978 remained high at 160 per cent.

During 1978, Argentina became the focus of world attention during the world football cup championship. This event, which was held in June 1978, was surrounded by controversy and led to international public concern being voiced about human rights violations in Argentina. This resulted in attempts by the Argentine government to justify its "war against subversion" with an international public relations campaign. At the same time, however, several important government functionaries throughout the year admitted that "excesses had been committed."

At a press conference in Los Angeles on 21 September 1978, Sr. Martinez De Hoz confessed, "Wars are never fought with white gloves. We have used against the terrorists the same drastic methods that they have employed." This is the first time that someone in authority has made the explicit admission that the Argentinian state is itself engaged in an official policy of terrorism. On 20 February 1979, the Argentine Federation of Bar Associations (Federation Argentina de Colegios de Abogados) called for a "state of law" (Estado de Derecho) to be restored.

DISAPPEAREDS

Ever since the coup, the most horrifying aspect of the repression has been the sheer number of "los desaparecidos"—those who have disappeared. In February 1979 the Buenos Aires Herald estimated that about 3–10 persons had disappeared on average each day over the past three years. Nevertheless, the government denies all knowledge of the disappeared people and denies that they have ever been detained. From first hand testimonies given to AI and from studies carried out within Argentina by human rights organizations, it emerges that the disappeareds fall into three categories: (1) Those who after a short time (anything from one to thirty days) are released. (This is the largest category.) These people are subsequently left on isolated roads and warned not to make any public statement on the kidnapping. AI has collected numerous testimonies of this kind from people who have sought safety in exile. (2) Those who are murdered. (3) Those who are transferred to official prisons under the order of the National Executive Power, and (4) those who remain indefinitely "fuera de la sociedad" (outside of society). According to unconfirmed reports received by AI in 1978, about two hundreds disappeared persons were transferred to official prisons. Prior to the World Cup Championship, the Asamblea Permanente de Derechos Humanos published a list of 2,500 missing persons in La Prensa on 17 May 1978. This was the first step in a mounting campaign within Argentina to press for information about the fate of the disappeareds.

On 27 November 1978 a petition denouncing the disappearance of 1542 people, and signed by 1,221 relatives of the missing people, was presented to the Supreme Court of Justice. Those signing stated that they were appealing to the Supreme Court because all other means of establishing the whereabouts of the disappeareds had failed. The petition emphasized that in all cases the arrest of the people concerned took place with a great show of uniformed men, firearms and vehicles and all the appearance of a legal operation carried out by the competent authorities. This petition, like all previous requests and complaints, has elicited no information from the government. Even the Supreme Court recently complained that in its attempt to trace missing persons it had received almost no cooperation from the authorities. On 3 March 1979 the Supreme Court accepted, for the first time, an appeal by the father of Alfredo Antonio Giorgi, a 33 year-old scientist who was snatched from the State National Institute of Industrial Technology (INTI) on 27 November. The Court said it had no jurisdiction over the case, but ordered an appeals court to start investigation on two writs of habeas corpus filed on Dr. Giorgi's behalf.

The mothers of the Plaza de Mayo, who gather in silent protest every Thursday outside Government House, have themselves risk arrest and disappearance trying to obtain some news about their loved ones. On 18 January, 43 women were detained for several hours after they had tried to hold their usual Thursday vigil in the Plaza de Mayo. On several subsequent occasions the women have been prevented by police from entering the square.

The following statement by President Videla was reported by La Prensa on 6 September 1978. "I admit that there are people who have disappeared. I admit that perhaps there has been a great repression, but now we are trying to stabilize the situation."

Despite these statements, no one who is on the lists of AI or the Assembly Permanente has been located and no member to the security forces or the police has been disciplined for committing excesses. An article in the Buenos Aires Herald dated 22 September 1978 said:

"It is an unfortunate fact that, in the view of many people abroad, these kidnappings and murders are being carried out by the paramilitary squads and are associated either with the government or shielded by some powerful member of the military establishment. Otherwise, it is argued that it would be impossible for large groups of men to operate in this way in a country whose security forces have won worldwide renown for their prowess in fighting crime and in locating and eliminating terrorist cells. And indeed it is difficult to explain just how these death squads or kidnap gangs can behave with such insolence and such little fear of being apprehened by the police. The absence of any publicly-admitted captive of individuals involved in what has been described as 'the other terrorism' has increased the suspicion that the government must be directly mixed up with the vigilantes, or else conniving with them, afraid of them, or reconciled to their continuing functioning. These misconceptions must be cleared up by decisive measures to restore law and order."

Over the past year AI intervened on behalf of one hundred persons who had been abducted, and the total number of such cases reported to AI for the entire period is more than two hundred.

The appearance of twelve bodies, which were washed ashore at the seaside resort of Santa Teresita in Argentina, had revived fears that disappeared persons are being murdered.

PRISONERS

AI estimates that there are stil about four thousand persons detained for political reasons in Argentina. The overwhelming majority of these have still not been charged or tried. Habeas corpus writs were filed (on behalf of one hundred persons held at the disposal of the Executive who had never been charged) to challenge the Executive's right to detain people indefinitely without bringing them to trial. In December 1978, a court of appeal decided that, in these cases, the appeal was justified and that these prisoners should be freed. This was later overruled by the Supreme Court.

Throughout the year AI continued to receive allegations of mistreatment, beatings and arbitrary punishments of political prisoners. The most serious case, however, was that of the shooting of Osvaldo Sigfrido de Benedetti who had been in official detention for several years. There had been concern for his safety for some time as he had been subjected to continuous transfers for his safety during 1978. On 27 July 1978 his family was informed that de Benedetti had been "shot while trying to escape" from a prison in the province of Tucuman. According to reports the body had a large hole in the chest and a smaller one in the neck.

AI urgently intervened on behalf of Flavio Koutzii, a Brazilian adopted prisoner of conscience who had a serious heart ailment when he was transferred to one of Argentina's harshest prisons—Cordoba in Santa Fe.

Throughout the year AI learned of comparatively few releases, about 380. Of these only fifty were prisoners who had been granted the option for exile. This pattern continues to cause alarm because constitutionally held prisoners under PEN should be permitted to go into exile if their applications are granted. This is despite willingness by many foreign governments (US, Denmark, Sweden, Belgium, UK, West Germany) to offer visas.

AI has 275 cases under adoption or investigation.

Statement by the International Study Days for a Society Overcoming Domination

In his first encyclical (Redemptor Hominis, March 4, 1979), Pope John Paul II spoke of the underlying causes of the human rights violations which have come almost to characterize whole societies in our time. If human rights are being violated, he writes, "if in practice we see before us concentration camps, violence, torture, terrorism, and discrimination in many forms, this must then be the consequences of other premises, undermining and often annihilating the effectiveness of the humanistic premises of those modern programs and systems."

Rather, it is concern for "the welfare of man—or, let us say, of the person in the community—which must . . . constitute the essential criterion for all programs, systems, and regimes." (*RH* 17)

In the efforts of this office to promote respect for peoples' fundamental human rights, we constantly seek to identify and lift up those factors—whether of attitudes or of structures—that underly the statistics of arrest and torture and disappearance and killing. The accompanying document*, a statement of the Pastoral Team for Villas de Emergencia of the Archdiocese of Buenos Aires, is an example of this. It situates the undeniable crisis of this shantytown system in a set of attitudes and of structures that embody them that are deeply woven into the fabric of many modern societies, not only Argentina's. But the concrete case is that of one city in one country and it illustrates for us the dimensions of the human rights problem in Argentina just as truly as do the lists of arrested and disappeared. (*Excerpts of this document follow.)

The "Villas Miserias" of the City of Buenos Aires.

The general framework of the situation:

The situation which the shantytowns and their inhabitants are presently experiencing is of the most anxious kind that one can know. There are two factors which have a greater influence. One of these factors comes from the general deterioration of the economic situation. The other has its origin in the change of official policy with respect to shantytowns and their inhabitants.

With regard to the first factor, it is possible to note the following facts:

a) The growing difficulties, social as well as economic, of the neighboring countries.

b) The absence of an economic and industrial revival in our own country in which the GNP in 1975 and 1976 decreased in relation to 1974 by 4.2%. It was only in 1977 that it was able to increase by 4.4% in relation to 1976, which signifies that it returned to the 1974 figures. But during the first trimest of 1978, this tendency was once again reversed given that there was a recession of 7.9% in relation to the same period in the previous year.

c) Between 1974 and 1977, construction costs raised by 3,096% and housing rentals by 3,700%.

d) The cost of living increased from 1974 to 1977 by 4,156%.

e) A vertical drop of salaries was recorded, more specifically of lower salaries. If one takes for example the salary of an unskilled worker, it increased from 1974 to 1977 by 1,670% which signifies, in relation to the increase in the cost of living, a real decrease of 60%.

These few statistics along with the description previously made suffice to give a picture of what may be the life situation today in which the inhabitants of the shantytowns find themselves.

If one adds to this a policy of liberalization of rentals, one understands why of late a growing number of people have had to resort to this extreme means in order to house themselves and are more and more faced with the imposibility of ever leaving.

The other worsening factor in the situation of the inhabitants of the shantytowns lies in the policy put into place by the Government with respect to the shanytowns as well as the way in which they are treated by the responsible official organizations. For them, the shantytowns are on the whole a dangerous refuge for delinquents.

THE CONSEQUENCES

A process of forced rehousing of families has been initiated. Without preliminary warning, nearly 200 families had to dismantle their small houses, spend the night outside with their children, and the following day, all were put onto a truck—the waste trucks which had not been cleaned—to be thrown into a place then where there is little space and where they had to reconstruct their small houses and live outside in the meantime. Very often, this place where these families were parachuted into is a small space which served as a courtyard until then for a family living there. There is also the case in which some families were brought to a place where others were already settled, which forced people to pile up and multiplied the problems of coexistence. An example in order to illustrate all that is the following: 4 families were obliged to live in 4 meters by 10 meters.

The consequences are serious: some days and nights spent outside and in extreme poverty, humiliations and bad treatment, the loss of salary days at work, the costs of buying new wood and zinc sheets or cartons, the delay in school and even the loss of the courses for the children because in the schools in the new neighborhood, there is no more space for them when they arrive, the deterioration of some furniture which is already so miserable or bought at the expense of great sacrifices, the inevitable quarrels by the new neighbors imposed on them. There are families who have already been transferred two or three times from one shantytown to another.

Such procedures go hand in hand with a deplorable treatment of the people. It is a question not only of personal deficiencies but also of serious abuses in the exercise of public functions.

Statement by the Human Rights Office of the National Council of Churches

Since the military coup of March 24, 1976, in Argentina, the Human Rights Office of the National Council of Churches has been appalled by the massive numbers of human rights violations which have occurred in that country. A major concern has been the extra-judicial assassinations carried out by paramilitary forces with the apparent approval of the authorities. While Argentinian intelligence services have successfully rooted out and virtually destroyed the leftist guerrilla and opposition forces, they have had a marked lack of success in reducing the activities of right-wing assassins.

A second factor of serious preoccupation has been the ongoing detention, both legal and unofficial of large numbers of Argentinians. Included in this problem are the thousands of persons who have disappeared following their "capture" by security forces. The indefinite situation created for families by the disappearances of loved ones and by lengthy detentions based on vague charges should be a matter of compassionate concern.

The Argentinian human rights situation is one of the most deplorable in all of Latin America and one of the most tragic factors is the minimum attention that it has received in the US and the rest of the world.

Statement by the Council on Hemispheric Affairs

In the past few years the military government in Argentina has drawn world-wide attention for the harshness of its rule. The repressive policies of the junta have received considerable coverage in the international press and have become the focus of many human rights groups in the United States and abroad. These groups have documented the government's gross and consistent violations of human rights based on numerous accounts of widespread political assassination, kidnappings, tortures and disappearances. Although other news stories have pulled the spotlight away from Argentina and little has been said recently about the issue, we believe the situation remains so grave as to warrant Congressional attention.

March 24 is the third anniversary of the military coup which established the present ruling junta. Contrary to Argentine propaganda, objective conditions have not changed in Argentina. We have been forced to conclude that in spite of the lack of recent news coverage, many cases of torture, press intimidation, and religious harassment continue. Our organization, in a year end report, labelled Argentina the worst violator of human rights in this hemisphere.

Our indictment is based, in part, on a list of 13,000 victims of the regime drawn up by the New York based Argentine Information Service Center (AISC). That list, which is composed of Argentine trade unionists, political, religious and academic leaders, lawyers, journalists and other professionals as well as human rights activitists, includes the names of 650 people killed, 3,250 imprisoned and over 9,000 "disappeared". The list, along with two others was recently presented by the COHA trustees to Deputy Assistant Secretary of State Mark Schneider. The second list documented 4,300 persons who had disappeared after being taken into custody by the authorities and was drawn up by the Permanent Center for Human Rights in Argentina. The third listed over 600 Jewish victims as compiled by an Israeli-based group of relatives of victims of repression in Argentina.

The list of Israeli Jews, which is by no means a complete list of all those victimized in Argentina, is significant because it demonstrates clearly what already has been charged—that the Argentine military generally condones anti-Semitic acts of harassment and terrorism. As you yourself noted, on a previous occasion, the detention rate for Jewish Argentines is four times that of the rest of the population. We feel that a discussion of the political situation in Argentina is particularly timely in view of the current debate in the House over the proposed International Military Education and Training (IMET) program. The bill would authorize the funding for the training and educating of select military personnel from various countries around the world, including the Latin American nations, with the rationale that they would be allocated for the training of Argentine officers despite previous attempts by Congress to prohibit funds to that regime. Even a brief scrutiny of the role played by the Argentine military in the past three years—including its threat to go to war against Chile—would indicate that their priorities lie elsewhere than in maintaining national security—which has its own peculiar Argentine definition. National security, to the majority of the generals, naturally means eliminating any and all forms of dissent and dissentors, rather than something so vague and distant as hemispheric security. It is extremely dubious that the funds would be used for the purposes the U.S. govrenment would indicate or which could be justified by U.S. security concerns.

U.S. money distributed to Latin America, and especially to the Argentine military junta, would have the prime drawback of implying that the U.S. approves of the ways in which those armed forces have operated against their own population. Indeed, many senior military officers in the region may interpret the continuation of U.S. aid, following a coup against a civilian government and the resulting harsh practices of the successor government, as a stamp of approval. Such a gesture would be devastating to our credibility as a supporter of democracy, constitutionality, and human rights.

The U.S. in the past two years has attempted to show a new concern for the Latin American region, a concern not made up of grandiose gestures of goodwill, but of a stern and patient disapproval of governmnts which rule contrary to the wishes of their peoples. This policy will pay off if, and only if, we remain firm and patient. I can say with certainty that America has gained a newfound respect among the people of Latin America for this stance and that there is a growing sense among moderate democratic leaders that the isolation of repressive dictators will soon yield the return of democratic and representative government in the region.

The amount of aid at issue in the IMET program may seem small, but its approval would be counterproductive towards the coherence of our policy. As the third anniversary of the Argentine military coup approaches, let us not undermine our isolation of a still repressive government on the eve of our policy's possible success.

STATEMENT BY THE WASHINGTON OFFICE ON LATIN AMERICA

On this third anniversary of the military coup in Argentina, the grave human tragedy is that the level of violence continues, undiminished. The number of disappeared reported to human rights groups is still about 20 per month. (This figure represents only about twenty per cent of the *actual* disappearances.) And the fate of thousands remains unknown after so long a time. The horrors have become "normal": bodies on beaches with neither heads nor hands to prevent identification, torture, clandestine prisons, harrassment of foreign exiles.

And in the face of all this misuse of power, the government pleads ignorance and impotence. Recent curbing of blatant anti-Semitism illustrates, however, that the government *can* take action when it chooses. It also is sensitive to international concern. Only a year ago, anti-Semitism was openly practiced: synagogues were bombed, Jewish owned stores were fired upon, Nazi literature was sold openly on the streets. After a concerted international expression of concern, the government of Argentina curtailed the most blatant attacks against the Jewish Community. The selling of Nazi literature, however, had to have had the prior approval of high officials since censorship is so stringent. And since no official has been prosecuted in this regard one can only assume they remain in power. In the prisons, pictures of Hitler, swastikas, and Nazi music are common. Through these incidents, the mentality, the ideology, of those in power is unmasked.

The oppressors are respectors not of age, of sex, of profession, of nationality. In this Year of the Child, one must ask, "What has become of the children born in prison? Of children kidnapped with their parents?" Mothers of disappeared are forbidden to gather in a public plaza to await a meeting with the Minister of the Interior to ask: Where are they? Are they dead or alive? People declared innocent by the Supreme Court continue imprisoned.

The return to responsible government, the return of the rule of law is essential. Human rights can be protected best by a government responsible to the people and operating within the rule of law. For this reason, opposition political leaders, union leaders, church representatives must receive all the respect and support possible from the international-community. The human rights policy of Persident Carter neds to be applied diligently. The up-coming visit of the OAS Inter-American Commission on Human Rights will not only investigate the real situation in Argentina but hopefully, by shining the light of international concern on Argentina, lead that government to cease the repression and move toward the re-establishment of the rule of law.

FREE TIMERMAN!

WASHINGTON.—As the U.S. Air Force jet headed south from Sao Paulo on January 3, 1978 toward Buenos Aires, Rep. Silvio O. Conte leafed through the bulky briefing book that the Department of State had supplied him and members of the House Committee on Banking, Finance and Urban Affairs. Argentina was to be the last stop in their six-nation Caribbean and Latin American tour.

Amid the charts and graphs of the Argentine economy was a section on human rights. The Massachusetts Republican, a veteran of twenty-one years in the House of Representatives who had often identified himself with victims of injustice, was intrigued by the information on Jacobo Timerman.

As the innovative and courageous editor-publisher of *La Opinion*, Timerman, and his paper, had gained international stature. In April 1977, a group of twelve heavily armed men in civilian clothing had dragged him from his home at 3 a.m. After a 24-hour period in which various departments of the government denied any knowledge of his disappearance, the army acknowledged that it was holding Timerman prisoner as part of its investigation into a major scandal linking an Argentine financial group with the Montonero guerrilla organization. He was subjected to rigorous interrogation which brought forth no incriminating information. Although he had been found guilty of no crime, he was not permitted to go free. Moreover, his newspaper and other property were placed under state custody.

One article in Conte's briefing book compared the Timerman case to the story of an innocent man condemned by a court martial nearly a hundred years ago:

"When the name of Jacobo Timerman crops up abroad, as it frequently does, it is sometimes linked to that of Alfred Dreyfus. Timerman, after all, is a Jew in a society where, like it or not, anti-Semitism is a force to be reckoned with. So it was with Dreyfus. He has become something of a symbol, for Jews, as well as for anti-Semites. So did Dreyfus. He was jailed by the Army and tried *in camera*. So was Dreyfus. A sector of the press, at least, moaned with pleasure when he was arrested and accused of something approaching high treason, Dreyfus' alleged crime. Timerman has been stripped of his freedom, his property, his civil rights. Much the same, *mutatis mutandis*, happened to Dreyfus."

The article from the English-language *Buenos Aires Herald* was written by James Nielson under the headline "The Ghost of Dreyfus." It raised disturbing questions:

"Since the night of April 14, Timerman has been a prisoner. As yet there has been no satisfactory explanation of why he was arrested in the first place, let alone why he is still being held almost eight months later. Trying to work out what exactly he was found guilty of has become a common guessing game. A financial swindle? Some 'political crime'? Did he publish an apology for crime in his newspaper? Precisely how did he infringe the retroactive Institutional Act? Is there some overwhelming, damning bit of evidence the government has discovered but does not wish to make public? But surely no effort would have been spared in letting the world know why Timerman is being held if the evidence was solid enough. The questions are innumerable, the answers few and unconvincing."

As the plane touched down in Buenos Aires, Conte decided to find out more about the Timerman case. Standing on the tarmac, he told the escort officer from the American Embassy that he wanted to see Timerman.

Conte anticipated that his request would be granted because the Argentine Embassy in Washington viewed him as a friendly Congressman. In 1977, Conte vigorously opposed an amendment proposed by Rep. Edward R. Roybal, which had the effect of prohibiting the allotment of U.S. government funds for the purpose of training foreign military and police officers. Conte also opposed an amendment that would have curtailed military sales credits to Argentina.

A few months before this trip, he had been instrumental in delaying the cutoff of military sales to Argentina. The Supplemental Appropriations Act, presented to Congress the previous October, provided that as of September 30, 1978, all military sales be cut off to countries that systematically violate human rights. Argentina was on the list of nations that would be affected. An amendment to that act, introduced by Conte, provided for the extension of the life of valid export licenses issued before the September 1978 cutoff date.

The Argentine government's rejection of his request surprised and disappointed Conte. To mollify him, a meeting with Mrs. Timerman was arranged.

Rische Timerman, a third-generation Argentine, talked about her husband. He had arrived in Argentina in 1928 at the age of 5, the son of poor immigrants from Poland. As a young man, he was active in Zionist groups. His journalistic career began when he was 20. Many of his articles denounced the activities of the German Embassy and the fascistic tendencies of Juan D. Peron. He also spoke to audiences of young Jews, urging them to combat nazism.

When Peron came to power, the government prohibited Timerman from working as a journalist. After the fall of Peron, Timerman resumed writing political analyses for the evening paper *La Razon;* his column was widely read. In 1958, as a correspondent for the daily *Clarin* he interviewed John Foster

Dulles, Adlai Stevenson, Dwight D. Eisenhower and other prominent Americans and Europeans.

At the peak of Argentine anti-Semitism in the 1960s, Timerman attacked anti-Semites, and defended Jews and Israel. He founded two weekly magazines, *Primera Plana* in 1962 and, in 1965, *Confirmado*, which soon became the largest selling periodical in the country.

After the military coup of 1966, Timerman went into exile. He returned, but did not resume his journalistic activities until 1971, when he founded a new daily, *La Opinion*, whose motto was, "For a democratic, independent and pluralistic country."

Mrs. Timerman expressed pride in her husband, whom she described as "the leader for thirty years of the fight for a free press." She was disappointed that, with the exception of the *Buenos Aires Herald*, the Argentine press had not spoken out on behalf of her husband. She was not sure whether this was due to official censorship or self-censorship.

Conte asked why Timerman was being persecuted. She explained that two things were held against him: that he was pro-American and pro-Zionist. She denied the allegation that Timerman was involved in shady financial deals.

The day after Conte's meeting with Mrs. Timerman, his delegation met with high-level Argentine officials. Conte told them: "I tried to be fair with you people and even introduced an amendment that worked to the benefit of your government. I feel frustrated by my inability to see Mr. Timerman." When the Argentines explained that Timerman was being held in a rural prison at a great distance from the city, Conte offered to cancel all other appointments if they would fly him there by helicopter. "I'd do the same for you, if the situation were reversed," he added.

At one point in the conversation, the interpreter turned to Conte and said: "They have the impression that you are Jewish. Are you?" The Congressman replied, "No, I am first-generation Italian."

Conte's insistence paid off. The night before his scheduled departure, he received word that he would be able to see Timerman in the morning—in the municipal jail in Buenos Aires, just a few blocks from his hotel.

Conte speaks with emotion as he recounts the meeting. "The effects of his imprisonment were obvious. He was pale and physically drained, but he showed a deep inner strength. He wasn't so much worried about himself as he was for the well-being of his family.

"He was also greatly saddened by the takeover and the way his newspaper had been changed beyond recognition. He talked about how he worked long and hard to build up a respected and objective newspaper. He was obviously proud of it and he seemed completely bewildered by the fact that his objectivity had led to malicious charges from both the extreme Right and Left.

"Timerman told me that he was willing to leave Argentina and go to Israel. He is also willing to promise that he will not write about Argentina once out of the country. I was very favorably impressed with him."

Conte and Timerman talked about the reasons for his prolonged detention. Timerman said that although the military court had cleared him of any wrongdoing in his association with David Graiver—a banker suspected of having worked for leftist guerrillas—the government was using the investigation of his finances as a pretext for holding him. He told Conte: "One accountant in two days could complete the audit of my finances. I have a car and two apartments. How long can it take to investigate?" They also talked about the conditions of his imprisonment, but Conte prefers not to put that on public record.

Conte recalls their parting. "We embraced in the Latin manner and tears came to my eyes. Jacobo asked me why I was taking such an interest in him. I told him 'Jacobo, you are a symbol of what happens in a repressive society.' "

Conte found out that the Graiver Affair was the apparent reason for Timerman's arrest. David Graiver, a 35-year-old Argentine banker, was the center of a scandal that became an international *cause celebre* after his death in August 1976 in the crash of a private jet plane near Acapulco, Mexico. In a meteoric career, Graiver parlayed his father's modest fortune into a financial empire that included banks in Argentina, Belgium and New York, as well as other enterprises. Shortly after his death, banks in Brussels and New York were closed by government officials who discovered that they were insolvent because Graiver had apparently siphoned off tens of millions of dollars.

Argentine investigators, probing Graiver's affairs, alleged that in addition to stealing millions from depositors overseas, Graiver had been handling millions of dollars for the Montoneros, the Argentine guerrills organization that had collected huge ransoms from many kidnap victims. Investigators learned that Graiver was a major stockholder in Timerman's newspaper. He and others who had significant financial dealings with Graiver were interrogated by army officials.

The fact that Timerman is a Jew and a liberal has been of critical importance to his arrest, his interrogation and his continued detention. There have been many indications that the ultra-conservative and anti-Semitic right-wing elements in Argentina seized upon the Graiver case. *Cabildo*, a magazine that vents extreme right-wing opinion, linked Argentine Jews, through Graiver, to the guerrillas: "The apparatus of interests built up by malice and structured by Jewish intelligence has been taking shape for several decades. Only now has it come out into the open, and it is possible that this discovery, which has astonished Argentines, will only reveal a part of the truth; like the icebergs, a large part will remain submerged. A cancer such as this could not develop without an environment especially favorable to it. This was provided by democratic liberalism's spokesmen who were and are the main persons implicated with and benefiting by this important long-term operation of Jewish finance."

Cabildo reminded its readers that in 1973 it had announced that "David Graiver financed the creation of the Zionist morning publication, *La Opinion*." It went on to denounce Timerman as a criminal. *Cabildo* urged that Timerman be forced to halt his journalistic work, "tied to the Organ of the Sanhedrin" which "continues to corrode the inner being of the society." Timerman's interrogators had more than his finances on their agenda. He was reportedly asked innumerable and often bizarre questions about Jewish affairs, including "Where do the Elders of Zion meet?" The arrest of Timerman and the sensational treatment of the Graiver case, which made headlines week after week, alarmed Jewish leadership.

Representatives of DAIA, the representative body of Argentine Jewry, called on the Minister of Interior and handed him a letter which said that "only the executive branch of the government is in a position to stop the evident exploitation of several important national scandals, with a profusion of headlines and stories in which the Jewish last names are repeated time and time again, with the evident intention of placing all of the blame against a very restricted sector of the Argentine people."

In meetings with the Minister of Interior and the army Chief-of-Staff, DAIA had requested Timerman's release.

When word spread through Buenos Aires that an American Congressman had met with Timerman, reporters gathered to question Conte. In the suite of Rep. William Moorhead of Pennsylvania, chairman of the Congressional delegation, Conte described his meeting with Timerman, and in his cutomarily frank manner said that he considered Timerman's detention "unfair and cruel."

Conte recalls that as the reporters filtered out of the hotel room, one who had taken extensive notes came up to him and said, "My paper will never use a word of this." "He was right, they didn't," Conte says.

Conte left Argentina determined to champion Timerman's cause. In an interview with the Massachusetts *Berkshire Eagle*, Conte announced that he was launching a campaign to free Timerman, whom he described as a "political prisoner." Asked about his impressions of Argentina, the Congressman said, "It reminds me of nazi Germany."

The first step in his campaign was a private letter asking the President of the Argentine Republic, Lt. Gen. Jorge Rafael Videla, to grant Timerman the option of leaving the country. Videla did not respond.

On March 13, Conte took the Timerman case to the House of Representatives in an effort "to raise the collective conscience" of that body. He told them about his meeting with Timerman and his conviction that "Timerman serves as a symbol of blatant abuses of repression and infringement of the freedom of the press. The facts surrounding Mr. Timerman's case point out that, contrary to the recent comments made in behalf of the Republic of Argentina, there is no true justice in that country at this time." He called upon the leaders of Argentina "to right this wrong, to demonstrate to the world that justice has, indeed, returned to that country." He urged that they "act swiftly" and permit Timerman to emigrate to Israel "before they are further cast in the light of a repressive regime in the eyes of the world."

Other members of the House echoed Conte's sentiments. Rep. Frank Thompson, Democrat of New Jersey, told the House, "Timerman is a liberal, an entrepreneur, a journalist and a Jew. His imprisonment and the confiscation of his property (including his distinguished newspaper, *La Opinion*) suggest that freedom of thought, freedom of enterprise, freedom of speech and freedom of religion are not valued by important Argentine officials. He symbolizes the plight of thousands of other Aregentine citizens killed or imprisoned for political or personal reasons, whose whereabouts are unknown to their families. Timerman's release would, therefore, make clear that Argentina was moving in the direction of recognition of the importance of these freedoms."

Three members rose to endorse Conte's views: Benjamin Gilman, a Republican, and Democrats Elizabeth Holtzman and Theodore Weiss—all from New York.

On April 17, Timerman was transferred from jail to his apartment, escorted by four police cars, two police motorcycles, and a troop carrier filled with more than twenty policemen armed with machine guns. The government announced that Timerman would remain under house arrest while his financial affairs were examined by a commitee appointed by the *junta*. At the time it was anticipated that Timerman would soon be permitted to leave Argentina. A spokesman for the U.S. State Department said, "We hope that whatever matters remain pending in Mr. Timerman's case will be handled expeditiously."

On June 7, once again Conte spoke out on the House floor. He told his colleagues that Timerman was under house arrest, with forty guards to protect him from those who had made numerous threats against his life, and he expressed amazement that the Argentine government did not allow Timerman and his family to leave the country.

On November 14, Conte again wrote to President Videla, "as a practicing Catholic and as a Member of Congress . . . to heed Pope John Paul's appeal to Catholics to foster 'respect for one's neighbor, for his life and his dignity.'" Neither has this letter been answered.

Before the month was out, Conte jointed with four other members of the House in a letter to President Videla expressing their continued concern for Timerman's well-being. Citing the Argentine Supreme Court decision that there are no grounds for his incarceration, they asked for the restoration of Timerman's civil rights, or the option for him to leave the country. "The time has come for Mr. Timerman's liberation," said Representatives Edward J. Derwinski (Ill.), Dante B. Fascell (Fla.), Robert J. Lagomarsino (Calif.) and Benjamin A. Gilman (N.Y.). No response to this letter either.

President Jimmy Carter and Secretary of State Cyrus Vance have also raised the case with President Videla, and many newspapers in the United States have written strong editorials calling for justice for Timerman. As we go to press, Columbia University has offered him a post as visiting professor at its School of Journalism.

In Buenos Aires in January this year, the staid *La Prensa* made an editorial appeal for justice for Timerman urging that the case be "resolved without delay."

With the second anniversary of his arrest approaching, the Timerman case has become the litmus test of the Argentine government's policy on human rights.

Children Abducted in Argentina

1. The daughter of Beatriz Rechia de Garcia: 3 years old. On January 12, 1977, Beatriz Rechia, professor, 28 years old, was abducted by Argentine Armed Forces from her house. A few days later, her three-year old daughter was kidnapped from her grandmother's home. Despite all of the efforts of her family, there is no further information on the location of mother and child.

2. Amaral Garcia: 3 years old. He was kidnapped November 8, 1974, along with his parents, in Buenos Aires. The corpses of his parents were found in Uruguay. Nothing further has been learned about the child.

3. Simon Antonio Riguelo: 20 days old. He was kidnapped along with his mother. She later appeared in a prison in Uruguay, where she stated that shortly after their abduction, her baby was torn away from her, and she had not seen him since that day—July 13, 1976.

4. Mariana Zaffaroni Islas: 18 months old. She was abducted with her parents on September 27, 1976. Relatives have not been able to obtain any information about her or her parents.

5. Anatole Grisomas: 4 years old.

6. Victoria Grisomas: 1 year old. These children were arrested along with their parents. No word has been obtained about the location of any of the four.

7. Bettina Tarnopolsky: 15 years old. She was arrested in the house of her grandmother on July 15, 1976, and required to lead the government armed forces to her parents' home, where the entire family was arrested. Despite legal proceedings, no further information has been learned about their location.

8. Elena Bleza: 2 year old. She was detained in May, 1977, along with her mother in Buenos Aires. Her mother, Sonia Bleza, originally from Cordova, remains "disappeared" as well.

9. Sebastian Marquez: 4 years old. He was abducted along with his mother in May 1977. The child and mother remain "disappeared."

10. Pablo Menna: 2 years old. Detained along with his mother Rina Raquel Menna in May, 1977, both remain "disappeared."

11. Maria Lucila Santillan: 4 years old.

12. Carlos Santillan: 2 years old. They were abducted along with their parents in Pergamino, Buenos Aires province, in November, 1976. They remain "disappeared."

13. Jorgelina Planas: 4 years old. She and her mother Cristina Planas were detained in May 1977. They are both still "disappeared."

14. Rodney Garcia: 13 years old. He was arrested along with his father in Caseros, Buenos Aires province, on July 10, 1976. Both remain "disappeared."

15. Pablo Marquez: 13 years old. He was arrested along with his mother, Graciela de Marquez, on May 13, 1977 in Avellaneda, Buenos Aires province. Both remain "disappeared."

16. Maria Elena Fernandez: 17 years old. She was detained along with her parents in May of 1977 in Avellaneda, Buenos Aires province. All of the family remain "disappeared."

17. Dagmar Hagelin: 17 years old. This adolescent of dual nationality, Argentine-Swedish, was kidnapped in Palomar, Buenos Aires province, January 27, 1977. Despite pressure from the Swedish Embassy in Argentina, she remains "disappeared."

18. Daniel Rus: 17 years old. This student was abducted on July 20, 1977 in Buenos Aires, and remains "disappeared."

19. Eduardo Muniz: 17 years old.

20. Maria Zimmerman: 18 years old.

21. Leonora Zimmerman: 17 years old.

22. Pablo Fernandez Meidide: 17 years old. After searching for Pablo Fernandez Meidide, Leonora Zimmerman, Maria Zimmerman, and Eduardo Muniz at the Colegio Nacional de Vicente Lopez in Buenos Aires province, police forces arrested these four students on October 22, 1976. The four remain "disappeared."

Argentina in Agony

(By Stephen Kinzer)

Buenos Aires.—The veneer of normality covering daily life in Argentina is very thin, but it is convincing enough for anyone who prefers not to know the truth. This group includes most Argentines and almost all visitors. Buenos Aires lives up to its reputation as one of the most cosmopolitan, sophisticated cities in the world. Well-stocked department stores and trendy boutiques are crammed with high-fashion clothing and other expensive goods. Smartly-dressed pedestrians throng the streets, taxis are plentiful and full of prosperous Argentines in tuxedos and long gowns heading to the opera and the first-rate symphony orchestra.

To all outward appearances, Buenos Aires is back to normal. Until the World Cup soccer championship series held here last June, some visitors were disturbed by heavily armed policemen on street corners and truckloads of soldiers in battle gear visible on busy thoroughfares. But in an effort to put on a favorable show for the thousands of foreign visitors and journalists who came for the big event, the heavy displays of force were removed, and they have not reappeared. There are no more police visible on the streets of Buenos Aires than in any American city.

But anyone who wants to know the truth here can discover it without much difficulty. The most visible crack in the veneer is a silent procession of about 200 middle-aged women that takes place in front of the president's office every Thursday afternoon. They are mothers of *desaparecidos*, people who have disappeared in the past two years.

Argentina today is governed by terrorists in military uniforms. They have unleashed a reign of savagery unmatched in the modern history of the western hemisphere, dwarfing in scope and intensity even the post-coup repression in Pinochet's Chile and the terror of Duvalier's Haiti. Since the military takeover on March 24, 1976, in the name of freedom and with the stated ultimate goal of returning the nation to democracy, between 10,000 and 15,000 people have been killed after being kidnapped by police from their homes or offices. Their mutilated bodies have been dumped in the River Plate or cremated late at night at the Chacarita cemetery in Buenos Aires. About 4000 corpses, most unidentifiable, have been discovered in common graves and on the river banks. Thousands more *desaparecidos* are still alive, held somewhere in prisons and special detention camps, the existence of which is amply documented but firmly denied by the government.

There are more countries than we may care to admit where a prisoner may be beaten after his arrest, perhaps burned with a cigarette, or even shot dead and dumped in a ravine for grieving relatives to find. But that is not at all how repression works in Argentina. Here the government has consciously decided to use kidnappings, well-planned torture of specific sorts and extended imprisonment in camps whose existence is officially denied as its prime weapons against everyone it perceives as an enemy.

Even the government leaders admit that they have long since found and defeated almost everyone who ever participated in the two terrorist groups that were active here during the early part of the 1970s. The targets of repression now include such a broad range of Argentines that almost no one can feel safe. "We have concluded the military phase of repression and we must now continue against ideologues," a high Argentine official explained in September. "This struggle will take many years, because a person with an ideology is even more dangerous than those who carry arms."

President Jorge Rafael Videla himself put it succinctly at a press conference last May: "All the necessary persons will die in Argentina to assure the country's security." Four months earlier, he put the same sentiment this way: "A terrorist is not just someone with a gun or a bomb but also someone who spreads ideas that are contrary to western civilization."

The military men in power believe that they are fighting a third world war which, by a quirk of history, happened to begin in Argentina. This is the war that western, Christian culture is fighting against those who would subvert it and replace it with a godless, communistic ideology. The military government believes, therefore, that it is doing western culture a great favor by assuming the burden of this war, and remains puzzled that, far from receiving acclaim and gratitude from the nations on whose behalf it presumes to be fighting, especially the United States, it is being criticized for the methods it uses in what the government calls its "dirty war." But the government is confident that one day Argentina will be recognized as the savior of the West.

When the military seized control in 1976 from the hopelessly corrupt and incompetent

Isabel Peron, it immediately implemented a pre-planned campaign against groups it considered subversive. The first targets were the two guerrilla groups whose terror tactics had disrupted national life and put much of the population in genuine fear. The government claims there were as many as 20,000 fighters in the two groups, the Montoneros and the Revolutionary People's Army (ERP), but the actual number of militants was less than 5,000, many of whose identities were known to authorities. Within a few months after the coup, these people were dead; no more than 200 survive today.

All suspected militants—including many who must have been innocent—were captured in a similar fashion. Their homes were broken into by armed men in civilian colthes, and they were taken directly to a nearby prison prepared especially to receive them. There they were tortured for information about their activities and associates. Everyone they named, plus everyone whose name appeared in their personal address books or notes found in their homes, was immediately arrested as well and subjected to the same treatment. Prisoners suspected of having committed or having known about acts of violence were killed after their jailers were convinced that they had extracted all the information in the prisoners' possession. In most cases, they were injected with a knockout drug, shot in the head while unconscious and dumped in the River Plate at night after their stomachs were slit open so they would not rise to the surface.

But the work did not stop after what the government calls "subversive terrorism" was defeated. Like widening ripples in a pool, the circle of victims continued to expand. First it was those believed to have committed terrorist acts; then those thought to have supported those acts; then those who had legal contacts with people who may have supported them, such as doctors and lawyers; then friends and colleagues of those who had such contact, and so on. In recent months, those who had anything to do with one of the many organized Peronist groups, such as summer camps, labor unions or student federations, are falling victim—in many cases, people who never thought that the reign of terror would reach their doorstep.

The system in use today has been slightly refined from what it was just after the coup. Instead of a dozen armed thugs crashing through the door at midnight, two well-dressed men—backed by more outside in the unmarked Ford Falcons that are the trademark of the security forces—knock on the door and ask for the intended victim by name. They either ask him to come to the station for "routine questioning" or invent some ruse like wanting to speak to him about a motor vehicle violation. "In 90 percent of these cases," explained one observer who monitors these patterns closely, "the guys they're getting now are law-abiding citizens who, if you sent them a postcard in the mail asking them to be at the police station at a certain hour, would willingly show up."

The victim may put on a fresh suit, kiss his wife, and promise to be home for dinner. He is then never heard from again, then when distraught relatives call at the police station or barracks, they are told firmly that the police never heard of the supposed victim, that they know nothing of his whereabouts and that the questioners would be wise not to pursue their inquiries.

Patterns emerge from repeated stories of people who have been released from prison and from letters smuggled out of jails. Most prisoners are badly beaten upon their capture. When the victim is only a casual target—say, the mother of a suspected offender—a beating and a few days of immersion in buckets of water or human waste may be enough. Many of these people are then released and told to remain silent about what happened. But they are in a small, relatively fortunate minority.

For the rest, daily life begins to revolve around the *picana*, the electric cattle prod that is the basic weapon of torture in Argentina. Patricia Erb, a 19-year-old American resident of Buenos Aires was arrested in 1976 and later released due to international pressure and her status as an American citizen. The apparent reason for her abduction was her field work as a sociology student in Buenos Aires slums.

"This torture took various forms," she wrote after her release, "beating with clubs and fists, kicks, immersion in water or fecal substance almost to the point of drowning, and use of *la picana*, which was applied to the most sensitive parts of the body. In order to cause greater pain, they would tie us down to a wire bed which carried an electric current and entangle wire between our fingers and toes, splashing water on us in order to increase the pain."

Again, torture, even in these extremes, exist in many countries of varied ideology. But Argentina is special because the veritable torture has been bureaucratized and made routine to the point where identical stories are told of prisons separated by thousands of miles and operated by different branches of the security forces and military.

It is difficult to understand how Argentina, by most standards the most advanced nation in Latin America, could have fallen into its present agony. It has the highest literacy rate in South America (95 percent), an elite of US-trained technicians, virtually no unemployment or starvation, until recently more doctors per capita than even the US and Canada, and a capital city known as one of the world's cultural centers. Argentina was never a British colony, but for many decades it was dominated by England. It is bountiful endowed with rich agricultural land that makes it the breadbasket of the continent.

From the middle of the 19th century until 1930, Argentina held regular elections and was considered by most foreign analysts to be progressing along the same lines as Canada, Australia and New Zealand. Until about 1910, as in most incipient democracies of the period, the electoral process was dominated by a European-oriented aristocracy and an equally European military establishment. With the dawn of the new century and the rise of a middle class, suffrage was extended and power shifted gradually to the moderate Radical party, which embodied the aspirations of the newer Argentines, the merchants and smaller farmers. But the institutions of democracy apparently never took firm root, and in 1930, when a senile president proved unable to deal with the domestic effects of the world economic crisis, the military moved into direct control.

During the 1930's, a profound social change came over Argentina. The rich land attracted many European immigrants, especially from Italy and Spain. They began to establish new industries to use the skills they brought from Europe, industries that were needed in Argentina because the outside world was preoccupied with preparations for war: chemicals, metal fabricating and textile manufacture. By the time the war ended, Argentina had a genuine industrial, urban proletariat. The new working class was ripe for a leader who would give it access to the political system. The man who recognized that enormous potential and used it to dominate Argentina for 30 years was Juan Domingo Peron.

Peron led a group of younger military men calling themselves the United Officers Group, who were dissatisfied with the unequal distribution of wealth in Argentina. Peron assumed the role of hero of the Argentine masses, and was elected president in February 1946.

During the height of his power in the early 1950s, Peron totally dominated Argentina and became a model for *caudillos* in other parts of Latin America. With the help of his tireless and spellbinding wife Eva, he won an almost fanatic popular following by embarking on major public works and social welfare programs, nationalizing foreign monopolies and embracing the cause of the *descamisados*, the "shirtless ones."

A great admirer of Italian fascism and the way it organized every segment of society, Peron forged various sectors of the Argentine people into what amounted to tightly-woven networks of personal supporters in unions, schools, universities and social welfare agencies. With Eva's death in 1952 and his increasing inability to placate the many powerful groups he had alienated, including businessmen, traditional military leaders and the Catholic hierarchy, Peron was overthrown in September 1955.

For the next 18 years, until 1973, Peron lived in exile in Madrid while Argentina went through a succession of military dictatorships and elected governments. But Peron's followers remained loyal, and he retained an effective stranglehold on his country from foreign exile. An amazing range of political ideologies, from communism to social democracy to reaction to outright Nazism, came to group themselves under the Peronist banner. Peron's unique brand of populist fascism, fed by his cryptic directives from Madrid, attracted so many Argentines to his cause that the breakup of the Peronist coalition was inevitable once he returned to power.

When Peron finally was permitted to return in June 1973, a demonstration of three million jubilant Argentines turned ugly as right-wing Peronists attacked left-wing Peronists, including Montonero guerrillas who had laid down arms to greet their hero. The strategy of the military in inviting him back was to split the guerillas off from Peron, and it worked. Peron immediately threw his lot with the right wing of his movement after being elected president in 1974, and the guerrillas turned increasingly to terror tactics.

The guerrilla movement in Argentina had begun to take on strength in 1969. But terrorist violence only became common after the guerrillas were denounced by Peron. "This was a desperate, murderous situation," one liberal Argentine recalls. "Anyone and everyone was fair game. You could send your child to school and not know whether the bus was going to explode. These were serious terrorists, not your fuzzy-cheeked altruistic university youth."

The terrorism reached its peak during the presidency of Peron's widow, Isabel. Two judges were killed, two dozen businessmen kidnapped and, according to official figures, 158 policemen were shot down, some only because they happened to be wearing uniforms. These events, coupled with growing economic chaos, led to the military coup of March 24, 1976, which brought to power the present government headed by General Videla.

One Argentine expressed the universally held view here: "The coup was an absolute necessity and was backed by the entire Argentine people." Whether the methods used by the Videla regime to suppress terrorism and, later, to impose its own brand of ideological purity on Argentina were then foreseen is much less certain.

The immediate goal of Videla's junta was to wipe out the terrorists. In the absence of even a semblance of due process, it is impossible to say how many of those arrested, tortured and often killed were guilty, but within a few months after the coup, active terrorism had ceased, to reappear only sporadically at increasingly long intervals.

But the demise of guerrilla terrorism did not end the government terror. On the contrary, the security forces, once liberated from the constraints of law and morality, have applied these same methods to their perceived war against "ideological criminals." Among the first targets were the professions of psychiatry, psychology and psychoanalysis, considered fundamentally subversive. Journalists who have disobeyed Orwellian laws against inciting others to mistrust the government have perished; 53 are believed dead and almost as many more have disappeared. During a recent medical congress in Buenos Aires, visting cancer researchers produced a list of 189 doctors and nurses who have been kidnapped and not heard from since. Anyone who ever had contact with a Peronist organization is now considered a fair target. Since Peron won 62 percent of the vote in his last election, a majority of the Argentine population is at least theoretically in danger, even though many of the present military leaders once considered themselves Peronists.

Half a million Argentines have left their country since the coup, most of them high-level professionals. Anyone involved in medicine, sociology, the social sciences or political activity or study is in great danger; many of those who foresaw their vulnerability fled to Madrid, Rome, Mexico and Caracas, where communities of highly-trained Argentine exiles have sprung up.

At the end of November, a telegram arrived for a brilliant young Argentine physicist named Daniel Bendersky, an employee of the Argentine Atomic Energy Commission, informing him that he had been accepted with a full scholarship for advanced study. But the news was no cause for rejoicing; on September 16, Bendersky was taken from his home by armed men and his family has been able to learn nothing of him since.

Last year, the Argentine ambassador to Venezuela, whom some thought of as a future civilian leader for Argentina, was called home to Buenos Aires for consultations. He was kidnapped off the streets and has not been heard from since.

Last December, two French nuns met with a dozen mothers of disappeared people in a private home. The meeting was invaded by armed men in civilian clothes who took all present prisoner. Neither the nuns nor most of the mothers have been heard from since.

Within the group of mothers who have come together to protest the disappearances and to petition authorities for information has now emerged another coalition calling itself "Grandmothers of Prisoners." These are mothers of the estimated 1,000 women who were kidnapped while pregnant, some of whom would now have children as old as two-and-one-half years. There is evidence those those children who survive prison birth are sold or given up for adoption anonymously. This policy has not prevented the Argentine government from supporting the UNICEF Christmas card campaign by plastering train stations with posters carrying the slogan "A future for every child."

The declared aim of the Videla regime is "a transition to a stable democracy in which the role of the armed forces will be guaranteed," a political process open to "all sectors except the subversive and the corrupt," a "union of all representative groups of citizens." Videla has referred obliquely to "the so sad reality" of contemporary Argentina, but when pressed on the subject of disappearances, he responds only that the supposed victims must actually have left the country without telling anyone. Economics Minister Martinez de Hoz, the most powerful civilian in the government, says that "we have used with the terrorists the same drastic methods that they used."

The squads responsible for administering the present terror are drawn from regular internal police and from the military. These dreaded "combined forces" often work with contract hoodlums who do much of the kidnapping and who are paid by being allowed to pillage the homes of the victims.

During last March and April, in preparation for the World Cup series, the number of kidnappings was reduced, only to increase again immediately following the games. But apparently the number of kidnappings in 1978 is down to about three or four a week. A few prisoners have been released or allowed to leave the country lately. And a few months ago, 24 "disappeared" prisoners held at the supposedly nonexistent camps in the countryside turned up in an official jail at La Plata.

Among the mothers and other human rights activists here, the U.S. government is considered a strong ally. The embassy in Buenos Aires receives and follows up complaints of disappearances, though without great success, and consular offices have been allowed to visit some of those held in officially asknowledged prisons.

Within the State Department itself, there are two distinct currents of thought on how to confront Argentina, which now receives no aid from the U.S. Ambassador Raul Castro, a former Arizona governor who worked in the Carter campaign, favors the "carrot" approach of offering new incentives to the Argentine government as it gradually improves conditions, reopening aid programs, and curbing public criticism of the regime. Some members of this faction believe that the domestic policies of the Argentine regime, no matter how harsh, are not really our business and that the U.S. should not allow "the human rights tail to wag the foreign policy dog."

The other faction is personified by State Department human rights chief Patricia Derian, who is the most hated person in the world among Latin American dictators.

President Carter is left to mediate this difference of approach. He recently acceded to Ambassador Castro's request to lift a ban on a $280 million Export-Import Bank loan to Argentina for the purchase of electrical equipment from the Allis-Chalmers Corporation of Milwaukee.

There are also divisions within the Argentine regime. President Videla is perceived as a relative moderate and is known to have restrained some of his associates both in their desire to go to war with neighboring Chile over three desolate Antarctic islands claimed by both countries, and in their feeling that he has been too soft on subversives. Indeed, there are some generals who feel that Videla, by putting some groups of former politicians off limits for abduction, has lost an historic opportunity to wipe out forever all wrong-thinking Argentines—and thereby, in their view, so completely purge the nation of undesirable elements that democracy could return without the fear that it would be tainted by "subversives."

Videla seems to many Argentines to be in quite a weak position now, though his critics always focus on the disastrous economy rather than on other taboo subjects. Despite two years of conservative economic policies and considerable sacrifice, especially by lower- and middle-class Argentines, the economy shows no sign of improving. Real wages have tumbled. The world's worst inflation continues at about 170 percent annually; prices rise literally daily. An Argentine who bought a car for 30,000 pesos five years ago spent more than that last month for two tickets to a concert. The situation is better than it was during the last days of Isabel Peron's regime, when inflation reached an annual rate of 17,000 percent, but with no improvement in sight—today a railroad conductor with 20 years' seniority makes 25 dollars a week—many Argentines are dissatisfied.

Various officers and even some civilians are already jockeying for position in a post-Videla junta. Any new military leaders probably would unleash domestic repression even more extensive than what exists today.

The Spanish-language press here is quite timid in reporting daily events, its editors explaining that their readers are "not interested" in hearing about disappearance and torture. This posture is understandable, considering how many journalists have met unknown fates at the hands of the government. One leading journalist whose fate is known is Jacobo Timmerman, founder of the daily *La Opinion*, which he modeled after *Le Monde*. Timmerman has been under arrest for 18 months after being tortured and forced to sign a petition that he was a "left-wing Zionist," indicating that anti-Semitism may be a factor in his case.

Academic and cultural life in general have been devastated in Argentina. Totally innocuous books and artists are banned, the "new math" is suspect as "Marxist" because it allegedly emphasizes relativity over absolutes, and discussion in social science and humanities courses is necessarily sterile. Because of the poverty overcoming the lower classes, the primary school dropout rate is now 50 percent—something previously unheard of in Argentina. The Videla regime has succeeded in emasculating society, while liberating and encouraging the most base forces within it.

But casual tourists who come to Argentina will never notice that anything is amiss. Driving through Buenos Aires with a native can be a revelation, because only natives can point out the unmarked police cars and plainclothes officers on streetcorners. And yet even for most Argentines, life is almost as normal as it seems to visitors. Just as many of them preferred to ignore the terrorism of a few years ago, many now argue against all reason that such things as kidnapping and torture do not happen in Argentina today. Even the great Argentine writer Jorge Luis Borges rejoices that his country is now run by "officers and gentlemen."●

COAL—BACKBONE OF OUR ENERGY POLICY

● Mr. RANDOLPH. Mr. President, just how quickly coal will substantially replace oil and natural gas has become a point of speculation. No State is more directly affected by this issue than West Virginia. The Appalachian coalfields in general and West Virginia in particular have been described as the Persian Gulf of the future. They will be so if we take the right steps in dealing with energy.

For West Virginia, the energy picture is mixed. Coal production must and will expand to provide a greater share of national energy consumption. This development will bring more jobs and higher incomes to the State. But, gasoline, natural gas, other petroleum products, and even electricity generated with coal, will cost more and make bigger holes in household budgets. However, through wise public policies and cooperation between Government, industry, labor, and others we can bring these changes about with minimum disruption and maximum benefit to our State and its people.

Decisions being made now by the administration on energy will have far-reaching and lasting effects on coal. All of us associated with this valuable energy resource are currently somewhat frustrated with the lack of developing government policies to assure a strong commitment to coal. We have experienced a 2-year void, since coal was declared by the President to be the fuel and key to our country's economic stability for the future. In this 2-year period we have seen discouraging signals from the administration regarding increased utilization of coal—our most plentiful energy resource.

Mr. President, because of this crucial situation, I have today sent a telegram to Secretary of Energy Schlesinger asking that he urge the President in his March 29 energy address to the Nation to reaffirm and increase the administration's commitment to coal. I hope my concerned colleagues will read our message, I ask that it be printed in the RECORD.

A copy of the telegram follows:

WASHINGTON, D.C., *March 26, 1979*.

Hon. JAMES SCHLESINGER,
Department of Energy.

DEAR SECRETARY SCHLESINGER: President Carter now weighs the options available to him in formulating an updated national energy strategy—one that is both realistic and independent from foreign resources. I plead with you to emphasize the importance of direct coal utilization, coal converison, well-funded programs in coal research and development, and for increased interagency cooperation and research on ways to burn the coal resources cleanly and safely.

The Carter administration, when it first proposed a comprehensive national energy plan in April 1977, included coal as the cornerstone of that plan. Much of our industrial and technological stature in the world can be attributed to the effective use of coal power. Historically, extensive transportation systems, the production of high-grade metals, our manufacturing capacities, and our extensive electric power grid systems can all be credited initially to the energy produced by the burning of coal.

Coal, as it was in the past, is the substantial answer to most of the world's energy requirements before the turn of the century. Decisions being made now by the administration on energy will have far-reaching and lasting effects. We, over the last two years, have witnessed decisions based on incomplete or distorted information concerning energy resources, later to be retracted and modified as citizen confidence was eroded. The public awareness of how transitions in energy used will affect it, and the reasons behind government and industry action, will serve to solidify support for or mollify fear and distrust among our people.

As Secretary of the Department of Energy, a department created in response to the national and international importance now attached to energy-related issues, you urge the President, in his March 29 address, to publicly reaffirm and increase his support for expanded Federal coal research and development programs in a constructive effort to increase coal burning efficiency and to continue development of more effective pollution control equipment. We must not fail now, and thus impair our country's future and the well-being of the American people.

Truly,

JENNINGS RANDOLPH,
U.S. Senator.●

DAVIS-BACON: A LUXURY AMERICANS CAN NO LONGER AFFORD

● Mr. HATCH. Mr. President, the Davis-Bacon Act, passed in 1931 requires that every contract in excess of $2,000 to which the United States is a party—for construction, alteration, and repair, including painting and decorating, of public buildings or public works—state in its specifications the minimum wages to be paid the various classes of laborers and mechanics. The law applies whether the contract is advertised for bids or negotiated on a cost-plus basis.

The act provides that the minimum wages stated in the contract be based on wages determined by the U.S. Secretary of Labor "to be prevailing" for the "corresponding classes of laborers and mechanics" employed on "projects of a character similar" to the contract work "in the city, town, village, or other civil subdivision of the State" in which the work is to be performed. The law was originally designed to prevent contractors operating during the Depression from importing work crews for lower wages and disrupting already chaotic labor markets. But obviously economic conditions have changed for the Nation and the construction industry over the past five decades and a reexamination of this law is most necessary and appropriate.

The Davis-Bacon Act applies only to construction contracts made directly with the Federal Government. The Davis-Bacon provision requiring the payment of locally prevailing wages has been extended beyond construction purchased directly by the Federal Government, by inclusion in 55 other Federal laws and has served as the model for State-awarded construction projects under so-called little Davis-Bacon laws.

For those of my colleagues who feel that the Davis-Bacon Act is a worthwhile law because it preserves union work and union wages, please heed the statement made by a contractor who wrote to me on this point:

> The Act requires the contractors to pay "prevailing wages." In many cases, the Labor Department closes its eyes to actual prevailing wages and instead adopts union scale. This does not necessarily result in the hiring of union workers. There are instances where we have completed a non-Davis-Bacon project with non-union subcontractors on Davis-Bacon projects. The only difference is that on the Davis-Bacon project, we pay those subcontractors the prevailing wage rates. That is a bonus for the subcontractor and the cost is passed directly on to the government.

Mr. President, I hope my colleagues will join me in an attempt to repeal this archaic law which causes inflation and acts as an obstacle to minority hiring in the construction industry. As one of my House colleagues says about laws of this type, "It is obscene—lacking any socially redeeming quality."

Mr. President, I submit an editorial from the March 17, 1979, Washington Star entitled "An Outmoded Wage Law" and an article from the March 1979 Nation's Business magazine titled "Davis-Bacon Needs a Decent Burial" to be printed in the RECORD.

The editorial follows:

AN OUTMODED WAGE LAW

If the Davis-Bacon Act ever served a useful purpose, the time has long since passed.

The 48-year-old law was enacted during the Great Depression when the government was trying to spur the economy with federal construction contracts. It requires the payment of "prevailing wages" on projects financed wholly or in part from federal funds and was aimed at preventing gypsy contractors from coming into an area with cheap labor and grossly underbidding local builders.

As administered by the Department of Labor, the "prevailing wage" has tended to coincide with the "union" wage. The result is that costs on projects covered by the act are frequently inflated because the wages required to be paid are above true prevailing wages.

The General Accounting Office said in a preliminary report distributed to administration officials last December that repeal of the act could save the government a half-billion dollars a year on construction costs, could save private contractors the estimated $200 million cost of complying with the act's red tape, and could save the federal government another $15 million in administrative costs.

Not only are taxpayers being gouged by excessive construction costs, the main purpose of the act—to protect local building industries—is being subverted. Said the GAO report: "The inflated wage costs may have had the most adverse impact on the local contractors and their workers—those the act was intended to protect—by promoting the use of non-local contracts on federal projects. Local contractors frequently could not pay the determined wages without disrupting their normal and prevailing wage structure."

One of the Labor Department's more absurd rulings involves the construction of a nearby highway project—I-66 through Arlington. While the state of Virginia is the contracting agent, the project is largely federally funded and therefore Labor Department wage regulations apply to it. The department ruled that since the median strip of the highway will carry a Metrorail line, workers on that portion must be paid the same "prevailing wages" as for other subway projects, while workers on the highway portion could be paid lower prevailing rates.

The rate required by the Labor Department for laborers, heavy equipment operators and other technicians on the Metrorail section are nearly double the wages ordinarily paid by Virginia for similar work on highways in the state. Not only has the ruling inflated the cost of the project, Virginia officials claim it has caused an administrative nightmare and they have taken the matter to court.

There appears to be some sentiment among administration inflation fighters to offset the inflationary effects of the Davis-Bacon Act by "fine tuning" it through administrative action. Efforts also are being made in the Congress to repeal the law. Organized labor is, of course, strongly opposed to tampering with the law either administratively or legislatively.

The GAO report said the act "is no longer needed and should be repealed." That seems to us good advice. At a time when inflation is out of hand, a saving of nearly $1 billion a year is no small thing.

DAVIS-BACON NEEDS A DECENT BURIAL

(By George Fowler)

The Davis-Bacon Act, a child of the Depression, has grown up to be a cause of inflation and an obstacle to minority hiring in the construction industry.

Its foes are legion, its supporters few. And the General Accounting Office says it should be laid to rest in the obsolete law graveyard. Senators Orrin G. Hatch (R.-Utah) and John G. Tower (R.-Texas) agree. They have sponsored a bill of execution to repeal Davis-Bacon.

On the House side, Representatives John M. Ashbrook (R.-Ohio), John N. Erlenborn (R.-Ill.), Thomas M. Hagedorn (R.-Minn.), and William R. Archer (R.-Texas), have all introduced repeal legislation.

The act was born in 1931 when there were nine million unemployed people in the nation. In many areas, more than a third of the work force was idle.

TO PROTECT LOCAL WORKERS

The goal of Davis-Bacon was to protect local construction workers by discouraging federal job contractors from employing migrants who would work for lower wages. The act requires the Labor Department to determine the rates of pay prevailing in an area for various classes of work. These rates must then be paid to workers on federal projects within that area.

Labor Department statistics for 1977 show that prevailing wage determinations were made for more than 15,000 federal projects. The GAO says Labor overpriced wages on about 40 percent of the projects. This led to about $500 million in excess wages and added $215 million in administrative costs.

In condemning Davis-Bacon as unnecessary and inflationary, a draft report from the GAO points out that economic and working conditions have changed drastically since the Depression. When Davis-Bacon was passed, the construction industry totaled about $3 billion annually, and most of the contracts were financed by the government.

In 1931, there were no minimum wage, unemployment compensation, or other laws to protect workers. Today, construction is the largest single factor in the gross national product, a $160 billion annual industry. Only a fourth of the industry is regulated under Davis-Bacon. Today, there is a whole panoply of laws aimed at the safety and social welfare of workers.

According to the GAO report, the legislative history of the Davis-Bacon Act indicated that Congress intended that the determined rates should be based on the wage rates paid by private industry. The sponsors of the legislation offered statements and assurances that the act did not require new rates to be established but merely required contractors to pay the rates that had been established by private industry for similar construction.

That was 48 years ago. Today, under Davis-Bacon provisions, contractors must pay their employees in each wage category rates and fringe benefits no less than those determined by the Labor Department. Contractors say this boils down to a union-dictated wage structure that often forces cost overruns approaching 20 percent.

Maryland contractor Salvatore J. Glorioso, acting executive director of the Baltimore Metropolitan Chapter of the Associated Builders and Contractors, Inc., says: "The additional costs under Davis-Bacon are hurting us and the economy. Davis-Bacon takes away from the small businessmen the right of competitive bidding on a project."

Mr. Glorioso says that in Maryland "85 percent of the dollar volume in construction is now open shop. I've just done a Veterans Administration job with 20 percent extra costs tacked on because of Davis-Bacon. That's ridiculous, and I don't think the American people and the people of Maryland should have to pay that penalty."

CONTRADICTS COMMITMENT

Because of its inflationary impact, Davis-Bacon contradicts the Carter administration's commitment to provide more jobs for minorities and women. Yet, President Carter has assured George Meany, president of the AFL-CIO, and other union leaders that he will oppose repeal of Davis-Bacon.

Under Davis-Bacon, the number of trainees or registered apprentices on federal projects has been limited to a one-to-three ratio, says Mr. Glorioso. That means one apprentice for every three full-time journeymen on a job.

"Well, any idiot knows that one person can't function on the job under the direction of three people," he says. "One-on-one training is the best, but Davis-Bacon says you can't do that. This limits us in the number of minorities, women, and young workers we can put on. If I have no place to put them, how can I hire them in the first place?

"On one hand, the government is telling contractors to have X number of minorities and women. On the other hand, Davis-Bacon says you can have only one trainee to three journeymen. How are we supposed to operate under such a contradiction?"

PRIVATE JOB

An East Coast contractor complains that Davis-Bacon's pay regulations disrupt and distort local wage practices in an area.

"You take a nonunion employer who has plumbers working for him at $9.50 an hour," says this contractor. "Then he gets on a Davis-Bacon project that calls for $12.50 an hour. He pays his men that $12.50 for the duration of the project. Then they go back to a private job at $9.50 an hour.

"When workers get used to the higher scale, they often won't take less. So back in the private market, the price of labor goes up. It never ends."

Another contractor observes: "No other industry has a prevailing wage law like ours. A firm bidding on a federal government contract for computers isn't told to pay particular wages to its employees. That firm competes with others to come up with the cheapest price for an acceptable product. Now why can't this practice hold for construction?"

In previous studies, heavy cost overruns for public and military base housing were found by GAO. Public housing projects in Millville, N.J., and Lancaster, Pa., and military family housing at Langley Air Force Base in Virginia and Tinker Air Force Base in Oklahoma were compared to local private housing of similar construction and vintage.

In each case, GAO found that the wage rates on the projects were well in excess of those paid on similar private housing projects. In almost every worker classification, the GAO reports, the Labor Department's determination of wages was higher than the private housing rate. "In many instances, the difference exceeded 50 percent."

For the Lancaster project, four fixed-price contracts were awarded for a total of about $1.8 million. The local contractor offered the local housing authority a $114,000 price reduction if the Davis-Bacon wage clause on his bid were deleted. But under the laws of 42 states, local authorities cannot accept such a bid.

EXTRA COSTS

Arthur F. Hintze, director of open shop services for the Associated General Contractors of America, says that whenever the states and cities receive federal grants, they have to impose Davis-Bacon conditions.

"Some communities are canceling federal aid projects because Davis-Bacon costs would be more than the federal contribution would amount to," says Mr. Hintze. "And the federal government can't pay the extra costs that they're imposing on the locality."

The government's hiring stipulations for blacks and women in construction are blocked by Davis-Bacon, says Mr. Hintze. "If a contractor must pay $10 an hour he will squeeze in as many experienced men as possible for that money. He won't be looking to hire beginners whom he feels he should be paying, say, $5 an hour."

NO REAL GAIN

And a young building industry executive told NATION'S BUSINESS: "Around the country, many guys my age with only a few work years behind them are interested in purchasing Federally aided housing. But when Davis-Bacon gets through with it, they'll be paying a good deal more than they should. So in effect, the extra money they may have made on Davis-Bacon jobs will go to pay for their housing. Maybe more."

From its Washington headquarters, the Associated Builders and Contractors this year announced Operation Watchdog to monitor nationwide Davis-Bacon wage determinations.

ABC President Robert A. Turner says that "we hope to develop public understanding of and opposition to the act; to convince Congress and the Carter administration that it needs to be repealed or at least reformed."

Last December, *The New York Times* called Davis-Bacon a bizarre contradiction. The paper editorialized that "the best possible reform would be to erase it from the books. That, unfortunately, would be extraordinarily difficult; not surprisingly, organized labor bitterly opposes repeal since the law reduces the incentive of contractors to hire nonunion workers."

The newspaper may have understated the difficulty of repealing the act.

LACK OF ATTENTION

James M. Stephens, assistant labor counsel specialist on the minority staff of the House Education and Labor Committee, says: "It's hard to predict whether we'll even get hearings on Davis-Bacon. It has received inadequate attention, with no hearings to speak of over the years. The GAO report should prompt the committee to move, but it will be pretty difficult."

Mr. Stevens observes that the committee, chaired by Rep. Carl D. Perkins (D-Ky.), is much more liberal than overall House membership. "Legislation which came out of it last year was more liberal than the House generally," he says.

Rep. Ashbrook, ranking member of the Education and Labor Committee, does not agree that Davis-Bacon is untouchable. "If we can get enough grassroots pressure on the committee and on Congress, there is every chance for repeal," he says.

"We've already shown we can stop enactment of bad legislation like common site picketing and labor reform. Now, with Davis-Bacon, we face an affirmative test."

UPHILL BATTLE

Rep. Archer says: "It will be an uphill fight, but I really don't think it's impossible if the facts get out to the American people, if the sense of what Davis-Bacon really is becomes obvious."

Sen. Hatch says that Davis-Bacon "makes government an accomplice in cost and price excess in the construction industry."

Sen. Hatch notes: "For years, concerned legislators have been urging repeal or revision of this archaic law."

The Utah lawmaker adds that his bill "seeks to restore the original intent of Congress, which was to preserve local working conditions and pay practices. Repeal of Davis-Bacon will provide greater opportunity for small business and minority contractors and their employees to participate in federal work."

According to Robert P. Hunter, Sen. Hatch's legislative director, repeal of the act is the only practical solution. "We have little faith in any administrative changes through the Labor Department," he says.

"It's an old game for them to give just enough, but little of substance, to quiet things down. Aside from their political alliance with the unions, the Labor Department bureaucrats, like most others, don't want to do anything that would impair their empires."

In January, President Carter met with rebellious AFL–CIO President George Meany in what was considered a peace conference aimed at cooling the one-time plumber's ire at the administration's policies of fiscal conservatism. One of the olive branches extended by Mr. Carter was administration support against Davis-Bacon repeal or substantive amendment.

Stung by the conclusions of GAO's draft report, the AFL–CIO has accused the watchdog office of "lining up with antiunion contractors in a new attack on the Davis-Bacon Act."

LABOR'S REBUTTAL

In a 56-page rebuttal to GAO, the Labor Department disagreed that Davis-Bacon is an anachronistic law geared to economic problems of the 1930s. It said that the statute has a much broader purpose which includes protection of the present living standards of construction workers, equality of opportunity for contractors, and prevention of disruptions in the local economy.

In a companion letter of support for Davis-Bacon, Labor Secretary Ray Marshall stated: "Repeal of the Davis-Bacon Act would undermine a basic legal protection of the wages of American workers in one of the largest, most economically unstable, and complex industries."

But the question remains: Is there any sense in not repealing a law that has outlived its purpose and is creating more problems than solutions?

Says David Shapiro, labor relations attorney for the Chamber of Commerce of the United States: "It's no secret that union construction workers are among the highest paid in America. Take away Davis-Bacon, and this will not change much. But take away Davis-Bacon, and all Americans will benefit."

WHERE DAVIS-BACON WENT WRONG IN PRACTICE

Four examples of the way the Labor Department administers the Davis-Bacon Act shows why the General Accounting Office recommended repeal of the legislation in its draft report:

Fairfax County, Va. In the construction of a 1.6 mile section of Interstate 66, the Labor Department decided to apply higher wage rates for work on the median strip of the highway because, the department said, the strip may be used for a mass transit system in the future.

The result was that laborers would receive $4.50 an hour for working on the highway and $9.68 an hour while working on the median strip. Also, operating engineers would earn $11.49 an hour for working on the median and $5.00 an hour for working on the highway. These wage determinations are estimated to have doubled the cost of the median strip construction. The case is currently being contested in the courts.

Lake County, Ind. A waste water treatment plant was to be built with a completion date of March, 1977. The Labor Department never made a survey to determine prevailing wages in the area. Union negotiated rates were always issued, according to the 1978 GAO draft report.

Monmouth County, N.J. A painting and refinishing project for a building at Fort Monmouth resulted in an estimated four percent increase in costs because of Davis-Bacon.

GAO's 1978 draft report showed a crazy quilt of wage rates for laborers and painters. Some rates issued by the Labor Department were higher or lower than those actually prevailing.

Dickson County, Tenn. The project was building a chlorine room for a water treatment plant. The GAO 1978 draft study showed that the Labor Department never made a wage survey in the county but instead was using rates established more than 50 miles away in the large city of Nashville.

As a result, GAO estimated that the construction costs were increased by about eight percent. Subsequently the wage determination was appealed, forcing the Labor Department to conduct a survey.●

SENIORS' ESSAYS EXPRESS FEELINGS ON FOOD PROGRAM

● Mr. CHILES. Mr. President, we are all aware of the popularity and effectiveness of the nutrition program for the elderly under the Older Americans Act. The programs bring much to the community and especially to the senior citizens.

The nutrition program for the elderly was enacted by the Congress in 1972 to provide a hot meal 5 days a week to older persons and, equally important, to provide a means of socialization for elderly persons in the community. It has succeeded. Recently, one of the nutrition programs in Duval County in Florida sponsored an essay contest for seniors on what the nutrition program means to them. Excerpts from several of these essays were printed in the Florida Times-Union and I should like to share them with my colleagues. I think you will find them as revealing as I do. I submit them for printing in the RECORD.

The article follows:

[From the Florida Times-Union, Mar. 8, 1979]

SENIORS' ESSAYS EXPRESS FEELINGS ON FOOD PROGRAM

(By Nancy Weir)

If there ever were any question about whether or not senior citizens really benefit from the 16 city lunch sites created for them, there wasn't any doubt after a recent essay contest judged this week as part of National Nutrition Week activities.

A total of 185 seniors expressed how they feel about the Community Involvement and Nutrition Service Program, which furnishes them and 1,600 other Jacksonville seniors with a well-balanced meal, fellowship, recreation, educational classes and craft workshops on weekdays. Participants pay a daily confidential donation based on their means.

Winners in the contest were Ed Harris, 78; Cathleen Tice, 73; Marjorie Carter, 69; Catherine Wilcox, 78; Lillian Ashton, 68 and Katharina Briza, 68.

Mrs. Ashton expressed the feeling of many concerning the meals served:

"As we get older and our incomes get smaller, we find preparing a well-balanced diet rather expensive, so we often cook foods we like the best that are cheap and take less energy, rather than nutritious ones to maintain good health," she said. "We all appreciate the great amount of work and care involved to provide the meals. They are not only enjoyable to our taste, but give us the basic food groups so necessary to keep us healthy."

According to the essays, food for the body is only half of what is being served up at the nutrition sites. As winner Harris said, "The nourishment is not limited to the physical being but includes the minds and hearts of everyone involved."

Jessie Horne wrote about how this food for the soul had helped her.

"Upon awaking one morning I realized that I was no longer a part of the working world," she wrote. "Now I could relax and enjoy life. However, as days turned into weeks I began to realize life was passing me by. Something was missing in my life. One morning while in the post office I learned of the Senior Citizens Nutrition Program from a friend. The next day we went down and were surprised at the warm welcome we received. We were served a warm, balanced meal which we enjoyed in the company of other people our age."

Amy Busby, who was diagnosed as a diabetic 10 years ago, wrote, "I couldn't sleep and I wasn't eating right. I was a nervous wreck. I just knew I couldn't give myself the insulin shot every time. I'd go to my doctor and I'd cry and he told me I would have to change my way of living. I was suffering from depression. Then five years ago Nutrition Site No. 3 opened up and I started going there, and from the start I enjoyed it. The fellowship is good for me. My doctor is very happy with what I'm doing and tells me to keep it up."

The site also has helped newcomers find a niche in Jacksonville.

"After retirement in 1974 my wife and I settled in Jacksonville, liking the city but not knowing a soul except our son in the U.S. Navy station at Mayport," said Frank Hollanback. "We were happy here but life was a little lonely, having moved away from our friends in New York. Living on a restricted income was hard, too. About a year and a half ago we heard of the Nutrition Program and decided to join, which was one of the best things we could have done."

Winner Mrs. Wilcox agreed that the program had helped chase away loneliness.

"When we were young and active, loneliness was far from our minds, but now it is different," she said. "Thank God for the Center, which is like an oasis in the middle of a desert."

The educational programs have kept the seniors' brains engaged, the essays said. Ethel Shipe listed the activities that her site has offered: discussions on health care, health insurance, Medicare, the wise use of vitamins, crime and accident prevention, crafts, art classes, horticulture, poetic expressions, choral groups, dancing, singing, parties, magic acts, bingo, bridge, religious studies, trips, tours, picnics, games, "even white elephant sales for bargain hunters."

Others said they benefited from the physical exercise programs.

"With the exercises, many of us are able to use our arms, which most of us are arthritic," said Willie Davis. "I myself am able to use my arms to rake a little of the leaves in the yard. One of my arms was very numb, but at this time there is much improvement."

"No need for Geritol for us," said Mrs. Ashton.

Ruby Perritt summed up what the entire nutrition service means for many city seniors.

"The government nutritional program is more than just a nutritional meal," she said. "It is warmth, food, contentment, fellowships and usefulness in one's life."●

THE CHURCHES AND ARMS REDUCTION

● Mr. McGOVERN. Mr. President, in the last few weeks, I have expressed my strong concern that the formal negotiating process between the United States and the Soviet Union is failing to lead to enough genuine arms reductions either to improve our security or to cut down on wasteful military spending. It is my growing conviction that this failure is not due solely to the competitive aspects of United States-Soviet relations or to the current state of détente. It is also due to the strange dynamic of "internal negotiations" which the SALT talks have caused within the domestic political institutions of the United States and, I am sure, within Soviet institutions as well. As former Secretary of State Kissinger once remarked, his toughest negotiations were not with the Russians but with the Pentagon. I am not opposed to the SALT II Treaty itself; rather, it is all the side deals taken to satisfy the Pentagon—such as the M–X missile, research funds for a new manned penetrating bomber, a new intermediate range bomber, and so on—which have led me to consider seriously opposing SALT II.

As I look back on the past 5 years of negotiations since the Vladivostok accord was initialed by President Ford, I must conclude that the problem of genuine arms reduction is not a conceptual problem or a technical problem or a verification problem—it is a political problem. To overcome the obstacles, each nation must strive in the future not only to formulate constructive negotiating proposals but also to educate a new public constituency in favor of arms control so that the political climate can be improved.

It is for this reason that I am very encouraged to find that American churches are placing international disarmament issues at the top of their social agenda for the next decade. Arms reduction may become the focus of as much attention by church groups as the civil rights and antiwar issues received during the 1960's and 1970's.

I find it especially noteworthy that the interest in arms control is growing not only in the traditionally active and socially committed denominations but in theologically conservative churches as well. Last month in Louisville a special Southern Baptist convocation was held on arms control. Rev. Billy Graham expressed support for the meeting, and I know from my own personal contact with Dr. Graham that he is strongly committed to a peace ministry. The National Association of Evangelicals recently passed a resolution questioning whether superior armaments can bring true security.

Mr. President, President Eisenhower, one of America's greatest generals, once remarked that the people want peace so badly that one day governments will have to give it to them. I hope the outcome of this revival of church interest in disarmament will be to make clear that the people want security through mutual arms reductions so badly that one day governments will have to give it to them. That is my hope for how the SALT talks and other formal negotiations can be turned from the illusion to the reality of arms control.

The New York Times yesterday surveyed the new church interest in the arms race. It is an informative and encouraging article. I submit for the RECORD the text of the article.

The article follows:

[From the New York Times, Mar. 25, 1979]

CHURCHES TURNING TO ARMS RACE AS TOP SOCIAL ISSUE FOR THE 1980's

(By Kenneth A. Briggs)

The drive among American churches for international disarmament is taking the place in church life that was once occupied by civil rights and the antiwar movement of the 1960's and early 1970's. For Protestants, Catholics and Jews, disarmament is becoming the most prominent social issue for the decade ahead.

From Jimmy Carter's First Baptist Church in Washington to a small Christian community in Missoula, Mont., religious groups are speaking out against the arms race between the United States and the Soviet Union.

The campaign has taken on force since the United Nations special session on disarmament last spring, and has attracted an unusually broad range of churches, from traditional pacifists to those groups whose members term themselves born-again Christians. The church groups' appeal rests on the common conviction that the survival of God's creation is at stake and His resources are being sinfully diverted from human need to military production.

BACKED BY U.N. DATA ON ARMS RACE

Much of the grist for the cause is supplied by recent United Nations figures on the cost of the arms race, an estimated $400 billion in 1978. Religious spokesmen often juxtapose this amount with the United Nations estimate of 400 million people on the brink of starvation in various countries.

"To put this figure in understandable terms," Joseph J. Fahey, head of the Catholic peace group, Pax Christi, wrote in a recent issue of the Jesuit magazine America, "imagine that Jesus was given one-fourth of that sum for programs of social service. If He spent that $400 billion in allotments of $100,000 a day, He would have spent it throughout His lifetime, past the year 1,000, past 1978 and still have some 760 years left to spend that $100,000 a day."

The strategy of the religious groups includes low-key seminars, programs of religious education, denominational resolutions and such mass demonstrations as the rally in opposition to the recent "Arms Bazaar" at O'Hare Airport in Chicago, where an estimated three-fourths of the participants were members of church groups.

The focus of concern varies widely from church to church, ranging from generalized appeals for peace to specific criticisms of Administration military and social policy. The loose coalition of Christians and Jews includes longtime peace activists and former protesters against the Vietnam war as well as those who have opposed church involvement in social issues in the past.

At the President's church, a few blocks from the White House, the concern takes the form of a weekly meeting of "Peacemakers," a growing number of church people who hear prayers and sermons on subjects ranging from hunger to arms control.

"We are here to pray God's help to make peace in our time," the Rev. Charles Trentham, Mr. Carter's pastor, said to the 40 participants at the First Baptist Church last week, "so that we may learn how to wage peace and not war."

The Evangelical Covenant church in Missoula, Mont., has taken an even more activist stance. The small, closely knit congregation sent a delegation to Rocky Flats, Colo., last year to protest a proposed nuclear power plant. The congregation has vowed to conduct a prayer vigil at a nearby missile site during Holy Week, April 8–15, Palm Sunday to Easter Sunday.

For most churches in this movement, the immediate goal is education of parishioners in such subjects as military expenditures, weapons systems and human needs over military realities. At the start, many congregations are using specially prepared packets of information. The demand for them, the congregation members say, has been far greater than expected.

The Sojourner community of Washington, D.C., for instance, has received nearly 20,000 requests for its packet, titled "A New Call for Peacemaking." Members of the Sojourner community as evangelicals who share a strong social concern, are particularly encouraged by the rising interest in arms control among theologically conservative churches.

James Wallis, an editor of the community's magazine, Sojourners, says that veterans of the Vietnam peace movement now look to the church for leadership. "About the only place that anything is happening on the peace issue is the church," Mr. Wallis said.

The process of "educating" church people about the arms race includes some scolding of the church, as an institution, as too indifferent to the issue for many years.

The Rev. William Sloane Coffin Jr., the senior minister of the Riverside Church in New York and one of the foremost advocates of increased activism by churches, often chides audiences with a refrain: "We pray for peace but we pay for war."

The special Southern Baptist convocation on arms last month in Louisville, Ky., was a landmark in Southern Baptist social concern and signaled the wide attention that the arms race is attracting among evangelicals. Support for the meeting was expressed by President Carter, the Rev. Billy Graham and the Rev. W. A. Criswell, a leading Southern Baptist conservative.

EVANGELICALS ADD A VOICE

Recently another evangelical voice was added to the campaign when the National Association of Evangelicals, an organization that has been reluctant in the past to take stands on social issues, approved a resolution that urged "Christians everywhere to acknowledge that their trust is in a sovereign God rather than in superior armaments."

Still another stimulus for the movement was a three-day conference last December on "Reversing the Arms Race" at Riverside Church. It drew participants from across the nation and has been followed by 70 similar events in various states. Another by-product of the conference was a call for a "Sabbath-Sunday Peace" observance next weekend. Hundreds of Jewish and Christian congregations have received prepared sermons from Riverside Church challenging churches and synagogues to step up their disarmament activities.

"We as Jews," Rabbi David Saperstein, its author, says in the Jewish sermon for the observance, "are mandated to pursue peace. Our voices must speak out in this debate." He goes on, in a reference to the United States-Soviet talks on limitation of strategic arms, "the SALT process must continue, not only, God forbid, through the passage of this agreement, but beyond it in a continuing process that will result truly in nations beating "their swords into plowshares and their spears into pruning hooks."

The sermon for Christians, by George Hunsinger, the theologian in residence at Riverside, implores listeners to take "this message not only into the sanctuaries of God, but also into the corridors of power."

Among those who say they intend to use the sermon is the Rev. Hogan Yancey, pastor of The Downtown Presbyterian Church in Nashville, Tenn. Using his own title, "A Fool for Christ's Sake in a Mad World," Mr. Yancey said he planned to preach the message to his congregation next Sunday. The services is scheduled to be broadcast over radio station WSM, the weekly outlet for Saturday-night transmissions of the Grand Ole Opry.

"People are starting to admit," Mr. Yancey said, "that the more arms we have, the more insecure we actually are. By clinical definition, that madness."

Mr. Yancey has introduced a resolution into the Mid-Tennessee Presbytery that labels the building of a nuclear weapon a "sin." With many church leaders, he believes that disarmament is attracting a growing number of church members. When Dr. Helen Caldecott, the Boston pediatrician who often speaks about the dangers of nuclear radiation, recently addressed a large audience of Nashville Presbyterian women, Mr. Yancey recalls, "we could have ended the meeting with an altar call."

STYLE AND TEMPERAMENT CONTRASTS

Such occasions illustrate the differences in style and temperament among those who have joined in the disarmament movement. While some reflect the revivalist manner of the evangelical churches, others, such as the Riverside conference, are more in the mode of a 1960's political peace rally.

On a more organizational basis, several denominations have adopted resolutions on disarmament and others are considering proposals. One of the strongest is to be placed before the United Church of Christ this summer. The resolution, sponsored by the Cape Cod area of the church, will ask that disarmament be made the top social issue for the denomination.

Mary Cannon of Yarmouthport, Mass., who helped write the statement, also serves as head of the social action committee of the Cape Cod Council of Churches and is the wife of a minister of the United Church of Christ. Last fall, the council conducted a survey of church leaders in the area on issues that concerned them most. Disarmament ranked highest on the list.●

CONCERN ABOUT INTERNATIONAL YEAR OF THE CHILD

● Mr. HATCH. Mr. President, I am one of many for whom the International Year of the Child is a cause for concern. Every reasonable American agrees with the promotion of the idea and the spirit behind it. What concerns us, though, is the way in which the Carter administration would use this noble concept as an excuse for further Federal meddling in American family life.

At issue here is another event to further dissolve the natural ties that bind families together. Families form the basic fabric of a stable society. It is neither the right nor the responsibility of the Federal Government to raise our children, to determine exactly what their needs are, or to shape their political and religious beliefs. The needs that children have are best met through the institution of the family. In recent years there has been an enormous expansion of the role of Government in our private lives. As our dependence on State action expands, the family is inevitably affected by the effects of growing State intervention. The responsibility and privilege of the family to experience independence and to establish its own norms is being usurped by "big brother."

The IYC may be a dangerous tool being used on people who are generally ignorant of its profound significance for the family unit. With its seemingly harmless name, the IYC appears to be a platform for pushing such liberal causes as abortion, federalized day care centers, expansion of the welfare state, and so forth, all of which increase the involvement of the Federal Government in the raising of children and the shaping of their value systems.

Very few people were aware that there were hearings on the International Year of the Child in Detroit, Mich. (March 22 and 23, 1979). At the November/December meeting of the International Year of the Child Commission at Washington, D.C., it was suggested by Commissioner Dr. Robert Green that the hearings be held in this city. He stated to the Commission:

> I would like to put in a plus for Detroit. We can attract testimony from sympathetic members of poor groups, union leaders and labor. Form relationships with these groups, and as we gain their sympathies, we can have them as the main part of our hearings. This might aid with funding. We cannot afford to go to a city where we don't have a great deal of support. It is to our advantage to have our public hearings at Detroit, and we should utilize the city in that way.

There was no mention at the meeting that they wanted to attract testimony from a wider cross section of America other than those sympathetic to their liberal cause. The Commission will use this testimony to present to the President the wants and needs of the majority of Americans. This is just not true.

The group giving testimony at the Detroit hearings was obviously selective. Dr. Bob Billings of the National Christian Action Coalition, representing over 200,000 evangelical Christians across the country heard about the hearings. His organization speaks for over 10,000 Christian schools. Dr. Billings called twice asking permission to give testimony at the IYC hearings. He was given the runaround, and his repeated telephone calls were not returned.

Because of the limited availability of literature to outline the serious implications of IYC, I ask unanimous consent that a Republican study committee report on the International Year of the Child, a memorandum from the National Coalition for Children, and an article by Nick Thimmesch, titled "Get Ready for an International Year of Childishness" be printed in the Record.

The material follows:

International Year of the Child

BACKGROUND

On April 14, 1978, President Carter created the National Commission on the International Year of the Child. The International Year of the Child (I.Y.C.) is designated for 1979 by the General Assembly of the United Nations as a year in which all nations of the world are called upon to examine the special needs and problems of their children and to take remedial action. UNICEF is the executive agency for I.Y.C. The United Nations has established an I.Y.C. Secretariat to provide information concerning the activities and programs of the other I.Y.C. commissions around the world. Thus the United States National Commission will exchange information concerning the events and projects within the United States through the services of the United Nations office. The purpose of I.Y.C., according to their own literature, is to see that the United Nations Declaration of the Rights of the Child is fully implemented. (See appendix)

The United States Commission has been made to foster a better understanding of American children and to make recommendations on national policies concerning children and to insure periodic reports on areas where they feel the rights and needs of children are not being met. The National Commission consists of twenty-five persons appointed by the President and two additional members of each House of Congress to serve on the Commission. The estimated annual cost for operating the Commission is $518,000. The estimate of annual staff support is 14 man-years at an estimated annual cost of $353,000. The Commission will issue a series of interim reports as well as a final report to the President on its work and recommendations. The Commission shall cease to exist thirty days after the submission of the final report to the President (April 30, 1980).

The members of the National Commission of the I.Y.C. will be using an innocuous name with seemingly harmless ramifications to bring about liberal legislation that will be pushing for the following:

1. Abortion

UNICEF (the executive agency for I.Y.C.) is actively promoting a book called The Children's Rights Movement. The book contains three direct references to abortion; all three are in favor of promoting abortion rights among the young. Among the subtitles is "The Right To Sexual Freedom". That's the right of children to conduct their sexual lives with no more restrictions than adults. But the main issue in this regard is "the right to be born a wanted child". The implication for abortion fails to acknowledge the rights of the unborn and that these "unwanted" babies are being put to death by abortion.

The following is a statement by Professor Luke T. Lee, International Advisory Committee on Population and Law to the UNICEF Executive Board:

> Forgotten are the rights of the child—to be born wanted in the sense that the parents indeed want the child to be born, and not just by accident; wanted in the sense that the society wants the child to be born as evidenced by the availability of adequate health care, food, housing, education, and job opportunities which society can provide to each and every child; and above all, wantedness in the sense that the child, if it had the choice, would have wanted to be born, especially if neither the parents nor the society really wants it.

2. Federalized day care centers

With the advent of the E.R.A. movement and the desire of many mothers to work for personal and financial reasons, many women with pre-school children are attempting to secure employment and let their children spend the large majority of the day in what we have come to call day-care centers. Daycare is a program that ministers to a child from infancy to approximately six years of age and, thus, has over 8,000 hours to teach him values, beliefs and behaviors.

Mary Keyserling, former director of the Women's Bureau, United States Department of Labor, found only 1% of day-care centers to be "superior"; 14% "good"; 36% "fair" and 50% "poor", among them some of which are actually injurious.

Author Selma Frailberg who is a specialist on child development and day-care stated in her book Every Child's Birthright: In Defense of Mothering:

> The recommended federal day-care staff-child ratios are: infants 1:3; toddlers between 1:4, preschoolers 1:7–1:10. Yet the national median is somewhere between 1:10 and 1:19. In other words, most day-care programs offer, at best, custodial care. For mothers in search of "mother substitutes" and educational programs, these nurseries fail on every account.

We do not need to prove that such programs can be damaging to many children. When a child spends 11 to 12 hours of his waking day in the care of indifferent custodians, no parent, no educator can say that the child's development is being promoted or enhanced, and common sense tells us that children are being harmed by indifference.

The child who spends most of his waking day in an environment of indifference is a likely candidate for what is called the disease of non-attachment, which is frequently incurable. These children grow into the "hollow men" of society, persons who, in their most harmless form, wander lonely and indifferent through life, and in the worst instances may be capable of blood-curdling crimes without a prick of conscience. Once a child is several years old, the chances of reversing this development are slim.

A bill has been introduced in the Senate to promote federal involvement in child care. The bill is S. 4, the Child Care Act of 1979. It was introduced on January 15th by Senator Cranston, with Senators Williams, Riegle, McGovern and Javits appearing as co-sponsors. Hearings have been scheduled by the Committee on Human Resources, Subcommittee on Child and Human Development for February 6 and 21.

This bill is one of many that have been introduced over the past ten years attempting to increase the involvement of the Federal government in the raising of children and the shaping of their value systems.

Bills similar to this have been strongly supported by vested interest groups with little consultation with informed parents and taxpayers, who would be required to provide the children and also the funds (via their taxes). It would be clear that the National Education Association (NEA), the American Federation of Teachers (AFT), Day Care and Child Development Council of America (DCCDCA), and others who lobby for and help write this legislation have financial and professional interests to promote. The same applies also to associations of physicians, psychiatrists and behaviorial scientists working diligently for elaborate federal plans for children.

3. Expansion of the welfare state

In the issue framework of the I.Y.C. it was stated that every child has the right to minimum survival necessities. As the commission began to elaborate on this it was stressed that the government should support the family as well as the child. Each family should be guaranteed a certain level of income for economic security. The issue framework also stated that, "The child shall be entitled to grow and develop in health; help to the child and to the child's mother, including adequate nutrition, housing, recreation, and medical service."

Where is the funding for these services to come from? From the federal taxpayers! From the very people who have been crying for relief! Equally negative is the fact that the I.Y.C. believes that the government should meet every need of the family and over-see a redistribution of income in this country. Yet the I.Y.C. commission paid no heed to the lesson that came as the result of the most massive experiment in socio-economic policy ever undertaken: A ten-year study of welfare reforms involving 8,500 families and costing $112 million. With a system of guaranteed annual income there is a loss of work incentive and an increase in the breakup of families. (Newsweek Magazine 1978)

4. National health insurance

The I.Y.C. is using children as a front to put pressure on Congress to pass National Health Insurance legislation. Not only would the cost of such a program be exorbitant, the services delivered would be less efficient than what we now have available to us.

Even the most ardent supporters of such a program admit the cost would be initially at least $140 billion a year. We should also remember that government programs always cost more than their backers promise. Medicare's bill is now ten times as high as the government said it would be. If we are to voluntarily pay more for anything, we have the right to expect more in return. But the average family will not get more for its money under National Health Insurance; they will get less. Proponents rightly claim, however, that medical care can be made more equal under National Health Insurance. But equality seems unimportant if it means making things equally bad for everyone.

We all tend to take more than we need of something if it is free. This is true of medical care as well. Other countries have shown that this will mean that doctor's offices will be full of the lonely, the neurotic, the bored, the hypochondriac, as well as the sick. When you are sick and need attention the most, you may have trouble getting it. In Britain, with a population less than one fourth of ours, 700,000 people are on waiting lists for surgery, with some waiting over three years. There is a similar situation in Sweden. From Private Practice Magazine (1977)

The I.Y.C. uses as their definition of health the following: "Health is a state of complete physical, mental and social well-being and not merely the absence of disease." This definition comes from the World Health Organization. The question again arises, is it the place for the government to insure the state of physical, mental and social well-being for everyone? Once you accept the I.Y.C. proposition, you are acknowledging the right of the government to have total control of the child directly replacing family responsibilities in this area. The I.Y.C. also stated in their issue framework that,

Health is influenced by many factors, such as food children eat, the care and concern provided by parents and caretakers, exercise, living conditions, family income, customs, habits and beliefs. Just about everything contributes to or can take away from health. Quality medical care is also of critical importance, but doctors, nurses, social workers and other health care providers cannot by themselves make or keep children healthy.

Thus their definition of "health" and what influences it encompasses almost every aspect of a person's life.

It should not be the place of the government to dictate whether customs, beliefs or other habits are going to ensure a healthy child. This is the role of the family!

Another interesting note: President Carter stated that one of his "major legislative priorities" for 1979 would be to expand eligibility of children and related health care services under medicaid.

5. Racism and forced busing

Anyone sitting in on the I.Y.C. Commission hearings would be astounded at the amount of time spent in discussion of racism, busing and class struggle. Rather than talking about the needs of children, they are obsessed with the idea of race and ending the problems brought about by having various classes in our society.

Following are some quotes from the November/December meeting in Washington, D.C. of the I.Y.C.

There are basically two types of school systems. There are those for the wealthy whites and those for the poor minorities. Busing helps to solve the problems that come with segregation.

Children suffer from the diversity of income in this country.

Every child in a public school should categorically have for each year in school made one year's progress. Schools that have a large percentage of minorities do not have this ratio and thus they have inferior schools.

We must address the issues of class and race. The affluent vs. the poor. We cannot separate quality and poor schools from the problems of race and class.

Our constant role is to remind ourselves to remember the black population. We must not address the issues from just the white point of view. We have to keep saying it!

The effects of discrimination fall more heavily on children as evidenced by the fact that minority children have a higher drop-out rate, are less likely to have proper health and dental care available to them, have lower educational achievement scores on national scholastic examinations, are more likely to be found in the juvenile justice system and have a higher mortality rate.

Granted, the I.Y.C. should be concerned with all the children but they have put so much emphasis on race and minorities that no one discusses the average middle class white child or even the gifted child. The majority of children are not represented on this commission!

As you read the above quotes from the I.Y.C. they suggest that the majority of the problems minorities experience are the direct result of white suppression. If a minority child does mediocre in school, the blame falls on the school system rather than the factors of discipline, home environment and personal aptitude.

CHILDREN'S ADVISORY PANEL

The U.S. Commission is in the process of establishing and coordinating a Children's Advisory Panel. This will be composed of of twenty-five children between the ages of ten and seventeen. They will be nominated by what an I.Y.C. spokesman called "grass-roots organizations." From those nominated, twenty-five will be chosen by the Children's Involvement Committee, part of the I.Y.C. Commission. Selection of the children will be by February 15, 1979. The purpose for the panel is apparently to get input and feedback from children concerning the "rights" and needs of children. The I.Y.C. has put out a press release concerning the Children's Advisory Panel and indicated that scholarships would be available but it was not indicated where the funds would come from.

In a Family Protection Report, some of the concerns people have about the Children's Advisory Panel were aired by state legislator, Rep. Penny Pullen of Illinois. She stated that she objected to taxpayer funding of I.Y.C. activities. She was instrumental in preventing an Illinois legislature appropriation for such programs. Pullen was critical of the program, recalling her own experience in high school as a participant in a mock constitutional convention, in which "we were guided a little bit". She stated that having a Children's Advisory Panel would be like having the poor running the poverty programs. She also noted that "the type of appointees Jimmy Carter has had in other realms would indicate that these children will be exposed to only one way of thinking".

Barbara Pomeroy, director of the U.S. National I.Y.C. Commission is planning on televising the Children's Advisory Panel to spotlight various "children's" issues.

Freda Brown, president of the International Committee for the U.N. Decade of Women, stated in the World Conference for I.Y.C.:

The objectives of the year are two-fold, advocacy and action. The advocacy is to place the child in the center of world attention and to guide the attention of the world community to the importance of the child, both as a child and a future adult. The year must not be seen as a one-time short-lived celebration, but as an event marking the beginning of a period of sustained actions. New programs must be developed to legislate and promote programs that guarantee health and education for all children. Today the arms race robs children of $380 thousand million dollars yearly. Humanity has suffered the dropping of the atom bomb on Hiroshima and Nagasaki, the mass bombing of the second World War, the hideous napalm in the Vietnam war and now on the drawing board are a whole system of new horror weapons (neutron bomb). There must be an end to the arms race, so that the war budget can be reduced and eventually abolished and money diverted to improve the conditions for all children. In preparation for this year we must be concerned with children in Southern Africa living in conditions of apartheid and the children living in the Palestine refugee camps being denied a homeland. The developing countries have the heritage left behind by colonial rule of disease, hunger and poverty. In marked contrast in the socialist countries, all children have free education, free health care and a secure future.

Let us analyze the above statement of Miss Freda Brown. She is not talking of the welfare of children but is using them as a front to advocate the political philosophy of socialism and communism. She does not see I.Y.C. as one year designated to aid children but merely as an excuse to usher in socialistic legislation in all countries participating in the International Year of the Child. She claims that national defense is a poor use of funds, but has she considered the alternative? Our American children would not be living in a country that provides freedom and equal opportunity for all citizens if we had not had the capability to defend it for the past two-hundred years. She criticizes the free nations yet has an over-idealistic view of the communist countries, where people are trying to flee daily because of lack of human rights.

PRO-FAMILY CONCERNS ON THE IYC

Pro-family groups across the U.S. fear, "We are in for a far-reaching anti-family propaganda campaign . . . and the end results will most likely mean bureaus, commissions and studies that will result in the total destruction of our traditional family structure." This group is trying to raise $74,000 to hold a Family Conference to offset the effects of the I.Y.C. Commission. The Commission's budget, on the other hand, will be at least $2 million tax dollars. (Pro Family Forum)

In an effort to prevent use of taxpayer funds for the I.Y.C., Senator Jesse Helms (R-N.C.) offered an amendment to the Labor-HEW appropriations bill denying the use of the funds being appropriated to HEW under this bill to the commission. The bill passed the Senate but was killed in conference.

Senator Orrin Hatch (R-Utah), said "If radical anti-family forces have their way, this U.S. sponsored program is likely to become an all-out assault on our traditional family structure."

From the National Catholic Register: It (I.Y.C.) portends to be a disaster—perhaps even worse than the International Women's Year. One of the danger signals is that UNICEF is the executive agency for the Year of the Child and as such it is in charge of organizing the Year and selecting the committees. Canon Joseph Moerman is executive director of the International Commission for the Year of the Child of Non-Governmental Organizations, in Geneva. This group has designated the International Planned Parenthood Federation as the working group in charge of responsible parenthood. They are one of the biggest purveyors of abortion in the world!

From the National Right to Life: The International Federation of Women Jurists at a meeting in July in Senegal, considered "the sharing of responsibilities of children between state and parents." This was applauded in the I.Y.C. June–July newsletter!

Did you know that guidelines for comprehensive programs for I.Y.C., drawn up by an international panel of experts, are being distributed by the International Planned Parenthood Federation to their Family Planning Associations around the world!

PRO-FAMILY FORUM

We believe that it is the right and responsibility of parents (not the government) to train children. Parents should have the right to approve the curriculum of schools (or pre-school institutions) to insure that such does not conflict with parental values. The use of public educational institutions primarily as agents to change children's values is a desecration of the educational process.

Note: Quote from United Nations Educational Scientific and Cultural Organization (UNESCO): "The kindergarten or infant school has a significant part to play in the child's education. Not only can it correct many of the errors of home training, but it can also prepare the child for membership, at about the age of seven, in a group of his own age and habits—the first of many social identifications that he must achieve on his membership in the world society." (page 9, UNESCO Towards World Understanding)

CONGRESSIONAL LIAISON FOR THE I.Y.C.

Mr. Brian Anderson, Program Coordinator of the U.S. National Commission for the I.Y.C. met with staff members of the House Republican Study Committee on November 1, 1978.

Mr. Anderson described the work of the U.S. Commission as one essentially to assist state efforts in putting together activities for the I.Y.C. and for encouraging activities at the federal level by various federal agencies (e.g., HEW). He noted that personnel had been on loan from the other agencies and the U.S. Commission was still in the organizational stage. He denied the U.S. Commission would follow programs set down by the United Nations (UNICEF) and said that the U.S. would encourage programs within this country. There would not be any "agenda" of programs nor a national meeting (or convention) which would adopt resolutions. He stated that the people who served on the U.S. National Commission would travel and speak on their particular areas of expertise regarding the child. The U.S. National Commission would attempt to deal with a wide range of issues concerning the child.

A number of specific requests were made for information to the Program Coordinator including:

(1) biographies of the staff members of the U.S. National Commission; (2) bibliographies of the writings of the members of the National Commission; (3) a copy of the draft working paper for the second conference (dated either September or October of 1978); (4) the budgeting and sources of funds for the U.S. Commission; (5) the contributions of various Cabinet agencies—in personnel and in funds—to the U.S. Commission in dealing with the Year of the Child; and (6) the relationship of UNICEF to the National Commission and to inform us if the National Commission is receiving any funds from UNI CEF and, if so, how much?

Three months later, even with a follow-up letter, only meager budget information was sent.

Budget for the U.S. Commission of the I.Y.C.

Fiscal year 1978	$450,000
Fiscal year 1979	1,372,000

The Fiscal Year 1978 budget, covering the period from April 14, 1978 to September 30, 1978 will be acquired through transfer of funds from the Department of State ($111,000); Department of Justice ($118,000); and Health, Education, and Welfare ($221,000).

The Fiscal Year 1979 budget is from the Department of Justice ($118,000); Department of Health, Education, and Welfare ($309,000) and an undetermined amount from the Department of Justice and other agencies. They plan to request from Congress $625,000. The sum will equal $1,372,000.

It should be noted that even though we have listed the amount of money appropriated from agencies that gave to the I.Y.C. (note appendix for I.Y.C. Budget), other in-kind services have been made available through tax-payer dollars. For example; HEW has detailed two staff members, for a combined total of 36 months of service, to the Secretariat of the National Commission for I.Y.C. and is continuing to pay their salaries (about $70,400).

Rather than asking Congress to appropriate all the funds for the I.Y.C., and letting the issue be exposed for public debate, the I.Y.C. and its advocates have solicited monetary support from sympathetic federal agencies. The initial support from Congress was buried in provisions of the Education Amendments, helping to camouflage the I.Y.C. issue.

APPENDIX

National Commission on the International Year of the Child, 1979

Category (object class)		Fiscal year 1978 (5⅕ months)	Fiscal year 1979–80 (18 months)
1. Staff salaries (11) (average pay):			
Executive director	$47,500		
Deputy executive director	47,500		
6 professors (average GS–13)	156,133		
6 secretaries (average GS–7)	74,017		
Total	325,150	$136,000	530,000
2. Commission honoraria at IYC meetings and meetings with subpanels (11)		46,000	126,000
3. Honoraria of subpanel members and consultants (11)		19,000	68,000
4. Benefits (12)		14,000	54,000
5. Staff and chairperson travel and per diem (21)		12,000	83,000
6. Commissioner travel and per diem (21)		28,000	81,000
7. Subpanel travel (21)		14,000	50,000
8. Rent, communications, utilities (23)		30,000	131,000
9. Printing and reproduction (24)		30,000	45,000
10. Other services and contracts (25)		98,000	133,000
11. Supplies and materials (26)		8,000	40,000
12. Equipment (31)		15,000	19,000
Totals		450,000	1,372,000

The fiscal year 1978 budget, covering the period from April 14, 1978, to September 30, 1978, will be acquired through transfers of funds from the Departments of State ($111,000); Justice ($118,000), and Health, Education and Welfare ($221,000).

PROCLAMATION: INTERNATIONAL YEAR OF THE CHILD, 1979

Whereas. We the citizens, believe that our children are our most cherished possessions. We recognize that the early and youthful years of a child's life are most important for his/her future development.

Whereas. The Declaration of the rights of the child that it may have a happy childhood and enjoy their own rights and freedoms herein set forth, and calls upon parents, men and women as individuals, voluntary organizations, government authorities at every level must recognize these rights and insist upon their implementation.

Whereas. The child shall enjoy the right to affection, love, and understanding. We concerned adults share with parents, the responsibility for nurturing the child's development, recognizing that young children are an essential element of the family, future parents, workers and decision makers of the world.

Whereas. The child shall have the right to adequate nutrition and medical care, including pre-natal and post-natal care, to child and mother.

Whereas. The child shall have the right to free education, play and recreation. Be given an education which will promote his/her general culture, to develop its abilities, individual judgment, and a sense of moral and social responsibility and become useful members of society.

Whereas. The child shall be entitled from its birth to a name and nationality.

Whereas. The child shall have the right to special treatment who is physically, mental or socially handicapped and given care required by its particular condition.

Whereas. The child shall be brought up in a spirit of understanding, tolerance, and friendship among people, peace and universal brotherhood of children that will transcend sovereignty of nations.

Whereas. The child shall enjoy these rights, without distinction or discrimination of race, color, sex, religion, national or social origin.

Now, therefore, we the citizens, do hereby proclaim nineteen hundred and seventy-nine as the official "International Year of the Child, 1979" *and we embrace these principles of the rights of the child; proclaimed by the United Nations General Assembly.*

SUMMARY OF THE DECLARATION OF THE U.N. BILL OF RIGHTS

The Preamble states that the child, because of his physical and mental immaturity, needs special safeguards and care, both before and after birth, and that individuals and groups should strive to achieve children's rights by legislative and other means.

In ten principles, the Declaration affirms that all children are entitled to:

1. the enjoyment of the rights mentioned, without any exception whatsoever, regardless of race, color, sex, religion or nationality;

2. special protection, opportunities, and facilities to enable them to develop in a healthy and normal manner, in freedom and dignity;

3. a name and a nationality;

4. social security, including adequate nutrition, housing, recreation and medical services;

5. special treatment, education, and care if handicapped;

6. love and understanding and an atmosphere of affection and security, in the care and under the responsibility of their parents whenever possible, payment of state and other assistance towards the maintenance of children of large families is desirable;

7. the child is entitled to receive education, which shall be free and compulsory, at least in the elementary stages;

8. shall in all circumstances be among the first to receive protection and relief;

9. shall be protected against all forms of neglect, cruelty, and exploitation;

10. shall be protected from practices which may foster racial, religious and other forms of discrimination. He shall be brought up in a spirit of understanding, tolerance, friendship among peoples, peace and universal brotherhood, and in full consciousness that his energy and talents should be devoted to the service of his fellow men.

MEMORANDUM

Re National Commission on the International Year of the Child (IYC).

To: Senator Orrin Hatch.

From: National Coalition for Children.

This memorandum is to provide additional material in support of the position that the membership, philosophy and recommended activities of the National Commission on the International Year of the Child are ultimately damaging and destructive to the traditional values, stability, and strength of American family life.

The "celebration" of the International Year of the Child is a cause for concern because of two fundamentally anti-family concepts which are likely to be promoted (see attached documentation).

First, promotion of the concept that children have a laundry list of "rights" which they hold against their parents and others in authority. These "rights" include the right to sexual self-expression and government funded counseling and treatment for contraception and abortion without parental knowledge and consent.

Second, the Year of the Child, based on the philosophy of its principal spokesmen, will serve as a propaganda vehicle to establish the notion that more and more government involvement is necessary to satisfy the unmet "needs" of children. The "needs" of children are to be defined by professional "experts" or self-styled "child advocates."

Proponents of IYC and members of its Presidentially appointed commission would no doubt dismiss as "right wing extremist" and "paranoid" the notion that the International Year of the Child could be "anti-family." Members of the commission would expect to know just why pro-family people would be opposed to IYC based on any statements they have made.

However, public debate on the family, its rights, and the state is too important to allow IYC Commissioners or other child advocates to go unchallenged when they rely on high sounding rhetoric about "concern for the needs of children." The issue is much deeper than that as parties on both sides of the controversy know full well.

At the heart of the controversy is whether, in terms of government policy, the child will be treated as part of the family unit or as a separate individual who is only incidentally and by economic, sociological and biological necessity part of a family unit.

The pro-family, pro-life position is that the family exists first and foremost as a moral unit. Because of the unique role played by the family in forging the bonds of affection and life in the human person and the task of childbearing, the family has an integrity and moral reality that precludes state interference, regulation and control.

The pro-family position is that all of society's institutions and practices (cultural, political and religious) depend upon the strength of the family as a moral unit. Consequently, what child advocates see as material or economic problems (e.g., unwanted pregnancy, divorce) are seen by pro-family people as moral problems. Child advocates seek government solutions to what they view as economic problems focused in the family. Pro-family people see no solution to these problems that is not based on a concept of the family as a moral unit.

Child advocates do not view the family as a moral unit but rather as an economic unit whose members are united because of material factors. Family members are isolated individuals whose material needs must be filled. These material needs are in fact "rights" the individuals have that must be satisfied, if not by the family, then by active government intervention.

The concept of "child advocacy" is central to the pro-government intervention position. Those who favor family intervention term themselves advocates for children. Child advocates argue that because they are concerned about children and have "expertise" they are uniquely qualified to judge what the needs of family members are and how they can best be met by government activity. For a discussion by child advocates of the meaning of child advocacy, see The Children's Rights Movement, edited by Beatrice Gross and Ronald Gross.

Proponents of IYC would argue that the notion that IYC is anti-family is utterly without foundation. Let us take a closer look.

IYC proponents would no doubt wish that the public's memory of the debate over government involvement in the family is much shorter than it is. An abundant public record documents precisely where proponents of government involvement in the family stand with regard to the essential questions: the right of children to life, parental rights, and the ultimate meaning of family.

The recent history of the child advocacy-children's rights movement is found in the Report of the Joint Commission on the Mental Health of Children of the late 60's, the White House Conference on Children and Youth of 1970, the vetoed Comprehensive Child Development Bill of 1971, the ill fated 1975 Child and Family Services bill and the controversy surrounding the now postponed White House Conference on Families.

Through these major events, the following propositions advanced by child advocates have emerged:

1. The American family is in deep and abiding pathological trouble. The Joint Commission on the Mental Health of Children, "experts" funded by tax dollars, concluded that there was an "epidemic" of mental illness among America's children and that nothing less than large scale federal intervention into the family would cure this "problem."

2. Along these same lines, the 1970 White House Conference on Children and Youth and the 1971 Comprehensive Child Development Bill, called for a national network of federally funded day care child development—child advocacy centers to serve the needs and the rights of America's children

3. If government must step into meet the needs of family members, who is going to decide what those needs are and how government can meet them? Professional "child advocates" by their self-proclaimed expertise claim to know what is best for children and what government can do to meet those needs (using the services of child advocates).

4. Child advocates consistently maintain that children have the right to government funded abortion and contraceptive "services" (without parental knowledge and consent) which they and their colleagues receive tax dollars to provide. They consider that the child has a right to sexual self-expression without the consequences of unwanted pregnancy.

The foremost federally funded organization with this philosophy is Planned Parenthood Federation. They have been designated by the UN agency of the International Year of the Child as the group to represent IYC on the problems of "responsible parenthood."

Clearly, in order for individual family members to obtain the "good life" as child advocates see it, the rights of unborn children to life and the right of parents in the rearing of their children can be violated.

Because of the limited constituent support for such activities, IYC commissioners would no doubt clearly see a need to bury such programmatic realities under a sea of sentimental utterances on the "plight of children."

IYC Commissioner Marian Wright Edelman, one of the brightest stars in the children's rights movement and head of the Children's Defense Fund, a prominent child advocacy group, stated at the IYC Commissioner's meeting of October 27, 1978, "We must choose our words carefully so as not to arouse opposition."

Why must the IYC Commissioners choose their words carefully? Is it perhaps because there really is more to the IYC than a "celebration" of the child?

The following questions might be addressed to Mrs. Jean Young, Chairperson of the IYC Commission and its other members:

1. Why is it, in view of the intense debate during the past decade on the role of government in the family, that an overwhelming majority of the IYC Commissioners appointed by President Carter represent the child advocacy point of view?

2. What are the positions of each one of the Commissioners with regard to the right to life of unborn children? Prominent spokesmen for children's rights speak of the child's right to be "wanted." By this logic, if the child is not "wanted," he has a right to be killed. See, The Children's Rights Movement, Honorable Mary Kohler, "To What Are Children Entitled?", p. 222.

3. If they can not make their position clear on a child's right to life, how can the Commissioners deal intelligently with the question of child abuse? How can increased government involvement in prevention and treatment of child abuse even be discussed unless child advocates are willing to

(a) define what child abuse is in a way that safeguards the rights of both the child and the parents,

(b) take a position on the ultimate in child abuse, the destruction of a helpless preborn child.

4. To what degree are the IYC Commissioners prepared to deal with the abundant evidence that taxpayer funded abortion and contraception for Planned Parenthood's targeted population—unmarried teens—has produced severe physical, moral and psychological problems for adolescents so "treated?" How can the Commissioners justify, in terms of these findings, the appointment of the special interest group, Planned Parenthood, as the agency to deal with "responsible parenthood" by the IYC?

Based on the proceedings of the October 27, 1978 meeting of the IYC National Commission, it is questionable whether the majority of the IYC Commissioners themselves will in their own right deal with the momentous issues of the family. Although the IYC Commissioners are touted as expert child advocates, the speeches they are to give promoting IYC were handed to them—prepackaged and canned in an attractive green packet prepared by the IYC staff.

The brochures telling the American public what IYC is all about are to be written by a private company, under contract with the commission. Even the taking of the minutes of the IYC meetings are to be done by a private company under contract. Apparently, even the staff of IYC prefers signing checks to dealing with the substance of the issues. Concerned pro family citizens in every State should be active and vigilant to make sure that IYC activities in their state do not reflect merely the ideology of government bureaucrats and the vested interests of child advocacy groups.

[From the Chicago Tribune, Feb. 24, 1979]

Get Ready for an International Year of Childishness!

(By Nick Thimmesch)

WASHINGTON.—There is no end to the foolishness this Republic can endure. New, large amounts are about to be thrown at us by the Bella Abzugs of the "Child Advocacy" movement which is swarming over, and capturing, the International Year of the Child [1979].

Now who is against children, other than the late W.C. Fields? But the avant-garde in the advocacy movement believe society gangs up on kids, and parents don't care about them. So a variety of groups that seem to thrive on contentious court cases are exploiting IYC as a propaganda forum and peddling a form of secularism that can only further damage the American family.

The idea of a presidentially appointed commission to prepare for IYC is all right. But as usual, staffers lead commission members around by the nose, and the result promises to be another binge like the feminists' outing in Houston last year.

The prevailing notion at the U.S. National Commission on IYC is that children have a laundry list of "rights" to be demanded from their parents and from society.

Commission Chairperson Jean Young, wife of U.N. Ambassador Andrew Young, has already asked the 50 governors to start IYC programs. This has caused a ruckus in some states where the citizenry still believes parents should prevail until children grow up.

The Children's Defense Fund is an advocacy organization whose rhetoric bristles with the legalistic, secural approach.

"Children have waited too long for their needs to be met," declares CDF Director Marian Wright Edelman, adding that CDF will continue to monitor federal policies, research and investigate and "will sue on behalf of individuals or classes of children, accomplish what we know ought to be done for children."

Oh, the presumption in that word "ought"!

Must we have such a technocratic fix on our youngsters? When will we again allow children to be children? Anyone who reads advocacy litenature encounters arguments for a children's "Bill of Rights" including the right of children to sue their parents, making children who perform chores eligible for the minimum wage, granting children the right to choose their own family, and making birth control devices and abortion available without parental consent.

Parents shouldn't snicker at these notions. In some jurisdictions, runaway children's rights prevail over those of the anxious parents, and children can reject parental help in court cases.

Listen to Helen Baker in "The Children's Rights Movement": "Young people should be allowed to leave home if they so choose, and to live where they choose."

Many of these advocacy souls are sincere about children's welfare. But like Marx and Freud, they focus on the worst cases and apply them to all children.

The Planned Parenthood Federation once performed a worthwhile service in helping Mom keep from getting pregnant too often. But now PPA promotes children's rights to sexual expression on one hand, and once they are expressed, wrings its hands over the lack of devices and/or abortions available to the pubescent.

With the big, rich foundations behind the so-called "children's rights" movement, with the advocacy organizations studded with prestigious establishment names, and with the cynical awareness that the more litigation there is on behalf of children, the better off some lawyers will be, we careen off into the International Year of the Child.

The National Commission for IYC will spend about $2 million in taxpayers' money. Without federal funds, profamily groups hope to counter the rash of damaging nonsense about to be peddled with budgets under $100,000.

Why remain in this Republic? Some days, H. L. Mencken's answer is still apropos: For the same reason that I visit the zoo.●

THE DRAFT DEBATE

● Mr. McGOVERN. Mr. President, there have been conflicting reports of the success of the all-volunteer force and the need for a peacetime military draft. These reports have sparked a new debate on the reinstitution of the draft. Various alternative measures are being discussed, including universal registration and compulsory national service. Faced with the threat of the draft, many people view these proposals as moderate and reasonable. However, a number of my constituents have told me of their confusion on this issue. They are opposed to a peacetime draft and are not convinced of the necessity or desirability of registration or compulsory national service.

I submit for the RECORD a number of articles I have collected which present differing views on these subjects. I believe they will be of interest to my constituents and to my colleagues.

The articles follow:

[From the Washington Monthly, February 1979]

A Platform for the Nineteen-Eighties

(By Charles Peters [1])

We want to restore community to our nation, vitality to our economy, and democracy to our government.

First, we want to end the politics of selfishness. This is a nation divided—not only into special interest groups, but more painfully by taste, class, money, and title. The lobbies run the government, but they are only a reflection of those deeper divisions.

The symbols of snobbery have dominated the seventies. Too many of us go to the ballet, the symphony, or the art gallery not out of any genuine love of dance, music, or painting, but because it makes us feel refined, cultured—superior to our fellow man. Too many of us would buy a Mercedes instead of a Granada, even though we can't tell the difference. It's a way of making the world think we know the difference, or simply letting them know we can afford the difference. The image of the times is the young Carter Administration lawyer, jogging into the White House tennis court with his Head racket, his Adidas shoes, and an alligator on his headband and a $1.20 bottle of soda water under his arm. He's probably just gotten out of the foreign car that, according to the television commercial, proves he knows the difference between a picture and a painting, in which the radio was tuned to one of those William Pierce clones on National Public Radio, whose tones assure his listeners that they are the most tasteful of them all.

Some of us value celebrity, and think we're better than others simply because we're better known—which usually just means we are more concerned about getting publicity, or that we have a better press agent.

But mainly we seek to distinguish ourselves by the prestige of our positions, and the money we make. In doing so, we contribute to the divisions that hurt us the most—the divisions between our classes.

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[1] Charles Peters is editor-in-chief of The Washington Monthly. He was assisted in the preparation of this article by Robert M. Kaus and Joseph Nocera.

Our ruling class, the people who call the tune in the government and our other major institutions, is a mixture of old rich and new meritocrats. You can come from a tenement in Brooklyn, or a small farm in Alabama, but if you are editor of the Harvard Law Review the club will open its doors as wide for you—well, almost as wide—as for a Cabot or an Astor.

This elite—many of them good people, your friends and ours—has not been good for the country. Its decisions affect all of our lives, but it is insulated from the hardships associated with our national problems.

The most tragic example of this isolation was the Vietnam War. We were involved in that conflict for over ten years, longer than any war in our history. How could our ruling class stand to see men dying for so long? The reason is simple: none of its children were being killed. While the sons of the elite stayed in college, the poor and the uncredentialed were sent to do the fighting and the dying.

Today's rulers talk with conviction about poverty, about the cost of medical care, about fighting inflation. They are sincere, or at least most are; but it is the sincerity of Nicholas and Alexandra sitting before the fire in the Winter Palace and wondering what can be done for the poor. It has a make-believe quality. Poverty has no immediate reality to them. They can care in the meeting room, say all the right things, work hard all day—but the problems they are supposed to be solving don't follow them home. When The Washington Star recently questioned residents of our nation's capital about the impact of inflation, a typical response was, "We don't go to Jamaica on the spur of the moment like we used to."

Our New Romanoffs rule by bribe. They try to give each organized group whatever is needed to keep it happy. So salary increases are given without regard to increases in performance or productivity. For example, the Consolidated Rail Corporation, which lost $387 million last year, gave salary increases to 56 of its top officers and paid them nearly $5 million in bonuses and perquisites. And, when it comes time to negotiate labor contracts, it is easier to grant labor demands than to face a strike. Never mind that the cost is passed on to the consumers, that the ones who get squeezed are the marginally employable, the unorganized. For the leaders of each group, those people are merely statistics. Nobody wants to be the first to bite the bullet, the sucker who is talked into sacrificing with no assurance that anyone else will follow suit.

This magazine was founded in 1969 out of a belief that something was going wrong with the American system, that our government wasn't working anymore. Nothing that has happened in the last ten years has caused us to change our mind. Instead, we have come to the conclusion that the great national problems in the economy, education, health, law—and the process of governing itself—will not yield to incremental solutions. They require radical change. By this, we don't mean demonstrations in the streets or violent mob actions. We mean that our society is a system of related habits, needs, and expectations—and that without dramatically altering those expectations it will be impossible to jog us out of our complacent niches, to force us to ask ourselves what we really want, to allow us to recognize what we have in common, and to inspire the sort of individual and collective effort that might achieve those mutual goals.

As a result, this platform isn't organized like other platforms. We don't have a plank for employment policy, and another plank for education policy. Jobs and school are all part of the problem, but it is bigger than both of them. As long as we see the task of government in piecemeal terms, we will have an employment policy that pleases big management and big labor, and an education policy that benefits teachers and school administrators.

Instead we have tried to sort out what we think is wrong with the direction our country is headed, the way we see ourselves, and the way we act toward each other. Once we've done that, it is easier to see the concrete steps we can take to begin changing those attitudes, and to solve the problems they have created.

BRING US TOGETHER AGAIN

Adversary system

We live, it is often said, in a litigious society, which has produced a virtual explosion in the number of lawyers and law firms—indeed, between 1964 and 1974 enrollment in ABA approved law schools jumped from 56,265 to 110,713. The prosperity of lawyers, however, has not had an especially beneficial effect on the rest of us. "If paranoia is our national disease," we wrote a few years ago, "then lawyers are its Typhoid Marys." There are few aspects of American society that have done more to pull us apart than the adversary system and the attitudes that have grown out of it.

In everything from divorces to huge corporate deals, from fights over a plot of land to disputes over public policy, lawyers and the courts have come to play an increasingly prominent role. Instead of encouraging both sides in a dispute to think of the common interest, the legal system encourages them to fight it out, assuring each side that it is perfectly acceptable to take a selfish or morally indefensible position.

Instead of hiding behind their lawyers, people might be enocuraged to mediate their differences face-to-face. In personal disputes like divorce, a system of mediation would encourage understanding of each other's position and mutual respects, instead of fostering the bitterness and hatred that grows out of a lengthy court battle for the house, the car and the kids. Divorced parents need to have that respect for each other if they are going to raise sane children.

In matters of public policy, the common interest that is sacrificed while the parties slug it out in court is often the national interest. When your company has produced a carcenogenic drug or a defective tire, you don't recall your product, you call your lawyer.

Let's suppose, for example, that the national (or state or local) interest requires that decision be made on whether or not to build a factory in a beautiful meadow. One way to resolve the problem would be to have elected officials decide what to do. Environmentalists and pro-growth forces would have their say, and so would the vast majority of citizens who felt strongly both ways. In our adversary system, we require the developers and the environmentalists to draw up contradictory "impact statements," and then these two fight it out in court, with an unelected judge deciding on the basis of a procedural irregularity.

The first step in making America a less fractious and divided society, then, would be to establish a system that encouraged mediation over lawsuits, valued trust over legal procedure, and placed the common interest and the compromise over the "look out for number one" mentality.

Draft everyone

A second important step toward ending the division in America is to bring the classes together again. The last time this happened on a nationwide scale was in World War II, and while the war experience has been overly glorified and sentimentalized, it did have that important benefit. The young man from Brooklyn and the farm boy from Alabama really could be in the same PT boat with a Kennedy, and they didn't have to go to Harvard Law School to get there.

To narrow the gap between the classes and begin the process of bringing community back to our national life, we need a program of universal service to the country. Every American youth, after high school, or sometime within a few years after that, should spend at least two years in the military or three years in some volunteer organization like the Peace Corps or VISTA. Service in an organization modeled on the old Civilian Conservation Corps could be another opinion.

The benefits of this plan are obvious: we would no longer have to bribe people to join the military. Nor would the government have to pay huge sums of money tending to the needs of the elderly or the sick or the poor. Universal service would insure that people from both sides of the track would meet and talk and work together. In the process they might lose their unreal views of each other—views that are usually either too hostile or too sentimental.

A universal service would have another extremely important benefit: it would begin to get Americans back into the *habit* of service, of giving to the country. From the barn-raising to the wagon train, doing things for others was a symbol of pioneer America. Certainly Americans weren't all Albert Schweitzers then, but just as certainly we aren't all Ebenezer Scrooges now. Yet we have quite obviously fallen out of the habit of altruism.

There are a lot of reasons for this, but three stand out as particularly crucial. The first is the move of many Americans from small towns to big cities. In the small town there was a peer pressure for everyone to do their share voluntarily to help the community—and there was a great pride and sense of responsibility in doing so. Everyone knew everyone else, and when someone was not pulling his weight, the whole town was aware of it. In the big city, anonymity has replaced community and what has been lost is not only the peer pressure, but the pride and sense of responsibility.

The second reason is the women's movement. One of its worst effects has been to discourage women to give of their time and their talents for free. In striving for equality, many women have come to see their own worth as too many men see theirs: by the size of their paychecks. And instead of seeing voluntarism as beneficial, they see it as exploitative.

A third reason is the trickle-down theory of altruism. The highly-trained lawyer who works as a legislative aide to Senator Edmund Muski, for example, channels all his altruistic impulses into his job. He thinks his contribution to the world this year was writing a chunk of the Clean Air Act, which will mean Americans will lead pleasanter, more healthy lives. In so doing, he believes he has done his share of good. But he is also saying, in effect, "I can do this bit of good because I'm so well trained, but somebody who is not as smart as me has to do his part by cleaning bedpans." The "better" people can do their good in pleasant surroundings without any personal contact with the people they are helping.

Universal service can help us overcome all these attitudes. It can restore the pride and sense of responsibility of small town voluntarism. Having men and women in a universal service would eliminate the feeling that anyone's being exploited. And it can impress upon us the important distinction between personal and legislated altruism. We can't legislate away loneliness; we can't legislate away caring; we can't legislate away people's need for one-to-one companionship.

Caring for the aged is the starkest example of the practical need for altruistic service. There is, first of all, the question of cost. America is aging rapidly; by the year 2000 between one-third and one-fourth of its citizens will be over the age of 65. We will face a monumentally expensive task unless we find a less costly alternative than having the government pay institutions to see to the needs of the aged. Nationwide volunteer help is the most sensible solution.

But more important is the question of attitude. The prospect of an institutionalized old age is not something anyone looks forward to, yet today most people must turn to institutions when they can no longer provide for themselves.

The only alternative, as we head towards the year 2000, is to create a climate where those who are younger and healthier volunteer their help. If we saw it as part of our duty to spend time with the old, to do everything from reading to them to cleaning their beds, there would be no need for the widespread institutionalization of the elderly.

Because the idea of volunteering is so foreign to young Americans today, we believe a universal service would have to be compulsory at first. Its chances of succeeding would otherwise be slim; for too many kids, the fear of being left behind by their peers in the race for credentials would prevent them from joining. But as our attitudes toward altruistic service changed, we believe that kind of paranoia would subside. If it were seen as a way of fulfilling a responsibility to the community, rather than as a mandatory stint of short-term drudgery, and if those beyond the age of service nevertheless set an example by volunteering their own time, it might not have to be compulsory for long. By instilling the spirit of altruism at a young age, universal service could also sustain in us a lifelong commitment to helping each other.

FREE OURSELVES TO WORK

Put doing over being

We also need a radical change in attitude in how we look at our work. Altruism is one kind of personal enrichment; our jobs should be another. Instead, we have come to value our jobs more for what is connected with them—salaries that pay us more than our neighbors, titles that make us appear more important, pensions and job protections that shield us from the problems the rest face. All the things that divide us.

Why? Why do we have to feel superior to others? Shouldn't there be dignity enough, and joy, in simply functioning well, in being a good doctor, teacher, or carpenter? The result of our emphasis on *being* over *doing* is a system that separates title from function, with the titles going to an ever-growing number of administrators, and the actual jobs to a declining proportion of do-ers.

Nowhere is this process more evident than in the government hierarchy. The smug look on the civil servant's face when he refers to "my deputy" is one of the more depressing incidents of life in Washington. A good example of the effect of this attitude is what has happened to the foreign service. We used to have an ambassador to Chile, for instance, who reported directly to the Secretary of State. But soon a Chile desk officer was interposed in the hierarchy, followed by an assistant secretary for Latin America (with deputy), and then a regional director for the West Coast of Latin America, with his deputy. So now there are at least six layers of titled officials between the secretary and the ambassador who reports to him. And of course, each embassy has been stratified so that the ambassador presides over an elaborate chain of command, at the bottom of which is the junior foreign service officer who actually writes the first draft of the report.

All that's really needed is someone in Chile to write the report, and the Secretary to read it. But the thirst for titles has generated a stepladder of well-paid officials. If they did nothing at all, that would be bad enough. But, of course, they have to add something to every report to justify their titles, and in the process reports become so boring and devoid of meaning that the Secretary stops reading them—which demoralizes the junior foreign service officers, who take to spending more of their time at lunch, so the original drafts of the report are no longer any good either. Finally, the job of ambassador becomes so empty that anybody who accepts the job is almost certainly more interested in *being* an ambassador than in *doing* significant work.

What keeps this whole system going is a stubborn resistance to either organizational or individual evaluation. Elsewhere in this issue, Joseph Nocera tells us how the latest scheme for evaluating the agencies—the inspector general program—is being turned into a crusade against white collar crime, when it could be asking questions about why it takes six tiers of officials to handle a single report from overseas.

At the individual level, a resistance to evaluation is built into the civil service system. Even after passage of the recent civil service reform act it is extremely difficult and time-consuming to fire lazy, indifferent, or incompetent employees. The statutes don't encourage the kind of bureaucrat-by-bureaucrat examination that would point up, not only who's not doing his job, but who has no job to do.

Bring back the spoils system

The way to break down the resistance to evaluation is with politics; if the inspectors general won't review the performance of the bureaucracy, let the voters do it. Does this mean a return to the spoils system? Not in the sense that it would result in unqualified employees. A politically appointed typist could still be required to type 50 words-per-minute. And we *need* government workers who are political in the sense that they are appointed and fired at will, and who will therefore be eager to make the government work well enough for the voters to reelect the politicians who appointed them. Remember (and we won't let you forget) that when the Post Office was political, the mail was delivered on time. If it wasn't, you could fire the postmaster.

Of course, there are advantages to having *some* employees with career job protection. One of them is continuity. The other advantage of civil service protection is supporsed to be incorruptibility—although the GSA scandals have certainly cast doubt on that. Still, these benefits are enough to justify retaining civil service protection for half the available federal job slots. The other half should be filled with political appointees. Right now, the balance is more like 99 per cent protected to one per cent political, with the one per cent concentrated at the upper levels.

Unfortunately, the current popular discontent with government inefficiency is easily swept into the Washington world of make-believe. Suppose your postmaster spends his time reading his mail, rather than seeing that yours is delivered. The poor mail service is hurting your business, perhaps. You're mad as hell, and you write your congressman to say you're not going to take it anymore. He promptly and efficiently forwards your complaint to the new, independent Postal Service. The Service responds that it can't do anything about your postmaster, because, since it has become new and independent, he is protected by a statute modeled after the Civil Service laws. Your congressman then promptly forwards you a copy of the Postal Service's letter, and puts you on his mailing list—after which you receive (allowing 10 days for delivery) regular copies of the *Congressional Record* containing his denunciations of postal inefficiency. "Well, I guess nothing can be done," You sigh, "but my congressman certainly seems to have done his best," and you resolve to vote for him next time around.

What's more, the federal civil service is only the tip of the bureaucratic iceberg. Total federal civilian employment has held steady at around 2.8 million for a decade. The explosive growth has taken place in state and local governments (which employed 12.5 million people in 1977) and in private companies that do government work. For example, HEW has 144,000 federal employees, but it pays the salaries of another 980,000 through other organizations. The Pentagon employs about a million civilians directly, but another 2.5 million "outside the walls" get their paychecks from the DOD. If we had reliable evaluations of our state governments and consulting firms, how many of these jobs could we abolish? Our guess is about half.

So, things are bad in government—as conservatives are fond of pointing out. What they are less likely to emphasize is that things aren't a lot better in much of the business world. The planning analyst in the Department of Transportation has his counterpart at General Motors. The bureaucrat at the FCC can see his mirror image over at AT&T.

But the private sector does offer one ray of hope that the civil service doesn't: we're stuck with the government we've got, but private organizations can be displaced by new ones. In reforming our economy, our goal should be to encourage those new organizations, and the traditional means by which they are developed, entrepreneurship.

New blood for the economy

So if we are going to get the economy moving again, we will need people who are willing to break away from old habits, to speak up when they see something wrong, to do what they love and do well, instead of riding out a career escalator at HUD or GM. And while we cajole, exhort, lure, and push our citizens into taking these risks, we want to do away with whatever legitimate reasons have prevented them from taking them already.

In talking with our friends in the public and private bureaucracies, several forms of insecurity always crop up as reasons for clinging to the risk-free life. Some—like the fear of a costly illness—can be reduced by programs discussed later in this article. But let's deal with two of them now.

The first source of insecurity hits adults early in their working lives—the soaring cost of buying a house. It didn't used to be that way. Even a decade ago, the ordinary goal of owning your own home wouldn't have had a special impact on the career choices of most Americans. Today, with down payments for a modest house in the $30,000 range, it takes a hefty, secure income to accumulate enough to even begin mortgage payments. The effect is to encourage anybody who wants a house to make an early decision to pursue a stable, remunerative career—in short, to sell out early rather than late.

The solution is to use our tax system. The system currently works to inflate the price of housing by providing a tax deduction for the interest on all home loan mortgages. Since what is needed to bring down the price of housing is new houses, we should allow the mortgage interest deduction only on the purchase of new, additional units.

A second source of insecurity hits later in life, and isn't such a new phenomenon. It is the high cost of college. How many times have you heard someone justify passing up a new work opportunity because they "have two kids to put through school?" Society could take away this excuse by providing a variant on the old GI bill to cover the cost of all post-secondary education. Under this system, students would pay for college instead of their parents—freeing the latter from the self-martyring duty of coming up with $30,000 to send their girl to Dartmouth. Instead of giving the student the money, as the GI bill did, the government could guarantee a loan from a private bank. Payment could be authorized as a surcharge on the student's later income taxes. One side benefit of the plan: since the students would be footing the bills, there is at least a chance they would be forced to think seriously about when, and why, they want to go to college. The option of universal service would provide an alternative, and some time to think things over. The combination might convince more teenagers that "success" does not require a forced march through seven years of college and professional school, followed by ejection into the "real world."

No amount of government scheming will make entrepreneurship—or whistle-blowing, for that matter—as risk-free as a quiet office in the Treasury Department. Life can never be as safe a bet as some of the clauses in our employment contracts seem to imply. If we can move some to action by eliminating unecessary sources of economic insecurity, we can bring a lot more entrepreneurs out of the closet with positive incentives.

Some basic financial incentives could again be provided in the tax code. As with the mortgage interest deduction, the key is to tailor the incentives to encourage the sort of investments that are needed. The current budget lists over $120 billion worth of what the government calls "tax expenditures"—what others call loopholes. That figure is about half of the total amount collected by all federal individual and corporate income taxes put together. But many of these loopholes, like the capital gains tax break, are available indiscriminately to those who invest in old enterprises, as well as those who invest in new plants, or new organizations. Since the latter are what create new jobs, and new productivity increases, we could restrict the capital gains tax break to those new investments.

The usual argument against this proposal claims that if the tax break is restricted to the original purchasers of shares in a new company, they won't be able to find anybody to buy their stock, because they won't be able to pass along a tax break. Horsefeathers! Of course investors will buy the stock—if it's going up. And there would be a greater chance of stocks going up in a vital economy that encouraged new investment. If you bought stock in the 1960s, you know what 15 years of indiscriminate tax reductions for the Wall Street traders in old issues has done to boost the value of your holdings.

But financial incentives respond to only one of the motivations for seeking creative, satisfying work. We should recognize all of them. Most fundamental is the exhilaration that comes from knowing that you have overcome the addiction to economic stability, that you are doing your job, not because it pays for your BMW, but because you love to use your talents—and that you're ready to quit if that stops being the case. Unfulfilled human potential is both a personal and social tragedy, and the number of potentially great scientists, artists, and businessmen who are now practicing law in Washington must represent one of the greatest wastes of human capacity in the history of mankind.

The personal satisfactions aren't only for the elite. An emphasis on doing, on performance, could open up a wide variety of professions where specific, technical skills can only be acquired by experience, but that are now monopolized by the credentialed. We have all been tortured by inept doctors trying to give injections, while the nurses who give the same shots more skillfully and painlessly must stand meekly by in deference to the power of a white-coat.

Then there is the case of Gabrielle Ann Scott Elliott. With only a tenth-grade education, she used false credentials to get into the University of South Carolina Law School, from which she graduated with above-average grades. She passed the South Carolina Bar exam, and began practicing law. When she was caught, The Washington Post ran an outraged expose—to think that someone without true credentials would presume to serve the public's legal needs! Instead, shouldn't we be outraged at the system of rigid and phony hierarchy that deprives people of the right to use their skills?

The final incentive to a revitalized system of work would be to dispense status on the basis of accomplishment and service, rather than title or educational level. Though they are distressingly few, there are some models to which we can turn for inspiration.

Contributing editor Nicholas Lemann discovered one of these models in the Off-Off Broadway theater circuit of New York City. There, a successful, innovative drama industry is run by people who drive cabs and wait on tables to make ends meet. They do it because of the immense satisfaction they get from acting, and because they live in an environment that gives as much respect to the underpaid actor as to the well-paid lawyer.

Education is another area where we have a practical ideal. Today, the education industry is run for the convenience of its administrators and faculty, just as the government is run for the convenience of bureaucrats. Gifted teachers aspire to be administrators, to win large research grants, to go to conferences. But it has been different—and one period when it was different was at Columbia College in the 1940s, around the time when Jacques Barzun wrote his book "Teacher in America." The title of the book was important, because it indicated the value that Barzun placed on doing the front-line work of education: teaching. And being just plain "teacher" was the status job at Columbia for a while. People like Lionel Trilling, Mark Van Doren, and Joseph Wood Krutch taught classes of 15 to 30 undergraduates, and looked down their noses at the self-important Ph.D.'s who thought that research and contracting was the name of the game.

GIVE UP OUR SPECIAL LITTLE ANGLES

At the heart of the politics of selfishness is the fear, already noted, of being labeled a sucker. Nobody wants to be the fall guy who gives up his piece of the action while somebody else is cutting himself a better deal.

Sometimes this attitude can be maddening. For example, after the passage of the civil service bill his union had opposed, the president of the American Federation of Government Employees threatened: "In the trenches every day, federal employees will work a little slower, wheels won't turn quite as fast, applications won't get processed, goods won't get moved nearly as rapidly as they could . . . ."

Sometimes it can be dangerous, as when air traffic controllers recently went on a work stoppage that caused stacking of planes over crowded airports. The reason for the stoppage, according to union president John Leydon: the controllers were fed up with the refusal of Pan Am, TWA, and Northwest-Orient to continue to give them free flights overseas.

Almost always it is bad for the nation. It's time we all gave up our special little angles. There have been periods in our history—again World War II is a good example—when we have been willing to sacrifice for the national interest. America is not at war today, but it is in trouble, and climbing out of trouble means being willing again to make that kind of sacrifice. Here are some obvious places to start:

Draft the doctors, too

No one in America has a better angle than the doctors. Think for a moment of our other life-protecting services—the military, the fire department and the police. We do not let them charge whatever they want, or let them tell us what their specialty will be. They are too important for that—our lives are in their hands. Yet that's what we allow the doctors to get away with.

As a result our health care system is one of the prime causes of inflation. In 1946, out of every $22 you earned, you paid $1 for medical care. Today, you pay $1 out of every $12. Unless we seize control of the health care profession from the doctors, they are going to bankrupt us all. The solution to the health care mess is a national health service that will set both doctor's fees and their specialties. Health care shouldn't be a luxury—and under such a system it could be practically free for everyone. And with doctors out of the saddle, the system of medicine would be immensely less expensive than the one we've got now.

A national health service could also be another example of how we can change our attitudes towards work. Think about who becomes a doctor in our society. They are the kind of people who have been fascinated with the phenomenon of healing since they were five years old. Our medical system takes these people, and after a few years of exploitation as interns and residents, turns them into their own versions of Robin Hood, stealing from the rich—by robbing the insurance companies blind—to compensate for the hardship they have been through, to give them the $100,000 incomes they feel they deserve.

A national health service could return doctors to that five-year-old state. Doctors would come to expect pleasure from functioning, from *healing*, rather than from memberships in the country club. A free national health service would also remove one more source of economic insecurity—fear of medical calamity—that keeps the rest of us from breaking out of large organizations with generous health insurance programs.

No welfare for the rich

Too many people use social security to finance a trip to Florida or buy a second car, or collect unemployment insurance even though they have enough in the bank to spend a month on the Riviera. The Treasury Department recently estimated that $51 million worth of tax deductions for unemployment compensation went to people who had incomes of $50,000 or more. Here is a second special angle that should end.

To remedy this, and to provide adequate assistance to the poor, all our existing welfare programs could be scrapped and replaced with one program that pays out money to Americans on the basis of one criteria: whether or not they need it. This plan would provide enough for the recently retired elderly couple, and the mother of five struggling to bring up her family without a father. The millionaire could never get unemployment benefits or social security as he can now. In the end, we believe, this program would *save* the government money, both because it would take a fraction of the current welfare bureaucracy to administer, and because it would not cost anywhere near the $165 billion the government is going to pay next year in welfare programs and social security.

One of the chief objections to a guaranteed annual income is the charge that it will keep people from working. We do not believe the system should finance a lifetime of loafing—there should be limits placed on the amount of time a person can receive payments during the years he is capable of working. However, we also see our plan as giving the average man the main advantages of the sabbatical—a chance at reasonable intervals in his life to catch his breath, to consider where he is going, to change direction.

This plan could be phased in with decent regard for the expectations that have been aroused in older people who have been falsely told by the government that social security is an insurance program, and who have made their retirement plans in the expectation that they will receive this money regardless of their other income.

Work during the golden years

Too many people, especially in the government, retire before they need to. Early retirement fuels inflation and costs the government billions ($20 billion for federal disability and retirement this year). Military officers can retire as early as their late thirties with 20 years of service, civilian officials can retire at age 55 after 30 years; so we are paying a good deal of tax money for people who are doing a good deal less work than they could. Most officers who retire around the age of 40 as lieutenant colonels live into their seventies and eighties. That means early retirement for an average lieutenant colonel will cost the taxpayers at least half-a-million dollars, even before the twice-a-year automatic cost of living adjustment.

Early military retirement has been based on an outmoded version of military life where soldiers were exhausted after 20 years of charging over hill and dale on foot or horseback. But the General Accounting Office found that 93 per cent of the enlisted personnel who are retiring after 20 years are working in administrative or clerical jobs.

The system should be changed because it's costing us a fortune—the Congressional Budget Office estimates that the price of federal pensions could rise to $194 billion by 2015. But we should also keep in mind that early retirement is no favor to anyone, including the early retiree. Retirement doesn't free us, it robs us—of our vitality, of our sense of worth, of our reasons for getting out of bed in the morning. As long as people are functioning well, we should encourage them to continue doing so. Instead, retirement separates the old from the day-to-day activities that keep society going—just as our educational system segregates the young.

Freeze Federal pay

Civil servants are overpaid and overgraded. This is particularly true at the middle and upper-middle levels, from GS–13 to 15, where salaries range from $30,000 to $47,500 and where responsibilities, despite important sounding job descriptions, seldom equal those of a Safeway manager. By admission of the Civil Service Commission, hardly one of the system's severest critics, 11.5 percent of the federal employees are overgraded, at a cost of the taxpayers of $436 million a year.

Government salaries should make us reconsider the old axiom that you get what you pay for. We are not getting higher quality service as government employees make more money. The District of Columbia municipal government is, by the testimony of practically every one who knows anything about it, among the most inept in the nation. Yet its employees are among the highest paid, often making $2,000 to $4,000 more than their counterparts in the big California and New York state governments, and sometimes triple the amount paid state workers in rural and southern states.

To bring federal salaries under some semblance of control, the President should declare a two-year moratorium on federal salary increases. A few top jobs and a few at the bottom should be excluded—but on the whole this would be sensible management.

Make the capitalists compete

Too many businesses have angles in the form of unnecessary government protection. These are the kinds of special privileges that, if stopped, would bring about lower prices and better service, even if accompanied by screams of anguish from the aggrieved industry.

The bank industry provides a classic example. There was a time when bank regulation made sense—banks had been failing around the time of the Depression, and it was clear that the government had to step in to prevent depositors from losing their assets in case of a bank failure. Today, with federal deposit insurance, that is no longer the case. Yet stringent state and federal regulation keeps interest rates unnecessarily high and ensures only one thing: that banks will make excessive profits without fear of competition. The regulations have come to protect the banks instead of the customers.

Keep unions from competing

If businesses are going to give up their special angles, it's only fair that unions should do the same. Because of the sucker factor, we do not expect the leadership of the nation's big unions to sacrifice their unions' pay raises for the sake of the nation's economy. Yet, it is clear that the continued demands for wage increases by unions have as much to do with inflation as any other single factor. That is why at times like this, when inflation is getting out of hand, the only sensible and fair response is to impose strict wage and price controls. That would assure union members that inflation wouldn't eat into their wages, and prevent businesses from making excess profits.

DISCARD OUR IDEALOGICAL LABELS

The idea that there are two great camps of ideology in American politics, one called "conservative" and the other "liberal" seems to be breaking down with the rise of politicians like Jimmy Carter and Gary Hart. It is a process we hope will accelerate. Two areas where freedom from cliche is vital, but where, sadly, cliche persists, are crime and national security.

Criminals belong in jail

Regarding crime, the great mass of Americans have long ago expressed their dissatisfaction with the "liberal" and "conservative" positions. It is time for those who govern to catch up. Let them start by conceding the "conservative" point that the first priority in fighting crime is not to rehabilitate criminals but to protect society. When the dangerous criminal is locked away, then we can worry about rooting out crime's causes. But let them also concede to liberals that there is a qualitative difference between violent crime and non-violent crime—the man who responds to the pressures of society by lifting my wallet is a different sort of threat than the man who responds with a knife in my ribs.

Then let them look at the facts: 80 per cent of the violent crime in this country is caused by criminals between the ages of 15 and 25. This seems to be the age in which uncontrollable juices are most likely to flow—the evidence is impressive that after age 40 the impulses to violence decline dramatically.

Faced with these facts let them decide that any person between 15 and 25 who commits a violent crime should receive a minimum sentence of ten years. The purpose would be simply the protection of society—not revenge, or rehabilitation—although rehabilitative efforts should not be stopped. At the same time, let us show the non-violent first offender maximum mercy, and allow every chance at probation. Both the statistics and common humanity say give him another chance.

As for the perpetrators of victimless crimes—those who take dope or sell their bodies—let's leave them alone. The tragedy is their own, not ours; what they need is help not jail sentences. We need our limited law enforcement resources elsewhere.

Look for our Spitfires

With military spending as well, we would be better off if we all forgot whether we were liberals or conservatives. Today the conservatives are blindly pro-military, and the liberals, just as blindly, are anti. In 1941 the reverse was true. Liberals must realize the need for an effective military force, and the need to prevent the cry of "No More Vietnams" from precluding the sensible use of that force. Conservatives must stop equating military spending with military preparedness. We should all concentrate on finding the weapons that are to us what the Spitfire was to Britain in World War II—not the costliest or fanciest weapon, but a weapon that did the job when it was needed.

We should certainly not leave the decision about weapons to the admirals and generals, whose record on these matters is bad beyond belief. They were against the aircraft carrier when it was the weapon of the future. They're for it now, when it's the weapon of the past.

Less representation, more democracy

Unfortunately, we have grown accustomed to leaving problems like choosing military hardware, or choosing social security plans, to the experts. Our system of "representative democracy" has swung very far toward representation, and away from democracy, in our generation. For most people, modern "democracy" amounts to an up-or-down choice every four years between two presidential candidates who sound very much the same, with the decision based on which one seems the lesser evil. Between the elections, as the major issues are actually resolved, "informed consent" has been reduced to the crude speculations of opinion polling. Even congressmen, with their ever more frequent citations to Edmund Burke, have done their bit to legitimate the idea that people should choose an expert class to do their thinking for them, and not trouble themselves about the issues after they leave the polls. And, except when we are protecting our particular interests, most of us don't—whether we are doctors, dockworkers, or voters for Proposition 13.

True democracy doesn't mean that all the people must be absorbed all the time by public affairs. It does mean enlisting the judgment, understanding, and common sense of the public on the issues that affect the nation rather than leaving those choices to vaguely accountable legislators, and the technicians they employ.

As a first step toward this kind of democracy, the schools must do a better job of preparing us for the choices we have to make. The sterile civics courses so many of us remember prepare students for a system of government that will exclude them; all the issues sound boring, and even ninth grade students can sense that the antiseptic flow charts do not reflect the reality of "How a Bill Becomes a Law." We need to help students understand that reality. Along with the return to the basics of reading and writing, there must be a return to the fundamentals of how our nation is governed. Students needn't be told what kind of health care system is best—but they should understand the full consequences of our present approach, and of the five or six possible alternatives. They should be helped to see how costs add up in our various programs of income support. And they should be prepared to deal with problems we haven't even heard of yet. There are courses doing exactly these things—but they are only offered at places like the Harvard Business School or the various academies of public management. The training they give the technocrats is valuable, but there is nothing in them that is fundamentally beyond the understanding of students in every American school.

We can't all be experts, and we should be thankful for that. Experts tend to be specialists—their very knowledge and position distorts their interests, and their vision. This is no less true of those who specialize in ruling. The non-expert, the ordinary citizen, has a perspective which the expert can never attain. Unless we are prepared, and motivated, to give the expert our advice and consent, we can be sure that their choices will continue to be wrong.

[From the Washington Post, Feb. 25, 1979]

Against the Grain

(By William Greider)

Anyone who knows Charles Peters, the editor of The Washington Monthly, will tell you that he is a wise and warm-hearted man, whose yearning for goodness * * * developed, although none of us counts that as a fault.

Why, I wondered, is Peters pushing this vicious idea in the pages of his little magazine? A rotten idea hiding behind a bland title—"national service."

Charlie Peters fears that America has lost its way, that people are too selfish, that young people need inspiration in the patriotic values. His solution is to force *my* children into involuntary servitude for the government.

That seems a disproportionate price for my children to pay. To surrender two or three years of their lives to the control of some government bureaucrat, civilian or military, so that Charlie Peters will feel good about America again!

Peters wants young people to see the inside of an Army barracks which, I concede, is an interesting experience but surely not one required for true citizenship. I did my turn in the peace-time Army and mostly I learned about mindless regimentation. As the "national service" advocates describe it, young people could choose alternative civilian chores. Emptying bedpans in nursing homes. Playing truant officer in the slums. Trimming deadwood in the national forests. Sweeping hallways in government buildings. This is supposed to instill the American character in our decadent youth.

If our youth refuse to go, of course, the government will have to put them in prison. Let's not talk around that point because, without coercion, there is no way to make universal conscription fair. Draft everyone, put the shirkers in jail. That will teach the little bastards some patriotism.

Charlie, I asked, do you have any draft-age children at your house?

Yes, indeed, the warm-hearted editor replied. He has a 15-year-old son named Christian, who is a student at Georgetown Day School.

Charlie, what does your son think of this scheme of yours to bring back the draft?

There followed a heavy pause, in which my friend, the editor, got the point.

"I don't know that he knows that's a view of mine," Peters said softly.

Why don't you ask him, Charlie? Charlie promised that he would.

In Washington, this kind of questioning is considered tasteless, bringing a man's family into the large and important questions of public policy, making nasty personal insinuations. The polite dialogue assumes that all are distinterested. But I think this issue of "national service" calls for a little upfront tastelessness. Better now than later.

Parents of adolescent children, in particular, should ask now some of the hard-edged questions that most parents failed to ask 15 years ago, when patriotic docility was still regarded as a virtue. Some of their children wound up dead or in wheelchairs, in jail or in Canada.

The first question is: Why? Why exactly is it necessary to bring back the draft? What does the government have in mind for our children? Do not give us the grand abstractions of Cold War ideology which satisfied most citizens in the past, the academic garble about "global strength" and the "balance of power" and all that. Give us practical reasons, homely reasons that are truly connected to America's real bread-and-butter self-interest. Do not tell us our children are needed to fulfill some geopolitical fantasy concocted at a California think-tank.

I do not think the gathering political support for restoring conscription can withstand that kind of hard questioning. Right now, what I see are the formative outlines of an obscene coalition between the liberal establishment and the right-wing militarists who may overlook their real differences in order to sell jointly this terrible idea.

On the right, people like Sen. John Stennis want a military draft restored primarily to fill up the ranks with cheap cannon fodder. The all-volunteer military is too expensive and also too dependent upon poor kids, especially poor black kids who still see attractive opportunity in the armed services. The old stalwarts like Stennis are uncomfortable, depending on those young men and women to fight our next war.

Sen. Stennis is 78 years old and never served in uniform. He was too young for World War I. He was a circuit judge during World War II, a U.S. senator for the Korea and Vietnam wars.

Charlie Peters is not exactly the liberal establishment, but the Ford Foundation is. McGeorge Bundy, in one of his last gifts to America as the foundation's president, is bankrolling a campaign for "national service." A blue-ribbon committee with all the best names on it, even including one youth, has studied the idea and decided that Americans should be "educated" to accept its virtues. Since Bundy was one of those global thinkers whose Cold War strategies in Indochina contributed so much to the disillusionment of young people, it is fitting that he should be promoting the grand solution.

This emerging coalition is obscene because the Ford Foundation wants "national service" in order to achieve what Stennis and his friends have spent their public lives fighting—racial integration. All right-thinking conservatives should read the Ford report ("Youth and the Needs of the Nation," the Potomac Institute). They will see that "national service" is another liberal swing at "forced integration."

On the question of coercion, the Ford report is cleverly drafted. The 13-member committee declares itself in favor of a voluntary version of "national service" because it acknowledges that the American people aren't ready to buy the real thing, a mandatory system. Yet, throughout the 134-page study, the discussion repeatedly returns to the virtues of a mandatory system and how it might work.

For instance, instead of jailing the shirkers, the committee suggests that government benefits—the programs for which all citizens are eligible—could be withheld from any young people who will not serve. "One member," the report said, "has jokingly but provocatively suggested a novel sanction: denying a driver's license to anyone who declines National Service." A good laugh was had by all. Only 4 of the 13 committee members have children young enough to be affected by their brainstorm.

I understand why Charlie Peters wants mandatory "national service," because we have argued about it several times. As a young man, he enlisted in the Army in 1944 and went off to fight fascism. It was a moment of great spirit for America, of great accomplishment, and many liberals of Peters' generation are still, consciously or otherwise, trying to recreate the great crusade of their youth.

But Charlie has another reason that also affects a lot of liberal thinking in Washington. His son attends a private school. Charlie believes in racial integration. He believes in public schools, in bringing Americans of all classes and races together. But he decided, as a father, to take his child out of public school. No one should question the validity of a personal decision, but why should my children lose their freedom because Charlie Peters' values have been disappointed in life?

In cold, practical terms, a system of National Service would accomplish this: It would provide a lot of cheap labor to do the dirty work—both military and domestic. These are necessary jobs that we want done for us but not at full wages. Look around and you see lots of poor people already doing this work, although some of them are increasingly unhappy with poverty wages. This is a central contradiction in the prosperous society that flourished after World War II, a contradiction that bothers Charlie Peters as much as anyone else. But his plan to conscript young people to do the dirty work would hide the contradiction rather than confront it.

If America's opinion leaders truly are worried about the decline of idealism among our young, they should consider a system of universal conscription for adults. Imagine the example of McGeorge Bundy, say, taking a year or two off to sweep up in a nursing home. Or Sen. Stennis, if he were only a bit younger, interrupting his political career to stand watch somewhere on freedom's frontier.

I mean to be serious about this: The young people I know have complicated views on America, a sophisticated mixture of old-time idealism and yes, an informed cynicism based on our recent history. They have seen with clear eyes an adult world whose government indulged murder, bribery, lying, pointless war. Since adult behavior teaches the moral values in this country, why punish the children?

The next day, Charlie Peters called me back, pleased with himself. He had a statement from his son, Christian, and he read it to me:

"I agree that there is too much selfishness in society today and would like to see more volunteering. But I'm against universal service because this country is based on the idea that people should be able to decide for themselves what to do with their lives."

Christian Peters is clearly a young man who understands what America is all about. I hope he can pound some sense into his old man.

[From the Washington Post, Mar. 18, 1979]

In Defense of National Service

(By Harris Wofford)

In recent weeks people as diverse as Vernon Jordan, Griffin Bell, Jerry Brown, Sen. Paul Tsongas and the Rev. Theodore Hesburgh have advanced the notion of national service, and a bipartisan group of congressmen has joined Pete McCloskey in introducing a national service bill.

On past occasions the same banner was carried by John Connally, Sargent Shriver, Robert McNamara, Andrew Young, Lyndon Johnson—and William James.

In the Feb. 25 Outlook, William Greider attacked national service as a "vicious . . . rotten idea" being pressed "by an obscene coalition between the liberal establishment and the right-wing militarists." He commended the "informed cynicism" of young people who "have seen with clear eyes an adult world whose government indulged murder, bribery, lying, pointless war," and asked why his children should be coerced into national service and thus punished for the sins of their fathers.

Cynicism may indeed be a long-lasting legacy of Vietnam and Watergate. Still, shouldn't we hope that our children will now move on to a healthier skepticism mixed with a growing sense of the common good? Whatever the merits of "informed cynicism," uninformed cynicism and half-baked conspiracy theories only feed the paranoia afflicting today's politics.

Three very different versions of national service were lumped together by Greider and denounced indiscriminately. Then, because the Ford Foundation gave a $45,000 grant to the Committee for the Study of National Service that Jacqueline Wexler and I chair, McGeorge Bundy was accused of "bankrolling a campaign for 'national service' " in "another liberal swing at 'forced integration'."

Our committee, a project of the Potomac Institute, has issued its report, "Youth and the Needs of the Nation," and we are asking for debate. So we welcome Greider's hard questioning. But his broadsides bring to mind Lady Astor's comment when the iceberg hit the Titanic: "I asked for ice water but this is ridiculous."

Let's look at the three contrasting approaches to national service that Greider sees as a single conspiracy:

1. *A military draft:* Sen. John Stennis and others alarmed by the mounting problems of the all-volunteer armed forces are calling for compulsory registration and at least a standby draft. Secretary of Defense Harold Brown has insisted that this time women should be included.

2. *A universal draft for military and nonmilitary service.* The editor of The Washington Monthly, former Peace Corps executive Charles Peters, has called for two or more years of compulsory service for all young men and women—with options as to the form of military or civilian service. My daughter, a university student, agrees, arguing that her generation would grumble but do it, and that they and the country would benefit.

3. *A move toward universal VOLUNTARY service.* Young people would be called upon—but not compelled—to engage in a year or more of full-time civilian or military service. This is what our report proposes: The development of a voluntary system with a million or more new opportunities for nonmilitary youth service.

Arguments can be made for and against each plan, but the implications are strikingly different. The first plan is entirely military. It seeks just enough draftees to fill the armed forces. The second plan would require universal service but at a price that might be even higher than the financial cost: loss of the spirit of voluteering.

The third plan of voluntary service, which our committee recommends, would move toward universal service. But, like the goal of universal completion of high school, this goal would probably never be reached. Some who could contribute most or benefit most might not volunteer.

In sharp contrast to the proposal for a new military draft, the plan favored by our committee, through a variety of new institutional arrangements, would move the country toward a time when some form of voluntary service was the common expectation of every young person after leaving high school or college. Obviously, for such a system to work every sector of the society—not government alone—would have to be involved.

With such a system in place, a military draft in peacetime might never again be necessary. In a 1977 Gallup Poll, 43 percent of men aged 18 to 24 replied that if they were to engage in national service they would prefer military to nonmilitary options. Father Hesburgh of our committee was on the presidential commission that recommended the all-volunteer armed forces. Because our proposals would strengthen the volunteer spirit throughout American society and at all ages, he sees them as one way to make the volunteer system work.

Yet with a broad brush, William Greider includes our proposals in a plot to "force [his] children into involuntary servitude." The reverse is closer to the truth.

If large-scale voluntary national service does not take hold among the young, then before long the military may well have a compelling case for conscription. The draft will seem preferable to the inadequacies and the astronomical costs of an increasingly mercenary armed force.

What about your children, William Greider? Wouldn't they want to have nonmilitary options? My sons do.

The McCloskey bill would provide these options by combining the carrot and the stick. Registration would be compulsory, but the choice of military or nonmilitary service would be voluntary—as would the choice of not volunteering for either and taking your chance in a pool to be called in case a military draft should ever be required. Universal registration with strong inducements to volunteering would probably assure that no one would ever need to be drafted.

Greider suggests that "Youth and the Needs of the Nation" was "cleverly drafted" to endorse voluntary service while covertly advancing the "real thing, a mandatory system." Again, the reverse is the case. Former Senator Stuart Symington withdrew from our effort because we would not propose a compulsory plan.

As part of his conspiracy theory, Greider calls our committee's findings and the background study by Roger Landrum "the Ford report" and holds McGeorge Bundry responsible. He proposes that instead of asking his children, Ford Foundation president Bundy himself take a "year or two off to sweep up in a nursing home."

Not a bad idea. It is intriguing to imagine presidents of foundations or colleges—or newspaper editors and columnists—working in nursing homes, or tutoring low-achieving students, helping in day-care centers, rehabilitating slums or tending our national forests.

But the Ford Foundation's grant to help cover the expenses of our committee's study does not make it a "Ford report." Bundy's only role in the project, when Jacqueline Wexler, president of Hunter College, and I proposed it, was to urge us to be sure we included experienced manpower economists and keen critics in our committee. Seven other foundations have given support to our efforts to stir a genuine national debate, but it is not their report either.

Willard Wirtz, Eddie Williams, Mildred Jeffrey, Bernard Anderson and the rest of our committee are not conspiring with anyone to restore conscription. We are an open conspiracy in search of the way to create a broad new avenue for youth to contribute to our society and to restore the spirit of service.

[From the Washington Star, Mar. 18, 1979]

A Renewed Draft and National Spirit

(By Richard Reeves)

"Everyone over 30 seems to think it's a terrific idea," said David Landau, staff counsel of the American Civil Liberties Union. "And everyone under 30 thinks it's terrible."

"It" is the draft—and it's coming back. It may be even bigger and better than ever. Both men and women will probably be required to register for Selective Service this time around, and they may be given the choice of military service or some kind of civilian national duty in hospitals, slums and national parks. The debate over "it" may also tear the nation apart, possibly during the 1980 presidential campaign.

You have to begin with the premise that people over 30 run the country. In Washington, those people are afraid—afraid that the volunteer army is not working, or is too expensive, afraid that the United States is becoming militarily vulnerable around the world, afraid that young Americans have no sense of citizenship or nationhood, afraid of legions of unemployed young people roving the country. "You can hear it coming," Sen. Gary Hart of Colorado told me. "I would guess that it will be phased in over 5 or 10 years."

Hart is a member of the Senate Armed Services Committee, which began hearings on a new draft last week. Those hearings—and similar House Committee sessions—are the beginning of a national debate that will probably pit young against old and focus on the most fundamental of American issues: the conflict between freedom and democratic government. In a free society, organizations like the ACLU will argue, no one should be forced to do anything—it's slavery. In a democratic society, senators and others will argue, the majority rules and citizens have an obligation to the state.

The draft was ended in 1973, partly because of post-Vietnam revulsion and partly because of the political opportunism of the Nixon administration. The Nixon men made the popular move, knowing full well that one day a future government would have to live with the unhappiness of reinstituting state control over a couple of years of each American's life. That day is apparently here, and the struggle will inevitably focus on what kind of control, over whom, for how long and for what reasons?

It would be foolish to go back to the old, pre-Vietnam system. The class-oriented exemptions of the old draft damn near ruined the country during Vietnam. That system—exempting the "most valuable" young men to preserve their critical skill—was actually a reaction to the British experience in World War I. The English universal conscription of 1914–18 resulted in the virtual extinction of the nation's future leaders and thinkers—they were butchered in Flanders fields.

Americans, particularly Gen. Lewis Hershey, the autocratic shaper of our draft, were determined that that would never happen to us. Exemptions began piling on exemptions. Of course, the first exempted were the well-educated, then the well-connected, then anybody with enough money to go to school or have a sympathetic family doctor. By Vietnam we were ready to have lower classes fight our battles. But we never figured out that without middle-class involvement—middle-class risk—there would be no middle-class support and foreign expeditions would inevitably fail.

A lot of smart people have done a lot of thinking about those problems since then. Not surprisingly they turned to smarter folk who preceded them. Particularly to William James and his 1910 essay, "The Moral Equivalent of War." That title has been purloined and perverted recently, but what it originally meant was involuntary national service for all young men—universal military or civilian service. Since then the word "universal" has been modified to recognize the fact that there are women in this universe. Not universally recognized perhaps and one focus of the new debate will be whether or not a draft should include women.

Some of those thinkers banded together as the Committee for the Study of National Service, chaired by two university presidents, Jacqueline Grennan Wexler of Hunter and Harris Wofford, formerly of Bryn Mawr. Their conclusion, published a month ago without much press attention: Do it!

The study commission, funded by foundations, said, in part: "Today, little is asked from young people except that they be consumers of goods and services. . . . The civic spirit being imbued in youth elsewhere in the world leaves some Americans wondering and worrying about Saturday night fever, unemployment and the new narcissism. . . . If a system of national service can be established, the work young people do in it may bring about that restoration, first in their lives and then in the lives of their fellow citizens. If they will try it, we think that they and the nation will like it. . . . We think that the sooner a system of national service is established, the better for the nation."

If youth conscription happens sooner rather than later, though, it will not be for the altruistic reasons on which study commissions focus; it will be for military purposes. There is fear in the air in Washington and maybe a sniff of war. American advisers are already in North Yemen and Americans at home are being bombarded with things like Time and Newsweek covers questioning military preparedness and speculating on Russian invasions in Europe. "The mood is changing," said Sen. Hart, who was the manager of George McGovern's antiwar presidential campaign. "Americans aren't about to fight Cubans in an African country, but it would be different if something involved our traditional friends. Saudi Arabia? Marginal, but maybe."

"Our mobilization capacity is in a state of disarray," said Rep. Charles Bennett, a Florida Democrat, as a House Armed Services subcommittee began its Selective Service hearings last week. "The time for action is right now."

"I don't consider it a sacrifice to serve your country," said Abraham Kazen, Jr., a Texas Democrat. "I do," responded Bennett, who was badly wounded in World War II.

Of course it's a sacrifice. And it would be made only by young people. Like many parents, I have to consider the issue in terms of what I care about—my 18-year-old daughter and 17-year-old son.

Thinking of them, I'm for national service. I am most worried that there are few democratizing experiences left for Americans; my kids mostly know kids just like themselves. I'm not sure they're really part of the nation. I'm also not sure they agree at all with me about this. But, unfortunately for them, they're under 30. And—David Landau is right—the decision about a draft is going to be made by people over 30.

Social Service for Youth?

(By William F. Buckley, Jr.)

The idea comes and goes, like reforming the electoral college. Harry Truman, while president, was hot for universal military training, citing the endorsement of it by George Washington. Speaking in Canada during the Vietnam War while he served as secretary of defense, Robert McNamara came out for compulsory public service for American youth over a one-year period. Now Congressmen McCloskey and Lott have introduced a bill calling for compulsory national youth civilian service.

It is envisioned that there may be a return of the draft. The reasoning is somewhat blurred. It is true that the volunteer army has raised considerably the apparent cost of our military. But the figures are less than obvious. Because to suggest that one could reduce by one-half the cost of our soldiery by merely reinstituting the draft is to forget that those who are not in the army are being economically productive, either by working and paying taxes, or by attending school and accumulating intellectual or vocational capital which will yield economic dividends. The argument against the volunteer military in times of peace founders on economic as well as libertarian grounds.

Yet the idea of public service by youth is appealing, and Senator Orrin Hatch of Utah is at work attempting to devise the means of mid-wifing such a program without the conscriptive element Americans quite rightly find so objectionable. Senator Hatch is well trained to recognize the benefits of such activity as he is a Mormon, and it is the tradition of Mormon youth to devote one or two years of their lives, in the late teens or early twenties, to public service. It is a kind of privately financed peace corps. They go about the world and help the needy, performing corporal works of mercy and of charity and, along the way, picking up experience and learning a foreign language. Some of this missionary work is of course done domestically. I pause to remark that without any exception at all, the Mormons are positively the most attractively wholesome people in the world, who have preserved a true sense of fraternity and community in a society increasingly self-centered and atomized.

What, concretely, might Senator Hatch propose by way of legislation? The pity of it, of course, is that it should even be considered as a matter for legislation. But it is the failure of the private sector to raise the standard that now causes the public sector to take a look around.

A few years ago I proposed that the presidents of the most prestigious universities calmly announce that they would matriculate only freshmen who had devoted one year of their lives after high school to doing social work. What is primarily needed is: care for old people. They are, as James Michener has pointed out, the single overwhelmingly social problem of the American century. A problem for the best of reasons, namely that we are committed to doing what we can to keep people alive.

Gerontological research flourishes. The benefits are manifest: but we have not successfully institutionalized the care of the elderly. We know that they need doctors and nurses. But they need non-professional care also. At the Mary Manning Home in New York the ratio of unskilled employees per patient is roughly one for one. The elderly need not only bedpan removers and elevator men and wheelchair pushers: they also need the company of the young.

Is there a role for the federal government? One is tempted to consider negative sanctions. In an ideally run world, there would be no money whatever flowing through Washington to any college save for military or paramilitary research. But billions of dollars are going out in one form or another. There are strings already attached: No racial discrimination, more basketball for girls, God knows what else. Why not discriminate against those colleges that fail (except in special cases) to require a year's social work for matriculants? All in favor say Aye.

[From the Washington Post, Feb. 13, 1979]

Drafting People or Dollars?

(By Peter J. Ognibene)

There are two ways to raise an army. The nation can draft its young into service, or it can use another form of conscription—taxation—to pay for a volunteer force.

Throughout most of our history, we have chosen the latter, more democratic approach. Nevertheless, sentiment and support for the draft appear to be rising on Capitol Hill.

Conscription has a long, if inglorious, history. The British Navy impressed 10,000 native-born Americans between 1793 and 1811, an outrage that led to the War of 1812. Throughout the 19th and well into the 20th century, immigrants by the millions sought the safety of these shores to keep their sons from being dragooned into the perenially warring armies of Europe. Until the Cold War, Americans regarded the draft as a last resort that could be justified only when the nation was in imminent peril.

The draft was abolished in 1973. To make the armed forces more attractive employers, Congress authorized higher pay, reenlistment bonuses and other incentives. Although the volunteer force does not work perfectly—what in government does?—it has performed far better than its critics prophesied.

In spite of predictions to the contrary, the quality of military recruits has improved since the draft ended. All prospective enlistees are assigned to one of five "mental categories" on the basis of aptitude tests. The law prohibits recruitment of the bottom 10 percent (Category V) but permits each service to draw up to 18 percent of its recruits from Category IV, which encompasses the 10th through 30th percentile. Over the past five years, the services have drawn only 7.4 percent of their recruits from Category IV.

The Army, which many thought would be unable to remain beneath the 18 percent ceiling, has confounded the pessimists. Only 11 percent of the Army's recruits have come from Category IV over the past five years.

More than a fourth of the Army is black; critics find that a cause for concern. The demise of the draft, however, appears to have had less to do with the rise of black enlistments than the skyrocketing unemployment rate of black teen-age males. Relatively few young blacks have been able to find good jobs in the domestic economy.

This is not so much an Army "problem" as it is a reflection on the trades, businesses and professions of America. With these routes of upward mobility closed to many blacks, they have been turning in greater numbers to an institution that has long welcomed them. In the Army, many of them will gain additional education, useful job skills and a rewarding career.

When "equal opportunity" becomes a reality in the civilian economy, black representation in the Army will probably decline to a level close to their proportion of the population. To revive the draft now would only serve to limit the number of blacks who would be allowed to volunteer for the Army.

It costs more to recruit volunteers than it does to induct reluctant civilians, but the actual savings are small by Pentagon standards.

Rep. Les Aspin (D-Wis.), a member of the House Armed Service Committee, calculates that "the cost of the all-volunteer raise in 1977 came to $1.7 billion." That accounted for about a sixth of the boost in military pay; the lion's share (five-sixths) went to more senior military personnel.

If there were a new draft, the Department of Defense estimates it would save about $500 million in recruitment costs—about $2 for every man, woman and child in America. The only way to save more money would be to slash military pay for all ranks, and Congress shows no inclination to take such a step.

In response to a congressional query, Secretary of Defense Harold Brown said recently that any new legislation to register young men for the draft should also be extended to include young women. As a matter of equity, it would be hard to argue against a unisex draft. American voters, however, might not take too kindly to the prospect of having their daughters as well as sons shipped off involuntarily to boot camp.

Few members of Congress are advocating that conscription be immediately revived; their present objective is the registration of 18-year-old males. With such a system in place however, it would be a short step to actual inductions.

With some two million men and women currently in uniform, it is difficult to imagine the nation suddenly in need of millions more. Moreover, in this age of computers, registration would be much less a problem than the training and equipping of a massive influx of recruits. So, one could hardly plead logistical necessity in behalf of a so-called standby draft.

The real issue, of course, is money. The draft is a serious deprivation of liberty that can only be justified when the service of some must be conscripted to preserve the freedom of all. With the United States at peace, the case for a new draft rests primarily on how we will pay for our peacetime armed forces. The choice, in fact, is quite simple: We can draft dollars, or we can draft people.

[From the Texas Observer, Oct. 6, 1978]

CHANCE AND CIRCUMSTANCE

(By Maury Maverick, Jr.)

If I could fill Memorial Stadium at Austin, Texas, a few hundred yards from LBJ Library, with the ghosts of 53,000 American dead from the Vietnam war, I'd do it. It would mostly be a democratic gathering of browns, blacks, poor whites, and Roman Catholics.

Some say those young Americans, my countrymen, died fighting godless reds in a war that cost $165 billion. At least that is what General William Westmoreland, a former Eagle scout, would say, a man who saw the light at the end of the tunnel, but who could not understand, as Robert Lowell did, that "If we see a light at the end of the tunnel, it's the light of an oncoming train."

The scandalous manner by which most of the middle and upper classes escaped any kind of military duty suggests that the American poor were marked for death with a kind of incipient selectivity calling to mind the annihilation of the Jews during World War II. Yet, it was the middle- and upper-class young, those least threatened but with bothered conscience, who most quickly understood the inequities. It was they, more than the discriminated-against poor, who turned this country around.

HEY, HEY LBJ

"Hey, hey LBJ, how many kids did you kill today?" was more than a college chant. It was the spiraling smoke of a Jeffersonian revolution. And it was something else: a legacy left the country-boy president from Texas by the Ivy League professors and intellectuals of Camelot, those Georgetown commandos, who could thrill equally at a leap by Rudolf Nureyev or at the marvels of computerized warfare.

Chance and Circumstance is a comprehensive study of the Vietnam generation, those 53 million young Americans who came of draft age between 1964 and 1973. Its statistics are plainly stated and give credence to the comment by Rev. Theodore M. Hesburgh, president of the University of Notre Dame, in the book's foreword: "The great bulk of all those Americans deeply scarred by Vietnam were those already economically, socially, and educationally disadvantaged. They not only carried the burden of fighting and dying, they now bear the lion's share of the penalties occasioned by the war and its aftermath. One often hears shocked people excoriating the President for pardoning deserters, but do these self-righteous critics ever advert to the fact that 15 million men of draft age completely avoided even one day of military service without penalty. . . .?"

Baskir and Strauss have put together a first-rate book, serious reading, with useful tables, statistics, and discussion of such issues as military punishment, exiles, civilians avoiding the draft, the racist aspects of our draft system, and the question of amnesty.

I urge its perusal for the purpose of clearly understanding recent history, with the hope that it will not be a history we will relive in Africa, South America, or the Middle East. It is a book that tells me it is the drafted citizen soldier who will best understand Justice William O. Douglas's coment that: "No matter what the Pentagon says, the feudal societies are doomed. . . . Hunger, disease, illiteracy, exploitation, and misgovernment—these are the enemies. The peoples of the world are going to be done with them. Revolution after revolution is going to be launched. Are we to credit every revolution to the Communists?"

Because it was where the Army trained its medics, San Antonio during the Vietnam war became the largest conscientious objector center in the country, maybe in the world. I represented more of these men than any other lawyer in town until two younger attorneys, Gerald Goldstein and Leonard Schwartz, came along. Then we equally shared the cases. Before then, Jim Simons, a young lawyer in Austin, bravest of the brave, helped in teaching me the ropes. So did Jim Keenan, now a North Carolina lawyer, then a VISTA lawyer who was assisting blacks in East Texas in setting up cooperatives. On weekends he would slip into San Antonio and help me, the aging honky.

A few cases I had, with names changed and locations deleted to protect the privacy of the individuals, might be worth remembering.

JIMMY

Jimmy was a black kid out of a big city ghetto. A white chaplain had recommended against Jimmy's application to be discharged as a conscientious objector because "He [Jimmy] has never been baptized. . . ." Such a ground for denial was a violation of U.S. Supreme Court decisions mandating that a formal religion was not required. Time after time, chaplains, a command-dominated bunch, would refuse to follow the law of the land.

In his application Jimmy wrote of talking to a man on a turning frame in a military hospital whose nose, ears, and lips had been burned off. "He told me he had been on the turning frame for three months. They turn him every few hours. He said he first didn't think it was right to go to Canada as some guys were doing, but that if he had it to do over again he would. He said there was no sense to war. The man on the frame was white."

THE DOCTOR

The doctor was a Jew and a psychiatrist, from the South, who as president of his high school class had organized a memorial for Martin Luther King.

Writing of heroin addiction among the "grunts," the doctor maintained, "I learned that there were 40,000 GI heroin addicts in Vietnam. I think of those addicts I have seen in withdrawal; they lie there, weeping like babies, shivering, their noses running. They come from places of desperation. I can only reason that drugs help our men from their own desperation and guilt from killing and destroying, from violating their consciences, from desecrating life. And can I help them, when telling them the truth would only deepen their desperation?"

JED

In 1968, Jed, an anglo kid of social prominence, wrote to his draft board, "I hereby renounce my [student deferment]." A student with top grades, he relinquished a right he didn't have to give up; he was the only persons of the hundreds I talked to with college deferments who voluntarily made such a gesture. Jed felt that the student classification was elitist, and asked instead to be classified as a conscientious objector. His draft board responded to such striking honesty by immediately ordering him to military duty.

Quoting David S. Muzzey to the effect that "it is not the church that makes people good, but good people that make the church," he proceeded to lecture the military about the cause of peace, all with total politeness. Yet, it was obvious to me and to the military that Jed, who looked like a baby-faced choir boy, would go to the penitentiary before he would serve in uniform; he had a kind of steel in him no swaggering John Wayne movie could ever emulate.

Watching that kid of social prestige make the moral stand that he did, and seeing its impact on the military, convinced me all the more that a draft law should be without exemptions for the so-called high-born. The generals and colonels were nervous about the boy; they were glad to get him out of their hair. Jed had their number and they knew it.

THE ROMAN CATHOLICS

The Roman Catholic kids of Irish, German, and Italian descent, mostly from the North, made up at least half of the enlisted men who came to my office. Their chaplains prided themselves on being "real men," but it was an out-of-date manhood of no relevancy in terms of Vietnam. "Sure, Pat," asked Father Flannigan with a touch of fake Irish brogue at an administrative hearing, "now how would you like for some dirty communist to rape your dear old mother?" Pat, my client, replied, "Have you ever seen my mother?"

The Catholics were full of John XXIII. Every time one of the R.C. soldiers would mention that particular pope, you would see the chaplain wince. Educated at rinky-dink, economically poor Catholic colleges around the country, they knew that Vietnam was a lie. Their blood fathers, good soldiers in World War II, believed that Vietnam was the same type of war, and often deserted their sons. Funny, mischievous, half mean, smart, brave, they were among my favorites.

MEXICAN-AMERICANS

According to Chance and Circumstance, "In the average rifle company, the strength was 50 percent composed of Negroes, Southwestern Mexican-Americans, Puerto Ricans, Guamanians, Nisei, and so on. But a real cross-section of American youth, almost never."

My friends at the local office of the American Friends Service Committee placed a cross on a map of San Antonio at the home address of each person killed in combat. On the West Side where the Mexican-Americans mostly live, there was a sea of crosses. In Alamo Heights, Olmos Park and Terrell Hills, where the "best people" live, there were virtually no crosses at all.

We tried to do something about such flagrant disparity by going into the barrios and telling the young to legally resist. One brown body in a GI coffin, one white body; *uno por uno*. They ran us out. Mexican-Americans, deeply patriotic, are conservative on this point. Besides, if you kill someone in the barrio you go to Huntsville; kill a "gook" in Vietnam, you get a medal, a pension maybe, and points toward a civil service job—a chance to escape the ghetto.

Not only do we whites discriminate against blacks and browns in civilian life, denying them the full benefits our society, but also we trade on our racist attitudes to tempt minorities to become regulars in the military where there is a semblance of racial equality, albeit in the most undemocratic of all institutions. Once, after observing a black sergeant bullying some conscientious-objector soldier applicants, I asked him why he remained in as reactionary an atmosphere as the army. He replied with an argument I could not answer: "I come from Mississippi. I'd have to go back and pick cotton. Why don't you go back to Mississippi and pick cotton, Mr. Maverick?"

There were dozens of ways to keep out of the Vietnam war if you had money, the right religion; status, and a white skin.

Medical doctors found excuses for the children of the well-born to remain in civilian life. Divinity schools become havens from the draft. "The Dallas Cowboys had ten players assigned to the same National Guard division at the same time," claim the authors of Chance and Circumstance.

Deals were made on occupational deferments. College students were exempt until Richard Nixon, of all people, did away with the deferment. There were professional "Sergeant Bilkos," regulars who avoided combat while the citizen soldiers, the Juan Tortillas, went off to fight. "The result," Kingman Brewster, Yale University president, declared, "was a cynical avoidance of service, a corruption of the aims of education, a tarnishing of the national spirit . . . and a cops-and-robbers view of national obligation." That national obligation, by the way, was almost not met at all by the sons of congressmen, nor did members of Congress go off and serve as they did in such significant numbers during World War II. Yet, year after year the national legislators financed an undeclared, illegal war while the few brave members of Congress opposing the Vietnam war like Wayne Morse were wiped out at the polls.

We Americans, as members of the United Nations, resolved that ". . . mankind owes to the child the best it has to give." Well, to the children of Indochina we gave our best: thousands upon thousands napalmed, indiscriminate bombings, over a million left orphans, all to the accompaniment of Kennedy's rhetoric, the bravado of Johnson, and finally the piety of Nixon, rooted, he claimed, in the Quaker tradition.

Between ourselves and our allies we expended over 14,304,532 tons of ground, sea, and air munitions. Four and a half million Indochinese civilians were killed, wounded, or made homeless after Nixon became president. Forty thousand South Vietnamese civilians were executed without trial under the CIA-dominated Phoenix Program. Two tons of bombs were dropped every 60 seconds, and millions of gallons of herbicides were cast out on the countryside, to this day causing cancer and deformed births. All this is only a smattering of the genocidal statistics; at Nuremberg, German generals were hanged for less.

THE FUTURE

What am I for in the future? I am for a rigidly enforced, democratic draft in times of both peace and war which cuts across all economic groups, all classes, women as well as men.

I even question the morality of having an exemption from the draft for conscientious objection. What is worse: ten thousand young Americans in prison, or the killing of the Family of Man as we did in Vietnam? Would not the prospect of such a prison population cause this nation to rise up over an immoral war and tell the president, tell the Congress, tell the judges, tell the big corporations and big labor: "You will not send our sons to prison. You will not make us murder the world."

One does not think of soldiers for hire while contemplating the Poles, with garlands of flowers around the necks of their horses, charging the iron horses of Hitler, or the Ethiopians who threw spears at the machine gun nests of Mussolini, or the Russians who defended Leningrad, or the Americans who rose up from Pearl Harbor, or the Loyalists in the Spanish Civil War, who were betrayed by the French, English, Americans, and finally by the communists, and then were shot down and imprisoned by the soldiers of Franco.

The citizen soldier is needed not only to fight a war, but first to determine if morally there ought to be a war at all. Let the citizens of this country picket, protest, end an unjust war before it begins, fill the penitentiaries with their sons and daughters, and threaten the powers that be with a Jeffersonian revolution such as that specifically provided for in the Bill of Rights of the Texas Constitution.

"What, for instance," asked Blair Clark in a *Harper's* magazine article, "might have been the politics of 1968 without the driving force of all those middle-class Americans worrying that their sons might have to serve in Vietnam? Would McCarthy have been able to mobilize any effective support?"

"Suppose," Clark went on, "the Vietnam war was being fought by professionals—men working at warmaking as civilians at their jobs, remote legions in a far-off country resenting the indifference of the population it had been sent to protect on endless frontiers.

"That's what happened, finally, with the Roman legions in Spain, Gaul, and along the Danube, until their leaders, with legions for muscle, took over the state. It was what happened with Mameluke professionals of the Mesopotamian empire in the Middle Ages whose leaders set goals which the home society did not care enough about themselves to defend and so lost to the mercenaries. And it was what happened in the 1950s to France, which first lost Indochina with an all-professional army and later, in Algeria, would have fallen to a coup by the generals but for the fact that this time the army contained conscripts, and the citizen soldiers would support only that general who was more statesman than soldier, de Gaulle."

Think about the push-button army General Westmoreland envisions as follows: "On the battlefield of the future, enemy forces will be located, tracked, and targeted almost instantaneously through the use of data links, computer intelligence evaluation, and automated fire control. With first-round kill probabilities approaching certainty, and with surveillance devices that can continually track the enemy, the need for large forces to fix the opposition physically will be less important." Indeed, in that kind of military, give me some suspicious solders like Ronnie Dugger, Craig Washington, Albert Peña, Jean Lee and Daniel Ellsberg.

THOMAS MANN OR HITLER?

On September 1, 1967, the Czech Writers Union issued a manifesto and inquired, "For we ask: who endured, who won—Voltaire or Louis XIV, Emile Zola or the French general staff, Victor Hugo or Napoleon, Thomas Mann or Hitler?" The answer to that question is not so clear, even after the experience of Vietnam, if in the future we rely on an army without a cross-section of citizen soldiers. The recently passed Pentagon budget, cheered on by the chamber of commerce, big business, and big labor, offers no encouragement.

"Old violence is not too old to beget new values," Robinson Jeffers has written. Have we learned anything from the violence of Vietnam? The napalm? The bombs, greater in quantity than the amount dropped on Nazi Germany? The herbicides? The mutilated children? The endless lies out of Washington? Have we acquired new values?

It is a blood, bone, and gristle question. The choice is narrow and mean: a mercenary computer army or a citizen army? At stake is life and death, and maybe the fate of the world.

Testimony of Welton Snavely—Before the House Armed Services Subcommittee

I appreciate your invitation to present testimony at this hearing on behalf of over 10,000 members of the Hutterian Church in the United States. I am grateful to be accompanied by David Decker, Minister, representing the Hutterian Brothers in South and North Dakota, Minnesota, and Montana.

In the 450 years of our existence as a "Peace Church," no member has ever taken part in war or military service of any kind. Many have been tortured and killed in the prisons of Europe rather than violate their consciences by acting against what they believed to be the teachings of Jesus (Matt. 5:38–48). In World War I, when the provisions in the laws of the United States for conscientious objectors were not adequate, many young men of the Hutterian Church suffered severely because they could not in good conscience be subject to military command and because of this two died in prison from severe abuse and mistreatment.

We of the Hutterian Church are very grateful that in subsequent years the Congress of the United States has passed laws recognizing the concerns and rights of genuine conscientious objectors to military service. We deplore the many demonstrations of disrespect for government such as the burning of draft cards and flags and the defacing of government property. Our young men have been able with good conscience to register and substantiate their claims before civilian draft boards and do alternative service under civilian authority and jurisdiction.

We see it as our duty under God to honor and obey the government and its laws except where these laws conflict with the teachings of Jesus Christ as recorded in the Gospel. We respectfully request and petition that in any new legislation pertaining to Selective Service, full consideration be given to the consciences of those serious young people who sincerely want to obey the law and to respect the government.

To sum up, we request specifically that those who claim objection to military service on grounds of conscience may continue, as under present laws and regulations, to register as conscientious objectors with a civilian agency only and that all processing, hearings, appeals, and other action on such claims be under civilian authority and jurisdiction, and that opportunities be given for alternative service under civilian control.

In our prayers we constantly ask our God that those in government may be endowed with a special wisdom in their efforts, and always be concerned with the furthering of world peace and good will towards all men.

Respectfully,

Heini Arnold, Rifton, N.Y.; J. Christoph Arnold, Rifton, N.Y.; David Maendel, Rifton, N.Y.; Milton Zimmerman, Farmington, Pa.; Jake Maendel, Farmington, Pa.; David Decker, Ipswich, S.D.; Andreas Meier, Farmington, Pa.; Jakob Gneiting, Norfolk, Conn.; John Hinde, Norfolk, Conn.; Welton Snavely, Norfolk, Conn.●

SPECIAL ORDER TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. HELMS be recognized for not to exceed 15 minutes on tomorrow after the two leaders or their designees have been recognized under the standing order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that I may proceed out of order for 2 minutes.

The PRESIDING OFFICER. The Senate is in morning business. The Senator is entitled to speak.

HAWAII OBSERVES PRINCE KUHIO DAY

Mr. MATSUNAGA. Mr. President, today is the 108th anniversary of the birth of Prince Jonah Kuhio Kalanianaole of Hawaii, who served as an elected, nonvoting delegate to the U.S. Congress from 1902 to 1922.

Prince Kuhio's birthday is celebrated annually by the people of Hawaii. As the elected territorial delegate in the years immediately following the annexation of Hawaii, Kuhio was the author of the Hawaiian Homes Commission Act aimed at the rehabilitation of the aboriginal Hawaiian people and the preservation of their land. He was also a well-known promoter of Hawaiian statehood and, this year being the 20th anniversary of statehood, it is appropriate that we join the people of Hawaii in honoring Prince Kuhio.

Born at Poipu Beach, on the Hawaiian island of Kauai, which is my own native island, Kuhio was the nephew of Queen Kapiolani, the wife of King Kalakaua of the Kingdom of Hawaii. The queen treated Kuhio and his brother as if they were her own sons and the young men were also great favorites of Kalakaua's successor, Queen Liliuokalani. Educated at Oxford, an accomplished sportsman, well-liked by all who met him, Kuhio, nicknamed "Prince Cupid," appeared to be headed for an important post in the government of the Kingdom of Hawaii.

In 1893, however, fate intervened. Liliuokalani's government was overthrown by a small group of foreigners who feared her proposed constitutional revisions. At age 23, Kuhio was imprisoned for participating in a "counter revolution" to restore the Queen to her throne. The Queen herself was imprisoned temporarily and several of her followers were sentenced to death. Although none were actually executed, several were exiled and those who remained in Hawaii and had planned on a career in public life saw their dreams fade away as the new rulers of the newly established Republic of Hawaii consolidated their power. In 1898, Hawaii became an incorporated territory of the United States.

Kuhio may have been embittered, but he was not defeated. In 1902, when the Republican Party sought his assistance, he wisely decided that he could be more helpful to his people as an elected delegate in Washington, D.C. than as a symbolic, but largely powerless, leader of the opposition in Hawaii. During his 20 years in Congress, his effectiveness was limited only slightly by his nonvoting status. His efforts to promote a better understanding of the Hawaiian people in the Nation's Capital, and the goodwill he created wherever he went, were unlimited. He was truly an ambassador of aloha from the Territory of Hawaii, and the story of his life continues to inspire young Hawaiians even unto this day.

As Hawaii's elected Senator, I take this time to reflect upon the life of a great Hawaiian who will forever remain a part of the history of Hawaii and of this great Nation—Prince Jonah Kuhio Kalantanaole.

THE UNANIMOUS JOINT ECONOMIC COMMITTEE REPORT

Mr. JEPSEN. Mr. President, recently I had the privilege of joining together with the other members of the Joint Economic Committee in producing the first unanimous report in 20 years.

The reason I signed the JEC report is because I felt that it rightly addressed the critical economic issues of the time. These include reducing inflation by controlling the growth of Federal spending and the money supply, reforming Government regulations, and encouraging the supply side of our economy by cutting taxes and stimulating savings and investment.

In the Wall Street Journal Paul Craig Roberts addressed himself to the important recommendations contained in the JEC report. I believe that this column accurately summarizes the most important aspects of the report, and I bring it to the attention of my colleagues.

Mr. President, I ask unanimous consent that the article be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal, Mar. 22, 1979]

A New Economic Era

(By Paul Craig Roberts)

Dissatisfaction with the Keynesian management of economic policy reached new heights last Monday with the appearance of the 1979 Annual Report of the Joint Economic Committee of Congress. When Senators Kennedy and McGovern sign off on a report that disavows more government spending to stimulate the economy and calls instead for a reduction of the tax wedge on production, chances are it's a new era for economic policy.

Led by Sen. Lloyd Bentsen and Rep. Clarence Brown, the JEC has produced the first unanimous report in 20 years. And what a breath of fresh air it is! Stagflation, says the JEC, is the result of policies that have stimulated demand while retarding supply.

The way out, the committee says, is to restrain demand by paring government expenditures and to encourage supply by reducing tax and regulatory burdens, while following a moderate monetary policy. Gone altogether are the Keynesian ideas that investment is inflationary, that saving is a drag on the economy, and that spending will lead to economic growth regardless of the level of tax rates.

Lest it be thought that I am fantasizing on a Jack Kemp-Art Laffer theme, listen to committee chairman Bentsen: "This report illustrates an emerging consensus in the committee and in the country that the federal government needs to put its financial house on order and that the major challenges today and for the forseeable future are on the supply side of the economy."

What's going on here besides a revolution in economic policy thinking? For one thing, Democrats have noticed the success Republicans have had in pushing the new supply-side economics; why allow the other party to draw such a clear-cut line with you on the wrong side of it?

For another thing, black Congressmen like Parren Mitchell can't forever remain deaf to the argument that now that blacks have a right to buy a ticket to get on the opportunity train, they have a big stake in getting the engine of economic growth moving. No responsible black leader wants to lead his people further into what Sen. Orrin Hatch has called the new slavery of federal handout dependency.

For yet another, economists of the stature of Martin Feldstein and David Meiselman have been appearing before the JEC, stressing in their testimony that saving and investment have been neglected. It is finally dawning on big spending congressional liberals that they cannot wring any more transfer payments and entitlements out of an economy that is not growing.

It is a sign of hope that the supply-side economics in the "Minority Views" appended to the 1977 and 1978 JEC reports enjoy majority support in 1979. Rep. Brown's view that "modern economists have rediscovered the supply side of the economic model" and "the demand-oriented approach is now outdated" is no longer controversial.

The function of the JEC's Annual Report is to evaluate the Economic Report of the President and make economic policy recommendations to the Congress. The Annual Report states: "It is the Committee's view that the Administration's current budget proposals do not provide for sufficient improvements in incentives for capital formation and saving." As a consequence of the monetary and fiscal policies of that past several years, "there has been a decided change in the composition of output away from capital investment toward higher levels of consumption. This has contributed significantly to our sluggish productivity performance, which in turn has exacerbated our underlying rate of inflation."

The report points out that inflation is very bad for economic growth because it lowers after-tax rates of return by understating the costs of plant, equipment and inventory used up in production. "This understatement of real expenses causes profits and taxes of corporations and partnerships to be overstated and reduces the real rates of return to, and quantities of, investment and output."

Fine-tuning demand is helpless to do anything about this serious problem because "even if demand is high, capital spending and the supply of output in general may be low if the after-tax real rate of return is inadequate." As the JEC says, "The problem, simply, is that the U.S. economy is putting too few of its resources into the expansion of its capital stock."

The 1979 Annual Report is in every sense a breakthrough, because it shifts the focus of economic policy from demand management to reducing the tax wedge. "The greater the burden on a factor of production," says the JEC, "the smaller the quantity of that factor that will be offered to the market. The greater the burden placed on production, the less production there will be." With the economy "stuck in a deep economic hole," we must "alter the policy mix to encourage supply, reduce disincentives and raise the reward to production."

To reduce the regulatory burden, currently running at $100 million annually, the JEC proposes a regulatory budget to limit the costs that each federal agency can impose on the private sector. This sensible proposal also reflects a recognition that there is a problem of accountability with the administrative law issued by bureaucrats. If it continues to expand at its current breathtaking rate, legislative lawmakers will soon be shunted aside and overshadowed by edicts issued by an unelected bureaucracy.

As a final repudiation of worn-out Keynesian approaches to economic policy, the committee warns the administration: "We oppose any attempt to transform the guidelines into mandatory wage and price controls." What we need now is a President who will use this broom to clean up the incentive structure for economic growth and sweep out the penalties on production that hinder the nation's success.

GUN CONTROL NOT THE ANSWER

Mr. JEPSEN. Mr. President, I ask unanimous consent that the results of a newly released national public opinion survey on the American electorate's attitudes on crime and the issue of gun control be printed in the Record at the conclusion of my remarks for the enlightenment of my colleagues in the Congress who have not yet had the opportunity to study it.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JEPSEN. Mr. President, this new, comprehensive national survey is perhaps the most extensive research to date on the public's perceptions of the causes and solutions for crime, and it refutes some widespread misconceptions on firearms control while revealing new insights into how the Nation's voters would have this body, as well as the various State legislatures, deal with the country's crime problem. It shows, for example, that 88 percent of the American people believe that they have an individual right to keep and bear arms; and its shows that a majority do not see the need for more laws governing the possession and use of firearms; it shows a majority feel that more gun control laws would fail to reduce crime; and it shows that an overwhelming majority support stronger punishment for the criminal, especially the violence-prone criminal who preys upon our society, as the best way to fight crime.

This new public opinion poll, conducted by Decision Making Information, clearly challenges conclusions drawn by previous pollsters, conclusions much touted in the national media, conclusions that were obviously not based on the indepth research and analysis that the DMI survey furnishes.

Of special revelatory nature to the Congress, which must deal from time to time with various gun control proposals, is the key open-ended question that DMI asked, designed to solicit the respondent's spontaneous views on the most effective measures for the Government to undertake to reduce crime. On that question, only 1 percent suggested gun control. And of 17 specific proposals for the most effective anticrime measures, gun controls were the least effective.

EXHIBIT 1

SURVEY OVERVIEW

Decision/Making/Information is pleased to present the results of these surveys. This section provides a brief overview of the research methods and techniques used in this research.

While the most sophisticated procedures have been used to collect and analyze the information presented herein, it must be remembered that surveys are not predictions. They are designed to measure public opinion within identifiable statistical limits of accuracy at specific points in time. This report is in no way a prediction of opinion or action at any future point in time.

The project director and principal investigator for this research was Richard B. Wirthlin, Ph.D.; assisting in all phases of research activity was Harold M. George, who served as internal project director.

RESEARCH DESIGN

This report summarizes the results of two surveys of registered voters throughout the United States, an in-home survey of one thousand five hundred (1,500) registered voters conducted between May 19 and June 9, 1978, and a telephone survey of one thousand ten (1,010) registered voters conducted December 9–12, 1978.

Two surveys were commissioned because of a desire to confirm and delve more deeply into the most important findings of the May–June surveys by taking another survey half a year later.

All respondents interviewed in this study were part of a randomly selected sample of registered voters; a detailed explanation of the sample selection methods follows. In general, random samples such as these yield results projectable to the entire universe of registered voters within ±3.0 percentage points in 95 out of 100 cases in the May–June in-home survey and within ±3.1 percentage points in 95 out of 100 cases of the December telephone survey; results obtained by combining both surveys should be projectable to the entire universe of registered voters within ±2.2 percentage points in 95 out of 100 cases.

Interviews for the in-home survey were conducted by Decision/Making/Information trained personnel throughout the United States. The telephone survey was conducted by trained interviewers at the company's offices in Santa Ana, California.

Approximately 15% of all interviews were independently validated for procedure and content by a Decision/Making/Information professional. Completed interviews were edited and coded at Decision/Making/Information's headquarters in Santa Ana, California. Statistical analysis and cross-tabulations were produced by the firm's own software and computer system.

SAMPLE SELECTION

May–June in-home survey

Effective survey research must be based on a sample truly representative of the universe of interest. An area sample technique was employed to gather the data for this study. The essential feature of this sample procedure is that individual respondents were predetermined by the design of the survey. That predetermination was made by careful specification of a series of random choices. The first step in creating an area sample was the division of the total universe into smaller units called primary sampling areas, here, counties. Primary sampling areas were then selected with a probability proportional to the number of registered voters residing within the boundaries of that area.

From the large collection of primary sampling areas, specific locations for interviewing were chosen. In a town, this was done by using the most recent telephone directory to select an address to use for each starting point, from which an interviewer would proceed, walking in a specified direction until five interviews were obtained. In a rural area (i.e., census division), interviewers were directed to specified residences in the countryside, there to begin looking for respondents.

The application of these procedures produced a calculable probability of being included in the survey sample for each member of the potential universe.

December telephone survey

Effective survey research must be based on a sample truly representative of the universe of interest. An area sample technique was employed to gather the data for this study. The essential feature of this sample procedure is that individual respondents were predetermined by the design of the survey. That predetermination was made by careful specification of a series of random choices.

The first step in creating an area sample was the division of the total universe into smaller units called primary sampling areas, here, counties. Primary sampling areas were then selected with a probability proportional to the number of registered voters residing within that area.

Sufficient phone numbers for ten interviews were then obtained in each of the 101 primary sampling areas, with sequential dialing used in areas with high proportions of unlisted telephones.

The application of these procedures produced a calculable probability of being included in the survey sample for each member of the potential universe.

SUMMARY OF FINDINGS

Objectives

This research was designed against three fundamental objectives:

To measure gun ownership and voter perceptions of gun ownership as of 1978;

To assess crime and its importance to Americans in a variety of ways; and

To gauge sentiment on gun-related legislation.

Gun use in self-defense

Americans are certainly familiar with guns, not only through history texts and the entertainment media, but also from first-hand knowledge. Approximately 45 million[1] civilian Americans registered to vote have guns in their households, with a full 21 million[1] living in a household which owns one or more handguns; 13 million[1] live in households in which a family member has had to use a gun in defense of self, family or property from another person. Further, 9.5 million[2] registered voters can recall a situation in which they needed a gun for protection when none was available—these voters being disproportionately the residents of big cities and members of minority groups. With this many voters having direct experience with guns as instruments of self-defense, it is no surprise that 83% feel "most people who have guns in their home feel safer because of it."

Crime as a national problem

Inflation dominated the concern of Americans in mid-1978 (47%)[3] with unemployment running a weak second (14%) and crime worries third (13%). Indeed, with the decaying economic and foreign situations of the past three years, crime and the "social" issue fell from 21% to 13% in first mentions in response to this open-ended question. The electorate is not at all satisfied with the way things have been going on the anti-crime front: only 28% approve of the way Congress has been handling the problem of crime.

More importantly, Americans see a large increase in the threat of crime to themselves and their families during the last ten years, and expect a further worsening of the situation during the coming decade. One-third regard crime as "one of the biggest problems in life," selecting a "10" on a ten-point scale to express this belief; 29% perceive crime as worsening during the 1968–1988 period by at least five points on this scale! Crime today is of especial concern to older voters and city dwellers; it is a matter of less concern to the more affluent and the young. It is certainly a serious problem to most voters today, if presently secondary in the public mind to the inflation and tax problems.

Why has crime increased in recent years? Three reasons are singled out:

Moral decay (38% mentioned this first or second);

Lenient laws (34%);[4] and

The economy (29%).

But, while these are nationwide phenomena, the solution is seen as lying in state and community initiatives—only 26% choose the federal government as the level of government which can do the most to fight crime.

Crimes of greatest concern

What crimes are of greatest concern to the public? Robbery/mugging, murder in the course of another crime, and (among potential victims) rape head the list. Burglary/theft is tagged as the next crime of greatest concern. Vandalism trails, but still pulls considerable worry. "Murder by a friend or relative" is not a major concern, ranking with the "white-collar" crimes of fraud, embezzlement and forgery.

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[1] Plus or minus 2.1 million is the 95% confidence interval for most of the statements in this paragraph.

[2] Plus or minus 1.7 million.

[3] These percentages include both first and second mentions to this question.

[4] Only 0.7% mention weak laws on gun ownership.

Clearly, there is little political support for going after "white-collar" crime before dealing with violent crimes. Equally clearly, there are few voters who consider murder by a friend or relative as a serious threat—gun-owning families are even less concerned by that presumed threat. Further, non-gun-owning families expressed more worry about robbery/mugging and rape—two of the most feared types of violent crime—than did gun-owning families.

To sum up, this section provides a general frame of reference of the American voters' attitudes and perceptions of crime within which the discussion of more specific gun-related issues can be conceptually placed. However, the attitudes measured for this frame of reference do, themselves, provide some glimpses into voters' feeling about guns and gun control. Specifically:

Less than one percent (0.2%) of registered voters identified "gun control" as the most important problem facing our country today. (Note: The nature of the answers did not reveal whether the respondents were "pro" or "anti" gun control.)

When identifying the reasons for the increase in crime since 1963 only seven-tenths of one percent (0.7%) of the sample tag "too permissive gun laws." Three response categories—bad family environment/moral decay, light sentencing/too lenient laws, and the economy—were mentioned as crime-causing factors first by almost seven out of ten respondents.

Contrary to how they place crime on a scale of national concerns, Americans express strong worry about crime as it may affect themselves and their families.

Thus, in the section that follows we review what Americans do see as the most promising solutions to the crime problem and how they rate the effectiveness of a wide array of gun and non-gun crime fighting measures.

Effective ways of fighting crime

Suggested solutions to the crime problem have changed significantly since September–October 1975, with more punishment and stronger police protection still the leading theme (31%), but with the economy gaining considerably in importance. Reinstating capital punishment is now mentioned less often; "gun control" has dropped almost completely out of the public mind[5]—it does not spontaneously occur to voters as an anti-crime measure.

Many measures have been proposed to fight crime: seventeen ideas were evaluated by our representative sample, and three clusters of perceived effectiveness emerged.

The electorate clearly seems steps to increase or hasten the punishment suffered by criminals, especially violent criminals, as the best way to fight crime. In terms of a seven-point scale of perceived effectiveness, "increasing punishment for using a gun or other deadly weapon while committing a crime,"[6] increasing punishment for serious crimes," and "promoting speedy trials and severe sentences for repeat offenders" were seen as most effective: three out of four voters rated these three measures either "6" or "7" on the seven-point scale of effectiveness.

Increases in preventive and rehabilitation program drew only mild support in terms of effectiveness, averaging over one scale point less than punishment-oriented suggestions on the effectiveness scale.

When asked about specific gun control measures, opinion varied from their being mildly effective to ineffective. There is little public sentiment that would encourage police searches for illegal (unregistered) guns or give support to outlawing private ownership of handguns as effective ways to fight crime. The most strongly supported "gun control" measure, "denying gun ownership to users of marijuana and those addicted to other drugs," is already illegal under Federal law.

Forecast compliance with gun control measures was also measured. Americans anticipate high resistance to even a "first step" such as registration of all guns alreay owned: the consensus is that only 46% of gun owners would cooperate. Almost nine out of ten (88%) think gun control laws would fail to deprive criminals of access to firearms.

Gun control: Facets of the issue

When the questionnaires moved on to a discussion of gun control and arguments developed for and against it, we found that:

Majorities of American voters believe that we do not need more laws governing the possession and use of firearms and that more firearm laws would not result in a decrease in the crime rate.

88% believe that they, as ctizens, have a right to own a gun.

The electorate opposes the very measures needed to implement an "effective" system of gun registration and control of gun ownership: 68% oppose giving police the power to decide who may or may not own a firearm; 61% oppose the federal government's spending $4 billion a year if needed for a system of gun registration; and 84% disagree with the statement, "No private individual should be allowed to own a handgun."

72% argee that "occasional domestic shootings are tragic, but do not justify taking away the right of everyone to own a handgun."

Recapitulation

(1) Crime is viewed as a major problem by many American voters, and is seen as having gotten much worse during the last ten or fifteen years; Congress is seen as having been doing a fair or poor job fighting crime.

(2) Americans see swift, sure, and strict punishment as the most effective way to fight crime; even raising police budgets is rated well below changes in the legal system and in sentencing patterns.

(3) Only 1% suggest gun control legislation as the most effective thing our government could do to reduce crime; in contrast, 5% specifically suggest reinstating the death penalty.

(4) An overwhelming 93% agree that criminals who use guns should receive severe and mandatory sentences.

(5) Guns not only are part of the sporting lives of many, but also have been used in protection of 14% of voters' households.

(6) Ten percent of all registered voters can recall having needed a gun for defense in a situation where no gun was available.

(7) "Gun control" legislation is seen as very ineffective against crime. In its more stringent forms, such legislation is likely to encounter considerable popular resistance.

(8) Punishment-oriented steps such as "promoting speedy trials and severe sentences for repeat offenders" are seen as the most effective things government could do to fight crime.

(9) Only 12% of all voters think registering handguns would keep criminals from acquiring or using them.

(10) The American electorate opposes many specific laws proposed by "gun control" advocates, such as spending $4 billion a year on a nationwide gun registration system, giving local police the power to decide who may or may not own a gun, or banning handgun ownership.

S. 730—REGIONAL ENERGY DEVELOPMENT ACT OF 1979

Mr. MOYNIHAN. I rise today simply to say a few words about the Regional Energy Development Act, introduced today by my colleague, the distinguished Senator from Washington. As a cosponsor of this proposal, I feel that it represents a truly constructive and innovative step toward a solution of this country's growing energy problem.

That new approaches to our energy situation are desperately needed at this time seems almost self-evident. The crisis in Iran demonstrates the unreliability of our sources of oil supply. The projected dire economic effect of the precipitous increase in OPEC oil prices exemplifies our vulnerability to such adverse measures and our inability to boldly deal with the problem. It is incumbent upon us to take the steps we can to alleviate these pressing problems. With this bill we can move toward improvement of the situation in the Northeast and across the country.

The act as written provides that, through cooperative efforts of State administrations in addressing energy problems shared in their areas, regions of the country may be permitted to establish energy corporations to address some of these problems. The bill thus contains enabling legislation for the formation of regional energy corporations, for-profit entities, which will initiate planning and development activities to meet the energy needs of various regions. The corporations are designed to promote the production and conservation of energy, and are to facilitate implementation of national energy policies such as increased coal utilization. Projects eligible for corporation financial support might thus include energy production facilities, facilities for the manufacture of equipment or materials necessary for the production of energy, the development of new products, and the marketing of conservation techniques. The act provides a model for the development of such regional entities in the establishment of a corporation charter for the Energy Corporation of the Northeast.

The bill contains provisions which represent innovative approaches to this pressing question of efficient management of our energy resources. There have been other proposals for energy financing corporations and for energy development banks; these regional corporations are, however, something unique. First, the obvious distinction is that the focus of our proposal is on the region, while past proposals would have established national energy banks. This concentration on regions is important because energy needs and problems vary appreciably from one region to another. The Northeast, for example, is a region that lacks sufficient energy resources of its own. The Northeast's energy corporation will, therefore, work to increase its sources of energy and to plan for their optimal use on a regional scale. Energy rich regions, such as the Southwest, the Northern Mountain States, and the Appalachian States, have problems of their own, for instance, the impact of intense resource development and exploitation on the region's economy and environment. The regional energy corporations could address those energy problems that are most important to the particular region.

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[5] From 11% in September–October 1975, just after the two attempts on President Ford's life, to 1.2% in December 1978, just after the Moscone-Milk murders.

[6] Confirmation of this strong preference for "use a gun—go to prison" laws is found in another question: 93% agree that "anyone using a gun while committing a violent crime should receive a severe and mandatory prison sentence."

It is also important to note the bill's emphasis on planning and on formulation of a development process that is consistent with that plan. To be truly effective, to be a positive force in the resolution of the region's problems, the corporation's activities must be coordinated with a plan for that region's energy future. The legislation specifically requires that a systematic analysis of the region's energy problems, leading to a plan of action, be conducted, and that all investments of the corporation be consistent with that plan.

This legislation has also been drafted to insure that these regional energy corporations remain as independent as possible. Federal involvement in these corporations is and will remain minimal. The Federal role extends only to the Presidential appointment of the directors of the corporations, and a Treasury guarantee of a portion of the corporation's obligations. Also limited is the control that the corporations can exert over private energy development projects. Specifically, the corporations are prohibited from operating any of the energy development projects which they support financially. This is important: We are not advocating governmental control of energy development, but are rather establishing a partnership whereby publicly established, but privately owned, corporations will work with private enterprise to promote solutions to regional energy problems.

Governor Carey of New York and his colleagues in the Coalition of Northeastern Governors deserve our thanks for their efforts to develop this proposal. I am enthusiastic about the potential of regional energy corporations, as a blend of planning and financing and as a cooperative effort by the public and private sectors. I am hopeful that this legislation will quickly be passed by Congress, and will, when implemented, contribute greatly to the solution of energy problems the Nation now faces.

SPECIAL ORDERS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following Mr. Helms on tomorrow, the Senator from Washington (Mr. Magnuson) be recognized for not to exceed 15 minutes, and that I then be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER DESIGNATING PERIOD FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. I ask unanimous consent that following those orders, there be a period for the transaction of routine morning business of not to exceed 15 minutes, with Senators permitted to speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at noon tomorrow. There are three orders for the recognition of Senators: Messrs. Helms, Magnuson, and Byrd of West Virginia.

After those three orders, there will be a 15-minute period for the transaction of routine morning business, with Senators permitted to speak during that period up to 5 minutes each.

At the close of the period for routine morning business, the Senate will automatically go back to the consideration of the debt limit bill, H.R. 2534.

Pending at that time will be the Long amendment, which is printed amendment No. 124. That amendment is pending as a perfecting amendment to the Dole amendment No. 111. The yeas and nays have been ordered on the Long amendment No. 124.

Also, there is, behind that, the Long amendment No. 116, which was introduced on behalf of Mr. Long and other Senators last Thursday. That is pending as a substitute to the Dole amendment No. 111. The yeas and nays have been ordered on the Dole amendment No. 111. There has been an order entered providing for the recognition of Mr. DeConcini to call up amendment No. 113 after disposition of the Dole amendment No. 111.

Mr. President, is this an accurate statement of the parliamentary situation?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. So, Mr. President, there will be rollcall votes tomorrow, undoubtedly, on various amendments and motions in relation to the debt limit measure. I hope that we can get the so-called budget-balancing amendments disposed of one way or the other on tomorrow and get to some of the other amendments.

I would suggest that Senators might be prepared to stay in a little late tomorrow. Inasmuch as we are not having Friday sessions, we are not having rollcall votes past 6 or 6:30 p.m. on Mondays through the month of June, barring any emergencies or some such, I would suggest that Senators be prepared to stay into the evening if need be on Tuesdays and Wednesdays.

In order to finish this bill, I think we ought to be prepared to stay into the evening. I hope we can finish this bill tomorrow, and I figure we can do it if we stay in tomorrow night, and certainly we can finish it no later than Wednesday.

That is the statement of the program.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if no Senator seeks recognition now, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 noon tomorrow.

The motion was agreed to; and at 6:15 p.m. the Senate recessed until Tuesday, March 27, 1979, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate March 23, 1979, under authority of the order of the Senate of March 22, 1979:

DEPARTMENT OF STATE

The following-named Foreign service information officers for promotion in the Foreign Service to the classes indicated:

Foreign Service information officers of class 1:

Philip W. Arnold, of New York.
Charles E. Courtney, of California.
Arthur Winston Lewis, of Vermont.

Foreign Service information officers of class 2:

James M. Ascher, of Illinois.
Joseph N. Braycich, of Washington.
Francis D. Gomez, of Washington.
Carl D. Howard, of the District of Columbia.
Robert C. McLaughlin, of Virginia.
Christopher W. S. Ross, of California.
Robert J. Wozniak, of Florida.

Foreign Service information officers of class 3:

Frank L. Albert, of Oregon.
Robert J. Baker, of Pennsylvania.
Robert Bemis, of Massachusetts.
Stephen M. Chaplin, of Hawaii.
Victoria R. Cordova, of Washington.
Alfred M. Crocker, of Virginia.
Sherwood H. Demitz, of Missouri.
Richard B. Fitz, of California.
George F. Forner, of Washington.
Richard J. Gilbert, of New York.
Jacob P. Gillespie, of Connecticut.
Kenton W. Keith, of Missouri.
Robert R. LaGamma, of New York.
Ernest H. Latham, Jr., of Massachusetts.
William U. Lawrence, of Michigan.
Marilyn McAfee, of Florida.
Philip Winston Pillsbury, Jr., of Minnesota.
Robert David Plotkin, of California.
Roger C. Rasco, of Texas.
Blake Robinson, of Massachusetts.
Harlan F. Rosacker, of Ohio.
Dennis Ray Shaw, of South Dakota.
Frank C. Strovas, of Colorado.
Richard A. Virden, of Minnesota.
Jan R. Zehner, of Ohio.

Foreign Service information officers of class 4:

Parker J. Anderson, of California.
David L. Arnett, of Louisiana.
Razvigor Bazala, of New Jersey.
Arthur S. Berger, of Florida.
Rosemary F. Crockett, of the District of Columbia.
Donna Millons Culpepper, of Washington.
Mark A. Giago, of Virginia.
Richard D. Gong, of Florida.
J. Alison Grabell, of New Jersey.
Robert C. Heath, of California.
J. Daniel Howard, of Tennessee.
Kathryn L. Koob, of Iowa.
Virginia M. L. Loo, of Hawaii.
Robert E. McDowell, Jr., of Kentucky.
Gary P. McElhiney, of Massachusetts.
Mary K. Reeber, of California.
M. Kathleen Schloeder, of Virginia.
James E. Smith, of Arkansas.
Craig Butler Springer, of Connecticut.
Louise Taylor, of California.
John Treacy, of Illinois.
Cornelius C. Walsh, of Connecticut.

E. Ashley Wills, of Virginia.
Douglas B. Wilson, of Arizona.

Foreign Service information officers of class 5:

Kenneth R. Audroué, of California.
Sheila West Austrian, of California.
William R. Barr, of New York.
William D. Cavness, Jr., of Georgia.
Charles Miller Crouch, of Connecticut.
Jeremy F. Curtin, of Virginia.
Jane Daniel, of the District of Columbia.
William C. Dawson, Jr., of Kentucky.
David L. Evans, of Colorado.
Francis K. Gilliland, of Virginia.
David P. Good, of New York.
Arthur E. Green, of New York.
Albert J. Griffin, Jr., of Connecticut.
Don Reed Hamilton, of Oklahoma.
Lynne E. Hart, of California.
Beverly C. Hendrix, of California.
Marshall R. Louis, Jr., of New York.
Ann Jeryl Martin, of Tennessee.
M. Lynne Martin, of Wisconsin.
Daniel McGaffie, of California.
Nicholas Mele, of California.
David E. Miller, of Pennsylvania.
Lloyd W. Neighbors, Jr., of Texas.
James F. O'Callaghan, of Washington.
John T. Ohta, of Tennessee.
Karl F. Olsson, of Nebraska.
James C. Palmer, of Utah.
Lawrence I. Plotkin, of the District of Columbia.
Ronald J. Post, of California.
Timothy M. Randall, of Nevada.
Anna M. Romanski, of New Jersey.
Ralph H. Ruedy, of Iowa.
Paul J. Saxton, of Virginia.
Marjorie E. Smith, of California.
J. Brooks Spector, of Maryland.
John Walsh, of New Jersey.
Veda B. Wilson, of the District of Columbia.

Foreign Service information officers of class 6:

Stephen L. Akers, of Connecticut.
Susan E. Brandt, of New York.
Kathleen Brucatti, of Massachusetts.
Diane DeBuck, of Virginia.
Thomas J. Delaney, of New York.
Peter DeShazo, of Wisconsin.
Domenick DiPasquale, of New York.
Linda Jewell, of Arkansas.
K. Kimberly King, of California.
Morgan Liddick, of Washington.
Gary B. MacDonald, of Washington.
William G. Murphey, of Michigan.
Charles David Nozigila, of Virginia.
Stephen R. Rounds, of New Hampshire.
Rick A. Ruth, of the District of Columbia.
Gary D. Smith, of California.
Lorraine Toly, of Washington.
Sydnee L. Tyson, of California.

Foreign Service information officer of class 7:

Marianne Craven, of Vermont.

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, Title 10, United States Code, as amended. All officers are subject to physical examination required by law:

LINE OF THE AIR FORCE

First lieutenant to captain

Aaron, Gregory J., [redacted].
Aaser, Donald F., [redacted].
Abrams, Daniel W., [redacted].
Adams, John R., [redacted].
Adams, Theodore D., [redacted].
Adamski, John, [redacted].
Adamson, Douglas E., [redacted].
Adriance, Gary R., [redacted].
Agosto, Jose R. [redacted].
Agrella, William, [redacted].
Ahern, Bruce D. [redacted].
Ainslie, Gregory L., [redacted].
Albani, Louis R., [redacted].
Albers, Alan K. [redacted].
Albin, Timothy S., [redacted].
Albritton, James E., [redacted].
Alchain, Allen A., [redacted].
Alderman, Stephen D., [redacted].
Allen, Craig E., [redacted].
Allen, Francis C., [redacted].
Allen, Lyle E., [redacted].
Allen, Ralph E., [redacted].
Alley, Russell D., [redacted].
Alloway, Lee C., [redacted].
Almassy, Richard J., [redacted].
Alt, John J., [redacted].
Alvey, Wallace R., [redacted].
Ambrose, Dean H., [redacted].
Amelung, Martin D., [redacted].
Anderson, Carl E., [redacted].
Anderson, David A., [redacted].
Anderson, Donald C., [redacted].
Anderson, Eric A., [redacted].
Anderson, Gregory J., [redacted].
Anderson, Herbert K., Jr., [redacted].
Anderson, James R., [redacted].
Anderson, Jesse J., [redacted].
Anderson, John P., [redacted].
Anderson, Robert H., Jr., [redacted].
Andrew, Thomas L., [redacted].
Andrews, Charles R., III, [redacted].
Andrews, Steven H., [redacted].
Andrews, Thomas R., [redacted].
Andrus, James C., [redacted].
Anglin, Rufus C., Jr., [redacted].
Appleton, Robert J., [redacted].
Arce, Martin F., [redacted].
Archer, Michael D., [redacted].
Archey, Kenneth J., [redacted].
Archibald, Richard C., [redacted].
Armstrong, John M., [redacted].
Arnold, Brian A., [redacted].
Arnold, Gregory L., [redacted].
Arnott, Neil J., [redacted].
Arns, Thomas G., [redacted].
Artman, William D., [redacted].
Asbury, Clinton J., III, [redacted].
Ashcraft, John B., [redacted].
Ashleman, Eddie F., Jr., [redacted].
Ashley, Gary M., [redacted].
Ashton, David J., [redacted].
Askins, Robert D., [redacted].
Aslakson, Thomas L., [redacted].
Aslett, Linda S., [redacted].
Audley, David R., [redacted].
Augenstein, Paul M., [redacted].
Augustenborg, Jay M., [redacted].
Avary, Harold T., [redacted].
Averitt, Donald W., [redacted].
Avirett, William U., [redacted].
Avila, Walter B., [redacted].
Avon, Joseph G., [redacted].
Ayers, Freddie A., [redacted].
Ayers, Louis M., Jr., [redacted].
Ayres, Richard L., [redacted].
Babbitt, Harold L., [redacted].
Babiak, Nicholas J., [redacted].
Bagby, Deana M. [redacted].
Bailey, Jack L., Jr., [redacted].
Bailey, James D., [redacted].
Bailey, Michael L., [redacted].
Bailey, Richard L., [redacted].
Bailey, Wade H., Jr., [redacted].
Baird, Richard R., [redacted].
Baker, Christopher J., [redacted].
Baker, Francis J., Jr., [redacted].
Baker, John R., [redacted].
Baker, Joseph W. [redacted].
Baker, Richard J., [redacted].
Baker, Stephen L., [redacted].
Ball, Jo Ann, [redacted].
Ball, Ronald D., [redacted].
Ballard, Robert L., [redacted].
Bandi, Raymond L., [redacted].
Bangert, Berthold T., Jr., [redacted].
Banghart, George R., [redacted].
Banister, John H., Jr., [redacted].
Bankey, Daniel E., [redacted].
Banks, Robert J., [redacted].
Bannon, Michael T. [redacted].
Barbee, Leonard F. [redacted].
Barber, Brian R., [redacted].
Barber, Ronald L., [redacted].
Barger, Phillip O., [redacted].
Barker, Kenneth R., Jr., [redacted].
Barksdale, Barry W., [redacted].
Barnett, Jeffery R., [redacted].
Barnoski, John J., [redacted].
Baron, George C., Jr., [redacted].
Barr, Richard E., Jr., [redacted].
Barr, Thomas L., [redacted].
Barrier, Richard D., [redacted].
Barris, Bernard C., [redacted].
Barry, Craig L., [redacted].
Barry, James [redacted].
Barry, James R., Jr., [redacted].
Bartel, Danny J., [redacted].
Bartol, Thomas J., [redacted].
Barton, Joseph S., [redacted].
Barton, Kenneth E., [redacted].
Barton, Raymond O., III, [redacted].
Barton, William H., Jr., [redacted].
Bassa, Paul, Jr., [redacted].
Batten, Albert L., [redacted].
Baugh, David E., [redacted].
Baxter, Gary D., [redacted].
Bayman, Bradley F., [redacted].
Bays, Kent J. [redacted].
Bean, Keith W [redacted].
Beard, Richard E., Jr., [redacted].
Beard, Roderick A., [redacted].
Beasley, Everett L., Jr., [redacted].
Beaty, Billie L. [redacted].
Beaumont, Edward I., [redacted].
Beck, Roger A. [redacted].
Beck, William C., II, [redacted].
Beckenhauer, Charles D., [redacted].
Becker, Richard J., [redacted].
Beckett, Richard A., [redacted].
Bedard, Morris D., [redacted].
Beechel, William R., [redacted].
Beerman, Robert R., [redacted].
Beers, David G., [redacted].
Behler, Robert F., [redacted].
Behrens, Carl R., [redacted].
Bein, Peter J., [redacted].
Bell, David E., [redacted].
Bell, Glenn E., [redacted].
Bell, Robert A., Jr., [redacted].
Benedict, Wallis M., Jr., [redacted].
Benfield, Gerald R., [redacted].
Benjamin, Clayton L., [redacted].
Benner, Robert C., [redacted].
Bennett, Larry E., [redacted].
Benton, William D., [redacted].
Bentson, Kirk D., [redacted].
Berardino, Joseph J., [redacted].
Berendt, Steven E., [redacted].
Berg, Allan E. [redacted].
Berg, Harold E., [redacted].
Berg, Michael G., [redacted].
Berg, Robert G., [redacted].
Bergeron, Gerald R., [redacted].
Berland, William L., [redacted].
Berlin, Frank B., [redacted].
Berlin, Rodney J., [redacted].
Bernard, John E., [redacted].
Bernstein, Steven C., [redacted].
Berry, Robert L., [redacted].
Bethards, Daniel E., [redacted].
Beulke, Norman H., [redacted].
Bevins, Barbara J., [redacted].
Bibby, Thomas M., [redacted].
Bielski, James L., [redacted].
Bienvenue, Robert C., [redacted].
Biggs, John E., Jr., [redacted].
Biggs, Michael N., [redacted].
Bilak, Mark J. [redacted].
Billings, Lynn K., [redacted].
Bina, David A., [redacted].
Binn, Brian A., [redacted].
Bird, David C. [redacted].
Birkett, Edward F., III, [redacted].
Birkhimer, John D., [redacted].
Bishop, Stephen G., [redacted].
Bisognano, Joseph P., Jr., [redacted].
Bizzell, James W., [redacted].
Bjorklund, Raymond C., [redacted].
Black, Steven B. [redacted].
Blackmer, Douglas A., [redacted].
Blackwell, Larry W., Sr., [redacted].
Blair, Robert J., Jr., [redacted].
Blaisdell, Franklin J., [redacted].
Blank, Gary F. [redacted].
Blankenship, Pierce, [redacted].

Blanton, Hoy M., [redacted].
Blatt, Ronald W., [redacted].
Blaufarb, Peter N., [redacted].
Blauvelt, John C., [redacted].
Bledsoe, Jim A., [redacted].
Bledsoe, Robert M., [redacted].
Bliss, Ronald K., [redacted].
Blue, David V., [redacted].
Boatright, Donald L., [redacted].
Bobrowski, Paul M., [redacted].
Bock, Larry K., [redacted].
Boeck, John T., Jr., [redacted].
Boehme, Michael P., [redacted].
Bogenrief, James D., [redacted].
Boggie, Douglas A., [redacted].
Bogumill, Michael P., [redacted].
Bohannon, Frank B., [redacted].
Bolander, Ralph E., [redacted].
Boles, Lyman M., [redacted].
Boley, Nicholas D., [redacted].
Bolling, Michael J., [redacted].
Bolt, Russell T., [redacted].
Bone, James R., [redacted].
Bonewitz, Joel D., [redacted].
Bontly, William A., [redacted].
Boozer, John W., III, [redacted].
Bordelon, John H., Jr., [redacted].
Borenstein, Richard D., [redacted].
Borysewicz, Michael D., [redacted].
Boss, William D., [redacted].
Bossen, Dennis A., [redacted].
Bourdon, Donald J., [redacted].
Bouris, Harry L., [redacted].
Boutin, Donald R., [redacted].
Bowden, Joseph A., [redacted].
Bowen, Charles A., [redacted].
Bowen, Clayton P., [redacted].
Bowen, William R., Jr., [redacted].
Bowman, David M., [redacted].
Bowser, Allen B., [redacted].
Box, Alan V., [redacted].
Boyd, Anne W., [redacted].
Boyer, Charles A., [redacted].
Boyer, Franklin M., Jr., [redacted].
Boyette, Ronald G., [redacted].
Boylan, Gary D., [redacted].
Boyle, Andrew J., II, [redacted].
Boyle, Gary S., [redacted].
Boyle, James B., [redacted].
Boyle, Johnnie E., [redacted].
Boyle, Robert E., Jr., [redacted].
Boyle, Walter F., [redacted].
Bradford, Stuart W., Jr., [redacted].
Brandenburg, Paul L., [redacted].
Brandon, William H., Jr., [redacted].
Brannick, Michael R., [redacted].
Branson, Terry W., [redacted].
Braselman, William W. R., Jr., [redacted].
Braswell, Ralph M., III, [redacted].
Braswell, Thomas S., [redacted].
Brazie, Tommy L., [redacted].
Bream, Brian B., [redacted].
Brechtel, Donald L., [redacted].
Bredwell, Thomas E., [redacted].
Breed, John A., [redacted].
Brennan, Kevin B., [redacted].
Brewer, Rommie G., [redacted].
Bridges, James T., [redacted].
Brier, Robert B., [redacted].
Briggs, David R., [redacted].
Briggs, Gerald R., [redacted].
Briggs, Hugh C., [redacted].
Briggs, Lewis W., [redacted].
Briski, David F., [redacted].
Britton, Edward J., [redacted].
Britton, Vernon C., [redacted].
Brockner, Charles R., [redacted].
Broda, Kenneth F., [redacted].
Broderick, Michael D., [redacted].
Brooks, Douglas J., [redacted].
Brooks, Michael E., [redacted].
Brooks, Peggy F., [redacted].
Brooks, Randall E., [redacted].
Broussard, Robert E., [redacted].
Brower, Douglas R., [redacted].
Brown, Bruce A., [redacted].
Brown, Charles D., [redacted].
Brown, David J., [redacted].
Brown, Edward M., [redacted].
Brown, Kathryn A., [redacted].
Brown, Kenneth R., [redacted].
Brown, Kenneth S., [redacted].
Brown, Martin J., Jr., [redacted].
Brown, Michael F., [redacted].
Brown, Philip N., [redacted].
Brown, Ralph B., Jr., [redacted].
Brown, Richard B., [redacted].
Brown, Richard J., [redacted].
Brown, Robert M., [redacted].
Brown, Robert W., [redacted].
Brown, Roy W., III, [redacted].
Brown, Thomas E., [redacted].
Browning, James D., [redacted].
Browning, Ronald K., [redacted].
Broyles, Danny R., [redacted].
Bruce, Christopher D., [redacted].
Bruening, William S., [redacted].
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Burgar, John D., [redacted].
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McCown, Malcolm L., [redacted].
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McCreary, Earl E., [redacted].
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Nowak, Thomas R. [redacted]
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Offen, Steven C., [redacted].
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Oldenburg, Willia J., [redacted].
Oleory, James P., [redacted].
Oles, David L., [redacted].
Oliver, Lonnie W., [redacted].
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Ordess, Mark S., [redacted].
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O'Reilly, John M., Jr., [redacted].
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Palmer, Cecil E., III, [redacted].
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Parker, Alonzo C., III, [redacted].
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Plummer, James W., [redacted].
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Ponder, Edward A., [redacted].
Pooler, Marcia J., [redacted].
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Popkess, John C., [redacted].
Porter, James H., [redacted].
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Portz, James A., [redacted].
Post, David K., [redacted].
Potter, Gary W., [redacted].
Potter, George E., [redacted].
Poucher, David V., [redacted].
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Powell, Ernest W., [redacted].
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Prejean, David K., [redacted].
Pribyla, Kenneth R., [redacted].
Price, Allen W., [redacted].
Price, Anton J., [redacted].
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Priecko, John P., [redacted].
Prier, Lynn R., [redacted].
Priester, Wyman J., III, [redacted].
Primera, Miguel E., [redacted].
Prince, John F., [redacted].
Probst, Kevin F., [redacted].
Proper, Louis W., Jr., [redacted].
Pryor, Bertram H., Jr., [redacted].
Przybylowicz, Thomas J., Jr., [redacted].
Puels, Carl H., Jr., [redacted].
Puissegur, Bryce F., [redacted].
Pulliam, Douglas L., [redacted].
Putnam, James D., [redacted].
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Quillin, Charles M., Jr., [redacted].
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Ragsdale, Rickman J., [redacted].
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Shaver, Craig R., [redacted]
Shaw, Richard C., [redacted]
Shealy, John T., [redacted]
Shearer, Martin S., [redacted]
Sheffield, Robert E., [redacted]
Shelby, Ben F., II, [redacted]
Shelton, James B., [redacted]
Shepherd, Charles D., [redacted]
Sherman, Michael D., [redacted]
Sherman, Thomas O., [redacted]
Shields, Luther W., [redacted]
Shinbara, David T., [redacted]
Shipman, Charles H., [redacted]
Shirley, William W., [redacted]
Shively, Thomas L., [redacted]
Shockey, John H., [redacted]
Shockro, John J., [redacted]
Shoemaker, Michael D., [redacted]
Shontz, David F., Jr., [redacted]
Shore, Guy R., Jr., [redacted]
Short, Richard L., [redacted]
Shorter, Charles T., [redacted]
Shotwell, Gary L., [redacted]
Shrum, Leslie W. [redacted]
Sides, John W [redacted]
Sieg, Stanley A [redacted]
Siegel, Donald C., [redacted]
Siegel, Gregory A., [redacted]
Sills, Jeffrey K. [redacted]
Simmons, James L., [redacted]
Simpson, Charles N., [redacted]
Simpson, William G., [redacted]
Sims, Kenneth L. [redacted]
Singer, Patrick L. [redacted]
Sirmons, Richard W., [redacted]
Sisson, Glynn E., Jr., [redacted]
Siulte, Arunas [redacted]
Skees, Edward J., [redacted]
Skidmore, David K., [redacted]
Skinner, Richard W., [redacted]
Skol, Gary L. [redacted]
Skorenki, John, [redacted]
Skotte, Daniel M. [redacted]
Slack, Robert E., [redacted]
Slagle, Jack O., Jr [redacted]
Slawinski, Terry L., [redacted]

Slinkard, Michael E., [redacted]
Sloan, Jack C., [redacted]
Sloan, Robert G. [redacted]
Slouffman, William A., [redacted]
Smail, James W. [redacted]
Smiles, Archie C., Jr., [redacted]
Smith, Barrett J. [redacted]
Smith, Barry H. [redacted]
Smith, Bradley A. [redacted]
Smith, Brian J. [redacted]
Smith, Carl T. [redacted]
Smith, Charles L. [redacted]
Smith, Daniel K. [redacted]
Smith, David B [redacted]
Smith, David E. [redacted]
Smith, David W. [redacted]
Smith, Earl P., II [redacted]
Smith, Ernest G. [redacted]
Smith, Frederick C., [redacted]
Smith, Gregg A. [redacted]
Smith, Gregory D., [redacted]
Smith, Gregory O. [redacted]
Smith, Jack W. [redacted]
Smith, James A. [redacted]
Smith, Jerry D. [redacted]
Smith, Randy M. [redacted]
Smith, Richard B., [redacted]
Smith, Rogers M., [redacted]
Smith, Ronald J. [redacted]
Smith, Steven L. [redacted]
Smith, Theodore R., Jr., [redacted]
Smith, Wayne E. [redacted]
Smith, William B. [redacted]
Smith, William E. [redacted]
Smith, William H. [redacted]
Smith, Yoshio [redacted]
Smolka, James W. [redacted]
Snyder, Gregory P. [redacted]
Sokolewicz, James P., [redacted]
Solley, Duane E. [redacted]
Sommers, James E., [redacted]
Sonnonstine, Thomas C., [redacted]
Sorensen, Robert G., [redacted]
Sorlie, Victor A. [redacted]
Sotak, Michael V. [redacted]
Souders, John C [redacted]
Souerdyke, Gilbert R., [redacted]
Sowa Stanley J. [redacted]
Spade, Christopher E., [redacted]
Sparks, Jon B. [redacted]
Sparks, Ronald L., [redacted]
Sparlin, Gordon L., [redacted]
Spear, Mark C. [redacted]
Spence, Richard J., [redacted]
Spencer, Kenneth A., [redacted]
Spencer, Stanley R., [redacted]
Spicer, Richard K. [redacted]
Spickes, Louis D., Jr., [redacted]
Spillers, Robert I. [redacted]
Spindle, William H., [redacted]
Spinelli, Joseph J., [redacted]
Spires, William B. [redacted]
Spracher, David L., [redacted]
Spurlock, Kenneth M., [redacted]
Stachelski, Duwayne D., [redacted]
Stack, David F [redacted]
Stall, Floyd M., Jr., [redacted]
Stampf, Frank W., [redacted]
Stankiewicz, Ronald, [redacted]
Stanko, Timothy M., [redacted]
Stanley, Timothy D., [redacted]
Stanton, Mark E., [redacted]
Stapleton, Robert L., [redacted]
Starbuck F., Randall, [redacted]
Stark, Bernard T. [redacted]
Stark, Ronald J [redacted]
Starkovich, Thomas A., [redacted]
Starr, Allen L. [redacted]
Stefaniak, James [redacted]
Stegman, Patrick G. [redacted]
Steimer, Joseph W., Jr., [redacted]
Steinbeiss, John F. [redacted]
Stelford, Ramona C. [redacted]
Stellato, Joseph S. [redacted]
Stendahl, Loren O., [redacted]
Stephens, James R. [redacted]
Stephens, Scott D., [redacted]
Stephenson, Billy J., Jr., [redacted]
Stephenson, Michael J., [redacted]

Stern, Gary W., [redacted].
Sterzinger, James J., [redacted].
Stettler, James A., [redacted].
Stetzler, Ray S., Jr., [redacted].
Stewart, Billy K., [redacted].
Stewart, Douglas M., [redacted].
Stewart, Larry J., [redacted].
Stewart, Timothy B., [redacted].
Stewart, William F., [redacted].
Stickle, Charles E., [redacted].
Stites, Thomas S., [redacted].
Stledger, John W., [redacted].
Stobbe, Robert W., [redacted].
Stockman, David M., [redacted].
Stocks, Robert C., [redacted].
Stoddard, Gregory V., [redacted].
Stoddard, Herbert L., [redacted].
Stoddart, Stewart A., [redacted].
Stoehrmann, Kenneth C., [redacted].
Stokes, David W., [redacted].
Stone, James R., [redacted].
Stone, Richard W., [redacted].
Stone, Robert D., Jr., [redacted].
Stone, Thomas J., [redacted].
Storer, Richard W., III, [redacted].
Stothart, William K., [redacted].
Stover, David R., [redacted].
Stow, Richard W., Jr., [redacted].
Stowe, Richard W., [redacted].
Stpierre, Thomas J., [redacted].
Stringer, Patrick L., [redacted].
Strom, Robert B., [redacted].
Stroup, Robert J., [redacted].
Stubben, Mark A., [redacted].
Stubbs, David C., [redacted].
Stubbs, Stephen M., [redacted].
Stucki, Carla M., [redacted].
Stumme, Daniel D., [redacted].
Sturgill, George S., [redacted].
Sublett, John L., [redacted].
Sudderth, William H., Jr., [redacted].
Suhar, John C., [redacted].
Sullivan, Billy F., [redacted].
Sullivan, Charles R., II, [redacted].
Sullivan, John P., [redacted].
Sullivan, Kenneth J., [redacted].
Sullivan, Michael S., [redacted].
Sullivan, Robert M., [redacted].
Sullivan, Thomas M., Jr., [redacted].
Sundy, John R., [redacted].
Sutay, John G., [redacted].
Sutherland, Richard H., [redacted].
Sutta, Paul B., [redacted].
Sutter, Richard R., [redacted].
Sutton, Jeanne C., [redacted].
Sutton, Leroy D., Jr., [redacted].
Sutton, Peter U., [redacted].
Swanson, Jon M., [redacted].
Sweeney, John S., [redacted].
Swenson, Hilmer W. S., Jr., [redacted].
Swettman, William P., Jr., [redacted].
Swomley, Mark E., [redacted].
Szczur, Lawrence G., [redacted].
Szymczak, Michael A., [redacted].
Tackett, Homer L., [redacted].
Takos, James M., [redacted].
Talcott, Thomas G., [redacted].
Talty, Patrick K., [redacted].
Tamez, Thomas V., [redacted].
Tanner, Glen R., [redacted].
Tanner, Jerry D., [redacted].
Tapaszi, Robert W., Jr., [redacted].
Tarpley, Mark L., [redacted].
Tascione, Thomas F., [redacted].
Tashima, Alan I., [redacted].
Tate, Ben R., III, [redacted].
Tate, Harold M., [redacted].
Tauer, Truman N., [redacted].
Taylor, Allen S., Jr., [redacted].
Taylor, Earl V., [redacted].
Taylor, Edward G., [redacted].
Taylor, George E., [redacted].
Taylor, John E., [redacted].
Taylor, Joseph J., Jr., [redacted].
Taylor, Paul A., [redacted].
Taylor, Roderick A., [redacted].
Taylor, Roy J., Jr., [redacted].
Teague, Charles B., Jr., [redacted].
Teasley, Alton L., [redacted].
Teel, Scott C., [redacted].
Teeter, Robert W., [redacted].
Teevens, John J., [redacted].
Tegtmeyer, Glenn H., [redacted].
Teigen, James D., [redacted].
Tellefsen, Ralph D., [redacted].
Tepe, William A., [redacted].
Terbeek, Douglas G., [redacted].
Terry, Robert B., [redacted].
Terwiel, John A., [redacted].
Teter, John F., [redacted].
Thames, Monte A., [redacted].
Tharp, David C., [redacted].
Thetford, Kenny M., [redacted].
Thibault, Thomas N., [redacted].
Thiel, William E., [redacted].
Thomas, David W., [redacted].
Thomas, Ernest L., [redacted].
Thomas, Frederick W., [redacted].
Thomason, Jimmie D., [redacted].
Thompson, Charles L., Jr., [redacted].
Thompson, James G., [redacted].
Thompson, John E., Jr., [redacted].
Thompson, Paul J., [redacted].
Thompson, Paul W., Jr., [redacted].
Thompson, Ronald E., [redacted].
Thompson, Theodore E., [redacted].
Thorsen, Daniel E., [redacted].
Thourot, Frederick G., III, [redacted].
Thurlow, Ronald L., [redacted].
Thurman, John A., [redacted].
Thurston, Keith L., [redacted].
Tiedeman, Roger L., [redacted].
Timmons, Bruce E., [redacted].
Timmons, David L., [redacted].
Timmons, Timothy T., [redacted].
Tinianow, Albert N., [redacted].
Tinney, Sandra K., [redacted].
Titus, Gerald T., [redacted].
Tobin, John T., [redacted].
Toda, Frank K., [redacted].
Toland, Val C., [redacted].
Tolle, Harry A., Jr., [redacted].
Tomb, Jack E., [redacted].
Tommasi, Paul V., [redacted].
Tompkins, Edwin S., [redacted].
Tompkins, James W., [redacted].
Tooker, William R., [redacted].
Tooley, Nick T., [redacted].
Topp, Susan K., [redacted].
Torgerson, Keith A., [redacted].
Torgerson, Ronald A., [redacted].
Tornow, Joel F., [redacted].
Toth, James A., [redacted].
Totty, Edwin K., [redacted].
Townsend, Helen L., [redacted].
Townsend, Ronald D., [redacted].
Trafton, Cary R., [redacted].
Trapp, Peter D., [redacted].
Treaway, James D., [redacted].
Treiber, George M., [redacted].
Trende, Gary D., [redacted].
Trivett, Louis G., [redacted].
Truelson, Edgar P., [redacted].
Tucker, Edward L., [redacted].
Tucker, Lloyd J., [redacted].
Tucker, Paul G., [redacted].
Tuggle, Timothy R., [redacted].
Tullis, David S., III, [redacted].
Tullis, John L., [redacted].
Tumino, David, [redacted].
Turner, Larry A., [redacted].
Turney, Daniel P., [redacted].
Tutwiler, Charles M., [redacted].
Twardowski, Thomas J., [redacted].
Tweed, Robert B., [redacted].
Twitty, Bert J., [redacted].
Tyler, Roger F., [redacted].
Tylski, Craig A., [redacted].
Tyrrell, John A., Jr., [redacted].
Tyrrell, John T., [redacted].
Uebelacker, Robert C., Jr., [redacted].
Ullrich, Rainer C., [redacted].
Underwood, Thomas J., [redacted].
Unrein, Gerard A., III, [redacted].
Uttenweiler, William L., [redacted].
Vaaler, John L., [redacted].
Valentino, George J., [redacted].
Vallejo, Edward, [redacted].
Vanarsdale, David D., [redacted].
Vanbastelaar, Joost, [redacted].
Vanburen, David M., [redacted].
Vancleef, Scott P., [redacted].
Vandame, Richard A., Jr., [redacted].
Vanderford, Michael E., [redacted].
Vandermark, Michael J., [redacted].
Vanderveen, Linn L., [redacted].
Vanderweert, Ronald, [redacted].
Vandevorde, Richard E., [redacted].
Vandre, Terry L., [redacted].
Vanengen, Jered H., [redacted].
Vangsnes, David G., [redacted].
Vanhouten, James H., II, [redacted].
Vanmullem, Louis D., Jr., [redacted].
Vanorman, Brian L., [redacted].
Vanorne, Ronald W., Jr., [redacted].
Vanvelzer, Michael J., [redacted].
Vanzandt, Michael J., [redacted].
Vasquez, Omar S., [redacted].
Vaubel, Gail E., [redacted].
Vaughn, Larry E., [redacted].
Veenstra, Robert J., [redacted].
Vender, John T., II, [redacted].
Venteicher, Gerald J., [redacted].
Vera, Jose R., [redacted].
Verschage, James A., [redacted].
Verzola, Michael W., [redacted].
Vetterlein, Jon M., [redacted].
Vician, Daniel J., [redacted].
Vick, James L., [redacted].
Viernes, Glenn P., [redacted].
Vinal, William S., [redacted].
Vineyard, Steven L., [redacted].
Violet, William J., [redacted].
Vitkus, Raymond A., [redacted].
Vogel, John E., [redacted].
Vogel, Peter C., [redacted].
Vogler, Edward R., [redacted].
Vollmar, Virgil F., [redacted].
Voorhees, Brian R., [redacted].
Voorhees, Peter V., [redacted].
Vorhies, Steven W., [redacted].
Vorndam, Paul E., [redacted].
Waddell, James H., Jr., [redacted].
Wade, Ernest R., [redacted].
Wade, Michael E., [redacted].
Wadley, Verl D., [redacted].
Wagasky, George, III, [redacted].
Wagie, David A., [redacted].
Wagner, Peter G., [redacted].
Waitte, Edward J., [redacted].
Wakefield, Richard L., [redacted].
Walding, Jerome G., [redacted].
Walker, David B., [redacted].
Walker, Thomas N., [redacted].
Walker, William H., IV, [redacted].
Walker, William T., [redacted].
Wall, Jeffrey L., [redacted].
Wall, Joseph C., Jr., [redacted].
Wall, Robert A., [redacted].
Wall, Terry L., [redacted].
Wallace, Lewis S., Jr., [redacted].
Wallace, Robert E., [redacted].
Wallace, Ronald E., [redacted].
Waller, Robert L., [redacted].
Walsh, Mary E., [redacted].
Walters, Gary W., [redacted].
Walters, James R., [redacted].
Walters, Thomas D., [redacted].
Wargo, George P., [redacted].
Waricka, Peter, Jr., [redacted].
Warley, Deas H., III, [redacted].
Warren, Robert A., [redacted].
Washabaugh, Walter M., [redacted].
Waters, Larry W., [redacted].
Watien, David H., [redacted].
Watkins, Herbert L., [redacted].
Watson, Walter L., Jr., [redacted].
Watterson, John B., [redacted].
Watts, Odie J., [redacted].

Watts, Richard M., Jr., [redacted].
Weaver, Michael H., [redacted].
Weaver, Nelson T., [redacted].
Webb, Thomas P., [redacted].
Webber, Francis E., Jr., [redacted].
Weber, Elena J., [redacted].
Weber, Wayd R., [redacted].
Webster, Daniel R., [redacted].
Weed, Steven C., [redacted].
Wegiel, Stanley W., Jr., [redacted].
Weimer, John A., [redacted].
Weisbecker, Richard J., [redacted].
Weisgram, Douglas A., [redacted].
Wellman, Thomas M., [redacted].
Wells, Ernest L., [redacted].
Wenger, Robert G., [redacted].
Wenning, Robert L., [redacted].
Wenzel, Vaughan A., [redacted].
Werner, Marc H., [redacted].
Wessler, James D., [redacted].
West, Walter P., [redacted].
Weston, Craig P., [redacted].
Westphal, James L., [redacted].
Westrom, Alan R., [redacted].
Wheeler, Dean F., Jr., [redacted].
Wheeler, Larry L., [redacted].
Wheeler, Thomas S., [redacted].
Whetzel, Paul D., Jr., [redacted].
White, Clifford K., Jr., [redacted].
White, Floyd D., [redacted].
White, Gary E., [redacted].
White, George L., III, [redacted].
White, Harry D., III, [redacted].
White, James C., [redacted].
White, James L., [redacted].
White, John W., Jr., [redacted].
White, Michael J., [redacted].
White, Roger C., [redacted].
Whitlock, Timothy S., [redacted].
Whitlock, Wayne, D., [redacted].
Whitmore, Paul L., [redacted].
Whitney, David J., [redacted].
Whitson, Staehle P., [redacted].
Whitworth, Paul J., [redacted].
Wible, Roxann, [redacted].
Wickers, Randolph A., [redacted].
Wickham, Johnston H., [redacted].
Widder, Roy L., [redacted].
Wigginton, John L., [redacted].
Wilbur, David M., [redacted].
Wiles, Carl J., Jr., [redacted].
Wilhite, Ross L., [redacted].
Wilker, John S., [redacted].
Wilkin, Danny E., [redacted].
Wilkins, Bryan L., [redacted].
Wilkinson, David E., [redacted].
Willer, Wayne A., [redacted].
Williams, Cecil, [redacted].
Williams, Charles R., [redacted].
Williams, Edgar D., Jr., [redacted].
Williams, Erwin L., [redacted].
Williams, Floyd C., [redacted].
Williams, Gary E., [redacted].
Williams, Gary H., [redacted].
Williams, Joseph Y., Jr., [redacted].
Williams, Mark A., [redacted].
Williams, Phillip S., [redacted].
Williamson, William H., Jr., [redacted].
Willson, Raymond A., Jr., [redacted].
Wilson, David L., [redacted].
Wilson, Dudley C., [redacted].
Wilson, Garry D., [redacted].
Wilson, Howard C., [redacted].
Wilson, James H., [redacted].
Wilson, John K., III, [redacted].
Wilson, Terry L., [redacted].
Windnagel, Thomas D., [redacted].
Wingard, George B., [redacted].
Winter, Charles C., [redacted].
Winterberger, Gary A., [redacted].
Winters, Harry L., [redacted].
Winters, Michael P., [redacted].
Wiseman, Robert E., [redacted].
Witte, Richard P., [redacted].
Wittenberg, Gustav D., [redacted].
Wittler, Richard F., [redacted].
Woessner, James K., [redacted].
Wojdyla, Richard A., [redacted].
Wolf, David B., [redacted].
Wolfson, Sheri L., [redacted].
Wood, Garey T., [redacted].
Woodham, Bruce, [redacted].
Woods, David A., III, [redacted].
Woods, David R., [redacted].
Woodside, Robert E., [redacted].
Wooley, Michael W., [redacted].
Wools, Richard R., [redacted].
Woon, Eden Y., [redacted].
Wright, David K., [redacted].
Wright, Edward N., [redacted].
Wright, Keith C., [redacted].
Wright, Louis D., [redacted].
Wulf, Stephen E., [redacted].
Wurster, Henry J., [redacted].
Wyatt, Linda S., [redacted].
Wypiszynski, Steven, [redacted].
Yablonski, Robert, [redacted].
Yanke, Michael A., [redacted].
Yarc, Carol M., [redacted].
Yates, Charles D., [redacted].
Yates, Farris F., [redacted].
Yates, Harvey, [redacted].
Yeilding, Richard P. II, [redacted].
Ylikopsa, Thomas G., [redacted].
Yoakum, Richard D., [redacted].
Yoh, Raymond B., Jr., [redacted].
Yon, Michael C., [redacted].
Yost, Raymond A., [redacted].
Young, James E., [redacted].
Young, Michael J., [redacted].
Young Rodney W., [redacted].
Youngberg, Alan R., [redacted].
Youngblood, John P., [redacted].
Youngman, Neil A., [redacted].
Youngquist, Charles D., [redacted].
Youngquist, Robert A., [redacted].
Younkin, Ross H., [redacted].
Youther, Charles F., [redacted].
Yowell, Kenneth E., [redacted].
Zamorski, Edward J., [redacted].
Zborowski, Stanley H., [redacted].
Zechender, Raymond P., [redacted].
Zekoski, Joseph, [redacted].
Zeuty, Edward J., Jr., [redacted].
Zichterman, Jack A., [redacted].
Zickrick, Karl F., [redacted].
Zlotkowski, Mark E., [redacted].

CHAPLAIN CORPS

Callaway, James H., Jr., [redacted].
Flood, Peter J., [redacted].
Goff, David E., [redacted].
Larkin, James K., [redacted].
Potter, Lorraine K., [redacted].
Pruss, Rodney Lee A., [redacted].
Scott, Phillip H., [redacted].
Sobin, Roger M., [redacted].
Stephenson, Patrick C., [redacted].
Suhoza, John E., [redacted].
Thomason, Billy G., [redacted].
Wood, John R., [redacted].

DENTAL CORPS

Bullard David E., [redacted].
Granda, Francisco M., [redacted].
Hatfield, John H., [redacted].
Howard, Clinton W. III, [redacted].
Joyner, Harry N., III, [redacted].
Kaplan, Paul, [redacted].
Kubinski, Eddie A., [redacted].
Malloy, Charles M., [redacted].
Morgan, Richard A., [redacted].
Panzek, John T., [redacted].
Peterzen, Robert M., [redacted].
Pratt, Gregory F., [redacted].
Sanchez, Vincent C., [redacted].
Stilley, John F., [redacted].
Weaver, Timothy J., [redacted].
Yarbrough, Steven L., [redacted].

JUDGE ADVOCATE

Acton, Foster N, [redacted].
Ash, George W., [redacted].
Bentz, Curtis L., [redacted].
Breidenbach, Mark A., [redacted].
Cavallucci, Eugene S., [redacted].
Craig, Robert M., III, [redacted].
Dodge, Frank S., [redacted].
Donnelly, Michael, [redacted].
Finlayson, Mark L., [redacted].
Fiscus, Thomas Joseph, [redacted].
Gabig, Jerome S., Jr., [redacted].
Grunick, Gary A., [redacted].
Harry, Peter J., [redacted].
Humphries, John G., [redacted].
Jayne, H. Martin, [redacted].
Johnson, John W., [redacted].
Kerber, David W., [redacted].
Lee, Robert T., [redacted].
Lockwood, Willard K., [redacted].
McDonald, Michael, [redacted].
McIlwain, Merrell S., II, [redacted].
Pearson, Clinton C., [redacted].
Pulis, Frank D., [redacted].
Quinn, Edward J., Jr., [redacted].
Reish, Andrew F., [redacted].
Rhaney, Mahlon C., Jr., [redacted].
Sharrar, Larry L., [redacted].
Thomasson, Samuel M., III, [redacted].
Winborn, Erik L., [redacted].

MEDICAL CORPS

Artim, Richard A., [redacted].
Brank, Hence F., Jr., [redacted].
Brichta, Robert F., [redacted].
Buttino, Louis, Jr., [redacted].
Carius, Michael L., [redacted].
Chevalier, Jimmy E., [redacted].
Delagarza, Carlos A., [redacted].
Doyle, John E., III, [redacted].
Duke, John M., [redacted].
Emhoff, Timothy A., [redacted].
Gaede, Gary L., [redacted].
Gerber, William R., [redacted].
Greer, Willis A., [redacted].
Griffith, John L., [redacted].
Holm, Peter F., [redacted].
Jones, Kenneth Allan, [redacted].
Kitchen, Robert H., Jr., [redacted].
Knutson, Clark J., [redacted].
Krauth, Lee E., [redacted].
Meredith, Keith S., [redacted].
Metz, Karl W., [redacted].
Nuland, Michael E., [redacted].
North, Phillip T., [redacted].
Parmet, Allen Jeffrey, [redacted].
Perkins, Edward W., [redacted].
Quinton, Ronald R., [redacted].
Ramsay, John D., [redacted].
Rice, Robert A., [redacted].
Rodgers, Lee P., [redacted].
Roe, John P., [redacted].
Romett, Joseph L., [redacted].
Rugh, Kenneth C., [redacted].
Schafer, Klaus O., [redacted].
Sellers, Alfred O., [redacted].
Slade, John B., Jr., [redacted].
Steel, Maxwell W., III, [redacted].
Stone, Kenneth A., [redacted].
Strickland, Daniel M., [redacted].
Strohmeyer, Gerald L., [redacted].
Twedt, Gordon H., [redacted].
Walsh, William F., [redacted].
Winn, Richard E., [redacted].

NURSE CORPS

Ables, William F., [redacted].
Alberque, Kathleen E., [redacted].
Alexaitis, Judy M., [redacted].
Alvarez, Irene M., [redacted].
Annie, Mary V., [redacted].
Bach, Marian R., [redacted].
Behl, Dona F., [redacted].
Behler, Naomi A., [redacted].
Bergefurd, Diana M., [redacted].
Bisping, Phyllis M., [redacted].
Blackwell, Harold D., [redacted].
Blair, Laura, [redacted].

Bostock, Ruth A., [redacted].
Brennan, Kathy E., [redacted].
Brinkman, Linda A., [redacted].
Brosche, Linda T., [redacted].
Bryant, Marcia M., [redacted].
Bush, Jacqueline A., [redacted].
Bush, Marian A., [redacted].
Carlton, Helen M., [redacted].
Chadbourne, Gretchen A., [redacted].
Chesnick, Florence M., [redacted].
Clark, Mary A., [redacted].
Close, Kathryn L., [redacted].
Craig, Barbara K. [redacted].
Crawley, Robert W., Jr., [redacted].
Crompton, Cynthia L., [redacted].
Dallemolle, Barbara A., [redacted].
Devers, Joseph, [redacted].
Duncan Cecelia A. [redacted].
Dylla, Rebecca A., [redacted].
Egan, Constance M., [redacted].
Erickson, Peggy L., [redacted].
Eros, Janice K., [redacted].
Estes, Carole A., [redacted].
Feinour, Pamela A., [redacted].
Flory, Joellen S., [redacted].
Ford, Marjel L., [redacted].
Fryman, Mary K., [redacted].
Gaberel, Carol A., [redacted].
Gendron, Leo A., [redacted].
Gombert, Deborah E., [redacted].
Gomes, Christine A., [redacted].
Gonzalez, Norma A., [redacted].
Grenchik, Therese R., [redacted].
Griffith, Carol A., [redacted].
Hamilton, Bonita K., [redacted].
Hanson, Judith I. [redacted].
Harrington, Karen K., [redacted].
Hart, Angela W., [redacted].
Hartley, Elizabeth A., [redacted].
Heffner, Bonita J., [redacted].
Helms, Sherrie J., [redacted].
Henderson, Joan C., [redacted].
Herndon, Joe P [redacted].
Hoffman, Darrell R., [redacted].
Hosking, Cherryl M., [redacted].
Howe, John J. [redacted].
Hughes, Maureen F., [redacted].
Jacobson, Diane E. [redacted].
Jeske, Kathlynn J., [redacted].
Johnson, Karen L., [redacted].
Johnston, Sherry K., [redacted].
Jost, Michael J. [redacted].
Katz, Venita K. [redacted].
Keene, Edward A., [redacted].
Keir, Brenda J. [redacted].
Kwitkowski, Janet M., [redacted].
Lambert, Martin E., [redacted].
Lawrence, Barbara J., [redacted].
Liebe, Linda S., [redacted].
Lowe, Julie, [redacted].
Lusher, Sharon A., [redacted].
Mackenzie, Robert T., [redacted].
Malane, Susan L., [redacted].
Martinie, Mary A., [redacted].
Maslanka, Marilyn A. [redacted].
Matta, Mary A. A., [redacted].
Maynard, Dianne L., [redacted].
McBride, June, [redacted].
McConnell, Sharon L., [redacted].
McFarland, Linda E., [redacted].
McNeal, Grace H., [redacted].
Mehargue, Susan L., [redacted].
Miller, Charlene E., [redacted].
Miller, Nancy, [redacted].
Miller, Shirley A. [redacted].
Morgan, Brenda S., [redacted].
Mosher, Carol A., [redacted].
Mullins, Maxine, [redacted].
Musgrave, Barbara A., [redacted].
Myers, Joseph B., Jr., [redacted].
Neff, Beverly J. [redacted].
Nolen, Judith A., [redacted].
Nou, Josephine S., [redacted].
O'Dea, Judith A., [redacted].
O'Donnell, Brenda S., [redacted].
O'Rourke, Marilyn L., [redacted].
Parkin, Emily J., [redacted].
Pease, Deborah S., [redacted].
Peterson, Lois E., [redacted].
Phillips, Cathy M., [redacted].
Repaal, Lorena J. [redacted].
Reynolds, Janet B., [redacted].
Reynolds, Kathy J., [redacted].
Rhoades, Jerry W., Sr., [redacted].
Richardson, Monica G., [redacted].
Rightmyer, Margaret A., [redacted].
Robinson, Linda M., [redacted].
Salter, Barbara B., [redacted].
Sandrock, Lynnette C., [redacted].
Santiago, Myriam, [redacted].
Saxton, Mary E., [redacted].
Schade, Kathryn A., [redacted].
Schermerhorn, Jan B., [redacted].
Selle, Helen L., [redacted].
Slaght, Michael J., [redacted].
Smith, Cheryl A. [redacted].
Smith, Paul E., [redacted].
Smyers, Richard S., [redacted].
Starkey, Maria A., [redacted].
Steimel, Eloise L., [redacted].
Stephens, Kenneth W., [redacted].
Stepherson, Patsy A., [redacted].
Stiely, Vivian J., [redacted].
Striler, Marsha L., [redacted].
Tate, Marcia R., [redacted].
Taylor, Diane W., [redacted].
Thomas, Sharon K., [redacted].
Thompson, Adella M., [redacted].
Thornton, Nancy J., [redacted].
Vanvechten, Linda A., [redacted].
Washington, Barbara J., [redacted].
Waters, Mary L., [redacted].
Wegner, Mary C., [redacted].
Williams, Sarah J., [redacted].
Williamson, Claudette L., [redacted].
Woods, Sharyn K., [redacted].
Yingling, Sue E., [redacted].

MEDICAL SERVICE CORPS

Anderson, Michael C., [redacted].
Brown, Jimmy C., [redacted].
DeGracia, Daniel P., [redacted].
Devall, Richard A., [redacted].
Dewberry, James L., [redacted].
Dewoody, Stephen P., [redacted].
Farmer, Joseph E., [redacted].
Ford, Philip L., [redacted].
Garner, Scott H., [redacted].
Gilbert, Neal E., [redacted].
Gunderson, Eugene G., [redacted].
Hamilton, Maurice R., [redacted].
Janes, Lawrence G., [redacted].
Johnson, Eric L., [redacted].
Johnson, Ray L., [redacted].
Johnson, Ronald R., [redacted].
Lopez, Alfred, Jr., [redacted].
Lorenzen, Peter R., [redacted].
McHail, William A., [redacted].
McLemore, Johnny J., [redacted].
Morgan, Timothy M., [redacted].
O'Brien, William F., [redacted].
Pease, Alan T., [redacted].
Reay, James D., [redacted].
Rhodes, Arvin M., [redacted].
Rowen, Philip J., [redacted].
Rupp, Thomas A., [redacted].
Scavetto, Ronald J., [redacted].
Schroeder, Richard E., [redacted].
Scott, Richard F., [redacted].
Sexton, William P., [redacted].
Sutterer, Larry J., [redacted].
Syron, Edward P., [redacted].
Weltzin, Richard F., Jr., [redacted].
White, Thomas J., [redacted].

VETERINARY CORPS

Bukala, Christopher J., [redacted].
Schaerdel, Arthur D., [redacted].
Solana, Richard P., [redacted].

BIOMEDICAL SCIENCES CORPS

Awalt, Suzanne J., [redacted].
Banias, Bruce B., [redacted].
Bishop, Edward C., [redacted].
Bradley, William P., [redacted].
Brockett, Royce M., III, [redacted].
Brownley, Dennis D., [redacted].
Butler, John F., [redacted].
Caldwell, Michael H., [redacted].
Cerha, James P., [redacted].
Chicilo, Thomas J., [redacted].
Clackler, John D., [redacted].
Dixon, James Patrick, [redacted].
Doherty, Thomas F., [redacted].
Dorris, Wayne L., [redacted].
Duhon, Roland E., [redacted].
Engebretson, Kenneth A., [redacted].
Goldstein, Frank L., [redacted].
Gookin, Michael D., [redacted].
Gossman, Gregory W., [redacted].
Graham, John G., [redacted].
Grant, Thomas M., [redacted].
Hayashi, Maurice M., [redacted].
Hindelang, Robert D., [redacted].
Hull, Terry A., [redacted].
Kitaoka, Rosemary K., [redacted].
Korn, Sidney H., [redacted].
Krym, Robert M., [redacted].
Kupferer, Thomas E., [redacted].
Laub, Elaine F., [redacted].
Lott, Linda M [redacted].
Merritt, Gerald J., [redacted].
Morgan, Thomas R., [redacted].
Moser, Arthur P., [redacted].
Murphy, Kathy G., [redacted].
Ostraat, Randall C., [redacted].
Patterson, Wayne R. [redacted].
Pedley, James S., [redacted].
Renoudet, Virginia V., [redacted].
Rooney, James G., [redacted].
Runyan, Daniel L., [redacted].
Seethaler, Lawrence W., [redacted].
Shirtz, John J., [redacted].
Siefke, Richard W., [redacted].
Stankus, Joseph C., [redacted].
Taylor, Wiley, [redacted].
Tuttle, Gerard R., [redacted].
Valentine, Walter W., [redacted].
Varmecky, James R., [redacted].
Vermulen, Erik K., [redacted].
Wilson, Valerie B., [redacted].
Yoshii, Dan O., [redacted].

IN THE NAVY

The following-named (Naval Reserve Officers Training Corps candidates) to be appointed ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Susan R. Allen
Maureen E. Donovan
Sharon C. Nielsen
Alan M. Terpolilli
Kenn D. Tirpak

The following-named Navy enlisted scientific education program candidates to be permanent ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Jessie D. Arnold
John C. Baird
Kenneth J. Chapman
Martin Chipkin
Henry F. Eger
Mary E. Jacobs
Daniel Kuhn
Monty A. McDowell
Carlos Martinez, III
William G. Miskell
Scott J. Smith
Lon L. Winger

The following-named (U.S. Navy officers) to be appointed permanent lieutenants in the Medical Corps in the U.S. Navy, subject to the qualifications therefor as provided by law:

*Glenn M. Amundson
*Harry M. Brammer
*Gerald A. Burger, Jr.
*Michael G. Daum
*Robert M. Gantt
*Michael S. Gonzalez
*Carl H. June
*Daniel F. Mitchell
*John L. Person
*Richard J. Thomas

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*Appointment sent out Ad Interim (during the recess of the Senate). Senate recessed on 16 October 1978—15 January 1979.

The following-named temporary chief warrant officers to be appointed permanent chief warrant officers, in the U.S. Navy, subject to the qualifications therefor as provided by law:

Otis Barnett
James P. Bartleman
Franklin E. Baxter
William A. Carpenter
Bruce G. Clark
Gregorio A. Contreras
Roland E. Crandall
Richard H. Ellsworth
Jerry D. Greer
Hugh J. Huck, Jr.
John C. Knight
Ronald A. Nashif
Robert W. Pugh
Everett B. Suchland, Jr.
Richard H. Vredenburgh
Lawrence A. Wild
John W. Young

The following-named Navy enlisted candidates to be appointed permanent chief warrant officers, W-2, in the U.S. Navy, subject to the qualifications therefor as provided by law:

John E. Allred
Harvey C. Ashcraft
Stanley L. Barnes
Fred A. Bildhauer
Richard L. Boliek
Hugh Brantley
Byron M. Butler
Robert J. Buzzard
Matthew A. Carrington
David R. Coffield, Jr.
John M. Crowson
Dickie J. Day
John H. Dinger
Randall E. Durham
David C. Forthun
Douglas J. Fyfe
Henry E. Giles
Robert L. Gray
Theodore F. Greene, Jr.
Ernest L. Greenwood, Jr.
John M. Ord
James A. Pace
Harry B. Purden III
David E. Raney
George E. Repak
Roy M. Rhodes
Robert E. Rice
John D. Ridley
James C. Rinacke
Claud F. Russow
Timoteo M. Saguinsin
Leter M. Schaeffer, Jr.
Richard M. Scott
Gerald B. Shell
Merrill E. Shope, Jr.
Leo O. Shumaker
Roger W. Siems
Robert E. Grey
Gregorio E. Gumbayan
Dale J. Gurney
William D. Hallmark
John P. Hamel
Michael H. Hankins
John W. Harm III
Robert M. Hayden
Charles M. Hurley
William R. Iovanna
William M. Johnson
Johnny L. Jones
Raymond D. Larson
John E. Lenartz
Michael J. McGlynn, Jr.
Ralph R. McGrew
Karen M. McKee
Dewey D. Marshall
Walter C. Medhurst III
Leo G. Nichols
Gerald W. Niemann
Robert E. Sopha
Roy L. Standridge
Wesley "C" Stephens, Jr.
Richard A. Stevens
James R. Straw
Peter L. Thompson
John A. Tigert
Charles W. Tingle
Travis W. Towery
Francis Tremont, Jr.
Richard H. Trent
Ben M. Turner, Jr.
Gerald L. Vinke
Ralph H. Wentworth
Douglas Q. Young
Edwin F. Zupinski

The following-named (U.S. Navy officer (ret.)) to be reappointed from the temporary disability retired list as a permanent commander in the line of the U.S. Navy, subject to the qualifications therefor as provided by law:

*CDR Donald E. Prisby, USN (ret.)

The following-named temporary chief warrant officers to be appointed lieutenants (junior grade) in the U.S. Navy, for limited duty, for temporary service, subject to the qualifications therefor as provided by law:

Otis Barnett
James P. Bartleman
Franklin E. Baxter
William A. Carpenter
Hugh J. Huck, Jr.
John C. Knight
Ronald A. Nashif
Wayne F. Oldroyd
Bruce G. Clark
Roland E. Crandall
Michael B. Dickert
Richard H. Ellsworth
Jerry D. Greer
Robert W. Pugh
Everett B. Suchland, Jr.
Lawrence A. Wild
John W. Young

The following-named Navy enlisted candidates to be appointed ensigns in the U.S. Navy, for limited duty, for temporary service, subject to the qualifications therefor as provided by law:

Rene L. Abrego
John T. Allardyce
Rodolfo G. Arquilla
Calvin J. Bahr
Robert G. Barbour, Jr.
Robert W. Barnes
Jeffrey G. Barrett
Samuel R. Barrett
Joseph A. Bata
Antonio M. Bautista
David A. Belton
Lloyd D. Bishop, Jr.
Charles W. Bitler, Jr.
Al I. Blake
Silas C. Booth, Jr.
Richard M. Borkowski
David M. Botonis
David W. Brown
Michael R. Brown
Roger L. Burgess
Lester C. Burket, Jr.
Stanley R. L. Hawkins
Richard C. Helms
Jesse Hinojosa
Steven W. Hopkins
Jack D. Howard
Lloyd F. Howard
John F. Howe
Frank J. Johnson
James C. Johnson
Larry R. Jones
David L. Kiser
Albert L. Knecht
Charles M. Lister
Simeon V. Luzano
Neil K. McPheeters
Joseph C. Magnio
Dennis E. Malone
Coy O. Meadows
Michael Miller
Walter A. Miller
Phillip S. Mohler
Glenn C. Morrow, Jr.
Thomas A. Murrell
Peter W. Nelson
Blaine T. Norton
Dennis P. Ockerman
Lars O. Olsson
Daniel T. O'Neal
Henry D. Pomeranz
Dale W. Pope
Stanley L. Burkholder
Jimmy A. Byrd
Wallace R. Casto
David B. Cecil
Paul L. Christensen
Ronald D. Clay
Sherwood E. Cook
Phillip H. Coons
Michael D. Dick
Roger A. Dowe
James H. Dugan, Jr.
James G. Dykes
Frank J. Dzupinka, Jr.
Matthew E. Egan
Gerald W. Elkins
Richard L. Ezzell
Harvey L. Fry
Joseph J. Gmitter
Thomas R. Groel
Charles R. Hamilton
James K. Hawkins
James J. Quinn
Michael S. Quinn
Pepito J. Radona
James O. Reynolds
George D. Richardson
John R. Rickard
Lathan E. Rohren
Thomas E. Ross
James C. Schoelen
Fred S. Schuler
Frederick L. Schultz
John B. Scott
Charles E. Simons
William F. Skillman
James C. Smith
Philip A. Stiles, Jr.
Robert A. Sturm
Timmie L. Thomas
Mike Thompson
Ronald D. Thorn
David P. Throop
Michael H. Vose
Gerald D. Ward
Robert C. Weir
James J. Wessel
Jerry E. Whitaker
Paul D. Williamson
William L. Wilson
Abraham H. K. Wong

The following-named Navy enlisted candidates to be appointed temporary chief warrant officers, W-2, in the U.S. Navy, subject to the qualifications therefor as provided by law:

John E. Allred
Harvey C. Ashcraft
Stanley L. Barnes
Fred A. Bildhauer
Richard L. Boliek
Hugh Brantley
Byron M. Butler
Robert J. Buzzard
Matthew A. Carrington
David R. Coffield, Jr.
John M. Crowson
Dickie J. Day
John H. Dinger
Randall E. Durham
David C. Forthun
Douglas J. Fyfe
Merrill E. Shope, Jr.
Leo O. Shumaker
Roger W. Siems
Robert M. Hayden
Charles M. Hurley
William R. Iovanna
William M. Johnson
Johnny L. Jones
Raymond D. Larson
John E. Lenartz
Michael J. McGlynn Jr.
Ralph R. McGrew
Dewey D. Marshall
Walter C. Medhurst, III
Leo G. Nichols
Henry E. Giles
Robert L. Gray
Theodore F. Greene, Jr.
Ernest L. Greenwood, Jr.
Robert P. Grey
Gregorio E. Gumbayan
Dale J. Gurney
William D. Hallmark
John P. Hamel
Michael H. Hankins
John W. Harm, III
Richard B. Scott
Gerald B. Shell
Roy L. Standridge
Wesley "C" Stephens, Jr.
Richard A. Stevens
James R. Straw
Peter L. Thompson
John A. Tigert
Charles W. Tingle
Gerald W. Niemann
John M. Ord
James A. Pace
Harry B. Purden, III
David E. Raney
George E. Repak
Roy M. Rhodes
Robert E. Rice
John D. Ridley
James C. Rinacke
Claud F. Russow
Timoteo M. Saguinsin
Lester M. Schaeffer, Jr.
Robert E. Sopha
Travis W. Towery
Francis Tremont, Jr.
Richard H. Trent
Ben M. Turner, Jr.
Gerald L. Vinke
Ralph H. Wentworth
Douglas Q. Young
Edwin F. Zupinski

The following-named (U.S. Navy officer) to be appointed a permanent captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Robert G. Cantrell

The following-named (U.S. Navy officers) to be appointed permanent commanders in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

James E. Engeler, Jr.
David O. Haugland
William J. Gallagher
Andrew J. O'Dwyer

The following-named (Ex-U.S. Navy officer) to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*James L. Glass

The following-named (Ex-U.S. Navy officer) to be appointed a temporary captain in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*James L. Glass

The following-named (U.S. Navy officer) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Brian D. Geary

The following-named (Ex-U.S. Navy officer) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Frederick J. Bradshaw III

The following-named (Ex-U.S. Air Force officer) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*Paul E Geiger

The following-named (Ex-Army officer) to be appointed a temporary commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

*John S. Jordan
*Tonu M. Kiesel

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*Appointment sent out Ad Interim (during the recess of the Senate). Senate recessed on 16 October 1978-15 January 1979.

HOUSE OF REPRESENTATIVES—*Monday, March 26, 1979*

The House met at 12 o'clock noon.

The Right Reverend Sviatoslav Kous, rector, St. Euphrosynia Byelorussian Greek-Orthodox Church, South River, N.J., offered the following prayer:

O Lord our God! Receive from us our deepest gratitude for Thy blessings given to this United States of America. Hear our prayers in days to come, as You did until now. Give to us Your love and compassion and teach us to understand and respect each other. Let our unity be unbreakable, save us from our enemies and show us the way to resist temptations.

Deliver our Byelorussian people from oppression to a world of freedom of choice and self-determination of politics and religion. It is with these hopes that we humbly bless Thy name of the Father, and of the Son, and of the Holy Spirit, now and forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 2301. An act to amend the Federal District Court Organization Act of 1978 with respect to certain administrative matters arising from the redrawing of the Federal judicial districts in the State of Illinois.

The message also announced that the Senate had passed concurrent resolutions of the following titles, in which the concurrence of the House is requested:

S. Con. Res. 15. Concurrent resolution authorizing the reprinting of the Senate report entitled "First Concurrent Resolution on the Budget—Fiscal Year 1979" (S. Rept. 95–739); and

S. Con. Res. 16. Concurrent resolution relating to a ceremony to be held in the Capitol Rotunda as part of the commemoration of the Days of Remembrance of Victims of the Holocaust.

The message also announced that the Vice President, pursuant to section 9355(a) of title 10, United States Code, appointed Mr. Hollings, Mr. Hart, Mr. Stevens, and Mr. Goldwater as members, on the part of the Senate, of the Board of Visitors to the U.S. Air Force Academy.

And, pursuant to section 4355(a) of title 10, United States Code, appointed Mr. Johnston, Mr. Exon, Mr. Dole, and Mr. Laxalt as members, on the part of the Senate, of the Board of Visitors to the U.S. Military Academy.

And, pursuant to Public Law 86–380, appointed Mr. Sasser and Mr. Roth to the Advisory Commission on Intergovernmental Relations.

And, pursuant to Public Law 94–118, appointed Mr. Inouye and Mr. Javits to the Japan-United States Friendship Commission.

And, pursuant to Public Law 95–412, appointed Mr. Kennedy, Mr. DeConcini, Mr. Mathias, and Mr. Simpson to the Select Commission on Immigration and Refugee Policy.

THE RIGHT REVEREND SVIATOSLAV KOUS

(Mr. THOMPSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMPSON. Mr. Speaker, it gives me great pleasure to introduce to the House the Right Reverend Sviatoslav Kous, rector of St. Euphrosynia Byelorussian Greek-Orthodox Church of South River, N.J., a community in my district. Father Kous will serve today as visiting chaplain. Father Kous was rector for 8 years of the Church of St. Cyril of Turov in Queens, N.Y., and served as deacon at St. Euphrosynia before becoming its rector 2 years ago. He brings to his parish the harsh experience of the refugee camps of Europe and an unquenchable hope for freedom for his people. He greets us on an historic day—a day that will gladden the hearts of millions of people who have been hungering for peace. Let us be reminded, however, that there are still millions of people for whom peace is still a dream.

☐ 1205

IN HONOR OF PRINCE JONAH KUHIO KALANIANAOLE

(Mr. AKAKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AKAKA. Mr. Speaker, today, on March 26 in Hawaii, we honor Prince Jonah Kuhio Kalanianaole, Delegate to Congress from 1903 to 1922. Prince Kuhio, son of High Chief Kahelepouli and Princess Kekaulike, introduced the first bill to grant statehood to Hawaii on February 21, 1919.

His persistence and determination led to the passage of legislation to establish the Hawaiian Homes Commission which holds over 190,000 acres, leasing parcels for homes, farms, and ranches to Hawaiians.

In recognition of his service and dedication to Hawaii, the newly opened Federal office building in Hawaii was named after Prince Kuhio.

Leadership, which made his royal ancestors the rulers of Hawaii in ancient times, enabled him to become an outstanding representative for Hawaii to Congress. This remarkable man, Prince Jonah Kuhio Kalanianaole, serves as an example to all of us in Congress. Will you join me in honoring him today.

GOVERNMENT INFLUENCE FOR SALE?

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, the White House and the Democratic Party owe the American people an explanation of why businessmen are being offered the chance to buy influence for large sums of cash.

If this charge sounds harsh, let us look at the record:

In June of 1977, columnist John Oakes of the New York Times reported the existence of the Democratic Party's "National Finance Council's Executive Committee." Through that committee, the party's 1,000 major contributors get the special privilege of small, give-and-take question-and-answer sessions with top level Government officials. Mr. Oakes asked why party fat cats should have special access to Government officials? It is a good—and unanswered—question.

Two weeks ago the Washington Post carried a front page story about the Democratic National Committee selling access to the White House for top contributors.

And now we have the White House asking top corporations to "defray" expenses of tonight's state dinner. The Post reports that the White House is turning down small donations, obviously on the theory that a grateful Israel and Egypt would rather deal with friendly large firms when it comes time to do business.

All this is supposed to be justified because the list of donors will be made public. What about those who do not choose to contribute?

PRESIDENT'S LACK OF CONFIDENCE IN HIS ANTI-INFLATION PROGRAM

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BADHAM. Mr. Speaker, I come to praise President Carter, not to bury him. I praise him for having a lack of confidence in his anti-inflation program and for having the insight to place a 10-percent cap on the "real wage insurance" provision. The "real wage insurance" provision was to act as an incentive to workers to stay within a 7-percent wage increase standard. If inflation was greater than 7 percent, tax rebates would be in line for those workers submitting to the guideline. According to OMB, the maximum payout with the 10-percent ceiling in place would be $15 million.

As was noted in Friday's press, the

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

effectiveness of the President's anti-inflation program was felt throughout the Nation as the Consumer Price Index soared 1.2 percent last month. This was the largest monthly increase since 1974. If February's disaster continues for the remainder of the year, the United States will be looking down the barrel of a 15-percent rate of inflation. I might add at this point that the 15-percent figure is nearly double the inflation rate figure predicted by the administration for 1979. Jean Dixon need not fear for the loss of her job to President Carter.

But as I stated, I am here to praise the President for had he not recommended the 10-percent cap on the "real wage insurance" provision of his anti-inflation program, if one can call it that, the United States could be facing a $40 billion payout. With an anti-inflation plan like the one presented by this administration, thank God for caps and thank God they do not have lots more of these plans.

HOUSE RULE ON OUTSIDE EARNED INCOME

(Mr. WHITTAKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITTAKER. Mr. Speaker, we are faced with low public confidence in Government, and particularly in the Congress. The most recent Harris poll on this subject found the public had less confidence in Congress than it had in any of the other nine public and private institutions measured.

Yet, in the face of this need to take steps to raise public confidence, the Senate on March 8 acted by voice vote to postpone limits on their own outside earned income until 1983.

This was, I believe, a slap in the face of those of us who are committed to the goal of restoring the integrity of the Congress.

It is to that end that I am today introducing a bill to make the House rule on outside earned income the law of the land. I ask my fellow Members to study this bill, and then to join me in helping to retrieve the reputation of the Congress.

☐ 1215

APPOINTMENT AS MEMBER OF DISTRICT OF COLUMBIA LAW REVISION COMMISSION

The SPEAKER. Pursuant to the provisions of section 2(a), Public Law 93-379, the Chair appoints as a member of the District of Columbia Law Revision Commission Mrs. Sharon Dixon, of Washington, D.C.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII and clause 5(b)(1) of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules and each question of passing bills or agreeing to resolutions on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4, rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, March 27, 1979.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair announces that at the hour of 1 o'clock the House will adjourn, and all proceedings will be postponed until tomorrow at 12 o'clock noon.

COMMEMORATION OF DAYS OF REMEMBRANCE OF VICTIMS OF HOLOCAUST

Mr. YATES. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate concurrent resolution (S. Con. Res. 16) relating to a ceremony to be held in the Capitol rotunda as part of the commemoration of the Days of Remembrance of Victims of the Holocaust, and ask for its immediate consideration.

The Clerk read the title of the Senate concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the Senate concurrent resolution, as follows:

S. CON. RES. 16

Whereas, Public Law 95-371 designates April 28 and 29 of 1979 as "Days of Remembrance of Victims of the Holocaust";

Whereas, on November 1, 1978, the President of the United States established the President's Commission on the Holocaust, which was charged with the responsibility of recommending appropriate ways for the Nation to commemorate the Days of Remembrance of Victims of the Holocaust;

Whereas, the President's Commission has recommended that a one-half hour ceremony be held in the Capitol Rotunda on April 24, consisting of prayers, speeches, readings and musical presentations as part of the Days of Remembrance activities;

Whereas, the President's Commission has recommended that the United States Senate and United States House of Representatives should stand in recess during the ceremony: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That from noon on April 24, 1979, the Capitol Rotunda shall be available until 1:00 p.m. for a ceremony as part of the commemoration of the Days of Remembrance of Victims of the Holocaust.

● Mr. YATES. Mr. Speaker, it is with a special pride that I present Senate Concurrent Resolution 16 to the House as an affirmance by the Congress of our resolve that the horrible chapter of history known as the Holocaust will never be repeated.

On January 19, 1978, the Congress passed House Joint Resolution 1014, designating April 28 and 29 of 1979 as Days of Remembrance of Victims of the Holocaust. The dates signify the anniversary of the 1945 liberation of the surviving victims of Nazi internment in the Dachau concentration camp by the Armed Forces of the United States. The resolution urged the people of the United States to "recognize that all acts of bigotry are rooted in the cruelty of spirit and the callousness that led the Nazis to commit atrocities against millions of people" and to "dedicate themselves to the principle of human equality."

On November 1, 1978, the President established the Commission on the Holocaust, to which I have the honor of being a member. Our functions are to recommend appropriate ways for the Nation to commemorate the Days of Remembrance and to report on the establishment and maintenance of an appropriate memorial to those who perished in the Holocaust. In the course of our meetings and the receipt of many suggestions from the public, it seemed most fitting that, as part of the memorial activities, a ceremony be held in the Capitol Rotunda, the prime symbol of freedom and democracy throughout the world.

Mr. Speaker, our passage of this concurrent resolution is more than a gesture of concern. It is an active commitment by the Congress of the United States to the purposes of the Days of Remembrance of Victims of the Holocaust and a positive statement on behalf of our cherished goal of universal human rights.●

The Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YATES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on Senate Concurrent Resolution 16.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

FEDERAL AVIATION ADMINISTRATION RESEARCH AND DEVELOPMENT AUTHORIZATION

Mr. FUQUA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2277) to authorize research, development, and demonstration projects relating to aviation, and for other purposes.

The Clerk read as follows:

H.R. 2277

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any provision of law, there is authorized to be appropriated out of the Airport and Airway Trust Fund (established by section 208 of the Airport and Airway Revenue Act of 1970) to the Secretary of Transportation for the fiscal year ending September 30, 1980, for research, development, and demonstration projects under section 312(c) of the Federal Aviation Act of 1958 (49 U.S.C. 1353), and section 14(d) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1714):

(1) $57,173,000 for air traffic control purposes,

(2) $12,277,000 for navigation purposes,

(3) $4,850,000 for aviation weather purposes,

(4) $800,000 for aviation medicine purposes,

(5) such additional or supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

Funds authorized by this Act shall remain available until expended.

SEC. 2. Notwithstanding the purposes for which funds are authorized in paragraphs (1) through (4) of the first section of this Act, funds authorized by such paragraphs may be used for any other program or project for research, development, or demonstration under section 312(c) of the Federal Aviation Act of 1958 or section 14(d) of the Airport and Airway Development Act of 1970 if notice of such program or project has been given to the Speaker of the House of Representatives, the House Committee on Science and Technology, the House Appropriations Committee, the President of the Senate, the Senate Commerce Committee, and the Senate Appropriations Committee in a manner containing a full and complete statement of the proposed program or project and the facts and circumstances relied on in support of such program or project and (a) a period of thirty days has passed after the date such notice was received, or (b) each such committee before the expiration of such period has transmitted to the Secretary written notice to the effect that such committee has no objection to the proposed action.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Florida (Mr. FUQUA) will be recognized for 20 minutes, and the gentleman from Pennsylvania (Mr. WALKER) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. FUQUA).

Mr. FUQUA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill, H.R. 2277, authorizes research and development budgeting to the Federal Aviation Administration for fiscal 1980.

This bill is a result of numerous hearings, briefings, and studies conducted by the Committee on Science and Technology, and more specifically, by the Subcommittee on Transportation, Aviation, and Communications chaired by TOM HARKIN of Iowa.

I would like to congratulate Mr. HARKIN and his subcommittee members for a job well done. In particular, I would like to thank the ranking minority member of the subcommittee, the Honorable BARRY M. GOLDWATER, JR., for his incisive and tireless inputs contributing to attaining a substantive bill so important to air transportation.

Mr. Speaker, because of the exemplary work done by Mr. HARKIN, Mr. GOLDWATER, and the subcommittee members, H.R. 2277 was reported out of the committee unanimously as a clean bill.

Mr. FUQUA. At this time, to further explain the bill, I yield such time as he may consume to the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Speaker, this bill, H.R. 2277 authorizes $75,100,000 from the airport and airway trust fund to the Federal Aviation Administration for fiscal year 1980 for research and development purposes.

This authorization will be applied in four areas: $57,173,000 for air traffic control; $12,277,000 for navigation; $4,850,000 for aviation weather; and $800,000 for aviation medicine.

While this authorization is some $3,000,000 less than that recommended by the committee and authorized by the House last year, recognizing current tight fiscal policy it does however, provide the funds essential to a sound basic R. & D. program.

We of the Committee on Science and Technology have found that it is required for Congress to maintain a firm grip on the dynamic area of research and development.

Therefore, in addition to authorizing funds for fiscal year 1980 the bill also establishes an annual authorization process for FAA R. & D. programs. Presently, the FAA operates under open-ended R. & D. authorization which has no requirement for FAA to obtain authorization for its programs on an annual basis.

This bill will terminate the open-ended FAA R. & D. process and establish a requirement for annual authorization.

Mr. Speaker, this concludes my remarks concerning the bill.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. HARKIN. I will be pleased to yield to the gentleman from Florida.

Mr. FASCELL. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I have been reading the language in the report with respect to aircraft separation assurance in line item 05 being $5,300 million, and I just want to be sure that I understand the language correctly.

With respect to the scope and objectives, as stated on page 18 of the committee report—and I am reading directly from the report now so I can ask the question I want to ask—the language is as follows:

> This program is directed at reducing the threat of midair collisions through development of independent airborne as well as ground-based systems.

Mr. Speaker, stopping right there, let me make a comment. I currently support that concept, and as the chairman of the subcommittee knows, I have a bill in that is before the committee now that would deal with the problem and hopefully add some impetus to the question of independent airborne collision avoidance systems.

Then, reading on further from this paragraph in the report, it says this:

> It encompasses development of the Beacon Collision Avoidance System (BCAS). The goal is to develop systems which can supplement the existing ground-based Air Traffic Control (ATC) system (when operating within that system), and to provide new midair collision protection in areas not now served by the ATC surveillance system. These systems will be designed to operate independently of the ground system order to provide backup and additional service.

Mr. Speaker, I will ask the question, does that thought apply to both BCAS and airborne?

Let me ask the question in another way, Mr. Speaker. Does this statement on page 18 of the report constitute a policy statement of the committee that the primary backup system for airborne or collision avoidance shall be the beacon system?

Or is this language sufficiently broad enough so that an alternative system can be researched, developed, and in place?

Mr. HARKIN. Mr. Speaker, I would assure the gentleman from Florida (Mr. FASCELL) that his last statement is correct. We are not closing any doors on any system. We are leaving it open to determine which system would be best and which would be most compatible with existing systems and which actually would fit the requirements of the gentleman's bill which he had introduced as H.R. 3004.

Actually what we are doing really meets the requirements that the gentleman had stated in his bill.

I would like to commend the gentleman from Florida (Mr. FASCELL), Mr. Speaker. I know that the gentleman has been way ahead of almost all the Members of this body in promoting a collision avoidance system, going back some 12 years. Perhaps if we had paid more attention to the gentleman's efforts 12 years ago, we might have had a better system in place today.

Mr. Speaker, I can assure the gentleman that we are not closing any doors on any system.

Mr. FASCELL. Mr. Speaker, I thank the gentleman very much for his statement, and I wonder if he would be kind enough to yield to the distinguished ranking minority member.

Mr. HARKIN. Yes, surely.

Mr. GOLDWATER. Mr. Speaker, will the gentleman yield?

Mr. HARKIN. I would be glad to yield to the gentleman from California.

Mr. GOLDWATER. Mr. Speaker, I would only wish to compliment the gentleman from Florida (Mr. FASCELL) for introducing his legislation.

Aircraft separation has been a problem that has plagued that particular transportation mode ever since the Wright brothers took off. Of course, as the population of aircraft and pilots over the years increases, the problem is magnified. It is both a technical and an administrative-type of decision.

The efforts of the gentleman from Florida (Mr. FASCELL) in this area are important because they begin to focus attention on precisely what the answers should be, and they are both difficult and complex.

Fortunately, I think the gentleman has supporters for his intentioned purpose in the bill. The chairman of our subcommittee, the gentleman from Iowa (Mr. HARKIN), and certainly many of the Members of the Congress, including myself, support it.

☐ 1225

I think with a thorough airing of this and a proper discussion with the FAA we can resolve the question, hopefully, within the timetable which the gentleman sets forth in his bill, which is 1 year.

So I would join the gentleman, and I certainly compliment him for his initiative and his leadership in this area.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Florida.

Mr. FASCELL. I thank the gentleman very much for that, and I agree that we are all trying to get the answer. I do not think anybody is bold enough to say he has the answer.

Do I understand the allocation, the so-called reprograming, of $500,000 for the study is for the very purposes that the gentleman is talking about?

Mr. HARKIN. That is right. We have reprogramed $500,000 of this money to make sure that, as we progress along in this area, the systems will be cost effective for the general aviation area.

Mr. FASCELL. If the gentleman will yield for 1 second longer, let me compliment the gentleman and the ranking minority Member for focusing on this issue. It is indeed complex. But the time has long since come when we need to get a resolution of it.

Mr. HARKIN. I could not agree with the gentleman more.

Mr. LEVITAS. Mr. Speaker, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

Mr. Speaker, I would like to call the gentleman's attention to a very serious problem that I have run into at FAA of their handling of the matter of postcrash survivability. That is the problem of toxicity and flammability of materials in aircraft cabins.

We all know that more and more air accidents, crashes, are survivable. Passengers are not killed by the crash itself but perish as a result of postcrash fires, explosions, toxicity, and smoke. It is regrettable that FAA in this regard has done a very, very poor job. They issued a notice of proposed rulemaking about 5 or 6 years ago. Then all of a sudden, last September, they withdrew the proposed rulemaking and in the process set up a committee called the Special Aviation Fire and Explosion Reduction Committee, known as SAFER. When I came across that information, I was very concerned about it because people have been dying as a result of a failure to do something about this. I wrote Mr. Langhorne Bond, who is the Administrator, in September, last year, complaining about that and asked when are they going to get on with the job instead of just talking about it. In response, I was told they were going to appoint this committee and get on with the job and expected the committee to be appointed by October 31, of last year. I am told that, as of this morning, that committee has still not begun to work.

In other conversations with officials of FAA, I was told that the reasons they have not done this are because they do not have the technology, they do not have the ability, the proper standards, for this new generation of aircraft that we are all going to be flying in for 20 or 30 more years. I think that is shameful. I would hope that, with the provisions of this authorization on aviation medicine, there are adequate funds in there to get on with the problem of dealing with this so that we can avoid the unnecessary loss of lives, and that the gentleman's committee take a very specific look to see that the FAA is doing it.

Mr. HARKIN. Mr. Speaker, I thank the gentleman from Georgia for his remarks. Certainly I would agree with him that we have been foot-dragging in this area for a long time. I know of the instances of which the gentleman speaks, where the planes have crashed and the people could have survived the crash but they were killed because of smoke inhalation, and not being able to find their way out. I can assure the gentleman that we on our subcommittee, through our oversight efforts this year, will be taking a very close look at what the FAA is doing, and certainly we would ask the gentleman for his letter that we might use it for informational purposes when we ask the FAA about their efforts in this regard.

One point further. I can assure the gentleman that in our mark-up hearings on the aviation medicine portion of this, which as the gentleman knows, is $800,000 for next year, we were assured that a portion of that would be used for these various studies.

□ 1230

With the gentleman's remarks today, I can assure him that we will be taking an even closer look at this as we begin our oversight hearings later on this spring.

Mr. LEVITAS. I thank the chairman.

Mr. GOLDWATER. Mr. Speaker, will the chairman yield momentarily with regard to that subject?

Mr. HARKIN. I yield to the gentleman from California.

Mr. GOLDWATER. Mr. Speaker, I am glad that the gentleman from Georgia (Mr. LEVITAS) brought that subject up, because I think it is one area within the FAA, or the aviation community, if you will, where we have not paid enough attention and there has not been enough leadership to solve this particular problem. When I first came to the Congress 10 years ago, I went down to NASA—I think Langley Field—and then I went to the FAA center in Oklahoma. They were conducting tests on flammability and toxicity of materials. This may have been up to 10 years ago.

I know that the Department of Defense has had a big program in this area. I am also aware of the fact that various manufacturers have been researching this particular problem, and today we still do not have a standard or any kind of regulation.

The No. 1 cause of death in most accidents is toxicity from burning materials within the cabin of an aircraft.

Therefore, I think the gentleman is right in bringing this to the attention of the subcommittee. I am hopeful that we can query the FAA, which I think is the appropriate lead agency, to see if we cannot set some kind of strict time schedule to come out with some very definite standards that must be adhered to to reduce the casualty rate if at all possible. I do not think we can get 100-percent reduction, but it would be helpful if we can at least use the state of the art to minimize this particular danger in any kind of crash.

I thank the gentleman for bringing this to the attention of the body.

Mr. HARKIN. I would like to add, if I might, just a word of caution; that is, that the materials development for being nontoxic in aircraft is a very difficult thing. It is very difficult to write a standard that will meet all the requirements, and yet also be nontoxic. Most materials will burn at various temperatures, and they are toxic. So, it is not a very easy and clear-cut thing to do.

Mr. LEVITAS. Mr. Speaker, if the gentleman will yield further, I quite agree. In fact, it is an extremely complex problem. One solves one problem in new technology and one creates another one. I am familiar with that.

My point is that there has been proposed rulemaking action for 4 or 5 years. In September of last year, it was suspended, and a new committee was supposed to go into it. They have not gotten into it yet.

The fact of the matter is that I am convinced that the technology of American industry has really not been forced to be brought to bear on this. If we do not do something about it we are going to experience one after another of airline accidents in which people survive the crash and perish because of failure to deal with this.

I am absolutely convinced that if we stress research and development and get behind this, we can get American industry to develop the types of materials that will substantially reduce the tragic and unnecessary deaths resulting from such crash site smoke and toxicity.

Mr. HARKIN. I thank the gentleman from Georgia.

Mr. Speaker, that concludes my remarks. I would just like to say a word of thanks to our ranking minority member, the gentleman from California (Mr. GOLDWATER) for his help on the subcommittee and for all his work in all the efforts we are conducting for collision avoidance and for nontoxicity of materials used in aircraft. He has been an invaluable member of the subcommittee, and has added greatly to our deliberations in these areas.

The SPEAKER. The gentleman from California (Mr. GOLDWATER) is recognized.

Mr. GOLDWATER. Mr. Speaker, I yield myself such time as I may consume.

I rise in support of H.R. 2277 authorizing research and development funding for the Federal Aviation Administration next fiscal year. In addition to authorizing specific funding levels, H.R. 2277 would—perhaps more importantly—establish annual authorization jurisdiction within the Committee on Science and Technology for research and development programs. Such programs constitute the foundation to the future safety and efficiency of civil aviation systems. Currently, FAA R. & D. programs are funded on a 5-year basis through the Airport and Airways Development Act trust fund which is authorized by the Committee on Public Works and Transportation. Our colleagues on that committee fully support this purpose.

I am, indeed, grateful for the kind words of the distinguished chairman of the Committee on Science and Technology concerning the input of the minority in bringing H.R. 2277 to the floor. The minority unanimously supports the requirement for annual authorization of FAA R. & D. programs. Should anyone doubt the importance of such authorizing jurisdiction with consequent oversight responsibility, one need only consider the apparent decline in aviation safety and air traffic control system efficiency as air traffic continues to grow.

Legislation for the same purpose was introduced in the 94th and 95th Congresses and enacted by this body by overwhelming majorities. While, unfortunately, the other body did not see fit to act on this legislation, the Committee on Appropriations has followed the recommendations of the authorization bills. In addition, the accompanying reports have had a most positive effect on the Agency itself.

Together with the other minority members of the Subcommittee on Transportation, Aviation, and Communications, I would like especially to commend the subcommittee chairman, the gentleman from Iowa who, during his first hearings and markup as chairman, so ably and fairly conducted our meetings and prepared the report. Together with the planned expansion of the subcommittee oversight of all surface transportation modes for research and development, as determined earlier by this House. I look forward to improved oversight over aviation programs.

□ 1235

Mr. Speaker, I yield 2½ minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Speaker, I thank the gentleman from California (Mr. GOLDWATER) for yielding.

Mr. Speaker and Members of the House, this bill has in it $800,000 set aside for the area of medical research.

Recently the Select Committee on Aging held hearings on the subject of mandatory retirements of airline pilots. The House Subcommittee on Aging has had a long history, under the good leadership of the gentleman from Florida (Mr. PEPPER), its chairman, of an interest in mandatory retirement. With the passage of the bill last year ending mandatory retirement in most areas, we are naturally concerned about areas in which there is still mandatory retirement demanded.

During the hearings we had last week we discovered that the FAA had not yet had formal hearings on the rule since it was first promulgated in 1959. While the testimony of experts conflicted, it was clear that some significant advances had been made in recent years in testing techniques, which provide more accurate indicators of a pilot's health. These new procedures may be able to provide the FAA with a new method of determining whether a pilot might have a heart attack or some other disabling ailment which would incapacitate a pilot at a critical moment during flight.

Mr. Speaker, I feel that some of the $800,000 should be set aside to study the new findings in the area of pilot aging, and that a formal hearing should be held to discuss these findings.

The gentleman from California (Mr. DORNAN) has shown some leadership in this area by introducing a bill raising the mandatory retirement age from 60 to 65. I think the gentleman from Florida (Mr. PEPPER) and I feel that no flat age of retirement is justified any more. On the other hand, we are very concerned about the safety of passengers. However, we feel that an arbitrary age-60 rule, based on 1959 medical research, is outdated and that part of this $800,000 should perhaps be used to review the new medical research and to provide a formal review of the age-60 rule.

Mr. GOLDWATER. Mr. Speaker, I have no other requests for time and yield back the balance of my time.

Mr. HARKIN. Mr. Speaker, I have no further requests for time.

I urge support of H.R. 2277, and yield back the balance of my time.

The SPEAKER. The question is on the motion offered by the gentleman from Florida (Mr. FUQUA) that the House suspend the rules and pass the bill, H.R. 2277.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

□ 1240

EPA RESEARCH AND DEVELOPMENT AUTHORIZATION FOR FISCAL YEAR 1980

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 178 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 178

Resolution providing for the consideration of the bill (H.R. 2676) to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1980, and for other purposes

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2676) to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1980, and for other purposes, the first reading of the bill shall be dispensed with, and all points of order against section 6 of the bill for failure to comply with the provisions of clause 5, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from California (Mr. BEILENSON) is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 178 provides for the consideration of H.R. 2676 to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1980.

This resolution is a simple open rule granting 1 hour for general debate. The time is to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology.

The rule provides one waiver of points of order. Clause 5 of rule XXI, prohibiting appropriations in a legislative bill, is waived against section 6 of the bill. The waiver is necessary because section 6 of the bill authorizes the Administrator of the Environmental Protection Agency to allow appropriate use of special EPA research and test facilities by outside groups or individuals and to receive reimbursement or fees for costs incurred. Such procedure technically amounts to an appropriation and thus would be prohibited in authorizing legislation under the rules of the House.

Mr. Speaker, H.R. 2676 authorizes a total of $381,342,000 for EPA programs and activities for fiscal year 1980. Of this amount, $369,792,000 is authorized for regular EPA research programs. An additional $11,550,000 is earmarked for other special studies including long-range research grants, wastewater reuse grants, a gulf coast study mandated by the Clean Air Act Amendments of 1977, and environmental research at the National Bureau of Standards.

The amount authorized for EPA in H.R. 2676 represents a 5-percent reduction from the amounts really authorized in last year's authorization bill, and it is 12 percent below the amount included in last year's House-passed authorization.

In addition, the bill emphasizes congressional oversight responsibilities by limiting the ability of EPA to transfer funds in excess of 10 percent between categories except with the approval of the appropriate committees of the House and Senate. Reporting requirements to keep the Congress informed of EPA activities also are strengthened.

The bill would allow EPA to permit use of special research and test facilities by outside groups and to receive reimbursement for costs when this procedure would be in the public interest.

Mr. Speaker, adequate funding for research and development programs for EPA is essential if we are to maintain a commitment to the protection of our environment. I urge my colleagues to adopt House Resolution 178 so that we might proceed to the consideration of H.R. 2676 authorizing appropriations for fiscal year 1980 to the Office of Research and Development at the Environmental Protection Agency.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution provides a 1-hour, open rule for the consideration of H.R. 2676, which authorizes fiscal year 1980 appropriations for the Environmental Protection Agency's Office of Research and Development. As apparently has become the routine thus far this Congress, the first reading of the bill is to be dispensed with. Clause 5 of rule XXI, which disallows appropriations in a legislative measure, is waived against section 6 of the bill. Testimony before the Rules Committee explained that this section authorizes EPA to assess charges for costs incurred when it allows outside groups to use its special research and test facilities. The bill permits the Agency to use these recovered costs to defray expenses caused by the outside groups. The expenditure of these funds, technically, is an appropriation necessitating the waiver.

The Office of Research and Development conducts the scientific research necessary to support EPA's regulatory functions. H.R. 2676 authorizes $381,342,000 for fiscal year 1980 for this purpose. This figure represents an increase over the President's budget request of approximately $7.6 million.

Mr. Speaker, I happen to be one Member who thinks that one of the biggest problems we have faced with EPA's regulation procedure over the years has been the fact that the Agency has imposed restrictive regulations without adequate data upon which to base their decisions. This legislation, hopefully, is designed to meet this inadequacy. However, despite this point I also believe that with very few exceptions we should at least hold authorizations to the level requested by the President.

☐ 1245

Mr. BEILENSON. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the bill (H.R. 2676) to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1980, and for other purposes, be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

H.R. 2676

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Environmental Research, Development, and Demonstration Authorization Act of 1980".

PROGRAM AUTHORIZATIONS

Sec. 2. (a) There are authorized to be appropriated to the Environmental Protection Agency for environmental research, development, and demonstration activities for the fiscal year 1980 for the following activities:

(1) Air quality activities in the Health and Ecological Effects program, $46,624,000.

(2) Air quality activities in the Monitoring and Technical Support program, $21,289,000.

(3) Air quality activities in the Industrial Processes program, $4,500,000.

(4) Water quality activities in the Health and Ecological Effects program, $24,224,000: *Provided*, That of the funds appropriated pursuant to this paragraph, $3,600,000 shall be obligated and expended on the Great Lakes Research program through the Environmental Protection Agency's Large Lakes Research Station, Grosse Ile, Michigan.

(5) Water quality activities in the Industrial Processes program, $14,827,000.

(6) Water quality activities in the Monitoring and Technical Support program, $12,250,000.

(7) Water quality activities in the Public Sector Activities program, $14,358,000.

(8) Drinking water activities in the Health and Ecological Effects program, $12,241,000.

(9) Drinking water activities in the Monitoring and Technical Support program, $975,000.

(10) Drinking water activities in the Public Sector Activities program, $11,703,000.

(11) Groundwater research activities, $4,000,000.

(12) Pesticides activities in the Health and Ecological Effects program, $8,298,000: *Provided*. That no part of any amount appropriated pursuant to this paragraph may be obligated or expended except to the extent hereafter specifically authorized by law.

(13) Pesticides activities in the Industrial Processes program, $900,000; *Provided*, That no part of any amount appropriated pursuant to this paragraph may be obligated or expended except to the extent hereafter specifically authorized by law.

(14) Pesticides activities in the Monitoring and Technical Support program, $440,000: *Provided*, That no part of any amount appropriated pursuant to this paragraph may be obligated or expended except to the extent hereafter specifically authorized by law.

(15) Solid waste activities in the Public Sector Activities program, $8,143,000.

(16) Toxic substances activities in the Health and Ecological Effects program, $26,397,000.

(17) Toxic substances activities in the Industrial Processes program, $1,742,000.

(18) Toxic substances activities in the Monitoring and Technical Support program, $2,838,000.

(19) Radiation activities in the Health and Ecological Effects program, $2,930,000.

(20) Interdisciplinary activities in the Health and Ecological Effects program, $5,099,000.

(21) Interdisciplinary activities in the Anticipatory Research program, $12,433,000.

(22) Interdisciplinary activities in the Monitoring and Technical Support program, $3,467,000.

(23) Energy activities in the Health and Ecological Effects program, $49,186,000.

(24) Energy activities in the Energy Control program, $54,275,000.

(b) (1) There is authorized to be appropriated to the Environmental Protection Agency, Office of Research and Development, for the fiscal year 1980, for program management and support, $26,753,000.

(2) Of the funds appropriated pursuant to paragraph (1), $300,000 shall be used for a study of non-nuclear hazardous waste disposal, including consideration of the effects of such disposal on the environment, and a general review of disposal technology, alternatives to disposal, and options for containing or removing hazardous wastes already in the environment. The Administrator of the Environmental Protection Agency shall enter into appropriate arrangements with the National Academy of Sciences to conduct this study. The Academy should complete the study within eighteen months after funding arrangements have been made and make interim reports at least every six months to the Congress and the Environmental Protectiion Agency. The Administrator shall regularly report to the Congress on the Agency's response to the interim reports and shall deliver his recommendations for acting on the findings of the final study no later than July 1, 1981.

(c) No funds may be transferred from any particular category listed in subsection (a) or (b) to any other category or categories listed in either such subsection if the total of the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in subseciton (a) or (b) from any other category or categories listed in either such subsection if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(1) a period of thirty legislative days has passed after the Administrator of the Environmental Protection Agency or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate a written report containing a full and complete statement concerning the nature of the transfer involved and the reason therefor; or

(2) each committee of the House of Representatives and the Senate having jurisdiction over the subject matter involved, before the expiration of such period, has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

(d) (1) The Administrator shall continue to be responsible for conducting and shall continue to conduct full scale demonstrations of energy-related pollution control technologies as necessary in his judgment to fulfill the provisions of the Clean Air Act as amended, the Federal Water Pollution Control Act as amended, and other pertinent pollution control statutes.

(2) Energy-related environmental protection projects authorized to be administered by the Environmental Protection Agency under this Act shall not be transferred administratively to the Department of Energy or reduced through budget amendment. No action shall be taken through administrative or budgetary means to diminish the ability of the Environmental Protection Agency to initiate such projects.

(e) The Administrator shall establish a separately identified program to conduct continuing and long-term environmental research and development. Unless otherwise specified by law, at least 15 per centum of the funds appropriated to the Agency for environmental research and development in each category listed in subsection (a) of this section shall be allocated for such long-term environmental research and development under this subsection.

SPECIAL AUTHORIZATIONS

SEC. 3. (a)(1) There is authorized to be appropriated to the Environmental Protection Agency for the fiscal year 1980, for grants, contracts, and cooperative agreements for long-term environmental research programs at universities or other such research institutions, $4,450,000.

(2) These grants are for the purpose of developing continuing centers for environmental research and training in the engineering, physical, natural, health, and social sciences.

(b) There is authorized to be appropriated to the Environmental Protection Agency for the fiscal year 1980, to implement the study authorized in section 403(d) of the Clean Air Act Amendments of 1977 (Public Law 95-95), $1,100,000.

(c) There is authorized to be appropriated to the Administrator for the fiscal year 1980, for purposes of section 5 of the Environmental Research, Development, and Demonstration Authorization Act of 1978, $1,000,000.

OTHER AUTHORIZATIONS

SEC. 4. There is authorized to be appropriated to the Secretary of Commerce for the fiscal year 1980 for use by the National Bureau of Standards—

(1) $3,000,000 for research in the area of environmental measurement sciences; and

(2) $2,000,000 to carry out activities authorized in section 5002 of the Resource Conservation and Recovery Act of 1976 (Public Law 94-580).

REPORTING

SEC. 5. (a) The Administrator shall keep the appropriate committees of the House and the Senate fully and currently informed about all aspects of the environmental research and development activities of the Environmental Protection Agency.

(b) Each year, at the time of the submission of the President's annual budget request, the Administrator shall make available to the appropriate committees of Congress sufficient copies of a report fully describing funds requested and the environmental research and development activities to be carried out with these funds.

REIMBURSEMENT FOR USE OF FACILITIES

SEC. 6. (a) The Administrator is authorized to allow appropriate use of special Environmental Protection Agency research and test facilities by outside groups or individuals and to receive reimbursement or fees for costs incurred thereby when he finds this to be in the public interest. Such reimbursement or fees are to be used by the Agency to defray the costs of use by outside groups or individuals.

(b) The Administrator may promulgate regulations to cover such use of Agency facilities in accordance with generally accepted accounting, safety, and laboratory practices.

(c) When he finds it is in the public interest the Administrator may waive reimbursement or fees for outside use of Agency facilities by nonprofit private or public entities.

With the following committee amendments:

1. On page 2, line 11, strike "$46,624,000" and insert in lieu thereof "$45,524,000".

2. On page 2, line 17, strike "$24,224,000" and insert in lieu thereof "$25,224,000".

3. On page 2, line 22, strike out the period and insert in lieu thereof the following: ": *Provided further*, That of the funds appropriated pursuant to this paragraph, $1,000,000 shall be obligated and expended on research to develop environmentally sound methods to control aquatic weeds.

4. On page 7, line 24, after "grants" insert, "contracts and agreements".

The committee amendments were agreed to.

Mr. FUQUA. Mr. Speaker, I move to strike the last word.

Mr. Speaker, the bill H.R. 2676 authorizes funds to support the EPA research and development program for 1980.

The bill results from continuous oversight of the EPA R. & D. program, which included hearings this February on their 1980 budget request.

Mr. AMBRO, chairman of the Natural Resources and Environment Subcommittee, and ranking minority member Mr. WALKER have done a good job in bringing in a bill some $19 million below last year's authorization level.

I will ask Mr. AMBRO to explain the specifics of the bill.

Mr. Speaker, I want to make some comments with regard to the EPA research and development authorization bill, H.R. 2676. The gentleman from New York (Mr. AMBRO) and his subcommittee have done a fine job of preparing this bill for consideration of the House.

One area that has concerned me in the past and continues to be of concern is the absence of a comprehensive agency program for aquatic weed control. In the Southern United States, these weeds are a major problem in the lakes and streams. In discussions with Mr. AMBRO and Mr. BROWN of California, it has been made clear the noxious aquatic weeds are a problem in all portions of the United States. These weeds affect water quality and marine life and cause flooding problems. Research is needed to learn how to control them in ways other than spraying toxic chemicals or by mechanical means. These methods are harmful to the habitat of the marine life and potentially harmful to humans as well as the fish. For the last 2 years we have asked the Agency to conduct a research program in aquatic weed control. Last year's committee report (H. Rept. 95-985) directed that $1,000,000 be applied to development of environmentally sound methods of control. The conference report on the appropriations bill (H. Rept. 95-1593) included $600,000 for this purpose in fiscal year 1979.

The Agency proposed no research program for aquatic weed control for fiscal year 1980. In view of the national problem in this area, the committe, through amendment, has placed a requirement on the Agency to support such research. The authorization level for the water quality/health and ecological effects program has been increased by $1,000,000 so that the Agency can conduct its requested program in addition to the research on aquatic weeds.

Because environmentally sound solutions are not yet available, the committee directs the Agency to plan and implement a continuing research program in aquatic weed control. These activities should be included in the water quality/health and ecological effects program in future years until practical solutions have been identified and put into broad use.

Mr. AMBRO. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I rise to urge the adoption by the House of the bill, H.R. 2676, to authorize appropriations for environmental research, development, and demonstration for fiscal year 1980. This bill is the annual authorization bill for the research, development, and demonstration programs of the Environmental Protection Agency.

Pursuant to its jurisdiction, the Subcommittee on Natural Resources and Environment of the Committee on Science and Technology held hearings in February of this year on EPA's programs of environmental research and development and the Agency's 1980 budget request. After analysis of the hearings and the budget request, a bill was drafted and on March 7, 1979, was introduced as H.R. 2676. The bill was considered and ordered favorably reported by unanimous vote of the Science Committee on March 15 and the report (H.R. 96-58) was filed on March 20.

As reported, the bill would authorize appropriations in the amount of $381,342,000 for fiscal year 1980—approximately $376 million for EPA's research programs and $5 million for environmental research to be carried out by the National Bureau of Standards. This represents a 4.8 percent reduction from the $400,564,000 authorized in last year's bill (Public Law 95-477) or a decrease of some $19 million. This is only $9 million, or less than 3 percent, over the President's request.

Funds appropriated pursuant to this bill will be used for research projects which in turn will support the pollution abatement mission of EPA, the more publicized and frequently controversial work of that Agency. In many cases the controversy and publicity arises when, in order to meet statutory deadlines, the Agency is called upon to make regulatory decisions on the basis of sparse information and weak data.

The R. & D. program at EPA is smaller than the programs related to abatement and enforcement, and the percentage of the overall Agency budget allocated to research activities has declined over recent years—the 1980 budget request for research represents less than 29 percent of the total Agency budget, compared with the 32 percent of Agency funds allocated to research in 1978. Thus, while the Agency is finding that its abatement mission continues to expand—as exemplified by the discovery of more abandoned hazardous waste dumps—the research program in support of these abatement activities is correctly compelled, as should all programs, to operate under tight fiscal restraint.

The Administrator of EPA, Douglas Costle, has commented on this problem many times, including his statement in a letter to Senator PROXMIRE dated June 12, 1978:

> I've had to make too many billion dollar decisions over the last year without the critical information this sort of investment made five years ago would have provided.

The "investment" he was referring to was his Agency's research program. In our February hearings, Stephen Gage, the Assistant Administrator for Research and Development, stated in reference to the Agency's research program:

> Administrator Costle and I have vowed we are going to leave our successors in a markedly better position than we happen to be in.

We intend to help Dr. Gage achieve this "better position."

The committee would like to see all of EPA's regulatory decisions—either to regulate or not to regulate—be based on the highest quality information. We believe that such information will lead to more credible regulatory decisions. And this is central to the thinking that went into this bill, and why I urge its passage. If we are to insist that EPA's abatement programs have a sound information base, a sound research program is essential.

With that thought in mind, let me now attempt to describe the approach we have taken in considering this bill. Most basically, our consideration of the bill was a process of setting priorities and allocating scarce resources. That is, while we attempted to stay as close as possible to the Agency's budget request, we also attempted to provide direction to their programs so as to generate the most useful information with the resources available. As a result, our changes in the Agency's budget request were centered more on the substance and direction of specific programs than on dollar amounts allocated to them. For example, if one compares the Agency's budget request with H.R. 2676 as reported, it becomes apparent that the overall changes in the funding level recommended by the committee are relatively minor. The committee recommendation for the health and ecological effects research program totals $175,999,000, which is exactly the same as the Agency's request. (This amount, incidentally, represents almost 48 percent of the total EPA R. & D. budget.) Although the overall funding level remained unchanged, there was a concern on the part of the committee with respect to the nature and content of the health effects research program. In this program, we felt that the Agency needed to balance its efforts between, on the one hand, identifying new and potential health threats and, on the other, developing quantitative information (such as tolerance levels) for pollutants already known to be harmful and perhaps already on the regulatory agenda. Thus, for all media, we have recommended changes intended to effectuate such a balance. Language to this effect appears throughout our report, and the funding changes within the health and ecological effects program were made with this goal in mind.

Having attempted to explain the reasoning behind our consideration of the Agency's request, I would now like to address some of the specifics of our recommendations.

One change from the Agency's request was the addition of $2 million in the water quality/health and ecological effects program to restore the program at the EPA Large Lakes Research Station, Grosse Ile, Mich. The intention is to encourage the Agency to develop hard, quantitative information concerning the effects of pollutants. For example, what human exposures result when people eat contaminated fish taken from the Great Lakes?

The committee also added (by amendment) $1 million to the Agency request to conduct research on environmentally sound methods to control aquatic weeds. The uncontrolled growth of these weeds is a major national problem presently addressed by methods that can be very harmful (such as spraying with herbicides). Again, this is an example of attacking a problem already identified rather than looking for new problems.

These two increases in the health and ecological effects program were balanced by a $3 million cut in the Agency's requested increase for the toxics research area. I want to emphasize that this reduction was made because we thought that the huge increase in funding requested by the President went far beyond the ability of the EPA to effectively utilize, despite the obvious importance that we assign to the toxic chemicals problem.

Let me explain the growth of this research program. The Agency had some $12 million in the toxics/health and ecological effects program in 1979 and requested an increase of $17 million, to $29 million, for 1980. This is 140 percent growth in 1 year, which seems high, especially in light of some questions about the Agency's program which I will mention below.

But first I want to emphasize that we are still recommending an increase of $14 million, or 120 percent, for 1980.

There were two reasons why we felt that the large increase needed to be carefully looked at. First, the head of the Office of Health and Ecological Effects has been vacant for some time. While this might not adversely affect ongoing programs, such as those in air quality health effects, the relatively new toxics program will need more guidance. The second reason was similar. The EPA Science Advisory Board recently studied the Agency's health effects program and made several recommendations for improving its management. So, again, we felt that as long as there are management questions, we should moderate the growth of the toxics health program.

Our biggest increases were in the research programs conducted in support of the Agency's responsibilities under the Safe Drinking Water Act. We recommended an increase of $5.25 million in this area. The biggest part of this was a recommended increase of $4 million for a program of groundwater research. As one of the most critical elements in our biological survival and the one that is being fouled by point and nonpoint sources with almost wanton abandon, the committee believes that more must be known and done to preserve it.

It is becoming more and more clear that a great many of our pollutants and toxic wastes end up being disposed of somehow on land, where they can eventually migrate into our ground water supplies. Not enough is known about how these toxic wastes migrate, about how the water supplies might be protected from contamination and how already contaminated parts of aquifers could be isolated. In other words, this is a first step toward actually achieving protection of our ground water supplies. We must first understand how they might become contaminated.

In the drinking water area, we have also recommended a $1 million increase over the Agency's request in their public sector program. This increase would be to develop better methods for treating drinking water to remove contaminants, with emphasis on the development of treatment alternatives that are economically feasible for use by smaller water districts.

Finally, the committee recommends an increase of $250,000 to restore an Agency reduction in the area of monitoring. The recommended increase will enable EPA to better assist States and regions in implementing drinking water laboratory certification programs and in assuring the quality of drinking water monitoring data.

The committee recommended an increase over the Agency's request of $1 million in energy related research to support increased work on finding environmentally safe ways to burn coal. We feel we must do everything possible to enable the Nation to use this abundant natural resource by attempting to reduce both the environmental and economic impacts of coal conversion.

We have also provided $1 million for grants to projects that demonstrate the reuse of wastewater—after appropriate treatment—as potable or agricultural water. Thus, this program is intended to encourage broader use of advanced treatment techniques by demonstrating their practicality.

Finally, the committee recommends an increase of $900,000 in the interdisciplinary/monitoring and technical support program. This is the category which includes the Agency's more or less formal technology transfer program. In other words, this is the channel for getting research results out to the people who need help. The committee felt that this was an area that requires more emphasis. We believe that EPA has not been aggressive enough in finding people who need its research results and in making those results available in a useful form.

I can rather briefly summarize the effects of the committee's action on the Agency's budget. First, we have made some relatively minor shifts in emphasis in the health and ecological effects program across all media. Second, we have put increased emphasis on the area of drinking water and ground water in order to get a good research program started in these areas. Third, we have added some emphasis on the development of control technology to achieve the needed pollution abatement, and finally, we have encouraged the Agency to put greater emphasis on getting its research results out to a broad spectrum of users—for example, State and local officials.

Section 3 of the bill contains several special authorizations, one of which I want to mention in particular. This is an authorization of $4.45 million for grants, contracts, or cooperative agreements for long-term research. This funding level is exactly the level requested by the Agency. I want to point this out because in previous years' authorizations both the House and the Senate have agreed on the importance of long-term research to the Environmental Protection Agency. Certain research programs need continuity to provide stability to Agency activities. Indeed, many areas of vital interest to EPA—human exposure levels and tolerance levels for toxic substances, health effects of photochemical oxidants, and the availability of advanced scrubber technology, to name just a few—will demand long-term research programs if progress is to be made. I am not talking about undirected basic research or irrelevant academic research; rather, I am talking about research directly applicable and directly applied to the Agency's missions, but research which also must be carried on to build a high quality body of information which does not now exist in the Agency. Such research simply cannot be conducted in an on-again, off-again, pollutant-of-the-week type of atmosphere. For that reason, we have authorized these funds for long-term research. In addition, we have specified in section 2(e) of the bill that 15 percent of all funds authorized for EPA research programs be used for long-term research activities. In other words, in addition to these grants and contracts, 15 percent of their regular program-related research should be long-term in nature.

Two small programs of environmental research are authorized tc be carried out at the National Bureau of Standards in section 4 of the bill. These are the only funds not authorized directly to the Environmental Protection Agency. The first of these programs has to do with research into environmental measurement problems. We feel that there should be an independent effort (outside of EPA) looking at measurement and monitoring problems to insure that the most accurate and meaningful monitoring methods are established. The second program authorizes funds for a mission assigned to the Bureau of Standards in section 5002 of the Resource Conservation and Recovery Act (Public Law 94-580). In this program the Bureau would conduct research to support the development of standards for recycled materials.

Section 5 of the bill deals with certain reporting requirements and specifically requests an annual report from the Agency on their budget request and related research activities.

Section 6 provides authority for EPA to charge outside users for the use of special laboratory facilities. There are cases in which the Agency has developed unique facilities necessary to carry out its own mission; however, such facilities may not be in use all of the time. It has seemed to us that it might well be in the public interest to allow outside groups to use these facilities in certain instances. One particular example is the Agency's oilspill test facility, a large, instrumented tank in which equipment designed to clean up oilspills can be tested at full scale and with some degree of wave action present. Clearly, the Agency needs this facility for its own program and yet it has turned out that it is not used 100 percent of the time. Several outside groups have requested to use it, but the Agency does not have funds to cover such use, and it would probably not be appropriate to allow profitmaking firms to use the tank at Government expense. Therefore, this section would allow the Agency to charge such users for the actual costs of conducting tests in their special facilities.

Mr. Speaker, this concludes my remarks on the bill, H.R. 2676, before us now. I have not attempted to cover all of the items in the bill in detail; they are described in the report accompanying the bill, House Report 96-58, which is before the Members. Rather, I have tried to indicate to you our thinking behind this bill and to demonstrate the ways in which we have attempted to direct the Agency's program in a way that will be most effective. We are aware that the Nation is confronted with serious economic problems and have tried to tailor our recommendations without sacrificing the foundation stones of EPA's charter. At the same time, we recognize that the environmental problems confronting us are equally serious, and must be dealt with. I believe the bill that we have before us today represents the most reasonable balance attainable between these two important goals, and I again urge the support of my colleagues in its passage.

☐ 1255

Mr. CORCORAN. Mr. Speaker, will the gentleman yield?

Mr. AMBRO. I yield to the gentleman from Illinois.

Mr. CORCORAN. Mr. Speaker, I have a concern about the matter of shifting the emphasis which the gentleman from New York (Mr. AMBRO) has addressed, and that is that the emphasis is being changed from an identification of health hazards, with the new toxic substances that are being developed, and we are moving toward control techniques and remedial action.

The SPEAKER. The time of the gentleman from New York (Mr. AMBRO) has expired.

(On request of Mr. CORCORAN, and by unanimous consent, Mr. AMBRO was allowed to proceed for 2 additional minutes.)

Mr. CORCORAN. Mr. Speaker, will the gentleman yield further?

Mr. AMBRO. I yield to the gentleman from Illinois.

Mr. CORCORAN. Mr. Speaker, my concern is based on the testimony that our Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce received on the 21st and 22d of this month, which showed that one of the big problems in handling the hazardous toxic substance is that at the time of their storage and disposal people do not realize the potential health hazard.

The emphasis of the agency has been to identify these health hazards at the time of storage. I am wondering why we are moving away from that.

Mr. AMBRO. Mr. Speaker, I would just reemphasize for the gentleman from Illinois (Mr. CORCORAN) that we have reviewed the program and understand the impact of these some 70,000 compounds. We applaud the thrust of the Toxic Substances Control Act (TSCA) but having reviewed the program, we are still continuing to provide funding at a level which is some 114 percent over last year's level.

The shift in ecological effects, I might point out, is made by the agencies, since the ecological effects run throughout all the media, and that money has been provided in great increase.

So with respect to ecological effects on air, water, and toxins of these kinds, as well as other things, the Agency has broad discretion.

Mr. Speaker, with respect to this particular program, we believe the funding levels are most adequate in order to insure that the thrust of the act is attained.

Mr. CORCORAN. Mr. Speaker, if the gentleman will yield further, what the gentleman is saying is that we are not downgrading the emphasis on identification; we are simply adding to the remedial and control aspects of research and development, is that correct?

Mr. AMBRO. I say, Mr. Speaker, that we applaud the thrust of the act, we understand the significance of it, and we believe the funding levels we have assigned are more than adequate to attain the mission.

Mr. CORCORAN. Mr. Speaker, I thank the gentleman.

Mr. WALKER. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I rise in support of H.R. 2676, the annual Environmental Protection Agency research and development authorization for fiscal year 1980.

While I am troubled that this bill exceeds the budget requested by the administration, I feel that there are pressing circumstances which allow me to support this legislation.

Frequently, in the past year, I have heard complaints from all around the country that the heavy hand of EPA regulators has struck again and again. The complaints are often the same. Regulators who know nothing of the industry they propose to regulate, regulations that are unneeded or unworkable, and often a total lack of supporting data to justify proposed regulations. There are many in this Chamber who believe that there is already far too much regulation by our Government of our daily lives, and I share that belief.

However, if we are to preserve and protect our fragile world for the next generation and prevent a repetition of past excesses, some environmental regulation is useful and productive.

Let me assure you that this bill contains no funding for regulatory activities. We only propose to authorize research and development efforts by EPA. We intend for these efforts to lead to better regulations. We also hope these R&D efforts will reduce or eliminate unnecessary or unworkable regulations in the future.

The bill has been explained in some detail and our Committee report is quite explicit. However, there are several points which I feel should be made. First, this bill is $51,566,000 below the fiscal year 1979 House authorization of $432,908,000. Second, while we are $9,228,000 above the administration's budget request, the bill is nevertheless lower than what the House authorized last year and funds programs crucial to EPA's ongoing research and development efforts.

Finally, let me point out that the major increase in this bill, $5,250,000, is in the area of drinking water research. Our committee has found major environmental problems impacting drinking water supplies across the nation. There is already ample evidence that the next major environmental problem facing the United States may well be massive pollution of drinking water supplies. For once, we would like to see EPA out in front of the problem and doing necessary research before a crisis develops.

Mr. Speaker, this is the fourth bill reported out by this committee from our Subcommittee on Natural Resources and Environment. It is the only one so far that has exceeded the budget. I believe that the absolute need for this environmental research is so compelling that the bill is fully supportable.

Mr. Speaker, I urge the passage of H.R. 2676.

Mr. AMBRO. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Michigan.

Mr. AMBRO. Mr. Speaker, I would like to compliment the gentleman from Pennsylvania (Mr. WALKER) not only for his statement but for his work on the committee and the subcommittee. The gentleman's hard work has helped to give us a very broad and well-balanced bill. This is an excellent bill, the best bill that could be brought out, and I want to thank the gentleman for his help.

Mr. WALKER. Mr. Speaker, I thank the gentleman from New York (Mr. AMBRO), and I would simply say that the work of the gentleman from New York, who is a member of the subcommittee, has been most rewarding. His efforts have made the bill we have on the floor today possible, and the gentleman has certainly been most cooperative with the minority.

Mr. Speaker, I yield back the balance of my time.

□ 1300

The SPEAKER. Without objection, at this time the Chair will postpone further action on this legislation until tomorrow, when it will become the unfinished business.

Mr. AMBRO. Mr. Speaker, I was just going to move or ask unanimous consent that, given the agenda, further proceedings on this bill be postponed until tomorrow.

The SPEAKER. Without objection, further consideration of this bill will be postponed until tomorrow, March 27, 1979.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 26, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 4:42 p.m. on Friday, March 23, 1979, and said to contain a message from the President wherein he transmits the 7th annual report covering calendar year 1978 on the status of Federal Advisory Committees.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

SEVENTH ANNUAL REPORT ON THE STATUS OF FEDERAL ADVISORY COMMITTEES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Government Operations:

To the Congress of the United States:

In accordance with the provisions of Section 6(c) of the Federal Advisory Committee Act (Public Law 92-463), I am transmitting the seventh annual report on the status of Federal advisory committees.

This report reflects further progress toward accomplishing the objectives I set in 1977: to assure that unecessary committees are terminated, and new committees are established only when they are essential to meet the responsibilities of the government. At the end of 1978:

—The total number of committees was 816, 59 fewer than at the beginning of the year; and

—Since the beginning of 1977 the total number of committees has been reduced by 343 (from 1,159).

JIMMY CARTER.

THE WHITE HOUSE, *March 23, 1979.*

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 26, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerks Office at 4:42 p.m. on Friday, March 23, 1979, and said to contain a message from the President, together with draft legislation and a section-by-section analysis, on Railroad Deregulation.

With kind regards, I am,
Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

PROPOSALS TO DEREGULATE THE NATION'S FREIGHT RAIL INDUSTRY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-78)

The SPEAKER pro tempore (Mr. MURTHA) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

Today I am submitting my proposals to deregulate the nation's freight rail industry. This legislation is part of a continuing effort to promote more competition in America's transportation system, and to reduce the burden of federal regulation on the nation's economy. It follows last year's successful laws deregulating air freight and passenger service. Later this spring I will submit proposals addressing motor carriers and intercity passenger buses.

The private freight railroads are the backbone of our industrial and agricultural production. But today the private freight railroad industry faces a crisis, which could have grave consequences for our nation's economy.

Though the railroads still carry more than a third of the nation's freight and most of its bulk commodities such as coal, grain, and chemicals, the industry is in a deep and dangerous decline. Year by year, the percentage of freight carried by the railroads has shrunk, while profits have fallen and costs have soared.

Many factors contribute to these problems:

Government regulation of virtually every aspect of rail operations has restrained innovative management and efficient pricing.

Increasing competition from unregulated trucks and barges has eroded rail markets.

The industry has been slow to adapt to changing freight patterns and unable to rationalize its system.

Improvements in labor productivity have not kept pace with the rest of the economy.

A recent study by the Department of Transportation develops the grim consequences of these trends. The study, *A Prospectus for Change in the Freight Railroad Industry* shows that without major changes in structure and operation, the railroads will be unable to generate the funds needed to sustain themselves. Within a few years, this shortfall of funds could become so severe that it will paralyze the private railroad system and jeopardize its existence.

The facts pointing to these sobering conclusions are overwhelming. Railroad revenues have not met railroad costs, and to survive in a tightly regulated environment railroads have been forced to consume their assets. Deferred maintenance on branch and main lines now totals $5.4 billion, while total industry profits for the year ending September 30, 1978, were only $50.2 million. A sixth of all track in the nation can only be served at restricted speeds, yet even with these restrictions accidents due to track defects have quadrupled in the past ten years. The DOT *Prospectus* estimates that the capital needed to sustain the freight rail system between now and 1985 will total $42.5 billion; it estimates that the industry itself is capable of generating or borrowing less than $30 billion. These figures do not include the federally-aided Conrail system in the Northeast which is losing $300-400 million per year. All railroads are caught in the squeeze between tight regulation on the one hand, and increased competition on the other. If the situation is not changed, even some healthy railroads of the South and West will face grave difficulties within a few years.

The solution to the railroads' difficulties is not massive government subsidies or new government intervention. Simply to maintain the current rail system would require $2.5 billion of federal funds each year between now and 1985 with the totals likely to grow larger after that. Investing such large sums of tax dollars to preserve an outmoded system would be highly inflationary and ultimately fruitless.

Deregulation presents the only viable option to either massive increases in federal subsidies to the railroads or increased government intervention in their operation—both of which are highly undesirable. Instead of relying on huge federal subsidies we must seek to create an environment in which the railroads themselves can regain their economic health by aggressively improving their operations and profitability. We must eliminate the outmoded rules that have prevented railroads from managing their operation efficiently, responding to competitive opportunities and utilizing equipment profitably. We must allow the industry the flexibility to set rates at levels that generate a fair return on the investment and that attract traffic lost to unregulated modes. Where continued regulation of market abuse is still necessary, we must insure that ICC decisions are rendered promptly, fairly and consistently.

The legislation that we are proposing results from a full examination of the existing regulatory system for railroads. The legislation would create a far more limited regulatory scheme—one that reflects the railroads' current competitive and financial status, and one that provides incentives for the railroads to cut costs, improve service and productivity, and price services competitively.

Specifically these proposals would:

Allow railroads to set prices for their services without interference from the government. To prevent sudden dislocations, this rate freedom would be phased in gradually over five years with real rate ceilings allowed to increase by 7 percent per year. At the same time, inflationary general rate increases should be gradually phased out in favor of company-by-company pricing of services.

Transfer jurisdiction over rail mergers from the ICC to the Justice Department under standard anti-trust laws. There is no reason why railroads that do not compete with each other should be treated differently from other businesses seeking to merge.

Set new guidelines for ICC approval of rail abandonments. These tests would insure that railroads are not forced to continue to serve money losing lines, but would allow shippers, states or communities to provide subsidies to maintain service.

Clarify provisions preventing discrimination among shipping communities, ports or connecting carriers. The new rules would continue to prevent abuses without tying railroads to rigid price structures.

Establish new rules to protect railway employees who may be affected by rail mergers or abandonments.

Eliminate ICC jurisdiction over many day-to-day aspects of managing the rail system.

The transition period to the new regulatory environment may involve some dislocations and may lead to temporary uncertainty for some shippers, railroads and communities. To the extent possible we shall continue to use existing federal programs enacted by previous Congresses to meet these needs as they arise. In addition, new federal resources will be available to compensate, retrain, and relocate workers who are affected by the restructuring of the system.

These regulatory changes alone will not be enough to fully solve problems of the rail industry. Revitalizing the railroads will take a concerted effort by railroad management and labor, working with shippers and communities. Only a complete overhaul of the nation's rail system leading to higher labor productivity and more efficient use of plant and equipment may be able to reverse current unfavorable trends. The government can assist in that effort but the most important contribution must be made by the industry itself.

Without regulatory changes, however, it is certain that the industry will not be able to pull out of its long decline. Without the changes I am recommending, we will face a catastrophic series of rail bankruptcies, sharply declining service and massive federal expenditures.

Unless we act expeditiously the unfortunate pattern we have seen among eastern railroads will be repeated on a national scale. Bankruptcies, followed by huge federal bailouts will spread to the Midwest and ultimately throughout the country. We can act now, while there is still time to address the crisis in an orderly way; or we can wait and have events dictate drastic solutions.

All of us—railroads, shippers, communities, workers and the public—have a vital interest in solving this rail crisis. I am confident that we can work together to solve it. I urge the Congress to act promptly on this important legislation.

JIMMY CARTER.

THE WHITE HOUSE, *March 23, 1979.*

THE HISTORICAL SIGNING OF THE PEACE TREATY BETWEEN EGYPT AND ISRAEL

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANLEY. Mr. Speaker, this is a day which will take a prominent place in the history of mankind. Today, two peoples who have been adversaries for literally thousands of years, will join together to sign a treaty of peace.

The significance of this treaty signing goes far beyond written words. The people of Israel and the people of Egypt, under the courageous leadership of Prime Minister Menachem Begin and President Anwar Sadat, have bridged a gap which they themselves, not long ago, thought was impossible to bridge in their lifetime. This is, indeed, a dream come true.

The complete and total dedication of the President of the United States, Jimmy Carter, to exhaust every possible method of bringing this agreement to fruition cannot be overestimated or overemphasized.

The signing of this peace treaty signifies much more than just the end of a state of war between Israel and Egypt. This marks the first treaty Israel ever has signed with any of her Arab neighbors. This is the first time that an Arab nation has, in writing, recognized the legitimate existence of the State of Israel.

Let us be clear in our minds that this momentous achievement brings with it great risk and uncertainty, as well. There are elements in the Middle East who doubtless will do their utmost to see that Israelis and Egyptians suffer for their bold action. There are those whose vicious self-interests will be jeopardized by peace rather than war. There are those who will try to snuff out any chance of enlarging the peace process to include more of Israel's neighbors.

We must be prepared for long and difficult negotiations between Israel and Egypt, as they work to iron out further remaining differences between themselves. I have no doubt that, at times, this will be a terribly frustrating process. But, we must do all we can to help make certain that, even in the face of adversity, the peace process moves forward on a course that will lead to tranquility and stability among all the nations of the Middle East. We must not let the doomsayers or the warmongers dissuade us from this mission.

The eyes of the world are focused on Washington today, where the historic document for peace is being signed. In the days ahead, the eyes of the world will be on the Middle East, constantly gauging the ramifications of today's action.

Let me repeat that we are today, witnessing a milestone in the history of man. Two peoples at odds since biblical times are pledging their friendship to one another. It is an awe-inspiring moment for all the peoples of the world, a moment which calls for rejoicing and celebration.

Words of praise and thanks do not suffice in attempting to express the deep gratitude all of us owe to Jimmy Carter, Anwar Sadat, and Menachem Begin. These three leaders sensed that the moment right for reaching a peace was at hand, and they refused to let that moment pass without capitalizing on it. They did not cease their grueling efforts until this peace treaty was realized.

Let us hope and pray that their efforts will be followed by further actions leading to a lasting peace and friendship among all the nations of the Middle East and, indeed, the world.

MONTANA'S CONSTITUTIONAL CONVENTION VOTE

(Mr. WILLIAMS of Montana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAMS of Montana. Mr. Speaker, I want to share with you and with this House, what I believe is good news.

Thursday, last, just prior to adjournments of this House, I was informed that the State senate in my home of Montana had voted against the proposed Constitutional Convention for the purpose of balancing the Federal budget. Montana's action dealt a serious blow to the attempts to open up the Constitution of our land. But, equally important, the Montana vote is a clear indication that once the white light of public attention is focused on this issue, once the people and their elected representatives begin to consider the full ramifications of a convention to rewrite the Nation's Constitution, then, Mr. Speaker, support for the convention comes apart.

Earlier this month the Montana House approved the convention call by a 66 to 33 vote. Convention proponents had quietly moved this resolution through our Montana House, just as they have lowballed it through legislature after legislature. However, between the house action and the action on Montana's State senate, public awareness, not only in Montana, but around the Nation, began to grow. A group of concerned citizens, led by your son, Mr. Speaker, Lt. Governor Tom O'Neil, formed the Citizens for the Constitution. President Carter created a special task force. Scheduled hearings by the House Judiciary Committee were discussed. The television networks aired the matter. Newspaper editorialists discussed it in print. Under that kind of public scrutiny, our Montana senate took a closer look, and, Mr. Speaker, with bipartisan action, that senate, which, by the way, is held in the majority by Republicans, voted 31 to 18 against the convention call.

Today, I want to particularly commend Republican State Senators Stan Stevens and Bob Brown and Democratic Senators Greg Jergeson, and Chet Blaylock for the leadership which they provided during this important debate and vote. Additionally, Mr. Speaker, I am placing in the extension of remarks, the names of those courageous and farsighted Montana legislators who, by their votes, demonstrated that they understood the potential political convulsions inherent in the calling of, and proceeding through, a Constitutional Convention.

□ 1210

BLOATED CORPORATE PROFITS

(Mr. VENTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, the American public received bad news this past week in reports of bloated corporate profits.

Nationally, the business community has voiced strong support for the administration's voluntary wage and price guidelines. But lipservice to the anti-inflation program has done more to frustrate the inflation problem than to stop it.

Where I come from, actions speak louder than words and a 44.8 percent increase in profits on an annual basis speaks of hypocrisy.

The recent disclosures about the 26.8 percent profit increase over the 1977 fourth quarter for American business is woeful testimony to the inadequacy of the administration's program. If the tremendous fourth quarter gain (9.7 percent for October, November, and December) continues, the Commerce Department predicts American business would have a 44.8 percent profit increase on an annual basis.

Ironically, labor opposed the wage standards but went along with them. Few if any contracts have been settled (and certainly no major contracts) that exceed the guidelines.

I am dismayed by Dr. Alfred Kahn's apology for the outrageous profit increases and his statements about what is allowable under the program. Energy, medical, housing, food and transportation costs already represent exceptions to the guidelines. Are all price increases going to be exceptions?

In light of our frustration about the outrageous February increase in the Consumer Price Index of 15.4 percent on an annual rate and the new information about business profits, the program's final battleground is consumer price increases that continue to feed the inflation spiral.

But Congress, prompted by business interests, dealt that a blow last week. The U.S. Chamber of Commerce and Business Roundtable joined in an all-out effort to frustrate the guidelines. They led opposition to a modest amendment I sponsored which would have enabled responsible price monitoring and expanded public participation in the inflation program.

The amendment was defeated on the House floor by a vote of 2 to 1. It certainly demonstrated the clout business has and the weakness of consumer interests.

Congress will have to act quickly if we are going to salvage an anti-inflation program that is already in the final stages of anemia.

A voluntary wage and price program can be succcessful only when people have faith in it and when all sectors—public and private—honestly support it.

If the Council on Wages and Price Stability is to be scolded for shortsightedness and a soft attitude toward business profits, then American business also deserves a strong reprimand for its uncooperative and sometimes arrogant attitude toward the inflation problem. And apparently many of my colleagues in Congress can hear the pleas of special business interests more clearly than those of the general public.

ETHICS LAW AMENDMENTS

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, the Subcommittee on Administrative Law and Governmental Relations of the Committee on the Judiciary has scheduled a hearing on the bills H.R. 2843 and H.R. 2119 at 10 a.m. on Monday, April 2, 1979, in room 2141 of the Rayburn Building. These bills provide for amendments to section 207 of title 18, United States Code, which bars certain postemployment activity by former Federal officers and employees. The hearing has been scheduled to obtain specific information concerning reported problems in connection with the scope and application of recent amendments of the section which would take effect on July 1, 1979, as part of the Ethics in Government Act of 1978.

POLYGRAPHS: A THREAT TO CIVIL LIBERTIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 5 minutes.

● Mr. McKINNEY. Mr. Speaker, today I am introducing legislation to prohibit the use of polygraph tests in connection with applications for employment or as a condition to continued employment. This legislation is needed to protect Americans against gross violations of an individual's right to privacy. Although the polygraph is a machine of questionable accuracy, it is presently used at approximately one-fifth of all U.S. corporations and threatens the employment futures of hundreds of thousands of Americans each year.

The use of the polygraph in employment has been widely recognized as a violation of civil liberties. In July 1977, the President's Privacy Protection Study Commission concluded that this polygraph use is "an unreasonable invasion of personal privacy that should be proscribed." Similar conclusions have been reached independently by two congressional committees. And the President intends to address this issue again in his upcoming report on individual privacy. Recommendations against this type of polygraph abuse have been supported by increasing attention in the press to the threat which polygraphs pose to our civil liberties.

Mr. Speaker, I do not think that an individual should have to surrender his constitutional right to privacy in order to pursue employment in this country. Recent events here have taught us well the importance of guarding our civil liberties against indiscriminate and intrusive searches for information. In the case of polygraphs, the danger may be best embodied in a statement made by former President Nixon in an Oval Office conversation in 1971 because of his concern over leaks of information from his employees to the press. Proposing to polygraph 1,500 of his employees, Nixon said:

> I don't know anything about polygraphs and I don't know how accurate they are but I know they'll scare the hell out of people.

Well, Mr. Speaker, polygraphs scare me.

To illustrate the nature of this privacy violation, let me describe briefly an average polygraph test. After being advised that the polygraph is nearly infallible, that subject is led into a sparsely decorated room where he is seated. A rubber tube is placed around his chest, cuffs are attached to the upper arms, and electrodes are clipped to the hands. The test is taken with the machine but generally not the examiner in sight. The subject is left, in essence, talking to the machine. The examiner asks a series of questions, some material, some immaterial, in order to register differences in breathing pattern, blood pressure, pulse rate, and skin resistence to external current. In order to test a subject's control response, examiners are free to question their subjects on any aspect of their past lives. Job applicants have been questioned on highly personal topics ranging from sexual conduct to religious beliefs to emotional well-being. Convinced that the lie detector is infallible, subjects have confessed aspects of their personal lives which they might not have revealed otherwise except to a close friend or clergyman. On the basis of this type of information, clearly unrelated to job performance, individuals can be "failed" and blackballed in the job market.

It was reported in 1977 that approximately 90 percent of job applicants rejected after having taken a preemployment polygraph examination were rejected on the basis of their own admissions, not on the basis of the results obtained from the polygraph test itself. In cases such as these, the polygraph no longer serves to detect truth or falsehood. Rather, it is a means of intimidation which gives the polygraph examiner the ability to elicit personal and intimate information from the subject and to report that information to the employer. That, Mr. Speaker, is a violation of a constitutional right. As long as we allow this practice to continue, we are condoning that violation. Documented examples of this type of polygraph abuse are far too numerous to mention here.

I would just like to note that the test was recently described by a job applicant in Fairfax, Va., as a "nightmare" and "a frightening, ridiculous experience." An applicant to the police cadet school in Fairfax, the individual said at least half the questions asked by his examiner in his preemployment polygraph test involved sex or drugs. A police personnel official later said the job applicant had been turned down on the basis of his truthful answers to those questions. Examples such as this one have been reported from across the country.

The abuse of polygraphs in employment would constitute an invasion of privacy even if the machine were known to be 100 percent accurate. Unfortunately, this is not the case. To my knowledge, there are absolutely no scientific data with regard to the accuracy of preemployment polygraph examinations. Studies conducted to date have aimed to evaluate the accuracy of polygraph techniques with criminal suspects only. And the results of these studies point to nothing more than confusion. Polygraph experts such as Dr. David T. Lyyken, professor of psychiatry and psychology at a leading medical school, have concluded that the average validity of a polygraph test under actual stress conditions is not more than 72 percent. Other estimates range from the polygraph industry's claim of almost 99 percent to the American Civil Liberties Union contention that the accuracy rate of the polygraph is no better than chance. All in all, there has been no refutation of the conclusion reached by the House Government Operations Committee in 1965; namely, that "there is no 'lie detector,' neither machine nor human."

Mr. Speaker, I submit that the polygraph has the potential for inaccuracy built into it. The polygraph concept presumes that an identifiable physical reaction can be attributed to a specific emotional stimulus. The fact is, however, that no two human minds are alike. The Department of Justice recognized this liability when it recommended against the use of polygraph evidence in criminal trials. In explaining its position to the House Government Operations Committee in 1976, the Department pointed out that there is no specific physiological reaction indicative of deception and that even the same person may have inconsistent physiological reactions associated with deceptive responses. The Justice Department also maintained that a person's reactivity may be affected by a number of factors, including his moral attitude toward lying, his mental condition, the influence of depressant drugs, and the physical circumstances incident to the examination.

The bill I have introduced prescribes fines and imprisonment for those employers who request or require that their employees or applicants for employment take a polygraph test as a condition of employment. A willful violation could be punished by up to a year in prison or a $1,000 fine or both. The bill also establishes civil penalties of up to $10,000 to be payable to the federal treasury. Finally, a private remedy is provided to allow a person who has been the victim of a violation of the act to recover damages from the employer for losses resulting from the violation. While the bill covers employers in both the private and the public sectors, a specific exemption is made for Federal organizations within the intelligence community as defined in section 4-207 of Executive Order 12036.

Mr. Speaker, the polygraph could soon symbolize the threat which the abuse of technology poses to the traditions of our Constitution. Employers have used the machine, as inaccurate as it is, to save the time required to make a conventional investigation of potential employees. Personnel managers have used the machine to make sweep investigations whenever something has been found missing from an office or warehouse. Fortunately, however, the fight against the polygraph has finally begun in earnest. At least 15 States have passed measures prohibiting or restricting polygraph use in employment. A House bill similar to the one I am introducing today received the support of 24 cosponsors in the 95th Congress, and another similar bill will be introduced soon in the Senate. With assistance of this Congress, the legislation I am proposing today, combined with existing laws and statutes, will end forever the arbitrary mechanized selection of who will work and who will go without a job.●

STATEMENT OF HON. CHARLES GRASSLEY—MANDATORY RETIREMENT

The SPEAKER. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 5 minutes.

● Mr. GRASSLEY. Mr. Speaker, this is second in my series of statements highlighting the findings of a Lou Harris poll conducted on Americans' attitudes toward their pension and retirement years. The statement of March 13 discussed what was revealed in the survey concerning inflation and its effect on the quality of retired life. Today's statement will concentrate on Mr. Harris' findings regarding viewpoints on mandatory retirement.

First of all, the current trend toward early retirement may be reversed in the not-too-distance future. More than half—51 percent—of today's employees would prefer to continue working in some form or another instead of retiring. Workers between the ages of 18 and 49 are significantly less likely to look forward to retiring than older workers. This may be a perception that will change as workers grow older, but it also may point to an increasingly preference for deferred retirement as the work force ages.

Secondly, there is a general consensus that mandatory retirement is an unfair practice. Raising the mandatory retirement age from 65 to 70 in the private sector was welcomed, however, a large majority felt it should be abolished completely. Eighty-eight percent of current employees and 67 percent of the business executives interviewed believe that nobody should be forced to retire because of age if he wishes to continue working and is still able to perform his job.

It was also discovered that nearly half—46 percent—of today's retirees would prefer to be working now and more than half—53 percent—would have preferred to continue working in some kind of employment instead of retiring.

As ranking minority member on the Select Committee on Aging, I have heard much about the capability, the desire and the need that seniors have to work. I believe that it is psychologically healthy for the individual and economically healthy for the country to allow the continuing employment of our competent older workers. The findings of this poll clearly indicate that the raise in retirement age from 65 to 70 in the private sector and abolishment in the public sector was a responsible and responsive legislation action. It is our job on the Aging Committee to monitor the effects and the enforcement of this recently enacted law. In addition, I have joined the chairman of the Committee, CLAUDE PEPPER, in cosponsoring a bill which would completely ban mandatory retirement from private sector employment.●

REMEMBERING BYELORUSSIA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New Jersey (Mrs. FENWICK) is recognized for 5 minutes.

● Mrs. FENWICK. Mr. Speaker, on March 25, 1918, the people of Byelorussia declared the establishment of a sovereign national state. The act of independence contained the words:

> We, the Council of the Byelorussian Democratic Republic, are liberating our country from the last vestige of state dependency imposed by Russian monarchy upon our free and independent country.

It has not been so. The control of the Russian Tsars in St. Petersburg has been followed by that of the Soviet Government in Moscow. The difference is that the Soviet Government, on August 1, 1975, in the Final Act signed at Helsinki, promised all its subjects the free expression of their human rights—rights which the people are still struggling to obtain. The date of their declaration of independence is a good moment to remind us all of their continuing oppressions.●

THE ADMINISTRATION THINKS BUSINESS SHOULD BE AN HONOR WITHOUT PROFIT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, the administration apparently believes that working or doing business in America should be an honor without profit. The news that unadjusted, pretax profits increased in the fourth quarter of 1978 at an annual rate of 44.8 percent brought a dismally predictable reaction from the administration. Speaking for the President, Hamilton Jordan called business profits "unnecessarily high" and promised that the administration "will take steps to deal with" this situation. Alfred Kahn, while less summary in his judgment, nevertheless said the fourth-quarter profit performance "puts business on trial" before the American people.

Actually, the administration long ago suspended due process when fixing its blame for the rising price of goods. Virtually ignoring the high tax rates and regulatory burdens which decrease the production of goods and loose money policies which increase the supply of money, the administration has convicted America's workers and businesses of causing inflation.

Before this reaches the point of lynchings, Mr. Speaker, I would like to point out that while President Carter's advisers are calling for curbs on excessive profits, U.S. Department of Commerce figures show that aftertax profits fell 4.6 percent in real terms while retained earnings in 1978 actually fell more than 17 percent in real terms from 1977.

If there is anything to be alarmed about in the fight against inflation, it is that the profits available for capital formation—reinvestment to create jobs, improve productivity, increase output and raise our real standard of living—could drop 17 percent in a single year.

The figure which the President's chief political adviser seized upon was the Commerce Department's estimate that pretax book profits rose 9.7 percent in the fourth quarter of 1978. If profits had increased at this compounded rate all year, they would have risen 44.8 percent.

But they did not. Before taxes and adjustment for overstatement, profits increased 16.4 percent to $202.1 billion, according to the Commerce Department. But $42.5 billion of this was purely illusory our tax laws, according to the same Commerce Department figures. Of this, $24.4 billion were paper profits due to the appreciation of inventories on the shelves because of inflation. Naturally, the replacement cost of these items also increased by $24.4 billion. So there was no profit in real terms, even though the companies paid taxes on the inflation. The other $18.1 billion overstatement, according to the Commerce Department, was caused by the fact that our tax laws do not permit replacement-cost accounting of depreciation of capital equipment. Inflation causes the replacement cost of machinery to rise faster than the depreciation allowed for tax purposes, and therefore raises the real tax rate on profits.

Many economists believe that even the Commerce Department's estimates are too low, because they are not based on the actual depreciation tables which are used by businesses.

But based on Commerce Department figures, corporate profits before taxes were $159.6 billion after adjustment for overstatement, instead of $202.1 billion. This is a 10.7 percent increase before taxes, or 2 percent in real terms.

Of this $159.6 billion, taxes took $83.9 billion, or 53 percent, leaving $75.6 billion after taxes, a decline of 4.6 percent in real terms from 1977. Dividend payments to investors came to another 31 percent, or $49.3 billion. Dividend payments were so large for precisely the same reason that real tax rates were so high—the overstatement of book profits.

In other words, businesses retained only 13 percent of their book profits. And that $26.3 billion was 8.7 percent lower than in 1977, or 17.1 percent lower after accounting for the dollar's decline in value. That means 17 percent less profits available for capital formation to create jobs, increase productivity and increase workers' standard of living in real instead of inflated dollars.

Mr. Speaker, judging by statements issuing from the White House, the administration is conducting a witch-hunt for business profits which will be economically as disastrous as its attempts to hold down real wages. The evidence is overwhelming that the administration is deliberately trying to slow down the economy as its answer to inflation.

If the administration were serious about stopping inflation, it would stop its wage-price-profit witch hunt and stop inflating the money supply and stop trying to slow down the economy, and instead remove some of the barriers to economic growth.

Inflation will continue as long as this administration continues to operate on the incredible assumption that anyone but the Government can devalue the dollar. The price of goods rises when there are too many dollars created and too few goods produced.

The answer to inflation is not to blame business for trying to make profits, or workers for trying to earn wages. The way to stop inflation is to get the Government to stop devaluing the dollar by excessively inflating the money supply, and increase the after-tax rewards for work, saving, and investment. We have to reverse the steady rise of effective tax rates on both labor and capital.

There are three things Congress must do to prevent inflation from increasing the real tax rates on business. We must exclude from taxable income the phony profits on paper caused by the appreciation of inventories due to inflation; permit replacement-cost accounting to stop the overstatement of profits due to understatement of capital consumption; and index the capital gains tax rates to inflation.

For workers, we must cut tax rates on personal income across the board to make work, saving and investment more attractive, after taxes, than not working, consumption and leisure. We must also index the personal marginal tax rates to prevent taxpayers from being pushed into higher tax brackets with no real increase to income.

We can produce our way out of inflation with incentives to increase economic growth, jobs and productivity. But we can't solve the problem of too much money and too few goods by raising unemployment and decreasing the production of goods. If we are to stop inflation, neither working, saving, investing nor running a business should be an honor without profit in this land.●

PANAMA SEA LEVEL CANAL: ENVIRONMENTALISTS OPPOSE INCLUSION IN LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 5 minutes.

● Mr. FLOOD. Mr. Speaker, the predetermined objective behind the enactment of Public Law 88-609, 88th Congress, creating the Atlantic-Pacific Interoceanic Canal Study Commission, was the advancement of the ancient idea of a so-called sea-level canal across the Central American Isthmus. This misnamed type of canal, because of large differences in the tidal ranges of the Atlantic and Pacific Oceans, would require some form of tidal control to enable safe navigation. Thus, it would be more accurate to describe this design for a waterway as a tidal lock canal.

Distinguished scientists who have studied and written extensively on the environmental aspects of the canal question in technical literature have generally opposed the "sea-level" proposal because they consider it the environmental "challenge of the century." Some of their organizations in 1975 and again in 1977 voiced strong public opposition.

Notwithstanding those well-known views, efforts are still being made to promote the idea of a sea level canal regardless of the environmental dangers, great cost, and other vital factors involved.

The latest statement on this matter by responsible environmental organizations is a January 30, 1979 letter to the President of the United States that stresses some of the shortcomings of the 1970 sea level report under Public Law 88-609.

Mr. Speaker, to make the indicated letter available to the Congress and executive agencies as well as to the Nation at large, I quote it as part of my remarks:

Friends of the Earth,
Washington, D.C., January 30, 1979.
President Jimmy Carter,
The White House,
Washington, D.C.

Dear Mr. President: The recently ratified Panama Canal Treaties call for the establishment of a joint feasibility study of a Sea-level Canal in Panama (Article XII) and a Joint Environmental Commission (Article VI).

Conservation and environmental organizations voiced their opposition to a Sea-level Canal in 1975 and again in 1977. A $24 million dollar, six-year study (built on four previous studies) completed in 1970 generated information on the engineering and route selection of a Sea-level Canal. Major shortcomings of that study concerned the lack of ecological information needed to make a determination of the environmental effects of such a project.

The Norwegian Association for Ecology has expressed concern about proceeding, stating, "Expertise of marine biology must ensure that the final decision about realizing the project is firmly based upon adequate ecological knowledge". If decisions are to be made on the feasibility of such a project, the first order of business should be a long-range scientific effort to assess the environmental impacts and ecological effects of a Sea-level Canal.

In general, however, we see no need for haste and recommend that a decision concerning a Sea-level Canal study not be made part of the current implementing legislation and that the Administration oppose all Congressional efforts to legislate such an effort at this time.

Concerning the Joint Environmental Commission, we view this body as one similar in fashion to our own Council on Environmental Quality, that is, a body clearly charged with addressing ecological concerns and advising on environmental problems such as deforestation, the pumping of seawater into the existing canal, and the protection of the natural resources of the Canal Zone. We urge that the strongest possible environmental committee be created, staffed by persons from private life committed to environmental protection.

Sincerely,

David R. Brower, President, Friends of the Earth.

Toby Cooper, Program Director, Defenders of Wildlife.

Pamela Deuel, Legislative Coordinator, Environmental Action, Inc.

Brent Blackwelder, Washington Representative, Environmental Policy Center.

Douglas W. Scott, Northwest Representative, Federation of Western Outdoor Clubs.

Lewis Regenstein, Executive Vice President, The Fund for Animals, Inc.

Russell E. Train, President, World Wildlife Fund—U.S.

Dr. David S. Claflin, President, International Society for the Protection of Animals.

T. Destry Jarvis, Administrative Assistant, National Parks and Conservation Association.

Brock Evans, Washington Representative, Sierra Club.

Marni Holbrook, Environmental Associate, Izaak Walton League of America.●

CRIME SUBCOMMITTEE CONTINUES HEARINGS ON LEAA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. Conyers) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, the Subcommittee on Crime, which I chair, will continue its hearings on legislation to reauthorize and reorganize the Law Enforcement Assistance Administration, H.R. 2061 and H.R. 2108, on April 3. This hearing will begin at 2 p.m. in room 2226 of the Rayburn House Office Building.

Individuals wishing to testify or submit a statement for the record should address their requests to the House Committee on the Judiciary, Subcommittee on Crime, 207E Cannon House Office Building, Washington, D.C. 20515.●

ADMINISTRATION'S CHILD WELFARE SERVICES, AFDC FOSTER CARE AND ADOPTION SUBSIDY PROPOSAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Corman) is recognized for 5 minutes.

● Mr. CORMAN. Mr. Speaker, today I am introducing the administration's Child Welfare Services, AFDC Foster Care and Adoption Subsidy proposal. The Subcommittee on Public Assistance and Unemployment Compensation is currently holding hearings on this and other bills dealing with these issues and expects to markup a bill this coming Wednesday.

This Administration proposal was prompted in large part by House passage of H.R. 7200 in the 95th Congress. It is substantially the same as the administration's draft bill transmitted to the Congress on July 25, 1977. The amended foster care and child welfare programs and the new adoption assistance program under this bill would provide significantly greater safeguards for children, parents, foster parents, and guardians than are provided under current law.

This bill would substantially increase the Federal funds available under part B of title IV of the Social Security Act, by amending part B to entitle States to payment of the full $266 million authorized to be appropriated. Over time, this increase will represent an annual increase of more than $200 million above current appropriations. In addition, the Federal matching rate would be increased to 75 percent of State expenditures. In return for this increased funding, States would be expected to improve significantly the quality and scope of services they provide to children and their families, and would be required to develop strengthened procedural safeguards to protect the rights of children and their parents, guardians, and foster parents. Among other things, States would be required to develop and implement procedures for regular case monitoring and review (including judicial review) for each child placed in foster care under the supervision of the State. States would also be required to earmark a percentage of their child welfare services funds for services designed to keep families together, and to reunify families.

The bill would establish a new program of Federal support for foster care and adoptions. Foster care for poor children is now funded as part of the aid to families with dependent children program (AFDC), but there is no Federal program designed to provide funds for or to encourage adoption. Rather, the current system discourages potential adoptive parents from adopting foster children, many of whom have special needs as a result of their age, race, or mental or physical handicaps. This proposal would place both these programs in a new part E of title IV.

In addition to providing funds to assist families to adopt such children, this new program would provide continued Medicaid coverage for children with medical conditions which contribute to the difficulty of placing them for adoption. Funding for this program would be based on previous State expenditures for foster care. Funding would increase for 5 years, to accommodate the program improvements required, and would thereafter remain level at the funding level for fiscal year 1984.

The amendments made by this bill are designed to encourage States to reduce the numbers of children in foster care by preventing separation from their families and by encouraging permanent placement with adoptive families in cases where there is no hope that a child will be able to remain with his biological family.

The bill reflects a serious and growing concern about the problem of abuse of children in foster care, particularly those in institutions and in situations where the child is placed far from home. It is important for the State and Federal Governments to demonstrate their commitment to helping children grow to maturity in loving and supportive environments. This can only be done by assuring that foster care children are receiving proper care and periodic reviews of their placements; that adoption is available for children who cannot return home; that children can be free from concern about institutional abuse and inappropriate placement; and that families who want to adopt children with special needs are assisted financially where appropriate.

I want to recognize the leadership in this area that has been provided by our colleague from California, George Miller, and Bill Brodhead, from Michigan, who is a member of the Public Assistance and Unemployment Compensation Subcommittee. We have this administration proposal before us today largely because of their efforts to bring these problems and possible solutions to the attention of the President and the Congress.

I include in the Record at this point a section-by-section summary description of the administration proposal I am introducing today:

SECTION-BY-SECTION SUMMARY

Sec. 1 provides the short title of the bill—the "Child Welfare Amendments of 1979", and declares that references in the bill are to the Social Security Act (the Act).

Sec. 2(a) of the draft bill would amend title IV of the Act by adding at the end of that title a new part which would authorize a program of federal financial assistance to States for foster care and adoption assistance. Currently, State foster care programs are assisted with federal funds available under the aid to families with dependent children (AFDC) program, and there is no federal program designed specifically to help States encourage adoptions by providing financial assistance for adoption. Following is a summary of each section which would be contained in the new part E.

Section 470(a) of part E would declare the purpose of part E to provide for a federally-assisted State program of payments for foster care and adoption assistance on behalf of needy children.

Section 470(b) of part E would authorize appropriations of such sums as necessary for fiscal year 1980 and succeeding fiscal years to carry out the purpose of part E.

Section 471 of part E would provide for the allotment to States of the funds appropriated for part E. For fiscal year 1980, each State would be allotted 130 percent of the amount it was entitled to be paid for foster care maintenance payments under title IV–A of the Act for fiscal year 1978. For the next four fiscal years each State would be entitled to an allotment ten percent higher than the previous year's allotment. For fiscal year 1985 and each succeeding fiscal year, each State would be entitled to an allotment equal to its allotment for fiscal year 1984. In determining the States' allotments, the Secretary would be required to presume that the State was entitled to payment of all disputed claims until the fiscal year following the fiscal year in which the dispute was finally resolved.

Section 472 of part E would provide the State plan requirements which must be satisfied for participation in the foster care and adoption assistance programs. Most of the provisions parallel requirements currently applicable to foster care programs under the State plan provisions for AFDC. They include requirements pertaining to "statewideness" (the programs must be in effect throughout the State), personnel standards based on merit, State reports to the Secretary, periodic evaluations of the programs, and confidentiality of individual records. Other part IV–E plan requirements have no parallel provision under part IV–A.

Several of the new provisions are designed to assure effective administration of the title IV–E program and coordination with related programs. They include requirements (1) that the State agency which is responsible for the child welfare services program under title IV–B of the Act and the social services program under title XX of the Act also administer the new part E programs; (2) that the State assure appropriate coordination between the new programs and other related programs; (3) that the title XX standards which apply to child-care institutions and foster care homes would also apply to such entities when assisted under part E; and (4) that the State arrange for periodic independent audits of its programs under part E.

Other new plan requirements are designed to protect the rights of parents, foster parents, and children. They include requirements (1) that the State agency bring to the attention of the appropriate court or law enforcement agency conditions harmful to any child assisted under the part E programs; (2) that each child in foster care under the program have a case plan and receive a case review at least every six months; (3) that the plan provide for procedural safeguards of the rights of parents, foster parents, and children, including a judicial dispositional hearing not later than 18 months after the original placement in foster care; (4) that each voluntary placement under the program be pursuant to a written agreement; (5) that reasonable efforts be made to prevent removal of children from their homes, and to return them home; and (6) that any individual denied benefits under the program be afforded a fair hearing (this provision parallels a provision in title XX). States would have a three-year grace period to implement those new provisions requiring development and implementation of new procedures.

Section 472(b) of part E would require the Secretary to approve a State plan which met the statutory conditions.

Section 473 of part E would provide for payments to the States. Under section 473(a) each State would be entitled to payment from its allotment of the federal share (as determined for purposes of the Medicaid program) of foster care maintenance payments and adoption assistance payments under the program. States would be entitled to payment of 75% of their training costs under the program; 50% of other administrative costs for the fiscal years 1980 through 1982, and 75% of other administrative costs for succeeding fiscal years, subject to ceilings as provided for under section 473(b). Under section 473(c), beginning with fiscal year 1981, sums allotted to a State for purposes of part E which the State does not claim under part E could be claimed by the State under part B of title IV. Section 473(d) would establish a deadline for filing of claims for reimbursement by the federal government for expenditures under part E of the end of the fiscal year following the fiscal year in which the expenditure was made.

Section 474 of part E would authorize the Secretary, where a State with an approved plan ceased to comply with the requirements of this part, to reduce the State's federal payment by an appropriate amount, or to cease making payments entirely, until the State has corrected its failure.

Section 475 of part E would provide the definitions of terms used in this part.

Section 476 of part E would describe the foster care maintenance program which a State must provide under its State plan. In many respects, the program would not differ from the one currently authorized as part of the AFDC program under section 408 of the Social Security Act. Following are the major innovations which would characterize the revised program: (1) federal reimbursement would be provided with respect to children voluntarily placed in foster care or placed initially on an emergency basis; (2) findings to be included in judicial determinations which serve as the bases for placement in foster care would be specified; (3) the requirements for the individual case plan for each child in foster care would be strengthened; (4) each child must be in the least restrictive (family-like) setting available consistent with his best interests and most appropriate to his special needs and in close proximity to the child's family; and (5) federal reimbursement would be permitted with respect to foster care provided by public institutions, so long as any such institution accommodated no more than 25 children. As under current law, children in foster care under part E would retain their Medicaid eligibility.

Section 477 of part E would describe the adoption assistance program which a State must provide under its State plan. Under the program, a State would be responsible for determining which children in the State in foster care would be eligible for adoption assistance because of special needs which have discouraged their adoption. The State would have to find that any such child would have been eligible for AFDC but for the child's removal from the home of his relatives; that the child cannot or should not be returned to that home. The State would also have to make a reasonable effort, consistent with the child's needs, to place him for adoption without offering financial assistance; however, this last requirement could be waived where it would be against the best interests of the child because of such factors as the existence of significant emotional ties with foster parents who wish to adopt him.

In the case of any such child, the state could pay adoption assistance to adoptive parents, so long as their income did not exceed 200 percent of the median income of a family of four in the State, adjusted to reflect family size. The agency administering the program could make exceptions to the income limit where special circumstances (as defined by regulation) warrant adoption assistance. The amount of the adoption assistance would be agreed upon between the parents and the agency, could not exceed the foster care maintenance payment that would be paid if the child were in a foster family home, would be readjusted by agreement of the parents and the local agency to reflect any changed circumstances, and could initially include an additional payment to cover the non-recurring expenses associated with the adoption of the child. Adoption assistance payments would not be paid after the child reached maturity, or for any period when the family income rose above the specified limits.

Section 478 of part E would authorize an appropriation of $1.5 million annually to permit the Secretary to provide technical assistance to States to assist them in developing the programs called for in part E; to make grants to, or enter contracts with, the State agencies to develop interstate systems for the exchange of information pertaining to foster care and adoptions; and to evaluate the programs authorized under part B and part E of title IV. The Secretary, pursuant to this section, would periodically publish data pertaining to foster care and adoptions.

Sec. 2(b) of the draft bill would repeal section 408 of the Act, which currently authorizes federal reimbursement for State foster care programs under title IV–A.

Sec. 3 of the draft would amend title XIX of the Act to provide limited Medicaid eligibility until maturity to certain children with special needs receiving adoption assistance under part E of title IV. The State would be required to provide Medicaid coverage for any medical condition which contributed to the difficulty of placing such a child for adoption, and would have the option of providing him full Medicaid coverage. (It should be noted that, as is the case with other Medicaid recipients under current law, if there is a family insurance contract that covers the child, Medicaid would only provide coverage in excess of the coverage provided by that policy.)

Secs. 4 through 9 of the draft bill would amend part B of title IV of the Act, which authorizes federal reimbursement for State child welfare services programs.

Sec. 4(a) of the draft bill would redesignate section 421 of the Act (which provides for allotments to the States of appropriations under part B) as section 421(a), and would amend this provision to entitle each State to a proportional share of the amount authorized to be appropriated (currently $266 million per fiscal year). (This entitlement would be limited by certain conditions specified in sections 7 and 8 of the draft bill.)

Sec. 4. of the draft bill would also transfer from section 423 of the Act to section 421 the provisions concerning determination of State allotment percentages, and would repeal section 424 (which provides for reallotment of part B funds unused by States).

Finally, this section of the draft bill would amend part B to modify the federal share of State costs under the child welfare services program. Currently, the rate of federal reimbursement is related to the per capita income in each State, and ranges between 33⅓ percent and 66⅔ percent. Under the amendment which would be made by section 5, federal reimbursement would be 75 percent of expenditures for each State.

Sec. 5 of the draft bill would amend part B to reorganize provisions concerning State plan requirements and federal payments. No substantive changes in current law are made by this section. It would repeal section 422 of the current Act, which contains provisions concerning both plan requirements and payments, and replace it with new sections 422 (containing plan requirements) and 423 (containing provision for payments).

Sec. 6 of the draft bill would amend section 423 of the Act, as added by section 5 of the bill, to establish a deadline for filing of claims for reimbursement by the federal government for expenditures under part B of the end of the fiscal year following the fiscal year in which the expenditure was made.

Sec. 7 of the draft bill would amend section 423 of the Act, as added by section 5 of the bill, to limit the amount of a State's payment under part B which the State could spend for foster care maintenance payments, adoption assistance payments, and employment related day care services to the amount which the State was actually paid under part B for expenditures in fiscal year 1979.

Sec. 8 of the draft bill would amend section 423 of the Act, as added by section 5 of the bill, to specify the conditions which a State must meet in order to be entitled, in fiscal year 1980 or any succeeding fiscal year, to payment from its allotment (as increased by section 4 of the bill) of an amount greater than it was paid under part B for fiscal year 1979.

Thirty percent of the additional sums would be available beginning in fiscal year 1980. States would be able to use that money for any purposes permitted under part B. However, the intent is to provide increased sums to the States to enable them to give priority to establishing certain systems and procedures—including information systems, case review systems, service programs to help children stay with, or return to, their families, and procedural safeguards to protect the rights of parents, children, and foster parents. States would also be required to complete case reviews of all children who have remained in foster care over six months, and to make a report to the Secretary based on those reviews.

Once these steps were accomplished, but not before fiscal year 1981, a State would be eligible for its full allotment under part B, on three conditions: (1) The State must demonstrate to the satisfaction of the Secretary that there are in operation in the State specified safeguards, including a statewide information system covering all foster children, a case review system, procedural safeguards including judicial review of placements, written agreements governing all voluntary placements, and a program designed to prevent separation of children from their families. The State would also be required to submit to the Secretary an annual report. Where the State failed to meet these requirements, the Secretary would have discretion to withhold all or part of the State's federal payment in excess of the amount paid for fiscal year 1979. (2) At least 40 percent of the amount received in excess of the federal payment for fiscal year 1979 must be spent in part for services to prevent removal of children from their families and in part for services to restore children to their families. (3) A State would not be paid more than it was paid for fiscal year 1979 in any fiscal year in which it spent less from State sources for child welfare services than it spent from State sources in fiscal year 1979.

Sec. 9 of the draft bill would amend section 422 of the Act to add several new requirements for State plans under part B. (1) The plan would be required to provide that the part B agency will develop and administer a plan under the new part E added by this bill. (2) Once a State had met the conditions for payment of its full allotment under part B, the State would be required to maintain the systems and procedures it had developed. (3) The plan would be required to provide that any requirements applicable to foster care maintenance payments or adoption assistance payments under part E would also be applicable to payments under part B which are used for those purposes.

Sec. 10 of the draft bill would make technical conforming amendments to title IV-A of the Act, and would provide that funds appropriated and allotted to States under part B for fiscal year 1980 would remain available for expenditure by States through fiscal year 1981. This section would provide an effective date for the draft bill of October 1, 1979.●

PERSONNEL REDUCTIONS IN VA HOSPITALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ROBERTS) is recognized for 5 minutes.

● Mr. ROBERTS. Mr. Speaker, recently the Committee on Veterans' Affairs conducted 2 days of hearings concerning the reductions in VA medical care personnel imposed by the Office of Management and Budget for the current fiscal year. Our hearings disclosed that more than 6,400 positions will be lost during this year in existing VA medical facilities. Another 1,650 reduction is scheduled for fiscal year 1980. Within the next few days I shall publish a list of these reductions by State so that all the Members of the House will be aware of the reductions taking place in VA facilities located in their State.

During our hearings the committee was privileged to receive testimony from some of the most outstanding professional staff of the Department of Medicine and Surgery. Without exception these individuals described to us the adverse impact these planned reductions will have on both the quality and quantity of care of veterans. Members of the Committee on Veterans' Affairs are very disturbed about those reductions and unless Congress is willing to provide the funding level necessary to restore the reductions imposed by OMB, thousands of eligible veterans, many of them service connected, will be unable to receive treatment in VA facilities. This is especially true in outpatient services.

We were most impressed with the testimony of all the witnesses and I would like to share with you a few brief comments of Dr. Wendell Musser, the very able Chief of Staff of the VA hospital in Lexington, Ky. For those of you who may be interested in the testimony of all members of the VA panel, copies of the hearing will soon be available by contacting the committee.

The comments follow:

VETERANS' ADMINISTRATION HOSPITAL,
Lexington, Ky., March 16, 1979.

Hon. RAY ROBERTS,
Chairman, Veterans' Affairs Committee,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ROBERTS: I am responding to your letter of March 2, 1979. I want to begin by expressing my deep felt thanks for your warm and friendly words. You stated in your letter that you would like to have a response from me as to how you as the Chairman of the Veterans Affairs Committee could assist us in the field in the maintenance of a strong veterans health care delivery system. I think that the testimony given by the field people on the second day was rather explicit and detailed as to the needs of the system; however, I would like to summarize by offering a few comments, related to individual items.

I speak from what I personally know about the system and some of my comments will be made relative to my attitude were I sitting in your seat. If I were playing your role, I would put forth every effort to keep the VA a separate system for veterans. If I were not successful in that endeavor, at least, I would insist that some system or portion of a system be given the specific responsibility for the care of veterans of this nation. It, therefore, goes without saying that in order to maintain a system for veterans in which quality care can be given, adequate funding relative to that level of quality must be made available.

As you probably realize, care within the Veterans Administration for a specific entity costs less than in the private sector unless one is considering only our long term, somewhat custodial, care. In addition, when people compare us to the private sector, they often overlook the fact that our cost figures include the salaries of physicians and, of course, this is not true in the private sector.

I emphasize again that the Veterans Administration represents one of the more economic ways to provide care for this segment of the population of this country. You must further realize that the ratio of employees to patients is less than one-half of that in the private sector. Obviously, we do not need the same kind of employee-patient ratio but we certainly need more in order to cope with the needs of our patients.

I hope I am not being presumptuous, but I would like to offer a list of items of importance followed by a few pertinent comments:

1. Maldistribution of Resources: It is my opinion that some mechanism for needs assessment at a local level is necessary. To rely only on national norms and averages is not responsive to the needs of the individual station. It would not be appropriate nor probably possible for the Congress to enter into legislative maneuvers to assure equitable distribution of resources relative to the needs of the local level. However, the Congress could insure that no interference be allowed if a reasonable distribution mechanism is in place.

2. Research Budget: The research budget must increase on a yearly basis a few percentage points above the necessary inflationary increase rate. What we say for the medical care appropriation is also true for the research budget. The effect of this budget has a unique and catalytic effect on our system. It allows us to recruit a quality manpower staff which is absolutely essential in order to truly give quality care to our veteran patients. The Research Budget must be maintained; any efforts to erode in a hidden, circuitous or even direct fashion must be avoided.

3. Construction Projects: We must have the support of Congress to deal with construction projects of many varieties, espe-

cially those aimed at ambulatory care workloads and research activities. It appears that the system has a paucity of adequate ambulatory care space and research laboratories.

4. Evolution of a National Entitlement System (National Health Insurance): The VA must be allowed to take its natural leadership role in bringing about crisper definitions and newer initiatives for the Veterans Administration in the evolution of a national entitlement system. We must consider either a wider development of our programmatic approach to the total health care needs of the nation or to expand the population base and authority under which we operate (for instance, the ChampVA Program and other dependents could be cared for within the system).

5. Physicians' Pay: The physician provides the charging energy necessary to make the whole motor activity of the system perform; without him, everything stops dead center. Each day, we fall farther and farther behind in competing for the talents of this highly trained, specific professional.

I believe the Veterans Administration should have its own pay schedule and pay system and be immune from the constricting regulations and comparisons which now obtund our recruiting and retention efforts.

6. Regionalization: The regionalization system now in effect is cumbersome, ineffective and actually negative as far as its impact is concerned. The basic underlying force of regionalization is the matching of patients' needs to the resources available in the geographic area. There are far too many Medical Districts at the present time. A Medical District Director should be put in line as far as operative authority is concerned.

7. VA Medical Schools: It is my opinion that the VA should not be in the business of developing and granting funds to medical schools. This rightly is the business of HEW or other branches of government. It was our opinion a few years ago that the law was ill advised; we still feel this way.

8. Postgraduate Medical Education: We must continue to support postgraduate medical education; in fact, we have to extend efforts to increase it. It is on this activity that we are able to acquire the necessary physician manpower to meet the needs of our veteran patients. Money spent in this endeavor is money well spent. It is an important part of our operative plan to increase quality of care to our veteran patients.

9. Sharing of Specialized Medical Resources: The Sharing Act has always been a rather restrictive Act and has created a considerable number of problems in many of our hospitals throughout the system, in that the language is unclear and inflexible, especially when dealing with specialized medical resource requirements.

10. Bed Reduction: Although the term "bed reduction" creates a slight pang of fear in my heart as well as in the hearts of many others, I think it is not appropriate to turn one's back on the reality that bed reductions may be in order in very selected sites. This is especially true if we are giving better, more responsive and higher quality care by developing our ambulatory care activity. In addition, as we apply the science and technology of modern medicine, we oft times shorten the length of stay and increase the turnover rate and thereby reduce the operating beds needed.

11. Health Information Systems: The agency since 1963 has been incapable of developing a health care information system that is truly responsive to the managers in the field. It is infrequent that one of our directors is able to obtain, upon request from an automated data process system, that specific information needed to make a management decision. The Department of Medicine and Surgery has received very little cooperation from anyone to develop this very necessary modality.

12. Image of the Veterans Administration: I am proud to be in government. I am proud to be a part of the Veterans Administration. My resentment and sometimes anger has developed over the years, when it has become readily apparent how little is known about the VA and oft times what a bad image we portray to the general public. We are a crucial and vital part of the scene in American medicine. All walks of life including the United States Congress should know in depth of our varied successes in teaching, research, and most importantly in our primary mission of delivery of care to veterans. Too often we are left out of interactions that occur in other branches of government. Too often we are not involved in crucial deliberations that occur in the power circles of the Washington scene. Too often valuable time and resources are wasted redeveloping or rethinking an item the Veterans Administration has used for more than 25 years.

Thank you for allowing me to make these comments. I am not sure how accurate or helpful they may be, but I offer them to you in response to your request.

Sincerely yours,

A. WENDELL MUSSER, M.D.,
Chief of Staff.●

TOWARD MIDDLE EAST PEACE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, I commend the President today on the successful completion of the peace treaty between the State of Israel and the Arab Republic of Egypt. Today's signing is of unprecedented importance toward securing the ultimate goal of peace throughout the Middle East. The President and his advisers are to be congratulated for their efforts. The tremendous amount of time and labor this administration has expended during the past 16 months is a clear indication of the U.S. commitment to seeking an end to the conflict which has brought so much death, destruction, and ill-will to the nations of the Middle East.

We all know that today's signing of the Egyptian-Israeli pact is only one small step toward real peace in the Middle East—but it is a significant step. We cannot overstate the progress that has been made since the beginning of the rapprochement between these two nations. Who would have believed 2 years ago today that the Egyptian and Israeli nations would join together in concrete, substantive bonds of friendship.

No sooner will the ink dry on the agreements, however, than those opposed to it will gather to plot its demise. In Baghdad tomorrow we can expect a large number of Arab nations to join in fighting the new friendship between Israel and Egypt. In fact, already two bombs have exploded outside the U.S. Embassy in Damascus, and today, Yassir Arafat is using all his political leverage to press for an oil embargo against Egypt. These events, in contrast to the joyous celebration here in Washington, D.C., are indeed disturbing. In the face of the events which we can expect to continue in the next few days, we must not be deterred from moving ahead with our plans for peace in the rest of the region. We must work toward further defusing the conflict and finding ways for Israel and her Arab neighbors to live side by side without war. It will take a great deal of additional strength if we are to forge ahead now in light of new obstacles and ever greater problems.

The most productive course we can take to increase the chances of peace with other Arab countries is to insure the success of the treaty signed today. Bilateral relations between Israel and Egypt should be encouraged to blossom and flourish whenever possible. If we take each step toward the realization of this peace carefully and with the foresight of the greater peace to come, we can build on the historic events of this day.●

NUCLEAR WASTE MANAGEMENT DEMONSTRATION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LUNDINE) is recognized for 5 minutes.

● Mr. LUNDINE. Mr. Speaker, last Thursday, I introduced the Nuclear Waste Management Demonstration Act of 1979, which is specifically designed to provide a comprehensive approach to resolve the problems present at the Western New York Nuclear Fuel Service Center in West Valley, N.Y. At this time, I would like to offer for your consideration the contents of this bill, H.R. 3193, which has been jointly referred to the House Committees on Science and Technology, Interior, and Interstate, and Foreign Commerce for consideration.

H.R. 3193

A bill to establish a demonstration project to be conducted by the Secretary of Energy to provide for the disposal of high level nuclear wastes at the Western New York Nuclear Service Center in West Valley, New York, to establish procedures to govern the disposition of other nuclear wastes at such site, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Nuclear Waste Management Demonstration Act of 1979".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that:

(1) The commercial nuclear waste reprocessing facility at the Western New York Nuclear Service Center in West Valley, New York, was encouraged by the Federal Government as a means of demonstrating the commercial feasibility of reprocessing nuclear waste, but its operations were hampered by Federal regulatory requirements.

(2) The Federal Government is the only entity which has the technical and financial resources to ensure the safe disposal of the high level liquid nuclear wastes which remain on the site of the Western New York Nuclear Service Center.

(3) Because of the involvement of the Federal Government with the Western New York Nuclear Service Center since its inception, and because of the hazards posed by presence of the nuclear waste at the reprocessing site, the Government has a moral obligation to assume the responsibility for (A) disposing of nuclear wastes at the Service Center and (B) providing for the decommissioning and

decontamination of the facilities of the Service Center.

(4) A program to study the health effects of the operation of the reprocessing facility at the Western New York Nuclear Service Center on the employees of the facility and on other persons within the vicinity of the Service Center could greatly assist the formulation of State and Federal standards relating to exposure of individuals to ionizing radiation.

(5) Although the reprocessing facility at West Valley, New York, was encouraged by the Federal Government for scientific purposes useful to the United States as a whole, only the citizens of the State of New York have been financially burdened by the establishment of the facility within their State and have suffered possible health hazards in association with the operation of the facility and, for these reasons, are entitled to receive assistance from the Federal Government during the resolution of these problems.

(b) The purposes of this Act are the following:

(1) To require the Secretary of Energy to carry out a nuclear waste solidification demonstration project at the Western New York Nuclear Service Center, to be completed within ten years after the date of the enactment of this Act, and to decommission and decontaminate facilities at the Service Center upon completion of the project.

(2) To provide for the safe, long-term disposal of (A) the nuclear wastes stored at the Federally and state licensed solid waste burial site at the Western New York Nuclear Service Center and (B) the spent fuel stored at the spent fuel receiving and storage facility adjacent to the reprocessing plant at the Service Center.

(3) To authorize appropriate research regarding the health effects of ionizing radiation at the Western New York Nuclear Service Center on employees who worked at the Service Center and on other persons within the vicinity of the Service Center.

(4) To prohibit the disposal of additional nuclear wastes at the Western New York Nuclear Service Center.

BUDGET ACT LIMITATIONS

SEC. 3. No grants may be made, or contracts entered into, under this Act except to the extent or in such amounts as may be provided in advance in appropriation Acts.

TITLE I—DISPOSAL OF NUCLEAR WASTES AT WEST VALLEY PROJECT

NUCLEAR WASTE DISPOSAL DEMONSTRATION PROJECT

SEC. 101. (a) (1) The Secretary of Energy shall carry out a nuclear waste management demonstration project at the Western New York Nuclear Service Center in West Valley New York by vitrifying the high level liquid nuclear wastes which are present there transporting such vitrified waste as soon as feasible to an appropriate federal repository for long term burial, and decommissioning and decontaminating the facilities, materials, and hardware used in connection with this project. In carrying out the project, the Secretary shall consult with the Nuclear Regulatory Commission, the Administrator of the Environmental Protection Agency, the head of the United States Geological Survey, the State of New York, and the commercial operator of the Service Center.

(2) Notwithstanding section 110a. of the Atomic Energy Act of 1954, the Nuclear Regulatory Commission shall have licensing authority under such Act over all activities undertaken by the Secretary in connection with the demonstration project under this section, including the decommissioning and decontamination required to be done under paragraph (1) of this subsection.

(3) The Secretary shall complete the demonstration project within a ten year period beginning on date of enactment of this Act.

(a) The activities to be undertaken by the Secretary during the first fiscal year for which funds are appropriated to carry out the demonstration project shall include the following:

(1) The development of a plan describing the activities which will be required to carry out the solidification of the nuclear wastes at the Service Center. The plan shall contain a description of the technology to be used in carrying out such activities.

(2) The execution of technical studies and tests necessary to develop the plan referred to in paragraph (1), together with appropriate studies and tests to determine the composition of the high level liquid nuclear wastes at the Service Center (including its sludge and supernate components).

(3) Initial steps to undertake the decontamination of any facilities to be used during the vitrification process to insure that persons involved in that process shall not be exposed to dangers arising from the radioactive contamination of such facilities, and the execution of any other steps necessary for preparing facilities at the Service Center for use during the vitrification process.

(b) Not later than February 1 of each calendar year during which the demonstration project is being conducted by the Secretary (beginning in 1980), the Secretary shall submit to the appropriate committees of the Congress a report containing a detailed description of the activities carried out by the Secretary under this section.

(c) Except for the costs of carrying out the demonstration project authorized by this Section, which shall be borne by the Secretary, nothing in this section shall be construed as affecting any of the rights, obligations, or liabilities of the commercial operator of the Service Center, the State of New York or any person arising under the Atomic Energy Act of 1954 or under any other law, contract or agreement for the operation, maintenance, or decontamination of any facilities or property not used in conducting the demonstration project. If it is necessary for the Secretary to incur any costs to decontaminate the existing property or facilities or correct defects in them in order to use them in the demonstration project, such costs shall remain the financial responsibility of the person or persons responsible therefore under the Atomic Energy Act of 1954, or any other, law, contract, or agreement.

The Attorney General of the United States may file suit in any court of competent jurisdiction to recover such costs.

DISPOSAL OF SPENT FUEL

SEC. 102. (a) (1) The Secretary is authorized to manage the spent fuel stored in the spent fuel receiving and storage facility at the Service Center throughout the term of the demonstration project authorized under Section 101. Any storage fees levied and paid during the period of management by the federal government under the terms of this sub-section shall benefit the federal government.

(2) Within one year after the completion of the demonstration project under Section 101 of this Act, the Secretary shall provide for the removal of any spent fuel stored at the spent fuel receiving and storage facility at the Service Center to an appropriate Federal repository for interim or permanent disposal.

(3) For purposes of Section 202(3) of the Energy Reorganization Act of 1974, the spent fuel referred to in paragraph (1) shall be considered to be high-level radioactive waste.

(4) After the date of the enactment of this Act, no spent fuel in addition to that presently stored at the Service Center may be delivered to or stored at any facility on the site of the Service Center. The Nuclear Regulatory Commission shall not issue any license under the Atomic Energy Act of 1954 permitting such delivery or storage.

DISPOSAL OF LOW-LEVEL RADIOACTIVE WASTES

SEC. 103. (a) The Nuclear Regulatory Commission, after consulting with appropriate officials of the State of New York, shall submit to the Congress, within one year after the date of the enactment of this Act, a plan to ensure the long-term security of the Federally-licensed solid waste burial ground at the Service Center. The plan shall—

(1) identify spent fuel assemblies and any other materials buried at such site which might be hazardous to the public health and safety;

(2) recommend methods for safely storing the materials identified under paragraph (1) of this subsection, including methods to exhume all sent fuel assemblies buried at such site;

(3) identify those persons or entities responsible for carrying out the activities referred to in paragraph (2) of this subsection; and

(3) prescribe the manner in which the State of New York shall be required (in accordance with paragraph (2) of this subsection) to monitor such site and provide for its proper maintenance and security.

(b) The Nuclear Regulatory Commission shall amend any license issued under the Atomic Energy Act of 1954 in connection with the possession of any radioactive material at the Federally-licensed solid waste burial ground at the Service Center to provide that the licensee—

(1) shall monitor such site and undertake such maintenance or emergency measures as may be necessary to protect the public health and safety; and

(2) shall not permit the delivery to the Service Center (after the date of enactment of this Act) radioactive wastes in addition to those presently existing on the site for storage at such burial ground.

ADDITIONAL RADIOACTIVE WASTE STORAGE PROHIBITED

SEC. 104. Upon first renewal of an agreement under Section 274 of the Atomic Energy Act of 1954 between the Nuclear Regulatory Commission and the State of New York, the Nuclear Regulatory Commission shall require as a condition for renewing that agreement a prohibition on the delivery or storage (after the date of enactment of this act) at the Service Center of any radioactive wastes in addition to those present at the Service Center.

LOCAL IMPACT ASSISTANCE

SEC. 105. (a) Beginning with the calendar year in which licenses issued under the Atomic Energy Act of 1954 to the commercial operator of the Service Center are terminated, the Secretary shall make annual payments to the town of Ashford and to the West Valley Central School District in Cattaraugus County, New York (hereinafter in this section referred to as the "School District") in amounts equal to the amount of taxes paid by such operator to the town of Ashford or to the School District (as the case may be) for the taxable period beginning on January 1, 1979, and ending December 31, 1979. Such payments shall be made for each taxable year in which the demonstration project described in section 101 is being conducted.

(b) The amount to be paid to the town of Ashford and to the School District by the Secretary during the first year payments are required under this subsection shall be reduced by the amount of taxes paid by the commercial operator of the Service Center to such entities for the taxable year during which its license is terminated.

AUTHORITY OF THE ENVIRONMENTAL PROTECTION AGENCY

SEC. 106. The Administrator of the Environmental Protection Agency shall [submit recommendations] to the Nuclear

Regulatory Commission and to the Secretary respecting—

(1) standards and criteria of general application for the protection of the public health, safety, and the environment from radiological and nonradiological hazards associated with radioactively contaminated materials at the Service Center;

(2) those areas of the Service Center to which access should be restricted for safety reasons; and

(3) those areas of the Service Center at which decommissioning and decontamination activities should be undertaken.

Any recommendations submitted under this section shall be accompanied by additional information explaining the basis for the recommendations.

SEC. 107. The Secretary is hereby authorized to enter into necessary contracts or agreements to carry out this title. In carrying out the demonstration project, the Secretary shall, among other things, make arrangements to utilize certain property and facilities, including taking title to the high-level liquid nuclear waste, presently existing at the Service Center.

DEFINITIONS

SEC. 108. For purposes of this title:

(1) The term "high level liquid nuclear waste" means the aqueous waste resulting from the operation of the first cycle extraction system, or equivalent waste from a process not using solvent extraction, in a facility for processing irradiated reactor fuels.

(2) The term "Secretary" means the Secretary of Energy.

(3) The term "Service Center" means the Western New York Nuclear Service Center in West Valley, New York.

AUTHORIZATIONS

SEC. 107. There are authorized to be appropriated such sums as may be necessary for the fiscal year ending September 30, 1979, and for subsequent fiscal years, to carry out this title.

TITLE II—HEALTH STUDY

EPIDEMIOLOGICAL STUDY

SEC. 301. (a) The Secretary shall monitor and study the health aspects to the public resulting from the past operations of the reprocessing facilities at the Service Center. The Secretary shall consult to the maximum extent possible with State, county, and local health officials in the State of New York in carrying out this subsection.

(b) The Secretary shall seek to obtain the cooperation of the health officials referred to in subsection (a) in order to establish a system for maintaining data on the health effects being monitored under such subsection.

(c) The Secretary shall conduct an epidemiological study to assess the health effects on—

(1) workers at the Service Center, and

(2) members of the general public living within the vicinity of the Service Center.

of exposure to low-level ionizing radiation from activities at the Service Center. In conducting the study, the Secretary shall use, to the extent appropriate, the data obtained under subsection (b) of this section. The Secretary may enter into contracts to provide for the study under this subsection.

REPORTS TO CONGRESS

SEC. 302. The Secretary shall periodically report to Congress on the implementation of this title.

DEFINITIONS

SEC. 303. For purposes of this title:

(1) The term "Secretary" means the Secretary of Health, Education, and Welfare, unless otherwise specifically provided in this title.

(2) The term "Service Center" means the Western New York Nuclear Service Center in West Valley, New York.

AUTHORIZATION OF APPROPRIATIONS

SEC. 304. For the purpose of carrying out this title, there are authorized to be appropriated such sums as may be necessary for the fiscal year ending September 30, 1980, and for subsequent fiscal years.●

INTRODUCING LEGISLATION TO AWARD THE CONGRESSIONAL MEDAL OF HONOR TO PFC. WILLIAM JAMES TSAKANIKAS, POSTHUMOUSLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. OTTINGER) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, the year is 1944, the Second World War is raging in Europe and a strategic battle—the Battle of the Bulge—is being fought. At Lanzerath, a few forgotten heroes, 18 men against overwhelming German might held the crossroads for 18 hours and halted an entire column of German panzers, paratroopers, and SS troops. The action of these 18 men has been omitted from history, because no one returned to tell the story until the war was over.

Every member of the I. & R. Platoon (Intelligence and Reconnaissance) of the 394th Infantry Regiment, 99th Division, deserves a medal, but one soldier, the youngest of them, 19-year-old Pfc. William James Tsakanikas, known as "Sak," symbolizes the heroism of them all. The bill I am reintroducing today authorizes the President of the United States to award the Congressional Medal of Honor to William James (he dropped Tsakanikas after the war) posthumously, in recognition of valorous acts performed at the risk of his life above and beyond the call of duty. The Army is prohibited from considering a recommendation for the award, because there is no conclusive evidence that a formal recommendation for the award was entered into official military channels within 2 years of the act or service. Due to some fine investigative work, former members of the 394th Regiment, I. & R. Platoon were located, and with their help the events of that December day in 1944 were pieced together. Members of the 394th Infantry, I. & R. Platoon, believed to be still alive represent the States of Alabama, California, Mississippi, Texas, Ohio, Tennessee, Indiana, West Virginia, Virginia, Florida, and the District of Columbia. Pfc. William James was a New Yorker.

I would like to share this extremely interesting and historic story about why William James should get the Congressional Medal of Honor with my colleagues and urge them—especially those from States in which former members of the 394th Infantry reside—to cosponsor this legislation. The Parade Magazine article follows:

WHY PRIVATE TSAKANIKAS SHOULD GET THE MEDAL OF HONOR

(By Jack Anderson)

The Lanzerath incident should have gone down as one of the most valorous and pivotal actions of World War II. It was omitted from the histories because no one returned to tell the story until the war was over. Yet for an eternity of 18 hours, 18 stubborn Americans halted an entire column of German panzers, paratroopers and SS troops.

The GI's were ordered to hold a slope overlooking a strategic crossroads at a Belgian village called Lanzerath. Bullets whined around their heads, and artillery shells ravaged the landscape. Their hillside was a hell of gunfire and shrapnel. Yet they fought back, hugging the sides of their foxholes, until their guns burned up or ran out of ammunition.

When the Germans at last overran the position, they pulled the grimy GI's bodily from their foxholes. Their lieutenant, Lyle J. Bouck, Jr., described the end tersely. "We never surrendered," he said. "We were captured." On the American side, miraculously, only two died in the firefight, although many were shot up badly. The German toll: an incredible 509 casualties.

Those few forgotten heroes disrupted the timetable and blunted the surprise of a Nazi strike through the snow-sheeted Ardennes. Had they not held the crossroads for that long December day, the Germans would have caught the untested 99th Division off balance and might have won the Battle of the Bulge.

Writing from retirement, Maj. Gen. Walter Lauer, the division commander, has declared: "Had we failed, there would have been no Bastogne, and the entire complexion of the war could have changed most drastically." He gave all the credit to his men. "Their heroism has been unsurpassed in history. I know it. Many of our soldiers know it. The German soldiers who met them know it. God knows it."

This epic stand of 18 men against overwhelming German might has gone unrecognized by the Pentagon for 35 years Not a medal has ever been awarded the enlisted men for their extraordinary bravery. Only the lieutenant received an unsought Silver Star that came to him without explanation through the mail in 1965—21 years late.

Every member of the forgotten platoon deserves a medal. But if one soldier symbolizes the heroism of that last-ditch stand, it would be PFC William James Tsakanikas, known to the others simply as "Sak." At 19, he was the youngest of them—an aggressive, gung-ho GI who volunteered for all the tough missions. It took a German burp gun, fired point-blank into his face, to take him out of action.

Somehow the young soldier was saved by a German military doctor. Sak recuperated in a German prison hospital, made a break for freedom but was recaptured. Near the war's end, he was liberated by advancing U.S. forces. He returned home to a life of pain, dropped his tongue-twisting last name and died as Will James on June 27, 1977. He now lies in Arlington National Cemetery, an unremembered hero—but not to the 17 men who fought by his side or to the wife who witnessed the agony of 36 operations to reconstruct his face.

"Whatever he did in the war," she told us, "I knew my husband as a hero all of his life. He didn't talk about what happened that day until a little while before he died. But for me and my sons, he showed his heroism to us every day that he lived."

Seeking to make belated amends, Rep. Richard Ottinger (D., N.Y.) will introduce a bill this week authorizing President Carter to award Will James a posthumous Medal of Honor "for valorous acts performed at the risk of his life above and beyond the call of duty." The proposal has already encountered resistance from the Army bureaucrats behind their red-tape entanglements. They have noted stiffly that "the public law covering retroactive awards prohibits us from considering a recommendation for an award unless there is conclusive evidence that a formal recommendation for the award was entered into official military channels within two years of the act or service. . . ."

It would have been a bit difficult to meet the two-year deadline. Regimental headquarters believed the platoon had been wiped out, and those who knew the story had been dispersed to German prison camps. When they last saw James, he seemed unlikely to recover.

We tracked down Lyle J. Bouck in St. Louis, where he is now a chiropractor. He helped us get the story from other members of his World War II unit. From their accounts, we have pulled together the details of that day of courage.

It began before dawn on the bitter-cold morning of Dec. 16, 1944. The platoon had been handpicked to serve as the eyes and ears of the regiment. Almost all of them had college and athletic backgrounds. But their role had never been combat; they were an intelligence and reconnaissance platoon.

But they had been ordered to fill a gap in the front line. They settled into foxholes overlooking Lanzerath's eight or nine frame houses and a stretch of road leading to the strategic fork. One prong led like an arow to the Meuse and the rear of their division. Beyond was the vital supply port of Antwerp on which Gen. Dwight D. Eisenhower and his armies depended.

At precisely 4:40 on the fateful morning, the men of the I&R platoon were jarred by the thunder and crash of a massive artillery barrage. The ground literally shook under their feet.

They had no way of knowing that they had ringside seats to the opening of Adolf Hitler's Ardennes offensive. He sought to encircle the American divisions in the Bulge and seize Antwerp. Nor did they know that they stood in the path of one of the spearheads of the Nazi assault.

During the next 18 hours, they would foul up the mission of a special panzer SS unit under Lt. Col. Joachim Peiper, who, furious over having his offensive stalled, later ordered the execution of 71 American prisoners at Malmedy.

The entrenched platoon survived the two-hour artillery baptism without casualties. It was followed by an ominous silence in the fields and woods around them. Minutes later, Bouck and James in the forward foxhole were appalled to see their closest support, a tank destroyer company about a mile away, beat a retreat toward the rear. Jeered James: "They might at least wave goodbye as they leave."

From the regiment came anxious instructions to scout out the situation east of Lanzerath. Four men—Bouck, James, Sgt. Bill Slape and Pvt. John Cregar—crept in a ditch toward the village and sprinted the last lap to the second floor of a house that had served as an observation post. They surprised a civilian talking German over a telephone; he had the look of a fifth columnist caught in the act.

James whipped out his bayonet and forced the stranger to drop the telephone. But Bouck had no stomach for a civilian execution. They let the suspected spy go, and he scurried down the stairs.

From their vantage point, the four Americans saw rolling toward them a German column in full battle array. Leaving the other two to keep watch, Bouck and James raced back to their foxholes. The lieutenant radioed headquarters the news that a massive attack was on the way. His superiors were skeptical. "Damn it," exploded Bouck, "don't tell me what I can see! We've got 20-20 vision here! There's a whole column of Krauts coming up that road!"

His demand for artillery fire on the road into Lanzerath went unheeded. Meanwhile, he received an urgent call from the two men in the observation post; they reported that Germans were already occupying the floor beneath them. Three men—Cpl. Aubrey McGehee, PFC Jordan "Pop" Robinson and Pvt. Jim Silvola—were sent to aid the trapped pair. But Slape and Cregar managed to sneak unnoticed through a rear, second-story window. In racing to safety across the icy road, Slape became the first casualty of the battle. He slipped and broke two ribs.

All too soon, the Germans appeared below, marching steadily on each side of the road, their weapons slung over their shoulders. Bouck ordered his men to hold their fire until the first command vehicle appeared. But at the last minute, a small girl ran out of the house and pointed to their location.

The Nazi commander, reacting instantly to the alarm, shouted a command, and the advancing Germans dove for cover. The advantage of an ambush was lost, but the Americans were so well hidden on the snow-covered slope that the Germans were unable to pinpoint their location.

From the forward position, James fired bursts from his grease gun. Slape manned the mounted machine gun on the jeep with deadly effect. From other foxholes, platoon members such as Risto Milosevich, Lou Kalil and Bill Dustman laid down lethal automatic rifle fire.

Separated from the outfit, Robinson, McGehee and Silvola took shelter behind a pile of cut timber and opened fire from another direction. The attacking Germans fell back, their ranks decimated, leaving their dead and wounded on the battlefield.

After a second repulse, a team of Germans approached waving a white flag. They sought a cease-fire so their medics could attend the wounded. Someone on the American side let go a defiant round of rifle fire at the feet of the Germans. This angered Bouck, who agreed to the cease-fire.

The third German attack began in the early afternoon. Heavy small-arms fire knocked out Slape's machine gun on the jeep and drove him to cover. He sprinted to the foxhole occupied by Milosevich. "Just as I reached his position and before I could get into the hole with him," Slape recounted, "two Germans opened up on me from about 50 yards. I got one of them and my carbine jammed—it was so hot I could barely hold it—so I threw it at the other German and dived into the bunker. I got him with a rifle."

The firefight was ferocious. The three behind the woodpile ran out of ammunition and were captured trying to make their way back to the platoon. Some Americans were wounded but continued to fight, in Slape's words, "like tigers." Two newcomers, Pvt. Cliff Fanscher and an unidentified GI from another unit, were killed in the action.

The Germans again were driven off, but ammunition was running low. Bouck turned to James in their bunker. "My orders are to hold the hill at all costs," said the lieutenant. "But you take off with as many of the men that want to go." James shook his head fiercely. "Lieutenant," he said, "you stay, we all stay." They turned to meet the fourth attack, which they met furiously, according to Slape, "even up to eyeball-to-eyeball contact."

The end came for Bouck and James in a horrific lightning flash. A German burp gun was poked into the rifle slit of their makeshift bunker and fired directly in James's face. The blast tore out his eyeball and most of his right jaw.

Bleeding from a bullet wound in his leg, Bouck helped a German medic carry James down the slope past the German dead toward Lanzerath.

About 10 p.m., an incensed officer, wearing the death insignia of the SS, strode into the village where Bouck and James had been deposited. The officer was in a rage. He demanded to know why a "battalion" of Americans had cost him a day. He shouted that his troops had spent the time milling uselessly around when they should have been driving toward their objective.

The enraged Nazi was Lt. Col. Peiper. He never noticed that only a few feet away lay the 20-year-old lieutenant and the savagely wounded James who, with 16 other GI's, had stopped Peiper's elite battalion. (Peiper was to serve a six-year war crimes sentence for the Malmedy massacre, then to be assassinated by a group calling themselves the Avengers at a French villa in July 1976.)

After Peiper stormed out, Bouck succeeded in getting medical attention for James from a German doctor who praised the American's bravery. Then Bouck was led off, leaving James apparently dying behind. The lieutenant heard a black wooden country clock in the tavern chiming midnight and realized that he had reached his 21st birthday with only one gift—the red badge of courage.

This same clock now hangs in the living room of the modest Port Chester, N.Y., home where James and his wife, Lucille, raised their four sons. Her husband went back to Lanzerath a few years before his death and returned triumphantly with the clock.

The widow, sitting proud and erect, took up the story after Bouck's departure. James was moved to a prisoner depot, she said, where other German doctors did their best under rudimentary war conditions to repair his face. En route, a Nazi soldier stole his shoes, remarking, "Amerikanischer, you won't need these anymore."

She told about James's escape, recapture and liberation. He returned home to a life of painful surgery. After one operation, he met an Army nurse, Lucille Cassell, a slim, brown-haired West Virginia girl. They were married in 1948 after his graduation from the University of Pennsylvania. Characteristically, he was on the track and wrestling teams. Then he enrolled in Cornell Law School and eventually took his family to Fort Chester.

Will James is remembered in Port Chester as a model citizen who was active in community affairs, youth work, church activities and politics. He served for 16 months as Rye Town Republican chairman. But only a few knew he was in constant pain from his war wounds. In June 1977 he returned home from his 36th operation, still in agony. A few days later, he was found dead in his bedroom.

In his St. Louis office, Bouck reflected on the furious battle that helped stop the 1944 Nazi offensive. He endorsed Representative Ottinger's effort to get a Medal of Honor for James: "I'd like to see Will James get every possible honor he has coming to him. He spent a lifetime of mental torture and physical agony."

He had one more thing to say about the unheralded Lanzerath incident. "I think every man who was there is entitled to a medal, red tape or no red tape."

H.R. 3225

A bill authorizing the President to award a medal or honor posthumously to William James Tsakanikas

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding sections 3744(b) and 3752(a) of title 10, United States Code, the President is authorized to award in the name of the Congress a medal of honor posthumously to William James Tsakanikas for various acts performed at the risk of his life above and beyond the call of duty while serving as a private first class in the United States Army during World War II, and to present such medal to his family.●

NATIONAL EDUCATIONAL OPPORTUNITIES ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. PREYER) is recognized for 5 minutes.

● Mr. PREYER. Mr. Speaker, in the

next 2 years the 96th Congress will have to confront many major problems of our Nation which have ramifications for all our future generations. In this somber vein, I would suggest that 25 years after Brown against Board of Education, we, as the people's representatives, ought to finally start searching for realistic solutions for achieving equal opportunity in education, putting behind us the acrimony of the past. I believe that now we ought to deal substantively with this issue rather than with such shibboleths as "forced busing" and other rhetoric which has kept us from calm and rational consideration of the problems. As the late, distinguished constitutional law professor, Alexander Bickel, stated:

> "If . . . instead of trying to order the courts to stop granting a remedy, we attack the problems that they are attempting to deal with (desegregation) . . ., courts will be able to say that they are now confronting a new reality which no longer calls for old remedies. In sum, trying to ward off busing by lashing out against it negatively can at best be partly effective—and then at the cost of damage to our educational system—. . . What is needed is the affirmative provision of *constructive alternatives to busing*. (Emphasis added.)

After years of thought and conversation on this difficult problem, Representatives HAMILTON and UDALL have joined with me in introducing the National Educational Opportunities Act of 1979. We believe passage of this legislation could offer constructive alternatives for achieving equal educational opportunity.

This bill would provide for the pursuit of desegregation but would also protect the rights and needs of those students not touched by desegregation plans. In so doing, we reject the thinking of the nay-sayers who claim that these problems are too grand to solve. We need a positive approach focusing on what we can do rather than a negative posture which focuses on constraints limiting our actions.

Our bill would set up a procedure which would provide funds for certain selected State and local educational agencies, on a 5-year basis. Federal support for desegregation plans would be forthcoming for those States which develop a comprehensive program to encourage progress in desegregating their school systems. The goal of this bill is to reduce nonvoluntary transportation, while increasing reliance on innovative methods to alleviate racial isolation, chosen and developed locally.

The national education opportunity bill of 1979 is based on one drafted by Professor Bickel. Its major premise is that the Congress, the courts, or the Department of Health, Education, and Welfare, cannot run local schools very well. What it does provides is an opportunity for State and local people to take a hard, organized look at their own problems and provide the leadership for solving them. It will, on an experimental basis, provide funds for the best of these efforts.

This procedure, hopefully, will eventually free the courts from their unwanted tasks of supervising the education policies of local schools, and instead place leadership responsibilities at the local level.

Many years ago Judge Learned Hand said:

> [A] society so riven that the spirit of moderation is gone, no court can save; that a society where that spirit flourishes, no court need save; that in a *society which evades its responsibility by thrusting upon courts the nurture of that spirit, that spirit in the end will perish*. (Emphasis added.)

Unfortunately, since the 1954 Supreme Court ruling in the Brown case, the Congress has failed to heed this sage advice. As a result, the nurturing of the spirit of equal education opportunity formulated in that landmark decision has languished on the residual shoals of centuries of race discrimination.

This is doubly pernicious in our society since equal opportunity in education is the springboard for equal opportunity in the real world. We should never lose sight of the fact that, in most instances, education is not for its own sake, but has its purposes, namely, as a vehicle for contribution to the betterment of society and the celebration of the good life we all seek.

The sad fact remains, however, that de facto racial desegregation, resegregation, and racial isolation constitute the present-day reality for many of our public schoolchildren. This situation, if left unchecked, will have a tremendous negative effect not only on equal opportunity for minority schoolchildren but for those in the majority as well. Racial isolation lessens the opportunities for all of America's children to know and come to appreciate one another. To recognize cultural uniqueness is one goal toward which we should strive. To share that uniqueness with our neighbor increases both the sensibility and sensitivity of us all.

We must recognize that to break down this racial isolation in the schools is a herculean job, but is an essential element of equal educational opportunity. Up until the present time, however, neither the Congress nor the executive branch has pursued even a rational desegregation policy, much less any meaningful approach to diminish racial isolation. Thus the judicial system, unilaterally, has been forced to bear both the responsibility and the criticism associated with school desegregation.

As a former Federal district court judge, I can appreciate the dilemma facing these judges. Courts are poor instruments for bringing about specific reforms in education. Presently they are struggling under criticism from both liberals and conservatives for something they would prefer not to do.

In fairness it should be pointed out that it was not the obligation of the courts to issue orders designed to reduce racial isolation, improve the quality of education, or for that matter, promote local representative democracy in the schools. Their obligation and responsibility was limited to guaranteeing equality of opportunity in education, as required by the 14th amendment and enunciated in decisions of the Supreme Court. However, in this process, the judiciary often overruled the prerogatives of local control of the educational process, often because they were not given any reasonable alternatives. This led to considerable animosity toward the courts and to Government in general from the local level.

Congress, in an emotional reaction to this shift away from local control, did take action, but unfortunately used the device of amendment to appropriations bills. This method has proven totally futile. Time and again, Congress has prohibited the use of Federal funds to pay for transportation of students for purpose of desegregation, but the courts have ruled that this does not absolve the local education agencies of the obligation to desegregate schools by whatever steps are necessary, including busing. In so doing, the Congress has used its legislative power to create false hopes rather than developing national leadership in this area.

We believe that if the Congress would pass the National Educational Opportunity Act of 1979 it will be making a major, realistic step toward equal opportunity in education. Furthermore, in providing this resource to State and local people it will again be nurturing the spirit of moderation in society which, as Judge Hand said, "no court need save."●

THE GERMAN VIEW OF THE SS–20 MISSILE

(Mr. CARR asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. CARR. Mr. Speaker, in my dissenting views to the report of the panel on the Strategic Arms Limitation Talks and the Comprehensive Test Ban Treaty of the House Armed Services Committee, I said the following:

> Originally, the Soviet Union insisted that "gray-area" weapons—those which can strike the Soviet Union from Europe, or Europe from the Soviet Union, but which lack intercontinental range—be included in SALT II. After a very prolonged and intense series of negotiations in which the United States adamantly refused to do so the Soviets in a major concession, allowed these weapons to be excluded from SALT limits.
>
> Now the panel condemns SALT II because it doesn't do what we insisted it not do. If, instead, SALT were to limit the gray-area systems of both sides, the panel would condemn SALT for that. Being able to damn if you do and damn if you don't is a good debater's trick, but it should be recognized and dismissed as such.
>
> Neither of these weapons is strategically significant. If one analyzes the damage which would be done to the U.S. economic/industrial base by a Soviet heavy attack with and without Backfire, the marginal damage is negligible. Similarly, everything the Soviets can do to Europe with the SS–20 can be done with their older IRBMs plus a portion of their surplus ICBM capability.
>
> Moreover, the panel appears to believe that SS–20 and Backfire constitute a capability asymmetrically granted to the Soviets but denied to us. This is false. We already have the FB–111A, which carries a load 60 percent greater than Backfire and is more sophisticated; these aircraft are not counted in SALT and can be increased to any force level we wish. We also have approximately 3,000 high-performance nuclear-capable jet aircraft which could reach the Soviet Union, and we have the world's largest and best aerial tanker fleet to support them; this force, too, can be expanded to any degree

we wish. In addition, SALT leaves us free to build any number of FB–111Hs and any number of IRBMs; we could even take our retired Polaris A–3's—the most reliable strategic weapons ever deployed—and use them as IRBMs.

If the reader feels, as I do, that none of these "equivalence" options are particularly impressive, it must follow that Backfire and SS–20 are not particularly impressive.

Recently, I was privileged to present my views on gray-area systems, the SS–20 in particular, to the faculty of the Federal Republic of Germany's Führungsakademie (general staff college). When I had concluded, the distinguished Commandant of the academy, made an interesting observation. He shared by judgment, he said, on the military and intellectual significance of the SS–20: It is not significant. But he was nevertheless highly concerned about the SS–20 as a perception and psychological problem.

Note that the important perception is not how the Soviets perceive us, but how they perceive us perceiving them. This, in turn, is determined by the messages we send them. If we continually tell them how intimidated we are by the SS–20—or any other weapon—it has served its purpose even if it is nothing but a balsawood mockup. But if we tell them we are not impressed, it has failed to accomplish its purpose. Unfortunately, we follow the former course far more often than the latter, which is why the Soviets are doing as well as they are at the perceptions game.

Subsequently, I received the following letter, which I now insert in the RECORD:

FEBRUARY 5, 1979.

Hon. BOB CARR,
House of Representatives,
The Capitol, Washington, D.C.

DEAR MR. CARR: In your "Dissenting Views" to the "Report of the Panel on the Strategic Arms Limitation Talks and the Comprehensive Test Ban Treaty of the Intelligence and Military Application of Nuclear Energy Subcommittee of the Committee on Armed Services, House of Representatives" dated December 23, 1978, you kindly mentioned your visit and the presentation of your views to the faculty of the Führungsakademie.

While the emphasis of your presentation was on SALT II, in passing, gray area systems were also discussed.

I regret, however, that I cannot agree with your statement: "He (the commandant) shared by judgement, he said, on the military and intellectual significance of the SS–20: It is not significant."

As faculty members and others who were present during your presentation and follow-on discussion recall, I said the opposite, that the SS–20 as a gray-area weapon system will have an increased significance after a SALT II agreement, that the threat and the perception of the threat poses a considerable problem.

The follow-on conclusions you have drawn from my misquote in your dissenting views I am also unable to share.

Sincerely yours,
HEINZ VON ZUR GATHEN.

I confess to some bewilderment as to how I, and my staff assistant who accompanied me, could have heard one thing while others in the room heard the opposite. Nevertheless, I certainly have no desire to misrepresent anyone. If General Major von zur Gathen says he disagrees with me, then obviously I cannot say he does not and in fairness I must publish his statement, which I am now doing. In my opinion however he has changed his position and probably under pressure.

I also confess to complete inability to understand what the Soviets can do to Europe by using the SS–20, which they cannot also do by using ICBM capability which is surplus to any anti-U.S. strategic requirement. And I know for a fact that I raised this question at the Führungsakademie, and with many other European audiences as well, and that neither at the Führungsakademie nor anywhere else did anyone attempt to defend the military significance of the SS–20 in this context.●

LAST DECADE OF MONETARY POLICY: A FAILURE: IT'S TIME TO CHANGE

(Mr. MITCHELL of Maryland asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. MITCHELL of Maryland. Mr. Speaker, last week the subcommittee on Domestic Monetary Policy, of which I am chairman, held hearings on employment, inflation, and the conduct of monetary policy. On Tuesday, Mr. J. Charles Partee, Governor of the Federal Reserve Board, admitted that the Federal Reserve Board has not done an exemplary job with monetary policy. "I think you're right; our record isn't particularly good," he told my subcommittee.

I am not cheered by the Federal Reserve's admission of something which I have deplored publicly for several years: the lack of prudence in its monetary policies. It is my belief that these policies have been perverse and have contributed to both inflation and unemployment.

The last decade especially has been characterized by destabilizing, wide swings of money growth. These swings provide ample evidence to support my contention about monetary policy having worsened unemployment and inflation. Most recently, after several years of above-target money growth, which has fueled accelerating inflation, the economy now is experiencing a sharp decrease in money growth, which I fear will lead us inexorably into a recession if continued much longer. Since last September, there was negative growth in both M_1 and M_{1+}—minus 1.53 percent and minus 4.6 percent, respectively, and a marked decline in M_2 to 2.98 percent. Additionally, for M_1 adjusted to include the new ATS and New York State NOW accounts, the annual rate of growth since August has been only 3.5 percent per year; substantially less than one half what M_1 growth had been in the prior 18 months before introduction of these new deposits.

It appears, therefore, that for the third time in the last 10 years, monetary policy has been redirected from fueling inflation to triggering a recession. Governor Partee confirmed my fears when he said,

> Since we have been over (the money growth target) for so long * * * we sort of tolerate being under for a while * * * But it is getting to be quite a long time. I am becoming (as) concerned about it as you are.

Mr. Speaker, it is not too late to reverse the trend and prevent—or at least ameliorate—a frightening economic forecast. Monetary policy must be used to promote economic stability. A gradual, slow deceleration of money growth can help our economy achieve balanced growth and full employment. I was pleased therefore to join with my colleagues on the Banking Committee in recommending precisely such a course to the Federal Reserve last week. Specifically, to reduce inflation without triggering recession, we recommended that the growth in M_1 (adjusted for ATS and NOW accounts) be reduced from last year's inflationary 7.6 percent to 6 percent in 1979, then 5, 4, and 3 percent in each of the next 3 years.

Our counsel to slow down slowly is not one-sided. Thus, our 6-percent target for 1979 is a floor as well as a ceiling. Higher growth will continue to fuel accelerating inflation and higher interest rates. However, less than 6 percent money growth this year risks recession. Down that road lies continued economic stagflation wherein the economy cycles from recession to more inflation and around again and again and again. It is time to stop. That is the essence of the committee's counsel and mine.

Mr. Speaker, in closing I want to stress that the goals of the Humphrey-Hawkins Act cannot be achieved by monetary policy alone. We need direction in fiscal policy as well as prudence in monetary policy. Direction in fiscal means expanding public service and other job programs and subsidies, and also training programs and subsidies. There is absolutely no reason why, at the same time as the Federal Reserve is slowing money growth, fiscal policy cannot be directed to employing the jobless, especially long-term unemployed persons in the black and Spanish-speaking inner-city communities, and training 16–19-year olds throughout the Nation who need and want job training. It would only take about $3 billion a year to fully employ 500,000 persons at the minimum wage. Another $3 billion annual fiscal expenditure would provide on-the-job training opportunities for all or nearly all youngsters who need and want initial training and skill development. In short, we can make substantial progress in solving our unemployment problem with minimal additions in Government spending, while at the same time using monetary policy to reduce inflation. Until now, blacks and Hispanics have benefited hardly at all from our economy's recovery from the 1974–75 recession. It is time that they did.●

TRIBUTE TO CLARENCE M. MITCHELL, JR.

(Mr. MITCHELL of Maryland asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MITCHELL of Maryland. Mr. Speaker, this year the NAACP has been asked to accept the resignation of Clarence M. Mitchell, Jr. from his position as its chief legislative spokesman. In spite of the fact that he has never been elected to a public office, Mr. Mitchell has rightfully earned the accolade as our country's "101st U.S. Senator." While retiring from his capacity as an active lobbyist, it should be noted that Mitchell will remain with the NAACP as a lecturer and consultant.

It is not easy to personally honor someone who has dedicated the major portion of his life to being an advocate for a national constituency that includes poor, blacks, and minorities. To heap upon Clarence Mitchell such praiseworthy superlatives as "outstanding," "admirable," or "meritable," is to understate the magnitude of his contributions to the Nation in the area of civil rights. Such is a case where words are not good enough. Our vocabulary simply does not expand quite enough to adequately evaluate and assess the real value of a truly good person.

Mr. Speaker, the article which I wish to submit today is entitled, "If We're Going To Endure as a Nation." The presentation of this article is one small attempt to pay tribute to Clarence M. Mitchell by presenting a part of his perspective on those activities which have placed him among those whose void is unfulfillable.

The article follows:

If We're Going To Endure as a Nation

Clarence M. Mitchell, Jr., a Baltimorean who has devoted his adult life to promoting the cause of civil rights, has retired after nearly three decades as director of the Washington bureau of the National Association for the Advancement of Colored People, a position in which he became known as the 101st senator. In a talk with *The Sun's* editors, Mr. Mitchell recalls his early boyhood, the progress of civil rights and the country's future. Here are some excerpts from that conversation.

Mr. Mitchell you've come to your retirement after having been chief of the Washington bureau of the NAACP under the administrations of seven presidents, starting with Harry Truman. Which president do you feel was personally most committed to the cause of civil rights? Which one accomplished the most for civil rights?

I think it's very easy to answer that. President Johnson was the most committed and did the most personally to advance the cause of civil rights. When he came to the Senate, we had some problems with him, but he always was a person you could talk with. He said in one of those conversations that so far as he was concerned he was for enforcing the court decrees on civil rights, he was in favor of the issuance of executive orders to uphold civil rights but was not in favor of acting on legislation, because that would split the Democratic party, the party at that time being sharply divided between the anti-integration South and the quasi pro-integration North. We started fighting from that point on until he got to be vice president. Then he began to see the wisdom of having civil rights legislation. I'm sure we could never have gotten through the great bills that we did get through in the 1960s without his leadership and co-operation.

Which of the presidents was least committed to civil rights?

I guess I'd have to say the person who appeared to be least committed to civil rights in the legislative sense was President Eisenhower. He said, however, that wherever the federal dollar is spent, there's where there should be no discrimination. And we used that very effectively in getting segregation eliminated in schools, on military posts and eliminating segregation in various installations including the Norfolk and Charleston (S.C.) Navy Yards, both of which had extensive segregation in their drinking fountains, locker rooms, eating places and things of that sort. I don't believe President Eisenhower understood the dimensions of that statement when he first gave it. But we did, and we ran for daylight with it.

Are you comfortable with the federal government's position and role in the civil rights movement today? Could you comment on each branch—the courts, the Congress and the President?

I'm comfortable with the executive branch in the sense that I feel the President is sincerely committed to making the civil rights program work. He invited me over to the White House a few days ago and at that time we were discussing some of the things which have happened in the past. But more importantly, we were discussing the President's desire to have blacks in the federal courts, the importance of this legislation which he has agreed to sponsor strengthening fair housing laws and also the problems that we've got with amendments that various people offer from time to time to try to whittle away the effectiveness of civil rights legislation. I'm convinced that the President is committed to all of those things and to seriously working on them. I'm satisfied that so far as the executive branch is concerned, there is a firm commitment to move ahead.

Now where we run into trouble is in the Congress. The Congress tries to emasculate things by crippling amendments or not providing enough money.

So far as the courts are concerned, I would say that there has been a drift in the wrong direction. I think it starts with the Supreme Court. I felt, for example, in the case where we had the city of Detroit up because it was guilty of segregation and practicing *de facto* segregation in the schools. It seemed to me that the court went out of its way to ignore the facts of the case. The rationale of the court was essentially that the surrounding counties of the city of Detroit had not consciously participated in promoting racial segregation. Therefore, you couldn't include them as part of the solution by having blacks go to those schools. That flew right in the face of all the material that was there. There was no doubt that there was a long history of government-sponsored and government-encouraged racial discrimination through housing and things of that sort. It was in the record, but the court chose to look the other way. I think that's indicative of a bad trend.

I feel that the Chief Justice at times seems to be at war with those who are trying to bring about constructive social change through the orderly judicial process. And I feel as I felt when I opposed his nomination that Justice Rehnquist, is a disaster to this nation. I am pleased to say that I was one of those who opposed his nomination to the Supreme Court. I sense, too, in some of the lower branches of the federal court a tendency to try to shrug off civil rights litigation. It seems to me that if we're going to endure as a nation, civil rights litigation is among the top matters to be considered. And I hope that as the President makes these new appointments that this will have the effect of diluting what I believe is a very ominous trend in the judicial branch.

You're about to celebrate your 68th birthday. What was it like to grow up as a black child in Baltimore?

It was a very interesting experience as I look back on it. In the early part of my life I was isolated from any impact with the unfriendly part of the white community. I lived in a neighborhood on Bloom street. Well first I was born in Stockton street which was a small street. A lumber yard was there then. The only white people I came in contact with were the people who were in the lumber yard, and an ice house which was around on Prestman and Fremont—they were all very friendly. There were a lot of mules in the lumber yard so between the friendly white people and the mules that I liked and the blacks that were there, I had a pleasant childhood. We did not have central heating. Our heat was from a single stove which was a coal stove in the kitchen. We then moved to Bloom street, and on Bloom street we had neighbors who were Jewish, German, Dutch, Greek and some of the Italian community. We didn't ever have any differences that I can remember. They were all very friendly. But as I moved out into the larger community, there I did experience. . .

At what age?

I would say about at the age of 9 or 10. I got a job up at the place called Hinder's which was a very fancy German bakery up on North avenue where Reads—AID Drug Store is now. It was a marvelous place to work—lots of ice cream and eclairs and things of that sort. When you had as much as you wanted to eat—and they saw to it that you had as much at the beginning—then you never wanted any more after that. I ran into a number of people at that time. I remember some hostility because the customers were all white at the time when I was working there.

Once I had an incident in Druid Hill Park where I went to a band concert. A white lady threatened to have me arrested because I sat down in a seat which was a little distance away from her, but in the same row. I remember her parting shot as she went away. "The police are going to get you for this because I'm not a sittin' by no nigger tonight." Well, interestingly, I felt a white hand on my shoulder. I didn't have sense enough to look around to see who it was. I wish I had now because the person behind was saying something reassuring. I remember that incident as clearly as yesterday. But I can't say that it ever had any traumatic effect on me.

I would say that one of the things that was awful in the whole system of government here was not just segregation as required by law, because there wasn't much of that, but segregation practiced by custom. For example, in our courthouses there was rigid segregation. In the criminal court, if one went into the criminal court, blacks were ushered over to one side. By that time I was a newspaper reporter for the *Afro-American*, and I raised a question with the judges about it. They insisted that there was no requirement that blacks be in separate areas but as a practical matter they were ushered there by the bailiffs. When I spoke to one of the judges about it, who is now dead, he said, "Well, I have a headache; I really can't discuss this any more."

How did you come to dedicate your life to the civil rights cause?

I often try to put that in a neat little compartment and draw a roadmap. But it's difficult to do it. I would say that it seemed to me that I eased into it through a series of experiences. I covered a lynching down on the Eastern Shore as a reporter and testified about that over in Congress back in 1933. I went down twice to cover the Scottsboro trial and was exposed to all the unfortunate and ugly things that were symbolized in those trials. And I met Walter White who was the executive secretary of the NAACP in those days. He had a way of encouraging young people to be interested in the association. I became interested here in Baltimore as a volunteer, and my good mother-in-law, the late Dr. Lillie M. Jackson, was president. She saw to it that all volunteers, including me, had lots of work. And gradually I became interested in the association after going into other things a while.

In 1946 Walter White asked me, because I'd had a background of experience with industry in this country and labor organizations and that kind of thing, whether I would be the first labor secretary of the NAACP. I agreed, and I guess my work was satisfactory because in 1950 I was promoted to take Walter's place as director of the Washington bureau. Up to that time the executive secretary had the responsibility of being head of the organization and head of the bureau, but it was just too much to do both. The board divided them; they made me the director, and I've been with it ever since.

As a working principle do you still feel it's necessary that whites and blacks work things out together?

I've always felt it was the case. It seems to me that if we're going to be realistic in getting people ready for living in today's world, we've got to start them living together, working together and learning together and solving problems together as early as possible. I think that really starts in the kindergarten and goes forward throughout the educational life or the work life. So to me it's not a question of whether you just want to have a mixture of people. It's really a question of whether we are going to have the human race survive.

Let's bring it closer to home. Do you think that a poor black child in the city of Baltimore has the access to a high-class, publicly financed college education as he should have?

I don't believe that child does and I would add to that my belief that perhaps some of the poor, white children do not have the same kind of advantage in getting ready for higher education. I think that we have in this country tremendous opportunities for young people to go into things that we never heard of before. And it seems to me our school system ought to be geared to making sure that we don't waste the potential of our young people. It also seems to me that industry has an obligation to do as we have always done in a crisis in this country, and this is, if people aren't trained, provide the means by which they can be trained in the particular thing that we want them to do. In addition, we need to go into our school systems to be sure that people are being trained such a way that nobody comes up against a dead-end. It seems to me what we've got to be sure of is that anybody who has the potential will be trained in the preliminary stages in such a way that when the time comes for him or her to get into a job, they'll have the basic skills. I'm sorry to say I don't believe that's available for many of the white people as well as the blacks in Baltimore.

What is your mood about the state of America?

I view the future with hope and concern. I believe that if enough of us continue to try to point the country in the way it ought to go, that it will come out in a desirable way.

I would say that we have reached a kind of plateau in this period after making a very sharp upward climb. But I am concerned about what is beginning to emerge and that is well-financed campaigns to destroy some of the social progress that has been made in this country through legislation. And also to defeat candidates for public office who appear at all friendly to the interest of the working people. And I think it somewhat paradoxical, but I have seen and met more businessmen and women in recent years who are really concerned about social progress than ever before. But at the same time there is this buildup of desire to generate hostility and divisiveness which, as I see it, can only have one effect—and that is to destroy the labor movement in this country. I think that that would be a very bad development.

We've discussed how the nation has developed in this period you've been trying to influence. What about the way the Baltimore metropolitan area has developed in the same period? Have we made the progress that you would have wished in that area, too?

I think we have not made the progress that I would have wished. But I think it has been significant. I think it would be a serious mistake to discount it. It is my opinion that you cannot keep people working for constructive things if you always preach defeat and always say, "Well, it didn't amount to anything, and we're worse off than we were before." That would not be true.

It was unthinkable when I was a boy that the day would come when we would have had a black state's attorney as we did with now Judge Milton Allen. But that came, and he didn't get re-elected. But he's on the bench now. The fact that it came as a result of the work of the voters seemed to me as one of the hallmarks of progress. I would certainly say that I have spent a large part of my life trying to promote the idea of blacks getting elected to Congress. And I must say I had some misgivings about whether Maryland would ever have a black congressman, but we've got one now. And I think a very good one. I think the legislature and the City Council here are evidence of change because when I was young, these things weren't possible. There were forces that kept blacks out. We had gerrymandering and that kind of thing to keep them from being elected.

In the downtown stores—another case—it was in my lifetime that it was the policy to exclude blacks and my good mother-in-law, as I said, Dr. Lillie Jackson, got in the forefront trying to change that problem. But she was considered a radical in her day because she was trying to do that. And now we accept that as a matter of course. A rental of space in downtown office buildings is also evidence of progress. I would say the housing pattern has changed rather extensively and constructively in this community. It was my hope, and that hope is realized, that there would be virtually no neighborhood in the city of Baltimore in which blacks could not live. We've had some traumatic experiences on that.

I would say that there is, in my judgment, a great deal of community awareness of what has to be done to improve the community. I think we have to look at the whole community when we talk about improvement, though. I think we've got to say, "What have we got to do to lift the whole of Baltimore?" And I believe that can be done. I can just feel that whatever setbacks we face are temporary. But if there are enough of us activated—because I believe there are enough here, that's why I use the word "activated"—I think if enough of us are activated, Baltimore can become one of the really model cities of the nation. I confess to a love affair with the city. I was born here and grew up here until I went to college. And I'm to some extent sentimental. I believe this is a good town. I believe we can make it better. I think we've got the ingredients for that.●

CONFERENCE REPORT ON H.R. 2479

Mr. ZABLOCKI submitted the following conference report and statement on the bill (H.R. 2479) to help maintain peace, security, and stability in the Western Pacific and to promote continued extensive, close, and friendly relations between the people of the United States and the people on Taiwan:

CONFERENCE REPORT (H. REPT. No. 96–71)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2479) to help maintain peace, security, and stability in the Western Pacific and to promote continued extensive, close, and friendly relations between the people of the United States and the people on Taiwan, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Taiwan Relations Act".

FINDINGS AND DECLARATION OF POLICY

SEC. 2. (a) The President having terminated governmental relations between the United States and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979, the Congress finds that the enactment of this Act is necessary—

(1) to help maintain peace, security, and stability in the Western Pacific; and

(2) to promote the foreign policy of the United States by authorizing the continuation of commercial, cultural, and other relations between the people of the United States and the people on Taiwan.

(b) It is the policy of the United States—

(1) to preserve and promote extensive, close, and friendly commercial, cultural, and other relations between the people of the United States and the people on Taiwan, as well as the people on the China mainland and all other peoples of the Western Pacific area;

(2) to declare that peace and stability in the area are in the political, security, and economic interests of the United States, and are matters of international concern;

(3) to make clear that the United States decision to establish diplomatic relations with the People's Republic of China rests upon the expectation that the future of Taiwan will be determined by peaceful means;

(4) to consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States;

(5) to provide Taiwan with arms of a defensive character; and

(6) to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan.

(c) Nothing contained in this Act shall contravene the interest of the United States in human rights especially with respect to the human rights of all the approximately 18 million inhabitants of Taiwan. The preservation and enhancement of the human rights of all the people on Taiwan are hereby reaffirmed as objectives of the United States.

IMPLEMENTATION OF UNITED STATES POLICY WITH REGARD TO TAIWAN

SEC. 3. (a) In furtherance of the policy set forth in section 2 of this Act, the United States will make available to Taiwan such defense articles and defense services in such quantity as may be necessary to enable Taiwan to maintain a sufficient self-defense capability.

(b) The President and the Congress shall determine the nature and quantity of such defense articles and services based solely upon their judgment of the needs of Taiwan, in accordance with procedures established by law. Such determination of Taiwan's defense needs shall include review by United States military authorities in connection with recommendations to the President and the Congress.

(c) The President is directed to inform the Congress promptly of any threat to the security or the social or economic system of the people on Taiwan and any danger to the interests of the United States arising therefrom. The President and the Congress shall determine, in accordance with constitutional processes, appropriate action by the United States in response to any such danger.

APPLICATION OF LAWS; INTERNATIONAL AGREEMENTS

SEC. 4. (a) The absence of diplomatic relations or recognition shall not affect the application of the laws of the United States with respect to Taiwan, and the laws of the United States shall apply with respect to Taiwan in the manner that the laws of the United States applied with respect to Taiwan prior to January 1, 1979.

(b) The application of subsection (a) of this section shall include, but shall not be limited to, the following:

(1) Whenever the laws of the United States refer or relate to foreign countries, nations, states, governments, or similar entities, such terms shall include and such laws shall apply with respect to Taiwan.

(2) Whenever authorized by or pursuant to the laws of the United States to conduct or carry out programs, transactions, or other relations with respect to foreign countries, nations, states, governments, or similar entities, the President or any agency of the United States Government is authorized to conduct and carry out, in accordance with section 6 of this Act, such programs, transactions, and other relations with respect to Taiwan (including, but not limited to, the performance of services for the United States through contracts with commercial entities on Taiwan), in accordance with the applicable laws of the United States.

(3)(A) The absence of diplomatic relations and recognition with respect to Taiwan shall not abrogate, infringe, modify, deny, or otherwise affect in any way any rights or obligations (including but not limited to those involving contracts, debts, or property interests of any kind) under the laws of the United States heretofore or hereafter acquired by or with respect to Taiwan.

(B) For all purposes under the laws of the United States, including actions in any court in the United States, recognition of the People's Republic of China shall not affect in any way the ownership of or other rights or interests in properties, tangible and intangible, and other things of value, owned or held on or prior to December 31, 1978, or thereafter acquired or earned by the governing authorities on Taiwan.

(4) Whenever the application of the laws of the United States depends upon the law that is or was applicable on Taiwan or compliance therewith, the law applied by the people on Taiwan shall be considered the applicable law for that purpose.

(5) Nothing in this Act, nor the facts of the President's action in extending diplomatic recognition to the People's Republic of China, the absence of diplomatic relations between the people on Taiwan and the United States, or the lack of recognition by the United States, and attendant circumstances thereto, shall be construed in any administrative or judicial proceeding as a basis for any United States Government agency, commission, or department to make a finding of fact or determination of law, under the Atomic Energy Act of 1954 and the Nuclear Non-Proliferation Act of 1978, to deny an export license application or to revoke an existing export license for nuclear exports to Taiwan.

(6) For purposes of the Immigration and Nationality Act, Taiwan may be treated in the manner specified in the first sentence of section 202(b) of that Act.

(7) The capacity of Taiwan to sue and be sued in courts in the United States, in accordance with the laws of the United States, shall not be abrogated, infringed, modified, denied, or otherwise affected in any way by the absence of diplomatic relations or recognition.

(8) No requirement, whether expressed or implied, under the laws of the United States with respect to maintenance of diplomatic relations or recognition shall be applicable with respect to Taiwan.

(c) For all purposes, including actions in any court in the United States, the Congress approve the continuation in force of all treaties and other international agreements, including multilateral conventions, entered into by the United States and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979, and in force between them on December 31, 1978, unless and until terminated in accordance with law.

(d) Nothing in this Act may be construed as a basis for supporting the exclusion or expulsion of Taiwan from continued membership in any international financial institution or any other international organization.

OVERSEAS PRIVATE INVESTMENT CORPORATION

SEC. 5. (a) During the three-year period beginning on the date of enactment of this Act, the $1,000 per capita income restriction in clause (2) of the second undesignated paragraph of section 231 of the Foreign Assistance Act of 1961 shall not restrict the activtes of the Overseas Prvate Investment Corporation in determining whether to provide any insurance, reinsurance, loans, or guaranties with respect to investment projects on Taiwan.

(b) Except as provided in subsection (a) of this section, in issuing insurance, reinsurance, loans, or guaranties with respect to investment projects on Taiwan, the Overseas Private Insurance Corporation shall apply the same criteria as those applicable in other parts of the world.

THE AMERICAN INSTITUTE IN TAIWAN

SEC. 6. (a) Programs, transactions, and other relations conducted or carried out by the President or any agency of the United States Government with respect to Taiwan shall, in the manner and to the extent directed by the President, be conducted and carried out by or through—

(1) The American Institute in Taiwan, a nonprofit corporation incorporated under the laws of the District of Columbia, or

(2) such comparable successor nongovernmental entity as the President may designate, (hereafter in this Act referred to as the "Institute").

(b) Whenever the President or any agency of the United States Government is authorized or required by or pursuant to the laws of the United States to enter into, perform, enforce, or have in force an agreement or transaction relative to Taiwan, such agreement or transaction shall be entered into, performed, and enforced, in the manner and to the extent directed by the President, by or through the Institute.

(c) To the extent that any law, rule, regulation, or ordinance of the District of Columbia, or of any State or political subdivision thereof in which the Institute is incorporated or doing business, impedes or otherwise interferes with the performance of the functions of the Institute pursuant to this Act, such law, rule, regulation, or ordinance shall be deemed to be preempted by this Act.

SERVICES BY THE INSTITUTE TO UNITED STATES CITIZENS ON TAIWAN

SEC. 7. (a) The Institute may authorize any of its employees on Taiwan—

(1) to administer to or take from any person an oath, affirmation, affidavit, or deposition, and to perform any notarial act which any notary public is required or authorized by law to perform within the United States;

(2) to act as provisional conservator of the personal estates of deceased United States citizens; and

(3) to assist and protect the interests of United States persons by performing other acts such as are authorized to be performed outside the United States for consular purposes by such laws of the United States as the President may specify.

(b) Acts performed by authorized employees of the Institute under this section shall be valid, and of like force and effect within the United States, as if performed by any other person authorized under the laws of the United States to perform such acts.

TAX EXEMPT STATUS OF THE INSTITUTE

SEC. 8. (a) The Institute, its property, and its income are exempt from all taxation now or hereafter imposed by the United States (except to the extent that section 11(a)(3) of this Act requires the imposition of taxes imposed under chapter 21 of the Internal Revenue Code of 1954, relating to the Federal Insurance Contributions Act) or by any State or local taxing authority of the United States.

(b) For purposes of the Internal Revenue Code of 1954, the Institute shall be treated as an organization described in sections 170(b)(1)(A), 170(c), 2055(a), 2106(a)(2)(A), 2522, and 2522b).

FURNISHING PROPERTY AND SERVICES TO AND OBTAINING SERVICES FROM THE INSTITUTE

SEC. 9. (a) Any agency of the United States Government is authorized to sell, loan, or lease property (including interests therein) to, and to perform administrative and technical support functions and services for the operations of, the Institute upon such terms and conditions as the President may direct. Reimbursements to agencies under this subsection shall be credited to the current applicable appropriation of the agency concerned.

(b) Any agency of the United States Government is authorized to acquire and accept services from the Institute upon such terms and conditions as the President may direct. Whenever the President determines it to be in furtherance of the purposes of this Act, the procurement of services by such agencies from the Insitute may be effected without regard to such laws of the United States normally applicable to the acquisition of services by such agencies as the President may specify by Executive order.

(c) Any agency of the United States Government making funds available to the Institute in accordance with this Act shall make arrangements with the Institute for the Comptroller General of the United States to have access to the books and records of the Institute and the opportunity to audit the operations of the Institute.

TAIWAN INSTRUMENTALITY

SEC. 10. (a) Whenever he President or any agency of the United States Government is authorized or required by or pursuant to the laws of the United States to render or provide to or to receive or accept from Taiwan, any performance, communication, assurance, undertaking, or other action, such action shall, in the manner and to the extent directed by the President, be rendered or provided to, or received or accepted from, an instrumentality established by Taiwan which the President determines has the necessary authority under the laws applied by the people on Taiwan to provides assurances and take other actions on behalf of Taiwan in accordance with this Act.

(b) The President is requested to extend to the instrumentality established by Taiwan the same number of offices and complement of personnel as were previously operated in the United States by the governing authorities on Taiwan recognized as the Republic of China prior to January 1, 1979.

(c) Upon the granting by Taiwan of comparable privileges and immunities with respect to the Institute and its appropriate personnel, the President is authorized to extend with respect to the Taiwan instrumentality and its appropriate personnel, such privileges and immunities (subject to appropriate conditions and obligations) as may be necessary for the effective performance of their functions.

SEPARATION OF GOVERNMENT PERSONNEL FOR EMPLOYMENT WITH THE INSTITUTE

Sec. 11. (a) (1) Under such terms and conditions as the President may direct, any agency of the United States Government may separate from Government service for a specified period any officer or employee of that agency who accepts employment with the Institute.

(2) An officer or employee separated by an agency under paragraph (1) of this subsection for employment with the Institute shall be entitled upon termination of such employment to reemployment or reinstatement with such agency (or a successor agency) in an appropriate position with the attendant rights, privileges, and benefits which the officer or employee would have had or acquired had he or she not been so separated, subject to such time period and other conditions as the President may prescribe.

(3) An officer or employee entitled to reemployment or reinstatement rights under paragraph (2) of this subsection shall, while continuously employed by the Institute with no break in continuity of service, continue to participate in any benefit program in which such officer or employee was participating prior to employment by the Institute, including programs for compensation for job-related death, injury, or illness; programs for health and life insurance; programs for annual, sick, and other statutory leave; and programs for retirement under any system established by the laws of the United States; except that employment with the Institute shall be the basis for participation in such programs only to the extent that employee deductions and employer contributions, as required, in payment for such participation for the period of employment with the Institute, are currently deposited in the program's or system's fund or depository. Death or retirement of any such officer or employee during approved service with the Institute and prior to reemployment or reinstatement shall be considered a death in or retirement from Government service for purposes of any employee or survivor benefits acquired by reason of service with an agency of the United States Government.

(4) Any officer or employee of an agency of the United States Government who entered into service with the Institute on approved leave of absence without pay prior to the enactment of this Act shall receive the benefits of this section for the period of such service.

(b) Any agency of the United States Government employing alien personnel on Taiwan may transfer such personnel, with accrued allowances, benefits, and rights, to the Institute without a break in service for purposes of retirement and other benefits, including continued participation in any system established by the laws of the United States for the retirement of employees in which the alien was participating prior to the transfer to the Institute, except that employment with the Institute shall be creditable for retirement purposes only to the extent that employee deductions and employer contributions, as required, in payment for such participation for the period of employment with the Institute, are currently deposited in the system's fund or depository.

(c) Employees of the Institute shall not be employees of the United States and, in representing the Institute, shall be exempt from section 207 of title 18, United States Code.

(d) (1) For purposes of sections 911 and 913 of the Internal Revenue Code of 1954, amounts paid by the Institute to its employees shall not be treated as earned income. Amounts received by employees of the Institute shall not be included in gross income, and shall be exempt from taxation, to the extent that they are equivalent to amounts received by civilian officers and employees of the Government of the United States as allowances and benefits which are exempt from taxation under section 912 of such Code.

(2) Except to the extent required by subsection (a) (3) of this section, service performed in the employ of the Institute shall not constitute employment for purposes of chapter 21 of such Code and title II of the Social Security Act.

REPORTING REQUIREMENTS

Sec. 12. (a) The Secretary of State shall transmit to the Congress the text of any agreement to which the Institute is a party. However, any such agreement the immediate public disclosure of which would, in the opinion of the President, be prejudicial to the national security of the United States shall not be so transmitted to the Congress but shall be transmitted to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives under an appropriate injunction of secrecy to be removed only upon due notice from the President.

(b) For purposes of subsection (a), the term "agreement" includes—

(1) any agreement entered into between the Institute and the governing authorities on Taiwan or the instrumentality established by Taiwan; and

(2) any agreement entered into between the Institute and an agency of the United States Government.

(c) Agreements and transactions made or to be made by or through the Institute shall be subject to the same congressional notification, review, and approval requirements and procedures as if such agreements and transactions were made by or through the agency of the United States Government on behalf of which the Institute is acting.

(d) During the two-year period beginning on the effective date of this Act, the Secretary of State shall transmit to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate, every six months, a report describing and reviewing economic relations between the United States and Taiwan, noting any interference with normal commercial relations.

RULES AND REGULATIONS

Sec. 13. The President is authorized to prescribe such rules and regulations as he may deem appropriate to carry out the purposes of this Act. During the three-year period beginning on the effective date of this Act, such rules and regulations shall be transmitted promptly to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate. Such action shall not, however, relieve the Institute of the responsibilities placed upon it by this Act.

CONGRESSIONAL OVERSIGHT

Sec. 14. (a) The Committee on Foreign Affairs of the House of Representatives, the Committee on Foreign Relations of the Senate, and other appropriate committees of the Congress shall monitor—

(1) the implementation of the provisions of this Act;

(2) the operation and procedures of the Institute;

(3) the legal and technical aspects of the continuing relationship between the United States and Taiwan; and

(4) the implementation of the policies of the United States concerning security and cooperation in East Asia.

(b) Such committees shall report, as appropriate, to their respective Houses on the results of their monitoring.

DEFINITIONS

Sec. 15. For purposes of this Act—

(1) the term "laws of the United States" includes any statute, rule, regulation, ordinance, order, or judicial rule of decision of the United States or any political subdivision thereof; and

(2) the term "Taiwan" includes, as the context may require, the islands of Taiwan and the Pescadores, the people on those islands, corporations and other entities and associations created or organized under the laws applied on those islands, and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979, and any successor governing authorities (including political subdivisions, agencies, and instrumentalities thereof).

AUTHORIZATION OF APPROPRIATIONS

Sec. 16. In addition to funds otherwise available to carry out the provisions of this Act, there are authorized to be appropriated to the Secretary of State for the fiscal year 1980 such funds as may be necessary to carry out such provisions. Such funds are authorized to remain available until expended.

SEVERABILITY OF PROVISIONS

Sec. 17. If any provisions of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to any other person or circumstance shall not be affected thereby.

EFFECTIVE DATE

Sec. 18. This Act shall be effective as of January 1, 1979.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment to the title of the bill insert the following: "An Act to help maintain peace, security, and stability in the Western Pacific and to promote the foreign policy of the United States by authorizing the continuation of commercial, cultural, and other relations between the people of the United States and the people on Taiwan, and for other purposes.".

And the Senate agree to the same.

Clement J. Zablocki,
Dante B. Fascell,
Lester L. Wolff,
Daniel A. Mica,
Tony P. Hall,
Wm. Broomfield,
Edward Derwinski,
Paul Findley,
Managers on the Part of the House.

Frank Church,
Claiborne Pell,
John Glenn,
Richard (Dick) Stone,
Jacob K. Javits,
Charles H. Percy,
Jesse Helms,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2479) to help maintain peace, security, and stability in the Western Pacific and to promote continued extensive, close, and friendly relations between the people of the United States and the people on Taiwan, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE

The House bill had as its title, "An Act To help maintain peace, security, and stability in the Western Pacific and to promote continued extensive, close, and friendly relations between the people of the United States and the people on Taiwan.".

The Senate amended the title so as to read: "An Act to promote the foreign policy of the United States by authorizing the maintenance of commercial, cultural, and other relations with the people on Taiwan on an unofficial basis, and for other purposes.".

The conference substitute is titled as follows: "An Act to help maintain peace, security, and stability in the Western Pacific and to promote the foreign policy of the United States by authorizing the continuation of commercial, cultural, and other relations between the people of the United States and the people on Taiwan, and for other purposes.".

SHORT TITLE

The House bill cited the act as the "United States-Taiwan Relations Act".

The Senate amendment cited the act as the "Taiwan Enabling Act".

The conference substitute cites the act as the "Taiwan Relations Act".

FINDINGS AND DECLARATION OF POLICY

The House bill had a seven-point declaration of principles governing United States policy with regard to Taiwan. These principles included the following: The United States desires to preserve and promote friendly relations between the people of the United States and the people on Taiwan, as well as with the people on the China mainland and all other peoples of the Western Pacific area; peace and stability in the area are in the political, security, and economic interest of the United States, and are matters of international concern and must be maintained; continued extensive, close and friendly commercial, cultural, and other relations must be assured; the future of Taiwan must be determined through peaceful means without prejudice to the well-being of the people on Taiwan; any armed attack against Taiwan or use of force, boycott, or embargo to prevent Taiwan from engaging in trade with other nations would be a threat to the peace and stability of the Western Pacific area and of grave concern to the United States; in interpreting the word "boycott" in this act, Taiwan shall be considered a "friendly" country under the anti-boycott provisions of the Export Administration Act of 1969; and the United States will maintain its capacity to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people of Taiwan. The House bill also contained a statement that nothing in the act shall contravene the President's stated policies and positive interest in human rights, especially with respect to the 18 million inhabitants of Taiwan, and reaffirming the U.S. commitment to the preservation of human rights of the people on Taiwan.

The Senate amendment contained a four-part declaration providing that it is United States policy to maintain extensive, close and friendly relations with the people on Taiwan; to make clear that the United States' decision to establish diplomatic relations with the People's Republic of China rests on the expectation that any resolution of the Taiwan issue will be by peaceful means; to consider any effort to resolve this issue by other than peaceful means, including boycotts or embargoes, as a threat to the peace and security of the Western Pacific area and of grave concern to the United States; and to provide the people on Taiwan with arms of a defensive character. The Senate amendment also provided that the American Institute in Taiwan shall take all appropriate steps to strengthen and expand the ties between the people of the United States and all the people on Taiwan and to promote full human rights for all the people on Taiwan, and to provide adequate personnel and facilities to accomplish these purposes.

The conference substitute begins with a Congressional finding drawn from provisions in the House bill and the Senate amendment. It states that, because the President has terminated governmental relations between the United States and the governing authorities on Taiwan, formerly recognized as the Republic of China, this Act is necessary (1) to help maintain peace, security, and stability in the Western Pacific, and (2) to promote the foreign policy of the United States by authorizing the continuation of commercial, cultural, and other relations between the people of the United States and the people on Taiwan.

The conference substitute then sets forth a six-point statement of United States policy. It states this policy to be (1) to preserve and promote extensive, close, and friendly commercial, cultural, and other relations between the people of the United States and the people on Taiwan, as well as the people on the China mainland and all other peoples of the Western Pacific area; (2) to declare that peace and stability in the area are in the political, security, and economic interests of the United States, and are matters of international concern; (3) to make clear that the United States decision to establish diplomatic relations with the People's Republic of China rests upon the expectation that the future of Taiwan will be determined by peaceful means; (4) to consider any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States; (5) to provide Taiwan with arms of a defensive character; and (6) to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan.

The conference substitute further states that nothing in this act shall contravene the United States interest in the human rights of Taiwan's approximately 18 million inhabitants. The preservation and enhancement of the human rights of the Taiwan people are reaffirmed as United States objectives.

The House provision interpreting the word "boycott" in this act was not retained in this section of the conference substitute because it is included, in substance, in section 4 which is described in "Application of Laws; International Agreements" below. Section 4 (a) of the conference substitute provides for continued application of United States laws with respect to Taiwan as they did before January 1, 1979. Section 4(b)(1) specifically provides that U.S. laws referring or relating to a foreign country shall apply with respect to Taiwan, and section 4(b)(8) makes clear that Taiwan will be treated as a "friendly" country for purposes of United States laws. The antiboycott provisions of the Export Administration Act, for example, are made applicable with respect to Taiwan by these sections.

IMPLEMENTATION OF UNITED STATES POLICY WITH REGARD TO TAIWAN

The House bill provided that in furtherance of the principles set forth in the policy declaration, the United States will make available to Taiwan conventional defense articles and services of modern technology in such quantity as can be effectively utilized for Taiwan's defense. It required the President to inform the Congress promptly of threats to the peace and stability of the Western Pacific area and of any danger to U.S. interests arising from any threat to Taiwan's security. Appropriate U.S. action in response to any such danger was to be determined by the President and the Congress in accordance with constitutional processes. Furthermore, the President was required to ensure that determinations on defense articles and services for Taiwan would be made without regard to the views of the People's Republic of China. Such determinations of Taiwan's defense needs were to include review by U.S. military authorities for forwarding with their recommendations to the President and to the Congress.

The Senate amendment provided that in order to achieve the policy objectives, the United States would maintain its capacity to resist force or other forms of coercion which would jeopardize the security, or the social or economic system, of the people on Taiwan. It stated that the United States will assist the people on Taiwan to maintain a sufficient self-defense capability through the provision of arms of a defensive character. The President was directed to inform the Congress promptly of any threat to the security or the social or economic system of Taiwan and of any danger to U.S. interests arising therefrom; and U.S. action to meet any such danger was to be in accordance with constitutional processes and procedures established by law.

The conference substitute provides that in furtherance of the policy set forth, the United States will make available to Taiwan such defense articles and services in such quantities as are needed to enable Taiwan to maintain a sufficient self-defense capability. The President and the Congress are to decide the nature and quantity of these arms and services solely according to their judgment of Taiwan's needs, and in accordance with the procedures established by law. Such determinations shall include review by U.S. military authorities in connection with recommendations to the President and the Congress. The President is directed to inform the Congress promptly of any threat to the security or the social or economic system of the people on Taiwan and any danger therefrom to the interests of the United States. Appropriate action by the United States in response to any such danger is to be determined by the President and the Congress in accordance with constitutional processes.

ARMS SUPPLY REPORTS

The Senate amendment required the President to transmit to Congress annually a report on the status of certain arms sales to Taiwan which are considered eligible for approval. The amendment also required notification to Congress 30 days prior to issuance to the People's Republic of China of any license to export items on the United States Munitions List.

The House bill did not contain comparable provisions.

The conference substitute is the same as the House position. The committee of conference adopted the House position after determining that adequate information on these subjects would be made available to the Congress under existing law, and that the Congress would be informed in advance of any change in the present United States policy of not approving arms exports to the People's Republic of China.

APPLICATION OF LAWS; INTERNATIONAL AGREEMENTS

The House bill provided that no U.S. legal requirement with respect to diplomatic relations or recognition of a government shall apply with respect to Taiwan. It also stated that the absence of diplomatic relations and recognition shall not affect application of United States laws with respect to Taiwan, and that United States laws shall apply with respect to Taiwan as they did before January 1, 1979. In addition to these broad provisions, the House bill provided further that Taiwan may be granted a separate immigration quota under the Immigration and Nationality Act, that interests in tangible or intangible property acquired by the Republic of China prior to January 1, 1979, shall not be affected by U.S. recognition of the People's Republic of China, and that all treaties and other international agreements which were in force between the United States and the Republic of China on December 31, 1978, including multilateral conventions to which both were parties, shall continue in force unless terminated in accordance with their terms or otherwise in accordance with United States laws.

The Senate amendment addressed a number of legal issues more specifically. It provided (in section 102) that no requirement for diplomatic relations or for recognition by the United States as a condition of eligibility for participation in programs, transactions, or other relations under United States law shall apply to Taiwan. It stated (in section 101(a)) that whenever any United States law refers to a foreign country, it shall apply with respect to Taiwan. It also contained provisions concerning the rights and obligations of natural and juridical persons (section 102(b)), access to U.S. courts by the Taiwan instrumentality (section 103), authority for the Executive branch to conduct programs with respect to Taiwan (section 105), the choice-of-law questions (section 109), and consideration of nuclear export applications (section 116). It further provided that recognition of the People's Republic of China shall not affect the ownership of properties held by the people on Taiwan before or after December 31, 1978 (section 110(a)). It stated that Congress approves the continuation in force of all treaties and other international agreements in force between the United States and the Republic of China prior to January 1, 1979, unless terminated in accordance with law (section 104), and that nothing in this act may be construed as a basis for supporting the exclusion or expulsion of Taiwan from continued membership in any international financial institution or any other international organization (section 115).

The conference substitute combines both the general House provisions and the more specific Senate provisions without weakening or narrowing the applicability of any of the provisions adopted. The House provisions applying United States laws to Taiwan are to be construed as all-inclusive, as intended in the House bill. The Senate provisions are to be construed as fully applicable to the matters to which they are directed; and at the same time, their inclusion in the conference substitute is not to be interpreted either as exhaustive or as excluding the applicability of general provisions to matters not specifically addressed. The conference substitute emphasizes this in stating that the application of subsection (a) of section 4 "shall include, but shall not be limited to," the items addressed in section 4(b).

The conference substitute further provides that the Congress approves the continuation in force of all treaties and other international agreements, including multilateral conventions, between the United States and Taiwan which were in force prior to January 1, 1979, unless terminated in accordance with law; and nothing in this Act may be construed as a basis for supporting the exclusion or expulsion of Taiwan from any international financial institution or other international organization.

With regard to the issue of conditioning the right to sue and be sued on reciprocity, the Committee of Conference noted that Article VI(4) of the Treaty of Friendship, Commerce, and Navigation between the United States and the Republic of China (TIAS 1871, 63 Stat. 1289) guarantees freedom of access to the courts in each country by the nationals, corporations and associations of the other party, and that this Treaty continues in force. Therefore, no specific provision on this issue in the bill was considered necessary.

OVERSEAS PRIVATE INVESTMENT CORPORATION

The Senate amendment provided that the $1,000 per capita income restriction applicable to the Overseas Private Investment Corporation in regard to its determining whether to provide any insurance, reinsurance, loans or guaranties for a project, shall not apply, with respect to investment projects in Taiwan. The Senate amendment required that in all other respects, OPIC apply the same criteria in evaluating investment projects on Taiwan as it applies in other parts of the world. The President was required to report to the Congress within five years concerning the desirability of continuing this provision in light of economic conditions on Taiwan at the time of the report.

The House bill contained no comparable provision.

The conference substitute is the same as the Senate provision, except that a 3-year limit was placed on the waiver of the per capita income criteria, and the Presidential reporting requirement is not included. The Committee of Conference, in adopting the Senate provision as amended, intended to provide for continuing OPIC activity on Taiwan at about the previous level, but did not intend a substantially expanded level of such activity.

THE AMERICAN INSTITUTE IN TAIWAN

The House bill provided that dealings of the United States Government with Taiwan shall be conducted through such nongovernmental entity as the President, after consultation with Taiwan, may designate. The House bill further provided that to the extent the President may specify, U.S. laws which apply to U.S. Government agencies shall apply to the designated entity as if it were a U.S. Government agency.

The Senate amendment provided that programs, transactions, and other relations conducted by the United States Government with respect to the people on Taiwan shall be conducted through the American Institute in Taiwan, a nonprofit corporation incorporated under the laws of the District of Columbia. The Senate amendment expressly authorized the Institute to enter into, perform, and enforce agreements and arrangements with Taiwan on behalf of the United States Government.

The Senate amendment stated that the Institute shall not be an agency or instrumentality of the United States. Rather, it provided that State law would be preempted to the extent that it interferes with the Institute in carrying out its functions, that the Institute shall be exempt from Federal and State taxes (although this does not relieve the Institute of the obligation to collect the withholding tax imposed on the wages paid its employees) and that the Comptroller General shall be able to audit the Institute.

The conference substitute provides that U.S. Government programs, transactions, and other relations with respect to Taiwan shall be conducted through the American Institute in Taiwan, or such comparable successor nongovernmental entity as the President may designate. The conference substitute includes the Senate provision expressly granting authority for the Institute to enter into, perform, and enforce agreements and other transactions with respect to Taiwan.

The conference substitute is the same as the Senate amendment with regard to preemption, to treatment of the Institute under tax laws, and to auditing.

SERVICES BY THE INSTITUTE TO U.S. CITIZENS

The House bill provided that the designated entity may authorize its employees in Taiwan to assist and protect the interests of U.S. persons by performing acts authorized by U.S. laws to be performed outside the United States for consular purposes.

The Senate amendment authorized similar services by the employees of the Institute but did not use the word "consular."

The conference substitute is similar to the House provision, except that it refers to acts "such as are" authorized to be performed for consular purposes.

U.S. AGENCY DEALING WITH THE INSTITUTE

The House bill provided that Federal agencies may acquire and accept services from the designated entity without regard to the laws and regulations normally applicable to the acquisition of services by such agencies.

The Senate amendment authorized any Federal agencies to acquire and accept services from the Institute, but that waiver of procurement laws must be by Executive order.

The conference substitute is similar to the Senate provision.

TAIWAN INSTRUMENTALITY

Dealings with Taiwan

The House bill provided that dealings of Taiwan with the U.S. Government shall be conducted through such instrumentality established by Taiwan as the President and Taiwan agree is the instrumentality appropriate for such dealings and which has the necessary authority under Taiwan laws to provide assurances and take other action on behalf of Taiwan.

The Senate amendment authorized the President to provide to or receive any performance, communication, assurance, undertaking, or other action from Taiwan for purposes of U.S. law through an instrumentality established by Taiwan.

The conference substitute combined the House and Senate provisions.

Location of facilities

The House bill directed the President to make every effort to reach agreement with Taiwan to assure that the Taiwan instrumentality could use facilities at or near the locations of the Taiwan consular establishments which existed in the United States on December 31, 1978.

The Senate amendment authorized the President to extend to the Taiwan instrumentality, on a reciprocal basis, the same number of offices and personnel as previously operated in the United States before January 1, 1979.

The conference substitute requests the President to extend to the Taiwan instrumentality the option of maintaining the same number of offices and personnel in the United States as existed before January 1, 1979.

Privileges and immunities

The House bill provided for the granting, on a reciprocal basis, of such privileges and immunities for the Taiwan entity in the United States and its personnel as are necessary to carry out their functions.

The Senate amendment also provided for

privileges and immunities for the Taiwan instrumentality on a reciprocal basis, such privileges and immunities to be "comparable to those provided to missions of foreign countries."

The conference substitute is similar to the House provision.

REPORTING REQUIREMENTS

The Senate amendment required the Secretary of State to transmit to Congress the text of any agreement (as defined) to which the Institute is a party, and provided that agreements and transactions made by or through the Institute shall be subject to the same Congressional notification, review, and approval processes as are applied to the U.S. Government agencies on behalf of which the Institute is acting.

The Senate amendment also provided that for a 2-year period beginning with the effective date of this act, the Secretary of State shall transmit to the Congress every 6 months a report on economic relations between the United States and Taiwan, noting any interference with normal commercial relations.

The House bill did not have such comparable provisions.

The conference substitute is the same as the Senate provisions.

RULES AND REGULATIONS

The House bill authorized the President to prescribe regulations to carry out the purposes of this act.

The Senate amendment authorized the President to prescribe rules and regulations to carry out the purposes of this act, such rules and regulations to be transmitted promptly to the Congress.

The conference substitute is the same as the Senate provision, with an amendment limiting the transmission requirement to a 3-year period starting with the effective date of this act.

CONGRESSIONAL OVERSIGHT

The House bill provided that the Committee on Foreign Affairs of the House and the Committee on Foreign Relations of the Senate shall monitor the implementation of this act, the operation and procedures of the designated entity, the legal and technical aspects of the continuing relationship between the United States and Taiwan, and the implementation of the policies of the United States concerning security and cooperation in East Asia, and that such Committees shall report, as appropriate, to their respective Houses on the results of their monitoring.

The Senate amendment provided for a Joint Commission on Security and Cooperation in East Asia, composed of six Members of the House and six Members of the Senate, to perform the same monitoring tasks over a period of 3 years, with an appropriations authorization of $550,000 a year, and which would make semi-annual reports to the two committees and to the President.

The conference substitute is the same as the House provision, with an amendment including "other appropriate committees of the Congress", along with the Foreign Affairs and Foreign Relations Committees, as those charged with the monitoring responsibility. The committee of conference intends that reports resulting from such monitoring would be handled in accordance with the rules applicable in each House.

DEFINITIONS

(*1*) *Laws of the United States*

The House bill used the term "laws of the United States" throughout the bill and defined the term as including any statute, rule, regulation, ordinance, order, or judicial rule of decision of the United States or any political subdivison thereof.

The Senate amendment contained varying references to U.S. law, and contained no express definition.

The conference substitute is the same as the House provision.

(*2*) *Taiwan/People on Taiwan*

The House bill defined "Taiwan" to include, as the context may require, the islands of Taiwan and the Pescadores, the inhabitants of those islands, corporations and other entities and associations created or organized under the laws applied on those islands, and the authorities exercising governmental control on those islands (including agencies and instrumentalities thereof).

The Senate amendment contained three definitional provisions of the term "people on Taiwan" for purposes of different sections of the Senate amendment. The generally applicable definition defined "people on Taiwan" to include the governing authority on Taiwan, recognized by the United States prior to January 1, 1979, as the Republic of China; its agencies, instrumentalities, and political subdivisions; and the people governed by it or organizations and other entities formed under the law applied on Taiwan in the islands of Taiwan and the Pescadores.

The conference substitute defines "Taiwan", rather than "people on Taiwan", and states that the term "Taiwan" includes, as the context may require, the island of Taiwan and the Pescadores, the people on those islands, corporations and other entities and associations created or organized under the laws applied on those islands, and the governing authorities on Taiwan recognized by the United States as the Republic of China prior to January 1, 1979, and any successor governing authorities, including subdivisions, agencies, and instrumentalities.

AUTHORIZATION OF APPROPRIATIONS

The House bill provided that no Federal agency may make any funds available to the designated entity unless the Congress has expressly authorized and appropriated those funds to be made available to the designated entity.

The Senate amendment authorized to be appropriated to the Secretary of State for fiscal year 1980 such funds as may be necessary to carry out the provisions of this act, to remain available until expended. The Senate amendment further authorized the Secretary of State to provide funds to the Institute for four categories of expenses directly related to the provisions of this act.

The conference substitute is the same as the Senate provision authorizing appropriations to the Secretary of State for fiscal year 1980 to carry out the provisions of this act. The action of the committee of conference in expressly authorizing appropriations for fiscal year 1980 is not to be construed as opposition to funding for the implementation of this act in fiscal year 1979 or in the years subsequent to fiscal year 1980. To the contrary, the committee of conference intends that funding for the implementation of this act such as for the Institute shall be provided in fiscal year 1979, and in subsequent years, from the amounts regularly authorized and appropriated to the State Department. The Senate provision further authorizing the Secretary of State to provide funds to the Institute for four categories of expenses was not included in the conference substitute because the Committee of Conference was satisfied that the Secretary of State already had this authority.

SEVERABILITY OF PROVISIONS

The Senate amendment provided that if any provision of this act or application thereof is held invalid, the remainder of the act and the application of such provision to any other person or circumstance shall not be affected thereby.

The House bill did not have a comparable provision.

The conference substitute is the same as the Senate provision.

Clement J. Zablocki,
Dante B. Fascell,
Lester L. Wolff,
Daniel A. Mica,
Tony P. Hall,
Wm. Broomfield,
Edward Derwinski,
Paul Findley,
Managers on the Part of the House.

Frank Church,
Claiborne Pell,
John Glenn,
Richard (Dick) Stone,
Jacob K. Javits,
Charles H. Percy,
Jesse Helms.
Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Hinson) to revise and extend their remarks and include extraneous material:)

Mr. McKinney, for 5 minutes, today.
Mr. Grassley, for 5 minutes, today.
Mrs. Fenwick, for 5 minutes, today.
Mr. Kemp, for 10 minutes, today.

(The following Members (at the request of Mr. Moakley) to revise and extend their remarks and include extraneous material:)

Mr. Weaver, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Flood, for 5 minutes, today.
Mr. Conyers, for 5 minutes, today.
Mr. Corman, for 5 minutes, today.
Mr. Roberts, for 5 minutes, today.
Mr. Drinan, for 5 minutes, today.
Mr. Lundine, for 5 minutes, today.
Mr. Ottinger, for 5 minutes, today.
Mr. Preyer, for 5 minutes, today.
Mr. Long of Maryland, for 60 minutes, on April 3.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Hinson) and to include extraneous matter:)

Mr. Walker.
Mr. Hopkins.
Mr. Whitehurst.
Mr. Derwinski in two instances.
Mr. Erlenborn.

(The following Members (at the request of Mr. Moakley) and to include extraneous matter:)

Mr. Anderson of California in three instances.
Mr. Gonzalez in three instances.
Mr. Brown of California in 10 instances.
Mr. Annunzio in six instances.
Ms. Holtzman in 10 instances.
Mr. Jones of Tennessee in 10 instances.
Mr. Boner of Tennessee in five instances.
Mr. Walgren.

Mr. EDWARDS of California.
Mr. ST GERMAIN.
Mr. COTTER.
Mr. MCHUGH.
Mr. SHANNON.
Mr. WOLFF in four instances.
Mr. FARY in two instances.
Mr. MILLER of California in two instances.
Mr. LELAND.
Mr. GINN.
Mr. WEISS.
Mr. WAXMAN.
Mr. BONKER.

SENATE CONCURRENT AND JOINT RESOLUTIONS REFERRED

Concurrent and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 15. Concurrent resolution authorizing the reprinting of the Senate report entitled "First Concurrent Resolution on the Budget—Fiscal Year 1979" (S. Rept. 95–739); to the Committee on House Administration; and

S.J. Res. 14. Joint resolution to correct an error made in the printing of Public Law 95–613; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2301. An act to amend the Federal District Court Organization Act of 1978 with respect to certain administrative matters arising from the redrawing of the Federal judicial districts in the State of Illinois.

ADJOURNMENT

Mr. MOAKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 7 minutes p.m.), the House adjourned until tomorrow, Tuesday, March 27, 1979, at 12 o'clock noon.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1978, TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following report for printing in the CONGRESSIONAL RECORD pursuant to section 4(b) of Public Law 85–804:

NASA,
Washington, D.C., March 15, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: This is a report to the Congress pursuant to Section 4 of the Act of August 28, 1958 (Public Law 85–804; 50 U.S.C. 1431–35), submitted to the Speaker of the House of Representatives pursuant to Rule XL of that House.

The National Aeronautics and Space Administration, acting through its Contract Adjustment Board, did not grant any request for extraordinary contractual adjustment during calendar year 1978.

Very truly yours,
ROBERT A. FROSCH,
Administrator.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1063. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize officers of flag rank to serve in the Medical Service Corps in the Navy, and for other purposes; to the Committee on Armed Services.

1064. A letter from the Under Secretary of the Air Force, transmitting a draft of proposed legislation to amend chapter 47 of title 10, United States Code, (Uniform Code of Military Justice) to improve the quality and efficiency of the military judicial system; to the Committee on Armed Services.

1065. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment and services to Turkey (transmittal No. 79–19), pursuant to section 813 of Public Law 94–106; to the Committee on Armed Services.

1066. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend title V of the Housing Act of 1949; to the Committee on Banking, Finance and Urban Affairs.

1067. A letter from the U.S. Commissioner of Education, transmitting notice of a proposed interpretation regarding entitlement funds for Indian tribal schools, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1068. A letter from the Chairman, National Advisory Council on Equality of Educational Opportunity, transmitting a statement by the Council on the repeal of its statutory authority; to the Committee on Education and Labor.

1069. A communication from the President of the United States, transmitting a report on progress toward the conclusion of a negotiated solution of the Cyprus problem, pursuant to section 620C(a) of the Foreign Assistance Act of 1961, as amended (H. Doc. No. 96–79); to the Committee on Foreign Affairs and ordered to be printed.

1070. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment and services to Turkey (transmittal No. 79–19), pursuant to section 36(b) of the Arms Export Control Act, together with certification that the proposed sale is consistent with the provisions of section 620C(b) of the Foreign Assistance Act of 1961, as amended, pursuant to section 620C(d) of that act; to the Committee on Foreign Affairs.

1071. A letter from the Secretary of Transportation, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1072. A letter from the Freedom of Information Officer, Environmental Protection Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1073. A letter from the Secretary, Postal Rate Commission, transmitting a report on the Commission's activities under the Privacy Act during calendar year 1978, pursuant to 5 U.S.C. 552a(p); to the Committee on Government Operations.

1074. A letter from the Chairman, Federal Maritime Commission, transmitting a report on the Commisison's activities under the Government in Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1075. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to reform the economic regulation of railroads, and for other purposes; to the Committee on Interstate and Foreign Commerce.

1076. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting a quarterly report for the period October through December 1978 on imports of crude oil, refined petroleum products, natural gas and coal; reserves and production of crude oil, natural gas, and coal; refinery activities; and inventories; together with data on exploratory activity, exports, nuclear energy, and electric power, pursuant to section 11(c)(2) of Public Law 93–319, as amended; to the Committee on Interstate and Foreign Commerce.

1077. A letter from the Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to amend title 18 of the United States Code to revise and improve the laws controlling false identification crimes; to the Committe on the Judiciary.

1078. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a negative report for calendar year 1978 on extraordinary contractual actions, pursuant to section 4 of Public Law 95–804; to the Committee on the Judiciary.

1079. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 18, United States Code, with respect to the protection of certain officers or employees of the United States, and for other purposes; to the Committee on the Judiciary.

1080. A letter from the President, Legal Services Corporation, transmitting the third annual report of the Corporation, covering fiscal year 1978, pursuant to section 1008(c) of the Economic Opportunity Act, as amended; to the Committee on the Judiciary

1081. A letter from the Secretary of Commerce, transmitting the annual report for calendar year 1978 on actions taken to assure the provision of direct and adequate service by U.S.-flag commercial vessels to each of the Nation's four seacoasts, pursuant to section 809(a) of the Merchant Marine Act, 1936; to the Committee on Merchant Marine and Fisheries.

1082. A letter from the Director, Office of Personnel Management, transmitting the 56th annual report of the Board of Actuaries of the Civil Service Retirement System, covering the fiscal year ended June 30, 1976 pursuant to 5 U.S.C. 8347(f); to the Committee on Post Office and Civil Service.

1083. A letter from the Chairman, Board of Directors, Tennessee Valley Authority transmitting a report on competition in the coal and uranium markets; to the Committee on Public Works and Transportation.

1084. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to extend the authorizations of appropriations for two programs of the National Bureau of Standards; to the Committee on Science and Technology.

1085. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title XX of the Social Security Act to provide for an expanded social services program, to make permanent certain temporary provisions, and for other purposes; to the Committee on Ways and Means.

1086. A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to amend titles 10 and 33, United States Code, to authorize reimbursement for expenses incurred in obtaining quarters by certain members of the uniformed services on sea duty who are deprived of their quarters aboard ship, and for other purposes; jointly, to the Committees on Armed Services and Merchant Marine and Fisheries.

1087. A letter from the Comptroller General of the United States, transmitting a report on questionable payments and loan defaults in sugar programs (CED-79-24, March 16, 1979); jointly, to the Committees on Government Operations and Agriculture.

1088. A letter from the Comptroller General of the United States, transmitting a report on warship survivability (PSAD-79-43, March 23, 1979); jointly, to the Committees on Government Operations and Armed Services.

1089. A letter from the Comptroller General of the United States, transmitting a report on foreign military sales pricing problems (FGMSD-79-16, Mar. 22, 1979); jointly, to the Committees on Government Operations and Foreign Affairs.

1090. A letter from the Comptroller General of the United States, transmitting a report on changes needed in the U.S. valuation system for imported merchandise (GGD-79-29, Mar. 23, 1979); jointly, to the Committees on Government Operations and Ways and Means.

1091. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Social Security Act to strengthen and improve the program of Federal support for foster care of needy dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Submitted Mar. 24, 1979*]

Mr. ZABLOCKI: Committee on Foreign Affairs. H.R. 3173. A bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes. (Rept. No. 96-70). Referred to the Committee of the Whole House on the State of the Union.

Mr. ZABLOCKI: Committee of conference. Conference report on H.R. 2479 (Rept. No. 96-71). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRODHEAD:

H.R. 3221. A bill to amend the Internal Revenue Code of 1954 to provide that the provisions which increase the Federal unemployment tax in States which have outstanding loans will not apply if the State makes certain repayments; to the Committee on Ways and Means.

By Mr. CORMAN:

H.R. 3222. A bill to amend the Social Security Act to strengthen and improve the program of Federal support for foster care and of needy dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 3223. A bill to amend the Federal Mine Safety and Health Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations, sand and gravel mining operations, or shell mining operations; to the Committee on Education and Labor.

By Mr. FUQUA (by request):

H.R. 3224. A bill to authorize appropriations for the Federal Fire Prevention and Control Act of 1974; to the Committee on Science and Technology.

By Mr. OTTINGER:

H.R. 3225. A bill authorizing the President to award a medal of honor posthumously to William James Tsakanikas; to the Committee on Armed Services.

By Mr. PERKINS:

H.R. 3226. A bill to amend title 38, United States Code, to allow GI bill education benefits to be used at any time, rather than only within a 10-year period of eligibility, and to provide for payment of one-half the amount of the tuition of a person utilizing such benefits in addition to the monthly educational allowance currently provided; to the Committee on Veterans' Affairs.

By Mr. PREYER (for himself, Mr. Udall, and Mr. Hamilton):

H.R. 3227. A bill to provide for affording equal educational opportunities for students in the Nation's elementary and secondary schools; to the Committee on Education and Labor.

By Mr. ROBERTS (for himself and Mr. Hammerschmidt) (by request):

H.R. 3228. A bill to amend title 38 of the United States Code in order to liberalize the eligibility for benefits under chapter 42 of such title (relating to employment and training of disabled and Vietnam era veterans); to the Committee on Veterans' Affairs.

H.R. 3229. A bill to amend section 612(b) of title 38, United States Code, to authorize outpatient dental treatment for those veterans otherwise eligible for medical services; to the Committee on Veterans' Affairs.

By Mr. SOLARZ:

H.R. 3230. A bill to require recipients of Federal aid to higher education to provide senior citizens with access, on a space available basis, to already scheduled courses and programs; to the Committee on Education and Labor.

By Mr. SOLOMON:

H.R. 3231. A bill to amend the Internal Revenue Code of 1954 to provide individuals a limited exclusion from gross income for interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. WHITTAKER:

H.R. 3232. A bill to limit the amount of outside earned income which may be received by Members of the House of Representatives and Senators; to the Committee on Rules.

By Mr. MATHIS (for himself, Mr. Pepper, Mr. Bob Wilson, and Mr. Hyde):

H.J. Res. 280. Joint resolution designating February 1980 as "American History Month"; to the Committee on Post Office and Civil Service.

By Mr. FUQUA:

H. Con. Res. 86. Concurrent resolution authorizing the designation of the period July 16 through 24 as "United States Space Observance"; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

85. By the SPEAKER: Memorial of the Legislature of the State of Arkansas, relative to trade and diplomatic relations with Taiwan; to the Committee on Foreign Affairs.

86. Also, memorial of the Legislature of the State of Idaho, relative to the Federal Government withholding or withdrawing any Federal funds from the States in order to implement Federal policies and programs; to the Committee on Government Operations.

87. Also, memorial of the Legislature of the State of South Dakota, relative to amending the acreage limitation provisions of the Federal reclamation laws; to the Committee on Interior and Insular Affairs.

88. Also, memorial of the Legislature of the State of Utah, relative to making certain wilderness designations more palatable to the State of Utah; to the Committee on Interior and Insular Affairs.

89. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to speedy trials; to the Committee on the Judiciary.

90. Also, memorial of the Senate of the Commonwealth of Massachusetts, requesting that Congress propose amendments to the Constitution of the United States which would require a balanced Federal budget for each fiscal year; to the Committee on the Judiciary.

91. Also, memorial of the Legislature of the State of South Dakota, relative to the repeal of section 2005 of the Tax Reform Act of 1976; to the Committee on Ways and Means.

92. Also, memorial of the Legislature of the Territory of Guam, requesting that the U.S. Customs Service operate within the territory of Guam for the purposes of interdiction of illegal drugs; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BONKER:

H.R. 3233. A bill for the relief of Stephen Galloway Dean, Janet McNillen Dean, Graeme Gordon Dean, Craig Galloway Dean; to the Committee on the Judiciary.

By Mr. GOLDWATER:

H.R. 3234. A bill for the relief of Rodolfo Jose Kozul; to the Committee on the Judiciary.

By Mr. UDALL:

H.R. 3235. A bill for the relief of the heirs of Eddie Bailey; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. Ratchford, Mr. Moffett, Mr. Gilman, Mr. Barnard, Mr. Volkmer, Mr. Ireland, and Ms. Oakar.

H.R. 271: Mr. Jeffords, Mr. Roybal, Mrs. Spellman, and Mr. Wolff.

H.R. 282: Mr. Green, and Mr. Wolff.

H.R. 283: Mr. Fithian, Mr. Glickman, Mr. McHugh, and Mr. Mikva.

H.R. 831: Mr. Rosenthal, and Mr. Downey.

H.R. 1296: Mr. Addabbo, Mr. Albosta, Mrs. Bouquard, Mrs. Collins of Illinois, Mr. Corrada, Mr. Hollenbeck, Ms. Holtzman, Mr. Lederer, Mr. Mitchell of Maryland, Mr. Ottinger, Mr. Pritchard, Mr. Roe, Mrs. Spellman, Mr. Weiss, and Mr. Zeferetti.

H.R. 1652: Mr. Brodhead, Mr. Addabbo, Mr. Albosta, Mr. AuCoin, Mr. Baldus, Mr. Barnes, Mr. Bonior of Michigan, Mrs. Bouquard, Mr. Brown of California, Mr. Buchanan, Mr. Burgener, Mr. Carter, Mr. Conyers, Mr. Dan Daniel, Mr. Dixon, Mr. Dornan, Mr. Downey, Mr. Drinan, Mr. Edgar, Mr. Edwards of California, Mr. Emery, Mr. Evans of Georgia, Mr.

Evans of the Virgin Islands, Mr. Fisher, Mr. Flood, Mr. Florio, Mr. Glickman, Mr. Green, Mr. Heftel, Ms. Holtzman, Mr. Hughes, Mr. Kemp, Mr. Kildee, Mr. Kostmayer, Mr. LaFalce, Mr. Lagomarsino, Mr. Lehman, Mr. Lloyd, Mr. Long of Maryland, Mr. McHugh, Mr. McKinney, Ms. Mikulski, Mr. Mikva, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Neal, Mr. Nichols, Mr. Ottinger, Mr. Panetta, Mr. Patten, Mr. Pepper, Mr. Price, Mr. Rangel, Mr. Roe, Mrs. Schroeder, Mr. Solarz, Mrs. Spellman, Mr. Thompson, Mr. Van Deerlin, Mr. Vento, Mr. Walgren, Mr. Walker, Mr. Weiss, Mr. Whitehurst, Mr. Wolpe, and Mr. Richmond.

H.R. 1700: Mr. Miller of Ohio.

H.R. 2233: Mr. Marlenee.

H.R. 2374: Mr. Scheuer and Mr. Sebelius.

H.R. 2697: Mr. Bevill, Mr. Carter, Mr. Hopkins, Mr. Hubbard, Mr. Mazzoli, Mr. Rahall, Mr. Snyder, Mr. Staggers, and Mr. Yatron.

H.R. 2812: Mr. Edwards of California, Mr. Kildee, Mr. Emery, Mr. Sawyer, Mr. Drinan, Mr. Weiss, Mr. Beilenson, Mr. Weaver, Mr. Nolan, Mr. Dellums, Mr. Stark, Mr. Studds, Mr. Brodhead, Mr. Conyers, Mr. Traxler, Mr. Downey, Mr. Richmond, Mr. Scheuer, Mr. Edgar, Mr. AuCoin, Mr. Pursell, Mr. Seiberling, Mr. McKinney, Mr. Mitchell of Maryland, Mr. Duncan of Oregon, and Mr. Blanchard.

H. Con. Res. 54: Mr. Moakley.

H. Con. Res. 75: Mr. Dornan, Mr. Gingrich, Mr. Williams of Ohio, Mr. Leath of Texas, Mr. Robinson, Mr. Hall of Texas, Mr. Dannemeyer, Mr. Whitehurst, Mr. Lagomarsino, Mr. Grisham, Mr. Kindness, Mr. Goldwater, Mr. Archer, Mr. Stenholm, Mr. Ritter, Mr. Hance, Mr. Regula, Mr. Rudd, Mr. Badham, Mr. Loeffler, Mr. Leach of Louisiana, Mr. Evans of Georgia, Mr. Gramm, and Mr. Walker.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

90. By the SPEAKER: Petition of the Western States Land Commissioners Association, Sacramento, Calif., relative to entitlements payments for domestic heavy oil reserves; to the Committee on Interstate and Foreign Commerce.

91. Also, petition of the town council, Drummond, Mont., relative to proposed discontinuance of Amtrak routes; to the Committee on Interstate and Foreign Commerce.

92. Also, petition of the Jacksonville Jaycees, Jacksonville, Fla., requesting that Congress propose an amendment to the Constitution of the United States to require that the Federal budget be balanced except in times of national emergency; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

IN PRAISE OF "DIRECTION SPORTS," A WINNING PROGRAM FOR URBAN YOUTH

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. KEMP. Mr. Speaker, the CBS Television Network earlier this month aired what I believe was an extraordinary show entitled "Razzmatazz" which dealt with one of America's most successful urban youth programs.

The encouraging aspect of this program, which began in Los Angeles and has branched out to 12 other cities—including my own community of Buffalo—is that it already has endured for 10 years in an era when the national survival rate for programs designed to cope with urban crime and education averages about 18 months.

I believe the reason for the durability of the program, called "Direction Sports" is that it predicated on the idea that a child's propensity to excel in sports in competition with his or her peers can be used to stimulate better performance and attendance in the classroom and to keep the child out of trouble.

How well the program works is shown by the fact that participants referred from the juvenile justice system to "Direction Sports" have a recidivism rate of only 2 percent as compared to a national average of 50 percent among nonparticipants.

Some of our Nation's most civic-minded leaders are behind the program including some good friends like Barron Hilton, Bob Hope, O. J. Simpson, Bill Cosby, Coaches John McKay, Bud Wilkinson, and John Wooden, as well as the very able mayor, Tom Bradley of Los Angeles.

Mr. Speaker, for my colleagues and other readers of the Record who did not see the CBS show featuring this fine organization, I insert after my remarks an article from the August 22, 1978, Los Angeles Times, which describes in greater detail, the scope and benefits of "Direction Sports":

KIDS LEARN TO PASS THE 3R'S, TOO

(By Charles Maher)

A kid starts playing basketball in the ghetto, learning to dribble, shoot and pass.

Among the things he learns to pass, oddly enough, are reading and math. That's provided he has the good luck to play on one of the teams run by an educationally oriented sports organization that just held its first national playoffs in Los Angeles.

Programs by the dozens, some with abundant government funding, have been concocted to cure problems of urban crime and education. Many if not most are gone by the time we know what their initials stand for. The average lasts maybe 18 months.

In this high-mortality arena, a program called Direction Sports has survived for 10 years, its approach based on the pardonably sneaky proposition that a kid's love of sports can be used to make him score better in the classroom and stay out of trouble. Begun in Los Angeles, the program has since branched out to 12 other cities.

For a firsthand look at how it works, a reporter dropped by the men's gym at USC for the finals of the Direction Sports playoffs. Thirty games had been played since Ronald McDonald threw up the ball for the first tipoff and teams from Atlanta, Buffalo, Chicago, Denver, Des Moines, Houston, New York, New Orleans, Palo Alto, Phoenix and San Diego-Escondido had been eliminated. It was down to San Francisco and Los Angeles.

Instead of taking the court for the opening whistle, the two teams left the court, lining up at opposite ends of the gym. Twin tables and chairs were set up at midcourt. On each table were a sheet of questions and a pencil. The questions, designed to test reading comprehension, covered material the kids had studied earlier.

On signal, one kid from each end dribbled a basketball to his team table, sat down, picked up the pencil and answered the first question. The next player in line dribbled to the table and answered question 2. And so on.

Having finished his question, each player proceeded according to usual practice to the other team's table and started talking, humming or yelling, the better to test the opponent's ability to combat distraction. By the time the last questions were being answered, each table was surrounded by hostile forces and even the 200 or so spectators were distracted.

The pregame quiz is a regular part of Direction Sports competition in various sports. In basketball, a team gets two points, the equivalent of a field goal, for each correct answer, and the team finishing ahead on points starts the actual game ahead by that many points. In this case Los Angeles won the quiz, 20-18, and so began the game with a 2-0 lead.

The quizzing wasn't quite over. Once a quarter, at the random decision of the referee, each team had to send a player forward to answer a question after scoring a basket. The question would be simpler than those in the written quiz (often the question itself would supply the answer), but the player had to tune out the game momentarily and listen attentively. If he blew it, the basket his team just scored wouldn't count.

Or it could have been the basket *her* team just scored. The players were mostly boys, from 11 to 13, but girls can play, too.

The San Francisco team, predominantly black, was from Hunter's Point. The Los Angeles team, a blend of blacks, Chicanos, Asian-Americans and Anglos in about equal measures was from the south side and East L.A.

They played four six-minute periods. San Francisco had more speed but less height. L.A. won with a strong second half, 32–25.

Direction Sports typically recruits kids in neighborhoods where it is easy to make the transition from pupil to pimp to pusher to worse. The theory is that the more a kid gets into learning the less he is apt to get into mischief.

Tulley Brown, a reformed law student who started the program here in 1968, said he found that inner-city kids on average were two years behind in learning skills after grade 6, and 45% never finished high school. He found there were thousands of Little League baseball teams in the area, but not one in the inner city. Even if schools were made equal, he concluded, the inner-city kid would still be behind because he spent only about 20% of his waking hours in school and needed more educational encouragement and positive social experiences outside the classroom.

"The re-arrest rate of youth participating in our program," Brown said, "is the lowest in America—2 per cent in a two-year period compared to a national average of 50 per cent.

"Independent evaluation of the program has clearly shown improvement in children's learning skills, self-concept, motivation to learn and prevention of recidivism (relapse into criminal behavior)."

Among those who have lent their names to the program are Mayor Bradley, Bill Cosby, Barron Hilton, Bob Hope, Karl Malden, John McKay, O. J. Simpson, Bud Wilkinson and John Wooden. They're all on the Advisory Board.

Brown said 2,500 kids in 13 cities were in the program this past year and the number may rise to 10,000 in the fall. Each team meets four times a week. First there is a 30-minute reading and math lesson, then an hour of practice in whatever sport is in season, then a 30-minute rap session designed to improve social attitudes. The teams are coached by volunteer college students.

Direction Sports has received government support from time to time but Brown has come to regard government as a risky source of revenue. Where would he be, for example, if he had been counting on a grant from the county about the time the Proposition 13 returns came in?

If government threw a million dollars at him, he wouldn't throw it back. But Direction Sports now leans heavily on corporate contributions. The national playoffs were underwritten by such as American Express, Purex Corp., the Hilton Foundation, Fluor Corp., IBM, McDonald's, Carl's Jr., Wrather Corp., National Airlines, Western Airlines, W. R. Grace Corp., the Gannett Foundation, Rockwell Corp. and Texas Instruments. Their contributions paid for air travel and food and lodging at USC. About 180 kids participated.

They had a luncheon on the USC campus after the championship game. Mayor Bradley sent money clips for members of the winning team. But the L.A. team caucused after accepting the prizes and voted to give them to the San Francisco team.

Most of the kids had never been to L.A., many never out of their hometowns, some never even out of their neighborhoods. But for 13 of them, one from each team, L.A. was only the first leg of the trip. Picked by teammates as model student-athletes, they were flown to Hawaii for a week at a Hilton hotel.

There was a surprise at the end of the luncheon program. A curtain opened at one end of the dining hall and out marched a delegation from the Magic Kingdom: Donald Duck, Goofy, Mr. and Mrs. M. Mouse, and others of like renown. For an instant, the kids were transfixed, their eyes grown the size of bowling balls. Not even W. C. Fields, given his legendary distaste for children and caught in his most malevolent moment, could have looked disapprovingly on such a scene.●

MONTANA DEFEATS CONSTITUTIONAL CONVENTION

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. WILLIAMS of Montana. Mr. Speaker, along with my other remarks of today concerning the defeat in Montana of the proposed Constitutional Convention, I am here inserting in the RECORD the names of those Montana legislators who, by their votes in opposition to the Convention, have demonstrated the highest degree of political courage:

LIST OF SENATORS AND REPRESENTATIVES IN OPPOSITION TO CONSTITUTIONAL CONVENTION

SENATORS

Chet Blaylock, Paul Boylan, Steve Brown, Max Conover, Larry Fasbender, Carroll Graham, William Hafferman, Jack Healy, Greg Jergeson, John Mehrens, Bill Norman, Bob Palmer, Bob Peterson, Pat Regan, Patrick Ryan, Richard Smith,. Lawrence Stimatz, Bill Thomas, Fred Van Valkenburg, Robert Watt, Mike Anderson, Bob Brown, Matt Himsl, Everett Lensink, Bill Lowe, George McCallum, Jesse O'Hara, Stan Stephens, Jean Turnage, Bill Mathers, Frank Hazelbaker.

REPRESENTATIVES

Bill Baeth, Frances Bardanouve, Verner Bertelson, Mike Cooney, Fred Daily, Ernie Dassinger, Mary Ann Dussault, Gene Frates, Patricia Gesek, Peter Gilligan Dan Harrington, Les Hirsch, Herb Huennekens, Vicki Johnson, Joe Kanduch, Daniel Kemmis, Gerald Kessler.

Kathleen McBride, William Menahan, Danny Oberg, Paul Pistoria, Joe Quilici, Arlyne Reichert, Hershel Robbins, Jonas Rosenthal, John Scully, Arthur Shelden, Carroll South, Bob Thoft, Steve Waldron, Melvin Williams, Dan Yardley, Harold Gerke.●

STATEMENT BY THE HONORABLE DON BONKER OF THE STATE OF WASHINGTON ON THE PEACE CORPS REMOVAL FROM NICARAGUA

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. BONKER. Mr. Speaker, the recent pullout of volunteers from Nicaragua as part of an overall American expression of reprisal against the Somoza regime, raises disturbing questions about the politicization of the Peace Corps.

A State Department press release of February 8, 1979, outlines the U.S. position with regard to Nicaragua:

> The U.S. Government has reassessed its relationship with Nicaragua, and concluded . . . that we cannot maintain the same level and kind of presence in Nicaragua.

There follows a list of steps which the Government is taking, including suspension of military aid, and reductions in Embassy personnel. Most distressingly, they also include the removal of Peace Corps volunteers.

The Peace Corps must, in order to retain its credibility and sense of uniqueness among U.S. programs, be free from political meddling. Obviously the State Department does not agree. In my opinion, such a blatant political use of the Peace Corps underscores the need to remove it from the bureaucratic mess of ACTION, and to establish it as a Government foundation. We must move quickly to achieve this separation—or, I fear, the true purpose of the Peace Corps may be forever obscured by such interference.

I am submitting, for the RECORD, a copy of a letter which two Peace Corps volunteers stationed in Nicaragua at the time of the pullout, have sent to President Carter in protest. Their final sentence sums up the situation admirably:

> Using the Peace Corps for political persuasion does not respect its independent, people-to-people character, nor is it very effective.

Officials from ACTION contend that the volunteers were removed for "safety and effectiveness reasons." Apparently, both the State Department and two of the volunteers who were there do not agree. Who are we to believe?

The letter follows:

MARCH 2, 1979.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We write to advise you of our deep disappointment at the decision made by yourself and the State Department to withdraw all Peace Corps programs from Nicaragua. We think we speak for most of our fellow volunteers and the staff of Peace Corps Nicaragua in stating that this action was unnecessary and capricious. It sets the unfortunate precedent that the traditionally apolitical Peace Corps may now be arbitrarily toyed with in international carrot-and-stick politics.

Of all Americans, we, the volunteers serving in Nicaragua, surely appreciated the generally insecure and tumultuous state of present-day life in that country. However, we cannot accept that a withdrawal of Peace Corps was necessary to protect our personal safety. We were certainly in no more danger in February than we had been in any month since last August. In fact, most of us were posted in sites indisputably free of civil strife. We refer specifically to Omotepe and the east coast (Department of Zelaya). Surely, instead of withdrawing Peace Corps in its entirety, a shift to only east coast placement of volunteers and staff could have very satisfactorily guaranteed our safety. Our Peace Corps Director had more than once offered his support for this compromise solution in order to avoid a total pull-out of Peace Corps. We cannot understand why this option was rejected.

It seems very clear that your decision to withdraw Peace Corps was arrived at not so much due to a wish to protect the safety of volunteers, but rather to make Peace Corps' removal part of a package of punitive actions taken against the Somoza regime. Although we very strongly support the avowed goal of your administration to include human rights performance in the criteria for setting policy towards foreign governments, we cannot agree that the Peace Corps is an appropriate tool for taking action against those governments. The Peace Corps has always been an emissary to the people of the countries in which it works. Its relationship to the governments of these countries is only peripheral. When Peace Corps programs are disbanded in a country, it is surely not the government nor the officers of the government who are affected; rather it is the poor people, the direct beneficiaries of Peace Corps activities who then suffer. It is the child who lacks basic vaccinations against deadly communicable diseases who falls ill, not the General. It is the poor capesino, now without technical agricultural assistance, who harvests less, not the large landholder. It is the isolated rural community that does not get its clinic built that suffers, not the dictator who flies to Miami when in need of medical care. Removal of the Peace Corps is in this case a misguided act which will scarcely be noticed by those in power, but may be lamented by many who have no power.

In sum, it seems to us that for far too many years the United States government has supported a ruthless and corrupt dictatorship in Nicaragua, and now, belatedly is grasping for ways to reverse its position. Unfortunately, you have chosen to accomplish this reversal in part by eliminating the Peace Corps in Nicaragua; one of the few things that ever was right with U.S./Nicaraguan relations.

Now that our programs are abandoned and we have moved on from Peace Corps, there seems little we can do but protest to you against misuse of Peace Corps in this manner. Using Peace Corps for political persuasion does not respect its independent, people-to-people character, nor is it even effective.

Very respectfully yours,
ALFRED L. SOLER,
BEVERLY N. SOLER,
Ex Peace Corps Volunteers in Nicaragua.●

POLYGRAPH CONTROL AND PRIVACY PROTECTION ACT OF 1979

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. McKINNEY. Mr. Speaker, I include a bill to protect the rights of individuals guaranteed by the Constitution of the United States and to prevent unwarranted invasion of their privacy by prohibiting the use of polygraph equipment for certain purposes:

H.R.—

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the Polygraph Control and Privacy Protection Act of 1979.

SEC. 2. It shall be unlawful for any officer or employee of the United States or any individual acting under the authority of such officer or employee to do the following:

(a) to permit, require, or request, or to attempt to require or request, any officer or employee of the United States, or any individual seeking employment as an officer or employee of the United States, to take any polygraph test in connection with his or her services or duties as such officer or employee, or in connection with such individual's application or consideration for employment;

(b) to deny employment to any individual, or to discharge, discipline, or deny promotion to any officer or employee of the United States, or to threaten to commit such act by reason of his or her refusal or failure to submit to such requirement or request;

(c) to accept or use the results of any polygraph test in connection with the services or duties of any officer or employee of the United States, or in connection with any individual's application or consideration for employment as an officer or employee of the United States.

SEC. 3. It shall be unlawful for any person engaged in any business or other activity in or affecting interstate commerce, or any individual acting under the authority of such person to do the following:

(a) to permit, require, or request, or to attempt to require or request, any officer or employee employed by such person or any individual seeking employment in connection with such business or activity to take any polygraph test in connection with his or her services or duties or in connection with his or her application or consideration for employment;

(b) to deny employment to any individual, or to discharge, discipline, or deny promotion to any officer or employee employed in connection with such business or activity, or to threaten to commit such act by reason of his or her refusal or failure to submit to such requirement or request;

(c) to accept or use the results of any polygraph test in connection with the services or duties of any officer or employee employed in connection with such business or activity, or in connection with any individual's application or consideration for employment in connection with such business or activity.

SEC. 3. Nothing in this Act shall apply to polygraph tests;

(a) administered by officers or employees of the Federal Bureau of Investigation, the Bureau of Alcohol, Tobacco and Firearms, the Border Patrol, the Drug Enforcement Administration, the United States Marshals Service, the United States Secret Service; or

(b) administered by any organization within the Intelligence Community to protect the security of the intelligence, counterintelligence, or national security functions of such organization; or

(c) administered by any organization within the Intelligence Community to contractors or to employees of contractors who are selected to perform intelligence, counterintelligence, or national security functions, or support or security duties related to such functions.

SEC. 4. (a) Whoever willfully violates or willfully attempts to violate any of the provisions of this Act shall be guilty of a misdemeanor and, upon conviction, shall be punished by a fine not exceeding $1,000, or by imprisonment not exceeding one year, or by both such fine and imprisonment.

(b) Whoever violates any of the provisions of this Act shall be subject to a civil penalty not exceeding $10,000, to be payable to the United States.

SEC. 5. (a) Upon violation of any of the provisions of section 1 or 2 of this Act, any employee or officer of the United States, or any person applying for employment in the executive branch of the United States Government, or any person seeking to establish civil service status or eligibility for employment in the executive branch of the United States Government, or any individual applying for employment in connection with any business or activity engaged in or affecting interstate commerce, or any individual employed by a person engaged in such business or activity, who is affected or aggrieved by the violation or threatened violation may bring a civil action in his or her own behalf or in behalf of himself or herself and others similarly situated, against the offending officer or employee or person in the United States district court for the district in which the violation occurs or is threatened, or for the district in which the offending officer or employee or person is found, or in the United States District Court for the District of Columbia.

(b) Such United States district court shall have jurisdiction to try and determine such civil action irrespective of the actuality or amount of pecuniary injury done or threatened, and without regard to whether the aggrieved party shall have exhausted any administrative remedies that may be provided by law, and to issue such restraining order, interlocutory injunction, permanent injunction, or mandatory injunction, or enter such other judgment or decree as may be necessary or appropriate to prevent the threatened violation, or to afford the plaintiff and others similarly situated complete relief against the consequences of the violation.

(c) With the written consent of any person affected or aggrieved by a violation or threatened violation of section 1 or 2 of this Act, any employee organization may bring such action on behalf of such person, or may intervene in such action.

SEC. 6. For the purposes of this Act—

(a) "polygraph test" means any examination administered to an individual by mechanical, electrical, or chemical means to measure or otherwise examine the veracity or truthfulness of such individual;

(b) "Intelligence Community" means Intelligence Community as defined in Section 4-207 of Executive Order 12036;

(c) "employee organization" includes any brotherhood, council, federation, organization, union, or professional organization made up in whole or in part of employees and which has as one of its purposes dealing with departments, agencies, commissions, independent agencies of the United States, or with businesses and industries engaged in or affecting interstate commerce, concerning the conditions and terms of employment of such employees.

SEC. 6. The provisions of this Act shall become effective thirty days after the date of enactment.●

CONGRESSIONAL BLACK CAUCUS LEGISLATIVE AGENDA

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mrs. COLLINS of Illinois. Mr. Speaker, I am submitting for publication in the CONGRESSIONAL RECORD the Congressional Black Caucus' legislative agenda for the 1st session of the 96th Congress. This is the fifth legislative agenda which the caucus has presented, and once again we have placed the issue of full employment and economic policy at the top of the agenda. With the passage last year of the Humphrey-Hawkins Full Employment Act, the task before us is to implement the provisions of that law in a manner which rapidly decreases unemployment while maintaining balanced economic growth. This year, we are particularly concerned that the cuts which have been proposed for the domestic social budget will do serious harm to the least affluent in our society and will result in increased, rather than decreased, unemployment.

The caucus will this year be emphasizing expansion and strengthening of our national support network and will work even more closely with groups with similar concerns, such as Hispanic Americans and native Americans. We believe that further progress toward eliminating disparities in opportunities and economic condition among the various groups in our society will not take place until all people concerned with justice and equality speak out through the political process.

The caucus' legislative agenda follows:

CONGRESSIONAL BLACK CAUCUS LEGISLATIVE AGENDA

Black America is in a recession. Many whites, women, Hispanics, Native Americans and Asian-Americans continue to face long-term, severe economic deprivation. For Black America, the reality is an official unemployment rate of 12.8 percent in February, a National Urban Leage estimate of 23 percent Black unemployment. Black family income is only 59 percent that for whites, while more than 28 percent of Black urban families and 19 percent of those in suburban and rural areas live below the official poverty level.

Despite these facts, we find many leaders calling for a cutback in government assistance to those in greatest need, many of whom live at subsistence levels. We find that too many in the nation appear to be forsaking our historic principles of eqality. Too often, we see the fear of economic circumstances, rather than sound progressive policies, controlling the nation's priorities.

In this International Year of the Child, it is time to focus on the many children and young people who are the involuntary victims of poverty, discrimination and disadvantage. It is time to recognize that the parents of these children are the victims of economic and social malfunctions—not their cause. We must look more deeply into the real cases of inflation, while conforming to the law of the land enacted last year in the Humphrey-Hawkins Full Employment Act.

The issues in this year's Congressional Black Caucus Legislative Agenda build upon those of the past four years. The critical issues have not changed—unemployment and economic disparities, civil rights enforcement, political participation, health, education, increase of military expenditures at the expense of domestic social programs and international relations. We have selected four major priorities for this year which reflect the current situation: 1) full employment, the budget and the economy; 2) equal opportunities; affirmative action and justice; 3) full voting representation for the district of Columbia; 4) the 1980 census and reapportionment. These are the issues on which the Caucus as a group and its staff will spend the majority of time, even as we emphasize other critical issues facing the Black community and the nation.

These other priority issues include: 1) National Health Services and National Health Insurance; 2) Higher Education; 3) Communications; 4) International Relations; 5) Urban Policy and Housing; 6) the Martin Luther King, Jr. Birthday Holiday bill; 7) Welfare reform; 8) Criminal justice; 9) Energy; 10) the Arts and Humanities; 11) Minority business enterprise and economic development; 12) problems of the aging. Through the Caucus subcommittee system and the Caucus Brain Trusts, individual members will take the leadership for the Caucus on these and other critical issues which arise through the legislative process during the year.

This is a year for expanding and strengthening the Congressional Black Caucus' support network, and it is the year for more fully developing close alliances with other groups with similar concerns. The Caucus held a joint press conference with the Congressional Hispanic Caucus last year in support of the Native Americans' Longest Walk. We are encouraged by the historic meeting between Black Hispanic leaders in the Democratic Party which took place at the Democratic Mid-Term Conference in Memphis in December 1978. In the international sphere, the Caucus has met with seven African Heads of State to expand our mutually supportive relationships around the world. These steps should be signals for building and strengthening alliances among those with common interests, needs and goals.

Further, the Caucus, for the first time, is establishing a Congressional Black Caucus archives to be housed at the Moorland-Springarn research center of Howard University in Washington, D.C. We will also move toward greater utilization of public opinion surveys to determine the concerns and aspirations of the Black community nationally.

Finally, in this International Year of the Child, the Congressional Black Caucus pledges to highlight and to stress the impact of each of the issues which we raise upon the youth of the nation and the world, and to support the work of the National Commission on the International Year of the Child. In our youth, we see the hope for true progress in improving the condition for all the peoples of the world. Yet, we also see the reality that another generation may start out life without the expectation of major advancement.

To move us further toward true equality and improving the condition for persons throughout our nation and the world, we set forth the following Legislative Agenda for the First Session of the 96th Congress.

FULL EMPLOYMENT, THE BUDGET AND THE ECONOMY

Goal: The Humphrey-Hawkins Full Employment Act of 1978 must be implemented with emphasis on reducing unemployment to no more than 4 percent by 1983 and moving to eliminate disparities between unemployment rates for minorities, youth and women. This will require comprehensive economic policies which expand, rather than restrict, economic growth, and include lower interest rates, shifting tax burdens to more affluent individuals and corporations, and continued government support for job-creating expenditures. Specifically, the Caucus members will review each piece of legislation before their committees to determine whether expenditures will maximize job creation. Further, the Caucus will concentrate on the budget and appropriations process to assure that adequate budget targets are set and adequate funds are provided for domestic social programs, and that military expenditures are set at levels more appropriate for a peacetime situation. In that respect, we support passage of the Transfer Amendment to the budget to shift funds from military to domestic purposes. In the domestic budget, emphasis will be on the Labor Department's job-creating programs, health, education and welfare expenditures, and urban and rural development programs in HUD, Commerce, Agriculture and other agencies.

EQUAL OPPORTUNITY/AFFIRMATIVE ACTION/JUSTICE

Goal: Major goals in the civil rights field for 1979 are: (1) enforcement of the civil rights laws, with emphasis on implementing the reorganization plan for equal employment opportunity programs; (2) assuring effective involvement of the Black community in the case before the Supreme Court of *Weber* v. *Kaiser Aluminum*, which may be as important for the employment field as the *Bakke* case was for school admissions programs; (3) opposing the amendments to restrict civil rights enforcement as offered each year to the Labor-HEW Appropriations bill and to other legislation; (4) opposition to efforts to exempt tax-exempt schools from civil rights requirements as administered by the Internal Revenue Service; (5) increasing set-asides for minorities in various government programs; (6) providing cease and desist power under the Fair Housing Act, and writing equal opportunity provisions into the Communications Act.

FULL VOTING REPRESENTATION FOR THE DISTRICT OF COLUMBIA

Goal: Passage by 38 state legislatures of the proposed constitutional amendment to provide two Senators and as many Representatives as population warrants for Washington, D.C. in the United States Congress by involvement of a broad coalition of conscience in each State committed to basic human and political rights for the citizens of the Nation's Capital. The proposed constitutional amendment passed by over ⅔ of the votes in the U.S. House and Senate during 1978.

REAPPORTIONMENT AND THE CENSUS

Goal: Maximizing Black political representation by ensuring a minimal Black census undercount and drawing of political district boundaries following the 1980 census in a manner which maximizes minority political representation. We should work toward the election of 50 Black Members of Congress. The decennial census for 1980 begins shortly and all Black organizations and leaders must speak out to the Black community and to the Federal government to ensure the best possible count of minorities and to avoid the high percentage of Blacks (one of every thirteen), Hispanics and other minorities who were not counted in the 1970 and previous censuses.

Once the census is complete, State legislatures and local legislative bodies will redraw district boundaries for the U.S. House of Representatives, State legislatures, city and county councils and for other political districts. Involvement by the Black community, both as members of the legislatures, boundary-drawing commissions which may exist, and in vocal efforts to influence the boundary-setting process is critical and must begin at an early stage. There should also be preparation for legal actions which will certainly be brought to challenge some proposed boundaries as discriminatory and weakening Black political power. Further, the Congressional Black Caucus calls upon the Federal government to provide a means of equitably distributing Federal funds in a manner which takes account of any census undercount which may occur.

OTHER MAJOR PRIORITIES

(For action primarily through the Caucus subcommittees and Brain Trusts, and through Members' committees.)

National Health Insurance/National Health Service: The Congressional Black Caucus supports passage of legislation providing for a comprehensive National Health Service and supports legislation providing for comprehensive National Health Insurance. We believe that such legislation should be passed during the 96th Congress, and that passage should not be limited by economic circumstances in the nation.

Higher Education: The Higher Education Act, to be revised this year, will be the focus of CBC activities in education. We are concerned that adequate economic support be provided to historically Black colleges and universities and that the TRIO program and graduate and professional opportunities program be strengthened. We continue our strong opposition to any form of tuition tax credits and call for strong civil rights provisions in any legislation creating a separate department of education.

Communications: A revision of the Communications Act of 1934, as amended, will be submitted as legislation to be considered during the 96th Congress. The Caucus will work to ensure the appointment of a Caucus Member as a member of the Communications Subcommittee of the United States House of Representatives, thereby giving the Caucus direct representation to gain: (1) federal regulation of equal employment opportunity at the television networks; (2) the appointment of Black Americans as members of the Federal Trade Commission and a member of the United States Senate Communications Subcommittee professional staff; (3) designation of 50 percent of newly created radio and television broadcast frequencies for Black and minority American ownerships; (4) strengthening of congressional oversight on Small Business Administration funds for minority purchasers of radio and television broadcast stations; (5) strengthening of congressional oversight of television and radio programming production funds provided under the Emergency School Aid Act (ESAA) of 1972; (6) a doubling of the Black-owned radio and television broadcast stations, cable television and telephone systems, among others, by 1980; (7) substantial increase in employment and training opportunities for minorities in all communications industries, including the business, management, financal, administrative and distribution aspects of the music business and the Hollywood television and motion picture industries; (8) increase ten-fold minority-produced television and radio programming responsive to the minority community's interests; and (9) parity minority participation in the 1979 World Administrative Radio Conference (WARC). Other areas of concern include: performers' royalties legislation before the Judiciary Committee and advertising and programming directed toward children.

International Relations: The primary goals of Caucus efforts in the international arena have been and remain the achievement of majority rule in southern Africa and providing additional assistance to Third World nations. This year, major specific objectives include: (1) defeating any efforts to lift sanctions imposed against Rhodesia; (2) passage of legislation to prohibit both new investment and re-investment in South Africa; (3) removal of restrictions on refugees from Mozambique, Angola and Tanzania and removal of restrictions on providing aid to these nations; (4) support for final approval of the U.N. plan on Namibia and support for sanctions if the plan is not successful; (5) work to rescind the invitation to South African Prime Minister Botha to visit this country.

Urban Policy: The Administration's urban policy brought under its umbrella a broad range of programs, many previously existing. Success of the urban policy is best judged through budget allocations to the various programs and through actions, laws and regulations which serve to target program benefits on people and places with the greatest need. The President's budget is a severe disappointment in this respect. With respect to housing, the Caucus supports stronger legislation to address the problem of red-lining and a mix of housing subsidies funding which puts strong emphasis on housing for the least affluent, in particular providing adequate funds for public housing subsidies and modernization.

Martin Luther King, Jr. Birthday National Holiday: The Congressional Black Caucus has been a leader in gaining support for legislation to make January 15, the birthday of the late Dr. Martin Luther King, Jr., a full national holiday. This year, with the vigorous support of the President and leading members of both the House and Senate, we expect to create the first national holiday honoring a great Black American.

There are a number of other issues which remain high priorities for the Congressional Black Caucus. We have spoken to them before and will continue to speak out on them. They include welfare reform, criminal justice, energy, the arts and humanities, minority business enterprise and problems of the aging. In each of these areas, as with the others, individual Caucus members have taken the leadership in pursuing specific goals with the full backing of the entire Caucus and of Brain Trust and national support network participants. The difficulties to be overcome remain large, but each year it is evident that more Americans who support our goals, Black and non-Black, are becoming active in the political process in the challenge to attain economic justice and full equality for all Americans today and for our children tomorrow.●

BYELORUSSIAN INDEPENDENCE

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. WOLFF. Mr. Speaker, I rise today to join my colleagues in commemorating the 61st anniversary of the Byelorussian Democratic Republic which occurred on March 25. It is most fitting that Congress pay tribute to this proud people who have kept their dream of freedom alive in spite of the Soviet Union's constant efforts to suppress their yearnings for independence.

The Byelorussian Nation attained its hard won independence in 1918 only to lose this independence to the aggressive forces of the Soviet Union. It is to the credit of this noble people that they have remained in their hearts and minds a unified people. However, their tireless fight remains extraordinarily difficult as the Soviet Union systematically continues to restrict the expression of their language and culture. Only the complete destruction of this entire people's ethnic identity will ultimately satisfy the Russians.

We must not forget that there are many in the world who do not enjoy the fruits of freedom and are not accorded their basic human rights. Let us assure the Byelorussian people that their cries for help do not fall on deaf ears.

I call upon my colleagues to join me in commemorating the Byelorussian proclamation of independence and not to forget this proud people.●

COMMENTS ON ISRAEL-EGYPT TREATY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. WEISS. Mr. Speaker, this is a historic day. In a few hours, Israeli Prime Minister Begin and Egyptian President Sadat will sign a peace treaty between their two nations—a treaty that we all hope will signal the beginning of the end of hostilities and ancient enmities among neighboring peoples.

President Carter deserves special praise for his persistent pursuit of peace in the Mideast. He has acted as a strong bridge between the two parties, uniting them in an agreement that is balanced and just.

This is a moment of triumph for peace-loving people everywhere. It is a time for rejoicing and hope.

Even at this hour of reconciliation, we must acknowledge that our vision of a permanent and multilateral peace is not yet realized. The accord between Israel and Egypt is seen by some as a cause for renewed belligerency. These forces are determined to mock our hopes, to sabotage this agreement, and to provide war once more.

But the spirit of Camp David offers a beacon to the peoples of the Mideast and to all the world. The signing of this agreement is a sign that differences can indeed be overcome, that years and years of suspicion and anger can be consigned to the past, that separate, distinct identities need not be cause for hatred.

Let all other nations—in the Mideast and throughout the world—hear this message today and act on its promise. Let this treaty become a source of inspiration and a catalyst for courage among all national leaders.

It is especially significant, I believe, that this accord is being signed in Washington, D.C., our Nation's Capital. The United States can today reclaim its standing in the international community as a peacemaker. The world is watching and it is seeing that America has begun again to fulfill its own historic potential as a healer and a force for justice.

To all who worked tirelessly and so skillfully to make this day possible, I offer congratulations and profound thanks. Blessed, indeed, are the peacemakers.●

PROTECTED MINORITIES ARE NOW THE MAJORITY

HON. ROBERT S. WALKER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. WALKER. Mr. Speaker, as the sponsor of the Walker Equal Opportunity Act of 1979, H.R. 782, which has twice passed this House during the 95th Congress in amendment form, I would like to take this opportunity to focus my colleagues attention on the following article which recently appeared in The Washington Post.

Apparently, we have arrived at a point where Federal antidiscrimination laws now include a majority of Americans in protected classes.

I have made the point over and over again before this House that the use of special preferences to supposedly help disadvantaged minorities have a way of becoming majority preferences which in the long run exclude minorities.

Therefore, as a society, it is my strong conviction that we should be striving toward equal opportunity and treatment under the law and not toward special preferences even for compensatory purposes.

The article follows:

RULES TO PROTECT MINORITIES' RIGHTS GUARD A MAJORITY

(By T. R Reid)

A majority of Americans are in the minority, legally speaking.

It's the kind of paradox that only a lawyer could love, but it's right there in the regulations that define the concept of "minority" for the purposes of federal anti-discrimination laws. The number of people included in "minority" or "protected" classes under the federal rules is clearly a majority of the population.

Among those covered by one or more provisions of the regulations:

All females.

All blacks.

All those of Spanish, Asian, Pacific island, American Indian or Eskimo ancestry.

All those Vietnam-era veterans.

All those presently or formerly handicapped.

All workers between the ages of 40 and 64 (and most of those between 65 and 70).

"Members of various religious and ethnic groups . . . such as Jews, Catholics, Italians, Greeks, and Slavic groups."

No one, in or out of government seems to know for sure how many Americans are protected as "minority group members," because the categories overlay and because there is no definite measure for some classes.

The Labor Department says that estimates of the number of handicapped Americans, for example, range from 35 million to more than 60 million.

It is obvious, though, that a majority of the population is in the protected categories, because females constitute more than half of the population.

More important, since most antidiscrimination laws deal with employment, is that a majority of the work force falls into one or more minority categories. The civilian work force, numbering 102.5 million people, is about 60 percent male.

"When you consider all the (minority) headings though," says Anne Marshall, a public information specialist at the Equal Employment Opportunity Commission, "it's obvious that a majority of the work force is covered by the regulations."

Not all minorities are equal, at least in terms of the protection they are entitled to under federal rules. The first five categories set forth above are entitled to "affirmative action" in employment—that is, employers must establish goals and timetables for hiring and promoting members of those classes, and must give them preference over "nonminority" applicants who are equally qualified.

Workers over 40, however, and "members of various religious and ethnic groups" are entitled to "special consideration" and "outreach," both of which fall short of the rules governing "affirmative action."

The policy of specifying a minority group that needs particular protection goes back at least to the Reconstruction era, when laws and constitutional amendments were adopted to protect blacks from discrimination.

The range of protected minorities began to grow noticeably in the 1960s as federal agencies developed regulations to implement the various civil rights laws passed then.

Since 1967, Congress has passed a series of statutes setting up specific safeguards for specific minorities.

The age Discrimination in Employment Act of 1967 made it illegal to pass over an applicant aged 40–64 for employment or promotion because of his age, and outlawed mandatory retirement for workers under 65. The law was extended last year to include most workers up to age 70.

In a series of veterans' bills, most recently the Vietnam Era Veterans Readjustment Assistance Act of 1974, Congress required many employers to give Vietnam era veterans, and disabled veterans of any era, affirmative action rights in hiring and promotion.

In the Rehabilitation Act of 1973, Congress established a similar affirmative action requirement for the handicapped. This statute caused particular problems for the regulation-writers because Congress had been vague about what constitutes a handicap. The Department of Health, Education, and Welfare eventually came up with an expansive definition that includes, among other conditions, drug addiction and alcoholism.

When employers squawked at the notion of setting goals and timetables for the hiring of drug addicts, the department issued a clarifying regulation noting that "while an alcoholic or drug addict may not be . . . disqualified for employment solely because of his or her condition, the behavioral manifestations of the condition may be taken into account in determining whether he or she is qualified."

Some lawyers say the expansion of the minority class has spawned confusion and some tension as members of the traditional minority groups discover that a majority of their competitors for jobs and services have acquired the same legal protection. The Equal Employment Opportunity Commission, these lawyers note, has begun receiving complaints in which an employer, school or provider of services is accused of favoring one protected minority at the expense of others.

Some civil rights lawyers are concerned, too, that the growth of the legal "minority" has undermined the statutory goal of protecting certain elements of society against majority prejudice.

Supreme Court Justice Lewis Powell expressed both of these fears in his opinion upholding the concept of affirmative action in lact year's Bakke decision.

"Disparate constitutional tolerance of such classifications well may serve to exacerbate racial and ethnic antagonisms rather than alleviate them," Powell wrote.

"Not all of these (minority) groups can receive preferential treatment . . . for then the only 'majority' left would be a new minority of white Anglo-Saxon Protestants."

At the Labor Department, which issues and enforces many of the government's minority protection regulations, there seems to be no serious fear of such consequences.

Explaining the department's various affirmative action rules recently, Laura Fox, of Labor's Employment Standards Office, said that, "The first rule is that an employer only has to hire the most qualified applicant.

"If it gets down to five people and they're all equally qualified," Fox said, "and they're all from protected classes, than the employer sees which classes are already represented in his work force, and he would not hire an applicant from those classes. He'd hire from an under-represented class."

"That's not discrimination," Fox said. "That's just giving one person a job and turning down another one."●

CARTER'S "GOOBER GATE" ROLLING ON

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. SHUSTER. Mr. Speaker, an essay by William Safire in the March 22 New York Times raises very serious questions about the appointment of Paul Curran to serve as a Special Counsel, rather than a Special Prosecutor, to investigate the Carter warehouse scandal. I commend the following article to my colleagues and call upon the Carter administration to appoint an independent Special Prosecutor to pursue this scandal—now known as Carter's "Goober Gate."

PATSY PROSECUTOR

(By William Safire)

WASHINGTON, March 21.—As predicted, Charles Kirbo's appointees at the Carter Department of Political Justice have found an amiable Republican to be Special Nonprosecutor in the Carter warehouse scandal.

Paul Curran—Bert Lance's lookalike—was the perfect cover-up choice because he is (a) a card-carrying Republican, son of Tom Curran, the late Manhattan Republican leader; (b) a former prosecutor hailed for his "courage not to indict" and (c) so eager for the job that he grabbed the offer on terms of subservience to Carter officials that any respectable special prosecutor would have scorned.

At his press debut, he proved himself qualified as a serious prosecutor when he adopted the Carter "containment theory," calling the case "a fairly narrow area involving a reasonably narrow set of facts." That is exactly what the Carter men want: a Republican face wearing blinders.

The cosmetic counsel will have as his staff the same crew from Carter Justice that spent five months (from August until February) failing to "follow the tangent" into the Carter warehouse dishonesty. He will have no power to indict anyone without the approval of the Carter Administration, and no power to immunize a witness who wants to save himself by incriminating a higher-up.

Working in his "narrow area," Non-prosecutor Curran will not be able to investigate why I.R.S. auditors in Atlanta okayed a phony tax return; he will not run Federal Election Commission staffers before a Washington grand jury to discover the real reasons for the year-long delay in its Carter report; he will not ask how much the Libyans offered Billy to lift the embargo on their C–130's; most important, if Bert Lance or Billy Carter wants to make a deal to avert jail by turning state's evidence against the owner of a money laundry, the special nonprosecutor is powerless to follow the trail of corruption on high.

Instead, the "narrow" case, confined to "technical" violations, will be under the complete control of Criminal Division chief Philip Heymann, the man who dawdled for five months after Billy Carter took the Fifth before authorizing a "preliminary" F.B.I. probe, which itself neglected to interview key witnesses.

Mr. Heymann forfeited all claim to impartiality at the conference that paraded the captive Republican front man. Asked why the Attorney General had not obeyed the law set down in the Ethics in Government Act—putting the power of appointment of a special prosecutor in the courts—Professor Heymann asserted there was "no legal power of the Attorney General to go to court . . . no legal power of the court to appoint a special prosecutor . . . it is forbidden, not legally possible."

It may be that a legal argument could be advanced to help the Attorney General avoid the requirement of obeying the special-prosecutor law. But for Mr. Heymann to posit that obeying the act would be illegal—"forbidden"—shows the degree to which political loyalty has warped his legal judgment; and this is the man who will have the special nonprosecutor under his thumb. One hopes than an aroused Senate will challenge this affront to the system in court; if not, the precedent set by President Carter will mock the Watergate reforms.

The cover-up is in full swing on another front: You will recall how, only last month, Billy Carter was a loose cannon, spilling information to reporters, scheduled to appear on "Face the Nation" on Feb. 11. Suddenly, for some unknown reason, everything changed. Using an unlisted phone number known to the White House, Bill's lawyer called CBS producer Mary Yates at home and canceled; Billy was checked into a hospital, and when his doctor refused to attest to the seriousness of his illness, the man over whom the President claims "no control" was sent to the naval alcoholic facility supposedly just for Government employees and their dependents. Under naval guard, he has become as incommunicative as Dita Beard.

We now learn from The Washington Post that on March 1, Charles Kirbo, as trustee for Jimmy Carter, paid Billy Carter $2,000 an acre for 157 acres of land that Billy had bought three years before for $610 an acre. Inflation under Carter has been rough, but not that rough: Billy Carter came out $218,770 ahead, and soon became quite docile. Diehard cover-uppers will explain that the deal was long in the making, well worth the price, and all that: I call it hush money.

Will the special nonprosecutor get testimony under oath from Mr. Kirbo that the payoff to Billy was made without the knowledge of President Carter, as the blind trust demands? How was it financed? Will Billy and his brother-partner and White House counsel Robert Lipshutz and media adviser Gerald Rafshoon be interrogated under oath about this deal, which has placed the embarrassing witness-suspect out of reach of press and law?

Not by the "narrow case" special nonprosecutor. The Senate Judiciary minority must go to court to force the Carter men to obey the Ethics in Government Act. That's the only way we will get to the bottom of the dishonesty in one candidate's business that might have mushroomed into the perversion of the 1976 electoral process.●

MINORITY DEVELOPMENT

HON. GEORGE THOMAS LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. LELAND. Mr. Speaker, in my service as Congressman from the 18th Congressional District of Texas, it is my concern that minorities participate maximally in the economic wealth of our country. Historical denial of opportunities for minority people, particularly in the business world, has hurt severely the growth potential in our community. Private industry, although it has made many changes for the better, still has not done nearly enough to help our minority community build a sound economic base for our self development. Therefore, we depend heavily on our friends in the public sector.

NASA with its resources and sensitive administrators has gone a long way, I know, to help accomplish the end to which I allude. Since my congressional district is in Houston and the Clear Lake operation is directly related to the well-being of the people of the 18th Congressional District, I would like to call to your attention one of the contracts NASA has awarded.

I am including the text of an article which appeared in the March 9 Houston Chronicle about Sal Esparza. I believe that this article demonstrates how the joint venture between Federal agencies and minority business enterprise can work to benefit a total community.

The article follows:

ESPARZA HOPES TO EXPAND IN THE BARRIO

(By Susan Bischoff)

A proud product of Houston's barrio, Salvador S. Esparza, owns the firm which provides all the logistical support services for the Johnson Space Center, services for other federal facilities and delivery service for major department stores here.

Metro Contract Services Inc. services at the space center range from packaging space flight equipment going to Cape Canaveral to moving astronauts' mementos to moving chairs for China's Vice Preimer Teng Hsiao-Ping's recent visit.

Metro's more than 500 employees provide transportation, warehousing, data processing, facilities maintenance, janitorial and groundskeeping services on a contract basis for government and industry.

Esparza, 42, was brought up in Houston's Fifth Ward during the Depression, after his parents came here from Mexico to earn a better living. His mother left shelling pecans to complete beauty school here and his father equal left low-paying farm work to join the merchant marine. When Sal Esparza was about three his father's ship was sunk, leaving his mother to raise him.

Although narcotics and other crime surrounded Esparza, he became interested in, and devoted much of his time away from school and part-time jobs, to sports. His first sports involvement was at the Wesley Community Center and later at Marshall Junior High School. At Marshall he made all-city in football and basketball.

"It was a big thing, because at that time we didn't have too many Mexican-Americans who were playing," Esparza said.

At Jeff Davis High School, he continued in sports. There he made a honorable mention in football and basketball.

Next, Esparza went to Texas A&M, hoping to play football, and possibly capture a scholarship. In 1956, however, Bear Bryant's football giants were No. 1 in the nation. At 190 pounds, Esparza said there was no way for him to compete.

During his 2½ years at A&M, Esparza discovered he was at a big disadvantage because he wasn't familiar with current events and had to spend time catching up on things other students took for granted.

"I had a problem in study habits. My background didn't qualify me to make good grades. I used to study to 2 or 3 o'clock in the morning just to keep up with the class," he said.

Things like news magazines around the house "are the things that push other students way ahead of us."

He said, "Finally, it dawned on me that I really wasn't prepared for college."

Esparza came home to Houston and went to night school at the University of Houston. His job then was giving tours of Houston to Latin Americans for Greyline Tours.

After getting interested in exports, Esparza got a job with Bekins Van and Storage. There, eventually as export manager, he planned mass moves overseas and worked with the people moving, planning what they needed to take.

Esparza stayed with Bekins from 1959 to 1964, when Associated American Corp. asked him to manage their National Aeronautics and Space Administration transportation contracts.

"Boy, I was just scared to death when I saw that big, monster center (JSC)," he said. "But, it was a good experience because I worked with big, professional people in transportation."

His years at the space center since 1965 have been exciting ones, from Gemini to Apollo to the current space-shuttle program.

"You're talking about some major, major developments. Everything that was designed was the one-of-a-kind design. It is a critical part. You don't design spare parts," he said.

"So naturally we had to get involved in the preservation and packaging of items going to the Cape," Esparza said.

Recently, Metro got the support services award on the Enterprise, the approach and landing test.

Esparza spent 12 years with Associated American moving to president, until he bought the firm from his former employers two years ago, when he reorganized it and named it Metro Contract Services.

"I felt that the time had come when I had to do something," he said. "I was 40 at that time and had reached all the goals I'd set."

New goals to Esparza meant moving from working for someone else to being an owner. He owns 55 percent of Metro and other employees, on all levels, own the other 45 percent.

Bankers here knew Esparza from his role as president of Associated American and he was able to get financing to buy the company. The controller, Ed Fritcher, also moved over to his new company, helping to insure good financial control.

In addition to JSC, Metro has contracts at Langley Research Center in Hampton, Va., and Marshall Space Flight Center, in Huntsville, Ala. Metro has also picked up several new home delivery, data processing and maintenance contracts. Even with more contracts, Metro's name isn't on the side of delivery trucks. Metro's drivers use trucks with the retailer's name.

In Metro's first two years, its profits have doubled, Esparza said.

He said commercial firms are beginning to contract more often for support services now, providing the company with growth potential. A specialist has the expertise and can often perform the service more efficiently and for less money, he said.

"The big companies are looking at the big picture, explorations and things. They're not looking at the small picture, warehousing and receiving," he said. "That's where we're experts."

Esparza envisions the day when Metro takes over a whole plant's support operations—shipping, receiving, janitorial, grounds maintenance and data processing.

In five years, Esparza hopes to build the firm's own headquarters and two 8,000 square foot warehouses on a site in the near east side.

"We're going back to where we came from. We're going back to the barrios," Esparza said. "We're putting our warehouse back into the community, hiring our people in the community."

Currently, Metro's corporate office is leased on the Northwest Freeway, near Loop 610, and its warehouses are at JSC and 2001 Opelousas, in the East End.

In addition to Metro's demands, Esparza's wife Sobeyda and his five children share Esparza's time with several civic activities. For the third year, he is president and chairman of the board of Fiesta Patrias, the major Mexican-American celebration in Houston. Esparza is also on the board of the Houston Regional Minority Purchasing Council and a trustee on United Way here.●

GREEK INDEPENDENCE DAY

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. FARY. Mr. Speaker, I was both happy and sad on March 25, Greek Independence Day; happy for the Greek people who celebrate the fact that their valiant forbears freed themselves from foreign domination 158 years ago, and sad for the Poles and other nations of Eastern Europe who have tried repeatedly to free themselves and who have been subjugated.

Democracy, our own system of government, originated in ancient Greece where the citizens of city states would gather in the main square of a particular city to vote, making communal decisions. We are that group of men in a town square, as it were, making the decisions that will best serve our community. We do well to remember the early Greeks from time to time in order to remind ourselves of that fact.

We also do well to remember Greeks of recent centuries, especially those who freed their land in the 1820's. Turkish domination over Greece began in the 15th century and lasted until 1821. The final fight for independence began on March 25 of that year and lasted 11 long years until, finally, on May 11, 1832, Turkey recognized Greece as an independent nation. Meanwhile, the spirit of democracy and independence that flourished there had also been planted in our own land and gave rise to our great Nation.

As on many days when we commemorate and celebrate great victories for the peoples who espouse freedom for all men, we must remind ourselves of those who are not yet free, not only with sadness but with determination so that the people of captive nations all over the world may celebrate the prospect of freedom. Let us observe Greek Independence Day by looking back to honor the heroes of that time. Let us also look forward to similar freedom and independence for all peoples and all nations of the world.●

SOUTH AFRICA'S "REFORM" IS COSMETIC

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. EDWARDS of California. Mr. Speaker, it is impossible for anyone sensitive to human rights to visit South Africa and not be saturated with feelings of anguish: Enslavement through apartheid of 22 million darker skinned persons by 3½ million super-race whites; a system of law wherein the whims of the legislature and bureaucrats are not subject to a bill of rights or judicial review; preventive detention for years ordered by a single bureaucrat with no trial, no hearing, no higher review; laws forbidding the press to discuss prison conditions; "banning," without a hearing or a bill of particulars, meaning confinement to one's home and neighborhood for years, with communication limited to a single visitor; a weird system of passes and permits designating where black South Africans can live, work, sleep, or even use the public streets; book and magazine censorship so bizzare that Black Beauty was banned by a censor who assumed it referred to black people.

William B. Gould, a good friend of mine and a professor of law at Stanford University, recently revisited South Africa. I would like to share with my colleagues his sad narrative which appeared in the March 8 edition of the Los Angeles Times. My reactions when I visited South Africa at Christmas in 1978 are echoed in his article:

[From the Los Angeles Times, Mar. 8, 1979]

SOUTH AFRICA'S "REFORM" IS COSMETIC—SUPERFICIAL CHANGES IN APARTHEID DO LITTLE TO EASE THE PLIGHT OF BLACKS

(By William B. Gould)

After a 16-month absence, I recently returned to South Africa, curious to see what, if anything, had changed.

In the past few years, government officials have pledged to move away from policies of racial discrimination. It is clear now that they intended only superficial changes, such as doing away with "petty apartheid"—segregation in air terminals, first-class hotels and other high-visibility public places frequented by international visitors. Even that gesture has been less than thorough, for I saw the same "Whites Only" signs on buses, taxis and restrooms that I, a black, encountered in 1977.

The essence of the official government policy is as before: Blacks are "temporary sojourners" in South Africa, without political or civil rights. Even concessions that seem to undercut that policy are illusory. For instance, the government is behind legislation that would give blacks the right to have 99-year leaseholds on real property in "common" or white areas. But, as John Kane-Berman observed in his recent book, "Soweto," the right to purchase property is not regarded as synonymous with the right to occupy it, because of laws restricting the free movement of blacks in those areas.

Also, the law now reserves less than 3 percent of the jobs in South Africa for whites, and white trade unions have been pressed to open new jobs for blacks. But their access to apprenticeship remains difficult. As one leader of the white Amalgamated Engineering Union told me "I will decide when blacks are to be apprenticed. They wouldn't be at ease in these jobs, anyway."

Black trade unions are legal, but government policy remains opposed to them, so there is little incentive for white management to deal with them. Indeed, multinational corporations (some U.S. firms among them) have been encouraged to deny black-union demands until government study commissions come up with recommendations and perhaps even changes in the law. None of the commissions have yet submitted findings. This government and business hostility has contributed to dissension and disharmony in the ranks of the black-union movement, which is even more splintered than what I saw in 1977.

Most revealing was the frank admission by some government officials that they welcome integration-oriented codes of conduct for multinationals because publicity about the codes has helped forestall economic sanctions against South Africa. The European Economic Community's code is substantively ambitious, but is not monitored by any member nation except Britain. U.S.-based multinationals have available to them the so-called "Sullivan principles," a guide for fair-employment practices drawn up by the Rev. Leon Sullivan, a black pastor from Philadelphia who is on the board of General Motors. Only one-third of U.S. firms in South Africa are signatories to that code, and even their compliance is monitored only by voluntary responses to a questionnaire that is so bland and generalized as to be meaningless. (For instance, it asks: "Have you established a comprehensive procedure for handling individual employe complaints on a nondiscriminatory basis?" Most respondents answer simply, "Yes.")

Although the Sullivan code is arguably well-intentioned, its priorities are misguided, emphasizing such things as desegregation of dining and toilet facilities rather than the fundamental problems of black workers. Thus a company will report spending thousands of dollars on the remodeling of previously segregated restrooms for black migrant workers who, off the job, must stay in dehumanizing hostels. For 11 months of the year, they stay in these overcrowded, single-sex compounds where virtually every form of criminality flourishes. The law permits them to travel out of the "homelands" only to work, not to live; they must leave their families behind.

In 1977, after the bloodshed in Soweto brought apartheid to world attention again, there was a sense of immediacy in the air, a sense that change was possible. Today, there is the impression that the South African government simply has gained itself breathing space. And the Carter Administration, which offered some measure of hope to black South Africa in 1977, seems even more remote today.

The dissidents who were imprisoned in 1977 and 1978 are being released and are organizing again, and will not be appeased by voluntary guidelines and political rhetoric. It is not too late for a firm commitment from the United States. As a first step, the Carter Administration at least could apply pressure at home, on the multinationals, and put the force of law behind their employment practices abroad. A legally binding and effectively monitored code of conduct would be an encouraging first step.●

REGARDING THE ABSENCE OF INPUT FROM THE DEPARTMENT OF ENERGY IN THE FORMULATION OF TAX POLICY

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. ST GERMAIN. Mr. Speaker, at recent hearings before the Subcommittee on Commerce, Consumer, and Monetary Affairs, two related matters were brought out which deserve our attention.

On many occasions tax policy, both legislated and that set forth by regulation, has a direct bearing on energy policy. In recognition of this fact, the Treasury Department has an Office of Energy Policy which is quite capable of analyzing the implications of any tax policy for energy. Yet, since Treasury sees as its major responsibility the collection of revenues, the expertise provided by this office is not utilized in the full interest of the American public.

The Department of Energy is charged with implementing energy policy. I assume, perhaps naively, that their goal is to assure both short- and long-term energy supplies at the lowest possible cost, for the American people. Yet DOE does not contribute to the formulation of tax policy where it touches energy matters. Treasury does not want to hear from Energy and Energy does not seem to care.

A specific example of what can result from this unfortunate absence of communication is what has transpired with the foreign tax credits. A major oil company purchases oil from an OPEC country and the price of that oil is considered a tax. Therefore, the company receives foreign tax credits in that amount. The company then takes that oil and builds a refinery in a country where there are no taxes, thereby effectively avoiding payment of U.S. taxes. There is no incentive for the oil company to either push for lower prices from the OPEC countries or to develop refinery capabilities in this country.

When I first came to Congress, the Eisenhower administration had put in the ticket system. I remember this well, because I am from the Northeast and we were trying to get foreign oil in because it was inexpensive. Tickets were not there. As a result, they were forever facing shortages. We had to plead for extra allocations. At that time, the theory was that we did not want to become too dependent on foreign oil because of the position we would be in if another world war occurred. Now, since the early 1970's, it has become advantageous for the major oil companies to import that foreign oil at any cost, as long as that cost is not borne by them.

Let us not forget that Government in this country is supposed to express the will of the people and serve the people. Energy shortages do not serve the people; high prices at the gasoline pumps do not serve the people; company-induced panics do not serve the people. It is imperative that national goals be clearly set and all branches and agencies of Government work together to achieve those goals. We must insist that the Departments of Energy and Treasury recognize the fact that they are not entities unto themselves, but agents of the American people whose first duty is to those people.●

GEORGE MOSCONE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. MILLER of California. Mr. Speaker, I want to share with you and the other Members of the House a letter that was written by my friend, JOHN BURTON.

JOHN has shared with the residents of his district, in a beautiful letter, his friendship with George Moscone and the impact of his tragic death on JOHN. While there were many of us who were fortunate to share part of our lives with George Moscone, no one shared so much as did JOHN.

It is a rare opportunity that the public gets to share the private thoughts and pain of a public official in such a beautiful way.

The letter follows:

WASHINGTON REPORT FROM CONGRESSMAN JOHN BURTON

DEAR FRIEND: It is my pleasure to continue to represent you in Congress for the next two years. Hopefully, 1979 will ease the pain of the tragic events of late 1978.

The horrendous news of the mass suicide in Guyana and the death of Leo Ryan, my colleague in the House for 4½ years and in the State Legislature for six years, had hardly hit home when my closest friend George Moscone, and Supervisor Harvey Milk were slain.

Those senseless events brought me face to face with grief, making me realize that friends are precious and life is all too short. We should remember to take time from our own activities to spend more time with those we care about rather than so totally immerse ourselves in our jobs and businesses to the extent that we are always too busy to relate to people on a human level.

Mayor Moscone and I shared some 30 years of personal and governmental activities, from playing basketball on San Francisco's playgrounds and at Old Marin Town and Country to the fight to save the old International Hotel and improving the quality of life for the poor and elderly in San Francisco. We shared public service together in the California Legislature, but more than that, we shared a love and friendship. Every day while both of us were in Sacramento, we found time to talk not only about important legislation affecting San Francisco, but we also laughed and reminisced about the old gang from ballplaying days.

After I went to Washington and he became Mayor, our work "came first" and we never had the time for just getting together. It was always dealing with Federal programs and their effects on the City of San Francisco. We often said to each other, "Next time we'll have lunch at one of the old neighborhood haunts." As it turned out, to quote an old Louis Prima saying, "Next time there's going to be no next time."

Regretfully, it took the loss of someone very near and dear to me to learn the lesson of how important it is to make time for friends and to say things and do things before it is too late.

Beyond the personal lesson for me from last year's tragedies, there are many public lessons we must try to learn together this year as we face new problems and challenges.

Peace and Friendship,

JOHN L. BURTON,
Member of Congress.●

PROGRESS IN THE WAR AGAINST DRUG ABUSE

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. WOLFF. Mr. Speaker, I would like to call to the attention of my colleagues the following Associated Press wire story which ran March 22, 1979.

The story will highlight for my colleagues the remarkable successes this country has achieved in curtailing drug trafficking.

The article follows:

HEROIN

PITTSBURGH.—A nationwide crackdown on heroin trafficking is being credited for the decision to shut down the methadone program at the Western Psychiatric Institute.

Officials say there aren't enough addicts to justify its existence.

At its peak in 1975, there were 693 full-time patients at three Allegheny County facilities, including Western Psychiatric. Today there are 485, according to Charles Peters, Executive Director of the County Mental Health and Mental Retardation Program.

Peters said Western's 115 methodone patients will be absorbed by two other clinics starting April 1. The two clinics are operating at 88 and 67 percent capacity.

The development reflects a national trend, according to drug enforcement officials. Heroin, they say, is harder to get, less pure than it used to be and more expensive than ever.

As a result, fewer users are becoming addicted, lessening the need for methadone maintenance clinics such as Western Psychiatric's. Methadone, a legal but also addicting drug, is given free in controlled doses to heroin users trying to break their habits.

The National Institute on drug abuse in Washington estimates there were about 450,000 heroin addicts in the United States in 1977, the latest year for which figures are available.

That's down by about 20 percent from 1975's estimate of 540,000.

Fatalities due to heroin addiction in Allegheny County fell from a high of 48 in 1971 to one last year. Nationally, heroin-related deaths were down by 49 percent from 1,874 in 1976 to 950 in 1977, NIDA said.

"Heroin use has been dropping primarily because its availability has been cut dramatically," Cornelius Doughtery of the Drug Enforcement Administration in Washington said in a telephone interview on Wednesday.

In 1974–75, about 8 to 12 tons of heroin were smuggled into the United States, 90 percent of that from Mexico, he said. In 1977, about 4 to 6 tons were brought in, with about 60 percent of that from Mexico.●

UNKIND CUTS

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. SHANNON. Mr. Speaker, Congress is now in the midst of considering the President's budget requests for fiscal year 1980. I am submitting for the RECORD an editorial by Lester C. Thurow entitled "Unkind Cuts." Thurow emphasizes the folly and unfairness of proposed budget cuts in social services as a counter inflationary measure. He goes on to explain why a balanced budget will not necessarily lower inflation. Although we are faced with the difficult task of exercising fiscal restraint, I feel we must also preserve the congressional intent underlying existing social service programs.

I commend Thurow's insight into this important matter and am pleased to bring it to the attention of my colleagues in Congress.

UNKIND CUTS

(By Lester C. Thurow)

CAMBRIDGE, MASS.—President Carter presented his budget as if with great reluctance the Administration was forced to cut social programs to stop inflation. After more than a decade of rapidly growing programs, no one can object to a debate about their intrinsic merits and everyone can believe that some programs ought to be cut, but whatever the demerits of social expenditures they neither cause nor cure inflation. Regardless of whether these programs are cut, inflation will be high.

Reductions in Government expenditures can reduce the inflation rate only if inflation is caused by the demand for more goods and services than the economy can produce. But this is not the case. Capital and labor are both still in surplus supply. Total unemployment hovers around 6 percent and even the group with the lowest unemployment, married white males, has an unemployment rate twice that of the late 1960's. The utilization of capital is rising but is still below previous peaks.

Inflation worsened in 1978, but this can be traced to changes in the dollar's value and adoption of Government policies that raise the cost of living, among them farm price supports, steel reference pricing, increased Social Security taxes, minimum-wage rises, higher interest rates. Little or none of the inflation-rate rise can be traced to simple excess demand for goods and services. Thus there is no reason to believe that reducing the total demand for goods and services will reduce the rate of inflation.

If balancing the budget would automatically lead to a lower rate of inflation, we should be on the road to a lower rate now. The relevant budget is *already balanced.* With the growth of Federal grants-in-aid to state and local governments, the Government now pays 25 percent of all state and local-government bills. With this high degree of fiscal integration, it is no longer possible to judge the degree of fiscal constraint by simply looking at the Federal deficit or surplus. You must look at the *total* government surplus or deficit, and in recent months total government has had a surplus. At annual rates, a $22 billion Federal deficit was more than counterbalanced by a $26 billion state and local-government surplus at the same time that the Federal Government was giving state and local governments $77 billion in grants-in-aid. Theoretically, a $26 billion cut in grants-in-aid would have balanced state and local-government budgets and left the Federal Government with a $4 billion surplus.

Government budgets are balanced, but we clearly are not on the road to a lower rate of inflation. If a surplus in the Government budget would reduce the rate of inflation, it should now be falling, but it isn't. Inflation rose from 1977 to 1978. With oil, food, Social Security tax and minimum wage-increases already on the horizon, inflation will stay high this year.

Current inflation is not a product of excess demand for goods and services but is the result of a cost-push momentum that has been built into the economy. Some of the momentum results from the use of cost-of-living escalators in wage and price contracts. If inflation is running at 7 percent this year, prices and wages will rise at 7 percent next year because of the escalator clauses, but this leads to a 7 percent rate of inflation that in turn is carried by the indexes into the next year. Inflationary expectations also play a role. Since people expect prices to rise, they ask for large wage and price increases, but this action is self-fullfilling and causes prices to rise. Indexing and expectations create a baseline rate of inflation that gets worse whenever an adverse price shock, such as an increase in the price of oil, occurs.

If a solution to inflation is to be found, it must be found in a workable incomes policy or in a sector-by-sector attempt to reduce prices. If these policies are to work, they need an economy without excess demand for goods and services, but we already have that. Government is now taking more tax revenue out of the economy than it is returning in the form of expenditures.

The extra fiscal restraint flowing from the cuts in social expenditures will slow down the rate of growth and may produce a recession, but a recession is not expected to be large enough to do any good. A sharp increase in unemployment might drive the cost-of-living escalators and inflationary expectations out of the economy, but a mild recession, or, if the Administration is right, a very slow rate of growth, won't have the desired effect: A mild recession is all costs and no benefits since there isn't enough shock value. Output goes down, unemployment up, but inflation doesn't go down. If the Administration wants to cut social expenditures, let it say so and defend its recommendations on the programs' demerits. Let's not pretend that a social-expenditures cut is going to reduce the inflation rate. It won't.●

THE DOWNS AND UPS OF FOREIGN AID

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. McHUGH. Mr. Speaker, last week Time magazine carried a thoughtful essay which discussed the ambivalence of the American people toward foreign aid. As the essay points out, however, helping the developing nations can be of direct benefit to the United States.

For example, it notes that:

> . . . improving the economies of the developing countries makes them better customers. An estimated 2 million American jobs depend on exports to developing countries, and twelve of those nations, according to a United Nations Association study, are the world's fastest growing markets for U.S. products.

For the benefit of those Members who may not have seen this essay, I am inserting a copy into the RECORD at this point.

THE DOWNS AND UPS OF FOREIGN AID

Everyone is familiar with the gasps and adjectives—stunning, walloping, whopping, staggering—usually inspired by a $5 billion price tag. Yet when President Carter pledged roughly that amount in additional military and economic aid over three years to help bring Israel and Egypt together, there were few immediate complaints. Most Americans seemed to agree with Senate Republican Leader Howard Baker's belief that the prospective aid would be a real bargain.

The episode should be instructive to a country that has long been beset with doubts about its overall aid program. It is particularly ironic that Washington should have given such a hospitable reception to a big, unexpected outlay in these tight times. Earlier, Congress had been expected to offer stout resistance to an Administration proposal for a $159 million increase, to $6 billion, in economic and military aid worldwide for fiscal 1980. Last week's events probably will not alter that prospect dramatically, but they at least raise the possibility that the nation might be moved to renovate and expand its enervated foreign assistance program—if it can just be shown clearly the advantages of doing so.

The U.S. discovered the self-benefits of helping others when it carried out the Marshall Plan with bipartisan fervor beginning in 1948. The U.S. was the first great power to use aid as a major instrument of foreign policy, and over the next two decades the nation was by far the biggest source of such assistance. There were many intricate reasons for America's subsequent disenchantment with foreign aid, but it became pronounced during the Viet Nam War. It was in 1968 that Congress radically slashed the proposed aid budget—by 40%, to a 21-year low of $1.75 billion. Since then, the program has been in trouble, chronically confused, steadily losing supporters, widely misunderstood.

Today U.S. foreign aid is a hodgepodge of programs with a muddle of purposes directed by a multitude of agencies. The main one is the Agency for International Development, and its chief, ex-Governor John Gilligan of Ohio, is leaving next month under pressure, in part because be offended too many people by trying to straighten out his department. AID is tangled up by more than 150 restrictive and sometimes contradictory congressional mandates. It is not astonishing that a program so confused within is so misunderstood on the outside.

Popular misunderstanding takes many forms. One false notion, which undercuts political support for increasing the aid effort, is that the U.S. is still a leader in the field it pioneered. Not so. In the early 1960s the U.S. spent up to .5% of its gross national product on foreign aid but today allocates only .27%. Sweden gives 1.01% of its G.N.P., and Denmark donates .6%. Thirteen nations, including France, Canada, Belgium, Britain, West Germany and Austria give a larger share than the U.S. Says Gilligan: "Last year the people of the U.S. lost more money at the gambling tables in Nevada than we have in our development assistance programs. We spend more money on dog food than we do on the 600 million people in this world who are malnourished."

Jimmy Carter entered office with the hope of doubling U.S. economic development programs by 1982, but he soon curbed his aspiration in the face of a budget-chopping mood. He has pushed some increases through the Congress, with total aid outlays of $5.1 billion for fiscal 1978 and $5.9 billion for fiscal 1979. His current budget proposes just over $6 billion for fiscal 1980, and would have been higher, a White House spokesman said, except that larger sums "might have raised the profile of foreign aid and made it even more vulnerable." The proposed 1980 budget is vulnerable enough. While the President shuttled between Cairo and Jerusalem, the Senate Foreign Relations Committee was recommending aid cuts of more than $700 million.

Recent efforts to reorganize foreign aid have fared much worse than attempts to increase appropriations for it. Senator Hubert Humphrey's last legislative initiative was the International Development Cooperation Act, which would have assembled all foreign aid programs, for the first time, under one roof and a single planning command. The bill died last year as a result of congressional inaction that was abetted by both of the major Administration departments that would have lost power. The State Department would have forfeited control of bilateral programs handled by AID, and the Treasury Department would have been displaced as U.S. policymaker in the multilateral development programs run by the World Bank and other international financial institutions.

Thus the administration of the foreign aid program was left just as it was: beset and beleaguered, and known largely for its failures. Those failures are well publicized; some ill-advised projects and scattered cases of misuse of funds by corrupt recipients. In an odd Gresham's Law, the bad news about foreign aid seems to drive out the good—and there is a lot of good news. Foreign aid has contributed to the rise of a series of economically free and prosperous "ADCs," or advanced developing countries, including South Korea, Singapore, Taiwan, Malaysia and Thailand. U.S. assistance has also helped lift many less fortunate countries out of total destitution. The material results of foreign aid are often significant but little-known factories, dams and agricultural projects that create jobs and food, which in turn contribute to economic and political advance—and to good business for the U.S. Improving the economies of the developing countries makes them better customers. An estimated 2 million American jobs depend on exports to developing countries, and twelve of those nations, according to a United Nations Association study, are the world's fastest growing markets for U.S. products.

There are even more tangible benefits for America. For every $1 that the U.S. contributes to international financial institutions that give aid, the recipients spend $2 to buy goods and services in the U.S. For every $1 paid by the U.S. into the World Bank alone, $9.50 flows into the nation's economy in the form of procurement contracts, operations expenditures and interest payments to investors in the bank's bonds.

In short, the U.S. does well by doing good. What is needed is a reorganization of the aid program in order to centralize its direction, clarify its aims and display to the U.S. people that its lofty missions can produce down-to-earth results. As the early reaction to Carter's multibillion-dollar pledge in the Middle East showed last week, the nation is willing enough to assist other peoples if there is a reasonable promise that the investment will produce political or humanitarian benefits. FRANK TRIPPETT.●

BYELORUSSIAN INDEPENDENCE DAY

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. FARY. Mr. Speaker, distinguished colleagues. In remembering Greek Independence Day, we remind ourselves that democracy was born in Greece and freedom regained in that country on March 25, 1821. In Byelorussia and in the other captive nations of Eastern Europe, democracy and freedom no longer exist. On March 25, we are reminded of the contrast between modern Greece, a sovereign nation, and Byelorussia, a country that declared herself free and independent on the same day, March 25, in 1918. As a captive nation, Byelorussia is no longer independent.

The constitution of that country was in effect for less than a year but it is evidence that the Byelorussian people's primary objectives are similar to those of all Americans. The constitution guaranteed freedom of speech and assembly, liberty of conscience, inviolability of person and home, and equality for all citizens. It is easy to understand that Byelorussians chose to emigrate to this country when freedom was denied them in their own. The two nations share the same goals.

On the anniversary of their independence, we applaud and support Byelorussian-Americans in their attempts to restore to their Byelorussian countrymen the same freedoms that they are able to exercise here in the United States.●

FILL'ER UP WITH DEREGULATION

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. DERWINSKI. Mr. Speaker, respecting the accurate reporting of the Crain's Chicago Business, a publication which highlights the commercial and industrial development in the Chicago metropolitan area, I wish to insert into the RECORD a very timely and I believe precise appraisal on the subject of deregulation of the trucking industry. I support the philosophy behind this editorial which appeared in the publication's March 12 issue. The editorial follows:

FILL'ER UP WITH DEREGULATION

The Interstate Commerce Commission is about to get a heavy dose of deregulation backers, including Northwestern University economics chairman Marcus Alexis (CCB, March 5). That's good news for consumers, users of truck transportation and inflation fighters everywhere.

Even without the four new pro-deregulation members, the ICC has been aggressively pursuing a policy that would ease the entry of new carriers into existing routes, abolish rate-setting boards and scrap the insane policy that results in empty trucks plying the nation's highways because they don't have a franchise to carry a commodity from one city to another.

The trucking industry, led by the Chicago-based Assure Competitive Transportation and the national American Trucking Assn., is steadfast in its opposition to deregulation, preferring the comfortable world of beneficent regulation. Protected from antitrust laws and virtually immune from competition, the trucking industry has been able to fix rates and reap the profits that accrue in a government-sanctioned anti-competitive environment.

The abuses are rampant in the industry. A carrier who tries to enter a new route does so only with the consent of existing carriers on the route. A trucker who hauls fasteners to Indianapolis returns to Chicago base empty because he doesn't have authority to haul the foodstuffs waiting for shipment. The truck company that tries to reduce its rates to attract business runs afoul of the industry's rate-setting bureaus. And with competition but a figment in the trucking industry, carriers were only too eager to surrender to excessive labor demands and pass along the higher costs to consumers without fear of pricing themselves out of the market.

The ICC has set about changing those deplorable situations, and it should get some welcome reinforcement from its new commissioners.●

AMERICA'S STAKE IN THE LAND GRANT SYSTEM

HON. LARRY J. HOPKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. HOPKINS. Mr. Speaker, the old saying, "pennywise and pound foolish," has never been truer than in President Carter's efforts to cut expenditures for the cooperative extension services. The return on investment for funds allocated to the extension services throughout the country has been at a ratio of $4 returned for every $1 spent. I would like to insert in the RECORD a copy of a statement prepared by the University of Kentucky on "America's Stake in the Land Grant System" in order to show how vitally important these institutions are to the continued success of American production.

AMERICA'S STAKE IN THE LAND GRANT SYSTEM

Productivity in American agriculture, for decades the envy of the world, is slowing down dangerously. According to BLS statistics, growth in productivity in the 70's is lagging 40% below the previous two decades. Unless reversed, this decline can only lead to higher food prices and a loss in our competitive position in world markets.

Why this alarming trend? One of the root causes is inadequate federal funding of basic agricultural research, extension and teaching at the nation's land grant colleges—for years the well-spring of knowledge and technology which has fueled our agricultural system. In addition, a growing trend toward federal program dictation threatens to destroy the effectiveness of the cooperative federal, state and local system.

For more than 100 years, Congress has endorsed this balanced blending of local, state and federal interests, personnel, funding, program development and administration—a system which has been widely copied throughout the world. However, during the 70's the federal government has been backing gradually out of this cooperative relationship. The federal share of the extension budget has declined nearly one percentage point per year for the past seven years, and the purchasing power of Hatch Act research payments to the states has declined at an even faster pace.

The situation has become so critical that a special national committee of concerned land grant leaders—supported by farmers, agricultural and rural groups, ag-related businesses, and concerned non-agricultural groups—have joined together to alert the public and the Congress to the serious threat. This ad hoc Committee for Agricultural Research, Extension and Teaching (CARET) is seeking to correct the erosion of the land grant system funding before it is too late. Working with the appropriate policy and budget committees of the land grant system—ECOP (Extension Committee on Organization and Policy), ESCOP (Experiment Station Committee on Organization and Policy), and RICOP (Resident Instruction Committee on Organization and Policy)—active remedial steps are being proposed.

Recognizilng the tight FY 1980 budget situation, CARET has proposed minimum budget increases averaging 6.0% for research, extension and teaching, plus inflation adjustments—a total of $84 million above the President's budget proposals for these activities. These minimal increases will not begin to make up for past cuts, but they are designed to maintain the land grant college system and provide a continuing base for research and education in agricultural and food sciences. This includes not only basic production-related research, but areas of consumer interest such as human nutrition, food safety and quality, energy use and conservation, pest management, environmental pollution and improving the economic health of small towns and rural America.

Based on recent history, each dollar invested in agricultural research, extension and teaching returns over $4 to the American public.

Every American producer, consumer, rural or urban citizen, has a stake in maintaining the land grant college system—the foundation of our nation's efficient productive food system.

PRIORITY AREAS FOR EXTENSION

The President's budget for FY '80 recommends $258 million for the Cooperative Extension Service—a reduction of $5.9 million from FY '79, despite expanding costs and program needs. ECOP recommends an increase of $41.5 million in the budget to prevent further erosion of the basic Extension program and to carry on congressionally authorized programs as follows:

Priority I—Maintenance programs

This includes two elements—$5.0 million for retirement and $11.0 million for salaries.

Historically, the federal government has covered the retirement costs of federal appointees. However, the federal share has been declining: in FY '79 the shortfall was $5.0 million. The cumulative effect has been a reduction of nearly 300 professional personnel nationwide to pay the federal deficit to the Civil Service Commission.

Salary increases for Extension personnel have been below federal increases in seven of the past eleven years. The 1980 budget provides for no salary increases. Federal salaries are expected to increase 5.5 percent. Absorption of salary increases within the FY '79 and FY '80 budgets would require an additional cut of 635 positions nationwide, even if county and state funding kept pace with inflation—as it has nationally since FY '72.

Priority II—Restoration of programs—$8.0 million

This includes three programs mandated by the Congress and now being successfully implemented, which would be eliminated under the President's proposed budget: $3.0 million for urban gardening, $1.5 million for farm safety and $3.5 million for rural development.

The urban gardening program is carried out with the urban poor and disadvantaged in America's 16 largest cities. It is a low-cost, high-impact program whose importance increases as food prices escalate.

The farm safety program has provided a farm safety specialist in each state to help farmers identify the causes of accidents on the farm and reduce the high incidence rate of farm accidents. This is a continuing education program, begun in the early 1970's, which cannot be shut off and on if it is to achieve its intended goal.

The Extension phase of the nation's rural development effort provides technical support and assistance in the revitalization of rural areas through the improvement of community services and rural standards of living. Rural development is authorized under Title V, Rural Development Act of 1972; it is a major educational program that is vital to the economic growth and development of rural America.

Priority III—National initiatives (expanded food and nutrition)—$12.5 Million

The President's proposed budget would reduce funds for nutrition education programs and change the funding formula to the detriment of the 50 million people who live in rural America. The budget would permit less than 50 percent as many nutrition aides in FY '80 as in FY '71. The formula change would decrease funds in many rural states as much as 20 percent. This would have the effect of abandoning the rural poor in an important health area, since no other agency currently is serving—or is capable of serving—their education needs in food and nutrition.

Priority IV—New programs (forestry extension)—$5.0 Million

Nearly two-thirds of the renewable resource producing lands in the United States are privately owned. Their efficient use depends on the technical knowledge and capability of the owners. Congress in 1978 passed a Forestry Extension Act and an accompanying Research and Assistance Act to provide assistance to private landholders in improving the nation's renewable resources (forest wildlife and rangeland). Congress authorized up to $15 million for the program, but it was enacted too late to be included in the FY '80 budget process. Funds are needed to make a start on this program.●

UNCLE SUGAR'S RIPOFF

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. DERWINSKI. Mr. Speaker, one of the most costly and controversial bills pending is the proposal to provide high price supports for sugar. This is an anticonsumer bill, and also draws favor from special interest groups which demand more Government spending.

This point is very well made in an editorial appearing in the March 15 Southtown Economist Newspapers, serving Cook County, Illinois. I wish to insert this editorial for the Members' review:

UNCLE SUGAR'S RIPOFF

Government increasingly is seen by groups of citizens as a means of extracting money from other groups of citizens.

Thus the sugar lobby taps Congress for higher price supports which will cause a five-pound bag of sugar to go up at least five cents and cost consumers $450 million a year.

President Carter has a more modest alternative, which would raise the nation's sugar bill by about $180 million and cost the Treasury another $112 million in subsidies.

Such are the proposals coming out of a national capital where every elected politician would say he realizes that inflation is the nation's No. 1 problem.

But senators like Russell Long of Louisiana and Frank Church of Idaho, chairmen of powerful Senate committees, represent states with hefty investments in the sugar producing business. They have not won re-election after re-election by neglecting the selfish interests of their constituents.

The public interest in subsidizing domestic producers of sugar is nonexistent. If cane sugar growers in the tropics can produce sugar for 10 cents a pound, delivered in New York, why should the American housewife pay twice that much for the home-grown product from cane or beets? We are dependent on imports for coffee, tea, cocoa and bananas. Why should we not be dependent on imported sugar, if it can be produced more cheaply in other countries?

Sugar is not a strategic commodity. There is no national interest in a sugar subsidy, whether paid out of tax money or by means of higher prices at the checkout stand.

But sugar growers (less than 1 percent of the nation's farmers) feel they should be subsidized and so do the politicians who represent them. The political deck is stacked in their favor. It is long past time for consumers to call for a new deck.●

AN EAST TEXAS SOLUTION TO THE MIDDLE EAST

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. CHARLES WILSON of Texas, Mr. Speaker, several weeks before President Carter began his successful trips to the Middle East, one of my constituents, Mr. Howard Peacock from Woodville, Tex., offered his own solution for peace. It seems like the Middle East problem has been solved without the help of my friend, Mr. Peacock. However, I would like to insert into the RECORD a copy of Mr. Peacock's letter to the Tyler County Booster newspaper so that the President may call upon him if further difficulties arise in the Middle East.

[From the Tyler County Booster, Feb. 22, 1979]

MIDDLE EAST SOLUTION: WALNUT HILL PEACE TALKS

Dear Editor: The reason Egypt and Israel still don't have a peace treaty is that they have conducted their talks in highly unpeaceful places.

They have gone to spots near Washington and London, for example, where vibrations of discord and suspicion beat uncreasingly upon them. How can you talk peace and really mean it in that kind of atmosphere?

I am therefore offering our house atop Walnut Hill, on the northern rim of Woodville, for the next Carter-Sadat-Begin Peace talks. Except for the occasional whine of a chain saw trimming firewood, or birds whistling their mating calls, or the neighborhood children playing on the south slope, the atmosphere is the epitome of peace.

In good weather, the three leaders can hold their sessions on the screened porch where there are rocking chairs and daybeds, and a languid view of wooded hills to the north. If the negotiations hit an impasse, they can watch the giant Pileated woodpeckers, sometimes called the "God a'mighty birds", work nearby trees for grubs, until somebody thinks of a way around the impasse.

If the weather isn't all that good, they can move to the den, which has a fireplace and a whole wall framing the hills. While Begin is making a point, for instance, Carter and Sadat could gaze at the horizon with real thoughtful expressions, as my wife often does when I'm talking. Or, they could gather at the round oak table in the breakfast nook and smell beans and onions simmering and cornbread baking. Those are mighty pacifying aromas. The oak table is reputed to have come from a barroom in the old Harvey House in Santa Fe, so it has been part of many sensitive negotiations over the years.

For their afternoon tea or cocktails or a percolating pot of Seaport, they should move to the living room. It has books and records lying around and a serene outlook on the neighborhood children playing on the slope. Theresa and Rodney Cook make a show all by themselves, and there's Gary who deftly pieces together all manner of models, and here come the lighthearted and lovely Poindexter kids, and there's Mr. Cook, the grandpa, wheeling up in his golf cart to take them for rides around the hill. This scene is played out in shafts of afternoon sunlight slanting through the darkening pines, across russet paths of fallen needles. Peaceful? Who, seeing it, could possibly feel spiteful or greedy or combative?

Take your meals, men, in the dining room and let the atmosphere of Clyde Gray's 16-foot mural of an east Texas springtime landscape soak into your thoughts and words. Or, if you want to get outside, pack a picnic for the little private park on these very acres. Take snapshots of each other standing in the 7½-foot 19th century sugar kettle that found its way to Woodville from Savannah, Georgia years ago.

After dinner, the negotiators could always settle down in the den, light a fire of Mr. Elmer Rice's special-cut hickory and oak, and invite the cats in. A peaceful atmosphere is possible without cats, but to achieve the ultimate degree of grace and serenity in a room, you must have cats stretching before the fire, yawning, and warming their bellies. We will leave Tish, Shenandoah, and Vio on the premises for this vital phase of the Walnut Hill Peace Talks. And when the great men gaze past the fireplace into the night, they will see, far below the crest of the hill, twinkling lights of cars crawling south on U.S. 69. They could easily and accurately imagine some of those cars carrying Arab, Jewish, and American students returning to Lamar University after a weekend on the lakes. For Lamar's College of Engineering, respected the world over, has a substantial enrollment of students from Sadat's and Begin's part of the world.

The place has three big bedrooms and three bathrooms for the privacy of the great men. I favor giving Carter the master bedroom with the ceiling fan and the flowering honeysuckle outside the windows. But in the spirit of equality and fair play, they probably should odd-man-out for it.

One special advantage of this place for the Peace Talks is that there aren't any fine trappings to distract the negotiators.

They can stick to business. They don't have to worry about breaking a valuable vase or lamp or price of art at some crucial arm-waving juncture in the talks. The most valuable object d' art we ever had in the house was an antique slop jar that Connie Clark loaned Kitty for a party. It was about 107 years old and had a blue picture going round it. Piled high with guacamole, it was an exceptional sight.

Sadat and Begin are accustomed to the finest homegrown entertainment. Woodville can treat them to an evening of such pleasures as a lawn concert by the Kirby High School Sweepstakes Band, a cattle-working demonstration by the 70-or-80-year-old but truly ageless Mr. Roy Pate, a medley by the operatic voices of Ruth Houston and Marian Powers and the baritone elegance of Keith McCaffety, plus a performance by the Tyler County Square Dancers. I vote to cap off the evening with Mr. A. L. Polk singing the great old hymn, "I'll See You in the Morning", which would set the stage for a peace-making morrow.

If the talks hit a serious snag, despite all efforts to surround and impermeate them with peace, all we have to do is put in a call for Dave Payne's Barber Shop in Sour Lake. That's where Merlin Breaux gets his hair trimmed every week before flying off to Europe or Asia. At Dave Payne's, Merlin often receives calls from the presidents of great corporations, the heads of international labor unions, and even the White House.

Merlin Breaux is the worldwide labor negotiator and trouble-shooter for Gulf Oil Corporation. He was a key power in the recent contract talks in Denver that set the national pattern for wages and benefits in the oil industry. Although Merlin travels the globe as Gulf's vice president in charge of industrial relations, he and his wife Marge choose to make their home on a farm at the southern fringe of the Big Thicket. Anybody with that much sense, coupled with years of experience in successful negotiations with international labor unions, could mightly well iron out a few wrinkles in arrangements for the West Bank of the Jordan River. We all know that.

So it's all here in Woodville, atop Walnut Hill. Let men talk peace where peace abides.

Kitty and I will be glad to stay in a motel during the Walnut Hill Peace Talks, or throw a pallet on the floor at a friend's house. We would, however, like to stop by the house occasionally and feed the cats.●

BYELORUSSIAN INDEPENDENCE DAY

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. GOLDWATER. Mr. Speaker, I take this opportunity to recognize and congratulate the Byelorussian people on the 61st anniversary of the proclamation of the Byelorussian Democratic Republic. Their efforts to halt the continuing civil liberties violation in Byelorussia and to increase the American community's awareness of those violations should be encouraged.

However, it is evident that a 61-year-old declaration of freedom cannot hide the fact that the Byelorussian people are still deprived of the inherent rights of all men.

The violation of those rights runs rampant in Byelorussia: In 1978, a Byelorussian schoolgirl was beaten by her teacher for believing in God; earlier, the Byelorussian father of an American citizen was threatened with confinement in an asylum for seeking to join his daughter in New Jersey. Such distortions of justice are everyday occurrences, and should be protested by concerned Americans.

Accordingly, I urge my colleagues and countrymen to support the Byelorussian people in their current attempts to introduce use of the Byelorussian language in Voice of America programing. The growing demand in Byelorussia for information about American life and policies can effectively be fulfilled by the Voice of America, and it is our duty to use this resource to encourage development of democratic ideals. A Soviet republic with a population of 10 million and key geopolitical importance particularly deserves the attention of this Government.

I applaud the determination of the Byelorussian people to free themselves from Communist domination, and I wish them continued strength and patience as they strive for the self-determination which is rightfully theirs.●

SAVANNAH'S PRETTY FACE

HON. BO GINN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. GINN. Mr. Speaker, the great city of Savannah, Ga., which I have the honor of representing in the Congress, is word famous for its hospitality and charm as well as for one of the finest historic restoration programs in the United States. The beautiful old homes and other structures of Savannah are being renovated with great care and pride, and all of the work is being done under local leadership and virtually all with private funding.

The accomplishments of the people of Savannah were recognized most recently in the national press in a column by Mr. Nick Thimmesch which appeared in The Washington Post. I believe that the work of the people of Savannah can be an inspiration and a guide for other cities, and so I ask that this article be reprinted in the CONGRESSIONAL RECORD at this point.

SAVANNAH'S PRETTY FACE

(By Nick Thimmesch)

SAVANNAH, GA.—This is one of the loveliest cities in the republic. The waterfront, old cotton exchange, the Georgian and gingerbread houses, moss-covered oak—all have given great pleasure in Savannah's 200-year history. Because Savannah thrives on and enjoys its charm, it is quick to respond to any sign of urban blight or decay.

The old part of this marvelous city is a collection of 20 squares, shaded by oak and magnolia trees and fronted by restored mansions and houses. Cobblestone ramps loop down to River Street's cotton warehouses, which now provide the premises for taverns, cafes, boutiques and museums.

All this is enjoyed by tourists and history buffs. But the Savannah bourgeoisie, while appreciating its historic section, is not inclined to shop on the main drag—Broughton Street—because shopping centers on the outskirts of town are more of a lure. So the main drag, like those in other cities, experiences deterioration and close-out sales.

Similarly, Savannah's Victorian district, 51 blocks of charmingly detailed Victorian architecture—gingerbread, arches, turrets, curlicues—has become run-down and dilapidated.

Savannah, however, doesn't allow aging to become blight. A generation ago, Savannah almost lost a marvelous mansion to the wrecking ball and did allow the large, enclosed farmer's market, with its horse stalls and memories, to be demolished for a parking lot.

Seven dedicated ladies formed the Historic Savannah Foundation in 1955, and the citizenry has since been on the alert to any threat to the city's pretty face.

So the Broughton Street merchants chipped in $1 million to widen their sidewalks and beautify their street. All's not well yet on the old drag, but it's improving.

As for the Victorian district, though Gothic roofs sag and gingerbread atrophies, the prospect is that this proud old lady is going to look real fine again. A low-key but sizable program of rehabilitation and restoration is under way, with encouraging results.

A crumbling town house could be bought here a few years ago for as little as $5,000, and even now some go for $10,000. One 15-room beauty recently sold for $30,000, and the owner restored it for an additional $50,000. The result is a $150,000 house.

Most of the residents of this section are low-income blacks, not as affluent as the blacks and whites who now eye the bargain houses. To prevent widespread dislocation of the present residents, the city works hard to make them aware of loan and grant programs for rehabilitation, rent subsidies and ownership.

People sit on porches and play checkers or lounge around the corner store in the Victorian district, as though television and air conditioning don't exist. They seem to live in an earlier, easier time, and the neighborhood shows it. Their income is low, but their loyalty is high. The average renter has been in his house nine years, the average owner, 15. Crime is no greater here than in other parts of Savannah.

"This is no slum," says Robert E. James, a Harvard Business School graduate and president of the Carver State Bank, which has made small loans to blacks in the district for many years. "People have pride here. We want to stay the way we are, only we want to rehabilitate all these houses, too."

The city fathers and mothers feel that Savannah (population: 145.000) is a city you can put your hand on and manage. There seems to be more consensus than contention, more soothing than shouting.

The poise might stem from the sense of history—the first steamboat to cross an ocean left here in 1819, the first black church in the United States was founded here in 1788; the Mickve Israel temple was founded in 1733; Georgia's first horse race was run here in 1740. The seaport is the largest industry, and there's talk of offshore-oil drilling. The police chief, David Epstein, has a Ph.D. in criminology. A prosperous black businessman recently restored a Victorian house for $75,000 and has white tenants. A fire destroyed an ancient warehouse the other day, and leg irons and chains were found in the ruins. A lawyer recently moved into a restored house, once celebrated as a brothel.

The people who care for this city will slowly but surely restore its old main drag and its Victorian district, and also whisper, "We'd like to keep Savannah a well-kept secret."●

THE 61ST ANNIVERSARY OF BYELORUSSIA

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. COTTER. Mr. Speaker, Byelorussia, one of the 15 United Soviet Socialist Republics, has observed their 61st anniversary of the proclamation of the Byelorussian Democratic Republic on

March 25. On behalf of the supressed people of Byelorussia it is our Nation's duty to commemorate their strife for recognition.

The Byelorussian people have expressed in many ways that their civil liberties are being denied. The republic of 10 million people have strong political and religious beliefs which they would like to express in their own language. The Byelorussians have also shown a sincere interest in the American people and our Nation's policies.

I wish to join with my constituents and colleagues in supporting the Byelorussian-American community for their concerted efforts toward the people of Byelorussia.●

LADY MONARCHS ARE NO. 1

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. WHITEHURST. Mr. Speaker, yesterday basketball history was made when the Lady Monarchs of Old Dominion University of Norfolk, Va., captured the national championship of the Association of Intercollegiate Athletics for Women.

The 75 to 65 victory over Louisiana Tech was the culmination of the most successful season in basketball history for either men or women at Old Dominion University. The Lady Monarchs finished the season and playoffs with a 35 to 1 record. In defeating the No. 2 women's team in the country, they gave conclusive proof that they are truly No. 1.

Mr. Speaker, I had the great honor of being on the faculty of Old Dominion for 18 years prior to my election to the 91st Congress in 1968, and while we had many fine athletes during those years, this women's basketball team has reflected more skill and poise than any other team in my memory. It is led by an all-America guard named Nancy Lieberman, who appropriately scored the last goal in the championship game on a steal and a layup. In my view there are several other players also certainly worthy of all-America honors. Inge Nissen, who scored a game high of 22 points yesterday and pulled down an incredible 15 rebounds, has been a major factor in Old Dominion's success.

However, all of these young women have emphasized the team character of their success, and the long string of victories would not have been possible without the excellent play of girls like Jan Trombly, Angela Cotman, and Rhonda Rompola.

Additionally, the team could not have achieved the kind of success that has marked this season without the incomparable coaching skills of Marianne Stanley. She has inspired her players on more than one occasion and obviously was the difference in the championship game when Old Dominion trailed at halftime by a five-point margin.

Students, faculty, old grads, and the thousands of other friends of Old Dominion congratulate Marianne Stanley and her team on their marvelous victory and national championship.

Finally, Mr. Speaker, I ask unanimous consent at this point in the RECORD to include from the Washington Post of Monday, March 26, Russell Carter's account of the U.S. women's title game in Greensboro, N.C.

Needless to say, I am very proud indeed of the Lady Monarchs.

The article follows:

OLD DOMINION WINS U.S. WOMEN'S TITLE

(By Russell Carter)

GREENSBORO, N.C., March 25.—Old Dominion Coach Marianne Stanley could probably make money by packaging and retailing her halftime talks.

Stanley admitted she "lit a few fires" today and the Lady Monarchs responded by burning Louisiana Tech in the final 20 minutes for a 75-65 victory and the Association of Intercollegiate Athletics for Women national championship.

Top-ranked Old Dominion of Norfolk, Va., dominated the No. 2 Lady Techsters in the second half, limiting them to a 27.6 percent shooting from the field, while forcing 18 turnovers.

Tech did not score its first field goal of the half until Jane Ellen Cook sank a 20-footer with 12:43 left. By then the Lady Monarchs had made up a five-point halftime deficit and moved into a 44–38 lead. Tech was never able to get closer than four points thereafter as ODU built the margin as high as 12 points.

"We came out a little scared," said All-America point guard Nancy Lieberman. "We might have also been too complacent and we definitely weren't taking it to Tech.

"In the second half, we started running and playing tighter defense. Our defense creates our offense."

ODU junior center Inge Nissen provided much of the defense in the final half, holding Tech center Elinor Griffin to two points. Griffin had scored 14 in the opening half. The 6-foot-5 Griffin missed all 10 of her second-half shots, getting several rejected by the 6-5 Nissen.

Lieberman contributed six steals, turning several into assists to Jan Trombly and Angela Cotman. Lieberman and Rhonda Rompola stole the ball from Tech (34–4) on successive possessions, producing two baskets to pull ODU within 34–33.

Tech then turned the ball over three times and missed shots on its next four possessions; Nissen hit two free throws, scored on an offensive rebound and Cotman then tallied on still another offensive board to propel the Lady Monarchs (35–1) to a 39–34 lead.

Lieberman, who connected on eight of 12 shots in a 20-point effort, showed in a 120-second span moments later why she is a two-time All-America.

ODU led, 46–42, when the 5–10 junior hit a fadeaway from the free throw line. She then stole the ball at the other end and hit a running, fadeaway shot off the backboard for a 50–42 advantage.

Lieberman was called for her fourth foul with 6½ minutes left, but afterward made still another steal, assisted on three more baskets and sank a fast break layup.

ODU played miserably in the first half, missing open shots and losing easy passes. Trombly missed all four of her shots, but made up for it in the final half by sinking six of seven. The Lady Monarchs missed 21 of 33 attempts and were behind the final 15 minutes of the half.

Trombly said, "Nancy told me at half-time, You're supposed to be a start on the top team in the nation.' I knew she would keep passing me the ball she had that confidence in me. She relaxed me by saying that."

The game resembled one played under international rules. Referees called nothing short of felonious assault. Nissen, who has played in international competition as has Lieberman, said that the physical play worked to ODU's benefit.

In the consolation game, third-ranked Tennessee (30–9) blew past 1978 champion UCLA, 104–86. All-America Cindy Brogdon scored 24 for the winners; sophomore Denise Curry tallied 38 points in a losing cause.

	Min	FG	FT	Reb	A	PF	T
OLD DOMINION							
Cotman	40	3–10	0–0	1	2	4	6
Trombly	36	6–11	3–3	6	3	4	15
Nissen	40	9–27	4–6	15	0	4	22
Lieberman	39	8–12	4–4	7	7	4	20
Rompola	40	5–10	0–0	4	3	0	10
Richard	1	0–0	0–0	1	1	0	0
Richardson	2	0–0	0–0	0	0	0	0
Jerome	2	1–1	0–0	0	0	1	2
Totals	200	32–71	11–13	34	16	17	75
LOUISIANA TECH							
Cook	40	7–11	0–0	4	4	1	14
Ford	16	0–0	4–6	1	1	1	4
Griffin	37	6–24	4–5	15	1	3	16
Turner	40	7–18	4–4	8	1	2	18
Kendrick	40	1–3	4–4	3	6	4	6
Kelly	27	2–6	3–5	9	0	2	7
Total	200	23–62	19–24	40	13	13	65

Halftime—Louisiana Tech, 32–27.
Attendance—2,877.●

SEPARATE DEPARTMENT OF EDUCATION

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mrs. CHISHOLM. Mr. Speaker, the House Government Operations Committee has begun hearing testimony on H.R. 2444, a bill to create a separate Department of Education.

I want to share with you the following letter by Marian Wright Edelman for the Education Coalition. This letter raises a number of concerns about the creation of a separate department. Serious thought should be given to these issues.

FEBRUARY 26, 1979.

Hon. JACK BROOKS,
Chairman, House Committee on Government Operations, U.S. House of Representatives, Washington, D.C.

DEAR CONGRESSMAN BROOKS: During this session of Congress, the House Committee on Government Operations will reconsider legislation to create a Cabinet-level Department of Education.

The Education Coalition, a group of nonprofit advocacy organizations, has had extensive experience with civil rights and education issues during the past 10 years. From this perspective, we feel compelled to express grave concerns about the effects of the proposed Department of Education on children, especially poor and minority children. What are the needs such a department will meet? What are the positive policies it will further? Since reorganization has inevitable costs, no one should vote to create a new bureaucracy unless there are clear benefits. The burden for demonstrating the value of the new department must be met squarely by its proponents before Committee members and Congress act.

The arguments repeatly advanced in favor of a Department of Education contend that it will enhance the management and efficiency of federal education programs and will raise the stature of education within the federal bureaucracy. But proponents have a responsibility to do more than assert vague, however laudable, hopes. They must demonstrate how a Department of Education will improve the delivery of services to the millions of children who are the intended beneficiaries of federal education programs. They must present convincing evidence that the creation of the department will not promote a bureaucratic superstructure and constituency which will merely perpetuate regressive forces in the status quo.

Many rhetorical assertions have been made about presumed benefits of the proposed department, but the basic, substantive questions have not yet been answered. In the absence of adequate debate and consideration of issues fundamentally important to children, the Education Coalition raises the following questions regarding the wisdom of a Cabinet-level Department of Education:

1. The Administration has cited the existence of a federal education policy to assure equal access to educational opportunities and to increase the quality of education. The laxity of program enforcement in the existing Office of Education (OE) has been well documented. Will the proposed department be any different than OE in administering and enforcing federal education legislation designed to improve educational opportunities for the most vulnerable students?

2. How will the proposed reorganization improve the quality and quantity of services available to children in their schools, families and communities? It is truly a constructive change in the federal role in education, or simply another shuffle of bureaucratic boxes in Washington.

3. Part of the success in sustaining federal funding for education has been through the combined efforts of teachers, administrators, unions, parents' organizations and child advocates. Would not a separate Department of Education threaten this coalition and isolate educational interests from their historic, broad-based constituency?

4. Will coordination in fact be improved through a narrowly based department that is little more than the present Office of Education? Many of the most significant education-related programs are left out of the proposed department. By separating education from health and social services, won't the department, in effect, increase fragmentation?

5. In a time of fiscal austerity and restraint in federal spending, who will pay the inevitable costs of the proposed department? Isn't it an invitation to more layers of bureaucracy? Will funds come from programs for children, or increase the budget deficit?

6. How will the proposed department simultaneously reduce red tape and paperwork and ensure the accountability of federal fund recipients?

7. How will the department ensure equal access to educational opportunities and the uncompromised enforcement of civil rights mandates prohibiting discrimination on the basis of race, national origin, sex, or handicap—particularly when the Presidents' budget reduces over 120 authorized positions in the present Office of Civil Rights?

8. A separate department seems well designed to protect the organized interests of teachers and administrators. How will it represent the interests and needs of education consumers—children and their families?

9. For those concerned with effective parent participation, isn't the simple recommendation for an Executive-level position concerned with this issue merely a meaningless gesture? Without a mandate for enforcement, how will it compensate for the increased influence of professional organizations and educational institutions that have traditionally resisted genuine parental involvement?

10. How will the proposed department correct the gross under representation of women and minorities in decision-making positions within the existing HEW Education Division?

11. What are the consequences of possible Congressional reorganizations in dealing with education authorizations and appropriations? Would the potential isolation of education from health and welfare entitlements increase support or expose education programs to destructive attack?

These are not new questions. But after more than a year of debate, they have not been adequately addressed. Yet, in our judgment, they constitute the essential criteria for assessing the merits of the proposed Department of Education. Unless proponents can present convincing evidence that a new bureaucratic superstructure will enhance the quality of federal education programs, the department is an inadequate response to the critical educational needs of the nation's children.

The Education Coalition strongly urges members of the House Committee on Government Operations to raise these questions during consideration of legislation for the proposed department and through specific inquiries to the Administration. The Education Coalition is planning a series of meetings to discuss these isues with representatives of the Administration and concerned organizations. The fact that the department has been proposed for so long and has failed to gain broad-based support among those most intimately affected is cause for serious concern. Education should be a major focus for those committed to our children and our future. Is the proposed reorganization the way to achieve this? The case is not made.

Sincerely,
MARIAN WRIGHT EDELMAN,
For the Education Coalition.●

PUMPING PERSPECTIVE INTO THE SOHIO CONTROVERSY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. MILLER of California. Mr. Speaker, in these times of increasing budgetary restrictions, there will be a vocal debate between those supporting environmental laws designed to reduce our Nation's pollution, and those who believe that these laws unnecessarily restrict economic growth. In California this debate has recently surfaced with the proposed Sohio project. This article in the Los Angeles Times is an excellent summary of the facts surrounding the proposed cancellation, and I commend it to all of my colleagues:

PUMPING PERSPECTIVE INTO THE SOHIO CONTROVERSY

(By Jack Burby)

We still don't know who lost Iran, we may never know who lost China because it has been found again, and now there is some urgency about knowing who lost Sohio.

It is not a frivolous question, particularly because so much misinformation was spread so quickly after the announcement by the Standard Oil Co. of Ohio (Sohio) that it no longer needed a terminal at Long Beach to pump oil from its Alaska tankers to its Midwest refineries by way of a pipeline to Texas.

The New York Times, for example, said—without reservation or documentation—that Sohio's action "means that the eastern part of the country will not be able to reduce its oil imports significantly through increased Alaskan production." It means no such thing. The oil can go through the Panama Canal, as is does now, in whatever quantities Alaska is every likely to produce.

The energy czars and czarinas in Washington, who have always considered California's attitude toward energy, particularly nuclear energy, too relaxed and its concern for clean air too stiff, blame the collapse of the plan on something in the regulatory process that is peculiar to California. It is no such thing.

But perceptions are more important than facts in the political process, which is where the Sohio incident now resides, and the whole affair must be laid out—under oath, if necessary—in a public forum. There is too much at stake to let the controversy die out without knowing exactly what went wrong.

The world clearly has slipped into a long-term energy crisis. There will be suspicious surpluses and unexplained shortages and prices often will go up in ways that do not add up precisely. But no crisis is perfect, and the basic fact is that the world is using more oil every year than it finds. The only thing that can save a country that runs 75% on hydrocarbons is vast amounts of new hydrocarbons, and nobody really thinks they exist.

Even before the true long-range nature of the problem was clear, cracks began to appear along the regional boundaries of the United States. When have-not energy regions like New England and the mid-Atlantic coastal states balked at offshore oil exploration, the energy-producing regions gave birth to litters of bumper strips that read, "Let the Bastards Freeze in the Dark."

As the energy problem becomes more intense, those cracks may widen. And there is already a crack separating California from other parts of the country.

For that reason alone, a hard look at the Sohio record is essential, and there are several questions the investigators can put at the head of their list.

One, of course, involves California's environmental regulatory process. Is it really so different from the rest of the country? Not at all. The federal Clean Air Act applies to other states in almost exactly the way it applies here. California standards are tighter in some respects, but they were not central to the Sohio case.

Did the regulatory process drag out interminably? Perhaps. But in at least one major instance, Sohio itself was responsible for the delay. It was, after all, the California Air Resources Board that conceived a loophole, which has since been enacted into federal law, that made it possible even to consider the Sohio project. That loophole is the "trade-off" rule, which makes it possible for a new development to add major amounts of new pollution to a region if it shuts down major amounts of old pollution. At first, Sohio balked at this proposal. Eventually it agreed to install a scrubber on a power plant, to buy pollution controls for dry-cleaning plants and to take other steps to reduce pollution by enough to make it possible for its Long Beach terminal to operate. But that took time.

The company had known for several days before announcing that it would not build the Long Beach terminal that the Coastal Commission staff was recommending approval of the Sohio project in its final form. It knew also that the commission had waived its rules to hold the meeting, which would approve the last major permit Sohio needed, a month ahead of schedule.

Perhaps the most important question is whether the Sohio plan was realistic from the start, and that is an area in which the Congress, or whoever takes on the job of finding out who lost Sohio, should bear down on hard.

When Sohio applied for permission to build its Long Beach terminal, the conventional forecast for peak Alaskan oil production was 2 million barrels a day. The Trans-Alaska pipeline was built to carry that amount.

Now it appears that unless major new finds are made in Prudhoe Bay, Alaskan production will never exceed 1.5 million barrels a day.

When Sohio began negotiating for the Long Beach terminal, it knew that production in Alaska would peak in the mid-1980s unless new discoveries were made.

It filed its first request for a permit with the Coastal Commission in May, 1977. It knew then that construction would take more than two years. It knew, in other words, that the amount of oil it would pump through Long Beach into its pipeline would begin to decline day-by-day within five or six years after the project was finished. This is an area in which the facts can only be established by opening up company records.

Finally, it would be interesting to know when Sohio first knew its project would not pay off.

It may be difficult to find anyone in Washington to lead an investigation who has not already decided that California kicked the props out from under the project, with no help from Sohio.

Sen. Henry M. Jackson (D-Wash.), chairman of the Senate Energy and Natural Resources Committee, might be a natural choice, but he already has said he thinks it is "outrageous" that California cannot move Alaskan oil through one of its ports. He also thinks the country's institutions are paralyzed.

But he has not called any attention to the fact that he helped paralyze them; he wrote the National Environmental Policy Act, which was the first national law to require just the kind of comprehensive forecasting of environmental impacts of major developments that the Sohio project represented. Nor did he mention that he voted to run the Trans-Alaska pipeline to Valdez, where the oil must be taken out by ship, rather than across Canada and into the Midwest, where the oil is needed.

Come to think of it, he also did not protest when a rider was attached to a bill in Washington some months ago that closed Puget Sound, which is close to his home state, to just the kind of tanker operations that Sohio wanted for Long Beach.

Even with a stacked deck, however, a formal look at the facts in the Sohio case is important, not only to California, but also to any hope for regional unity the country may have as the agonies of hydrocarbon withdrawal get worse.●

UNITED STATES-MEXICO AGRICULTURE COOPERATION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. BROWN of California. Mr. Speaker, recently I presented my arguments on the need for this country to pursue a new foreign policy toward the global majority represented by the nonalined countries. Nowhere is the need for this policy change more evident, nor the promise so great, as with our relations with Mexico. The discovery of oil in Mexico has propelled that country from the back pages to the lead story in the press, and a new set of rules for United States-Mexico relations has evolved. We can no longer buy their friendship with hollow promises, for Mexico has many friends these days. We must begin the long overdue process of elevating our relations with Mexico to the level that European countries enjoy with the United States and we must expand this increasing maturity to our relations with all of the nonalined countries. A U.S. foreign policy based on need is seen in the Third World as a foreign policy based on greed. Do we wait until Honduras discovers gold or Upper Volta discovers uranium deposits until we begin to show an attitude of respect and sensitivity toward those countries?

We share many trade ties with Mexico that predate our need for oil supplies to feed our eastern pipelines. Mexican culture and heritage is also the culture and heritage of large areas of the United States. Climate, geography, and political similarities present a wealth of common ties and provide a natural affinity. If there has been one impediment to the development of ties strong enough to survive present changes in Mexico, it has been the attitude of the United States.

Present international interest in Mexico is forcing the United States to queue up along with everyone else. Mexico has shown some interest in affording the United States some favored status, but our dogmatic pursuit of an outdated foreign policy is getting in the way. The recent failure to complete a United States-Mexico gas pipeline deal is an excellent example of this. The United States was offering credit for construction under terms that were being matched or bettered by other countries, yet Mexico was anxious to deal with the United States to show good faith. It was American arrogance in negotiating style that ended the negotiations and will undoubtedly affect future cooperative efforts.

In correcting our past oversights our first overtures to Mexico should be made in an area of Mexican need and not an area of U.S. surplus. Mexico has expresed a keen interest in the development of its agricultural productivity and it is with this area that the United States should begin its new cooperative policy. We should be offering our agricultural research, production, and crop prediction and remote sensing capabilties to Mexico and helping them adapt this technology to their needs. The recently negotiated treaties on science and technology and arid lands provide the beginning for such an effort. In a related area, we also need to work toward a solution of the immigration problems that trouble both of our countries. While the United States complains of undocumented aliens taking jobs from our citizens, Mexico is also affected by the lost labor of those workers whose industry and effort in gaining entry into the United States mark them as above average workers.

The area of trade liberalization and special consideration for Mexican agriculture products will eventually come up as a result of Mexican agricultural developments. The problems presented by this development in an increasingly protectionist political climate should be considered from the start of any United States-Mexico cooperative effort. Because the southwestern United States shares border, climate, and economy with Mexico, it will be asked to bear the major concessions needed to secure oil for the East and Northeast. It will take some innovation to avoid objection to United States-Mexico ties by Southwestern farmers and ranchers who may see their interests being traded for Mexican oil. This Southwest-Northeast conflict would cause a new direction in policy to degenerate into a domestic conflict that would negate any gains made.

One alternative to this lies with the development of new crops, an excellent area for a United States-Mexico cooperative effort and one where we have a treaty in place with Mexico and research efforts underway in both countries. Both the United States and Mexico can benefit from the development of crops (with low water demand and the lack of an established grower constituency in either country promises greater success for any bilateral agreement made. Mexico and the United States are both engaging in the commercialization of guayule and jojoba, two semi-arid plants that produce rubber and oil respectively. There is also promise in a number of semi-arid food crops such as tepiary bean, buffalo gourd, and pinyon pine. The development of these crops in the southwestern United States and northern Mexico would establish an agriculture industry where now there is little promise. American farmers would benefit from greater planting choices, the situation of the American Indian of the Southwest would be improved, and the Mexican farmer and rancher would be able to offer employment to workers, saving both the United States and Mexico some of its immigration problems. Reduced water demands would aid both United States and Mexican farmers by increasing both the quality and quantity of water available for other crops .

New crop development in the topical areas of Mexico has potential as well with possible use of these crops in the semi-tropical areas of the United States. In addition, new and improved crop strains and agronomic techniques devised could be used in agricultural development efforts in Third World countries. Mexican agricultural knowledge could add a great deal to our agricultural research efforts since most of our work focuses on temperate zones and this bias is reflected in our aid programs. Perhaps United States-Mexico cooperative aid efforts in Latin America and South America could be arranged.

One of the most important things to be gained from such a joint United States-Mexico agricultural research effort could be the realization by U.S. participants that current U.S. crops and techniques may not be appropriate elsewhere in the world. In fact, I frequently wonder if they are even suited for some areas of our own country. Highly advanced "manipulative" agriculture, in which the environment is changed to accommodate an alien plant type, is beginning to show faults where high resource costs are needed to maintain the necessary growing conditions. The less intensive "adaptive" agriculture techniques, in which native plant types are developed or more tolerant crop strains are introduced, will need to be used in countries that cannot support costly manipulative agriculture. The combination of U.S. research capability and the desire of Mexico to develop agriculture in its northern, semiarid states could lead to a more adaptive agriculture in this region that would benefit United States and Mexican farmers as well as farmers in many parts of Africa and Asia.

The world will be watching the development of our new relations with Mexico and as Mexico begins to assume a leadership role among the nonalined countries, our performance becomes even more important. If we show that our foreign policy is based on geological reports rather than our desire to be a mature world leader then we have lost another round. If however, this country enters into a true cooperative relationship with Mexico and shows a desire to embark upon a new foreign policy direction, we will send a clear signal to the nonalined countries that we honestly seek their friendship and their knowledge. And an effort in the area of agriculture will signal U.S. willingness to apply its research to the most pressing needs of less developed countries and may help the United States to avoid foreign policy setbacks such as we have been experiencing lately.●

DEPARTMENT OF EDUCATION

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 26, 1979

● Mr. ERLENBORN. Mr. Speaker, before long the House may be asked to vote on legislation creating a Cabinet-level Department of Education.

In a recent edition of the Christian Science Monitor, John E. Sawyer, president of the Andrew W. Mellon Foundation, commented on this subject. President Sawyer discusses the genesis of our decentralized, and of Europe's centralized, school systems and the strengths of a diversified education system. He also sounds a timely warning of the perhaps unintended—but nonetheless pernicious—consequences a Department of Education would have on the educational opportunities of our children and grandchildren.

I hope my colleagues will weigh carefully President Sawyer's cogent thoughts on this important issue.

The article follows:

NO TO A DEPARTMENT OF EDUCATION

(By John E. Sawyer)

From remarks by the president of the Andrew W. Mellon Foundation at the inauguration of Elizabeth Topham Kennan as president of Mount Holyoke College.

The most distinctive feature of American higher education is surely its diversity and extent, and the absence of any single, integrated national control from above. Though the United States offers more educational opportunities to more people than any nation has ever attempted, it has done so without any central plan or governing authority, through thousands of institutions offering more than 1,500 kinds of programs to more than 11 million students under a mixture of public and private sponsorship.

Given the complexity and sensitivity of the field, the variety of our needs, and the size and divergent interests of different sectors and regions, I feel this has been a good thing, and that we should strive to keep it so.

Looking back at our history one finds the beginnings of higher education on the Continent of Europe organized along guild lines, with the master professors admitting students, hiring and training apprentices, and determining what was taught and how. Upon these beginnings the emerging secular states gradually imposed a centralized bureaucracy, fiscal control, and more or less uniform systems of administration.

In the United States, by contrast, a mixture of historical accident, denominational drive, and divided state and local jurisdictions has given us a rich, sprawling diversity of institutions and forms of governance. Confusing, overlapping, competitive, sometimes wasteful and often redundant, this mixture has provided opportunities for education of great variety for ever-increasing numbers; it has encouraged multiple sources of initiative and response; it has generated diverse sources of funding; and has inspired the kinds of dedication and leadership needed to create and sustain institutions. Perhaps most distinctive, it has largely concentrated administrative energies and decision-making authority on the individual campuses where the students are—and where the problems emerge (and these two are not necessarily synonymous)—rather than at far away centers setting inflexible rules in their prescription for a national system.

The example set by [the independent liberal arts] colleges helped reinforce the practice of chartering state universities under their own Boards of Trustees or Regents, with substantial institutional autonomy. In more recent years the growth in systems and sub-systems of post-secondary education and in the size of their budgets has led to more centralized state planning and control; perhaps necessarily so. But the state level seems a good place for the process of centralization to stop.

The intrusion of federal regulation offers a warning of the pressures that a separate national Department of Education could set in motion. Given the dynamics of government and the ambitions of men, one need not be a hardened conservative to anticipate the drift toward centralized planning and control that would follow; or the ways in which this could undercut the diversity and initiative, responsiveness, flexibility, and independence of the network of private and public institutions, locally governed, that history has given us.

Where federal funding assistance may be essential, we already have experience with how it can be handled while avoiding serious loss of institutional autonomy—the "G.I. Bill" after World War II, current Educational Opportunity Grants, the support of science and medical research via the National Science Foundation and the Institutes of Health, program grants subject to peer review, National Defense Education Act support of foreign language study and area centers, library support through the Office of Education. We could develop other models.

But whatever the deficiencies of existing educational forms and practices—and they are many—let us resolve them without installing an overarching authority and attendant bureaucracy that will almost inevitably bring remoteness and rigidity in place of the ranging, rambling, resiliency of our present pluralism. In a country as diverse as ours and in a field as sensitive for a free and open society as higher education, the unintended consequences of centralization could be both regrettable and, once in place, difficult to reverse.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any concellations or changes in the meetings as they occur.

An interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extension of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, March 27, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 28

8:00 a.m.

Armed Services
Research and Development Subcommittee
To resume closed hearings on proposed military procurement authorizations for fiscal year 1980, to receive testimony on funds for tanks, anti-tanks, and other Army programs of the Department of Defense.
S–407, Capitol

9:00 a.m.

Commerce, Science and Transportation
Consumer Subcommittee
To continue oversight hearings on the activities of the National Highway Traffic Safety Administration and on proposed legislation authorizing funds for fiscal year 1980 for the National Traffic and Motor Vehicle Safety Act (P.L. 89–563), and the Motor Vehicle Information and Cost Savings Act (P.L. 82–513).
5110 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on proposed legislation on biomedical research programs.
Room to be announced

Special on Aging
To hold a business meeting on the Committee's agenda of activities
S–126, Capitol

9:30 a.m.

Appropriations
Agriculture and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Agriculture.
1318 Dirksen Building

Commerce, Science, and Transportation
To hold oversight hearings on the trucking industry economic regulation by the Federal Government.
235 Russell Building

Environment and Public Works
Environmental Pollution Subcommittee
To hold joint oversight hearings with the Subcommittee on Resource Protection on the effects of hazardous wastes and toxic chemicals in the environment.
4200 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To hold joint oversight hearings with the Subcommittee on Environmental Pollution on the effects of hazardous wastes and toxic chemicals in the environment.
4200 Dirksen Building

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the Criminal Division and the Executive Office for U.S. Attorneys, both of the Department of Justice.
2228 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 10, authorizing the Department of Justice to initiate suit to enforce constitutional rights to institutional persons.
1114 Dirksen Building

Labor and Human Resources
To hold hearings on S. 420, to strengthen State workers' compensation programs.
4232 Dirksen Building

Labor and Human Resources
Education, Arts, and the Humanities Subcommittee
To resume hearings to explore the areas of basic learning skills used in elementary and secondary schools.
457 Russell Building

10:00 a.m.

Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Bureau of Indian Affairs.
1224 Dirksen Building

Armed Services
To resume closed hearings on proposed military procurement authorizations for fiscal year 1980, to receive testimony on funds for Navy ship programs.
212 Russell Building

Banking, Housing and Urban Affairs
To continue hearings on S. 85 and S. 353, bills to strengthen the ability of the Federal Reserve Board to conduct monetary policy, promote greater competitive equality, enhance the safety and soundness of the banking system, and improve the efficiency of the Federal Reserve payments system.
5302 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To hold hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Finance
To continue hearings on S. 350, S. 351, S. 748, and S. 760, bills to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

Foreign Relations
To hold hearings on S. 586, authorizing funds for fiscal years 1980 and 1981 for the Department of State.
4221 Dirksen Building

10:15 a.m.

Labor and Human Resources
Child and Human Development Subcommittee
To markup S. 239, authorizing funds for programs administered by Domestic Volunteer Service Act (ACTION).
412 Russell Building

10:30 a.m.

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

2:00 p.m.

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Department of HEW.
S-128, Capitol

2:30 p.m.

Foreign Relations
To continue hearings on S. 586, authorizing funds for fiscal years 1980 and 1981 for the International Communications Agency.
4221 Dirksen Building

3:00 p.m.

Labor and Human Resources
Health and Scientific Research Subcommittee
To continue markup of S. 570 to control increases in hospital revenues, (Hospital Cost Containment).
4232 Dirksen Building

MARCH 29

9:00 a.m.

Agriculture, Nutrition, and Forestry
Agricultural Production, Marketing, and Stabilization of Prices
To resume hearings on S. 399, S. 644, S. 646, and S. 647, to revise the Federal Crop Insurance Program.
324 Russell Building

9:30 a.m.

Armed Services
To resume markup, in closed session, of S. 429, authorizing supplemental funds for fiscal year 1979 for the defense establishment, and pending nominations.
212 Russell Building

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the Immigration and Naturalization Service, Department of Justice.
2228 Dirksen Building

Judiciary
Constitution Subcommittee
To continue hearings on S. 10, authorizing the Department of Justice to initiate suit to enforce constitutional rights to institutionalized persons.
1202 Dirksen Building

Veterans' Affairs
To hold hearings to receive legislative recommendations for FY 1980 from AMVETS, Paralyzed Veterans of America, Veterans of World War I, blinded veterans, and Purple Heart.
6226 Dirksen Building

10:00 a.m.

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for ACTION—International Program.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the National Aeronautics and Space Administration.
1224 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the National Endowment for the Humanities.
1224 Dirksen Building

Appropriations
State, Justice, Commerce, the Judiciary Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1980 for the Departments of State, Justice, Commerce, and the Judiciary.
S-407, Capitol

Commerce, Science, and Transportation
To hold joint hearings with the Energy and Natural Resources Subcommittee on Energy Resources and Materials Production on S. 493, proposed Deep Seabed Mineral Resources Act.
3110 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold joint hearings with the Committee on Commerce, Science, and Transportation on S. 493, proposed Deep Seabed Mineral Resources Act.
3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To continue joint oversight hearings with the Subcommittee on Resource Protection on the effects of hazardous wastes and toxic chemicals in the environment.
4200 Dirksen Building

Environment and Public Works
Resource Protection Subcommittee
To continue joint oversight hearings with the Subcommittee on Environmental Pollution on the effects of hazardous wastes and toxic chemicals in the environment.
4200 Dirksen Building

Finance
To continue hearings on S. 350, S. 351, S. 748, and S. 760, bills to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

Foreign Relations
To continue hearings on S. 586, authorizing funds for fiscal years 1980 and 1981 for the Board for International Broadcasting.
4221 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To mark up S. 570, to control increases in hospital revenues (Hospital Cost Containment).
4232 Dirksen Building

10:30 a.m.

Appropriations
Labor-HEW Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Departments of Labor and HEW.
S-128, Capitol

2:00 p.m.

Appropriations
Military Construction Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for Army construction programs.
1223 Dirksen Building

Appropriations
Public Works Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for Department of Energy programs.
S-126, Capitol

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
S-146, Capitol

Energy and Natural Resources
Parks and Recreation, and Renewable Resources Subcommittee
To hold oversight hearings on the National Park Service's concession policy.
3110 Dirksen Building

Judiciary
To hold hearings on the nominations of David O. Belew, Jr. of Texas, to be U.S. District Judge for the Northern District of Texas; Robert M. Parker, of Texas, to be U.S. District Judge for the Eastern District of Texas; Mary Lou Robinson, of Texas, to be U.S. District Judge for the Northern District of Texas; Harold B. Sanders, Jr., of Texas, to be U.S. District Judge for the Northern District of Texas.
2228 Dirksen Building

3:00 p.m.
Foreign Relations
To receive a briefing, in closed session, on the impending SALT treaty.
S-116, Capitol

MARCH 30

9:00 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on S.J. Res. 28, to provide for the direct popular election of the President and Vice President of the United States.
457 Russell Building

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Governmental Affairs
To hold hearings on S. 333, proposed Omnibus Antiterrorism Act.
3302 Dirksen Building

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To resume hearings on S. 600, to preserve the diversity and independence of American business.
6226 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Aeronautics and Space Administration.
1318 Dirksen Building

1:00 p.m.
Judiciary
To hold hearings on S. 237, to clarify and expand the jurisdiction of U.S. magistrates and improve access to the Federal courts.
2228 Dirksen Building

APRIL 2

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Labor and Human Resources
To resume hearings on S. 420, to strengthen State workers' compensation programs.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on the substance of S. Res. 87, expressing the sense of the Senate with respect to the allocation of necessary energy sources to the travel and tourism industry.
1318 Dirksen Building

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the Drug Enforcement Administration, Department of Justice.
2228 Dirksen Building

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To resume hearings on S. 309, proposed Antitrust Procedural Improvements Act.
5110 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold hearings on proposed legislation to authorize funds through fiscal year 1985 for the Fishery Conservation Management Act (P.L. 94-265), and the Anadromous Fish Conservation Act (P.L. 93-362).
235 Russell Building

1:00 p.m.
Environment and Public Works
Nuclear Regulation Subcommittee
To resume hearings on proposed authorizations for fiscal year 1980 for the Nuclear Regulatory Commission.
4200 Dirksen Building

APRIL 3

9:00 a.m.
Environment and Public Works
Resource Protection Subcommittee
To hold hearings on proposed authorizations for fiscal year 1980 for the Endangered Species Act (P.L. 93-205).
5110 Dirksen Building

9:30 a.m.
Labor and Human Resources
To continue hearings on S. 420, to strengthen State workers' compensation programs.
4232 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To hold hearings on S. 582, proposed Farm Entry Assistance Act.
322 Russell Building

Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for programs administered by the Department of State.
4232 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of the Secretary and the Office of the Solicitor.
1224 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

2:00 p.m.
Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To resume oversight hearings on the National Parks Service's concession policy.
3110 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S.J. Res. 28, to provide for the direct popular election of the President and Vice President of the United States.
2228 Dirksen Building

APRIL 4

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the nomination of James M. Stone, of Massachusetts, to be a Member and Chairman of the Commodity Futures Trading Commission.
324 Russell Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To hold hearings on the implications of the proposed multilateral trade agreements for U.S. exports.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 640, authorizing funds for fiscal year 1980 for certain maritime programs of the Department of Commerce.
235 Russell Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To continue hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the Civil Division, Department of Justice.
2228 Dirksen Building

APRIL 5

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the activities of air freight transportation industry and to evaluate the impact of recent air cargo deregulation.
235 Russell Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for foreign assistance programs.
1114 Dirksen Building

Appropriations
Hud-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation, and the Office of Science and Technology policy.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Appropriations
Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
318 Russell Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on the implications of the proposed multilateral trade agreements for U.S. exports.
5302 Dirksen Building

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the Land and Natural Resources Division, Department of Justice.
2228 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on roles of women in health and science.
4232 Dirksen Building

Veterans' Affairs
To hold hearings on the nomination of Allan L. Reynolds, of Virginia, to be Inspector General, Veterans' Administration.
5110 Dirksen Building

2:00 p.m.

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
318 Russell Building

Select on Small Business
To hold oversight hearings on the activities of the Small Business Development Center program, to be followed by oversight hearings on the implementation of minority business programs both of the Small Business Administration.
424 Russell Building

APRIL 6

9:00 a.m.

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To resume hearings on S. 600, to preserve the diversity and independence of American business.
6226 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To mark up 357, proposed budget estimates for fiscal year 1980, S. 354 and proposed supplemental appropriations for fiscal year 1979, both for NASA.
235 Russell Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

10:00 a.m.

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Judiciary
To resume hearings on proposed authorizations for fiscal year 1980 for the Drug Enforcement Administration, Department of Justice.
2228 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To continue hearings on roles of women in health and science.
4232 Dirksen Building

11:00 a.m.

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.

Appropriations
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

3:00 p.m.

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the Witness Protection program of the Department of Justice.
2228 Dirksen Building

APRIL 9

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 663, to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
457 Russell Building

Judiciary
Constitution Subcommittee
To resume hearings on S.J. Res. 28, to provide for the direct popular election of the President and Vice President of the United States.
318 Russell Building

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To mark up S. 440, proposed Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act, and S. 525, proposed Drug Abuse Prevention, Treatment, and Rehabilitation Act.
4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
To resume joint hearings with the Energy and Natural Resources Subcommittee on Energy Resources and Materials Production on S. 493, proposed Deep Seabed Mineral Resources Act.
3110 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To resume joint hearings with the Committee on Commerce, Science, and Transportation on S. 493, proposed Deep Seabed Mineral Resources Act.
3110 Dirksen Building

10:30 a.m.

Commerce, Science, and Transportation
To hold hearings on proposed authorizations for fiscal year 1980 for the U.S. Goast Guard, Department of Transportation.
235 Russell Building

APRIL 10

9:00 a.m.

Veterans' Affairs
To hold hearings on proposed legislation extending certain veterans' health benefits programs through FY 1980.
6226 Dirksen Building

10:00 a.m.

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Fish and Wildlife Service.
1223 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To resume hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
Room to be announced

Finance
To mark up S. 350 and S. 351, to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

APRIL 11

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 663, to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
457 Russell Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Federal Emergency Management Administration.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on S. Con. Res. 5 and S. Res. 59, both relating to the equity for the small saver.
5302 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To continue hearings on proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Finance
To continue markup on S. 350 and S. 351, to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

APRIL 12

9:30 a.m.

Judiciary
Constitution Subcommittee
To hold hearings on S.J. Res. 34, to extend the term of office of Members of the U.S. House of Representatives to 4 years.
5110 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Treasury.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Mines.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. Con. Res. 5 and S. Res. 59, both relating to the equity for the small saver.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on proposed legislation to implement railroad deregulation.
235 Russell Building

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To resume oversight hearings on the National Park Service's concession policy.
3110 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

APRIL 24

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To receive a briefing on proposed budget estimates for fiscal year 1980 for the Government of the District of Columbia.
S-126, Capitol

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Land Management.
1223 Dirksen Building

APRIL 25

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for governmental direction and support services for the government of the District of Columbia.
S-126, Capitol

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To hold oversight hearings on the Civil Aeronautics Board plan to implement the Airline Deregulation Act (P.L. 95-504).
235 Russell Building

Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on proposed authorizations for fiscal year 1980 for the energy regulatory and information gathering programs of the Department of Energy.
3110 Dirksen Building

Labor and Human Resources
To hold oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.
4232 Dirksen Building

Veterans' Affairs
To mark up S. 330, to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts, and on proposed legislation extending certain veterans' health benefits programs through FY 1980.
412 Russell Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Department of the Interior, to hear congressional witnesses.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To resume oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.
5302 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To resume hearings on preclinical and clinical drug testing by the pharmaceutical industry.
154 Russell Building

APRIL 26

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for governmental direction and support services for the government of the District of Columbia.
S-126, Capitol

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To continue hearings on proposed authorizations for fiscal year 1980 for the energy regulatory and information gathering programs of the Department of Energy.
3110 Dirksen Building

Labor and Human Resources
To continue oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.
423 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Office of Surface Mining Reclamation and Enforcement, Office of Water Research and Technology.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee.
To continue oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.
5302 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on proposed legislation to implement the mental health policy program.

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

APRIL 27

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To continue hearings on proposed legislation to implement the mental health policy program.
4232 Dirksen Building

APRIL 30

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To hold oversight hearings on the implications of the Randolph-Sheppard Act Amendments of 1974.
4232 Dirksen Building

MAY 1

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for public safety services and educational services for the government of the District of Columbia.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Park Service.
1223 Dirksen Building

MAY 2

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for judicial services, and transportation services and assistance for the government of the District of Columbia.
1114 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Smithsonian Institution.
1223 Dirksen Building

MAY 3

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for human support services for the Government of the District of Columbia.
1114 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for HUD.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 7

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 8

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for economic development and regulation services for the government of the District of Columbia.
1114 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

MAY 9

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for the Temporary Commission on Financial Oversight of the Government of the District of Columbia.
114 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

MAY 10

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, March 27, 1979*

The House met at 12 o'clock noon.

Rabbi David A. Nelson, Congregation Beth Shalom, Oak Park, Mich., offered the following prayer:

O Lord our God, how excellent is Thy name in all the Earth and without whom no human work can long prosper, we beseech Thee to bestow upon the Members of this body wisdom and courage equal to their responsibilities.

We acknowledge with gratitude the glorious achievements in working for the cause of peace in the Middle East. Help us now to widen the horizons of our hearts to encompass all mankind in a common love and mutual respect.

Grant that our beloved country be a mighty force for righteousness among people, ever seeking to provide more adequate forms of freedom and justice for all its citizens and ever advancing the cause of democracy and peace among all nations of the world.

May the Lord endow us with strength; may the Lord bless us all with peace. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

RABBI DAVID A. NELSON

(Mr. BROOMFIELD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROOMFIELD. Mr. Speaker, it is an honor and a pleasure to welcome, as our guest this afternoon, Rabbi David A. Nelson of Congregation Beth Shalom, in Oak Park, Mich. I would like to thank him for his inspiring opening prayer.

Before coming to Michigan, Rabbi Nelson held pulpits in Rio de Janeiro, Brazil, and in our neighboring city of Baltimore, Md. In 1972, he took up his present position at Congregation Beth Shalom.

While providing spiritual leadership to the people of his congregation, Rabbi Nelson has also been an active community leader.

He has served as president of the Conservative Rabbis of Metropolitan Detroit; a member of the Anti-Defamation League Cabinet; and as a member of the Detroit Round Table of the National Conference of Christians and Jews. He is also the director of the Michigan Region of the United Synagogues of America. Rabbi Nelson was also appointed by the city of Southfield, Mich., to serve as a member of the Total Living Commission, and as an advisory board member to the Southfield City Council. He is also on the advisory board of the Oakland County Mental Health Associates and the Michigan Council on Alcohol Problems.

Rabbi Nelson is not the first member of his family to offer the opening prayer before this body. On May 23, 1963, the House of Representatives was honored to hear the profound words of his father, the late Rabbi Harry Nelson.

Mr. Speaker, Rabbi Nelson is accompanied by two of his three children this afternoon, Harry, age 11, and Debra, age 10.

I would like to welcome all three to Washington, and to again thank Rabbi David Nelson for his inspirational message.

CONGRATULATIONS TO MICHIGAN STATE SPARTANS FOR WINNING NCAA BASKETBALL CHAMPIONSHIP

(Mr. CARR asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CARR. Mr. Speaker, I take this opportunity during the 1-minute remark period to offer congratulations from the House floor because of the fine effort last night by two teams in the NCAA national championship game.

We are proud in East Lansing of the achievements of the Michigan State University Spartans in their 75-to-64 win over Indiana State. However, we also must remark that Indiana State showed a tremendous effort throughout the season, and victory is theirs as well.

Mr. Speaker, our constituents in East

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Lansing are justifiably proud of the effort which the entire athletic department and, in particular, the coach of the team and the basketball team itself made this year, and we are looking forward to next season when we will probably square off against Indiana State or one of that State's schools once again.

□ 1205

SPRINGTIME IN TEXAS

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, I rise with pleasant words, words of music. Spring has hit with all its glory down in Texas. I have just returned from San Antonio, and it is just unfortunate that the House cannot convene, in fact the entire Congress, in San Antonio, Tex., because spring in its customary glory has hit us full swing.

The redbuds are blossoming, the dogwood in east Texas, and the atmosphere is perfumed, unlike anything that I believe in the dense areas of our country one can imagine; in the quiet evening the fragrance of the mesquite blossom scents the air. Qué primoroso.

Next month in April San Antonio will have its annual fiesta. It originated in conjunction with the celebration of the victory of Texas for independence many years ago and the formation of the Republic of Texas.

At this time I wish to advise the Speaker and my colleagues that if it were at all possible for the Congress to convene at springtime in San Antonio, Tex., the likes of which I cannot evoke in words, we would have sessions of incomparable success with very good legislation, all under the most pleasant and healthful of circumstances.

REMOVAL OF NAME OF MEMBER AS SPONSOR OF H.R. 1049, TOXIC TORT ACT

Mr. BROYHILL. Mr. Speaker, pursuant to rule 22, clause 4(b) (2) of the Rules of the House of Representatives, I ask unanimous consent that I have my name removed from H.R. 1049, the Toxic Tort Act.

While I recognize the goals of this legislation, and commend my colleague, the gentleman from New York (Mr. LAFALCE), for his efforts with respect to the issue of toxic substances, I would prefer to reserve judgment on H.R. 1049 until I have the benefit of additional study and testimony on the particular provisions of this proposal.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

WE NEED A STRONG RESERVE

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, it is apparent that amidst all of our Nation's current problems, we have one with respect to the state of readiness of our Armed Forces. Specifically, are we taking care of our defense needs with an all-volunteer Armed Force or do we need to reinstitute the draft?

When we have the spectacle of the Secretary of the Army supporting the all-volunteer Army while the Joint Chiefs of Staff demand a return of the draft, it is no wonder that the American people are puzzled, and we are getting more and more letters from young people and parents on the subject.

Mr. Speaker, I am convinced of one thing: the key to American military preparedness ultimately rests on the quality of our reserve forces. The President should immediately review the state of preparedness of those forces and recommend some changes in the way we attract, pay, and train our reserves.

In my judgment, we do need a strong reserve and we need it now.

AMENDMENT REQUIRING STUDY OF CIVIL DEFENSE PLANS

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, last year, Congress adopted my amendment to the Defense Department authorization bill to require the Defense Civil Preparedness Agency to undertake a study of the special civil defense needs of certain high-risk areas. In so doing, Congress recognized the need to determine if some type of effective, yet affordable, civil defense can be provided for these areas which are potential prime targets in case of a nuclear attack against our country.

The study required by the amendment will evaluate the existing civil defense plans in these areas, and determine the feasibility and cost of establishing more effective plans. As required by the amendment, the study must be complete, and copies submitted to the Committees on Armed Services of the Senate and House before April 1. Thus, I am anticipating it being release this week. Let me urge all my colleagues, particularly those who represent the high-risk areas, to give this study their full attention. I believe it will prove to be an invaluable document as we contemplate the need for a long-range upgrading of our entire civil defense program.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 23, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 5:05 p.m. on Thursday, March 22, 1979, and said to contain a message from the President whereby he transmits three volumes of a four-volume report as required by the Nuclear Non-Proliferation Act of 1978.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

FIRST REPORT ON ACTIVITIES OF GOVERNMENT DEPARTMENTS AND AGENCIES TO PREVENT PROLIFERATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

I am pleased to submit the first report, as called for by Sections 601 and 602 of the Nuclear Non-Proliferation Act of 1978 (Public Law 95-242), on the activities of the Government Departments and Agencies to prevent proliferation.

The report, consisting of four volumes, is enclosed. The first volume contains a summary and chapters detailing the progress made in the following areas:

—The International Nuclear Fuel Cycle Evaluation (INFCE)
—An international nuclear fuel regime
—Development of common export and domestic policies
—Encouraging adherences to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT)
—Strengthening IAEA safeguards
—Negotiating agreements for cooperation
—Cooperation in energy with developing countries
—Cooperation in protection of the environment
—Procedures for processing export-related matters

In discussing the Government's activities in these areas, the report notes that considerable progress has been made in increasing international appreciation of the importance of minimizing risks of proliferation inherent in future fuel cycle developments. It points out that, through INFCE, the United States has stimulated a general reexamination of long-held technical assumptions concerning fuel cycle activities and awareness of the need to consider proliferation concerns. Progress is also reported in obtaining wider adherence to the NPT, in strengthening IAEA safeguards, and in continued consultations among nuclear suppliers.

The report notes that a number of problems have been encountered, particularly the perception by other countries that the United States is attempting to impose its own standards unilaterally on peaceful nuclear cooperation and that those standards are unnecessarily strict or impracticable. Doubts about the reliability of the United States as a nuclear supplier persist, as well as differences of views between ourselves and others concerning the proliferation risks and economic benefits of reprocessing and the recycling of plutonium in light water reactors. These problems and others noted in the report will continue to be addressed in our efforts to achieve international support for and consensus on our nonproliferation objectives.

Chapter XI of the report contains the analyses of the agreements for cooperation. It consists of two unclassified volumes, which are enclosed, and a classified volume which is being submitted to the Senate Foreign Relations Committee and the House International Affairs Committee, in accordance with Section 602(d) of Public Law 95–242.

JIMMY CARTER.

THE WHITE HOUSE, *March 22, 1979.*

□ 1215

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
March 26, 1979.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House, received in the Clerk's Office at 4:34 p.m. on Monday, March 26, 1979, and said to contain a Message from the President concerning Regulatory Reform.

With kind regards, I am,

Sincerely,

EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.

REGULATORY REFORM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–80)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

I am today announcing a program of major reforms in the regulatory process, including both legislative and executive action. This program will make new regulations more efficient and effective; ensure reviews of existing regulatory laws and individual rules to eliminate or revise those that are outmoded; and reduce the burden of regulation and paperwork without jeopardizing our progress toward vital regulatory goals.

Since the first Federal regulatory agency was established nearly a century ago, regulatory programs have grown steadily in number, scope, and impact. During that time, however, little attention has been paid to the management of the regulatory process. There was little effort to re-examine rules which no longer served the public or to ensure that needed programs are run on a common sense basis, so that missions are accomplished with maximum results and minimum burdens.

The time has come to stop this neglect. Just as we have injected a new sense of discipline into the management of Federal budgetary and personnel resources, we must reform the government's regulation of others' resources.

Much of Federal regulation is vitally important to modern society. Goals such as equal opportunity, a healthy environment, a safe workplace, and a competitive and truthful marketplace cannot be achieved through market forces alone. In the last decade, the regulatory programs created to achieve these goals have produced a wide range of benefits, such as:

Workplace health standards have been established which are protecting more than two and one-half million workers exposed to cancer causing substances, such as asbestos, arsenic, and vinyl chloride.

Automobile safety devices such as seat belts, collapsible steering wheels, interior padding, and side door strength are saving an estimated 9,000 lives per year.

Fuel economy standards are reducing automobile gasoline consumption by about 1.5 billion gallons this year.

Populated areas have more protection against fires, explosion and the spilling of hazardous materials transported by rail because of new rules on tank cars.

We are making real progress on water pollution. Salmon are swimming in the Connecticut River for the first time in almost two centuries.

Regulations requiring child-proof containers for such products as household cleaners and drugs have prevented as many as 200,000 accidental poisonings of young children.

Emission controls for automobiles helped reduce carbon monoxide air pollution by 20% between 1972 and 1977.

The regulatory programs that produced these benefits are essential to the nation's well-being. I am committed to continuing this progress.

The overall regulatory system, however, has become burdensome and unwieldy. We now have 90 regulatory agencies issuing some 7,000 rules each year. When Congress established these programs, it usually focused on isolated objectives. There was little effort to coordinate overlapping agency mandates or to assess cumulative impact. Little attention was given to analyzing the benefits and costs of proposed rules or to using regulatory approaches which could reduce the cost of achieving the goals. Many regulatory programs were allowed to continue unreviewed for decades, in spite of changing conditions. Some rules, such as certain rules affecting transportation rates and routes, came to do more harm than good by crippling competition. The last comprehensive legislation to improve regulatory procedures was passed more than 30 years ago.

We can no longer afford this neglect. Regulation has a large and increasing impact on the economy. Uncertainty about upcoming rules can reduce investment and productivity. Compliance with regulations absorbs large amounts of the capital investments of some industries, further restricting productivity. Inflexible rules and massive paperwork generate extra costs that are especially burdensome for small businesses, state and local governments, and non-profit groups. Regulations that impose needless costs add to inflation.

Our society's resources are vast, but they are not infinite. Americans are willing to spend a fair share of those resources to achieve social goals through regulation. Their support falls away, however, when they see needless rules, excessive costs and duplicative paperwork. If we are to continue our progress, we must ensure that regulation gives Americans their money's worth.

During the past two years, I have used my authority as President to improve regulatory management.

After extensive public comment, I issued Executive Order 12044, establishing far-reaching new procedures for development of regulations by Executive agencies. Under that Order, agencies are now analyzing the costs of all major new regulations to seek out the most cost-effective approach; they are expanding opportunities for public participation; and they are starting to identify and eliminate out-dated rules.

To assist individual agencies in meeting the goals of Executive Order 12044, I established the Regulatory Analysis Review Group, which prepares reports on particularly important proposed rules.

Until this year, there was no way to get a picture of upcoming regulations. Now, each agency is publishing agendas of the rules it is developing. To provide a government-wide picture of major rules, I have established a Regulatory Calendar to be published twice a year. The first calendar, issued last month, listed 109 rules being developed this year.

I created the Regulatory Council to prepare the Calendar and use it to identify and deal with areas of overlapping and conflicting regulations. The Council is composed of executive regulatory agencies plus those independent commissions that agreed to join.

The men and women I appointed to head the regulatory agencies are working to implement these steps and improve regulatory management. They are achieving results. HEW has eliminated 300 pages of rules. OSHA voided nearly 1,000 nitpicking rules, and the Federal Trade Commission cancelled 145 more. The FCC rewrote its rules on citizens band broadcasting into plain English. The FAA reduced the hours small airlines have to spend filling out their forms by more than two-thirds. EPA designed creative procedures that allow companies flexibility in meeting pollution standards, leading to potential savings of millions of dollars without sacrificing clean air goals. We reorganized regulation of pension programs to eliminate duplication and reduce paperwork.

These efforts will continue in 1979. We have important non-legislative initiatives underway, including: a wide-ranging review of rules affecting technological innovation; revisions of all OSHA safety standards to make them simpler and more flexible; overhauls of the regulations imposing costs on hospitals; streamlining EPA permit procedures; review of restrictions on banking; development of a coordinated policy on identification and regulation of cancer-causing substances; and increased research to improve the factual basis for regulatory decisions on toxic chemicals, air pollutants and radiation. We will continue to scrutinize major new rules to ensure that they accomplish their statutory mandates without imposing needless burdens.

These steps are having an impact. Regulatory programs were created by legislation, however, and we need legislation to achieve comprehensive reform. Last year we and Congress made an important beginning. The Airline Deregulation Act substantially deregulated a major industry and enabled more people to fly while saving passengers $2.5 billion in air fares.

My regulatory reform program has two elements:

We must work together to review the laws that established the regulatory programs. Those that needlessly restrict competition, impose rigidity, or are otherwise out of date must be revised or eliminated.

For the programs that are needed, we must assure that the statutory mandates are executed sensibly. We must identify alternative means of achieving goals, choose efficient and effective approaches, and improve planning and cordination. We must make it easier for the public and those affected by regulations to anticipate them, participate in developing them, comply with them, and benefit from them. We must provide common-sense management for the regulatory process.

This year I am proposing that Congress act in three areas:

I. REGULATION REFORM ACT OF 1979

Once a statute creating a regulatory program is passed, the quality of the program depends mainly on the men and women who are running it. We have a competent and dedicated group of regulators in government now, and they are producing real advances in regulatory reform.

We need legislation to set uniform standards for the work they do and give them the tools to continue their progress. I am submitting, with this Message, a bill to revamp regulatory procedures. This bill strengthens the reforms introduced by E.O. 12044, makes them permanent, and applies them to the independent regulatory commissions. It also overhauls key parts of the Administrative Procedure Act, for the first time since 1946. It sets vital new rules for the regulators:

Cost-Effectiveness: The bill requires that when an agency develops a major rule, it lists the alternative means of accomplishing the objective and the costs and benefits of each alternative. The public will be asked to comment on that analysis and to suggest any additional options that should be considered. The agency must select the least costly way to achieve the rule's objective, or—if another is needed—explain the reasons.

Review of Old Rules: Each agency will establish a schedule to review its major rules and smaller rules which may be outmoded or ineffective. The reviews, to be conducted over a 10-year period, will be used to ensure that rules are kept up-to-date or eliminated.

Planning and Management: The bill requires agencies to publish semi-annual agendas of upcoming rules; ensures that senior officials are fully involved in developing rules; and strengthens selection and oversight for the Administrative Law Judges who make many key regulatory decisions.

Delay: To eliminate needless legal formality and delay, the bill revamps the procedures for agency hearings. It also requires that agencies set deadlines on most proceedings.

Public Participation: The bill helps those affected by regulation participate in the regulatory process, through more notice to the public, a longer comment period, and consultation with affected state and local governments. It also authorizes limited funding for groups that would present important information and could not otherwise afford to participate.

The Office of Management and Budget will oversee the key management reforms. The Administrative Conference of the U.S. will oversee administrative law judges and use of the participation funds. I will soon submit a reorganization plan to enable the Conference to carry out these missions.

II. PAPERWORK REDUCTION

The Federal Government must collect information from the public to enforce the laws, analyze the economy and establish sound public policy. But too many paperwork requirements are duplicative, unnecessary, or place an unreasonable burden upon small organizations. Over the past two years, we have cut the time the public spends filling out Federal forms by about 15 percent. But we must do more.

The job of reviewing Federal paperwork requirements should be performed in one place—not divided as it is now, among OMB, GAO and other agencies. I shall submit legislation to the Congress to centralize this mission in the Office of Management and Budget.

In addition, I will soon issue an Executive Order to further reduce the paperwork burden. The Order will require agencies to consider the special problems that small businesses and organizations face in filling out Federal forms and will authorize simpler forms and requirements for such groups. It will establish a "paperwork budget" for Executive agencies and create an information locator system to help agencies determine whether the information they need is already available elsewhere. No report should be approved if the information can be obtained, within privacy and confidentiality protections, elsewhere in the government.

III. REFORM OF INDIVIDUAL STATUTES

All regulatory programs were created by legislation and many of their problems can be solved only by amending individual statutes. Much of the trouble with regulation built up because laws have gone unchanged in spite of changing needs.

This problem applies to many Federal programs in addition to regulation. One answer is to pass a sunset bill. This legislation would set a schedule for Congressional review of each program, once every 10 years. The reviews would be timed so that related programs are considered simultaneously. To ensure that the reviews are serious, spending authority would terminate unless Congress acts to renew or revise the program.

Sunset will make a crucial contribution to the effort to cut the waste from government regulation and government spending. An excellent sunset bill passed the Senate last year. With the addition of sunset reviews for Federal tax expenditures, this legislation will make a great contribution to effective management. I urge Congress to put it into law.

In addition, my Administration will work with Congress this year to reform several individual regulatory statutes. We just submitted the first of our proposals to reduce economic regulation of surface transportation. We will submit legislation on drugs, nuclear plant siting, meat and poultry inspection and other areas. And we will work with Congress on bills already introduced to revamp regulation of communications.

To reform regulation, we and Congress must act in partnership, within our respective spheres of responsibility under the Constitution. The program I have stated follows that principle. From Congress, it asks reform of underlying statutes and modernization of the ground rules for administering them. From me, and from the agency heads I have appointed to help me execute the laws, it demands competent management and coordination.

I ask Congress to join me in this effort and to refrain from seeking authority to veto individual regulatory decisions and thereby to administer the laws itself. The legislative veto is an illusory solution to the problems of regulation. In some cases it would make rules weaker; in others it would make them stricter. But in all cases, it would increase delay, undermine fair procedures, and fragment responsibilities. It would disrupt our effort to manage the regulatory process, and it would distract Congress from the fundamental job of reforming underlying statutes. Any serious effort to administer the legislative veto would require a major increase in congressional staff and threaten the Constitutional division of power.

The program I am proposing will not solve all the problems overnight. But these steps will make regulation a more effective tool to improve our lives. They will help get needless rules and paperwork off our backs, and they will help marshal our resources to attack the real problems with maximum efficiency. By doing so, they will help us advance our national commitment to the regulatory goals we all believe in—a healthier, safer and fairer America.

JIMMY CARTER.

THE WHITE HOUSE, *March 26, 1979.*

☐ 1220

FEDERAL GOVERNMENT'S POLICY ON SCIENCE AND TECHNOLOGY, CELEBRATING CENTENNIAL OF BIRTH OF ALBERT EINSTEIN AND THOMAS ALVA EDISON—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-81)

The **SPEAKER** laid before the House the following message from the President of the United States; which was read and referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

To the Congress of the United States:

This year the world marks centennials associated with two great men of science and technology. Albert Einstein, who was born March 14, 1879, enlarged our knowledge and understanding of the universe and changed the way we look at space and time. He was an early pathfinder in the remarkable era of scientific exploration in which we live. In that same year, Thomas Alva Edison invented the electric light. He was a great technologist who devoted his life to the creation of new products to meet human needs.

The world was changed by the work of these two men. The vast changes that have grown out of their work are part of the reason that the forces these two men represent, science and technology, have become increasingly important in our lives over the last century. We look to the fruits of science and technology to improve our health by curing illness and preventing disease and disability. We expect science and technology to find new sources of energy, to feed the world's growing population, to provide new tools for our national security, and to prevent unwise applications of science and technology. The health of our economy has been especially tied to science and technology; they have been key factors in generating growth, jobs, and productivity through innovation. Indeed, most of the great undertakings we face today as a Nation have a scientific or technological component.

Yet, despite the centrality of science and technology in our lives, the Federal government has rarely articulated a science and technology policy for the future. This Message sets forth that policy. The thesis is that new technologies can aid in the solution of many of our Nation's problems. These technologies in turn depend upon a fund of knowledge derived from basic research. The Federal government should therefore increase its support both for basic research and, where appropriate, for the application of new technologies. My Administration has done just that.

Within the coming months, the Congress and I must work together on strategic arms limitation, national health care, energy supply, industrial innovation, and economic growth—all of which have significant scientific and technological dimensions.

This message to the Congress:

—describes the Administration's policy perspective on science and technology and the roles of government, industry, universities, and the public in support of science and technology;

—highlights some of the most important science and technology initiatives undertaken in my Administration in domestic, national security, and international arenas;

—outlines the potential effects of science and technology on our Nation for the decade of the 1980s and beyond; and

—assists the Congress in its task of considering the research and development programs of our Departments and agencies as recommended in my 1980 budget.

In transmitting this message, I call on the Congress to join my Administration in its commitment to nonpartisan investment in science and technology for our future.

OVERVIEW OF RESEARCH AND DEVELOPMENT

The Federal government's support of research and development is critical to the overall advance of science and technology. Federal responsibility lies in three major categories:

1. The largest fraction of the Federal investment serves the government's direct needs and responsibilities, such as defense, space, and air traffic control. Because of the technical challenges involved in meeting these national needs, there is a relatively large and broad Federal investment in research and development.

2. The Federal government undertakes research and development where there is a national need to accelerate the rate of development of new technologies in the private sector. This is especially true when the risk is great or the costs inordinately high, such as with many aspects of energy and transportation. However, we look to private industry to finance research and development activities having near-term commercial payoff. Industry is most sensitive to the marketplace, to the benefits of competition, and to the commercialization of new technologies. This view is consistent with that of industrial leaders who ask the Federal government more for a climate that fosters innovation, rather than for direct support of research and development with commercial potential. My proposals for applied research and development in Fiscal Year 1980 reflect my overall view of the Federal responsibility.

3. The Federal government supports basic research to meet broad economic and social needs. Basic research is a quest for new knowledge. Research to advance scientific understanding—in astronomy, geology, chemistry, the behavioral and social sciences, and other areas—expresses our innate curiosity about ourselves and the universe. But basic research also is the forerunner of new inventions, advances in health care, nutrition and agricultural production, many new products of commerce, and new technologies for defense, space, energy, and environmental protection.

Although the Federal government has long accepted its dominant role in basic research, support declined seriously in the late 1960s and early 1970s, especially in mission agencies whose objectives are ultimately dependent on research. I have sought to reverse these trends, by urging the Congress to increase funds for basic research and by redirecting attention toward longer-range needs of the Nation. I have proposed a 26 percent increase in basic research in the two years of my Administration. This policy is both feasible and necessary, even as we seek to reduce our Federal deficit and move towards a balanced budget. The $4.6 billion requested for basic research in Fiscal Year 1980 in various departments' and agencies' budgets is essential, and deserves the full support of the Congress. Prudent planning for the future demands a deliberate and continued commitment to basic research.

The majority of Federal support for basic research is in the mission agencies, with the Departments of Health, Education, and Welfare (National Institutes of Health), Defense, Energy, and the National Aeronautics and Space Administration leading the way. Strengthening the commitment of these agencies to the support of basic research is a central element of our science and technology policy. The National Science Foundation is critical to balanced support for all scientific and engineering disciplines. My budget request this year for the Foundation exceeds $1 billion. In presenting this request, I urge that Congress consider the critical role played by the Foundation. I have instructed the Foundation to improve the instrumentation of our university research laboratories and to investigate the need for special programs to support young scientists.

With the budget for Fiscal Year 1979, and full approval of my Fiscal Year 1980 requests, we will have made major steps in restoring the necessary balance and commitment to our scientific future. I would ask the Congress, in acting on agency budgets, to be aware of the interrelationships and the importance of each agency's contribution to a comprehensive, national program in support of science and technology.

MEETING DOMESTIC NEEDS

The United States is acutely aware of its energy problems, its need for natural resources, the deleterious effects of inflation on all Americans, and suffering from disease. Our future as a democratic society depends on our ability to confront these challenges successfully.

While science and technology alone will not solve all our domestic problems, they hold the key to many aspects of the solutions. During this century, the United States has built a system of industrial, university, and government research laboratories that is unparalleled in the world. We have the national capacity to generate new basic knowledge, and to apply this knowledge to a broad range of problems. In this context I want to explain how my Administration is marshalling science and technology in terms of six domestic objectives:

—stimulating innovation in industry to sustain economic growth and improve productivity;
—meeting our energy, natural resource, and food needs;
—promoting better health for all;
—improving the regulatory process;
—expanding the beneficial use of space; and
—understanding the forces of nature, natural disasters, and changes induced by man.

STIMULATING INNOVATION IN INDUSTRY

As a Nation, we face problems of inflation, unemployment, foreign competition, and a decline in the growth of national productivity. Yet, traditionally we have been an innovative society. Our economic growth depends on an ability to produce and market new goods. Between 30 and 40 percent of the Nation's economic growth in the last three decades resulted from technological innovation. Innovative industries are our most productive, create more new jobs, and are the most competitive in world markets. When too few new industries are established, or older ones do not develop enough new products and more efficient operations, the stagnation is reflected in our economy. A lag in productivity worsens inflation. Innovation is essential to our battle against inflation.

More and more countries are industrializing, building industries in which this country once was preeminent. These are countries whose competition is healthy. We welcome their prosperity. We do not seek to limit their growth through tariffs and other trade barriers. Rather, we must seek to improve our own performance through renewed innovation in fields where we excel—such as agriculture, drugs, microelectronics, computers, aircraft, space satellite systems and many other technologies. We also need to make our lower-technology industries more competitive through innovation.

Americans have not lost their ability to innovate. But there are restrictive elements at work. I began a domestic policy review of the factors affecting industrial innovation. This study, which will be completed in the near future, is headed by the Secretary of Commerce. It involves thirty Federal agencies and many advisory groups from private industry, labor, universities, and public interest. I expect many practical recommendations to help make our industries more innovative.

I also have established a Productivity Council consisting of many of the senior members of my Administration. The Council is examining how science and technology can improve Federal, State and local government productivity, as well as the productivity of the private sector.

MEETING OUR ENERGY, NATURAL RESOURCE, AND FOOD NEEDS

The United States is richly endowed with natural resources, both renewable ones such as fresh water, clean air, timber, and agricultural land; and nonrenewable resources such as fossil fuels and minerals. These resources have been a key factor in our prosperity as a Nation.

We are currently using the energy and mineral resources that are the richest, the easiest to find, and the cheapest to produce—with substantial depletion of some. Growth in population, industrial activity, and a new awareness of the need to protect our environment are straining even our renewable resources in many regions. We are being forced to make difficult decisions about allocating water and land to one or another competing uses.

ENERGY

In energy, we have closely related objectives:

Reducing dependence on foreign oil and minimizing the effects of supply disruptions, with conservation a key element;

Implementing programs and policies that encourage domestic energy production and efficient use, without serious inflationary impact;

Developing inexhaustible energy sources for sustained economic growth through the next century;

Making the transition from primary reliance on depletable oil and gas to predominant use of more abundant energy sources;

Developing safe nuclear power systems which, while limiting the potential for international proliferation of nuclear weapons, will increase our energy supply; and

Using all energy sources in ways that do not endanger the environment and the health or safety of our citizens.

Today's scientific and technological investments can have only limited impact on these objectives in the near term. It takes time to bring new technologies to the stage of economic competitiveness, to develop industrial capacity, and to allow energy users to adapt to change. My near-term program thus emphasizes conservation, the reduced consumption of oil where alternatives are available, and removal of obstacles to the use of currently available energy sources, such as nuclear power, coal, or solar water heating, and providing adequate incentives for crude oil and natural gas exploration.

In the mid- to longer-term, however, science and technology will help resolve our current dilemma. They will assist in locating and developing new sources of supply and in using those supplies more efficiently with reduced damage to health and environment. Recognizing this, the government is engaged in an aggressive research and development effort. In this year of limited budget resources, difficult judgments had to be made. Nevertheless, my budget for Fiscal Year 1980 recommends an investment of nearly $3.5 billion in civilian energy research and development.

This country is blessed with a uniquely abundant supply of energy in the form of coal and oil shale. Over one-third of the known world reserves for coal belong to the United States. A major challenge is to demonstrate technologies that will enable us to substitute these energy sources for our ever increasing oil imports. My program provides for the government to work closely with American industry to accelerate the demonstration of commercial-scale technologies that show promise of entering the commercial market. Such demonstrations will test technical feasibility and the economics of conversion processes. They will give us needed information on the environmental and institutional impact of the technologies involved.

For the longer-term, there are many options. Technologies such as solar energy and fusion, promise virtually inexhaustible supplies of electricity in the future. But if these technologies are to be a significant factor, we must invest now in developing them. And we are doing so, as illustrated in solar research and technology development. Our national investment in this field has grown from almost nothing five years ago to $850 million in FY 1980.

In working with the private sector, it is particularly important that the government does not displace the resources of industry devoted to new energy technology. We must be mindful that appreciable energy producing capacity will be developed only if the private sector is actively involved and committed to our research and development efforts. We must carefully structure the Federal programs in a way that will lead industry to invest in, and ultimately commercialize, new energy technologies.

NONFUEL MINERALS

In the area of nonfuel minerals, we must recognize the importance of new technology and understanding of earth sciences and chemical processing to permit us to find, produce, and utilize scarce and lower grade ores without degrading the environment. A major study of nonfuel minerals is being conducted by the Secretary of the Interior under the Domestic Policy Review process managed by the Domestic Policy Staff. The adequacy and orientation of private sector and government investment in minerals research and development are being examined. I will report on the Secretary's recommendations later this year.

AGRICULTURE

Our agricultural science and technology have made us preeminent in the world. Our ability to maximize yield from agricultural land, to develop pest-resistant, productive crop strains, and to improve animal husbandry is unsurpassed. We are able to produce sufficient quantities of agricultural products to meet the basic needs of Americans and simultaneously supply much of the rest of the world. Agricultural products form the largest category of our civil exports. A key element in our success is our traditional system of cooperation among all levels of government, universities, producers, and rural communities.

My Administration has strengthened agricultural research and development by focusing attention on basic plant and animal sciences; integrated pest management; human nutrition and food safety; land and water use and conservation; energy research, especially production of biomass for energy, and production of alcohols from agricultural residues. We also are working to strengthen Federal research, development, transfer, and assistance programs in freshwater and marine aquaculture. We have supplemented these activities with a competitive research grant program. This program will attract researchers from many branches of science to advance knowledge on which future gains in plant productivity, genetic breeding, and nutrition ultimately will depend. The competitive grant program—which will help us meet our future agricultural needs—merits strong Congressional support.

WATER

Our understanding of the Nation's water supply and how to use it wisely has increased over the years, but many opportunities for improvement still remain. River basin assessments, ground water flow and recharge patterns, efficient irrigation methods, and pollution control techniques are receiving careful attention by the Departments of Agriculture and Interior, the Environmental Protection Agency, the Corps of Engineers, and others. As greater demands are placed on our water supply, particularly in the West, we must understand how best to use and conserve it. And we must assess the long-term implications of our actions. Protecting water quality is also important for agriculture and in our urban and rural communities. I am directing the Secretary of Interior and Director of the Office of Science and Technology Policy to set research priorities aimed at meeting our future water needs.

Ocean science and engineering have opened a new region of the globe for exploration and resource development. As we explore new areas of our continental shelf and deeper water for oil and gas, we must have the world's best technical capability to protect our ocean and coastal environment, to find resources, and to tap them efficiently. Science and technology will continue to play a major role in these activities .

DEPARTMENT OF NATURAL RESOURCES

Developing and utilizing science and technology requires effective Federal organization. My proposal for creation of a Department of Natural Resources will permit better integration of research and development activities in the area of natural resources and the environment.

PROMOTING BETTER HEALTH FOR ALL AMERICANS

As I stated in my State of the Union Message, the opportunity to lead a healthier life is denied to many in our country because health care services are inaccessible or unaffordable or inefficient. My Administration is dedicated to correcting this situation through initiatives that will influence the structure, function, and economics of our health services systems.

The biomedical capability developed in this country since World War II is a magnificent demonstration of our scientific and technological prowess; it is the envy of the world. The biomedical, social, and behavioral sciences have made countless contributions to the health of our people in recent years. Over the past generation, we have seen polio vaccine and new drugs developed, the introduction of heart-lung machines, organ transplantation, and a new understanding of the chemistry of the brain. And we have made major gains against high blood pressure, heart attack, stroke, specific kinds of cancer, birth defects, infant and childhood disease, and mental retardation and mental illness.

Much remains to be done. The Department of Health, Education, and Welfare is developing a health research strategy with increased emphasis on promotion of good health and prevention of disease. There are many elements to this strategy. We are emphasizing research on reproductive biology and the underlying mechanisms of normal development and of disease. This work exploits the modern techniques of molecular biology, the neurosciences, behavioral sciences, and genetics. We are increasing laboratory, clinical, and epidemiological research on the role of nutrition in normal development, good health, and disease. We are expanding research and services to reduce unwanted pregnancy, smoking, and alcohol and drug abuse among adolescents. We are placing more emphasis on the causes of common disabling conditions such as diabetes, arthritis, and neurological and digestive diseases. And we are stressing research on the biological and behavioral aspects of mental illness, drug abuse, and alcoholism to reflect the recommendations of the Commission on Mental Health.

In spite of our desire for better health, government spending alone will not ensure success. As we have learned from the emphasis on cancer over the last decade, advances depend on new discoveries whose rate cannot be predicted. Therefore, we must nurture a broadly-focused program of research, with a clear, long-term commitment. Accordingly, in view of the substantial increases provided by Congress last year above my requested increase, I believe an effective biomedical research effort can be maintained without any further increase in 1980. This pace for biomedical research is appropriate; over the period of fiscal years 1979 and 1980, funding will increase at an average of twelve percent per year, thus maintaining our vigorous national effort in biomedical research. We have every reason to be optimistic that health research in the years ahead will save lives and improve the quality of life for millions of people.

IMPROVING THE REGULATORY PROCESS

Over the past 15 years our Nation has established or improved programs dealing with air and water pollution, toxic substances, noise, radiation, automotive safety and fuel economy, worker health and safety, and numerous other hazards. My Administration will continue to enforce these important laws faithfully. But additional improvements are possible and desirable. I am convinced that continued investment in science and technology is required to improve our regulatory programs. Environmental, health and safety regulatory decisions must have a sound scientific basis. Consequently I am strengthening the research and development base in both regulatory and research agencies. I have proposed an increase in the Environmental Protection Agency's health effects research program for Fiscal Year 1980, with greater emphasis on long-term research.

In addition, we have begun three interagency activities that will improve regulatory decisions. The Regulatory Council, which I established last fall to ensure that regulations achieve their statutory goals in the most economic and balanced way, has prepared the Nation's first Regulatory Calendar—an outlook of proposed regulatory activity.

During the coming year, I expect the Council to identify government-wide scientific needs—programs, resources, and policies—that will improve the regulatory process. Second, the Interagency Regulatory Liaison Group—comprised of the Environmental Protection Agency, the Food and Drug Administration, the Occupational Safety and Health Administration, and the Consumer Product Safety Commission and Agriculture's Food Safety and Quality Service—will coordinate the participants' regulatory activities and research programs. Third, the regulatory agencies and the environmental health research agencies have joined in the new National Toxicology Program to set priorities for the testing and evaluation of toxic chemicals.

To ensure that we make effective use of science and technology in the regulatory process, I am asking the Director of the Office of Science and Technology Policy to give this issue personal attention in the coming year. He is to work with the heads of agencies, the Chairman of the Regulatory Council, and others to identify gaps in research programs, seek ways for research and development agencies to work with regulatory agencies, and develop procedures for proper use of scientific and technological data.

EXPANDING THE BENEFICIAL USE OF SPACE

Two decades ago mankind entered the space age. In that short time we have witnessed remarkable accomplishments—evidence of this country's progress in science and technology. Americans have explored the moon. Space probes are examining the planets of our solar system, as recently highlighted by the historic encounter of the Voyager I spacecraft with Jupiter. Satellites are indispensable components of our communications networks, weather forecasts and international security systems.

With the advent of the Space Shuttle, we are entering a new era. The Space Shuttle—our national space transportation system for the coming decades—will increase the flexibility of space operations, reduce costs, improve national security, and make possible new cooperative activities with other nations. To meet the challenges ahead. I have established a National Space Policy that sets the direction of our space activities over the coming years. We will emphasize applications not only by the National Aeronautics and Space Administration, but also by other Federal agencies, foreign governments, and the private sector. The policy stresses the use of space technologies to meet human needs here on earth. The new technologies of the space age can further revolutionize our communication and possibly can provide new energy supply. They can improve our ability to manage wisely our renewable and nonrenewable resources, and monitor our environment. Assessment and forecasting of crop conditions and yields, and extension of communications to remote areas are examples. I am committed to the continuity of remote sensing data over the coming decade and I expect to propose additional initiatives in remote sensing of the earth's ocean, land resources, and environment in future years.

My space policy also encourages continued scientific investigation of the universe. We will conduct a vigorous program of exploration to understand the origin and evolution of the solar system. The space telescope—to be launched and serviced by the Space Shuttle—and free-flying satellites will usher in a new era of astronomy. From the clear environment of space, these new eyes will allow us to explore the distant galaxies and other astronomical phenomena—quasars, pulsars, and black holes. They will vastly expand our knowledge and understanding of the universe.

It is important that we maintain our world leadership in space. My policy is designed to encourage further advances in our use and exploration of space. We will provide adequate resources to maintain that leadership.

UNDERSTANDING THE FORCES OF NATURE, AND MAN-INDUCED ENVIRONMENTAL CHANGES

Man exists on this planet only with the consent of Nature. Natural forces like earthquakes, floods, storms, tsunamis, and landslides, as well as changes in weather that bring drought or excess rainfall, cause untold tragedy in loss of life, destruction of property, and disruption of economic and social structure.

Scientific advances of the past twenty years in geophysics, meteorology, and climatology have improved our understanding of natural phenomena. However, our predictive capability is limited and needs to be improved. And our capability for influencing natural forces for human benefit is nonexistent. On the other hand, our engineering skills, our ability to plan, our early warning and communications systems, and our ability to react quickly to prevent a breakdown of social order help to reduce the toll when natural disaster does strike. We possess sophisticated technology for construction, communications, transportation, monitoring and interpretation of data on natural processes. My commitment to increase our progress is strong. The Congress recognizes that fundamental advances in understanding natural forces are important, and I welcome the partnership we have forged.

The National Earthquake Hazards Reduction Program established by the Earthquake Hazards Reduction Act of 1977 resulted in a national hazard mitigation plan that I transmitted to Congress in June 1978. This effort will involve Federal agencies, experts in the universities and private sector, and the States and localities to improve our understanding of earthquakes and our reactions to earthquake warnings.

To improve our ability to react to natural disasters and assist those affected, the Congress approved my reorganization recommendation to create the Federal Emergency Management Agency. This new Agency will have oversight of Federal programs to assist the areas and individuals affected by such civil emergencies. It will give us the ability to focus science—and the insight of the social sciences—on the mitigation of natural hazards as well as on post-disaster relief. The Agency will work closely with State and local jurisdictions to apply the benefits of available technology.

We also have focused increased research on climate. Within the framework of the National Climate Program Act of 1978, a national program has been organized. This program emphasizes impact assessment, diagnosis and projection, climate dynamics, and data management. My budgets in this area have more than doubled in the last two years. Advances that can be made in understanding climate change, in predicting it—and perhaps in influencing it beneficially—will be of enormous help to us and the rest of the world.

Another problem we face is the risk that man's own activities—now significant on a global scale—might adversely affect the earth's environment and ecosystem. Destruction of the ozone layer, increase in atmospheric carbon dioxide, and alteration of oceanic flow patterns are examples of the problems we must understand before changes are irreversible or the consequences inevitable. Many federally-sponsored research activities, including basic research in the atmospheric, oceanic and earth sciences, and space observations, contribute to better understanding of the natural processes affecting the earth. They should receive serious attention in the coming decades. The increases that I have requested for basic research support this objective.

SCIENCE, TECHNOLOGY AND INTERNATIONAL RELATIONS

Science and technology is increasingly international in its scope and significance. This international dimension affects the planning and conduct of our research and development activities. Such activities, whether carried out by us or by others, serve to increase the fundamental stock of human knowledge. They can also foster commercial relationships, impact on the quality of life in all countries, and affect the global environment. Both our domestic planning and our foreign policy must reflect an understanding of this wide-ranging impact of science and technology.

Much of the existing international cooperation in science and technology takes place in academic or commercial channels. There is, however, a growing role for governmental cooperation as other nations make new commitments to scientific and technological growth. If used wisely these future opportunities for scientific and technological cooperation can support our foreign policy objectives.

Several themes have shaped my Administration's policy in this area. We are:

—pursuing new international initiatives that advance our own research and development objectives;

—developing and strengthening scientific exchanges that bridge political, ideological, and cultural divisions between countries;

—formulating programs and institutions that help developing countries use science and technology; and

—cooperating with other nations to manage technologies with global impact.

PURSUING NEW INTERNATIONAL INITIATIVES

United States scientific and technological objectives are advanced by cooperating with other nations. For example, we work together with many nations on large scale scientific programs; joint funding of expensive research, development, and demonstration projects; and efforts to alleviate common problems.

Two decades ago, the International Geophysical Year set a pattern for international cooperation on large-scale scientific problems. This model has been extended to most fields of science. Today the world's weather is studied jointly by nations through the Global Atmospheric Research Project. With the European Space Organization we are planning a space mission to examine polar regions of the sun. These programs are yielding new knowledge about our solar system and our earth's natural processes. They are providing important practical dividends.

As the cost of large-scale research programs and research facilities rises, all countries find the financial support increasingly burdensome. We must join together to support the most expensive and significant projects. We are discussing with other nations a program to drill deeply into the offshore continental margins between the continental shelves and ocean basins. This program would provide new knowledge of the sea floor and help us assess the margins' potential for resources. Other large-scale scientific programs that could be pursued jointly include the next generation of high energy physics accelerators, telescopes, and fusion energy research facilities.

Through the International Energy Agency we are cooperating on energy-related research and development. At the economic summit in Bonn in 1978, and more recently in Washington, I discussed the importance of intensifying joint energy research and development with the President of the European Economic Community. Similarly, in my discussions with the Prime Minister of Japan we agree to increase cooperation in large-scale projects, particularly nuclear fusion and synthetic fuel production from coal. These agreements will help both nations achieve new energy sources—faster and at lower cost than if the research were pursued independently.

Environmental problems caused by industrialization are another area appropriate for cooperation. During my Administration we have started efforts with other nations to deal with problems of transboundary air pollution. Canadian and American scientists, for example, are working jointly to alleviate damage from acid rain caused by the long-range pollutants across our common border.

During my visit this February with Mexico's President Jose Lopez Portillo, we agreed to intensify scientific and technological cooperation to alleviate problems of mutual concern. We will explore ways to cooperate on research for developing the vast arid lands on both sides of our border. This will include research on new crops suitable for these lands and research on effective use of scarce water resources. We also will exchange information and begin joint work on housing and urban planning for cities close to our common border.

DEVELOPING SCIENTIFIC EXCHANGES THAT BRIDGE DIFFERENCES BETWEEN COUNTRIES

Most nations value scientific and technological cooperation with the United States. We can use this fact to build bridges with countries where official relationships have been absent or strained. Our scientific and health exchanges with the Soviet Union and Eastern European countries, beginning after World War II, can be viewed in this light. These exchanges are now mature and extensive.

Our scientific exchanges with the Soviet Union are of special significance. At the sixth meeting of the US-Soviet Joint Commission on Science and Technology in Moscow in February 1979, we agreed to add new cooperative areas of interest to both sides. I expect to see continuing improvement in the quality of our exchanges with the Soviet Union. I also expect these programs to support and remain compatible with our overall political relationship.

The normalization of our relations with the Peoples Republic of China is a major event in American foreign policy. Since the signing of the Shanghai Communique in 1972, scientific and technological relationships have played a critical role in building the relationship. In order to accelerate this process, my Science and Technology Adviser led a delegation of senior government scientists to China in July of 1978. This delegation was followed by visits of the Secretaries of Energy and Agriculture. Chinese delegations subsequently visited the United States to discuss educational exchanges and space technology programs.

These missions led to the science and technology agreement that I signed with Vice Premier Deng Xiaoping during his recent visit to the United States. The agreement covers programs of interest to both countries, including development of a satellite communications system that will provide China with the means for nationwide television and telephone service. The agreement provides for exchange of scholars and students, exchange of plant materials for genetic research on crops, and cooperation in high-energy physics and other areas. The agreement enhances opportunities for US industry participation in China's modernization efforts. Our new relationship provides a sound beginning for increased technical and social ties between our countries.

HELPING DEVELOPING COUNTRIES USE SCIENCE AND TECHNOLOGY

The United States has an opportunity and responsibility to share scientific knowledge and appropriate technological skills with the developing world. Our purpose is to assist other countries in developing technology for their own needs. We must accomplish this purpose both for humanitarian reasons and because overcoming the problems of poverty, overpopulation, and scarcity of food and natural resources, will promote a stable world, enhancing our own security and well-being.

Recognizing these facts, I have submitted legislation to create an Institute for Scientific and Technological Cooperation, which will be charged with helping developing countries improve their scientific and technological capacity. Working with the Agency for International Development, the Institute will expand the use of science and technology to overcome obstacles to development.

The Institute will help individual developing countries choose and develop technologies that suit their own needs. At the same time, it will enable them to contribute to the solution of problems that affect developed as well as developing nations. For example, the Institute will work with developing countries on multiple crop farming systems for areas not suited to continuous cropping of food grain, technologies for clean water and sewage in rural areas where most of the poor live, modern information systems, prevention and cure of tropical diseases, and appropriate energy systems. The Institute also will establish means for developing countries to draw on United States government agencies, universities and institutes, as well as private industry. In this way the institute will enhance coordination of the international activities of our government agencies.

An important dimension of the Institute is its mandate to work with the more advanced countries of the developing world, the "middle tier" nations. These countries have the infrastructure and science and technology capacity to become true partners with us in addressing regional and international problems and needs of the poor majority.

The Institute will call on industry, labor, and private voluntary organizations for development and management skills and improvement of the health and safety levels of modernizing societies. Already twenty-five percent of our current exports go to non-OPEC third world nations. Our trade in manufactured goods will expand as developing countries become better able to purchase and use our products.

Finally, we plan to take an active role in the United Nations Conference on Science and Technology for Development next summer. Father Theodore Hesburgh, President of the University of Notre Dame, will lead our delegation to the Conference. I view this Conference as an opportunity for discussing technology-related issues of concern to developing countries and reaching agreement on common objectives.

COOPERATING WITH OTHER NATIONS TO MANAGE TECHNOLOGIES WITH GLOBAL IMPACT

Much of modern technology requires global cooperation and management. The telecommunications network and activities of international organizations like the World Meteorological Organization, the International Civilian Aviation Organization, and the World Health Organization are noteworthy examples. The monitoring activities organized through the United Nations Environmental Program is a more recent example. Among other activities, we are working with other nations to update electromagnetic spectrum allocation, strengthen international controls on nuclear materials, and develop a regime for rapidly expanding transnational data flows. International cooperation in the management of technology for the mutual benefit of all nations will become even more important in the coming decades.

I call the attention of Congress to two international discussions of great importance, one dealing with nuclear fuel cycle evaluation and the other with allocation of radio frequencies. The Congress knows of my concern over a spreading nuclear weapons capability as more countries meet their energy needs with nuclear power. Our own research and development programs have been reoriented toward developing technologies more resistant to misuse. At our suggestion, over forty countries have convened in the International Nuclear Fuel Cycle Evaluation to consider how we can minimize risks. I am hopeful that new institutional controls and technological approaches will emerge from these deliberations.

The electromagnetic spectrum—including the radio frequencies—is one of the reusable natural resources available to mankind. We are at a point in history where increasing worldwide demands for these frequencies are being made; demands that exceed the availability of the resource. All nations, large or small, have rights of equitable access as signatories to the International Telecommunications Convention. It is only through international cooperation and planning that these rights can be guaranteed. The 1979 Worldwide Administrative Radio Conference will review the allocation of radio frequencies for communications and other purposes. Results of this conference will guide the use of communications and electronic equipment and the pattern of domestic and international communications systems for the next several decades.

NATIONAL SECURITY

Our national security depends in large measure on our technological capability.

Our future security will depend in part on our ability to deploy new weapons systems that embody more advanced technology. Our potential adversaries are investing heavily in military personnel, equipment, and technology. Accordingly, we must look to our research and development programs to enable us to maintain a modern and responsive defense capability.

In the context of this message on science and technology, I wish to emphasize several facets of their relationship to national security. We must ensure that we are:

—maintaining technological leadership in weapons systems;

—utilizing technology to reduce costs in an era of expensive defense systems;

—building our defense research base to provide for our national security in the future;

—preventing export of technological products and processes with military applications that would erode our security; and

—utilizing advanced technological capability in the pursuit of arms limitation agreements.

MAINTAINING TECHOLOGICAL LEADERSHIP IN WEAPONS SYSTEMS

Our military investments in new technology over the years have contributed immeasurably to our security. Now, as other nations are becoming more proficient in science and technology, we must make certain that our own capabilities remain at the frontier of knowledge. We must be spared the shock of major technological surprises. It is absolutely essential for us to remain second to none in the development and production of new weapons.

We are moving ahead with major development programs to increase our military capabilities. In the strategic area, programs are underway to strengthen each element of the triad—air, land, and sea—in order to preserve our deterrent capabilities. Examples are the M–X intercontinental ballistic missile, cruise missiles, and the Trident submarine and missile system. We are also pursuing the development of more survivable and reliable strategic warning and command control systems.

In order to improve our capability to fight a conventional war, we are developing and procuring new generations of aircraft, ground vehicles and munitions. The F–15, F–16, F–18 and A–10 aircraft, the XM–1 tank and the Patriot air defense missile are examples.

UTILIZING TECHNOLOGY TO REDUCE COSTS

Science and technology—properly applied—can increase efficiency, thereby reducing acquisition costs and improving the effectiveness of weapons. Science and technology enable us to develop new materials and components at lower costs. They can give our weapons greater reliability and efficiency, thereby reducing personnel needs. And they improve our manufacturing productivity. Cooperation with our allies also will help reduce costs without sacrificing our modernization programs. Standardization and common operational capability among NATO allies are important objectives.

In the procurement of weapons, we are emphasizing competition between potential suppliers to help keep costs down. And we have adopted new management techniques to ensure that economies are not overlooked. We also are analyzing carefully the best mix of systems needed to meet anticipated contingencies. We have concluded that future shipbuilding efforts should concentrate on larger numbers of small ships, with enhanced mobility and firepower. Similarly, we are building a new, comparatively low-cost tactical airplane, the A–10, that emphasizes mobility and munitions designed for engagement of enemy tank forces. With imagination and effort, these various approaches will enable us to maintain technological superiority at acceptable cost.

BUILDING OUR DEFENSE RESEARCH BASE

The development cycle from proposal of a new concept to a deployed weapons system can take a decade or more. The length of time for dividends from investments in basic research is even longer. Moreover, research and development are inexpensive compared to the acquisition cost of weapons systems. The proper strategy, therefore, is to expand our options in the early stages of the acquisition process through research, and then be very selective at the costly engineering, development, and production stage.

For these reasons, our science and technology base related to national security must be the best in the world. Thus, I am deeply concerned over the declining support for research and technology in the defense budgets that occurred in the early part of this decade. My budgets for Fiscal Year 1979 and 1980 reverse that trend and strengthen our technology base. The two year average growth in the technology base will be about 14 percent, including an increase in basic research of about 20 percent.

The Department of Defense also is taking steps to strengthen its relationship with universities in order to use the research and development resources of the academic community more effectively. Defense support of university research will have increased more than 20 percent between Fiscal Years 1978 and 1980.

PREVENTING EXPORT THAT ERODES OUR TECHNOLOGICAL SUPERIORITY

Within the framework of national security, export controls on technology are important to ensure that our technological advantage is not compromised. A comprehensive study of the implications of international technology transfer was undertaken early in my Administration. I am persuaded that the export control process must seek to balance the conflicting goals of trade promotion, selected trade restriction based on national security considerations, and furthering our foreign policy objectives. Decisions in specific export licensing cases must be made on their merits by considering these three goals. In particular we are taking steps to refine and expedite the government's decision-making processes. I must emphasize, however, that while sound export controls are important, only a strong research and development program, as I have proposed, ensures our technological leadership in defense.

UTILIZING ADVANCED TECHNOLOGICAL CAPABILITY FOR ARMS CONTROL

National security is enhanced by prudent arms control, as well as new weapons systems. To this end I have pursued a new Strategic Arms Limitation Treaty with the Soviet Union, a comprehensive nuclear test ban treaty, and other arms control measures. As these agreements enter into force, our choices in weapons development must meet our own needs, while giving our adversaries the incentive to participate seriously in negotiations. Successful arms control depends on science and technology to provide adequate technical means of verification. Our current national capability to verify arms agreements is excellent. It includes observation satellites and extensive capabilities for seismographic detection and interpretation. We must continue to pursue scientific and technological advances to maintain these capabilities.

HARNESSING THE NATIONAL CAPABILITY

Equally as important as the substance of our science and technology policies is our strategy for managing it and ensuring its vitality. This task is a challenging one because of the diversity of the participants—business and industry, universities, the Federal agencies, government at all levels, and the public. Each sector has distinct goals and objectives and special institutional qualities. Yet each can work with the others in a lively process of cooperation, so long as some independence is assured and our policies are adaptable to each.

The partnership between the Federal government and universities needs renewed attention. Many leaders of university research centers believe the government has intervened too deeply in university affairs, to the point of affecting institutional independence and diversity. The problem stems from the need to ensure accountability of research funds. On the one hand, accountability is important to me, to Congress, and to the taxpayers; we must improve the government's ability to manage and account for public funds. On the other hand, it is equally important that the pendulum not swing so far that we stifle progress. We must allow flexibility both for the government agencies and for the research institutions. We should not confuse excess paperwork with proper accountability. Both the National Science Foundation and the National Institutes of Health have taken significant steps to reduce unnecessary demands on their grantees. These initiatives follow from my interest in reducing needless paperwork throughout the government. Moreover, in the recent development of the cost principles that govern the financial relations between the government and universities in research, we sought to the maximum extent possible to solicit and incorporate the views of the academic community. It is clear, however, that our partnership with universities needs further strengthening. We must continue to experiment with new approaches.

Another partnership in science and technology is with State and local governments. Throughout the Nation there is public resistance to the increasing costs of public services. If we are to avoid the reduction or elimination of such services, then we must develop better ways to reduce costs. The Federal government has a large stake in the effectiveness of State and local government: $80 billion are transferred annually to meet a range of national, State, and local needs.

Few State and local governments alone can support the research and development needed to mount a broad-scale effort at problem-solving. Within the budgets I have proposed for Federal research and development, I expect the needs of State and local governments to be addressed. Federal research and development programs should be formulated with participation by State and local governments. The Intergovernmental Science, Engineering, and Technology Advisory Panel, co-chaired by Dr. Frank Press and Governor James Hunt of North Carolina, is helping Federal agencies identify research and development to meet State and local needs. This intergovernmental group already has focused attention on satellite remote sensing data, US Fire Administration research, the National Technical Information Service, the problems of the elderly, and disposal of chemical wastes. I am directing the Panel to increase its efforts in planning technical assistance and research and development for problem-solving.

A better awareness of partnership also is needed among the Federal agencies. We must have coordinated policy and program planning, implementation, and evaluation. Through a variety of formal and *ad hoc* mechanisms, I have stimulated interagency cooperation in space application, earthquake hazard mitigation, dam safety, ocean pollution research and monitoring, aquaculture, nutrition, management of radioactive wastes, and many others. Consistent with the wishes of Congress, I have asked the Office of Science and Technology Policy to coordinate programs involving many agencies using interagency coordination through the Federal Coordinating Council for Science, Engineering, and Technology.

A fourth partnership is between universities and industry. Universities are the chief performers of the fundamental research that underlies technological advance; industry puts this research to work and also identifies problems requiring new knowledge. The flow of people and information between the campus and industry is an important element in both scientific and technological advance. The National Science Foundation is beginning to experiment with projects that involve cooperative activities by people in industry and universities. Other efforts to strengthen the partnership are needed in the years ahead. I will give this issue attention as I review the recommendations coming from the study of industry innovation.

We must also strive to increase public understanding and participation in our scientific and technology activities. The changes induced by science and technology are infused in the fabric of society, profoundly altering the way we live. The understanding of those changes and their causes, as well as successful adaptation to them, requires an informed citizenry. I have supported measures, such as intervenor funding, that contribute to informed public participation in decisions where technology is important. Science education—preparing our children for tomorrow's technical society—will receive emphasis in the proposed Department of Education and programs of the National Science Foundation. In addition, the Federal Departments and Agencies conducting research and development will continue to support programs that train future generations of scientists and engineers. My Administration is committed to overcoming barriers that discourage career opportunities for minorities and women in science and technology.

Finally, if we are to make the best use of our scientific and technological progress, we must maintain continuity and consistency in our support and policies. This Nation's scientific capability is the greatest in the world, but it will not remain so in an environment of uncertainty and changing priorities and policies. We must recognize that it takes many years to train new scientists and to complete some research projects. Technology development projects and many research missions, such as our space probes, require sustained work over a decade. If research and development activities are started and stopped abruptly, the chance of their success is diminished and the probability of benefits to the Nation decreased. The Congress and the Administration must join in recognizing the long-term nature of many research and development activities. Together we must provide the necessary assurances and commitments. The policies of my Administration, as articulated in this message, are intended to serve that purpose.

CONCLUSION

In our lifetime the world has been reshaped by two prevailing forces of change: the desire of peoples everywhere for freedom from tyranny and the advance of science and technology.

Given the stunning achievements of science, it is natural to wonder whether we can expect similar accomplishments in the future. Or, are we in danger of running out of new ideas? The forecast today—and as far ahead as we can imagine—is the same as stated thirty years ago by Vannevar Bush: science is "the endless frontier." The opportunities inherent in today's scientific research are limitless in all fields—from new understanding of the evolution of the universe to the insights revealed by the genetic code. Indeed, we are in the midst of a remarkable era of explosive growth in knowledge and its use by society, unparalleled in any period of history.

It is not possible to predict the political or technological directions in the century ahead. I am certain, however, that strong support for science and technology by the Nation is one of the most important ways to prepare for the future.

Building on the strengths of our American system, I have developed policies that should serve as guidelines for Federal programs for science and technology for the years ahead. In this task, I have given attention to the balance of our Federal effort, directing it toward many issues that will in my judgment be the critical issues for the remainder of this century. I seek to ensure that technology is used wisely for the benefit of all. With the support of our government and our people, and the skills from the scientific and technological community, science and technology can help us chart the way to a more meaningful and productive future for all mankind.

JIMMY CARTER.

THE WHITE HOUSE, *March 27, 1979*.

EPA RESEARCH AND DEVELOPMENT AUTHORIZATION FOR FISCAL YEAR 1980

The SPEAKER. The unfinished business is the further consideration of the bill (H.R. 2676) to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1980, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. The Chair recognizes the gentleman from Michigan (Mr. BLANCHARD).

Mr. BLANCHARD. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I rise in strong support of H.R. 2676, the 1980 EPA research and development authorization. I would like to point out a feature of the bill that relates directly to the Federal effort to clean up the Great Lakes. The item to which I refer is a $3.6 million authorization for the EPA Large Lake Research Station in Grosse Ile, Mich.

The International Joint Commission just released a report showing that Great Lakes pollution is still a critical problem representing a serious threat to human health and the environment. Only weeks ago, the EPA had proposed to slash 55 percent from the budget of the Grosse Ile facility engaged in research into the sources and effects of Great Lakes pollution as it relates to human health problems. I am concerned that the EPA, which should know that the lakes are still seriously contaminated, would propose such a cut to a facility specifically engaged in corrective research. Fortunately, we restored this funding in committee and this bill authorizes the appropriate level of funds for the Large Lake lab.

The cleanup of the Great Lakes is not a parochial issue—as the EPA apparently thinks—but an important national issue involving a resource that contains 95 percent of the surface fresh water in the United States and provides at least 20 million Americans with their drinking water.

Nor is the cleanup of the Great Lakes only a domestic issue. The Grosse Ile facility performs monitoring and surveillance functions in accordance with the goals established in the 1972 Water Quality Agreement with Canada. A cutback in this facility could signal a lessening of the United States commitment to achieving these goals, and could have unfortunate international consequences.

EPA's treatment of this vital facility leads me to question their overall commitment to decontaminating the Great Lakes. We should not let EPA walk away from a job that very well could determine whether our children have fish to eat and water to drink. I want to commend our Science Committee for its sensitivity on this important issue. And I want in particular to thank the Natural Resources and Environment Subcommittee and Chairman JEROME AMBRO for their hard work on this bill.

In light of EPA's recent activity, it would appear that we need to accelerate rather than cut Federal efforts to restore and preserve the Great Lakes. Several Congressmen from Great Lakes States have indicated an interest in working with me on this issue in the days ahead. We have our work cut out for us.

☐ 1225

AMENDMENT OFFERED BY MS. HOLTZMAN

Ms. HOLTZMAN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. HOLTZMAN: On page 4, line 15, strike the period and insert the following: "and for supplemental radiation activities in the health and ecological effects program $1,250,000: *Provided*, That no part of any amount appropriated for such supplemental radiation activities may be obligated or expended unless the Administrator prepares a comprehensive plan for nonionizing radiation health and ecological effects research in coordination with other Federal agencies for which funds for nonionizing radiation health and ecological effects research are authorized.".

Ms. HOLTZMAN. Mr. Speaker, the General Accounting Office, in a study that I commissioned, reported on March 29, 1978, that there were no environmental standards to protect the American public against exposure to harmful levels of nonionizing radiation.

The problem, Mr. Speaker and my colleagues, is that, with growing technology, the use of microwaves in this country has increased dramatically. And yet, according to the General Accounting Office, the Environmental Protection Agency has issued no standards to protect the American public from exposure, nor has it developed enough research to provide the data on which such standards could be based.

This is a situation of grave concern, because we do know that high levels of microwave radiation cause serious health effects in human beings. It can cause not only cataracts, but possible genetic damage. It can cause changes in the blood system. It can cause changes in the functioning of the brain and nervous system.

We are talking about serious effects on the health of our citizens, and yet we do not know how low the exposure level is that will be safe for human beings.

Mr. Speaker, only a short time ago we were spending as a nation less than $1 million a year in research to determine the level of nonionizing radiation that could be safely tolerated by human beings. Last year, the gentleman from Massachusetts (Mr. STUDDS) joined with me in proposing an amendment that for the first time significantly increased the authorization for research on nonionizing radiation and the health effects thereof.

I want to compliment the committee for increasing the funding level in this bill by another $1 million. This was the level proposed by the administration. I do not believe, however, that EPA can begin to do the work that needs to be done with the $2,970,000 authorized in this bill.

☐ 1230

Mr. Speaker, the time has come to make a serious effort to find out the extent to which microwave radiation is harmful or safe for human beings. We have an obligation, since millions of Americans are being exposed to this radiation, to find out the answers.

My amendment calls for only a modest increase of $1.25 million in research on this problem. It also has some restrictions that I think will be helpful. It requires that the use of this money must be contingent upon the Administrator of EPA's coordinating the agency's research effort with other Federal agencies, such as the Food and Drug Administration, and the National Institute for Occupational Safety and Health, and others, to come up with a comprehensive plan for nonionizing radiation bio-effects.

Without this money, EPA cannot even conduct a serious epidemiological study of those people who have been exposed to microwave radiation. For example, radar workers; we have never conducted a study to determine the health effects on people who have worked closely with radar for years and years and years. We have no money to determine the extent to which even the use of microwave ovens over a period of time causes health damage. We have, as I understand it, close to 10 million microwave ovens in use in homes throughout the United States.

Without this money, there will be no funding for research into the possible harmful effects of pulsating microwave and radio frequency radiation. Without this amendment, there will be only minimal funding for research into the effects of exposure to radio frequency radiation at 27 megahertz.

I would like to point out to my colleagues a situation which greatly concerns me. There is a piece of manufacturing equipment called an RF sealer. It is used commercially in the manufacturing process to bond pieces of fabric or plastic using the simultaneous application of pressure and high levels of radio frequency radiation at 27 MHz. Operators of this equipment, almost all of them women of child-bearing age, are exposed to radio frequency radiation as much as 180 times the national consensus standard of 200 volts per meter for the electric field and a half amp per meter for the magnetic field. Even more frightening is that the frequency of this radiation is close to the resonant frequency of the human body—that is the frequency most absorbed. Hardly any research has been done to measure the bioeffects of radiation at this frequency, and needed epidemiological studies on these workers have not yet begun.

The Occupational Safety and Health Administration could issue an emergency standard to protect these workers and others who are exposed to high levels of nonionizing radiation. But, OSHA's statutory authority is limited in that emergency standards can be issued only when there is a" grave danger" to the workers. Since these workers have not been studied for adverse effects and since little is known about the effects of exposure to nonionizing radiation to humans at 27 MHz, business continues as usual despite the fact that many Government scientists familiar with the RF sealer situation are deeply concerned about the potentially grave hazard to these operators.

In addition to this, countries in Eastern Europe have standards with respect to nonionizing radiation 1,000 times stricter than ours. American scientists have not even undertaken an effort to verify these Eastern European studies, which show adverse health effects from very low levels of microwave exposure. My amendment would provide money for this purpose. Without my amendment, these verification studies simply will not be performed.

The expenditure of this very small amount, $1.25 million, to determine the tolerable safety level of microwave and other nonionizing radiation is one that could save us millions of dollars in the future, because if we find out that low-level exposure to microwave radiation is really a serious health hazard, we can take the necessary preventive remedies to eliminate tragic and expensive illnesses to millions of Americans. If we do not, and it turns out that it is a serious health hazard, we as a nation will not only incur tremendous medical bills, but expose our citizens to terrible hazards.

Mr. Speaker, I urge adoption of the amendment.

Mr. AMBRO. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I want to commend my colleague and friend from New York (Ms. HOLTZMAN) for her interest in this field. I must say as well that I was one of those who supported her efforts last year with respect to this. Indeed, as she has pointed out, the committee and the subcommittee over the years have increased the funding for this particular effort considerably. We went from $800,000, approximately, in 1978, to $2 million last year; to an increase of almost a million dollars, as the gentlewoman has pointed out, for fiscal year 1980.

Now, Mr. Speaker, I think it is important to go over a couple of things once more, because, while I might say that each of us on the subcommittee and the committee is most interested in the effects of nonionizing radiation, I might point out that there are a variety of Federal agencies and departments which are indeed involved in this process. They include the Department of Energy; the

Department of Defense is doing some classified work; HUD; OSHA's National Institute of Occupational Safety and Health; the Food and Drug Administration of HEW; Consumer Product Safety Commission. We are dealing here with a number of emitters in nonionizing radiation; not only microwave ovens, but medical and dental diathermy apparatuses; alarm systems; radar; telephone; long distance relay system; television and radio broadcast; certain industrial equipment; certain scientific equipment; RF sealers; power transmission; generating equipment, and a list which might even include some of those we do not know about at the moment.

☐ 1235

The amendment which the gentlewoman from New York offers is an amendment which is not quite the same as the amendment that we saw yesterday. It has been revised, and I think that it is, without question, a much better approach to the problem. However, it seems to me that having thrown, if you will, some $2 million at this problem, we have less than a good start from EPA. What we need, I think, in terms of the interest exhibited both by the Congress and the committees is oversight and intensive hearings by our congressional committee to pull these disparate groups in Government together, along with a comprehensive plan to attack this most serious problem.

We in the United States do, indeed, have no standard, we have but a guideline, which is unenforceable. The Russian standard is some 100 times stricter than our guideline; but, of course, the Russians have great experience with microwaves, as our embassies know.

Mr. Speaker, we do not make light of what the gentlewoman from New York (Ms. Holtzman) is trying to do; but I would say, in looking at this amendment, that I am not at all sure it will do the kinds of things which we want to do in utilizing this kind of money for this sort of expense.

Mr. Speaker, I might point out in conclusion that the National Bureau of Standards has a considerable amount of money, a portion of which can be used for moving in this direction in this fiscal year in the absence of developing a coordinated plan.

I would therefore say, as a result of talking to staff and the committee chairman, that we are going to try to hold hearings on this in an attempt to try to bring together all of those groups which have an interface with this problem and so that we can develop a plan to which money can be provided in order to assure that results in this very serious area are, indeed, forthcoming and are efficacious.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. AMBRO. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, I thank the gentleman from New York (Mr. Ambro) for his recognition of the seriousness of the problem of nonionizing radiation and the importance of our developing data to determine the level at which such exposure would be harmful to human beings.

The SPEAKER pro tempore (Mr. Russo). The time of the gentleman from New York (Mr. Ambro) has expired.

(On request of Ms. Holtzman and by unanimous consent, Mr. Ambro was allowed to proceed for 2 additional minutes.)

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield further?

Mr. AMBRO. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, the point I wish to raise with the gentleman from New York (Mr. Ambro) is, first, that this amendment explicitly says that the additional money, which is 1.25 million, would not be available for obligation without the development of the comprehensive plan by the administrator of EPA in coordination with these other agencies.

Second, Mr. Speaker, if the gentleman holds oversight hearings on the subject, which I think would be commendable and I appreciate his willingness to do so, still and all, if the money is not in the fiscal year 1980 authorization bill, we will not be able to appropriate any money for additional research spending until fiscal year 1981, which brings us to October of 1981, more than 15 months away from now.

Mr. Speaker, I say to the gentleman that it is extremely important, given the increasingly high level of exposure of American citizens to microwave and other nonionizing radiation, to determine as quickly as possible what is safe and what is not safe. If we find that low-level radiation is not safe, all we are doing is insuring one helluva whopping medical bill as well as needless physical harm to millions of Americans in the future down the line.

Mr. AMBRO. If I may respond, Mr. Speaker, the chronic effects, of course, are long-range effects.

☐ 1240

The problem may have been with us for a decade, maybe 20 years, and may by virtue of the production of more and more, and the purchase and sale of more and more microwave ovens, with respect to that singular kind of emission the problem is intensified; but it seems to me that as a result of providing the Environmental Protection Agency with $2 million, what we have had thus far are but a couple of laboratory tests on laboratory animals which have been less than worthy of the $2 million we have authorized for this problem. It seems to me that EPA has yet to come up with a coordinated and comprehensive plan for attacking this problem.

The SPEAKER pro tempore. The time of the gentleman has expired.

(By unanimous consent, Mr. Ambro was allowed to proceed for 2 additional minutes.)

Mr. AMBRO. It is just now that we realize that there are a variety of emitters and a variety of departments that must be brought together. I do not hold any real hope for utilizing the language of this amendment and $1.250 million for developing a better approach in fiscal year 1980; but I would like to point out that we can utilize some $3 million to $5 million in the Bureau of Standards to do what the gentlewoman is trying to do.

I might say to the gentlewoman that extramural activities for this purpose alone by EPA are $1 million. Their capacity to utilize this total funding plus the $1.250 million the amendment provides is most doubtful, and I think unless we give them direction as a result of oversight hearings for a comprehensive plan to this most serious problem, that at this point, while the gesture is a good one, I would be less than sanguine about the capability of EPA's ability to utilize this kind of money.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. AMBRO. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. I thank the gentleman for yielding.

The gentleman is too modest about his ability, I would say. If this money were added and we could do research, for example, on the long-range effects on people who have been exposed to radar, let us say from World War II until today, as well as other kinds of research, I am convinced that the gentleman and his subcommittee, together with the gentleman from Pennsylvania (Mr. Walker), would make sure that EPA would spend its money wisely in attacking this problem.

I agree with the gentleman that his coordinated approach is crucial, and I congratulate him for his concern in that regard. But I do think that the gentleman's oversight effort in regard to this problem could assure the results he suggests.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. WEISS. Mr. Speaker, I move to strike the last word.

Mr. Speaker, it seems to me that all of us in this body ought to be not only commending but wholeheartedly supporting the efforts of the gentlewoman from New York (Ms. Holtzman) in attempting to provide both the moneys and, equally importantly, the sense of urgency which I think has to be acknowledged as having been lacking in this entire area. The study which she commissioned by the General Accounting Office, which was returned to us just about almost a year ago to the day, says in its summation that "currently there is no official U.S. environmental public health standard for exposure to nonionizing radiation sources because the U.S. research programs have not yet developed sufficient data to establish standards for microwave and other nonionizing frequencies." That ought to really distress and disturb all of us because what we are talking about is a situation which is expanding geometrically. People are using more and more appliances and more and more facilities which give off these potentially harmful effects, and yet we do not know what is safe and what is not safe. I do not think that it is sufficient, Mr. Speaker, to suggest that because others know more about the problem and, therefore, they are adopting much, much more stringent standards, that we ought not to be as concerned about it yet. The conclusion, it seems to me, should be just the opposite. If others who have greater familiarity with the effects of these low-level microwave, then it seems to me that we ought to be following their lead, because obviously they are acting on the basis of greater experience.

Last year when we had the FAA authorization before us and the microwave landing system was being considered, we objected to the fact that there was no environmental impact statement. We were assured that by the time the matter came up for reauthorization, there would be such a statement. In fact we were told that by the time that appropriation measure for fiscal 1979 came along, there would be an environmental impact statement.

Lo and behold, just yesterday we had occasion to adopt the authorization for the forthcoming fiscal year, and there is still no environmental impact statement.

□ 1245

So it seems to me that we have already taken too much time in getting around to dealing with this problem. If we really want to demonstrate a sense of responsibility, we ought to be supporting fully and wholeheartedly the effort of the gentlewoman from New York to provide what, are really minimal funds, which may provide very, very real returns in providing additional safeguards for the lives of the people of the United States.

Mr. AMBRO. Mr. Speaker, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from New York.

Mr. AMBRO. Mr. Speaker, I do not think there is any question about our concern with this problem. All of us are concerned about the issue. The difficulty here lies in the fact that to those of us who supported the gentlewoman last year with respect to her amendment of increasing funds for these purposes, we now view the work of the EPA under the existing congressional mandate and find that it is less than effective in this area, so what we are saying now is that because of the number of agencies involved in this in one way or another, because of their interface with respect to this problem, because of the variety of emitters that we can now identify, many we can identify and many more possibly we cannot identify, the amount of money, as the gentleman pointed out, is negligible in the scheme of things.

Mr. WEISS. Modest in the scheme of things.

Mr. AMBRO. Modest in the scheme of things, and this is a direction that I think at the moment we should not pursue and instead move in the direction of having the committee try to pull together these agencies and these groups. EPA should as well determine where they are going to utilize the funding, what kind of extramural efforts they are going to strive for and what their responsibilities are.

The SPEAKER pro tempore. The time of the gentleman from New York has expired.

(By unanimous consent, Mr. WEISS was allowed to proceed for 2 additional minutes.)

Mr. AMBRO. Mr. Speaker, if the gentleman will yield further, what the capabilities will be in-house, why they have not done a better job thus far and a variety of other things which I do not think this language and this money at this level can address now.

Now, I am not interested in putting this off for 15 months; but there is money in this budget of $2.9 million specifically for this purpose and there are discretionary funds in other portions of the budget which can be added to it even up to the amount that the gentlewoman would like to provide in order to do what she would like to do.

The thing is that I think the Congress has to pull these groups together in order to provide a more focused thrust to this problem.

Mr. WEISS. Mr. Speaker, I certainly agree with almost everything the gentleman says. I think that his suggestions and outline as to how to proceed make a great deal of good sense.

I think perhaps the only area of disagreement that we have is that while that process is going on and knowing that this new authorization and the appropriation that would follow under it would not become effective until October 1 that we ought to expect and rely upon the capacity of the gentleman and his committee to set the guidelines and standards so that when he and his committee have done that, the money will then be available in the budget to proceed along the guidelines that his committee determines.

I think that is really what the gentlewoman from New York is suggesting and I think perhaps we may have arrived at some sort of agreement or sense of agreement. Maybe now we can get an agreement on supporting her amendment and we might be ready to discontinue the debate and vote on accepting her amendment.

Mr. AMBRO. I think that is an excellent idea, except that I might state to the gentleman that I think that is putting the cart before the horse. I do not think we work that way and I would not like to.

□ 1250

Mr. WALKER. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I, too, would like to commend the gentlewoman from New York for her concern in this area. It is a concern she has expressed before and has brought to the floor heretofore. Certainly it is a very legitimate concern, one which I think our subcommittee addressed.

I reluctantly want to go on record as opposed to the amendment primarily because this subcommittee in the course of our deliberations looked at priority after priority in this area of environmental concern and decided that one of the priorities that we needed to face up to was one of fiscal responsibility, and that we needed to take a look at these programs and put money where we thought it would do the most good but we ought to stick as close as we could to the President's budget request.

We came out with a budget which was only 2.4 percent above the President's budget request. That amount disturbs me but nevertheless we exercised the fiscal responsibility that I think the American people look to us to exercise.

Yet we did take a look at this particular problem in the report language and if I could I would like to quote from the report language. It says the budget request for 1980 is $2,930,000 and 29 positions. This represents an increase of $959,600 and 3 positions over the 1979 budget. This increase will support that portion of the agency's public health initiative which focuses on the identification of potential health hazards from nonionizing electromagnetic radiation. This will be done through expanded animal testing and epidemiological validation.

In other words, we have addressed the problem in this budget. It is a problem which was addressed within the constraints of fiscal responsibility. I think the amendment is designed to go in a very appropriate direction but the additional money is something this subcommittee was concerned about. I think it is something we have to be continually concerned about and this budget should reflect the fiscal restraint necessary to meet the President's budget request.

Ms. HOLTZMAN. Will the gentleman yield?

Mr. WALKER. I will be glad to yield to the gentlewoman from New York.

Ms. HOLTZMAN. I thank the gentleman for yielding and I appreciate his comments and his concern. He has been cooperative in the past.

I would like to point out, as I understand it, that this legislation is $19 million below the legislation approved by the Congress last year for EPA. Is that correct?

Mr. WALKER. That is correct.

Ms. HOLTZMAN. So the subcommittee has been very effective in applying the standards of fiscal restraint. That means there is room to add $1.25 million contained in my amendment.

I would simply say the nature of the epidemiological studies authorized are just first steps. For example, one of the important things EPA would like to do is to interview and examine workers who were exposed to radar at the Massachusetts Institute of Technology for a long period of time. That is a 2-year study. The only money you have provided in here is for a small portion of 1 year of that study. Eventually, we are going to have to pay for the entire study.

Can EPA go ahead now and contract for that study and get it started or is this a thing that is going to dribble out bit by bit over the years? The study will provide information we need to have. I am sure the gentleman would agree.

I think all of these studies cannot be undertaken now in this bill before us today not because of bad coordination, or poor planning, but solely because of low level of funding. If the funding were increased, I am sure the gentleman's committee, if the House agreed to this amendment, would insure that the $1.25 million in this amendment was well spent.

Mr. WALKER. I thank the gentlewoman for her comments. I would simply point out that while this subcommittee did bring out a budget request or an authorization request which is $19 million below last year's levels, we are still $9.3 million over the President's budget request. In other words, they are exercising fiscal restraint. Their fiscal restraint has already accumulated a $30 billion deficit for this Nation and we come in at slightly over that. That bothers me. It was a question of determining some very, very much needed priorities. I think we have to take into account the overall impact of what we do and that is the reason why I have to be against this particular amendment.

Mr. AMBRO. Will the gentleman yield?

Mr. WALKER. I will be glad to yield.

Mr. AMBRO. I would like to point out for the record we have increased substantially health and ecological effects. The total budget is $176 million, $37 million added by us.

EPA has 10-percent discretion in that area. That is some $17 million. We have $5 million for the National Bureau of Standards which could do some of this work; $3 million of this which is not precisely pinpointed and can be utilized for this effort.

☐ 1255

So within this budget there is a large discretionary area, but it still seems to me that we have an awful lot of work to do in order to pull all of the groups together that interface with this problem.

I would suggest once more to the House that the budget is designed to effectuate a balance, as the gentleman has pointed out, but it also has sufficient discretionary moneys within it to work toward a solution of this problem by developing a comprehensive approach to it, and during the course of the year I hope to be able to do that.

Mr. WALKER. Mr. Speaker, I thank the gentleman from New York (Mr. AMBRO).

The SPEAKER pro tempore (Mr. RUSSO). The question is on the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN).

The amendment was rejected.

Mr. RITTER. Mr. Speaker, I move to strike the last word.

Mr. Speaker, I rise in support of the annual EPA research and development authorization bill, H.R. 2676. There are many promising features of this bill, not the least of which is the fact that the funds authorized are almost 5 percent below last year's total. In addition, the committee has adopted report language (H. Rept. 95–58) emphasizing substantive program direction that is equally, if not more, encouraging.

I would like to stress the fact that the funds authorized by this bill will not be used for regulatory purposes, but rather are to provide for environmental research and development that supports regulatory decisionmaking—including decisions not to regulate. Far too often in the past, we have heard of EPA regulations being based on insufficient knowledge. I therefore strongly support the report language emphasizing the committee's desire that all regulatory decisions be based on the highest quality information base.

I also endorse the report language directing that health effects research begin to develop quantitative information (such as tolerance levels) for pollutants already known to be harmful and perhaps already on the regulatory agenda.

Mr. Speaker, that concludes my general remarks on H.R. 2676. There is, however, one specific area of concern which I would like to address. The committee report contains language encouraging the Environmental Protection Agency to begin an organized program to evaluate the comparative risks associated with alternative technologies and to determine the implications of these risks for setting environmental standards. I believe that the public needs to be better informed with respect to these comparative risks. As we are all aware, there are different risks, costs and benefits associated with different energy technologies, and the environmental standards accompanying a given technology are based on risks associated with it. Yet, it often is the case that environmental standards are being developed and set before the controversy concerning the comparative risks has been settled—the debate surrounding the comparative risks of fossil and nuclear energy is a clear example. The point I want to make is that while there are risks associated with all energy technologies, some of those technologies must be employed. We should, therefore, look to the EPA to differentiate between these risks so that technology-related policy decisions can be based on objective information and not on emotion.

I want to point out that within their interdisciplinary program, EPA conducts risk assessments to support the various regulatory offices. This ongoing effort is important work but appears to be conducted on a pollutant-by-pollutant basis. Developing regulations pollutant by pollutant based only on absolute risks does not allow for the policy tradeoffs that need to be made based on comparative risks. Risk assessments must be comparative if we are to have an overall regulatory policy that can be rationally explained to an informed public.

Mr. Speaker, that concludes my remarks. I urge the support of my colleagues in the passage of H.R. 2676.

Mr. Speaker, I would also like to commend the subcommittee chairman, the gentleman from New York (Mr. AMBRO), and the ranking minority member, the gentleman from Pennsylvania (Mr. WALKER), for their excellent work in bringing this bill to fruition.

● Mr. BROWN of California. Mr. Speaker, I would like to compliment Mr. AMBRO on his fine job in working on the EPA R. & D. authorization bill. He has been most effective in bringing to the floor an excellent bill, that was carefully worked out to insure the best possible application of EPA funds. Mr. AMBRO and his subcommittee have diligently investigated the various complex issues and in an exemplary fashion have developed a well-thought-out and balanced plan for EPA R. & D. programs. I urge every Member to support H.R. 2676.

I would like, however, to emphasize the need for EPA to include in its research agenda an examination, not only of the costs but of the real benefits of each regulatory action. My main concern is that there is insufficient information about the full socioeconomic impact of regulations, and research is urgently needed to provide the basis to make balanced and well-informed judgments. The present state of the art in cost-benefit analysis is woefully inadequate and is incapable of taking into account the full spectrum of factors that must be considered in each regulatory decision. In the words of the Chairman of the U.S. Regulatory Council, I quote—

> Regulations are not inflationary if the benefits exceed the costs. To take a typical example, consider regulations which require power plants to stop spilling sulfur dioxide out of their smokestacks. If those near the plant save more through reduced medical care charges, less crop loss or lost wages than they pay in higher electric bills to amortize the investment in smokestack scrubbers, clearly the regulations are not inflationary. And that is the easy case, for it doesn't even take account of the benefits of not being sick, or not dying sooner. Economists have proven far more skillful in analyzing the costs of regulation than the benefits.

This statement explains the real problem we face in attempting to evaluate the true benefits and costs of environmental regulation. The necessity for intensive research on the full socioeconomic aspects of EPA's regulatory action cannot be overemphasized.

Thank you, Mr. Speaker.●

● Mr. WYDLER. Mr. Speaker, the Committee on Science and Technology has jurisdiction over all research and development efforts undertaken by the Environmental Protection Agency. Today, we bring the annual Environmental Protection Research and Development authorization bill before the House.

I believe that the first duty of this Congress is fiscal responsibility. Therefore, I am disappointed to report that this bill is $9 million above the administration budget request. However, I would join the distinguished ranking minority member of the subcommittee, Mr. WALKER of Pennsylvania, in pointing out that the figure reported out by the Science and Technology Committee is down 12 percent from last year's House authorization of $432,908,000.

This bill is vitally important to all segments of America. It does not involve the authorization of any regulatory activity. It does authorize environmental research and development which will be crucial to developing a proper data base for sound pollution abatement in the future. In the past, EPA has on occasion established far-reaching regulations with little if any research to support them. This has troubled me greatly, as it has other Members. We propose to provide EPA with sufficient support to do the necessary research and development in advance of any such regulatory efforts.

Mr. Speaker, I also would like to point out that we have made a major addition—$5,250,000—for drinking water research. On Long Island, we depend almost entirely on wells for our drinking water. Last year, we discovered that industrial organic chemicals had polluted one town's water supply on Long Island. Accordingly, I am well aware of the disastrous impact on a small community by the loss of its water supplies. In New York State, we have already suffered through the discovery of the great problems of the Love Canal. The result would have been catastrophic had the Love Canal been located directly above our drinking water aquifer on Long Island.

We must expand our research and development efforts to insure sufficient supplies of safe drinking water in the future.

Mr. Speaker, I urge adoption of this legislation.●

Mr. FUQUA. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

☐ 1300

STATE LEGISLATORS' BUSINESS EXPENSES

Mr. COTTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3091) to extend for 1 year the provisions of law relating to the business expenses of State legislators.

The Clerk read as follows:

H.R. 3091

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsections (a) and (d) of section 604 of the Tax Reform Act of 1976 (Public Law 94–455) are each amended by striking out "January 1, 1978" and inserting in lieu thereof "January 1, 1979".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Illinois (Mr. ROSTENKOWSKI) will be recognized for 20 minutes, and the gentleman from Pennsylvania (Mr. SCHULZE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. ROSTENKOWSKI).

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the legislation before the House today is a simple 1-year extension of a provision of law, first enacted in 1976, relating to the tax treatment of certain expenses of State legislators. This bill which is the third such extension this provision has received, would make it applicable to the 1978 tax year. It is my hope that this is the last temporary extension that will be necessary. Tomorrow my Subcommittee on Select Revenue Measures will hold hearings on the entire business expense matter, both as it applies to State legislators and to Members of Congress. It is my expectation that we will consider this matter in executive session during the week of April 2, so that we will be able to present a permanent solution for the consideration of this House in the very near future.

Let me briefly review the background that first led to the need for clarifying legislation in this area.

Under present law, an individual is allowed a deduction for traveling expenses—including amounts expended for meals and lodging—while away from home in pursuit of his or her trade or business. These expenses are deductible only if they are reasonable and necessary for the individual's business, and directly attributable to it. Ordinarily, for purposes of the deduction for traveling expenses, an individual's "home" generally means his or her principal place of business or employment. Where an individual has more than one trade or business, the determination as to the location of his or her "home", for purposes of deducting traveling expenses, is a factual matter.

This rule of present law with respect to the determination of the location of an individual's tax "home" has created uncertainty and confusion for a number of individuals, including State legislators. This has become particularly true in recent years as the job of a State legislator has become more time consuming—requiring more lengthy stays in the State capitol for legislative sessions and related committee work.

To eliminate uncertainty as to the locality of a State legislator's tax "home," Congress in the Tax Reform Act of 1976 provided that such an individual could elect to have his or her residence within the legislative district that he or she represents treated as his or her tax "home." The act also provides a formula for determination of presumed deductible expenses under this provision which provided deductions equal to the product of the number of legislative days multiplied by the Federal Government per diem authorized for the particular State capitol.

Initially, this provision was effective only for years beginning prior to 1976, but later was extended twice to include taxable years beginning before 1977 (Public Law 95–30), and then to taxable years beginning before 1978 (Public Law 95–258). This election allows State legislators to deduct ordinary and necessary business travel expenses similar to those allowed to individuals in other trades or businesses. However, in the absence of further congressional action, State legislators will have to revert to a situation where the location of their tax "homes" will be determined on a case-by-case factual basis for 1978 and subsequent years.

In certain situations strict application of a factual test could yield the unusual and awkward result of the State capitol being considered a legislator's "tax home," with the resulting denial of business expense deductions while there, but allowing living expense deductions at his permanent home in the district he represents.

The bill extends the election for State legislators, initially provided by Congress in 1976, for the 1978 tax year. Thus, for 1978 State legislators will continue to be allowed to deduct those ordinary and necessary travel expenses generally allowed as deductions in the case of other businesses.

I urge my colleagues to favorably support this measure today so that it can be sent to the Senate for approval prior to the April 16 tax filing deadline. Enactment of this legislation at this time will give these taxpayers a degree of certainty as to which rules are to apply to their situations for the past year.

☐ 1305

Mr. Speaker, I reserve the balance of my time.

Mr. SCHULZE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3091 concerning the tax treatment of State legislators' business expenses.

The Tax Reform Act of 1976 established rules regarding the deductibility of business related travel expenses incurred by State legislators while serving in their official capacity. The rules were necessitated by the fact that the generally applicable travel rules did not always produce equitable results when applied to State legislators. Since the 1976 act rules only applied to taxable years ending before 1976, they were subsequently extended through 1977. However, the business expense problem still faces State legislators for their 1978 taxable year.

The bill would extend the 1976 act's rules through 1978. It would not make any substantive or administrative changes to these provisions.

I would note that the Select Revenue Measures Subcommittee of the Committee on Ways and Means has scheduled a hearing on March 28, on H.R. 2550 which will establish permanent rules governing the deductibility of travel expenses incurred by State and Federal legislators.

H.R. 3091 allows State legislators to receive tax treatment comparable to that received by other taxpayers and I urge its immediate adoption.

☐ 1310

Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. THOMAS).

Mr. THOMAS. Mr. Speaker, I thank the gentleman from Pennsylvania (Mr. SCHULZE) for yielding.

As a newly elected Member of this

body and a former State legislator, I want to thank the House for moving expeditiously on this additional 1-year extension.

My concern in reading about the last several efforts in this direction is that we have had a series of 1-year extensions. I do hope we will do something permanent in this regard.

However, I am now a Member of Congress, and I would like the Members to join me in returning to the year 1952.

In 1952 Gary Cooper won the best actor award for "High Noon." Albert Schweitzer won the Nobel Peace Prize. Mr. and Mrs. Shannon had a baby boy, and there were two freshmen elected to Congress, one a Republican and one a Democrat.

Those two freshmen set about trying to figure out how to spend their $12,500 salary and their new $3,000 exemption for traveling and moving expenses.

Mr. and Mrs. Shannon's little boy grew up to be the Honorable James Shannon, a freshman colleague of mine from Massachusetts. The two freshmen Congressmen, one a Democrat and one a Republican, became the Speaker of the House and the minority leader. We still have a $3,000 exemption which has become a limitation for living expenses.

Mr. Speaker, let me ask the Members if they are considering a permanent resolution to the State legislators' problems, that we address ourselves to giving up an exclusive tax right and that we, as Members of Congress, be treated as State legislators, or better, in fact, as any other Federal employee would be if he or she came to Washington.

I thank the Chair.

Mr. SCHULZE. Mr. Speaker, I yield 5 minutes to the gentleman from New York (Mr. WYDLER).

Mr. WYDLER. Mr. Speaker, I thank the gentleman for yielding.

I want to commend the gentleman from California (Mr. THOMAS) for the remarks he just made.

I would like to ask the chairman of the committee to comment on those remarks this morning because it seems to me that this rule which we are passing and which is going to apply to all State legislators would be a very sensible rule to apply to Members of the Congress, both in this body and in the other body. I understand the gentleman is having trouble in convincing the Members in the other body that they should revise the rules that we now have, which are, I think, a detriment to the Members of both bodies.

Mr. Speaker, could the gentleman from Illinois (Mr. ROSTENKOWSKI) enlighten us as to what is going on in regard to this matter?

Mr. ROSTENKOWSKI. Mr. Speaker, if the gentleman will yield, I, as the Members know, have introduced H.R. 2550, which is going to be considered before the Subcommittee on Select Revenue Measures tomorrow.

As the gentleman knows that legislation does deal with the exemption which Members of Congress have. There is currently a limitation of $3,000 in deductible business expenses.

I am hoping, naturally, that my subcommittee will come to the floor with a reasonable proposal in this area which the membership will adopt.

☐ 1315

There have been some suggestions that we do exactly what we are authorizing for State legislators. I think the provision of law that gives us the $3,000 exemption was initiated in 1952 and has never been adjusted for inflation. I certainly agree that something in this area should be done. I am sure that our subcommittee will review this matter in some detail, and will propose something to the full Committee on Ways and Means which will thereupon send it to the full House.

Mr. WYDLER. If the gentleman will yield, as he well knows, we often read in the papers on this particular matter, the $3,000 deduction that we are allowed, it is presented as some big benefit that is given to the Members of the House and Senate, when actually $3,000 is an absolutely ludicrous amount of money to suggest that anybody can live on in the Nation's capital during a congressional session that goes on these days for 10 or 11 months a year. So I would think that we should at least treat the Members of the House and the other body with the same respect with which we treat members of the State legislatures.

In talking of equal treatment, I think it is time for the House to face up to the unequal situation that now prevails between the House and the other body on outside earning limitations. No matter what else is said about this issue—and I hope it will come to a vote here on the floor of the House and everybody can be recorded on it as to where they stand on this kind of an issue—the fact remains that we are going to be in the ludicrous situation of having a member of the other body earning $25,000 a year and being considered ethical when we could have a Member of this body making $9,000 a year and being considered unethical. That is about as silly a situation as one could find oneself in on the basis of logic or reason, or any other basis. So I hope that we in the House are not going to allow that to continue. I hope that we do not try to "fudge" the issue by saying we are going to pass a piece of legislation to make us equal when we know that the other body is not going to pass the legislation. That is just not facing up to the matter at hand. I hope the gentleman's committee will consider this, that the House will consider it at an early date, and that we all will be able to express our views as to the acts of this body with the other body.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. ROSTENKOWSKI. I yield myself 2 additional minutes.

I agree with the observation of the gentleman from New York. I was somewhat disappointed also that rule XLVII, as was first provided, as I understand it, in the ethics package, has been only partially suspended by the other body. I would like to point out, however, that the outside earnings limitation is a separate item that should really be considered by itself. I think it would be interesting to see, if we favorably consider an increase in our maximum business deduction, what will happen in the other body.

I have become a little concerned with what has been termed here as "fringe benefits." I am one of those people who has had some length of service here, and all these so-called fringe benefits mean nothing to a person when he is considering retirement. I think we are being shortsighted on this; pay- and pension-related issues should be faced directly.

But be that as it may, I know that the expenses are high in Washington.

On a matter to be considered separately, I am certainly of the opinion that whether we win or lose, there should be some expression on the part of the House of what we feel with respect to the rule XLVII outside earnings limitation.

Mr. DANIELSON. Mr. Speaker, will the gentleman yield?

Mr. ROSTENKOWSKI. I yield to the gentleman from California.

Mr. DANIELSON. I thank the gentleman for yielding.

I appreciate this dialog going on. I think it is overdue and very useful. But I would like to make a couple of comments to straighten out the precise meaning of a few words. I find we have become a little bit careless in a word we use now and then. First, one of the gentlemen who has argued referred to our "expense account" of $3,000.

☐ 1320

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself 2 additional minutes.

I yield to the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Speaker, I would like the record to be very clear. I know no one intended, nobody was mistaken here, it was just a careless use of words.

The Members of Congress have no expense account—no, n-o, period. The Members of Congress have no expense account.

Second, the Members of Congress do not have an exemption of any amount whatsoever for their living expenses. The Members of Congress have no deduction of any kind whatsoever for their living expenses. What we have is a self-imposed limitation, a ceiling that provides that we may not claim expenses in excess of $3,000 in a taxable year.

Now, here is where it is important to keep that thought in mind. Any businessman in America coming to Washington or leaving his home and going elsewhere in pursuit of his livelihood is entitled under the Internal Revenue Code to claim as legitimate business expenses the reasonable and necessary costs of his being away from home, and that includes renting a hotel room, as well as food, incidental transportation, and the like.

Sometimes businessmen just do not like to have to itemize one ham sandwich at $1, one hotel room rent $30, and so on; so the Internal Revenue Service has provided that if you do not wish to itemize, you can claim a certain number of dollars a day, not to exceed a specified amount, and you do not have to bother with itemization.

Now, the Members of Congress do not even have that benefit. All we get is an absolute total limit that we can claim of $3,000 per year.

I dare say there is not one Member of Congress who is away from home in Washington who does not spend twice that much on rent alone, let alone the other incidental expenses.

I think that our committees should face up to this problem, let it come out here on the floor. I do not ask for any favors other people do not have.

The SPEAKER pro tempore. The time of the gentleman from Illinois has again expired.

Mr. ROSTENKOWSKI. Mr. Speaker, I yield myself 2 additional minutes and I yield to the gentleman from California.

Mr. DANIELSON. Mr. Speaker, I thank the gentleman for yielding.

I do not think any of us want any advantage anybody else does not have; but I feel that we should be treated exactly the same, no better, no worse than any other American citizen who incurs expenses while away from his home; no more, but no less. Let us just be treated like all American citizens.

Mr. Speaker, I thank the gentleman for yielding.

Mr. ROSTENKOWSKI. Mr. Speaker, I certainly concur in the observations made by the gentleman from California. It is sad that the $3,000 maximum expense deduction that we are allowed is interpreted, as has been pointed out, as a fringe benefit. In truth, it is a $3,000 maximum deduction and it is a restrictive limitation, because I do not think anybody would disagree with me that the Washington living expenses one incurs serving his country here in the Halls of Congress far exceed $3,000.

Mr. Speaker, I have no further requests for time. I reserve the balance of my time.

Mr. SCHULZE. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. Michel).

Mr. MICHEL. Mr. Speaker, I thank the gentleman.

I want to commend the gentleman from California (Mr. Danielson) for clearing up the record as he has done so admirably.

I would like to ask the chairman whether or not in the deliberations of his subcommittee consideration would be given to simply striking that language altogether that now gives Members of Congress that limitation of $3,000. Then we would be allowed, as any other businessman when away overnight, to deduct those business expenses attendant with our pursuit of the business we were engaged in, representing our people in the Congress.

I just happen to think that by taking that route there would be no reason for anyone to talk in terms of some special consideration given Members of Congress. We would be treated like anyone else and, as the gentleman from Illinois has said, since the living expenses in Washington far exceed that ridiculous figure which was established back in the 1950's.

Will that proposition be explored?

□ 1325

Mr. ROSTENKOWSKI. There are several options that are going to be available to the subcommittee. One certainly is that we be treated in Washington as any other ordinary business person, that we are in pursuit of our business or our trade and that we be allowed to deduct, as long as we can stand accountable for them, all ordinary and necessary business expenses.

There is also the alternative for Members of Congress to be treated the same as members of a State legislature.

Mr. MICHEL. There has been a suggestion that maybe that legislation ought to be held up so that the situation for both State legislators and Members of Congress could be handled in the same piece of legislation. I am not sure that is the right approach but what is sauce for the goose is sauce for the gander. If it is legitimate for State legislators it surely ought to be legitimate for Members of Congress.

Mr. ROSTENKOWSKI. The reason for the present temporary legislation is so members of State legislatures can file their income tax for the 1978 year by April 16 with some degree of certainty as to which rules apply for 1978.

Mr. MICHEL. The gentleman is correct.

Mr. ROSTENKOWSKI. However, I would like to point out the testimony and the markup session we are going to have will include discussion of a permanent rule for the State legislators and will take into consideration what we as Members of the House of Representatives and the Senate ought to provide in the legislation with respect to revisions of our deduction.

Mr. WYDLER. Will the gentleman yield?

Mr. MICHEL. I will be happy to yield to the gentleman from New York.

Mr. WYDLER. I would just like to point out to the gentleman again, do not put the House or the Congress on an inferior basis to State legislators which is what you would be doing if you were to adopt such a proposal. You would be putting us in an inferior position here in the House. What you would do if you were to just say one would be like any other businessman, you would then require the Members of the House to keep a tremendous number of records. We would have to keep a daily record of every penny we spend here in Washington. When you realize we are here in Washington for hundreds of days during the course of the year, it would mean an enormous amount of recordkeeping, so I think that is why they have given the members of State legislatures the right to do it on a certain per diem amount and I think that would be the way to handle it for Members of the House and the Senate if they wanted to go along as well.

Mr. MICHEL. Of course, that would be a matter to be discussed in that subcommittee. I just happen to think there is ample justification that we can demonstrate in dollars and cents to buttress our position. Admittedly it would take some additional recordkeeping but frankly if we just concentrated on the significant items, I believe our expenses would be rather simple to compile.

I would like the assurance that this avenue, among others, would be explored by the subcommittee as I think it could be a legitimate way to proceed.

Mr. ROSTENKOWSKI. It is the intention of the subcommittee and the subcommittee chairman, to consider every avenue of approach with respect to this question.

As I pointed out earlier there are several options. One, to be treated exactly as a State legislator or, to be treated as an ordinary businessman who is away from home.

I am sure that what the subcommittee will do will be considered in detail on the floor of the House of Representatives. I am sure that my colleagues will find we are going to try and be equitable to both State legislators and Members of Congress consistent with the maintenance of sound tax policy.

Mr. MICHEL. I am glad to hear that. I just want to assure the gentleman he will have this gentleman's support in some modification of that outlandish, outmoded rule.

Mr. CHARLES H. WILSON of California. Mr. Speaker, will the gentleman yield to me?

Mr. ROSTENKOWSKI. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. Charles H. Wilson).

Mr. CHARLES H. WILSON of California. May I say to the chairman I think we have had a very good bipartisan dialog here on the floor this afternoon on this subject. I would suggest that he take the record of the conversation, the discussion that has been held, and put it in his committee records when he starts the hearings on the proposed legislation to bring relief to the Members of Congress.

□ 1330

Mr. Speaker, it has been a bipartisan discussion, it has been a very temperate discussion, and I think that it would add greatly to the gentleman's committee records.

Mr. ROSTENKOWSKI. Mr. Speaker, I thank the gentleman from California (Mr. Charles H. Wilson) for his remarks, and I reserve the balance of my time.

Mr. SCHULZE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ROSTENKOWSKI. Mr. Speaker, I urge the passage of the legislation.

I have no further requests for time, and I yield back the balance of my time.

Mr. SPEAKER pro tempore. The question is on the motion offered by the gentleman from Connecticut (Mr. Cotter) that the House suspend the rules and pass the bill, H.R. 3091.

The question was taken.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 364, nays 4, answered "present" 22, not voting 42, as follows:

[Roll No. 57]

YEAS—364

Abdnor
Addabbo
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Bowen
Brademas
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conte
Conyers
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, S.C.
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Ferraro
Findley
Fish
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lehman
Lent
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Peyser
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Rudd
Russo
Satterfield
Sawyer
Scheuer
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Snyder
Solarz
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Taylor
Thompson
Traxler
Treen
Trible
Udall
Van Deerlin
Vento
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Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
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Ullman
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Vanik
Waxman

☐ 1345

The Clerk announced the following pairs:

Mr. Pepper with Mr. Conable.

Mr. Lederer with Mr. Frenzel.

Mr. Akaka with Mr. Rousselot.

Mr. Moorhead of Pennsylvania with Mr. Stockman.

Mr. Staggers with Mr. Lungren.

Mr. Santini with Mr. Evans of Delaware.

Mr. Jones of Tennessee with Mr. Robert W. Daniel, Jr.

Mr. Corman with Mr. Forsythe.

Mr. Diggs with Mr. Vander Jagt.

Mr. Flood with Mr. Shumway.

Mr. Breaux with Mr. Dougherty.

Mr. Guarini with Mr. Fisher.

Mr. Montgomery with Mr. Ullman.

Mr. Roberts with Mr. Runnels.

Mr. Rahall with Mr. Vanik.

Mr. Pickle with Mr. Waxman.

Mr. Mikva with Mr. Marks.

Mr. John L. Burton with Mr. Jones of Oklahoma.

Mr. de la Garza with Mr. Jenkins.

Mr. Brinkley with Mr. Nolan.

Mr. Gibbons with Mr. Kindness.

Mr. MOLLOHAN changed his vote from "nay" to "yea."

Messrs. LELAND, DIXON, LEWIS, HANCE, and BONER of Tennessee changed their vote from "yea" to "present."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

☐ 1710

PERSONAL EXPLANATION

Mr. AKAKA. Mr. Speaker, on rollcall No. 57, the vote to suspend the rules and pass the bill H.R. 3091, the extension of State Legislators Tax Treatment Act, I was unavoidably detained. Had I been present, I would have voted "aye."

Mr. Speaker, I ask unanimous consent that this request be printed immediately after the vote on H.R. 3091.

The SPEAKER pro tempore (Mr. DANIELSON). Is there objection to the request of the gentleman from Hawaii?

There was no objection.

CONFERENCE REPORT ON H.R. 2439, BUDGET RESCISSION BILL, 1979

Mr. WHITTEN. Mr. Speaker, I call up the conference report on the bill (H.R. 2439) to rescind certain budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96–46), transmitted pursuant to the Impoundment Control Act of 1974, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

(For conference report and statement, see proceedings of the House of March 20, 1979.)

The SPEAKER pro tempore. Under the new rule, clause 2(c), rule XXVIII, the conference report is considered as read and the unanimous consent request is not necessary.

The gentleman from Mississippi (Mr. WHITTEN) will be recognized for 30 minutes, and the gentleman from Massachusetts (Mr. CONTE) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN).

☐ 1350

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, we bring to you today the first conference report I have had the honor to present as chairman of the Committee on Appropriations, and the first to be acted on in the 96th Congress.

It is appropriate that it is a bill to reduce Federal spending—for in our action we will rescind $723,609,000 in funds heretofore appropriated and we do this with a minimum of dislocation.

Mr. Speaker, we have a great country, a rich country. We have more factories and farms, more paved highways, more improved rivers and harbors, more churches and schools, more automobiles and television sets, more and greater physical resources, more of the finer things in life than any nation in the world—but we do have problems.

We face a breakdown in law enforcement. We need to restore the desire to work, to restore confidence in the future, and avoid giving too much attention to the past as though we had reached the top and were on the way down spending billions of dollars to prevent change, change which frequently appears to be for the better. We must look forward and have the nerve to continue the development of our resources.

We need to stop the overregulation and strangulation of private enterprise. We need to eliminate waste.

Perhaps our greatest and most dangerous problem at this time, however, is our runaway inflation and it is on this problem that we must focus our efforts.

When we realize the dollar has depreciated in purchasing power 50 percent in the last decade, and is further depreciating in value at an estimated rate of 8 to 9 percent per year, we can easily see that if we follow our present course, in a very few years our money could be virtually valueless.

Some of this comes about as a result of the actions of the Congress. However, the expenditures of the private sector—labor and industry, where escalator clauses are common—total many times the total expenditures of the Federal Government. We are buying more abroad than we are selling.

□ 1355

But Federal spending does play a part, and it is Federal spending for which the Congress and the administration need to set the example and set the rules.

Some might be tempted to say that if the problem is so bad why does not the Appropriations Committee do something about it. But the truth of the matter is that in terms of budget authority, the Appropriations Committee handles only about 59 percent of the budget and of this amount some 25 percent is relatively uncontrollable under existing law. This has come about largely because of past fragmentation of the budget process.

But of the amount the committee does handle, for every year since World War II—35 years—appropriations have been well below the budget requests with one exception. And in that year, it was less than $400 million above the budget request. So it is evident, Mr. Speaker, the Committee on Appropriations has done its part.

To add to our present dangerous course, programs with 58 percent of the budget authority contained in the budget have built-in escalator clauses, which are adjusted automatically to keep up with inflation. In other words, additional inflation shall be added to match inflation—or double inflation—and one can see that is worse than no cure.

It should be obvious to nearly everyone concerned that we cannot ever hope to beat inflation simply by keeping up with it, by increasing expenditures. You do not beat inflation by simply adding to it. It is like trying to put out a fire with gasoline.

As I have pointed out, such an approach is not just limited to Federal programs, but is contained in many labor and business contracts.

The other portion of the budget—the 42 percent—is not protected by such automatic increases, and it is here that are contained many of the programs that add to the real and productive wealth of the country. To a large degree it is to these items in the budget that we must look for support for the economy.

□ 1400

Our ability to control spending is further hampered by the fact that some 76 percent of spending of the over half-trillion-dollar budget is relatively uncontrollable without a change in existing law. In 1973, the figure was 70 percent; in 1967, it was 59 percent. That is an incredibly high figure now and is accounted for in large part by the various "entitlement programs" that have been created in the past and the disproportionate growth of those programs compared to the rest of the budget.

All of this is aggravated by the fact that American dollars, once held abroad as a sort of security, with no gold or silver behind them, are being dumped into the market. Our lands, our banks, our other stocks, are being bought up by foreigners with our money. This is in addition to the tremendous number of dollars we are spending for oil from abroad.

Our economy is further hampered by the unbelievable regulations and court processes that the Congress and the courts have imposed—scattered around like confetti.

It is a formidable challenge which confronts the Nation. Inflation cannot be checked without everyone helping a little and sacrificing a little. Among other efforts, the Congress and the administration must strengthen the effort to reduce waste and inefficiency in the Federal sector through the reevaluation of programs and the regulations which govern their administration.

As important as Congress is in this effort, it cannot manage and administer the programs of the Government. Indeed, it should never try.

It is the executive branch, the administration, that must run the Government. It is only here that waste and inefficiency can be eliminated.

Congress must give the administration the proper tools, but the real job of efficiency management must be done by the executive branch itself.

I am hopeful that the Appropriations Committee will be able to reduce the President's budget requests that are before it. Additionally, working with the various authorizing committees and the leadership, I am hopeful that we can begin to limit the various entitlement programs and certainly be extremely cautious in creating new ones. And finally, I am convinced that we must gain control of those programs which contain uncontrollable provisions which themselves add to inflation, otherwise many will get more and more money which will buy less and less.

None of these efforts will be easy. But the goal of a stable, inflation free economy make them not merely worthwhile but necessary if we are to prevent a breakdown in our financial system.

In the first bill, which I handle here today as chairman of the Committee on Appropriations, we at least make a start but it will be only a start unless we correct the practices and patterns I have described.

My colleagues, we do have a rich country, a great country. Let us get busy and keep it that way.

SUMMARY OF RESCISSION BILL

Mr. Speaker, in summary, the conference report before the House recommends rescissions totaling $723.6 million compared to $908.6 million in the amended Presidential request. This represents congressional approval of 80 percent of the proposed rescissions.

The conference agreement is the same as the Senate bill and rescinds $17,740,000 more than the House bill. At this point, Mr. Speaker, I offer for the RECORD a table that summarizes action on those items in conference:

ITEMS IN CONFERENCE

	Proposed rescission	House	Senate and conference
1. Health resources:			
Capitation grants:			
Schools of medicine, osteopathy, and dentistry	−$58,700,000		−$24,000,000
Schools of veterinary medicine, optometry, podiatry and pharmacy	−9,094,000		−3,600,000
Nursing:			
Capitation grants	−30,000,000	−$10,000,000	−6,000,000
Special projects	−7,500,000	−7,500,000	
Student loans	−9,000,000		−9,000,000
Scholarships	−9,000,000	−3,500,000	
All other items not in conference	−44,599,000	−3,750,000	−3,750,000
Total, health resources	−167,893,000	−24,750,000	−46,350,000
2. Payment of Vietnam and U.S.S. Pueblo prisoner of war claims	−9,000,000	−9,000,000	−8,000,000
3. Small Business Administration: Salaries and expenses	[1] −14,665,000	−8,925,000	−6,065,000
Total, items in conference	−191,558,000	−42,675,000	−60,415,000

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[1] Does not reflect $6,000,000 reduction recommended by the President in his supplementary message of Mar. 15, 1979 (H.Doc. 96–75) as it was received after House and Senate action.

Other rescission items contained in the bill but not in disagreement in conference include: $600,000,000 for subsidized housing programs and $8,167,000 for new community assistance grants under the Department of Housing and Urban Development; $12,500,000 for Office of Education special projects; $3,127,000 for the Interior Department's helium fund; $37,000,000 for a child health research facility at the National Institutes of Health at Bethesda, Md.; and $2,400,000 for an administrative aircraft for the National Aeronautics and Space Administration.

Mr. Speaker, in conclusion, I would note that prior to this bill, Presidents have proposed 173 individual rescissions aggregating some $9.4 billion. The Congress has agreed in whole or in part to 59 of the proposals in the amount of $1.8 billion. In other words, the Congress has, prior to this bill, approved about 20 percent of the total dollar amount proposed for rescission by Presidents. The $723 million in rescissions in the pending bill represents about 80 percent of the total requested—a significant improvement over the past.

Mr. Speaker, I urge adoption of the conference report.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on H.R. 2439, the first budget rescission bill for fiscal 1979.

The President proposed rescissions of budget authority totalling $914.6 million for fiscal 1979. The House passed rescissions of $705.9 million, and the Senate passed rescissions of $723.6 million.

The conferees agreed on the Senate figure of $723.6 million, but the distribution of the rescissions differs from both the House and the Senate bills.

Even though the amount of budget authority recommended by the President for rescission is only a small fraction of the total budget authority approved and proposed to date for fiscal 1979, some of the proposals affected programs in the Department of Health, Education, and Welfare which receive strong and effective support from certain groups in the health and education community.

Many Members of the House—including myself—have supported these programs in the past, and could not support the full package of rescissions proposed by the President.

We worked very hard to reach a compromise which would retain adequate funding levels in those programs which we believe have been effective, and to support the President when we thought his arguments were persuasive.

To my friends who would approve more of the proposed rescissions, I point out that this conference agreement approves 79 percent of the rescissions proposed and considered to date for fiscal 1979, a higher percentage than any fiscal year since the passage of the Budget and Impoundment Control Act.

This is the 13th rescission bill which the committee has brought to the floor under the Budget and Impoundment Control Act.

In the previous 12 bills, Congress has considered rescissions of budget authority totaling $9.4 billion, and approved the rescission of $1.9 billion, or about 20 percent.

To my friends who think we have cut too much, I can only say that the President challenged us to review some of our past actions, and we gave his proposals full and fair consideration.

We agreed with the President where we thought he was right. And we disagreed with him when he did not make a convincing case.

The conference agreement is a reasonable and responsible compromise, and it deserves your support.

Mr. Speaker, at this point I would like to discuss some of the specific recommendations of the conference committee, and I will include tabular material following the close of my remarks.

I would like to say a few words about the HEW part of the rescission. As we all know, this was the most hotly debated part of this entire bill. The Senate differed from the House on several of the items at issue, and in general the House conferees agreed to the Senate version of the conference bill.

On the matter of nurse capitation and training, the House acceded to the Senate. For all of those who support nurses, this will be good news, since the Senate bill cuts only $15.75 million from nursing programs where the House bill had proposed reductions of $21.75 million. Although the Senate distributed the funds for nursing programs in a slightly different way than the House, I feel that most Members of this Chamber will readily accept this proposal.

On the matter of health capitation funds, the Senate cut a total of $24 million from schools of medicine, osteopathy, and dentistry, and $3.6 million from schools of veterinary medicine, optometry, podiatry and pharmacy, a total cut of $27.6 million where the House had proposed no reduction whatsoever.

At the conference on this bill, I and my colleague Congressman Joe Early raised the point that on March 6, after considerable debate, this Chamber had clearly expressed the view, by a vote of 262 to 139, that no funds should be rescinded for medical school capitation. I made the motion that the Senate figure of $24 million at least be halved to only $12 million. The will of the assembled conferees was not agreeable to this motion, and so it failed.

As all of my fellow Members are aware, the major battle over capitation funds will come in the fiscal year 1980 budget, where the President has called for zero funding for all health capitation programs. The debate on this issue is therefore sure to continue. I urge my fellow Members of the House to accept, albeit reluctantly, the reductions proposed here, knowing as we do that the major policy battle on this issue lies ahead of us.

Finally the Senate agreed to accede to the House on the matter of how the career education funds will be spent. The Senate agreed with the House that career education funds will be spent entirely at the elementary and secondary school level, and that none of these funds will be spent for postsecondary career education.

For the Small Business Administration, the conferees agreed to rescind $6,065,000. This is the same total as approved by the Senate; however, it is $2,860,000 less than the amount approved by the House.

Here, however, totals are deceptive. The conferees have actually agreed to rescind more of the President's proposal than the House did. The conference agreement rescinds $12,065,000 of the $14,665,000 proposed by the President. The President has sent a request to Congress for a $620,000,000 disaster loan supplemental to assist victims of winter storms, floods, and drought. The Senate proposed, and the conferees agreed, to retain $6,000,000 of the proposed rescission in SBA to administer these disaster loans. Therefore, even though the conferees agreed to rescind $12,065,000 of the items proposed by the President, the total amount rescinded is $6,065,000.

There are several other changes from the rescission approved by the House which are as follows:

The House approved a rescission of $2,000,000 for 7(j) contract assistance; the conferees approved $1,000,000. This program, which provided management training and support to assist small business entrepreneurs, has been expanded faster in fiscal year 1979 than the agency was effectively able to handle. The conference agreement will still allow the program to expand and hopefully help to produce a stronger, more viable small business community.

The conference agreement also includes three items not approved by the House: $1,290,000 for increased economic research; $1,100,000 for technical assistance centers; and $1,750,000 for acceleration of the procurement automated source system (PASS) into the district offices.

The conferees specifically agreed that the amount rescinded for economic research will not affect the $1,000,000 appropriated for establishing and maintaining an external economic data base one small business which is important for effective evaluation and management of SBA's programs. The rescission of funds for PASS and technical assistance centers will significantly affect these programs.

Another item in conference was the proposed rescission of $9,000,000 from the Foreign Claims Settlement Commission. The House approved the total amount. The Senate reduced it by $1,000,000 with the intention that the $1,000,000 be used to pay the salaries and expenses of the Commission for fiscal year 1980. This is purely a bookkeeping change since funds would have been appropriated for this in fiscal year 1980. The conferees agreed on the Senate figure.

RESCISSIONS CONSIDERED AND ENACTED, FISCAL YEARS 1975–78

Bills	Fiscal Year	Proposed	Enacted	Percent enacted
4	1975	$3,328,500,218	$391,295,074	11.8
3	1976	3,608,363,357	138,331,000	3.8
4	1977	1,835,602,000	1,271,040,000	69.2
1	1978	644,055,000	55,255,000	8.6
12	--------	9,416,520,575	1,855,921,074	19.7
1	1979	914,617,000	[1] 723,609,000	[1] 79.1

[1] Conference agreement.

Source: Minority staff, House Committee on Appropriations. Mar. 26, 1979.

☐ 1405

Mr. CONTE. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky (Mr. CARTER).

Mr. CARTER. Mr. Speaker, I strongly support the amendment proposed by the distinguished gentleman from Nebraska, Congressman CAVANAUGH, and I urge my colleagues to vote in favor of it.

The Cavanaugh amendment would recommit the conference report on the budget rescissions with instructions to disagree to the Senate amendment that would rescind $46.35 million from appropriations for the Health Resources Administration programs.

I believe this amendment should be adopted because it seeks to restore the intent of the House as expressed just a few weeks ago.

As you recall—on March 6—the House approved the rescission bill with an amendment by Congressman STAGGERS.

That amendment restored capitation funds to schools of medicine, osteopathy, and dentistry so that no funds would be rescinded from the 1979 appropriations for these schools throughout the country.

The Staggers amendment was approved by a wide margin of 262 to 139 and with that vote the House clearly went on record as opposing any rescissions in the capitation program.

Moreover, neither the House Appropriations Committee nor the full House ever agreed to funding cuts in capitation for schools of veterinary medicine, optometry, podiatry, or pharmacy.

But despite the clear intent of the House in opposing capitation funding cuts the House conferees agreed to the Senate rescission figures for health resources programs.

In other words, the conferees agreed to rescind $24 million from capitation for schools of medicine, osteopathy, and dentistry, and $3.6 million from schools of veterinary medicine, optometry, pharmacy, and podiatry.

I regret this action very much, Mr. Speaker, but the House conferees have disregarded the clear intent of the House with regard to capitation.

And as many Members stated on the floor a few weeks ago the Congress has a commitment to our Nation's health professions schools for the funds that have already been appropriated. It would be neither fair nor responsible on our part to suddenly rescind these funds.

In closing, Mr. Speaker, I urge favorable consideration of the Cavanaugh amendment so that the conferees will have an opportunity to restore the capitation rescissions to a level that is consistent with the majority will of this House.

Thank you, Mr. Speaker.

☐ 1410

Mr. CONTE. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, the Labor-HEW chapter is, of course, the most controversial portion of the bill, and it is noteworthy that for the first time in my recent memory, the Senate actually came in at a lower spending level in this area of activity than did the House.

As you will recall, the administration proposed a $227 million rescission in HEW expenditures. The House approved $74,250,000 of the rescission, and the Senate increased that to $95,850,000.

The conference went along with the Senate dollar figures in this regard, and we did so because the Senate figures seemed to be reasonably reflective of the general sentiment in the House. You will recall that the Staggers amendment adopted on the House floor restored $20 million to the health capitation grant program and $17 million to several nursing programs, but the big concern during the floor debate seemed to be over the rescissions in the nursing programs.

The conference report contains a $27.6 million rescission in health capitation grants, for medical, dental, and veterinary schools, but provides $6 million in additional spending for nurses, over and above the increases contained in the Staggers amendment.

Breaking this down among individual programs, the conference report rescinds only $6 million from the nursing capitation grant program, compared with the $10 million rescission in the House bill. Our bill would have rescinded $7.5 million in nursing special projects, but the conference report provides for no rescission. The report rescinds none of the nursing scholarship moneys, compared to the House rescission of $3.5 million.

Only for nursing student loans does the conference report provide a greater rescission than the House bill, $9,000,000 versus zero, but counting the moneys in the revolving fund, this will still leave available $23 million for nursing loans. The feeling was that with the major expansion of the guaranteed loan program voted last year, coupled with all the other Federal student aid programs we have available, there are plenty of opportunities open to nursing students to receive assistance.

In summary, then, for nursing, the President requested an $84 million rescission for nursing programs; our Appropriations Committee provided a rescission of $8.9 million; the full House reduced that to $21.7 million; and the conference report provides a rescission of just $15.7 million.

Regarding the rescission for the medical, dental, and veterinary school capitation grants, it should be kept in mind that the $27.6 million rescinded in the conference report is less than half of the $67.8 million rescission proposed by the President. We approved the amount we did because the program is not dealing with the maldistribution problem and because the amount is so small in an overall sense that these schools ought to be able to absorb it.

As an example, capitation grants represent only 3 percent of medical school non-Federal operating cost expenditures. This rescission's net effect on medical school budgets is just six-tenths of 1 percent. If schools are talking about major tuition increases because of this rescission, they are doing so only as a scare tactic, because there is no budgetary basis for any significant increases in tuition.

One final item in the report, both the House and Senate bills contained a $12.5 million rescission for career education, leaving $20 million available to launch this new program. The House earmarked the entire $20 million for elementary and secondary education, while the Senate earmarked a portion for higher education. The Senate receded in this regard, so the entire amount will be allocated to elementary and secondary education.

In conclusion, I think we could have rescinded more moneys than what the conference report provides, but the report does go further than the House bill, and at the same time adjusts the reductions to bring them more in line with the general sentiment in the House. In that respect, it is a good report, and I urge its adoption.

One final thing. I think our action on this rescission bill ought to serve as a signal to the authorizing committees, a signal that they ought to be restructuring these programs to bring them more in line with what Congress has actually been appropriating and not at amounts designed to appeal to every special interest that comes down the pike.

The vetoed nursing bill last year contained authorization levels nearly twice the amounts Congress has been appropriating. The same is true regarding the other health manpower programs. Heretofore the responsibility for spending restraint has fallen upon the Appropriations Committee. It is high time for the authorizing committees to begin sharing that responsibility.

Mr. CONTE. Mr. Speaker, I have no further requests for time.

Mr. WHITTEN. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska (Mr. CAVANAUGH).

Mr. CAVANAUGH. Mr. Speaker, I am prepared to offer a motion to recommit the conference report accompanying H.R. 2439, the budget rescission bill of 1979, to conference with instructions to disagree with Senate amendment No. 1, which relates to health resources.

My motion seeks to reduce the rescission approved by the conference to the $24,750,000 figure previously approved by the House by restoring $21.6 million of the health resources capitation grants without further affecting the budgetary status for nurse training funds.

☐ 1415

Mr. Speaker, we will have a difficult parliamentary procedure here in that I understand that the minority will offer a motion to recommit without instructions. In order to support my motion to recommit, and to reinstate the health capitation funds, Members will have to vote to defeat the motion on the previous question of the Republican motion to recommit in order to allow the parliamentary situation for my motion to be considered in order.

Mr. Speaker, I respect the aspiration and commitment of the President and the Appropriation Committee to reduce Federal expenditures and obligations in an all out effort to reestablish fiscal responsibility in the Federal Budget. I commend the Appropriation Committee for their sincere commitments to reduce spending and eliminate wasteful and unjustifiable expenditure of taxpayer's money. I share those goals and commitments and will be working throughout this Congress to support the appropriation committee in this effort. However, the work of this conference committee is not a justifiable application of this goal.

The most important point to be made when discussing the health professional capitation grant program is that this is a Federal program that has worked. This program was begun in 1973 to address the critical problem of assuring that an adequate number of trained health care professionals would be available to service the health needs of our people. The program has been an unquestioned success. It has provided the incentive necessary for the academic institutions to increase their programs and enrollment. The goal of the Congress in establishing the health profession capitation grant program was to assure that the health care needs of the American people could be met by providing the resources necessary to increase the number of trained health professionals needed to meet the demands of a growing population and the continuing promise of offering a higher quality of health to every American. This program has worked.

Without these added enrollments and the resulting increase in the number of trained health professionals available to meet the needs of our people not only would the quality and availability of health care have declined drastically but the cost of health care would have increased at rates even more dramatic and destructive than we have experienced the past 5 years.

As the General Accounting Office concluded in its report of May 16, 1978.

> Federal capitation support—while only a minor part of medical school revenues—has played an important role in medical education. The flexible nature of Federal capitation support has allowed medical schools to initiate innovative learning experiences for medical students and promote the training of primary care physicians.

Later this year we will be taking up measures to curb the increasing cost of health care. One of these measures calls for a limitation upon the increase of hospital costs by cost containment. I am convinced that one of the reasons that health care costs have not expanded further than they have is the extent to which capitation funds have increased the availability of physicians and other health care professionals.

Mr. Speaker, I think the other critical issue at test here is the commitment of the Congress with respect to this program. Last year, we continued the appropriation for capitation by a vote of 338 to 61, and it was only 3 weeks ago that this House reaffirmed its commitment to the continuation of this program by a vote of 262 to 139. I do not believe that there is any Member of this House who voted either last year among the 338 or among the 262 3 weeks ago who can justifiably now turn his back on this proposal.

Mr. Speaker, I will include at the conclusion of my remarks the remarks of Chairman STAGGERS, whose amendment it was that we adopted 3 weeks ago affecting the continuation of the funding for the health resources administration capitation grants. The chairman would be here today to offer these amendments were that possible, but he unquestionably supports my motion, which I hope will enjoy the support of those Members of the House who previously stood behind this very necessary program.

□ 1420

Mr. WHITTEN. Mr. Speaker. I yield myself such time as I may consume.

Mr. Speaker, there are several facts which, I think, should be made more clear.

First, may I say that this capitation program which has been funded takes place next fall, so no commitment has been made as of now. Again, it is next fall.

May I say further that the total amount here is four-tenths of 1 percent of the amount received and spent by a medical school, and it is 1.2 percent of the total that they would receive from the Federal Government.

I might also call attention to the fact that in the President's budget there is no recommendation for continuation of this program.

Mr. Speaker, our committee has worked this matter out, and we do not think it works any undue hardship on anyone.

Mr. CAVANAUGH. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Speaker, I thank the chairman for yielding.

What the chairman says is true. These funds will be committed for the academic year beginning this fall. However, I think the chairman is well aware and Members of Congress are well aware that the commitment for those programs has been made now. The admissions are extended and committed at this point, and the faculty has been hired and committed at this point.

However, the critical point, I think, Mr. Speaker, is that the Congress last year and this Congress 3 weeks ago committed itself to a continuation of the funding for this program.

I think the chairman is right to point out that there is no commitment by the Congress for future years, and certainly in these times of fiscal restraint we are going to see a total review of all programs.

However, Mr. Speaker, the point I would like to make is that we have made this commitment already, and to renege on it now is unjustified.

I thank the chairman for his indulgence.

Mr. WHITTEN. Mr. Speaker, I would differ with my colleague a little bit in the fact that he believes there has been a commitment already made. There was nothing in the budget which came out 2 months ago for the coming year. Certainly if any schools went ahead and made commitments in light of that, I think they would be moving a little hastily, but I do say that this is an example of what we will be faced with this session and next session. There is not a single item which comes before any committee that I know of in which some of our friends are not interested.

Since this program will take effect next fall, if we cannot hold back a little bit here, where can we hold back, since the dollar has depreciated 50 cents since 1967 and since 28 States have asked us to have a Constitutional Convention so as to require us to stay within the budget?

Mr. Speaker, I think that if we cannot cut under those circumstances, I pity our future, because it looks rather bleak.

Mr. Speaker, I reserve the balance of my time.

Mr. CONTE. Mr. Speaker, I have no further requests for time.

● Mr. STAGGERS. Mr. Speaker, on March 6, 1979, the House of Representatives, by an overwhelming vote of 262 to 139, voted to completely restore rescissions proposed in the area of capitation grants to schools of medicine, osteopathy, and dentistry. Today we are being asked to vote on a conference report which proposes rescissions in this area in excess of those earlier rejected by my colleagues and on an additional rescission in capitation grants to schools of veterinary medicine, optometry, podiatry and pharmacy which was not even considered by this body. I sincerely hope that the Members of the House will once again reject these proposals and support the motion of my colleague, the gentleman from Nebraska (Mr. CAVANAUGH).

Mr. Speaker, as I have noted before, the many health professionals of this Nation contribute to our individual and collective well-being on a daily basis. Each of us is indebted in some way to the health community which serves us all. And, in like fashion, we have an obligation to our fellow citizens to assure that an adequate supply of well-trained, highly competent health professionals continues to be available to all those in need.

As chairman of the Committee on Interstate and Foreign Commerce, the committee with authorizing jurisdiction in the area of health manpower, I urge this body not to accept such deep cuts in health manpower training funds at this time. With the greatest respect for my colleagues on the Appropriations Committee who share my concerns for a reduction in the budget deficit and for precise targeting of Federal funds on areas of greatest need, I submit that the rescissions proposed today are, at best premature, and should not be accepted in their totality. As you know the entire health manpower issue will be reexamined by our committee early in this Congress. Until that comprehensive review can be made by the Subcommittee on Health and the Environment, wholesale rescissions in the nature of those before us today simply should not be accepted.

Mr. Speaker, I urge my colleagues to support the motion to recommit.●

Mr. WHITTEN. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

MOTION TO RECOMMIT OFFERED BY MRS. SMITH OF NEBRASKA

Mrs. SMITH of Nebraska. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentlewoman opposed to the conference report?

Mrs. SMITH of Nebraska. I am, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mrs. SMITH of Nebraska moves to recommit the conference report on the bill H.R. 2439, to the committee of conference.

Mr. WHITTEN. Mr. Speaker, I move the previous question on the motion to recommit.

The SPEAKER pro tempore. The question is on ordering the previous question.

Mr. CAVANAUGH. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 225, nays 177, not voting 30, as follows:

[Roll No. 58]

YEAS—225

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Ill.
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bereuter
Boggs
Bolling
Boner
Bonker
Bowen
Brademas
Brooks
Broomfield
Brown, Ohio
Burgener
Burlison
Butler
Byron
Campbell
Carney
Cheney
Clinger
Coelho
Coleman
Collins, Tex.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Danielson
Dannemeyer
Davis, Mich.
Deckard
Derrick
Derwinski
Devine
Dicks
Dingell
Dixon
Dornan
Duncan, Oreg.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Evans, Ga.
Fary
Fenwick
Findley
Flippo
Florio
Foley
Ford, Mich.
Frost
Gaydos
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gradison
Grassley
Grisham
Guyer
Hagedorn
Hamilton
Hansen
Harsha
Heftel
Hightower
Hillis
Hinson
Holt
Hopkins
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kostmayer
Kramer
Lagomarsino
Latta
Leach, La.
Lee
Lehman
Lent
Lewis
Long, La.
Long, Md.
Lott
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
Madigan
Marlenee
Marriott
Mathis
Matsui
Mattox
Mazzoli
Michel
Miller, Ohio
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nelson
O'Brien
Obey
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pickle
Price
Pursell
Quayle
Railsback
Ratchford
Regula
Rhodes
Ritter
Robinson
Rose
Rostenkowski
Roth
Rousselot
Rudd
Russo
Sabo
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shumway
Shuster
Simon
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
St Germain
Stangeland
Stanton
Steed
Stenholm
Stewart
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Trible
Vento
Walker
Watkins
Whitehurst
Whitten
Williams, Ohio
Wilson, Tex.
Wirth
Wolpe, Mich.
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Zablocki
Zeferetti

NAYS—177

Abdnor
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Bailey
Baldus
Barnard
Barnes
Bedell
Beilenson
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bonior
Bouquard
Brinkley
Brodhead
Brown, Calif.
Broyhill
Buchanan
Burton, John
Burton, Phillip
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Collins, Ill.
Conyers
D'Amours
Daniel, Dan
Daschle
Davis, S.C.
Dellums
Dickinson
Dodd
Donnelly
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Ertel
Evans, Ind.
Fascell
Fazio
Ferraro
Fish
Fithian
Ford, Tenn.
Fountain
Fowler
Fuqua
Garcia
Gephardt
Gore
Gramm
Gray
Green
Gudger
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Holland
Hollenbeck
Holtzman
Horton
Howard
Jacobs
Jeffords
Jenrette
Jones, N.C.
Kildee
LaFalce
Leach, Iowa
Leath, Tex.
Leland
Levitas
Livingston
Lloyd
Loeffler
Lowry
Lujan
McKinney
Maguire
Markey
Martin
Mavroules
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moore
Mottl
Murphy, Pa.
Myers, Ind.
Myers, Pa.
Neal
Nedzi
Nichols
Nolan
Nowak
Oakar
Oberstar
Ottinger
Perkins
Peyser
Preyer
Pritchard
Quillen
Rangel
Reuss
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Roybal
Satterfield
Scheuer
Schroeder
Seiberling
Shannon
Shelby
Skelton
Solarz
Spellman
Stack
Stark
Stokes
Studds
Traxler
Treen
Udall
Van Deerlin
Volkmer
Walgren
Wampler
Waxman
Weaver
Weiss
White
Whitley
Whittaker
Williams, Mont.
Wilson, Bob
Winn
Wolff, N.Y.
Wyatt
Young, Fla.
Young, Mo.

NOT VOTING—30

Breaux
Conable
Daniel, R. W.
de la Garza
Diggs
Dougherty
Evans, Del.
Fisher
Flood
Forsythe
Frenzel
Gibbons
Guarini
Jones, Okla.
Lederer
Lungren
Marks
Mikva
Montgomery
Pepper
Rahall
Roberts
Runnels
Santini
Staggers
Stockman
Ullman
Vander Jagt
Vanik
Wilson, C. H.

□ 1440

The Clerk announced the following pairs:

On this vote:

Mr. Pepper for, with Mr. Lederer against.

Mr. Guarini for, with Mr. Dougherty, against.

Mr. Staggers for, with Mr. Roberts against.

Mr. Conable for, with Mr. Breaux against.

Mr. Vander Jagt for, with Mr. Runnels against.

Mr. Santini for, with Mr. Evans of Delaware against.

Mr. Diggs for, with Mr. Marks against.

Until further notice:

Mr. Robert W. Daniel, Jr., with Mr. Forsythe.

Mr. Charles H. Wilson of California with Mr. Frenzel.

Mr. Flood with Mr. Lungren.

Mr. Gibbons with Mr. Montgomery.

Mr. de la Garza with Mr. Stockman.

Mr. Rahall with Mr. Vanik.

Mr. Ullman with Mr. Jones of Oklahoma.

Mr. Fisher with Mr. Mikva.

Messrs. JOHN L. BURTON, ANNUNZIO, BETHUNE, and LIVINGSTON, Mrs. HECKLER, Messrs. YOUNG of Missouri, WALGREN, SATTERFIELD, ANDREWS of North Carolina, and BEVILL, Mrs. SPELLMAN, and Messrs. FUQUA, ANDERSON of California, DAN DANIEL, WINN, HARKIN, LUJAN, PRITCHARD, and NEDZI changed their vote from "yea" to "nay."

Mr. KINDNESS and Mr. McCLORY changed their vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

□ 1445

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on H.R. 2439, and that I may be permitted to include extraneous material on behalf of the Committee on Appropriations.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR ESTABLISHMENT OF SELECT COMMITTEE ON OUTER CONTINENTAL SHELF

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report

(Rept. No. 96–73) on the resolution (H. Res. 53) providing for the establishment of a Select Committee on the Outer Continental Shelf, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION TO AMEND RULES OF THE HOUSE OF REPRESENTATIVES TO PERMIT SELECT COMMITTEE ON INTELLIGENCE TO VOTE TO CONDUCT CERTAIN HEARINGS

Mr. BEILENSON, from the Committee on Rules, submitted a privileged report (Rept. No. 96–74) on the resolution (H. Res. 165) to amend the Rules of the House of Representatives to permit the Permanent Select Committee on Intelligence to vote to conduct certain hearings in executive session, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 2729, AUTHORIZING APPROPRIATIONS TO THE NATIONAL SCIENCE FOUNDATION

Mr. BEILENSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 179 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 179

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2729) to authorize appropriations for activities of the National Science Foundation, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from California (Mr. BEILENSON) is recognized for 1 hour.

Mr. BEILENSON. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Illinois (Mr. ANDERSON), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 179 provides for the consideration of H.R. 2729 authorizing appropriations for the National Science Foundation for fiscal year 1980. It is a simple, open rule allowing 1 hour for general debate. The time is to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology. When the bill is read for amendment under the 5-minute rule, any germane amendment would be in order.

Mr. Speaker, H.R. 2729 authorizes a total of $1,013,500,000 for fiscal year 1980 for the National Science Foundation programs and activities. Of this amount, $6 million in foreign currencies is made available for NSF research and science information activities overseas. Additional amounts over those requested by Gresidus are allocated for a few specific programs including earthquake hazards and reduction, research to aid the handicapped, and assistance for State technology programs.

The bill as reported from the Committee on Science and Technology shifts the emphasis on a few NSF programs, but cuts funding in other categories to keep the total budget within 1 percent of the President's request. The committee recognizes the need for increased funding for basic research but concurs with the President's viewpoint that budget restraints preclude a larger investment at this time.

Mr. Speaker, I am not aware of any controversy on the rule, and I urge my colleagues to adopt House Resolution 179 so that we may proceed to the consideration of H.R. 2729, the National Science Foundation authorization bill for fiscal year 1980.

☐ 1450

Mr. ANDERSON of Illinois. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, House Resolution 179 is a simple, 1-hour open rule providing for the consideration of H.R. 2729, the National Science Foundation authorization for fiscal year 1980. The rule contains no waivers or special provisions, and, as far as I know, there is no opposition to this rule. It was reported from the Rules Committee on a voice vote.

H.R. 2729, the bill this rule would make in order for consideration, authorizes roughly $1 billion for the National Science Foundation in fiscal 1980, including: $293.4 million for mathematical and physical sciences and engineering; $241.5 million for astronomical, atmospheric, Earth and ocean sciences; $172.2 million for biological behavioral and social sciences; $86.2 million for science education; and $70.9 million for applied science and research applications. This authorization represents a $7.5 million increase over the President's request and a $79.1 million increase over the fiscal 1979 authorization. This bill was reported from the Science Committee on a voice vote.

Mr. Speaker, I urge adoption of this rule.

Mr. Speaker, I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous matter on the bill, H.R. 2729.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

☐ 1455

Mr. BROWN of California. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2729) to authorize appropriations for activities of the National Science Foundation, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. BROWN).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2729, with Mr. STRATTON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from California (Mr. BROWN) will be recognized for 30 minutes, and the gentleman from New Jersey (Mr. HOLLENBECK) will be recognized for 30 minutes.

The Chair recognizes the gentleman from California (Mr. BROWN).

Mr. BROWN of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I intend to describe the main features of this bill for Members, but before I do I would like to thank the gentleman from Florida (Mr. FUQUA), chairman of the Science Committee, and the committee's minority leader, the gentleman from New York (Mr. WYDLER) for the example they set for cooperative and constructive leadership.

I would also like to thank members of the Subcommittee on Science, Research, and Technology—particularly the ranking minority member, Mr. HOLLENBECK—for their work in preparing this bill.

Mr. Chairman, the largest part of the Foundation's effort to support and promote science and science education goes into supporting basic research. But this is not the whole of its mission. The Foundation also has a clear mandate to support and strengthen science education at all levels, to support applied research for the general welfare, and to foster the international exchange of science information. The bill that is before the House provides a total of $1 billion, $13½ million for these purposes. That sum represents a modest increase—less than 1 percent—on the President's request for NSF. The net increase of $7½ million consists of four increases totalling $13 million in particularly important programs, partly balanced by a $5½ million decrease from the request for basic research. The first increase is $4½ million for implementing a program in appropriate technology, planned by NSF, but passed over by OMB.

The second increase is $4½ million for the earthquake hazards mitigation program. The NSF request was for $18.3 million, but the requests for the portions of the program which support studies of earthquake-resistant structural design and earthquake hazards mitigation policy were inadequate. The committee, therefore, recommended an increase in these portions, raising the total program to $22.8 million.

The third increase is $3 million for implementing, on a competitive basis, about half of the plans States developed in the first phase of the State science, engineering, and technology program. These plans are for science resource services needed by the Governors and legislatures. The States will fund at least a third of the cost.

The fourth increase is reflected in the proposed committee amendment to section 2 of the bill. The amendment adds $1 million to the budget for applied science and research applications and specifies that this additional sum is for the program in science and technology to aid the handicapped. NSF's request for the handicapped program was $1.8 million, and the committee recommends increasing it to $2.8 million. There is one other amendment proposed by the committee. It merely corrects an incorrect citation to the NSF Act of 1950 in section 7 of the bill.

Mr. Chairman, in considering the total dollar sum authorized by this bill, it is important to take inflation into account. For some years, and especially between 1968 and 1977, the budget for the National Science Foundation grew at a pace that was slower than the rate of inflation. The real amount of work that could be done with that money kept getting smaller. The downtrend was finally halted in 1977 when Congress approved an increase large enough to offset inflation. In the next 2 years, 1978 and 1979, the appropriations allowed 9 to 10 percent growth which, at that time, was comfortably above the rate of inflation.

Because of this growth, some gains were made toward restoring the Foundation's program capacity, but the real gain was still less than the budget and inflation rates show. You see, in that period, Mr. Chairman, other Federal agencies were cutting down on basic research and some were transferring certain spending obligations to the Foundation. In fiscal year 1977 the Energy Research and Development Administration reduced its programs in basic nuclear physics research. Support of the Sacramento Peak Observatory was transferred from the Air Force to NSF and, almost at the same time, the Navy and the Coast Guard, which service the U.S. Antarctic program, transferred the last $7 million per year increment of their logistic support to NSF's budget. The result was that some of the increases in the Foundation's budget did not increase the Nation's basic science activity.

This year, the Foundation's original budget request intended to provide for about a 2 percent real increase above the rate of inflation, assuming anti-inflation measures would hold the inflation rate to about 7½ percent. However, prices and wages are now increasing faster than that and low estimates suggest that the rate may reach or exceed 10 percent before this new NSF budget goes into effect.

The $1,013,500,000 provided in this bill for 1980 is approximately 9 percent over the budget for 1979. At this rate, it appears that we are still struggling, and perhaps unsuccessfully, just to keep the Foundation's program level constant.

There are, and I suppose always will be, differences of opinion over a proper balance among the several functions of the National Science Foundation. Each year, issues arise between the Foundation, its advisors and its overseers, including the Congress, concerning what the Foundation is doing, how it should be doing it, and, either directly or by implication, how the balances should be struck. This year is no exception. A number of issues are discussed in the committee report and many of them stem from the problem of balancing mission goals, although that problem is sometimes subtly buried in the nature of the issue. I would like to explain that relationship instead of discussing each individual issue and each recommendation made by the committee.

Two basic themes may be uncovered in many of the issues I refer to: They have something to do with—

First. The competition for program emphasis between basic research and research applications; and

Second. The competition for program emphasis between science education and the practice of science, research, and technology.

The committee's actions on most issues have been guided by the belief that the interaction between science education, the pursuit of scientific discovery, and the useful application of scientific knowledge is too valuable to be slighted. The three functions of science education, basic research, and research applications, generally competing for emphasis and budget dollars, are mutually supporting in their effect on each other's product. For this reason, it is important that NSF promote their mutual support as well as the functions themselves. The committee believes that if the Foundation's programs are well linked in each of these three areas, we will have a healthy and continuing supply of fresh, well-trained talent, a vigorous and free-ranging research establishment, and an economically invigorating flow of products and ideas for the betterment of our people. Furthermore, if the job is done well, the people themselves, nonscientists and scientists alike, will have sufficient basic appreciation of the capabilities and limitations of science and technology to make wise decisions in public investment and public policy on the many matters on which science has a bearing.

Mr. Chairman, earlier I mentioned committee changes to the original budget plan submitted by the administration. In addition to those changes, which are reflected in the bill, the committee recommended some internal adjustments that would affect slightly how certain directorates spend their funds, but not requiring any changes in their total funding. One of those actions specified that the National Center for Atmospheric Research should be allowed to continue its studies of the societal impacts of weather, climate, and their modification.

Another adjustment increased the materials program in the mathematical, physical, and engineering sciences directorate by $2 million. This was to relieve a decrease in basic materials research resulting from a new emphasis by the administration on microelectronics and microfabrication. The committee believed that materials studies affecting advanced energy technology, metal corrosion or scarce materials substitution should not pay for that emphasis.

In addition to adjustments requiring specification of funds, the committee expressed a number of views on important issues. I have picked out a few to mention here. One concerned the advisability of less frequent authorizations, on a 2-year instead of annual basis. The others are typically centered around either science education or applied research and innovation.

It was the committee's belief that not all of NSF's efforts to link research and researchers to industrial innovation and productivity should be empirical trials of merely plausible schemes. Some effort should be specifically devoted to improving our knowledge of the innovation process and its requirements and conditions so that it can be more reliably stimulated. Since technically strong and financially healthy schools often have important two-way connections with industry, improving our knowledge of this avenue may point the way for smaller schools as well. In this single example, we see the clear linkage of science, education, and economic benefit. I bring it to your attention because it illustrates the inference made earlier, that these functions may all be mutually supportive and interdependent. Since they are all within the NSF's mandate, it seems important that NSF consider the interdependency more consistently and more aggressively in its program planning.

The other issues I would like to mention all explicitly involve science education. All of them hinge on the Science Foundation's perception of its role in science education. The Foundation has a clear mandate to support and promote science education at all levels, without concentrating unduly on specific schools, specific levels, or specific geographic areas.

What is less clear and deserves special encouragement is that science education provides important opportunities for NSF to support, promote, and strengthen science generally. For instance, there is the fact that most of the Nation's basic research is conducted in colleges and universities. If decreasing enrollments lead to smaller faculties, the ability to carry on our current levels of research will shrink unless countersteps are taken.

This problem is linked to the parallel problem of what to do with young scientists who are finding teaching jobs unavailable. Since we have a decreasing need for teaching faculty, but need to maintain at least a constant level of research, some new means must be found to reduce the dependency of research opportunities on teaching activities.

Woven throughout many of the issues of science education, there is the special situation of smaller colleges and universities. As their financial condition gets worse through a combined loss of enrollments and a rise in operating costs, it becomes even less possible for them to shoulder the burden of paying the salary portion of an instructor's time devoted to research, or for them to pay for the periodic retraining and upgrading so necessary to keep science faculty up to date in research methods and new results. Programs that deal directly with such problems in the smaller colleges offer unique opportunities for the Science Foundation to insure that this important national resource continues to serve the Nation through science.

That concludes my remarks, Mr. Chairman.

Mr. Chairman, I would be delighted to yield such time as he may consume to the gentleman from Florida (Mr. FUQUA), the chairman of the full committee, at this point if he would like to make any explanatory remarks.

Mr. FUQUA. Mr. Chairman, I appreciate the gentleman's yielding.

Mr. Chairman, the National Science Foundation bill we are considering today is a nonpartisan bill, voted unanimously out of the Committee on Science and Technology. Members on both sides of the aisle have been active in perfecting this bill and in formulating the views adopted by the committee in its report. I would like to express my appreciation to the gentleman from New York (Mr. WYDLER), ranking minority member of the Committee on Science and Technology and the gentleman from New Jersey (Mr. HOLLENBECK), ranking minority member of the Subcommittee on Science, Research and Technology. The committee's actions and recommendations regarding this bill owe much to the support and guidance of these gentlemen.

I particularly would like to congratulate the gentleman from California (Mr. BROWN), chairman of the Subcommittee on Science, Research and Technology, which reported the bill. He has cultivated a particularly high degree of membership participation in subcommittee activities, which I applaud.

The authorization bill before us (H.R. 2729) emerged from an extensive review of the National Science Foundation, its programs, and its budgt requests for fiscal year 1980. It also benefitted from the year long oversight maintained over the Foundation by segments of the Committee on Science and Technology.

The committee bill authorizes a total of $1,013,500,000. This is slightly larger than the budget submitted by the President, the increase being less than 1 percent of the request. These funds are authorized for the support of basic and applied scientific research in all areas of science and for the support of science education. Most of the money will be used for grants and contracts with colleges and universities for research and education. The funds authorized by this bill represent an investment in the Nation's future, for without basic research and science education today, we cannot expect a better life tomorrow.

In preparing his budget request for the National Science Foundation, the President made a conscious policy decision to press for an increase in the level of basic research activity funded by the Federal government between fiscal year 1979 and fiscal year 1980.

The President's policy is supported by the Committee on Science and Technology, and that support is reflected in committee action on the bill. Despite the committee's support, it now appears that inflation will be so large that there will be little, if any, increase in the level of scientific activity provided by the bill. I hope that does not happen.

To conclude, Mr. Chairman, this is a good bill, aimed at providing adequate scientific research and education for the Nation, and I urge Members to vote for it.

Mr. Chairman, committee oversight activities of the past year included staff attendance at NSF meetings of various sorts, including those of the NSF advisory and planning bodies, inspection of NSF facilities, congressional research service studies, GAO studies, review of NSF publications, and a considerable amount of correspondence and informal discussion between committee members and staff and NSF representatives.

I would like to give an overview and point out the major features of the authorization bill.

The administration's bill would have authorized an appropriation of $1 billion, plus an additional $6 million in excess foreign currencies. The committee bill authorizes a total of $1,013,500,000. This total is apportioned among the NSF programs and divisions, as shown at the top of page 2 in the committee report:

Mathematical and physical sciences and engineering	$293, 370, 000
Astronomical atmospheric earth, and ocean sciences	241, 470, 000
U.S. Antarctic program	55, 000, 000
Biological, behavioral, and social sciences	172, 160, 000
Science education	86, 200, 000
Applied science and research applications	70, 900, 000
Scientific, technological, and international affairs	28, 800, 000
Program development and management	59, 600, 000
Special foreign currency	6, 000, 000
Total	1, 013, 500, 000

An addition of $7½ million is the net result of a number of committee actions that were taken on the President's budget. Their purpose was to bolster investments in research applications and in science education, which are areas that have historically been downgraded in the administration's NSF budget preparation. Funds for these areas were obtained by adding about seven-tenths of 1 percent to the President's budget total and by shifting a little less than eight-tenths of a percent of the funds originally requested for basic research directorates. The $13 million freed up was applied as follows:

First, $4½ million was applied to restore one-half of a $9 million cut imposed by the last appropriation act for NSF in the ASRA program of earthquake hazards mitigation. The cut halved NSF support for structural design and reinforcement procedures to upgrade earthquake resistance of existing buildings, and almost eliminated policy studies that would assist society to adjust to, or recover from, earthquakes and other natural catastrophes. The appropriation report anticipated that this work would be done in the National Bureau of Standards, the Federal Preparedness Agency, and the Defense Civil Preparedness Agency, but that does not turn out to be the case. The Bureau of Standards was relying on funds from the NSF, and the other two agencies will not be doing the work that NSF would have supported. Both NSF and outside witnesses made it clear to the committee that those program elements are essential because without them we will incur much greater costs as well as other unnecessary and tragic consequences in earthquakes yet to come.

The second activity to be specifically funded by the bill is the State science, engineering and technology program. This program, started at the initiative of Congress in fiscal year 1977, was to assist State legislatures and State executives to set up sources of scientific and technical advice needed in their decisionmaking processes. As with Federal policymaking, there is an increasing need for input at the State level of scientific expertise. More and more, decisions affecting public health, environmental integrity and productivity, and a host of other vital areas hinge on scientific and technical knowledge requiring the assistance of technical specialists. Under the federally sponsored program the majority of States have contributed at least a third of the funds and have conducted science advisory development projects. The committee put $3 million into the bill, which had omitted any funding, to allow implementation of about one-half of the State plans, on a competitive basis. As before, the Federal share of the program will not exceed two-thirds of the total cost.

The third funding change made by the committee bill was directed to the appropriate choice and use of alternative technologies in meeting individual and community needs. In the 1970's, the environmental movement and the oil embargo joined the host of factors that were reminding us to start thinking about ecological balance and the finiteness of the world's resources. Currently, we are recognizing that the concept of appropriate technology can be developed to address simultaneously many local economic, environmental and resource problems in better ways that are responsive to local priorities and local capacities to cope with these problems.

At the committee's request, the Science Foundation prepared a program plan in appropriate technology, with full public participation in the plan's formulation. The plan recognizes that "appropriate technology" applies to urban as well as rural areas, and the Foundation has been directed to involve new participants in its implementation, including community groups, community colleges, small businesses and others who are not in the mainstream of NSF's normal collegiate grantees and constituents.

The bill before you authorizes a total of $4½ million to implement the appropriate technology plan and specifies that $1½ million of the total be spent in the science education directorate for the public education needed in getting the best return from this investment. We need to develop a consciousness about technology that forces us to confront the relationship between technical choices and the conditions of the user or consumer, between technical alternatives and their hidden costs or their impact on values and the quality of life. I believe that the committee has made a wise choice in making an explicit provision for this role in science education.

Finally, but by no means least importantly, a million dollars was added to the relatively meager budget for a science and technology program to aid the handicapped. We are a great and powerful nation, able to pace the world's progress in applying the laws of nature and the ingenuity of mankind to overcoming merely physical problems. Many of the problems of the physically and mentally handicapped are well within our ability to eliminate or reduce. We traditionally express our compassion to the less advantaged of our own and the rest of the world's people in selected and often expensive ways, but have tended to neglect our technical capacity to bring our handicapped citizens into the mainstream of a productive and more satisfying life. The addition of $1 million to an original budget request for $1.8 million is small compared to the need and to our technical potential. But it is a significant percentage change and, I think, prudently restrained to insure that the technical community can make an immediate constructive response.

The other two features of the bill that I wish to mention are directives to the National Science Foundation that do not carry special funding.

The bill directs the Foundation, with the assistance of suitable advisers, to evaluate the application of science and technology to the problems and needs of flood prediction, the design of structures in flood zones, the recovery from flood disasters, and other related topics. Every year the United States suffers damages from floods in the millions of dollars, despite the billions spent for civil works to control or prevent floods. Clearly, there is a need for study of what can be done to anticipate them and reduce the consequences of their occurrence.

In view of the Foundation's experience in dealing with similar realities in relation to earthquakes, the committee believes that the Foundation will be able to embrace the flood problem effectively. In the case of both floods and earthquakes, study and action are needed for damage-resistant construction, risk assessment and mapping, disaster relief and recovery, insurance, and land use policy.

The bill's provision for a study of what can and should be done to reduce flood hazards includes a stipulation that a report will be rendered by the time of the 1981 budget submission, and that this report will include recommendations for action by Federal agencies and by other sectors of society.

The second directive included in the bill concerns suitable ways to measure or indicate the status and the current and projected needs for scientific instrumentation. In recent years, the President's budget request for the Science Foundation has included funds to repair deficits in the supply of scientific instruments in academic research laboratories. An earlier period of underfunding for instrumentation had caused a degeneration toward obsolescence of many of the tools needed to work on the frontiers of discovery. Both last year's and this year's program plan incorporate measures to upgrade instrument resources, and this policy is expected to continue for some time into the future. While this is going on, however, we ought to have an objective method for assessing how far we have come and how much further we have to go.

Obviously, there are more clever, more usefully informative and less expensive, ways of assessing the status of our science tools than taking a one-by-one census and analyzing the burdensome result. In other areas of endeavor we have developed indicators or indices, like the Dow-Jones average, or the Consumer Price Index that permit good assessment, prediction, or decisionmaking, on the basis of suitable sampling techniques. Social scientists, elsewhere, are at work on the development of health indices by which to gauge the Nation's general health status, and the Science Foundation itself has been developing a series of science indicators. The bill directs the Foundation to begin the development of indices or other objective measures that can serve as indicators of the status of scientific instrumentation and that can refine the assessment of current and projected needs.

Mr. Chairman, that concludes my description of the main features of the bill. I believe it is a good bill, cognizant of the vital reliance that this country places on its basic science strength to improve the welfare of our citizens and to maintain our pace in a competitive world. I believe, further, that it is responsive to the President's plan to avoid letting investments for our future fall behind the pace of inflation while, at the same time, maintaining a prudent restraint on how we spend our tax dollars. H.R. 2729 provides authorization for funds to maintain a conservative and healthy national effort and I urge its favorable consideration and adoption by the House.

Mr. BROWN of California. Mr. Chairman, I thank the gentleman from Florida (Mr. Fuqua) for his comments.

□ 1500

Mr. HOLLENBECK. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I join our ranking minority members, Mr. Wydler, Chairman Fuqua, and Subcommittee Chairman Brown to rise in support of H.R. 2729, authorizing appropriations for the National Science Foundation for fiscal year 1980.

Mr. Chairman, our subcommittee took an unusually broad and indepth look at the operation of NSF's programs and at the rationale for funding the Foundation. I wish to commend wholeheartedly our chairman, Mr. Brown, for his initiative and I wish also to commend all the subcommittee members for their continuing interest and for the hard work of the staff in recent weeks which has made it possible to consider this legislation today.

Mr. Chairman, let me begin by asking the fundamental question before us, one which must be reanswered by each generation according to its dreams and demands: Why is science important; why do we support it at all?

On the one hand, as my colleague Mr. Wydler stated, basic and applied research contribute to economic development and the future productivity of the Nation by providing the basis for virtually limitless inventions in areas such as health care, food production, communications, electronics, and energy. In fact, I believe some of the problems of declining competitiveness which this country is now experiencing in the world economy may derive from the decreased support for basic research which began approximately a decade ago. For this reason alone, I support this bill. I am glad to see the President and the committee has endorsed a strong effort in support of basic research by the Science Foundation, and by all agencies of the Federal Government.

That is one reason why we support science and technology—for their contribution to the good of mankind and to the satisfaction of our economic needs. However, I think we miss one of the central reasons for undertaking basic research if we focus solely on the economic benefits. Science is also a cultural activity like art and music—essential to our humanity. Science is not only important, because it contributes to the solution of practical problems for the good of mankind, but also because it insists that we ask the question: What is mankind's good?

When a scientist uncovers a new fact about climate, about the atom, the gene, or about a blackhole, he implicitly questions our view of the world; he implicitly questions our individual and cultural identity. His research makes us question what is it we really want and what are our real needs. That is why we, as political leaders, are here today considering the authorization of the Science Foundation—because we have been elected to try to voice the aspirations of this generation of Americans. As members of this subcommittee, we have been elected to decide what technological and scientific resources could best achieve these aspirations and to decide what basic research will most reveal what we might aspire to.

It is important that we not forget how terribly practical this idle curiosity of basic science is. Let me illustrate. Quantum mechanics, developed between 1900 and 1930, gave us a new view of the atom and of light without which lasers, modern computers would be inconceivable. In turn, these developments combined with many others from apparently unrelated fields have provided science with observational and computational capabilities which for the first time come near to giving a man operational understanding of our environment from the tectonic movement of continental plates to variations in the quality and quantity of the sun's radiation. I say "operational" here, because this new understanding, unlike the oriental mystics' view of nature's unity, sheds light on the detailed effects of man's activities on the environment as well as the effect on the changes of his life. Moreover, it is that understanding of the pervasive interaction between man and his environment which stimulates contemporary interest in "appropriate technology" as a solution to satisfy man's energy and material needs.

This brings me to a consideration of the views expressed by the committee.

Mr. Chairman, the committee devoted itself to taking explicit positions on a large number of very important issues, some of which I would like to discuss briefly at this time. One of these is the subject of "appropriate technology." The committee has instructed the Science Foundation to fund its recently prepared program plan for research in appropriate technology at a level of $4.5 million for fiscal year 1980, $3 million is to be funded through the applied science and research applications directorate, and $1.5 million is to be funded through the Science Education Directorate. This division of labor reflects the fact, as I said in my opening remarks before our subcommittee hearings, that appropriate technology is more than hardware. It is more than methane generators and solar stills; it is an attitude, it is a philosophy expressing the realization that it is possible and necessary to make technological choices. There are alternative technical solutions to satisfy our needs. Thus, an essential part of any technological development, as expressed in the concept of appropriate technology, is the software of technology. I strongly support the committee recommendation to authorize fiscal year 1980 appropriations for the Foundation's program plan in appropriate technology. I hope also that the Foundation will develop ways of applying these concepts to urban situations and that it will, as recommended by its program plan, make every effort to contact new performers for undertaking this research. Many individual researchers who are most interested in appropriate technology are, by the Foundation's own admission, outside of its traditional academic clientele.

The Foundation, both in its appropriate technology programs and in its science education programs, must make a far greater effort to reach out to the general public through community groups as well as community and 2-year colleges. The Foundation was faulted in testimony for its failure to interact and work closely with these groups. I hope this slight by the Foundation will be corrected, and I commend the Foundation for recognizing its own past limitations. That is a sign of any healthy organization—if it can recognize its own shortcomings. By and large the Foundation has been unusually constructive in this regard.

Another area of great concern to me is the problem of enhancing the human rights of scientists. As a committee view on the "Rights of Scientists" notes, and I personally have stated many times in the past, there is great concern over the infringement of the human rights of scientists and technologists in many nations. We have received testimony and the committee also recognizes that many scientists as well as scientific societies, among them the National Academy, have expressed their personal concern for the civil, political, and cultural situation of colleagues in those nations where such infringements are occurring.

Mr. Chairman, during the Second World War, this country received a great wave of outstanding scientific immigrants who came here because of our protection of individual, civil, political, and cultural rights. At that time, Nazi Germany exterminated whole races of so-called inferior people and was actively persecuting intellectuals. As I said in my opening remarks to the subcommittee, I believe these past experiences demonstrate, and I believe as a personal conviction that the United States' ability to retain intellectual and technological leadership will depend on the spiritual respect which we command for championing the political, intellectual, economic rights—in sum, the human rights—of all individuals, including scientists here and abroad. Thus, I strongly believe that the Foundation should take every step possible it can to assure that its activities enhance and do not detract from the human rights of scientists here and abroad. In sum, I strongly commend the committee's recognition of this important issue. I also strongly endorse its request that the Foundation report before January 1, 1980, on those procedures and actions which the Foundation might undertake to insure that its activities will enhance the civil, political, and cultural rights of scientists throughout the world.

Mr. Chairman, it was brought to the subcommittee's attention that virtually all technological changes bring risks as well as benefits. The committee encouraged the Foundation to sponsor research to improve methods for evaluating long-term comparative risks of alternative technological solutions to national concerns in such areas as materials, energy, environmental quality, food, or drugs.

I join my colleagues in supporting this initiative. No activity is risk free and no activity is completely without benefit, but, as we begin to see how the environment, our use of energy, and our use of materials interact as a system, the need to move beyond purely economic criteria when deciding whether to implement new technologies grows ever more important. If we are to make those decisions on a rational basis and evaluate the comparative risks of alternative technologies throughout their life cycle, it is critical that methods for performing evaluations be greatly improved. I strongly support the committee's interest in comparative risk and technology evaluation.

Mr. Chairman, the United States needs to improve the state of its scientific instrumentation. Testimony before our subcommittee indicates that our scientific instruments may be falling behind those available to scientists in Europe, the Soviet Union and Japan. I support the Foundation's increases in funding for scientific instruments. The Foundation also needs to conduct greater long-range planning into life cycle investments of scientific instrumentation. I believe that more objective information on the true status of the scientific instrumentation in this country should be obtained so that we can answer precisely why technological as well as physical obsolescence are occurring and whether they are occurring more rapidly now than in the past.

Mr. Chairman, the committee also increased the authorization for materials research by $2 million above the President's request. As you know by my legislative initiatives last Congress, I believe that materials may well provide a future cousin to the present energy crisis. Indeed, the two are related, for the uses of energy and materials are often converse. For example, solar energy, which I believe may provide substantial energy, nevertheless requires great amounts of material to construct collectors of such diffuse energy. For these reasons, supporting materials research is important and I join the committee in its view that materials research at the Foundation should be increased.

Mr. Chairman, I was somewhat unhappy to see that the Foundation requested a reduction in funding for the social, economic, and policy implications of climate and weather at the National Center for Atmospheric Research. On occasion, it seems that the Foundation has tended to neglect support for research and understanding in the public policy and economic implications of physical phenomena such as climate earthquakes, et cetera. This is a very important problem and is extremely difficult. To take an example, if the predictions regarding climate heating (the "greenhouse effect") begin to confirm what we suspect now, the use of fossil fuels may be required to be curtailed. To comprehend the problem, in all probability we shall have to make a decision before the physical bases of climate change are fully understood. We must acquire much greater understanding on how to make social decisions of this type under conditions of extreme uncertainty. I strongly support the committee's decision to restore funding for this type of work at NCAR back to the level of fiscal year 1979. Further, I, too, urge the Foundation to develop a more comprehensive program on research on the social, economic, and policy implications of climate and weather.

Mr. Chairman, I also believe as the committee does, that the time has come to develop new ways and new mechanisms for the Federal support of basic research as the Nation begins its hard reexamination of the rationale for supporting scientific research, both basic and applied. This new look is engendered by the changing economic position of the Nation in the world economy and by resource limits, by the energy crisis and by the appearance of such intractable environmental problems as the leaching of toxic wastes from abandoned dumps years after their supposed responsible disposition.

Mr. Chairman, as I said earlier, we are here to consider authorizing the National Science Foundation. We have been elected to try to voice the aspirations of this generation of Americans. As a member of the Science, Research and Technology Subcommittee, and also as a Member of this House, we are here also to decide in part what technological resources could best achieve these aspirations and to decide how basic research can most reveal what we might aspire to. These are terribly important questions and deserve strong support. The Science Foundation has been a leader and, therefore, I join my colleagues in supporting H.R. 2729. I urge its adoption by the House today and hope the full amount authorized will be appropriated.

☐ 1505

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. HOLLENBECK. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I rise in support of H.R. 2729, the National Science Foundation Authorization Act for fiscal year 1980. As ranking minority member of the Science and Technology Committee, I concur with Chairman FUQUA's support of this bill. Let me say first, that I wish to commend my distinguished colleague, the subcommittee ranking minority member, CAP HOLLENBECK, for his contributions in preparing this bill for consideration by the House today. I also want to commend two of our new Republican members, Mr. RITTER and Mr. DAVIS, for the interest they have taken in this legislation and hope that they will continue to speak out on these important issues in the future.

Mr. Chairman, basic and applied research are essential if we are to raise economic productivity which will be so vital to the future economic health of the Nation. The committee received testimony indicating that studies done by the Brookings Institute show that advances in knowledge resulting from research were responsible for about one-half of the U.S. economic growth during the 40-year period ranging from the late 1920's to the late 1960's. We all know that America's economic growth has not been at the rate which it should have been for these past several years. However, without the gains which research has enabled us to make, the economy would have been stagnant and perhaps heading for a depression.

In addition, we are all aware of the serious nature of energy problems facing this Nation and my colleagues here are familiar with my long-standing interest in supporting efforts to increase the supply of energy here in the United States. The National Science Foundation has had a history of support for work on basic research related to energy and, while most of the applied work is now under the aegis of DOE, many of the fundamental physical and chemical concepts are still being developed through NSF grants. Our Nation is once again being hit with the realization that the energy crisis is real and will not disappear anytime soon. I want to continue to encourage research work that will promote solutions to lessen the energy crunch. NSF is helping to do this. It is a perfect example of how important research may be to the future economic health of our Nation, even though the payoffs are sometimes a long time in coming.

Mr. Chairman, I rise in support of H.R. 2279, and I strongly urge favorable consideration by the House.

Mr. BROWN of California. Mr. Chairman, I have no further requests for time. Let me say that I reserve the balance of my time, pending the remarks of the other side.

Mr. HOLLENBECK. Mr. Chairman, I yield 5 minutes to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Chairman, I thank the ranking minority member of the subcommittee, the gentleman from New Jersey (Mr. HOLLENBECK) for yielding.

I would like to commend the chairman of the full Committee on Science and Technology, the gentleman from Florida (Mr. FUQUA), for the fine work he has done on this committee, a committee that has been so important to our country especially in the last 20 years.

I also would like to commend the gentleman from California (Mr. BROWN) for his hard work, as well as the ranking minority member of the committee, the gentleman from New York (Mr. WYDLER) and, of course, the ranking member of the subcommittee, the gentleman from New Jersey (Mr. HOLLENBECK).

Mr. Chairman, I believe that it is important to call attention to the large increases which the National Science Foundation has received in recent years.

The House is being called on today to approve an authorization increase of $85 million, a 9.1-percent increase over last year's budget authority.

Also of concern to me is the distribution of funds within the NSF budget. The National Science Foundation is the leading Federal supporter of basic research at colleges and universities, and funds for this purpose comprise about 80 percent of the Foundation's total budget.

The NSF's basic research project support will have increased by 232 percent in just 11 fiscal years if this bill is approved at its current proposed level.

These increases have far outstripped the inflation rate, and have resulted in significant increases in spending for research by the Federal Government.

The following table summarizes NSF basic research budget trends since fiscal year 1969:

NATIONAL SCIENCE FOUNDATION BASIC RESEARCH BUDGET INCREASES, FISCAL YEARS 1969-80

[Dollar amounts in millions]

	Amount	Dollar increase	Percent increase	Total increase since fiscal year 1969	
				Amount	Percent
Fiscal year:					
1969	$247.6				
1977	612.0	+364.4	+147.0	+364.4	+147.0
1978	678.0	+66.0	+10.8	+430.4	+173.8
1979	741.0	+63.0	+9.2	+493.4	+199.3
1980	828.3	+87.3	+11.8	+575.7	+232.5

But what disturbs me even more is the fact that applied research support provided by NSF has dropped from about 18 percent of the total NSF budget in fiscal year 1972, to less than 8 percent in the current year.

This demonstrates quite clearly that NSF is putting less and less emphasis on efforts that can move research results into application, at a time when our Nation needs to benefit to the maximum extent from new innovation coming from the results of basic research.

Cutbacks in applied research efforts, including the elimination of important projects such as research on community water management are further evidence that the Foundation is the captive of research purists.

We need to strive for a better balance, with more emphasis on such areas as earthquake engineering, research on solid waste treatment and disposal, and on food-related research that will bring us some benefit from the billions being invested in Federal research and development.

Unless we strike a better balance, our billions in basic research investment will not result in new innovation and improved technologies, which we so greatly need to provide jobs and a better life for the American people.

Mr. Chairman, the National Science Foundation has long had a track record for spending the taxpayers' dollars with little restraint. Indeed, the NSF has often been among the designees for the "Golden Fleece" award given by our colleague in the Senate, BILL PROXMIRE, in recognition of their profligate expenditure of tax dollars in the basic research area.

Additionally, previous studies have indicated that there are inequities in the distribution of grants to colleges and universities throughout the Nation. The bulk of the recipients are in a few States, with many States virtually overlooked.

The history of NSF's large budget increases over the years, and the inequitable geographic distribution of funds by the Foundation, suggest that NSF has abandoned the mandate of its organic act and subsequent actions of Congress in order to become a source of large and continuing subsidies for the administrative costs primarily of some of the Nation's larger, prestige institutions.

I believe that the time has come to curb the voracious appetite of this agency. The time has come for Congress to say "no" to this extravagant, undisciplined spending.

☐ 1510

Mr. HOLLENBECK. Mr. Chairman, I yield 7 minutes to the gentleman from Pennsylvania (Mr. RITTER), a member of the subcommittee.

Mr. RITTER. Mr. Chairman, I rise in support of H.R. 2729, authorizing appropriations for the National Science Foundation for fiscal year 1980.

First let me commend my colleagues and the staff of the Science Committee, for the excellent work they have done in preparing this legislation for consideration today.

Basic research is essential to the future economic vitality of the Nation; it is essential if mankind is to come to grips with the pressing problems of energy, environmental quality, productivity, and food which we face now and over the coming generations. The National Science Foundation for 30 years now has been on the forefront supporting truly imaginative basic research in this country. From my personal experience as director of Research Programs at Lehigh University and as a materials scientist, I can personally testify to the Foundation's foresight in discerning those basic science projects which are most likely to lead to promising results. Basic research is the first, but not of course the only, mandate of the Science Foundation and they have performed it extremely well. Therefore, I am pleased that in order to support the increases in some applied science areas, the committee decided not to cut back substantially on the Foundation's support of basic research.

In its report the committee discussed a great number of issues. Our subcommittee chairman, Mr. GEORGE BROWN, is to be commended for the deep interest which he has shown in this bill and his determination to undertake more than a perfunctory review of the authorization in spite of the pressing deadlines under which we worked. Of the many issues mentioned by the committee, several are of particular concern to me and I would like to discuss them briefly here.

First, I support strongly the committee's initiatives which encourage the Foundation to develop new mechanisms for flexible research support. This will help to eliminate some of the paperwork involved in soliciting and then managing research projects. In recent years, the bureaucratic requirements have grown intolerable and do not lend themselves to creative and imaginative science. For example, a recent article in Science Magazine suggests that 3,300 man-years of research time is expended writing and reviewing research proposals. I agree, therefore, with the committee that the Foundation should be encouraged to develop new less bureaucratic mechanisms of research effort.

Second, the committee encourages the Foundation to pay academic year salaries to faculty and staff. This is a technical matter, but one of great concern to the private universities and colleges all over the country. Without large private endowments or State subsidies, they may be less able to compete for research funding with State subsidized institutions unless salaries are paid over the whole academic year rather than as a summer supplement.

Third, the Foundation is encouraged by the committee to determine what actions it might undertake to enhance the civil, political, and cultural rights of scientists at home and abroad. Mr. Chairman, there has been very substantial concern on the part of many scientists for the condition of their colleagues. In particular, having lived in the Soviet Union for a year and having experienced restraints upon my own scientific activities while here, I hope that the Foundation and the administration generally will take what steps they can to insure, as the committee said, that the newly developing scientific exchanges with the People's Republic of China are free of the restraints, censorship, and individual harassment which have often characterized scientific exchange between the United States and the Soviet Union.

Fourth, I believe that it is important for the membership of the Science Board to be broadened to include representation from nongraduate colleges and universities.

Fifth, I wholeheartedly endorse the committee's decision to increase the authorization for materials research by $2 million. As a materials scientist, I am well aware of the importance of this research for our Nation's future economic productivity.

Finally, Mr. Chairman, let me say that I personally urge the committee to consider the issue of comparative risk and technology evaluation. I am heartened that the committee adopted my concerns on this issue. The committee has seen fit to encourage the Foundation to sponsor systematic research to improve methods of evaluation of the long term comparative risk of alternative technological solutions, including inaction, to national concerns such as energy, productivity, materials, environmental quality, food or drugs.

Last week, I introduced H.R. 3023, which would require the Environmental Protection Agency and the Food and Drug Administration to prepare a comparison of risk prior to the promulgation of any rule or regulation. If these mission agencies are to undertake their work, we must develop to a far greater extent methods for undertaking comparative risk evaluation. The committee urges the Science Foundation to undertake research which will help develop the methodology for this evaluation. I strongly support the recommendation and hope that the Foundation will succeed in this charge.

To conclude, Mr. Chairman, I strongly support H.R. 2729, and I urge my colleague to pass this bill today.

☐ 1515

Mr. BROWN of California. Mr. Chairman, will the gentleman yield to me?

Mr. RITTER. Yes; I yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, the remarks of the distinguished gentleman from Pennsylvania (Mr. RITTER) are an excellent example of the contribution he has made and is making in the Subcommittee on Science, Research, and Technology.

The gentleman from Pennsylvania is one of the few Members who is qualified, by virtue of his own training and background, including extensive study abroad in Russia, to speak knowledgeably about some of the problems involved in the foundation's program. As the gentleman points out, a considerable part of the committee report on this bill reflects the impact of his thinking.

Mr. Chairman, I want to thank the gentleman for his very substantial contribution and for the guidance which I know he will give to our ongoing program of oversight on the National Science Foundation during the year.

Mr. RITTER. Mr. Chairman, I thank the gentleman very much.

Mr. HOLLENBECK. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan (Mr. DAVIS).

Mr. DAVIS of Michigan. Mr. Chairman, I rise in support of H.R. 2729, authorizing appropriations for the National Science Foundation for fiscal year 1980. I join my colleagues on the Subcommittee on Science, Research, and Technology in their support. I also wish to commend them for the hard work, as well as searching examination of issues which they have undertaken in bringing this bill to the floor today.

Mr. Chairman, I believe that basic research is vital to the long-term economic health of this Nation. In my own State of Michigan, research on the ecology of the Great Lakes may eventually return these areas to the highly productive fisheries that they once were. In the meantime, it is essential that we come to a much better understanding of how freshwater ecological systems work. The Science Foundation has been a supporter of this type of activity.

Mr. Chairman, I am particularly pleased that the committee has indicated its strong support for implementing now the program plan on appropriate technology which the Foundation prepared during the last year. In Michigan and in the New England States, we have extensive forests, which are in many ways substantially untapped as sources of energy, as sources for materials—indeed, the long-term underuse of these resources has actually promoted poor management and a deterioration of the stock quality of our forests in these areas. Better utilization of these resources within the intrinsic restraints required for sound environmental management has long been an objective of many people who see the need for the United States to reduce its dependence on petroleum and other nonrenewable fuels.

The use of any technology or any resource must be appropriate to the resources, to environmental conditions, as well as to the customs and needs of the people who are applying it.

I strongly support research and development on appropriate technology and commend the committee's insistence that the Foundation undertake work in this area. To satisfy our needs there is always more than one technical solution, but we must have sound research to aid us in deciding what is the most appropriate.

Mr. Chairman, I urge the House to adopt this measure and support appropriation of the authorized levels as well.

□ 1520

Mr. HOLLENBECK. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi (Mr. Lott).

Mr. LOTT. Mr. Chairman, I would also like to join in commending the distinguished chairman of the full committee, the gentleman from Florida (Mr. Fuqua), and the chairman of the subcommittee, the gentleman from California, for the outstanding work they have done, and also the two gentlemen who spoke preceding me, the gentleman from New Jersey (Mr. Hollenbeck) and the gentleman from Pennsylvania (Mr. Ritter) for their early and very effective interest in this important program.

I do support, in theory, the National Science Foundation program. Basic science is important to the future of America. But I continue to have serious questions about how this program is being run by the officials who are in charge of administering this program. And I have not just taken this interest lately. I have been looking at the program for a year now, since I voted for the National Science Foundation authorization last year, and I find a lot of questions still in my mind. I am going to find it very difficult to vote for its extension this year.

I would like to address a couple of questions to the distinguished chairman of the subcommittee. One of the things I have been interested in, in the past, is geographic distribution. Having worked for the University of Mississippi, in my home State, I have an interest in this area. I feel that there has not been always a fair distribution of these funds. Perhaps it has been, to a degree, because some of the universities or officials who should be qualifying for these grants have not had the expertise about how to develop these grant programs. But I would like to urge the chairman of the subcommittee to continue to press on this, and I wonder if the gentleman might comment on what the committee is doing in this area.

Mr. BROWN of California. Mr. Chairman, I would be very happy to respond to the gentleman, if the gentleman will yield to me.

Mr. LOTT. I yield to the gentleman.

Mr. BROWN of California. Mr. Chairman, the gentleman's concern has been shared by the Committee on Science and Technology for a number of years. I recall most vividly the efforts within the committee by our distinguished former colleague from Alabama, Mr. Flowers, who pressed this point at great length and with great urgency, beginning at least 4 or 5 years ago. The committee has constantly put pressure on the Foundation to improve the geographic distribution of their grants.

There are problems with regard to some of the States in their ability to prepare the necessary grant applications, and one of the steps the committee has taken is to authorize specific funds to aid the States in approving the preparation of their grants. In the first phase of this program, the Foundation has awarded several millions of dollars to aid the States in their improvement plans, and then, in the second phase, the State plans, produced by this $1 million, then will receive implementation awards of another $2 to $3 million. This is only a preliminary step to aid these States which have not been getting their fair share of funds to do a better job. We think this will result in a substantial improvement in their grant applications and in a substantial increase in the amount of awards going to these States. We will police this very carefully. I assure the gentleman that his concern is shared by the committee. We have the programs in place to ameliorate the situation, and we will police the actions of the Foundation carefully over the next year in order to make sure improvements are made.

Mr. LOTT. I thank the gentleman for his explanation.

I would like to turn, quickly, to the other area about which I have concern, and that is the continued funding of what has to be described as frivolous programs. I have watched several of these programs during the past year. Just one of them is a grant for the study of crickets.

□ 1525

Now, after looking into it, I think they came up with a very in-depth explanation of why this was a good study and one that could have some economic benefit. But, this is just one example of where it was very difficult for me to understand why they made this sort of grant.

The other one which bothered me even more was a $73,000 grant for the study of the mode of explanation between the Kalapalo Indians in Brazil. But, what got me even more was when I got to digging into what happened to these funds. For example, $175 was spent for luggage for this particular professor; $2,500 was spent for native consultants' fees. There must have been a lot of natives consulted.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. HOLLENBECK. Mr. Chairman, I yield 1 additional minute to the gentleman from Mississippi.

Mr. LOTT. Two thousand dollars went for aircraft travel in Brazil. Now, this sort of program has been mentioned in the media over and over again, and I do not like to do it just to dramatize the area and inflame emotions, but I must mention it at this point.

I hope the NSF and the committee of jurisdiction will continue to press in on this point of reducing frivolous grant programs that are being funded. The American people just cannot stand the thought of their money being spent in these ways, and I hope the committee will continue to work in this area.

Mr. Chairman, I thank the gentleman for yielding to me.

Mr. HOLLENBECK. Mr. Chairman, I reserve the balance of my time.

Mr. BROWN of California. Mr. Chairman, I have no further requests for time, and I am ready to yield back the balance of my time if the minority has no further requests for time.

Mr. HOLLENBECK. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania (Mr. Ritter).

Mr. RITTER. Mr. Chairman, I would like to make a comment on the remarks of my distinguished colleague, Mr. Lott from Mississippi. I suppose it has something to do with the subject of reproductive biology. After many years, of watching this debate over the National Science Foundation from the outside, I listened to debate in this august body when they talked about the sex life of this beetle or the sex life of that beetle, or some little insect or bug, and now today we have a cricket.

It often comes out, as we look into the explanation of these different programs, that we in this country are trying to come up with alternatives to pesticides, and we are looking at biological means; that is, different bugs that go ahead and disrupt the lives of other bugs. Or, we look at the reproductive processes of these bugs, and try to catch them where they breed, so that we do not have to kill them once they are big, and that they do not get bigger when they develop tolerance to different strains of pesticides.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HOLLENBECK. Mr. Chairman, I yield 1 additional minute to the gentleman from Pennsylvania.

Mr. RITTER. It seems to me that this question of the sex life of these different bugs and beetles is really right at the heart of the question of biological control of pests. One can go out into the farming country of this great Nation and one will find that just about all the farmers who know about control of pests are interested in doing research in biological controls as well as the chemical means.

Mr. HOLLENBECK. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. Martin).

Mr. MARTIN. Mr. Chairman, I support the work of the committee.

Mr. Chairman, I want to commend the
committee for its vision in setting fund-
the National Science Foundation. Hope-
ing levels for basic research grants under
fully, we will not have to engage in an-

other spectacle of assault against scientific research that sounds funny.

Indeed, it is easy to criticize the funny titles that often get attached to scientific research. Maybe it would even be helpful to require that all research projects have profound and sober titles—just so that they would not make such obvious targets for my colleagues.

It would be a serious mistake, however, to do anything that would discourage fundamental scientific investigations. We would make a serious mistake if we sought to spend public moneys only for practical researches.

In the first place, with the exception of big ticket projects like nuclear fusion, space exploration, and the like, there is no great need for public funding of projects with obvious practical benefits to society. Were they that obivous, public funds would not be needed because private investors could finance them in return for the patent rights that would follow. Rather, the unmet need for public support is to fund the work of scientists who are merely studying the properties and behavior of matter and organisms, seeking not a specific payout, but greater knowledge and understanding.

We must not forget that most scientific breakthroughs arise not out of so-called practical projects, but from earlier basic studies that had no specific goal except to better understand nature.

If years ago, physicists had sought to develop miniature radios, computers, and electronic components, they would have worked to build smaller vacuum tubes. It was instead due to studies on the unusual electrical properties of semiconductors that the vital development of transistors and other solid state devices was made possible.

Specialists studying the chemical energy of firefly luminescence made observations that today permit very important procedures for quality control in agriculture and for monitoring the healthiness of stored human blood. Yet how easy fireflies could have been ridiculed.

An insistence on practical results would have blocked essential but fundamental studies of the behavior of bread molds, because it was only later that the practical consequences of penicillin were recognized.

It was rather esoteric curiosity about the properties of all membranes and artificial membranes consisting of bubbles of fat, that dramatic new procedures were developed for treatment of Tay Sachs disease and other disorders involving absence of an essential enzyme.

The study of the sex life of the Costa Rican crickets promises new and effective ways to control pests.

I urge my colleagues not to belabor scientific studies that are difficult for politicians to defend. That kind of political standard would forever limit us to studying already proven ideas and would drastically undermine our technological superiority as a nation.

● Mr. PEASE. Mr. Chairman, I rise today in support of H.R. 2729 which authorizes funds for the continued operation of the National Science Foundation. In the 29 years since its founding in 1950 the Foundation has achieved renown among the academic and industrial communities in this country, as well as their counterparts abroad, for its standards of excellence and its commitment to achieving a greater scientific capacity in the United States. It is a credit to this country that it has continued to support basic research in the sciences even when times are hard and other programs with more immediate and visible results compete for scarce funds. The wisdom of this investment is evident from the health and vitality of the American scientific community today.

I would like to draw your attention first to the overall allocation of funds in the NSF budget and then to a portion of the budget which is of particular concern to the committee. Approximately 90 percent of the NSF budget, about $920 million, is allocated for research and related activities. Basic research is the most important part of the program supported by the Foundation and discoveries made by NSF-supported scientists have made vital contributions to the body of scientific knowledge. Most of the remainder of the budget goes to programs in the Science Education Division which are also an integral part of the NSF. The Science Education Division funds programs directed at all levels of the educational program from elementary education to postgraduate fellowships. The strength of each link in the educational continuum is basic to the long-term health of U.S. science, which brings me to my second point.

The NSF has done an exemplary job of supporting strong graduate programs and has been devoting greater attention to its elementary and high school programs in the past few years. However, our committee is concerned that the recent NSF budget requests reflect a faltering interest in programs in undergraduate education. Some of the strongest centers of undergraduate education are not the major, Ph. D. granting institutions, but rather, small, liberal arts colleges which emphasize teaching of undergraduate students. We are concerned that this link in the science training process not be weakened.

To insure that this portion of the NSF jurisdiction is carried out with the same enthusiasm as its other programs the committee has requested the Foundation to strive for greater diversity on the Board of Directors and, specifically, to recommend more nominees from primarily undergraduate colleges to serve on the Board. This constituency has been largely overlooked in choosing candidates for the Board of Directors. The addition of representatives from small colleges will not only encourage the NSF to review more carefully its undergraduate science education programs but will also add a new and valuable perspective to the Board.

This budget has been carefully reviewed by the Science, Research, and Technology Subcommittee under the leadership of our distinguished chairman, the gentleman from California. The changes in funding levels and the recommendation of the committee as presented in the report are relatively minor amendments to what was basically a sound budget request. I urge my colleagues to support H.R. 2729 and the full authorization of the National Science Foundation.●

Mr. HOLLENBECK. Mr. Chairman, I yield back the balance of my time.

Mr. BROWN of California. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

H.R. 2729

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Science Foundation Authorization Act for Fiscal Year 1980".

SEC. 2. (a) There is hereby authorized to be appropriated to the National Science Foundation for the fiscal year 1980 for the following categories:

(1) Mathematical and Physical Sciences and Engineering, $293,370,000.

(2) Astronomical, Atmospheric, Earth, and Ocean Sciences, $241,470,000.

(3) United States Antarctic Program, $55,000,000.

(4) Biological, Behavioral, and Social Sciences, $172,160,000.

(5) Science Education Programs, $86,200,000.

(6) Applied Science and Research Applications, $69,900,000.

(7) Scientific, Technological, and International Affairs, $28,800,000.

(8) Program Development and Management, $59,600,000.

(b) Of the total amount authorized under subsections (a)(5) and (a)(6), $4,500,000 is authorized for a program of research and education in appropriate technology.

(c) Of the total amount authorized under subsection (a)(6), $22,800,000 is authorized for the program of Earthquake Hazards Mitigation.

(d) Of the total amount authorized under subsection (a)(7), $3,000,000 is authorized for the State Science, Engineering, and Technology program.

SEC. 3. Appropriations made under the authority provided in sections 2 and 5 shall remain available for obligation, for expenditure, or for obligation and expenditure for periods specified in the Acts making the appropriations.

SEC. 4. From appropriations made under the authority provided in this Act, not more than $5,000 may be used for official consultation, representation, or other extraordinary expenses upon the determination of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

SEC. 5. In addition to the sums authorized by section 2, not more than $6,000,000 is authorized to be appropriated for fiscal year 1980 for expenses of the National Science Foundation incurred outside the United States, to be paid for in foreign currencies that the Treasury Department determines to be excess to the normal requirements of the United States.

SEC. 6. Funds may be transferred among the categories listed in section 2(a), but neither the total funds transferred from any category nor the total funds transferred to any category may exceed 10 per centum of the amount authorized for that category in section 2(a), unless—

(1) thirty legislative days have passed after the Director of the National Science Foundation or his designee has transmitted to the Speaker of the House of Representatives, to

the President of the Senate, to the Committee on Science and Technology of the House of Representatives, and to the Committee on Human Resources of the Senate a written report containing a full and complete explanation of the transfer involved and the reason for it, or

(2) before the expiration of thirty legislative days both the Committee on Science and Technology of the House and the Committee on Human Resources of the Senate have written to the Director to the effect that they have no objection to the proposed transfer.

SEC. 7. In partial fulfillment of the established statutory requirement that the National Science Foundation evaluate the status of and current and projected need for scientific resources (section 3(a) (5) and (6) of Public Law 81–807, as amended), the National Science Foundation shall develop indices, correlates, or other suitable measures or indicators of the status of scientific instrumentation in the United States and of the current and projected need for scientific and technological instrumentation.

SEC. 8. The National Science Foundation shall conduct a Flood Hazard Mitigation Study and shall report to the Congress with specific program recommendations by the time of the fiscal year 1981 budget submission to Congress.

Mr. BROWN of California (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

> Committee amendment: On page 2 of the bill on line 16 strike "$69,900,000" and insert in lieu thereof "$70,900,000".

The committee amendment was agreed to.

☐ 1530

The CHAIRMAN. The Clerk will report the last committee amendment.

The Clerk read as follows:

> Committee amendment: Page 3, line 1, after "Mitigation." insert ", and $2,800,000 is authorized for the program of Science and Technology to Aid the Handicapped."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the second committee amendment.

The Clerk read as follows:

> Committee amendment: Page 4, line 23, strike "81–807" and insert "81–507."

The committee amendment was agreed to.

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ASHBROOK: On page 2, line 13, strike "$172,000,000" insert "$158,000,000".

Mr. ASHBROOK. Mr. Chairman, last year I offered an amendment to the National Science Foundation authorization bill to cut $6 million in authorization from the bill for biological, behavioral, and social science research. Of all categories of NSF's responsibilities, this is its worst. That amendment to this section failed 174 to 229. In this last year the NSF has done its best to justify the votes of the 174. Every year we hear stories of outlandish ventures by NSF funded researchers, and every year we hear pledges that oversight will be tightened and that blatant wastes of our tax dollars will be stopped. I must report to this body that I have indications that we are about to embark on yet another whirl on this expensive merry-go-round.

During this last year the NSF used its authorization, which is our tax dollars, to find out the reason for cooperative breeding habits among the white-front bee-eaters, it also continued its monitoring of taste preferences in sheep, and it polished off a study on "the masking of pure-tone thresholds by pure tones and narrow-bands of noise and their relation to basilar papilla function in the parakeet." Each of these projects, and many others, are reported with the usual pages of jargon and some illuminating justifications:

THE WHITE-FRONTED BEE-EATER

This is a 3-year field study in Nairobi that looks at the cooperative breeding habits in the white-fronted bee-eater, a small African bird. This study is a bargain at only $52,338. The reason we should care what these birds do is that, to quote from the project summary,

> Only 55 percent of the sexually mature adults in the population are active breeders; the remaining birds join communally breeding groups where they assist with nest excavation, incubation, feeding and guarding of foster young. Surprisingly, membership in these communal groups appears to be open, arguing against a simple kin-selection model for its evolution.

The report concludes that this project will provide us all with a better understanding of the bee-eaters.

THE FINICKY SHEEP

This is a $43,000 study regarding "the development of the sense of taste in sheep." The project will also check "the role which early, intraterine, taste experience may play in influencing the formation of adult taste preferences." The NSF finds this research "imperative" for its "profound implications" for future developments in genetic control.

PARAKEET NOISES

For $31,000 we have been able to discover the processes of signal resolution in the parakeet.

> The results from a series of experiments should provide further information on auditory perception, which may be contributed to our understanding of the evolution of hearing, and may provide further insight into the nature of inner-ear dynamics in this species.

For my colleagues who are interested in where their constituents' taxes are going I have some more examples of note: The NSF funded a study that was a "creative approach of a fine young researcher," for $51,900. This study "hypothesized that the individual becomes aroused when his personal space is violated; he searches the environment for the cause of the arousal; when he attributes the arousal to other people's violation of his personal space, he calls the environment "crowded." I think this "fine young researcher" could have saved every one time and money had he opened up a dictionary and just looked up the word.

Another $90,000 was squandered on research to "examine patterns of facial muscle activity accompanying low-intensity emotional states generated through imagery and their interaction with autonomic processes."

Finally, $88,830 was spent on reviewing homosexual couple formation. This 3-year study deals with how homosexual couples deal with conflicts over careers and how they allocate responsibilities in the familial setting. The study also covers hetrosexual couples and compares the two. The study will take 3-years because of the "sensitivity of the topic." The study is needed to provide more information on homosexuals and it "may illuminate principles of human behavior that have so far escaped the social scientist."

The intellectual snobbism that is displayed in these examples is obvious. We are asked to fund dubious projects that, at best, "may" provide some relevant data for the general public. It is like the "Emperor's New Clothes" where we must say there is a need for these projects because we are afraid to say that there is nothing really there.

If the NSF funded small esoteric projects that kept scientists busy in their labs, I would still oppose the waste of funds, but I would find the projects laughable examples of Government extravagance. However, the NSF is also funding projects that could set the stage of social engineering and Government intervention:

THE SOCIAL STRUCTURE OF THE LEGAL PROFESSION

The American Bar Association has received an $83,839 study of the legal profession. This study includes:

> The extent and nature of social differentiation within the profession; the mechanisms for social integration of the profession; the career mobility of lawyers; the social, economic, political and legal values of the various segments of the profession; and the networks of friendship and professional association among lawyers.

The study, according to the program award, promises to be of practical import in basic efforts at professional control on a more realistic understanding of the bar. What does the Federal Government have to do with worrying about the professional control of the ABA? What is the ABA doing getting funds from the Federal Government for something they should be funding on their own, if at all?

THE DIFFERENCES BETWEEN MEN AND WOMEN

The NSF, for $68,000, funded a project on "gender-linked biases." In the project summary the goal of this endeavor is explained:

> By demonstrating the existence of gender-determined attributional biases and identifying the mechanisms that perpetuate these biases, the current research attempts to explain why the belief that women are different (and inferior) than men persists, and serves as a psychological barrier to women's equality.

I ask, why are we spending tax dollars

to find out that people think there are differences between men and women? Why should our Government want to know the psychology of these feelings? I think there are some ominous answers.

In testimony before the Committee on Science and Technology on February 20, 1979, Dr. Eloise E. Clark, Assistant Director of Biological, Behavioral, and Social Sciences stated that research was needed on how "our political, economic, and social institutions work, how do they change, how can they be improved?" Dr. Clark went on to state:

> These topics are of the utmost saliency to all citizens and to government. This is because we simply do not know the dynamics underlying our society and its institutions, nor do we know how to distinguish passing fads and fashions from more fundamental and lasting change.

The NSF may not know this, but philosophers and thinkers have been contemplating such concepts for centuries without NSF support and have been able to reach far ranging conclusions without wasting tax dollars. Thought and the process of developing theories on society and on the future of man is one way our society moves forward. It is an individual action, and it must be allowed to ferment and grow in the circles of academia and in the grassroots of a nation before action occurs.

When this process is bureaucratized and used by government, thought control, and government intervention into fundamental freedoms is inevitable. We must stop such a trend in our country, and I think this amendment sends a message to the social engineers and intervenors that populate this town. My amendment does not deal with basic, valuable research it deals with the foolish, fringe folly of researchers who use our tax money like the diletante squanders his inheritance—recklessly and with little meaning or value except to pander to their own snobbish tastes.

□ 1535

Mr. BROWN of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I recognize the motivation of the gentleman to make an effort to cut substantial funds from this budget which obviously appears to be a very substantial budget, and I appreciate his frankness, in discussing the facts that he chose to make this cut, to attack an area in which he felt some degree of expertise in the social sciences. I respect the point of view that he expresses with regard to the particular research project that he has used as an example. I think the best I can do, speaking with regard to his proposed amendment, is to point out the facts of what it would accomplish. He is suggesting a cut of $14 million in the line item biological, behavioral, and social sciences, which have a total amount in them of $172 million. The point I would like to make with regard to that $172 million is that a very small portion of it is in the social sciences. This is a major category which includes, as the title indicates, biological, behavioral, and social sciences. It includes the whole field of ecological research, for example. The amount in that area, in the social sciences, which is the area where the gentleman feels the greatest weaknesses, is about $24 million. What he is proposing is a 60-percent reduction apparently in that particular section of the budget. It would wipe out the Foundation's program in social science research if this amendment is approved. Perhaps he intended to have it apply across the board to the biological research and the other kinds of research which he admitted that he knew very little about, but I take it that his primary thrust is in the social sciences which he feels generally are not real sciences, and it is something that we all knew enough about in order to make discriminating judgment.

□ 1540

Mr. ASHBROOK. Mr. Chairman, will my colleague yield?

Mr. BROWN of California. I would be happy to yield.

Mr. ASHBROOK. Mr. Chairman, I want to say that I think my colleague has very fairly stated the case and stated my position. Frankly, I would probably cut a little bit deeper; but I think $14 million is a token cut.

I appreciate my colleague, for the record, indicating what he feels my motivation to be and I think he is completely accurate and I thank him.

Mr. BROWN of California. Now, let me speak specifically to the item that the gentleman used as an example of why he wants to make the cut. I confess that I know very little about this particular grant, which is $83,839 for 2 years. I guess I have the same information about it that the gentleman does.

It is titled "The Social Structure of the Legal Profession." It is intended to provide for a study of the legal profession in the city of New York. It was requested by the American Bar Foundation, which I understand is the research arm of the American Bar Association. Apparently they made the judgment that there was an opportunity to learn things about the legal profession through a research study that needed to be known. I can think of no agency better qualified to make this decision than the American Bar Foundation, which was set up by the lawyers of the country for the purpose of engaging in research on the legal profession; so I cannot find fault with the sponsors of the research. Obviously, they are a responsible group and their objective, which is clearly set forth here, is to use new social science methods to analyze the specialities of lawyers, their relationships with their clients, their career paths, and the integration of minority and women lawyers into the profession. I can see nothing wrong with this objective, as a matter of fact. I think it requires some rational study in order to make a judgment.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. BROWN of California was allowed to proceed for 2 additional minutes.)

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I am happy to yield.

Mr. ASHBROOK. Mr. Chairman, I can understand my colleague's statement. It is probably a fair appraisal; but at a time when we are asking people everywhere to make some degree of sacrifice, does the gentleman think that it is appropriate to give taxpayers' money to a group of people who by any standards are among the most wealthy people in the country and for the Government to pay for a study of their own profession? I guess that is what I am talking about.

Does my colleague honestly feel that we should put taxpayers' money to study lawyers and, indeed, if we should study lawyers, should lawyers be studying lawyers?

Mr. BROWN of California. Well, I have explained to the gentleman that the social science research program that the gentleman's amendment is focused on is a small part of the overall budget. It is about $24 million, as I recall the figure. Within that $24 million, the largest percentage, well over 50 percent, goes to economic research. It goes to a study of the productivity of the American economy, for example; research on the question of why we are not doing better in this country to meet the competition of foreign countries; research on new types of economic indicators, which will allow us to measure our progress more effectively.

What the gentleman's amendment would do would be not just to strike out an $83 thousand item, which hopefully will improve the understanding of lawyers of social science research methods; it will strike out a whole area of research essential, in my opinion, to improving our capacity to understand what is wrong with this country and to do something about it in terms of its relationship to the economies of the rest of the world.

Mr. HARKIN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, once again we hear from the proponents of the Flat Earth Society, as we do every year when we bring up the bill for the National Science Foundation.

□ 1545

Let me tell you a story that I always tell my constituents when I go back to the district. I always get hit with this because they read it in their local newspapers, they read it in magazines and periodicals about all this money going for these crazy studies.

So I ask a group of people in my district when I meet with them, "How many people here would vote for a $100,000 study to study the growth of viruses in monkey kidney cells? Raise your hands."

I do not get a hand raised.

Then I explain to them that there was such a study done at one time on the growth of viruses in monkey kidney cells. It was done by Dr. John Enders of Harvard University. He won the Nobel Prize for it.

At the time the doctor did the study nothing camo of it. There was no practical application for it. It was put on the shelf.

A few years later another scientist doing a study in a different area remembered the work done by Dr. John Enders on the growth of viruses in monkey kidney cells, took that study off the shelf, combined it with his and he came up with something to save millions and millions of lives in this country and throughout the world and that was the Salk polio vaccine. The name of that second scientist was Dr. Jonas Salk.

Then I ask my constituents, "How many of you would now be willing to spend $100,000 to fund a study on the growth of viruses in monkey kidney cells?" Every hand goes up.

I tell that story to illustrate a point: We have a responsibility in this body to not react to momentary impulses, to not take titles that may sound to us to be ridiculous and to inflame the passions of our constituents. But we must look behind these titles and ask ourselves, do we indeed want to build the body of knowledge in this country from which we can take later on in periods in our history to expand our horizons of social, yes, social; biological, yes, biological, and technical expertise for which we are second to none in the world?

I believe we have a responsibility to do that.

Again I would refer to the remarks of the gentleman who has proposed this amendment. Certainly not everything that is being studied is going to lead to something. That is not the point. The point is to build that body of knowledge from which we can draw on in the future. Some of it will be useful. Some of it will not. We do not know.

There may be certain programs like the gentleman has pointed out that may not lead to anything. As I understand it, that is a program totaling $83,000. Yet the amount the gentleman would cut is $14 million out of research for biological, social, and behavioral sciences.

These are silly sounding titles. I know that. But the kind of research that is being done can lead to a better quality of life in America.

I would only mention two more of these projects that I know our constituents and all your constituents have read about. One was called a few years ago "The Sex Life of the Screwworm." Now, how many people would like to vote for money to study the sex life of the screwworm? Probably not very many. But, because of that study, they found out about the screwworm's life cycle and, because of that study, we were able to eradicate the screwworm in cattle herds throughout the United States. Ask any of your cattlemen how much they appreciated that. Just one more to illustrate my point: A silly title a couple of years ago which I heard a lot about when I was first running for office. It was called "The Excretion of Urine in the Dog." A crazy thing for sure. Who would want to support something like that? This work was done by Dr. James Shannon. I did an investigation on this. He was a former Director of the National Institutes of Health.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. BROWN of California and with unanimous consent, Mr. HARKIN was allowed to proceed for 3 additional minutes.)

□ 1550

Mr. HARKIN. But, Mr. Chairman, the result of this study led to vital information on the functions of the human kidney and the relationship of hormones to the kidney function. In 1975 Dr. Shannon was awarded the Nation's highest honor for science, the National Medal of Science, for his research in this area.

So I again ask the Members to please be responsible in their vote on this amendment. It can have a devastating effect on what we are doing in this country to fund the basic research that adds to our body of knowledge from which we draw in the future to answer the questions that will enhance our life and make life better for all our citizens.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from California.

Mr. BROWN of California. Mr. Chairman, I want to thank the gentleman from Iowa (Mr. HARKIN) for his very cogent presentation of the rationale for these expenditures for basic research.

I want to point out that the committee has already reduced the total amount in the President's budget for basic research by the amount of $5 million. I think it is reduced by about $1.3 million in this particular category that the gentleman from Ohio (Mr. ASHBROOK) has suggested.

We have, in accordance with the past expressions of the House, added some funds for science education and for applied research, but the basic research budget has already been reduced by this amount of $5 million. And I must confess that the administration was extremely unhappy about this reduction.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I thank my colleague for yielding.

I can well understand the gentleman's statement. I think it is fair. I do not think any of us know sometimes what doors we are going to open, to use the gentleman's phraseology.

But I would ask my colleague, the gentleman from Iowa (Mr. HARKIN), does he really believe that we need to knock on every door, and does he really believe that $83,000 to study the law profession would fall in the same category as those important studies that he has mentioned.

In my speech I indicated that I do not want to get into basic research, but when we are talking about $50,000 spent for finding somebody who is violating our air space or $83,000 for studying homosexual couple formation, or $80,000 for a study of the legal profession, does the gentleman honestly believe we can put those grants and studies in the same category as Dr. Jonas Salk?

Mr. HARKIN. Mr. Chairman, I do not know, but from listening to my constituents—perhaps my constituents are different from those of the gentleman's—maybe some of them would like to know why we are proliferating so many lawyers in our society, and maybe there is something that ought to be done about that.

Seriously, I say I do not know if we have to knock on every door, but I know the process by which these grants move through the peer review system of the National Science Foundation.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. HARKIN) has again expired.

(By unanimous consent, Mr. HARKIN was allowed to proceed for 2 additional minutes.)

Mr. HARKIN. Mr. Chairman, as I say, I know the process that has to be undergone before these grants are made for these studies. It is a very rigorous proposal review and evaluation.

We went through this about 3 years ago. I believe it was the gentleman from Maryland who offered certain amendments, and he really was the instigator of our taking a closer look at the peer review system, which we did, and I believe a lot of errors in that have been corrected.

So I am willing to let the peer review system and the system that has been set up in the National Science Foundation be the judge of how many doors they want to knock on—not me, because I do not have that expertise. But I believe they do.

If the gentleman would like to go after one specific thing like the study of lawyers, he should propose that type of amendment. But to cut $14 million out of this, I think, is taking the meat ax approach.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield further?

Mr. HARKIN. I will be glad to yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, if we want to take the time, I know we can go through the projects that will add up to $14 million. I thought I was taking a very low figure.

If the gentleman wants to take the time, we can go through them one by one, and the gentleman can tell me which projects are important. I feel that all of us know we can cut $14,000 and not do a disservice to basic knowledge and research. That is all we would do with this amendment.

Mr. HARKIN. Mr. Chairman, I thank the gentleman for his remarks, but I must say I disagree. I think that basic research is important enough that we have to maintain our momentum in that area.

Mr. RITTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think this is what is in question here: I have heard many projects spoken about by my distinguished colleague, the gentleman from Iowa (Mr. HARKIN), that relate to the biological sciences. I hear my distinguished colleague, the gentleman from Ohio (Mr. ASHBROOK) talking about the social and behavioral sciences.

The question here is the very definition, the very essence of the social and behavioral sciences themselves.

Many people flat out do not believe that social sciences are contributing, and many people believe that social sciences contribute. Certainly they have the kinds of titles that many of us can understand. Since the vast majority of projects "in question" today are in the social and behavioral sciences the amendment should address itself to that specifically and not to the biological as well as behavioral and social sciences.

On the other hand, the methodology of the social sciences is scientific. It does address important questions, and I think we do want to find out some of the answers to these questions.

□ 1555

Things like "crowding" are not all that inane. We have people living in cities where they are right on top of one another. We accept this. Perhaps there are more scientific ways of finding out what the negative aspects are, that there are medical effects, eventually, on crowding, and perhaps we can avoid negative physiological and medical effects from these kinds of situations.

I like the idea of gaining valuable insights into the very rapidly growing legal profession, although I personally would agree with my colleague, the gentleman from Ohio, that the legal profession is certainly well heeled enough to conduct its own research. In regard to the $24 million worth of social and behavioral science, including a major program in economics research, if you cut $14 million out of that part of the budget—and that is what I hear my colleague, the gentleman from Ohio, say—you are actually cutting out research on social and behavioral science research, and you are saying you do not believe in social and behavioral science research. I think that is a far broader question and the kind of question that should come up in hearings so that we can be a little more deliberate about whether we should remove the cutting edge of behavioral and social science research in this Nation.

Mr. PEASE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to rise just briefly, first to commend the gentleman from Iowa for his absolutely splendid statement, and also to commend the gentleman from Pennsylvania (Mr. RITTER) for his statement clarifying the value of social sciences as compared, perhaps, to the more obvious value of biological sciences.

My own constituents have raised with me many of the same questions mentioned by the gentleman from Iowa. I tried to respond to them. I wrote off to the National Science Foundation and asked them for explanations. I have received explanations which, in a vast majority of cases, were perfectly satisfactory.

I agree that the university researchers are the last people you ought to look to for a down-to-earth, straightforward description of a project. A lot of times the researchers, not being used to dealing with the public, may leave themselves wide open to the kinds of criticism which a newspaperman or politician can easily use. As a newspaperman myself for 22 years, I know how easy it is, what a great, easy attention-getting story it is, to pick up examples of supposedly wasteful expenditures on scientific research.

I think the gentleman from Iowa has contributed a great deal to this debate with his statements. I tell my constituents that scientific knowledge starts from the bottom. It is like building blocks. You have to have the basic building blocks of the foundation before you can reach at the top that scientific breakthrough that we are all going to herald as being a major benefit to mankind. Often, as with building blocks at the bottom, you cannot know what is going to happen in those studies, nor can you point to a specific end goal from that basic research. Yes, it is true that a lot of scientists have to go up a lot of blind alleys before one or two scientists can build a foundation on which other scientists can build on another level, or three or four levels, before we achieve a goal. The example of the discovery of penicillin would apply.

Far from knocking on every door, the evidence is that in our scientific community in the United States we are not putting enough money in the scientific research to the end that 10 years from now, or 15 years from now, our children and our grandchildren will benefit from the kind of scientific breakthroughs which we all think are important. So we are not knocking at every door with this budget. We do have a modest increase, and I think it is entirely appropriate that the President has chosen to put this kind of emphasis on scientific research.

□ 1600

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I am happy to yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I would like to associate myself with the gentleman's remarks, and add one additional thing. Last week I had lunch with several business people in my hometown, and they told me that one of the biggest weapons in the war on inflation is strong, adequate, research programs, basic research programs where talent and creativity and innovation might produce some solutions to producing products at lower costs; to producing methodologies at lower cost.

So, I think that is one additional reason for approving the final passage of the bill.

Mr. PEASE. Mr. Chairman, I thank the gentleman for his contribution, and he is exactly right. Many businessmen have told me the same thing.

Mr. BENNETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I feel that what we are dealing with here may be only a matter of semantics or only a matter of arrogance on the part of bureaucracy. There is no reason why a project dealing with the renal glands of a monkey could not have been defined to begin with as something having to do with the discovery of ways in which we could help mammals, the human body, by the study of particular types of animals.

There is no justification whatsoever for this study about the law profession. I am a member of the American bar, and I do not think they need any great charity from the Federal Treasury to study that question. So, there are some things which are positively wrong about this program. There are some actually wasteful things that should not occur at all, but the arrogance on the part of the bureaucracy throughout all the years I have been here, 31 years, is continuing. They never will rewrite the things unless we do something to make them single out the objective of what they are trying to do.

Most of these things do have an objective which is a very good objective. I am very familiar with the screw fly worm because in that area of Florida which I used to represent that was a very serious thing to cattle. But, they knew to begin with what they were going to do, put the onus on the sterilization of the male and leave the situation where there would not be any reproduction. They could have worded that in a way which would not inflame our constituencies.

We represent people back home who struggle hard to pay taxes. It is difficult for a man who is having a hard time paying his taxes to read some inflammatory article like those in the paper describing these grants. He gets so that he hates Government; he feels frustrated.

It hurts us in efforts to get real science research, and I just think the committee should not brush aside everybody as a redneck or boob who has some criticism of the programs which have occurred, and which are arrogantly justified by the bureaucracy on the basis that, "You poor peons in Congress do not know what you are doing. You are just demagoguing the matter."

They have inflamed our constituents and continue to inflame our constituents. They arrogantly refuse to reword titles so that they are understandable to everyday people. I think they should look at this and come forward with programs which should make it easy for our constituents and for Congressmen to understand instead of just looking down their noses at our poor constituents, who apparently are supposed to be such fools that they do not know when a thing is good for their benefit. I think we should tell bureaucracy, "You stop producing that type of terminology," in these grants. Also some of the grants certainly should stop.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I will be glad to yield. I know what I am likely to get.

Mr. BROWN of California. I think the gentleman was mistaken in his anticipation. I wanted to agree with him and indicate that both the previous chairman of the full committee, the distinguished gentleman from Texas, Mr. Teague, and the present chairman, our distinguished colleague from Florida

(Mr. Fuqua) have felt the same way as he did.

Mr. BENNETT. The trouble is, that is past tense. Do they feel that way now?

Mr. BROWN of California. They still feel this way, and I can assure the gentleman that there is a continuing dialog with the Foundation to get them to accept the necessity of more realistic titling of their grants.

Mr. BENNETT. If we cut them a little bit, they will get the message.

Mr. BROWN of California. Well, the gentleman is probably correct in that.

□ 1605

Mr. BROWN of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, may I just correct the figures which I gave previously about the social sciences. The current year's program is $25,500,000. The proposed program for the next fiscal year is $26,900,000. The increase is less than the rate of inflation so that the social science program in this bill and in the President's budget is actually taking a real loss in resources.

The question is on the amendment offered by the gentleman from Ohio (Mr. Ashbrook).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Fifty-one Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1615

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Ohio (Mr. Ashbrook) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 219, noes 174, not voting 39, as follows:

[Roll No. 59]

AYES—219

Abdnor
Akaka
Albosta
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bonker
Bowen
Brinkley
Broomfield
Brown, Ohio
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Corcoran
Cotter
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dicks
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Ga.
Evans, Ind.
Fenwick
Ferraro
Findley
Flippo
Fowler
Frost
Gaydos
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kemp
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lujan
Luken
McClory
McDade
McDonald
McEwen
McKay
Madigan
Marlenee
Marriott
Mathis
Mattox
Mazzoli
Mica
Michel
Miller, Ohio
Minish
Mitchell, N.Y.
Mollohan
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Myers, Ind.
Nichols
O'Brien
Panetta
Pashayan
Paul
Quayle
Quillen
Ratchford
Regula
Rhodes
Rinaldo
Robinson
Rose
Roth
Rousselot
Rudd
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
St Germain
Stangeland
Stanton
Steed
Stenholm
Stump
Symms
Tauke
Taylor
Thomas
Treen
Trible
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Wylie
Yatron
Young, Fla.
Zeferetti

NOES—174

Addabbo
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Ashley
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Bereuter
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Brademas
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Conyers
Corman
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Dingell
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Fary
Fascell
Fazio
Fish
Fithian
Florio
Foley
Ford, Tenn.
Fountain
Garcia
Giaimo
Gonzalez
Gore
Gradison
Gray
Green
Hall, Ohio
Hanley
Harkin
Harris
Hawkins
Hollenbeck
Holtzman
Howard
Johnson, Calif.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Lehman
Leland
Lloyd
Long, La.
Lowry
Lundine
McCormack
McHugh
McKinney
Maguire
Markey
Martin
Matsui
Mavroules
Mikulski
Miller, Calif.
Mineta
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Railsback
Rangel
Reuss
Richmond
Ritter
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Solarz
Spellman
Stack
Stark
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Van Deerlin
Waxman
Weaver
Weiss
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wydler
Yates
Young, Mo.
Zablocki

NOT VOTING—39

Breaux
Conable
Coughlin
Daniel, R. W.
de la Garza
Diggs
Dixon
Dougherty
Evans, Del.
Fisher
Flood
Ford, Mich.
Forsythe
Frenzel
Fuqua
Gibbons
Guarini
Horton
Jones, Okla.
Kindness
Lederer
Lungren
McCloskey
Marks
Mikva
Montgomery
Ottinger
Pepper
Rahall
Roberts
Runnels
Santini
Staggers
Stockman
Ullman
Vander Jagt
Vanik
Williams, Mont.
Young, Alaska

□ 1630

The Clerk announced the following pairs:

On this vote:

Mr. Roberts for, with Mr. Fuqua against.

Mr. Breaux for, with Mr. Pepper against.

Mr. Runnels for, with Mr. Flood against.

Mr. Staggers for, with Mr. Diggs against.

Mr. Montgomery for, with Mr. Guarini against.

Mr. Kindness for, with Mr. Ford of Michigan against.

Messrs. CHENEY, DAVIS of Michigan, BIAGGI, and GLICKMAN and Ms. FERRARO changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

□ 1635

AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Ashbrook: On page 5, immediately after line 7, add the following new section:

"Sec. 9. None of the funds authorized to be appropriated by this Act shall be used to transfer any of the science education programs of the National Science Foundation to any other existing or proposed agency."

Mr. ASHBROOK. Mr. Chairman, I thank my colleagues for their attention. This will be very short. It will not take 5 minutes.

I can say at the outset that this is not my idea, so in no way is it being prejudiced. I got the idea—as a matter of fact if the Members will look at the report on page 43, the committee itself says:

> The Committee recommends that none of the National Science Foundation's science education programs be transferred to any other existing or proposed agency.

In other words, it is their idea, not mine. They indicated they would recommend no money be transferred but for some reason or another I looked through the bill and those words—easily drafted by any Member—did not appear in the legislation. So, I am simply adding section 9, which says:

> None of the funds authorized to be appropriated by this Act shall be used to transfer any of the science education programs of the National Science Foundation to any other existing or proposed agency.

Very simple. We are following out legislatively what the committee recommends in its report.

Mr. WYDLER. Mr. Chairman, would the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I would say to the gentleman that although I have disagreed with him from time to time on some issues——

Mr. ASHBROOK. The last amendment, as a matter of fact.

Mr. WYDLER. I voted against his last amendment. I can see the merits to this one, and I urge every Member to support it.

Mr. ASHBROOK. I thank my colleague.

Mr. BROWN of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this amendment offered by the gentleman from Ohio poses a problem since, as he correctly represented, his views are the views of the full committee. However, I have to point out one minor difference.

The committee deliberated as to whether they wished to include this in the legislation, and decided for a number of good and valid reasons that they did not wish to have this language inserted in the language of the bill. Some of the reasons are quite obvious. We do not know what kind of a proposal will be made. Also, the establishment of a new Department of Education which would not be within the purview of the Science Committee. It would fall within the purview of another committee of this House, and it would be presumptious of the Science Committee to prejudge the merits of a particular organizational change before we have even seen it.

What this language represents is the considered views of the committee that the science education programs are being well done where they are; that very serious consideration should be given before any changes are proposed.

□ 1640

Mr. Chairman, to put this amendment offered by the gentleman from Ohio (Mr. ASHBROOK) into the language of the bill precludes even the most minor change which perhaps could be negotiated between the various parties who are working on this proposal at the present time. It is not the view of the Committee on Science and Technology, in including the present language in the report, that it would want to tie the hands of the House of Representatives or of the administration or of the other agencies and bodies which might be concerned with this matter.

Therefore, Mr. Chairman, I urge the House to support the position of the committee that we voice our views in the report, as we have properly done, but that we not enforce these views within the language of the legislation itself. I urge a "no" vote on the amendment.

Mr. MARTIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I, too, want to support this amendment of the gentleman from Ohio. He is correct that we should specify that no funds authorized for the National Science Foundation should be transferred to any other agency.

Such an amendment is by no means premature. If a later judgment is made that some portion of these funds should be specifically transferred, it will then be within the prerogatives of Congress to supersede the Ashbrook amendment by specific legislation.

All we are saying in this amendment is that science education must not be transferred to any other new or old department whose primary concern is not to promote and strengthen science.

This position is endorsed by testimony from a large number of organizations, including:

American Association for the Advancement of Science.

National Science Teachers Association.

American Association of State Colleges and Universities.

American Council on Education.

Association of American Colleges.

Association of American Universities.

Association of Catholic Colleges and Universities.

Association of Jesuit Colleges and Universities.

Council for the Advancement of Small Colleges.

National Association of Independent Colleges and Universities.

National Association of State Universities and Land-Grant Colleges.

National Catholic Educational Association's College and University Department.

Committee on Minorities in Engineering.

National Research Society.

American Chemical Society.

Mathematical Association of America.

American Mathematical Society.

Great Lakes Colleges Association.

Council of Scientific Society Presidents.

Such a transfer is opposed firmly by four former science advisers to the President, namely:

Dr. Jerome Wiesner, Science Adviser to President Kennedy;

Dr. Donald Hornig, Science Adviser to President Johnson;

Dr. Edward David, Science Adviser to President Nixon; and

Dr. Guyford Stever, Science Adviser to President Nixon.

At this time the House should adopt the Ashbrook amendment.

Mr. ERTEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, when this report was filed by the Committee on Science and Technology, I filed dissenting remarks based upon this particular section of the committee report. The reason I filed those dissenting remarks is that I thought the committee was premature in opposing any transfer of the National Science Foundation's science education programs to any other agency or department. I thought it was unwise at that time for the committee to include those views within its committee report.

The reason I thought that particular position was premature is that we do not know what will be proposed in the final Department of Education legislation; nor do we know what programs would be transferred, if any. We do not know what level of support the NSF programs would receive in the new Department. We do not even know whether Congress will enact legislation to create a Department of Education.

Mr. Chairman, it seems to me that we are putting the cart before the horse by making a premature judgment. All of the facts are not in on this subject, and we do not know what is going to happen in the future. It seems to me that we are better off leaving out the language proposed under the Ashbrook amendment. The committee considering the legislation to create a Department of Education will be addressing the numerous issues and questions involved in this matter. When that committee reports the bill, this body will have the opportunity to discuss any transfer which may be proposed.

All I am saying, Mr. Chairman, is that I think this whole thing is premature. We have no idea of what we are doing here by voting for this language. All we would do by voting for this amendment would be to unnecessarily lock ourselves in at this point. When the House considers legislation which calls for a transfer of science education programs from the National Science Foundation, the question should be raised. Now is not the time.

For those reasons, Mr. Chairman, I would urge my colleagues to vote "no" on this amendment and keep the committee report language as it is, only a recommendation of the committee, not something locked into concrete. I think it was wrong even to put that language into the committee report, but it is there, along with my dissenting remarks. We need not go further at this time.

Mr. Chairman, I yield back the balance of my time.

□ 1645

Mr. WYDLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank my colleague for yielding. What I wanted to propound was a question to my friend and colleague, the gentleman from Pennsylvania (Mr. ERTEL). It is my observation the exact opposite would be the case. The fact that we do not know what would be happening in the future means that we should at that time address ourselves specifically to any transfer of funds responsibilities. Basically we did set up the National Science Foundation. That is the statute. We gave it specific authority, and to treat it tenuously, some time, some place in the future for somebody to transfer it without the action of this Congress would, in my opinion, be a mistake. So we are making sure an orderly process is followed by doing it this way. I wanted to say to the gentleman it seems the exact opposite would happen from that which my colleague said.

Mr. WYDLER. Mr. Chairman, I will yield to the gentleman from Pennsylvania (Mr. ERTEL) if he will ask me to in due course.

My comment on this would simply be that this is a chance for the House to work its will. If we subsequently decide we want to do something different, we can do it at a subsequent date. The only real effect of this amendment at this time would be to make sure that the administration does not take some action in the meantime that might make what we do thereafter meaningless. So what we can do at this point by this amendment is protect the status quo until we know what changes, if any, are being proposed, and we will have an opportunity to act on them. So I would think, to protect the interests of the House, we should pass this amendment.

I now yield to the gentleman from Pennsylvania (Mr. ERTEL) if he so desires. Does the gentleman desire me to yield? I yield to the gentleman.

Mr. ERTEL. I thank the gentleman for yielding.

In response to the gentleman from Ohio (Mr. ASHBROOK) there is no provision in this authorization for the transfer of funds in any event, so what we are talking about is a meaningless act by the Ashbrook amendment. If the Department of Education were set up, we in this House would vote on this, and the question of its jurisdiction would be addressed at that time. But through this amendment we would prevent any small transfers that may arise anywhere along the line from the NSF to any other agency or department. I just think this would be overly cautious. I do not think this particular issue should be addressed at this time. We have no idea what is going to happen to the Department of Education legislation and we do not know what any final legislation would call for with regard to NSF's science education programs. I think we are all arguing in a vacuum, and the Ashbrook amendment is premature.

Mr. WYDLER. Again I have to disagree with the gentleman. It is not meaningless to take action to prevent action on behalf of the administration when subsequent action might be too late. So I think the time to act is now, and I would hope that the House would do so.

Mr. Chairman, I yield back the remainder of my time.

Mr. PEASE. Mr. Chairman, I move to strike the requisite number of words.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I am happy to yield to the gentleman.

Mr. BROWN of California. I thank the gentleman for yielding.

Mr. Chairman, if I may very briefly make a point here, I am touched by the gentleman from Ohio (Mr. ASHBROOK) wanting to protect the National Science Foundation, and I want to express my appreciation to him. May I point out that the science education function of the Foundation encompasses a wide range of activities all the way from a graduate science fellowship to the development of curriculums for elementary schools. It is very likely that if any changes are made, it would be a very small part of this overall program. It might include, for example, the curriculum development program which, if I recall correctly, the gentleman from Ohio was in the forefront of criticizing only 2 or 3 years ago because they ventured into the field of developing a curriculum in the social sciences, which he felt was inappropriate. I would think that he would rather have that program transferred anywhere else than kept there, but the language of his amendment precludes even the most minute change in this. It is poor administration to put that kind of fixed control within the language of the bill, and I urge a no vote.

□ 1650

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, in response to what my friend, the gentleman from California just said, I admit it is an old-fashioned idea. The Congress passes a law, we appropriate money and the money is used for the purposes for which we appropriate it. I admit that is an old-fashioned, possibly outmoded idea, and that is all we are talking about here.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and the Chairman being in doubt, the committee divided, and there were—ayes 56, noes 68.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 175, noes 218, not voting 39, as follows:

[Roll No. 60]

AYES—175

Abdnor
Albosta
Anderson, Ill.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Ashley
Atkinson
Badham
Bafalis
Bauman
Beard, Tenn.
Bennett
Bethune
Boland
Bowen
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Cavanaugh
Cheney
Cleveland
Clinger
Coleman
Collins, Tex.
Conte
Conyers
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Dannemeyer
Davis, Mich.
Davis, S.C.
Deckard
Derrick
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Ga.
Fazio
Fenwick
Findley
Fish
Giaimo
Gilman
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guyer
Hagedorn
Hammerschmidt
Hansen
Harkin
Harsha
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Hyde
Ichord
Jacobs
Jeffries
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
McClory
McDade
McDonald
McEwen
McKinney
Madigan
Marlenee
Marriott
Martin
Mathis
Mica
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Myers, Ind.
O'Brien
Obey
Pashayan
Paul
Peyser
Pursell
Quayle
Quillen
Regula
Rinaldo
Ritter
Robinson
Roth
Rousselot
Rudd
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Treen
Walker
Wampler
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOES—218

Addabbo
Akaka
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Bolling
Boner
Bonior
Bonker
Bouquard
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Carter
Chappell
Chisholm
Clay
Coelho
Collins, Ill.
Corman
Cotter
Danielson
Daschle
Dellums
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Evans, Ind.
Fary
Fascell
Ferraro
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Garcia
Gaydos
Gephardt
Ginn
Glickman
Gonzalez
Gore
Gray
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Holland
Holtzman
Howard
Huckaby
Hughes
Hutto
Ireland
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lehman
Leland
Lloyd
Long, La.
Lowry
Luken
Lundine
McCormack
McHugh
McKay
Maguire
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Mineta
Minish
Moakley
Moffett
Mollohan
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Panetta
Patten
Pease
Perkins
Pickle
Preyer
Price
Pritchard
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schroeder

Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Stark
Steed
Stenholm
Stewart
Stokes
Studds
Swift
Synar
Thompson
Traxler
Trible
Udall
Van Deerlin
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Wilson, C. H.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—39

Alexander
Breaux
Clausen
Conable
Daniel, R. W.
de la Garza
Diggs
Dougherty
Evans, Del.
Fisher
Flood
Forsythe
Frenzel
Fuqua
Gibbons
Guarini
Jones, Okla.
Lederer
Long, Md.
Lungren
McCloskey
Marks
Michel
Mikva
Miller, Calif.
Mitchell, Md.
Montgomery
Ottinger
Patterson
Pepper
Rahall
Roberts
Runnels
Santini
Staggers
Ullman
Vander Jagt
Vanik
Wilson, Tex.

☐ 1705

The Clerk announced the following pairs:

On this vote:

Mr. Runnels for, with Mr. Pepper against.

Mr. Breaux for, with Mr. Flood against.

Mr. McCloskey for, with Mr. Diggs against.

Mr. Lungren for, with Mr. Lederer against.

Mr. Forsythe for, with Mr. Roberts against.

Mr. Robert W. Daniel, Jr., for, with Mr. Staggers against.

Mr. Conable for, with Mr. Fuqua against.

Mr. Vander Jagt for, with Mr. Guarini against.

Mr. Michel for, with Mr. Mitchell of Maryland against.

Mr. ROYBAL changed his vote from "aye" to "no."

Mr. MADIGAN changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. DANIELSON) having assumed the chair, Mr. STRATTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2729) to authorize appropriations for activities of the National Science Foundation, and for other purposes, pursuant to House Resolution 179, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEPARTMENT OF EDUCATION UNNECESSARY

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DANNEMEYER. Mr. Speaker, the proposed creation by the Carter administration of a Department of Education is receiving much deserved attention. Chancellor Glenn S. Dumke of the California State University and Colleges is opposing the creation of this super agency in education. The chancellor is responsible for 19 campuses throughout California with more than 300,000 students.

Chancellor Dumke questioned the assumptions that the proposed new Department is based on including the idea that there would be any improvement for higher education. Instead the chancellor saw a new Department of Education as being, "an obvious reward for lobbyists and interest groups with exceedingly narrow views."

Mr. Speaker, I as one Member of this House support measures that consolidate programs, cut waste and bureaucracy and save the American taxpayers some of their hard-earned dollars. Unfortunately, this proposal by the Carter administration would do the opposite. Neither the American taxpayer nor will education in this country be served by adding yet another layer of bureaucracy and its attendant redtape to our educational system. The proposed Department of Education is unwanted, unloved. and most importantly of all, unneeded.

At this point I include the following news brief:

CHANCELLOR AGAINST GOVERNMENT DEPARTMENT OF EDUCATION

LONG BEACH.—The creation of a Cabinet-level U.S. Department of Education today was opposed by Chancellor Glenn S. Dumke of The California State University and Colleges.

Not only would such a federal department lack benefits for higher education, but the stage would be set for an unwarranted and politicized "Ministry of Education," he said.

Chancellor Dumke expressed his views in response to the introduction of bills in both the Senate (S. 210) and House of Representatives (H.R. 2444) for a national super agency in education.

The 19 CSUC campuses enrolling more than 300,000 students comprise one of the nation's largest higher education systems. Some $86.6 million from federal programs were channeled onto the campuses in 1977–78, including $50.8 million in student aid funds.

"We are told that greater efficiencies will ensue from establishment of a single new department, and that prestige will rise by having an education secretary on the cabinets of U.S. Presidents," Chancellor Dumke said.

"These claims at best are conjectural. Immediate improvements for higher education would range from scant to zero, yet an unneeded agency would be created whose top seat is the obvious reward for lobbyists and interest groups with exceedingly narrow views."

Although most CSUC federal involvement is with the U.S. Department of Health, Education, and Welfare (part of which would be the nucleus for the new Education Department), many programs participated in by the campuses are administered by other government entities.

These, to list a few, include the Department of Agriculture, the U.S. Geological Survey, National Science Foundation, Small Business Administration, NASA, the Army Corp of Engineers, Office of Naval Research, the Department of Energy, the Bureau of Land Management and the Veterans Administration.

"Many federal programs undoubtedly should be reorganized," Chancellor Dumke said, "but the test should be on their worthiness rather than on simply reassembling them to justify a governmental super agency.

"Similarly the formulation of nonconflicting regulations and coordination of civil rights enforcement, though of compelling necessity, do not require a new officialdom in order to proceed.

"As one who has evaluated the scene in other countries, I am not moved by Vice President Mondale's intimation that the U.S., as the only major industrial democracy that does not have a department or a ministry of education, should somehow catch up with other nations.

"The hallmarks of most foreign education ministries are elitism and centralization in which someone in control adjusts the throttle in accordance with perceived national needs of any given moment.

"I cannot believe this is the approach the United States should take. Problems and inadequacies exist but state and local provisions which have resulted in 75 percent of this country's children being graduated from high school, and more than 11 million enrolled in higher education, represent a level of accomplishment unequaled among the sizeable nations of the world."

IT'S TIME TO CALL A HALT TO INSIDIOUS RULES AND REGULATIONS

(Mr. HARSHA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HARSHA. Mr. Speaker, the American people have come to expect, albeit with a great deal of regret, the intrusion of the Federal Government in virtually every aspect of their lives.

In some instances, that intrusion may prove to be nothing more than an unnecessary but bearable annoyance. However, when Federal bureaucrats decide that they know better than qualified physicians how to provide proper medical care in this country, it becomes quite literally a matter of life and death.

With typical lack of regard for the consequences of their actions, the all-knowing regulation writers at the Department of Health, Education, and Welfare have decided to prescribe medical treatment for millions of Americans whose medical care is subsidized in whole or part by the Federal Government, through the medicare and medicaid programs.

If allowed to work its will, HEW will henceforth decide what is and what is not quality medical care and when treatment is needed and when it is not. And dare a doctor fail to follow its dictates, he or she will be "disciplined" forthwith.

The door was opened in 1972 to Federal control of medical practice with the establishment of HEW's Professional Standards Review Organizations (PSRO). In an effort to close that door, I joined in sponsoring legislation to repeal the PSRO section of the 1974 Social Security Amendments. Unfortunately, we were unsuccessful.

Federal encroachment into the right of doctors to make their own choices in medical treatment and the right of patients to confidentiality of their medical records has evolved from that beginning in 1972 to the present crisis. Now, through its Health Care Financing Administration, HEW has proposed regulations to force doctors of medicine to practice according to established Federal guidelines.

In other words, this Nation's qualified, highly trained, extensively educated corps of physicians are expected to ignore what they have learned through education and practical experience. They are to ignore the clinical conditions of the patients they are treating. Instead, they are to prescribe treatment for their patients in accordance with the wishes, as expressed in guidelines applicable across the board, of a bunch of HEW bureaucrats.

The latest regulation arms PSRO with nothing short of police powers. HEW's self-appointed medical experts will invoke sanctions against a medical practioner, who, in their judgment, orders items or services which are: First, not medically necessary; second, do not meet professionally recognized standards; or third, are not properly documented as to the medical necessity or quality of the services. Here again its the bureaucrats who make this judgment, most of whom have neither the expertise, training or education, none of whom have seen the patient let alone examine him. These "sanctions" are either exclusion from reimbursement under the medicare and medicaid programs or a fine equal to the cost of the unnecessary service provided, not to exceed $5,000.

It should not be the business of HEW to tell a patient's doctor whether that patient needs admittance to a hospital, how long that hospital stay should be, what tests are to be made, and what drugs are to be prescribed. Such Federal interference is not in the best interest of either patient or doctor.

The doctor's right to exercise his professional judgment will go right out the window if this regulation is implemented. And that is bad news for his patients, both in terms of the treatment prescribed for them and the availability of the doctor's services.

Since doctors will be held fully liable for any harm caused to patients as a result of the HEW rules, they obviously will be reluctant to take medicare patients.

Good medical care is now available in our Nation, but unwise and punitive regulations such as those being proposed by HEW (42 CFR, parts 455 and 474), will put it out of reach of the average American.

If doctors and hospitals are uncertain where they stand as to liability for heavy fines, they will not accept medicare and medicaid patients, which will undoubtedly trigger an increase in insurance rates and the cancellation of many policies.

The effect on medical care in this Nation could be disastrous, with the likely destruction of the ever important physician-patient relationship.

Clearly the proposed regulation is unwarranted, and it violates the language in the medicare law (Public Law 89-97). That law reads, "Nothing in this title shall be construed as to authorize any federal officer or employee to exercise any supervision or control over the practice of medicine or the manner in which medical services are provided, or over the selection, tenure or compensation of any officer or employee of any institution, agency or person providing health services; or to exercise any supervision or control over the administration or operation of any said institution, agency, or persons."

Since we have the best medical care delivery system in the world, it would seem only prudent that the Federal Government leave well enough alone. But, as we all know only too well, the Federal Government has not exercised prudence in years.

If President Carter and HEW Secretary Califano are really concerned with locating the sources of escalating costs of medical care in this country, they would do well to look at the very overblown bureaucracy that presumes to regulate medical care delivery and systematically buries physicians and hospital administrators under a mountain of costly and needless regulations. For the sake of the patient, for the sake of good medical practice it's time to call a halt to these insidious rules and regulations.

☐ 1210

FIGHTING INFLATION—WITHOUT DESPAIR?

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and to include extraneous material.)

Mr. DEVINE. Mr. Speaker, in the Washington Post Sunday appeared a column of George F. Will entitled "Fighting Inflation—Without Despair?"

This column is outstanding and all Members should read and digest it.

[From the Washington Post, Mar. 25, 1979]

FIGHTING INFLATION—WITHOUT DESPAIR?

(By George F. Will)

Alfred Kahn is the designated hitter against inflation for an administration that has scheduled three minimum-wage increases, increased milk support prices twice, added $59 million to the nation's sugar bill, used an acreage set-aside program to limit grain production, ballooned currency and bank reserves 9 percent in one year, expanded the federal budget 25 percent in two years, run a $50-billion deficit in the fourth year of a recovery, and advertised as "austere" a budget that, under optimistic assumptions, calls for a $30-billion deficit—the first budget that calls for spending more than $1 million a minute.

But recently Kahn addressed some Chicago businessmen this way: "You are on the spot. You have a heavy responsibility to help us bring under control the inflation. . . ." Citing the double-digit figures, he said: "You're not doing very well." Kahn's brass is almost admirable. Almost.

"Don't despair, however," he said. "I also have some good news. I refer, of course, to the president's anti-inflation program. . . ."

Of course.

Aside from "austerity," the program (Kahn detects "widespread agreement about its basic fairness and soundness" involves "voluntary" guidelines, use of the government's procurement power to enforce them, and the "wage insurance" plan.

The price guidelines are often unintelligible and the wage guidelines are flexible, depending on whether fringe benefits are counted. Kahn, who says that only big business is complying well, might consider the possibility that only big business has enough lawyers to decipher the program.

The "widespread agreement" about the "fairness and soundness" of the program does not extend to use of the procurement power to punish noncompliance with the guidelines. A government agency says that use would be illegal, and organized labor is seeking a court ruling to that effect.

The "wage insurance" program (workers who settle for 7 percent increases would get a tax break if inflation runs above 7 percent) may not emerge from Congress. If it does, and if inflation is 10 percent, it will swell the deficit by at least $15 billion. (The administration estimates a cost of only $2.5 billion, but it dreamily estimates inflation at 7.5 percent, half its current rate.)

Kahn says, "Don't despair." But no less an authority than Hamilton Jordan says corporate profits are "unnecessarily" high and the administration will "take steps" to "deal with" them. The "problem" is that profits rose 9.7 percent in the fourth quarter of 1978, 26 percent in the year.

Aside from Jordan's intuitions about what is "necessary," the administration thinks that high corporate profits will complicate the task of persuading labor to accept a 7 percent ceiling on wage increases. But that ceiling means a real cut in pay, and given that labor settlements did not cause and cannot cure inflation, there is no compelling reason why labor should accept the ceiling.

Besides, the administration should try a little leadership for a change. It should explain to the nation that the increased corporate profits that Kahn calls a "catastrophe" are, in fact, a blessing.

Inflation discourages saving. Americans are increasing their debts 50 percent faster than their incomes are increasing. Since 1975, consumer installment debt has risen 49 percent, residential mortgage debt 54 percent. Today the average family spends nearly 25 percent of its after-tax income on debt service. And government borrowing claims almost 20 percent of the capital market—at the peak of an economic cycle.

Healthy profits enable corporations to perform society's saving and investing functions at a moment when no one else is inclined to do so, and without pressuring the Federal Reserve to retreat from policies of monetary restraint. But Business Week magazine warns that $42 billion of the $202 billion in profits in 1978 was "an illusion" created by inflation:

Those earnings included phantom "inventory profits," equal to the difference between the inflated selling price of goods and their lower original cost. Those "profits" vanished when corporations replenished their stocks at even higher prices. In addition, some of the reported profits resulted from the underappreciation of plant and equipment. Corporations generally depreciate equipment at the obsolete prices they paid for the equipment rather than at the much higher price they will pay to replace it.

Today's profits, although high, are overstated. They follow a long profits slump. And they come when corporate liquidity is essential to the investment that is the key to rising productivity, and hence to rising standards of living. Yet the administration considers today's profits a "problem."

Kahn says, "Don't despair." He is wrong. Again.

WORRISOME EFFECTS OF PROPOSED WEEKEND GASOLINE SALES BAN

(Mr. DAVIS of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DAVIS of Michigan. Mr. Speaker, today I am introducing a resolution which expresses the sense of the House of Representatives that the gasoline rationing proposals and mandatory conservation plans which the President submitted to the Congress on March 1 do not adequately take into account the requirements of individual States and regions. In addition, the proposals recently submitted would result in industry-by-industry inequities and could cause irreparable harm to the economy of the United States.

The effects of the proposed weekend gasoline sales ban are especially worrisome to me. Apparently, the administration is not fully aware of the importance of travel and tourism to our economy. Thus, I would like to share some facts which have been brought to my attention concerning the economic impact of tourism and the effects of mandatory conservation plan No. 1 on this industry.

On a national scale, tourism is ranked among the top three industries in 43 of the Nation's 50 States. In my home State of Michigan, this industry is the State's second largest; and in my district, it is directly attributable to the livelihood of an extraordinarily large number of my constituents.

In Michigan, tourism and travel is directly responsible for 375,000 jobs. If the total economic impact of the industry is taken into account, one of every seven workers in the State of Michigan would derive part or all of their incomes from the tourism industry, according to the Michigan Travel Bureau.

More important than the number of jobs that the tourism industry provides is the kind of jobs which this industry creates. Tourism is an extremely labor intensive industry, thereby providing a large ratio of jobs to money invested. Additionally, the travel industry is a very significant employer of unskilled and semiskilled workers. Thus, it is much more difficult to relocate such employees if they were to be forced out of their jobs, which is what would happen if the President's mandatory weekend sales ban were to be implemented. These unskilled and semiskilled workers undoubtedly would be the first to go under the sales ban. In a district where the average rate of unemployment is 11 percent, it simply is unacceptable to me to allow this vital industry to be seriously affected.

In purely financial terms, travel and associated tourism directly account for $4.87 billion in generated business revenues in my State, according to the Automobile Club of Michigan. Also, the Michigan Travel Bureau asserts that the total economic effect of tourism on the Michigan economy is closer to $8 billion or more.

The President not only has mistaken the importance of the tourism industry, but he has based his mandatory weekend sales ban proposal on faulty assumptions.

First, his proposal would place a disproportionate burden on long-distance travel, when, in fact it is short distance, urban and suburban commutation which is most responsible for automotive gasoline consumption. According to the Automobile Association of America (AAA), only 2.9 percent of the gasoline consumed in the Nation is used for recreational purposes. In my State of Michigan, this figure is even lower—approximately 2.5 percent.

Furthermore, the 3M Corporation recently conducted a study in which it concluded that long distance travel is almost three times more efficient than commutation in terms of the number of passengers per vehicle. Specifically, the study determined that the average urban commuter vehicle contains 1.1 individuals, whereas the average recreational vehicle contains 2.9 passengers.

The second defective assumption that the President used in proposing a weekend sales ban is the contention that prohibiting the sale of gasoline on weekends actually would reduce the consumption of motor fuel. The Department of Energy itself contracted a study to be conducted by the renowned firm Resource Planning Associates (RPA). That study determined that the "queueing phenomenon" which would follow and/or precede the weekend would result in negligible or even negative gasoline conservation. The Washington Post quoted that study as asserting that "reduced hours of operation of gasoline stations should be discouraged, if not prohibited." An economic consultant for RPA further stated that "the queueing phenomenon could increase gasoline consumption."

The third underlying assumption in the President's standby authority proposals, especially the gas rationing proposal, is the belief that the implementation of such plans actually could be carried out. There currently are approximately 160 million registered vehicles in the United States. Managing the distribution of coupons to this number of individuals boggles the mind. All we have to do is compare this number to the 20 to 30 million individuals who receive monthly social security checks. The problems associated with that program are well known, and I shudder to think of what monsters lurk in the rationing plan.

For the above reasons, I believe that weekend sales bans are unjustified. Also, it is my opinion that the gas rationing proposal, as submitted on March 1 to the Congress, has not properly taken into account the different requirements between urban and rural motor vehicle operators.

It is not my intention, however, to assert in a purely negative manner that the President's plans are inadequate and inequitable. Thus, I should like to mention that there are alternative methods for achieving the laudable goal of conservation of gasoline, as well as other foreign energy sources which this Nation has become dependent upon.

In the long run, of course, we must remove impediments to, and encourage the immediate development of alternative energy technologies, especially those technologies which can be used on a regional, local, or even individual basis. There still is much to be learned about the application of appropriate energy technologies. This area deserves to be considered among the primary priorities of our Nation and of this Congress.

There also exist near term alternatives to the President's proposals. Regarding the mandatory conservation plans, States should be encouraged to opt to develop their own alternative plans. This already is being done by many States. Michigan has been active in formulating alternatives, and soon will be submitting its proposals to be reviewed by the administration.

Being generally concerned about the increasing involvement of the Federal Government in the everyday lives of American citizens, I believe that, wherever possible, we should allow the States to determine how best to manage their resources.

During the "energy crisis" of 1973–74, the "Gas Watchers' Program," conducted by the Automobile Club of Michigan, determined that "motorists who drive conservatively, carpool, maintain vehicles, and observe the 55-mile-per-hour limit can make 5 gallons of gasoline work like 6, cutting gas consumption by 16 percent." This, clearly would eliminate the cause for implementing, or even proposing, mandatory gasoline conservation measures. The successful promotion of carpooling, the Michigan Auto Club continues, could save 25 percent of the fuel used weekly by each person. Also, recommended is a proposal which currently is being considered in the Michigan State Legislature seeking to assess points on the drivers records of those individuals who drive speeds in excess of 55 miles per hour.

In conclusion, I believe that the President is shooting a cannon in order to kill a fly. His proposals are not properly conceived, and I urge my colleagues to seriously consider the ramifications of these plans before passing final judgment on them.

SUPPORT FOR CONSTITUTIONAL AMENDMENT TO BALANCE FEDERAL BUDGET GROWING

(Mr. WHITE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WHITE. Mr. Speaker, on February 15, 1979, I introduced House Joint Resolution 213, a proposed constitutional amendment to balance the Federal budget, along with 44 members of the Democratic Research Organization as cosponsors. Since that time support for our amendment has continued to grow. By March 8 we had gained an additional 16 cosponsors from both sides of the aisle, making the total 61. But that was only the beginning. On the 19th of this month, I announced an additional 21 cosponsors. The total having at that time reached 82, we had almost doubled the original number. Today, Mr. Speaker, I am pleased to say that we now have about 100 cosponsors. The momentum for our effort continues to grow.

This growth indicates something very significant to me, Mr. Speaker. Many of us in the Congress started out with our own particular ideas about how to achieve control over Government spending and the problems associated with deficit budgets at the national level. Our critics made light of the fact that there seemed to be as many different proposals for balancing the budget as there were Members advocating it. They said the balanced budget advocates would never be able to agree on anything. I suggest, Mr. Speaker, that the support we have gained for our effort lays this charge to rest. It also knocks down the other "big lie" our critics are pushing, that is, that the balanced budget effort is losing steam. It is just not so. Members of Congress and the general public may be becoming more reflective about the means to be used to achieve the balanced budget goal by constitutional amendment; but this is as it should be. We can all learn from an open and thorough consideration of this question in the Judiciary Committee hearings. House Joint Resolution 213 is a carefully negotiated and very responsible proposal that merits the committee's evaluation.

It is for this reason, Mr. Speaker, that I have today written the chairman of the House Judiciary Committee requesting that I and two other DRO members who were particularly instrumental in formulating House Joint Resolution 213 be given an ample opportunity to present the rationale behind this proposal at the Judiciary Committee's hearings. Sponsors of other amendments should be given a similar opportunity. Many Members have already demonstrated a very healthy willingness to pull together in pursuit of a common objective, as the sponsorship of House Joint Resolution 213 shows. After full and fair hearings in the Judiciary Committee, I am sure that a balanced budget amendment will emerge that is consistent with our need to make a balanced Federal budget the norm and behind which all responsible Members can coalesce.

Mr. Speaker, the following is a copy of the letter I today sent to the chairman of the Judiciary Committee:

House of Representatives,
Washington, D.C., March 27, 1979.

Hon. Peter W. Rodino, Jr.,
Chairman, House Judiciary Committee,
House of Representatives,
Washington, D.C.

Dear Mr. Chairman: This is in further reference to your letter of July 20, 1978, and my responses of September 13, 1978, and March 20, 1979, requesting hearings on my proposed constitutional amendment to balance the Federal budget (H.J. Res. 213). I am pleased to note your News Release of March 15, 1979, confirmed in the *Congressional Record* (page H-320) of March 22, 1979, announcing hearings on proposals for a constitutional amendment to balance the Federal budget (scheduled for March 27 and 28, 1979) with four prominent economists and a representative of the National Taxpayers Union as the leadoff witnesses.

As the principal sponsor of H. J. Res. 213, the balanced budget proposal with the largest number of Democratic cosponsors and about 100 cosponsors in total, I am vitally interested in testifying before your Committee or Subcommittee on this matter. The Democratic Research Organization, which I chair, has studied this matter for the past several years. Several members of DRO have special insights into this matter which they wish to share with the Committee and the Congress. In addition to myself, Representative Richard Ichord of Missouri, former chairman of the DRO Committee to Investigate a Balanced Federal Budget, and Representative David Satterfield of Virginia, former chairman of DRO, are interested in testifying and would be very valuable witnesses.

Your News Release states "that additional hearings on the issue will be scheduled." I respectfully request that Mr. Ichord, Mr. Satterfield and I be separately scheduled to testify before your Committee with ample time to give your Committee and the Congress the benefit of the results of the DRO study.

Thank you for your prompt response to my recent request for information about the activities of your Committee with regard to this issue. I would appreciate it if you would continue to provide notices of all hearings and meetings, advance copies of witness lists, and any other notices or press releases having to do with your Committee's balanced budget inquiry.

With kindest regards, I am,

Sincerely yours,

Richard C. White.

REMARKS IN SUPPORT OF PRESIDENT CARTER

(Mr. RUSSO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUSSO. Mr. Speaker, we may be facing the prospect of fuel shortages in the months to come; but I think it would be accurate to say that one commodity not in short supply in recent months has been criticism of President Carter. There is nothing inherently wrong about criticism; in fact, I am sure the President would be the first to admit that he is not free of flaw. But a sense of perspective, as well as the image of a public official can be buried in an avalanche of criticism without the injection of a little balance. How else, for example, can we explain the fact that so little attention has been given to a drop in unemployment from 7.3 to 5.8 percent since Jimmy Carter took office? So I would like to take a moment to supply some balance, to point up some of those qualities and accomplishments that the President can be proud of that may not have received sufficient attention.

We can best get a sense of a man's character and concerns by examining several of his achievements and policy goals. Civil service reform, Government reorganization, zero-based budgeting, his encouragement for those in the administration who are attempting to assess the costs and benefits of regulation—they tell us something about the kind of individual President Carter is.

In some of these areas, there are no existing organized constituencies for the President to turn to for support. He has often been on his own. That in itself requires no small amount of courage. He has consistently shown a willingness to pay attention to detail. He takes his job seriously, and he works hard at it. He recognizes that some of his most important responsibilities are those least likely to receive much attention. The business of managing public institutions is not the most politically appealing task on Earth. But the process shapes substance. The public to say the least, is not happy with the way Government works. The President rightly realizes that confidence in our Government will not be regained until public institutions function in a more efficient and effective manner. He has dedicated himself to that unglamorous but crucial task.

A more visible area of public concern, that being the Middle East, has also served to point up the President's strengths. Certainly, it would be premature of me to attempt to address the substance of the recently consummated treaty agreement. If it has done nothing else, the history of conflict that has characterized the Middle East has taught us to avoid hasty evaluations. But the activities of President Carter should not pass unnoticed. The President has demonstrated a degree of courage and persistence that we would all do well to emulate. He has placed peace as his highest priority, far above all other possible considerations. Through his display of personal strength, he has set a standard that future American leaders will find difficult to meet. We all stand in his debt.

REGULATION REFORM ACT

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, today I joined with Chairman Rodino of the Committee on the Judiciary in introducing the Regulation Reform Act of 1979 proposed by President Carter in the message he transmitted to the House yesterday. This bill marks an important beginning of a joint effort between Congress and the President to reform the regulatory processes of the Government. The procedures provided under this bill will make for improved management of the regulatory process. I applaud the President for his initiative in this important area. An important step was taken on March 23, 1978, when the President signed Executive Order 12044 which directed each executive agency to adopt procedures to improve existing regulations, and regulations to be issued in the future. Experience under that Executive order has proven the value of the principles of the reforms it effected. The bill that Chairman Rodino and I have introduced contains provisions patterned upon that successful experience. The bill also provides for needed improvements in the Administrative Procedure Act and related statutory provisions.

The following is a description of the important features of the bill:

The Regulation Reform Act

The provisions of the Regulation Reform Act strengthen those of Executive Order 12044 and extend them to include independent regulatory agencies. The Act, in conjunction with paperwork legislation and other actions, is designed to achieve five major improvements in the regulatory process: (1) improved analysis of the cost-effectiveness of rules when they are developed, (2) increased effectiveness of public participation in the process, (3) improved planning and management of the process of rulemaking, (4) review of old rules to eliminate overlap, duplication, and ineffective rules, and (5) reduction of the delays in the process. Specific provisions of the Act that will make these improvements are summarized below.

SUMMARY OF REGULATION REFORM ACT

The Regulation Reform Act contains three titles: Title I contains requirements that will improve the planning and management of the regulatory process, and requires agencies to periodically review their existing rules, policies, and practices; Title II reforms and reorganizes the Administrative Procedure Act to reduce delay, and to improve public participation, and reforms the process of selecting administrative law judges; Title III makes organizational and program improvements in the Administrative Conference of the United States and provides funds for public participation in agency regulatory activities.

TITLE I.—COST EFFECTIVENESS

Regulatory Analysis—Each agency will be required to prepare a preliminary and final regulatory analysis of each major rule proposed. The analysis, in its final form, must contain a clear statement of the need for the rule and its objectives; a description of the alternatives that were considered, including those considered in the preliminary analysis and received from the public during the comment period; a statement of the projected benefits and adverse economic and other effects of the rule; a statement that the rule achieves its objectives with fewer adverse economic effects than the acceptable alternatives, or an explanation as to why a more costly approach was chosen; and a summary and analysis of public moments made in response to the preliminary analysis. The preliminary analysis will already have required an estimate of the effects of each alternative under consideration and a projection of the effectiveness of each approach. Taken together, the two required analyses will provide a record of the process of development of a rule as it is influenced by succeeding stages of analysis and comment, both from within the agency and from without.

ADVANCE NOTICE

Regulatory Agenda—Each agency will be required to publish an agenda twice each year of the rules that will have a significant impact on the public and that the agency expects to propose or make final during the next twelve months. Each agenda will include a description of each significant rule being developed, a citation of legal authority for the rule, a projected time for issuing the final rule, an assessment of whether or not the rule is likely to be major,* and the name, address, and telephone number of an official responsible for answering inquiries about the rule; this information will provide all interested parties with advance notice of impending activity. Because identification of overlap or conflict and action to remedy the situation can be more easily accomplished at the early stages of the regulatory process, the agenda will be a useful tool in managing the regulatory process within each agency. Information contained in these agendas will also be used to compile the Calendar of Federal Regulations. To assure that the agendas will be as complete as possible, all significant rules proposed or promulgated that are not included on the agenda must be accompanied by a written explanation of their omission.

REDUCING DELAYS

Deadlines—The nature of the regulatory process and the number of people and stages involved in it makes it prone to delays. The problem of these delays can be attacked by establishing deadlines for agency action. Accordingly, the bill requires each agency to establish a timetable for succeeding phases of rulemaking and to explain publicly any failure to meet established deadlines. Agencies will be required to specify a completion date for any rulemaking, licensing or adjudication that will take longer than 180 days; if the action will take more than one year to complete, a date must be specified for completion of each major portion of the action. If any agency fails to complete action by the date announced (or in 180 days if no date was announced) then the agency must establish a new date for completion unless the delay will be 30 days or less.

Periodic Review—To address the problem of rules that are adopted and never reviewed for effectiveness or in light of changing conditions or technology, each agency will be required to review regulatory requirements periodically. Once every 10 years, each agency must review rules that have an effect on the economy of $100 million or more. In addition each agency will select other rules, policies, and practices for review on the basis of (1) the extent to which the time has significant economic, health, safety, or other effects; (2) the length of time that has passed since the item was issued; (3) the nature of any technological, economic, social, or other changes that have taken place in the area affected by the item since it was issued; (4) whether the item is accomplishing its purpose; (5) whether the item can be readily understood by those who are affected by it, and (6) any comments made by members of the public concerning the effects of the item, as implemented by the agency. Each agency will be required to publish a 10 year schedule for existing rules, policies, and practices in the Federal Register, first in preliminary form and then in final form based on comments received. Rules issued after the Act becomes effective must be accompanied by an announcement of a date for subsequent review, no more than 10 years after the rule is issued. The review process will be the basis for deciding whether to revise a rule; advance scheduling will assure systematic review.

PLANNING AND MANAGEMENT

Agency Head Responsibilities—Increasing the effectiveness of the management of the regulatory process is an issue that is addressed by several sections of the Act, but the most extensive provisions are found in this section. Each agency head is required to designate an office that will have primary responsibility for planning and managing the regulatory activities of the agency. Specific assignments of responsibility for regulatory agendas, regulatory analyses, deadlines, and periodic reviews must be made. Within six months of enactment, the agency head must issue guidelines for determining which rules have a significant impact on the public and shall henceforth approve all such rules before they are finally adopted. A formal regulatory analysis, which is required for major rules, is not required for significant rules. The basic questions of necessity, effectiveness, consideration of alternatives, ease of compliance, and readability must be addressed, however, and agencies are required to assure public access to the process by one or more specified methods.

JUDICIAL REVIEW

Oversight of Management and Planning Functions—The rigorous analysis that is required by the Act prior to issuance of rules will improve the decision-making processes of the agencies. If these analyses were reviewable by courts, however, there would be excessive litigation and delay. The Office of Management and Budget will oversee compliance with this Title by the Executive agencies as it does under Executive Order 12044. OMB will monitor compliance by the Independent Regulatory Commissions.

TITLE II.—INFORMAL RULEMAKING REFORM

The basic rulemaking procedures of the Administrative Procedure Act, which have not been revised since 1946 when the Act was passed, are significantly improved upon in that a more detailed and informative notice of proposed rulemaking, a 60 day period for public comment, and a response within the context of the final rule to each significant comment received during the comment period will be required.

MAKING THE PROCESS LESS FORMAL

Because formal hearings, resembling a trial, are inappropriate for many complex and policy-dominated decisions, the Regulation Reform Act replaces formal hearings in such cases with more flexible procedures, such as public hearings, written submissions, and hearings which resemble legisaltive hearings. The less cumbersome proceedings would actually be an aid to policy analysis, both in terms of the kind of information received and the time saved in gathering it. The provisions of the Act would apply to all formal rulemaking or licensing cases, except those to withdraw or suspend a license. An administrative law judge or member of the agency would be required to preside at the hearing. The presiding officer would have all the powers that would reside in a formal hearing of the traditional type and the officer woud make determinations of when cross-examination is appropriate. Agency decision-makers would not be barred from consulting agency staff who do not play an adversary role as trial staff; indeed, staff members could sit with the presiding officer as a panel, which would be of significant benefit in situations requiring complex information for making policy decisions.

REDUCING DELAY

In situations which do not fall under the provisions of the above expedited procedures, additional reforms have been introduced. The major change that is authorized is to require written evidence, using oral testimony or cross-examination only in situations where denial would materially prejudice a party. In the event that oral arguments are held, they would proceed in a more organized fashion if written argument has preceded them.

The appeals process has also been streamlined to reduce the amount of top managerial time devoted to deciding routine cases. The Act allows agencies to refuse to hear appeals of cases that were decided at the hearing level and to delegate authority for deciding an appeal to an appeal board of agency employees.

The Act grants subpoena power, upon initiation of formal proceedings, to the few agencies that do not now have such authority, including the Food and Drug Administration and the Department of the Interior. In addition, no action may be taken by a served party to challenge the validity of the subpoena until that party receives a default notice from the agency. To further prevent delay of proceedings by parties who fail to cooperate, the presiding employee is empowered to take various actions, including authorizing a stay of the proceedings until the order is complied with.

The Act would also transfer review of all agency rules to the courts of appeals.

ADMINISTRATIVE LAW JUDGES

Administrative law judges play an important role in agency proceedings. The Act broadens the authority of agencies to select individuals who are most qualified to act as administrative law judges. Selection would be made from lists of eligible candidates established by the Administrative Conference. Administrative law judges would be appointed to 7-year terms. A system of performance review will also be instituted, to be undertaken at least once every 7 years. A decision to reappoint for an additional 7-year term will be based upon the evaluation of performance and qualifications. If an administrative law judge is not found to be affirmatively qualified, he or she may be appointed to another position at an equivalent civil service level; unacceptable performance may be met with a reduction in grade or removal. Disciplinary procedures may be authorized against administrative law judges for unacceptable peformance. The Chairman of the Administrative Conference would be allowed to bring such an action against an administrative law judge; only the independent Merit Systems Protection Board could remove an administrative law judge in such a case.

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*Major rule: a rule that the proposing agency estimates will have an annual effect on the economy of $100 million or more, or will cause a substantial increase in costs or prices for individual industries, geographic regions, or levels of government, or that the agency determines will have a major impact.

TITLE III.—ADMINISTRATIVE CONFERENCE MEMBERSHIP

This section amends the Administrative Conference Act to expand the membership of the Administrative Conference which has until now consisted primarily of lawyers and law professors.

PUBLIC PARTICIPATION

In order to increase effective public participation in developing rules, agencies are authorized to provide financial assistance to cover the costs of participation of persons representing a point of view or interest that can reasonably be expected to be of consequence to the proceeding and whose resources are insufficient to allow participation or whose economic interests are small in relation to the costs of participation so as to preclude active involvement. Agencies must adopt guidelines for participation expense programs; the Administrative Conference will have responsibility for reviewing procedures to assure that there will be no conflict of interest in distributing participation expenses and that agencies have made effective use of the program. Twenty million dollars for a three year period has been authorized for this program.

SO THE PRESIDENT FINALLY NOTICED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, I was gratified to hear the President over the weekend call for a reform of the regulatory process in the U.S. Government. In an address to the National Association of Broadcasters in Dallas on Sunday, the President declared:

> It is time we take control of Federal regulations in America to reduce, to rationalize and to streamline the regulatory burden throughout American life.

So the President finally noticed.

I could not agree with the President more. He said:

> For too many Americans, today's contact with government at every level means a bewildering mass of paperwork, bureaucracy and delay.

Who says the President is out of touch with the attitudes of the public? As he put it, "the regulatory reform movement is a call for commonsense." How right he is.

The administration program to combat inflation makes this a most appropriate time to discuss the role of Government regulation. A little less meddling by Uncle Sam in the affairs of business and the American household will go a long way toward keeping the rate of rising prices under control. An evaluation of Government rules for industry demonstrates how costly the regulatory process is to the consumer, not to mention its effect on productivity in the economy.

President Carter was on the mark when he said:

> For far too long we have acted as if we could throw another law and another rule at every problem in our society without thinking about the consequences.

My colleagues on this side of the aisle stand ready to support this effort in regulatory reform, Mr. Speaker. The Founding Fathers of this Nation made no plans for a fourth branch of Government—the huge network of executive branch agencies with such a high concentration of power and influence over our lives. Congress has an important role to play in preventing this.

Thomas Jefferson envisioned "a wise and frugal government" which would make people "free to regulate their own pursuits." From what President Carter had to say this past weekend, it is clear that Jefferson's dream is a far cry from reality. I am glad the President finally noticed.●

THE BIG PLAY IN CHICAGO MILWAUKEE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Montana (Mr. MARLENEE) is recognized for 5 minutes.

● Mr. MARLENEE. Mr. Speaker, isn't it interesting that some renowned investors see inviting possibilities in a humdrum holding company that owns the ailing Milwaukee Railroad? Hidden potential? Tax losses? I draw your attention to the following article which appeared in "Fortune" last May:

THE BIG PLAY IN CHICAGO MILWAUKEE

(By Dick Griffin)

One morning last October, a wealthy businessman named Robert C. Reed left his home in Delray Beach, Florida, and flew to Dallas in a Braniff jet. He was joined there by William J. Quinn, chairman, president, and c.e.o. of Chicago Milwaukee Corp., a little-known Chicago-based holding company that owns two small food-service subsidiaries, a highway-paving company, and a deeply troubled railroad—the Chicago, Milwaukee, St. Paul & Pacific Railroad, better known as the Milwaukee Road.

Reed, a director of Chicago Milwaukee and at that time its biggest stockholder, made the Dallas trip to try to persuade John D. Murchison, the Texas financier, to invest in the company and join its board. In the early Fifties he had sold the Murchison family "certain interests" in a building-materials company he had helped to restructure. Reed thought Murchison's wide contacts in the corporate world and his ability to build big businesses from a small capital base were just what Chicago Milwaukee Corp. needed.

PROFITABLE LOSSES

The attraction Reed had to offer in Chicago Milwaukee was a potential for making interesting acquisitions, whose profits could then be sheltered by the big tax-loss carry-forward accumulated by the Milwaukee Road. A carry-forward can be used to offset profits dollar for dollar, reducing taxable income accordingly. If Chicago Milwaukee were able to acquire moneymaking corporations, Reed reasoned, the carry-forward would render the profits tax free for some time to come. The carry-forward now totals about $67 million. Its importance in the recent history of Chicago Milwaukee is a vivid illustration of how tax laws continue to preoccupy investors and influence business decisions.

Perhaps paradoxically, Reed was prepared to argue that the railroad could someday be turned into a profitable operation. This would require restructuring of its routes and capitalization.

Reed was not alone in his evaluation of Chicago Milwaukee's potential. A number of experienced businessmen had shared enough of his optimism to be willing to serve on the holding company's board of directors. Among them were William Karnes, retired c.e.o. of Beatrice Foods, who won a national reputation by making hundreds of acquisitions that turned Beatrice into a giant corporation; Arthur M. Wirtz, who built an empire in real estate (the Chicago Stadium, office and apartment buildings) and in sports (hockey's Chicago Black Hawks and basketball's Chicago Bulls); Tilden Cummings, retired president of the Continental Illinois National Bank; Robert S. Stevenson, ex-c.e.o. of Allis-Chalmers; and Robert C. Gunness, former vice chairman of Standard Oil of Indiana.

BUYING BY "BOOTSTRAPPING"

Besides the board members, those piled-up tax losses, and dreams of a profitable railroad, Chicago Milwaukee had little to recommend it. It had been formed in 1971 to enable the railroad to diversify into other lucrative businesses. In its six years of existence, it had acquired only three companies, all of them bought in an eleven-month period in 1973–74 and all of them "bootstrapped"—paid for primarily with their own future earnings. The three companies—Hi-Way Paving of Columbus, Ohio, and two commercial food-service firms, Aslesen Co. of Minneapolis and Vulcan-Hart Corp. of Baltimore—were pretty small potatoes. Their sales last year amounted to about $76 million; profits were less than $3 million.

The Milwaukee Road itself, with operating revenues of around $450 million, continued to be the holding company's central asset, but it was looking more and more like a liability. It lost a total of $33 million in 1975 and 1976, and last year's loss amounted to more than $36 million.

A major problem was that neither the board nor the management of Chicago Milwaukee had paid much attention to diversification, mainly because of the railroad's woes. Though Bill Quinn, a career railroad man, was c.e.o. of both the holding company and the railroad, he spent nearly all of his time running the railroad rather than adding important profit centers to the parent company.

Reed's interest in Chicago Milwaukee went well beyond that of most of the other board members. He had been a knowledgeable investor in railroads since the Thirties when he made his first fortune by buying securities in a sick road. In partial retirement, he had begun examining the Milwaukee Road, which operates in a market crowded with competitors, including such giants as the Union Pacific, Sante Fe, and Burlington Northern. The fierce competition left slim pickings for the Milwaukee on its routes in the Middle West and to the Pacific Northwest. Reed spent hundreds of hours studying the matter—four file drawers in his home jammed with data testify to his effort to get a clearer picture.

He had concluded that Chicago Milwaukee Corp. had real possibilities if the right moves were made and the right people brought in. So he invested nearly $1 million in 1976 and 1977 in some 125,000 shares of Chicago Milwaukee stock and set out to snare Murchison.

The Texan gave him a polite hearing, but was skeptical that the future held out anything for Chicago Milwaukee except a dreary continuation of its problems. In the weeks that followed, Reed bombarded Murchison with phone calls and letters about the company. Murchison refused to budge. As he recalled later: "I looked at the company and I didn't think much of it. My friends in the railroad business said not to touch it."

At around that time, however, there was another important investor who did think Chicago Milwaukee was worth "touching." This was Allen & Company, Inc. Quietly, the New York investment banking firm started buying the stock last fall. Allen, which has built a reputation for shrewdness and aggressiveness on Wall Street (among its ventures: Syntex, Benguet, Columbia Pictures), considered Chicago Milwaukee "an interesting investment," says Philip Scaturro, a vice president of the firm. "The prospects are potentially very significant. It's a vehicle for doing some creative financing and imaginative acquisitions. It goes without saying that if we thought this were going to be a dead thing, we wouldn't have our money tied up in it." He declines to reveal how many shares of the stock Allen & Co. has bought, but others estimate that Allen and several of its partners have bought between 75,000 and 100,000 shares.

Early last December, Quinn and his management team at Chicago Milwaukee finally realized that the railroad wasn't going to make it, a conclusion that some of the directors say they had reached as much as a year earlier. Business had been especially bad all year, and the railroad soon would run out of working capital.

MURCHISON MOVES IN

On December 19, it filed a voluntary petition for reorganization under the Federal Bankruptcy Act. This was the third time in fifty-two years that the Milwaukee Road had sought the protection of the courts. It had tried in vain for a decade to find a merger partner willing to save it. The bankruptcy petition put the railroad in the hands of a federal judge, who appointed a trustee—Stanley E. G. Hillman, retired c.e.o. of the Illinois Central Gulf—to run it and try to reorganize it into a profitable business. The holding company wrote down the railroad on its books, freeing its profit-and-loss statement from the drag of the railroads. But since the two remain a consolidated entity for tax purposes, the holding company may continue to get tax-loss carry-forwards from future operating losses of the railroad.

In early January, Reed pointed out to Murchison that Chicago Milwaukee stock had gotten a bit cheaper. Indeed, more than half of Reed's own investment of nearly $8 a share had melted away. By mid-January the stock slipped to less than $3.

Suddenly, Murchison was interested. He bought 20,000 shares for less than $100,000 and intended to buy several times as many shares, until the price rose above $5. He called Reed, agreed to go on the board, and said he'd be willing to "spend some time and present some constructive ideas." Later, he remarked: "I don't see it becoming one of my major investments, but I do see a chance to make some money. I think there are opportunities to build this company through acquisitions."

Things began to pick up at Chicago Milwaukee—and not just because of the entrance of big-name investors. The appointment of a trustee for the Milwaukee Road led to a reshuffling of the holding company's board and management.

It became clear that any person serving both the parent company and the railroad might get entangled in a conflict of interest. Hillman and his staff must try to figure out the best possible future for the railroad. This means making decisions that the holding company might not like, such as selling off routes that the parent thought the Milwaukee should keep, or distributing its assets in such a way that the holding company might ultimately end up with less than it expected—or even nothing.

In the light of all this, Quinn and Worthington L. Smith, president of the railroad, resigned from the holding company and went to work for Hillman. The parent company also accepted the resignations of all other officers with dual roles.

A LIBERATED HOLDING COMPANY

Succeeding to the helm of the holding company was Arthur Wirtz, seventy-seven, the board's most senior member; he had served twenty-two years as a director. He accepted the job of c.e.o.—without pay—until the board finds a permanent one. He has already closed the company's old offices, which had been in a railroad-station complex, and moved them to the Near North Side building that houses his own headquarters.

The board, too, took on a slightly different complexion. Wirtz invited his close friend Arthur Rubloff to become a director. Rubloff, a Chicago real-estate developer with a reputation as an expert at dealmaking, has longtime ties with the Allen interests, but denies that he's their representative on Chicago Milwaukee's board. Two other reinforcements to the board were Murchison and Donald F. Hunter, a business associate of Wirtz.

One of the first moves of the newly liberated holding company was to set up an acquisition committee, with Karnes in charge. One director acknowledges that last month the committee started looking at a company with pretax profits of about $20 million a year. According to Wirtz, "a dozen" investment banking firms have approached the company to discuss its acquisition interests. Wirtz confidently declares: "With our connections we can raise all the money we need. We've all been in lots of deals together."

The rush of developments surrounding Chicago Milwaukee has won over the company's learding dissident shareholder, Stephen Weinress, head of Robert Powers & Associates, a Los Angeles company that is exclusive securities research consultant to Ernst & Co. Weinress waged an unsuccessful proxy fight last year for a seat on the company's board. He says that he and thirty-three of his clients own "at least" 200,000 shares, or about 9 percent of the total, and they now plan to work with the company's new team. Says Weinress: "Chicago Milwaukee Corp. wasn't the worst-run company in the U.S., but it was close to it. We're no longer dissidents. We're going to change our name to 'concerned shareholders.' Everything we attempted to achieve is falling into place."

Even though the railroad is out of the hands of the holding company and under the control of the trustee it remains a potentially valuable factor in the future of Chicago Milwaukee. Conceivably, the trustee may liquidate all of the uneconomic portions of the business including many miles of lightly used tracks, upgrade the profitable portions of the railroad, satisfy the creditors, and one day give back to the holding company a slimmed-down and newly profitable railroad.

Says Scaturro of Allen: "The railroad has gone from a negative to a long-term positive for the holding company. In the back of your mind you have the thought you may get something back someday." Others consider that view overly optimistic, and one director puts it this way: "I think everybody on the board believes, like me, that we'll never see the railroad again in its present form."

Whatever finally happens to the railroad will be decided by the court, the trustee, federal agencies, and the creditors—not the holding company. It's impossible to predict what those decisions will be and what they'll mean to the holding company's future. But that uncertainty doesn't seem to panic the principals. Says Murchison, "I believe you can discount the railroad 100 percent and still make money in the holding company." Everyone agrees that a lot depends on its success in making acquisitions.

"THE TAX RULES ARE STRICT"

Any calculation of Chicago Milwaukee's future must reckon with the fact that the tax-loss carry-forward is a fragile asset. If, for instance, a reorganization of the railroad were to reduce the holding company's share of its common stock to less than 80 percent, the unused carry-forward would be lost to the holding company. According to one tax expert, "The tax rules are strict and complicated, and investors or speculators could destroy the special situation that Chicago Milwaukee currently seems to offer. But there are definitely opportunities to use the net operating losses, assuming you avoid the pitfalls."

There are other question marks. One businessman fears Wirtz may be too conservative to make imaginative deals. Others think that the holding company's prospects hinge on how much effort the directors put into its acquisitions.

Nevertheless, Chicago Milwaukee is no longer the uninteresting holding company it was a few years ago. Attracted by a low-priced stock with a relatively small number of common shares outstanding (fewer than 2.5 million), some well-known players joined the game and made it a lot more intriguing. What they get out of it may be a growing conglomerate—if they put their brains, as well as their time, into it.●

☐ 1715

TRANSFER OF U.S. WEAPONS TO GOVERNMENT OF COSTA RICA WITHOUT PRIOR CONGRESSIONAL APPROVAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. RUDD) is recognized for 15 minutes.

Mr. RUDD. Mr. Speaker, last week the State Department notified Congress that it planned to approve a request by the Government of Venezuela to transfer 1,000 U.S. M–14 weapons to the Government of Costa Rica, under provisions of the Arms Export Control Act.

I am very distressed to report, however, that the State Department is essentially asking for approval after the fact, since at least part of the American weapons have already been transferred, before Congressional approval—indeed, even before congressional notification of the intent to transfer. This is a clear violation of the Arms Export Control Act.

Especially disturbing is the fact that it took the State Department 2 weeks to make the request after published reports by the Foreign Broadcast Information Service indicated Costa Rica was already receiving the arms from Venezuela.

The March 5, daily report of FBIS carried a story with a dateline of March 2, in which the confirmation of the arms deal was given. Again, let me emphasize that this story appeared 2 weeks before the State Department made its request for approval to Congress. I would like to include the news item at this point in the RECORD:

SECURITY MINISTER CONFIRMS RECEIPT OF WEAPONS FROM VENEZUELA

SAN JOSE, March 2.—Public Security Minister Juan Jose Echeverria Brealey confirmed to ACAN-EFE today, Friday, that the Venezuelan Government recently supplied weapons to the Costa Rican Government. The donation was made in order to provide the Costa Rican Civil Guard with the necessary resources to carry out military operations in the region bordering Nicaragua. Echeverria said that the Caracas government "supplied" M–14 rifles and ammunition which, although owned by Venezuela, may be used here for an indefinite period.

Minister Echeverria said that although the Civil Guard has been instructed to act with caution, no new territorial violation will be permitted, no matter what the cost of this position. The Minister refused to provide information on the number of rifles and quantity of ammunition "supplied" by the Venezuelan Government.

The unauthorized transfer of the American M–14 rifles is even more questionable given the unstable situation which exists in the Costa Rica-Nicaragua border area.

Within the past 2 weeks, the Nicaraguan National Guard has reported the capture of two shipments of arms transported into Nicaragua from Costa Rica.

The Sandinista (Sandinist National Liberation Front) Guerrillas have long operated, almost without discouragement, from Costa Rican soil, making terrorist raids into Nicaragua and then retreating back over the border to "neutral" territory.

Until quite recently, the Government of Costa Rica's commitment to expunging the terrorists has been weak at best.

The two shipments of weapons which were intercepted by the Nicaraguan National Guard included a number of American-made M–1 rifles. I believe it is essential that the State Department cooperate with Nicaraguan officials to determine where these guns originated, and how they ended up in Sandinista hands. This report should be made to Congress as soon as possible.

The presence of an additional 1,000 American-made M–14 rifles in Costa Rica poses at least the possibility that some of these weapons could fall—deliberately or covertly—into Sandinista control.

I have today written to the Secretary of State asking that he clarify for Congress the following four points:

First, what action is being taken to insure that Venezuela abides by the provisions of arms agreements previously made with the United States?

Second, what is the specific purpose for which Costa Rica is acquiring the M–14 rifles?

Third, why did the State Department wait until 2 weeks after the arms had been transferred before informing Congress, when published news reports provided the same information on March 5?

Fourth, where did the American M–1 rifles—which were captured by the Nicaraguan National Guard—come from originally, and how did they fall into the hands of Sandinista terrorists?

Mr. Speaker, it is no secret that the present administration is hostile to President Anastasio Somoza of Nicaragua. That opposition, however, does not lessen the duty of the State Department to carry out the law that Congress be informed in advance of State Department recommendations, not after the fact.

The State Department has presented Congress with a fait accompli, since it is now moot as to whether Congress approves or disapproves the Venezuelan transfer within 30 days, as provided by law. Costa Rica already has at least part of the arms, and will obviously have all those intended to be transferred by the time the 30-day period for congressional action has elapsed.

Such breaches must not occur again. Strict adherence to the Arms Export Control Act is essential to the stability of this sensitive area of Latin America, and should be enforced by the State Department. The United States should be a force of moderation and stability, not be even an indirect cause of instability or terrorist activity.

Let me add that I commend what appears to be the new-found philosophy of the Costa Rican Government to expel Sandinista terrorists from their frontier border.

If, indeed, this is the goal for which they are requesting the weapons, Congress needs to know it. Such information was not provided by the State Department.

Additionally, it is important to know the source of the M–1 rifles which fell into terrorist hands, to determine whether these weapons might have come from Costa Rica. If so, we must know whether Costa Rican internal security is presently tight enough to prevent some of the American M–14 weapons from ending up in the same terrorist hands.

Mr. Speaker, I would like to insert at this point in the RECORD a copy of my letter to Secretary of State Cyrus Vance:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 27, 1979.

HON. CYRUS VANCE,
Secretary of State,
Washington, D.C.

DEAR SECRETARY VANCE: I was interested to read last week a letter from Douglas J. Bennet, Jr., to the Speaker of the House in which he outlined the proposal for permitting a Venezuelan request for a transfer of 1,000 M–14 rifles to the Government of Costa Rica.

I am very much distressed to learn that the State Department is essentially asking for approval after the fact. Mr. Bennet's letter states, "The Department recently learned that at least some of the rifles in question have been transferred to Costa Rica."

The March 5 Daily Report of the Foreign Broadcast Information Service carried a story datelined March 2 in which the confirmation of the arms transfer was reported. This was two weeks before the permission to transfer had been requested, much less approved.

Congress is now asked to approve an action which in reality has already taken place.

The Government of Venezuela has clearly violated the provisions of the Arms Export Control Act, which explicitly provides that no transfer of weapons shall be made without *prior* Congressional approval of such a request. The State Department has apparently decided to ignore Venezuela's violation.

Such breaches must not be permitted to occur again. One of the major safeguards of the Act is the provision that the arms will be used only for the purpose requested, unless Congressional approval is obtained. The Venezuelan action in this instance renders moot protection of this provision.

Additionally, I notice that Mr. Bennet's letter to the Speaker does not fulfill the requirement of notification of the reason for which the arms are to be transferred from Venezuela, or the effective date that the transfer is to take place. The latter is apparently omitted since the transfer has already occurred.

In my view, strict adherence to the Arms Export Control Act is essential in this sensitive area of Latin America, and should be enforced by the State Department. As you are aware, the Sandinista rebels have used Costa Rica as a sanctuary for their raids into Nicaragua. While there is some evidence that Costa Rica is now less tolerant of Sandinista activities, the presence of an additional 1,000 American-made rifles in that country presents the possible threat that some of these weapons could fall into the Sandinista hands.

As you know, there have been two recent weapons confiscations by the Nicaraguan National Guard, and U.S.-manufactured M–1 rifles were among the cache. I think it imperative for the State Department to determine how these M–1 rifles came into possession of the Sandinistas, and to prevent the transfer of any further U.S. arms until it is guaranteed that they will not also fall into the hands of the Sandinista terrorists.

I would appreciate your response to the following questions:

(1) What action is being taken to insure that Venezuela abides by the provisions of arms agreements previously made with the United States?

(2) What is the specific purpose for which the Costa Ricans are acquiring the M–14 rifles?

(3) Why did the State Department wait until two weeks after the arms had been transferred before informing Congress, when published news reports provided the same information on March 5th.

(4) Where did the American M–1 rifles—which were captured by the Nicaraguan National Guard—come from originally, and how did they fall into terrorist hands?

Since Congress ostensibly has 30 days to disapprove or modify the transfer request, I would appreciate your prompt attention to this inquiry.

Sincerely,

ELDON RUDD,
Member of Congress.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. RUDD. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I compliment the gentleman from Arizona (Mr. RUDD) on his concern in this matter.

I would only say to him that having been in the Republic of Panama recently, we received information during that trip which showed that, in fact, the Government of Panama has also cooperated in the transfer of arms through Panama to Costa Rica for use against the elected Government of Nicaragua, and that, in fact, even a brigade of Panamanians was gotten together at one point for that purpose.

Mr. Speaker, I share very strongly the objections of the gentleman from Arizona (Mr. RUDD) to this attempt by the United States to depose a constitutional government regardless of its composition. I do not think that this is the kind of effort the United States should lend its support to.

Again, Mr. Speaker, I commend the gentleman for making the point.

Mr. RUDD. Mr. Speaker, I thank the gentleman from Maryland (Mr. BAUMAN) for his very fine statement and his interest in these matters which come home to haunt this country from the countries in Central America.

Mr. Speaker, I yield back the balance of my time.

INAUGURAL ADDRESS OF JOHN M. PECKHAM III, PRESIDENT, MASSACHUSETTS ASSOCIATION OF REALTORS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER. Mr. Speaker, the women and men of the Massachusetts Association of Realtors have—more than most groups—their collective finger on the pulse of Massachusetts. There are few, if any, of the Commonwealth's 351 cities and towns unrepresented on its 10,000 association membership roster.

On January 13 of this year the association inaugurated a new president, John M. Peckham III. John is an activist, a man of talent, insight, and vision. His contribution to the business community and to the civic life of what we like to call the hub of the universe has brought him a coveted accolade: Designation as one of Boston's outstanding young men by the Boston Junior Chamber of Commerce. His peers had earlier anticipated that honor by designating him as Massachusetts Realtor of the Year.

John Peckham lectures on a circuit that stretches from coast to coast. His prowess as an investment adviser, economist, and commentator on investment strategy through his syndicated newspaper column, his books, and a widely circulated newsletter is nationally acknowledged and admired.

His forceful, thoughtful, trenchant inaugural address deserves to be read and pondered by all of those who want our free enterprise system strengthened.

I am pleased to include it for my colleagues as follows:

ADDRESS BY JOHN PECKHAM III

Probably few of you will remember but it was almost 10 years ago when this great Association honored this kid . . . a kid with six years in the business . . . as its REALTOR of the Year. Since that night over three thousand days and nights have passed and with their passing our country, our Commonwealth and our industry have changed dramatically.

In my travels, which have enabled me to visit with REALTORS from 42 of our 50 states, I have been fortunate to personally observe the dramatic changes that have affected not only the day-to-day nature of our business but the trends that shape the future of this great real estate industry.

During this passing of time, an event which had a significant affect on my appreciation of our industry occurred when my good friend and partner described his visit to the Soviet Union. He told of a conversation with long lost relatives in Moscow and Leningrad and he told about how he experienced great difficulty in describing the nature of his work here in the United States. The fact that his relatives had difficulty in understanding my partner's description of the functions of a real estate broker or salesman was not attributable as much to the difference in languages as to an unequivocable difference in ideologies.

His experience emphatically drove home the fact that we truly live in a land of great opportunity and that our business is basic to this land. Our National Association sums up this all encompassing nature of our industry quite precisely with its motto . . . "Under All Is The Land."

In one of my earlier books I wrote about our activity which, no matter what our various specialties, centers around real estate. Please permit me to quote from that book. "We live, sleep, eat and work in real estate and so do our neighbors—everyone needs a place to live and a place to work and always will. No one can steal it, no one can move it and no one can take it from us. Real estate is the world's most stable investment."

I wrote these words in 1971 and since then my enthusiasm for this wonderful world of real estate hasn't dampened. It has become apparent, however, that there are those who *would* try to take our property from us through confiscatory legislation, litigation, regulation and taxation. But we can take heart in the fact that our right to own real estate goes directly to the foundation of our great Country and our free enterprise system.

What a shame it would be to open the morning paper three thousand days from now and read, "John Jones found guilty on three counts—listing a property for sale, showing a property to a prospective customer and selling a property for a fee."

Not only *could* this scene take place, but it *will* if we fail to adjust and continue to live in the "Good Old Days."

I dread the thought of my daughters' children or any of our grandchildren looking up and saying, "Where were you, Grandpa, when the freedom to conduct a real estate business was lost?"

"Where were you, Grandpa, when the real estate industry walked away from its responsibility to preserve a free marketplace because of a fear of retaliation or because of a reluctance to rock the boat."

The time has come to shout from the rafters that if we abdicate our responsibility to protect our free enterprise system we are doing nothing more than feeding the alligator, hoping that the *alligator will wait and eat us last.*

If we are not constantly on guard, we will find ourselves buried by a network of regulations which will control all of our activity. We will one day find the members of our industry and the property owners we represent converted to a flock of timid sheep, with Government, the Shepherd.

If we must, we can and we will fight City Hall because we have a responsibility to protect our rights and the rights of those millions of property owners we represent right here in the Commonwealth.

We are not anti-Government. We are pro-Government *combined* with private enterprise which provides the economic backbone of this great State and Country. A paragraph from the 1979 Statement of Policy of the National Association of REALTORS precisely parallels my thoughts in this area.

"We are concerned about Government requirements that greatly add to the cost of the home-buying consumer. Currently, one of the home-buying consumer's greatest problems is his inadequacy to protect himself against the increasing number of Government imposed costly requirements. We believe that a consumer advocate for housing and the home buyer shall strongly oppose Government programs that add unwarranted delay and cost to the price of a home."

Unfortunately, in recent years profit has become a dirty word and has been unfairly blamed for many of our social ills. In the guise of consumerism, free enterprise has become less and less free. In the guise of environmentalism, in the guise of regulation, in the guise of taxation, our property rights are being reduced and even sometimes eliminated.

Despite all of this, the time is right to prevent further erosion and to reverse the process.

We are fortunate to be living during the formative stages of a wave of concern which has recognized that freedom is something that cannot be passed on genetically. As the wave gains momentum we are becoming aware that our freedom to engage in the real estate business and to own real estate is never more than one generation away from extinction and that each generation must learn to protect and defend its rights.

In the past our industry has, because of its nature, been historically fragmented and to a degree disorganized politically. Even though we are the catalyst to the transfer of real estate which accounts by far for the largest volume of sales of any product in the Country, we have just recently begun to come of age politically. As our national legal counsel Bill North said in a recent visit of New England, "Our political whisper has become a roar of political action."

We are all members of the largest business association in the world—an association of close to 700,000 members. It is incumbent upon us to let those who govern know that we are no new-comers to the field of consumer rights. Our 10,000 members in Massachusetts have historically led the way to protecting the rights of over a million property owners and the citizens of this Commonwealth.

Last year alone the 10,000 REALTORS in Massachusetts spent over 100,000 member hours in volunteer committee work—that's over 100,000 member hours!

We point with pride to activity in programs which are a clear-cut example of private enterprise taking the initiative to assure the protection of consumers in real estate transactions and in property rights. These activities have been and continue to be heavily concentrated in areas such as equal opportunity in housing, neighborhood revitalization, special Make America Better projects, energy conservation, lead poisoning protection, the vital area of home protection and in property tax reform. The citizens of Massachusetts look to the Massachusetts Association of REALTORS for leadership and for vocal support of property rights in the Commonwealth and we must continue and expand these activities in order to justify this confidence—and we *shall.*

If Thoreau was right when he said, "The cost of a thing is the amount of what I will call life which is required to be exchanged for it," then it is not our lack of desire to regulate ourselves which has slowed us, but the cost.

Because we have no rights until we assert and defend them, what we give of life will determine the freedom we preserve for ourselves, our children, and our children's children, to manage our own affairs.

For these reasons, I have created two special blue ribbon committees and have charged them with the responsibility for coordinating our responsiveness to the needs of the real estate consumer and the protection of the rights of property owners across the State. It is my hope that these two committees will help us carry a message to all of the political leaders of this State that property rights must be protected from erosion.

It's time that a unified industry voice be raised on behalf of these property owners pointing out that profit, property rights and *freedom* are inseparable and that you cannot have the third unless you continue to be entitled to the first two. There is no group which is more solidly dedicated to the preservation and protection of these rights than the REALTORS of this Commonwealth and this Country. Your Association will not just talk about your rights and your clients' rights—your Association will act with a positive affirmative program. Our combined efforts this year will help to insure that we will not have difficulty explaining to our children and our grandchildren just what it was we did to justify our existence in the last year of the seventies.

It's my turn to partially repay the debt of gratitude for the kindness of the wonderful REALTORS of 3000 days ago and the days since then . . . I've accepted this challenge knowing that as my predecessors have contributed to the protection of my rights, and as we try to continue their fine work, some nervous kid (maybe someone in this room tonight) will come along and provide the strong leadership we will need 3000 days from now.

EPA'S R. & D. TOXICS PROGRAM NEEDS CONGRESS CONTINUED SUPPORT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 10 minutes.

● Mr. LAFALCE. Mr. Speaker, as the Representative in Congress from the district which may well have the most serious instances of dangerous chemical waste dumps in the Nation, including the Love Canal area in Niagara Falls and others, I have been struggling with the issue of how to deal with toxic substances and hazardous wastes for a long time.

Probably the most serious long-term problem we face with respect to hazardous wastes in the United States is the fact that we know so little about this problem, its effects on people and the environment, and how to clean up the mistakes of the past and prevent them in the future.

I rise, therefore, to state my strong support for the Environmental Protection Agency's research and development authorization for fiscal year 1980 bill, which this House has just passed. This legislation provides an increase of over 100 percent in EPA's authorization for research in the area of toxic substances. This is a clear signal that the Federal Government is taking this crucial problem more seriously, and I applaud my colleagues on the Science and Technology Committee for recognizing the seriousness of this situation.

One of the lessons of the Love Canal and similar situations around the country is the lack of expertise to deal with problems caused by hazardous wastes. The gap between the need for action in this area and the resources and knowledge we have to use to help with it is huge; this bill, when enacted and funded, will help fill this gap.

Just last week, Mr. Speaker, the Consumer Protection Subcommittee of the Commerce Committee adopted my suggestion of an amendment authorizing the Council on Environmental Quality to undertake a major new activity—studying and coordinating the studies of other Federal agencies in regard to the effects of toxic substances and hazardous wastes on people and the environment with emphasis on means of compensating innocent victims harmed by such substances. This overview will help to focus EPA's activities, and those of other Federal agencies, to speed the development of expertise and knowledge needed to deal with these problems effectively.

I commend my colleagues for their vote today and urge them to support the other efforts in Congress to grapple with this most pressing problem.●

EXTENDING SECTION 202 OF THE HOUSING ACT OF 1959 TO PROVIDE HOUSING FOR THE ELDERLY AND HANDICAPPED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LUNDINE) is recognized for 10 minutes.

● Mr. LUNDINE. Mr. Speaker, today I am pleased to introduce legislation which extends both our future commitment to a vital Federal program and the Federal Government's commitment to a vital future. The program which I move to reauthorize provides loans at reduced cost to nonprofit sponsors for the development of elderly and handicapped housing and has proved one of the most successful administered by the Department of Housing and Urban Development (HUD).

Known in the housing community as "section 202," this program was recently the subject of an extensive review by HUD which found that it has consistently "produced good-quality, cost-effective, and financially viable housing projects for elderly persons," for almost 15 years. The bill I am introducing today, already introduced by the distinguished chairman of the Senate Housing and Urban Affairs Subcommittee, Senator WILLIAMS, will insure the continuation of this essential program for 3 years at the current level of effort—despite inflation.

The 3-year extension and increasing authorization levels which I seek are, I believe, imperative in view of the increasing demand. As we all know, Mr. Speaker, the demographics of our society now forecast a growing proportion of senior citizens during the next few decades. The sector of our population over 65 years of age now constitutes 11 percent but will grow to 12 percent before the end of the century. In a relatively few years after that, the figure will jump again to 15 percent.

Clearly, this phenomenon by itself argues for deliberate expansion of elderly housing services in the future. But, the demand for elderly shelter is further increased by the trend toward single household formation which is occurring among senior citizens as it is among other population subgroups. Fewer elderly today live with relatives than was the case even a few years ago. In 1965, 22 percent of our over-65 population lived alone; now that figure exceeds 30 percent.

The 3-year authorization is also crucial to the particular structure of this program. Without an assurance of program continuity over several years, we cannot expect nonprofit organizations to invest the time and effort required in a lengthy application and planning process. The key role of nonprofit sponsors in the section 202 program, has been one of the important elements of its success. Strengthened by the community representation requirement included in last year's housing amendments, I believe the nonprofit participation will have even greater benefits for local areas.

In fact, the recent HUD evaluation cited as one of the program's basic strengths, the fact that projects tend to be sponsored by capable nonprofit organizations which located buildings in stable and convenient residential neighborhoods and which employed qualified project administrators and managers. These positive factors have been manifested in an impressively small default rate.

As many of my colleagues will remember, Mr. Speaker, the elderly and handicapped housing program was significantly altered when it was revived in 1974 following the housing moratorium imposed by the Nixon administration. Those changes included the program's substantial enlargement. During the first 2 years of the revised program more unit reservations were approved than were constructed in the previous decade of operation.

That the increase was not disproportionate to the need is made clear by the fact that five times as many applications were filed in those first 2 years as could be funded. Last year's appropriation for the section 202 program is likely to fund about 21,000 units.

This year, the administration has proposed a 1-year extension at the current funding level of $800 million. Adjusting for inflation, most housing experts believe this figure will yield at least 1,500 fewer units. The legislation which I am introducing will permit a funding increase to $875 million which is necessary to maintain the current level of unit production. Further authorization increases in fiscal years 1981 and 1982—to $950 million and $975 million respectively—will protect the project from the erosion brought about by persistent inflation.

A second major change incorporated in the more recent section 202 program is the extension of section 8 rental assistance to all residents of elderly and handicapped projects. This was necessary to insure that housing for these population groups becomes part of our larger effort to target assistance to those who most need it. The record from the section 202 projects under the earlier program demonstrated clearly that HUD assistance was not reaching those elderly surviving on the minimal income or in the substandard dwelling. This is especially distressing since a disproportionately high percentage of elderly pay excessive rent and since elderly incomes are already lower than the national average.

With the expanded use of section 8 subsidy, reauthorization of this program becomes doubly important for meeting America's critical housing needs in the coming years. In addition, one of the provisions of the legislation I am introducing today strengthens the linkage with section 8 by insuring that subsidy funding will cover interest cost increases which materialize during the construction of a project.

Three other provisions of the new legislation bear mentioning. First, the Secretary of HUD is required to examine the costs of the section 202 program and report to Congress within 6 months on any economizing recommendations. While I believe that the section 202 is generally well administered, in this era of limited resources and budgetary concern, I do not believe any program would be exempt from fiscal scrutiny. Second, provision is made for technical assistance for minority sponsors.

The paucity of minority sponsors under the section 202 program has been a major reason for the small number of minority tenants in elderly and handicapped projects. Finally, the bill requires that projects be approved, where possible, with consideration given to the stabilization of neighborhoods and counteracting the effects of displacement. I appreciate the cosponsorship of the distinguished gentleman from California (Mr. ROYBAL), the chairman of the Housing Subcommittee of the Select Committee on Aging.

I ask permission to insert at this point the text of the bill.

H.R. 3253

A bill to amend section 202 of the Housing Act of 1959 to extend the program to provide housing for the elderly or handicapped, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Elderly and Handicapped Housing Act of 1979".

REAUTHORIZATION OF LOAN AUTHORITY

SEC. 2. Section 202(a)(4)(B)(i) of the Housing Act of 1959 is amended by striking out "and to $3,300,000,000 on October 1, 1978" and inserting in lieu thereof the following: "to $3,300,000,000 on October 1, 1978, to $3,835,000,000 on October 1, 1979, to $4,785,000,000 on October 1, 1980, and to $5,760,000,000 on October 1, 1981".

APPLICATION REVIEW AND SPONSOR ASSISTANCE

SEC. 3. Section 202(a) of the Housing Act of 1959 is amended by adding at the end thereof the following:

"(6) In reviewing applications for loans under this section, the Secretary may consider the extent to which such loans—

"(A) will assist in stabilizing, conserving, and revitalizing neighborhoods and communities;

"(B) can serve as a relocation housing resource for elderly and handicapped families in neighborhoods and communities in which they are experiencing significant displacement due to public or private reinvestment; or

"(C) will substantially rehabilitate in an economical manner, structures having architectural, historical, or cultural significance.

"(7) The Secretary shall make available appropriate technical and training assistance to assure that applicants having limited resources and lacking prior housing management experience, particularly minority applicants, are able to more fully participate in the program carried out under this section.".

ADJUSTMENT OF RENTAL ASSISTANCE

SEC. 4. Section 202(c) of the Housing Act of 1959 is amended by adding at the end thereof the following:

"(4) At the time of settlement on permanent financing with respect to a project under this section, the Secretary shall make an appropriate adjustment in the amount of any assistance to be provided under a contract for annual contributions pursuant to section 8 of the United States Housing Act of 1937 in order to reflect fully any difference between the interest rate which will actually be charged in connection with such permanent financing and the interest rate which was in effect at the time of the reservation of assistance in connection with the project.".

COST REDUCTION STUDY

SEC. 5. Section 202 of the Housing Act of 1959 is amended by adding at the end thereof the following:

"(h) Not later than six months after the date of enactment of the Elderly and Handicapped Housing Act of 1979, the Secretary shall transmit a report to the Congress containing recommendations on means to reduce the costs of the program carried out under this section without—

"(1) unduly burdening sponsors of programs and projects under this section; or

"(2) adversely affecting the ability of the program under this section to meet the housing needs of elderly and handicapped families.".●

SIGNING OF THE EGYPTIAN-ISRAELI PEACE TREATY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BOLAND) is recognized for 10 minutes.

Mr. BOLAND. Mr. Speaker, the signing of the Egyptian-Israeli peace treaty marks the beginning of a new era in the history of the Middle East.

After more than 30 years of war, the State of Israel has been formally recognized by one of her Arab neighbors. In addition, a document which represents a compromise between Israel and Egypt on many of the substantive issues which have long divided them has been signed. President Sadat has referred to the fact that these agreements were reached as a "miracle." Prime Minister Begin has termed the treaty the "cornerstone for a comprehensive peace in the Middle East."

We all know that this treaty does not represent an end to the hostility, distrust, and conflict which has characterized attitudes in the Middle East since 1947. What it does represent, however, is a beginning. It is the best start toward a lasting peace that the people of the Middle East have had since 1947.

No one should minimize the risks and dangers that lie ahead. Negotiations between the Egyptians and Israelis, as called for by the treaty, will be difficult. The issues still to be settled are significant because they are rooted in some of the most fundamental differences which exist between the parties. These negotiations, however, unlike those which have come before, will take place with the peace treaty as a foundation. That should make a substantial difference in the manner in which those negotiations are approached.

The peace treaty is the product of an extraordinary effort on the part of a great many people. The courage and leadership of President Sadat and Prime Minister Begin in completely reversing the practices of three decades cannot be overstated. The lion's share of the credit for the treaty, however, as these two great leaders are first to admit, belongs to President Carter. His persistence, his patience, and his persuasive abilities carried the negotiations and the negotiators over the many impediments which existed to an agreement. We may never know the number of times that the strength of his personality and his will to reach an agreement, meant the difference between the peace process continuing or breaking down. The President and those with whom he worked, especially Secretary of State Vance and National Security Advisor Brzezinski, richly deserve the credit which they are receiving. No one who has followed the events of the last 30 years in the Middle East would dispute the significance of this achievement. It is an event of truly historic dimensions. All Americans can take pride in the pivotal role that their President had in making it happen.

Mr. Speaker, the events of the last several days have given the world new hope that an era of peace may be at hand for the peoples of the Middle East. This hope must be nurtured by word and by deed in the days ahead. If it is—if the people and the governments of the Middle East can wage peace with as much determination as they have waged war, then the words of the Prophet Isaiah quoted by President Carter, President Sadat, and Prime Minister Begin can surely come to pass:

> Nations shall beat their swords into plowshares, and their spears into pruning hooks. Nations shall not lift up sword again nation. Neither shall they learn war any more.

INTRODUCTION OF THE COPPER ENVIRONMENTAL EQUALIZATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, I am today introducing a bill, H.R. 3267, which I have entitled "the Copper Environmental Equalization Act of 1979."

This bill is intended to preserve and protect the world's environment by encouraging foreign copper producers to adopt environmental measures substantially equivalent to those employed in the United States. To accomplish this, the bill would impose a duty on imported copper equal to the cost advantages enjoyed by foreign producers who are not subject to environmental regulations comparable to those in effect here.

All nations of the world should recognize a responsibility not to pollute the environment that we all must share. The Governments of the United States and of the copper-producing States within this country have faced up to this responsibility by imposing stringent air and water quality control laws and regulations, and domestic copper producers have responded by investing more than $1 billion in pollution control facilities. However, many foreign copper producers operate without regard to pollution of the environment, with minimal investment in control facilities and with resulting degradation of the world's atmosphere.

Moreover, foreign copper producers who are not subject to reasonable environmental standards save substantial costs and thereby obtain an extremely unfair competitive advantage over our domestic industry. It has been estimated that domestic producers spend up to 15 cents for each pound of copper they produce to comply with environmental regulations. This cost represents about one-sixth of the price at which copper can currently be sold in the U.S. market. The current copper duty of only 0.8 cent per pound affords domestic producers no significant protection against foreign producers with this enormous cost advantage.

Although the price of copper has increased substantially within the last 6 months, and the domestic producers are gradually increasing production and reemploying some of the 10,000 to 12,000 workers previously laid off, this cost advantage enjoyed by some foreign producers is clearly unfair. Pollution of the world environment should not be permitted to bring about a cost advantage to the polluters.

Further, it assures that our American markets will be a prime target for the "dumping" of foreign, low-priced surplus copper.

Having imposed costly environmental requirements on our own copper producers, we can do no less for them and their workers than to give them an opportunity to compete in our American markets on an equal footing with foreign producers who are not subject to comparable regulations.

The bill is being consponsored today by Mr. UDALL, for himself, Mr. RHODES, Mr. STUMP, Mr. RUDD, Mr. LUJAN, Mr. SANTINI, Mr. WILLIAMS of Montana, Mr. DAVIS of Michigan, Mr. OBERSTAR, Mr. SYMMS, and Mr. MARRIOTT.

ANTITRUST CIVIL PROCESS AMENDMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

● Mr. HARRIS. Mr. Speaker, in his state of the Union address to the Congress this year President Carter reminded us that tough action against those who would fix prices, manipulate supplies and markets, and gouge the consumer must form an essential part of our fight against inflation.

In connection with my oversight responsibilities as a member of the Subcommittee on Monopolies and Commercial Law, I have identified an area in our antitrust laws where a very small change could have a very big impact on the ability of the Department of Justice to conclude investigations into anticompetitive activities.

This small bill, only 13 lines long, could give Justice far better litigation support in compiling pretrial evidence, eliminate the need for unnecessary overhead within the Antitrust Division, and permit rapid organization and assembly of masses of evidence gained through the process of discovery. The bill could help put the Justice Department on a more equal footing with large private law firms in preparing for antitrust cases.

CIVIL PROCESS ACT AMENDMENT

The bill would specifically authorize the Antitrust Division to utilize automatic data processing tools available from private firms—highly technical word-processing firms and computer companies which service the legal community—in making sense out of the mountains of data now coming into the Justice Department in response to its investigations of possible monopoly practices in business. This bill could speed up the litigation process both in the investigatory and trial stages by making vital information available instantly.

CIVIL INVESTIGATIVE DEMANDS (CID'S)

This bill would modernize the processing of information received by the Justice Department through its civil investigative demands (CID's). These are the pretrial discovery tools authorized in the Antitrust Civil Process Act of 1974 and the 1976 amendments. Currently information, which can amount to thousands of documents in an antitrust investigation, is not released to any individuals who are not Department of Justice employees. The information which could be processed by "agents" of the Antitrust Division under this bill—such as contractors specializing in automated document retrieval and indexing, and consultants having a particular knowledge of an industry or discipline—could be instantly available to the career Justice Department officials charged with enforcing the law.

PRIVATE CONTRACTING

There is not a Member of the Congress who is more concerned than I about the need to crack down on unnecessary "contracting out" by Federal agencies, and my subcommittee on Federal human resources plans to hold hearings on abuses of contracting out during this session of Congress. However, it is the responsibility of Congress and the executive to determine those instances where career Federal employees must be used, versus these few instances where highly specialized private firms can most economically and practically provide important assistance to career workers. Processing of CID discovery data falls under the latter category and I urge quick enactment of this bill.●

STATUS OF FOLKLIFE STUDY IN CONNECTION WITH TENNESSEE-TOMBIGBEE WATERWAY PROJECT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. BEVILL) is recognized for 5 minutes.

Mr. BEVILL. Mr. Speaker, on February 25, 1979, the Washington Post carried an article which indicated that the American Folklife Center was "agonizing over the issue of accepting $480,000 of Army Corps of Engineers money to conduct a study" in connection with the Tennessee-Tombigbee Waterway project. The article also quotes someone discussing the study as follows:

> The Corps needs us—they need a bucket of whitewash. They need to buy us because they want surveys that suggest the damage is not as great as it seems.

Needless to say, I was shocked by the article and I asked the corps to supply the committee with information regarding the status of the Folklife study. Subsequent to the hearing, I received a letter from the Director of the Center which, I believe, puts the matter in the proper perspective and clarifies the record. The statement of the corps and the letter follows:

STATUS OF FOLKLIFE STUDY

Public Law 93-291, the Reservoir Salvage Act of 1960, as amended, authorizes the expenditure of up to one-percent of project appropriations for the protection, preservation and recovery of significant scientific, prehistorical, historical or archeological data which might otherwise be irreparably lost or destroyed in connection with the construction of Federal projects such as the Tennessee-Tombigbee Waterway. The law provides that these funds may be expended directly by the construction agency, or may be transferred to the Department of the Interior.

The Corps currently employs over 50 archeologists, historians and related cultural resource professionals, and generally manages its own program (primarily through contract), for the identification, protection, preservation and recovery data from cultural properties which would be impacted by projects which it constructs. In the case of the Tennessee-Tombigbee Waterway, However, the Mobile and Nashville Districts chose to transfer funds to the Department of the Interior for accomplishment of these activities.

In October 1977 a Memorandum of Agreement was executed between the two Districts and the Atlanta office of the Division of Interagency Archeological Services (IAS-A); an element of the Office of Archeology and Historic Preservation in the National Park Service, USDI. (In April, the Office of Archeology and Historic Preservation was transferred from the National Park Service to a new bureau of Interior, the Heritage Conservation and Recreation Service.)

Under the terms of the Memorandum of Agreement, Interagency Archeological Services uses funds transferred from project appropriations by the Mobile and Nashville Districts to provide professional oversight and services for the archeological mitigation program for the Waterway. These services include preparation of Scopes of Work, advertising and executing contracts with universities and other professional experts, monitoring performance and related activities. For the archeological survey and data recovery program, which is quite extensive along the Waterway, we have been well satisfied with this arrangement.

The American Folklife Center was established as a part of the Library of Congress by Public Law 94-201. The purpose of the Center is to preserve and present American folklife; the traditional expressive culture shared within various familial, ethnic, occupational, religious, regional and other groups within the United States.

The Districts considered the folklife study an appropriate expenditure under the authority of PL 93-291, and in mid-November Mobile and Nashville Districts transferred $556,000 to IAS-A specifically to fund this undertaking.

Our implementing regulations for PL 93-291 require approval by the Division Engineer of cultural resource expenditures exceeding $100,000. The Districts interpreted this requirement to apply only when the Corps contracted directly for such studies. The Division Engineer was not made aware of the proposed folklife study until the end of November, at which time he requested information on which to base a decision. Interagency Archeological Services, not having been advised of the Division Engineer's concerns, consummated the cooperative agreement for the study with the Folklife Center on 14 December.

It appears that the historic preservationists, archeologists and other anthropologists involved in this project have much too broadly interpreted the intent of Congress regarding the Corps responsibilities and authorities under PL 93-291. There has been an apparent misunderstanding of the statute and our implementating regulations. We are reexamining our regulations to see if they need to be made more explicit in this area.

Public Law 93-291 provides authority to protect, preserve and recover information on the physical remains of man's past. It does not include clear-cut authority or responsibility to preserve information on non-material culture, folkways or other activities the evidence of which is retained in the memory of living individuals. Perhaps, this is incongruous, the physical evidence being afforded more importance than the people and the cultural processes which gave rise to it. However, neither the statute nor its legislative history address non-material remains of the past or support the expenditure of public funds for their preservation.

This is not to say that background ethnographic, historical and archeological studies are not appropriate under the statute and are not needed in the area of direct impact of Corps of Engineers construction. Most definitely they are. In order to establish the significance of individual or collective historical, architectural and archeological manifestations in the project impact area, such background information is necessary. Only with this sort of comprehensive background knowledge of the area can rational plans be formulated for the preservation, protection or recovery of data from the physical remains of man's past utilization of the area. We believe this sort of background information can be ascertained by studies costing an estimated $100,000 in most instances, including the Tennessee-Tombigbee Waterway.

Discussion with the Director of the American Folklife Center indicates that the recent news article correctly reported the controversy at the meeting of the Center's Board of Trustees. However, the controversy was caused primarily by a private citizen attending the open meeting; this individual is neither a staff member nor Trustee of the Center. The Director also indicated that while a two-thirds majority of the Trustees may not have to vote affirmatively in order to accept a contract, he considers the public controversy surrounding this situation makes it imprudent for the Folklife Center to pursue the matter. It is our understanding that within the next few days the Folklife Center will advise IAS–A that it is terminating the agreement.

We agree with the Director's assessment. No funds have been expended for the folklife study, and none will be without review and approval by the Office of the Chief of Engineers.

In summary, management of this phase of the Tennessee-Tombigbee Waterway Project has not been as fully coordinated within the Corps as is required. There also has been a lack of understanding in the field of our authorities and responsibilities, and a concomitant lack of review and approval of the plan for the folklife study.

AMERICAN FOLKLIFE CENTER,
Washington, D.C., March 8, 1979.

Hon. TOM BEVILL,
Chairman, Subcommittee on Energy and Water Development, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Members of the Subcommittee on Energy and Water Development reading the Washington Post article of February 25 may have received the impression that the Board or staff of the American Folklife Center was passing judgment upon the Tennessee-Tombigbee Waterway and upon the U.S. Army Corps of Engineers. Any such impression would greatly distress me, so let me take this opportunity to clarify the record.

First, the critical rhetoric quoted in the Post came from a private citizen attending a public meeting of the Board. He is neither a Board member nor a member of the Center staff nor a consultant to the Center on the subjects addressed during the meeting. I can assure you and other Subcommittee members that the Center does not regard its mission as being to appraise the merit of either the project itself or the U.S. Army Corps of Engineers.

Second, the discussion by Board members themselves at that meeting focused chiefly on the question whether the Center itself should undertake field documentation of the folk cultural traditions along the Tombigbee River, or whether the work were best done by regional institutions. Because of a variety of practical considerations—certainly not because of a judgment by the Center on the value of the waterway or the Corps of Engineers—the Center has decided it would be best not to undertake the work.

I am very sorry about any public impression that may have arisen regarding this matter, and I hope that this letter can serve to clarify the Center's role in it.

Thank you for your consideration.

Sincerely yours,

ALAN JABBOUR,
Director.

A TEST OF OUR COMMITMENT

(Mr. EDWARDS of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. EDWARDS of California. Mr. Speaker, on May 17, 1954, the U.S. Supreme Court rendered the now famous, Brown against Board of Education ruling, and laid to rest the doctrine of "separate but equal" education. That unanimous decision generated expectations for equitable social change not only in this Nation's schools but throughout all of American society.

Almost a quarter of a century has passed since that decision, and I think it is necessary and timely that we focus on the intent of that holding and the steps which must be taken to fulfill its purpose. It is particularly important, at this time and during this period of austerity, that those of us who believe social justice is a compeling goal and can be achieved, speak out courageously, once again.

Mr. Speaker, I ask that two recent editorials from the Los Angeles Times be printed into the RECORD in full. The first article, which I will highlight and submit today, is written by Willis D. Hawley, a professor of political science and public policy at Duke University and director of the school's center for education policy; it is entitled "The Fragile Truth Behind the School Integration Myths." The second article is titled "In Once-Troubled Boston, Integration Takes Root"; the author, Jonathan Kozol, has written numerous books on public education, including "Death at an Early Age."

In his article, Professor Hawley suggests that the early optimism expressed by supporters of the Brown decision was grounded in the premise that all children learning side-by-side, would spell the end of racial prejudice and reduce social inequality. That optimism has been replaced by a "new mythology" of pessimistic pragmatism with a focus which suggests that the cost of desegregation far outweighs any of the benefits.

The author notes that, quizzically, this "new mythology" is allowed to thrive despite the fact that extensive social science research has and continues to make contrary findings. He sets forth the erroneous tenets espoused by these "pessimistic pragmatists" and contrasts them to the research findings which have reviewed the impact of school desegregation.

Let me highlight a few of those allegations; I will pose them in a question/answer form:

First. Is it true that desegregation does not enhance the academic achievement of minorities and may, in some cases, impede such learning?

Mr. Hawley writes that the answer to this question is unequivocally "No." He notes, there has been extensive research on the impact of school desegregation on the academic achievement of white and minority students. The research concludes there is no negative effect on whites. As for minorities, the research suggests their achievement is likely to be higher in a desegregated school; indeed, the research suggests that the earlier the child is exposed to a desegregated school the more likely the result will be positive.

Second. Is it true that busing children beyond the school nearest their home will be harmful to the student's performance in school; will destroy community cohesion, and is too financially costly?

The author notes that the research which shows that such transportation is not harmful to student performance in school and that it is not costly—it increases the school budget by less than 2 percent, and is, in fact, much safer than walking. There does not, however, appear to have been any systematic research of student transportation and its impact on community cohesion.

How, then, has the "new mythology" continued to thrive despite contrary findings by social scientists? Mr. Hawley sets forth a number of explanations. Let me emphasize one and that is:

> The commitment many have to racial justice has always been fragile because of the possibility that such change will be at their expense.

The commitment of each of us has been and will continue to be tested to insure that the misguided "new mythology" does not shape our public policy.

I encourage each of my colleagues to read this article and to give thoughtful consideration to the author's finding. It may help you pass that test.

I include the article in the RECORD in full at this time:

THE FRAGILE TRUTH BEHIND SCHOOL-INTEGRATION MYTHS

(By Willis D. Hawley)

The moral imperative and great hopes that once gave momentum to school-desegregation efforts seem to have been replaced by a pessimistic pragmatism. The old mythology, which held that children of all colors learning side by side would end racial prejudice and reduce social quality, has apparently given way to a new mythology that would have us believe that the costs of imposing desegregation on unwilling communities generally outweigh the benefits. With the help of some social scientists and their journalistic popularizers, the issue of school desegregation is being transformed from a quest for social justice and interracial understanding to a "practical" search for ways to avoid conflict.

A careful review of the research on school desegregation, however, indicates that the available material has been misinterpreted and misused. Indeed, rather than supporting the idea that desegregation "doesn't work," social-science research provides a basis for believing that desegregation has largely resulted in positive experiences for children and society, and that it is increasingly possible to identify the conditions and practices that could further enhance the benefits of desegregation for both whites and minorities.

Over the last few years, the Center for Educational Policy at Duke University has tried to determine what is known about the effects of school desegregation by forming the National Review Panel on School Desegregation Research, made up of well-known scholars from all over the country. The research and analysis conducted by these scholars provides as revealing look at the major tenets of the new mythology of school desegregation.

Myth One: Desegregation generally does not enhance the academic achievement of minorities and may, in some cases, impede such learning.

At the outset, it should be noted that almost every researcher who has examined the impact of desegregation on white children finds that their academic achievement, as measured by conventional standardized tests, is not negatively affected by desegregation.

A "body count" of the methodologically sound studies reveals that the achievement of minorities is likely to be higher in desegregated schools rather than in predominantly minority schools. For example, Robert Crain and Rita Mahard of the Rand Corp. reviewed 73 of the better studies of the nation's school systems and found that 40 studies indicated that desegregation had positive effects on black achievement, 21 showed little or no effect and only 12 showed a negative effect.

The research makes it clear that the earlier minority children experience desegregation, the more likely it is that desegregation will have positive effects. And, contrary to the view preferred by those who argue that desegregation is not worth the cost, mandatory desegregation plans appear more likely to produce positive effects for blacks than voluntary desegregation, especially outside the South. This is not to argue that mandatory desegregation is a preferred approach to integrating schools, but it does suggest that making desegregation—or any other new educational policy—"work" requires commitment, planning and persistence of the sort often required of local school systems by courts or other levels of government.

Myth Two: Desegregation increases interracial conflict in schools, communities and the society at large.

If there is one great hope that its proponents have had for school desegregation, it is that it would lead to the end of prejudice and discrimination based on racial differences. Yet the conflict that sometimes occurs in desegregating communities and schools seems to suggest that desegregation is detrimental to good race relations.

But a careful review of the studies of desegregation indicates that among blacks and whites, there is overwhelming and increasing support for racial integration generally, and for racially balanced schools in particular. At the same time, whites are overwhelmingly opposed to busing.

Still, in most communities, the prominence of the "busing problem" in the public mind and its importance as a political issue begins to recede by the end of the first year of desegregation. Most whites and minorities feel that their relations with each other are friendly or neutral despite desegregation controversies.

Finally, parents of public-school children are likely to have more positive attitudes toward desegregation than other adults.

Desegregated schools experience greater interracial disruptions than segregated schools; how could it be any other way? But, according to a recent report of the federally sponsored Safe Schools Study—the best research available on this issue—desegregation does not appear to be a major cause of school violence. Indeed, desegregation increases interracial contacts among students and the available evidence indicates that most of these contacts are either friendly or neutral. There is, however, some reason to believe that when schools are overwhelmingly of one race, the children in the minority (whether white or nonwhite) may have less contact with the other race.

The idea that desegregation has increased interracial conflict in schools, communities and in society generally is largely without substance. The likelihood that school desegregation will improve race relations among students can be increased by desegregating children at early ages, reducing teacher bias, encouraging leadership by principals and creating noncompetitive classrooms.

Myth Three: Desegregation is harmful to the self-esteem and racial and ethnic identity of minorities.

This concern most often is expressed by racial minorities. Some Hispanic leaders are particularly concerned about the apparent incompatibility in many communities of desegregation and bilingual-education programs. Unfortunately, there is not much research on the effects of desegregation on Hispanic people. A widely publicized study of the Riverside, Calif., program concludes that after three years desegregation had no effects on the sense of self-esteem or confidence in academic ability of Mexican-Americans.

Recent research on the effects of desegregation on blacks suggests that while black children may experience some initial disorientation and self-doubt, this disappears with time, especially if teachers are sensitive to the problem and rigid tracking and competition are minimized. If anything, desegregation seems to heighten racial identity among blacks.

Myth Four: Busing children beyond the school nearest to their home is harmful to their performance in school, destructive of a sense of community cohesion and expensive financially.

There appears to be no systematic research on the impact of busing on the social structure and cohesion of neighborhoods. The financial cost of busing to achieve desegregation varies. On the average, desegregation increases a school district's budget less than 2%. Ironically, opponents of busing have convinced Congress to restrict the amount of federal funds available to help local school districts pay increased costs of busing required by courts or civil-rights laws. Studies indicate that taking the bus to school beyond one's neighborhood has no adverse effects on learning. And riding the bus is safer than walking to school.

Myth Five: Desegregation does not enhance the post-high school opportunities and socioeconomic status of minorities.

The limited research that has been done in this area suggests that positive consequences result from desegregation. Since school desegregation has been achieved, race relations in the society at large have improved and the scholastic achievement of minorities has been enhanced. Thus, desegregation should lead to greater opportunities and capabilities to achieve success in higher education and employment.

Myth Six: Desegregation leads to "white flight," thus reducing the social-class and racial heterogeneity of communities, and eliminating the long-run opportunities for racial desegregation.

Christine Rossell of Boston University has recently summarized some of the key findings of various researchers concerning the impact of desegregation on, and the consequences of, the desegregation-related flight of whites from public schools:

—School desegregation accelerates the decline in white public-school enrollment in the year of implementation if it involves the reassignment of white students to formerly black schools or a school system that is more than 35% black. In such school systems, the initial loss of whites is not made up, at least by the fifth year of desegregation.

—Phasing-in a plan results in more white flight than all-at-once desegregation.

—Metropolitan or county-wide plans have less white flight from desegregation than city-only plans.

—Voluntary plans, including those which depend primarily on "magnet" schools, typically cause little or no protest or white flight, perhaps because they usually result in minimal desegregation.

—White reassignments to formerly black schools result in more than twice the white flight as black reassignments to white schools. White reassignments to other minority schools (Hispanic, Asian, etc.) appear to result in less white flight than reassignments to black schools.

The research on white flight suggests that mandatory desegregation will lead to increasingly nonwhite school systems in some, but not in all cities.

But what is one to make of the argument made by some sociologists and others that the likelihood of white flight is reason enough to resist mandatory desegregation so that school desegregation will be possible in the future? The idea that efforts to achieve integration should be postponed until a better time has a 25-year-old ring to it. When will desegregation not lead to white flight? What are the processes that will bring that day about? School desegregation substantially increases interracial contact among school-age children; without such interaction, how is interracial hostility to be reduced?

If there is so little evidence to support most aspects of the new mythology of school desegregation, why has it emerged and how is it sustained?

To begin with, the existing research is often misunderstood and misinterpreted. Further, not all the research is of high caliber, and weak research is more likely to support the new myths than is methodologically rigorous research.

In addition, some of those who always have opposed desegregation have raised questions about the success of desegregation efforts. In the process, the moral justification for desegregation—the promotion of racial and social equality—is lost. The commitment many have to racial justice has always been fragile because of the possibility that such change will be at their expense. Another source of the new mythology is the ambivalence of some minority leaders about desegregation.

Finally, perhaps the disappointments of many believers in the old mythology have fueled the countermyth. The old mythology served important functions in mobilizing the early efforts to desegregate not only the schools, but also all aspects of society. The problem with the old mythology of desegregation is that it promised too much. It was naive to imagine that "black and white together" would bring an end to inequalities and prejudices deeply rooted in our culture and in the institutions of our political economy. It may be that the rejection by some liberals of the old mythology is the result of their discomfort with what the desegregation experience has told us about the difficulty of achieving social change and the persistent significance of class and race in American life.

For those who find the new mythology of school desegregation incompatible with their perceptions of reality and their hopes for the future, three steps seem useful. The first of these is to recognize that much has been achieved. A second step is to increase what is known about the effects of desegregation, through more rigorous research. A third step would be to be clearer and more straightforward about the goals we have for desegregation. Focusing attention on the goals we hope to achieve through desegregation might provide some basis for cooperation among people of all races, and for increasing the flexibility of proposed desegregation strategies.●

WHEN THE COMMITMENT IS THERE

(Mr. EDWARDS of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. EDWARDS of California. Mr. Speaker, I now ask that the second editorial by Jonathan Kozol, a prolific writer on public education, including the moving and compassionate book "Death at an Early Age," be printed in full. The article, entitled "In Once-Troubled Boston, Integration Takes Root," explores the fundamental issues which make public school desegregation in America today, both mandatory and desirable. It shows, first of all, that desegregation is achievable and, most importantly, that it can result in quality education for all.

Mr. Kozol notes that—

> (T)he Boston schools, while moving from racial separation to desegregation, have also moved in five years from scholastic mediocrity to educational distinction.

Such a laudable shift has occurred because after almost 25 years since the Brown decision, we now recognize that the symptom is race but the issue is better schools. And, it is clear that the factors necessary to a successful desegregation effort are the same factors necessary to build and maintain the highest quality educational system. Parents, teachers, administrators, and students are responsible for the success of the Boston desegregation effort and for the academic distinction it can point to, today.

As the author reminds us—

> (A)ll the plans, orders and legalisms in the world cannot get around the human factor. Nothing comes out of nothing; and nothing important ever happens without the price of sweat and guts that Bostonians of all races have been willing to pay in the city where the American Revolution began.

I applaud the courage and the enlightened commitment of all Bostonians and Federal judge, W. Arthur Garrity, for a job well-done.

To those of us currently involved in school desegregation schemes, I encourage you to look to the outstanding example set for us by Boston. I urge you to reject the easy excuses offered by racist lies and to say no to its resulting stagnation. I admonish you to demand instead a government and services responsive to the needs of a modern society for all Americans.

Mr. Speaker, I ask that this editorial be inserted in the RECORD at this point and printed in full.

The editorial follows:

IN ONCE-TROUBLED BOSTON, INTEGRATION TAKES ROOT

(By Jonathan Kozol)

Busing is working in Boston—not because the buses have been painted a bright new yellow, but because the classroom experience at the end of the ride is generally better than anything Boston's schoolchildren have known before.

It never was the bus ride that scared parents away from desegregation. The real fear was what the child would encounter after the bus ride ended.

Now, five years after busing began, the answer is out—and may prove to be the education story of the decade. The truth is that Boston never had a chance to have educational excellence until its schools were desegregated. Now it has that chance for the first time in a generation—and desegregation is proving to be a success.

Those critics who believed that desegregation would lead to a decline in the quality of education were wrong. So long as parents felt cut off from the public schools, quality education never had a chance.

But with busing, the entire school system came under intense scrutiny. The trauma of desegregation compelled Bostonians to experience the upheaval and anguish that excellence in any area of human endeavor forever asks and always demands. For the first time, with the prospect of massive busing to disturb their morning's musing over coffee and the daily headlines, parents started to take a hard look at what was going on inside their children's schools.

When parents look hard, school administrators tremble, city bureaucrats share and archaic systems collapse. Boston's court-ordered busing crisis brought with it the first new schools, new curricula, new books, new goals and new hopes in 100 years.

The Boston schools, while moving from racial separation to desegregation, have also moved in five years from scholastic mediocrity to educational distinction.

Three schools provide a good cross-section of the Boston schools as they exist today.

Madison Park High School is an ultramodern "magnet" school of music and the arts. It draws students of all races from all over the city on a voluntary basis by virtue of its excellent academic resources, especially its spectacular music programs, which is generously helped by the New England Conservatory of Music, the Boston Symphony and Madison Park's drama department draws on a team of professional actors who work—under state, federal and municipal grants—to develop theater arts not as the social property of rich or gifted children, but rather as a vigorous ingredient of every student's experience.

The Mario Umana Harbor School is another attractive, ultramodern, magnet school emphasizing science, environmental studies, aviation and medicine. It operates in a close partnership with the Massachusetts Institute of Technology and the city's international airport. The school has created the most sophisticated course of scientific study for high-school kids that I have ever seen in any nation.

"Our goal," says headmaster Gus Anglin, "is to give our pupils a choice that students seldom had before. They can go to college, and we have no doubt that very large numbers will. But we also care about the kids who never even have a hope of college, but who are bright and decent kids and who are getting the opportunity to win a decent job in the new aeronautic or other technological industries that soon will dominate this section of New England."

The Mario Umana Harbor School, like every magnet school in Boston, has a waiting list of applicants from virtually every ethnic background in the city.

South Boston High is an ordinary district high school—not a fancy magnet school. It is simply a gathering of hardworking teachers with one of the most resilient and unflappable administrators in the city—and it has pulled off one of the authentic pedagogic miracles of the last five years.

In 1974, South Boston High was a "magnet" not for children, but for the international press and for the antibusing crowds of the adjacent neighborhood.

Today, the TV cameras of 16 nations are gone and so are the violence and terror that were synonyms for "Southie" in the world press. The school, maintaining a steady attendance of 600 to 700 pupils in a dilapidated yellow brick building that belies the dramatic changes taking place within, is no longer fighting the battle of the buses. Racial incidents are rare, and security guards in steel helmets and black leather boots no longer dominate the corridors.

Without a strong and steadfast faculty, including many who had taught in South Boston High before the busing issue ever went to court, the school's largely successful desegregation effort would have failed. The rank-and-file faculty consists mostly of old-time teachers, strong of will and long on loyalty, who are determined to make equal education work in Boston.

Credit must also go to an exceptional and sympathetic school administration, and to the cooperation of universities and local corporations.

Many critics who predicted disaster are now conceding that the example of South Boston High is a model for the entire city. The school, which 15 years ago was lucky to get 5 percent of its graduating seniors into college (and, in one year, failed to win admission even for one pupil) last spring was able to send 32 percent of graduating seniors on to colleges and universities. More than half of that 32 percent were white kids—and mostly from South Boston.

It isn't all good news. It couldn't possibly be. There is the vexing problem, for example, of "white flight." Though it has proven to be far less severe than some sociologists first predicted, it has been sufficient to tilt a number of schools from racial balance to a marginal nonwhite edge.

This point cannot be passed over lightly. School enrollment has admittedly declined in Boston. White enrollment, moreover, has declined disproportionately to that of blacks.

Schools everywhere, however, even in the wealthy suburbs, have experienced a sharp decline in student population in the past few years. The drop, in Boston's case, can be explained by this and many other obvious but fortunately reversible factors.

For example, there has been no exodus of homeowners. Mortgage rates are one of several reasons why many whites have not chosen to desert the city. Those who sought escape from desegregation opted, instead, for small "white academies" or parochial schools. Both are second-rate at best, and many students—even in the face of parental opposition—are already returning to their former public schools, disheartened with the makeshift offerings of these desperate substitutes for properly taught ethics, history and education.

White flight continues, but has significantly diminished. With thousands of young white couples settling into newly renovated neighborhoods it seems a safe bet that this city will do for desegregation what it did not long ago for George McGovern: embarrass the nation with its capability to make courageous choices in a time of national confusion.

The success of Boston's public schools in carrying out desegregation is without recent precedent in the United States.

How did it succeed? What are the factors that have made desegregation work in Boston?

Without question, it was the efforts of an inspired federal judge, W. Arthur Garrity, a man who had the sense and sensitivity to recognize the just demands of 12 black parents who brought suit against the Boston School Committee. In his historic ruling of June, 1974, Garrity ordered the city of Boston "to reverse the consequences of . . . unconstitutional conduct and to eliminate all vestiges of the dual system 'root and branch' . . ."

In addition, a combination of shrewd experts and experienced administrators managed to create a democratic process whereby parents, students and teachers in all sections * * *.

The virtual elimination of the spoils system in appointments of principals, assistant principals, heads of departments and the like also did much to transform a corrupt and inefficient school system into one of the most professional in the country. The court required that one black teacher or administrator be hired for every newly hired white man or white woman. Although the legal goal is racial fair play, one consequence has been an end to patronage and the weakening of the favor-playing powers of the Boston School Committee.

There also has been the upgrading of long-neglected teaching talent, as well as the aggressive seeking out and hiring of new teachers from all sections of the nation.

But of all the factors that have made desegregation a success, two of the most important have been the intellectual determination and sheer persistence of 5,100 rank-and-file teachers, who showed that they had the courage not to quit or "transfer out" as times got hard.

Finally, the involvement of parents, black and white, turned the tide. Blacks, for survival's sake, long have been pedagogic vigilantes in Boston. Whites, on the other hand, accepted for too long—from politicians who encouraged race hate—a school system that denied them and their children any chance of breaking out of the cycle of inferior employment, low pay and the welfare dole. The court-mandated network of "racial-ethnic parent councils" elected not by the geographical community of a single neighborhood, but by the "community of conscience" that developed within the multi-ethnic parent body that surrounds each desegregated school has given parents a strong voice in the selection of teachers, courses, school curricula and school principals.

Full community participation had never existed on a scale so wide or with results so clear as it does today. Desegregation has been made to work in Boston not by famous people, but by persistent parents, diligent teachers and embarrassingly decent kids.

All the plans, orders and legalisms in the world cannot get around the human factor. Nothing comes out of nothing; and nothing important ever happens without the price of sweat and guts that Bostonians of all races have been willing to pay in the city where the American Revolution began.

H.R. 3150, THE FEDERAL AGENCY RULEMAKING IMPROVEMENTS ACT

(Mr. BROYHILL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. **BROYHILL**. Mr. Speaker, on March 21, 1979, I introduced H.R. 3150, the Federal Agency Rulemaking Improvements Act. This bill is designed to require a more responsible approach to rulemaking by the various regulatory agencies throughout the Federal Government, and its goal is to reduce the tremendous and constantly increasing costs of Government regulation. At this time, I would like to have submitted in the RECORD a copy of the text of H.R. 3150 for the benefit of my colleagues. Further, I would like to advise my colleagues that my introductory remarks with respect to this legislation appear in the March 21, 1979, CONGRESSIONAL RECORD on page 5811.

The bill follows:

H.R. 3150

A bill to amend title 5, United States Code, to establish certain procedural and other requirements designed to ensure that rules prescribed by Federal agencies are necessary, reasonable, and compatible with congressional goals and policies

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Agency Rulemaking Improvements Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds that—

(1) Federal regulation of the Nation's businesses and industries is increasing at a dramatic annual rate;

(2) many Federal rules applicable to such businesses and industries are ill-conceived and inadequately developed, and are drafted in ambiguous and confusing language;

(3) Federal agencies too frequently have been unwilling to properly consider the ramifications of rules prescribed by such agencies and the manner in which such rules will affect the national economy;

(4) agencies too often develop rules without taking into account the nature and amount of recordkeeping and reporting necessary to adequately implement and enforce such rules;

(5) agencies frequently fail to carry out proper and complete reviews of existing rules in order to determine if proposed rules would impose inconsistent or overlapping requirements upon persons required to comply with such rules; and

(6) as a result of the magnitude of Federal regulation, and the ineptitude of agencies in developing rules, Federal regulation often has placed significant and unnecessary burdens upon the national economy and welfare, including—

(A) substantially increased costs to consumers, with current estimates exceeding $100,000,000,000 annually;

(B) high entry barriers in many of the Nation's businesses and industries and numerous other adverse effects on competition in the marketplace;

(C) the imposition of inequitable demands and burdens no individuals with limited means and on small organizations and small businesses; and

(D) inefficient use of the resources of agencies, enormous waste of Federal funds, and actions which often are inconsistent with national health, safety, economic, and public welfare goals.

(b) It is the purpose of this Act to establish procedural and other requirements applicable to agency rulemakings which are designed to ensure that—

(1) agencies will prescribe rules only after the need for regulatory action, and the purposes of such action, are clearly established;

(2) meaningful regulatory and nonregulatory alternatives are considered and analyzed by an agency before the agency undertakes any regulatory action;

(3) compliance costs, paperwork, and other burdens to the public imposed by agency rules are minimized;

(4) the heads of agencies will review and revise rulemaking procedures, with a view toward giving the public sufficient notice of future regulatory action;

(5) the heads of agencies will review rules to avoid conflict or duplication with existing rules; and

(6) rules are written in clear, readily understandable, and unambiguous language which specifically describes the scope and applicability of such rules.

AMENDMENTS TO TITLE 5, UNITED STATES CODE

SEC. 3. (a) Chapter 5 of title 5, United States Code, is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER IV—AGENCY RULEMAKING REQUIREMENTS

§ 591. Definitions

"For purposes of this subchapter—

"(1) the term 'agency' means each authority of the Federal Government, whether or not it is within or subject to review by another agency, but such term does not include—

"(A) the Congress;

"(B) the courts of the United States;

"(C) the governments of the territories or possessions of the United States;

"(D) the government of the District of Columbia;

"(E) agencies composed of representatives of the parties or of representatives of organizations of the parties to the disputes determined by them;

"(F) courts martial and military commissions;

"(G) military authority exercised in the field in time of war or in occupied territory; or

"(H) functions conferred by sections 603, 604, 608, and 609 of the National Housing Act (12 U.S.C. 1738, 1739, 1743, 1744), the Contract Settlement Act of 1944 (41 U.S.C. 101 et seq.), section 13 and former section 32(b)(2) of the Surplus Property Act of 1944 (50 U.S.C. App. 1622, 1641(b)(2)), section 4 and sections 201 through 212 of the Housing and Rent Act of 1947 (50 U.S.C. App. 1884, 1891–1902), and section 203 of the Defense Production Act Amendments of 1952 (50 U.S.C. App. 1894a);

"(2) the term 'Committee' means the Interagency Review Committee established in section 597(a);

"(3) the term 'rule' means the whole or a part of an agency statement of general or particular applicability and future effect designed to implement or prescribe law or policy, including the approval or prescription for the future of rates, wages, corporate or financial structures or reorganizations of such structures, prices, facilities, appliances, services, or allowances for such structures, or of valuations, costs, or accounting, or practices bearing on any of the foregoing, but such term does not include—

"(A) interpretative rules, general statements of policy, or rules of agency organization, procedure, or practice;

"(B) rules prescribed with respect to a military or foreign affairs function of the Federal Government;

"(C) rules relating to Federal Government procurement;

"(D) rules prescribed in accordance with the provisions of section 556 and section 557 of this title; or

"(E) rules prescribed after an agency publishes in the Federal Register a statement indicating that the agency has determined that—

"(i) such rules are prescribed in response to an emergency (in which case the agency shall include in such statement the reasons for such determination); or

"(ii) the prescription of such rules is governed by short-term time limitations established by or under any statute or court order: and

"(4) the term 'rulemaking' means agency process for formulating or amending a rule.

"§ 592. Requirements applicable to proposed rules

"Each agency, in connection with carrying out any proposed rulemaking, shall—

"(1) prepare a statement relating to the need for, and the purposes and applicability of, the proposed rule involved in accordance with section 593 of this title;

"(2) prepare a statement containing an analysis of regulatory and nonregulatory alternatives to such proposed rule in accordance with section 593 of this title; and

"(3) prepare an economic impact analysis of such proposed rule, and of each regulatory and nonregulatory alternative to such proposed rule, in accordance with section 594 of this title.

"§ 593. Statement relating to need for proposed rules and analysis of alternatives

"Each agency shall include in the general notice of proposed rulemaking required in section 553(b) of this title—

"(1) a statement which—

"(A) describes in specific terms the need for the proposed rule involved and the purpose which will be served by such proposed rule;

"(B) indicates the legal basis for the prescription of such proposed rule; and

"(C) specifies the scope and applicability of such proposed rule; and

"(2) a statement which—

"(A) describes each regulatory and nonregulatory alternative which was considered by the agency in connection with preparation of such proposed rule, and includes a summary of the economic impact analysis prepared by the agency in accordance with section 594 of this title with respect to each such alternative;

"(B) discusses the reasons for selection of such proposed rule as the most effective means for the achievement of the policy goals and purposes of the agency, taking into account the results of the economic impact analysis prepared by the agency in accordance with section 594 of this title with respect to each regulatory and nonregulatory alternative considered by the agency; and

"(C) indicates the manner in which the economic impact analysis prepared by the agency in accordance with section 594 of this title with respect to the proposed rule, and each regulatory and nonregulatory alternative considered by the agency, was taken into account in connection with selecting the proposed rule as the most effective means for the achievement of the policy goals and purposes of the agency.

"§ 594. Economic impact analysis

"(a) Each agency, in connection with carrying out any proposed rulemaking, shall prepare an economic impact analysis of the proposed rule involved and of each regulatory and nonregulatory alternative to such proposed rule. Such analysis shall examine—

"(1) the direct and indirect costs associated with compliance with such proposed rule and with each such alternative;

"(2) the potential inflationary or recessionary effects of such proposed rule and of each such alternative;

"(3) the direct or indirect effects which such proposed rule, and each such alternative, may have on employment;

"(4) the effects which such proposed rule, and each such alternative, may have on competition in businesses and industries affected by such proposed rule or by each such alternative, with particular attention to any competitive effects upon small businesses;

"(5) the effects which such proposed rule, and each such alternative, may have on consumer costs, with particular attention to effects upon economically depressed segments of the national population;

"(6) the impact of such proposed rule, and each such alternative, on productivity in businesses and industries affected by such proposed rule or by each such alternative;

"(7) the impact of such proposed rule, and each such alternative, on international trade, with particular attention to effects upon the balance of payments of the United States; and

"(8) the impact of such proposed rule on recordkeeping and reporting requirements, including—

"(A) an estimate of the number of, and a description of the classes of, persons who would be required to maintain records, submit reports, and fulfill other information-gathering requirements under such proposed rule; and

"(B) an estimate of the nature and amount of information which would be required to be contained in such reports, the frequency of such reports, and the costs associated with complying with such recordkeeping, reporting, and other information-gathering requirements.

"(b) Each agency which prepares an economic impact analysis in accordance with subsection (a) shall take such analysis into account in preparing the statement required in section 593(2) of this title.

"(c) Copies of each economic impact analysis prepared by an agency in accordance with subsection (a) shall be made available by such agency for public inspection and copying during normal business hours, subject to the payment of a reasonable fee to cover any cost of such copying. Such copies shall be made available beginning on the date on which the agency publishes a general notice of proposed rulemaking in the Federal Register in accordance with section 553(b) of this title.

"§ 595. Requirements applicable to final rules

"(a)(1) Each statement prepared by an agency under section 593 of this title in connection with a proposed rulemaking, and included in the general notice of proposed rulemaking, shall be included by appropriate reference in the publication of the final rule in the Federal Register.

"(2) If an agency makes any change or alteration in any statement specified in paragraph (1) before publication of the final rule, then the agency shall include in such publication a detailed explanation of the nature of, and reasons for, each such change or alteration.

"(b) Each agency shall prepare a statement, which shall be signed by the head of the agency and shall be included in the publication of the final rule involved in the Federal Register, indicating that the head of the agency has reviewed such final rule and that—

"(1) such final rule is stated in clear, readily understandable, and unambiguous language which specifically describes the scope and applicability of such final rule;

"(2) such final rule is not in conflict with any existing rule prescribed by the agency or by any other agency;

"(3) such final rule shall not be interpreted or otherwise construed in such a manner as would make such rule in conflict with any existing rule prescribed by the agency or by any other agency; and

"(4)(A) such final rule is not duplicative of any existing rule prescribed by the agency or any other agency; or

"(B) in any case in which such final rule is duplicative of any such existing rule, there is a need for such duplication.

In any case in which a final rule is duplicative of any existing rule, the statement required in this subsection shall include a description of such duplication, together with an explanation of the need for such duplication.

"§ 596. Implementation of rulemaking requirements

"(a) Each agency shall prescribe rules designed to carry out the requirements of this Act. Such rules are deemed to be within the exclusion specified in section 591(3)(A) of this title and shall not be subject to the requirements of this subchapter or of subchapter II of this chapter.

"(b) Each agency shall submit rules proposed to be prescribed under subsection (a) to the Interagency Review Committee not later than 180 days after the effective date of this subchapter.

"§ 597. Interagency review of proposed rules

"(a) There is hereby established an interagency committee to be known as the Interagency Review Committee.

"(b) The Committee shall—

"(1) review proposed rules submitted to the Committee by agencies in accordance with section 596(b) of this title;

"(2) determine the manner in which such proposed rules may be revised or otherwise adapted to ensure that agencies will carry out the requirements of this subchapter in a consistent manner; and

"(3) not later than 180 days after the end of the 180-day period specified in section 596(b) of this title, submit a report to each agency and to each House of the Congress which—

"(A) describes unresolved inconsistencies and other problems identified by the Committee during its review of proposed rules submitted to it under section 596(b) of this title,

"(B) includes recommendations of the Committee regarding the manner in which such inconsistencies and other problems may be addressed in order to ensure that agencies will carry out the requirements of this subchapter in a consistent manner; and

"(C) contains model rules developed by the Committee, based upon proposed rules submitted to the Committee, which are designed to demonstrate approaches which may be used by agencies in carrying out the requirements of this subchapter.

"(c)(1) Each agency which is required to prescribe rules under section 596(a) of this title shall appoint a supervisory employee of the agency to serve as a member of the Committee. Such appointments shall be made during the 180-day period specified in section 596(b) of this title. Members shall serve for the life of the Committee. Any vacancy in the Committee shall be filled in the same manner as the original appointment.

"(2)(A) Members of the Committee shall receive no additional pay on account of their service on the Committee.

"(B) While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Federal Government service are allowed expenses under section 5703 of this title.

"(3) For purposes of this subsection, the term 'supervisory employee' means—

"(A) an individual holding a position in an agency at GS-16, GS-17, or GS-18 of the General Schedule or at level I, II, III, IV, or V of the Executive Schedule or who is in a position at a comparable or higher level on any other Federal pay scale; and

"(B) an officer or employee of an agency who has primary responsibility for the prescription of rules under section 596(a) of this title.

"(d) The Chairman of the Committee shall be elected by the members of the Committee.

"(e) The Director of the Office of Management and Budget shall be responsible for organizing the initial meeting of the Committee. After such initial meeting, the Committee shall meet at the call of the Chairman or a majority of the members of the Committee.

"(f) Upon request of the Committee, the head of each agency may detail, on a reimbursable basis, any of the personnel of such agency to the Committee to assist it in carrying out its functions under this section.

"(g) The Administrator of General Services shall provide to the Committee on a reimbursable basis such administrative support services as the Committee may request.

"(h) The Committee shall cease to exist 60 days after submitting the report required in subsection (b)(3).

"§ 598. Agency review of rules

"(a) Each agency shall review each rule prescribed by such agency not later than 5 years after such rule is prescribed (and not later than the end of each 5-year period thereafter) in order to determine whether—

"(1) such rule continues to be necessary, taking into account technological and other developments, any changes in economic and other conditions, and any changes in the policies and priorities of the agency, which have occurred since such rule was initially prescribed;

"(2) such rule is carrying out the purposes it was designed to carry out at the time it was initially prescribed;

"(3) such rule is in conflict with, or is duplicative of, any existing rule prescribed by the agency or any other agency;

"(4) the language of such rule should be simplified or clarified; and

"(5) such rule should be amended or repealed.

"(b) Each agency shall, not later than 5 years after the effective date of this subchapter, review each rule prescribed by such agency which is in effect on such date of enactment in order to make the determinations specified in subsection (a) with respect to each such rule.

"(c) Each agency, in making the determinations required in subsection (a) and subsection (b), shall take into account—

"(1) the number and nature of complaints, comments, and suggestions received by the agency with respect to the rule involved; and

"(2) the nature and extent of any burdens imposed by such rule upon persons required to comply with such rule, as compared to the effectiveness of such rule in achieving the purposes for which it was initially prescribed.

"(d) Each agency shall, as soon as practicable after it begins to review a rule in accordance with subsection (a) or subsection (b), publish such rule in the Federal Register and request the submission of materials and comments relating to such rule by interested parties.

"(e) Determinations made by an agency under subsection (a) or subsection (b) shall be based upon—

"(1) materials and information which are in the possession of such agency at the time it begins to review the rule involved; and

"(2) materials and comments relating to such rule which are submitted to such agency by interested parties.

"(f) Each agency shall publish each determination required in this section, together with a summary of the reasons for such determination, in the Federal Register.

"§ 599. Establishment of regulatory priorities

"(a) Each agency shall, not later than 2 years after the effective date of this subchapter (and not later than the end of each 2-year period thereafter), publish in the Federal Register a listing of the regulatory priorities of the agency during the succeeding 2-year period.

"(b)(1) Each agency shall—

"(A) publish in the Federal Register, on a semiannual basis during each fiscal year, an agenda of rules which will be under development or review during such fiscal year; and

"(B) publish in the Federal Register, not later than 30 days before the beginning of each fiscal year, a schedule of the dates on which such agendas will be published during such fiscal year.

"(2) Each such agenda published by an agency shall—

"(A) contain a brief description of each rule listed in such agenda, together with a statement relating to the need, and the legal basis, for such rule; and

"(B) include a list of existing rules which are scheduled for review by the agency in accordance with section 10 during the period covered by such agenda.

"(3) No such agenda may be published in the Federal Register unless it is approved by the head of the agency involved before such publication.

"(4) Any listing of regulatory priorities or agenda of rules published by an agency under this subsection may be modified by such agency at any time. Notice of such modification shall be published in the Federal Register by the agency, together with an explanation of the reasons for the modification.

"§ 600. Judicial review

"(a) If any agency fails to comply with any procedural requirement established in this subchapter, then any person may file a petition for judicial review in an appropriate circuit court of the United States not later than 60 days after such failure to comply.

"(b) Upon the filing of a petition under subsection (a), the court shall have jurisdiction to review the action of the agency involved, and if the court finds that the agency has failed to comply with any procedural requirement the court shall order the agency to suspend further rulemaking proceedings relating to the rule which is the subject of the petition until such agency is in compliance with the procedural requirements of this subchapter.

"(c) The judgment of the court in any action brought under this section shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification, as provided in section 1254 of title 28.".

(b) The analysis for chapter 5 of title 5, United States Code, is amended by adding at the end thereof the following:

"SUBCHAPTER IV—AGENCY RULEMAKING REQUIREMENTS

"591. Definitions.
"592. Requirements applicable to proposed rules.
"593. Statement relating to need for proposed rules and analysis of alternatives.
"594. Economic impact analysis.
"595. Requirements applicable to final rules.
"596. Implementation of rulemaking requirements.
"597. Interagency review of proposed rules.
"598. Agency review of rules.
"599. Establishment of regulatory priorities.
"600. Judicial review.".

CONFORMING AMENDMENTS

SEC. 4. Section 553(b) of title 5, United States Code, is amended—

(1) in paragraph (2) thereof, by striking out "and" at the end thereof;

(2) in paragraph (3) thereof, by striking out the period at the end and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(4) the statements required in section 593 of this title.".

EFFECTIVE DATES

SEC. 5. The amendments made by this Act shall apply to proposed rulemakings which commence after the 18-month period beginning on the date of the enactment of this Act. Section 598(b) of title 5, United States Code, as added by this Act, shall take effect on the date of the enactment of this Act.●

WHAT WE MUST DO TO MEET OUR ENERGY PROBLEM

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, philosophers and other students of prehistory have remarked on the unfortunate position of prehistoric man who was subject to the acute risk of freezing to death while unknowingly standing on top, or even alongside, of abundant supplies of energy fuels. "If only he knew better," is the commonly expressed judgment these days on the situation affecting our ancient ancestor.

Contrast our energy problem today. Supposedly, we know more. But are we wiser? We stand in danger of a very serious deficiency of available, reasonably reliable, practical energy sources—threatening our general welfare and national security—though we are quite aware of our enormous coal reserves and our once unique and still strong capability in the peaceful use of the atom as an energy source.

Prehistoric man was wise enough to survive, by using available resources he knew about. We, in this country, have not yet shown that we can match this wisdom. It is imperative that we confront our energy problem by immediate, effective use of our resources and talents. The measure I am introducing today lays the foundation for this resolve. Let us get on with doing what we have to do, as effectively as we know how.

Quite simply and directly, we are long overdue in the effective use of our domestically available basic energy sources. We have not productively harnessed our intellectual and physical resources to reduce our dependence on petroleum fuels. From the standpoint of my own direct experience and involvement in energy matters, I believe we are at least 10 years behind in facing up to our energy situation. Actually, it was as long ago as 1962 that an excellent study of our future energy needs was completed.

This study was initiated by the old Joint Committee on Atomic Energy in the late 1950's because the committee wanted to find out if nuclear energy would be needed in the civilian sector. What we found, in a few words, was that this country would require supplemental energy sources in the near future, and the only practical alternative was nuclear energy—specifically fission.

It is interesting what the study found about our petroleum fuels: Petroleum fuels were found to be one of our minor domestic fuels over the long range and, in fact, production rates were expected to peak out in about 1970 and decrease thereafter. As we know this is exactly what happened and we can continue to expect our domestic production to decrease.

Unfortunately, we have not acted on the basis of the findings in the old report. We have not increased our use of coal, our largest available chemical source of energy. One reason for this is that we did not foresee the development of extreme views, in certain quarters, that coal should not be used for environmental reasons.

In 1973, I had the staff of the Joint Committee on Atomic Energy make a study of what our foreign dependence on energy sources would be under various conditions relating to the utilization of more coal, nuclear energy, feasible use of solar energy, et cetera. One startling finding of the valuation came to my mind when I read the data on last year's imports of petroleum which equaled nearly 9 million barrels per day. The 1973 evaluation predicted imports of 10 million barrels per day by 1980 if we did absolutely nothing to offset dependence on foreign supplies. In other words, we have been directly on the do-nothing road to minimize our dependence on foreign sources. Adding to the frightening impact of our recent history is the recollection that in 1973 our imports were on the order of 7 million barrels and the President's goal was to decrease our imports to something like 6 million barrels. We are going in the opposite direction.

What we must do at the present time are the same things we identified nearly two decades ago. The concurrent resolution I propose urges unambiguous and forthright executive attention to the critical need to use our coal and nuclear resources.

To eliminate any possible misunderstanding on the part of advocates of other potential energy sources, I want to state unequivocally that I also continue to advocate development work on nuclear fusion, solar and other longer range potentially useful sources. But we must face the facts as they now exist. We have a "bird in the hand"—large resources of coal and a once-unique but still viable nuclear energy capability. We must move out smartly and use these energy sources as our present requirements dictate. Of course, we will have to contend with the lead-time problem to turn our present situation around. Developing new coal mines, getting the additional miners, and building the transportation and utilizing facilities will probably take at least a decade before really substantial additional resources are available.

The leadtime for nuclear energy sources may also be significant since we must improve the terribly time-consuming administrative procedure now used in licensing and regulation. But these things can and must be done since no other actions can solve the dilemma we face notwithstanding every reasonable effort of conservation or more efficient use of energy. Every day we delay in doing what is necessary increases the likelihood that the not-to-distant future will bring us to a crisis of high danger and intolerable alternatives. From the strongest convictions I have in connection with our national well-being, I urge your support for the resolution I am introducing.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. PEPPER (at the request of Mr. WRIGHT), for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BEVILL, for 5 minutes today, and to include extraneous matter.

(The following Members (at the request of Mr. HINSON) to revise and extend their remarks and include extraneous material:)

Mr. GOLDWATER, for 5 minutes, today.

Mr. MARLENEE, for 5 minutes, today.

Mr. KEMP, for 10 minutes, today.

Mr. RUDD, for 15 minutes, today.

Mrs. HECKLER, for 5 minutes, today.

(The following Members (at the request of Mr. GINN) to revise and extend their remarks and include extraneous material:)

Mr. LAFALCE, for 10 minutes, today.

Mr. LUNDINE, for 10 minutes, today.

Mr. RAHALL, for 10 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. WEAVER, for 10 minutes, today.

Mr. BOLAND, for 10 minutes, today.

Mr. UDALL, for 5 minutes, today.

Mr. HARRIS, for 5 minutes, today.

Mr. RAHALL, for 10 minutes on March 28, 1979.

Mr. CONYERS, for 60 minutes on April 4, 1979.

Mr. ROSE, for 60 minutes on April 5, 1979.

Mr. DANIELSON, for 60 minutes on April 24, 1979.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. HINSON) and to include extraneous matter:)

Mr. SYMMS in three instances.

Mr. YOUNG of Alaska in two instances.

Mr. WINN.

Mr. HILLIS.

Mr. BROYHILL.

Mr. WYDLER in two instances.

Mr. HORTON.

Mr. MYERS of Indiana.

Mr. MARTIN in two instances.

Mr. WHITEHURST.

Mr. GILMAN in two instances.

Mr. RUDD.

Mrs. HOLT.

Mr. BOB WILSON.

Mr. MOORE.

Mr. ANDERSON of Illinois in two instances.

Mr. MARLENEE.

Mr. MICHEL.

Mr. CLEVELAND.

(The following Members (at the request of Mr. GINN) and to include extraneous material:)

Mr. EVANS of Indiana.

Mr. PEPPER in four instances.

Mr. BRODHEAD.

Mr. GAYDOS in two instances.

Mr. MARKEY.

Mr. MURPHY of Illinois.

Ms. OAKAR.

Mr. JACOBS.

Mr. HAMILTON.

Mr. WAXMAN.

Mr. GONZALEZ in three instances.

Mr. ANDERSON of California in three instances.

Mr. WATKINS.

Mr. DRINAN in 10 instances.

Mr. GEPHARDT.

Mr. PEASE.

Mr. BENJAMIN.

Mr. PATTEN.

Mr. FORD of Tennessee in two instances.

Mr. MCDONALD in five instances.

Ms. FERRARO.

Mr. RUSSO.

Mr. BONKER in two instances.

Mr. VAN DEERLIN.

Mr. RICHMOND.

Mr. BONER of Tennessee.

Mr. ALBOSTA.

ADJOURNMENT

Mr. BOLAND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p.m.), the House adjourned until tomorrow, Wednesday, March 28, 1979, at 3 o'clock p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1092. A communication from the President of the United States, transmitting proposed supplemental appropriations and appropriations language for fiscal year 1979 and a budget amendment for fiscal year 1980 (H. Doc. No. 96-82); to the Committee on Appropriations and ordered to be printed.

1093. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend sections 3031(d) and 8031(d) of title 10, United States Code, to limit their application to general officers assigned or detailed to duty in the executive part of the Department of the Army and the Department of the Air Force, and for other purposes; to the Committee on Armed Services.

1094. A letter from the Acting General Counsel, Department of Housing and Urban Development, transmitting a draft of proposed legislation to extend the crime insurance and riot reinsurance programs under title XII of the National Housing Act, the national flood insurance program under the National Flood Insurance Act of 1968, to authorize appropriations for studies under the National Flood Insurance Act of 1968 for fiscal years 1980 and 1981, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

1095. A letter from the Executive Director, National Neighborhood Reinvestment Corporation, transmitting a draft of proposed legislation to extend the authorization of appropriations for the National Neighborhood Reinvestment Corporation; to the Committee on Banking, Finance and Urban Affairs.

1096. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations to govern the program for strengthening developing institutions under title III of the Higher Education Act of 1965, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

1097. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1098. A letter from the Clerk, U.S. Court of Claims, transmitting the court's judgment order in docket No. 64-A, *Shawnee Tribe of Indians of Oklahoma* v. *The United States*; to the Committee on Interior and Insular Affairs.

1099. A letter from the Chairman, National Arthritis Advisory Board, transmitting the second annual report of the Board, pursuant to section 440(j) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

1100. A letter from the Secretary of the Army, transmitting a Corps of Engineers report on the wastewater management study for Boston Harbor and the Eastern Massachusetts Metropolitan Area, in response to resolutions of the Senate and House Committees on Public Works adopted March 2, 1972, and June 14, 1972, respectively; to the Committee on Public Works and Transportation.

1101. A letter from the Director, Division of Business Programs, Department of Energy, transmitting the third semiannual report on the status of the energy-related inventions program; to the Committee on Science and Technology.

1102. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to extend the delimiting date for veterans under certain circumstances; to limit the time for filing claims for educational benefits based upon disability; to modify the standards of progress requirements; to modify the 50-percent employment requirements; to eliminate the requirements for counting BEOG's and SEOG's in the 85-15 enrollment ratio; to modify payment of educational benefits to incarcerated veterans; to permit certain foreign training; to pay benefits for certain continuing education programs; to strengthen statutory provisions on measurement of courses and on overpayment of educational benefits; to repeal the authority for pursuit of flight and correspondence training; to repeal the authority for pursuit of certain PREP training; and for other purposes; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. House Joint Resolution 199. Joint resolution to amend the act of October 21, 1978 (92 Stat. 1675; Public Law 95-498) (Rpt. No. 96-72). Referred to the Committee of the Whole House in the State of the Union.

Mr. ZEFERETTI: Committee on Rules. House Resolution 53. Resolution providing for the establishment of a Select Committee on the Outer Continental Shelf; with amendment (Rept. No. 96-73). Referred to the House Calendar.

Mr. MURPHY of Illinois: Committe on Rules. House Resolution 165. Resolution to amend the Rules of the House of Representatives to permit the Permanent Select Committee on Intelligence to vote to conduct certain hearings in executive session. (Rept. No. 96-74). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PICKLE (for himself, Mr. Archer, Mr. Jacobs, Mr. Cotter, Mr. Gephardt, Mr. Mikva, Mr. Fisher, Mr. Gradison, and Mr. Rousselot):

H.R. 3236. A bill to amend title II of the Social Security Act to provide better work incentives and improved accountability in the disability insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. ABDNOR:

H.R. 3237. A bill to amend the Internal Revenue Code of 1954 to increase to $6,000 the exclusion from taxable gifts for gifts made during a calendar year by a donor to a person; to the Committee on Ways and Means.

By Mr. ANDERSON of Illinois:

H.R. 3238. A bill to require the President and Congress to establish spending priorities relative to national output, and to otherwise limit the growth of public expenditures, promote a balanced budget, and lower the rates of Federal taxation; jointly, to the Committees on Rules and Government Operations.

By Mr. BURGENER (for himself, Mr. Johnson of California, and Mr. Charles H. Wilson of California):

H.R. 3239. A bill to provide that certain lands in Imperial County, Calif., that became Federal property by the process of accretion be sold to the persons who would be the current owners of such lands but for such accretion; to the Committee on Interior and Insular Affairs.

By Mr. COELHO:

H.R. 3240. A bill to provide that orders issued by the Secretary of Agriculture under the Agricultural Adjustment Act respecting development projects designed to assist, improve, or promote the marketing, distribution, and consumption or production of walnuts may provide for any form of marketing promotion, including paid advertising; to the Committee on Agriculture.

By Mr. DICKS:

H.R. 3241. A bill to improve the functioning of Federal agencies by providing for initiation of rulemaking based on requests made to such agencies; to the Committee on the Judiciary.

H.R. 3242. A bill to improve the efficiency of Federal agencies by requiring the completion of rulemaking proceedings in a timely manner; to the Committee on the Judiciary.

By Mr. DINGELL (for himself, Mr. Udall, Mr. Clausen, Mr. Brown of Ohio, Mr. Markey, Mr. Satterfield, Mr. Gramm, Mr. Hance, Mr. Lagomarsino, and Mr. Lujan):

H.R. 3243. A bill to amend title V of the Public Utility Regulatory Policies Act of 1978 to authorize the President to recommend waiver of laws to expedite the transportation of crude oil, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. FOWLER:

H.R. 3244. A bill to amend the Internal Revenue Code of 1954 to provide for the application of the investment tax credit to property purchased by a person who is engaged to the trade or business of furniture rental or leasing to others; to the Committee on Ways and Means.

By Mr. GEPHARDT:

H.R. 3245. A bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes; to the Committee on Ways and Means.

By Mr. GUYER:

H.R. 3246. A bill to provide chiropractic treatment when requested for veterans eligible for outpatient medical care; to the Committee on Veterans' Affairs.

By Mr. HANCE (for himself, Mr. Huckaby, Mr. Bailey, Mr. Atkinson, Mr. Volkmer, Mr. Kogovsek, Mr. Leath of Texas, Mr. Rose, Mr. Stenholm, Mr. Forsythe, Mr. Hightower, Mr. Whitehurst, and Mr. Devine):

H.R. 3247. A bill to amend title V of the Public Utility Regulatory Policies Act of 1978 to provide for preemption of certain State laws prohibiting or unduly hampering the construction of the Long Beach-Midland project or any crude oil transportation system approved under such title, and for other purposes; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. JACOBS:

H.R. 3248. A bill to extend post exchange privileges to veterans with service-connected disabilities rated at 50 percent or more; to the Committee on Armed Services.

By Mr. JOHNSON of California (for himself, Mr. Harsha, Mr. Roe, Mr. Hammerschmidt, Mr. Nowak, Mr. Shuster, Mrs. Bouquard, Mr. Clinger, Mr. Hefner, Mr. Ertel, Mr. Flippo, Mr. Rahall, Mr. Applegate, and Mr. Atkinson) (by request):

H.R. 3249. A bill to extend the Appalachian Regional Development Act and for other purposes; to the Committee on Public Works and Transportation.

By Mr. KEMP:

H.R. 3250. A bill to amend the Internal Revenue Code of 1954 to allow alimony to be used in determining the limit on the deduction for retirement savings; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 3251. A bill to amend the Internal Revenue Code of 1954 to increase the unified estate tax credit so that estates under $1 million will not be subject to estate tax, and to make a similar increase in the unified gift tax credit; to the Committee on Ways and Means.

By Mr. LUKEN (for himself, Mr. St Germain, Mr. Bedell, Mr. Mottl, Mr. Mathis, Mr. Price, Mr. Young of Alaska, Mr. Neal, Mr. Jenrette, Mr. Madigan, Mr. Russo, Mr. Grassley, Mr. Hagedorn, Mr. McClory, Mr. Boland, Mr. Forsythe, Mr. Davis of Michigan, Mr. Won Pat, Mr. Nolan, Mr. Leach of Louisiana, Mr. Carr, Mr. Kindness, Mr. McDonald, Mr. Patten, Mr. Sensenbrenner, and Mr. Murphy of Pennsylvania):

H.R. 3252. A bill to amend the Internal Revenue Code of 1954 to provide that trusts established for the payment of product or professional liability claims and related expenses shall be exempt from income tax, and that a deduction shall be allowed for contributions to such trusts; to the Committee on Ways and Means.

By Mr. LUNDINE (for himself and Mr. Roybal):

H.R. 3253. A bill to amend section 202 of the Housing Act of 1959 to extend the program to provide housing for the elderly or handicapped, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. McCLOSKEY:

H.R. 3254. A bill to amend title 10, United States Code, to eliminate certain limitations imposed on excess profits arising from any contract with any military department of the United States for the construction or manufacture of all or part of any complete aircraft or any contact with the Secretary of the Navy for the construction or manufacture of all or part of any complete naval vessel, and for other purposes; to the Committee on Armed Services.

By Mr. McKINNEY:

H.R. 3255. A bill to protect the rights of individuals guaranteed by the Constitution of the United States and to prevent unwarranted invasion of their privacy by prohibiting the use of polygraph equipment for certain purposes; jointly, to the Committees on the Judiciary, Education and Labor, and Post Office and Civil Service.

By Mr. MINISH:

H.R. 3256. A bill to extend to all unmarried individuals the full tax benefits of income splitting now enjoyed by married individuals filing joint returns; and to remove rate inequities for married persons where both are employed; to the Committee on Ways and Means.

By Mr. MITCHELL of Maryland (by request):

H.R. 3257. A bill to increase the number of class C directors of the Federal Reserve banks and to make certain changes regarding the terms and positions of the Chairman and Vice Chairman of the Federal Reserve Board; to the Committee on Banking, Finance and Urban Affairs.

By Mr. OBERSTAR:

H.R. 3258. A bill to restructure the financing of the activities of the Saint Lawrence Seaway Development Corporation; to the Committee on Public Works and Transportation.

By Mr. PEASE (for himself and Mr. Pritchard):

H.R. 3259. A bill to amend the Internal Revenue Code of 1954 to provide for a deduction paid into a reserve for medical and legal malpractice liability losses and expenses, to provide a deduction for certain amounts paid to captive insurers for malpractice insurance, and for other purposes; to the Committee on Ways and Means.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 3260. A bill to repeal subsection 416 (a) of title 37, United States Code, relating to additional uniform allowances in the case of Reserve officers; to the Committee on Armed Services.

H.R. 3261. A bill to amend title 10, United States Code, to provide for a Department of Defense Military Retirement and Disability Fund, and for other purposes; to the Committee on Armed Services.

H.R. 3262. A bill to authorize the disposal of tin from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

By Mr. RODINO (for himself and Mr. Danielson):

H.R. 3263. A bill to make regulations more cost-effective, to insure periodic review of old rules, to improve regulatory planning and management, to eliminate needless legal formality and delay, to enhance public participation in the regulatory process, and for other purposes; to the Committee on the Judiciary.

By Mr. RUSSO:

H.R. 3264. A bill to amend the Internal Revenue Code of 1954 to provide truck operators with a credit for increases in the cost of fuel and to encourage them to undertake measures to conserve such fuel; to the Committee on Ways and Means.

By Mr. ST GERMAIN:

H.R. 3265. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. SOLOMON:

H.R. 3266. A bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to John Wayne; to the Committee on Banking, Finance and Urban Affairs.

Mr. UDALL (for himself, Mr. Rhodes, Mr. Stump, Mr. Rudd, Mr. Lujan, Mr. Santini, Mr. Williams of Montana, Mr. Davis of Michigan, Mr. Oberstar, Mr. Symms, and Mr. Marriott):

H.R. 3267. A bill to increase the duty on imported copper by an amount which offsets the cost incurred by copper producers in the United States in meeting domestic environmental requirements; to the Committee on Ways and Means.

By Mr. BOB WILSON:

H.R. 3268. A bill to promote the orderly development of hard mineral resources in the deep seabed, pending adoption of an international regime relating thereto; jointly, to the Committees on Foreign Affairs, Interior and Insular Affairs, Merchant Marine and Fisheries, and Ways and Means.

By Mr. BOB WILSON (for himself, Mr. Dickinson, Mr. Badham, Mr. Spence, Mr. Treen, Mr. Trible, and Mr. Whitehurst):

H.R. 3269. A bill to authorize the U.S. Navy Memorial Foundation to erect a memorial in the District of Columbia; to the Committee on House Administration.

By Mr. CHARLES WILSON of Texas:

H.R. 3270. A bill to amend the Internal Revenue Code of 1954 to provide for any individual a credit against income tax for amounts paid or incurred for the improvement of such individual's principal residence; to the Committee on Ways and Means.

By Mr. HARRIS (for himself and Mr. Rodino):

H.R. 3271. A bill to amend the Antitrust Civil Process Act to authorize the Department of Justice to use agents in connection with the enforcement of the antitrust laws; to the Committee on the Judiciary.

By Mr. HEFNER (by request):

H.R. 3272. A bill to amend title 38, United States Code, to extend the delimiting date for veterans under certain circumstances; to limit the time for filing claims for educational benefits based upon disability; to modify the standards of progress requirements; to modify the 50-percent employment requirements; to eliminate the requirements for counting BEOG's and SEOG's in the 85–15 enrollment ratio; to modify payment of educational benefits to incarcerated veterans; to permit certain foreign training; to pay benefits for certain continuing education programs; to strengthen statutory provisions on measurement of courses and on overpayment of educational benefits; to repeal the authority for pursuit of flight and correspondence training; to repeal the authority for pursuit of certain PREP training; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HINSON:

H.R. 3273. A bill to provide for the completion of the Natchez Trace Parkway from Natchez, Miss., to Nashville, Tenn.; to the Committee on Interior and Insular Affairs.

By Mr. HOLLAND (for himself, Mr. Davis of South Carolina, Mr. Spence, Mr. Derrick, Mr. Campbell, and Mr. Jenrette):

H.R. 3274. A bill to settle the nonintercourse claims of the Catawba Indian Tribe of South Carolina; to the Committee on Interior and Insular Affairs.

By Mr. KAZEN (for himself and Mr. Lujan):

H.R. 3275. A bill to amend the Small Reclamation Projects Act of 1956, as amended; to the Committee on Interior and Insular Affairs.

By Mr. WALGREN:

H.R. 3276. A bill to amend the Social Security Act by adding thereto a new title XXI which will provide insurance against the costs of catastrophic illness and by adding a new title XV thereto which will encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges, and for other purposes; jointly, to the Committes on Ways and Means and Interstate and Foreign Commerce.

H.R. 3277. A bill to amend the Social Security Act by adding thereto a new title XXI which will provide insurance against the costs of catastrophic illness, by replacing the medicaid program with a Federal medical assistance plan for low-income people, and by adding a new title XV thereto which will encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges, and for other purposes; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. JEFFORDS:

H.J. Res. 281. Joint resolution calling for U.S. leadership of an international effort to better understand the status of marine mammal populations, and requiring the President to submit a report to Congress with respect to marine mammals; to the Committee on Merchant Marine and Fisheries.

By Mr. KINDNESS:

H.J. Res. 282. Joint resolution proposing an amendment to the Constitution of the United States to provide that equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex; to the Committee on the Judiciary.

By Mr. JEFFORDS:

H. Con. Res. 87. Concurrent resolution calling for a moratorium of indefinite duration on the commercial killing of whales; to the Committee on Foreign Affairs.

By Mr. DAVIS of Michigan:

H. Res. 180. A resolution expressing the disapproval of the House of Representatives regarding the standby emergency weekend sales restrictions of gasoline, and the standby gasoline rationing plan (DOE standby conservation plan No. 1 and DOE standby rationing plan No 1); to the Committee on Interstate and Foreign Commerce.

By Mr. HOWARD (for himself, Mr. Whitley, Mr. Lehman, Mr. Corrada, Mr. Rodino, Mr. Hughes, Mr. Murphy of Pennsylvania, Mr. Rahall, Mr. Duncan of Tennessee, Mr. Roe, Mr. Studds, Mr. Forsythe, Mr. Obey, Mr. Jones of North Carolina, Mr. Guarini, Mr. Ginn, Mr. Coelho, Mr. Johnson of California, Mr. Robinson, Mr. Bafalis, Mr. Williams of Montana, Mr. Evans of the Virgin Islands, Mr. Mitchell of Maryland, Mr. Dornan, Mr. Stangeland, Mr. Burgener, Mr. Flood, Mr. Beard of Rhode Island, Mr. Jenrette, Mr. McDade, Mr. Hubbard, Mr. Mathis, Mr. Jeffords, Mr. Florio, Mr. Applegate, Mr. Brinkley, Mr. Vander Jagt, Mr. Evans of Delaware, Mr. Pursell, and Mr. Pepper):

H. Res. 181. Resolution expressing the sense of the House of Representatives with respect to the implementation of Standby Energy Conservation Plan No. 1: Emergency Weekend

Gasoline Sales Restrictions; to the Committee on Interstate and Foreign Commerce.

By Mr. SLACK:

H. Res. 182. Resolution to disapprove the final recommendations for the basic route system of Amtrak submitted by the Secretary of Transportation; to the Committee on Interstate and Foreign Commerce.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

93. By the SPEAKER: Memorial of the House of Representatives of the State of Hawaii, relative to the farm ownership program loans of the Farmers Home Administration; to the Committee on Agriculture.

94. Also, memorial of the House of Representatives of the State of Hawaii, relative to FHA section 240 insured loans; to the Committee on Banking, Finance, and Urban Affairs.

95. Also, memorial of the Legislature of the Federated States of Micronesia, relative to the effective date of the Constitution of the Federated States of Micronesia; to the Committee on Interior and Insular Affairs.

96. Also, memorial of the House of Representatives of the State of Hawaii, relative to providing reemployment rights for Federal employees who are ordered to National Guard duty by the State Governor; to the Committee on Post Office and Civil Service.

97. Also, memorial of the House of Representatives of the State of Hawaii, relative to competition between air carriers on Hawaii's interisland routes; to the Committee on Public Works and Transportation.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KAZEN:

H.R. 3278. A bill for the relief of Rev. Joe H. West; to the Committee on the Judiciary.

By Mr. PRICE:

H.R. 3279. A bill for the relief of Claudine E. Abbott; to the Committee on the Judiciary.

By Mr. WYATT:

H.R. 3280. A bill for the relief of Danusa Sestak, and her children, Eduardo Sestak, George Sestak, and Iva Sestak; to the Committee on the Judiciary.

By Mr. YOUNG of Florida:

H.R. 3281. A bill for the relief of Dr. Virgilio Follosco Floresca and Thelma Pulido Floresca; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 52: Mr. Sharp, Mr. Stump, Mr. Rhodes, Mr. Myers of Indiana, and Mr. Erdahl.

H.R. 182: Mr. Addabbo, Mr. Bevill, Mrs. Bouquard, Mr. Broyhill, Mr. Buchanan, Mr. Cleveland, Mr. Corrada, Mr. Dickinson, Mr. Dougherty, Mr. Downey, Mr. Edwards of California, Mr. Ertel, Mr. Evans of Georgia, Mr. Ginn, Mr. Hall of Texas, Mr. Hawkins, Mr. Hughes, Mr. Jenrette, Mr. Long of Maryland, Mr. Lott, Mr. Luken, Mr. McDade, Mr. Miller of California, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Nolan, Mr. Price, Mr. Rinaldo, Mr. Roe, Mr. Rose, Mr. Roybal, Mr. Stack, Mr. Symms, Mr. Wampler, Mr. Won Pat, Mr. Yates, Mr. Yatron, and Mr. Young of Missouri.

H.R. 398: Mr. Dornan.

H.R. 512: Mr. Leach of Louisiana.

H.R. 571: Mr. Trible, Mrs. Holt, Mr. Young of Alaska, Mr. Grassley, and Mr. Dornan.

H.R. 742: Mr. Hollenbeck, Mr. Jenrette, Mr. Scheuer, Mr. Simon, and Mr. Patterson.

H.R. 743: Mr. Hollenbeck, Mr. Scheuer, Mr. Simon, and Mr. Patterson.

H.R. 744: Mr. Hollenbeck, Mr. Jenrette, Mr. Scheuer, Mr. Simon, and Mr. Patterson.

H.R. 806: Mr. Bingham.

H.R. 809: Mr. Edgar, Mr. Fowler, Mr. Mineta, Mr. Moffett, Mr. Robinson, and Mr. Young of Alaska.

H.R. 837: Mr. Cleveland, Mr. Davis of Michigan, Mr. Duncan of Oregon, Mr. Edwards of Oklahoma, Ms. Ferraro, Mr. Flood, Mr. Gilman, Mr. Maguire, Mr. Mica, Mr. Pursell, Mr. Roe, Mr. Solarz, Mr. Stump, and Mr. Tauke.

H.R. 1259: Mr. Bevill.

H.R. 1309: Mr. Edgar.

H.R. 1320: Mr. Stokes.

H.R. 1542: Mr. Archer, Mr. Bauman, Mr. Beard of Tennessee, Mrs. Boggs, Mr. Buchanan, Mr. Edgar, Mrs. Fenwick, Mr. Glickman, Mr. Goldwater, Mr. Green, Mr. Lee, Mr. McEwen, Mr. McKinney, Ms. Mikulski, Mr. Mitchell of New York, Mr. Moore, Mr. Nolan, Mr. Panetta, Mr. Rinaldo, Mr. Rudd, Mr. Sharp, and Mrs. Smith of Nebraska.

H.R. 1644: Mr. Conable, Mr. Kostmayer, Mr. Whittaker, Mr. Runnels, Mr. Grassley, Mr. Andrews of North Carolina, and Mr. St Germain.

H.R. 1744: Mr. Ambro, Ms. Holtzman, Mr. Mineta, Mr. Nolan, and Mr. Zeferetti.

H.R. 1958: Mr. Daniel B. Crane, Mr. Gaydos, Mr. Murphy of Pennsylvania, Ms. Oakar, Mr. Roberts, Mr. Corcoran, Mr. Zeferetti, Mr. Jones of Tennessee, Mr. Livingston, Mr. Stockman, Mr. Robert W. Daniel, Jr., Mr. Winn, Mr. Jeffries, Mr. Rinaldo, Mr. Vander Jagt, Mr. Hance, Mr. White, Mr. Satterfield, Mr. Stratton, Mr. Ireland, and Mr. Ritter.

H.R. 1969: Mr. Marriott.

H.R. 2075: Mrs. Bouquard.

H.R. 2211: Mr. Shannon, Mr. Corrada, Mr. Donnelly, Mr. Miller of California, Mr. Boland, Mr. Whitehurst, Mr. Mottl, Mr. Mitchell of Maryland, Mr. Russo, Mr. Murphy of Pennsylvania, Mr. St Germain, Mr. Rangel, Mr. Evans of the Virgin Islands, Mr. Bevill, Mr. Yatron, Mr. Downey, Mr. Lagomarsino, Mr. Scheuer, Mr. Zeferetti, Mr. Richmond, and Mr. Simon.

H.R. 2280: Mr. Collins of Texas, Mr. Dornan, Mr. Murphy of Pennsylvania, Mr. Hyde, Mr. Dan Daniel, Mr. Duncan of Tennessee, Mr. Dougherty, and Mr. Gingrich.

H.R. 2308: Mr. Ottinger, Mr. Corrada, Mr. Evans of the Virgin Islands, Mr. Ginn, Mr. Young of Florida, Mr. Downey, Mr. Gray, Mr. Bonior of Michigan, Mr. Moakley, Mr. Kildee, Mr. Edgar, and Mr. Pepper.

H.R. 2341: Mr. Bedell, Mr. Chappell, Mr. Collins of Texas, Mr. Dornan, Mr. Duncan of Tennessee, Mr. Kindness, Mr. Lagomarsino, Mr. Lott, Mr. McClory, Mr. Pritchard, Mr. Whitehurst, Mr. Winn, and Mr. Traxler.

H.R. 2374: Mr. Bereuter, and Mr. Nolan.

H.R. 2441: Mr. Lederer, Mr. Lloyd, Mr. Corrada, Mr. Whitehurst, Mr. Charles H. Wilson of California, Mr. Donnelly, Mr. Fithian, Mr. Ginn, Mr. LaFalce, Mr. Lehman, Mr. Nowak, Mr. Vento, Mr. Corman, Mr. Richmond, Mr. Gilman, Mr. Sebelius, Mr. Abdnor, Mr. Howard, Mrs. Holt, Mr. Carter, Mr. Hughes, Mr. Miller of California, Mr. Stangeland, Mr. Bevill, Mr. Rinaldo, Mr. Yatron, Mr. Grisham, Mr. Ichord, Mr. Edgar, Mr. Evans of Georgia, Mr. Ottinger, Mr. Cleveland, Mr. Waxman, Mr. Scheuer, Mr. Burgener, Mr. Roberts, Mr. Dougherty, Mr. Coleman, Mrs. Spellman, Mr. Hollenbeck, Mr. Glickman, Mr. Coughlin, Mr. Winn, Mr. Carr, Mr. Dodd, and Mrs. Heckler.

H.R. 2738: Mr. Sawyer.

H.R. 2763: Mr. Richmond.

H.R. 2982: Mr. de la Garza, Mr. Sebelius, Mr. Jeffords, Mr. Robinson, Mr. Whitehurst, Mr. Yatron, Mr. Lagomarsino, Mr. Stockman, Mr. O'Brien, Mr. McCormack, Mr. Bedell, Mr. Robert W. Daniel, Jr., Mr. Whitley, Mr. Symms, Mr. Johnson of Colorado, Mr. Madigan, Mr. Grassley, Mr. Dan Daniel, Mr. Kindness, Mr. Walker, Mr. Moakley, Mr. Evans of Georgia, Mr. Stangeland, Mr. Patterson, Mr. Tauke, Mr. Rose, and Mr. Luken.

H.J. Res. 2: Mr. Carney.

H.J. Res. 110: Mr. Bethune.

H.J. Res. 137; Mr. Dornan.

H.J. Res. 139: Mr. Erdahl, Mr. Kildee, Mr. Markey, Mr. Dougherty, Mr. Hopkins, Mrs. Smith of Nebraska, Mr. Atkinson, Mr. Treen, Mr. Livingston, Mr. Symms, and Mr. Lagomarsino.

H.J. Res. 213: Mr. Brinkley, Mr. Carter, Mr. Clausen, Mr. Cleveland, Mr. Robert W. Daniel, Jr., Mr. Hopkins, Mr. Hyde, Mr. Kelly, Mr. Kindness, Mr. Lagomarsino, Mr. O'Brien, Mr. Snyder, Mr. Taylor, Mr. Whitehurst, Mr. Bob Wilson, and Mr. Young of Alaska.

H.J. Res. 246: Mr. Sawyer, and Mr. Collins of Texas.

H. Con. Res. 10: Mr. Loeffler, and Mr. Murphy of Pennsylvania.

H. Con. Res. 63: Mr. Cleveland, and Mr. Collins of Texas.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1049: Mr. Broyhill.

PETITIONS, ETC.

Under clause 1 of rule XXII.

The SPEAKER presented a petition of the Western States Land Commissioners Association, Reno, Nev., relative to wilderness areas; jointly, to the Committees on Agriculture, Interior and Insular Affairs and Merchant Marine and Fisheries.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 595

By Mr. BINGHAM:

—Add the following new section at the end of the bill:

Sec. 3. (a) The President, on behalf of the United States, is authorized to contribute up to five thousand long tons of tin metal to the Tin Puffer Stock established under the Fifth International Tin Agreement at such time, and in accordance with such conditions, as he may establish.

(b) Of the amount of tin metal authorized to be disposed of in subsection (a) of the first section of this Act, the Administrator of General Services is authorized to transfer to the International Tin Council without reimbursement such amount of tin metal not exceeding five thousand long tons as may be directed by the President for the purpose set forth in subsection (a) of this section.

(c) The President shall transmit to the Congress, at least sixty days before any transfer of tin metal to the International Tin Council under this section, a report projecting the impact of such action on the economy of the United States and on the economic and political development of the major tin exporting nations.

Page 2, line 7, insert "and by section 3 of this Act" after "subsection (a)".

SENATE—*Tuesday, March 27, 1979*

(Legislative day of Thursday, February 22, 1979)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by Hon. ADLAI E. STEVENSON, a Senator from the State of Illinois.

PRAYER

The Rabbi Lester M. Miller, Congregation Beth Israel, New Orleans, La., offered the following prayer:

Let us pray:

He who giveth salvation unto kings and dominions and unto princes, whose kingdom is an everlasting kingdom, may He bless the Senators of the United States of America and all their families.

Put in their hearts a spirit of wisdom and understanding, a spirit of counsel and might, a spirit of knowledge and fear of the Lord that they may govern our country with love and mercy. Guard them from evil and guide their paths in righteousness for Thy name sake.

In this time of peace, we pray Thee, remind us that peace is the only vessel of Thy blessings and all who love peace and strive for it are surely doing Thy holy work.

O Lord of mercy, we call Thy special blessing today upon our country, the United States of America, for the dream of freedom it has given to the oppressed of the world for while the gates of America are open all people and all races can hope and dream for human rights and for the growth of the human spirit.

In this time of national challenge when we are striving to meet the growing needs of our people we bid Thee, O Lord, who neither slumbers nor sleeps, guard us from any trouble and distress, all pain and disease. Protect our President and Vice President and all the officers of the Government of our land.

Speedily and in Thy days, may Thy kingdom of brotherhood be established upon the Earth with all mankind dwelling in peace and serenity, harmony and love and let us say: Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 27, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ADLAI E. STEVENSON, a Senator from the State of Illinois, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. STEVENSON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the acting majority leader is recognized.

THE JOURNAL

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MATSUNAGA. Mr. President, I reserve the remainder of my time.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. I thank the Chair.

A HISTORIC SERIES OF EVENTS

Mr. BAKER. Mr. President, on yesterday it was my privilege to attend the signing ceremonies for the treaty between Egypt and Israel, attested and sponsored by the United States of America. Last evening, it was my privilege to attend a state banquet, hosted by President and Mrs. Carter, for the President of Egypt and the Prime Minister of Israel and their official parties.

Today, it has been my special privilege to join with the distinguished majority leader in welcoming Prime Minister Begin and his party and President Sadat and his party to the Senate of the United States to visit with our colleagues and friends.

This is a historic series of events, Mr. President. I have spoken earlier of my commendations to President Carter for his dedicated, sustained, and personal efforts to bring about this situation. I spoke further on those points today, and I ask unanimous consent that my remarks in those respects may appear in the RECORD at this point.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

WELCOME TO PRESIDENT SADAT

Mr. President, it is an honor for the United States Senate to welcome you here today.

Two thousand years ago, the statesman-philosopher Seneca said, "It is in the interest of the commonwealth of mankind that there be some one who is unconquered, some one against whom fortune has no power."

In our modern age, Mr. President, you have shown yourself to be the man against whom fortune has no power.

The peace we celebrate today between the two great nations of Egypt and Israel simply could not have come to pass without the memorable demonstration of personal and political courage which your historic journey to Jerusalem seventeen months ago represented.

In the splendor and comfort of this room, in an atmosphere so charged with good will and admiration, it is important for us here to remember the enormous risks you have taken in the cause of peace, and to make our own covenant with you that your courage will not have been in vain.

While this treaty represents a towering milestone in the search for peace in the Middle East, we recognize that it is really only the beginning, the first step toward stability and harmony in a region weary of war but wary of peace.

We know that to make the region truly secure, other nations must join this process which Egypt and Israel have begun, and must demonstrate the same extraordinary courage and the same revolution in thought which you and Prime Minister Begin, and our own President Carter, have nobly displayed.

We understand the anger, the prejudice, the mistrust which have ruled the Middle East for centuries, and we seek to expel rather than exploit those forces.

We seek to form an alliance for the common good of the region, to convert the burden of constant war into the blessings of lasting peace.

We stand ready, I believe, to encourage and nurture and, to the extent we can, reward every step toward peace which the nations of the Middle East are willing to make.

It is my deepest hope that the triumph of peace this day may be only the prelude to lasting peace and prosperity for 125 million citizens of the Middle East, and that others will soon see the wisdom which you have seen, Mr. President, in choosing peace over war.

WELCOME TO PRIME MINISTER BEGIN

Mr. Prime Minister, it is an honor for me to join in welcoming you once again to Washington and to the United States Senate on this great day of celebration.

It has been many years now since the beloved former Prime Minister of Israel, the late Golda Meir, predicted that when an Israeli and an Egyptian sat down face to face, there would be peace.

That day at last has come, and the prophecy is fulfilled. Yesterday at the White House, you and President Sadat of Egypt signed a covenant of peace, and the world has cause to rejoice.

These are days of exquisite personal triumph for you, for President Sadat, and for President Carter.

Each of you has gone beyond all reasonable expectation of personal effort to see this agreement reached.

Each of you has taken great risks in pursuing these negotiations against enormous odds.

Each of you has earned the praise and gratitude of your countrymen and of people everywhere who cherish every foothold of peace in this hostile and dangerous world.

Your whole life, Mr. Prime Minister, has been one of trial and suffering and constant struggle. That the day of peace has come must give you a surpassing joy, which we are pleased to share with you.

You are a great leader of a great people, and we are honored by your presence with us today.

HAPPY BIRTHDAY, LOUELLA DIRKSEN

Mr. BAKER. Mr. President, for 10 years, from 1961 to 1969, my father-in-law Everett Dirksen stood where I stand today as Republican leader of the Senate.

No matter where Ev Dirksen stood in the course of his long and colorful career in politics—here in the Senate, in the House of Representatives, as commissioner of finance in Pekin, Ill., or on the campaign trail—his wonderful wife Louella was always at his side.

Today is Louella Dirksen's 80th birthday, and I know my colleagues will want to join me in wishing her a very happy birthday.

Everett and Louella Dirksen made quite a team for more than 40 years. He had no more trusted or valued counselor than his wife, and his remarkable record in this Chamber was due in no small measure to her influence and support.

It was she who sustained Everett Dirksen when his career was threatened by a temporary but frightening loss of eyesight, and she who gave him the courage to fight back, to regain his sight and give America a better and more inspiring vision of its own future.

Marriage was very important to Senator Dirksen, especially his own. In his inimitable way, he once paraphrased the biblical story of the Creation to suit his own purposes. In his best stentorian tones, Dirksen said:

> Then came the only creature that was created with intelligence, a soul, a personality, the prospect of divinity.
>
> There he was, this lonely creature. He had a beautiful home, if a garden can be called a home. God made it without the aid of the Housing Administration. They were not even around then.
>
> God decided that Adam needed a companion. He put Adam to sleep and took from him a rib and made for him a consort whom he called Eve.
>
> Eve was only a side issue then. She's the whole thing now.

To Everett Dirksen, Louella was the whole thing in life. We are fortunate, I think, that this delicate flower of Illinois' womanhood and old Mr. Marigold himself should have created and cherished such a long and loving partnership together. And we wish the silent partner for all those years a very happy 80th birthday today.

Mr. President, I have no further requirement for my time and no request for allocation of time under the standing order. I am prepared now to yield the floor.

Mr. MATSUNAGA. Mr. President, I yield back my time.

Mr. BAKER. Mr. President, I reserve my time under the standing order, and I yield such part of it to the distinguished Senator from North Carolina as he may require. I assume the distinguished acting majority leader wishes to reserve his time for those purposes as well.

Mr. MATSUNAGA. Mr. President, I reserve my time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The time will be reserved.

RECOGNITION OF SENATOR HELMS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from North Carolina (Mr. HELMS) is recognized for not to exceed 15 minutes.

Mr. HELMS. Mr. President, I thank the Chair.

PEACE PROSPECTS AFTER THE HISTORIC SIGNING OF THE ISRAELI-EGYPTIAN PEACE TREATY: A LASTING PEACE, OR THE THIRD SINAI DISENGAGEMENT?

Mr. HELMS. Mr. President, the signing of the Israeli-Egyptian peace treaty on the White House lawn yesterday was an historic event. But history records both the great accomplishments and the missed opportunities, and it will be for future generations to record yesterday's signing in the proper column. Almost certainly the treaty will give the world a pause—a pause to reflect and get our bearings on the future of events in the Middle East. For, impressive as yesterday's event may be, we must face the fact that it is more an agreement to agree, rather than an agreement itself. Indeed, it may well be just the third in a series of Sinai disengagements.

The heart of the problem is that the treaty is not a comprehensive settlement, that major questions remain outstanding, not only between Israel and Egypt, but also among Israel, Syria, and the rest of the Arab world. These outstanding questions are already eroding the stability of the agreement. The treaty may not be a step toward comprehensive agreement at all; it may be a step that makes comprehensive agreement unlikely. We may well have sacrificed whatever leverage we had on both the Arab States and Israel to reach such a comprehensive agreement.

Indeed, representative as we are of the American people, we must ask ourselves some hard questions.

First. What will be the direct and indirect costs to the United States for the military and economic aid to both sides?

Second. What is the significance of Israel's insistence upon holding on to the West Bank, East Jerusalem, and the Golan Heights?

Third. What will be the effect upon the Arabs if these questions, and the Palestine settlements question, are not resolved to their satisfaction?

Fourth. What role will a radicalized Islamic Republic of Iran play in future actions against Israel?

Fifth. Will Arab dissatisfaction bring in some presently neutral Muslim states, such as Turkey, in a coalition against Israel?

Sixth. Will OPEC be tempted to draw the oil noose tightly around the United States, and more importantly, Europe?

Seventh. Why is Israel becoming increasingly isolated from her allies in Europe?

Eighth. Will OPEC shift funds from American banks, and away from the dollar as the unit of value, choosing instead from the basket of higher priced currencies?

Ninth. What would be the economic impact of such an action on the U.S. balance-of-payments and rate of inflation in this country?

Tenth. Will the United States be able to keep our military commitments to Israel in the face of such economic stress?

Eleventh. What are the vulnerabilities of Israel's military strategy, and the consequences to the United States?

Twelfth. What role could the Soviet Union play in exploiting these vulnerabilities?

These questions make up an even dozen, but they are questions that were standing, unanswered, around the peace table yesterday, looking on at the signing ceremony. Despite the euphoria of the day's events, they now deserve cool-headed analysis.

Mr. President, allow me briefly to state the situation as it appears to me, and then go into a more detailed analysis of what might lie ahead.

It is clear that the signing of the Israeli-Egyptian peace treaty, and the resultant strengthening of the overall Israeli military position vis-a-vis that of potential Arab opponents, reduces the prospect for another outbreak of war in the Middle East in the immediate future.

However, unless subsequent diplomatic progress is made on the other outstanding issues involving other parts of territories captured in the 1967 war, it is probable that economic pressures on the United States may be applied by Arab OPEC, both collectively and individually. The financial cost of these pressures could eventually dwarf the direct multibillion dollar cost to the United States of the present Israeli-Egyptian agreement.

These pressures, of course, may include higher oil prices, a shift in Arab purchases from American and Japanese suppliers, a dropping of the dollar-based oil price in favor of a basket of currencies, and ultimately, a shift in dollar resources from American banks. The cumulative effect of these and similar actions could actually have a multiplier effect beyond their sum total. It seems probable that one or more of these steps will be taken, possibly within months, and without a great deal of warning rhetoric by the Arabs. And this may have a very disagreeable impact upon the U.S. economy.

Already serious balance-of-payment problems seem likely to worsen considerably. The dollar may experience recurrent weakness. The United States may ultimately be forced to devote billions of dollars to developing more expensive and environmentally less favorable national sources of energy. Protectionism in nonenergy related trade may be necessary because resolving the energy shortfall will take a number of years, and emergency steps will probably be required to deal with a critical balance-of-payments problem.

Mr. President, all this is likely to lead to serious political difficulties between the United States and our traditional trading partners and allies. There may also be domestic political problems coming from higher inflation, unemployment, and resentment at higher fuel prices. The Arab military option is also not foreclosed. There are a number of possibilities which may tempt the Arabs to launch another limited attack upon Israel within the next several years.

I. THE NATURE OF THE EGYPTIAN-ISRAELI PEACE TREATY

Unfortunately, the Egyptian-Israeli peace treaty negotiated by President Carter in exhausting circumstances appears not to be, in fact, a peace treaty at all, but merely an expedient decision by both Israel and Egypt to extend the military truce which has prevailed in the Middle East since 1973. In character, it is much closer to the disengagement agreement, Sinai II, which Secretary Kissinger negotiated several years ago than it is to any true or enduring peace treaty between the belligerents. The price tag to the United States, of course, is much higher this time around.

The first reaction by Sadat to the terms which President Carter brought from Israel tends to confirm this:

> Sadat looked on somberly and said nothing as Carter spoke to reporters and television cameras at Cairo airport. Carter immediately boarded his plane to return to Washington and Sadat climbed into his helicopter, avoiding the journalists waiting to question him.

This was not the triumphant reaction of a man at home who believed that peace was at hand.

Whatever the advantages conferred by the agreement to Israel, Egypt, and the United States, and there are some important immediate advantages to all three parties, the fact remains, nonetheless, that the really hard decisions necessary to achieve a real peace treaty between Egypt, Israel, and the rest of the Arab world, have yet to be taken. And a betting man would have to give heavy odds to a wager predicting that much blood and many dollars will yet flow in the Middle East before anything approaching a final peace treaty is achieved between Arab and Israeli, or even between Israel and Egypt.

Yet, compelling circumstances and a calculation of advantages have induced the three parties toward this third Sinai disengagement agreement.

II. ISRAELI POINT OF VIEW

Those in Israel who desire to retain the West Bank permanently doubtless are experiencing a tremendous wave of relief. President Carter could have acted differently in recent weeks: He could have gone on American television and called for a suspension of economic and military aid to Israel until movement on the West Bank made possible progress toward a compehensive agreement. But that option, if it ever existed, now seems foreclosed until after the 1980 elections. Israeli West Bank settlements appear politically safe in the immediate future from American diplomacy.

Also, Israel has apparently gained the promise of the American President to provide some form of direct military support in the event that the Egyptian agreement collapses. Equally important, Secretary Brown has approved vast new arms and technology transfers and sales to Israel, including, it seems, coproduction of antitank and antiaircraft missiles.

This is important because it means that Israel will be a far tougher nut to crack militarily.

The Israelis had been extremely concerned about the actual and potential Arab military buildup, and about the increasing political impact in the West of the economic situation. Also, the Iranian disintegration ending the flow of relatively cheap oil and mutual trade, required the Israelis to seek another reliable source of petroleum.

The agreements made during past weeks with Egypt and the United States leave Israel in a far stronger position.

III. EGYPTIAN POINT OF VIEW

The Egyptians also make certain gains in the short run. The bulk of the Sinai will revert back to Egypt, including the oil fields which will give Egypt badly needed foreign exchange. Rather than being backed up to the Suez Canal close to Egypt's centers of population, the Egyptian army now will have more room to maneuver during any subsequent hostilities with Israel. Egypt also gains the promise of the United States to help fill the gap which a Saudi cutoff of aid may produce along with the probability of considerably increased weapons sales and grants from the United States. Sadat personally gains some time; a complete breakdown of negotiations would almost certainly have destroyed him politically. Realizing that pure diplomacy has now gone as far as it can go, Sadat probably hopes privately that the other Arab powers with oil will now use that weapon to apply economic pressures on Israel's allies.

IV. THE AMERICAN PERSPECTIVE

The United States also makes some gains in the shortrun. The threatened breakdown in the negotiations would have resulted in an immediate and potentially disastrous escalation of the Arab economic pressures against the United States. Sadat would probably have been replaced by a hard-line individual, and the Soviets would have gained additional influence and presence in the Middle East. President Carter would have been forced either to absorb a heavy economic blow from Arab OPEC or to attempt to impose a comprehensive settlement on Israel. This latter would inevitably have been a very messy process and possibly jeopardized his reelection.

Depending upon the ultimate success of the recent Brzezinski mission to Saudi Arabia, the possibility now exists that President Carter will have bought another year or two of time. The possibility also exists that President Carter in the 1980 elections will achieve the same degree of political support by Israel that President Nixon secured with the Phantoms in 1972.

However, President Carter's Sinai disengagement agreement also entails three serious risks:

First. The Arabs, after an initial period of confusion and silence are very likely gradually to begin a tightening of the economic pressures against the United States, which will spill over into the Western economy generally.

Second. The world will have lost, for at least 2 years and possibly much longer, the opportunity to secure a comprehensive Middle East settlement. Israel is now far better positioned to withstand any subsequent American pressures, and will have 2 years to expand her settlements and consolidate her position on the West Bank, Golan, and East Jerusalem.

Third. Just as the Arabs concluded that they would get no real diplomatic help from the United States after President Nixon's abandonment of the Rogers plan during the 1972 election campaign, and made the quiet decision to go to war; so too now are the Arabs likely to conclude that a similar situation exists again. As in the past Middle East wars, the next conflict is likely to erupt without warning to the United States and entail very serious military and economic consequences.

V. THE IMMEDIATE PRICE TAG

All three signatories have a considerable interest in down-playing the full cost to the American taxpayer of the third Sinai disengagement agreement. A public exposition of the actual price tag of this agreement is likely to be unsettling to Congress and the American people—particularly considering the very limited nature of the agreements achieved.

Therefore to fudge matters, the financial consequences of understandings, agreements, and substantive conversations between heads of state and defense officials during this latest round of negotiations are likely to be presented to the full Congress and the public only piecemeal, reflected fully in future budget requests for aid, weapons, and credits for various parties in the Middle East.

The direct and indirect cost to the United States is likely to be somewhere in excess of $10 billion, including $3 billion to Israel for transferring and rebuilding airbases from the Sinai, plus additional billions in economic and military aid. Egypt will also gain additional billions, including a commitment by the United States to make good any economic aid cutoff by Saudi Arabia, should this come to pass.

However, the real cost of the third Sinai disengagement agreement to the United States is likely to be far, far higher than the possibly $10 billion in verbal and written commitments of various kinds. The failure of President Carter to achieve a comprehensive Middle East settlement, despite firm past commitments to Saudi Arabia, and the weakened bargaining position which this new agreement puts the United States in vis-a-vis Israel, means that we can almost certainly expect renewed heavy economic pressures upon the United States by Arab OPEC.

This probably means the gradual end of Saudi Arabia's willingness to hold the line on oil prices, the increased transfer of Arab OPEC purchases away from American suppliers and contractors and toward more cooperative Western European and Japanese nationals, and ultimately, the possibility of a mutually advantageous de facto economic alliance between Western Europe, Japan, and the Muslim Middle East. This latter possibility could involve transfers of financial resources away from the New York banks and toward a Europe and Japan made more prosperous by a redirection of Arab OPEC purchases and investments.

It is impossible to predict exactly how far the Arabs will go in this direction. The decisions have not yet been made and the moderate Arabs have an important stake in preventing an American financial collapse and an utter deterioration in government to government relations. It is, in any case, likely to be a very understated operation.

But one thing is absolutely certain. From the vantage point of the next decade, historians will almost certainly regard the $10 billion in direct cost to the American taxpayer to be by far the smaller part of the ultimate price tag of the third Egyptian-Israeli disengagement, and of President Carter's failure to achieve a more comprehensive settlement ending the Arab-Israeli confrontation.

VI. ISRAEL'S DIPLOMATIC CLAIM TO THE WEST BANK AND GOLAN

From a juridical and diplomatic point of view, the arguments which Israel advances for maintaining control over the West Bank, Golan, and East Jerusalem are unique. There are three: First, Israel's officials hold that ancient biblical writings include these areas in Eretz Israel, the Land of Israel promised to the Jews by God.

Second. Israel notes that in the past, Jordanian and Syrian soldiers, saboteurs, and irregulars have used the Golan Heights, East Jerusalem, and the West Bank to fire upon and harass Israeli citizens, settlements, and farms.

Third. Israel needs these regions to avoid a direct military threat to the important sea coast cities of Israel, such as Tel Aviv and Haifa by the armies of the Arabs.

These arguments deserve close attention. In the first case, the fact that the West Bank provinces of Judea and Samaria are included in the biblical land of Israel promised by God to the Jews as a homeland underscores to the Arabs the disturbing fact that the east bank of the Jordan River, the southern part of Lebanon, and parts of present Syria are also part of biblical Israel, Eretz Israel. Thus, any biblical claim by the Israelis to the West Bank applies equally to these other regions still under Arab sovereignty.

Needless to say, this feeling of manifest destiny by the Government of Israel is deeply disquieting to the Arabs in the region. They believe that the gradual consolidation and expansion of Israel which has occurred over the past 50 years portends a future expansionary policy for Israel, given the least opportunity.

Arab leaders believe that the vast efforts which the Israeli Government and her allies have made to gain release of Soviet Jews is part of a campaign to increase the Jewish population of Israel, change the demographic situation on the West Bank, and ultimately pave the way for future expansion years from now.

If Americans sometimes wonder why the Arabs are so paranoid about Israel, this concept of a greater Israel expressed by the term Eretz Israel, is a major reason.

Israel's second reason for retaining the West Bank and Golan, namely that previously Arabs sniped at bordering Israeli settlements and farms, is also received by the Arabs with some skepticism. They point out that the Israelis have constructed new settlements and new farms just as close to the present military lines as the old ones were to the 1967 lines. Thus, the bordering farms are just as exposed to Arab guns and snipers as they were in the past.

Israel's final argument for retaining the captured territories on the West Bank and Golan, namely that any withdrawal would increase the military threat to Israeli heartland is also difficult for Arabs to accept at face value. All of Israel's neighbors, including Syria, Jordan, and Egypt, have agreed to sign a permanent peace with the Jewish state, provided that she withdraws from the occupied territories and permits a demilitarized Palestinian entity federated with Jordan.

Arabs point out that the real danger to Israeli national security comes from the large and powerful modern armies of the major Arab States surrounding Israel. It is these rockets, planes, and tanks which constitute the real threat, not the puny efforts that any Palestinian rejectionist group might mount from a future West Bank base.

Yet, obstensibly for fear of local West Bank discontent, Israel insists upon retaining military control over the region. This is the block to a comprehensive settlement. Thus, to avoid a comparatively minor security problem on the West Bank, Israel runs the risk of continued confrontation with the large regular armies of the important Arab powers in the region.

All these considerations make the Arabs in the region believe that it is manifest destiny, a desire to expand, rather than any real security consideration that impells the Israelis to retain West Bank and Golan conquests.

And today, Israel's intention to retain control and the option for increased settlements of the West Bank, Golan, and East Jerusalem is the central fact in Middle East diplomacy. The Egyptian-Israeli treaty will change none of this. If anything the arrangements strengthen Israel's ability to hold firm.

VII. LONGER TERM PROSPECTS

Ten years from now, the world will look back upon the just completed mission of President Carter and the resulting Egyptian-Israeli treaty in one of two ways:

On one hand, the agreement may be seen as the essential first step which changed attitudes, weakened ancient enmities, and ultimately led to full peace in the Middle East.

Alternatively, President Carter's failure to secure a more comprehensive agreement may be viewed as one of the most unfortunate missed opportunities in the 20th century diplomatic history, leading ultimately to economic, political, and military upheavals of the most fundamental nature.

While the future is clouded, and will be determined by the subsequent will, energy, and imagination of the parties involved, it is at this point difficult to take an optimistic view. While a permanent and peaceful settlement in the Middle East is indeed possible, it would require a fundamental change in the policy of Israel toward the West Bank, Gaza, Golan, and East Jerusalem.

The Government of Israel has always been willing to return Egyptian territory captured in the 1967 war in return for a bilateral peace. This was reflected in the tiny number of Israeli settlements planted in former Egyptian territory, as compared with the scores of settlements located on the West Bank, Golan, and in Jerusalem itself.

The cabinet of Prime Minister Begin, containing a number of key individuals intensely dedicated to the retention of the West Bank, Golan, and East Jerusalem, voted unanimously in favor of the recent agreement with Egypt. It is clear that this means they do not feel that this agreement jeopardizes Israeli control over the other captured territories.

Moreover as previously indicated, the new military and economic aid package provided to Israel as part of the recent agreement will make it far more difficult than ever before for an American President to nudge Israel into greater flexibility on the West Bank and Golan. Without this pressure, effectively applied, there will in all likelihood be no Israeli movement on the West Bank, and hence no comprehensive peace with the Arabs.

This is not a pleasant prospect either for ourselves or for our allies because it means added strains upon a world political, financial, and economic fabric that has been dangerously stretched since the 1973 oil price increase. Since then, world consumption patterns have not altered to the extent that is called for. Instead, consumption has been supported by borrowing on an unprecedented scale—and this is as true of the American consumer as it is for the Third World. But past borrowing and present heavy debt loads mean that there is very little slack left to buffer the system from yet another economic shock. And the storm warnings are flying.

VIII. THE PALESTINIAN FACTOR

The events of the past weeks will have a deep and unsettling impact on the Palestinians, both those living in the occupied territories and those residing in the surrounding countries.

Should they conclude that the United States has for all practical purposes abandoned them—along the lines of Brzezinski's famous "bye bye PLO" commentary in Paris—they are likely to take additional steps to force themselves into the consciousness of the world. This may include:

First. Riots, demonstrations, strikes, and an increase in terrorism on the West Bank and in Israel proper.

Second. Threats of sabotage against any of the oil states in the Middle East which are tempted to side with the United States, Israel, and Egypt.

Third. Political assistance to sympathetic factions in Muslim nations like Turkey which presently have pro-Western governments.

These steps are potentially serious. While the Israeli army can easily suppress organized mobs by the liberal shedding of blood, detaining suspects on a large scale, and by intensifying intelligence operations, such activities are likely to pose a serious continuing moral dilemma to the people of Israel and constitute a running sore on Israel's reputation abroad.

Also, the implied Palestinian threat of actual sabotage of the vulnerable oil fields, to tankers sailing through the narrow exists of the Persian Gulf, and to crucial surface separating plants cannot be ignored by Saudi Arabia, Kuwait, or other producers. This will tend to keep them in line, quite apart from other considerations.

Finally, the extremely effective help provided by the PLO and their Soviet mentors to the opponents of the Shah will encourage others to seek similar assistance in other pro-Western Muslim countries. Turkey, with its historic attachments to Palestine, seems the most probable candidate for a destabilization program leading to a pro-PLO regime.

IX. THE SOVIET PERSPECTIVE

The stressed state of the economy of the West gives the Soviets reason to hope that they may yet succeed in triggering an economic collapse, greatly reducing Western military strength in the process.

The Soviets know that without Persian Gulf oil, the Western economy would wither like a tree ringed at the base. Thus, the prospect of being able to trigger a civil war in Iran, and shortly thereafter, another general Middle East war and oil embargo must be incredibly tempting.

The Soviets know that another general war in the Middle East will break out as soon as the Arabs become disillusioned with the diplomatic prospects and have adequate weapons to run the risks. The Soviets will control the timing of these weapons deliveries, and thus, control the timing of the next Middle East war.

Once the Israelis detect the buildup of Arab arms reaching a threatening point, or the least indication that an attack is close, they themselves will launch a surprise attack upon the Arabs, probably without warning even to the United States.

Regardless of the results of the next Middle East war, the Soviets gain. Any new war will exhaust the Arabs' supply of modern weapons, requiring tens of billions of dollars worth of new Soviet arms. The Soviets thus gain financially both directly in terms of billions in hard cash, and indirectly, by longer production lines which cheapen the unit costs of weapons delivered to the Red army.

The Soviets also gain in the event that a new oil embargo causes unemployment and financial distress in the West. The Soviets know that Communist parties in France, Italy, Portugal, Turkey, and elsewhere stand ready to make important gains if unemployment rises seriously. The Soviets also know that under certain conditions the war could spread to the actual oil fields in the Persian Gulf. This, of course, would be even more damaging than another embargo.

The Soviets need fear only one development: that the war could spread and involve Soviet and American military forces in direct confrontation and war. But, to limit this risk, they need merely to keep their own military personnel in the Middle East to unofficial advisory status, and let the Arabs and the non-Soviet East bloc personnel do the actual fighting. And this is within their control.

Unfortunately, there is always the possibility that one side or the other may make a dreadful miscalculation, with events spiraling out of control and into general war. Although the possibility of this happening should not be underestimated by us, the Soviets may well believe that they can keep this risk under control. They know that their Arab customers and clients do not have to win in order for the Soviets to win.

Quite to the contrary. The Soviets, if they are wise, will realize that complete victory by their Arab allies, however unlikely, would prove to be a net loss to them in the long run, as would any other scenario leading to a real and permanent end to the Middle East conflict. They would lose, immediately billions of dollars of annual export sales. And except for weapons, they have few competitive exports. They would also lose political influence since the Arabs would eject the godless, meddlesome Marxists were they no longer essential to help fight Israel.

Thus, the Soviets have no overriding interest in seeing peace come to the region.

X. THE MILITARY PROSPECTS FOR THE NEXT MIDDLE EAST WAR

President Carter's military arrangements with Israel appear to have further altered the power balance between the Arabs and the Israelis in favor of the Israelis.

These measures have included a speeding up of deliveries of the F–16 fighter from 1981 to next year, coproduction in Israel of antitank and antiaircraft missiles, access by Israel to very sophisticated American electronic and communication technology with important battlefield applications, and a general increase in the military might of the Israeli defense force right across the board. This, on top of an already massive stockpile in Israel of American war material.

These policies follow the earlier Kissinger doctrine of providing Israel with such a massive superiority of weapons over the Arabs that the outbreak of war is less likely. And in the short run, that is to say, the next year or two, this is likely to prove an effective deterrent to an Arab-originated military conflict.

However, the military option is not indefinitely foreclosed to the Arabs. For one thing, subsequent negotiations between Israel and Egypt over the West Bank, Gaza, Golan, and East Jerusalem are likely to yield genuine progress only in the Gaza Strip at best—and this is likely to fall far short of Egyptian expectations.

The Egyptians, recognizing this, are very likely to continue pressure on the United States and Saudi Arabia for additional modern weapons, if only to keep the negotiating pressure on Israel at credible levels. Sadat at this point appears to be a man without illusions. While he is likely to dampen his rhetoric, he will likely act in ways that will keep the Egyptian army a potent force. Even if Sadat were disposed to weaken his armed forces, the political pressure from the officer corps would probably prevent him from any significant unilateral disarmament.

Thus, the Israeli defense force will be compelled to factor the Egyptian army into any future military calculations, once the negotiations on Palestinian autonomy run into the inevitable snags.

The immediate diplomatic strategy of both Egypt and Israel. at this point will be to nail down as hard as possible American commitments on arms and aid before the bleak prospects for comprehensive peace in the Middle East sink into the consciousness of the American Congress and people.

XI. ISRAELI MILITARY STRATEGIC DOCTRINES

Assuming that there will be another war, it may be governed by Israel's classical strategic principles described by Gen. Israel Tal, one of Israel's military planners, in a recent publication:

First. While Israel's enemies have strategic depth and a manpower base which enables them to survive defeats on the battlefield, Israel cannot survive even one defeat and endure.

Second. The Israeli army must make up in sophistication and technology what it lacks in numbers.

Third. Israel does not have the option of gaining a final and definite victory by means of a permanent military defeat of her enemies. Israel can win wars but cannot impose its will upon a region extending from the Atlantic Ocean to the Persian Gulf.

Fourth. There must be full exploitation of all national resources in war with Israeli ground forces based on the militia principle.

Fifth. Superior intelligence must be developed so as to give adequate warning for the militia to be mobilized and deployed with the air force developed as "flying artillery" to provide additional time for the army to deploy.

Sixth. Artifiicial strategic depth by means of intensive area defense must be created. Every settlement, every village, every house in Israel must become a potential military obstacle for an attacker.

Seventh. But the lack of true strategic depth compels Israel to carry the battle immediately to the enemy territory.

Eighth. A preemptive attack is the best means of accomplishing this objective and is desirable for other military reasons.

Ninth. A quick military decision is vital for Israel to avoid economic collapse which the full mobilization would otherwise cause. Also, the anticipated intervention of the great powers and the need to avoid high casualties in long battles of attrition make protracted conflict potentially very disadvantageous to Israel.

Tenth. Israel must conclude every war as the clearly perceived victor. This is not only because Israel will then be able to gain territory in return for peace, but also because national morale is as important to long-term staying power as are economic and military resources.

These principles were effectively executed until the 1973 war. However, the 1973 war revealed important Israeli weaknesses for the first time.

ISRAELI VULNERABILITIES

An important intelligence failure right across-the-board not only found Israel unprepared for the timing of the Arab attack in 1973, but also quite unready for the actual battle tactics which decimated many air force units and tanks in the early hours and days of the war, and washed away the underpinnings of the bunkers along the fortified Bar Lev Suez Canal line with high pressure hoses.

It would be comforting to think that this could never happen again. However, the post-1973 security environment which Israel finds herself in today reveals a number of serious military problem posed by new vulnerabilities in Israeli intelligence:

While no one will ever know for sure what spies Israel has managed to insert at high levels in Arab councils in the meantime, we do know that the full capabilities and weaknesses of American satellite detection and surveillance upon which Israel as well as the United States depends, have been completely compromised by Mr. Kampiles' betrayal to the Russians of various satellite manuals and other less well reported intelligence breaches. Thus, the Soviets and their Arab clients know precisely what steps they must take in preparing their attack if they wish to escape detection from American satellites. A surprise attack, therefore, is still possible and probably predictable.

It is conceivable, though improbable, that Syria and Iraq could secretly achieve a local concentration of Soviet weapons in sufficient quantity to encourage them to launch an attack with limited objectives upon Israel.

Hitherto uninvolved Muslim countries could eventually join the coalition against Israel in an active way. Turkey, for example has the largest army in the Middle East. Thus, Turkey, Iraq, Jordan, Syria, Saudi Arabia, and the Palestinians could combine forces in a coalition sufficiently powerful to attack Israel successfully with the sudden involvement of the Egyptian Army.

After the new forces in Iran have managed to consolidate their regime, something that may take 2 years or more, it is fair to assume that the Iranian Air Force, at least, become involved in the coalition against Israel. However, this too is likely to occur without warning, as any telegraphing of the punch would lessen the degree of strategic surprise and tempt Israel to help the Kurds destabilize Iran.

Access to the latest in satellite photography has improved surveillance and target acquisition by both parties.

To cope with the military problems created by overhead surveillance, both sides have dispersed targets and hardened protective aircraft shelters, but long-range cruise-type missiles with conventional warheads and other forms of precision-guided munitions will mitigate these defensive arrangements to some degree. The effectiveness of these measures will only be determined by the unfolding of events in the next war.

Because of the necessity of achieving strategic surprise and to avoid being totally wiped out in an Israeli preemptive strike, it seems fair to conclude that a substantial precentage of fighter aircraft earmarked for the various Arab air forces, will be retained in the Soviet Union, where extensive secret training of Arab pilots and technicians will also take place. These aircraft may only arrive on dispersed airfields in the Middle East on the eve of battle—and some possibly after the first days of the war.

Other more advanced Soviet systems also may only arrive in Iraq, Syria, and elsewhere on the eve of battle to avoid detection by Israeli intelligence. Arab technicians trained to use the weapons may be held in the Soviet Union until the actual eve of battle to avoid careless conversations while on furlough that could leak to Israeli intelligence.

It seems likely that the Egyptian army will be involved in the next war, and that there may be absolutely no warning that Egypt had rejoined the military coalition against Israel. The Egyptian army is likely to be brought up to speed by the covert measures described in the above two paragraphs. The only warning Israel may have might come from fragmented reports of an unusual number of Egyptian flights to the Soviet Union. Sadat himself is likely to keep up a deceptive pattern and engage in negotiations with Israel long after he has abandoned any hope of achieving his diplomatic goals at the table.

Similar patterns may unfold to some extent in Jordan.

However, anyone who attempts to predict the precise course and outcome of the next Middle East war is wasting his time. In order to be meaningful, quantitative and qualitative measurements must be made. But because the most important increments to Arab arsenals are likely to be retained in the Soviet Union until the last minute, and the capabilities of the most advanced and important Soviet weapons and ECM systems are shielded from Western and Israeli eyes, it is absolutely impossible to predict with certainty either what will be on the actual battlefield or how it will be deployed.

Here the Arabs may have an advantage by way of hardware. They will know precisely the weapons which the Israelis have received from the Americans and they will know their approximate capabilities. The Soviets and Western Europeans will see to that. But because of superior Soviet security, Israel will not know the full extent of the Arab's punch until the day of battle. It would, however, be fair to assume that the Arabs will not go to war, or permit the Israelis to goad them into war, until they feel confident of being able to meet the Israeli Defense Force on equal or superior terms.

XII. MORALE VULNERABILITIES

The Arabs understood in the planning of the 1973 war that while overall military objectives can only be gained in a final sense by the conquest of vital strategic objectives in the depths of the enemies' territories and the heart of their state, they do not have the strength to achieve this.

However, the Arabs are capable of pounding Israel's population centers with the aim of undermining morale. Even after the conclusion of such a war with another Israeli victory, the sight of hundreds of destroyed housing blocks in Israeli cities, the thousands of families which will have suffered casualties, and the prospect of yet another blood bath in a future conflict would have several important strategic consequences for Israel:

First. Immigration would stop.

Second. Emigration would accelerate.

Third. Begin's party would be discredited, and moderates willing to compromise with the Arabs strengthened.

This operation could be carried out by Syria and Iraq alone, under certain circumstances.

The war itself might open with a massive Arab air attack upon Israel's cities, then a quick withdrawal to the protection of an effective SAM envelope. Long-range conventional rockets might drop intermittently on Israel's cities for the duration of the conflict to increase the destruction and terror.

Of course, there would be savage retribution. Damascus would eventually suffer major damage. But the long-term effects on Israel's morale could force Israel to accept a final peace on far more modest terms than she now anticipates.

Also in the aftermath of the perceived military success of the 1973 war, the triumph of OPEC, and the Islamic revival, the morale factor may no longer be in Israel's long-term favor.

Sophisticated Israelis realize that unlike the bigoted world of the 1930's and 1940's, today skilled Israelis are welcome in the United States and other civilized countries should they decide to move. They therefore have the option of leaving Israel if the going gets sufficiently unpleasant and harrowing.

Arabs, on the other hands, are not in this psychological state of mind. They view themselves as bound to their region. Thus, they may be willing to endure more in the long run than the Israelis.

Arab strategists will have noted that even the marginally deteriorated environment in Israel caused by the trauma and aftermath of the 1973 war triggered an outflow of Israelis seeking homes elsewhere. If the Arabs turn up the pressure—even at the cost of ghastly retaliation against themselves—this trickle of emigration could become a flood.

OTHER FUTURE MILITARY CONSIDERATIONS

Israel's military situation in 1979 is no longer a simple one. Israel has been successively abandoned by the Soviet Union which provided invaluable weapons and support during Israel's War of Independence, by France which armed her for the 1956 and 1967 wars, and now by virtually the rest of the world.

The basic issue which caused the falling away of most former Israeli supporters was not a lack of sympathy for Israel.

Even the Jewish Prime Minister of Austria has taken to referring to Menachem Begin publicly in insulting terms.

The first reason for the loss of support for Israel was the new willingness of the Arab nations to accept an Israel of pre-1967 size as a permanent, peaceful, and integral part of the Middle East. The refusal of Israel to accept these terms, and the unwillingness of most nations to risk their oil supply and domestic economies to support Israel's 1967 conquests, has caused this diplomatic isolation.

Increasingly in her wars, Israel has been forced to play a risky double or nothing game. Since 1956, the stakes have risen each round. To continue the game, Israel has been forced to rely on one last bankroller: The United States. And there is the increasing prospect that even this bankroller may eventually close the purse strings or that Israel herself will lose a single fatal throw of the dice.

Emotional support for Israel among the American leadership class is rapidly declining. Support now comes more grudgingly. For this and other reasons, Israeli military planners can no longer count on profiting by winning limited wars. The 1973 war showed that winning limited wars now results in increasing the international political and economic pressure on Israel.

For that reason, Israeli military planners will now be compelled to make the next war not a limited one, but the broadest conflict possible. It must be so decisive that it alters the fundamental situation in the Middle East. Anything less than that could be fatal to Israel's territorial ambitions.

Now, a successful war from the Israeli point of view must include most of the following elements:

First. The end of Arab OPEC and the Arab oil weapon.

Second. The eviction of many of the Arabs from the West Bank.

Third. The utter destruction of the Arab armies.

Fourth. The destruction of Arab morale.

Fifth. The active involvement of the United States in actual military operations in conjunction with Israel.

This war plan, while ambitious, is necessary for Israel. A war which would leave Saudi Arabian and other Persian Gulf oil fields unscathed would only mean that economic sanctions against the United States in the postwar environment would create new pressures on Israel to withdraw from the captured territories. It would also mean that plenty of money would be available to rearm the Arab armies.

The failure to take advantage of the war environment to improve the conditions for greatly expanded Israeli settlement of the West Bank only means that Israel would face renewed international outcry every time she builds new settlements on the West Bank, a continuation of the present unsatisfactory state of affairs.

Failure to destroy utterly the armies of the Arabs would mean that morale among the Arabs would remain high, guaranteeing still another conflict and continued pressures against Israel.

Failure to secure the active involvement of the United States makes any long-term seizure of the Arab oil fields untenable and opens Israel to potential attack from the Soviet Union's rearmed client states.

This strategy is, of course, very risky. It seems questionable whether Iraq, Iran, or Egypt could be put totally out of business even though Syria, Jordan, and Saudi Arabia are more vulnerable.

The Soviets could rearm these remaining bastions and prolong the conflict for months, possibly years. Israel just could not stand the gaff in such circumstances. Hence, active U.S. involvement becomes even more important to act as a tempering factor upon the Soviet Union. Though the United States is not yet firmly tied into an unconditional Israeli military alliance, recent events may eventually move us in this direction.

There are a number of scenarios by which this might be accomplished beginning with encouraging the United States to upgrade its military capability to intervene abroad. Joint contingency planning exercises between American and Israeli military planners for a seizure of the Saudi oil fields would also be important.

A FINAL COMMENT

However successful Israel might be in maneuvering the United States on a short-term basis, there is a potentially fatal long-term contradiction in Israel's grand strategy.

Israel and her allies are working intensively to detraumatize the United States from her Vietnam experience and to secure a revitalization of America's commitment, presence, and nerve abroad. This is vital for Israel to help her withstand Soviet and Arab pressures that will otherwise prove overwhelming.

On the other hand, Israel through domestic political pressures, forces the United States to support her conquests in the 1967 war. This policy, the recurrent wars necessary to support it, and its economic consequences have directly and indirectly damaged America's relations with almost every other major nation on Earth. Shortly, the economic price of this policy will almost certainly force the United States to adopt a more autarchic energy and economic policy. All this will systematically weaken the moral, spiritual, military, and economic ties which now integrate America into a global involvement and alliance.

A Middle East policy which causes recurrent and humiliating weakness in our balance-of-payments and dollar, and energy short falls, could easily combine with other latent problems to cause America to revert to one of its periodic phases of isolationism. Support for the policy of our former distinguished majority leader, Senator Mansfield, to bring home all the boys would be one of the first consequences.

In the long run, it is very unlikely that America's defense commitment to Israel will survive a foreign policy characterized by strong isolationist impulses. And it is very questionable whether Israel herself could survive even 5 years without American military back up.

Today virtually every poll shows steadily diminishing support for Israel among the American people. By a 2 to 1 margin in a recent NBC poll, the American people even oppose paying the multibillion dollar price tag for the recent Egyptian-Israeli agreement. It is very clear that the American-Israeli relationship is skating on very thin ice in a climate of rising temperatures.

I am apprehensive that the present Egyptian-Israeli agreement could fall to pieces within a year or two unless firm American action is taken.

For this reason, and at this moment, I am inclined to oppose further aid to either Israel or the other parties to the Middle East dispute until such time as a comprehensive and final peace settlement is ready for signature.

At that time, I would be more than happy to consider supporting further aid to the parties, and to lend my support to a regional alliance among Israel, the moderate Arab powers, and the United States. I feel certain that our European allies would also join such an arrangement.

This is what peace in the Middle East is all about—real peace, that would enable the ordinary people of the Middle East and the entire world to go about the business of planning their lives without the specter of war and economic disruption constantly hanging over their heads. We do these people a cruel deception by avoiding coming to grips with the real issues, and seeking their solution.

By demanding too much, the leaders of Israel could risk everything they have created over 50 painful years of struggle and labor. More than that, Middle East tensions have created vast and disproportionate risks and costs to the rest of the world. Tens of millions of jobs around the world are hostage to the potential outbreak of another Middle East war which could easily spread to the oil fields.

Increasingly the Middle East has begun to resemble conditions in the Balkans just prior to World War I, where explosive religious and ethnic passions coexist together with vast economic stakes.

This tinderbox must not be allowed to continue to exist. All parties involved must move rapidly and forcefully to achieve a permanent and comprehensive Middle East settlement.

The real issue still dividing Arab from Israeli remains the ultimate disposition of the West Bank, Golan, and other territories captured from the Arabs in the 1967 war.

From statements made by Israeli leaders, it is clear that there is no intention to return these captured territories to Arab sovereignty. Yet, without this and other measures to provide a home for the Palestinian people, there will clearly never be a comprehensive peace in the Middle East, and the world economy will continue to be hostage to recurrent instability in the region.

But, in any event, Mr. President, I hope the American people will not be mesmerized in a euphoria created by an orchestrated media event into believing that peace has been achieved.

I will be more than happy to consider supporting further aid and lend my support to a regional alliance among Israel, the moderate Arab powers, and the United States. I feel certain that our European allies will join such an arrangement. This is what peace in the Middle East is all about—real peace, that is—peace that would enable the ordinary people of the Middle East and the entire world to go about the business of planning their lives without the specter of war and economic disruption constantly hanging over their heads.

If peace is to be achieved, it is obvious that this deadlock must be broken. The stakes for all involved are simply too high to allow this matter to continue to fester. One miscalculation, one overreaction, one blunder, could plunge the entire world economy into distintegration.

I have become reluctantly convinced that only forceful action by the American Government can cut this Gordian knot. I believe that President Carter must come forth with the outlines of a comprehensive settlement, and he must be prepared to withhold aid if necessary.

For what is at stake is not merely the peace that we all cherish, but survival itself.

Mr. President, if I have time remaining, I yield it back.

ORDER OF BUSINESS

Mr. NELSON obtained the floor.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. NELSON. I yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for Mr. Magnuson be yielded to the Senator from Wisconsin.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATOR STEWART SPONSORS FARM ENTRY ACT

Mr. NELSON. Mr. President, on March 8, along with 12 other Senators, I introduced S. 582, the Farm Entry Assistance Act. Senator Stewart was one of the original sponsors of the bill, and was so listed in the statement in the Congressional Record of that day. Unfortunately, when S. 582 was printed, Senator Stewart's name was not listed on the bill. I can understand, of course, how a clerical error in transcribing names to the bill could have been made, but I want to make it clear in the Record that Senator Stewart was an original sponsor of this bill.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the remainder of the order for the recognition of Mr. Magnuson be waived.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATOR ROBERT C. BYRD

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from West Virginia (Mr. Robert C. Byrd) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. I thank the Chair, and I yield to the distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, I want to retrieve 1 minute of the time I yielded back, and I thank the Senator from West Virginia.

PRESIDENT SHOULD DECONTROL OIL

Mr. HELMS. Mr. President, as unbelievable as it may seem, 5 years after the Arab oil embargo this Nation still has no comprehensive energy policy. Why is it that the most powerful country in the world, with ample oil and gas supplies of its own, now faces the prospect of another "energy crisis"? Why is our current policy in a shambles?

I suggest that the reason is to be found in Washington's favorite word—regulation. Because of the mismash of bureaucratic regulations, this country produces less oil than it did before the 1973 Arab embargo. The Federal Government has tried to run the oil and gas industry of the United States, and the result has been total failure.

The fact is, we do have plenty of energy—in the ground—if we will just let the free enterprise system work to get it out. The President should decontrol upper tier crude immediately on June 1, 1979, and systematically remove controls on lower tier crude by September 1981. Independent producers have already told the President that such action would increase domestic oil production by 400,000 barrels daily by 1981 and 2,000,000 barrels a day in 1985. This new production would displace imports barrel for barrel.

If we truly believe in the free enterprise system which made this country great, we must let it function.

It may be a matter of too little, too late, but it is interesting to note the shifting sentiment here toward deregulation of oil and gas production in the United States. Just a few years ago, it was politically popular to shout about "big oil companies," and to insist upon Federal regulation. But look at the trouble it has caused.

Now, some of the very people who shouted the loudest are beginning to admit that deregulation of our energy production is the only hope for a continued and dependable supply of energy. If the Federal Government had deregulated our energy producers several years ago, as some of us pleaded, the United States would not be at the mercy of foreign oil producers today. And our economy would be in far better shape.

The President, as I have said, can bring order out of chaos beginning on June 1. He can restore some degree of sanity to our national energy policy if he will only act to free us of the cumbersome regulations that have discouraged domestic production.

The President talks a great deal about the need to streamline and control the Nation's regulators. I wholeheartedly agree. And I was pleased to read his remarks made in Dallas over the weekend:

> For far too long, we have acted as if we could throw another rule at every problem in our society without thinking seriously about the consequences. When I came to Washington I found a regulatory assembly line which churned out new rules, paperwork, regulations and forms without plan, without direction and seemingly without control. Such a system eats up productivity and capital for investment. Americans will not support—and I will not permit—needless rules, excessive costs, duplication, overlap and waste.

Intended or not, the President put his finger on precisely what is wrong with our current energy policy. As he prepares to announce his decision on decontrol of domestic oil later this week, I hope the President will remember what he said—and promised—in Dallas. There has been a lot of talk by this administration of its desire to reduce pervasive Federal regulation; unfortunately, there has been precious little action.

The Carter administration simply must take the steps now to substantially reduce the burden of Federal regulation, the root cause of our energy supply problem. Until the administration does act, it should not expect either the American people or Congress to suffer the inconvenience of shortsighted measures such as rationing, advertising bans, and weekend station closings which only perpetuate the illusion that our problem is temporary.

I joined with several of my colleagues last week in a letter requesting that the President decontrol upper tier crude on June 1, 1979 and systematically remove controls on lower tier crude by September 1981. I urge the President to give our proposal serious consideration. We simply must adopt a realistic, free market energy policy that will reduce our dangerous dependency on foreign imports.

I ask unanimous consent that the March 20, 1979 letter to President Carter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Washington, D.C.,
March 20, 1979.

The President,
The White House,
Washington, D.C.

Dear Mr. President: One of the major problems with our economy is the excessive importation of expensive foreign oil which increases inflation. The continual and increasing cost of over forty billion dollars a year is resulting in an enormous impact on the dollar. A weakened dollar increases inflation. If energy imports are decreased, if domestic production is significantly increased, and if we can consume less in the United States, then we can really diminish inflation. We must not look at the short-term in devising a policy for the pricing of our major energy source. We must consider what is the best for our nation in the long-term.

If we are to become more energy independent, we must greatly increase capital investment in all forms of domestic energy production. Retained profits by the private sector plowed back into investment are certainly the preferable and most effective source of the necessary capital. To obtain necessary capital, domestic prices should go up to the world price as soon as possible. In addition, proper conservation and the need to make realistic, long-term investment decisions in all areas of the private sector, dictate that we move to the world price.

If you were to decontrol upper tier crude immediately on June 1, 1970, and systematically remove controls on lower tier crude by September, 1981, two things would occur. First, producers would be allowed to receive a price for their products commensurate with replacement costs which would in turn spur increased domestic production and thereby begin chipping away at our excessive foreign imports. Secondly, by allowing the price of crude oil to reach world market levels, the price of petroleum products would soon reach a level which would assure decreased consumption, and accordingly, greater conservation.

There will be some price increases which would result from the decontrol of crude oil prices. And, certainly, we all recognize that no member of Congress can be enthusiastic about supporting programs which are likely to result in higher energy prices. In our judgment, however, a majority of the members of the House and Senate can be persuaded to accept higher energy prices if there is some reasonable prospect that those higher prices will contribute substantially to the solution of our present energy supply problem. Certainly, the American public appears ready to accept the short-term impact of higher prices if they can look to the long-term impact of certainty of supplies. The public understands that, in the long run, consumers will have to pay much more for energy if we remain at the mercy of foreign producers than if we develop our own sources.

We recognize the political difficulty which you face in making this decision. But, we must all face the fact that there is no cheap or simple solution to our energy problems. We have reached the point that decisive action is required, and you will have the opportunity with the expiration of EPCA to exercise such action.

While the option we support requires a full measure of political courage, the alternative is much worse. Controls have only succeeded in (1) raising the costs of energy significantly, without doing enough to increase production and (2) jeopardizing the economic, political, and military security of this nation.

If supplies of oil from Saudi Arabia or some other crucial energy supplier were shut off, the economic disaster would be so great as to make moot any concern with partisan politics. We must not continue a policy which has placed America in such grave jeopardy.

We must have an energy policy which effectively promotes conservation and specifically reduces foreign imports of oil. There is no question that this policy can be accomplished by allowing the market place to reflect the cost of energy products rather than the Federal government.

We very much look forward to your response concerning these important energy policy matters.

Respectfully yours,

David L. Boren,
Lloyd Bentsen,
Jesse Helms,
Jake Garn,
Henry Bellmon,
John Tower,
Thad Cochran,
James McClure.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to 5 minutes each.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, is there any additional morning business?

The ACTING PRESIDENT pro tempore. Is there any further morning business? If not, morning business is closed.

EXTENSION OF THE PUBLIC DEBT LIMIT

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of the pending business, which the clerk will state.

The legislative clerk read as follows:

> A bill (H.R. 2534) to provide for a temporary increase in the public debt limit, and for other purposes.

The Senate resumed consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FIFTEEN-MINUTE RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 15 minutes.

There being no objection, the Senate, at 12:33 p.m., recessed until 12:48 p.m.; whereupon, the Senate reassembled when called to order by the Acting President pro tempore (Mr. Stevenson).

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business of not to exceed 10 minutes, with Senators permitted to speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business again be closed.

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

EXTENSION OF THE PUBLIC DEBT LIMIT

The ACTING PRESIDENT pro tempore. The Senate will continue with the consideration of the pending business.

The Senate continued with the consideration of H.R. 2534.

Mr. ROBERT C. BYRD. Mr. President, are both amendments in the second degree, or a substitute and a perfecting amendment?

The ACTING PRESIDENT pro tempore. Both the amendments by the Senator from Louisiana to the amendment by the Senator from Colorado and the Senator from Kansas are in the second degree.

Mr. ROBERT C. BYRD. I thank the Chair.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of routine morning business for not to exceed 15 minutes, with Senators permitted to speak up to 5 minutes each therein.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE MIDDLE EAST PEACE SETTLEMENT

Mr. PROXMIRE. Mr. President, it can be said without any exaggeration that the President's Middle East peace initiative is the most important act of his administration. Seldom has the world witnessed the kind of personal dedication and perseverance displayed by President Carter in bringing two intractable foes to the brink of peace.

It may well be impossible to measure the positive consequences of this bold diplomacy. If even one war is averted in a region where wars are commonplace, if one generation is allowed to live a normal life in a time of turmoil and family tragedy, if there can be brotherhood between peoples separated by 3,000 years of hatred, then President Carter has given the world a gift which is explained adequately only by the Bible—"Blessed are the peacemakers, for they shall be called the children of God."

Peace—that illusive goal of man and nations, the word on men's lips though not always present in their hearts—peace is a condition of life that cannot be measured in dollars and cents. What is it worth that a generation of Israelis and Egyptians live without war, without loss of life, with greater economic resources for self development, with an enhanced quality of life? Is this kind of peace worth $1 billion, $5 billion, $100 billion? This metaphysical question cannot be answered in any ordinary sense.

But are there principles to guide us in the search for this answer—what is peace worth? Perhaps there are. The first is that peace is a shared commodity. Peace in the Middle East benefits not only the residents of that region but tens of millions around the world. Oil, regional security, balance of power—these are the geopolitical considerations which flow from a condition of peace. Japan, West Germany, Great Britain, Western Europe and Africa all share the fruits of a peace in the Middle East.

In many ways the United States had the most to lose in a volatile Middle East. We have gained an enormous, tangible benefit. It is only appropriate that the people who benefit from peace should share the burdens of peace. The United States has played an instrumental, catalytic role in these negotiations. Thus we have carved out a certain responsibility as a party to the peace plan. But we need not believe that our special relationship be exclusive. There are other benefiting parties.

Each must assume its fair share of the costs of peace as well as the benefits. This is particularly true in terms of developmental support for Israel and Egypt. Should Saudi Arabia reduce or eliminate its annual $1.5 billion fiscal contribution to Egypt as a result of pressure from the Bagdad Conference members, then Europe, Japan, and Africa will have to join the United States to fill the gap. We cannot do it alone. We should not do it alone. Multilateral assistance is better for the recipient and is absorbed with far less political danger than bilateral aid. That is my first point. The United States should not be expected to carry the financial burden of economic development in Egypt and budgetary support in Israel by itself.

The second issue is more fundamental to the kind of peace that has been negotiated. It is the irony of our age as Winston Churchill put it that we have "reached a state * * * where safety will be the sturdy child of terror and survival the twin brother of annihilation." Even with peace, Israel and Egypt will rely on increasing armaments to maintain the perception in each country of the regional balance of power. As with the SALT negotiations we have seen that success breeds a strange alliance. The very instruments of death and destruction so desperately accumulated prior to peace are desperately augmented in the aftermath of peace. It is as if the weapons are independent of the fact. The arms race moves on in new directions between the U.S. and U.S.S.R. while each party rests in the assurance that an exchange of paper somehow caps the race. In the Middle East the first initiative after the dramatic announcement of agreement on a peace treaty is the military requirements levied on the United States as a precondition to that peace. Egypt requires an extensive rearmament program to modernize its obsolescing weapons and replace inadequate Soviet equipment. The Egyptians have submitted a long shopping list to the Pentagon including 300 F–16's, 600 tanks, 500 artillery pieces, 2,000 armored troop carriers, submarines, jeeps, the Hawk antiaircraft missiles and associated items. The total 1 year U.S. cost for military assistance to Egypt might well exceed $1.5 billion with more in succeeding years.

Israel, on the other hand, is requesting that the United States pay for the withdrawal of Israeli forces from the Sinai at a cost of nearly $3 billion over 3 years ($800 million in grants and $2.2 billion in loans). This appears to be a supplement to the $1.8 billion in annual military and economic assistance now provided by the United States to Israel. In addition, the United States apparently has agreed to step up deliveries of 75 F–16 aircraft.

So what we are seeing is a return to that old state of mind. In peace or during periods of tension, weapons are the answer. And the United States, for various reasons, is going along with the Iranian syndrome. Somehow more arms equals more security, more stability in the Middle East, insurance of the supply of oil.

For too long we have acepted this simple formula without thinking through its consequences. With the image of Iran looming before us, we cannot now ignore the obvious. If one accepts the need for a balance of power in the Middle East, as I do, then there are several alternatives to preserving this balance. You can preserve the balance by staying at the status quo or by reducing the armaments on both sides. In other words, the balance need not automatically rise upward, with or without peace, independent of the external conditions.

As a Senator who opposed the arms sale package to Saudi Arabia, Egypt, and Israel, I feel compelled to oppose any new round of weapons accumulation in the Middle East—even if tied to and justified by the peace treaty. In the euphoria of succes we may be tempted to pay any price. But the payment should not include a new round of the arms race in the Middle East dressed as the dove of peace.

The PRESIDING OFFICER (Mr. EXON). The time of the Senator has expired.

Mr. ROBERT C. BYRD. Mr. President, I yield 5 additional minutes to the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin.

THE GENOCIDE CONVENTION: AN AFFIRMATION OF OUR BASIC IDEALS

Mr. PROXMIRE. Mr. President, a few miles away from this Chamber, etched into the marble walls of one of this city's memorials, are the words:

> We hold these Truths to be self-evident, that all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness. . . .

Mr. President, Thomas Jefferson's words are as radical today as when they were first written. It was indeed a noble and brazen effort to attempt to build a nation on right instead of might. Yet that is just what we have done. From the Declaration of Independence to the Bill of Rights to the subsequent amendments to the Constitution, we have endeavored to base our system of government upon universally recognized human rights.

Mr. President, the zeal and gumption of the American people to insure that individuals are guaranteed fundamental human rights has not been reserved for individuals living within this country alone. Throughout our history the United States has considered human rights in other countries to be a matter of our deepest interest and consonant with the profound commitment to the heritage of freedom which has nourished us. Examples abound of our Government's humanitarian intervention in behalf of oppressed religious and ethnic minorities in other lands.

The United States has intervened on behalf of oppressed religious minorities of the Ottoman Empire in 1840; in Morocco in 1863; in Rumania in 1872; and in Poland in 1918–19.

America's historic commitment to the protection of human rights found further expression in the efforts of President Taft in 1913 to obtain guarantees for minority rights in the peace treaties that followed the Balkan wars. President Woodrow Wilson urged a similar course in the peace treaties of 1919 involving central and east European countries.

Mr. President, in light of our country's efforts to secure a respect for human rights on the international level, it is indeed a shame and an embarrassment to look at the Senate's record of action on a treaty that would guarantee the most fundamental of human rights—the Genocide Convention. This Convention, which guarantees the right of a racial, religious, ethnical, or national group to live, has been before the Senate for almost 30 years without being acted on.

Is it because the treaty lacks endorsement?

No, Numerous Presidents, the Secretary of State, the Defense Department, and virtually every religious denomination have endorsed this treaty.

Is it because it would drain the Treasury?

No, again. Our ratification would not cost us one penny.

Is it because there are constitutional problems with the treaty?

Three times, no. The prestigious American Bar Association, gave its full endorsement to the treaty in 1976. It was the Bar Association's overwhelming conclusion that the constitutional arguments against the treaty were invalid.

What then is holding us up? Only one thing, Mr. President: Inertia. The Senate has simply become too lackadaisical to take action on this issue.

Mr. President, we must move before it is too late. If we do not consider the Genocide Convention within the next few weeks, we will never be able to get to it under the swarm of legislation that will hit us mid-spring. No treaty, Mr. President, could be more in line with the fundamental values upon which our Nation was established. No treaty could be a better affirmation of our commitment to human rights on an international level. No treaty has had more endorsements, more thorough scrutiny, more painstaking consideration.

Mr. President, we must not let another opportunity slip by the boards. We must take immediate action to ratify the Genocide Convention.

Mr. President, I thank the distinguished majority leader and yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

EXTENSION OF THE PUBLIC DEBT LIMIT

The PRESIDING OFFICER. The Senate will resume consideration of the pending business.

The Senate continued with the consideration of the bill, H.R. 2534.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, last evening, toward the close of debate on the measure before us, which is to say, the debt ceiling limitation measure, H.R. 2534, I had occasion to introduce for the RECORD, some numbers on the question of the deficit in the public sector in 1978 as represented by the Federal budget. I contrasted this with the surplus in the public sector of State and local budgets during the same year, such that, if memory serves, the public sector deficit was only about $1.9 billion—not a large sum. I said it in response to some observations made by my new friend, the distinguished Senator from Colorado (Mr. ARMSTRONG), who was not on the floor at the time—I noted that he was not—and inasmuch as my remarks were somewhat divergent in their implications from his, I assumed that the time would come when he would wish to respond.

I see that he is on the floor now. I wonder if he would wish to take this opportunity to present his thoughts in the matter, compounding them with observations on the subject of the money supply and its role in inflation.

He will recall that my point was that the sources and origins of inflation in this time are very much more complex than merely that of public spending, that 1978 was a year which showed us that the base for what looks like fearsome inflation at this moment, was not one in which the public sector itself was particularly in balance. I ask, since there are not many Members on the floor, if I could take a moment to say with respect to the whole subject, there is a line of Hilaire Belloc which goes like this:

> The question is very much too wide and much too deep and much too hollow, and learned men on either side use arguments I cannot follow.

I see the distinguished Senator is here and I wonder if he wishes to speak to his point, and to elaborate his point of view.

The PRESIDING OFFICER. The Chair recognizes the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I thank the Senator from New York for his courtesy and for the wisdom of the insights he has shared with us and for the style and grace he brings to debate on this issue on the floor.

I do, as a matter of fact, disagree with one of the principal points the Senator from New York raised yesterday. Before I raise the one with which I disagree, I call the attention of the Senator to the observations which my distinguished colleague from New York has made about the conception of the gross national product, how the fate of Germany and the United Kingdom were influenced during World War II by the relative appreciation and understanding of that economic concept.

I think that is a very useful insight, and I hope that every Member of the body will reflect upon that and look upon the comments of the Senator from New York on pages 6140 and 6141 of the RECORD.

I should like, however, respectfully to disagree with the balance of my colleague's remarks. He pointed out in his comments yesterday, and I shall quote:

> The problem of inflation is a formidable one and, at this point, it is beyond the clear understanding of the economics we have available to us. But if there is one thing we can be clear about, it is that it involves a much more complex set of phenomena than simply the deficit or surplus of the Federal budget.

Mr. President, I say I think my colleague is mistaken in this matter, that inflation is by no means beyond the clear understanding of the economics available to us. The cause and the cure of inflation, in my judgment, are quite plain, both from a logical and historical perspective. It seems to me that what the Senate lacks is not knowledge of inflation, but the courage to face up to it.

Over the years, inflation has been blamed on a wide variety of villains—not, I shall say, yet by the Senator from New York, but by other Members of this body and the other body and the general public and the press—price-gouging corporations, labor unions, this, that, and the other, and even, on many occasions, on the weather. You will recall that when there was a run-up of prices in certain food commodities a few years ago, it was blamed on the shortage of Peruvian anchovies, which was a function of the weather.

The truth, however, it seems to me, is very plain, that none of these is the cause of inflation, that those who seek to blame inflation on these spurious causes really are wide of the mark. The cause of inflation, indeed, the very definition of inflation, is the expansion of the money supply and credit in an economy greater than the rate of expansion of the production of goods and services; that is, simply said, too many dollars chasing too few goods.

Price increases, wage increases, shortages caused by weather or other acts of God can create temporary increases in some but not a general increase in prices throughout the general economy. That can only be occasioned, in my opinion, and in the opinion, I believe, of most economists, by an increase in the money supply which exceeds the increase in the Nation's productivity. It is easy to see why that is so without dwelling on it.

Let me point out that this fundamental economic truth can be seen simply by examining the rate of inflation over the years and comparing it to the rate of increase in the money supply. Year after year, when we have had an increase in the money supply beyond that which is reflected in the increased supply of goods and services in the economy, this has been followed by increases in the general price levels.

I stress to my colleague from New York and other Senators that this is not inevitable. Inflation is not some irresistible force like the wind or tides. It is something which has been caused by excessive increases in the money supply.

As a matter of fact, it is interesting to note that, throughout the recorded history of the world, inflation was a relatively unkown phenomenon. In our own country's history, prices were about the same in the 1930's as they were in the year 1800. They only doubled from the year 1800 to the year 1940 on those products and services which were comparable over that period of time. The tremendous increase in prices has come only during the years when we have had a tremendous run-up in the money supply.

That brings us to the bill which we shall be taking up later this afternoon. As we seek, in this legislation, to increase the national debt, what we are really doing is, once again, funding annual operating deficits. When that happens, the money supply is increased as the Federal Reserve follows its legal mandate to support Treasury issues, various certificates of indebtedness which the Government issues to support the deficits. That means a larger money supply, the run-up of the money supply beyond the productivity increases, with consequent inflation. That is the central concern, it seems to me, in the legislation which we shall further consider and, I hope, dispose of this afternoon. The question is, how much inflation are we willing to impose upon the people of this country—inflation which, in my view, is the inevitable consequence of increasing the money supply too fast?

Mr. MOYNIHAN. If the Senator will yield, I shall respond to him. I congratulate and thank the Senator from Colorado for his clarifying and thoughtful remarks on this matter, but I beg vigorously to disagree on the one point: Does the economic profession, calling, clergy—whatever—really have a grasp of the present phenomena?

I beseech my new friend, the distinguished Senator from Colorado, to consider that this may not be so. They insist it is not so. The work of the monetarists of the Chicago school, which we associate with Professor Friedman, has clearly been the most important addition to our understanding of these phenomena since the work of Lord Keynes.

Yet, it is not sufficient. Economists do not predict events. Nobody does. One of the reasons, I think, that I often have thought, and Professor Modigliani at MIT, the institute professor at MIT, has said, that there have been a series of supply shocks to the system in the 1970's which were, as the economists say, exogenous in their origins—the OPEC price increase being the most conspicuous—and that has kept the economy off balance. There have been economic events that were political in origin that have certainly kept us off balance of which the decline in the dollar has been one.

I do not know why the dollar declines and not many do. Some say that there was too much of a Eurodollar out there, that there was inflation here. Yes. Yes. Yes.

But I think at the origin there was a political element in that decline. But the minute this political event occurs, the next morning everything costs more here. Again, an exogenous event.

I do know this, however, that if inflation is a relatively new phenomenon, I would particularly ask my friends from the Great Plains to remember that deflation was not a new problem for us. We went through 50 years of sheer hell for the American farmer after the Civil War, because the people standing in this Chamber insisted on a surplus every year to pay off the national debt. They were well-intended people and they created economic disasters.

During the late 18th century, as the Nation was founded, the United States faced a severe national debt. As part of the agreement to form the United States, the Federal Government agreed to assume the debt incurred by the States during the Revolutionary War. But Hamilton and Jefferson did move—they agreed to move the Capital from New York to Washington. A grave mistake from which the Nation has not yet recovered.

But by about 1838, all that debt had been paid off. In fact, the Federal Congress came to a point where there was a surplus and divided the surplus around the States.

In Maine, they divided it among the people. I think they got 7 cents.

But the Civil War came, huge new debt followed, we set out to repay that debt regardless, and we kept a deflated agricultural community for half a century.

I ask anybody, if he would remember, what does it mean when we talk about the great battle of free silver?

I see some Senators from silver-mining States here. What do they think?

The distinguished Senator in the Chair, unfortunately, cannot speak, but I see he recognizes it.

What do we think free silver was about? Why were the farmers fighting for it year after year?

Bryan. Bryan. Bryan. Four times our candidate for President, my party, and the party of the distinguished Senator in the Chair.

Why? Because the Federal Government was deflating and they needed to get some currency in circulation so as to prevent the constant drop of agricultural prices.

Just as the whole movement of populism that swept the Great Plains was a move against the deflationary policies of this Congress, so, too, it was a revolt of people. Nobody understood quite what was happening, but the farmers knew they were being destroyed and those small towns were being destroyed. And we built up a phenomenon of monopoly capitalism and vast trusts, and things like that, which we still have not got out of our system in this country. But these forces would not have happened if it were not for the prolonged depression of agriculture and small-town economies in this country that followed from those fiscal policies.

So I do not mean to say anything more—no, I will say this—I wish this debate were being carried out more on the terms that the distinguished Senator from Colorado makes it, in terms of what new have we learned? What do we not know? What do we know? That, in some of the other voices I have heard, not in this Chamber, but in this country, which is the voice of primitivism that says that everybody knows all about economics: You just have to have been married for 20 years and bought a house and car and raised three kids, and what else do you need to know? We need to know a lot more.

Yesterday on the floor, the Senator from Louisiana, who is sponsoring this legislation, discussed Herbert Hoover. I do not mean to be derogatory of Hoover. Remember, if President Hoover's views were complex, those of Roosevelt were positively primitive at the time.

But we know what was done in response to the crash of 1929. The Federal Reserve proceeded to squeeze and cut back the money supply in the most shocking way. The President called—everybody knows—for a balanced budget. Herbert Hoover was one person who began to understand the need to reflate, as they said in those days, to add money to the system, and the Federal Reserve Board would not let him. Roosevelt only stumbled onto it.

That never really did work until the Second World War when in 1943 the Federal deficit was almost exactly the size of the Federal revenue. We spent twice as much as we took in.

The whole point, if I may strain the patience of my friend from Colorado, is that an industrial economy is subject to crisis. It is different from the kinds of preindustrial crises which came when it did not rain, or the locusts came.

Marx was one of the first European economists to know this. He said, "Capitalism is crisis prone."

Well, it has taken us a century to learn to deal with those crises. We used to call them panic. Panic was a good 19th century American word.

In 50 years—this is the 50th anniversary of the great crash—in 50 years from the great crash, we have, excepting for 1931, and a little setback in 1937, we have not had depression in half a century.

Well, we had the most severe one in 1975, but if this legislation had been in place in 1975, we would have been thunderstruck.

I repeat the material, because it responds to some remarks made with great eloquence yesterday, by Dr. Gramley, of the Council of Economic Advisers, who sent me a letter yesterday about what would have been the effect in 1975 if legislation like this had been in place.

We have a fair capacity to approximate. We have models of these things. I was struck by the model run by Prof. Otto Eckstein at Data Resources, Inc. He did the same thing and came out with almost exactly the same results.

That legislation would have required a reduction of about $100 billion in Federal spending that year—just what the Federal Reserve Board did and Franklin Roosevelt called for in 1930. It would have cut GNP by 12 percent. That runs up to a half-trillion dollars in lost GNP—a half-trillion dollars or more. It would have produced an unemployment rate, the Council says, of 12 percent; the Otto Eckstein group says 11 percent. It is a depression level of unemployment. In the central cities, it is double that rate.

This is no cure for inflation. This is a formula for economic stagnation. It is calamity.

I know that on our side, we come into this forum and exchange such limited knowledge as we have. But this is not an exchange of knowledge; this is simply a manifestation of fear—not the Senator's proposal, but this whole movement. It is a fear of the unknown. Rather than just responding to our fear, why can we not stretch the horizons of our knowledge.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I yield.

The PRESIDING OFFICER. At this time, the Chair recognizes the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, the Senator from New York raises two or three issues that require at least a brief response.

First of all, it seems to me that, during the course of his remarks, we have reached agreement on the question of inflation; because, as he pointed out in referring both to the 19th century and the period in the 1930's, it was the change in the money supply that occasioned the change in price levels. The Senator pointed out that a weakening money supply in the 19th century caused a sharp drop in prices, particularly with respect to agriculture; but through the 1800's, the general level of prices in this country declined, and the same was true in the 1930's. That is the point at which it started.

An increase in the money supply beyond the increase in productivity—that is when you have more dollars chasing proportionately more goods and services. That is what inflation is. In the dictionary sense, that is the definition. The consequence, which is what most people term inflation, is an increase in general price levels. That is a higher consumer price index, higher costs of groceries and fuel, and so forth.

I am pleased that in the course of this discussion, we have staked out, between the Senator from New York and me, an area of considerable agreement with respect to the money supply.

Also, I think the Senator may have misunderstood. If I gave him the impression that I had great faith in economic forecasts, I would want to clarify that.

Mr. MOYNIHAN. To make such a charge would be subject to a point of personal order, requiring an apology, and the Senator knows that I would never dare act in such a way to provoke bad feelings through bad manners.

Mr. ARMSTRONG. I thank the Senator.

I am one of those who agree with the distinguished former Chairman of the Federal Reserve Board, Dr. Burns, who said the trouble with economic forecasters is that they claim to know more about the future than good scholars know about the past. I share that perception.

I believe that while we must work with economic forecasts and econometric models, we must do so at the general intellectual level of witchcraft.

That is not to say that there are not some things known. One thing that I believe is well understood is that as the money supply increases beyond the rate of increase of goods and services, the inflation which results causes a runup in prices.

In this bill, I suggest to the Senator from New York, it is not the product of the fear of the unknown; it is the product of the fear of the known. It does not create an ironclad inflexible parliamentary situation. It simply says that because of the three decades of experience with rising deficits, the increase of the money supply which results, and the runup in price levels which has hurt practically every family in the country, has hurt every business, has hurt our balance of trade, has been partially if not entirely responsible for the declining status of the dollar on the international exchange markets—as the result of all these factors, there is an agreement that somehow we would have to bring this budget into balance; perhaps not every year, perhaps not inflexibly.

There are those who argue today—and I would not contend with them—that there are times when an unbalanced budget is justified. I think that is arguable. The Dole amendment does not say that we never can have an unbalanced budget. It says that if the budget is to be unbalanced—that is to say, if we are going to create additional public debt—it must be done only with an extraordinary majority in this body.

The suggestion that Senator Dole and I first brought forth was for a two-thirds majority. Later, we decided that was perhaps much, and we offered to scale it down to three-fifths.

Mr. MOYNIHAN. Mr. President, will the Senator yield?

Mr. ARMSTRONG. I yield.

Mr. MOYNIHAN. Here is where I think we might identify our differences.

I would wish to join the Senator, and this side of the Chamber would wish to join that side, in the quest for a better understanding about inflation, to a better degree than we now have understanding. But we feel that in the course of dealing with the inflation, the up side of an industrial economy, the Senator does not mention what we have learned about the down side. The Senator imposes upon us rigidities that would deny us the use of a half century of hard-earned and, on the whole, very successful knowledge.

One of the things we know is the need for is flexibility. It was because the Federal Reserve Board dogmatically thought it knew what to do in 1930 and 1931 that in part created the great depression; and if Franklin D. Roosevelt had not been lucky in his advisers, he would have done worse than Hoover had done.

We have learned something in a half century. We have learned that if this balanced budget gimmick had been in place 4 years ago, under a Republican President, we would have had, if I recall correctly the phrase of Secretary of the Treasury Humphrey—under President Eisenhower—a depression that would curl your hair.

That is more of a statement than a question, but I ask the Senator this: Does he not see that we fear ignoring what we have acquired in this quest—knowledge.

Mr. ARMSTRONG. I think the Senator's point has merit and is a very substantial concern, indeed.

First of all, it does not necessarily follow that if this proposal had been the law 4 years ago, a balanced budget would have ensued. In fact, this proposal does not guarantee that a balanced budget will obtain in any year.

The question is, by what majority should an unbalanced budget occur? What should the presumption be? I submit that after the kind of inflation we have had, a presumption in favor of balancing the budget and stable prices is a good presumption.

I point out that within the last 4 years—the Senator mentioned that period—the purchasing power of the dollar has declined drastically. In fact, it went down by 1.2 percent in the month of February alone—at an annual rate of 15 percent in February. It was 9.5 percent last year. The tremendous hardship this has been for many families in this country should not be ignored.

I am not arguing today that there is never a time for an unbalanced budget. I am just saying that when that time comes, there is plenty of evidence that it is easy, that it does not require great political willpower or great discipline, to pass an unbalanced budget in hard times. On the contrary, what seems to be impossible, even in good times, is to pass a balanced budget.

We have been through perhaps the 20 most prosperous years in our Nation's history; yet, we have had an unbalanced budget all the time—I suppose with the exception of 1 year in the last 20.

I am simply suggesting that a presumption in favor of a balanced budget would not be an unwise thing; it would be a very wise thing to do.

Mr. MOYNIHAN. Mr. President, I observe that the Senator from Colorado is more than a little formidable in his economic arguments.

And I think in the circumstances I will shift the ground and say something from a field which we are perhaps equally ill-equipped to discuss.

But to say it with great seriousness. What I object to most in the proposal before us is original two-thirds and then the subsequent three-fifths provision.

If there is one failing in the American Constitution—well there are probably more than one—but the only one that I find myself troubled by at this point is that two-thirds vote required to ratify a treaty. Two-thirds is an unnatural proportion for any democratic assembly. I mean, it is said lightheartedly that you could not get a two-thirds agreement on the time of day. It is just not natural. It is not the way the dynamics of our system should work.

Has there ever been a President since George Washington who received two-thirds of the popular vote? I think not. Our Presidents tend to win by one-tenth of 1 percent. And 55 percent is a big margin in an election. I wonder if we could ask Alexander Hamilton: Did he think we should demand a two-thirds majority on anything except the most extraordinary of events. I think he would say no. I wish he were here to guide us.

Mr. ARMSTRONG. I am not sure how far afield we should go in this discussion. I guess we are rambling while our colleagues have lunch.

But I say to the Senator from New York that the test of any political theory is in how it works in the real world. And I wonder if the Senator would care to name some of the important propositions which he would have liked to have seen enacted which were defeated as a result of this two-thirds requirement. Immediately none come to my mind.

Mr. MOYNIHAN. Yes. We would have joined the League of Nations had we not had that two-thirds vote. I think our failure to have done so resonates to this day in the problems we are dealing with.

Let me shift back to economics. I have a table here, and in our time the man with the table in his hand has the advantage over the person not so equipped. In 1958, after 6 years of Secretary Humphrey in the Treasury, a man not given to extravagance with other people's funds, the public debt was 51.2 percent of our Gross National Product. Last year it was 29.9 percent. The estimate for 1982 is 22 percent. I mean as a phenomenon, as an amount, as a proportion of debt in this country, Federal debt has been going down regularly even as the amount has risen. And it has gone up by about three times in these 20 years.

Mr. ARMSTRONG. Mr. President, do the Senator's figures reflect the off-budget debts as they increase in that same period of time and the liability for social security trust fund and Federal employees trust fund and the various unfunded debts?

Mr. MOYNIHAN. No, this is debt held by the public.

Mr. ARMSTRONG. Yes. I think, first, that while I have not claimed and do not claim now that the proportion of debt as measured against the Gross National Product is determinative of inflation—that is solely, in my view, a function of the increase in the money supply—I do happen to think that the increase in the national indebtedness is a very serious problem, but to refer only to that portion of the national debt which is represented by Treasury bills and other Treasury certificates I think begs the issue, because we have an enormous unfunded debt which has been growing very, very rapidly in these trust funds which are simply not reflected in those figures.

And the last figure I have heard bandied about by social security is $2.5 trillion. I think when we talk about the proportion of debt against the size of the economy, we must take the other debts into account as well.

Mr. MOYNIHAN. Here I have to invoke Belloc. It is:

> The question is very much too wide and much too deep and much too hallow, and learned men on either side use arguments I cannot follow.

But I do think that a distinction would have to be made, sir, between a publicly held debt, an investment purchased by an investing public of a debt certificate as against the private sector.

The point about the public debt is that after a point, it is in competition with those seeking to borrow for purposes of investment in the private economy, and you do not want more than just a little bit of that. You want as much investment as you can get, in the main, when the time the public debt seriously is an obstacle to private investment. But that would not be the case today. Resources are not being diverted. Or does the Senator from Colorado think otherwise?

Mr. ARMSTRONG. The discussion began, I would say to the Senator, with inflation and its cause which is in my view the increase in the money supply. There are other economic problems. Inflation is only one of the problems which confronts us in the national economy. One of the problems that I am very much concerned about is the extent to which we have pledged the work and resources of future generations to pay for the desirable programs of the present, and in that extent I cannot distinguish between the funded debt and unfunded debt.

Mr. President, before I yield the floor entirely and hope we are prepared to go to a vote on the pending amendment, I wish to make one additional observation to my friend from New York. I do not want him to think that I am insensitive to the concern he expresses about the down-side potential in our economy. I am sensitive to that, and I hope he will look with interest and favor on my amendment No. 110, which is pending to this bill, which addresses itself to that aspect of our national economic problem. I am persuaded that the greatest single impediment to the prosperity and growth of our economy is the excessive level of taxes in this country.

For the average median income family of four taxes have tripled, and the median income family is paying over $6,000 in taxes to the Federal, State, and local governments. We all know that the amount of taxes in dollars and the portion of personal income devoted to taxes have been rising rapidly, so we have the unfortunate, almost unthinkable, situation in this country today where the median income family has less after tax, after inflation income, than they had 5 years ago.

The Senator from New York is a historian, and I am sure he would agree that the very essence of the American dream or at least a great part of the American dream is the concept of rising expectations, of hard work, thrift, and doing better next year and next generation than we are doing now.

So in a country like that when we face a situation where real incomes after taxes and inflation are going down, I think we ought to take a hard look at our economic policy.

The amendment which I intend to call up, depending upon the outcome of amendments which are ahead of it in the pending business line, the effect of it will be to create a presumption in favor of a tax cut. In fact, it does three things: First, it cuts taxes in each of several years ahead. It conditions that tax cut on restraint in Federal spending so that Federal spending will decline as a proportion of the gross national product in easy annual steps; and, finally, that we have a balanced budget in fiscal 1981.

So that I hope that, while it is not the pending business at the moment, the Senator from New York will take a long look at that, because I think it really does respond to the concern he has so well expressed, and I hope he will join me in this measure. If I am not mistaken it has been before the Senate previously, and I regret that I do not recall how the Senator voted on that occasion, but it was endorsed by about a 3-to-1 margin on October 9 in this Chamber, and I hope it will be again.

Mr. MOYNIHAN. I thank the Chair and I thank the Senator from Colorado for his thoughtful and clarifying observations.

I would like to call attention to an amendment I have, which is 118, which simply says that in considering the balanced budget for fiscal years 1981 and 1982 the Congress shall maintain as near as possible equal per capita expenditure levels among the several States.

I hope he will find it possible to support this measure. It would not be, perhaps, to the immediate advantage of Colorado, which is a State that gets back from the Federal Government a great deal more than it returns in taxes. It would be of great advantage to the State of New York which does just the opposite. But to avoid regional animosities, I hope my friend from Colorado supports my amendment.

I would simply like to make this one point, sir: I hope the States whose legislatures have called for a constitutional convention realize that the true beneficiaries of the Federal deficit are not the liberals, but the people in the Sun Belt.

I repeat on the floor what I said on a less public occasion recently: That if we could agree to maintain the service of the public debt and the U.S. Navy, the State of New York would be considerably better off leaving the budget at just that. It is we who would hemorrhage ourselves providing for programs that make for great prosperity in other parts of the country, and those other parts of the country should not indefinitely suppose that we will never waken to this imbalance.

I see the distinguished Senator from Kansas (Mr. DOLE) is on the floor. I would like to point out to him that the amendment I have introduced would be an advantage to Kansas which, in fact, is one of those States that sends more money to Washington than it receives in return, not in that large proportion that most of us in the Northeast must endure, but in sufficient amount that it might, my amendment might, commend itself to his favorable attention.

On the other hand, I see that the Senator from Arizona (Mr. DeCONCINI) is present, and looking at these ratios I am not excessively hopeful of my success with respect to his vote, although his national impulse, his sense of what is just, comes from his distinguished career as a prosecutor and officer of the bar; his sense of what is noble and magnanimous, might lead him to overcome what some might view as the merely parochial fact that the Federal budget is, indeed, a very great bargain for the State of Arizona.

Mr. President, I have made some observations about the exchange of resources, the flow of funds to and from the Federal Treasury with respect to different States.

I observe that the distinguished junior Senator from Nebraska (Mr. EXON) is in the chair, and I would like to note that in fiscal 1976, Federal spending per person in Nebraska was $1,194, while Nebraskans paid, in Federal taxes, $1,433, giving them a spending to tax ratio of 8.3 to 10, and having the consequence of Nebraska being a net donor to the Federal Treasury of $370 million in that year, a very large amount for a State of Nebraska's size.

Mr. DeCONCINI. Mr. President, will the Senator yield?

Mr. MOYNIHAN. I would be happy to yield.

Mr. DeCONCINI. The Senator from Arizona would just call to the attention of the Senator from New York the generosity of this body last year in aiding his great city. Certainly it indicated that many Senators felt the need to not get into the parochialism of deciding the balancing of each tax dollar in guaranteeing the loans of the city of New York, so I am sure the Senator in his efforts to balance from the journal that he points out here will not forget that the shoe fits different feet at different times, and that we should always remember that, in my opinion, and I am sure the Senator from New York will do so.

Mr. MOYNIHAN. I am happy to observe two things: I thank the Senator for that observation, which is a fairminded one.

I would like to make two comments: First, the loan guarantees that were provided the city of New York last year did not involve the transfer of $1 to the city of New York, not $1. On the contrary, because the Federal Government charges an extra ½ percent of interest on the loan so guaranteed, it brings money back to Washington, thus further deepening the imbalance between my State and the Federal Treasury.

I would say that there is some measure in which we would not have been in that unhappy situation had it not been for this imbalance in revenue flows that has persisted for a generation. But I do not want to in any way suggest that we are anything but grateful to the Congress for its help.

Indeed, 4 days before the President signed the New York City loan guarantee for $1.65 billion, without even a bill-signing ceremony, he signed a measure providing for $4 billion of loan guarantees to farmers, $4 billion. I voted for that. I was happy to vote for it. I have not heard many people standing up and remarking upon my magnanimity in doing it. I thought it was a good idea. I am sure the Senator from Arizona thought it was, and this obviously is a debate that will go on.

I see that the Senator from Nebraska (Mr. EXON) is in the chair, and I would call attention to the fact that in the amendment we are going to discuss about equal expenditures per State, that it is possible to note that Nebraska does not do very well by the Federal budget.

I see the Senator from Wyoming (Mr. SIMPSON) in the Chamber. Well. Wyoming just about breaks even, so the Senator from Wyoming has the opportunity to cast a most disinterested vote in this matter later in the afternoon. I am happy that that is the case, because early in his experience here he has established his reputation as a distinterested and fair-minded person, and the more then do I hope our proposal commends itself to him.

I see that the most distinguished and beloved Senator from North Dakota (Mr. YOUNG) is in the Chamber, and let us examine his situation. I am happy to report that North Dakota is amply rewarded for its contribution to the Federal Treasury, receiving about one-third more in return than it contributes. This can only be attributed to the extraordinary regard with which the distinguished minority Member is held in this Chamber, in his length of service and the diligence of his concerns for his constituents.

Mr. YOUNG. I want to thank my friend from New York, for his kind comments. I will not ask for any more for North Dakota.

Mr. MOYNIHAN. Not for more.

But the Senator will understand if, in the budget balancing, it suggests that we get even less.

Mr. President, I see that the hour of 2 o'clock has arrived, and I will yield the floor.

The PRESIDING OFFICER. In his capacity as a Senator from the State of Nebraska, the Chair suggests the absence of a quorum. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HEFLIN). Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, in that we have a moment in the Chamber not occupied by pressing business, I would like to put into the RECORD the material I referred to in the colloquy I had with my friend from Colorado on the devaluation that followed the fiscal practices of the Federal Government after the Civil War, or the War Between the States, as it is called.

In 1867, the price of wheat per bushel was $2.01. By 1900, it was down to 62 cents. That was the consequence, in large measure, of Federal policy, and it profoundly affected the American economy far into this century.

I ask unanimous consent that the table to which I have referred be printed in the RECORD for the further study of the vigorous and informed mind which the Senator from Colorado has brought to this Chamber.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SERIES K 502-516. CORN, WHEAT, OATS, AND BARLEY—ACREAGE, PRODUCTION, PRICE, AND STOCKS: 1839 TO 1900

[Census figures in italics]

Price per bushel[1]

Year:	*Dollars*
1900	0.62
1899	*.56*
1899	.59
1898	.58
1897	.81
1896	.72
1895	.51
1894	.49
1893	.53
1892	.62
1891	.83
1890	.84
1889	--
1889	.70
1888	.93
1887	.68
1886	.69
1885	.77
1884	.65
1883	.91
1882	.89
1881	1.20
1880	.95
1879	---
1879	1.11
1878	.77
1877	1.08
1876	1.04
1875	1.01
1874	.95
1873	1.17
1872	1.24
1871	1.25
1870	1.04
1869	---
1869	.92
1868	1.46
1867	2.01
1866	2.06
1859	---
1849	---
1839	---

[1] December 1 price received by farmers prior to 1908; season average price thereafter.

Mr. MOYNIHAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JEPSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JEPSEN. Mr. President, I would like to address myself to some remarks made yesterday by our distinguished colleague from New York (Mr. MOYNIHAN).

He argued that we cannot simply look at the Federal deficit as an isolated entity. We should look at the total public sector, including State and local government. He went on to say that in 1978 State and local governments ran a budget surplus of $27.8 billion while the Federal Government had a deficit of $29.4 billion. Thus, Senator Moynihan concludes, the public sector deficit amounted to a mere $1.6 billion—hardly something to worry about.

I have several objections to Senator MOYNIHAN'S analysis.

My primary objection is that he misses the entire point of the so-called balance-budget movement. The objective of those, like myself, who support measures to require a balanced Federal budget is not to balance the budget at all cost, to the exclusion of all other goals, but to reduce the size, growth, and burden of Government.

We believe that a balanced-budget requirement will supply the backbone Congress needs to resist the demands of special interests and those who benefit from Government spending. Thus the question of whether the public sector budget is balanced or not is totally irrelevant.

Another point Senator MOYNIHAN raised in this connection related to aggregate deficit spending and inflation. I am prepared to concede that deficit spending per se is not inflationary. This is because inflation is basically a monetary prenomenon—too many dollars chasing too few goods, as they say. But deficits put pressure on the monetary authorities to increase the quantity of money. What happens is that the Treasury goes into the money market to borrow funds to cover the deficit, which raises interest rates and crowds out private borrowers, leading the Federal Reserve to create new money in an effort to bring interest rates back down again. Unfortunately, what then happens is that an inflation premium gets tacked on to interest rates and they end up being even higher than they would otherwise be.

Another problem I have is that Senator MOYNIHAN appears to be mixing apples and oranges when he compares State and local government finances to Federal finances. Virtually every State and local government in America has either a constitutional or statutory obligation to balance its budget. And even if they were not required to do so by law economic necessity would force them to, because State and local governments do not own printing presses like the Federal Government does. If they go too long without balancing their budgets they will literally go bankrupt and no one will ever loan them money again.

Thus, to say that State and local government surpluses somehow offset Federal Government deficits is not really valid. One might as easily say that General Motors' budget surplus last year, which we call profits, offsets the budget deficit to that extent. Or one could say that since all corporations had profits of $178.1 billion in 1978 that there was actually a surplus of $148.7 billion in the Federal-corporate consolidated budget. Obviously this is nonsense.

The last point I would raise is this: The burden of Government is not simply what it taxes and spends, but the total amount of resources which it directs and controls. In this sense, we should add to the Federal Government's outlays the amount of money spent by the private sector for compliance with Government rules and regulations, and the total amount of money Government takes out of the economy in terms of borrowing—not just the amount which finances the public debt. Thus the President's 1980 budget estimates that total Federal borrowing will amount to more than $80 billion in fiscal 1980 even if the deficit is held down to $29 billion. I would also point out that as of September 30 of last year the Federal Government had outstanding loan guarantees amounting to $230 billion.

In closing I will just say that we can play with numbers all day, but the fundamental issue remains how do we restrain the growth of Government. The amendments offered by Senators DOLE, ARMSTRONG, and others are just different ways to cope with this fundamental problem. This is why I think we need a balanced-budget amendment to the Constitution and any other controls we can come up with to reduce the size and power of Government.

Thank you, Mr. President.

Mr. MOYNIHAN. Mr. President, I would like to thank the Senator from Colorado for his observations, which were clarifying. But I do not believe that the concern of the sponsors of this measure should only be with the problem of inflation, and not with the problems of depression, recession, or unemployment.

I spoke earlier at some length about that with the Senator from Colorado. I will note, Mr. President, that later in the day I will call up an amendment which says that in establishing these balanced budgets the Congress shall provide, as nearly as possible, equal per capita expenditure levels among the several States.

I do that in unabashed self-interest because, as the Senator knows, my State is in a deficit relationship with the Federal deficit. We send billions of dollars each year to be expended in other regions of the Nation.

As the Senator, I think, might also note, the tables that we have available and the data we have available show his State to be in a significant surplus. I know I will have his thoughtful attention to the matter, and I dare even hope I might have his support.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, I rise to discuss the comments of the distinguished Senator from New York regarding the National Journal of 1976–77.

The authors claimed that the Northeast and Midwest pay more in Federal taxes and get less in Federal expenditures than do the South and the West.

Since the National Journal articles, a number of in-depth studies have been done by a variety of governmental and private organizations. The Congressional Budget Office, the Congressional Research Service, and the Government Accounting Office have all been highly critical of the conclusions reached in the National Journal articles. In good measure, their conclusions rest upon an illusion created by the statistical devices utilized, among them what one scholar has called "the perils of per capita."

We in the West are still the "little guys"—especially those of us in the Southwest. Our populations are sparse compared to the great metropolitan centers of the Northeast and Midwest. Consequently, even small expenditures can look large using strictly a per capita measure. It might be asked, Why disperse funds on anything but a population basis? Certainly, this would insure there would be no disparities between the States.

The answer, unlike the question, is many faceted. First, not all types of Federal disbursements could be reasonably made on a per capita basis. For example, social security payments are individual entitlements—they must go to the States where the recipients live. Or, consider a long established military base. Its payroll can only be distributed in one place. Furthermore, the base itself can only be located in one place.

Formulas based solely on population would be inconsistent with federalism. But that is a philosophical argument. There is a practical one as well. We undertake a national census only once every 10 years; however, population shifts occur much more rapidly than that. States with dynamic population growth, such as those in the West and the South, would be doomed to a perpetual 10 year lag in funding formulas. Conversely, States that are losing population would be given a bonus for those 10 years, receiving more Federal moneys than strictly population distributions would warrant.

Mr. President, I am quite willing to admit that gross figures appear to give the West and South an edge over the Frostbelt, if you want to refer to it as that. However, anything less than gross figures do not support across-the-board generalizations that the Sunbelt fares better. Consider defense spending: In fiscal year 1976, Oregon received $48 per capita in defense contracts while Connecticut received $620; Arizona received $302 per capita, while Massachusetts received $348.

Frostbelt advocates are quite fond of citing the large numbers of defense contracts that go to Sunbelt States. However, they are unwilling to admit that at least $20 billion is subcontracted to the Northeast and Midwest on an annual basis. Therefore, the supposed advantage is more an accounting trick than a reality. At the same time, they maintain that interest payments on the national debt that flow into New York should not be counted as Federal disbursements to the frostbelt. These funds, they argue, flow out of New York to banks in other parts of the country. At least, we should be consistent. If we are going to refuse to exclude Federal moneys subcontracted to non-Sunbelt States as part of the overall Federal flow into the Sunbelt, we should not simultaneously exclude moneys flowing into New York as payment toward the national debt.

Throughout this discussion, it is important to maintain some perspective. The picture that is painted by Frostbelt advocates—such as the Senator from New York earlier today—depicts the West and Southwest as the repositories of great wealth. In truth, of course, these areas are economically disadvantaged compared to the Northeast. For example, Arizona, my own State, in 1975 had a per capita income that amounted to only 91 percent of the national average. Even Texas was below the national average. New York, conversely, has a per capita income of 111 percent of the national average; New Jersey stood at 114 percent; and the District of Columbia was 131 percent of the national average.

If we rate counties in America on the basis of high, medium, and low income, we find that fully 81 percent of all low income counties are in the South and Southwest. To reinforce that tendency, a recent Congressional Budget Office study concluded that more Federal funds per capita were spent in high income counties.

Finally, we need to keep the economic prosperity of the Sunbelt in perspective. In a study by the Department of Commerce in 1976, it was found that the northern tier of States still possess a significant lead in the level of economic development in both aggregate and per capita terms.

The last point I want to cover is the specific question of whether the Sunbelt receives more in Federal expenditures than it sends to Washington in the form of taxes. The ostensible answer is, "Yes." But we need to look beyond the obvious to understand its meaning. First, most experts have serious reservations about including the corporate tax in a State's tax contribution to the Federal Government. The reason is simple: This merely reflects where the corporate headquarters happens to be located, not where production actually occurs. Thus, States like New York and Delaware—and thus the entire Frostbelt, the entire Northeast area—appear to have paid more in Federal taxes than other accounting techniques would suggest. The Government Accounting Office, unlike the National Journal articles, calculated the Government aid/tax support ratio using only Federal income taxes. Done this way, the results are inconclusive. The South turns out to have the highest Government aid/tax support ratio; but the Northeast is second; the West is third; and the Midwest is last. Thus, the concept of the Sunbelt versus the Snowbelt simply becomes meaningless. The same is true when individual States are compared. Arizona's government aid/tax support ratio is 1.09. However, Rhode Island's ratio is 1.27, Maine's is 1.68, and New York's is 1.27.

A second major source of distortion in these figures is social security payments. Many individuals retire to Arizona and Florida because of the climate. Thus, they receive their social security checks here. This counts toward the overall support given to our States, but the taxes were paid elsewhere, where they labored.

The Sunbelt-Frostbelt controversy is greatly overdrawn. It is largely meaningless because it reflects inadequate data, faulty methods, and often contradictory assumptions. I would reiterate that what we are faced with is the normal and expected growth of the West and the South after decades of economic stagnation. Unfortunately, some persons view this as a threat to the more established areas of the country, and believe that our growth must be at their expense. Such notions are inconsistent with the facts and fan the flames of sectional rivalries this country does not need. The idea that the West and South get a better return on their taxes is, in large measure, the result of questionable calculating methods.

Mr. STENNIS. Mr. President, I call to the attention of the Senator from Louisiana his amendment which has reference to the presentation by the Budget Committee of a report by April 15, 1979, and then a reference to the fiscal year 1981 and future fiscal years, including fiscal year 1982.

As the Senator from Louisiana knows, my concern, as I expressed it here yesterday afternoon, is about leaving the jurisdiction, powers, and responsibilities of the authorizing committees unimpaired and unchanged with reference to their responsibility for considering the budget and making a preliminary report to the Budget Committee.

I have called that to the attention of the Senator from Louisiana and have spoken with him about language. If I may ask him in the form of a question, what change, if any, does the Long amendment, to which I have just referred and described, have on the authorizing committees, the Appropriations Committees, and also the taxing committees of the Congress?

Mr. LONG. Mr. President, it would not make any change. The relationship between the authorizing committees, the appropriating committees, and the taxwriting committees on the one hand, and the Budget Committee on the other, would remain exactly the same as it is now. What this amendment contemplates is that in 1980 and 1981 the Budget Committee would report to the Senate a balanced budget for fiscal years 1981 and 1982. Prior to reporting that, this year it would report certain projections that would indicate how it thought the budget might be balanced in 1981 and 1982.

When the first budget resolution comes in for 1980—by April 15, 1979—it is not envisaged that that would be a balanced budget for 1980. But the committee might suggest certain reductions that would be appropriate in 1980 if we were expecting to have a balanced budget in 1981.

For the first budget resolutions for fiscal years 1981 and 1982, the committee, if it wants to, can favorably report a balanced budget or, if it wants to, it could report unfavorably on its balanced budget and favorably report an unbalanced budget. It could say, for example, that it does not recommend that we try to balance the budget in 1981, but it is, nevertheless, submitting how the committee thinks the budget would best be balanced if we wanted to do that in 1981. It might also take the same attitude, that we either should or should not have a balanced budget for 1982. But if the committee concluded that we should not have a balanced budget for 1982, it would be under the burden to submit to the Senate how the Budget Committee would propose to balance the budget for 1982 if that should be required.

This in no way would change the relationship between the Budget Committee and the authorizing committees, the Appropriation Committee or the Finance Committee, so that each of those committees would make their recommendations, just as they would do now.

The Senator will notice that there is no proposed change here in any ruler relating to committees other than the Budget Committee. They can provide whatever information they want to provide, just as they have been doing. Obviously, nothing that is recommended by the Committee on the Budget, whether it recommends it as an alternative or whether it recommends it as its principal recommendation, is binding on the Senate. The Senate would have to act on it. I assume the Senate would act on it as the conscience of the Senate would dictate.

So, there would be no change in the relationship of the Committee on Armed Services, for example, and the Committee on the Budget. The Armed Services Committee would still recommend what it thought was essential for national defense. The Budget Committee would take all that into account and, if it did not recommend what it thought was adequate, it is assumed that, just as under the present situation, those who speak for the Armed Services Committee and others would propose amendments on the floor to provide adequately for national defense.

After all, from the point of view of many of us and I even include Howard Jarvis, the author of proposition 13, in the spirit of this language, because I heard him say it personally—it is not this Senate that determines how much we need for national defense, it is the Russians who determine how much we need for national defense. Our level of defense spending depends on how much it would take to defend ourselves against the greatest military power that exists anywhere else on Earth.

Mr. STENNIS. I thank the Senator, and, as the author of the amendment, the Senator from Louisiana, has said, as I understand him, regardless of what the Budget Committee might report here as an alternative or as a report or in language of a report or in language of a resolution itself, there is no authority here, in the Long amendment, that gives that report or language any status of any kind, that changes or impinges on or diminishes the responsibility, jurisdiction, power, the whole situation, that presently is in the authorizing and appropriating and taxing committees.

Mr. LONG. It is not in the amendment and it is not intended to be in the amendment. In other words, just because the Budget Committee reports something does not mean that the Senate is bound to it, no more than it means that we would be bound to something if the Armed Services Committee reported something. That does not mean we have to agree to it. That only means what the committee reports.

In this particular case, I believe the record makes it very clear that the Budget Committee is not even required to recommend a balanced budget. They are only required to report how the Budget Committee thinks that we might be able to balance the budget and how that committee thinks it would have to be done if compelled to do so. The Budget Committee could report out its balanced budget unfavorably and favorably report a balanced budget.

Mr. STENNIS. I thank the Senator again.

The reason I bring this up now, and I want to make this clear, is that I must go to a meeting of the Appropriation Committee, where we have the witnesses waiting, and another thing, legislatively, I could not offer an amendment now, even if I wanted to.

But this colloquy, in my opinion, covers the matter fully. When the Senator from Maine comes in, I want to interrogate him the same way, as he is chairman of the Budget Committee itself.

Mr. LONG. I feel sure that the Senator from Maine will confirm what I am saying, that this resolution would not change the relationship between the Budget Committee and the other committees, nor does it bind any committee, including the Budget Committee itself, to vote for the so-called balanced budget which the Budget Committee is required to report to the Senate.

Mr. STENNIS. I thank the Senator very much.

Mr. DOLE. Mr. President, I hope we can vote very soon on the perfecting amendment of the distinguished Senator from Louisiana.

It still is the hope of the senior Senator from Kansas that we would defeat the Long perfecting amendment—the Herbert Hoover amendment—and then go back to the stronger amendment offered by the Senator from Kansas and the Senator from Colorado.

But if we adopt the Herbert Hoover amendment offered by Senator LONG, then I assume that there would still be room for additional amendments.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOLE. Mr. President, if the Long amendment is adopted, is the Dole amendment, as perfected by the Long amendment, still open to further amendment?

The PRESIDING OFFICER. An amendment at the end of the amendment, or the amendment to the word "shall," would still be in order.

Mr. DOLE. The word "shall"?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. Mr. President, it may be that we have an amendment of this kind drafted. I am not certain whether it will be offered, but if it is, it would only be offered in good faith to try to tighten up and complement the efforts of the distinguished Senator from Louisiana.

The Senator from Kansas would like to repeat, as I have each day on the floor, that I do not know of anybody who strives more for a balanced budget and fiscal responsibility than the distinguished Senator from Louisiana.

So this is not a contest—at least as far as this Senator is concerned—of who is most responsible or most hopeful for a balanced budget. I do not believe that is an issue. It may be, as the Senator from Kansas indicated yesterday, that the Senator from Louisiana has a better idea.

The only difference between our approaches is that the Dole-Armstrong amendment is tied to further increases in the debt ceiling and it would bring about a little more discipline by requiring either a two-thirds or a three-fifths vote.

In the event of the defeat of the Long amendment, then we will be voting on the original Dole-Armstrong amendment that provides that beginning in fiscal year 1981, there could be no more debt limit increases beyond the May 1, 1980, level, unless the second concurrent resolution on the budget provides for a balanced or surplus budget, or more than three-fifths of the House and Senate agree to a budget resolution which projects a deficit.

The amendment would not affect the combined (temporary and permanent) debt limit level provided for in H.R. 2534, $830 billion, which will cover our debt needs through the end of fiscal year 1979. The amendment does not address the question whether there should be any additional increases in the debt limit for fiscal year 1980.

Again, I emphasize and repeat: In effect, the Dole-Armstrong amendment would implement the amendment offered by the distinguished senior Senator from Virginia (Mr. HARRY F. BYRD, JR.), which was adopted last year, to balance the budget by 1981—Public Law 95–435.

The Dole-Armstrong amendment also would implement the administration's projection that we will have a balanced budget by fiscal year 1981. In fact, this projection is contained in the President's March 1979 OMB update of the President's budget. The projected surplus in fiscal 1981 is approximately $300 million.

The Dole-Armstrong amendment would permit a deficit in the event of extraordinary circumstances. It also allows sufficient time for the administration and Congress to plan for the difficult choices a balanced budget will impose.

Our amendment would permit debt limit increases after the budget is balanced. This is necessary because even with a balanced budget, the public debt still is raised by off-budget items, trust fund investments, and cash-flow shortfalls.

Mr. President, again I would like to emphasize that there was strong bipartisan support for this approach in the House of Representatives, where a similar amendment lost, as I recall, by a vote of 201 to 199. That indicates a great deal of bipartisan support. In fact, the principal author of the amendment was a member of the majority party, and he had a great deal of support from the members of the minority party.

I suggest that the Dole-Armstrong amendments offers an opportunity to address not only the balanced-budget question, but also to tie it to further increases in the debt limit. There may be a number of opportunities this year to record ourselves on the balanced budget concept. There even could be an opportunity later this year or next year to record ourselves on whether or not we favor a constitutional amendment for a balanced budget.

As the distinguished Senator from Texas (Mr. TOWER) said yesterday, one way to resolve the question of whether or not there should be a constitutional convention, a prospect which causes many a great deal of concern, would be to put together some of the resources and wisdom in both parties in Congress to draft an appropriate constitutional amendment for a balanced budget with the required flexibility, such an amendment would be a responsible answer to the 70 or 80 percent of the American people who are looking for us to bring some reason into the spending process. It is my hope that Congress may draft such a constitutional amendment sometime this year or early next year and submit that amendment to the States. This move would sharply reduce and probably stop altogether the efforts to call a Constitutional Convention.

I do not know of anybody in the U.S. Senate who does not want a balanced budget. So what we do should not be viewed as a Republican effort or a Democratic effort or a partisan effort to try to impose our will upon others in the Senate with reference to the budget process.

I commend the distinguished chairman of the Budget Committee, Senator MUSKIE, and the distinguished ranking Republican member, Senator BELLMON, for their tireless efforts to bring about some discipline and to make us more responsible as we deal with budget matters. They have done an outstanding job—there is no question about it.

Nevertheless, I do not believe that the Senator from Colorado (Mr. ARMSTRONG) and the Senator from Kansas are not offering any radical proposal. It seems to this Senator to be a well-reasoned proposal that has a great deal of support.

The Dole-Armstrong perfecting amendment was tabled yesterday by the smallest of margins—46 to 44.

It seems to me that there may be a great deal of merit not only in what the distinguished Senator from Louisiana suggests, but also in what the distinguished Senator from Oregon (Mr. PACKWOOD) suggests. The Senator from Oregon as a member of the Budget Committee has had his finger on the budget process for a long time.

I hope that when we finish debate on the public debt limit, the measure will have attached to it appropriate amendments that indicate our concern, in a strong nonpartisan, bipartisan way—that we are willing to make the tough decision; that we are willing to cut even where it hurts. If that happens, I believe that not only will we have the everlasting gratitude of the American people—maybe not immediately, but very soon thereafter—but also, we can tell the American people that we truly have insured a balance budget.

It supports President Carter's efforts to have a balanced budget by fiscal 1981. It is not directed at President Carter. It is directed to the next President of the United States, because we are talking about fiscal year 1981.

Therefore, I hope we will reject the Herbert Hoover-Russell Long approach and come back to the Bob Dole-Bill Armstrong approach. If Herbert were here, I think he would say the same thing.

Mr. President, I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, we will vote shortly—up-or-down, I hope—on the amendment that has been offered by Mr. LONG and myself and Mr. CRANSTON and other members of the ad hoc committee, as well as by Republicans who have combined in support of this matter.

This amendment takes a responsible approach to achieving balanced budget. It stipulates that "Congress shall balance the Federal budget" and that "pursuant to this mandate, the Budget Committee shall report by April 15, 1979, a fiscal year budget for 1981 and a fiscal year budget for 1982 that shall be in balance."

Furthermore, the committee shall show the consequences of such a budget "on the economy, setting forth the effects on revenues, spending, employment, inflation, and national security."

It meets the requirement that Congress not lock itself into a fiscal straitjacket as it moves toward a balanced budget. It would allow Congress to evaluate the impact of a balanced budget in the light of economic conditions and in the light of defense needs.

In contrast, the amendment by Mr. Dole could lock us into a balanced budget regardless of our economic situation and regardless of our national security situation. It could lock us into a balanced budget at times when such a policy would prove economically counterproductive. For example, what would happen if we should experience a serious economic downturn? Should that become a recession? Should that then become a depression? The requirement of a balanced budget could tip the economy into a recession, if Congress were mandated to balance the budget without studying the consequences. It could tip the economy from a slowdown into a recession, and it could slide further into a depression.

What would happen in periods when the economy heats up and we are faced with an economic boom? The requirement of a balanced budget would allow excessive stimulus to the economy and so allow the situation to get out of hand.

Mr. President, let us move toward a balanced budget, but let us do so responsibly and through the congressional budget process.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. LONG. Mr. President, I believe that one thing we should consider—and this is something that definitely must be considered—is that if we are going to have a balanced budget for fiscal year 1981, we probably cannot have any major tax cut before 1982. We will have to decide whether the American people want a balanced budget more than they want a tax cut, and whether a tax cut would be better or worse for the economy than a balanced budget.

Mr. Howard Jarvis, the great advocate of proposition 13, is telling the people across this country that the people of this Nation are more interested in a tax cut than in a balanced budget. Obviously, there is room for debate about that. I am sure that some Americans would feel one way about it and others would feel differently.

However, when we see the prospect of a big increase in the social security tax, come January, and when we see the effects of 2 years of inflation pushing up tax rates—because to maintain the same purchasing power a person has to make more money, and they are pushed up into a higher tax bracket because of that and pay a lot more tax, even in terms of constant dollars—there will be a tremendous pressure on Congress at that point for a big tax cut.

And there will undoubtedly be Senators. including some who advocate a balanced budget, who will be for a tax cut.

My advice is that we cannot have a major tax cut, we cannot postpone that social security tax increase, and still have a balanced budget.

Would it not be better to make that decision when the facts are all before us.

Assuming, for the sake of argument, that by that time we are thoroughly convinced that the overwhelming majority of the American people want the tax cut, would it not be better to let the decision be made by a majority vote rather than require a 60-percent vote to carry out what the majority of the American people perhaps would want at that point?

Mr. ROBERT C. BYRD. Mr. President, I have to answer the Senator's question in the affirmative. I think all these factors have to be considered. All of the complex ramifications have to be considered before we take certain steps. The amendment that has been offered by the distinguished Senator from Louisiana allows Congress to have this full broad picture so that it will know what the ramifications are with respect to Government spending, with respect to tax cutting, tax revenues, tax increases or whatever may be the case, and the American people could understand the ramifications.

In other words, do we cut spending for defense? Or do we cut spending for jobs? So these are the factors that we should consider.

We want to go into this thing with our eyes open. I want a balanced budget. The Senator from Louisiana wants a balanced budget. Everyone is for a balanced budget. But there are times that the budget can be balanced without jeopardy to the economy, without jeopardy to the national defense, and there may be times when it cannot be balanced without prejudicing one or the other. So the approach that the senior Senator from Louisiana has taken in support of others here is the right approach and still balance that budget. That is our goal. That amendment mandates that the budget be balanced. But it also mandates that we have a comprehensive picture of what the effects of the balanced budget will be, where we have to cut it, where we have to add in order to achieve that balanced budget.

So it would require that all of these issues be faced up to in the context of the overall budget process.

As to the two-thirds or three-fifths vote, whatever it may be—it is two-thirds at the moment, I believe, in the amendment which Mr. Long's amendment is addressed—this would require a super, super majority; in other words, one-third plus one vote could stop spending for national defense or for jobs programs. If a minority of one-third plus one was so insistent upon it, insistent upon a balanced budget that it was willing to hold firm, it would mean that two-thirds of the Senate and House of Representatives would not be representative of the best interests of the Nation, would not be representative of the majority of the American people.

So I do not believe that the Senate should straitjacket itself in an attempt to go down that road.

So, Mr. President, I support the amendment, and I hope that the Senate will vote up the amendment by Mr. Long.

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. CRANSTON. For all the reasons the majority leader has given plus those given by the distinguished Senator from Louisiana, I simply wish to make plain my strong support for the pending amendment.

I am delighted that I was able to play a part in putting it together. I strongly believe in a balanced budget, but I believe in reaching that balanced budget at the earliest possible moment in a responsible way, taking into account all the national interest, national defense, and other interests. I applaud the leadership of the two Senators who have just spoken for their part in getting this amendment before this body.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority whip. I believe that the Long amendment shows the way to balance the budget in the responsible way that the distinguished Senator from California just stated, and it recognizes that the path to a balanced budget is going to be paved by hundreds, even thousands, perhaps, of difficult decisions on what should be the levels of Government spending here, what should be the levels there for job programs, for national security, and so on.

I say, Mr. President, in closing, there is no substitute for doing this the responsible way because the responsible way is going to be the right way. There is no substitute for hard, deliberate work by Congress to achieve a balanced budget. There is no shortcut.

Mr. DOLE. Mr. President, I shall just take a minute. I certainly do not quarrel with anything that has been said except I am reminded that when proposition 13 was pending in California no one was for it until after the voters there passed it. Then Governor Brown originated it after the fact. He became the author of the amendment.

There is a great deal of public sentiment that we do something to balance the Federal budget. Perhaps it is not fully understood just how difficult the budget process is. Certainly no one suggests that we should make a judgment in Congress that affects any American or any program without having all the knowledge. Nevertheless I believe that the American people collectively want us to do something—to whittle back on spending and to have more oversight of programs, even though some interests may suffer some in the process.

I think that is probably the thrust of the majority leader's efforts this year—spending more of our time looking at old programs, trying to ferret out abuse or waste, trying to determine whether programs have been cost-effective so we can do more with the dollars that we have. No one quarrels with those objectives.

Again, I will repeat that I do not question the motives of anyone. It just seems to us that we Republicans have a better idea in this one instance. When we defeat the Herbert Hoover-Russell Long amendment that is now pending then we can return to the substantive Dole-Armstrong amendment, which ties the balancing of the budget to the debt ceiling. I believe this approach makes a great deal of sense without doing violence to the process.

The Dole-Armstrong amendment simply says what the President projects—that in fiscal year 1981 we are going to have a balanced budget. The President is projecting a $300 million surplus. We do not think that is unreasonable. Therefore, I hope that the pending amendment will be defeated.

● Mr. BAYH. Mr. President, I am pleased to be able to vote in support of the Long amendment to the debt ceiling legislation. This legislation will require the Budget Committee, in its April 1980 resolution, to report to the Senate a balanced Federal budget for fiscal year 1981. It will assist the Senate in its efforts to implement that portion of the International Monetary Fund legislation the Congress passed last year requiring a balanced budget in 1981. I supported that amendment also and I believe that a mandated balanced budget resolution will enable both the Congress and the American people to make informed and intelligent decisions concerning our economic priorities and Federal spending. I should point out that the estimated deficit for next year is substantially below that of this and previous years. I would hope, therefore, that this trend will continue and that we may indeed be able to reach a balanced budget by 1981.

I might also emphasize, Mr. President, that although there are statutory balanced budget requirements currently on the books, the Subcommittee on the Constitution, which I have the honor to Chair, has already begun hearings on the various proposals introduced in the Senate which seek to amend the Constitution to require a balanced budget. These hearings will continue and in that process we will be monitoring our progress in reducing excess Federal spending and gaining greater control over our budget deficits.●

● Mr. GARN. Mr. President, Senators will recall that during consideration of the Revenue Act last year the Senate adopted an amendment which would have tied substantial, across-the-board tax cuts to spending cuts. This measure, which was called "Son of Roth-Kemp" was also supported by a 2-to-1 margin in the House. Unfortunately, after some strenuous arm-twisting, and in the face of tremendous lobbying by the White House, this provision was dropped in the conference committee. Instead, we passed tax cuts which do not even offset the increases in taxes for social security, and the effects of inflationary "bracket creep."

Mr. President, we cannot continue to mislead the American people in this way. They are not stupid. They see their tax burden continuing to grow, despite the "tax cuts" we pass here year after year. They become cynical, and rightfully so. The son of Roth-Kemp, passed last year, offered the promise of real tax rate reductions, and an increase in incentive for economic activity. More importantly, this measure offered the possibility of a balanced budget by 1981, something that is virtually universally desired in this country, at least outside the peculiar precincts of politics and theoretical economics.

Luckily, we have another chance to adopt this sensible measure. Senator ARMSTRONG has introduced it, with a number of cosponsors, with whom I am happy to be associated. The economic justification for this amendment is there, the political pressure for it overwhelming. For once, good sense and good politics are allied, and I urge my colleagues to adopt this amendment.●

Mr. ROBERT C. BYRD. Vote.

Mr. LONG. Vote.

Mr. DOLE. The yeas and nays have been ordered.

Mr. LONG. They have been ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

On this question. the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Illinois (Mr. PERCY) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) would vote "nay."

The PRESIDING OFFICER (Mr. LEVIN). Is there any Senator who has not voted?

The result was announced—yeas 57, nays 42, as follows:

[Rollcall Vote No. 22 Leg.]

YEAS—57

Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Cranston
Culver
Durkin
Eagleton
Exon
Ford
Glenn
Gravel
Hart
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Pryor
Randolph
Ribicoff
Sarbanes
Sasser
Stennis
Stewart
Stone
Talmadge
Tsongas
Weicker
Williams

NAYS—42

Armstrong
Baker
Boschwitz
Byrd,
  Harry F., Jr.
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Garn
Goldwater
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
McClure
Pressler
Proxmire
Riegle
Roth
Schmitt
Schweiker
Simpson
Stafford
Stevens
Stevenson
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—1

Percy

So the amendment (No. 124) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LONG. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 53

(Purpose: To require the Federal Government to end deficit financing)

Mr. DeCONCINI. Mr. President, I send to the desk a perfecting amendment to amendment 111, and ask for its immediate consideration.

Mr. HARRY F. BYRD, JR. Mr. President, may we have order? We cannot hear the Senator.

The PRESIDING OFFICER. The Senate will be in order. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Arizona (Mr. DECONCINI) proposes an unprinted amendment numbered 53.

Mr. DeCONCINI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The amendment is as follows:

Add the following new sections at the end of amendment 111:

SEC. 5. No later than the twentieth day after the close of each fiscal year, beginning with Fiscal Year 1981, the President shall—

(1) ascertain the total receipts of the Government during such fiscal year, not including any receipts derived from the issuance of bonds, notes, or other obligations of the United States, and not including any receipts from any income tax surtax imposed under this article;

(2) ascertain the total outlays of the Government during such fiscal year, not including any outlays for the redemption of bonds, notes, or other obligations of the United States; and

(3) if the total receipts described in paragraph (1) are less than the total outlays described in paragraph (2), determine the percentage rate of income tax surtax, to be imposed as provided in section 6, which is necessary to provide an additional amount of revenue equal to the amount by which such total receipts are less than such total outlays, and transmit to the Congress, by special message, the rate of income tax surtax so determined.

SEC. 6. Subject to the provisions of section 7, an income tax surtax, at the rate determined and transmitted by the President under section 5—

(1) shall be effective for the calendar year following the close of the fiscal year with respect to which the determination was made, or for so much of such calendar year for which such surtax is not suspended under section 7, and

(2) shall apply, as an additional income tax for the period for which it is in effect, with respect to the income tax liability of each taxpayer which is attributable to the portion or portions of such taxpayer's taxable year or years which fall within such period.

The income tax liability attributable to a portion of a taxable year falling within a period shall be based upon the ratio of the number of days in the taxable year within such period to the total number of days in the taxable year.

SEC. 7. In the case of a grave national emergency declared by Congress (including a state of war formally declared by Congress), the income tax surtax which would otherwise be in effect for a calendar year under section 6 may be suspended for such year, or a portion thereof, by a concurrent resolution agreed to by a rollcall vote of two-thirds of the Members present and voting of each House of Congress, with such resolution providing the period of time, if less than the whole calendar year, during which such surtax is to be suspended.

Mr. DeCONCINI. Mr. President, the amendment that is before the Senate is, in essence, the substance of Senate Joint Resolution 2. But whereas Senate Joint Resolution 2 is structured in the form of a constitutional amendment, what we have before us now has been rewritten as legislation. Obviously, it is not as binding as a constitutional amendment would be—a fact which appeals to some and concerns others.

Realistically, Mr. President, a constitutional amendment mandating a balanced budget is always possible, but not very likely. While the political climate in the country overwhelmingly supports such an approach today, that sentiment has not penetrated Congress yet as the votes of the last few days amply reveal.

I personally favor a constitutional amendment to require a balanced budget. But, I can see the validity of many of the arguments advanced by my colleagues and others.

Yet, Mr. President, the argument that Congress needs to maintain maximum flexibility in its consideration of budgetary matters has certain weaknesses as well. It sounds good. It lends itself to excellent rhetoric about our responsibilities and about the welfare of the economy and about who will make the decisions of what to cut.

What I am proposing does tend to limit our discretion somewhat. But more importantly, it provides for automatic consequences unless certain decisions are made. By the terms of this amendment, an income tax surtax is automatically imposed to make up the deficit. Now, this surtax can be stopped if two-thirds of the Congress enacts a resolution declaring that a national emergency exists. Obviously, such an emergency could consist of a state of war or an economic recession or whatever the Congress chooses to label an emergency.

But, prior to discussing the arguments, let me briefly outline the manner in which the legislation would work. Twenty days after the end of the fiscal year, the President would be required to calculate the amount by which expenditures exceeded revenues. Having done that, the President then submits to the Congress a message which incorporates a surtax designed to precisely offset the shortfall. This surtax would go into effect automatically for the following calendar year. Thus, for example, if the 1982 fiscal year were to reveal at its conclusion a deficit of $10 billion, the President would submit during October a proposal incorporating a surtax that would raise $10 billion during the calendar year beginning that January—that is, calendar year 1983. Unless the Congress declared a national emergency by a two-thirds vote of each House, the tax would go into effect with no congressional action required.

This proposal is not new. It has a venerable history in the Senate, although no action has been taken. I believe we have an opportunity this Congress to implement legislation of this type to see if it will assist us in becoming more responsive to the clear wish of the electorate that the Federal budget be balanced.

Let me make it clear, Mr. President, that I am no different than my colleagues. I would much prefer to satisfy the wishes of groups of constituents for this new program or that or increased funding for an existing one. And I would much prefer not to vote for higher taxes. But it is precisely because the pressures on politicians are structured as they are that we find ourselves with such huge Federal deficits.

The problem, Mr. President, arises out of the fact that the pressures to increase spending are very specific, very vocal, and very concrete. A group in the State will write or see us urging that a small amount—say, an additional $10 million—be added to a particular program because of the good it is doing. The people who make this request are almost always terribly committed. And the amount is small in comparison with a Federal budget of hundreds of billions of dollars. But most importantly, that increase is only an issue with those people. There is no comparable group in the State fighting the increase, and thus defining it as an issue. For most of us, most of the time, acceding to these wishes is the easiest and most politically expedient course of action. Most of us, including myself, succumb.

This very simple fact of political life must be coupled with another equally simple fact. The pressures to cut spending are entirely different than the pressures to increase spending. The desire to cut Government programs and outlays is by and large abstract. It is articulated more as a principle and not a concrete proposal. Those who propose cuts rarely specify what they should be, leaving that very difficult decision to Congressmen, Senators and the Executive. In fact, some of the most ardent and vociferous advocates of reduced Government spending may well be urging increases in some programs that they personally—or when wearing a different hat—favor.

The net result of this situation is a tendency to pay lip service to the notion of Government economy at the level of political rhetoric and to assist constituent groups obtain greater funding or new programs at the concrete political level. It is a cynical compromise with an unfortunate reality.

It seems to me, Mr. President, that in reviewing the history of this Nation, we must admit that a deficit national budget is by no means an evil in and of itself. There are times when a deficit is good; there are times when it is bad. Lord Keynes laid out a plan in this regard, and much of what he said is surely valid.

Yet, Mr. President, it strikes me—and I base this largely on my personal experience since coming to Washington—that the Keynesian view has created a bad habit that we are finding it difficult to break. Most Government deficit spending is not flexible spending. Thus, we find extremely difficult to overspend 1 year because the economy needs it, and then cut back the following year if the economy no longer needs it. The Government spends money through programs which require bureaucracies which require buildings and civil service job guarantees and which engender in the public specific constituencies that do not want the program or its benefits stopped. Thus, it is easy to spend, excruciatingly difficult to stop spending.

This fact must be viewed against the backdrop of deficit spending. While at any given time it may be good or useful to overspend—that is, deficit spend, this does tend to become a habit. Politicians find it easy to say "yes" to continued spending because they can raise this or that program without the terribly difficult task of enacting higher taxes to pay for the program. To some extent, therefore, the spending syndrome is a sort of incumbents protection policy. Politicians fight for increases for this or that because specific interest groups in the State want them. They do not have to justify the benefits of these expenditures against the costs attendant to increased taxes. And so, the politician makes friends at home at the expense, ultimately, of all the American people and even future generations who will have to continue to bear the burden of the national debt.

I believe, Mr. President, that the men and women who elected us would like us to exercise good judgment and make hard decisions for them about the nature and direction of our Government. I believe that to meet that responsibility we must eliminate from our thoughts and our actions the use of the public purse for parochial political purposes. More importantly, we must begin with the assumption that the Federal budget, like any other budget, should be balanced. This makes sense intuitively and it is a neutral position as far as the Keysean model is concerned.

I grant that bringing the budget back into balance today will be difficult politically. But that difficulty is the price we pay for too many years of extravagance. To achieve balance, we will have to reduce spending in many areas that will disturb many of our constituents. But we must do it. Once we have reached that point, we should stay in balance, either through increased taxes or decreased expenditures. If and when the situation demands, we should adopt an unbalanced budget, but we should do so in such a manner as to allow us to stop this additional spending rather quickly.

I believe, Mr. President, that the amendment I am offering today may well constitute the first important step toward what I hope will be an altogether new approach to the question of fiscal responsibility.

Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LONG. Mr. President, the thought has been expressed to me by Senators who have looked at this measure that they believe it may violate the Constitution. Under the Constitution, only the Congress can raise taxes. This amendment gives the President the power to raise taxes. Of course, it states on what basis the President can trigger this action. It says that the President shall ascertain, he shall determine the percentage rate and transmit that to Congress by special message, and that shall go into effect.

It can be contended that this amounts to the President raising taxes, and, if so, Mr. President, it would be clearly unconstitutional, because only Congress can raise taxes. But over and above that, Mr. President, there are substantive reasons why the amendment should not be agreed to.

I suppose the most compelling reason, from the point of view of the American public, is that the American public does not want us to balance the budget by raising taxes. What they want us to do is to balance the budget by cutting spending. The American people think there is too much spending going on in this country, and they are right. They think there is a tremendous amount of waste, especially in some of these social welfare programs. They believe we ought to eliminate a lot of this waste. They feel that having done so we would not have to raise any taxes, but we could cut taxes.

It was my pleasure to visit with Mr. Howard Jarvis over the last weekend and he was expressing the view he has been telling people all over the United States. That is that the people of these United States are much more interested in a tax cut than they are in a balanced budget. They would like to have a balanced budget. Yes, that would be nice, but even more than that, these families are hard pressed by inflation, especially those who are not able to move into a home because of the taxes, the high interest rates, and the inflation with which they are confronted. They do not have the opportunity to move into one soon. They do not want a tax increase; what they want is a tax cut.

The Senator comes in with just the opposite of what the majority of the people want. They want a tax cut, not an increase. They want us to cut spending and not proceed to put a tax on them because of failing to do that which they feel we should do.

Mr. President, another defect in this amendment is that it does not balance the budget. This amendment would cause a tax to go into effect 2 fiscal years after the year in which there is the deficit. For example, if there is a deficit in fiscal year 1980, the President would impose a surtax which would not be reflected in the withholding during the fiscal year 1981. The surtax would actually be paid on April 15, 1982, 2 years after the deficit occurred.

Furthermore, Mr. President, by that time the economic problems might be absolutely overwhelming, so it would be the worst possible thing to do. For example, looking back at the situation that existed in 1975, at that point the Nation was in a recession, and that was one of the reasons we had the deficit. The recession justified a tax cut rather than a tax increase.

Mr. President, this amendment would have required that we have a $66 billion tax increase because of the deficit. That would have put us in an even worse recession than we had. The deficit was caused by the recession, and this amendment would have caused the economy to go down even further by virtue of triggering a very big additional tax on the American people.

Congress looked at the problem. Having looked at the problem Congress decided that for fiscal year 1976 we ought to have a big tax cut. So we voted a big tax cut, because the economy dictated that that should be the case. The President of the United States appreciated that, and both Houses of the Congress appreciated that.

Mr. President, this amendment would dictate just exactly the opposite of what the President thought should be done in 1975 and 1976, what the economists of the country thought should be done, and what the Congress thought should be done. This would have put a simple one-third minority in either House in position to trigger this tax increase, which the majority of the people did not want. All economists would have advised against it. The President would have advised against it, but it would have required him to put this tax increase into effect.

For all we know, there might have been a minority so absolutely adamant for the tax increase—a 38-percent income tax increase; imagine that. This amendment, if it had been in effect in 1975, at a time when we should have been cutting taxes, would have given us a 38-percent income tax increase. Imagine a 38-percent increase in taxes, in individual income taxes and in the corporate surtax.

Now, it turns out that that is just exactly the opposite of the thing that ought to have been done. We could not have afforded a 38-percent tax cut, but we did provide a substantial tax cut in 1975 because circumstances at that time justified it, based on the economic conditions that were prevalent in the country at that time.

Mr. President, based on the experience we have had, this would be an unwise thing to do. It attempts to make a decision without reference to what the economic conditions are in the country at the time. That could be a disastrous decision. But it puts a one-third minority, in either the House or the Senate, in position to lock this country into a disastrous decision that might not be justified by any stretch of the imagination from the point of view of the majority and even from the point of view of the President.

Mr. President, I hope that this amendment is not agreed to. Furthermore, the amendment is not germane to this bill. It is a tax amendment; this is not a tax bill. This is merely a bill to borrow some money to let the Federal Government pay the bills that have been incurred and which must be paid. It is going to cost us many millions of dollars, Mr. President, to try to manage the national debt if this bill is delayed for several more days.

I hope, Mr. President, that we can vote on the amendment and get onto the next matter as quickly as possible. Therefore, Mr. President, I move that the amendment be laid on the table.

Mr. DeCONCINI. Mr. President, will the Senator withhold that motion to table for just 3 minutes?

Mr. LONG. I ask unanimous consent that I may withhold for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DeCONCINI. Mr. President, I rise to praise the distinguished Senator, the chairman of the Committee on Finance, for his eloquent argument on not raising taxes. I think we all have that same desire. I know the Senator has been a leader in curtailing taxes, but there are a couple of things I should like to address to this question.

First, the legislative counsel advises this Senator that the delegation of such authority as is set forth in this amendment is constitutional.

Second, nobody has to have any tax increase as a result of this amendment. This is to make and to force this Congress and future Congresses, hopefully, to bite that proverbial bullet of overexpenditures, and forces the Executive to do likewise. If we had to face the awesomeness of going back to our constituents with a surtax, I dare say that the pressure to balance the budget on a national level would be so great that if we did not do it, it would be extremely close and, by gosh, by the next election time, when the taxes went up, we would have a balanced budget.

The Senator raises the fact that the tax would not be collected for almost 2 years. That is not quite accurate. The withholding tax would be added to if a surtax were imposed. Under the estimated income tax quarterly payments, you would be required to amend your return and your estimated income tax.

The whole purpose here is to insure those of us in Congress, if we elect, and those in the White House, as they put forth a budget for this Government, if they elect that it is necessary to have a deficit in the budget starting in 1981, that there will be a tax to pay for it. Then the people will know what the programs will cost if we are going to have new, expanded programs, or if we are going to cut in different areas, what it is going to cost. If it is such a drastic mistake to enact this type of legislation, then, of course, a two-thirds vote of each House can declare a national emergency, if it were time of war, or in time of economic recession.

Mr. President, I suggest that this is a realistic approach that would force this body and would force the executive to bring our budget into balance by 1981.

There is an escape valve if there is such an emergency and if things are going to get so bad that this would be a mistake, and then the mistake would be in not acting by a two-thirds vote. I believe, Mr. President, that the American public would welcome the opportunity to have its legislative leaders tell them exactly what they are doing in the budget area and in the expenditure areas, that if we are going to spend those deficit dollars, in fact, they, the taxpayers, are going to have to pay for it.

I yield back the remainder of my time.

The PRESIDING OFFICER. The time has expired.

Does the Senator renew his motion to table?

Mr. LONG. Mr. President, I just want to make this point: if the Senator will think further about this amendment, he will likely change his mind, because this is not the first time this idea has been suggested. The last time I recall its being suggested, the Senator from Missouri

(Mr. DANFORTH) was suggesting that we ought to have a tax that we call the excess spending tax so that, if Congress failed to balance the budget, there would be a tax increase, that is, a surtax automatically triggered into effect; that also was a somewhat better drafted proposal than the one we have before us. My reaction at that time was that it is all right with me if we put it on the bill under consideration, provided that we name it after the sponsor and let everybody know that this is a Danforth tax increase.

After the Senator thought about it for a while, he changed his mind. We had agreed to it in the committee. The committee had agreed to the Danforth tax increase, call it whatever you want to call it—the Danforth excess spending tax increase.

If this had been in effect in 1975, we could have called it the DeConcini tax, and everybody would have paid a 38-percent tax increase.

We would just pay the DeConcini tax. We could put it right on the tax return so everybody would know, when paying this extra tax, that it is the brainchild of the Senator from Arizona to raise everybody's taxes 38 percent in order to have a balanced budget. We would explain on the tax forms that they are being penalized by this DeConcini tax because the Congress failed to do anything about balancing the budget, and, therefore, they will pay the DeConcini tax.

I promise the Senator that if he can run on that platform and get reelected, he is the most powerful and effective politician anywhere in the United States, because after they get through paying that 38-percent DeConcini tax, the people are going to be all the more firm in their opinion that we should have cut spending rather than raise their taxes.

That being the case, Mr. President, I hope that the Senate will not insist on this. It comes in late in the consideration of this bill. When considered by a previous sponsor, it was withdrawn after being agreed to, because he saw that it was the better part of wisdom and discretion not to pursue it. It really should not be a part of the law, Mr. President.

Therefore, Mr. President, I move that the amendment be laid on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table UP amendment No. 53. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

I further announce that the Senator from Illinois (Mr. PERCY) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) would vote "yea."

The PRESIDING OFFICER. Is there any other Senator who wishes to vote?

The result was announced—yeas 86, nays 12, as follows:

[Rollcall Vote No. 23 Leg.]

YEAS—86

Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
Dole
Domenici
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pressler
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Williams
Young

NAYS—12

Armstrong
Boren
DeConcini
Durenberger
Goldwater
Helms
Kassebaum
Pell
Proxmire
Simpson
Weicker
Zorinsky

NOT VOTING—2

Mathias
Percy

So the motion to lay on the table UP amendment No. 53 was agreed to.

Mr. LONG. Mr. President, at this point the substitute which was originally offered by me is now identical to the Dole amendment as amended by the Long amendment, and now the yeas and nays have been ordered on the Dole amendment. They have not been ordered on the substitute, and there is no point in having a yea and nay vote on the substitute because it is identical to the Long amendment.

I do not think it would prejudice anyone's right unless someone wants to change the language in the amendment to simply agree to the amendment to the substitute by voice vote.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the yeas and nays be vacated on the Dole amendment.

Mr. LONG. It has been vacated.

Mr. DOLE. I ask unanimous consent that they be vacated.

Mr. LONG. I would like to have the yeas and nays on the amendment as it stands.

Mr. DOLE. Oh, the Senator would?

Mr. LONG. Yes. Not on the substitute, as they are both identical, but on the amendment on which the yeas and nays were ordered on the Dole amendment by my perfecting amendment.

The PRESIDING OFFICER. Does the Senator object?

Mr. ARMSTRONG. Mr. President, could the Chair restate the parliamentary situation? Some of us have had difficulty following exactly how we arrived at this point. If the Chair could restate it I think it would be helpful.

The PRESIDING OFFICER. The question now is on agreeing to the amendment by the Senator from Louisiana in the nature of a substitute.

Mr. LONG. For the amendment that is perfecting.

The PRESIDING OFFICER. To the Armstrong-Dole amendment.

Mr. LONG. As perfected.

Now the two amendments are identical. The only difference in the parliamentary situation would be that it would no longer be in order to amend after the word "shall" but one can add any language he would want to add to the end of the amendment or anywhere else in the bill.

The PRESIDING OFFICER. The Senator is correct.

Mr. HARRY F. BYRD, JR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. If the proposal of the Senator from Louisiana is agreed to, then the amendment as adopted would be subject to amendment at the end of the amendment; is that correct?

The PRESIDING OFFICER. It would have to be amended as agreed to. However, language can be added to the amendment.

Mr. LONG. If the amendment is agreed to it could be either amended before or after the language.

The PRESIDING OFFICER. That is correct.

Mr. ARMSTRONG. Mr. President, to be more specific, I have no reason to object other than to protect my right to call up amendment No. 110. If we agree to the unanimous-consent request of the Senator from Louisiana will it then be in order for me after the adoption of this amendment to call up the amendment No. 110?

The PRESIDING OFFICER. I do not believe there is a unanimous-consent request pending.

Mr. ARMSTRONG. I beg the Chair's pardon. I thought the Senator from Louisiana had asked unanimous consent to change the order of vote.

The PRESIDING OFFICER. The only request the Chair heard was from the Senator from Kansas to vitiate the yea and nay vote, and that was not agreed to.

Mr. ARMSTRONG. I thank the Chair. I appreciate that explanation.

The PRESIDING OFFICER. The question now is on agreeing to the amendment in the nature of a substitute.

The amendment was agreed to.

Mr. LONG. Now, the yeas and nays are ordered on the substitute.

The PRESIDING OFFICER. The question now is on agreeing to amendment No. 111 as amended.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

Mr. LONG. The yeas and nays have been ordered.

We are now voting on the Dole amendment as amended.

The PRESIDING OFFICER. That is correct. We are now voting on amendment No. 111, the Dole amendment as amended.

Mr. HARRY F. BYRD, JR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question now is on agreeing to the amendment numbered 111, as amended.

The yeas and nays have been——

Mr. MATHIAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. MATHIAS. Mr. President, how am I recorded on the last rollcall?

The PRESIDING OFFICER. The Senator is not recorded on the last rollcall.

Mr. MATHIAS. Mr. President, I am at a loss to understand why I should be so recorded. I was present. I voted in the affirmative, and I would like the Record to show I was present and voted in the affirmative.

The PRESIDING OFFICER. The Chair noted the Senator's presence.

Mr. ROBERT C. BYRD. Mr. President, let us understand what we are doing here. Let us be sure we understand what we are doing here. I want to make sure that I understand.

Under the rules no Member, including my friend from Maryland, or the junior Senator from West Virginia, may vote after the Chair has announced a vote.

Mr. MATHIAS. If the Senator will yield, I did not request that.

Mr. ROBERT C. BYRD. I want to be sure of what the Senator is requesting. The Chair cannot even entertain a request that a Senator be allowed to vote after the vote is announced.

Mr. MATHIAS. I want the record to show that I do not know where the error occurred. Maybe I did not speak loud enough. It may be my mistake. But I was here. I did vote in the affirmative. I want to make the point now and before it gets lost in the pages of history.

Mr. ROBERT C. BYRD. Then that will not require unanimous consent because the Senator's statement speaks for itself.

Mr. MATHIAS. And I made no request.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. LEVIN. Mr. President, I want to take this opportunity to explain, for the record, my votes on a series of amendments that have come before us today. I have been opposed to amendments that would have the effect of mandating a balanced budget unless two-thirds or three-fifths of the Congress finds that a national emergency exists. I have supported amendments that mandate that the Congress, through structural reform, consider a balanced budget, examine its consequences, and have the opportunity to vote on such a budget.

I have, however, objected to some of the language in the Long amendment. While I support the concept of the amendment, I am unable to support the amendment because we were told during debate that, in effect, it does not mean what it so clearly says.

The amendment states, without qualification, that Congress "shall balance the Federal budget."

However, it was stated often during debate that this amendment does not guarantee that we will, in fact, balance the budget.

All it does, we are told, is guarantee that we will consider a balanced budget. As I indicated on the floor on Monday, if there is one thing that the American people want more from Government than a balanced budget, it is candor and the truth. Because the language which introduces this amendment is misleading in that it promises more than what we are told in debate it intends to deliver, I cannot support it.

During the procedural maneuvering, I found myself in a position where it was necessary at one point to vote for the amendment that contained the language to which I object. I did so only because the amendment eliminated at that point the even more dangerous provisions of amendments which would have given a minority of the Senate control over our budget in some circumstances.

Once that danger was removed, I felt free to vote against final passage of the Long amendment.

The PRESIDING OFFICER. The question now is on agreeing to amendment No. 111, as amended.

On this question, the yeas and nays have been ordered, and the clerk will call the role.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Illinois (Mr. Stevenson) is necessarily absent.

Mr. STEVENS. I announce that the Senator from Illinois (Mr. Percy) is necessarily absent.

I further announce that, if present and voting, the Senator from Illinois (Mr. Percy) would vote "yea."

The PRESIDING OFFICER (Mr. Pryor). Have all Senators in the Chamber voted at this time?

The result was announced—yeas 96, nays 2, as follows:

[Rollcall Vote No. 24 Leg.]

YEAS—96

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—2

Hayakawa
Levin

NOT VOTING—2

Percy
Stevenson

So the amendment (No. 111), as amended, was agreed to.

Mr. HARRY F. BYRD, JR. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LONG. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The question recurs at this time on the amendment No. 113 offered by the Senator from Arizona (Mr. DeConcini).

Mr. ROBERT C. BYRD. Mr. President, I believe that was vitiated. We had a vote on the amendment by Mr. DeConcini earlier, and I understand that order is now to be vitiated. I make that request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

UP AMENDMENT NO. 54

Mr. PACKWOOD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Oregon (Mr. Packwood), for himself and Senators Dole, Long, Domenici, Bentsen, Pressler, Hart, Lugar, and Leahy, proposes an unprinted amendment numbered 54.

Mr. PACKWOOD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end thereof, add the following new section:

Sec. 6. (a) If a budget which is transmitted by the President to the Congress under section 201 of the Budget and Accounting Act, 1921, would, if adopted, result in a deficit in fiscal year 1981 or in fiscal year 1982, the President shall also transmit alternate budget proposals which, if adopted, would not result in a deficit.

(b) Such alternate budget proposals shall be transmitted with the budget and, except as provided in subsection (c), shall be in such detail as the President determines necessary to carry out the purposes of this section.

(c) Alternate budget proposals for a fiscal year transmitted under subsection (a) shall include a clear and understandable explanation of specific differences between the budget and alternate budget proposals.

Mr. PACKWOOD. Mr. President, this is very similar to amendment No. 112, which is on the desks of Senators. I have made some slight changes in the amendment to conform it to the Long substitute, which has just passed.

In short, what this amendment will do is to require the President, if he submits to the Congress a budget which is not in balance, to submit an alternative budget which is in balance. Then, as we start to work on a balanced budget, as required by the previously adopted amendment, we will at least have the administration's recommendations as to where to cut if we are going to cut.

That is it in a nutshell. I am prepared to vote, unless there is other discussion.

Mr. LONG. Mr. President, I think this amendment is meritorious. It carries out the same philosophy that we just voted—to require of the congressional budget committees. It requires the President to do the same thing, to submit a balanced budget. He does not have to recommend a balanced budget, but he would have to submit one to us as an alternative. Then we would know how the President and his advisers would balance the budget if they were called upon to do so. They would say how they would propose to balance the budget.

That would give us guidance so that Senators could vote for a balanced budget the way the President would recommend balancing it, or the way the House committee would recommend balancing it, or the way the Senate committee would recommend balancing it.

Of course, if they wanted to, they could pick and choose pieces. They could say, "This is something the President would recommend if he were voting for a balanced budget," or, "This is what the Senate committee would recommend."

I think it would be very useful to help in bringing about a balanced budget. It offers an alternative to all Senators which I think they should have. I am pleased to agree to the amendment as far as I am concerned, and to urge Senators to vote for it. I would hope we would have the yeas and nays on the amendment, Mr. President.

Mr. PACKWOOD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is now on agreeing to the amendment of the Senator from Oregon. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Montana (Mr. MELCHER), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE) is necessarily absent.

I further announce that the Senator from Illinois (Mr. PERCY) is absent on official business.

I further announce that, if present and voting, the Senator from Illinois (Mr. PERCY) would vote "yea."

The PRESIDING OFFICER (Mr. BAUCUS). Is there any other Senator desiring to vote?

The result was announced—yeas 93, nays 2, as follows:

[Rollcall Vote No. 25 Leg.]

YEAS—93

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—2

Hayakawa
Stevenson

NOT VOTING—5

Gravel
McClure
Melcher
Percy
Stennis

So the amendment (No. UP 54) was agreed to.

AMENDMENT NO. 118, AS MODIFIED

Mr. MOYNIHAN. Mr. President, I call up my amendment No. 118, as modified.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from New York (Mr. MOYNIHAN) proposes an amendment numbered 118, as modified.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following new section:

SEC. 6. In carrying out the provisions of section 5, the Congress shall provide, as nearly as possible, equal per capita expenditure levels among the several States adjusted for differing costs of living, and shall provide equal per capita expenditure levels among the territories and possessions of the United States which bear the same ratio to the per capita expenditure levels for the several States as the per capita expenditure levels for such territories and possessions for fiscal year 1979 bear to the per capita expenditure levels for the several States for that fiscal year.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that this amendment, if adopted, be placed at an appropriate place in the bill, rather than any specified place.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, this is a simple amendment of large concern. I wish to present it to the Senate, and I ask for the attention of the Senate for a short while, in order to put forth a simple proposition.

H.R. 2534, as amended, will now call upon the Budget Committee to prepare a series of balanced budgets for the coming years. I am concerned that there be a regional balance in this balanced budget approach, and I use this amendment as an opportunity to call to the attention of my colleagues the quite considerable regional imbalance in the flow of funds between the Federal Government and those regions and the States of which they are a part.

This is not a matter unknown to us, and I would not wish to say whether this disparity has become greater or lesser in recent years.

I am quick to say that the degree of our competent knowledge of the data is limited, perhaps not for the worst reason: That the Federal Government has not collected this information very well. The only thing we have is the Federal outlays series in the Community Services Department agency of the Department of Commerce.

Even so, I have put on the desk of each Senator a competent analysis—not a definitive one—that appeared in the National Journal last week under the heading "Some States Win, Some States Lose."

I should like to make a simple point, and it is this: In striking proportion, the States which have been calling for the reduction in our budgets and fixed, rigid balancing features in our budgets are States for which the Federal budget is an enormous fiscal boon.

Without in any way wishing to suggest that this process is inappropriate, I suggest that these States have a rather remarkable advantage. They get the Federal money and they denounce the Federal spending; and, perhaps to an unhealthful degree, they have been able to depend upon the votes of persons from other regions, which have very little advantage in this Federal pattern, to maintain it nonetheless.

So I stand here, Mr. President, and say that the Federal budget is no bargain for the State of New York. I have remarked, only half in levity, that if it could be provided with the payments on the national debt and if the debt service payments were to continue and if a Navy were to be maintained, New York could do quite well without anything else. New Yorkers have subsidized other regions in the country without complaint for two generations, but we have come to the end of that scheme of things.

I simply fear that, such is the political atmosphere in which the balanced budget debate is carried out, there may be those who think that we are going to balance the budget simply by reducing what few programs are of benefit to a State such as my own, and I would like to disabuse those persons of that thought.

This amendment simply calls for the balanced budgets to be constructed to show equal average per capita expenditure in all States. What that would mean to some States would be of considerable surprise to them. I assure Senators that it would be no burden to the State of New York or to the States in my region. It might be a different story in other States.

If we simply would take the excess funds which are required to provide above average per capita expenditure outlays in the country today, we would have approximately $22 billion to spare. There is $22 billion that goes out to States which have above average Federal outlay, and that would take us more than two-thirds of the way to a balanced budget—just there.

So this is the equal rights amendment on a question that is quite severe, which I do not wish to exacerbate, but which I certainly wish to insist upon, of extraordinary regional imbalance of Federal expenditure, a matter never directly addressed in this Chamber.

Mr. President, I am prepared to discuss this matter if there are Members who wish to do so.

Senators who feel they cannot support this measure—and come from States which are advantaged by the Federal budget—have created for themselves a problem. If they are really opposed to so much Federal spending, then my amendment is a superb way to reduce it. If there is no Member who wishes to debate this amendment further, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MOYNIHAN. I thank the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, I appreciate the very able junior Senator from New York and I admire his performance here in the Senate and the tremendous service he has rendered to his country. I am very fond of him, but I regret that I cannot support his amendment. There will be others that I can support, but I cannot support this one.

The Senator, as I understand it, wants the recommendation from the Budget Committee to reflect as far as possible equal per capita expenditures levels among the several States adjusted for the cost of living.

Mr. President, it is going to be difficult enough for the President or for the Budget Committees to recommend a balanced budget on any basis that would serve the Nation's interest without trying to balance it in all the various ways that the Senator suggests. Furthermore, in justice and fairness, it is not fair to insist that they do that.

Let us just take an example. Out in the Northern section of the United States, in some of our Middle Western States, we have these big missile silos. They are not there because those States campaigned and made a big fight to put those atomic missiles in those particular States. They are there because the United States felt that was the location we needed in order to be closest to the targets at which those missiles would be fired.

And the people of that area become a target in the event that there should be an attack on this Nation. They would be first targeted in all probability because that would be the area on which the enemy missiles would be fired first.

I know, from my point of view, I would say, "Just spare us that kind of Federal largess because it means we would be the first to be destroyed in the event of atomic warfare." Yet under the terms of that amendment I would assume that we would have to allow for the money that those people out there were getting on the basis that we had those missile silos located out there, presumably for their benefit.

And then some States are more subject to a disaster than others. For example, the State of Louisiana drains off the water of almost 30 other States, and there is the time of the year when we are looking at those levees with that water stacked up there 20 feet above our land on which we are standing.

We have had disasters of that sort happen to our people that in current dollars cost a billion dollars. That was the basis upon which it was decided that we would have a flood control plan. While we do benefit from it, the Nation benefits from what we are able to produce from that property, and that should be taken into account.

Furthermore, some areas are more subject to disasters than others. Some areas are more subject to hurricanes and earthquakes than other areas and, therefore, get more disaster assistance.

We have, relatively speaking, more defense expenditures in Hawaii than the other States. Why? Because it is a frontier area. To say, "Well, you are going to have a per capita reduction," completely tends to ignore the defense needs, the fact that we are spending money in that particular area because that is the area on which an attack would be likely to fall, as was the case at Pearl Harbor.

And the same type of thing is also true with regard to Alaska. We have more defense spending out there because it is a frontier area and likewise it makes that area more subject to a surprise attack.

Mr. CHURCH. The Senator convinced me.

Mr. LONG. Really, Mr. President, there are areas, for example, in development of mineral resources where we expect to spend money, but we are going to spend it in the areas where we think we are going to find the minerals. What sense would it be to spend our money to develop minerals in the area where we do not have them? That would not make much sense.

Further, Mr. President, when we try to allocate, it leaves room for all kinds of arguments as to how we should allocate. I can recall Hubert Humphrey, the great American, who was a citizen of Minnesota and for a while was a citizen of South Dakota. He came down to Louisiana to go to school, and if they made a grant for Mr. Humphrey to go to school at that time, where would they assess it? Would they assess it against Louisiana, where he was going to school, or would they assess it against Minnesota where he hoped to make his fortune, or would they assess it against South Dakota from whence he hailed?

All of those problems arise, and it really does not make much sense to try to divide the money that way.

Furthermore, Mr. President, if we are going to vote on something like this or try to do business this way, we really should have before us a chart so every Senator could look at it. It should say how much his State wins or how much his State loses depending on how much cutting we are going to do because it is not fair, really, to a Senator to ask him to vote for that amendment without knowing he is going to vote to put more money in his State or vote to put less money in his State.

Mr. President, there will be another problem about trying to bring the Budget Committee——

Mr. MOYNIHAN. Mr. President, will the distinguished chairman yield to let me respond to his point?

Mr. LONG. I yield.

Mr. MOYNIHAN. Let me say from the table in the National Journal, which has been on the desks of Senators for the last 2 days, the Senators may make a simple calculation in the third column. If the spending-taxes ratio is greater than one, his State will not benefit and if it is lower than one, his State will. I regret to say that that ratio for the State of Louisiana is greater than one.

Mr. LONG. Mr. President, I am glad——

Mr. MOYNIHAN. I cannot say I am surprised.

Mr. LONG. Mr. President, I appreciate the Senator referring me to the table. But I point out that no matter what you make the committee recommend—and this would be the Senator seeking, I understand, to make the committee recommend something—no matter what you make the committee recommend, anything other than its honest best judgment as to what is good for the country based on the composition of that committee, it will be the Senate that will make the ultimate decision.

I would like to point out that just because of the way the Senate is constituted all you have to do is just look at the revenue-sharing bill and the history of revenue-sharing, and you can say because of the way the Senate is constituted that the States that have less than the average per capita income tend to be in the majority, and the States that tend to have relatively small numbers compared to area are also in the majority, so what tends to happen in the legislative process—and I would like the Senator from New York to hear this—is the kind of thing that happened with the revenue-sharing bill where a delegation such as that from New York has numbers and they make them felt very heavily over on the House side, and those who have a similar situation, like California, tend to coalesce with them, and their weight of numbers is very much felt on the House side and it is reflected in those decisions.

Then when it comes over to the Senate side, the so-called smaller States, or the States with more area and less population, or more area compared to their population than the others, tend to do very well over in the Senate.

When the two meet in conference they tend to compromise and to adjust their differences, so that it tends to work out to an overall solution that we think best.

The President, who is elected by all the people nationwide, where there is sort of a weighted average so far as he is concerned, his administration will be pushing for about the kind of balance that one would expect when one is elected nationwide.

So you have the three factors working together to push us to the kind of compromise that tends to be reached.

I think that is good, Mr. President. There is nothing wrong with it. There is nothing wrong with the so-called smaller States doing well in the Senate, because whatever success they have tends to be neutralized over in the House of Representatives and in the executive branch.

I think, Mr. President, that all things considered, while the balance tends to work out against the numbers of a great State like New York here in the Senate, the overall tends to work out reasonably well for a State like New York.

I would just like to think that what New York lacks in numbers it makes up in quality, and it has extremely high quality here in the U.S. Senate. But confronted with overwhelming numbers, the Senator sometimes has the problem that the Senator from Louisiana has to contend with when confronted with overwhelming numbers on issues, that you have to do the best you can under the circumstances and rely upon these things leveling themselves out in the overall legislative process.

So I hope, Mr. President, that we will not agree to the amendment just because I think it will be difficult enough for the committee to try to arrive at a budget the way it is, and to try to figure all these different wheels within wheels that would be involved if you try to do it with perfect fairness it would, in my judgment, create too much of a problem, and I really think if the committee can do a good job of balancing the expenditures according to Nation's interests, they would have done enough.

The main point in balancing the budget should be, not which States you spend the money in, but how well that serves the Nation's interests, and if the expenditure is best calculated to defend the Nation or best calculated to do social justice fairly to its citizens, whether it puts more money in one State than another should be secondary.

For those reasons I hope very much, Mr. President, that this particular amendment will not be agreed to.

Mr. PRESSLER. Mr. President, if the Senator will yield, I am intrigued with this amendment for a number of reasons, and I am undecided as to how to vote on it but, perhaps, I can address a question to its author.

For some years, and coming from South Dakota, I have always been told that we can get $2 or $3 back from the Federal Treasury for every $1 we put into it. I do not believe that is true, and I do not think the Senator said that.

But in a State like South Dakota we do not have large manufacturing centers. When we buy our General Motors car that tax is paid in Detroit which, perhaps, gets credit for it being paid into the Federal Treasury or if we purchase a John Deere tractor.

Some States not thought to be manufacturing States are thought to get a good deal, but if we really analyze it that is not the case.

Also with respect to many public lands in the Western States, you can say expenditures in certain Indian tribal situations, certain interstate highway situations, where interstate commerce passes through a State which is, perhaps credited to that State, but I guess the question is, the thrust is, is it the thought that the citizens of South Dakota, for example, would be affected much more than New York in this reporting?

Mr. MOYNIHAN. Let me thank my distinguished friend from South Dakota. First, to confirm his impression that the amount that South Dakota gets from the Federal Treasury is smaller than is sometimes reported. The ratio of spending to taxes is, as estimated by the National Journal, a careful estimate, a responsible one, and is 1.28. New York, for example, has 0.85. He would be in the high range of those States, but not excessively so.

Sir, I wish to make several points: First, my part of the Nation did not commence this charade. In the past year we have seen ourselves on the verge of calling a constitutional convention in the most uncertain and feckless of circumstances, tampering with the fundamentals of the Nation, in response to the exaggerated and often misrepresented assertions about the calamitous nature of public spending at this time. And whence do these cries of alarm come from? They come from precisely those parts of the Nation for which public spending is a beneficence, and we are going through the exercise of creating several hypothetical balanced budgets.

I am for a balanced budget, I have no fear of it. I would like the Members, the Senators, to see—and their publics at home more than the Senators, who know this—what it would mean to their States.

If I may use a term from the Women's Liberation Movement, and a very attractive term, a little consciousness-raising would be helpful here.

I did not mind whilst this matter remained at the level of political rhetoric, but when you start fooling around with the Constitution it is a serious matter. I will give the Senate a brief anecdote.

In 1858 the New York Times reported one morning that a group of State Senators had introduced into the New York State Senate a resolution calling for a State convention in response to the reduction of canal revenues and the raising of taxes. So they wanted a State convention for the purpose of abolishing the executive and legislative branches of the New York State government, and turning them over to the chairman, the vice chairman, and board of directors of the New York Central Railroad Co.

This was introduced in jest, and promptly passed. Next it was adopted by the assembly, and in the following fall it lost by 6,200 votes.

Democracies get into this kind of fecklessness that verges on the deeply irresponsible, and my purpose, I would say to my friend from South Dakota, is only to say that the people of his State, as of mine, would learn something of the advantages—his State would learn something of the advantages—that they have out of the Federal budget and the costs that would be incurred by listening to many of the irresponsible representations—about constitutional convention—not made in this Chamber but made out in those parts of the world.

I see the Senator from Louisiana is on his feet.

Mr. JOHNSTON. Yes. Mr. President, I would ask the distinguished Senator from New York about the meaning of the phrase "differing costs of living," requiring equalization, as much as possible taking into consideration differing costs of living.

I ask the Senator this: Does not that really mean that instead of having equalized costs, you have to spend more in those States that have high costs of living, and if you happen to be from South Dakota, where the cost of living is low, that means we spend less in South Dakota where the cost of living is low, and more in New York? Is that not what that means?

Mr. MOYNIHAN. The Senator is, as I said, quite right. The purpose of that clause—may I be specific? Is primarily to provide for the very special conditions in Alaska and Hawaii. But may I say to you that our present increments provide for the lowest Federal payments in the States with the highest cost of living. My State of New York is supposed to have a high per capita income, and in plain income we rank ninth. But when you adjust the income for taxation and living costs, we come out No. 39—well behind Louisiana, for example.

In any event, Mr. President, have I answered the Senator's question? Without a cost-of-living provision, it would be totally unacceptable to Hawaii and Alaska, which face special problems of transportation costs, and so on.

Mr. JOHNSTON. This is not limited, though, to Hawaii and Alaska.

Mr. MOYNIHAN. No. In the past, the high Federal payments used to be to States with the lowest per capita income. Mississippi was such a State. But would anyone in this Chamber like to hear what the adjusted per capita incomes by States are in this country, what the last four States are, numbers 47, 48, 49, and 50, in adjusted per capita income? They are Rhode Island, Massachusetts, Vermont, and Maine.

The world has changed, and the atmosphere in which these matters are debated in this Chamber has not kept up with that. There must be, as I say, again to use that phrase of the women's movement, a certain consciousness-raising.

Mr. JOHNSTON. Will the Senator yield for one more question?

Mr. MOYNIHAN. I am happy to. I do not want to prolong the debate, but I am happy to try to help the Senator understand.

Mr. JOHNSTON. Just this one question: Would not this require, in matters of procurement, that the Federal Government spend more for an equal number of widgets in a high-income State than in a low-income State, in order, not to equalize income, but to equalize the adjusted income, adjusted for the cost of living?

Mr. MOYNIHAN. No, I think it would not, for the simple reason that the highest levels of Federal expenditures now tend to be in the formerly "high income" States, which no longer are.

I must ask you, in all candor, to accept their methodology to make adjustments, to be sure, but the Senator must be surprised to find that the list of adjusted per capita incomes by States has Rhode Island, Massachusetts, Vermont, and Maine at the bottom.

If there is no other Senator who wishes

to comment, I know that my senior colleague wishes to make remarks.

I see the Senator from Hawaii is on his feet.

Mr. MATSUNAGA. Mr. President, if the Senator will yield——

Mr. MOYNIHAN. Yes, I am happy to yield.

Mr. MATSUNAGA. I first of all wish to thank the Senator from New York for giving consideration to Hawaii and Alaska by way of giving consideration to the higher cost of living in those two areas of our Nation.

However, I am inclined to agree with the chairman of the committee that the amendment offered by the Senator from New York cannot be truly operative, in view of the fact that we have in our Nation areas with smaller populations which, from the standpoint of national security, for example, must require, in fact demand, greater expenditures than the population itself would call for.

In the case of Hawaii, for example, we have Federal expenditures for defense purposes of nearly a billion dollars a year, because Hawaii is the westernmost fortress of our continent. We have Pearl Harbor, we have Fort Shafter, we have a number of military installations which are a must in order to keep our defenses off of the coast of California; and much as I appreciate the effort on the part of the Senator from New York, I must agree with the chairman of the committee and vote in the negative.

Mr. MOYNIHAN. But will the Senator from Hawaii allow me to make a statement?

Mr. MATSUNAGA. Certainly.

Mr. MOYNIHAN. That this amendment is not addressed to him? First of all, clearly, this is never going to be operative. This bizarre exercise we are going to go through on the Budget Committee is going to have some consquences. I would like it to have the consequence of making the people who benefit from the Federal Treasury know how much they do.

I would say to the Senator from Hawaii that he is absolutely right, that the westernmost defenses of the United States are in his State and need to be there.

But I never hear him say that means we cannot spend any money on employment problems in the central cities of the Northeast.

Mr. MATSUNAGA. No, indeed.

Mr. MOYNIHAN. I never hear him stand up and say, "Wasteful Federal expenditure is ripping us off, and we must cut off anything to help the poor people of this country, and what we need are more dams." I never hear that from the Senator from Hawaii.

Mr. MATSUNAGA. No, I have not questioned that. I have agreed with the Senator from New York in that respect.

Mr. MOYNIHAN. Therefore, you are, as it were, not a fit object for my experiment. You are a man of great and capable understanding of national needs and regional differences.

Mr. MATSUNAGA. I appreciate that statement.

Mr. MOYNIHAN. And I think Senators would find we have voted together on almost everything.

I have heard in this Chamber today, sir, a good friend of mine say, "What about that loan guarantee we provided New York City?" I guess I will never hear the end of that loan guarantee. But let me tell you, I will remind you that 4 days before the President signed that little $1.6 billion loan guarantee for New York, with an extra point interest so that the Treasury makes money—all the world knew about it, without even a signing ceremony he signed a bill to provide $4 billion in loan guarantees to farmers, and I voted for that, and you did, too.

Mr. MATSUNAGA. I have always supported guaranteed loans to farmers.

Mr. MOYNIHAN. And we will vote for them again next year, when it comes up again. But has anybody talked about "bailing out" the farmers? Has anybody proposed that it is not a good thing to provide guaranteed loans to businessmen who need them?

While I regret, Mr. President, that the Senator from Hawaii says he cannot support this measure, he has my complete friendship and respect. I say to him, "Sir, you do not need this amendment."

Mr. EXON. Mr. President, will the Senator yield?

Mr. MOYNIHAN. Yes, I am happy to yield to my good friend the Senator from Nebraska.

Mr. EXON. We have begun talking about farmers now, so it would be appropriate for me to make a statement. The Senator from New York and I have talked earlier on this subject, and, for the record, I want to state once again, the State of Nebraska is in a little worse shape than the State of New York is.

Mr. MOYNIHAN. The Senator is entirely correct, Mr. President.

Mr. EXON. I think we get back about 83 cents in Nebraska for every dollar paid in.

That shows that the farmers are not doing quite as well as some of the factors might indicate. I wanted to straighten that out first.

Mr. MOYNIHAN. The Senator is precise in his ratio.

Mr. EXON. I think I see what the Senator is trying to do, but from a practical standpoint and from some of the statements the Senator has made in the discussions today, I wonder if indeed the Senator himself is for what he is proposing. Is the Senator for this?

Mr. MOYNIHAN. No, I am not for this. I think it would be a calamity to do this. I am for introducing this into our exercise, these "pretend" budgets we are going to make, in order that people can see what the impact of the Federal budget is on them.

Mr. EXON. As a member of the Budget Committee, then, certainly, the Senator from New York recognizes it would be totally impossible for us in the Budget Committee to do what he is suggesting we do in this amendment?

Mr. MOYNIHAN. No. I would respectfully suggest we could do it. We would do it badly, but we will do the whole thing badly. The Senator does not suppose anybody has the vaguest notion what in 3 years our expenditures and revenues will be.

I see our distinguished chairman is here. He is not protesting my remarks. I remember some remarks Dr. Burns said recently about economic forecasting. He said economic forecasters are people who pretend to know things about the future which the most careful scholars cannot get determined about the past. People act like the GNP is a bank account that you can call up and find out about. If our GNP estimates are accurate plus or minus $200 billion, I would think it would be a remarkable achievement.

Mr. EXON. I thank the Senator from New York.

Mr. President, I am ready to vote any time.

Mr. JAVITS. Will the Senator yield?

Mr. MOYNIHAN. I am happy to yield.

Mr. JAVITS. Mr. President, I think the Senator has taken this occasion to point out a very serious problem for our country, not just for New York. There are very material demographic changes in the country which occur when one region, which is favored by nature and by the interests of other Americans, as certain areas of our country are now, changes completely the nature of its relation to the Federal Establishment in terms of what it needs and what it has a right to draw.

We really do not have, except for the advocacy of the Senators or Congressmen from the particular area or from their own State or local officials, a sufficient way to evaluate that in terms of the budget and in terms of our expenditures and receipts. It seems to me this would be a very clear indication of demographic shifts in the United States.

For example, it is the fact that for many years, and quite properly, I favored the South and Southwest. Now the shoe is on the other foot and we are having the same difficulties respecting our effort to adjust to demographic change here in the North and Northeast which, for so long, supported all of these other programs.

I think what Senator MOYNIHAN seeks to do, whether it is adequately architected or not, is to give us at least the knowledge of what is happening, where we stand, and, therefore, what we ought to do about it, and not necessarily what we will do, because it does take time to adjust. It is just like exports and imports in international trade, the interests of the consumer and the interests of our own world development in terms of our own exports and our own financial standing.

In short, Mr. President. I rise to commend my colleague for the effort to take a step, not of a mandatory character, which is critically important to our country, and which, by the way, shows us why our superstitions about indicative planning are so harmful to the total economy and why it, like our foreign policy, is so often caught flatfooted, as we were in Iran, because we do not try to see ahead for 10 years, like General Motors, General Electric, IBM, and any other good company, or, indeed, any public utility. So I am glad my colleague has acted as he did, and in any way I can, I shall certainly support him.

Mr. MOYNIHAN. I thank my dear senior colleague for his statement, which is very clear and balanced, a lot more balanced than the budget will be, I daresay.

Mr. President, I move the adoption of the amendment.

Mr. MAGNUSON. Does the Senator consider the matter of loans in the Federal budget?

Mr. MOYNIHAN. No. Loans are not classified as outlays.

Mr. MAGNUSON. There are about $34 billion in loans in the Federal budget.

Mr. MOYNIHAN. Yes.

Mr. MAGNUSON. Part of them are to develop, for example, dams on the Columbia River, which we pay back at 3 percent.

Mr. MOYNIHAN. That is correct.

Mr. MAGNUSON. We are right up to schedule. The C–B ratio on water projects in Louisiana is good. That is a loan.

I understand how the people in New York feel, "Well, the people in the State of Washington or in the State of Louisiana get more out of the Federal Government than we do per capita."

But we are doing things for the country. The hydroelectric power on the Pacific Northwest has come from a loan. I wonder if the Senator has considered that.

Mr. MOYNIHAN. I would say I certainly have considered it. I believe the Senator has made a valid point.

I would like to repeat to the Senator from Washington, our President pro tempore, what I said to my colleague from Washington. This does not apply to the Senator from Washington. The Senator has always supported an equitable distribution of programs. Because dams are proper in one part of the world does not mean that we do not need jobs in other parts of the world.

Mr. MAGNUSON. It is hard to differentiate these things geographically. What is geographically good for the country happens in Louisiana, in the State of Washington, or in New York. I just think we have to take the overall. As the chairman said today, it works out pretty good. The Senator may think it does not work out very well for New York, but I believe it does. It works out good for New York. We contribute a great deal to New York in the way of many things.

Mr. MOYNIHAN. May I respectfully say it is easier to be philosophical about these amounts when you are in defense of them. In the National Journal estimates in 1976, California had a surplus with the Federal Government of $4.7 billion and New York State has a deficit of $4.7 billion.

That is why we are broke and they are not. That is why they had such a huge surplus that they went nutty over proposition 13 and we have had us locked up in this crazy business for the last few years. If you ever stop to think, if California did not have that huge surplus, we would never have had proposition 13.

Mr. MAGNUSON. Just as a matter of incidental information to contribute to this wild budget debate that has been going on here, everybody has a different idea—I mean wild in that sense. There are $89 billion in the budget that are for picking up local tabs and there are $43 billion in the budget that are loans. We could cut out that $43 billion in loans and put them over here some place and balance the budget overnight.

Mr. MOYNIHAN. The Senator from Washington knows too much.

Mr. MAGNUSON. Yes, and $89 billion of the local tabs—we could do that pretty well, too.

Mr. MOYNIHAN. And this is coming if we do not get more——

Mr. MAGNUSON. That may be, but I just wanted to be sure that the Senator from New York realizes that the maldistribution which he is talking about still contributes a great deal overall to the country.

Mr. MOYNIHAN. I say to the Senator that I have never protested it until I learned that when our circumstances became somewhat straightened, this principle of need suddenly no longer applied. It turned out we could not afford it.

Mr. President, I make one last observation: As a result of this debate and these exercises, we are going to have a smaller tax cut next year than we otherwise would have, and we shall probably cut a large chunk of the revenue-sharing, and we shall probably have, in the aftermath of it all, a still greater, more centralized, more powerful Government. This is, as Michael Oakeshott says, an unanticipated consequence of social change.

I am ready to vote. I see no Member is on his feet.

Mr. President, I move the amendment.

Mr. LONG. Mr. President, I do not know for sure whether the amendment works out the way the chart does that the Senator provided us. I have simply listed the number of States that would lose as well as those that would gain under the amendment. I ask unanimous consent that the chart the Senator provided, together with those markings, be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SOME STATES WIN, SOME STATES LOSE

[Losers under the amendment are shown in *italics*, 29 States]

	Spending per person	Taxes per person	Spending-taxes ratio	Dollar flow (millions)
Northeast	$1,453	$1,708	$0.85	−$12,617
New England	1,599	1,676	.95	−939
Maine	1,579	1,227	1.29	375
New Hampshire	1,466	1,477	.99	−10
Vermont	1,503	1,308	1.15	92
Massachusetts	1,626	1,662	.98	−207
Rhode Island	1,494	1,580	.95	−80
Connecticut	1,638	1,995	.82	−1,109
Mid-Atlantic	1,405	1,718	.82	−11,677
New York	1,510	1,770	.85	−4,710
New Jersey	1,271	1,886	.67	−4,514
Pennsylvania	1,328	1,535	.87	−2,453
Midwest	1,228	1,566	.78	−19,475
Great Lakes	1,142	1,633	.70	−20,094
Ohio	1,132	1,578	.72	−4,777
Indiana	1,062	1,451	.73	−2,061
Illinois	1,288	1,822	.71	−5,979
Michigan	1,071	1,662	.64	−5,389
Wisconsin	1,044	1,454	.72	−1,886
Great Plains	1,438	1,401	1.03	619
Minnesota	1,271	1,432	.89	−635
Iowa	1,101	1,400	.79	−858
Missouri	1,847	1,388	1.33	2,191
Kansas	1,373	1,464	.94	−210
Nebraska	1,194	1,433	.83	−370
South Dakota	1,464	1,145	1.28	218
North Dakota	1,714	1,275	1.34	281
South	1,511	1,325	1.14	12,616
South Atlantic	1,577	1,427	1.11	4,992
Delaware	1,204	1,912	.63	−411
Maryland	2,012	1,745	1.15	1,104
Virginia	2,050	1,466	1.40	2,922
West Virginia	1,317	1,154	1.14	295
North Carolina	$1,249	$1,244	$1.00	$29
South Carolina	1,393	1,164	1.20	649
Georgia	1,432	1,299	1.10	658
Florida	1,524	1,554	.98	−252
South Central	1,447	1,227	1.18	7,622
Kentucky	1,483	1,149	1.29	1,140
Tennessee	1,551	1,268	1.22	1,188
Alabama	1,480	1,112	1.33	1,342
Mississippi	1,690	945	1.79	1,749
Louisiana	1,255	1,161	1.08	361
Arkansas	1,342	1,067	1.26	582
Oklahoma	1,569	1,227	1.28	937
Texas	1,396	1,370	1.02	325
West	1,852	1,579	1.17	10,446
Mountain	1,701	1,372	1.24	3,208
Montana	1,588	1,305	1.22	212
Idaho	1,407	1,270	1.11	113
Wyoming	1,530	1,533	1.00	−1
Colorado	1,739	1,503	1.16	605
Utah	1,560	1,181	1.32	461
Nevada	1,729	1,795	.96	−40
Arizona	1,696	1,383	1.23	701
New Mexico	2,101	1,101	1.91	1,156
Pacific	1,904	1,650	1.15	7,238
California	1,891	1,670	1.13	4,724
Oregon	1,360	1,486	.92	−291
Washington	2,023	1,602	1.26	1,511
Alaska	3,620	1,920	1.89	638
Hawaii	2,421	1,672	1.45	656
District of Columbia	14,713	1,938	7.59	9,032
Total, United States	1,524	1,524	1.00	0

NOTE.—The table shows winners and losers in the contest for Federal spending. The columns record; (1) Federal spending per person in fiscal 1976, excluding interest payments; (2) the Federal tax burden per person, with the deficit distributed proportionally to population as an added tax; (3) money received in Federal spending for every tax dollar sent to Washington; and (4) the dollar total that flowed into or out of each State and region.

Source: National Journal July 2, 1977, p. 1034.

Mr. LONG. Mr. President, this debate could go on. If we had the time, it would be interesting to debate it for hours and hours, and for days. It is a very interesting problem that has been discussed a lot nationwide, in the news media and the monthly publications and others, but there is an urgency to act on this bill.

Therefore, Mr. President, to bring the matter to an immediate vote, I am ready to move that the amendment be laid on the table.

Mr. ROBERT C. BYRD. Will the Senator withhold that for a moment?

Mr. LONG. I ask unanimous consent that I may withhold without losing my right to the floor, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Will the Senator allow me a moment for the purpose of putting in the RECORD this National Journal table as well?

Mr. LONG. Yes, I put it in, but the Senator has it marked by those who would lose from one point of view. I have marked it by those who would lose from the other point of view.

Mr. MOYNIHAN. As long as it is the original table, that is fine. I shall just put it in as printed.

I ask unanimous consent therefor, Mr. President.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SOME STATES WIN, SOME STATES LOSE

	Spending per person	Taxes per person	Spending-taxes ratio	Dollar flow (millions)
Northeast	$1,453	$1,708	$0.85	−$12,617
New England	1,599	1,676	.95	−939
Maine	1,579	1,227	1.29	375
New Hampshire	1,466	1,477	.99	−10
Vermont	1,503	1,308	1.15	92
Massachusetts	1,626	1,662	.89	−207
Rhode Island	1,494	1,580	.95	−80
Connecticut	1,638	1,995	.82	−1,109
Mid-Atlantic	1,405	1,718	.82	−11,677
New York	1,510	1,770	.85	−4,710
New Jersey	1,271	1,886	.67	−4,514
Pennsylvania	1,328	1,535	.87	−2,453
Midwest	1,228	1,566	.78	−19,475
Great Lakes	1,142	1,633	.70	−20,094
Ohio	1,132	1,578	.72	−4,777
Indiana	1,062	1,451	.73	−2,061
Illinois	1,288	1,822	.71	−5,979
Michigan	1,071	1,662	.64	−5,389
Wisconsin	1,044	1,454	.72	−1,886
Great Plains	1,438	1,401	1.03	619
Minnesota	1,271	1,432	.89	−635
Iowa	1,101	1,400	.79	−858
Missouri	1,847	1,388	1.33	2,191
Kansas	1,373	1,464	.94	−210
Nebraska	1,194	1,433	.83	−370
South Dakota	1,464	1,145	1.28	218
North Dakota	1,714	1,275	1.34	281
South	1,511	1,325	1.14	12,616
South Atlantic	1,577	1,427	1.11	4,992
Delaware	1,204	1,912	.63	−411
Maryland	2,012	1,745	1.15	1,104
Virginia	2,050	1,466	1.40	2,922
West Virginia	1,317	1,154	1.14	295
North Carolina	$1,249	$1,244	$1.00	$29
South Carolina	1,393	1,164	1.20	649
Georgia	1,432	1,299	1.10	658
Florida	1,524	1,554	.98	−252
South Central	1,447	1,227	1.18	7,622
Kentucky	1,483	1,149	1.29	1,140
Tennessee	1,551	1,268	1.22	1,188
Alabama	1,480	1,112	1.33	1,342
Mississippi	1,690	945	1.79	1,749
Louisiana	1,255	1,161	1.08	361
Arkansas	1,342	1,067	1.26	582
Oklahoma	1,569	1,227	1.28	937
Texas	1,396	1,370	1.02	325
West	1,852	1,579	1.17	10,446
Mountain	1,701	1,372	1.24	3,208
Montana	1,588	1,305	1.22	212
Idaho	1,407	1,270	1.11	113
Wyoming	1,530	1,533	1.00	−1
Colorado	1,739	1,503	1.16	605
Utah	1,560	1,181	1.32	461
Nevada	1,729	1,795	.96	−40
Arizona	1,696	1,383	1.23	701
New Mexico	2,101	1,101	1.91	1,156
Pacific	1,904	1,650	1.15	7,238
California	1,891	1,670	1.13	4,724
Oregon	1,360	1,486	.92	−291
Washington	2,023	1,602	1.26	1,511
Alaska	3,620	1,920	1.89	636
Hawaii	2,421	1,672	1.45	658
District of Columbia	14,713	1,938	7.59	9,032
Total, United States	1,524	1,524	1.00	0

Note: The table shows winners and losers in the contest for Federal spending. The columns record: (1) Federal spending per person in fiscal 1976, excluding interest payments; (2) the Federal tax burden per person, with the deficit distributed proportionally to population as an added tax; (3) money received in Federal spending for every tax dollar sent to Washington; and (4) the dollar total that flowed into or out of each State and region.

TIME LIMITATION REQUEST

Mr. ROBERT C. BYRD. Mr. President, I understand Mr. HART is going to call up an amendment immediately following the disposition of this amendment. I ask unanimous consent that there be a 30-minute time limitation—a 20-minute time limitation on the amendment by Senator HART.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. LONG. It seems to me that we ought to vote on the Hart amendment without a lot of discussion. It is not germane to this bill, but if it is going to be offered on the bill, I think I could perhaps vote for it. But I think we ought to have a quick decision and that could be done by a motion to table. If the motion fails, then we can agree to the amendment. I do not want to waste an hour if we can do it a lot sooner than that.

Mr. ROBERT C. BYRD. Mr. President, it is not my suggestion that we waste an hour. I suggest a 20-minute time limitation. I should like to see an up-or-down vote.

Mr. LONG. The problem I have, Mr. President, is if we take that much time on the Hart amendment—and everybody knows how he is going to vote on that amendment; it has been discussed in the media up one side and down the other—I would be willing to agree to 5 minutes on a side.

Mr. ROBERT C. BYRD. Would the Senator give him 10 minutes on a side?

Mr. LONG. Mr. President, we are not going to be able to do anything but debate that one amendment the rest of the day.

Mr. ROBERT C. BYRD. If we do not have a time limitation agreement, we may not vote on it today.

Mr. LONG. Oh, no, it is subject to——

Mr. ROBERT C. BYRD. Mr. President, I am trying to see that the Senator from Colorado be given an up-or-down vote on this amendment.

Mr. LONG. I am in favor of what the Senator wants to do, but I am not in favor of spending an hour on it.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a 20-minute time limitation on the amendment of the Senator from Colorado.

Mr. LONG. I object. I am willing to vote on it, Mr. President, but I am not willing to agree to a 20-minute time limitation. Five minutes on each side I would be willing to agree to.

Mr. ROBERT C. BYRD. Mr. President, I am trying to help the Senator from Louisiana on his bill, trying to help get time limitations on it, and I want to help the Senator from Colorado get an up-or-down vote on his amendment. He is willing to go for a time limitation of 20 minutes, equally divided.

Mr. LONG. All right. OK. I have no objection.

The PRESIDING OFFICER. Is there objection?

Mr. LEVIN. I object, Mr. President.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I hope the distinguished Senator will not object. The Senator from Louisiana wants to get this bill finished today if he possibly can. This agreement would preclude any filibuster or extended debate on the amendment by the Senator from Colorado. Let the Senate vote up or down—it knows what the issue is—whether or not it wants to vitiate the action taken recently. If it does not want to vitiate it, let the Senate vote it down. If it wants to vitiate the action, let the Senate vote it up. Let us have a rollcall vote. I hope the Senator will not object.

Mr. LEVIN. Mr. President, if I may state the nature of my objection, it seems to me that the problem we got into before was that we acted without due notice on this matter once before. It got us into difficulty. It seems to me that, by approaching it this way and trying to vote on this today, we are going to be compounding that difficulty, voting on something again of which many Senators may not have notice.

As I understand this amendment, it has not yet been offered. I presume this is the amendment relative to the honoraria?

Mr. HART. The Senator is correct.

Mr. LEVIN. It seems to me we shall be compounding the problem we created for ourselves before if we proceed in this manner. I do think we should have an up or down vote on this matter. I have an amendment to offer to it, a perfecting amendment, when it is offered. I do think we should do this with notice to other Senators.

Mr. ROBERT C. BYRD. Mr. President, there was notice given to Senators on the other occasion. The amendment was called up on one day, opening statements were made on the amendment. The CONGRESSIONAL RECORD, in the Digest, indicated that action would take place on that amendment on the following day. Any Senator who reads the RECORD knew that there was going to be a vote on it. Any Senator could have asked for a rollcall vote on it. The request was not made.

The Senator from Colorado wants to vitiate the action. Everybody knows what the issue is. I had hoped we could have 20 minutes on the amendment and vote up or down—not move to table. Let the Senate make a decision today as to whether or not it wants to vitiate that action.

I do not think that takes any time. Everybody knows what the issue is. The press has been full of the issue. Everybody knows what we are talking about.

There was ample notice given on that other occasion, 24 hours' notice. How much notice do Senators want? If they read the RECORD, they ought to have known what was going to happen. The Senate voted by voice vote. Any Senator could have asked for a "yea" or "nay" vote. No Senator asked for one.

Let the Senate vote up or down. That is what the hue and cry has been. Let the Senator have a vote on his amendment, up or down.

Mr. President. I hope we will have a 20-minute time limitation on the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. LEVIN. I object for the reasons stated.

The majority leader is correct. There was 24 hours' notice. It was brought to the attention of the Senate on one evening at 7 o'clock. It was brought to a vote the next morning. I believe that does comply with the 24-hour rule because, at least, it was held over a day. As I understand things here, this is not even going to be held over a day and I do not believe that complies with the spirit of the 24-hour rule.

Mr. ROBERT C. BYRD. There is no 24-hour rule on the amendment. I hope the Senator from Colorado, now that there is objection, will call up his amendment and let us get a vote on it. It is my intention, and I have expressed the hope, and I express the hope, that we would not have a tabling motion.

UP AMENDMENT NO. 118

Mr. LONG. Mr. President, I move that the pending amendment be laid on the table. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from New York. The yeas and nays have been ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL) is necessarily absent.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE) is necessarily absent.

I further announce that the Senator from Illinois (Mr. PERCY) is absent on official business.

The PRESIDING OFFICER. Have all Senators in the Chamber voted?

The result was announced—yeas 69, nays 28, as follows:

[Rollcall Vote No. 26 Leg.]

YEAS—69

Armstrong
Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Exon
Ford
Garn
Goldwater
Hart
Hatch
Hayakawa
Heflin
Helms
Hollings
Huddleston
Inouye
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Long
Magnuson
Matsunaga
McGovern
Melcher
Morgan
Nunn
Pressler
Pryor
Randolph
Roth
Sarbanes
Sasser
Schmitt
Simpson
Stafford
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Young

NAYS—28

Bayh
Bradley
Cohen
Durkin
Glenn
Hatfield
Heinz
Humphrey
Jackson
Javits
Kennedy
Levin
Lugar
Mathias
Metzenbaum
Moynihan
Muskie
Nelson
Packwood
Pell
Proxmire
Ribicoff
Riegle
Schweiker
Stevenson
Tsongas
Williams
Zorinsky

NOT VOTING—3

Gravel
McClure
Percy

So the motion to lay on the table amendment No. 118, as modified, was agreed to.

The PRESIDING OFFICER. If there be no further amendment, the question is on the engrossment of the amendments and third reading of the bill.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I did not want the bill to go to third reading if any Senator has an amendment.

AMENDMENT NO. 110

(Purpose: To provide for individual tax reductions during calendar years 1981, 1982, 1983, and 1984 contingent upon certain limitations on Federal spending)

Mr. ARMSTRONG. Mr. President, I call up my amendment No. 110.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG) proposes an amendment numbered 110.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with. It has been printed and is available for the use of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. 5. Section 1 of the Internal Revenue Code of 1954 (relating to tax imposed) is amended by striking out subsections (a), (b), (c), and (d) and inserting in lieu thereof the following:

"(a) GENERAL RULE.—There is hereby imposed on the taxable income, for the taxable years beginning in the calendar years specified in subsection (b)(2), of every—

"(1) married individual (as defined in section 143) who makes a single return jointly with his spouse under section 6013, and every surviving spouse (as defined in section 2(a)), a tax determined under the applicable schedule for the taxable year,

"(2) head of a household (as defined in section 2(b)), a tax determined under the applicable schedule for the taxable year,

"(3) every individual (other than a surviving spouse as defined in section 2(a) or the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 143) a tax determined under the applicable schedule for the taxable year, and

"(4) a married individual (as defined in section 143) who does not make a single return jointly with his spouse under section 6013 a tax equal to one-half the tax which would be determined for an individual described in paragraph (1) with the same taxable income.

"(b) APPLICABLE SCHEDULES.—

"(1) APPLICATION OF SCHEDULES TO INDIVIDUALS.—For purposes of subsection (a) the applicable schedule for—

"(A) individuals described in subsection (a)(1) is schedule 2,

"(B) individuals described in subsection (a)(2) is schedule 3, and

"(C) individuals described in subsection (a)(3) is schedule 1.

"(2) APPLICATION OF SCHEDULES TO TAXABLE YEARS.—

"(A) CALENDAR YEAR 1981.—The schedules in effect for taxable years beginning in 1981 are as follows:

"SCHEDULE 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$2,300	$3,400	$0, plus 12.3%	$2,300
$3,400	$4,400	$136, plus 13.3%	$3,400
$4,400	$6,500	$269, plus 15.2%	$4,400
$6,500	$8,500	$588, plus 19.0%	$6,500
$8,500	$10,800	$968, plus 20.9%	$8,500
$10,800	$12,900	$1,449, plus 22.8%	$10,800
$12,900	$15,000	$1,928, plus 24.7%	$12,900
$15,000	$18,200	$2,446, plus 28.5%	$15,000
$18,200	$23,500	$3,358, plus 32.3%	$18,200
$23,500	$28,800	$5,070, plus 37.0%	$23,500
$28,800	$34,100	$7,034, plus 41.8%	$28,800
$34,100	$41,500	$9,249, plus 46.5%	$34,100
$41,500	$55,300	$12,694, plus 52.2%	$41,500
$55,300	$81,800	$19,904, plus 59.8%	$55,300
$81,800	$108,300	$35,765, plus 64.6%	$81,800
$108,300		$52,884, plus 66.5%	$108,300

"SCHEDULE 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$3,400	$5,500	$0, plus 12.3%	$3,400
$5,500	$7,600	$259, plus 13.3%	$5,500
$7,600	$11,900	$539, plus 15.2%	$7,600
$11,900	$16,000	$1,192, plus 19.9%	$11,900
$16,000	$20,200	$2,010, plus 23.7%	$16,000
$20,200	$24,600	$3,008, plus 27.5%	$20,200
$24,600	$29,900	$4,220, plus 30.4%	$24,600
$29,900	$35,200	$5,831, plus 36.1%	$29,900
$35,200	$45,800	$7,744, plus 40.8%	$35,200
$45,800	$60,000	$12,074, plus 46.5%	$45,800
$60,000	$85,600	$18,685, plus 51.3%	$60,000
$85,600	$109,400	$31,817, plus 56.0%	$85,600
$109,400	$162,400	$45,157, plus 60.8%	$109,400
$162,400	$215,400	$77,381, plus 64.6%	$162,400
$215,400		$111,619, plus 66.5%	$215,400

"SCHEDULE 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$3,000	$5,100	$0, plus 12.3%	$3,000
$5,100	$7,200	$259, plus 13.3%	$5,100
$7,200	$9,400	$539, plus 15.2%	$7,200
$9,400	$12,500	$873, plus 20.9%	$9,400
$12,500	$15,700	$1,521, plus 22.8%	$12,500
$15,700	$18,900	$2,251, plus 25.6%	$15,700
$18,900	$24,200	$3,071, plus 29.4%	$18,900
$24,200	$29,500	$4,632, plus 34.2%	$24,200
$29,500	$34,800	$6,445, plus 39.9%	$29,500
$34,800	$45,400	$8,559, plus 43.7%	$34,800
$45,400	$61,300	$13,192, plus 51.3%	$45,400
$61,300	$82,500	$21,348, plus 56.0%	$61,300
$82,500	$109,000	$33,231, plus 59.8%	$82,500
$109,000	$162,000	$49,091, plus 64.6%	$109,000
$162,000		$83,329, plus 66.5%	$162,000

"(B) CALENDAR YEAR 1982.—The schedules in effect for taxable years beginning in 1982 are as follows:

"SCHEDULE 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$2,300	$3,400	$0, plus 11.6%	$2,300
$3,400	$4,400	$127, plus 12.5%	$3,400
$4,400	$6,500	$252, plus 14.2%	$4,400
$6,500	$8,500	$551, plus 17.8%	$6,500
$8,500	$10,800	$907, plus 19.6%	$8,500
$10,800	$12,900	$1,357, plus 21.4%	$10,800
$12,900	$15,000	$1,806, plus 23.1%	$12,900
$15,000	$18,200	$2,292, plus 26.7%	$15,000
$18,200	$23,500	$3,146, plus 30.3%	$18,200
$23,500	$28,800	$4,750, plus 34.7%	$23,500
$28,800	$34,100	$6,590, plus 39.2%	$28,800
$34,100	$41,500	$8,665, plus 43.6%	$34,100
$41,500	$55,300	$11,892, plus 48.9%	$41,500
$55,300	$81,800	$18,647, plus 56.1%	$55,300
$81,800	$108,300	$33,506, plus 60.5%	$81,800
$108,300		$49,544, plus 62.3%	$108,300

"SCHEDULE 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$3,400	$5,500	$0, plus 11.6%	$3,400
$5,500	$7,600	$243, plus 12.5%	$5,500
$7,600	$11,900	$505, plus 14.2%	$7,600
$11,900	$16,000	$1,117, plus 18.7%	$11,900
$16,000	$20,200	$1,883, plus 22.2%	$16,000
$20,200	$24,600	$2,818, plus 25.8%	$20,200
$24,600	$29,900	$3,953, plus 28.5%	$24,600
$29,900	$35,200	$5,463, plus 33.8%	$29,900
$35,200	$45,800	$7,255, plus 38.3%	$35,200
$45,800	$60,000	$11,312, plus 43.6%	$45,800
$60,000	$85,600	$17,505, plus 48.1%	$60,000
$85,600	$109,400	$29,808, plus 52.5%	$85,600
$109,400	$162,400	$42,305, plus 57.0%	$109,400
$162,400	$215,400	$72,494, plus 60.5%	$162,400
$215,400		$104,570, plus 62.3%	$215,400

"Schedule 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$3,000	$5,100	$0, plus 11.6%	$3,000
$5,100	$7,200	$243, plus 12.5%	$5,100
$7,200	$9,400	$505, plus 14.2%	$7,200
$9,400	$12,500	$818, plus 19.6%	$9,400
$12,500	$15,700	$1,425, plus 21.4%	$12,500
$15,700	$18,900	$2,108, plus 24.0%	$15,700
$18,900	$24,200	$2,877, plus 27.6%	$18,900
$24,200	$29,500	$4,340, plus 32.0%	$24,200
$29,500	$34,800	$6,038, plus 37.4%	$29,500
$34,800	$45,400	$8,019, plus 40.9%	$34,800
$45,400	$61,300	$12,359, plus 48.1%	$45,400
$61,300	$82,500	$20,000, plus 52.5%	$61,300
$82,500	$109,000	$31,132, plus 56.1%	$82,500
$109,000	$162,000	$45,991, plus 60.5%	$109,000
$162,000		$78,066, plus 62.3%	$162,000

"(C) CALENDAR YEAR 1983.—The schedules in effect for taxable years beginning in 1983 are as follows:

"Schedule 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$2,300	$3,400	$0, plus 11.2%	$2,300
$3,400	$4,400	$123, plus 12.0%	$3,400
$4,400	$6,500	$243, plus 13.8%	$4,400
$6,500	$8,500	$532, plus 17.2%	$6,500
$8,500	$10,800	$876, plus 18.9%	$8,500
$10,800	$12,900	$1,311, plus 20.6%	$10,800
$12,900	$15,000	$1,745, plus 22.4%	$12,900
$15,000	$18,200	$2,214, plus 25.8%	$15,000
$18,200	$23,500	$3,040, plus 29.2%	$18,200
$23,500	$28,800	$4,590, plus 33.5%	$23,500
$28,800	$34,100	$6,367, plus 37.8%	$28,800
$34,100	$41,500	$8,373, plus 42.1%	$34,100
$41,500	$55,300	$11,491, plus 47.3%	$41,500
$55,300	$81,800	$18,019, plus 54.2%	$55,300
$81,800	$108,300	$32,376, plus 58.5%	$81,800
$108,300		$47,874, plus 60.2%	$108,300

"Schedule 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$3,400	$5,500	$0, plus 11.2%	$3,400
$5,500	$7,600	$235, plus 12.0%	$5,500
$7,600	$11,900	$488, plus 13.8%	$7,600
$11,900	$16,000	$1,079, plus 18.1%	$11,900
$16,000	$20,200	$1,820, plus 21.5%	$16,000
$20,200	$24,600	$2,723, plus 24.9%	$20,200
$24,600	$29,900	$3,820, plus 27.5%	$24,600
$29,900	$35,200	$5,279, plus 32.7%	$29,900
$35,200	$45,800	$7,011, plus 37.0%	$35,200
$45,800	$60,000	$10,931, plus 42.1%	$45,800
$60,000	$85,600	$16,914, plus 46.4%	$60,000
$85,600	$109,400	$28,803, plus 50.7%	$85,600
$109,400	$162,400	$40,879, plus 55.0%	$109,400
$162,400	$215,400	$70,050, plus 58.5%	$162,400
$215,400		$101,045, plus 60.2%	$215,400

"Schedule 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$3,000	$5,100	$0, plus 11.2%	$3,000
$5,100	$7,200	$235, plus 12.0%	$5,100
$7,200	$9,400	$488, plus 13.8%	$7,200
$9,400	$12,500	$790, plus 18.9%	$9,400
$12,500	$15,700	$1,377, plus 20.6%	$12,500
$24,200	$29,500	$4,193, plus 31.0%	$24,200
$29,500	$34,800	$5,834, plus 36.1%	$29,500
$34,800	$45,400	$7,749, plus 39.6%	$34,800
$45,400	$61,300	$11,942, plus 46.4%	$45,400
$61,300	$82,500	$19,326, plus 50.7%	$61,300
$82,500	$109,000	$30,083, plus 54.2%	$82,500
$109,000	$162,000	$44,440, plus 58.5%	$109,000
$162,000		$75,435, plus 60.2%	$162,000

"(D) CALENDAR YEAR 1984.—The schedules in effect for taxable years beginning in 1984 are as follows:

"Schedule 1

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$2,300	$3,400	$0, plus 10.7%	$2,300
$3,400	$4,400	$117, plus 11.5%	$3,400
$4,400	$6,500	$232, plus 13.1%	$4,400
$6,500	$8,500	$508, plus 16.4%	$6,500
$8,500	$10,800	$836, plus 18.0%	$8,500
$10,800	$12,900	$1,250, plus 19.7%	$10,800
$12,900	$15,000	$1,664, plus 21.3%	$12,900
$15,000	$18,200	$2,111, plus 24.6%	$15,000
$18,200	$23,500	$2,899, plus 27.9%	$18,200
$23,500	$28,800	$4,376, plus 32.0%	$23,500
$28,800	$34,100	$6,071, plus 36.1%	$28,800
$34,100	$41,500	$7,984, plus 40.2%	$34,100
$41,500	$55,300	$10,957, plus 45.1%	$41,500
$55,300	$81,800	$17,181, plus 51.7%	$55,300
$81,800	$108,300	$30,871, plus 55.8%	$81,800
$108,300		$45,647, plus 57.4%	$108,300

"Schedule 2

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$3,400	$5,500	$0, plus 10.7%	$3,400
$5,500	$7,600	$224, plus 11.5%	$5,500
$7,600	$11,900	$465, plus 13.1%	$7,600
$11,900	$16,000	$1,029, plus 17.2%	$11,900
$16,000	$20,200	$1,735, plus 20.5%	$16,000
$20,200	$24,600	$2,596, plus 23.8%	$20,200
$24,600	$29,900	$3,642, plus 26.2%	$24,600
$29,900	$35,200	$5,033, plus 31.2%	$29,900
$35,200	$45,800	$6,685, pus 35.3%	$35,200
$45,800	$60,000	$10,422, plus 40.2%	$45,800
$60,000	$85,600	$16,128, plus 44.3%	$60,000
$85,600	$109,400	$27,463, plus 48.4%	$85,600
$109,400	$162,400	$38,978, plus 52.5%	$109,400
$162,400	$215,400	$66,792, plus 55.8%	$162,400
$215,400		$96,345, plus 57.4%	$215,400

"Schedule 3

"If the taxable income is over the amount in the left-hand column but not over the amount in the right-hand column:		The tax is the amount in the left-hand column plus a percentage (as shown) over the amount of the taxable income shown in the right-hand column:	
$3,000	$5,100	$0, plus 10.7%	$3,000
$5,100	$7,200	$224, plus 11.5%	$5,100
$7,200	$9,400	$465, plus 13.1%	$7,200
$9,400	$12,500	$754, plus 18.0%	$9,400
$12,500	$15,700	$1,313, plus 19.7%	$12,500
$15,700	$18,900	$1,943, plus 22.1%	$15,700
$18,900	$24,200	$2,651, plus 25.4%	$18,900
$24,200	$29,500	$3,998 plus 29.5%	$24,200
$29,500	$34,800	$5,563, plus 34.4%	$29,500
$34,800	$45,400	$7,388, plus 37.7%	$34,800
$45,400	$61,300	$11,387, plus 44.3%	$45,400
$61,300	$82,500	$18,427, plus 48.4%	$61,300
$82,500	$109,000	$28,684, plus 51.7%	$82,500
$109,000	$162,000	$42,373, plus 55.8%	$109,000
$162,000		$71, 926, plus 57.4%	$162,000

"(c) Schedule Reduction Not To Take Effect When Federal Spendng Exceeds Limitations.—

"(1) Notification of Congress.—In calendar years 1980 through 1983, after the adoption by the Congress of the second concurrent resolution on the Budget or any further concurrent resolution on the Budget adopted by the Congress under section 310 of the Congressional Budget Act of 1974 (referred to elsewhere in this subsection as the "budget resolution") and before the beginning of the next calendar year, the Secretary shall notify the Congress if—

"(A) the total amount of Federal outlays agreed to in the budget resolution for the fiscal year which ends within such next calendar year exceed the following percent of the projected gross national product projected by the Congressional Budget Office for that fiscal year on the basis of the budget resolution for that fiscal year: 20.5 percent in fiscal year 1981, 20.0 percent in fiscal year 1982, 19.5 percent in fiscal year 1983, and 19.0 percent in fiscal year 1984;

"(B) only for fiscal year 1981 if the total amount of Federal outlays specified in the second concurrent budget resolution for fiscal year 1981 exceed the total revenues specified in that resolution; or

"(C) the increase in total Federal outlays specified in the budget resolution for that fiscal year exceeds the amount of Federal outlays estimated by the Congressional Budget Office to have actually occurred during the preceding fiscal year by a percent greater than—

"(i) the percent increase in the year to year implicit gross national product deflator (as projected by the Congressional Budget Office) for the 4 calendar quarter period ending on September 30 of the year following the one in which the Secretary is to make the notification, plus

"(ii) 1 percent.

"(2) Schedule reduction not to take effect.—If any event described in subparagraph (A), (B), or (C) of paragraph (1) occurs, then—

"(A) the schedules which, under subsection (b), would be in effect for the next calendar year, shall not take effect for such next calendar year, and

"(B) the schedule which, under subsection (b), is in effect for the calendar year in which the event occurs shall remain in effect for the next calendar year.

"(3) Application of paragraph (2) on a cumulative basis.—If any scheduled tax reduction under subsection (b) does not go into effect during the calendar year for which it is scheduled (because of the application of paragraph (2)), then the reductions scheduled to go into effect in subsequent calendar years, shall take effect for the scheduled calendar year under subsection (b) unless precluded by the application of paragraph (2) in that year.

"(4) Corresponding adjustments.—For each calendar year for which a schedule under subsection (b) is in effect, the Secretary shall change the zero bracket amount under section 63 for the calendar year, the tax tables prescribed under section 3, the withholding tables prescribed under section 3402, the dollar amounts set forth in section 3402(m)(1) (relating to percentage method withholding), and the dollar amounts set forth in 6012(a) (relating to filing requirements) necessary to reflect in such tables and amounts the schedules in effect for the calendar year. The amounts adjusted by the Secretary under this paragraph for any calendar year shall be the amounts in effect for taxable years beginning in that calendar year.".

The PRESIDING OFFICER. The Senate will be in order.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors of this amendment: Senators Tower, Domenici, Boschwitz, Stevens, Cochran, Helms, Hatch, Hayakawa, Garn, Lugar, Jepsen, and Warner.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, I ask Senators to consider the pending amendment in the light of the underlying purpose of the bill which is before us. H.R. 2534 is a bill to extend the debt ceiling and to raise it to the astronomical sum of $830 billion.

In the last several days, we have discussed at great length what has caused this bill to come before us. The enormous spending spree which the Federal Government has been on year after year has produced a deficit of breathtaking proportions.

My concern, and that of others in the Chamber, is not merely for the fact that a large deficit is being run up but also for its practical effects upon the working men and women of the country, upon families, the inflation it has produced, the burden it has placed upon our country, the job opportunities that have been lost, the effect on our international trade, the decline of the dollar, the stagnation of the stock market, and the micro- and macro-effects which these tremendous deficits have had each year.

It is my belief, and I trust that of the majority of the Members in this Chamber, that it would be irresponsible for us to pass this bill and again to raise the debt ceiling unless we couple with the debt ceiling increase a substantial measure of procedural reform.

I believe that there is a great consensus that the major underlying problem which is facing this Nation, the concern which is closest to the hearts of most of the people that we are here to serve, is inflation.

Last year the cost of living increased 9.5 percent. In February, according to figures released over the last weekend, the cost of living increased 1.2 percent which is at an annual rate of nearly 15 percent.

Surely none of us can doubt that the time for decisive action to control inflation is in order.

The amendment which I offer responds to these deeply felt concerns in an eminently practical way.

Let me just summarize briefly the effect of the amendment which is now pending:

This amendment, first of all, will provide tax cuts in each of the calendar years 1981, 1982, 1983, and 1984, a tax cut which is estimated to amount to $189 billion over the 4-year period.

Tnese tax cuts would be conditioned upon restraint in Federal spending.

Mr. RANDOLPH addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. RANDOLPH. Mr. President, the amendment being offered is worthy of our consideration. I do not want to appear to tell Senators what to do. Certainly none of us ever should be in that position. But I do feel that we must accord to the Senator the opportunity to be heard.

The PRESIDING OFFICER. The Senator's point is well taken.

The Senate will be in order.

The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I thank the Chair and I thank the Senator from West Virginia for his courtesy.

Let me complete my discussion of the purpose and effect of this amendment. It will provide tax cuts on the basis of restraint in Federal spending, and it provides tax cuts which I have outlined which will go into effect only if Federal spending declines as a proportion of the gross national product from 20.5 percent in fiscal 1981, to 20 percent in fiscal 1982, to 19.5 percent in fiscal 1983, and to 19 percent in fiscal 1984.

It provides further that these tax cuts will be conditioned on holding the rate of increase in Federal spending to not more than the rate of inflation plus 1 percent and provided, finally, that a balanced budget is achieved in fiscal 1981.

So in a single amendment we have a proposal which responds to deeply felt concerns of the American people.

Mr. President, I agree with the distinguished chairman of the Finance Committee who pointed out in earlier debate that the people of this country do want a balanced budget. They do want to control inflation and even more than that they want a tax cut because for the average family in this country the largest and most rapidly rising component of their cost of living is taxes.

For a median-income family in this country taxes have tripled within the last 10 years and the median-income family of four now pays more than $6,200 per year in Federal, State, and local taxes, three times what it was just a few years ago.

It means, Mr. President, that for the median-income family there is less after-tax, after-inflation income than they had even 5 years ago.

I will suggest that, in a country where rising expectations are a basic part of what we call the American way of living, that is intolerable, that the tax cut is good, the tax cut is in order, the tax cut is needed; it is justified.

I will stress that this is not an absolute reduction from the present level. It is really a slowing of the constant rate of increases in taxes which have been imposed upon the people of this country in recent years.

But more than that, this is an amendment which is fully responsible because it conditions the tax cuts on spending restraint and on an achievement of a balanced budget which is, of course, essential if we are going to control inflation and, as I have already said, I share the perception which is so widely reflected among our constituents that this is a No. 1 priority.

In my opinion, this amendment is not perfect, and I wish to explain why I am offering this particular amendment to this particular bill.

If I were drafting a tax and spending program, I would prepare a tax cut which would move in a slightly different direction than what is suggested by amendment No. 110 now pending. I would incorporate also a substantial reduction in taxation on business because I think that is important in order to stimulate the kind of capital investment that will create new job activity. I would also include a special break for small savings account holders because I think if there is one thing that we have done in this country, it is to discourage thrift among average working men and women. I would like to see a tax cut for those who inherit small farms and businesses. I think we need either a cut in the Federal estate tax rates or a further increase in the estate tax exemption, and yet I have not incorporated those things into this amendment and I would like to explain exactly why because this amendment is familiar to the Senate.

And it seems to me that the time is so urgent and the bill which we have before us is so strategic in terms of actually enacting a tax cut that the familiarity and popularity of this amendment overrides what I see as some of its shortcomings.

The amendment which I offered is, of course, exactly the same amendment, with very minor modifications, as that which was offered as the so-called coalition amendment by nearly two dozen Members of this body and adopted by a vote of 65 to 20 in October of last year.

If Senators remember after that was adopted, after this amendment was adopted and put on the Revenue Act of 1978, the bill went to conference and then some of my colleagues in the other body stood up and moved that the House of Representatives instruct its conferees to agree to Senate amendments and to accept this particular amendment. That proposal was adopted in the House of Representatives by a vote of nearly 2 to 1, and so with an overwhelming majority this proposal has been endorsed by both bodies of Congress.

Somehow, despite this mandate from our colleagues in the other body and from this Chamber as well, this amendment got dropped out of the Revenue Act of 1978. I am not sure I know all the reasons. I do know that I felt at the time and still feel a considerable sense of concern and betrayal and a feeling that if the process is working the way it should, that when something passes by a 2-to-1 majority in both Houses, then it should become the law or at least it should hit the President's desk for his signature and consideration. But somehow in the waning hours of the session that did not happen.

There is no sense rehashing it. There is no sense trying to go back over the old ground except by way of explanation of why I am offering this particular amendment rather than something that is more closely to my own choice.

This is a good amendment. It follows closely the so-called coalition amendment. It follows closely the proposal which first came to my attention last year when it was offered by our colleague MARJORIE HOLT in the House of Representatives and was very nearly adopted last July. So it is an amendment which has substantial backing and which is familiar and which has been well studied and which in my judgment can easily be passed.

Why am I offering it to this particular bill because I can almost hear someone rising to say, "Well, this is a good idea, but we ought to do it a little later or put it on a different kind of bill"? The reason is very simple. This is a bill which is regarded by some as a very important piece of legislation. Some would even say it is a must bill. I have already make it clear that I do not regard it as a must. Unless there is some reform in here, I am not even going to vote for it. I do not think we should have a further increase in the debt unless we also have reform. But because of the high priority accorded this measure by the leadership of the House of Representatives, I believe that the amendment will not get lost in transit again. I believe that the President will be disposed to sign this if we put it on this particular piece of legislation. So that is why I bring it before the Senate in this way and why I bring this particular amendment.

Now, I wish to comment on one other aspect of it, and that is the question of is this the right time to enact such an amendment? Someone is going to stand up and say, "Well, we need to evaluate this." I say to my colleagues that nothing has changed since October 9 when we passed this by a 3 to 1 majority in this body.

Someone is going to say, "Well, have we looked at the new economic forecasts?" Yes, I have looked at some new economic forecasts but, as I pointed out to the Senator from New York, I am not one who has a lot of faith in economic forecasts. They change from month to month.

But in any case 2 or 3 months of economic forecasts in the life of a proposal which stretches out over 5 years are really not all that significant. We are not trying to fine-tune the economy in this amendment. We are not trying to guess what is going to happen in 5 years. We are trying to make a policy decision, a long-term commitment, in behalf of the Congress of the United States that says, first of all, we are going to control inflation because it is hurting the people we represent, and we know the only way to control it is by balancing the Federal budget.

Second, we are saying that we are going to cut taxes and we are going to control Federal spending, limiting the increase of Federal spending to not above 1 percent of the increase in inflation.

We are going to specific gross national product targets for spending. It will not exceed those targets.

Third, we are going to achieve a balanced budget.

So despite the fact that I do not regard this as a proposal of perfection, it is a well-balanced, well-rounded, in my view, a well-advised proposal, and I hope my colleagues will support it.

Mr. LONG. Mr. President, I voted for an amendment similar to that last year. Let me point out what has occurred since that time. At that particular time we were voting to put more money into the spending stream with a major tax cut. We were voting to put money into the spending stream to offset the fact that we had raised the social security tax, and we were trying to make taxpayers whole to the extent that we could.

At that time, Mr. President, we were trying to recover from a recession. We were trying to put more people to work, and we were trying to expand the economy.

Since that time, the situation has changed. We are trying to fight inflation. The President has changed his monetary policies to tighten up on the money supply.

The Senator, in speaking for his amendment, has said he would rather cut taxes in some other way. But instead he gives us an amendment that, starting in 1981, would cut taxes contrary to the way he thinks they ought to be cut.

If we are going to cut taxes, we ought to start right out by postponing that big tax increase coming in January 1981 when there is going to be a great big increase in the social security tax, and you are going to hear a lot of screaming and howling about it.

I am not saying we should or should not postpone that.

At that moment I was one of those who insisted that the social security fund should pay for itself. But we are going to hear a lot of suggestions that we ought to either postpone that tax increase or that we should call it off, call off the tax increase in social security, and try to find some other way to raise money, such as to use money out of the general fund from the income tax to try to cover the deficit in the social security payments. So the money may be needed for some other purposes.

Furthermore, Mr. President, the principal reason why we, as Senate conferees, certainly on this side of the aisle, yielded on an amendment similar to this when it was in conference last year was that he had good reason to believe, having talked to the President of the United States in my case, that the President was going to veto that tax cut bill if this amendment stayed on there. We went for a proposal that we thought we could sustain and have the President sign that bill.

Mr. President, if the President of the United States is to feel that he must veto a bill, he should not be compelled to veto this debt limit bill because the Senate tries to force down his throat something where to veto it would mean the Nation would be required to default on its obligations for the first time in its 200-year history. In other words, if this type of thing is to go down to the President's desk, it ought to go down on a bill that he can veto if his conscience tells him he ought to veto that bill.

It should not go down there where, if he thinks he should veto this bill, the Nation will default on its obligations for the first time in its 200-year history.

Mr. President, if this amendment is added to this bill it means we will have to have a conference with the House. It can well mean the bill will not become law, and it just should not be done that way.

I hope the Senator would have offered his amendment on some bill such as we will have up later on this week, and we will have up time and time again during this session, such as a revenue bill that the President can veto it if he wants, and we will have time to consider it, with no harm done to the national interest.

But, Mr. President, this type of thing should be considered where it can be handled in a thoughtful fashion, and the Budget Committees can look at it, as well as the tax-writing committees, who can then offer their suggestions.

Now, we do not know whether we can afford a 6-percent-tax increase in 1981 or not. Only time will tell. To try to look in a crystal ball and say that we have got to balance the budget, and then if we balance the budget we automatically unbalance it to the extent of $36 billion by a tax cut we vote now without knowing whether the economy will need the tax cut or whether it will be contrary to what is best for the economy, we should not be in such a position as that.

Mr. President, it may be that if people on the Budget Committee and the other committees had the information to take all of these suggestions and run them through the computers and look into their crystal balls and see what their thinking might happen to be in 1981 and 1982, they might conclude that you ought to have a tax cut, and that this is the way you ought to do it. But then again they might not.

For example, what are we going to do with that big social security tax that is scheduled to go into effect in January of next year? Are we going to let it go into effect? If so, it is going to be a real backbreaker as far as taxes on the working people are concerned. They are going to complain bitterly about it.

If you want to call it off, you will need this money. Rather than vote a tax cut and then rescind it, it would make a lot more sense to wait and see what the situation is when we are closer to the time.

Let us see if we can balance the budget, let us see if we can cut spending as much as we think we can cut spending, and if we can do so we are justified in cutting taxes, and if we do, we should give every Senator in the U.S. Senate a chance to consider all of the various alternatives that might be available to us when we go to cut taxes, rather than to just say:

> We voted to give you a 6-percent tax cut in 1981 if the budget is balanced, which means maybe you do get the tax cut and then again maybe you do not get the tax cut.

Would it not make better sense to say, well, let us take a look and see whether we can afford it?

Mr. President, I happen to have the honor of serving on the tax-writing committee, and I am very proud to serve on that committee. I hope all our other Members feel the same way. We think we are capable of making some useful suggestions about a tax cut, ways in which you might be able to improve it a little bit, ways in which you might be able to shape it so that it might do more for the economy.

We would like the opportunity to consider something like that rather than to vote years in advance saying here is what we are going to do without knowing whether it would be justified when the time comes or not.

Mr. President, I hope if Senators do not see fit to give consideration to serving on a tax-writing committee, that they at least should afford us the opportunity of looking at these kinds of things, and not on a bill to allow the Government to borrow some money to pay the debts of the bills it has already incurred.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Washington and then to the Senator from Colorado.

Mr. MAGNUSON. If you balance the budget you have a balanced budget. If you get a 6-percent-tax cut it is unbalanced.

Mr. LONG. It is unbalanced in fiscal year 1982.

Mr. MAGNUSON. We in appropriations play a kind of game with you people in financing. Once we get the outgo close to the input, why, then, the Committee on Finance meets and cuts taxes so we lose the receipts. So this amendment would say "Balance the budget, but give us a 6-percent-tax cut," and that would be 6 percent out of balance, and that is more than the budget is out of balance right now.

Mr. LONG. As a matter of fact, what our economic advisers tell me is that we have a good chance to balance the budget in 1981 if we do not cut any taxes, and if we permit that big social security tax increase to go into effect; and they further tell me if we do not do that, we are going to have great difficulty in balancing it. We have little chance in their judgment to balance that budget if we cut back on that big tax increase that is due in January or if we vote for income tax cuts although we know some are justified because inflation will cause the tax rates to be pushed up.

I yield to the Senator from Colorado.

Mr. HART. I thank the floor leader.

Mr. President, I agree with the Senator from Louisiana on the timing of this issue. I think this is the wrong vehicle, and I will vote to support his view on this.

But I want to commend my colleague from Colorado for this proposal. I think it is a sound one. I thought it was such a good idea that I had it about a year ago, and that was when this country was talking about a Kemp-Roth or Roth-Kemp tax cut after tax cut, no spending controls.

Then someone began to work on the idea, on the question of balancing those tax cuts with controls on spending, and that proposal was offered by this Senator from Colorado last October. There was a similar proposal by the Senator from Georgia (Mr. NUNN), the Senator from Florida (Mr. CHILES), and the Senator from Oklahoma (Mr. BELLMON).

Those were the proposals the Senate essentially adopted, and the House went along.

So I agree wholeheartedly with what my colleague from Colorado is trying to do here. I do not know that I accept his specific numbers, but I think if we are going to cut taxes in the future, we are going to have to put controls on Government spending at the same time; they have to be very carefully calibrated, and I think that is the way we ought to go, and not massive tax cuts without controls on spending at all.

Several Senators addressed the Chair.

Mr. LONG. I yield to the Senator from Texas.

Mr. BENTSEN. Mr. President, I would say to the floor manager of the bill that I would like to extend the committee process on this matter. We are talking about a piece of legislation of great magnitude, and one involving a lot of procedures. We are talking about priorities, trying to balance budgets, what we ought to do about the economy on the supply side, and trying to stimulate savings. On that issue, the Senator talks about saying that the first $500 of savings accounts be tax free.

We have the lowest percentage of savings of any major nation in the world. We have brought out of the Joint Economic Committee a unanimous report saying that we should concentrate on the supply side, encourage savings, and do some of the very things the Senator from Colorado is talking about.

But I would hope that we could consider this particular piece of legislation proposed by the Senator from Colorado before the Finance Committee, where we could have the give and take we need for developing some wise tax legislation for this country. I think he could make a very good contribution there, but I must at this time support the position of the distinguished floor manager.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. LONG. I yield for a question.

Mr. ARMSTRONG. I would also like to make a request for the yeas and nays. Will the Senator yield for that purpose?

Mr. LONG. I ask for the yeas and nays, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ARMSTRONG. If the Senator will yield further——

Mr. LONG. I yield for a question.

Mr. ARMSTRONG. I beg your pardon?

Mr. LONG. I yield for a question. I do not want to yield the floor.

Mr. ARMSTRONG. If I may collect my thoughts, then, in the form of a question, Mr. President, it seems to me that we are losing perspective of something here.

First of all, if I might respond briefly to the comment of the Senator from Washington, I think he misunderstands. A reduction in taxes as provided in this amendment would not result in the budget being unbalanced, because that has been carefully fed into the equation, and the resulting feedback would produce a balanced budget within the terms of this amendment. I have distributed a factsheet showing the figures developed by the CBO, and their effect.

I think there is a legitimate issue which the floor manager has raised, and certainly the President has constitutional responsibilities in deciding whether to veto a bill or not.

However, I would point out to the distinguished chairman that last year this amendment was approved by veto-proof majorities in both Houses. It did not pass by a narrow margin on October 9 in this body; it passed by a margin of 65 to 20, and was approved by a 2-to-1 majority in the House. I am stunned to hear Senators today saying this is a piece of legislation which is ill-timed, that it is a good idea but we really ought to take a good long look at it, when those very Senators voted for it on October 9.

I am at a loss to understand what has changed since October 9. Inflation is not changed. Certainly the tax situation has not changed. All the reasons which caused my collague from Colorado to vote for this legislation last October still obtain. All the reasons which caused the distinguished Senator from Washington to vote for this proposal, and all of the reasons, I presume, which motivated the chairman of the Finance Committee to vote for it, still obtain.

All of those reasons, it seems to me, still are relevant. Nothing has changed of which I am aware. It seems to me the question is, are we really serious about this? If we hook this proposal onto an innocuous bill somewhere, it will get vetoed, or shuttled off to some committee in the House. So I would hope the chairman would relent of his opposition and join me in supporting this measure, because it certainly is needed. Our constituents are crying for this kind of relief, and nothing has changed since October.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. LONG. Mr. President, I yielded for a question. I did not yield for a speech. I am willing to yield for questions or brief observations, but not to yield the floor.

I yield to the Senator from Florida.

Mr. CHILES. Mr. President. I thank the distinguished Senator from Louisiana. I happened to be one of the cosponsors of the amendment that was adopted by the Senate last year, and I think the thrust of the amendment was very good then.

I would like to see us be able to have an amendment something like that this year. One of the reasons that I will not support the amendment tonight is that in trying to determine where we are first, we have not been able to get figures run yet to show us what kind of figures—what the economic figures will ultimately show us on this. The indications are, and my feelings are, that there is no way we can have a tax cut in 1981 and hope to arrive at a balanced budget in 1981, in 1982, and probably in 1983, if we mandate a tax cut in 1981.

So I would not support this now on the basis of what we now see in the way of economic impact, because we are trying to go to a balanced budget. If the figures show that it would be possible to have that tax cut and still obtain the balanced budget, then I am certainly going to support it again, and I think it is the kind of thrust we should have. But I do not think there is any way we can say this now; and to lock this requirement in on the bill that is veto-proof, and mandate that we have a tax cut that would keep us from balancing the budget, I think, would be something none of us would want to do and would be something that none of the original sponsors of the amendment would want to do, and none of the people who actually voted for it.

But as one of those who originally sponsored the amendment last time, and who worked very hard on this floor to see that we could get sufficient votes to pass it, and then, having worked as hard as I could to see that we could get the conference to keep it, as one who was very disappointed that the conference did not keep it in its entirety, I think we still have to look at where we are today; and, based on the preliminary economic findings, I do not see how we can do that now.

If the run shows us we can, I would certainly be in favor of attempting to do so, in addition to trying to do this on the Budget Act.

Mr. LONG. Mr. President, here is the scheduled tax increase in social security: For 1981, there is scheduled to be an increase of about $15 billion. That is an increase to pay for cash benefits and hospital insurance.

Senators are going to want to consider whether, rather than cutting the income tax, that maybe we would rather postpone those social security tax increases. I know we are not going to be able to cut back drastically in the benefits, because I just looked at what some of those cuts would have to be. We ought to wait and see whether we think the working man would be better off with a social security tax cut than with an income tax cut. Certainly all those making less than $17,000 would be a lot better off if we postpone the social security tax increase, rather than giving them a 10-percent cut in their income tax.

But time will tell on that. Here we are, trying to balance the budget. If you want to balance the budget for 1982—maybe we cannot balance it for 1981, but 1982 might be the year we ought to balance it—we should not be talking about cutting taxes until we see whether we can balance the budget.

What are we trying to do? Talk out of both sides of our mouths and whistle at the same time? We are talking about trying to balance the budget. One of the biggest impediments to a balanced budget is tax cuts, which prevent us from reaching a balanced budget. If you want a balanced budget, you will not get to it until 1981, but if you achieve it in 1981, then under this amendment you have a $36 billion tax cut, which might cause an unbalanced budget in 1982.

Furthermore, the Senator seems to think that if Senators are voting for this amendment, they would override a Presidential veto. I have been around here long enough to know that that is not always true. Even when only two or three men have voted against a bill, Congress has sometimes not voted to override a veto in either House. So it is a lot easier to talk about overriding a veto than to do it.

If people want to try something of this sort, they ought to send it to the President on something where the national interest would not be hurt.

Mr. President, I move that the amendment be laid on the table, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ARMSTRONG. Will the Senator withhold?

Mr. LONG. Mr. President, I ask unanimous consent that I can withhold for 3 minutes and allow the Senator to address this subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. Mr. President, I have only two additional points to make. There is some question about the age of the data which is being presented here today. I just want the RECORD to reflect that the factsheet which has been distributed reflecting the tax cuts, revenue loss, and the balanced budget are based on projections made available to us by the Committee on the Budget on March 21. These are, by their very nature, estimates and are not infallible, but these are the current figures.

Second, I would like to just acknowledge my colleague from Colorado, who has shown great leadership on this matter, and the distinguished Senator from Florida, the Senator from Georgia, and others, who have offered similar amendments. I think they deserve to be complimented for their leadership.

The path which they have blazed in this Chamber, and which my colleague MARJORIE HOLT began a year ago in the other Chamber, and which JACK KEMP and others started some years ago, can be brought to a logical conclusion this week in the Congress.

I think enough of us are on record in support of the general concept of, one, balancing the budget and, two, cutting taxes. This is the time for us to act responsibly and decisively. Therefore, I hope we will approve this.

Mr. NUNN. Will the Senator yield?

The PRESIDING OFFICER. The motion to lay on the table is not debatable.

Mr. LONG. I ask unanimous consent——

Mr. NUNN. Has the motion been made?

The PRESIDING OFFICER. The motion has been made to lay on the table.

Mr. LONG. If the Senator wishes me to withhold, I will withhold for a moment.

Mr. NUNN. I just wish to ask a couple of questions of the author of the amendment.

Mr. LONG. I will not yield the floor for that purpose. I am willing to yield the floor to answer questions myself but not for a colloquy.

Mr. NUNN. I will ask the chairman.

Having been an author of a similar amendment last year, I am interested in this concept. The author at that time spent a great deal of time working with the Chase Econometric Survey and with the Budget Office in getting a precise economic analysis as to when a budget can be balanced and when we could have a tax cut so that they would be programed in a way that would lead not only to a substantial tax cut for the American people but also a balanced budget in fiscal 1982.

My question of the Senator from Louisiana is this: Have there been any kind of economic statistics furnished that would update this amendment, bringing it up to date based on the changes in economic patterns that have occurred since last November?

Mr. LONG. There have not been any that I am aware of. But one point that I think should concern all of us is that it is entirely possible that this might cause the President to veto the bill. If there were any other revenue bill, if this were the bill that is going to come right behind this——

The PRESIDING OFFICER. The time has expired. The question is on agreeing to the motion.

Mr. LONG. I ask unanimous consent to proceed for 2 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. LONG. If there were any other revenue bill, for example, or the trade bill coming right along behind this, if it were that type of bill, and the President vetoed it, we could try to override it and the time spent in debating it and trying to override the veto would cause no real harm.

But on this bill, we are right up against the date.

On April 2 this Nation will have to start defaulting on its obligations. It has not done that in its 200-year history. We should not be doing that on this bill.

If someone wants to put an amendment of that sort on some bill, put it on a bill where, if the President vetoes it, we have time to discuss it and see if we can override the veto. If we can override it, all right, more power to the sponsors. But if we put it on this bill, one could do grievous injury to this Nation because we would be defaulting on our obligations while we were trying to settle the issue with the President.

Mr. NUNN. The Senator from Georgia is inclined to agree with the Senator from Louisiana, but I will say that I intend to renew my effort. This was my amendment last fall. I have worked with the Senator from Florida, who is in the Budget Committee. Senator BELLMON is working on it. We have worked hand in hand with him. For 6 weeks we have had our staffs trying to get updated economic analysis and we have not been able to get that information. We have an ongoing effort in that regard.

I say to my colleague from Colorado, I would like to have this joint effort proceed, but it needs to be done in an orderly way so that we can tell our colleagues on the floor of the Senate that this is at least the opinion of some economists, that some economists believe we can achieve these economic projections.

I would have to say that based upon what I have heard in the dialog here, and in the office, I do not think we have that information. It is not updated. I believe if we vote on this amendment right now what it is going to do is to signal the defeat of an amendment that had overwhelming approval last year.

The PRESIDING OFFICER. The time has expired.

Mr. NUNN. Mr. President, I ask for 2 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. The amendment has a good chance of becoming law at some point in the future with responsible, long-range projections, but at this point in time, if we get an overwhelming negative vote on it, it is going to undercut everything we have been working on for about a year.

I say that to those who supported the amendment last year, on which we worked long and hard. I believe we are about to undercut an effort that was based on thoughtful analysis at a very late hour on a bill that should not be subject to this kind of an amendment.

Mr. ROTH. Will the Senator yield?

Mr. JOHNSTON. Reserving the right to object, Mr. President, we have gone on since the motion to table for minutes and minutes. I hope this is the last unanimous consent request.

Mr. LONG. I am willing to ask for 2 more minutes providing it is the last time I ask for a continuance. The Senator can have the last word.

I ask for 2 additional minutes to be allowed to the Senator from Delaware.

The PRESIDING OFFICER? Is there objection? The Chair hears none. Without objection, it is so ordered.

Mr. ROTH. First, I congratulate the Senator from Colorado. He campaigned on the promise of cutting taxes and cutting the growth of Federal spending. I am happy to see him carry through with both campaign pledges.

As the one who initiated in this body the concept of a general tax reduction, it seems to some people that sometimes there is never a right time to do it.

I point out to my distinguished fellow Members of the Senate that we have had a further additional study made of Roth-Kemp the second. Chase Econometrics made a careful study of the proposal, and they have stated that if this were adopted they would see something like 8 million new jobs created in the next 5 years. They would see that the budget would be balanced by 1982. They see that the real growth instead of being roughly 1.5 percent would be 3.5 percent.

I also point out to my distinguished colleagues that if this type of legislation were adopted, Chase predicted that the rate of inflation——

Mr. NUNN. Will the Senator yield? Where are those statistics?

Mr. ROTH. I do not have them with me, but we do have a letter from Chase Econometics.

Mr. NUNN. I think the letter would be helpful to Senators who sponsored it last year, and I happened to be the leader in that respect. I think it would be necessary for us to be able to see a copy of the letter.

Mr. ROTH. I have not yielded.

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. ROTH. I want to point out that the question was asked whether any further studies have been made. I am saying that, on the basis of Roth-Kemp the second, additional studies have been made which show it would have had a beneficial effect on the economy.

What concerns me is that everybody voted last fall on the idea that it would help the economy. If that had been adopted, it would have been the law. I say we ought to move forward. I congratulate the Senator from Colorado.

Mr. JEPSEN. Mr. President, I rise in strong support of the amendment offered by the Senator from Colorado (Mr. ARMSTRONG).

This amendment would simultaneously accomplish two very important things: It would cut individual income taxes across the board and, at the same time, prohibit the growth of Government spending beyond 1 percent per year in real terms.

As I noted in my remarks yesterday, it is not necessary to back away at the Federal budget with a meatax in order to balance the budget. All we need to do is slow the growth of spending, which increased by an average of 14 percent per year since 1975. If, during this period, spending had only grown at the rate of inflation we would have had a budget surplus in fiscal 1978.

The reason this would have been possible, of course, is because inflation increases income tax revenues by pushing people into higher tax brackets. Because this is a process that has been going on for years, and will continue for years to come unless it is stopped, I support an across-the-board cut in tax rates and indexation of the Tax Code. Thus it is important to note that Senator ARMSTRONG's amendment does not propose to balance the budget on the backs of the taxpayers.

Mr. President, Senator ARMSTRONG's amendment represents to me a very moderate and justified proposal for dealing with the twin problems of excessive spending and taxation. Personally, I think we need to go much further. We should also consider adopting a constitutional amendment to balance the budget, Senator DOLE's legislation to index the Tax Code for inflation, and at least a one-third reduction in income tax rates, as proposed by Senator ROTH and Congressman KEMP.

In closing let me just add that I believe an amendment to the debt limit increase bill is a perfectly appropriate place to consider measures to reduce spending and taxes. I urge my colleagues to vote for the Armstrong amendment.

● Mr. HAYAKAWA. Mr. President, for several days now, while attempting to consider the debt limit extension, the Senate has become embroiled in a debate on whether or not to balance the budget. I feel strongly that we should be asking ourselves, instead, how to strengthen and preserve the economic stability of our Nation. "Balance the budget" is the phrase either being shouted or whispered all across the country.

This call arose from a grave concern that we need to lower inflation and produce a healthy economy. I fear that we have lost sight of that concern in the rush to balance the budget "come hell or high water." The following testimony by Michael K. Evans before the Senate Budget Committee on March 5, 1979, addresses the issue:

> We ought to be concerned not primarily with balancing the budget but with reducing the share of GNP absorbed by the public sector, stimulating high growth and remaining near full employment without accelerating the rate of inflation.

This is an important point; what are we trying to do here? Are we trying to balance the budget because it is the thing to do, or are we going to stop inflation and stimulate our economy?

I personally like to think that my colleagues are statesmen concerned with the future of their country, not with being trendy. Let us pause for a moment in our deliberations and ask ourselves what we are attempting. Is a balanced budget our only goal? Mine is not. I think we must examine our economy closer to decide what our goals must be.

For the first time in 20 years the annual Report of the Joint Economic Committee was endorsed by both the majority and minority members of the committee. It is significant, then, that this report states that, "the most serious problems besetting the economy in 1978 were the accelerating inflation rate and the precipitous decline in the value of the dollar." I think that most of my colleagues would agree that the value of our dollar was to a large extent pegged to our inflation rate.

The conclusion that I reach is that reducing inflation is, in the words of President Carter, "our top economic priority." At this point, I would like to direct my colleagues' attention to an editorial in the Wall Street Journal of February 27, 1979, titled "Deaf to Hope." I entered this article in the RECORD earlier this year and I think that it is particularly relevant for us to consider it again at this time. Please allow me to quote the more important aspects:

> We seriously doubt that the inflation we are experiencing has been caused by too much economic growth. . . . The problem, we believe, is that the conventional wisdom confuses the growth in aggregate demand with the growth of the economy. Restraining inflation does require a slower growth in demand, but the economy could actually grow faster as a consequence.

How? Let me quote further?

> The problem, then, is not that too much economic growth has caused inflation, but that demand has been stimulated while supply has been stunted. The solution is to stimulate demand less and supply more. Mr. Miller can do an important part—hold down the growth of money—but he can't do it all. The Congress must not give him any large debts to monetize, and tax rate reductions paid for by slowing the growth in spending would restore production incentives. As money and fiscal restraint squeezed out inflation expectations, the interest rate would fall. And if tax rates were reduced, the added boost of incentives would send the economy on its way. This is a scenario of high growth, low inflation and a strong dollar.

I believe that this is what the country needs to get it back on its feet. And this is why I am reluctant to "go along with" the budget balancing proposals which are not tied to tax reduction. As most proponents of legislation to balance the budget, I too favor a reduction in Federal spending to accomplish this goal. History, though, does not show that Congress has been inclined to reduce spending at any time and the accelerated growth in recent years is not reassuring.

There are two ways to balance the budget besides reducing Federal outlays—raising taxes through legislation and raising them through inflation. Before my colleagues protest that they would never consider such action, let me direct your attention to last Thursday's debate. The esteemed chairman of the Finance Committee, Senator LONG, mentioned the possibility of the Budget Committee's issuing a balanced budget which envisaged "that we pass a tax." Senator PACKWOOD, a member of the Budget Committee, added the following comment:

> Let us say, for example, the Budget Committee says, "All right, we think the way it might be balanced in 1981, considering that we might have a 7, 8, to 9 percent inflation, is there will simply be no tax cut and because people are pushed into higher tax brackets and the revenues go up it will catch up with the expenditures, and that is our estimate of how we might balance the budget in fiscal year 1981.

These are not acceptable alternatives, yet they are distinct possibilities if we mandate a balanced budget without tieing it to tax reduction.

I cannot with a clear conscience vote for balance-the-budget legislation which I feel is likely to result in higher taxes. I am opposed to the unnecessary risk of increased taxes implicit in such measures which do not contain a firm commitment by Congress to lower taxes. I do support, and have cosponsored, an amendment to H.R. 2534, No. 110, introduced by Senator ARMSTRONG, to combine tax reduction with lowered levels of spending and a balanced budget in fiscal year 1981. I believe this to be a more responsible approach.

An article in the March 22, 1979 Wall Street Journal by Paul Craig Roberts titled "A New Economic Era" supports my arguments for reduced taxes. I think that my colleagues will find Mr. Roberts' thoughts valuable. I ask that the article be printed in the RECORD.

The article follows:

[From the Wall Street Journal, March 22, 1979]

A NEW ECONOMIC ERA

(By Paul Craig Roberts)

Dissatisfaction with the Keynesian management of economic policy reached new heights last Monday with the appearance of the 1979 Annual Report of the Joint Economic Committee of Congress When Senators Kennedy and McGovern sign off on a report that disavows more government spending to stimulate the economy and calls instead for a reduction of the tax wedge on production, chances are it's a new era for economic policy

Led by Sen. Lloyd Bentson and Rep. Clarence Brown, the JEC has produced the first unanimous report in 20 years. And what a breath of fresh air it is! Stagflation, says the JEC, is the result of policies that have stimulated demand while retarding supply.

The way out, the committee says, is to restrain demand by paring government expenditures and to encourage supply by reducing tax and regulatory burdens, while following a moderate monetary policy. Gone altogether are the Keynesian ideas that investment is inflationary, that saving is a drag on the economy, and that spending will lead to economic growth regardless of the level of tax rates.

Lest it be thought that I am fantasizing on a Jack Kemp-Art Laffer theme, listen to committee chairman Bentsen: "This report illustrates an emerging consensus in the committee and in the country that the federal government needs to put its financial house in order and that the major challenges today and for the foreseeable future are on the supply side of the economy."

What's going on here besides a revolution in economic policy thinking? For one thing, Democrats have noticed the success Republicans have had in pushing the new supply-side economics; why allow the other party to draw such a clear-cut line with you on the wrong side of it?

For another thing, black Congressmen like Parren Mitchell can't forever remain deaf to the argument that now that blacks have a right to buy a ticket to get on the opportunity train, they have a big stake in getting the engine of economic growth moving. No responsible black leader wants to lead his people further into what Sen. Orrin Hatch has called the new slavery of federal handout dependency.

For yet another, economists of the stature of Martin Feldstein and David Meiselman have been appearing before the JEC, stressing in their testimony that saving and investment have been neglected. It is finally dawning on big spending congressional liberals that they cannot wring any more transfer payments and entitlements out of an economy that is not growing.

It is a sign of hope that the supply-side economics in the "Minority Views" appended to the 1977 and 1978 JEC reports enjoy majority support in 1979. Rep. Brown's view that "modern economists have rediscovered the supply side of the economic model" and "the demand-oriented approach is now outdated" is no longer controversial.

The function of the JEC's Annual Report is to evaluate the Economic Report of the President and make economic policy recommendations to the Congress. The Annual Report states: "It is the Committee's view that the Administration's current budget proposals do not provide for sufficient improvements in incentives for capital formation and saving." As a consequence of the monetary and fiscal policies of the past several years, "there has been a decided change in the composition of output away from capital investment toward higher levels of consumption. This has contributed significantly to our sluggish productivity performance, which in turn has exacerbated our underlying rate of inflation."

The report points out that inflation is very bad for economic growth because it lowers after-tax rates of return by understating the costs of plant, equipment and inventory used up in production. "This understatement of real expenses causes profits and taxes of corporations and partnerships to be overstated and reduces the real rates of return to, and quantities of, investment and output."

Fine-tuning demand is helpless to do anything about this serious problem because "even if demand is high, capital spending and the supply of output in general may be low if the after-tax real rate of return is inadequate." As the JEC says, "The problem, simply, is that the U.S. economy is putting too few of its resources into the expansion of its capital stock."

The 1979 Annual Report is in every sense a breakthrough, because it shifts the focus of economic policy from demand management to reducing the tax wedge. "The greater the burden on a factor of production," says the JEC, "the smaller the quantity of that factor that will be offered to the market. The greater the burden placed on production, the less production there will be." With the economy "stuck in a deep economic hole," we must "alter the policy mix to encourage supply, reduce disincentives and raise the reward to production."

To reduce the regulatory burden, currently running at $100 billion annually, the JEC proposes a regulatory budget to limit the costs that each federal agency can impose on the private sector. This sensible proposal also reflects a recognition that there is a problem of accountability with the administrative law issued by bureaucrats. If it continues to expand at its current breathtaking rate, legislative lawmakers will soon be shunted aside and over-shadowed by edicts issued by an unelected bureaucracy.

As a final repudiation of worn-out Keynesian approaches to economic policy, the committee warns the administration: "We oppose any attempt to transform the guidelines into mandatory wage and price controls." What we need now is a President who will use this broom to clean up the incentive structure for economic growth and sweep out the penalties on production that hinder the nation's success.●

The PRESIDING OFFICER. The question is on agreeing to the motion to lay the amendment of the Senator from Colorado on the table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Alaska (Mr. GRAVEL), and the Senator from Mississippi (Mr. STENNIS) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that the Senator from Illinois (Mr. PERCY) is absent on official business.

The PRESIDING OFFICER (Mr. BRADLEY). Are there any Senators in the Chamber who have not voted who wish to do so?

Mr. ROBERT C. BYRD. Will the Chair repeat that?

The PRESIDING OFFICER. Are there any Senators in the Chamber who have not voted who wish to do so?

Mr. ROBERT C. BYRD. I thank the Chair.

The result was announced—yeas 61, nays 33, as follows:

[Rollcall Vote No. 27 Leg.]

YEAS—61

Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Bradley
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cranston
Culver
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Heflin
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Pell
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stevenson
Stewart
Stone
Talmadge
Tsongas
Weicker
Williams
Young
Zorinsky

NAYS—33

Armstrong
Baker
Boschwitz
Byrd,
  Harry F., Jr.
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Garn
Goldwater
Hatch
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
Packwood
Pressler
Proxmire
Roth
Schmitt
Schweiker
Simpson
Stevens
Thurmond
Tower
Warner

NOT VOTING—6

Bumpers
Gravel
McClure
Percy
Stennis
Wallop

So the motion to lay the amendment on the table was agreed to.

Mr. PROXMIRE. Mr. President, I have an amendment to extend the life of the Renegotiation Board for 60 days. The Renegotiation Board would die on March 31 unless its life is extended. It is a board, as we know, that reclaims excessive defense profits.

The extension is supported by the Secretary of Defense, by the President of the United States, by every unbiased study, including the GAO, the House Committee on Government Procedures, the staff of the Internal Revenues Tax Commission. It is an agency that brings in six times as much as it costs.

I am not going to offer that amendment, because the leadership in the House and Senate has indicated to me it feels its addition might kill the debt limit bill in the House.

Furthermore, with the leadership opposition, I am convinced the vote against the amendment would be decisive and would be an unfair test of the feeling in the Senate about the Renegotiation Board.

However, I want to serve notice that at this time that I intend to offer a proposal to extend the life of the Renegotiation Board at the earliest opportunity. I hope that can be this week, and, if not, early next week.

Mr. President, I regret very much I cannot offer it on this bill. The amendment has a number of cosponsors. But I am not going to offer it at this time, and those are the reasons.

Mr. METZENBAUM addressed the Chair.

Mr. PROXMIRE. Mr. President, I yield to the distinguished Senator from Washington.

Mr. MAGNUSON. I hope the Senator can bring it up before the time the Renegotiation Board expires.

Mr. PROXMIRE. I thank the Senator. I will try to bring it up before the Renegotiation Board expires. But, in any event, I hope it will be the next few days—if not this week, early next week.

Mr. METZENBAUM. Mr. President, I associate myself with the remarks of the Senator from Wisconsin.

A number of us in this body have indicated a concern about the expiration of the Renegotiation Board. Much of the opposition to the extension of the Renegotiation Board comes from that very group in the Senate that has seen fit to be offering amendments to the budget bill and which has indicated its concern about excessive expenditures in balancing the budget. Yet, the fact is that the Renegotiation Board is one of the few bodies this Government has that makes it possible to provide some limitations on excessive spending by our Government with respect to defense procurement.

Although I had been very enthusiastic and interested in going forward with the amendment that the Senator from Wisconsin has just mentioned, he has provided such distinguished leadership in this area in the past that I would not for a moment suggest or even consider going forward without his cooperation. But I do want to make it clear that I associate myself with him in my concern for the termination of the Renegotiation Board, and I hope we may have an opportunity to breathe a breath of new life into this needed Federal agency.

Mr. CRANSTON. Mr. President, I do not wish to be a cosponsor of this amendment when it is offered, for good and sufficient reason. It has not proved to be a moneymaker for the Government.

I am opposed to any reauthorization of the Renegotiation Board.

The statutory authority for the Renegotiation Board expired on September 30, 1976—some 30 months ago. All contracts entered into during the past 2½ years have not been subject to renegotiation. None of the horrors predicted, if we did not have a Renegotiation Board, have come to pass.

The Board has a large backlog of contract filings which remain to be processed. These should be processed, but not by the Renegotiation Board.

The Board has done very little to gain the confidence of Congress that it can manage to dispose of its backlog efficiently.

The record shows that the Board has managed instead to multiply and remultiply its backlog by the simply, but effective device of promulgating new and retroactive regulations which required more work and the hiring of more employees by the Board.

The General Accounting Office reports that the Board's retroactive application of its new regulations was "seriously open to question."

The GAO said further:

> Considering the difficulties with processing and liquidating the current backlog, the wisdom of the Board's extension of its jurisdiction to Foreign Military Sales contracts at this time seems questionable. . . . If the Renegotiation Act is not to be extended in the same form, an emphasis by the Board on the task of processing and reducing its existing backlog would seem to be more desirable than adding accruals and receipts from FMS contracts to its workload in pending cases.

It has been suggested by some that the Board earns money for the taxpayer.

This is simply not the case.

Here are the facts:

The annual budget for the Board is $6 to $7 million.

In fiscal 1978, the Board reported excess profit determinations totaling about $78 million. The comparable figures for previous years were $18 million in 1977, $40 million in 1976, and $27 million in 1975.

The cost to industry has been estimated at various figures ranging from $100 to $300 million and higher. David Packard, former Deputy Secretary of Defense and president of Hewlitt-Packard Corp., in testimony before the Senate Subcommittee on Appropriations for State, Justice, Commerce, the Judiciary, and related agencies, estimated the cost to industry conservatively at $200 million.

The cost of complying with the Renegotiation Act is charged to the taxpayer, because such a cost is recoverable under the terms of contracts with the Government.

When the Board does make a determination, which must also withstand review by the courts, the contractor generally receives a tax refund from Treasury, because he previously had paid taxes on the income earned.

So the taxpayer pays three times for the Renegotiation Board, for salaries of employees, for industry costs of reporting, and recordkeeping and for tax refunds. The total cost which I have estimatedw on the low side at $140 million far exceeds the highest determinations ever made by the Board.

Finally, I would like to point out that excess profits are a very small, virtually insignificant, factor in defense costs. The Board reviews about $40 billion in contract filings annually in order to make determinations of excess profits averaging around $30 million.

Clearly, excess profits—to the extent they can be substantiated—are not a heavy drain in the defense budget. But unwise purchases, waste and cost overruns are significant factors in pushing up unnecessary costs to the taxpayers.

I believe it is much more important to improve the procurement process so that costs are controlled and productivity increased. The relevant question to ask if the Government finds that it is paying too much is to ask why was the contract or purchase so poorly negotiated in the first place. The record of losses sustained by defense contractors suggests that the Government actually drives a hard bargain.

The Board is an anachronism and unnecessary: It should be given a coup de grace by the Senate once and for all.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

EARNED INCOME LIMITATION

Mr. HART. Mr. President, earlier this afternoon or this evening there was a discussion about the possibility of offering an amendment to the pending measure which would reverse the action of the Senate of several days ago with regard to earned income limitations by Senators. That proposal is in the form of a resolution, and it is my intention, as the principal sponsor of that resolution, to call up that measure for an up-and-down vote sometime tomorrow. However, I did want Senators to be on notice that the measure would be before the Senate tomorrow, and it is my intention to call it up as early as possible tomorrow.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. ROBERT C. BYRD. Mr. President, I will proceed for a very few minutes, and I will not unduly delay the Senate.

On March 7, a resolution was called up, providing for postponement of the effective date of rule XLIV(44), with respect to the limitation on outside earned income, until January 1, 1983. In other words, the $25,000 limitation, in effect for the past several years would continue for 4 years. That was on March 7, and the opening statements on the resolution appeared in the RECORD on that day.

On page 4242 of that same day's RECORD, I secured a unanimous-consent agreement to vote on that resolution no later than 12:30 p.m. the following day, March 8.

Also in the CONGRESSIONAL RECORD of March 7, last page, the program for Thursday was stated in the Daily Digest. In that program, it was stated that the Senate would, on Thursday, resume consideration of Senate Resolution 93, to postpone the effective date of rule XLIV of the Standing Rules of the Senate from January 1, 1979, to January 1, 1983.

Moreover, it was stated in the CONGRESSIONAL RECORD Daily Digest that a vote on that resolution would occur no later than 12:30 p.m. on the following day, Thursday.

On page D177 of the Daily Digest of the same date, in statements with reference to Chamber action, it was stated that the "Senate began consideration of Senate Resolution 93, to postpone the effective date of rule XLIV of the Standing Rules of the Senate from January 1, 1979, to January 1, 1983"; and it also said that the "Senate will resume consideration of this resolution tomorrow, and by unanimous consent, a vote will occur thereon not later than 12:30 p.m."

So, adequate notice to all Senators was in the RECORD of March 7 that a vote would occur the next day, at no later than 12:30 p.m., on that resolution.

Also on page D177, Senators were referred to page 4240. If they would have turned to 4240, they would have found the opening statements on the resolution.

That is all I am going to say at this time with reference to that matter. Senators were on notice, by the CONGRESSIONAL RECORD, that there would be a vote on Thursday, March 8, and that the resolution had been introduced, the resolution having been printed in the RECORD, and the opening statements having been in the RECORD.

I just take the floor at this time to compliment the distinguished Senator from Colorado on offering to call up his amendment today. I wanted to get a yea-and-nay vote on it, up-and-down, and I sought to get an agreement to that effect, that we vote on it within 20 minutes, up-or-down, but there was an objection to that request.

Now, the Senator has put the Senate on notice that he is going to try to call up a resolution tomorrow that would vitiate the earlier action of the Senate on that date. I say to the Senate that I hope we will have an up-and-down vote on the resolution.

Senators have had 3 weeks now. That was the 7th, and tomorrow is the 28th. Any Senator could have asked for a rollcall vote at that time. The resolution was adopted on the 8th by voice vote. Tomorrow will be 3 weeks. Senators have had ample time to explain their position and to make speeches back home and in the Senate.

So Senators should be ready for a vote by rollcall without further debate. I ask unanimous consent that a vote occur on Mr. HART's resolution, up or down, tomorrow, at 4 p.m.

Mr. MORGAN. Mr. President, reserving the right to object, would that preclude a substitute amendment to Senator HART's resolution?

Mr. ROBERT C. BYRD. It would not. But if there are going to be amendments to it, I think I should not waive the rights of Senators to table.

I would like to see an up-or-down vote on the amendment. The issue is clear; everybody knows what we are talking about. The Senate would be voting up-or-down on the resolution to vitiate the previous action. If we are going to have amendments to Mr. HART's resolution, I think Senators should retain the right to move to table.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. LONG. I plead with the distinguished leader that we vote on the debt limit bill, and then those who want to talk about this honorarium matter can stick around and talk about it all night. Some of us have other things to do and know how we are going to vote on it, and we do not need to be convinced. Will the leader help me get a vote? I will pick up the RECORD tomorrow and read every word that is said afterward.

[Laughter.]

Mr. MORGAN. Mr. President, I want to leave, also. I have an engagement that I accepted 5 months ago.

I think the Senate should know that we are operating in the Senate under the law we passed last year which applies not only to the legislative branch of Government but the judicial and executive branches as well, and at the same time we are operating under rules of the Senate.

I have sat on the Ethics Committee for some long and difficult hours, and I think it is time we reconciled ourselves to the fact that either we operate under the rules of the Senate and exempt ourselves from the law we passed, in which there are conflicts, or we say, "All right, we will live under the same rules as the executive and judicial branches."

I am not sure that it would fit in tomorrow, but I would like to have the evening to look at it and, if we are going to get on the matter, to see if tomorrow would be the day to bring it up.

It is very hard for those of us who are serving on the Ethics Committee to try to administer the Rules of the Senate and also administer the law we passed. So if the majority leader does anything after the vote which is about to occur, I wish he would protect my right to offer amendments tomorrow.

Mr. ROBERT C. BYRD. Mr. President, I withdraw the request at this time.

The Senator from Colorado has put the Senate on notice that he intends to call up his resolution tomorrow. He is going to seek immediate consideration. Of course, if that request is objected to, he will not get a vote on the resolution. The resolution will not even be called up if his request is objected to. It will go over under the rule, under rule XIV, and he will not even get a chance to bring it up before the Senate tomorrow if there is a single objection.

I expect to vote against his resolution.

I was merely seeking to get an order of the Senate that he would be assured of an up and down vote tomorrow on his resolution.

I withdraw the request.

SEVERAL SENATORS. Vote!

Mr. DOLE. Mr. President, the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is, Shall the bill pass? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL) is necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Idaho (Mr. MCCLURE), and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

I further announce that the Senator from Illinois (Mr. PERCY) is absent on official business.

I further announce that, if present and voting, the Senator from Tennessee (Mr. BAKER) would vote "yea."

The PRESIDING OFFICER. Are there any Senators in the Chamber who have not voted who wish to do so?

The result was announced—yeas 62, nays 33, as follows:

[Rollcall Vote No. 28 Leg.]

YEAS—62

Baucus
Bayh
Bellmon
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Chafee
Chiles
Church
Cohen
Cranston
Culver
Danforth
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Heinz
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Schmitt
Stafford
Stennis
Stevens
Stevenson
Stone
Talmadge
Tsongas
Williams
Young

NAYS—33

Armstrong
Boren
Byrd,
Harry F., Jr.
Cannon
Cochran
DeConcini
Dole
Domenici
Garn
Goldwater
Hatch
Hatfield
Hayakawa
Heflin
Helms
Hollings
Humphrey
Jepsen
Kassebaum
Laxalt
Lugar
Pressler
Proxmire
Roth
Sasser
Schweiker
Simpson
Stewart
Thurmond
Tower
Warner
Weicker
Zorinsky

NOT VOTING—5

Baker
Gravel
McClure
Percy
Wallop

So the bill (H.R. 2534), as amended, was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill—H.R. 2534—be printed with the amendments of the Senate, and that in the engrossment of the amendments of the Senate to the bill the Secretary of the Senate be authorized to make all necessary technical and clerical changes and corrections, including corrections in section, subsection, and so forth designations, and cross references thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESCISSION OF CERTAIN BUDGET AUTHORITY—CONFERENCE REPORT

Mr. MAGNUSON. Mr. President, I submit a report of the committee of conference on H.R. 2439 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2439) to rescind certain budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96–46), transmitted pursuant to the Impoundment Control Act of 1974, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the proceedings of the House of Representatives.)

Mr. MAGNUSON. Mr. President, this bill rescinds $723.6 million. The President had requested $914.6 million be rescinded.

The Senate had proposed that $723.6 million be rescinded, $17.7 million more than the House.

In conference, the House receded to all of the Senate figures.

We all had to make some difficult choices in putting this bill together. Given the times, I think it is the best which could be done.

I yield to the Senator from North Dakota.

Mr. YOUNG. The total dollars approved for recission by the Senate was approved by the conferees and earlier today by the House. I urge a "yes" vote because a "no" vote would require the administration to spend over $700 million that they do not want to spend.

Mr. MAGNUSON. The Senator is correct.

Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business with Senators permitted to speak 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

BYELORUSSIAN INDEPENDENCE DAY

Mr. LEVIN. Mr. President, 61 years ago this week this Byelorussian people began to enjoy a brief interlude of national independence and liberty between eras of political repression and denial of self-determination. Byelorussia declared itself a sovereign republic on March 25, 1918; its declaration of independence proclaimed: "Today we * * * cast off the last chains of the political servitude that had been imposed by Russian tsarism upon our free and independent land."

After a short 10 months of freedom, along with significant advances in education, culture, and social welfare, the "chains of political servitude" were once more manacled around the nation as the Red Army marched into the Byelorussian capital of Minsk and imposed a new government.

One form of imperial control, tsarism, had been undone, merely to be replaced by another tryanny. Ultimately, this fledgling democracy was partitioned between Poland, Latvia, and Russia by the Soviet Union in 1921. Today, the Byelorussian Soviet Socialist Republic is an area of key geopolitical importance with a population of 10 million.

As a nation born of a quest for independence, Mr. President, we cannot help but mourn as we recall the short-lived liberty of the Byelorussian people. We may find some solace in the fact that the fire of Byelorussian nationalism thrives today, despite the persistent efforts of Soviet authorities to drown it out.

Yet the tragedy of Byelorussia is more poignant today than ever. We are appalled by the daily flagrant violations of human rights perpetrated by the Soviets in the subjugated land of Byelorussia.

Consider the case of Lauhen Ivanivich Buzinnikau who, in May and June of 1978, was arrested and detained at an "investigative prison" in Byelorussia and then later held for "psychiatric analyses." The charges against Buzinnikau included "corresponding with dissidents * * *," and "listening to and dissemination of foreign radio broadcasts." Or, Mr. President, examine the case of Aleksandar Krut'ko, a 71-year-old man who was harassed and abused by the local authorities in the Byelorussian town of Tsyntsavichy for desiring to emigrate to the United States and live with his daughter.

These examples, Mr. President, serve to remind us of the cold realities of life under a totalitarian regime. During this week, which marks the anniversary of Byelorussian independence, I am proud to take this opportunity to acknowledge the Byelorussians in their valiant struggle for liberty and to assert this country's unflinching opposition to the repression of human rights anywhere in the world.

THE DEPORTATION OF NAZI WAR CRIMINALS

Mr. LEVIN. Mr. President, we are all well aware of the heightened international interest in the Holocaust and its devastating effects. In many ways, this Nation has made known its great concern. Now, once again, it is our responsibility to voice our belief that those persons who committed these crimes—not only against the Jewish community in Europe, but also against mankind—be brought to justice.

In the United States, the Special Litigation Unit of the Immigration and Naturalization Service is actively involved in hundreds of cases of suspected Nazi war criminals who are currently living here illegally. Although the unit has not received the level of funding it deserves, it is deeply involved in many major cases, and I hope that it is nearing the successful completion of deportation cases of a number of participants in Nazi actions.

However, once the alleged criminals have been deported, it is assumed that they will be prosecuted under the codes of Nuremberg. However, the West German Government's statute of limitations governing the prosecution of Nazi war crimes is due to expire on December 31, 1979. After that time, only war criminals against whom proceedings have been started can be prosecuted. Those who have remained undetected, or who have been returned from other countries, will be free from prosecution in West Germany.

It is unfortunate and ironic that the West German statute is expiring at a time when the worldwide interest in major issues surrounding the Holocaust and those who participated in it has been intensified. It is unfortunate because it is unthinkable that the participants in the crimes be allowed to continue to live freely and without the threat of prosecution.

It is ironic because only recently have the events of the Holocaust become a major area of historical investigation. New information becomes available regularly which more fully than ever details the atrocities which took place. This new research may make the prosecution of these criminals easier. It is vital that the West German Government extend its statute of limitations, or abolish it entirely, to allow the prosecutions to continue.

Already, we have recently seen photographs, never before released by the Government, taken by British and American reconnaissance planes which clearly show the existence of a death camp at Auschwitz. They were released only last month by the Central Intelligence Agency. The authors of a CIA report which accompanied the release of the photographs wrote:

> It is our hope that we stimulate the interest of historians in the use of photographs taken through aerial reconnaissance. It is an untapped source of history.

Certainly, this source, and others, should be tapped, not only to reconstruct with greater accuracy the historical record of the time, but also to assist authorities in locating and prosecuting persons who may have been involved in the operations of the death camps and other inhumane activities.

The uncovering of this new record further demonstrates the importance of leaving open the available means of prosecution of those who participated in these actions. Because of the new records there are likely to be many more deportations from the United States and other countries.

The resolution which has been introduced recently by Senator CRANSTON, is one way in which the Senate can speak out on this matter. Already, far too many criminals have escaped detection and prosecution, both in the United States and throughout the world. If the West German statute is allowed to expire, criminals will be able to live openly without fear of punishment. Failure to extend the statute of limitations would all but destroy the recent worldwide movement to discover Holocaust participants and would make useless any nation's efforts to find and deport suspected criminals. The newly discovered evidence, which is making these investigations easier, would become all but worthless.

In 1969 and 1965, the West German Government extended the statute when faced with the same situation as we now find. I understand that there appears to be more opposition to the extension this year. Several countries, notably Poland and Israel, have already expressed their strong views that the statute be extended or abolished entirely. The United States should add its voice to this call for justice. I applaud the assistant majority leader (Mr. CRANSTON) for introducing this resolution, and I urge my colleagues to favorably consider it.

THE RHODESIAN ELECTIONS

Mr. LEVIN. Mr. President, as you know, in a few days the Members of the Senate will have an opportunity to vote on a resolution calling for a group of impartial observers to be sent to Rhodesia for the April 20, elections. The observers will seek to determine if the elections are "free and fair."

Mr. President, I find that I cannot support such a resolution.

The climate of fear and intimidation among the country's 7 million Africans has heightened greatly over the past several weeks. It is my understanding that private armies committed to getting the "internal settlement" approved are travelling throughout rural areas of the country in an effort to assist Africans in "learning" the voting process. History is not encouraging as to the type of education which those armies will seek to impart. The methods and substance of the education will not be readily visible to the observers who will arrive after the "education process" is completed.

The persuasive techniques which can be masked so well from public view obscure the true nature of the election process. I think we contradict ourselves in our commitment to majority rule if we act in a fashion that will legitimize an election that we know with reasonable certainty cannot assure a genuine choice.

Mr. President, the election will be supervised and administered by the same individuals who have repressed the African majority for years on end.

A truly "free and fair" election, under such circumstances, would require full control by massive neutral forces.

Such forces are not on the scene. In their absence we should not lend credibility to the goings on of April 20.

Mr. President, how does an observer see that a voter does not believe the ballot will be secret and believes that there will be reprisal. How does an observer see that certain persons and parties have been stopped from voting long before they could get to the polls. How does an observer know that political participation, education and campaigning have been impossible because of martial law, censorship and government manipulation.

Mr. President, we should not do anything to give credibility to the elections staged by the Smith regime.

GREEK INDEPENDENCE DAY

Mr. LEVIN. Mr. President, to the inhabitants of a small peninsula in the east Mediterranean, western civilization owes an enduring debt; because it was there, over 2,500 years ago where the philosophical foundations of democratic government were evolved by the ancestors of persons whom we know today as Greeks. No reason appears for this sunburst of enlightenment but the reality of our cultural indebtedness cannot be denied. The very word "democratic" means that ultimate power upon which our Nation was founded and has prospered and endured to this day. America has benefited not merely from its heritage from ancient Greece, but also from the contributions of Americans who have come from Greece to make their personal contributions to the growth and health of our Nation.

My State of Michigan is particularly blessed by the contributions of Greek Americans. My city, Detroit, takes pride in its very own "Greektown" which symbolizes the vitality of the Greek American community in metropolitan Detroit. The spirit of the Greek patriot Demitrius Ypsilantis, who in the past century demonstrated against great odds the vitality of the Greek love of freedom, has found a permanent home in the university town which bears his name.

The free world on March 25 salutes the Greek people and unites in its expression of indebtedness to the hellenic tradition for the philosophical underpinnings of the democratic way of life. I am proud to add my voice to the chorus.

Mr. President, I yield the floor.

THE STATUS OF DEMOCRACY IN SUB-SAHARAN AFRICA

Mr. HARRY F. BYRD, JR. Mr. President, I recently asked the Library of Congress to survey the state of democracy and of human rights in the nations of sub-Saharan Africa.

I felt that a survey of that nature would be of value to the Senate in assessing American foreign policy in Africa and in particular the present policy of nonrecognition of the Government of Rhodesia.

In preparing the survey the Library of Congress relied primarily on information supplied by the Central Intelligence Agency and the Department of State.

Mr. President, I ask unanimous consent that a summary of the Library of Congress research be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY

ANGOLA

No elections held to date. Independence achieved from Portugal in 1975.

Pending the institution of the People's Assembly, the Council of the Revolution is the supreme organ of state power.

BENIN

Current government has held no elections and none are scheduled.

The Revolutionary Government which seized power in 1972 under the leadership of Lt. Col. Mathieu Kerekou abrogated the Constitution then in force and two years later adopted the principles of Marxism-Leninism as its guiding philosophy.

No constitutional guarantees of civil and political liberties exist.

BOTSWANA

A general election was held 26 October 1974.

Botswana is a multi-party parliamentary democracy based on constitutionally guaranteed universal suffrage.

It is land-locked and is bordered by South Africa, South West Africa, and Rhodesia.

CAMEROON

Presidential elections were held 5 April 1975; parliamentary elections were last held 18 May 1973.

Cameroon is a single-party state with a civilian government operating under a Constitution adopted in 1972.

While there is no legal proscription of additional parties, in practice Cameroon is a one-party state. Opposition parties are not tolerated and all political activities must take place under the umbrella of the Cameroon National Union.

Labor unions have little political or economic strength because of the small size of the salaried work force and government control over union activities. Strikes are banned.

CENTRAL AFRICAN EMPIRE

No elections have been held under Emperor Bokassa's regime.

Constitutional rule returned to the Central African Empire (CAE), after an eleven-year hiatus, in December 1976 with the proclamation of the Empire. All individual civil and political rights are legally limited and are further subject to abridgement by direct intervention of the Government.

CHAD

All political activity is banned.

CONGO

Last legislative elections were held June 1973.

The People's Republic of the Congo is a one-party Marxist-Leninist state, governed by a President who heads an eleven-man military committee. A well-established state security apparatus monitors the foreign community, censors the press, and restricts freedom of speech and assembly.

ETHIOPIA

Effective power is exercised by Provisional Military Administrative Council (PMAC), a group estimated at 40–100 officers and enlisted men which operates on committee system; the predominantly civilian cabinet is ineffectual and holds office at suffrance of military; the legislature was dissolved September 1974; the judiciary at higher levels is based on Western pattern, at lower levels on traditional pattern, without jury system in either.

In short, political activity is under the complete control of the PMAC, which tolerates no opposition. There is no parliament.

GABON

Presidential and parliamentary elections last held February 1973.

Gabon is a one-party state in which political power is effectively concentrated in the Presidency.

GHANA

No elections held since 1969.

Ghana is ruled by the Supreme Military Council (SMC), a military government with seven members including the Head of State and Chairman of the Supreme Military Council.

GUINEA

Approximate election schedule—5 years parliamentary, latest in 1975; 7 years presidential, latest in 1975.

Guinea is a one-party socialist state.

Labor unions are firmly controlled by the Government.

GUINEA-BISSAU

No elections held to date.

Guinea-Bissau is a single-party state and the ruling party for both Guinea-Bissau and Cape Verde is the African Party for the Independence of Guinea-Bissau and Cape Verde (PAIGC). Opposition parties are not permitted. In any event, there have been no elections.

IVORY COAST

Uncontested Presidential and legislative election held in November 1975 for 5-year term.

The political process in Ivory Coast operates on the basis of a one-party system.

KENYA

General election (October 1974) elected present National Assembly; next elections are due in 1979.

Kenya has only one political party, the

Kenya African National Union, although there is no law against the formation of others. The Government has substantial powers to restrict political activity.

Freedom of expression and communication in Kenya can be restricted under various sections of the penal code. The existence and occasional use of the detention laws inhibit public exchange of views on sensitive political topics. The Government discourages student political activism. Although there is no formal censorship of the press, government guidelines are issued on politically sensitive issues and are usually observed by the media. Under the Societies Act the Government can refuse to register any society which it believes may pursue activities harmful to public security. This denial of registry, combined with the restrictions of the Public Order and Police Act, can effectively prevent an organization from operating. The only opposition political party, the Kenyan African Democratic Union, remains proscribed under this Act.

LESOTHO

Elections were held in January 1970; however, the results were not approved and the election was nullified allegedly because of election irregularities.

Political activity has been restricted since that time, the government having thereafter suspended the constitution and declared a state of emergency. No plans for elections have been announced.

LIBERIA

The democratic process is open to all who meet the age and citizenship requirements. Since the late nineteenth century, Liberia has been governed by the True Whig Party. There are, at present, no other registered national parties although opposition groups function freely.

The sole discriminatory legal provision is that of the Liberian Constitution which limits those who may be citizens to "persons of Negro descent"; this is defined to mean at least one-quarter Negro ancestry.

MADAGASCAR

Referendum held in Dec. 1975 gave overwhelming approval to government and new constitution; elections for People's National Assembly held in June 1977; only one political grouping was allowed to take part in the election.

Labor unions participate in the political process through their affiliation with an approved political organization. Those unions choosing not to affiliate with such organizations are not authorized to conduct political activities.

MALAWI

Malawi is a one-party state in which all effective political power is held by the Life President, Dr. H. Kamuza Banda.

Only indigenous Africans may join the Malawi Congress Party, and only members of the Party may seek election to the Parliament.

MALI

Military Committee of National Liberation promises elections at unspecified date.

MAURITANIA

Direct citizen participation in the political process was suspended following the July coup. The new military Government abolished the one political party, the National Assembly, and the Constitution. The country is now governed by an eighteen-member Military Committee for National Recovery (CMRN), which provides political guidance to the Head of State (who is also President of the CMRN) and to his cabinet members, some of whom also belong to the CMRN. There is a 22 member advisory group who theoretically represent a cross-section of Mauritanian society. The Department of State does not know what role, if any, this advisory group plays as a link between the ruling group and the rest of the society.

MAURITIUS

Legislative elections were held in Dec. 1976; municipal elections held in 1977.

The rule of law prevails in Mauritius under a British-oriented legal system with an independent judiciary.

MOZAMBIQUE

Information is not available on future election schedule, if any.

Mozambique is a one-party state controlled by FRELIMO. The party has adopted principles of Marxism-Leninism. Opposition political movement are not permitted.

NIGER

Political activity is banned.

The Supreme Military Council (SMC) which now directs the executive branch is comprised of the army officers who organized the 1974 coup. The President of the SMC is also Chief of State and President of the Council of Ministers.

NIGERIA

The Federal Military Government (FMG) in power since 1966, has promised to restore power to an elected civilian regima at a future date when state and federal legislative elections are held.

SENEGAL

Presidential and legislative elections were conducted in February 1978.

Although effective political power is held by the socialist party, the Constitution was amended in April 1976 to permit the number of political parties to increase to three and to define the ideological orientation to which each party must adhere.

SIERRA LEONE

Sierra Leone became a one-party state on June 14, 1978, when a national referendum, marred by charges of ballot box stuffing, approved a new Constitution.

Political activity in recent years has been marked by intense and occasionally violent competition among political fractions that largely represent tribal groups. The elections in 1977, for example, were accompanied by numerous clashes between strong-arm squads of different factions.

SOMALI

The Somali Revolutionary Socialist Party, created on July 1, 1976, has become the new executive body in the country; the party has a 74-man central committee and 5-man politburo headed by President and Prime Minister, Gen. Mohammed Siad Barre.

There are no elections of local or national government officials.

SUDAN

Election for National People's Assembly and Southern Regional People's Assembly were held in Feb. 1978; the most recent Presidential election was held in April 1977 with Numayri as the sole candidate.

The Sudanese Socialist Union is the only legal political party within the country.

TANZANIA

In the October 1975 national elections Julius Nyerere received 95% of about 4 million votes cast.

Tanzania is a one-party socialist state. President Julius Nyerere has been a vocal advocate for human rights abroad.

However, Tanzania tends to ignore, or at best to justify in the interests of state security, most domestic violations of human rights.

TOGO

The Presidential referendum of Jan. 1972 confirmed Gen. Eyadema for an indefinite period.

Togo is a one-party state. The present regime came to power in a military coup in 1967.

There have been no elections since 1972 in which support for the President was expressed by almost one hundred percent of the popular vote.

Togo is ruled by decree.

UGANDA

No elections scheduled by General Amin who in 1971 ordered the suspension of Uganda's legal system, and the concentration of legislative powers in his own hands, with the assistance of a Defense Council and a Council of Ministers nominated by him.

UPPER VOLTA

Parliamentary elections were held on 30 April 1978 and Presidential elections were on 14 May.

A new Constitution based on the French model of a strong democratically-elected executive and parliament had been approved overwhelmingly by national referendum in 1977. The legislative and presidential elections held last April and May were open and freely contested.

In the Presidential election, General Lamizana, head of the outgoing military government, ran as an independent supported by five parties and failed to win an absolute majority on the first ballot against three other contenders. He received 55 percent of the vote in the run-off election to continue as head of state.

ZAIRE

Presidential and legislative elections were last held in October and November 1970; elections for urban zone councils, legislative council, and political bureau of the sole political party were held in October 1977.

Participation in the one-party process is obligatory.

Although there is some freedom of debate within the party's politburo, important decisions are ultimately taken by General Mobutu.

The constitution bans ethnic and social discrimination, but regional and tribal factors affect access to jobs, both in government and private sectors, and to higher education. Recently the Zairian Army was purged of many members of the Shaban and Kasaian tribes and in its subsequest recruitment drive few were recruited from those areas or from Bandundu.

ZAMBIA

Under the 1973 Constitution, the United National Independence Party (UNIP) is designated the sole legal party in Zambia. Candidates for political office at any level must be members of UNIP and are subject to "vetting" for suitability by higher party authority. This system is described by the Zambian leadership as "one-party participatory democracy."

In 1978 seventy percent of the eligible voters participated and President Kaunda was returned to office by a margin of four to one.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries:

MESSAGE ON SCIENCE AND TECHNOLOGY—MESSAGE FROM THE PRESIDENT—PM 47

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was referred to the Committee on Agriculture, Nutrition, and Forestry, the Committee on Appropriations, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on the Budget, the

Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Foreign Relations, the Committee on Governmental Affairs, and the Committee on Labor and Human Resources, jointly, by unanimous consent:

To the Congress of the United States:

This year the world marks centennials associated with two great men of science and technology. Albert Einstein, who was born March 14, 1879, enlarged our knowledge and understanding of the universe and changed the way we look at space and time. He was an early pathfinder in the remarkable era of scientific exploration in which we live. In that same year, Thomas Alva Edison invented the electric light. He was a great technologist who devoted his life to the creation of new products to meet human needs.

The world was changed by the work of these two men. The vast changes that have grown out of their work are part of the reason that the forces these two men represent, science and technology, have become increasingly important in our lives over the last century. We look to the fruits of science and technology to improve our health by curing illness and preventing disease and disability. We expect science and technology to find new sources of energy, to feed the world's growing population, to provide new tools for our national security, and to prevent unwise applications of science and technology. The health of our economy has been especially tied to science and technology; they have been key factors in generating growth, jobs, and productivity through innovation. Indeed, most of the great undertakings we face today as a Nation have a scientific or technological component.

Yet, despite the centrality of science and technology in our lives, the Federal government has rarely articulated a science and technology policy for the future. This Message sets forth that policy. The thesis is that new technologies can aid in the solution of many of our Nation's problems. These technologies in turn depend upon a fund of knowledge derived from basic research. The Federal government should therefore increase its support both for basic research and, where appropriate, for the application of new technologies. My Administration has done just that.

Within the coming months, the Congress and I must work together on strategic arms limitation, national health care, energy supply, industrial innovation, and economic growth—all of which have significant scientific and technological dimensions.

This message to the Congress:

—describes the Administration's policy perspective on science and technology and the roles of government, industry, universities, and the public in support of science and technology;

—highlights some of the most important science and technology initiatives undertaken in my Administration in domestic, national security, and international arenas;

—outlines the potential effects of science and technology on our Nation for the decade of the 1980s and beyond; and

—assists the Congress in its task of considering the research and development programs of our Departments and agencies as recommended in my 1980 budget.

In transmitting this message, I call on the Congress to join my Administration in its commitment to nonpartisan investment in science and technology for our future.

OVERVIEW OF RESEARCH AND DEVELOPMENT

The Federal government's support of research and development is critical to the overall advance of science and technology. Federal responsibility lies in three major categories:

1. The largest fraction of the Federal investment serves the government's direct needs and responsibilities, such as defense, space, and air traffic control. Because of the technical challenges involved in meeting these national needs, there is a relatively large and broad Federal investment in research and development.

2. The Federal government undertakes research and development where there is a national need to accelerate the rate of development of new technologies in the private sector. This is especially true when the risk is great or the costs inordinately high, such as with many aspects of energy and transportation. However, we look to private industry to finance research and development activities having near-term commercial payoff. Industry is most sensitive to the marketplace, to the benefits of competition, and to the commercialization of new technologies. This view is consistent with that of industrial leaders who ask the Federal government more for a climate that fosters innovation, rather than for direct support of research and development with commercial potential. My proposals for applied research and development in Fiscal Year 1980 reflect my overall view of the Federal responsibility.

3. The Federal government supports basic research to meet broad economic and social needs. Basic research is a quest for new knowledge. Research to advance scientific understanding—in astronomy, geology, chemistry, the behavioral and social sciences, and other areas—expresses our innate curiosity about ourselves and the universe. But basic research also is the forerunner of new inventions, advances in health care, nutrition and agricultural production, many new products of commerce, and new technologies for defense, space, energy, and environmental protection.

Although the Federal government has long accepted its dominant role in basic research, support declined seriously in the late 1960s and early 1970s, especially in mission agencies whose objectives are ultimately dependent on research. I have sought to reverse these trends, by urging the Congress to increase funds for basic research and by redirecting attention toward longer-range needs of the Nation. I have proposed a 26 percent increase in basic research in the two years of my Administration. This policy is both feasible and necessary, even as we seek to reduce our Federal deficit and move toward a balanced budget. The $4.6 billion requested for basic research in Fiscal Year 1980 in various Departments' and agencies' budgets is essential, and deserves the full support of the Congress. Prudent planning for the future demands a deliberate and continued commitment to basic research.

The majority of Federal support for basic research is in the mission agencies, with the Departments of Health, Education, and Welfare (National Institutes of Health), Defense, Energy, and the National Aeronautics and Space Administration leading the way. Strengthening the commitment of these agencies to the support of basic research is a central element of our science and technology policy. The National Science Foundation is critical to balanced support for all scientific and engineering disciplines. My budget request this year for the Foundation exceeds $1 billion. In presenting this request, I urge that Congress consider the critical role played by the Foundation. I have instructed the Foundation to improve the instrumentation of our university research laboratories and to investigate the need for special programs to support young scientists.

With the budget for Fiscal Year 1979, and full approval of my Fiscal Year 1980 requests, we will have made major steps in restoring the necessary balance and commitment to our scientific future. I would ask the Congress, in acting on agency budgets, to be aware of the interrelationships and the importance of each agency's contribution to a comprehensive, national program in support of science and technology.

MEETING DOMESTIC NEEDS

The United States is acutely aware of its energy problems, its need for natural resources, the deleterious effects of inflation on all Americans, and suffering from disease. Our future as a democratic society depends on our ability to confront these challenges successfully.

While science and technology alone will not solve all our domestic problems, they hold the key to many aspects of the solutions. During this century, the United States has built a system of industrial, university, and Government research laboratories that is unparalleled in the world. We have the national capacity to generate new basic knowledge, and to apply this knowledge to a broad range of problems. In this context I want to explain how my Administration is marshalling science and technology in terms of six domestic objectives:

—stimulating innovation in industry to sustain economic growth and improve productivity;

—meeting our energy, natural resource, and food needs;

—promoting better health for all;

—improving the regulatory process;

—expanding the beneficial use of space; and

—understanding the forces of nature, natural disasters, and changes induced by man.

STIMULATING INNOVATION IN INDUSTRY

As a Nation, we face problems of inflation, unemployment, foreign competition, and a decline in the growth of national productivity. Yet, traditionally we have been an innovative society. Our economic growth depends on an ability to produce and market new goods. Between 30 and 40 percent of the Nation's economic growth in the last three decades resulted from technological innovation. Innovative industries are our most productive, create more new jobs, and are the most competitive in world markets. When too few new industries are established, or older ones do not develop enough new products and more efficient operations, the stagnation is reflected in our economy. A lag in productivity worsens inflation. Innovation is essential to our battle against inflation.

More and more countries are industrializing, building industries in which this country once was preeminent. These are countries whose competition is healthy. We welcome their prosperity. We do not seek to limit their growth through tariffs and other trade barriers. Rather, we must seek to improve our own performance through renewed innovation in fields where we excel—such as agriculture, drugs, microelectronics, computers, aircraft, space satellite systems and many other technologies. We also need to make our lower-technology industries more competitive through innovation.

Americans have not lost their ability to innovate. But there are restrictive elements at work. I began a domestic policy review of the factors affecting industrial innovation. This study, which will be completed in the near future, is headed by the Secretary of Commerce. It involves thirty Federal agencies and many advisory groups from private industry, labor, universities, and public interest. I expect many practical recommendations to help make our industries more innovative.

I also have established a Productivity Council consisting of many of the senior members of my Administration. The Council is examining how science and technology can improve Federal, State and local government productivity, as well as the productivity of the private sector.

MEETING OUR ENERGY, NATURAL RESOURCE, AND FOOD NEEDS

The United States is richly endowed with natural resources, both renewable ones such as fresh water, clean air, timber, and agricultural land; and nonrenewable resources such as fossil fuels and minerals. These resources have been a key factor in our prosperity as a Nation.

We are currently using the energy and mineral resources that are the richest, the easiest to find, and the cheapest to produce—with substantial depletion of some. Growth in population, industrial activity, and a new awareness of the need to protect our environment are straining even our renewable resources in many regions. We are being forced to make difficult decisions about allocating water and land to one or another competing uses.

ENERGY

In energy, we have closely related objectives:

reducing dependence on foreign oil and minimizing the effects of supply disruptions, with conservation a key element;

implementing programs and policies that encourage domestic energy production and efficient use, without serious inflationary impact;

developing inexhaustible energy sources for sustained economic growth through the next century;

making the transition from primary reliance on depletable oil and gas to predominant use of more abundant energy sources;

developing safe nuclear power systems which, while limiting the potential for international proliferation of nuclear weapons, will increase our energy supply; and

using all energy sources in ways that do not endanger the environment and the health or safety of our citizens.

Today's scientific and technological investments can have only limited impact on these objectives in the near term. It takes time to bring new technologies to the stage of economic competitiveness, to develop industrial capacity, and to allow energy users to adapt to change. My near-term program thus emphasizes conservation, the reduced consumption of oil where alternatives are available, and removal of obstacles to the use of currently available energy sources, such as nuclear power, coal, or solar water heating, and providing adequate incentives for crude oil and natural gas exploration.

In the mid- to longer-term, however, science and technology will help resolve our current dilemma. They will assist in locating and developing new sources of supply and in using those supplies more efficiently with reduced damage to health and environment. Recognizing this, the government is enagged in an aggressive research and development effort. In this year of limited budget resources, difficult judgments had to be made. Nevertheless, my budget for fiscal year 1980 recommends an investment of nearly $3.5 billion in civilian energy research and development.

This country is blessed with a uniquely abundant supply of energy in the form of coal and oil shale. Over one-third of the known world reserves for coal belong to the United States. A major challenge is to demonstrate technologies that will enable us to substitute these energy sources for our ever increasing oil imports. My program provides for the government to work closely with American industry to accelerate the demonstration of commercial-scale technologies that show promise of entering the commercial market. Such demonstrations will test technical feasibility and the economics of conversion processes. They will give us needed information on the environmental and institutional impact of the technologies involved.

For the longer-term, there are many options. Technologies such as solar energy and fusion, promise virtually inexhaustible supplies of electricity in the future. But if these technologies are to be a significant factor, we must invest now in developing them. And we are doing so, as illustrated in solar research and technology development. Our national investment in this field has grown from almost nothing five years ago to $850 million in FY 1980.

In working with the private sector, it is particularly important that the government does not displace the resources of industry devoted to new energy technology. We must be mindful that appreciable energy producing capacity will be developed only if the private sector is actively involved and committed to our research and development efforts. We must carefully structure the Federal programs in a way that will lead industry to invest in, and ultimately commercialize, new energy technologies.

NONFUEL MINERALS

In the area of nonfuel minerals, we must recognize the importance of new technology and understanding of earth sciences and chemical processing to permit us to find, produce, and utilize scarce and lower grade ores without degrading the environment. A major study of nonfuel minerals is being conducted by the Secretary of the Interior under the Domestic Policy Review process managed by the Domestic Policy Staff. The adequacy and orientation of private sector and government investment in minerals research and development are being examined. I will report on the Secretary's recommendations later this year.

AGRICULTURE

Our agricultural science and technology have made us preeminent in the world. Our ability to maximize yield from agricultural land, to develop pest-resistant, productive crop strains, and to improve animal husbandry is unsurpassed. We are able to produce sufficient quantities of agricultural products to meet the basic needs of Americans and simultaneously supply much of the rest of the world. Agricultural products form the largest category of our civil exports. A key element in our success is our traditional system of cooperation among all levels of government, universities, producers, and rural communities.

My Administration has strengthened agricultural research and development by focusing attention on basic plant and animal sciences; integrated pest management; human nutrition and food safety; land and water use and conservation; energy research, especially production of biomass for energy, and production of alcohols from agricultural residues. We also are working to strengthen Federal research, development, transfer, and assistance programs in freshwater and marine aquaculture. We have supplemented these activities with a competitive research grant program. This program will attract researchers from many branches of science to advance knowledge on which future gains in plant productivity, genetic breeding, and nutrition ultimately will depend. The competitive grant program—which will help us meet our future agricultural needs—merits strong Congressional support.

WATER

Our understanding of the Nation's water supply and how to use it wisely has increased over the years, but many opportunities for improvement still remain. River basin assessments, ground water flow and recharge patterns, efficient irrigation methods, and pollution control techniques are receiving careful attention by the Departments of Agriculture and Interior, the Environmental Protection Agency, the Corps of Engineers, and others. As greater demands are placed on our water supply, particularly in the West, we must understand how best to use and conserve it. And we must assess the long-term implications of our actions. Protecting water quality is also important for agriculture and in our urban and rural communities. I am directing the Secretary of Interior and Director of the Office of Science and Technology Policy to set research priorities aimed at meeting our future water needs.

Ocean science and engineering have opened a new region of the globe for exploration and resource development. As we explore new areas of our continental shelf and deeper water for oil and gas, we must have the world's best technical capability to protect our ocean and coastal environment, to find new resources, and to tap them efficiently. Science and technology will continue to play a major role in these activities.

DEPARTMENT OF NATURAL RESOURCES

Developing and utilizing science and technology requires effective Federal organization. My proposal for creation of a Department of Natural Resources will permit better integration of research and development activities in the area of natural resources and the environment.

PROMOTING BETTER HEALTH FOR ALL AMERICANS

As I stated in my State of the Union Message, the opportunity to lead a healthier life is denied to many in our country because health care services are inaccessible or unaffordable or inefficient. My Administration is dedicated to correcting this situation through initiatives that will influence the structure, function, and economics of our health services systems.

The biomedical capability developed in this country since World War II is a magnificent demonstration of our scientific and technological prowess; it is the envy of the world. The biomedical, social, and behavioral sciences have made countless contributions to the health of our people in recent years. Over the past generation, we have seen polio vaccine and new drugs developed, the introduction of heart-lung machines, organ transplantation, and a new understanding of the chemistry of the brain. And we have made major gains against high blood pressure, heart attack, stroke, specific kinds of cancer, birth defects, infant and childhood disease, and mental retardation and mental illness.

Much remains to be done. The Department of Health, Education, and Welfare is developing a health research strategy with increased emphasis on promotion of good health and prevention of disease. There are many elements to this strategy. We are emphasizing research on reproductive biology and the underlying mechanisms of normal development and of disease. This work exploits the modern techniques of molecular biology, the neurosciences, behavioral sciences, and genetics. We are increasing laboratory, clinical, and epidemiological research on the role of nutrition in normal development, good health, and disease. We are expanding research and services to reduce unwanted pregnancy, smoking, and alcohol and drug abuse among adolescents. We are placing more emphasis on the causes of common disabling conditions such as diabetes, arthritis, and neurological and digestive diseases. And we are stressing research on the biological and behavioral aspects of mental illness, drug abuse, and alcoholism to reflect the recommendations of the Commission on Mental Health.

In spite of our desire for better health, government spending alone will not ensure success. As we have learned from the emphasis on cancer over the last decade, advances depend on new discoveries whose rate cannot be predicted. Therefore, we must nurture a broadly-focused program of research, with a clear, long-term commitment. Accordingly, in view of the substantial increases provided by Congress last year above my requested increase, I believe an effective biomedical research effort can be maintained without any further increase in 1980. This pace for biomedical research is appropriate; over the period of fiscal years 1979 and 1980, funding will increase at an average of twelve percent per year, thus maintaining our vigorous national effort in biomedical research. We have every reason to be optimistic that health research in the years ahead will save lives and improve the quality of life for millions of people.

IMPROVING THE REGULATORY PROCESS

Over the past 15 years our Nation has established or improved programs dealing with air and water pollution, toxic substances, noise, radiation, automotive safety and fuel economy, worker health and safety, and numerous other hazards. My Administration will continue to enforce these important laws faithfully. But additional improvements are possible and desirable. I am convinced that continued investment in science and technology is required to improve our regulatory programs. Environmental, health and safety regulatory decisions must have a sound scientific basis. Consequently I am strengthening the research and development base in both regulatory and research agencies. I have proposed an increase in the Environmental Protection Agency's health effects research program for Fiscal Year 1980, with greater emphasis on long-term research.

In addition, we have begun three interagency activities that will improve regulatory decisions. The Regulatory Council, which I established last fall to ensure that regulations achieve their statutory goals in the most economic and balanced way, has prepared the Nation's first Regulatory Calendar—an outlook of proposed regulatory activity.

During the coming year, I expect the Council to identify government-wide scientific needs—programs, resources, and policies—that will improve the regulatory process. Second, the Interagency Regulatory Liaison Group—comprised of the Environmental Protection Agency, the Food and Drug Administration, the Occupational Safety and Health Administration, and the Consumer Product Safety Commission and Agriculture's Food Safety and Quality Service—will coordinate the participants' regulatory activities and research program. Third, the regulatory agencies and the environmental health research agencies have joined in the new National Toxicology Program to set priorities for the testing and evaluation of toxic chemicals.

To ensure that we make effective use of science and technology in the regulatory process, I am asking the Director of the Office of Science and Technology Policy to give this issue personal attention in the coming year. He is to work with the heads of agencies, the Chairman of the Regulatory Council, and others to identify gaps in research programs, seek ways for research and development agencies to work with regulatory agencies, and develop procedures for proper use of scientific and technological data.

EXPANDING THE BENEFICIAL USE OF SPACE

Two decades ago mankind entered the space age. In that short time we have witnessed remarkable accomplishments —evidence of this country's progress in science and technology. Americans have explored the moon. Space probes are examining the planets of our solar system, as recently highlighted by the historic encounter of the Voyager I spacecraft with Jupiter. Satellites are indispensable components of our communications networks, weather forecasts and international security systems.

With the advent of the Space Shuttle, we are entering a new era. The Space Shuttle—our national space transportation system for the coming decades—will increase the flexibility of space operations, reduce costs, improve national security, and make possible new cooperative activities with other nations. To meet the challenges ahead, I have established a National Space Policy that sets the direction of our space activities over the coming years. We will emphasize applications not only by the National Aeronautics and Space Administration, but also by other Federal agencies, foreign governments, and the private sector. The policy stresses the use of space technologies to meet human needs here on earth. The new technologies of the space age can further revolutionize our communication and possibility can provide new energy supply. They can improve our ability to manage wisely our renewable and nonrenewable resources, and monitor our environment. Assessment and forecasting of crop conditions and yields, and extension of communications to remote areas are examples. I am committed to the continuity of remote sensing data over the coming decade and I expect to propose additional initiatives in remote sensing of the earth's ocean, land resources, and environment in future years.

My space policy also encourages continued scientific investigation of the universe. We will conduct a vigorous program of exploration to understand the origin and evolution of the solar system. The space telescope—to be launched and serviced by the Space Shuttle—and free-flying satellites will usher in a new era of astronomy. From the clear environment of space, these new eyes will allow us to explore the distant galaxies and other astronomical phenomena—quasars, pulsars, and black holes. They will vastly expand our knowledge and understanding of the universe.

It is important that we maintain our world leadership in space. My policy is designed to encourage further advances in our use and exploration of space. We will provide adequate resources to maintain that leadership.

UNDERSTANDING THE FORCES OF NATURE, AND MAN-INDUCED ENVIRONMENTAL CHANGES

Man exists on this planet only with the consent of Nature. Natural forces like earthquakes, floods, storms, tsunamis, and landslides, as well as changes in weather that bring drought or excess rainfall, cause untold tragedy in loss of life, destruction of property, and disruption of economic and social structure.

Scientific advances of the past twenty years in geophysics, meteorology, and climatology have improved our understanding of natural phenomena. However, our predictive capability is limited and needs to be improved. And our capability for influencing natural forces for human benefit is nonexistent. On the other hand, our engineering skills, our ability to plan, our early warning and communications systems, and our ability to react quickly to prevent a breakdown of social order to help to reduce the toll when natural disaster does strike. We possess sophisticated technology for construction, communications, transportation, monitoring and interpretation of data on natural processes. My commitment to increase our progress is strong. The Congress recognizes that fundamental advances in understanding natural forces are important, and I welcome the partnership we have forged.

The National Earthquake Hazards Reduction Program established by the Earthquake Hazards Reduction Act of 1977 resulted in a national hazard mitigation plan that I transmitted to Congress in June 1978. This effort will involve Federal agencies, experts in the universities and private sector, and the States and localities to improve our understanding of earthquakes and our reactions to earthquake warnings.

To improve our ability to react to natural disasters and assist those affected, the Congress approved my reorganization recommendation to create the Federal Emergency Management Agency. This new Agency will have oversight of Federal programs to assist the areas and individuals affected by such civil emergencies. It will give us the ability to focus science—and the insight of the social sciences—on the mitigation of natural hazards as well as on post-disaster relief. The Agency will work closely with State and local jurisdictions to apply the benefits of available technology.

We also have focused increased research on climate. Within the framework of the National Climate Program Act of 1978, a national program has been organized. This program emphasizes impact assessment, diagnosis and projection, climate dynamics, and data management. My budgets in this area have more than doubled in the last two years. Advances that can be made in understanding climate change, in predicting it—and perhaps in influencing it beneficially—will be of enormous help to us and the rest of the world.

Another problem we face is the risk that man's own activities—now significant on a global scale—might adversely affect the earth's environment and ecosystem. Destruction of the ozone layer, increase in atmospheric carbon dioxide, and alteration of oceanic flow patterns are examples of the problems we must understand before changes are irreversible or the consequences inevitable. Many Federally-sponsored research activities, including basic research in the atmospheric, oceanic and earth sciences, and space observations, contribute to better understanding of the natural processes affecting the earth. They should receive serious attention in the coming decades. The increases that I have requested for basic research support this objective.

SCIENCE, TECHNOLOGY AND INTERNATIONAL RELATIONS

Science and technology is increasingly international in its scope and significance. This international dimension affects the planning and conduct of our research and development activities. Such activities, whether carried out by us or by others, serve to increase the fundamental stock of human knowledge. They can also foster commercial relationships, impact on the quality of life in all countries, and affect the global environment. Both our domestic planning and our foreign policy must reflect an understanding of this wide-ranging impact of science and technology.

Much of the existing international cooperation in science and technology takes place in academic or commercial channels. There is, however, a growing role for governmental cooperation as other nations make new commitments to scientific and technological growth. If used wisely these future opportunities for scientific and technological cooperation can support our foreign policy objectives.

Several themes have shaped my Administration's policy in this area. We are:

—pursuing new international initiatives that advance our own research and development objectives;

—developing and strengthening scientific exchanges that bridge political, ideological, and cultural divisions between countries;

—formulating programs and institutions that help developing countries use science and technology; and

—cooperating with other nations to manage technologies with global impact.

PURSUING NEW INTERNATIONAL INITIATIVES

United States scientific and technological objectives are advanced by cooperating with other nations. For example, we work together with many nations on large scale scientific programs; joint funding of expensive research, development, and demonstration projects; and efforts to alleviate common problems.

Two decades ago, the International Geophysical Year set a pattern for international cooperation on large-scale scientific problems. This model has been extended to most fields of science. Today the world's weather is studied jointly by nations through the Global Atmospheric Research Project. With the European Space Organization we are planning a space mission to examine polar regions of the Sun. These programs are yielding new knowledge about our solar system and our Earth's natural processes. They are providing important practical dividends.

As the cost of large-scale research programs and research facilities rises, all countries find the financial support increasingly burdensome. We must join together to support the most expensive and significant projects. We are discussing with other nations a program to drill deeply into the offshore continental margins between the continental shelves and ocean basins. This program would provide new knowledge of the sea floor and help us assess the margins' potential for resources. Other large-scale scientific programs that could be pursued jointly include the next generation of high energy physics accelerators, telescopes, and fusion energy research facilities.

Through the International Energy Agency we are cooperating on energy-related research and development. At the economic summit in Bonn in 1978, and more recently in Washington, I discussed the importance of intensifying joint energy research and development with the President of the European Economic Community. Similarly, in my discussions with the Prime Minister of Japan we agreed to increase cooperation in large-scale projects, particularly nuclear fusion and synthetic fuel production from coal. These agreements will help both nations achieve new energy sources—faster and at lower cost than if the research were pursued independently.

Environmental problems caused by industrialization are another area appropriate for cooperation. During my Administration we have started efforts with other nations to deal with problems of transboundary air pollution. Canadian and American scientists, for example, are working jointly to alleviate damage from acid rain caused by the long-range pollutants across our common border.

During my visit this February with Mexico's President Jose Lopez Portillo, we agreed to intensify scientific and technological cooperation to alleviate problems of mutual concern. We will explore ways to cooperate on research for developing the vast arid lands on both sides of our border. This will include research on new crops suitable for these lands and research on effective use of scarce water resources. We also will exchange information and begin joint work on housing and urban planning for cities close to our common border.

DEVELOPING SCIENTIFIC EXCHANGES THAT BRIDGE DIFFERENCES BETWEEN COUNTRIES

Most nations value scientific and technological cooperation with the United States. We can use this fact to build bridges with countries where official relationships have been absent or strained. Our scientific and health exchanges with the Soviet Union and Eastern European countries, beginning after World War II, can be viewed in this light. These exchanges are now mature and extensive.

Our scientific exchanges with the Soviet Union are of special significance. At the sixth meeting of the US-Soviet Joint Commission on Science and Technology in Moscow in February 1979, we agreed to add new cooperative areas of interest to both sides. I expect to see continuing improvement in the quality of our exchanges with the Soviet Union. I also expect these programs to support and remain compatible with our overall political relationship.

The normalization of our relations with the Peoples Republic of China is a major event in American foreign policy. Since the signing of the Shanghai Communique of 1972, scientific and technological relationships have played a critical role in building the relationship. In order to accelerate this process, my Science and Technology Adviser led a delegation of senior government scientists to China in July of 1978. This delegation was followed by visits of the Secretaries of Energy and Agriculture. Chinese delegations subsequently visited the United States to discuss educational exchanges and space technology programs.

These missions led to the science and technology agreement that I signed with Vice Premier Deng Xiaoping during his recent visit to the United States. The agreement covers programs of interest to both countries, including development of a satellite communications system that will provide China with the means for nationwide television and telephone service. The agreement provides for exchange of scholars and students, exchange of plant materials for genetic research on crops, and cooperation in high-energy physics and other areas. The agreement enhances opportunities for US industry participation in China's modernization efforts. Our new relationship provides a sound beginning for increased technical and social ties between our countries.

HELPING DEVELOPING COUNTRIES USE SCIENCE AND TECHNOLOGY

The United States has an opportunity and responsibility to share scientific knowledge and appropriate technological skills with the developing world. Our purpose is to assist other countries in developing technology for their own needs. We must accomplish this purpose both for humanitarian reasons and because overcoming the problems of poverty, overpopulation, and scarcity of food and natural resources, will promote a stable world, enhancing our own security and well-being.

Recognizing these facts, I have submitted legislation to create an Institute for Scientific and Technological Cooperation, which will be charged with helping developing countries improve their scientific and technological capacity. Working with the Agency for International Development, the Institute will expand the use of science and technology to overcome obstacles to development.

The Institute will help individual developing countries choose and develop technologies that suit their own needs. At the same time, it will enable them to contribute to the solution of problems that affect developed as well as developing nations. For example, the Institute will work with developing countries on multiple crop farming systems for areas not suited to continuous cropping of food grain, technologies for clean water and sewage in rural areas where most of the poor live, modern information systems, prevention and cure of tropical diseases, and appropriate energy systems. The Institute also will establish means for developing countries to draw on United States government agencies, universities and institutes, as well as private industry. In this way the Institute will enhance coordination of the international activities of our government agencies.

An important dimension of the Institute is its mandate to work with the more advanced countries of the developing world, the "middle tier" nations. These countries have the infrastructure and science and technology capacity to become true partners with us in addressing regional and international problems and needs of the poor majority.

The Institute will call on industry, labor, and private voluntary organizations for development and management skills and improvement of the health and safety levels of modernizing societies. Already twenty-five percent of our current exports go to non-OPEC third world nations. Our trade in manufactured goods will expand as developing countries become better able to purchase and use our products.

Finally, we plan to take an active role in the United Nations Conference on Science and Technology for Development next summer. Father Theodore Hesburgh, President of the University of Notre Dame, will lead our delegation to the Conference. I view this Conference as an opportunity for discussing technology-related issues of concern to developing countries and reaching agreement on common objectives.

COOPERATING WITH OTHER NATIONS TO MANAGE TECHNOLOGIES WITH GLOBAL IMPACT

Much of modern technology requires global cooperation and management. The telecommunications network and activities of international organizations like the World Meteorological Organization, the International Civilian Aviation Organization, and the World Health Organization are noteworthy examples. The monitoring activities organized through the United Nations Environmental Program is a more recent example. Among other activities, we are working with other nations to update electromagnetic spectrum allocation, strengthen international controls on nuclear materials, and develop a regime for rapidly expanding transnational data flows. International cooperation in the management of technology for the mutual benefit of all nations will become even more important in the coming decades.

I call the attention of Congress to two international discussions of great importance, one dealing with nuclear fuel cycle evaluation and the other with allocation of radio frequencies. The Congress knows of my concern over a spreading nuclear weapons capability as more countries meet their energy needs with nuclear power. Our own research and development programs have been reoriented toward developing technologies more resistant to misuse. At our suggestion, over forty countries have convened in the International Nuclear Fuel Cycle Evaluation to consider how we can minimize risks. I am hopeful that new institutional controls and technological approaches will emerge from these deliberations.

The electromagnetic spectrum—including the radio frequencies—is one of the reusable natural resources available to mankind. We are at a point in history where increasing worldwide demands for these frequencies are being made; demands that exceed the availability of the resource. All nations, large or small, have rights of equitable access as signatories to the International Telecommunications Convention. It is only through international cooperation and planning that these rights can be guaranteed. The 1979 Worldwide Administrative Radio Conference will review the allocation of radio frequencies for communications and other purposes. Results of this conference will guide the use of communications and electronic equipment and the pattern of domestic and international communications systems for the next several decades.

NATIONAL SECURITY

Our national security depends in large measure on our technological capability. Our future security will depend in part on our ability to deploy new weapons systems that embody more advanced technology. Our potential adversaries are investing heavily in military personnel, equipment, and technology. Accordingly, we must look to our research and development programs to enable us to maintain a modern and responsive defense capability.

In the context of this message on science and technology, I wish to emphasize several facets of their relationship to national security. We must ensure that we are:

- —maintaining technological leadership in weapons systems;
- —utilizing technology to reduce costs in an era of expensive defense systems;
- —building our defense research base to provide for our national security in the future;
- —preventing export of technological products and processes with military applications that would erode our security; and
- —utilizing advanced technological capability in the pursuit of arms limitation agreements.

MAINTAINING TECHNOLOGICAL LEADERSHIP IN WEAPONS SYSTEMS

Our military investments in new technology over the years have contributed immeasurably to our security. Now, as other nations are becoming more proficient in science and technology, we must make certain that our own capabilities remain at the frontier of knowledge. We must be spared the shock of major technological surprises. It is absolutely essential for us to remain second to none in the development and production of new weapons.

We are moving ahead with major development programs to increase our military capabilities. In the strategic area, programs are underway to strengthen each element for the triad—air, land, and sea—in order to preserve our deterrent capabilities. Examples are the M-X intercontinental ballistic missile, cruise missiles, and the Trident submarine and missile system. We are also pursuing the development of more survivable and reliable strategic warning and command control systems.

In order to improve our capability to fight a conventional war, we are developing and procuring new generations of aircraft, ground vehicles and munitions. The F-15, F-16, F-18 and A-10 aircraft, the XM-1 tank and the Patriot air defense missile are examples.

UTILIZING TECHNOLOGY TO REDUCE COSTS

Science and technology—properly applied—can increase efficiency, thereby reducing acquisition costs and improving the effectiveness of weapons. Science and technology enable us to develop new materials and components at lower costs. They can give our weapons greater reliability and efficiency, thereby reducing personnel needs. And they improve our manufacturing productivity. Cooperation with our allies also will help reduce costs without sacrificing our modernization programs. Standardization and common operational capability among NATO allies are important objectives.

In the procurement of weapons, we are emphasizing competition between potential suppliers to help keep costs down. And we have adopted new management techniques to insure that economies are not overlooked. We also are analyzing carefully the best mix of systems needed to meet anticipated contingencies. We have concluded that future shipbuilding efforts should concentrate on larger numbers of small ships, with enhanced mobility and firepower. Similarly, we are building a new, comparatively low-cost tactical airplane, the A-10, that emphasizes mobility and munitions designed for engagement of enemy tank forces. With imagination and effort, these various approaches will enable us to maintain technological superiority at acceptable cost.

BUILDING OUR DEFENSE RESEARCH BASE

The development cycle from proposal of a new concept to a deployed weapons system can take a decade or more. The length of time for dividends from investments in basic research is even longer. Moreover, research and development are inexpensive compared to the acquisition cost of weapons systems. The proper strategy, therefore, is to expand our options in the early stages of the acquisition process through research, and then be very selective at the costly engineering, development, and production stage.

For these reasons, our science and technology base related to national security must be the best in the world. Thus, I am deeply concerned over the declining support for research and technology in the defense budgets that occurred in the early part of this decade. My budgets for Fiscal Year 1979 and 1980 reverse that trend and strengthen our technology base. The two year average growth in the technology base will be about 14 percent, including an increase in basic research of about 20 percent.

The Department of Defense also is taking steps to strengthen its relationship with universities in order to use the research and development resources of the academic community more effectively. Defense support of university research will have increased more than 20 percent between Fiscal Years 1978 and 1980.

PREVENTING EXPORT THAT ERODES OUR TECHNOLOGICAL SUPERIORITY

Within the framework of national security, export controls on technology are important to ensure that our technological advantage is not compromised. A comprehensive study of the implications of international technology transfer was undertaken early in my Administration. I am persuaded that the export control process must seek to balance the conflicting goals of trade promotion, selected trade restriction based on national security considerations, and furthering our foreign policy objectives. Decisions in specific export licensing cases must be made on their merits by considering these three goals. In particular we are taking steps to refine and expedite the government's decision-making processes. I must emphasize, however, that while sound export controls are important, only a strong research and development program, as I have proposed, ensures our technological leadership in defense.

UTILIZING ADVANCED TECHNOLOGICAL CAPABILITY FOR ARMS CONTROL

National security is enhanced by prudent arms control, as well as new weapons systems. To this end I have pursued a new Strategic Arms Limitation Treaty with the Soviet Union, a comprehensive nuclear test ban treaty, and other arms control measures. As these agreements enter into force, our choices in weapons development must meet our own needs, while giving our adversaries the incentive to participate seriously in negotiations. Successful arms control depends on science and technology to provide adequate technical means of verification. Our current national capability to verify arms agreements is excellent. It includes observation satellites and extensive capabilities for seismographic detection and interpretation. We must continue to pursue scientific and technological advances to maintain these capabilities.

HARNESSING THE NATIONAL CAPABILITY

Equally as important as the substance of our science and technology policies is our strategy for managing it and ensuring its vitality. This task is a challenging one because of the diversity of the participants—business and industry, universities, the Federal agencies, government at all levels, and the public. Each sector has distinct goals and objectives and special institutional qualities. Yet each can work with the others in a lively process of cooperation, so long as some independence is assured and our policies are adaptable to each.

The partnership between the Federal government and universities needs renewed attention. Many leaders of university research centers believe the government has intervened too deeply in university affairs, to the point of affecting institutional independence and diversity. The problem stems from the need to ensure accountability of research funds. On the one hand, accountability is important to me, to Congress, and to the taxpayers; we must improve the government's ability to manage and account for public funds. On the other hand, it is equally important that the pendulum not swing so far that we stifle progress. We must allow flexibility both for the government agencies and for the research institutions. We should not confuse excess paperwork with proper accountability. Both the National Science Foundation and the National Institutes of Health have taken significant steps to reduce unnecessary demands on their grantees. These initiatives follow from my interest in reducing needless paperwork throughout the government. Moreover, in the recent development of the cost principles that govern the financial relations between the government and universities in research, we sought to the maximum extent possible to solicit and incorporate the views of the academic community. It is clear, however, that our partnership with universities needs further strengthening. We must continue to experiment with new approaches.

Another partnership in science and technology is with State and local governments. Throughout the Nation there is public resistance to the increasing costs of public services. If we are to avoid the reduction or elimination of such services, then we must develop better ways to reduce costs. The Federal government has a large stake in the effectiveness of State and local government: $80 billion are transferred annually to meet a range of national, State, and local needs.

Few State and local governments alone can support the research and development needed to mount a broad-scale effort at problem-solving. Within the budgets I have proposed for Federal research and development, I expect the needs of State and local governments to be addressed. Federal research and development programs should be formulated with participation by State and local governments. The Intergovernmental Science, Engineering, and Technology Advisory Panel, co-chaired by Dr. Frank Press and Governor James Hunt of North Carolina, is helping Federal agencies identify research and development to meet State and local needs. This intergovernmental group already has focused attention on satellite remote sensing data, US Fire Administration research, the National Technical Information Service, the problems of the elderly, and disposal of chemical wastes. I am directing the Panel to increase its efforts in planning technical assistance and research and development for problem-solving.

A better awareness of partnership also is needed among the Federal agencies. We must have coordinated policy and program planning, implementation, and evaluation. Through a variety of formal and *ad hoc* mechanisms, I have stimulated interagency cooperation in space application, earthquake hazard mitigation, dam safety, ocean pollution research and monitoring, aquaculture, nutrition, management of radioactive wastes, and many others. Consistent with the wishes of Congress, I have asked the Office of Science and Technology Policy to coordinate programs involving many agencies using interagency coordination through the Federal Coordinating Council for Science, Engineering, and Technology.

A fourth partnership is between universities and industry. Universities are the chief performers of the fundamental research that underlies technological advance; industry puts this research to work and also identifies prolems requiring new knowledge. The flow of people and information between the campus and industry is an important element in both scientific and technological advance. The National Science Foundation is beginning to experiment with projects that involve cooperative activities by people in industry and universities. Other efforts to strengthen the partnership are needed in the years ahead. I will give this issue attention as I review the recommendations coming from the study of industry innovation.

We must also strive to increase public understanding and participation in our scientific and technology activities. The changes induced by science and technology are infused in the fabric of society, profoundly altering the way we live. The understanding of those changes and their causes, as well as successful adaptation to them, requires an informed citizenry. I have supported measures, such as intervenor funding, that contribute to informed public participation in decisions where technology is important. Science education—preparing our children for tomorrow's technical society—will receive emphasis in the proposed Department of Education and programs of the National Science Foundation. In addition, the Federal Departments and Agencies conducting research and development will continue to support programs that train future generations of scientists and engineers. My Administration is committed to overcoming barriers that discourage career opportunities for minorities and women in science and technology.

Finally, if we are to make the best use of our scientific and technological progress, we must maintain continuity and consistency in our support and policies. This Nation's scientific capability is the greatest in the world, but it will not remain so in an environment of uncertainty and changing priorities and policies. We must recognize that it takes many years to train new scientists and to complete some research projects. Technology development projects and many research missions, such as our space probes, require sustained work over a decade. If research and development activities are started and stopped abruptly, the chance of their success is diminished and the probability of benefits to the Nation decreased. The Congress and the Administration must join in recognizing the long-term nature of many research and development activities. Together we must provide the necessary assurances and commitments. The policies of my Administraton, as articulated in this message, are intended to serve that purpose.

CONCLUSION

In our lifetime the world has been reshaped by two prevailing forces of change: the desire of peoples everywhere for freedom from tyranny and the advance of science and technology.

Given the stunning achievements of science, it is natural to wonder whether we can expect similar accomplishments in the future. Or, are we in danger of running out of new ideas? The forecast today—and as far ahead as we can imagine—is the same as stated thirty years ago by Vannevar Bush: science is "the endless frontier." The opportunities inherent in today's scientific research are limitless in all fields—from new understanding of the evolution of the universe to the insights revealed by the genetic code. Indeed, we are in the midst of a remarkable era of explosive growth in knowledge and its use by society, unparalleled in any period of history.

It is not possible to predict the political or technological directions in the century ahead. I am certain, however, that strong support for science and technology by the Nation is one of the most important ways to prepare for the future.

Building on the strengths of our American system, I have developed policies that should serve as guidelines for Federal programs for science and technology for the years ahead. In this task, I have given attention to the balance of our Federal effort, directing it toward many issues that will in my judgment be the critical issues for the remainder of this century. I seek to ensure that technology is used wisely for the benefit of all. With the support of our government and our people, and the skills from the scientific and technological community, science and technology can help us chart the way to a more meaningful and productive future for all mankind.

JIMMY CARTER.

THE WHITE HOUSE, *March 27, 1979.*

Mr. **ROBERT C. BYRD.** Mr. President, I ask unanimous consent that a message from the President of the United States received earlier, dealing with science and technology, be referred jointly to the Committees on Agriculture, Nutrition, and Forestry; Appropriations; Armed Services; Banking, Housing and Urban Affairs; Budget; Commerce, Science, and Transportation; Energy and Natural Resources; Environment and Public Works; Foreign Relations; Governmental Affairs; and Labor and Human Resources.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

MESSAGES FROM THE HOUSE

At 12:03 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2277. An act to authorize research, development, and demonstration projects relating to aviation, and for other purposes.

The message also announced that the House has agreed to the concurrent resolution (S. Con. Res. 16) relating to a ceremony to be held in the Capitol rotunda as part of the commemoration of the Days of Remembrance of Victims of the Holocaust.

The message further announced that the Speaker has appointed Mrs. Sharon Dixon, of the District of Columbia, as a member of the District of Columbia Law Revision Commission.

At 3:45 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 2439, an act to rescind certain budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96-46), transmitted pursuant to the Impoundment Control Act of 1974.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred as indicated:

H.R. 2277. An act authorizing research, development, and demonstration projects relating to aviation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

COMMUNICATIONS

The **PRESIDING OFFICER** laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-931. A communication from the Clerk, United States Court of Claims, transmitting, pursuant to law, the Court's judgment order of March 20, 1979, in re Shawnee Tribe of Indians of Oklahoma v. the United States, No. 64-A, entering judgment for the plaintiffs in the sum of $437,735.92; to the Committee on Appropriations.

EC-932. A communication from the Assistant Secretary of Defense, reporting, pursuant to law, the intent to obligate $72.4 million in the Defense Stock Fund and $8.4 million in the Army Stock Fund for war reserve stocks; to the Committee on Appropriations.

EC-933. A communication from the Under Secretary of the Army, reporting, pursuant to law, the recent discovery of 26 lethal nerve agent munitions at Dugway Proving Ground, Utah; to the Committee on Armed Services.

EC-934. A communication from the Under Secretary of the Air Force, transmitting a draft of proposed legislation to amend chapter 37 of title 10, United States Code (Uniform Code of Military Justice), to improve the quality and efficiency of the military judicial system; to the Committee on Armed Services.

EC-935. A communication from the Secretary of the Navy, transmitting a draft of proposed legislation to amend titles 10 and 33, United States Code, to authorize reimbursement for expenses incurred in obtaining quarters by certain members of the uniformed services on sea duty who are deprived of their quarters aboard ship, and for other purposes; to the Committee on Armed Services.

EC-936. A communication from the Secretary of the Navy, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize officers of flag rank to serve in the Medical Service Corps in the Navy, and for other purposes; to the Committee on Armed Services.

EC-937. A communication from the Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Air Force's proposed Letter of offer to Turkey for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-938. A communication from the Executive Director, Neighborhood Reinvestment, transmitting a draft of proposed legislation to extend the authorization of appropriations for the National Neighborhood Reinvestment Corporation; to the Committee on Banking, Housing, and Urban Affairs.

EC-939. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend Title V of the Housing Act of 1949; to the Committee on Banking, Housing, and Urban Affairs.

EC-940. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to extend the authorizations of appropriations for two programs of the National Bureau of Standards; to the Committee on Commerce, Science, and Transportation.

EC-941. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to reform the economic resultation of railroads, and for other purposes; to the Committee on Commerce, Science, and Transportation.

EC-942. A communication from the Secretary, Federal Trade Commission, transmitting, pursuant to law, a report concerning the impact of competition and on small business of the development and implementation of voluntary agreements and plans of action to carry out provisions of the International Energy Program; to the Committee on Energy and Natural Resources.

EC-943. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report of money spent by the Commonwealth of Massachusetts, the City of Lowell, and nonprofit entities for activities consistent with the purposes of Public Law 95-290; to the Committee on Energy and Natural Resources.

EC-944. A communication from the Administrator, Energy Information Administration, Department of Energy, transmitting, pursuant to law, a quarterly report for the period October through December 1978, concerning imports of crude oil, residual fuel oil, refined petroleum products, natural gas, and coal; reserves and production of crude oil, natural gas, and coal; refinery activities; and inventories; to the Committee on Energy and Natural Resources.

EC-945. A communication from the Federal Cochairman, The Appalachian Regional Commission, transmitting a draft of proposed legislation to extend the Appalachian Regional Development Act of 1965; to the Committee on Environment and Public Works.

EC-946. A communication from the Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, the agency's second annual report on its activities under the Resource Conservation and Recovery Act of 1976 (RCRA); to the Committee on Environment and Public Works.

EC-947. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Changes Needed in U.S. Valuation System for Imported Merchandise," March 23, 1979; to the Committee on Finance.

EC-948. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title XX of the Social Security Act to provide for an expanded social services program, to make permanent certain temporary provisions, and for other purposes; to the Committee on Finance.

EC-949. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Social Security Act to strengthen and improve the program of federal support for foster care of needy and dependent children, to establish a program of federal support to encourage adoption of children with special needs to improve child welfare services, and for other purposes; to the Committee on Finance.

EC-950. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Improperly Subsidizing the Foreign Military Sales Program—A Continuing Problem," March 22, 1979; to the Committee on Governmental Affairs.

EC-951. A communication from the Chairman, United States Nuclear Regulatory Commission, reporting, pursuant to law, on the number of fulltime permanent employees hired and promoted by the Commission during the first quarter of fiscal year 1979; to the Committee on Governmental Affairs.

EC-952. A communication from the Office of the Secretary of Transportation, transmitting, pursuant to law, a report on the administration of the Privacy Act; to the Committee on Governmental Affairs.

EC-953. A communication from the Chairman, Federal Maritime Commission, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-954. A communication from the Secretary, Postal Rate Commission, reporting, pursuant to law, on the administration of the Privacy Act; to the Committee on Governmental Affairs.

EC-955. A communication from the Assistant Attorney General, Department of Justice, transmitting a draft of proposed legislation to amend title 18 of the United States Code to revise and improve the laws controlling false identification crimes; to the Committee on the Judiciary.

EC-956. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-957. A communication from the Administrator, National Aeronautics and Space Administration, reporting, pursuant to law, that NASA, actions through its Contract Adjustment Board, did not grant any request for extraordinary contractual adjustment during calendar year 1978; to the Committee on the Judiciary.

EC-958. A communication from the Chairman, National Arthritis Advisory Board, transmitting, pursuant to law, a report of the activities of the Board for 1978; to the Committee on Labor and Human Resources.

EC-959. A communication from the U.S. Commissioner of Education, transmitting, pursuant to law, a notice of interpretation regarding entitlement funds for tribal schools; to the Committee on Labor and Human Resources.

EC-960. A communication from the Acting Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title XV of the Public Health Service Act to revise and extend the authorities and requirements under that title for health planning, to provide for assistance to hospitals in discontinuing inappropriate service, and for other purposes; to the Committee on Labor and Human Resources.

EC-961. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, interim final regulations for the Bilingual Education Program; to the Committee on Labor and Human Resources.

EC-962. A communication from the Chairman, National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, transmitting, pursuant to law, a report and recommendations on "Ethical Guidelines for the Delivery of Health Services by DHEW"; to the Committee on Labor and Human Resources.

EC-963. A communication from the Administrator, U.S. Small Business Administration, transmitting a draft of proposed legislation to amend the Small Business Act to provide program level authorizations for fiscal year 1980; to the Select Committee on Small Business.

EC-964. A communication from the Administrator, U.S. Small Business Administration, transmitting a draft of proposed legislation to amend the Small Business Act; to the Select Committee on Small Business.

EC-965. A communication from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 18, United States Code, with respect to the protection of certain officers or employees of the United States, and for other purposes; to the Committee on Veterans' Affairs.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-114. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on the Judiciary:

"RESOLUTION

"Whereas, The Congress of the United States in nineteen hundred and seventy-five enacted Public Law 93-619 which, in part, provides sanctions, including the dismissal of indictments for the failure on the part of the federal government to bring a defendant to trial within a specified period of time; and

"Whereas, The effective date of such sanctions is July first, nineteen hundred and seventy-nine; and

"Whereas, The implementation of Public Law 93-619 is crucial to the proper administration of justice and the protection of our citizens in that it requires speedy trials for those charged with criminal offenses; and

"Whereas, A delay in implementing Public Law 93-619 would result in allowing bailed defendants to remain at large for excessive periods of time; and

"Whereas, The United States Department of Justice is expected to recommend a delay of up to two years in the implementation of Public Law 93-619; now, therefore, be it

"Resolved, That the Massachusetts Senate memorializes the Congress of the United States to resist any effort to delay the effective date of Public Law 93-619; and, be it further

"Resolved, That a copy of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, to the presiding officer of each branch of the Congress and to each member of the Congress from the Commonwealth."

POM-115. A concurrent resolution adopted by the Legislature of the State of South Dakota; to the Committee on Finance:

"HOUSE CONCURRENT RESOLUTION No. 1008

"Whereas, each separate tax as a component and the tax system as an edifice ought to harmoniously combine the disparate principles of equity, economic efficiency, and ease of administration to the extent possible; and

"Whereas, the carryover basis provision of the Tax Reform Act of 1976 does not contribute to the goal of equity because it produces double taxation in the form of an estate tax and an income tax when the inherited property is sold with the latter failing to take into account either inflation-induced appreciation or the importance of management in producing the capitalized income stream inherent in the value of the property; and

"Whereas, the carryover basis provision of the Tax Reform Act of 1976 does not contribute to the goal of economic efficiency because it destroys both the incentives and the capability of the small business and farm sector of the economy to innovate and compete with the large-scale corporate sector, the former sectors being the source of much technological innovation and frequently more efficient through many spectrums of scale economies in different fields; and

"Whereas, the carryover basis provision of the Tax Reform Act of 1976 does not contribute to the goal of ease of administration either from the standpoint of the taxpayer or the internal revenue service with its complex recordkeeping requirements and equally complex tax computations:

"Now, therefore, be it resolved, by the House of Representatives of the Fifty-fourth Legislature of the state of South Dakota, the Senate concurring therein, that the Congress of the United States repeal section 2005 of the Tax Reform Act of 1976 and revive the prior law with an effective date of October 4, 1976; and

"Be it further resolved, that a copy of this Resolution be sent to the President of the United States, the Speaker of the House of Representatives, the President of the Senate, the Chairman of the House Ways and Means Committee, the Chairman of the Senate Finance Committee, and each member of the congressional delegation of the state of South Dakota."

POM—116. A concurrent resolution adopted by the Legislature of the State of South Dakota; to the Committtee on Energy and Natural Resources:

"HOUSE CONCURRENT RESOLUTION No. 1014

"Whereas, insufficient and unpredictable rainfall prevents the dominant agricultural sector of the economy of the state of South Dakota from reaching its maximum potential; and

"Whereas, the development of the water resources of the state of South Dakota, particularly the water in storage behind the Missouri River main stem dams, is critical to the future of agricultural and economic development of South Dakota; and

"Whereas, under the ecological and economic conditions currently prevailing in the state of South Dakota, a one hundred sixty acre irrigated farm unit for an individual or a three hundred twenty acre unit for a husband and wife jointly is an economically unfeasible unit; and

"Whereas, the state of South Dakota lacks the capital to develop its water resources to the extent necessary to improve per capita income to the national average without federal assistance; and

"Whereas, the one hundred sixty acre limitation for federal reclamation projects effectively prevents the development of South Dakota's water resources, which increases the consolidation of dry land agricultural units and causes the decline of small towns producing low incomes and continuous outmigration of young people:

"Now, therefore, be it resolved, that the State of South Dakota urges the Congress of the United States to act to amend the acreage limitation provisions of the federal reclamation laws by raising the allowable acreage so that economically feasible units may benefit from federal project water or, preferably, to delete the acreage limitations from the reclamation laws entirely in recognition of the states' prerogatives to allocate their water and to manage the use of their lands; and

"Be it further resolved, that copies of this resolution be sent to the Speaker of the House of Representatives of the United States, the President of the Senate of the United States, the Chairman of the House Committee on Interior and Insular Affairs, the Chairman of the Senate Committee on Energy and Natural Resources, and the Secretary of the Department of Interior."

POM-117. A joint resolution adopted by the Legislature of the Federated States of Micronesia; to the Committee on Energy and Natural Resources:

"SENATE JOINT RESOLUTION No. 5, H.D. 1

"Whereas, the Constitution of the Federated States of Micronesia was ratified by the people in four districts of the Trust Territory of the Pacific Islands by vote on July 12, 1978, pursuant to Public Law No. 7-31 of the Congress of Micronesia; and

"Whereas, the Constitution of the Federated States of Micronesia provides that the effective date of the Constitution is one year after the date of ratification, unless the Congress of Micronesia provides for an earlier date; and

"Whereas, the Interim Congress of the Federated States of Micronesia has succeeded to the legislative authority of the Congress of Micronesia in the four districts of the Trust Territory that ratified the Constiution; and

"Whereas, a prompt and orderly transition to constitutional government is in the best interests of the people of the Federated States, an adequate period of time is essential to accomplish the transfer of executive functions and responsibilities, and this transfer should be completed by October 1, 1979, if feasible; and

"Whereas, Public Law No. IC-1 of the Interim Congress of the Federated States of Micronesia requires the Congress of the Federated States of Micronesia to convene on May 10, 1979; now, therefore,

"Be it resolved by the Senate of the Interim Congress of the Federated States of Micronesia, 1979 Session, the House of Representatives concurring, that the effective time and date of the Constitution of the Federated States shall be 10:00 a.m. on May 10, 1979; and

"Be it further resolved that certified copies of this Senate Joint Resolution be transmitted to the President of the United States, the Speaker of the House of Representatives of the United States, the President of the Senate of the United States, the Trusteeship Council of the United Nations, the Secretary of the Interior, the High Commissioner, the Governors and Speakers of the Legislatures of the States of Kosrae, Ponape, Truk and Yap, and the Chief Justice of the Trust Territory High Court."

POM-118. A resolution adopted by the Legislature of the State of Hawaii; to the Committee on Governmental Affairs:

"HOUSE RESOLUTION No. 224

"Whereas, the militia of the State is responsible for the public safety and internal security of Hawaii's residents; and

"Whereas, Hawaii's National Guard is an integral component of the militia of the State; and

"Whereas, National Guard obligations require time off from civilian employment for discharging military responsibilities; and

"Whereas, reemployment rights are necessary to protect National Guard members whose civilian employment is interrupted by a call to public duty; and

"Whereas, federal laws provide reemployment rights for members of the National Guard only when discharging duties under federal orders (38 USC, sections 2021, 2024); and

"Whereas, federal laws do not provide reemployment rights to National Guard members when they are called up by state governors; and

"Whereas, the Constitution of the State of Hawaii at Article IV, section 5, empowers the Governor to call out the National Guard for special or emergency duty in times of flood, fire, earthquake, strikes, riots, prison breaks, and the like; and

"Whereas, state law presently grants reemployment rights to state employees, who, pursuant to an order from the Governor are ordered into active National Guard service; and

"Whereas, federal employees called to National Guard duty by the Governor are not protected by such reemployment rights; and

"Whereas, only federal laws can provide for such reemployment rights for federal employees; now, therefore.

"Be it resolved by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that the members of Hawaii's congressional delegation are requested to support the passage of federal legislation establishing reemployment rights for federal employees who are ordered to National Guard duty by their state governor; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each member of Hawaii's congressional delegation."

POM-119. A resolution adopted by the legislature of the State of Hawaii; to the Committee on Agriculture, Nutrition, and Forestry:

"HOUSE RESOLUTION No. 297

"Whereas, agriculture is a major cornerstone of Hawaii's economy; and

"Whereas, agriculture in Hawaii is a multihundred million dollar business which provides employment and important revenues for the people of Hawaii; and

"Whereas, according to data appearing in the "State of Hawaii Data Book 1977", an official publication of the Hawaii State Department of Planning and Economic Development, in 1976, the value of crop and livestock sales amounted to $322,323,000; and

"Whereas, while sugarcane production remains the single most important component of Hawaiian agriculture, the second most important sub-industry of Hawaii's overall agriculture industry is diversified agriculture, generally defined to mean all agricultural production other than sugarcane and pineapple production; and

"Whereas, diversified agriculture has demonstrated exceptional performance in recent years and the current value of farm sales of diversified agricultural commodities alone is estimated to be approximately $120,000,000 annually; and

"Whereas, with the general exception of several major cattle raising enterprises in Hawaii, the overwhelming majority of farmers engaged in diversified agricultural are independent farmers producing vegetable crops, fruits, hogs, nursery products, and the like; and

"Whereas, the House of Representatives of the State of Hawaii finds that since 1970, farmers engaged in agricultural production on leasehold lands in Hawaii are ineligible to qualify for loans under the so called "Farm Ownership Plan" of the federal Farmers Home Administration; and

"Whereas, considering Hawaii's unique land conditions, many farmers must operate their farming operations on leasehold lands; and

"Whereas, loans under the "Farm Ownership Plan" provide low interest, long term loans to support farming activities relating to the construction of farm structures and closely allied farming needs; and

"Whereas, the Constitution of the State of Hawaii at Article XI mandates the protection and development of agriculture in Hawaii, a clear indication of the major importance of agriculture in Hawaii; now, therefore.

"Be it resolved by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that Hawaii's delegation to the Congress of the United States is respectfully urged to sponsor and support the enactment of legislation which will enable Hawaii's farmers engaged in agricultural production on leasehold lands in Hawaii to qualify for loans under the "Farm Ownership Plan" of the federal Farm Home Administration; and

"Be it further resolved that certified copies of this Resolution be transmitted to each member of Hawaii's delegation to the Congress of the United States, the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the United States Secretary of Agriculture, the Governor of the State of Hawaii, the President of the Hawaii State Senate, the Speaker of the Hawaii State House of Representatives, and the Chairman of the Hawaii State Board of Agriculture."

POM-120. A resolution adopted by the legislature of the State of Massachusetts; to the Committee on the Judiciary:

"RESOLUTION

"Whereas, The Congress of the United States is responsible for the large amount of money appropriated by the departments of the federal government and therefore must accept full responsibility for the inflation and deficit spending which have resulted from its actions; and

"Whereas, Drastic action by Congress is needed including both the enactment of legislative changes which will impose limits upon spending by the federal government and submission to the states of related amendments to the Constitution of the United States; now, therefore be it

"Resolved, That the Massachusetts Senate hereby urges the Congress of the United States to propose amendments to the Constitution of the United States which would require a balanced federal budget for each fiscal year; and be it further

"Resolved, That a copy of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

POM-121. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on the Judiciary:

"RESOLUTION

"Whereas, The United States Supreme Court ruled that an abortion during the first three months of pregnancy is to be governed by the medical judgment of a physician; and

"Whereas, The United States Supreme Court ruled that an abortion after the third month of pregnancy is to be determined by the woman and her physician; therefore be it

"Resolved, That the Massachusetts General Court respectfully urges the Congress of the United States to enact legislation presenting to the states a proposed constitutional Human Life Amendment proposing:—

"All men are conceived and born free and equal, and have certain natural, essential, and unalienable rights; among which may be reckoned the right of enjoying and defending their lives and liberties from the moment of conception; that of acquiring, possessing, and protecting property; in fine, that of seeking and obtaining their safety and happiness.

"The United States shall not make or enforce any law which shall abridge the privileges or immunities of its citizens; nor shall it deprive any persons, including the unborn, of life, liberty, or property without due process of law, nor deny to any person, including the unborn, within its jurisdiction, the equal protection of the laws; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the Clerk of the Senate to the President of the United States, the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

POM-122. A joint memorial adopted by the legislature of the State of Idaho; to the Committee on Governmental Affairs:

"SENATE JOINT MEMORIAL No. 106

"Whereas, the powers delegated to the federal government by the United States Constitution are limited, and those powers not delegated to the federal government are reserved to the States; and

"Wheras, it is becoming increasingly the practice of the federal government to require states to enact state laws to implement federal policies by threatening to withhold or withdraw federal funds for failure to do so; and

"Whereas, the federal government has imposed upon the states many programs and obligations which require funding in excess of state means, thereby making the states subservient to and dependent upon the federal government for financial assistance; and

"Whereas, through the coercive force of withdrawing or withholding federal funds, or the threat of withdrawing or withholding federal funds, the federal government is indirectly imposing its will upon the states and requiring implementation of federal policies which neither Congress nor the President nor any administrative agency is empowered to impose or implement directly; and

"Whereas, this coercive power of the purse is being used to extend the power of the federal government over the states far beyond the powers delegated to the federal government by the United States Constitution; and

"Whereas, the power of the federal government should be exercised directly by the enactment, implementation and enforcement of federal laws governing only those areas in which the federal government is empowered to act by the United States Constitution, and the federal government should be prohibited from usurping the authority of the states and imposing its will indirectly in those areas in which it has no power to act directly; and

"Whereas, the federal government has imposed upon the states many programs and obligations which require state administration and such programs or other programs may lose federal financing if certain conditions attached to the program are not met.

"Now, therefore, be it resolved by the members of the First Regular Session of the Forty-fifth Idaho Legislature, the Senate and the House of Representatives concurring therein, that we urge the Congress of the United States to refrain from withholding, withdrawing or threatening to withhold or withdraw federal funds from a state as a means of requiring a state to implement federal policies or practices; and

"Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States, and to the members of the Congress of the United States representing the State of Idaho."

POM-123. A joint resolution adopted by the legislature of the State of Tennessee; to the Committee on Environment and Public Works:

"SENATE JOINT RESOLUTION No. 41

"Whereas, President Carter has nominated Bob Clement to fill the unexpired term of Mr. Bill Jenkins as a member of the Board of Directors of the Tennessee Valley Authority; and

"Whereas, Bob Clement's service as a Commissioner of the Tennessee Public Service Commission, a municipal consultant for the University of Tennessee Center for Government Training and as Chairman of the Ad Hoc Presidential Advisory Committee of the National Association of Regulatory Utility Commissions uniquely qualify him for the position on the Board of Directors; and

"Whereas, The citizens served by the Tennessee Valley Authority will be best served by a board member who is a resident of the area and who is sensitive to the geographic, economic, political, and sociological characteristics of the area; now, therefore,

"Be it resolved by the Senate of the Ninety-First General Assembly of the State of Tennessee, the House of Representatives concurring, That the members of this body extend their congratulations to Bob Clement on his nomination by President Carter to serve on the Board of Directors of the Tennessee Valley Authority.

"Be it further resolved, That the United States Senate is hereby urged to confirm the appointment of Mr. Robert Clement to fill the unexpired term of Mr. Bill Jenkins as soon as possible.

"Be it further resolved, That copies of this resolution be sent to Mr. Clement, President Carter, all members of the Tennessee delegation to the United States Congress and the president pro tempore of the Senate."

POM-124. A joint resolution adopted by the legislature of the State of Tennessee; to the Committee on Commerce, Science, and Transportation:

"SENATE JOINT RESOLUTION No. 42

"Whereas, The Federal Communications has announced its intention to promulgate rules which would permit duplication of radio broadcasting station assignments on Class I-A Clear Channels; and

"Whereas, There are only twenty-five (25) such stations in this country, among them WSM Radio in Nashville, Tennessee; and

"Whereas, WSM Radio went on the air in May, 1925, and since the fall of that year has been the broadcasting home of the Grand Ole Opry, the nation's longest running, continuous live radio program; and

"Whereas, The Grand Ole Opry is a unique part of the American heritage, the home of country music and humor, a style which over the past half-century has transcended the barriers of age and geographic boundaries; and

"Whereas, The enormous popularity of the Grand Ole Opry has contributed significantly to the growth of the tourist industry in Tennessee, in 1977 at $1.5 billion business which produced $402 million in state taxes; and

"Whereas, WSM Radio is also the home of the Waking Crew, an early morning program featuring the only live, studio orchestra in the world; and

"Whereas, WSM evening programming broadcasts weather information to travelers in all parts of the United States; and

"Whereas, Clear channel stations provide nighttime programming to rural areas of the country which otherwise would receive none, as the majority of the four thousand four hundred (4,400) A.M. stations are located in urban communities; and

"Whereas, In the event of a national emergency it would be possible for a handful of Class I-A Clear Channel Stations to provide comprehensive nationwide communication; now, therefore,

"Be it resolved by the Senate of the Ninety-First General Assembly of the State of Tennessee, the House of Representatives concurring, That the Congress of the United States is urged to enact legislation to prevent the Federal Communications Commission from prescribing rules which would permit duplication of radio broadcasting station assignments on Class I-A Clear Channels.

"Be it further resolved, That a copy of this resolution be sent to each member of the Tennessee congressional delegation, the President pro tempore of the United States Senate, the Speaker of the House of Representatives, the Chairman of the Federal Communications Commission, and the President of WSM Incorporated."

POM-125. A resolution adopted by the county legislature of Suffolk County, N.Y., memorializing Anthony Casamento; to the Committee on Armed Services.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HUDDLESTON, from the Committee on Agriculture, Nutrition, and Forestry, with amendments and an amendment to the title:

S. 41. A bill to authorize the Secretary of Agriculture to convey any interest held by the United States in certain lands located in Bell County, Ky., to the Board of Education, Bell County, Ky. (Rept. No. 96-48).

By Mr. RIBICOFF, from the Committee on Governmental Affairs, with an amendment:

S. 210. A bill to establish a Department of Education (together with additional and minority views) (Rept. No. 96-49).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. NELSON (for himself, Mr. PROXMIRE, Mr. RIEGLE, and Mr. METZENBAUM):

S. 769. A bill repealing the authorization for Tombigbee and Tennessee Rivers project; to the Committee on Environment and Public Works.

By Mr. CHURCH (for himself and Mr. MUSKIE):

S. 770. A bill to prohibit trading in potato futures on commodity exchanges; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. WEICKER:

S. 771. A bill to establish an energy stamp program which will provide assistance to certain low-income and fixed-income houeholds to help meet residential energy costs incurred by such households; to the Committee on Labor and Human Resources.

By Mr. NELSON:

S. 772. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize the Secretary of Health, Education, and Welfare to impose conditions and limitations on the distribution of certain drugs; to the Committee on Labor and Human Resources.

S. 773. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for a Federal drug compendium which provides reliable, complete, and readily accessible prescribing information; to assure safety and efficacy of drugs through certification of certain drugs other than insulin and antibiotics; to require certain information in drug labeling; and to improve the administration and enforcement of the act as it relates to drugs; to the Committee on Labor and Human Resources.

S. 774. A bill to amend the Federal Food, Drug, and Cosmetic Act to make the Secretary of Health, Education, and Welfare responsible for the testing and evaluation of all drugs to determine whether such drugs meet the requirements for approval for commercial distribution, and to provide for the establishment of a national drug testing and evaluation center, and for other purposes; to the Committee on Labor and Human Resources.

S. 775. A bill to amend the Federal Food, Drug, and Cosmetic Act to require an appropriate warning on the label of any potentially dangerous drug, and for other purposes; to the Committee on Labor and Human Resources.

S. 776. A bill to amend the Federal Food, Drug, and Cosmetic Act in order to impose certain restrictions on oral representations made to physicians and pharmacists regarding drugs, and to impose certain restrictions on the written advertising of drugs; to the Committee on Labor and Human Resources.

S. 777. A bill to amend the Federal Food, Drug, and Cosmetic Act in order to require that the label of certain drugs include expiration dates regarding the effectiveness or potency of such drugs; to the Committee on Labor and Human Resources.

S. 778. A bill to amend the Federal Food, Drug, and Cosmetic Act to prohibit the export of any drug from the United States unless an application for approval of such drug has been obtained under section 505 of such act; to the Committee on Labor and Human Resources.

S. 779. A bill to amend the Federal Food, Drug, and Cosmetic Act, as amended, to require the submission of certain additional information by applicants for new drugs; to require the inclusion of certain additional information in drug labeling, and for other purposes; to the Committee on Labor and Human Resources.

S. 780. A bill to amend and supplement the Federal Food, Drug, and Cosmetic Act with respect to the manufacture and distribution of drugs, and for other purposes; to the Committee on Labor and Human Resources.

S. 781. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for the certification of certain drugs other than insulin and antibiotics, and to provide for the submission of certain additional information on drugs by the producers of such drugs; to the Committee on Labor and Human Resources.

S. 782. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for the regulation of sample drugs; to the Committee on Labor and Human Resources.

S. 783. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for quality control for drugs purchased by the United States or paid for with Federal funds, and to provide for a Formulary of the United States; to the Committee on Labor and Human Resources.

S. 784. A bill to amend the Federal Food, Drug, and Cosmetic Act to provide for a Federal drug compendium which will list all prescription drugs by their generic names and provide reliable, complete, and readily accessible prescribing information; to the Committee on Labor and Human Resources.

S. 785. A bill to amend the Federal Food, Drug, and Cosmetic Act to prohibit the use of any name in connection with any prescription drug other than the official name designated for such drug by the Secretary of Health, Education, and Welfare; to the Committee on Labor and Human Resources.

S. 786. A bill to amend the Federal Food, Drug, and Cosmetic Act to require that the identity of the manufacturer of a prescription drug appear on the label of the package from which the drug is to be dispensed; to the Committee on Labor and Human Resources.

S. 787. A bill to amend the Public Health Service Act in order to protect the public against excessively high prices for certain drugs; to the Committee on Labor and Human Resources.

By Mr. DOMENICI (for himself, Mr. TOWER, Mr. DOLE, and Mr. DECONCINI):

S. 788. A bill to establish an Office of Hispanic Affairs in the Executive Office of the President, and in various Federal departments and agencies, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CRANSTON:

S. 789. A bill to authorize Federal participation in stream rectification, Trinity River Division, Central Valley project, Calif., and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. WILLIAMS (for himself, Mr. JAVITS, Mr. RANDOLPH, Mr. MOYNIHAN, Mr. MCGOVERN, Mr. MELCHER, Mr. DURENBERGER, and Mr. SIMPSON):

S. 790. A bill to provide that 20 per centum of the funds appropriated for college work study programs in any fiscal year beginning after September 30, 1979, may be used for promoting cooperative education programs with private employers; to the Committee on Labor and Human Resources.

By Mr. CRANSTON:

S. 791. A bill to establish the true location of a portion of the northerly boundary of the Angeles National Forest in Los Angeles County, Calif., on the common line between section 16 and 17, township 4 N, range 10 W, San Bernardino meridian, and to establish the center quarter of said section 16; to the Committee on Energy and Natural Resources.

By Mr. BENTSEN:

S. 792. A bill to provide price incentives for production of high water cut crude oil; to the Committee on Energy and Natural Resources.

By Mr. NELSON (for himself, Mr. CULVER, Mr. NUNN, Mr. BAUCUS, Mr. WEICKER, Mr. HATCH, and Mr. PRESSLER):

S. 793. A bill to amend the Small Business Act; to the Select Committee on Small Business.

By Mr. LEVIN (for himself, Mr. PERCY, Mr. CHILES, Mr. JACKSON, Mr. COHEN, Mr. RIEGLE, Mr. BURDICK, Mr. MELCHER, Mr. PELL, Mr. HATFIELD, and Mr. NELSON):

S. 794. A bill to establish dispute resolution procedures and an abritration board to settle disputes between organizations of supervisors and other managerial personnel and the U.S. Postal Service; to the Committee on Governmental Affairs.

By Mr. MAGNUSON (for himself, Mr. LEAHY, Mr. JACKSON, Mr. HEINZ, Mr. MELCHER, Mr. MCGOVERN, Mr. STEVENS, Mr. NELSON, Mr. PELL, Mr. MATSUNAGA, Mr. WILLIAMS, Mr. SARBANES, Mr. PRESSLER, Mr. BRADLEY, Mr. HATFIELD, Mr. MOYNIHAN, Mr. CULVER, and Mr. RIEGLE):

S. 795. A bill to establish a Federal policy concerning protection of certain agricultural land; to provide for a land review study by the Secretary of Agriculture; to establish a research and pilot project program relating to methods of protecting certain agricultural land from being used for nonagricultural purposes, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CANNON (by request):

S. 796. A bill to reform the economic regulation of railroads, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. JACKSON (by request):

S. 797. A bill to provide for the timely management of the spent fuel from nuclear reactors; to the Committee on Energy and Natural Resources.

By Mr. HART (by request):

S. 798. A bill to provide for the licensing of Department of Energy facilities primarily used for the receipt and storage of commercial spent fuel; to the Committee on Environment and Public Works.

By Mr. SCHMITT:

S. 799. A bill to increase the duty on imported copper by an amount which offsets the cost incurred by copper producers in the United States in meeting domestic environmental requirements; to the Committee on Finance.

By Mr. MATHIAS:

S. 800. A bill to amend the Rail Passenger Service Act in order to improve cost allocating procedures and the method of determining the amount of Federal assistance to be provided the National Railroad Passenger Corporation for operating costs; to the Committee on Commerce, Science, and Transportation.

By Mr. DANFORTH (for himself, Mr. Moynihan, Mr. Chafee, and Mr. Domenici):

S. 801. A bill to increase the tax of cigarettes; to the Committee on Finance.

By Mr. CHURCH (by request):

S. 802. A bill to further amend the Peace Corps Act; to the Committee on Foreign Relations.

By Mr. PROXMIRE:

S. 803. A bill for the relief of Nick Masonich; to the Committee on the Judiciary.

By Mr. HEFLIN:

S. 804. A bill for the relief of Jae Sill Rim and his wife, Young Ja Rim; to the Committee on the Judiciary.

By Mr. DURKIN:

S. 805. A bill to repeal changes in the exclusion of sick pay made by the Tax Reform Act of 1976, and for other purposes; to the Committee on Finance.

S. 806. A bill to amend the Internal Revenue Code of 1954 to make certain wood gasification equipment eligible for the residential energy credit; to the Committee on Finance.

S. 807. A bill to amend section 5(e) of the Food Stamp Act of 1977 to remove the ceiling on the excess shelter expense deduction, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 808. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. STEVENS (for himself, Mr. Bayh, Mr. Domenici, Mr. Dole, Mr. Ford, Mr. Garn, Mr. Hatch, Mr. Huddleston, Mrs. Humphrey, Mr. Metzenbaum, Mr. Morgan, Mr. Moynihan, and Mr. Thurmond):

S. 809. A bill to amend title 38, United States Code, to provide that a member of a Reserve component of the Armed Forces shall not be denied certain employment, because of membership in such Reserve component; to the Committee on Veterans' Affairs.

By Mr. STEVENS:

S. 810. A bill to amend section 1102 of the Education Amendments of 1978; to the Committee on Labor and Human Resources.

By Mr. GOLDWATER:

S.J. Res. 52. A joint resolution designating the 7-day period of May 1, 1979, through May 7, 1979, as "National Photography Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NELSON (for himself, Mr. Proxmire, Mr. Riegle, and Mr. Metzenbaum):

S. 769. A bill repealing the authorization for Tombigbee and Tennessee Rivers Project; to the Committee on Environment and Public Works.

TENNESSEE-TOMBIGBEE WATERWAY DEAUTHORIZATION ACT OF 1979

Mr. NELSON. Mr. President, in 1946, the 79th Congress authorized the Corps of Engineers to construct a waterway project which would link the Tennessee and Tombigbee Rivers for the purpose of facilitating barge traffic on the inland waterway system. The project, as originally authorized, consisted of a 260-mile-long navigation channel from the Tennessee River at the Pickwick Pool to the confluence of the Tombigbee and Black Warrior Rivers at Demopolis, Ala. The channel is made up of three parts: A 40-mile-long cut through a dividing ridge, connecting the two rivers and ending at the Bay Springs Lock and Dam; a 44-mile-long canal, generally paralleling the East Fork of the Tombigbee River between Bay Springs and Amory, Miss., and a 176-mile-long river section on the Tombigbee from Amory to the southern terminus of the project at Demopolis, Ala. In the river and canal sections, the authorized channel width was 170 feet. In the divide section, it was to be 150 feet wide.

For 21 years following this authorization, the Corps was unable to justify construction of the project on economic grounds. In 1946, at the time of authorization, the benefit-cost ratio was 1.05 to 1. In 1951, at the conclusion of hearings by the House Appropriations Committee, that committee reported that the project was not economically sound, and that its staff had found the benefit-cost ratio to be .27 to 1. All planning was therefore directed to be discontinued, the funds previously allotted to the Tenn-Tom were revoked, and the project was placed in a "deferred-for-restudy" category.

The first restudy was called for in 1957 and completed in 1962. Again, the House Appropriations Committee rejected the project on economic grounds. The benefit-cost ratio was then 1.08 to 1. In 1964, a second restudy was undertaken by the corps. This time, the corps dramatically changed the design of the project, without obtaining, or even asking for, authorization from Congress. By nearly doubling the width of the project, from the authorized width of 170 feet to 300 feet, and by adding duplicate locks at two locations, the corps was finally able to increase the projected benefit-cost ratio to 1.24 to 1, and to obtain approval from the Appropriations Committees for planning funding. Construction funds were first appropriated in 1971, and construction began in December 1972. Since 1974, project costs have skyrocketed and project benefits have plummeted. Using corps' estimates, the benefit-cost ratio has now dropped from its all-time high of 1.6 to 1 in fiscal years 1970 through 1972, to 1.2 to 1, below the level that former Secretary of the Army Stanley Resor called marginal in 1967.

However, even this marginal benefits-to-costs ratio is bluntly repudiated by independent expert analysis which shows that a more realistic figure for the benefit-cost ratio is closer to .23 to 1. Thus, instead of providing a positive return on the Federal investment, the Tennessee-Tombigbee is actually losing money on every dollar we sink into it.

The 30-year history of the Tennessee-Tombigbee Waterway overwhelmingly demonstrates that it is economically unjustified. But there are also several other issues, which, when added together, conclusively show that Congress should immediately halt this biggest pork barrel boondoggle of them all.

First, the project is already obsolete, even though, according to corps figures, it is only 29 percent complete. Second, the project which is currently being built is not the project which was authorized in 1946. Third, the corps' own memorandums detail how Congress, the President, and the public were deliberately deceived as to the cost of the project. Similarly, memos of meetings between the corps and their consultants show that the consultants were told by the corps to make assumptions about the project which were unjustified and, in many cases, unauthorized.

Therefore, it should come as no surprise that these studies justified, rather than rejected, the decision to build the waterway. Fourth, the construction of the project will cause serious environmental damage. To date, physical construction of the project has been largely limited to the 10 locks and dams sites. The river itself is virtually untouched and the project, at present, has not yet resulted in irreparable damage to the environment. But there is not much time. The project's largest construction contracts will be let later this spring, unless Congress acts. If the Congress does not act, and allows the Tenn-Tom to be completed, it will be an environmental, as well as economic disaster. And finally, 70 percent of the projected tonnage to be shipped on the Tennessee-Tombigbee is coal, over half of which is for export.

In a time of energy crisis, when we have set as a national priority the achievement of energy self-sufficiency, it does not make a great deal of sense to spend billions of American tax dollars to subsidize the export of American coal to a foreign country. In fact, very little about this project does make good sense.

It is time Congress demonstrated a will to challenge these wasteful projects which consume billions of tax dollars while providing inadequate returns on our investment. In my judgment, the 96th Congress should foreclose any further expenditures on the Tennessee-Tombigbee Waterway by acting to repeal the project authorization.

PROJECT DESCRIPTION

Today, due to design modifications which add several cutoffs in the river section, the Tennessee-Tombigbee Waterway project is a 232-mile long (rather than 260-mile-long) navigation channel from the Tennessee River, at the Pickwick Pool, to the Tombigbee River, terminating at Demopolis, Ala. Starting at the northern terminus of the project, this channel consists of three distinct sections: A 40-mile cut section through a divide connecting the Tennessee River to the Tombigbee River; a 44-mile canal section with five locks and dams, which parallels the river from the Bay Springs lock and dam to Amory; and a 148-mile river section with four locks and dams, from Amory, Miss., to Demopolis, Ala. From Demopolis, the southern terminus of the authorized project, barge traffic can continue on the Tombigbee to the Gulf of Mexico at Mobile, Ala.

The channel from the Tennessee River to Demopolis is being designed at a 300-foot width, while the authorized width of the channel, south of Demopolis is 200 feet. In addition to 10 locks and dams, the project requires the commitment of over 105,000 acres of land, excavation of over 280 million cubic yards of earth, and the destruction of the largest remaining unimpounded, unchannelized and unpolluted river in the Mobile river basin, the Tombigbee.

In order to fully describe the project, it is necessary to explain the "off again, on again" segment between Demopolis and Mobile. At present, the Corps claims that this is a different project. However, from 1966 to 1975, the Corps' design for the Tennessee-Tombigbee was based on a 300-foot-wide waterway from the Pickwick Reservoir on the Tennessee River all the way to the Gulf of Mexico at Mobile.

This project formed the factual basis and assumption for all planning and appropriations requests during that period. Its existence, however, was never disclosed to the public or the Congress. In apparently contradictory, but actually precise, language, one key Corps official has termed it a "well-kept, if open secret."

In August 1975, the Corps realized that there was absolutely no authority for constructing a 300-foot-wide waterway south of Demopolis. Therefore, in November, 1975, the Corps decided to split the project into two sections at Demopolis. The decision was made to continue construction of the project north of Demopolis, but to avoid analysis of the environmental and economic impacts of the inevitable construction of the portion south to Mobile. However, for purposes of claiming the benefits of the waterway between Pickwick and Mobile, it continued to be treated as a single project. Indeed, the traffic projections necessary to justify the project continued to be dependent upon the assumption of construction of the portion of the project south of Demopolis.

It was at this time that the Corps, in their annual budget submissions to Congress, began to use the term "initial" project for the portion between Pickwick and Demopolis and "ultimate" project for the overall waterway between Pickwick and Mobile. Thus, in addition to using the overall 300-foot waterway as the economic basis for project justification, the Corps also based its annual appropriations requests upon the 300-foot waterway from Pickwick to Mobile. Indeed, they continue to do so at the present.

PROJECT HISTORY

The idea of linking the Tennessee and Tombigbee Rivers has a long history. As early as 1874, consideration was being given to the Tennessee-Tombigbee concept. The first project survey, conducted by a Corps district engineer, Powhatan Robinson, concluded:

> I must confess that the merits of this enterprise are utterly beyond my comprehension. I can see good sense in spending a small amount of money in improving the high water navigation of the Tombigbee, but this scheme presents nothing but incongruities in every aspect. . . . It has no national character and therefore must rest solely on its merits as an investment. No capitalist would accept it as a gift, on condition that he should keep it in repair.

Unfortunately for the American taxpayer, Mr. Robinson's advice has gone unheeded.

The recent and most relevant history of the Tenn-Tom begins in 1945 with the submission by the Corps of a recommendation for congressional authorization of a waterway to link the Tennessee and Tombigbee Rivers. In 1946, the Congress authorized construction of a 170-foot-wide waterway between the Tennessee River and Demopolis, Ala. in the Rivers and Harbors Act of 1946 (H.D. 486). Following authorization, project planning was carried as far as funds permitted until 1950 when the House Appropriations Committee began an investigation of the project. Questions were raised at hearings in May 1951 regarding, among other things, the width of the proposed waterway, and the project's economic justification. The committee subsequently reported that the project was not economically sound, and the Tenn-Tom was removed from "active" status and placed in a "deferred-for-restudy" category. The Tenn-Tom remained in this category for 16 years.

In 1957, the Public Works Appropriation Act included funds for a restudy of the project. The restudy, completed in 1962, produced a benefit-cost ratio of 1.08 to 1. The House Appropriations Committee considered this margin too small and Congress did not appropriate construction funds. Another economic study was authorized in 1964. This time, major unauthorized changes in the project configuration were assumed, including a 300-foot-wide channel all the way to Mobile, and duplicate locks at Coffeeville and Demopolis. By making these unauthorized changes, the Corps was finally able to argue that the project was economically sound. After receiving this restudy in 1967, the chairmen of the Appropriations Committees approved a resumption of project planning.

In 1971, subsequent to the passage of the National Environmental Policy Act, I became concerned that the Tenn-Tom project was not complying with the spirit or clear intent of the NEPA. To remedy this, I introduced an amendment to the appropriations bill which provided that no money would be spent on construction of a number of water resource projects, including the Tenn-Tom, until an adequate environmental statement was filed. This amendment was rejected, and in December 1972, construction began.

For several years the corps reported steadily rising project costs. In January of 1974, the corps' cost estimate was $623 million. However, in October 1974, the corps discovered that in constructing the divide cut, it would be necessary to excavate rock, rather than soil as had been originally assumed for cost calculation. This, among other things, caused project costs to skyrocket to just over $1 billion. The corps realized that, if this increase were to be reported to Congress, the project would be in serious political trouble. Therefore, instead of including these cost increases in the 1976 report, the corps decided to "hold off" making such a report until a new benefit study could be initiated and completed. Accordingly, A. T. Kearney Corp. was hired to overcome the rapidly escalating project costs by finding more project benefits.

In August 1975, as a result of Kearney's work, corps officials made a "surprising" discovery—that the 1966 restudy report was based on an assumed, but not authorized, waterway width of 300 feet all the way to Mobile. The corps had already begun to question the basis for their construction of a 300-foot rather than 170-foot channel north of Demopolis, with the corps' own legal counsel characterizing the authority as "cloudy," "doubtful" or "nonexistent." Now, they simultaneously realized that there was absolutely no authority for widening the existing 200-foot channel south of Demopolis to the assumed 300-foot width.

For any other organization, this one-two, knockout punch would have been a death blow. But not for the ever-resourceful Corps of Engineers. Instead, via the Kearney study, the corps manufactured the extra project benefits they needed to duck the first blow of soaring project costs. They avoided the second punch, lack of authority for widening the 217 miles of channel from Demopolis to Mobile, by claiming that the 300-foot waterway below Demopolis was suddenly a different project. But the Tennessee-Tombigbee itself has never recovered.

When the full cost increases were finally reported to Congress in fiscal year 1977, the benefit-cost ratio had dropped from its all-time high of 1.6 to 1 to a low of 1.08 to 1. Further, even by including the unauthorized 300-foot-wide channel from Demopolis, the southern terminus of the Tennessee-Tombigbee, to Mobile, the ultimate benefit-cost ratio could not regain all of its lost ground.

In February 1977, the Tenn-Tom was included in the Carter administration's major review of water resource projects, because it did not meet the economic and environmental criteria established by the administration. Specifically, the Tenn-

Tom failed to meet the administration's environmental criteria that completion of the project will not result in any major adverse environmental impacts, and it failed to meet their economic standard "that incremental benefits will exceed the remaining costs"—when discounted at a rate of 6⅜ percent. On April 18, 1977, the President released the findings of the Tenn-Tom evaluation:

> Environmentally, the project will destroy productive agricultural and forest land, free-flowing streams and wildlife habitat; it will reduce fisheries resource and cause water quality degradation; it will require relocation of 230 families and loss of archeological sites.

Economically, the remaining costs and benefits discounted at the then-current rate of 6⅜ percent resulted in a benefit-cost ratio of 0.87 to 1, clearly not meeting the administration's own standard.

Even so, Federal funding for the Tenn-Tom was not discontinued. I believe the facts make it clear that this unfortunate decision to continue funding the Tenn-Tom was, like so many previous decisions regarding this project, clearly unjustified.

CURRENT STATUS

According to corps estimates, the Tennessee-Tombigbee is now 29 percent complete, with a scheduled completion date of September 30, 1987. However, this percentage represents the amount expended on the project divided by total project costs, and not the percent of physical construction completed. According to affadavits filed with the Federal district court in conjunction with legal proceedings challenging the corps' authority to build the Tennessee-Tombigbee, actual physical construction of the project as of November 1978 has been largely limited to the lock sites, and less than 10 percent of the navigation channels have been constructed at this time.

For example, in the 148-mile river section, only the Demopolis pool has had channel dredging throughout its length, and the remainder of the channel has only received minor dredging, primarily in the approaches to the locks. In the 44-mile canal section, construction has occurred only on locks and dams A and B and on a 1-mile test excavation. At least 38 miles of this section are completely untouched. In the 40-mile divide cut, at least half of the physical environment along the site is untouched. However, this will not last long.

The largest single construction contract of the entire Tennessee-Tombigbee Waterway project is about to be awarded. The $270 million contract for construction of the divide cut which will link the Tennessee and Tombigbee Rivers would obligate 60 percent of the total amount so far expended on the project. To accomplish this linkage, 94 million cubic yards of earth will have to be excavated. I have already written to the Secretary of the Army, asking him to withhold awarding this contract until Congress has had the opportunity to reevaluate the project.

Total corps expenditures through January 31, 1979, are $465 million. For fiscal year 1980 alone the Tenn-Tom budget request is $168 million. The corps currently estimates the total project cost to be $1.67 billion compared to the $323 million price tag when Congress first appropriated construction funds in fiscal year 1971. Thus, this project, which is not even one-third complete, is already 364 percent over budget.

THE TENN-TOM: AN ECONOMIC DISASTER

Congress has mandated that Federal investments in water resource projects must be economically sound, and that the benefits produced by such federally financed projects should at least exceed their costs. In other words, the benefit-to-cost ratio (BCR) must be greater than one.

The Tennessee-Tombigbee Waterway has repeatedly failed to meet this requirement and when the corps' figures have seemed to meet the requirements, their assumptions, legal authority and claimed benefits have been challenged by independent outside experts.

After the Tennessee-Tombigbee's authorization in 1946, the project failed its first economic test in 1951, when the House Appropriations Committee, calculating a benefit-cost ratio of .27 to 1, found it to be economically unsound. It failed again in 1962, when the committee found a benefit-cost ratio of 1.08 to 1 to be unacceptable. Yet another economic reevaluation report was submitted to the committee in 1967 by then Secretary of the Army, Stanley Resor. The text of his cover letter illustrates that the economic foolhardiness of the project was fully recognized by the Secretary:

> The Tennessee-Tombigbee project has been under study for many years; in fact the first study can be traced back to 1874. The current report is the fourth on this project by the Corps of Engineers since the end of World War II. In each previous instance the proposed investment was found only marginally justified; and that is also the case with the present study.
>
> Each purpose served by a project such as this must be economically justified. The principal purpose served the Tennessee-Tombigbee Water project is navigation, which accounts for about $311 million of the total first cost. The estimated benefit-cost ratio for those features of the project required solely for navigation is 1.01, although if area redevelopment benefits are added it reaches 1.14.
>
> While the inclusion of redevelopment benefits is not inconsistent with sound economic analysis, I have reservations about the wisdom of investing in a project which demands so heavily on counting local wage payments in calculating the benefit-cost ratio.
>
> Furthermore, if the costs of the project prove to be even slightly underestimated, or the projected waterway traffic slightly overestimated, the present barely favorable benefit-cost ratio will be lost.
>
> All in all, the conclusion is inescapable that the Tennessee-Tombigbee navigation project continues to lack that margin of economic safety which typically marks federal investments in water resource development.
>
> The Bureau of the Budget, in advising that there is no objection to the submission of this report to the Congress, states that it agrees with the conclusion that the project is only marginally justified.

Unfortunately, the Secretary's advice was not followed. Instead of closing the door once and for all on the Tenn-Tom, the Appropriations Committees approved the allocation of $500,000 of corps funds for the resumption of project planning. At this time, the corps had boosted the benefit-cost ratio to 1.2 to 1 by making major changes in the project's configuration, including widening the channel from its authorized 170 feet to 300 feet. By fiscal year 1970, the benefit-cost ratio had reached its alltime high of 1.6 to 1 and it remained there through fiscal year 1972.

The first construction funds were appropriated during this period and construction on the Gainesville lock and dam began in December 1972. This period of economic well-being was not to last. However, between January of 1974, when the project cost was reported by the corps as $623 million, and October of 1974, project cost increases catapulted the total cost over the $1 billion mark. But rather than report that figure to the Congress, as prior procedure dictated, the corps initiated a benefit study and "held off" on reporting the big cost increase for a year while sufficient alleged benefits were uncovered to maintain a positive benefit-cost ratio.

In February 1975, the A. T. Kearney Co. was hired to find sufficient additional benefits to cover the increased costs. Once again, as in the 1967 report, a variety of extremely debatable assumptions were necessary to put project benefits ahead of project costs, barely. When the Kearney study was completed and when the cost increases were finally reported to Congress in spring of 1976, the benefit-cost ratio was down to 1.08 to 1, the figure which had been previously rejected by the House Appropriations Committee in 1962. Since then, the benefit-cost ratio has been inching upward, to 1.15 to 1 in fiscal year 1978, and 1.19 to 1 in fiscal year 1979. However, as I will make clear, the accuracy of these corps' figures is extremely doubtful.

THE ECONOMIC FACTS

The Tennessee-Tombigbee Waterway is a economic bad joke. Its benefits have been created from thin air. Its costs have been consistently understated. And its benefit-cost ratio is computed on the basis of an absurdly low interest rate in violation of the law.

THE CORPS HAS MANUFACTURED PROJECT BENEFITS

In 1975, the corps retained A. T. Kearney, Inc., to do a navigation benefits study. Using this study, which was based on interviews with 121 shippers, the corps came up with a figure of $86 million for average annual navigational benefits. Other annual benefits (for area redevelopment, recreation, and fish and wildlife) totaled $12.9 million. These annual benefits are matched against project annual costs which are currently calculated by the corps as an annual charge of $84.5 million to yield a benefits-to-cost ratio of 1.2 to 1. Thus, the claimed navigational benefits, which constitute 87 percent of the total annual project benefits, are central to the corps claim that the project's benefits will exceed its costs. But a careful and expert examination of the Kearney study reveals a number of questionable calculations. Analyses of the Kearney report by Dr. Joseph L.

Carroll and Dr. Robert Haveman clearly details the inaccuracies and overestimations of projected benefits.

Dr. Carroll, a professor of business administration at Pennsylvania State University, and director of the transportation systems program of the Pennsylvania Transportation Institute, also at Penn State, is a transportation economist by profession with wide experience in public investment economics and transport system analysis, and with particular emphasis on the economics of inland waterway transport. While head of the transportation systems division of the Transportation Institute at Pennsylvania State University, Dr. Carroll served as project director for a major program of research in the area of waterway systems analysis which involved study of the physical and economic characteristics of inland waterways.

This program was sponsored by the U.S. Army Corps of Engineers during the period 1970 to 1974. His work for the corps has involved detailed studies of the operational characteristics of the inland waterway system including studies of lock capacities, tow sizes and operations, physical constraints to barge traffic, and numerous other aspects of inland navigation. Dr. Carroll has detailed personal knowledge of the history and development of the Tennessee-Tombigbee Waterway. His doctoral dissertation at Indiana University was a study of the Tennessee-Tombigbee Waterway (1962).

Dr. Haveman is a professor of economics at the University of Wisconsin, specializing in the economic analysis of Government investments, with particular emphasis on the economics of water resource investments. Within the field of water resource economics, Dr. Haveman is a leading authority on benefit-cost analysis for public works projects and has published numerous books and articles which evaluate Federal investment in Corps of Engineers' designed and constructed projects. In his work as a senior economist with the Joint Economic Committee of the U.S. Congress, as a research associate at Resources for the Future, Inc., and as the author of several publications on the subject, Dr. Haveman has studied extensively the legal requirements, both statutory and regulatory, for calculating the economic benefits and costs for the Corps of Engineers' navigation projects.

As I have said, the vast majority of Tenn-Tom benefits are based on projected navigation traffic, and over 70 percent of those benefits are attributed by the corps to movements of coal from eastern Tennessee and Kentucky to Mobile. Yet the corps' own documents reveal that some project benefits are based on companies which are no longer in business; some on movements which simply cannot occur due to existing long-term contract commitments, some on movements which the shipper itself denies will take place, and some on movements to a nonexistent plant.

The whole tale of phantom shipments, phantom shippers, and phantom rates is carefully spelled out in the expert testimony given in a sworn affidavit by Dr. Joseph L. Carroll. Dr. Carroll has carefully reviewed the Kearney study and working papers which were used as the basis for the corps' new benefit claims in 1976 and their benefit claims ever since. In examining the 121 shipper interviews, Dr. Carroll found that the corps had blatantly violated their own regulations for computing navigation benefits. These violations include:

> First. Inclusion of movements which were not existing traffic. Corps regulations permit only existing traffic to be included in the traffic base. Kearny included many movements which did not exist.
>
> Second. Use of hypothetical rates for existing movements instead of the *actual* rate being charged on the alternative mode. By use of a hypothetical rate Kearney was able to claim rate savings in key instances where use of the actual rate being charged would have demonstrated that the existing movement was less costly to the shipper than the Tennessee-Tombigbee, or that the savings via the Tennessee-Tombigbee was much less than claimed.
>
> Third. Complete and total failure to recognize and account for differences in inventory, storage, handling and other logistics costs as between TTW barge and the alternate modes (rail and truck).
>
> Fourth. Where actual rates were not available, Kearney constructed unrealistically high and inaccurate rates for alternative waterway routes, e.g. the Mississippi River, which directly contradicted data in Kearney's possession.
>
> Fifth. As to rates on the TTW, Kearney constructed rates which were unrealistically low and created bloated claims of savings which were contradicted by data in the Corps' and Kearney's possession.
>
> Sixth. In addition there are numerous other errors and inconsistencies in Kearney's benefit calculations.

The result of these violations is to create a mountain of benefits which repeatedly violate the corps' own regulations and which are almost entirely spurious and without factual substantiation. Dr. Carroll concludes:

> Based on my study of the entire Kearney/Corps working papers and having identified numerous open fabrications or erroneous assumptions such as noted in the above examples, I can confidently state that there is absolutely no support in the record for the vast majority of the navigation benefits claimed by the Corps.
>
> My professional opinion and conclusion is that at least $60 million of the average annual navigation benefits claimed by the Corps or spurious and wholly fictitious.

Dr. Carroll is not alone in challenging the wishful thinking of the corps as to what will move over the Tennessee-Tombigbee Waterway if it is ever built. Coal Week, a trade publication of the coal industry, which is supposed to be one of the major beneficiaries of the alleged transportation benefits, has challenged one of the corps' major assumptions: That in 1986, 18 million tons would move down the waterway. In a recent special report, Coal Week says:

> Most coal operators, sales agents and industry observers in recent interviews say Kearney overestimated the production potential for southern Tennessee.
>
> The Corps is "pipe dreaming" if it anticipates 7-to-8 million tons of export metallurgical coal moving on the Tennessee-Tombigbee Waterway out of southern Tennessee's Sequatchie and Walden's Ridge areas, according to Bill Allison, president of Tennessee Consolidated, a subsidiary of A. T. Massey and one of the largest export met coal producers in the southern mountains.

Moreover, if coal were shipped in the quantities predicted by the corps and its economic consultant, the A. T. Kearney Co., it has been calculated that the recoverable coal reserves in southern Tennessee would be exhausted by the year 2000, well before the end of the project's useful life. The same Coal Week article goes on to point out that:

> "An October, 1978 "Coal Resources" study by 3R Corp., for the Corps Mobile District shows that Tennessee's annual production will actually decline from 10.3 million tons in 1977 to 10 million tons in 1986 . . . If coal leaves southern Tennessee at the rate Kearney estimates, all of southern Tennessee's current recoverable reserves would be depleted in 15 years or around the year 2000—well before the end of the 50-year economic life of the canal. (Kearney's studies are based on that 50-year reference)

Finally, many of the assumptions which have gone into the calculation of navigation benefits are either incorrect or illegal. For example, from 1967 to 1975, project benefits were calculated on the basis of a 300-foot-wide channel all the way to Mobile. The corps admits that the project design on which these benefits depend is not authorized and they have gone so far as to reduce the assumed capacity of the river below Demopolis to six-barge tows. I commend their restraint. I point out, however, that according to shippers who have been operating on this stretch of the Tombigbee River for many years, moving six-barge tows is always difficult and sometimes impossible.

In fact, such six-barge tows make up only 8 percent of the traffic on the river today, according to the corps' own economists as explained in a February 1976 memo:

> Towing companies reportedly only utilize the 6-barge tow when the tailwater gage at Demopolis reads less than 28 feet. When a high water condition exists the use of the 6-barge tow is discontinued by the tow firms due to control difficulties when moving downstream and insufficient power on upbound tows. Hydrologic records from 1956 to 1972 show that a reading of 28 feet was equalled or exceeded 21 percent of the time. Other factors noted by the towing firms that hinder their use of 6-barge tows on the BWT (Tombigbee below Demopolis) include restrictive horizontal clearances on four bridges across the waterway and numerous sharp bends throughout the waterway. Based on the above information, we do not foresee substantial future increases in the use of the 6-barge tow.

The corps also says that the average tow size on the river below Demopolis is 3.5 barges, which leaves me curious as to the justification for using a six-barge tow as the baseline for this lower segment of the river in the Kearney benefits study.

THE CORPS HAS UNDERSTATED PROJECT COSTS

The charges are not limited to inaccuracies in the calculations of benefits. The cost estimates are equally suspect.

Regarding project costs, one issue is whether or not the costs as reported by the corps, are realistic, especially in terms of the interest rate applied. According to a 1976 Army Audit Agency (AAA) study, performed at the request of the Secretary of the Army when huge cost increases first became apparent.

> Project cost estimates (PB-3s) were understated because costs were either not adjusted for price level increases or the adjustments made did not reflect actual market conditions.
>
> The present cost estimate of $1.36 billion is based on the project's current design status, using 1975 prices, and does not realistically reflect the cost to complete the waterway, which is presently estimated to be in 1986.

A second issue is the performance to date of the non-Federal partners in the Tennessee-Tombigbee Waterway, Alabama and Mississippi. The authorizing legislation for the Tenn-Tom specifically states that Alabama and Mississippi will pay the costs of all highway bridges and all highway relocations or alterations, utility crossings, and other costs as stipulated in House Document 486. In the letter of transmittal for House Document 486, the Chief of the Corps of Engineers recommends authorization of the Tennessee-Tombigbee "subject to the condition that local interests construct, maintain, and operate" these facilities.

Thirty years later, in 1976, the Army Audit Agency (AAA) report questioned whether this required non-Federal participation would be forthcoming.

> Projected non-federal participation may not materialize. Based on the latest data available, States' (Mississippi and Alabama) participation may fall short by as much as $170 million. Delays in construction could escalate this amount.

In 1970, when Federal construction funds were first appropriated by the Congress, the State's share was $38.1 million. In fiscal year 1980, it is estimated by the corps at $137 million, down from an all-time high value of $219 million in fiscal year 1977.

As of December 31, 1978, Mississippi has obligated something less than $8 million.

However, a good deal more than $9.5 million has been spent by Alabama and Mississippi. These extra dollars for the "local" cost share have come instead from Federal appropriations due to a curious turn of events.

To bail the States out of their local cost-share shortfall, an amendment to the Federal Aid to Highways Act of 1976 was submitted which provided $100 million in Federal funds, ostensibly to aid Federal public works projects in the entire country. In reviewing the legislative history of this amendment, however, the real purpose becomes clear. Commenting on the proceedings of the House-Senate Conference Committee on the Federal Aid to Highways Act of 1976, Senator HOWARD BAKER stated:

> During the course of the conference, it became clear that the $100 million authorized by this section was intended to replace bridges over the Tennessee-Tombigbee Waterway project in Mississippi and Alabama.

And, in fact, this purpose has been more than adequately served. Of the $86 million so far provided to the 50 States, the States of Alabama and Mississippi have received nearly $75 million. And of the remaining $14 million, it is likely that the "Tenn-Tom" States will receive the lion's share. So even the local cost sharing, which was the justification for the Carter administration's decision to remove the Tennessee-Tombigbee from its 1977 "hit-list," is now being paid by the Federal Government.

The Army Audit Agency report also raises the issue of the additional work which will be required south of Demopolis to accommodate the Tennessee-Tombigbee's projected traffic.

> Although not presently authorized or included in cost estimates, additional locks will be required at Demopolis and Coffeyville, Alabama, and certain sections of the Tombigbee River will have to be widened between Demopolis and Mobile, Alabama. This additional work could increase the federal cost of the waterway by at least $215 million.

I might add that it will increase Alabama's cost share by $104 million. And Alabama has made it clear that they cannot afford this additional cost. In testimony on three separate occasions, Alabama's Director of Highways has stated that:

> Because of the difficulty the Highway Department is experiencing obtaining adequate funding and the uncertainty of our future financial situation, it is encouraged that funding of all road and bridge alteration be included in the Corps' obligations.

THE CORPS IS ILLEGALLY RELYING ON A 3¼-PERCENT INTEREST RATE

The corps uses a 3¼-percent interest rate to compute the TTW benefits to costs ratio. The lower the interest rate used in such a calculation, the more project benefits are inflated relative to project costs. For example, the corps has admitted that use of a 6⅞-percent interest rate would drive the project benefit-cost ratio below unity, even if its erroneous benefit and cost projections were accepted as accurate. And, as we all know, no one, including the Federal Government, can borrow money at 3¼ percent.

Furthermore, section 80 of the Water Resources Development Act of 1974 requires that the corps have received satisfactory assurances of local support from non-Federal project sponsors prior to December 31, 1969, in order to rely upon the 3¼ percent interest rate. No such assurances were received, yet the corps continues to rely upon the low interest rate, thereby illegally maintaining a project benefit-cost ratio above unity.

These are but a few examples of the lengths to which the corps has gone to justify this ill-conceived and economically unsound project.

The result is that the true benefits to costs ratio is much less than unity, and not, as the corps claims 1.2 to 1. Instead, Dr. Haveman calculates a benefits to costs ratio of .23 to 1, based on Dr. Carroll's and his own review of the economic benefits claimed by the corps, and by using the legal interest rate of 6⅞ percent. Thus, this project is losing 77 cents on every dollar we sink into it.

As I said at the outset, the waste of Federal funds by the Tenn-Tom project is a primary, but certainly not the only objection. There are other aspects of the Tenn-Tom Waterway which deserve to be investigated in detail, including questions or project authorization, and of environmental damage which will be caused if the Tenn-Tom is completed. Since the authorization issue is currently being decided by the courts, I will not put it before the Senate at present.

THE TENN-TOM: AN ENVIRONMENTAL DISASTER

THE ENVIRONMENTAL FACTS

The Tennessee-Tombigbee Waterway, as currently planned, will produce severe and irretrievable environmental impacts, virtually none of which have been adequately analyzed by the corps.

THE 1971 EIS COVERS ONLY HALF THE PROJECT

The corps is now claiming benefits for a project which stretches from the Pickwick Pool on the Tennessee River south to Mobile, Ala., a distance of 448 miles.

Yet the corps environmental impact statement, filed in 1971, covered only the area between Pickwick and Demopolis, Ala., which is located over 215 miles north of Mobile. Thus the only EIS ever prepared for the Tenn-Tom covers roughly half the area to be impacted by the project.

THE CORPS HAS FAILED TO ANALYZE ADEQUATELY NUMEROUS POST-1971 IMPACTS

In addition to the abject failure of the corps to analyze any impacts south of Demopolis, it has failed to file any sort of supplemental EIS on numerous significant project impacts which have become apparent since 1971.

As of 1976, when the corps conducted a new economic restudy for the project, the project's estimated traffic levels jumped dramatically. If these predictions are true, the number of barges using the Tenn-Tom will significantly and adversely affect the natural regime of the river by creating among other things, long-term resuspension of sediments and recurring shoreline erosion due to prop wash. The corps admits that it has never analyzed these eminently foreseeable impacts.

The latest corps estimate states that the project will require over 105,000 acres. In 1971, the EIS analyzed a project which was to consume only 70,000 acres. Fish and Wildlife Service of the Department of the Interior has recently stated that it is impossible to mitigate the adverse impacts of project construction on fish and wildlife habitat. Yet the corps has never conducted any analysis of the project impacts on the additional 35,000 acres to be affected by the project.

Since 1971, the corps has changed the design for the canal section of the Tennessee-Tombigbee Waterway to include creation of five new impoundments. From their inception, all of these impoundments will consist in significant part of excessively shallow water, and will therefore experience severe water quality problems. Despite this fact, the corps has never filed any supplemental EIS addressing these or any other water quality problems associated with the project.

THE CORPS HAS NEVER ANALYZED IMPACTS ON COMPETING TRANSPORTATION MODES

Finally, the corps has repeatedly admitted that it has never analyzed the impacts of project construction on competing transportation modes. Thus, the negative secondary impacts of project construction on surrounding communities have never been addressed.

DECEPTION OF THE CONGRESS

One final issue is the deliberate deception of the Congress, the President, and the public which has been perpetrated by the Corps of Engineers in promoting this project.

Several instances of deliberate deception have already come to light in discussing the facts and figures surrounding this challenge to the economic justification of the Tenn-Tom Waterway project. I would like to present one more reason to doubt the facts and figures given to us by the Corps of Engineers.

Strong evidence, in the form of corps memos and internal reports, suggest that the corps deliberately deceived the Congress as to the costs of the project.

An October 1974 memo documents the corps' reaction to major increases in costs and a resulting dramatic decline in the benefit-cost ratio. The memo warns that "the project could well have some problems in Congress this year," and notes that there is "a strong possibility of Congress directing a special economic study as a direct consequence of such changes in cost and B/C." The changes referred to were quantified in the same memo as an increase in project costs from $732 million to $1.011 billion in Federal costs, and a sharp drop in the benefit-cost ratio from 1.5 to 1 to 1.2 to 1.

Apparently, the corps felt that the Congress would be unable to exercise good judgment if they were told the true costs. So instead, the corps took it upon itself to censor the information provided to the U.S. Congress.

The previously mentioned AAA study reports this extreme example of deceiving the Congress and the President:

> According to available records, about $344 million in known cost increases were not reported in the fiscal year 1975 PB-3 estimate. The records show increased costs were not reported in order to reduce the "emotional impact" of any big cost increase and to negate the effect that the increase would have on the project's benefit-cost ratio.

And even after the completion of the AAA report, the corps persisted in deceiving the Congress as to the true project costs. Instead of reporting that the costs of the project had been exceeded the $1 billion mark in January 1975, the corps reported a fiscal year 1976 cost of $815 million.

These instances demonstrate the lengths to which the corps has gone in attempting to economically justify this project during its long, sad history. After more than a quarter century of misrepresented costs and unauthorized project expansions to raise project benefits, this project still cannot be justified by any fair, objective standard.

This statement, while somewhat detailed, merely highlights the numerous economic, environmental, and authority problems surrounding the Tennessee-Tombigbee Waterway. In my judgment, it is absolutely essential that hearings be conducted to examine in detail the issues surrounding the project.

Concurrently, there is litigation ongoing in the U.S. District Court for the Northern District of Mississippi to resolve the legal issues relating to the project. By raising these issues today, I wish to emphasize that nothing in this statement is intended to create a legisative history that would in any way affect that litigation or limit the ability and duty of the court to resolve fully the serious issues raised by the plaintiffs. The matters I have raised here are serious issues requiring congressional attention; by the same token, the district court has a duty to resolve the issues in the litigation. Obviously, the court has the constitutional responsibility to decide the issues fully and fairly. In short, neither the raising of these issues nor the appropriation of further funds for the project can be construed by the court as approval of the corps' activities or a limitation on the duty of the court to decide each of the issues in the case.

CONCLUSIONS

Over 30 years ago, a much different Congress, with much different priorities, authorized the Tennessee-Tombigbee Waterway project. Quite obviously, many aspects of our lives have changed since then. In 1946, the country was on the verge of an era of enormous economic development. The most important goal of that time was the creation of an industrial infrastructure—highways, dams, and power supply grids. And the 79th Congress responded by authorizing 60 public works projects, including the Tennessee-Tombigbee.

In 1979, there is one overriding question, and that is whether or not this project is economically justified. It is not. And, it is time the 96th Congress wake up to present realities which demand the responsible management of the Federal public works dollar. A good place to start is with the deauthorization of one of the most expensive public works projects in our Nation's history, the Tennessee-Tombigbee Waterway.

The Tennessee-Tombigbee is an economic disaster. When the 79th Congress first authorized the project, they thought they were committing $117 million in Federal funds. When the 91st Congress first appropriated funds to begin construction, the cost was reported as $323 million, a relatively modest increase over 25 years. The rate of increase is no longer modest. It is, in fact, shockingly immodest. According to the corps, the total cost to the American taxpayer was estimated in fiscal year 1973 at $386 million; in fiscal year 1975, $623 million; in fiscal year 1977, $1.36 billion; and today, in fiscal year 1980, it is $1.677 billion.

Outside experts, however, estimate that the final project costs will be closer to $3 billion by the time the Tennessee-Tombigbee is complete.

Proponents will argue that the project must continue because so many millions of dollars have already been spent. To support this argument, the corps has employed an all too familiar strategy. They obtained approval to begin construction by deliberately misrepresenting the project costs and benefits. They have compounded this deceit by continuing to report less than the full costs of the project and by expanding the size of the project when the costs began to skyrocket. Now that the corps is being challenged, on these and other issues, the Tennessee-Tombigbee is on a speeded-up construction schedule, so that when the Congress is made aware of the facts, the project proponents may simply reply, "Too late."

Congress should not go along with the concept of throwing good money after bad. Yes, $465 million have been spent. But somewhere between $1.2 billion and $2.5 billion have not yet been spent. Further, some of the already spent dollars could be recovered by resale of the project lands.

The evidence is overwhelming that the Tennessee-Tombigbee should be stopped.

● Mr. DOMENICI. Mr. President, I welcome the introduction of this bill and I congratulate the distinguished Senator from Wisconsin (Mr. NELSON) for his leadership on this issue.

The question of the continued authorization of the Tennessee-Tombigbee Waterway poses important issues that affect the entire water resources program. While I am not cosponsoring the bill, I welcome its introduction and hope that it will enable the Committee on Environment and Public Works to give the most careful review of the project, to consider whether we should stop the project now, or whether that would unnecessarily waste expenditures already made.

This is a project that was designed and authorized decades ago. Yet only now is it under construction. The problems created by such long delays in a period of change undermines the credibility of the entire water resources program.

What's important about the Tenn-Tom project is the real question of whether or not it will ever be used. Will it be obsolete before it is finished? While it may prove to be an engineering marvel, it may not prove to be of much value if it is not used. I am told that the barge companies themselves really do not see much value in the Tenn-Tom project. If that is so, why are we spending a likely $2 to $3 billion? Is not this the perfect example of a project where local or user cost sharing should have been imposed as a way to determine if the project had any real need?

I would point out that earlier this year I introduced S. 554, legislation directing that transportation benefiits on navigation projects be calculated by the Department of Transportation. Such an approach might in the future have lent greater credibility to some of the benefit estimates on similar projects.

Mr. President, I look forward to looking into these and related issues at hearings in the near future to see if there is merit in taking the drastic action contemplated by this bill. And I commend again my good friend from Wisconsin

(Mr. NELSON) for his work in developing this bill.●

By Mr. CHURCH (for himself and Mr. MUSKIE):

S. 770. A bill to prohibit trading in potato futures on commodity exchanges; to the Committee on Agriculture, Nutrition, and Forestry.

THE POTATO FUTURES TRADE: MANIPULATING THE MARKETPLACE

● Mr. CHURCH. Mr. President, it is my honor today to reintroduce, with the support of the distinguished Senator from Maine, Mr. MUSKIE, a bill to prohibit trading in potato futures on commodity exchanges.

I introduced this bill over 2 years ago in response to a long history of abuses and manipulations of the potato futures market which work to the disadvantage of the potato grower. Since that time, we have witnessed again the type of trading price manipulataion, predatory schemes and deceptive hedging operations that make it imperative that we ban the trading of potato futures.

Over the years I have pointed out to my colleagues the impact that potato futures trading manipulations have had on the cash price paid to potato growers. Abuses occurring early in this decade in potato and other commodity trading led to the creation by Congress in 1974 of the Commodity Futures Trading Commission.

It is not my purpose today to critique the overall operation of the Commission. Rather, I direct my colleagues' attention to the adverse impact of continued potato futures trading on the growers of potatoes. The repeated instances of abuse in potato futures trading since formation of the CFTC prompted the original introduction of this bill and strong expressions of support for banning potato futures trading by the Potato Growers of Idaho, the Maine Potato Council and the National Potato Council.

Mr. President, the trading of "futures" in commodities such as potatoes is an esoteric transaction that is little understood by the general public. Supporters of potato futures trading claim that such activity serves as a sophisticated marketing tool offering a means of off-setting price risks. Yet the rocky history of manipulations in this small commodity market that is easily dominated by large speculators strongly suggests that this market does not serve the consumer and producer of potatoes. Potato growers from Idaho to Maine are tired of being the innocent victims of speculative powerplays engaged in by the "long" and "short" gamblers.

Two years ago an article appeared in the Potato Grower of Idaho, written by editor Loel H. Schoonover. This analysis was a very lucid explanation of how potato futures trading works and remains a valid explanation today. To assist my colleagues in understanding how potato futures trading works, I shall quote from a portion of Mr. Schoonover's article:

> [A] futures contract [is] never ever supposed to be delivered. The purpose of a futures contract is not as a market place, but rather a marketing tool, to establish what the price will be in the future . . .
>
> Why would anybody want to buy, or sell, a contract on a product where they never intended to take or make delivery? The answer is in two words, hedging and speculation. And on the bottom line that reads $$$$.
>
> In brief a hedger, a true hedger, is a person who owns or will own potatoes (either a grower, processor, etc.). And everyone else is a speculator and the name of that game is to take advantage of small fluctuations in the day to day (hour to hour) changes in the market.
>
> As CME [Chicago Mercantile Exchange] says, hedgers and speculators are essential to each other. The speculator assumes the hedger's risk. So what is a hedger that the speculator would take his risk?
>
> Suppose you bet on one rider in a two horse race. Then you find out you haven't the money to pay if you lose, so you hedge that bet by betting on the other horse also. If the odds were even, you wind up even, no winner, no loser, which is better than getting your neck broken cause you can't pay a lost bet.
>
> Hedgers who use the market on the CME are growers, processors, warehousers, and marketers of agricultural products. The futures market is used principally to guarantee or protect the prices at which they will buy or sell listed commodities for cash some weeks or months or in the future. Hedging is someone called insurance. . . .
>
> Used wisely and well, hedging can be insurance against adverse prices. This means the hedger pays someone to take the risk; that someone is the speculator. It is easy to become a speculator, and we will not go into that at this time, except to say the speculators, as a group, develop by contract delivery date the true value of a commodity because it is their business to know all the different things that can affect the price.

It would seem that potato futures trading, on the surface, would be no better nor worse than any other commodity futures trading. Yet we must realize that this market deals only in Maine potato futures. It is a comparatively small market which lends itself to dominance by a handful of speculators. In testimony before the Senate Agriculture and Forestry Committee in 1974, Doyle Burns, Executive Director of the National Potato Council, stated:

> Throughout the years there have been many charges that futures trading controls or influences the current cash market, or a case of the tail wagging the dog. This charge has probably been leveled at potatoes more so than any other commodity since potatoes are a lesser commodity and more subject to manipulation plus the fact that potato demand is relatively static, and this results in more fluctuation. Add to these ingredients the perishability factor, and we find potato trading represents a wild, erratic, unpredictable trading pattern that seldom has any relationship to reality but, at the same time, appeals to the gambling speculator."

Mr. President, I will not take my colleagues time to recount the entire history of speculative abuses of potato futures trading. It is enough to know that it continues. On March 9, the New York Mercantile Exchange, halted all trading in spring potato futures. Public accounts indicate that potato growers were narrowly spared a repeat of the 1976 massive default on potato contracts. One or two speculators had acquired an extremely large portion of the spring contracts. The Exchange stated that there were not nearly enough potatoes available to satisfy futures contracts that were outstanding. Potato prices on the Exchange would have soared and many sellers would have defaulted on their contracts. This default would have been a disaster for the potato market. This activity occurred during a time when potato growers across the country are experiencing disastrously low market prices. A default of the magnitude that was developing in the futures market could have bankrupted innocent potato growers across the land by further depressing market prices.

The abolition of potato futures trading is not a unique proposal. Onion futures trading was eliminated in 1957 as a result of the same type of manipulations that have plagued the potato futures market. There is no rational basis to treat potatoes any differently than onions as far as futures contracts are concerned. They are both comparatively small crops and highly perishable. Manipulation of onion futures was easy, as it continues to be with potatoes. Futures trading does not work well with all commodities. I have yet to hear complaints from onion growers that they need or miss the banished onion futures speculators.

Mr. President, ask my colleagues to join with me in removing the burden of speculators who unfairly influence the price received by potato growers. It is time to end this legalized gambling where the farmer always loses.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 770

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third sentence of section 2(a)(1) of the Commodity Exchange Act (7 U.S.C. 2) is amended by striking out "Solanum tuberosum (Irish potatoes),".

SEC. 2. The Commodity Exchange Act is further amended by adding at the end thereof a new section as follows:

"SEC. 19. Notwithstanding any other provision of this Act—

"(1) no contract for the sale of potatoes (Solanum tuberosum) for future delivery shall be made on or subject to the rules of any board of trade in the United States, and

"(2) any person who violates the provisions of this section shall be guilty of a misdemeanor and upon conviction thereof be fined not more than $5,000.".

SEC. 3. The amendments made by this Act shall become effective thirty days after the date of enactment.●

By Mr. WEICKER:

S. 771. A bill to establish an energy stamp program which will provide assistance to certain low-income and fixed-income households to help meet residential energy costs incurred by such households; to the Committee on Labor and Human Resources.

ENERGY STAMP ACT OF 1979

● Mr. WEICKER. Mr. President, today I am introducing legislation to establish a comprehensive energy stamp program to provide assistance for low- and fixed-income households to meet their skyrocketing fuel bills.

It is vital to recognize that this is not only a northern program. It is a program for those whose energy costs are too high regardless of where the costs are incurred by virtue of either heating or cooling, be it north, south, east, west, rural, or urban.

Recent domestic and foreign events have only highlighted the need for immediate enactment of this proposal. The political turmoil in Iran has not abated. Indeed, as long as the world experiences a supply reduction in petroleum products, increases in residential fuel bills are certain.

Last week the Nuclear Regulatory Commission closed down, for an indefinite period of time, five nuclear powerplants. This action will only further exacerbate an increase in oil consumption and will result in higher fuel costs for consumers. It will also further frustrate the administration's standby plans to reduce residual fuel consumption by transferring electricity from nuclear-fired powerplants to regions powered by oil-fired utilities.

Both the Congress and the administration have talked, and talked, and talked about this Nation's energy problem for years. And we are as far away from a solution to our energy problems now as we were at the time of the Arab embargo in 1973. Until our Nation becomes energy independent we cannot escape the economic blackmail placed upon us by the OPEC cartel. Until alternative energy sources are sufficiently developed the consumer will face increasing energy costs and decreasing petroleum supplies.

Now is the time for this Congress to act decisively to recognize and to remedy the cruel result of the energy crisis: Our Nation's poor and elderly are being forced to forgo the basis necessities of life in order to meet their increasing fuel costs. The Federal Government has been extremely slow in responding to the needs of these people in coping with their problem. Since the poorest element of our society will be the one most punished, I believe it is the responsibility of the Federal Government to distribute this burden equitably.

I think the Federal Government should become involved when it has become almost common practice for the poor and elderly to lower their thermostats beyond the point of good health practices and are forced to make the choice between staying warm and buying food. In effect, we already have rationing by price, because those who cannot afford today's prices are forced to do without energy fuels.

Mr. President, we must recognize the fact that there are a substantial number of poor people in this country who have been severely affected by soaring energy costs. Based on 1977 Census Bureau figures, 11.6 percent of all individuals live in poverty and 15.4 percent of all inner-city inhabitants are poor. Added to this is the disturbing fact that 27.3 percent of all unrelated elderly individuals live in poverty. What is even more astonishing is that according to a 1973 report by the Senate Select Committee on Nutrition and Human Needs, rent or mortgage payments take up 50 percent or more of the income of our Nation's poor.

It has been argued that this measure will only increase or encourage wasteful consumption of heating fuel. I personally find it difficult to believe that low- and fixed-income families will waste their scarce resources on excessive heating and cooling.

In short, this bill is intended to demonstrate to the American poor and elderly that Congress does indeed have a great deal of concern for their welfare.

With the implementation of this comprehensive energy stamp program, these citizens will not be forced to freeze in their homes as has been the case with so many during the past three winters.

Mr. President, this Congress still faces the awesome burden of addressing the root cause of our energy ills; but until substantial gains are made in that direction, it is our responsibility not to force the poor and elderly in our Nation to suffer the consequences of our failures.

The Wall Street Journal of March 21, 1979 contains an article lucidly expressing what I am stating here today; namely, that the cost of keeping warm poses a real hardship to the millions of poor citizens of this great Nation.

Mr. President, I ask unanimous consent that this article and the text of the bill be printed in the Record.

There being no objection, the bill and article were ordered to be printed in the Record, as follows:

S. 771

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Energy Stamp Act of 1979".

FINDINGS; PURPOSES

Sec. 2. The Congress finds and declares that because of the rise in the cost of heating fuels and because low-income and fixed-income households must devote a major portion of their income for the purchase of utility services, many of these households are experiencing substantial economic hardships which may seriously affect their health and well-being. It is the purpose of this Act to establish a program to help alleviate this burden by providing assistance to these households in the form of energy stamps.

DEFINITIONS

Sec. 3. As used in this Act the term—

(1) "heating fuel" means electricity, oil, gas, coal, or any other fuel if used by a household as the primary source for heating or cooling a dwelling;

(2) "Director" means the Director of the Community Services Administration;

(3) "local agency" means the community action agencies, and State Economic Opportunity Offices which are established pursuant to the Economic Opportunity Act of 1964;

(4) "household" means—

(A) any group of related individuals who are living as one economic unit for whom heating fuel is customarily purchased in common, directly or indirectly, by undesignated payments in the form of rent, or

(B) any individual living alone who purchases heating fuel, directly or by undesignated payments, in the form of rent;

(5) "coupon" and "stamp" mean any coupon, stamp, or certificate issued pursuant to the provisions of this Act;

(6) "retail heating fuel outlet" means any establishment, including a recognized department thereof, which sells heating fuel for consumption by households;

(7) "wholesale heating fuel outlet" means any establishment, including a recognized department thereof, which sells heating fuel to retail heating fuel outlets for resale for consumption by households;

(8) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands;

(9) "bank" means any member or nonmember bank of the Federal Reserve System;

(10) "landlord" means any person who rents a dwelling which is the principal residence of the tenant and who normally includes the cost of heating fuel in the rental charge to the tenant; and

(11) "vendor" means any person, partnership, corporation, organization, political subdivision, or other entity with which a State agency has contracted for, or to which it has delegated administrative responsibility in connection with, the issuance of coupons to households.

ENERGY STAMP PROGRAM

Sec. 4. (a) Notwithstanding any other provisions of law, the Director of the Community Services Administration, or his successor in interest, shall not later than 180 days after the date of enactment of this Act, promulgate such regulations as may be necessary to establish a comprehensive energy stamp program to provide assistance to low-income and fixed-income households which presently must devote a major portion of their income for the purchase of utility services.

(b) If the local agency plan described in subsection (g) is approved by the Director, the Director shall establish and maintain an energy stamp program, under which households which are eligible under section 5 will be provided with energy stamps to defray heating fuel costs. The method in which this assistance is provided shall be through energy stamps.

(c)(1) Any eligible household may receive heating fuel coupon assistance—

(A) if such household purchases heating fuels; or

(B) if such household makes undesignated payments for heating fuel in the form of rent.

(2)(A) Coupons received by any eligible household described in subparagraph (1)(A) shall be used to purchase heating fuel only from a retail heating fuel outlet participating in the energy stamp program.

(B) Coupons received by any eligible household described in paragraph (1)(B) shall be used only for payment of the appropriate portion of such household's rent related to heating fuel costs. Landlords shall use such stamps to pay a portion of the applicable fuel bill and shall not increase household rents in connection with or as a result of the issuance of fuel stamps.

STANDARDS

Sec. 5. (a) The Director shall establish uniform national standards of eligibility for participation by households in the energy stamp program. Participation in the program shall be limited to households whose income and other financial resources are determined by the Director to be substantial limiting factors in permitting such households to purchase heating fuel or to make undesignated payments for such fuel.

(b) In establishing standards under this section, the Director shall consider—

(1) any criteria submitted by a local agency that is deemed to be important for the evaluation of energy stamp assistance in the area serviced by such local agency;

(2) the income of households within the area serviced by such local agency;

(3) the number of individuals in such households;

(4) the temperature and other climate conditions in the area in which such households reside;

(5) the tyoe of heating fuel used by such households; and

(6) the extent to which such households have participated in weatherization programs.

(c) Prior to receiving the energy stamps, each participating household must pay to the local agency 33⅓ percent of the total value of the coupons to be received by such household.

(d) The value of the energy stamp assistance provided to an eligible household under this Act shall not be considered to be income or resources for any purpose under any Federal or State law, including any law relating to taxation, welfare, or public assistance programs.

(e) As a minimum, the standards of eligibility shall provide that any household is eligible if such household—

(1) is eligible for benefits under title IV or XVI of the Social Security Act; or

(2) is eligible for benefits under the Food Stamp Act of 1964.

(f) In lieu of, or in addition to, the criteria described in subsection (a) or (b), the Director shall consider any criteria submitted by a local agency to the Director for determining the eligibility of households serviced by such local agency.

PRINTING

SEC. 6. (a) Energy stamp coupons shall be printed in such denominations as may be determined by the Director to be necessary and shall be issued by a local agency only to households which have been certified as eligible to participate in the energy stamp program.

(b) (1) The Director shall by regulation develop an appropriate procedure for determining and monitoring the level of energy stamp inventories maintained by energy stamp vendors for the purpose of insuring that such inventories are at proper levels (taking into consideration, where practicable, the historical and projected volume of energy stamp distribution by such vendors). Any such regulations shall contain procedures to insure that energy stamp inventories maintained by such vendors are not in excess of the reasonable needs of such vendors taking into consideration the ease and feasibility of resupplying such energy stamp inventories. The Director may, at his discretion, require periodic reports from such vendors respecting the level of such inventories.

(2) Any energy stamp vendor, or any officer, employee, or agent thereof, convicted of failing to provide a report required under paragraph (1) shall be fined not more than $3,000, or imprisoned not more than one year, or both.

(3) Any coupon vendor, or any officer, employee, or agent thereof, who knowingly provides false information in any report required under paragraph (1) shall be fined not more than $10,000, or imprisoned not more than ten years, or both.

(c) (1) The Director shall by regulation prescribe appropriate procedures for the delivery of energy stamps to such vendors and for the custody, care, control, and storage of energy stamps in the hands of such vendors in order to secure such energy stamps against theft, embezzlement, misuse, loss, or destruction.

(2) Any energy stamp vendor, or any officer, employee, or agent thereof, convicted of violating any regulations issued under paragraph (1) shall be fined not more than $3,000, or imprisoned not more than one year, or both.

REDEMPTION

SEC. 7. (a) Coupons accepted by any retail heating fuel outlet or any person described in section 4(b)(1)(B) shall be redeemed through wholesale heating fuel outlets or banks, with the cooperation of the Department of the Treasury.

(b) Coupons issued and used in accordance with the provisions of this Act shall be redeemable at face value by the Director through the facilities of the Department of the Treasury.

LOCAL PLANS

SEC. 8. (a) Each local agency desiring to participate in the energy stamp program shall submit a plan of operation to the Director for approval specifying the manner in which and the effective dates of participation during which such program shall be conducted within the area serviced by such local agency. In addition, the local agency may provide information regarding weatherization programs which have been or are now being conducted in the area.

(b) The Director shall approve any local agency plan of operation which satisfies the provisions of subsection (a) and which provides—

(1) that the local agency shall undertake the certification of applicant households in accordance with the eligibility requirements established by the Director under section 5;

(2) safeguards which restrict the use or disclosure of information obtained from applicant households to persons directly connected with the administration or enforcement of the provisions or regulations of this Act;

(3) that the local agency shall undertake extensive outreach action to inform eligible households and heating fuel outlets as to the availability, rules, regulations, and benefits of the energy stamp program;

(4) for the granting of a fair hearing and a prompt determination thereof to any household aggrieved by the actions of a local agency under any provision of its plan of operation as it affects the participation of such household in the energy stamp program;

(5) that the local agency keep a strict and accurate accounting of all transactions made pursuant to this Act;

(6) a requirement that landlords submit certification that any increase in rent charged to a household is not based solely upon actual or anticipated receipt by that household of energy stamps; and

(7) that the local agency shall coordinate the energy stamp program with weatherization projects.

(c) If the Director determines that in the administration of the program there is substantial failure by a local agency to comply with provisions of his Act or with the plan of operation submitted by such agency, the Director shall inform such local agency of the failure and shall allow the local agency a reasonable period of time for the correction of the failure. Upon the expiration of such period the Director shall order that there be no further distribution of energy stamp assistance in the area serviced by such agency until such time as satisfactory corrective action has been taken.

(d) The Director shall reimburse a local agency for the costs it incurs in administering the energy stamp program. Such reimbursement would be made upon terms and conditions prescribed by rule of the Director. In addition, the United States—

(1) shall finance the printing of energy stamps and the issuing of energy stamps to local agencies; and

(2) shall be obliged for payment of the face value of energy stamps to persons redeeming such coupons in accordance with the provisions of this Act.

CRIMINAL PENALTIES

SEC. 9. (a) Whoever knowingly uses, transfers, acquires, alters, or possesses energy stamps in any manner not authorized by this Act—

(1) shall, if the total value of such coupons is $100 or more, be fined not more than $10,000 or imprisoned for not more than 5 years, or both; or

(2) shall, if the total value of such coupons is less than $100, be fined not more than $5,000 or imprisoned for not more than 1 year, or both.

(b) If a local agency administering the energy stamp program finds (in accordance with the process described in section 8(b)(6) of this Act) that a landlord has increased rent to a household based solely upon actual or anticipated receipt by that household of energy stamps, then the landlord may be fined an amount not more than 12 times the amount of the household's rent increase.

REGULATIONS

SEC. 10. The Director shall issue such regulations as necessary or appropriate for carrying out the provisions of this Act.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 11. For the purpose of carrying out the provisions of this Act, there are authorized to be appropriated, $100,000,000 for the fiscal year ending September 30, 1980, $100,000,000 for the fiscal year ending September 30, 1981, and $100,000,000 for the fiscal year ending September 30, 1982.

COST OF KEEPING WARM POSES A REAL HARDSHIP TO MILLIONS OF THE POOR

(By John R. Emshwiller)

For most Americans the "energy crisis" is just an annoyance. But Clara Bowers of Lancaster, Pa., felt its full force on a recent cold Sunday.

That day, the 62-year-old, partially blind widow ran out of kerosene for her space heater. Money to buy more had run out earlier. Mrs. Bowers needed about $60 a month for fuel and, what with the cost of rent, food and other necessities, she couldn't scrape it up from her $267 in monthly disability and pension payments. She was forced to leave her home of 42 years and live with her daughter.

Thanks to an emergency fuel shipment arranged through Lancaster County's Office of Aging, Mrs. Bowers is back in her home. But she is worried about the future. "I don't want to leave my home, but it's hard to keep going," she says. "I'm only human and I have to stay warm."

For millions of low-income Americans, it is a struggle just to heat and light their homes. "Poor people are being stretched to the breaking point," says George Grier, a private consultant in Washington who has done a number of studies on the energy problems of the poor.

SIMPLE ARITHMETIC

The reason for this is simple arithmetic. Energy costs are rising far faster than poor people's ability to pay for them. There are roughly 25 million Americans who live below the federal poverty level—$3,140 a year for a single person living in a city ($64 less than Mrs. Bowers' annual income). Among these people it now is common in many parts of the country during the winter to spend 20 percent to 30 percent of monthly income on heating and utility bills.

In thousands of cases, that figure approaches 50 percent. A study by a federally funded antipoverty agency in Milwaukee last winter found that 800 particularly hard-hit households were paying an average of 45 percent of their monthly income on heat and utilities. When rent or mortgage payments were counted, these people paid an average of 93 percent of their income on shelter costs. In one case, the study said, a couple living on $348 a month had $10 left for food and other essentials.

Many poor people, who are often elderly, "must choose between heating and eating," says Bruce Ratner, commissioner of the New

York City Department of Consumer Affairs. Each winter, many poor people simply freeze to death.

This squeeze seems certain to get worse as a result of the present fuel-price surge brought on partly by the hiatus in Iran's oil exports. While those at the bottom of the economic ladder bear the brunt of the suffering, others are starting to feel the repercussions.

"PEOPLE NEED HELP"

Michigan Consolidated Gas Co., which sells natural gas to about 960,000 residential customers in the Detroit area, says writeoffs for unpaid bills have risen nearly fivefold since 1974. That has contributed to a sharp decline in the company's earnings. "We are reaching the point where a lot of people are honestly unable to pay their bills and need help," says a spokesman for American Natural Resources Co., which owns Michigan Consolidated.

So far, help has reached relatively few. Government programs to help poor people pay their utility bills and improve the insulation in their homes have been attacked as underfunded and poorly executed. "Nobody has yet come to grips with the problem," says Richard Saul, chief of energy programs for the Community Services Administration, the federal antipoverty agency.

That's partly due to the speed with which the problem has struck. The cost of home heating oil, for example, is nearly three times what it was in 1970, a rise that dwarfs the increases of the prior two decades.

For most Americans, the impact has been cushioned by the extremely low base that energy costs started at. While higher energy prices are taking bigger chunks of almost everybody's budget, studies indicate that middle-income Americans are still paying only about 5% to 10% of their incomes on heating and lighting.

DRASTIC MEASURES

But the poor never had much of a cushion, and now whatever cushion there was is, in many cases, completely gone. Some poor people are forced to take drastic measures.

Take 59-year-old Rudolph Alexander of Elmira, N.Y., a widower who lives with his ailing mother. With gas and electric bills taking about half his $206-a-month income. Mr. Alexander has cut back to one meal a day to make sure his mother has food. He also never burns more than one light at a time.

A Pennsylvania woman says she has had to sell some of her furniture to meet rising utility bills. "Some of these things have been in my family for 50 years," she says. She asks that her name be withheld to avoid embarrassing her relatives.

More people have started tampering with their electric and gas meters to avoid being charged. Consumer groups tell of women stealing food and clothing for their children because they can't afford to buy them after paying for heat and light. One elderly woman reportedly tried stealing $200 from a bank to pay for her utilities.

Poor people try to cut home energy consumption, but this is often difficult and can be dangerous. Many live in substandard homes that leak heat almost as fast as the radiator turns it out. The Department of Energy estimates that eight million homes of poor people have little or no insulation. For the elderly, letting the temperature in the house drop even into the low sixties can be deadly.

That's because many older people are susceptible to "accidental hypothermia," a rapid drop in body temperature that can be fatal. While firm statistics don't exist, there are estimates that thousands die each year from the condition.

Some relief efforts are being tried. Consumer groups and federal officials are pushing state public-utility commissions to ban cutoffs of heat and light during the winter for nonpayment of bills.

Such shutoffs have increased sharply in many areas. Public Service Electric & Gas Co., which serves most of New Jersey, says its shutoff last year totaled 70,000, a 69% rise since 1973. Cutoffs by Michigan Consolidated Gas have nearly tripled in the past five years.

While winter shutoffs have been curbed in many states, there are few outright bans. Opponents argue that under outright bans, some people who can afford to pay their bills will avoid paying them. "We don't want to give deadbeats a hunting license," says a spokesman for the New York Public Service Commission.

Some of the curbs on cutoffs seem to be dictated by a curiously arbitrary compassion. For instance, Illinois won't allow service to be halted on days when the temperature is 20 degrees or under. However, shutoffs can be made at any temperature above that. You can still get pretty cold at 21 degrees," says Henry Scheff of Chicago, who represents a coalition of consumer groups, churches, and labor unions pushing for state cutoff bans around the country.

Regulators are also trying to alter rate systems that penalize those who use less energy. For instance, a typical Consolidated Edison Co. customer in New York City who uses 150 kilowatts of electricity pays $15.63 in the winter while another customer using 250 kilowatts, 67% more, pays only 54% more.

New Jersey regulators have been unsuccessfully grappling with proposals to reduce rates for the poor, possibly by charging higher rates to others. But it is estimated that such an effort would cost the state or the other customers of the utility $100 million a year. "There is a question of whether we have the power to charge others more because some people can't afford to pay their bills," says Edward Hynes, a commissioner on the New Jersey Board of Public Utilities." It is a tremendous dilemma."

Given the magnitude of the problem, large scale federal help is essential, many observers contend. So far, relatively little has come.

Some adjustments have been made, though, in such existing federal welfare programs as food stamps. And for the past three years Congress, largely through the efforts of some Northeastern legislators, has appropriated $200 million annually to help poor people meet their energy needs during the winter. This program, although it reached some 2.7 million people last year, has been widely criticized.

The main complaint is that the funding level doesn't come close to meeting the need. It is a $200 million non-solution to a problem that needs billions," says Mr. Saul of the Community Services Administration, which administers the program.

The federal government also has a program to improve insulation in homes of the poor. So far, it has made only limited headway. Since 1973, about 500,000 substandard homes have been "weatherized"—about 6% of those estimated to need it. As things stand, it could take decades to do the rest.

The level of future aid is uncertain. The Carter administration is proposing to slash the funds for helping the poor with their winter heating needs to $40 million from the $200 million level of the past three years. Government officials contend that the lower level should be enough to meet a narrower objective currently given the program. That objective, one official says, "is only to deal with emergency situations that pose a danger to people's health and safety."

As for the continuing problem of rising energy bills for the poor, federal policymakers don't believe there are any simple answers. They note that over the past several years, increases in some programs, such as Social Security and welfare, have helped offset energy cost increases. They contend that further help should come through a comprehensive revision of the state-federal welfare system, including higher benefit levels.

Only yesterday an advisory committee to the Department of Energy made public a draft report calling for a new $3.2 billion annual program to help the poor with their home energy needs. "We concluded that current programs are woefully inadequate," says Anthony Maggiore, an antipoverty official in Milwaukee and member of the advisory committee.

But some observers note that large amounts of new help will come any time soon. "Programs for poor people were never popular," says Alan S. Davis, director of energy projects for the National Consumer Law Center. "With the Proposition 13 mentality now in the country, they are probably at their lowest ebb."●

By Mr. DOMENICI (for himself, Mr. Tower, Mr. Dole, and Mr. DeConcini):

S. 788. A bill to establish an Office of Hispanic Affairs in the Executive Office of the President, and in various Federal departments and agencies, and for other purposes; to the Committee on Governmental Affairs.

OFFICE OF HISPANIC AFFAIRS

● Mr. DOMENICI. Mr. President, it is my pleasure to introduce a bill of crucial importance to Hispanic Americans. Today as we witness the growth of this country's second largest minority group, we must pause and reevaluate the socioeconomic policies of the past. To insure the failures of the past are not repeated, our policies must take into consideration the best interest of the Hispanic American. This legislation will insure that future socioeconomic policies will reflect the special needs of all Americans. This bill, an improved version of the legislation that my colleagues Senator Tower, Senator Dole, and Senator DeConcini, and I introduced in March of 1977, has two basic components. First, it would establish an Office of Hispanic Affairs in the Executive Office of the President. This would replace a Cabinet level executive committee for Hispanics that expired on December 31, 1974. Second, the bill establishes offices of Hispanic Affairs throughout the various agencies of the executive branch.

Both components complement each other. An Office of Hispanic Affairs in the White House would insure that Hispanic concerns are heard at the highest policymaking levels of Government. Moreover, the Office could serve as a focal point for gathering and disseminating data on the social and economic status of Hispanic-Americans.

Individual offices in each of the agencies would provide an operational arm to the White House Office. They could implement guidance and decisions made by the White House Office and, in turn, provide the central office with the field experience and data on which to base future policy.

Implicit in the introduction of this bill it is the belief that despite their contributions to American life, the Hispanic community has failed to receive a proportional share of the benefits of American life. Underlining the urgency of this legislation are the following facts:

There are more than 16 million Hispanics in the United States. They comprise the second largest minority group in the Nation. The Hispanic population is growing at a rate that will make it the Nation's largest minority group before the end of the present century.

The United States has the fourth largest Spanish-speaking population of all the nations of the Western Hemisphere.

Educationally, the average level of attainment among Hispanics is below the national average, and below that of blacks and most other minority groups as well.

The rate of unemployment among Hispanics is nearly double that of the national average.

Twenty-two percent of the Nation's Hispanics live below the poverty line compared to the national average of 9 percent. Hispanics' median income is only two-thirds that of the entire Nation.

Hispanics are continually confronted with a variety of other serious social, economic, and other problems, including high infant mortality and other health problems, limited access to safe and decent housing, unjust treatment by the Nation's criminal justice system and widespread prejudice against Hispanic people.

One and a half million of the 2.8 million jobs in the Federal executive branch are within the competitive Civil Service Merit System, yet Hispanics continue to be underrepresented in many grades of civil service employment, particularly in the higher grades.

We must understand the Hispanics' distinctive cultural and linguistic attributes in order to effectively formulate national policies to solve the varied problems of the Hispanic community. If our failure to implement adequate, effective policies affecting the Hispanic community continues we will neglect a vast resource of rich and varied culture, traditions, and knowledge. Accordingly, I believe that Hispanic needs and perspectives must be integrated into governmental decisionmaking. This bill represents an important advance in this decision.

Last Congress the Senate failed to take action on this. This Congress, I urge that the Senate, specifically my colleagues on the Committee on Governmental Affairs, give its timely support and careful consideration to this legislation which is of vital importance to the future welfare of the Hispanic American.

Mr. President, I ask that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 788

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Hispanic Affairs Act of 1979".

STATEMENT OF PURPOSE

SEC. 2. It is the purpose of this Act to—

(1) assure that Federal programs and resources are reaching all Mexican Americans, Puerto Rican Americans, Cuban Americans, and all other Hispanic Americans and are providing the assistance needed by such individuals;

(2) assure that the laws, policies, and practices of the Federal Government provide equal opportunities for Hispanic Americans in all areas, including the areas of employment, education, health, housing, community development, economic development, and grant and contract procurement; and

(3) seek out and develop new programs and resources that may be necessary to handle problems that are unique to Hispanic Americans.

ESTABLISHMENT OF OFFICE

SEC. 3. There is established in the Executive Office of the President the Office of Hispanic Affairs (hereinafter referred to in this Act as the "Office"). The Office shall be headed by a Director (hereinafter referred to in this Act as the "Director") who shall be appointed by the President by and with the advice and consent of the Senate.

DUTIES OF THE DIRECTOR

SEC. 4. (a) The Director shall—

(1) advise Federal departments and agencies regarding appropriate action to be taken to help assure that Federal programs are providing the assistance needed by Hispanic Americans;

(2) advise Federal departments and agencies on the development and implementation of comprehensive and coordinated policies, plans, and programs which focus on the special problems and needs of Hispanic Americans and on the priorities of such policies, plans, and programs;

(3) advise and assist Hispanic American groups and individuals in receiving assistance available under law;

(4) establish and maintain an Hispanic information clearinghouse which shall collect, analyze, and disseminate information concerning the social and economic conditions encountered by Hispanic individuals;

(5) carry out the functions relating to equal employment opportunity for Hispanic Americans transferred to the Director under section 8; and

(6) appraise the laws, policies, and performance of the Federal Government with respect to the achievement or denial of equal opportunities for Hispanic Americans, and report such appraisal annually to the President and the Congress in the report required under section 11.

(b) In carrying out his duties, the Director may (1) conduct, directly or by grant or contract, such surveys, studies, research, and demonstration and technical assistance projects, (2) establish such relationships with State and local governments and the private sector, and (3) promote the participation of State and local governments and the private sector as may be appropriate to identify and assist in solving the special problems of Hispanic Americans.

(c) The Director shall utilize the Special Assistants for Hispanic Affairs established in each Federal department or agency under section 12 to carry out the functions transferred under section 8.

ADVISORY TASK FORCES

SEC. 5. (a) The Director may appoint one or more advisory task forces from among persons who are representative of and involved in the affairs of the Mexican American, Puerto Rican American, and Cuban American communities, and of other elements of the Hispanic American community. Each such task force shall—

(1) advise the Director with respect to his functions under this Act;

(2) be approved by the Committee on Government Operations of the House of Representatives or the Committee on Governmental Affairs of the United States Senate;

(3) be subject to the provisions of the Federal Advisory Committee Act; and

(4) each year and at the time of completion of work of the task force, transmit to Congress and the President a report concerning the activities of the task force.

(b) Each member of an advisory task force appointed under subsection (a) who is not otherwise employed by the United States Government shall receive compensation at a rate equal to the daily rate prescribed for GS–18 under the General Schedule under section 5332 of title 5, United States Code, including traveltime, for each day such member is engaged in the actual performance of duties as a member of a task force. A member of a task force who is an officer or employee of the United States Government shall serve without additional compensation. All members of a task force shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(c) The Director shall provide staffing and support to any task force appointed under subsection (a) in order to assist the members of the task force in carrying out their duties.

ADMINISTRATIVE PROVISIONS

SEC. 6. (a) In carrying out the provisions of this Act, the Director is authorized—

(1) to appoint such personnel as he deems desirable without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and to pay such personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(2) to employ experts and consultants in accordance with the provisions of section 3109 of such title, at rates of pay which do not exceed the rate prescribed for GS–18 of the General Schedule under section 5332 of such title;

(3) to promulgate such rules, regulations, and procedures as may be necessary to carry out the functions of the Office, and delegate authority for the performance of any function to any officer or employee of the Office under his direction and supervision;

(4) to utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal departments and agencies and of State, local, and private agencies and instrumentalities, with or without reimbursement therefor;

(5) to enter into agreements with other Federal departments and agencies as may be appropriate;

(6) to operate such regional offices as may be necessary to carry out the provisions of this Act;

(7) without regard to the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529), to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of the functions of the Office, with any public agency or with any person, and make payments (in advance, by transfer, or otherwise) and grants to any public agency or private nonprofit organization;

(8)(A) to accept voluntary and uncompensated services, without regard to the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(B) to accept volunteer service in accordance with section 3111 of title 5, United States Code; and

(9) to request such information, data, and reports from any Federal department or agency as the Director may from time to time require and as may be produced consistent with other law.

(b) Upon request of the Director, the head of each Federal department or agency shall promptly make the services, equipment, personnel, facilities, and information of the department or agency (including suggestions, estimates, and statistics) available to the Office to the greatest extent practicable.

(c) Upon request of the Director, the head of each Federal department or agency shall promptly detail any of the personnel of the department or agency to the Office in accordance with the provisions of section 3341(b) of title 5, United States Code. Any such detail shall be made on a reimbursable basis.

COORDINATION

SEC. 7. In carrying out the provisions of this Act, the Director shall provide leadership and coordination for all Federal departments and agencies, particularly the offices established under section 12, and shall provide such guidance to Federal departments and agencies as the President determines is appropriate in implementing this Act. Each department or agency shall issue appropriate rules and regulations to further the purposes of this Act.

TRANSFERS OF FUNCTIONS FROM THE OFFICE OF PERSONNEL MANAGEMENT

SEC. 8. All functions of the Office of Personnel Management under section 717 of the Civil Rights Act of 1964 and Executive Order No. 11478, issued August 8, 1969, which the Director of the Office of Management and Budget determines relate to equal employment opportunity for Hispanic individuals, commonly known as the Hispanic Employment Program, are transferred to the Director.

TRANSFER OF PERSONNEL AND PROPERTY

SEC. 9. (a) All personnel, liabilities, contracts, property, and records as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred under the provisions of this Act, are transferred to the Office.

(b)(1) Except as provided in paragraph (2), personnel engaged in functions transferred under this Act shall be transferred in accordance with applicable laws and regulations relating to the transfer of functions.

(2) The transfer of personnel pursuant to subsection (a) shall be without reduction in classification or compensation for one year after such transfer.

TRANSFER MATTERS

SEC. 10. (a) All laws relating to any office, agency, or function transferred under this Act shall, insofar as such laws are applicable, remain in full force and effect. All orders, determinations, rules, and regulations made or issued in connection with any function transferred by this Act, and in effect at the time of the transfer, shall continue in effect to the same extent as if such transfer had not occurred, until modified, superseded, or repealed.

(b) The provisions of this Act shall not affect any proceedings pending at the time this section takes effect before any agency, or part thereof, functions of which are transferred by this Act, but such proceedings, to the extent that they relate to functions so transferred shall be continued before the Office.

(c) No suit, action, or other proceeding commenced by or against any office or agency or any officer of the United States acting in his official capacity shall abate by reason of any transfer made pursuant to this Act, but the court, on any motion or supplemental petition filed at any time within 12 months after such transfer takes effect which shows a necessity for the survival of such suit, action, or other proceeding to obtain a settlement of the question involved, may allow the suit, action, or proceeding to be maintained by or against the appropriate office or agency or officer of the United States.

ANNUAL REPORT

SEC. 11. Within six months after the end of each fiscal year, the Director shall submit a report to the President and the Congress concerning the activities of the office during the preceding fiscal year. Such report shall include the appraisal of Federal performance in achieving equal opportunity for Hispanic Americans required under section 4(a)(6) and recommendations for legislative action relating to the achievement of the purposes of this Act.

OFFICES IN VARIOUS EXECUTIVE AGENCIES

SEC. 12. (a) The President shall take such action as may be necessary to establish and maintain an office of Hispanic Affairs in the following Federal departments and agencies:

(1) Department of State;
(2) Department of Treasury;
(3) Department of Defense;
(4) Department of Justice;
(5) Department of the Interior;
(6) Department of Agriculture;
(7) Department of Commerce;
(8) Department of Labor, including programs of the Office of Federal Contract Compliance;
(9) Department of Health, Education, and Welfare;
(10) Department of Housing and Urban Development;
(11) Department of Transportation;
(12) Department of Energy;
(13) Community Services Administration;
(14) Veterans' Administration;
(15) Office of Personnel Management;
(16) Federal Communications Commission;
(17) Small Business Administration;
(18) National Aeronautics and Space Administration;
(19) National Science Foundation;
(20) Federal Home Loan Bank Board;
(21) Equal Employment Opportunity Commission;
(22) Postal Rate Commission;
(23) Environmental Protection Agency;
(24) General Services Administration;
(25) United States Postal Service; and
(26) such other Federal departments or agencies as the President may designate.

(b) Each Office of Hispanic Affairs established under subsection (a) shall be headed by a Special Assistant for Hispanic Affairs, who shall be appointed by the head of the Federal department or agency in which the office is located. The Special Assistant for Hispanic Affairs designated within each department or agency shall assist the Director in carrying out within each department or agency the functions transferred under section 8.

(c) The Special Assistant for Hispanic Affairs of each department or agency may participate in all policy planning and development for all programs of the department or agency to insure the consideration of factors impacting on the various Hispanic communities. The head of each Federal department or agency shall insure the participation of the Special Assistant for Hispanic Affairs in the review of all pertinent and relevant rules, regulations, and guidelines, and other management directives to assure that the laws, policies, and practices of the Federal Government are providing equal opportunities for Hispanics in all areas, including the areas of education, health, housing, community development, economic development, grant and contract procurement, and employment. The Special Assistant for Hispanic Affairs shall make recommendations to the head of the Federal department or agency concerning problems and special needs that are unique to Hispanics, and shall be available to advise and assist Hispanic groups and individuals who seek assistance or services from the department or agency.

FEDERAL REGIONAL COUNCILS

SEC. 13. The President may also take such action as may be necessary to instruct the chairmen of the ten Federal regional councils established pursuant to Executive Order 11647, issued February 10, 1972, to insure that the problems and needs of Hispanics are taken into consideration in decisions related to Federal assistance to State and local governments made by the regional offices of the member agencies. Each member agency of the ten Federal regional councils shall provide data and information to the Federal regional councils relating to problems and concerns of Hispanics, in order to insure equitable consideration of Hispanic needs in pertinent council decisions, and, if necessary, shall use the Hispanic liaison procedures of the agency to generate such information and data.

DUTIES OF THE SECRETARY OF COMMERCE

SEC. 14. The Secretary of Commerce shall take necessary steps to insure that existing information clearinghouse functions within the Department of Commerce encompass the collection and dissemination of Hispanic information in easily accessible form concerning the social, economic, employment, health, and housing needs and conditions of the Hispanic population of the Nation.

BAN ON PARTISAN POLITICAL ACTIVITIES

SEC. 15. No funds authorized to carry out this Act shall be used to finance any activities designed to influence the outcome of any election to Federal office or any voter registration activity, or to pay the salary of the chairperson or any employee of a political committee after the date on which such persons engage in such activity, as determined by the Office of Personnel Management. For the purposes of this section, the term "election" has the same meaning as in section 301(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431(a)), the term "Federal office" has the same meaning as in section 301(c) of such Act (2 U.S.C. 431(c)), and the term "political committee" has the same meaning as in section 301(d) of such Act (2 U.S.C. 431(d)).

COMPENSATION OF DIRECTOR

SEC. 16. Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following:

"(152) Director, Office of Hispanic Affairs."

AUTHORIZATION OF APPROPRIATIONS

SEC. 17. For the fiscal years 1980 and 1981, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

EFFECTIVE DATE

SEC. 18. The provisions of this Act shall take effect upon enactment, except that the provisions of sections 8 through 10 shall take effect upon the expiration of the first period of 60 calendar days following the date on which this Act is approved by the President, or on such earlier date as the President shall specify by Executive Order.●

By Mr. CRANSTON:

S. 789. A bill to authorize Federal participation in stream rectification, Trinity River Division, Central Valley project, California, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to authorize Federal participation in stream rectification on the Trinity River in California. The legislation is identical to H.R. 507 introduced in the House of Representatives by Congressman HAROLD JOHNSON. In the last Congress, we introduced this legislation as S. 3386 and H.R. 13394.

Since completion of the Trinity River Basin of the Central Valley project in 1963, salmon and steelhead populations in the Trinity River have declined dramatically. One of the worst problems has been identified as the accumulation of sediment in the river below Grass Valley.

In 1976 the Trinity River Basin Fish and Wildlife Task Force authorized the California Department of Water Resources to prepare a feasibility study to determine the best means of controlling this sediment. The report which was completed in May 1978 and approved by the task force recommends construction of the Buckhorn Mountain sediment control dam on Grass Valley Creek and performance of sand dredging on the Trinity River. Both of these projects are also supported by the California Water Commission and the Trinity County Board of Supervisors. To my knowledge, no opposition has been expressed by affected local residents.

The bill I am reintroducing today incorporates the recommendations of the task force. It authorizes the Bureau of Reclamation to construct the Buckhorn Mountain Dam, at a cost of $3.5 million. Under the bill, the State of California is required to match the funds provided by the Federal Government.

Mr. President, I believe the Federal Government has a responsibility to assist with mitigation of the fishery problem created by the Federal water project. And I hope that this Congress will support funding of these measures to restore the Trinity River to its former status as one of California's most productive salmon and steelhead streams.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 789

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Interior, acting through the Commissioner of the Bureau of Reclamation, is authorized to design, construct, operate, and maintain, or to contract with the State of California for the design, construction, operation, or maintenance of, a sand dredging system on the Trinity River immediately downstream from Grass Valley Creek, a tributary of the Trinity River, and a debris dam and associated facilities on Grass Valley Creek, in Trinity County, California, in general conformity to the plan of development described and set forth in the Grass Valley Creek Sediment Control Study, April 1978, prepared for the Trinity River Basin Fish and Wildlife Task Force.

Sec. 2. The contract authorized by section 1 of this Act shall provide that the State of California, on a dollar-for-dollar basis, will match the funds provided by the Bureau of Reclamation for constructing, operating, and maintaining the sand dredging system.

Sec. 3. There is authorized to be appropriated for fiscal year 1980 and thereafter, to remain available until expended the sum of $3,500,000 (April 1978 price levels), plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs indexes applicable to the type of construction involved therein. There are also authorized to be appropriated such sums as may be required for the Federal share of operation and maintenance. All costs incurred pursuant to this Act shall be nonreimbursable and nonreturnable. No funds shall be expended hereunder until the Board of Supervisors of Trinity County adopts adequate timber road and subdivision standards to protect the Grass Valley Creek watershed.●

By Mr. WILLIAMS (for himself, Mr. Javits, Mr. Randolph, Mr. Moynihan, Mr. McGovern, Mr. Melcher, Mr. Durenberger, and Mr. Simpson):

S. 790. A bill to provide that 20 per centum of the funds appropriated for college work study programs in any fiscal year beginning after September 30, 1979, may be used for promoting cooperative education programs with private employers; to the Committee on Labor and Human Resources.

PRIVATE EMPLOYER AND HIGHER EDUCATION INCENTIVE ACT OF 1979

● Mr. WILLIAMS. Mr. President, I introduce today the Private Employer and Higher Education Incentive Act of 1979, a measure to build constructive partnerships between our colleges and the private sector of the American economy.

This measure would permit colleges, universities and other postsecondary institutions to utilize a limited amount of college work study funds for part-time student employment in the private sector.

In general, the bill would provide opportunities for financially hard-pressed institutions of higher education to create educationally beneficial relationships with business and industry, complementing a similar CWS effort with established public, nonprofit organizations and colleges authorized under title IV of the Higher Education Act of 1965. It would encourage utilization of approaches currently employed in the successful cooperative education program to link education and work.

Specifically, this measure would permit each institution of higher education receiving college work study funds to utilize up to 20 percent of its annual grant to develop college work study arrangements with private industry and business. Aside from granting a college discretion to implement this provision, no major statutory provisions or administrative regulations would be changed. The program would operate in its customary fashion and would require only a supplemental submission by the college to the Office of Education.

No additional authorization of appropriations is necessary. This bill depends on existing and current appropriations of funds to implement this added direction for the CWS program.

Moreover, an institution of higher education would not be permitted to develop part-time jobs in the private sector unless such development is consonant with collective bargaining agreements in force and neither supplants nor substitutes for vacant or planned jobs.

The theory behind this measure may be simply stated: our institutions of higher education should be accorded flexibility to meet student needs for part-time work in cooperation with the private sector, which provides 80 percent of the Nation's paid employment, as well as in the public and nonprofit sectors. To the extent that such flexibility provides incentives and experience furthering collaboration between postsecondary institutions and private employers, the national interest will be served.

The national interest in higher education in the coming decade also will be enhanced by public policy which supports students in the face of spiraling costs and sustains colleges in an era of declining enrollments. The colege work study program's potential for meeting these objectives will be aided by this legislation.

The college work study program will provide part-time employment for approximately 990,000 students in 1979–80. The average job will pay a student $610 for the academic year to assist in paying for both tuition and living expenses. Congress appropriated $550 million for this program in fiscal 1979, and the administration has requested funding at that level for fiscal 1980. Colleges may use up to 80 percent of their work study grant to create part-time jobs, and employers must provide a minimum of 20 percent of support for such jobs. Colleges are free to vary this proportion, but in this measure private employers must contribute at least 50 percent of the cost of each student's job. Colleges may utilize a small proportion of funds available under this bill to manage effective, high quality connections between student earning and student learning.

The Private Employer and Higher Education Incentive Act of 1979 vests in the colleges the authority to collaborate with private employers. It thereby avoids additional regulatory burden. At the same time, the measure permits postsecondary institutions to explore the most productive educational arrangements.

This legislation comes at a time of rapid expansion of educational activity in business and industry. The creation of new jobs and the thrust of developing technology have spurred the private sector to invest heavily in their own higher education facilities and services. Estimates of such investment range from $2 billion a year to $70 billion a year. This measure could serve as an inducement for the private sector to explore the many potential benefits of the Nation's vast network of higher education institutions.

The legislation introduced today, Mr. President, is by no means an untested dream. For the past 5 years, modest Federal support has tested cooperative education across the Nation on a demonstration basis. In 1979, the Federal Government will invest $15 million in that program to establish model cooperative education programs for private and public employers to assist students in college.

A recent cost-benefit study of a national sample of the 1,000 institutions now offering cooperative education was reported to the Congress in 1978. The assessment was conducted by Applied Management Services, Inc., under a contract with the Office of Education. The study disclosed that cooperative education has been satisfying to employers, students and college officials, and a superior means for paying the escalating costs of college. A significant finding was that students in the program earned better grades than those out of it and that such students have a better chance of finding desired work upon graduation.

Accordingly, this measure encourages colleges to administer its provisions in conjunction with the cooperative educational model established under title VIII of the Higher Education Act of 1965. Effective Government programs are eagerly sought by policymakers and taxpayers alike, and utilization of the cooperative education success in this aspect of the college work study program would capitalize upon sound Federal investment in bringing together the worlds of education and work.

Mr. President, I now ask unanimous consent that the text of the Private Employer and Higher Education Incentive

Act of 1979, along with a summary and factsheet, be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 790

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Private Employer and Higher Education Incentive Act of 1979.

SEC. 2. (a) Section 443(a) of the Higher Education Act of 1965 is amended by inserting "(1)" after the subsection designation and by adding at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of this part, the Commissioner is authorized to assure that 20 per centum of the funds appropriated under this subsection for each fiscal year beginning after September 30, 1979, are made available for carrying out programs of work study contracts with private employers if the eligible institution desiring to use the funds for the purpose described in this paragraph—

"(A) is otherwise eligible to participate under the provisions of this part; and

"(B) enters into a supplemental agreement in accordance with the provisions of section 444(d).".

(b) Section 444 of such Act is amended by adding at the end thereof the following new subsection:

"(d)(1) A supplemental agreement entered into pursuant to paragraph (2) of section 443(a) shall—

"(A) provide a rationale for the cooperative education private employer program, setting forth the short-term and long-term benefits anticipated from such program for the eligible institution, any private employer participating in the program, and the students at the eligible institution expected to participate in the program, together with sufficient supporting documentation to show compliance with this clause;

"(B) set forth objectives and standards to be applied in the operation of such program by the eligible institution including but not limited to occupational benefits, skill development benefits, credit-related educational benefits, and other benefits anticipated from the operation of such program;

"(C) specify the activities of the eligible institution to achieve the objectives and standards set forth under clause (B) of this paragraphs;

"(D) specify a design for the evaluation of the program entered into by the eligible institution sufficient to document and measure the impact and benefit of the program upon the eligible institution, any private employer participating in the program, and the students enrolled at the eligible institution participating in the program;

"(E) designate an official of the eligible institution who, in accordance with the objectives, standards, methods, procedures, priorities and evaluation mechanisms under title VIII of this Act, will be responsible for the administration and management of the program, except that the administration and management of this program may be delegated by the eligible institution to the official of that institution responsible for the administration of cooperative education programs carried out under, or substantially similar to, the provisions of title VIII of this act; and

"(F) provide assurances that a written agreement between the eligible institution and any participating private employer will be entered into and that such agreement will contain assurances that work under the program subject to the supplemental agreement will—

"(i) not supplement or supplant any existing position established prior to the date of the supplemental agreement between the eligible institution and the participating employer;

"(ii) not supplement or supplant any position planned prior to such date but established after such date by the participating employer;

"(iii) not be used to fill any vacant position which the private employer would in the normal course of business offer to an employee of that employer;

"(iv) waive any use of any provision of this part providing an exemption to the applicable minimum wage law under the Fair Labor Standards Act of 1938; and

"(v) not violate any collective bargaining agreement entered into between the participating private employer and any appropriate labor organization representing the employees of that employer.

"(2) The Commissioner shall approve a supplemental agreement submitted under this subsection within ninety days after the agreement was submitted to the Commissioner by the eligible institution. If the Commissioner fails to complete action on the supplemental agreement required by this subsection in the time allotted by the first sentence, the agreement shall be deemed to be effective for one year from the date on which it was submitted to the Commission.

"(3) Notwithstanding any other provision of this part, the eligible institution of higher education shall expend from funds made available under this section not less than seventy-five per centum thereof to establish part time work study contracts in conjunction with private employers, and may utilize 25 per centum of such funds for the administration and management of this section as specified in subsection (d)(1)(E) of this section, provided that no part time job shall be established pursuant to this section unless the contribution to support such job made by each participating private employer is fifty per centum or greater of the annual cost of each such part time job."

SEC. 3. The amendments made by this Act shall take effect on October 1, 1979.

The Private Employer and Higher Education Incentive Act of 1979

SUMMARY AND FACTSHEET

I. Summary of the bill

This bill modifies the College Work Study Program, Title IV, Part C, of the Higher Education Act of 1965.

Synopsis

It permits the institutions of postsecondary education receiving grants for programs of college work study under this provision to utilize—at their discretion and under their supervision—up to 20 percent of funds provided through such grants for part-time work study jobs with private employers.

Currently, the bulk of college work study jobs have been established with the recipient colleges and universities, with only an estimated 15 percent of such jobs contracted with off-campus, public and non-profit employers and with work study linkages virtually non-existent.

Purposes

The purposes of this bill are as follow:

1. To encourage part-time employment of disadvantaged and minority college students, the primary clientele of the college work study program, in the private employment sector in conjunction with their studies.

2. To promote more careful planning of educational experiences together with part-time work experiences in postsecondary institutions thus enhancing the education-work linkage.

3. To provide at the discretion of institutions of higher education a means to promote mutually useful collaboration between higher education and the private employment sector in an era of declining college enrollments and enormously escalating college costs.

4. To apply the successful and effective approaches of Cooperative Education to the college work study program on an elective basis at each of the 3,260 institutions of higher education receiving college work study funds.

5. To promote the improvement of the college work study program through a new, permissible activity which can be easily applied without any additional Federal funds.

Provisions

This bill adds private employers as eligible work study settings up to the 20 percent limit authorized in this measure and establishes the following standards for the establishment of such work-study arrangements:

1. All arrangements must be submitted to the Office of Education for approval, although failure to act within 90 days by the Office of Education will result in an automatic approval for a period of one year.

2. All arrangements must be detailed in the form of a supplemental work-study agreement submitted to the Office of Education pursuant to section 443 of the Higher Education Act of 1965 as amended.

3. Such supplemental agreements must satisfy the following standards:

A. Specification of the rationale for the program, including a statement of benefits to accrue to the sponsoring institution of higher education, the student(s) involved, and the private employer(s) involved.

B. A statement of objectives and standards including the educational and skills development benefits planned as a result of such an arrangement.

C. A plan for implementation of such objectives and standards.

D. A plan for evaluation of this aspect of the college work study program.

E. Designation of an official at the sponsoring college or university who will manage this program and a requirement that such management be conducted in accordance with the approaches utilized in the highly successful Cooperative Education Program conducted pursuant to Title VIII of the Higher Education Act of 1965.

4. In addition, the supplemental agreement setting forth arrangements under this bill must meet the following requirements and stipulations:

A. The part time-work study jobs established by colleges and universities under this measure and prohibited from supplanting existing jobs, and cannot fulfill an employer's current vacancies or future hiring plans.

B. All arrangements must recognize and accommodate collective bargaining agreements in force between the private employers participating in this program and the unions representing the employees of a given private employer.

C. Wages cannot be paid below the minimum wage set pursuant to the Fair Labor Standards Act of 1938.

5. Private employers must contribute at least 50% of the cost of each CWS job.

6. Colleges may utilize 25% of the 20% maximum reservation of their annual CWS grant for implementing earning/learning management efforts. Total capitalization of this measure, then, yields $6.00 for job support and $1.00 to achieve effective work-study cooperation for each CWS part time job.

Utilization of Cooperative Education Approaches

In requiring the incorporation of Cooperative Education standards and methods pursuant to Title VIII of the Higher Education Act in college-private employers work study arrangements, this bill builds upon a thoroughly evaluated success in a Federal program linking education and work. The evaluation of the program is set forth in an extensive study, three volumes, "Cooperative Education—A National Assessment" conducted by Applied Management Science, Inc. of Silver Spring, Maryland, under contract with the Office of Education, No. OE-300-75-0343. An extract of findings is presented below.

Regulatory Burden

With respect to regulation, this bill imposes no burden upon institutions of higher education. Eligible institutions may elect to utilize provisions of this measure. None is required to do so. No other supplementary agreement may be submitted as part of the institution's annual application or at any other convenient time. The supplementary agreement provides an opportunity to plan arrangements between colleges and employers so as to maximize the best linkages possible between student learning and student part-time work. Since the maximum payment to any student under the college work study program is $3,000.00 per year (the average annual earning in 1978 was $610 per student), and since such work is limited to not more than half time, the opportunity for linking learning to earning is much enhanced through the development of a supplemental agreement.

No Additional Authorization of Appropriation Is Required

With respect to authorization of appropriations, this bill requires no additional appropriation. The activities specified in this measure will be conducted with existing funds.

II. Factsheet on the college work study program

Origins

The College Work Study Program, a 1964 antipoverty effort, joined the Higher Education Act of 1965 and has provided part-time jobs for needy college students since that time. It is authorized as Title IV, Part C of the Higher Education Act of 1965 as amended, sections 441, *et seq.*

Number of Students Served and Federal Cost of the CWS Program

The Office of Management and Budget in the Executive Office of the President estimates in the President's budget request for 1980 that 990,000 students will obtain part-time jobs at an average earning of $610.00 per student for the 1980-81 academic year. The total appropriations requested for fiscal 1980 is $550 million, the same appropriation made for fiscal 1979.

Federal and Local Payments in Support of the CWS Program

Under the provisions of the Higher Education Act, grants for college work study are made directly to eligible postsecondary education institutions according to a formula first apportioning available funds to the States.

Once received, the recipient college at its campus implements a program of part time jobs for needy college students. Work may not exceed 20 hours per week. No student may earn above $3,000 per year, although the average earning is only $610 per year. The program is administered by the institution's financial aid office.

Current law permits part-time jobs to be established in the recipient institutions, in non-profit organizations off campus and in public organizations off campus.

The recipient postsecondary education institution is authorized to subsidize part-time student jobs up to 80 percent of their costs, with the local share to pay not less than 20 percent of the cost of such jobs.

These subsidization limits may be varied at the local college. Thus, the recipient college may require a greater local share than 20 percent, but it cannot pay the cost of such part time jobs beyond the 80 percent limit from Federal funds.

Some Selected Program Statistics Describing the CWS Program

The following table provides an historical overview of the major features of the CWS program:

SELECTED PROGRAM STATISTICS, COLLEGE WORK-STUDY PROGRAM[1]

[Fiscal years]

	1974	1975	1976 estimated	1977 estimated	1978 estimated
Appropriation (budget authority, thousands)	$270, 200	$420, 000	$390, 000	$390, 000	$435, 000
Student awards	570, 000	973, 000	895, 000	852, 000	796, 000
Average annual earnings (include matching share)	$521	$520	$525	$545	$600
Gross compensation to student (thousands)	$321, 842	$506, 024	$469, 880	$464, 065	$477, 812
Number of institutions participating	3, 154	3, 215	3, 230	3, 230	3, 260

Note: Program is 1 yr forward funded, i.e., funds appropriated during a fiscal year are awarded to students the following school year.

[1] Data supplied by the Department of Health, Education, and Welfare.

III. Factsheet on cooperative education

Origins

While the cooperative education movement can be dated from early in the 20th century at several universities and industrial institutes, the growth of efforts to link academic work and paid skills performance is a feature of the 1970's.

The following table presents estimates of development of cooperative education programs in institutions of higher education:

No. of institutions offering cooperative education programs

Year:	
1962	50
1971	250
1973	576
1977	1, 000
1979	1, 050

Scope of Current Efforts

Currently, over 1,000 institutions of higher education offer cooperative education programs, although the 225,000 (estimated) students enrolled in them are concentrated in a small proportion of such institutions.

For example, 8 percent of institutions of higher education enrolled approximately one-half of all cooperative education students in 1978. These institutions generally provided the older, long-established cooperative education programs and the remaining cooperative education programs have newly been established in response to widely escalating student demand for marketable work skills within the context of higher education pursuits.

Approximately half of the institutions of higher education offering cooperative education are two year colleges. The other half are four year colleges, universities and research universities and graduate and professional schools.

Primary Approach of Cooperative Education

While cooperative education programs vary among the broad array of their sponsoring institutions, the common commitment of all such programs is to integrate academic and on-the-job learning.

A typical device to reach that common commitment is a cooperative education contract entered into by the institution, the student and the part-time employer. The agreement specifies educational objectives, credit-bearing opportunities and requirements, and the work expectations and remunertion provided by the employer. A coordinator provided by the college monitors all such contracts and certifies accomplishment of their provisions. The employment of students may take place simultaneously with classroom work (the "parallel" plan) or in semesters which alternate with classroom instruction (the "alternate" plan).

The Federal Role in Cooperative Education

The Federal cooperative education program originally was authorized in the 1972 amendments to the Higher Education Act of 1965 and provided grants administered by the Commissioner of Education to institutions of higher education. Such grants are for the purpose of planning, establishing, expanding and implementing programs of cooperative education and for the support of training, research, or demonstration projects. The program was amended in the 1976 amendments to the Higher Education Act to permit part-time student participation in Federally-assisted Cooperative Education Programs.

In fiscal 1979, $15 million was appropriated for this program. The same appropriation has been requested by the President for fiscal 1980.

Federal assistance will go to Cooperative Education Programs in institutions serving approximately 90,000 cooperative education students.

Evaluation of Cooperative Education: Cost-Benefit Assessment

In 1975, the Office of Education contracted for a two year, nationwide, multi-faceted evaluation of cooperative education with Applied Management Sciences, Inc. of Silver Spring, Maryland. The study is entitled "Cooperative Education—A National Assessment," OE-300-75-0343. The study was released in 1978 and concluded that cooperative education students were more satisfied with their studies than were other students and were more likely to experience successful transition from education to work.

The cost-benefit assessment of the Cooperative Education program was most favorable as well. Rates of return compared with financial discount rates up to 35 percent and post-graduate earnings were significantly higher among cooperative education students in many fields when compared with other graduates.

The following tables, extracted from the evaluation study, present data on transition from school to work, average earnings during the first three years of employment, and rate of return of cooperative education for students compared with rates of return for other students.

MEAN TIME IN MONTHS REQUIRED TO FIND 1ST JOB BY GRADUATE AND SAMPLE CHARACTERISTICS AND CO-OP PARTICIPATION [1]

Graduate characteristics	Earnings sample				Previous experience sample			
	Co-op		Non-co-op		Co-op		Non-co-op	
	Number	Mean	Number	Mean	Number	Mean	Number	Mean
Total	610	081	1, 252	1.65	77	0.65	340	1.04
Sex:								
Male	500	.72	787	1.63	62	.76	271	1.09
Female	110	1.22	465	1.70	15	.70	69	.88
Race:								
White	569	.74	1, 175	1.65	64	.50	314	1.03
Nonwhite	36	1.83	85	1.77	12	1.25	24	1.29
GPA:								
Above mean	402	.72	692	1.50	54	.59	227	1.21
Below mean	208	.98	560	1.84	23	.78	113	.72
Program length:								
2 yr	123	.74	450	1.29	37	.30	188	1.01
4 yr	287	1.05	801	1.86	36	1.08	152	1.09
5 yr	200	.51	0		4	0	0	
Discipline area:								
Engineering and architectural	358	.67	210	1.14	18	1.22	61	.93
Business and management	174	.75	400	1.75	40	.63	146	1.56
Health professions	10	1.30	101	1.64	5	0	38	.37
Liberal arts	48	1.79	451	1.94	10	.20	63	.59
Trade and industrial	7	.71	46	.89	2	.50	18	.89

[1] "Cooperative Education—A National Assessment," exhibit No. 4.4.

MEAN 1ST 3-YR GRADUATE EARNINGS BY SEX, LENGTH OF PROGRAM, DISCIPLINE AREA, AND CO-OP STATUS [1]

Graduate characteristics	Co-op		Non-co-op		Graduate characteristics	Co-op		Non-co-op	
	Number	Mean	Number	Mean		Number	Mean	Number	Mean
Total	442	$23, 811	965	$16, 942	Discipline area:				
					Engineering and architecture	238	28, 751	132	23, 652
Sex:					Business and management	151	19, 676	331	16, 832
Male	363	26, 320	579	20, 088	Health professions	8	10, 683	91	15, 886
Female	79	12, 285	386	12, 223	Liberal arts	41	13, 436	374	14, 764
Program length:					Trade and industrial	4	18, 584	37	18, 691
2 yr	95	11, 869		11, 179					
4 yr	158	25, 252		20, 329					
5 yr	189	28, 609							

[1] Mean 1st 3-yr earnings are in 1969 dollars. "Cooperative Education—A National Assessment," exhibit No. 4.2.

ANNUAL MEAN STUDENT COSTS AND BENEFITS BY COOPERATIVE STATUS AND RATE OF RETURN VARIABLES [1]

Student characteristics	Tuition		Costs [2]		Taxable earnings		Nontaxable income		Student net income	
	Number	Mean	Number	Mean	Number	Mean	Number	Mean	Number	Mean
Total:										
Sex:										
Male	863	999	863	365	872	2, 281	871	732	865	1, 681
Female	610	796	610	344	617	1, 210	616	705	609	799
Program length:										
2-yr	627	367	627	291	635	1, 416	634	450	626	1, 232
4-yr	674	1, 360	674	371	682	1, 728	681	965	673	985
5-yr	175	1, 128	175	507	175	3, 748	175	779	175	2, 893
Discipline area:										
Engineering and architecture	340	1, 111	340	456	341	2, 980	341	796	342	2, 198
Business and management	482	829	482	305	488	1, 775	487	616	482	1, 270
Health professions	150	787	150	288	150	754	150	767	150	457
Liberal arts	307	1, 058	307	353	312	1, 254	311	892	306	778
Trade and industrial	123	532	123	340	125	1, 600	125	523	123	1, 335
Total, co-op	651	844	657	400	657	2, 669	657	620	651	2, 076
Sex:										
Male	414	964	414	400	415	3, 187	415	629	414	2, 462
Female	237	634	237	401	242	1, 781	242	603	237	1, 402
Program length:										
2-yr	256	352	256	318	260	1, 835	260	368	256	1, 568
4-yr	220	1, 191	220	408	222	2, 796	222	788	220	2, 017
5-yr	175	1, 128	175	507	175	3, 748	175	779	175	2, 893
Discipline area:										
Engineering and architecture	246	1, 078	246	467	247	3, 499	247	726	246	2, 697
Business and management	207	823	207	302	208	2 327	208	550	206	1, 783
Health professions	27	479	27	255	28	1, 065	28	703	28	1, 022
Liberal arts	105	603	105	440	106	1, 766	106	566	105	1, 310
Trade and industrial	34	512	34	357	35	2, 395	35	635	34	2, 251
Total, non-co-op	825	964	825	317	835	1, 173	833	806	823	716
Sex:										
Male	449	1, 013	449	333	460	1, 447	459	830	451	964
Female	373	899	373	309	375	837	374	776	372	415
Program length:										
2-yr	371	378	371	272	375	1, 125	374	506	370	1, 000
4-yr	454	1, 443	454	353	460	1, 212	459	1, 050	453	484
Discipline area:										
Engineering and architecture	94	1, 195	94	426	96	1, 571	96	986	96	921
Business and management	275	834	275	308	281	1, 349	280	661	276	888
Health professions	123	854	123	295	122	679	122	781	122	328
Liberal arts	202	1, 295	202	307	206	1, 000	205	1, 072	201	500
Trade and industrial	89	540	89	334	90	1, 295	90	528	89	985

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[1] Annual mean costs and benefits are in 1976 dollars. "Cooperative Education—A National Assessment," exhibit No. 4.9.

[2] Includes books, tools, supplies, etc. but specifically excludes transportation, food, and housing. ●

By Mr. CRANSTON:

S. 791. A bill to establish the true location of a portion of the northerly boundary of the Angeles National Forest in Los Angeles County, Calif., on the common line between sections 16 and 17, township 4 N., range 10 W., San Bernardino meridian, and to establish the center quarter of said section 16; to the Committee on Energy and Natural Resources.

● Mr. CRANSTON. Mr. President, I am introducing a bill to establish the true location of a portion of the northerly boundary of the Angeles National Forest in Los Angeles County, Calif.

This legislation is urgently needed to provide relief to about 100 Juniper Hills homeowners whose property titles are clouded because of conflicting Government surveys conducted in 1933 and 1973. The Juniper Hills homeowners paid fair market value for their homes and for 45 years have relied upon the 1933 survey. The bill would establish the true boundary of the Angeles National Forest so that the property lines basically fit the lines of usage for over the last 45 years, and the homes of the Juniper Hills residents are on the lands described in their deeds. Any other solution that does not return all the property lines to the location of the 1933 monument will not resolve the problem for the homeowners. There is no guarantee that a new survey would establish the boundary along the lines established in 1933.

Last year the Senate Energy and Natural Resources Committee held hearings on an identical bill which Senator Hayakawa and I sponsored. At that time, the administration proposed as an alternative that we adjust the boundary of the Angeles National Forest and permit the property owners to purchase the 15 acres which overlap national forest lands. However, this proposal would not provide relief for the majority of the 100 families in Juniper Hills. I believe the administration's concern about declaring a possibly erroneous survey as correct and adopting it as the official survey are bureaucratic and unsympathetic. I see no compelling reason not to help out these people who are stuck because of a Government mistake.

Thus, I am reintroducing this legislation. I sincerely hope that the 96th Congress will give it favorable consideration.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 791

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. (a) The north one-half of section 16, township 4 north, range 10 west, San Bernardino meridian, was conveyed by the United States to Harry M. Miller by Patent recorded August 13, 1923, in book 2511 at page 336, Official Records of Los Angeles County as to a portion thereof, and the remainder to Herbert Colbeck by Patent recorded December 4, 1923, in book 2883 at page 144, Official Records of said county; and

(b) The south one-half of section 16 and section 17 of said township and range are now part of the Angeles National Forest. A question has arisen as to the true location of the common boundary of the Angeles National Forest and the private lands in said section 16; and

(c) The section corners and quarter-corners of said section 16 were established by the United States government surveyors and depicted upon the official plats of said township approved by the United States Surveyor General on April 24, 1905, and December 4, 1917; and

(d) The southeast, northeast, and northwest corners and the north and east quarter-corners have been recovered; however, the southwest corner and the south and west quarter-corners of said section 16 have been thoroughly searched for on several occasions by both public and private surveyors without success; and

(e) The Los Angeles County surveyor, while running the boundary of the Angeles National Forest in 1933, being unable to find the original west quarter-corner of said section 16, set a monument marked "County Surveyor's Monument Forest Reserve Cor. R.E. 62 J–249–FB", at the thoretically correct location of said west quarter-corner to wit: one-half mile south of the found northwest corner and one mile west of the found east quarter-corner of said section 16; and

(f) Numerous surveyors and private parties have accepted said county surveyor's monument marked "Forest Reserve Corner" for the past forty years as the true west quarter-corner of said section 16 and have subdivided, resubdivided, and improved such private lands by constructing houses, roads, well, utilities and pipelines within the north half of said section in relation thereto; and

(g) There are currently numerous parcels of land in private ownership within the north half of said section 16, the boundaries of which would be seriously disrupted should the west quarter-corner of said section be reestablished in any location other than that of the 1933 county surveyor's monument marked "Forest Reserve Corner".

Sec. 2. (a) In order to dispel any uncertainty and to insure that the boundaries of said private land not be needlessly disrupted, it is hereby found and declared that the 1933 county surveyor's monument marked "County Surveyor's Monument Forest Reserve Cor. R.E. 62 J–249–FB", which was set at a point one-half mile south of the northwest corner and one mile west of the east quarter-corner of said section 16, as said corners and monument are shown on the county surveyor's map B–745 on file in the Office of the County Engineer of the County of Los Angeles, is at the true location of said west quarter-corner as originally set by the Government Land Office Surveyor in 1912 and depicted upon the plat of township 4 north, range 10 west, San Bernardino meridian, approved December 4, 1917.

(b) It is further found and declared that the south line of the north half of said section is a line connecting the east and west quarter-corners hereinabove mentioned and that the center quarter-corner of said section is located at the midpoint of the south line of the north half of said section 16 as hereinabove established.●

By Mr. NELSON (for himself, Mr. Culver, Mr. Nunn, Mr. Baucus, Mr. Weicker, Mr. Hatch, and Mr. Pressler):

S. 793. A bill to amend the Small Business Act; to the Select Committee on Small Business.

SMALL BUSINESS LOAN REFORM ACT OF 1979

Mr. NELSON. Mr. President, in behalf of myself, Mr. Culver, Mr. Nunn, Mr. Baucus, Mr. Weicker, Mr. Hatch, and Mr. Pressler, I introduce for appropriate reference a bill to be known as the Small Business Loan Reform Act of 1979.

When fully implemented this legislation will, by even conservative estimates, cut at least 1,000 Federal employees and reduce by $500 million annually the costs of running the Small Business Administration because of reduced personnel costs, increased collections, and reduced subsidy to the program.

This bill will eliminate the need for any SBA personnel to duplicate the loan processing already done at the banks. At the same time, the legislation will result in a reduction of the SBA budget and an improvement in the efficiency of the agency's lending functions.

Since its inception 25 years ago, SBA's primary function has been to provide financial assistance to the Nation's small business community. In fiscal year 1980 the agency will be responsible for providing direct or guaranteed loans totaling over $4.2 billion. Of this amount, 92 percent or $3.9 billion will be furnished via the regular business loan program (also called the 7(a) loan program). Of the $3.9 billion in 7(a) funding, 95 percent or $3.7 billion will be disbursed by commercial banks.

Since the Small Business Committee assumed legislative jurisdiction in 1977, two SBA Administrators have publicly testified that from 66 to 80 percent, or 3,067 to 3,718 SBA personnel, are either directly or indirectly concerned with approving, monitoring, and liquidating SBA's guaranteed and direct loans. Today that loan portfolio totals over $7 billion. For fiscal year 1979, the Administration estimates that at least 61 percent of its personnel are affiliated with the financing division of the agency. Mr. President, I ask unanimous consent that a table showing the allocation of the authorized personnel of the agency for fiscal year 1979 be printed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. NELSON. We should be relying more heavily on the expertise and experience of the financial community to provide assistance to our Nation's 14 million small businesses. In my own State of Wisconsin, for example, there are only 3 SBA offices, compared to 632 banks and hundreds of other financial institutions in every town in the State. The current SBA procedure imposes delays and increased paperwork on potential borrowers and the Government. Under my proposal, SBA will be able to significantly reduce these impediments, while at the same time getting rid of an unnecessary level of bureaucracy.

Based on these statistics, it can be demonstrated that the regular business loan program costs can be significantly reduced if the private sector is made responsible for making all credit, loan monitoring, collection, and liquidation decisions.

Making the private sector at the local level responsible for administering SBA's major loan activity also reflects the Senate Small Business Committee's and my continuing efforts to more clearly define SBA's mission and streamline the agency's programs to make them more cost-effective, and more efficient.

Now is the time to encourage SBA to do work they are best equipped to do, such as advocacy and economic research.

The Small Business Loan Reform Act of 1979 would shift day-to-day responsibility for administering the small business loan program from SBA to banks and other private lending institutions.

Under this new program small business would certainly benefit through superior financial assistance without Government redtape, regulations, or delays.

Simply, the Small Business Loan Reform Act of 1979 greatly simplifies the manner in which small business concerns receive financial assistance.

SBA would certify as eligible certain financial institutions that are already regulated by Federal or State agencies and permitted to make guaranteed or insured loans to small business concerns. A financial institution may be certified to participate in this new insured program if its respective regulator verifies that the institution has the necessary expertise and commitment to make small business loans.

The regulators of the financial institutions will be looking only for general portfolio compliance; it is not expected that each loan will be "nitpicked." Instead, the regulator is to merely determine if the financial institution overall has maintained good records, adhered to SBA's size standards, collected payments, and liquidated loans in a reasonable fashion. Since the regulators already examine the financial institutions in these areas, except compliance with SBA size standards, it should not require much additional work to, at the same time, review the outstanding SBA insured loans in the financial institution's portfolio.

If, in the course of one of the routine audits the report made on one of these financial institutions is unfavorable, SBA can decertify the institution.

If the certified financial institution experiences losses above a predetermined level set by SBA, it can also be decertified, until such time as SBA is satisfied that the financial institution's performance has improved. In fact, bankers have told the committee staff that they might be tempted in some cases not to submit some claims to SBA in order to keep their loss experience down.

SBA is currently undertaking an in-depth, sophisticated actuarial study, expected to be completed by September of this year, to determine what type of loss experience can be anticipated. National averages show that banks presently have less than a 0.5-percent loss experience for regular commercial and industrial loans. SBA's guaranteed loans have been experiencing losses of between 7 and 10 percent. The SBA actuarial figure should be higher than 0.5 percent, but considerably lower than the 10-percent levels because of the low recoveries made when the agency is faced with a delinquency or is forced to liquidate a loan.

Once a financial institution is certified to participate in the program, it will be able to make loans to small concerns without SBA interference. Response time to the firm will be greatly shortened and both the borrower and the lender will be freed from the chore of filing numerous and lengthy SBA forms. Now, separate, distinct, confusing and cumbersome SBA criteria must be followed. In fact, even after an institution currently follows the SBA criteria, the agency will often impose additional conditions before it will agree to guarantee a loan. These standards and procedures now act as such a disincentive that fewer than 5 percent of the Nation's banks regularly participate in SBA's existing guaranteed loan program.

Once certified, the financial institution can make up to a 90-percent insured small business loan without prior SBA approval. Loans made must meet certain tests such as is credit on similar terms from any other source. Also terms may not exceed 10 years, and the borrower must be a small business as defined by SBA size standards. In effect, financial institutions would make its small business insured loan on a basis very similar, if not identical to, that of its regular commercial or industrial loan, except that it would involve a lower element of risk on its part.

The total amount of small business loans that could be outstanding in one institution would be determined by an easily determined formula such as a percentage of the institution's total assets.

At the time the loan is closed, the institution would pay to SBA an insurance fee. The amount of the fee would be determined actuarially to cover all anticipated future loan losses. With the program self-liquidating, no additional appropriations for the SBA's revolving fund will be necessary. The institution would be required to file only a single abbreviated report with SBA giving the name, address, SIC identification number and size of the borrower, and the terms, costs, and identification number of the loan.

One of the most important features of the bill is the requirement that all monitoring, collection, and liquidation functions be carried out by the certified financial institution. These duties are now performed by hundreds of SBA employees nationwide under the existing loan program. If there is a default on a loan under the new program, the financial institution must exhaust its collection and liquidation remedies before it can submit a claim on a loss to SBA. Of course, if there is evidence of fraud or misrepresentation by either the borrower or the institution, SBA retains both civil and criminal resource against either party.

If the institution so elects, it can sell the insured portion of the loan in the "secondary market," just as it now does, thereby giving the institution instant liquidity. The insured portion of the loan would still be treated in the same manner as a Government security, and would bear the full faith and credit guarantee of the U.S. Government. The secondary market will continue to function as it does now and a holder in due course will continue to be paid immediately in the event of default. However, even though the certified lender has sold off the insured portion of the loan, it is still obligated to liquidate the loan and try to recoup any losses. If the lender does not liquidate in good faith, it is again subject to losing its certification.

Currently, SBA has a regular business loan interest ceiling that is theoretically designed to protect the small business concern. But in times of tight money such a provision actually works to the small business concern's disadvantage because the ceiling is often pegged at or below prime rate. Since the institution's cost of money dictates that the cost of a small business loan has to be higher than permitted by SBA, institutions frequently refuse to make small business loans, even with the incentive given the bank by the SBA's 90-percent guarantee under the current program. Under this legislation, there will not be any statutorily imposed interest ceiling. Rather, we expect the marketplace to set the interest rates on these loans, just like it does under the regular commercial loans.

It is my belief that it will also be economical for small financial institutions to participate in the new program, as well.

But it is expected that many medium- to large-sized financial institutions will package and service loans on behalf of their correspondent or other related institutions.

Finally, the existing section 7(a) program will be terminated on October 1, 1981. This will provide enough time to acquaint the financial community with the features of the new program and certify a substantial number of institutions. During this transition period guaranteed loans under the existing program will continue to be made to satisfy the financial needs of the small business sector. The new provision, however, will become effective immediately upon enactment to allow the agency to begin certifying firms.

Within 4 years, the Federal Government should begin to fully realize the financial benefits of replacing the 7(a) program with this new program. Historically most SBA loans have gone into default in the third or fourth year—if they are going to go into default at all. Beginning in the fourth year, SBA can begin to significantly reduce its personnel requirements because it will be well along in the process of liquidating those 7(a) loans that will go in default.

Likewise, appropriations needed to repay guaranteed loan losses should fall off sharply after that time because 7(a) losses will have already largely shown up.

Mr. President, this is significant legislation which would radically affect the major portion of the Small Business Administration's activity. I am convinced that this legislation is conceptually correct, and many bankers and Federal officials, including top managers in the Small Business Administration, agree on the approach in this proposal.

This bill, however, is intended to serve as a focus for discussion so that interested parties may express their views on how the proposed legislation can be improved. Some questions undoubtedly will be left unanswered by this draft, and there are significant policy decisions which the Small Business Committee and the Congress will need to address. Nevertheless, this legislation should provide a sufficiently detailed basis from which constructive recommendations can be incorporated. As chairman of the Senate Small Business Committee, I intend to move as expeditiously as possible on this measure, and will schedule hearings on this proposal shortly. The committee would welcome any suggestions on how this legislation may be improved.

Mr. President, I ask unanimous consent that the text of the Small Business Loan Reform Act of 1979 be printed in the RECORD, as well.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 793

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Small Business Loan Reform Act of 1979".

SEC. 2. The Small Business Act is amended by inserting the following new section:

"SEC. 40. (a) The Administration is empowered to guarantee or insure loans to small business concerns made in cooperation with financial institutions, including but not limited to, banks regulated by the Federal Government, other regulated lending institutions and small business lending companies. Such loans shall be subject to the following restrictions and limitations:

"(1) No loan shall be extended if financial assistance is otherwise available on comparable terms from non-Federal sources.

"(2) No loan shall be guaranteed or insured in excess of 90 per centum of the balance of the loan outstanding at the time of disbursement.

"(3) No loan including renewals and extensions shall be made for a period exceeding ten years, except that such portion of a loan made for the purpose of acquiring real property in connection with constructing or rehabilitating residential or commercial property may have a maturity of twenty years plus such additional period as may be required to complete such construction or rehabilitation.

"(b)(1) A financial institution may make loans under authority of this section only if it has been certified to participate by the Administration. Such certification shall be issued if the financial institution meets published criteria that the Administration has developed in cooperation with appropriate regulatory agencies. Such criteria shall only take into account whether the financial institution is in satisfactory regulatory compliance and has the necessary expertise to make loans that are of such sound value or so secured as reasonably to assure repayment.

"(2) The Administration shall be advised as to whether the certification criteria has been met (a) for insured State nonmember banks (except District banks) by the Federal Deposit Insurance Corporation, (b) for insured national banks and insured District banks, by the Comptroller of the Currency, (c) for insured State member banks, by the Board of Governors of the Federal Reserve System, (d) for all other regulated financial institutions (except small business lending companies) by the appropriate Federal or State regulatory entity, and (e) for small business lending companies, by the Administration.

"(c) Loans made under authority of this section shall not be subject to any Federal or State constitution, statute, court decree, common law, or rule or public policy limiting the amount of interest which may be charged, taken, received or reserved, or the manner of calculating such interest (including but not limited to prohibitions against the charging of interest on interest).

"(d) A small business concern receiving a loan under authority of this section may be charged a loan processing fee provided such fee reasonably reflects the necessary expenses incurred in processing the loan and is not based on a fixed per centum of the dollar value of the loan.

"(e) The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under this section.

"(f) Financial institutions qualifying to make loans under authority of this section shall pay to the Administration a guarantee fee or insurance premiums which is based on sound actuarial projections of anticipated loan amounts that will not be repaid.

"(g) Financial institutions qualifying to make loans under authority of this section shall be responsible for all loan administration functions, including size determination of the small business concern, credit analysis, loan monitoring, and loan collection and liquidation.

"(h) The Administration shall reimburse a financial institution qualifying to make loans under authority of this section for that portion of a guaranteed or insured loan which has not been repaid provided that the Administration is satisfied that the bank or financial institution has made a good faith effort according to commonly accepted banking and lending institution practices to recover all unpaid amounts.

"(i) The appropriate regulatory entity shall in the course of its routine examination or audit, review an appropriate number of outstanding loans made under authority of this section by any financial institution (except for small business lending companies which shall be examined annually by the Administration) qualifying under this section to determine if commonly-accepted lending practices have been followed in making, monitoring, collecting and liquidating such loans. The findings of this review shall be forwarded to the Administration.

"(j) The Administration may revoke its certification of a financial institution if:

"(1) the Administration receives an unsatisfactory report from the appropriate regulatory entity and the Administration determines that the conduct of the financial institution constitutes an abuse of the delegated guarantee or insurance authority, or

"(2) losses rise above a certain fixed per centum as determined by the Administration.

"(k)(1) The Administration shall promulgate only those regulations and criteria that are absolutely necessary to implement the program described in this section. Such regulations and criteria shall be consistent with and nonduplicative of regulations and criteria promulgated by other Federal and State regulatory entities and shall be written in a clear and concise manner.

"(2) A financial institution qualifying under this section shall file only one report with the Administration after the closing of a loan made under authority of this section which provides the name, size, four digit standard industrial classification code and address of the borrower, the amount, costs and term of the loan and a distinctive identification loan number. All other information needed for compliance purposes shall be retained in appropriate form by the financial institution and shall be subject to review by the appropriate regulatory entity described in subsection (b) in the course of its routine examination or audit of the financial institution.

"(3) The Administration may only require a small business concern receiving a loan under authority of this section to certify that it is a small business and that it will not violate the provisions of Title 6 of the Civil Rights Act of 1964, as amended.

"(l) The Administration shall administer this program on a prudent and economically justifiable basis and shall fix a uniform annual fee which it deems reasonable and necessary for any guarantee or insurance issued under this section. Such fee shall be subject to periodic review in order that the lowest fee that experience under the program shows to be justified will be placed into effect. The Administration shall also fix such uniform fees for the processing of applications for guarantees or insurance under this section as it determines are reasonable and necessary to pay administrative expenses incurred in connection therewith. Any guarantee or insurance under this section shall obligate the financial institution to pay the Administration such portions of the fee as the Administration determines to be reasonable in the light of the relative risks and costs involved.

"(m) There is hereby created within the Treasury a separate fund for guarantees or insurance which shall be available to the Administrator without fiscal year limitation as a revolving fund for the purposes of this section. All amounts received by the Administration shall be deposited in the fund. All expenses and payments, excluding administrative expenses, pursuant to operations of the Administration under this section shall be paid from the fund. Moneys in the fund not needed for the payment of current operating expenses or for the payment of claims arising under this section may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States; except that moneys provided as capital for the fund shall not be so invested.".

SEC. 3. Effective October 1, 1981, Section 7(a) of the Small Business Act is amended by:

(a) striking the phrase "and such loans may be made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis." and inserting in lieu thereof "and such loans may be made directly.";

(b) striking subparagraphs (2) and (3) in their entirety; and

(c) striking subparagraph (4)(A) and inserting in lieu thereof "(A) no loan made or effected under this subsection shall exceed $350,000.".

EXHIBIT 1

ALLOCATION OF FISCAL YEAR 1979 AUTHORIZED POSITIONS WITHOUT DLM

	Percentage	Positions		
		Total	Direct	Indirect
Finance and investment	61	2,824	1,869	955
Loan processing		851	563	288
Loan servicing		1,532	1,014	518
Neighborhood revitalization		26	17	9
Investment company assistant		54	36	18
Special guarantees		86	57	29
Program support[1]		275	182	93
Management assistance	17	900	534	266
Procurement assistance	15	686	451	235
Minority small business	5	147	169	78
Advocacy and public communications	2	91	60	31
Total major program activities	100	4,648	3,083	1,565
Percent of direct and indirect to total		100	66	34

[1] In the event that any one of the F. & I. related activities were eliminated, an adiustment to program support would have to be made.

● Mr. NUNN. Mr. President, I am pleased to join the chairman of the Senate Select Committee on Small Business (Mr. NELSON) and others in introducing the Small Business Loan Reform Act of 1979.

It is imperative that the committee address the very nature and scope of the largest activity in the Small Business Administration, the regular business loan program. However, while I believe the concept of shifting from the current guarantee to an insurance-type program may have merit, this particular legislation also makes major policy changes that the committee will need to carefully evaluate. The chairman has indicated his intention to hold extensive hearings on this significant shift in the agency's largest program.

Mr. President, I am interested in developing a procedure to make needed Federal financing available to small business in the most beneficial and least complex manner. This proposal may well accomplish that goal. The committee certainly has the expertise and resources available to it to assist in making that decision, and I believe that this measure will provide a good basis for an indepth examination of this issue.●

● Mr. WEICKER. Mr. President, I am pleased to join with my colleague, the distinguished Senator from Wisconsin, Mr. NELSON, in introducing the Small Business Loan Reform Act of 1979. This legislation will have a significant positive impact on the operations of the Small Business Administration and the level of assistance which it provides to this Nation's small business community.

When the Small Business Administration was established in 1953 its mandate was to "Aid, counsel, assist and protect . . . the interest of small business concerns in order to preserve free competitive enterprise." In pursuit of these goals, programs were established and administered by the SBA in a number of areas: management assistance, procurement assistance, minority business; but the largest, most time consuming, most expensive, and, in many respects, most successful of SBA's programs has been the business loan program. The business loan program was established to augment available sources of financing to small businesses, providing many businesses with financing that would not have otherwise been available through the private sector. Conservative estimates indicate that at least 50 percent of SBA personnel are currently involved in the placement or administration of loans.

Too often in our zealousness to provide much needed services we overlook the most efficient and effective means for delivering those services.

This has been the case with the SBA's loan programs.

No one questions the tremendous need for Government support of small business loans. Financing represents one of, if not the, major problem faced by small businesses in this country today. Though SBA's loan programs have aided many businesses in developing and becoming viable enterprises in our economy, the present program is costly, both in level of defaults and in resources applied to loan administration. In addition, other important SBA programs, such as management and procurement assistance, minority business and advocacy have taken a back seat to the loan program because of the tremendous strain this program places on the agency's resources.

The Small Business Loan Reform Act of 1979 is designed to correct many of the problems currently encountered in the administration of SBA loans. This proposal will simplify the process of securing small business loans by reducing Government interference. This legislation will achieve these results with a lower cost to the American taxpayer.

The Small Business Loan Reform Act of 1979 would establish a program of SBA insured or guaranteed loans very different from the program currently in existence. The goal of the act is to eventually replace all guaranteed loans currently administered under the authority of section 7(a) of the Small Business Act with an actuarially sound loan insurance program. The act would transfer responsibility for administration and liquidation of the loans from the SBA to the private sector lender. This lender, having been certified to participate in the program by SBA, would not have to seek prior approval for each loan from the agency, which is the current practice. Each private sector lender would pay an "insurance premium" to the SBA for each loan extended under this program. The proceeds from premiums paid would be used to cover any default on a loan which is insured by SBA. SBA would guarantee payment of 90 percent of any loss the lender incurs as the result of any default on an insured loan.

This legislation would not replace the direct loan program currently being administered by the SBA under section 7(a). It is not our intention to deny assistance to any business which currently qualifies for assistance from SBA. There are many businesses which must rely on the SBA for direct financial assistance, especially new concerns which have not developed a credit rating. Under this legislation that type of direct assistance will still be available.

If this legislation is enacted, we can hopefully expect that SBA personnel could be cut by 45 percent and Government spending cut by $5.5 billion over a 10-year period. We also can expect a higher level of bank participation in the loan insurance program than we currently see in SBA's loan guarantee program.

The proposal we offer today provides the framework for delivery of financial assistance to the 10 million small businesses in this country. I do emphasize, however, that this legislation is only a framework. In the course of the next few months we will be soliciting comments on the proposal from small businessmen, private sector lenders, and Government agencies. It is our hope that this proposal will focus congressional attention on the future direction of the Small Business Administration. I welcome this scrutiny and evaluation.

It is our hope that the review process will lead to a more efficient use of our Government resources. Clearly such a constructive exercise is preferable to the "meat-ax" approach to government which is characterized by the proposition 13 and balanced budget mentality.●

● Mr. HATCH. Mr. President, I am delighted to join with the chairman of the Select Committee on Small Business, Senator NELSON, in cosponsoring the Small Business Loan Reform Act of 1979.

For over 25 years, the Small Business Administration has provided essential assistance and advocacy for small business needs. Assistance in this next fiscal year will provide direct or guaranteed loans of nearly $4 billion under the 7(a) loan program. SBA Administrators have recently testified that from 66 percent to 80 percent (between 3,000 and 3,700) of SBA personnel are directly or indirectly involved in approving, servicing, or terminating outstanding 7(a) loans. The time has come to benefit from the significant cost savings possible by transferring SBA's loan portfolio to the more efficient private sector.

The bill will permit the SBA to certify qualified financial institutions to participate in credit, servicing, collection and liquidation decisions, rather than mere funds disbursement. Once certified, the institution is free from SBA interference, as long as specified guidelines are followed. Guideline compliance will be routinely monitored by those regulators (FDIC, Comptroller of the Currency, or the Federal Reserve Board) which regularly examine the loan portfolios of their member banks.

Mr. President, the effects of this legislation are delightfully pro-free enterprise. This bill will eliminate 2,000 Government jobs and create an equal market in the private sector. An estimated average of at least $560 million in Federal expenditures will be saved each year. Finally, our small business sector will be the recipient of superior private financial assistance without redtape, regulations, and delay.●

● Mr. PRESSLER. Mr. President, today, with several of my colleagues, I am cosponsoring a bill to sunset the Small Business Administration's regular business guarantee loan program. That program would be replaced with an insured loan program which would be administered independently by SBA certified financial institutions.

The Small Business Administration has come under increasing criticism in the last few years. The number of small businesses that the SBA deals with has grown tremendously, while the number of SBA staff positions has remained the same. Two SBA administrators have testified that from 66 to 80 percent—or 3,067 to 3,718—SBA personnel are either directly or indirectly involved with approving, monitoring, and liquidating SBA's guaranteed and direct loans. If these people are freed of this responsibility, they can focus their energies on advocacy, management, technology, procurement assistance, economic research and analysis, where they are badly needed.

At the same time, small businessmen

would benefit greatly from superior financial assistance free of Government redtape, regulations, and delay.

The small businessmen of our Nation face constant survival problems. This is epecially true of small newspapers. My work with the House Committee on Small Business has made me keenly aware and concerned about the difficulty that small newspapers have just staying in business. Because of this, many small newspapers have been forced to sell out to conglomerates: They simply could not afford to stay in business.

Constitutional restraints, Mr. President, have prevented the Small Business Administration from making loans to newspapers in the past. But the Small Business Loan Reform Act of 1979 would remedy that problem.

Because the SBA would be turning over its decisionmaking authority to the private sector, the Government would no longer be involved in making choice. Because of this, newspapers would be eligible for loan assistance through the SBA, and its first amendment rights would not be in jeopardy.

I urge my colleagues to study this legislation carefully. Keep in mind, though, that this legislation is only a framework, a place to begin. I would be very happy to hear suggestions to make it more workable, as long as the basic premise remains the same.

We cannot forget that small businesses are necessary for the continuation of our free enterprise system.

Corporation ownership of the news media cannot be healthy for a free America: It would be detrimental to limit our news sources to such extremes.

When the same conglomerates control input into our television news, radio news, and newspapers, the ideas that are being generated are limited to the thoughts of only a few.

If small newspapers become eligible for loan assistance through the SBA, there would be a fighting chance.

For that reason, I ask careful consideration of this very important legislation. It can mean a great deal to the survivability of small newspapers and small business everywhere.●

By Mr. LEVIN (for himself, Mr. Percy, Mr. Chiles, Mr. Jackson, Mr. Cohen, Mr. Riegle, Mr. Burdick, Mr. Melcher, Mr. Pell, Mr. Hatfield, and Mr. Nelson):

S. 794. A bill to establish dispute resolution procedures and an arbitration board to settle disputes between organizations of supervisors and other managerial personnel and the U.S. Postal Service; to the Committee on Governmental Affairs.

POSTAL SUPERVISOR ARBITRATION ACT

Mr. LEVIN. Mr. President, today I am introducing with Senators Percy, Chiles, Jackson, Cohen, Riegle, Burdick, Melcher, Pell, Nelson, and Hatfield the postal supervisor arbitration bill.

The Postal Reorganization Act of 1970 provided for a process of "consultation" between the top management of the U.S. Postal Service and a "recognized organization of postal supervisory employees." The consultation was to allow the supervisory employees to participate directly "in the planning and development of pay policies and schedules, fringe benefit programs, and other programs relating to supervisory employees."

The Senate report on the Postal Reorganization Act stated clearly that—

> Employees in the lower levels of supervision and administration in the postal service are not sufficiently separated from the nature of employment of those whom they supervise to justify withholding from them some degree of active representation in the development of employment programs which affect and, in fact, control their livelihood.

The consultation program which was designed to give the supervisory employees that "degree of active representation" has not been functioning as it should. The employees organization has often been required to go to court to enforce the consultation rights granted by the 1970 act. Courts have three times ruled in favor of the employee organization; in one instance, the organization and the Postal Service settled out of court. This bill seeks to make the consultation program work as it was intended originally. The bill would not provide for collective bargaining rights but simply allow for the smoother operation of the consultation procedure which was established by the 1970 act.

The House Post Office and Civil Service Committee in House Report No. 95–567 estimated that the cost of such an arbitration system would be $50,000 in the first year, $33,000 in the second year and $10,000 in each of the next 3 years. While these figures are estimates, they are substantially less than the costs of current litigation. The cost of the system would be shared equally by the Postal Service and the employee organization.

The introduction of this bill is an effort to make real the consultation rights granted to the postal supervisors by the Postal Reorganization Act of 1970. This issue is not new to the Senate or to the Congress. This legislation has been refined since its initial introduction in the 94th Congress. I would expect that it will be subject to additional refining as it is considered by the Senate through the Committee on Government Affairs and hopefully by the full Senate.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 794

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1004 of title 39, United States Code, is amended by adding at the end thereof the following subsections:

"(c)(1) If the Postmaster General and an organization of supervisors and other managerial personnel (other than officers, postmasters, and employees engaged in personnel work in Postal Service headquarters) recognized by the Postal Service under subsection (b) of this section are unable to agree, within 60 days after the organization submits a written notice to the Postal Service, upon a program for consultation or a plan to participate directly in the planning and development of pay policies and schedules, fringe benefit programs, and other programs relating to supervisory and other managerial employees (other than officers, postmasters, and employees engaged in personnel work in Postal Service headquarters), either party shall have the right to refer the matter to an arbitration board established under the provisions of subsection (d) of this section.

"(2) If the Postmaster General and an organization of supervisors and other managerial employees (other than officers, postmasters, and employees engaged in personnel work in Postal Service headquarters) recognized by the Postal Service under subsection (b) of this section are unable to agree with respect to pay policies and schedules, fringe benefit programs, and other programs related to such employees, which affect all or a substantial portion of such personnel on a long-term or permanent basis, after participating directly in the planning and development thereof, either party, upon a 30-day written notice, may refer the dispute to an arbitration board established under the provisions of subsection (d) of this section.

"(3) If the Postmaster General and an organization of supervisors and other managerial employees (other than officers, postmasters, and employees engaged in personnel work in Postal Service headquarters) recognized by the Postal Service under subsection (b) of this section are unable to reach an agreement as to whether or not a particular issue is subject to consultation or direct participation under this section, either party, upon a 30-day written notice, may refer the issue to an arbitration board established under the provisions of subsection (d) of this section.

"(4) An organization of supervisors and other managerial personnel (other than officers, postmasters, and employees engaged in personnel work in Postal Service headquarters) recognized by the Postal Service under subsection (b) of this section, shall have the exclusive right to invoke the arbitration provisions of subsection (d) of this section on behalf of such employees.

"(d)(1) An arbitration board shall be established to consider and decide a dispute arising under subsection (c) of this section and shall consist of three members, one of whom shall be selected by the Postal Service, one by the recognized organization, and the third by the two thus selected. If either of the parties fails to select a member, or if the member chosen by the parties fails to agree on the third person within 5 days after their first meeting, the selection shall be made by the Director of the Federal Mediation and Conciliation Service.

"(2) The arbitration board shall give the parties a full and fair hearing, including an opportunity to present evidence in support of their claims, and an opportunity to present their case in person, by counsel, or by other representative as they may elect. Decisions by the arbitration board shall be conclusive and binding upon the parties. The arbitration board shall render its decision within 45 days after its appointment.

"(3) Costs of the arbitration board shall be shared equally by the Postal Service and the recognized organization.".

By Mr. MAGNUSON (for himself, Mr. Leahy, Mr. Jackson, Mr. Heinz, Mr. Melcher, Mr. McGovern, Mr. Stevens, Mr. Nelson, Mr. Pell, Mr. Matsunaga, Mr. Williams, Mr. Sarbanes, Mr. Pressler, Mr. Bradley, Mr. Hatfield, Mr. Moynihan, Mr. Culver, and Mr. Riegle):

S. 795. A bill to establish a Federal policy concerning protection of certain agricultural land; to provide for a land review study by the Secretary of Agriculture; to establish a research and pilot project program relating to methods of protecting certain agricultural land from being used for nonagricultural purposes; and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FARMLAND PROTECTION ACT

Mr. MAGNUSON. Mr. President, I rise today to introduce a bill designed to preserve and protect this Nation's agricultural farmlands.

As you know, I introduced a bill with a similar purpose in the last session of the 95th Congress. But this bill—the Farmlands Protection Act—is more modest; it is a more realistic reflection of the limits imposed on Government by the times. And, I think, it more directly addresses the central purpose of farmlands legislation: To get our Federal house in order.

This is not Federal land use planning. This is not another example of the Federal Government intruding into the lives of citizens. It is, instead, the establishment of a national policy of retaining and protecting our agricultural land, and it is insurance that all activities of the Federal Government are in harmony with this policy.

The bill is also designed to assist States, counties, and other local governments in their efforts to reduce the amount of farmland being lost to nonagricultural uses. There are strict limitations built into the legislation which prevent the Federal Government from regulating the use of private land or depriving landowners of their property rights. Moreover, the bill does not diminish in any way the rights and responsibilities of the States, and the political subdivisions of the States.

The impetus, the direction, the talent, and the resources must come from the local level, from the people most directly affected by the alarming reduction in our food-producing resource. Under the bill, the Federal Government is there merely to provide technical assistance, and to assist in a few, modest demonstration projects designed to test out various methods of farmland preservation. And most importantly, the legislation is there to insure that activities at the Federal level do not work at cross-purpose with local efforts.

That there is an urgent need for a coordinated undertaking cannot be doubted.

The Soil Conservation Service in the Department of Agriculture estimates that up to 3 million acres of rural land are converted each year to uses that preclude agriculture. Another 1 to 2 million acres a year are becoming uneconomical for agricultural uses because of surrounding urban development.

This decrease in farmland threatens the ability of the United States to produce enough food to meet domestic needs and to help supply food for the rest of the world. This is all the more alarming given the fact that this Nation can no longer rely in technological innovations to increase the agricultural yield on a smaller and smaller amount of land.

Increases in farm production cannot be reliably projected because of changing weather patterns, soil erosion, competition for water, and increased costs of fuels and fertilizers.

The loss of agricultural land has been especially severe near our urban areas. This is a tragedy, because urban agricultural farmlands are a unique resource.

Their loss means an ever-increasing dependency on energy-intensive mechanized farming, with its expensive use of irrigated lands and its high cost associated with long-haul transportation.

Preserving a green belt of farmlands around our urban areas would insure a fresh supply of agricultural products to our city dwellers at a price they can afford.

It would continue to separate the rapidly expanding developed areas with expanses of open, unfettered land, enhancing the natural beauty and the quality of life for everyone.

And it would preserve a rapidly disappearing way of life, by insuring an opportunity for citizens to earn their living on farms, to pass their lands and their heritage on to their children. Having those fertile, green acres producing fruits and vegetables is both an economic and aesthetic asset for everyone.

Unfortunately, State and local governments in many cases do not have the information or the resources necessary to develop programs to protect their farmland. Without some Federal assistance, in the form of research, technical information and some matching funds, the States and local units of government will lose precious farmland as pressures on farmers to sell their land to housing and industrial development increase.

To protect farmland, the Federal Government must work with the States and local governments, not against them.

That is why, Mr. President, I rise today to introduce the Farmland Protection Act. For the United States does not have a very good history of coordinating its agricultural lands policy. Many times the issuing of permits, the making of grants or loans for industrial or home development, for new highways, or powerlines actually works to cover up, to pave over, or to divide precious farmland.

This act would attempt to bring governmental actions into harmony with State and local efforts to protect farmland.

Under the bill, Federal agencies are directed to establish procedures to consider the effects of major Federal actions on agricultural land to assure that those actions do not cause the irreversible loss of farmland—unless other national interests override the importance of preservation.

A key provision requires Federal agencies to conduct programs and regulatory activities in a manner that is consistent with farmland protection programs established by State or local governments.

The act directs the Secretary of Agriculture to launch a 3½-year study of our agricultural lands, their quantity, quality, location, ownership, and financing. The study would address how agricultural land and its use fits into the fabric of our national life, how it relates to the concerns of energy, economy, urban growth and development, foreign relations and trade, and humanitarian aid.

It must be noted, however, that last year in the Appropriations Committee we directed the Department of Agriculture to begin a study of this sort.

The Secretary of Agriculture, Mr. Bob Bergland and the Chairman of the President's Council on Environmental Quality, Mr. Charles Warren, are currently working with other members of the administration to establish the President's Study Commission on Agricultural Land Retention. I want to applaud the administration for its cooperation and farsighted efforts in this area. At this point, I want to make it clear that as soon as the President's Study Committee on Agricultural Land Retention is established I will consider dropping from this bill the provision which directs the administration study, so as to avoid duplication.

This bill is an attempt to back up the policies of the administration, not to compete with them.

The bill would allow local governments to apply for Federal matching funds to conduct demonstration programs testing the newest and most innovative programs for preserving our agricultural lands. This is a modest provision—$49 million over 3 years, and it is strictly limited so that there shall be no funds for more than three projects that acquire interests in land. In addition, the Federal share shall not exceed 25 percent of the total cost of a project, and no demonstration program shall receive more than 15 percent of the total annual appropriation. Some $500,000 is authorized in fiscal year 1983 for an analysis of the demonstration programs.

With this limited approach, we have working projects in the field running coextensively without farmland review study. The empirical data gathered from these projects will be invaluable in obtaining an accurate picture of the problem, and of the best ways to address it. A primary goal of the farmland study and the research projects is to provide State and local officials with useful information for their decisions regarding farmland protection.

To further assist State and local governments, the bill directs the Soil Conservation Service of the Department of Agriculture to provide technical assistance and information concerning methods of protecting farmland, upon request from State and local governments. This provision also authorizes financial assistance to State and local governments to select and develop farmland protection programs. Under this section, State and local governments could apply for up to 25 percent of the cost of preparing their programs.

I should say, Mr. President, that in my home State of Washington, King County has been a pioneer in the preservation of urban, agricultural land. It has been so out of necessity.

In the last three decades, King County has watched its farmlands vanish. Between 1945 and 1974, the number of farms in the county declined from 6,500 to less than 1,400. During that same period, some 100,000 acres of farmland were lost to development.

Now a proposal is under consideration that would put a halt to the wholesale liquidation of King County farms. It is being proposed and managed by a bipartisan coalition, headed by King County Executive John Spellman, and County Council Member Bernice Stern. Their work in this field has taken great courage, intelligence, and foresight.

I would hope that Congress would provide the leadership at the national level to work in cooperation with those people at the local level who have made a commitment to preserve our landed heritage.

In summary, Mr. President, it is imperative to provide adequate and affordable food supplies for domestic consumption; to provide adequate supplies for exportation, which would offset the rising cost of imported oil and other foreign products, and to insure a stable agricultural economy in the United States.

By approving this act, Congress would recognize the importance of such preservation to the economy, to the quality of the environment, to human health and welfare, and to the position of the United States as an international leader in food production.

In closing, Mr. President, I believe that we should heed the words of my dear friend, Franklin Delano Roosevelt, who noted that—

> The history of every nation is eventually written in the way in which it cares for its soil.

Mr. LEAHY. Mr. President, I am very pleased and encouraged to join with my colleagues today in introducing the Farmland Protection Act. We have set partisan differences aside to address a very serious problem which threatens the bedrock of this Nation's economy and culture. The problem is, of course, the conversion of farmland to nonagricultural purposes.

It is very disturbing that our Nation is losing 2 to 3 million acres of agricultural land every year. This means that 10 square miles of farmland are lost every day. This loss of agricultural land is occurring at alarming rates in every State. In my home State of Vermont, nearly 200 acres of farmland are lost every day, 73,000 acres were lost just last year. At that rate, there will be no farms left in Vermont by the year 2000. If that were to occur, imagine the irony and shame of the most rural State in the country having absolutely no farmland.

The loss of American farms is very disturbing, however, what is even more distressing is that Federal laws and regulations are directly contributing to and responsible for much of the problem. Federal programs and projects are needlessly causing countless thousands of acres of farmland to be taken out of agriculture. I say needlessly because, in many instances, that farmland could have been saved if the preservation of farmland had been taken into serious consideration before those Federal projects were carried out. Farmland could have been preserved without incurring higher Federal costs or limiting any Federal projects.

Mr. President, farmland is so critical to the welfare of this Nation that we should have sound data on various aspects of that land. This information is needed if we are going to make rational and informed decisions as to Federal actions affecting farmland. This legislation would provide that information.

Furthermore, information on U.S. farmland should be available to State and local governments who desire it. This legislation provides that information dispersion service through the Soil Conservation Service of the USDA.

This Nation desperately needs a farmland preservation policy, a policy that would check Federal actions which bring about the loss of farmland. This legislation provides that policy. It is a policy which would mandate that farmland preservation receive serious consideration whenever Federal laws and regulations are promulgated and implemented or Federal programs administered.

It is important to emphasize that this legislation would in no way usurp or limit the sovereign rights of States and individuals over their land. This bill recognizes, respects and protects those rights.

Mr. President, many State and local governments are very interested in establishing and designing their own programs to limit the loss of farmland in their areas. However, these ambitious programs can be incredibly expensive, especially in the initial phases. The Farmland Protection Act would help States to meet a portion of those expenses. The bill provides Federal funds for a limited number of States or locally selected and designed pilot projects to demonstrate innovative methods of preserving farmlands. No demonstration projects could be funded which were not selected and designed by the State and local governments themselves. The bill is designed to help States in their efforts to preserve farmlands, not vice versa. The bill will in no way usurp the rights of individuals, local governments, or States over their lands.

Mr. President, I cannot overemphasize the importance of the Farmland Protection Act. If there are no farms, there is no food. The legislation we present today attempts to deal with this most serious problem in a comprehensive fashion. It provides for research on the loss of farmland, it helps States and local governments in their efforts to preserve farmlands, it provides comprehensive technical assistance to areas wanting to save their farms, and most importantly, it checks Federal actions which contribute to the loss of farmland. For the good of the Nation, it is imperative that the Senate give this bill its prompt and positive attention.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the text of the bill, together with a summary, be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 795

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Farmland Protection Act".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress hereby finds that—

(1) the decrease in the nation's agricultural land base threatens the ability of the United States to produce food in sufficient quantities to meet the domestic needs of the United States and to help supply the needs of the rest of the world;

(2) the extensive use of agricultural land for nonagricultural purposes in the United States undermines the economic base of many rural areas of the nation;

(3) Federal actions are important determinants in the conversion of agricultural land and often are directly responsible for the conversion of agricultural land to nonagricultural uses;

(4) many State and local governments are interested in developing innovative and effective programs to protect and maintain agricultural land for agricultural uses but lack the financial or technical resources to initiate or develop such programs;

(5) each year an alarmingly high number of acres of land (between two and three million acres), including land in and around urban areas, are being converted from actual or potential agricultural uses to nonagricultural uses;

(6) despite a history of increasing yields per acre, further increases in agricultural production will depend—

(A) upon variable and unpredictable factors such as changing weather patterns, population growth, soil erosion, air pollution, competition for and availability of water, genetic vulnerability, increased costs, and scarcities of fuels and fertilizers, and other factors; and

(B) upon the quantity, quality, location and financing of agricultural land;

(7) urban and industrial encroachment into high productive agricultural areas adversely affects agricultural yields as a result of air pollution and competition for water;

(8) agricultural lands are a unique resource and should be protected because such lands—

(A) provide fresh agricultural products for consumers at affordable prices by means of direct marketing;

(B) provide beautiful and natural scenery and physical separation between developed areas; and

(C) contribute to the quality of life urban residents enjoy;

(9) information on the quantity and location of agricultural land being converted from agricultural uses to nonagricultural uses is incomplete and, therefore, unavailable to States and units of local governments which need such information to make informed decisions concerning the utilization of agricultural land within their respective jurisdictions; and

(10) information on the types of programs that are best suited for protecting and maintaining the quantity and quality of agricultural land is also incomplete and the feasibility and effectiveness of implementing such programs needs to be studied and tested.

(b) It is, therefore, the purpose of this Act—

(1) to establish a procedure requiring Federal agencies to consider the effects of their major actions on agricultural land;

(2) to establish the following programs under the Secretary of Agriculture:

(A) a program to study the quantity, quality, location, availability, ownership, and public financing of agricultural land in the United States and to study the effect of availability of agricultural land in relation to the national concern for other major problems including energy, the economy, the environment, urban growth and development, foreign relations and trade, and humanitarian assistance to other countries; and to report on efforts by States and localities to preserve farmlands;

(B) a research program to develop, test, and demonstrate methods of protecting and maintaining the quantity and quality of agricultural land;

(C) a program to provide technical assistance to States and units of local government concerning methods of protecting and maintaining the quantity and quality of the agricultural land within their respective jurisdictions and to provide financial assistance to such governments for the purpose of selecting and developing plans to implement methods of protecting and maintaining the quantity and quality of such land.

TITLE I—FARMLAND PROTECTION

DECLARATION OF PURPOSE

SEC. 101. It is the purpose of this title—

(1) to recognize and respect the rights and responsibilities of private landholders in making decisions with regard to the use of their land and the rights and responsibilities of State and units of local government in developing public policies regarding the use of non-Federal lands;

(2) to provide for—

(A) the management of Federal lands in a manner which requires Federal departments and agencies to consider the effects of such management have on nearby agricultural land; and

(B) the coordination of such management with the management of adjacent agricultural lands;

(3) to conduct Federal programs so that such programs contribute to the Nation's short and long range needs for protecting the natural environment and to assure adequate supplies of food, fiber, wood, water, and agricultural land.

(4) to assure that Federal actions do not cause agricultural land to be irreversibly converted to nonagricultural uses unless other national interests override the importance of preservation, or otherwise outweigh the environmental benefits derived from their protection; and

(5) to provide technical assistance and financial support for State and local programs to preserve the quantity and quality of the farmland located in State and local areas.

(6) to assist practicing farmers in protecting their land from pressures that impact on their livelihood.

POLICY

SEC. 102. (a) The Congress authorizes and directs that, to the fullest extent possible—

(1) the policies, regulations, and laws of the United States shall be interpreted and administered consistent with the policies set forth in this title; and

(2) all departments and agencies of the Federal Government shall—

(A) identify and develop methods and procedures, which will insure that presently unquantified agricultural values may be given appropriate consideration in decision-making along with economic, technical, and environmental considerations;

(B) identify the effects of any action they may undertake on agricultural lands and specify in the Federal Register what alternative proposals may be available to such action that would lessen any negative impact upon such agricultural lands;

(C) recognize the worldwide and long-range character of problems concerning agricultural land and, where consistent with the foreign policy of the United States, lend appropriate support to initiatives, resolutions, and programs designed to maximize international cooperation in anticipating and preventing a decline in the quantity and quality of mankind's agricultural land;

(D) make available to States, units of local government, institutions, Indian tribes, and individuals, advice and information useful in restoring, maintaining, and enhancing the quantity and quality of agricultural land;

(E) promote retention of agricultural land for agricultural purposes in any case in which conversion of any such land (A) is proposed by a Federal department or agency, (B) is licensed by, or requires the approval of, a Federal department or agency, or (C) is inconsistent with State or local government plans regarding the use of such land; and

(F) give public notice in any instance in which any Federal department or agency proposes to use or proposes to authorize the use of any agricultural land for a nonagricultural purpose and solicit the views of interested persons regarding such proposed action.

CONFORMITY OF ADMINISTRATIVE PROCEDURES

SEC. 103. All Federal departments and agencies shall review their present statutory authority, administrative regulations, and current policies and procedures for the purpose of determining whether there are any deficiencies or inconsistencies therein which prohibit full compliance with the purposes and provisions of this title and shall propose not later than July 1, 1980, such measures as may be necessary to bring their authority and policies into conformity with the intent, purposes, and procedures set forth in this title. Administrative proposals shall be published in the Federal Register and legislative proposals shall be submitted to the President.

CONFORMITY OF FEDERAL ACTIONS

SEC. 104. Each Federal department or agency conducting or supporting any activity or development project, or administering a regulatory authority affecting agricultural land in any State, shall conduct such activity or development project, or administer such regulatory authority, in a manner consistent, to the maximum extent practicable, with an agricultural land retention program established by such State or the unit of local government concerned.

TITLE II—FARMLAND REVIEW STUDY

STUDY AND REPORT

SEC. 201. (a) It shall be the duty of the Secretary of Agriculture (hereinafter in this title referred to as the "Secretary")—

(1) to develop, gather, and make available such information as may be necessary to allow States and units of local government to make informed decisions concerning agricultural land; and

(2) to conduct a comprehensive study of—

(A) the quantity, quality, location, availability, ownership, and financing of agricultural land in the United States;

(B) the relationship of such land to the supply, demand, and production of food;

(C) the relationship between the national concern for agricultural land and other national concerns (including energy, the economy, the environment, population growth, urban growth and development, foreign relations and trade, and humanitarian aid);

(D) the effects of urbanization, industrial development, and other nonagricultural activities (such as air and water pollution, soil contamination, and losses due to theft, trespassing, and vandalism) on agricultural land, including the productivity of such land;

(E) the effects of existing Federal laws and regulations on the use of agricultural land, including the productivity of such land;

(F) the effects of variable and unpredictable factors (including climate, agricultural technology, air pollution, genetic vulnerability, availability of future supplies of energy and fertilizer, and soil salinity) on productivity of agricultural land;

(G) the acquisitions of agricultural land by persons who are not engaged in farming activities in the United States (including acquisitions by agricultural land investment funds, trusts, foreign citizens or agents of foreign citizens, or other similar entities) and the effects of such acquisitions on agricultural production;

(H) the effects of competition for water between agricultural and nonagricultural users;

(I) methods of protecting and improving agricultural land, including an analysis of the relative costs and benefits of such methods; and

(J) methods of reducing the amount of agricultural land, especially in and around urban areas, being converted from agricultural uses to nonagricultural uses.

(b) Within 42 months after the effective date of this Act, the Secretary shall transmit to the President and to the Congress the results of the study conducted under subsection (a)(2) of this section. In preparing such report, the Secretary shall hold public hearings and invite public comment on such study.

(c) Such report shall include findings, conclusions, and recommendations of the Secretary concerning—

(1) Federal policies, programs, regulations, and laws which affect the quantity or quality of agricultural land in the United States;

(2) identification and coordination of activities (such as issuing permits and making grants or loans) which are being carried out by Federal departments and agencies and which affect agricultural land;

(3) methods of ensuring that major actions of the Federal Government are consistent with the retention, protection, and improvement of agricultural land; and

(4) methods of retaining, protecting, and improving the quantity and quality of agricultural land and the relative costs and benefits of such methods.

TITLE III—RESEARCH PROGRAM

DEMONSTRATION PROJECTS

SEC. 301. The Secretary of Agriculture (hereinafter in this title referred to as the "Secretary") shall, during the three-year period beginning on the effective date of this Act, provide financial and technical assistance to States and units of local governments for the purpose of developing, demonstrating, and testing methods of reducing the quantity of agriculture land (including agricultural land in and around urban areas) being converted from agricultural uses to nonagricultural uses.

APPLICATION

SEC. 302. Any State or unit of local government interested in conducting a project, developing, demonstrating, or testing a method of reducing the quantity of agricultural land being converted from agricultural uses to nonagricultural uses may submit to the Secretary an application at such time, in such form, and containing such information as the Secretary may, by rule, require. Such application shall, at least, contain a description of the proposed project.

APPROVAL OF APPLICATIONS

SEC. 303. (a) The Secretary shall establish and publish in the Federal Register within 4 months of the enactment of this Act, criteria for selecting applicants to receive assistance under this title. Such criteria shall give priority to applications which the Secretary is satisfied will:

(1) Provide timely and new information useful to the Secretary in carrying out his duties under this Act at a reasonable cost;

(2) provide the Secretary with a broad range of projects to study in terms of geographical locations and methods of reducing the quantity of agricultural land being converted from agricultural uses to nonagricultural uses.

(b) The Secretary may only provide assistance under this title with respect to an application—

(1) which meets the criteria established under subsection (a) of this section;

(2) which provides the Secretary with satisfactory written assurance from the applicant that the applicant has the ability to finance its share of the cost of carrying out such project and the capability of carrying out such project;

(3) which demonstrate that the applicant has agreed to—

(A) make good-faith efforts to cooperate with any Federal study on the conversion of agricultural land to nonagricultural uses.

(B) transmit to the Secretary such reports and evaluations at such times, in such form, and containing such information as the Secretary determines are necessary to carry out the purposes of this title; and

(C) provide such fiscal control and accounting procedures as the Secretary determines are necessary to assure proper disbursement and accounting of Federal funds appropriated to carry out the purposes of this title.

(c) The Secretary may provide financial assistance under this title only for projects which he determines will no longer be dependent upon Federal funds for their operation after assistance under this title has terminated. In no case may assistance be made available for any project for more than three years.

(d) The Secretary shall provide assistance under this title for a broad range of methods for reducing the quantity of agricultural land being converted to nonagricultural uses. The Secretary may provide assistance for no more than three demonstration projects that acquire an interest in land. The Secretary shall give highest priority to new techniques and methods of reducing the conversion of agricultural land to nonagricultural purposes.

AMOUNT OF ASSISTANCE

SEC. 304. (a) Subject to the provisions of subsection (b) of this section, the amount of assistance which may be provided under this title with respect to any project shall be determined by the Secretary except that in no case may such amount exceed an amount equal to 25 percent of the total cost of preparing, establishing, demonstrating, conducting, and testing such project. The remainder of such costs shall be the responsibility of the applicant and shall be provided in a manner which the Secretary determines is satisfactory. In determining the share of costs provided by the applicant, the Secretary shall include the value of services provided by the applicant in planning, preparing, and issuing reports concerning such project.

(b) Not more than 15 percent of the funds appropriated to carry out the purposes of this title in any fiscal year may be used with respect to any one project being carried out under this title during such year.

(c) In providing assistance under this title, the Secretary may make payments as the projects progress toward completion.

REPORT OF THE SECRETARY

SEC. 305. On or before September 30, 1983, the Secretary shall prepare and transmit a report to the President and to the Congress. Such report shall contain a detailed statement of the findings and conclusions of the Secretary concerning the effectiveness of methods of reducing the quantity of agricultural land being converted from agricultural uses to nonagricultural uses, together with the Secretary's recommendations for such legislation or administrative action as the Secretary considers appropriate to reduce the quantity of agricultural land being so converted.

TITLE IV—TECHNICAL ASSISTANCE PROGRAM

AUTHORIZATION FOR PROGRAM: TECHNICAL AND FINANCIAL ASSISTANCE

SEC. 401. (a) The Secretary, acting through the Soil Conservation Service of the Department of Agriculture, shall provide to States and units of local government upon their request—

(1) technical assistance concerning methods of protecting agricultural land and reducing the quantity of such land being converted from agricultural uses to nonagricultural uses; and

(2) financial assistance to enable such governments to select and develop plans for implementing methods of protecting agricultural land and reducing the quantity of such land being so converted.

(b) As a part of the technical assistance provided under this section, the Secretary shall disseminate the latest information available concerning the study and other activities being carried out by the Secretary under title II of this Act and concerning the research projects being conducted under title III of this Act.

(c)(1) The amount of financial assistance which the Secretary may provide to any State or unit of local government under this section shall not exceed 25 percent of the costs of developing a program for protecting agricultural land and reducing the quantity of such land being converted in such State or unit from agricultural uses to nonagricultural uses.

(2) Such financial assistance shall be subject to such conditions and requirements (including fiscal control and fund accounting procedures) as the Secretary may determine to be reasonable and consistent with the objectives of this section.

(3) The Secretary shall provide no financial assistance under this title for the implementation or continuation of local or State farmland protection plans.

TITLE V—GENERAL PROVISIONS

DEFINITIONS

SEC. 501. For purposes of this Act—

(1) the terms "agricultural land" and "farmland" mean any land (including cropland, pastureland, rangeland, or forest land but excluding urban land or water) which—

(A) has the combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops, or a specific food or fiber crop, and is also available for any such use;

(B) has the soil quality, growing season, and moisture supply needed to economically produce sustained yields of food, fiber or wood when treated and managed, including water management, according to acceptable farming methods;

(C) has an adequate and dependable water supply from precipitation or irrigation, a favorable temperature and growing season, acceptable acidity or alkalinity and acceptable salt and sodium content;

(D) is permeable to water and air;

(2) The term "State" means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

(3) The term "unit of local government" means the government of a county, municipality, town, township, village, other unit of general government below the State level (determined on the basis of the same principles as are used by the Bureau of the Census for general statistical purposes), or a combination of local governments acting through an areawide agency which under State law or joint exercise of power agreements have responsibilities for the formulation of regional development policies and plans.

LIMITATIONS

SEC. 502. Nothing in this Act authorizes, or may be construed to authorize, the Federal Government or any department or agency, or official thereof—

(1) to restrict or otherwise regulate in any way the use of privately owned land;

(2) to deprive landowners of their rights to property or to income from the sale of property;

(3) to abrogate, restrict, or in any way diminish existing authority and responsibilities of the various States and units of local government respecting land use, zoning, taxation, or any other aspect of the regulation, utilization, and disposition of public or private lands within their respective jurisdictions; or

(4) to violate the right of privacy of any person in carrying out the programs and studies provided for in this Act.

EFFECTIVE DATE

SEC. 503. The provisions of this Act shall become effective October 1, 1979.

AUTHORIZATIONS FOR APPROPRIATIONS

SEC. 504. (a)(1) To carry out the provisions of title III of this Act, there is authorized to be appropriated $9,000,000 for the fiscal year ending September 30, 1980, $25,000,000 for the fiscal year ending September 30, 1981, and $15,000,000 for the fiscal year ending September 30, 1982.

(2) There is authorized to be appropriated $500,000 for the fiscal year ending September 30, 1983, for the preparation of an analysis and comparison of demonstration projects carried out under title III of this Act.

(b) To carry out the provisions of title IV of this Act, there is authorized to be appropriated for the fiscal year ending September 30, 1980, and each of the three succeeding fiscal years such sums as may be necessary.

SEC. 505. If any provision of this Act, or the application of such provision to any person or circumstances, is held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

SUMMARY OF THE FARMLAND PROTECTION BILL

INTRODUCTION

The decrease in farmland threatens the ability of the United States to produce enough food to meet domestic needs and to help supply food for the rest of the world. The Soil Conservation Service in the Department of Agriculture estimates that between two and three million acres of farmland are being converted to nonagricultural uses each year. This is all the more alarming given the fact that this Nation can no longer rely on technological innovations to increase the agricultural yield on a smaller and smaller amount of land. Increases in farm production cannot be reliably projected because of changing weather patterns, soil erosion, competition for water, and increased costs of fuels and fertilizers.

Unfortunately, the United States does not have a coordinated policy to preserve farmland. In many cases, Federal actions, such as grant and loan programs for industrial or home development, for new highways, or for powerlines cover up, pave over, or divide precious farmland.

The Farmland Protection Act would establish a policy to ensure that the activities of the Federal government are consistent with the need to protect farmlands. The Bill is also designed to assist states, counties and other local governments in their efforts to reduce the amount of farmland being lost to nonagricultural uses. The Farmland Pro-

tection Act is not a Federal land use bill. There are strict limitations built into the legislation which prevent the Federal government from regulating the use of private land or depriving landowners of their property rights. Moreover, the bill does not diminish in any way the rights and responsibilities of the states and the political subdivisions of the states.

TITLE ONE—FARMLAND PROTECTION POLICY

The Congress, recognizing the importance of the protection of farmland to the economy, to the quality of the environment, and to the position of the United States as an international food-producing leader, declares that it is the policy of the Federal government, in cooperation with the states and the political subdivisions of the states, to promote the retention of farmland.

To implement this policy, Federal agencies are directed to establish procedures to consider the effects of major Federal actions on agricultural farmland unless other national interests override the importance of preservation. The policy also calls for technical assistance and matching funds for state and local farmland protection programs.

A key provision of this title requires Federal agencies to conduct programs and regulatory activities in a manner that is consistent with farmland protection programs established by a state or local unit of government.

TITLE TWO—FARMLAND REVIEW STUDY

This title directs the Secretary of the Department of Agriculture to develop, gather and make available information necessary to assist states and units of local government making decisions concerning agricultural lands. The focus of this effort will be a three and one-half year study of the quantity, quality, location, ownership and financing of agricultural land; the relation of such land to the supply, demand, and production of food; the relationship between the national need for agricultural land and other national concerns; and the effects of Federal actions on the use of farmland. The report would also identify methods of protecting and improving farmland, including an analysis of the relative costs and benefits of such methods.

TITLE THREE—RESEARCH PROGRAM

Under this title, state and local governments could apply to the Secretary of Agriculture for matching funds to conduct demonstration programs testing methods to reduce the quantity of farmland being converted to nonagricultural uses. The Secretary shall give priority to applications that provide timely and new information on a broad range of methods for reducing the loss of farmland.

The Secretary may not provide funds to programs that will require Federal assistance after the expiration of this title (three year period). Moreover, the Secretary may provide assistance for no more than three demonstration projects that acquire interests in land. Finally, the Secretary shall give highest priority to new techniques of reducing farmland conversion to nonagricultural uses.

The amount of assistance for any demonstration project will be determined by the Secretary and shall not exceed 25 percent of the total cost of the project. No demonstration program shall receive more than 15 percent of the total annual appropriation under this title. The Act authorizes $9 million in FY '80, $25 million in FY '81, and $15 million in FY '82. $500,000 is authorized in FY '83 for the analysis of the demonstration programs.

TITLE FOUR—TECHNICAL ASSISTANCE PROGRAM

The Soil Conservation Service in the Department of Agriculture is authorized to provide technical assistance to States and local governments on methods of protecting farmland.

The Secretary may also provide financial assistance to States and local governments for up to 25 percent of the costs of developing a program to protect agricultural land. No funding is available under this title for the implementation of farmland protection programs.

For further information, please contact: Ed Sheets of Senator Magnuson's Office 224-0220, Ken Pierce of Senator Leahy's Office 224-2413, Larry Phillips of Senator Jackson's Office 224-9389, or Mike Kintner of Senator Heinz's Office 224-6324.

● Mr. HEINZ. Mr. President, it is with great pleasure that I rise today to join my distinguished colleagues, Senator MAGNUSON, Senator LEAHY, Senator STEVENS, Senator PRESSLER, and others in introducing the Farmland Protection Act. The importance and necessity of preserving this Nation's agricultural land is perhaps best illustrated by the broad geographic scope of the support for this bill. From Pennsylvania to Alaska, from the Midwest to the Northeast—there is a consensus—action is needed to protect this Nation's farmland.

There can be little disagreement on the importance of our agricultural land. Farmlands provide the economic base of our rural communities. The land is the key resource in our agricultural production. It provides employment not only for the farmer and farm laborers, but also for the myriad of farm supply and equipment dealers, small businessmen, and service industries in our rural communities.

An adequate supply of farmland is also essential to our entire food supply. Thanks to the industriousness, resourcefulness, and expertise of the American farmer, we as a nation enjoy an abundance unmatched in the world. Our fertile croplands and agricultural communities have also allowed us to help alleviate international food shortages. I, for one, look with great pride on America's humanitarian commitment to feed the hungry and alleviate starvation in countries throughout the world.

The agricultural sector plays a key role in our entire economy. For example, farm exports are crucial to the U.S balance of payments, as well as to farm prices and income. In 1978, the United States had a trade deficit of $34.1 billion. Bad as this figure is, can you imagine the consequences to America if farm exports had not totaled $27.3 billion in 1978? This deficit without the positive impact of farm exports would have been a staggering $45 billion. A deficit of this magnitude clearly would have further weakened the dollar, exacerbated inflation and led to higher unemployment.

Given the importance of an adequate farmland base, I have grown increasingly concerned over the conversion of prime agricultural land into other uses. Statistics reveal that each week, the United States loses 35,000 acres of its agricultural land base. According to a recent Soil Conservation Service study, between 1967 and 1975, not only did cropland decline in this country from 431 million to 400 million acres, but also some 25 million acres, about 3 million acres a year, of rural land were converted to urban uses or inundated by water. Of this, 13 million acres were in high soil capability classes that is prime farmland. In addition to land actually developed or inundated, the same study found another 24 million acres of land were being held for future urban or other nonagricultural uses. Of this, about half was considered high quality cropland, but was not being used to its full potential because the land had been isolated by urban development, zoned for future development, or otherwise found to be uneconomic to crop because of nearby development.

This cropland conversion has taken place in all areas of the country. For example, between 1967 and 1975, 1.38 million acres of prime farmland were converted in the Corn Belt States, 1.06 million acres in the Northeast, and 1.38 million acres in the Southeast.

Now, there are those that say that the conversion of prime farmland to nonagricultural uses is of little concern, that the United States has unlimited potential cropland. Again the statistics reveal cause for concern. On the basis of a survey using 1967 data, the Soil Conservation Service originally estimated that 266 million acres were available for cultivation. However, based on 1975 data, the SCS has developed new estimates. The Agency now concludes that only 111 million acres may be available. Seventy-eight million acres are high potential lands, yet, only 35 million acres of this land could be brought into production immediately. The other 43 million acres of high potential lands have problems, such as wind and water erosion, which would require installation of conservation practices. Most of the 33 million acres of medium potential lands in the 111 million acres available require significant investment if they are to be converted to cropland.

Frankly, I find these statistics disturbing. We are clearly losing millions of acres of prime farmland. Our reserves are not as extensive as we once thought. Will we be able to meet all the demands on our food supply in the 21st century? Will we be able to continue to help feed a world whose population continues to skyrocket? Will we be able to continue to offset our staggering oil imports with agricultural exports? These are unanswerable questions. But, I believe, they illustrate the importance of coming to grips with the need to preserve our farmland.

The bill I am introducing today is an effort to address the growing problem of the loss of farmland. Essentially it has four provisions. First, in order to answer many of the questions raised by this issue, it directs the Department of Agriculture to undertake a study which will include an analysis of the quantity, quality, location, and availability of agricultural lands in the United States; an examination of the interrelationships between agricultural land and other national concerns such as energy, the economy, and the environment; an assessment of the impact on agricultural land of various Federal laws; and a thorough review of methods and techniques to preserve prime farmland.

Second, the bill makes clear that it is

the policy of the Federal Government, in cooperation with the States, counties, and local governments, to promote the retention of farmland. In order to implement this policy, Federal agencies are directed to establish procedures to insure that programs and regulatory activities are consistent with farmland protection programs at the State or local levels and do not contribute to the loss of farmland unless other national interests override the importance of preservation.

Third, the bill provides technical and financial assistance to State, county, and local governments to develop programs to protect farmland. This provision will be administered by the Soil Conservation Service through their district offices. SCS has a long and excellent record in working closely with farmers, rural residents, and local officials and I am confident it will be able to provide the technical information and guidance requested by communities seeking ways to preserve their agricultural base.

Finally, the Farmland Protection Act provides Federal matching funds for a limited number of demonstration projects to develop information on techniques to protect farmland. This section is a key part of the bill. The projects will be diverse with a wide range of geographic locations and methodology. A strong commitment at the local or State level will be needed since the Federal Government will provide only one-quarter of the necessary funding. In addition, projects will have to be completed within 3 years and all Federal funds will be withdrawn at that time. The programs funded will provide badly needed information on various techniques to preserve prime farmland and allow interested areas a means to take the necessary first step to protect their agricultural economy.

Some of my fellow Senators have raised questions whether the Farmland Protection Act is a Federal land use bill. Frankly if it was, I would not be a supporter of the bill. In drafting the bill, I insisted that we make clear from the start that the bill in no way interfere or override the rights and responsibilities of private landowners in making decisions about the use of their land. Nor will the bill conflict with State and local units of governments decisions in developing public policies regarding the use of land in their jurisdictions.

Let me speak briefly on the growing problem of agricultural land conversion in my home State of Pennsylvania. Pennsylvania's agricultural base, which contains some of the richest soils in the Nation, embraces about one-fourth of the State. A strong agricultural economy is central to the future of much of rural Pennsylvania. Agriculture is one of the leading industries in the Commonwealth and due to the hard work of our farmers generated $4.6 billion of economic activity in 1976 and provided employment to over 250,000. Pennsylvania is among the top 10 States in the production of 12 major agricultural commodities, including milk and other dairy products, apples, livestock, and poultry. The total value of the State's crops and livestock amounted to nearly $1.8 billion in 1976.

Pennsylvania's agricultural land is increasingly coming under severe pressure and disturbing trends are emerging. Since 1960, State farmland has declined from 12.3 million acres to 10 million acres and the number of farms has dropped from 106,000 to 72,000. Much of the former farmland, approximately 35,000 acres a year, is considered to be irreversibly lost to basic food production. It has been covered by highways, shopping centers, industrial plants, and housing developments.

The greatest amount of conversion is occurring in south central and southeastern Pennsylvania. Perhaps the best example of this situation is Lancaster County, the Commonwealth's most important agricultural area. The urbanized area of the city of Lancaster grew from a relatively compact 8 sqare miles in 1950 to nearly 40 square miles in 1970, an increase of almost 400 percent. During the same period, there was a corresponding reduction in land used for agriculture and other rural land uses. I am deeply concerned over these trends. Lancaster County ranks fourth in the Nation in poultry production, fifth in the number of dairy cows, and third in farms with sales of more than $2,500. There is simply no sense in allowing the agricultural economy of Lancaster County to decline through the indiscriminate conversion of prime farmland.

I wish I could report that the problem is confined to Lancaster County. Yet, much of the State is facing the same problem of the disappearance of agricultural land. Twelve of the Commonwealth's 20 leading agricultural counties contain standard metropolitan statistical areas where urbanization pressures are greatest. Erie County, 13th in the Nation in grape acreage, Bradford County, 4th in clover-timothy hay mixtures, Chester, 1st in mushroom production, Bucks and many other counties confront the same difficulties. Pennsylvania agriculture is important to its farmers; important to the Northeast; and important to the country. I want to help insure its continued viability.

I urge my fellow Senators to examine this bill closely and give it their support. Agricultural land can no longer be treated as a bottomless reservoir on an inexhaustible source of land for urbanization, industry, and energy. There are plenty of rural acres which are not good farmland for needed growth and development. Cropland, however is growing scarce. In a world of continuously growing demand for food, farmland must be viewed as an irreplacable resource—a resource which should not be paved over or otherwise taken out of production unless pressing circumstances or conscious public policy dictate.

In closing let me pass on some comments from Assistant Secretary of Agriculture Robert Cutler who, in pointing out the dangers of agricultural land conversion, recently wrote:

> It is folly to endanger our long-term productivity, even with today's record harvests and grain reserves. We must not steal the farmland base from tomorrow's children. We dare not forget that floods, droughts, and plagues are always with us, carrying their potential for devastation.
>
> It is folly to shift prime farmlands out of agricultural use while trying to make up the lost production by draining and plowing up wetlands and other fragile environmental areas. Prime farmland, by definition, gives the best yields with the least input. . . .
>
> It is folly to force ourselves to cultivate mountainous and other marginal land. Such land takes more gas and oil to produce crops than does existing farmland being lost to non-agricultural use. The need for energy efficiency is just as urgent on the farm as in town.
>
> It is folly to endanger the agricultural economy that is the base of most rural communities. A strong agricultural business community is the key to making rural areas attractive. The strongest rural economy is based on sustained quality yields from long established productive farmlands.●

● Mr. NELSON. Mr. President, I am very pleased today to join my colleagues Senators LEAHY, HEINZ, and MAGNUSON in introducing the Farmland Protection Act. This is urgently needed legislation, and it is my hope that the Senate will act quickly to pass it.

The bill would do three things. First, it would establish a Federal research program to study the quantity, quality, location, availability and ownership of agricultural land in the United States. The information and expertise acquired by this study will then be used to provide technical assistance to State and local governments seeking ways to protect farmland. Second, it would establish as policy for the Federal Government that any agency taking actions which would have the effect of removing farmland from production or potential production notify appropriate State and local officials of their plans. The agencies, where possible, must also identify alternative courses of action that would have less detrimental effects on the farmland. This prenotification requirement would provide local people with the opportunity to review and in some cases to protest Federal actions which would reduce the amount of farmland in an area. Finally, it would provide $25 million annually in demonstration grants for State and local governments instituting especially meritorious farmland preservations programs.

These are modest proposals. I believe that it may well be that when more information is available on the extent to which we are losing farmland, Congress may want to take stronger action to protect this irreplaceable resource. This bill, however, is a good start.

There is no question that we are losing farmland at a disturbing rate. Between 1950 and 1974, the United States lost a total of 26 million acres of cropland and 20 million acres of range and pastureland. This represents 3 percent of the total range and pastureland and 6 percent of the cropland. The Soil Conservation Service estimates that we are continuing to lose 1,000,000 acres of cropland annually. Moreover, they estimate that there are only 33 million acres in reserve—acres that could be converted to farmland without tremendous expense. In my own State of Wisconsin, between 1954 and 1974 the acreage in production dropped from 22 million acres to 17 million acres.

These figures are alarming enough, but consider what they mean; 26 million acres of cropland could have produced about 200 million bushels of wheat, 30 billion pounds of rice, 550 million bushels of corn, and 9 billion pounds of peas—enough to provide New York City with these commodities for a decade.

In the past, we have not been very concerned about the loss of farmland because we were able to produce more on the land we did have. In this decade, however, the great increases in productivity have virtually stopped. The favorable weather of the last 20 years, many climatologists believe, is giving way to more unpredictable weather for the next few decades. World food demand is rising, and the United States is relying increasingly on its food exports to balance its energy imports. If we have reached a technological plateau in agricultural production, then the only way we can assure an adequate food supply in the coming decades of rising demand and uncertain weather is to assure that enough farmland is in production.

Unfortunately, there is no national effort to do this. Urban growth is clearly the main cause of the disappearance of farmland, yet projections by the Senate Interior Committee a few years ago predicted that by the year 2000 we will have doubled the amount of land devoted to urban uses. That would mean an area as large as New Hampshire, Vermont, Massachusetts, and Rhode Island would have been consumed by urban sprawl. As much as one-half of this land will be cropland, since the features that make land good for farming often make it good for development as well.

Much urban growth is beyond the control of the Federal Government, but much of it is not—in fact, much urban growth is caused by Government policies. Highway construction, for instance, has consumed 21 million acres of rural land, an amount equal to all the farmland in Wisconsin. Many of these highways are federally funded. When the Government builds a highway, development around the highway inevitably follows. Frequently, this highway building has taken little heed of the needs of farmers. Roads are built along diagonals crosscutting existing farms, or are built in prime farm areas instead of areas of limited farming potential.

Federal grants and loans for water and sewer construction, for industrial park development, or for housing development often encourage growth in prime farmland areas, while Federal dollars to build airports extend the urban fringe to rural areas.

Certainly no one would advocate that the Federal Government stop doing all these things altogether. What is needed, and what this bill provides, however, is that when a project is being considered, its effects on agricultural land should be considered as well. Appropriate local officials should be notified of the plans in advance so that alternatives may be considered. In many cases, it will be possible to find ways to accomplish the same development purposes with substantially less effect on farmland.

Other Federal programs destroy farmland as well. Water development projects of the Corps of Engineers and the Bureau of Reclamation take hundreds of thousands of acres annually. Altogether 10 million acres have been inundated by the Government, much of this rich bottomland. In the Oahe and Garrison projects in the Dakotas, for instance, the Bureau of Reclamation proposed to build irrigation projects that would remove more land from production than the projects would irrigate. Congress has stopped the Oahe project and the administration is proposing large cutbacks in the Garrison project, but these examples illustrate the need for a greater Federal sensitivity to the issue of the loss of farmland. This bill would establish a process to help assure that sensitivity.

The Federal Government, however, cannot be the main source of action on this issue. Land use is an issue that State and local government must decide. Many States have already instituted farmland preservation programs. A few localities purchase the development rights for farmland so that farmers will not be tempted to sell to developers, while many States have agricultural use zoning statutes to prevent development in farm areas. I am proud to say that Wisconsin has enacted a State law that is widely considered to be the best farmland preservation program in the country. Under the Wisconsin law, a farmer can sign a contract with the State agreeing not to develop his land for a specific time. In return, the farmer receives income tax credits of up to $4,200 a year, depending on the amount of property tax he pays and the size of his family's annual income, as well as whether or not his country has created an agricultural land preservation program. After 1982, only farmers in counties with agricultural preservation plans consistent with the guidelines of the State program are eligible for the credits. If a farmer develops his land or sells it to someone who does, he must pay back the tax credits he received.

This program is working well. In the first 7 months of operation, 1,628 farmers had already signed up. Hopefully, other States will follow Wisconsin's lead. This bill encourages that in two ways. First, the bill calls for a national study of the problem of the disappearance of farmland, since information on this problem is still very inadequate. The study will also include evaluation of State and local programs, so that States interested in adopting their own programs can know which work best. In addition, the bill provides $25 million annually in demonstration grants for State and local governments to help finance projects which could serve as models for other States and localities.

As I stated before, this bill is only a modest first step toward saving our precious agricultural land, but it is an important one and I urge its speedy passage.●

● Mr. WILLIAMS. Mr. President, I am delighted to join Senator MAGNUSON and several other Senators in introducing the Farmland Protection Act. This bill would declare a national policy to promote the retention of agricultural land. In carrying out this policy, it would require all Federal agencies to consider the effects of their actions on agricultural land and to make sure that their activities are consistent with State and local farmland protection programs. The bill would direct the Secretary of Agriculture to conduct a study of the quantity, quality, and ownership of farmland and to identify methods of protecting and improving it. The bill would make $49 million available in matching grants to States and local governments over a 3-year period for demonstration programs to test methods of preventing the conversion of farmland to other uses. In addition, the Soil Conservation Service would provide technical assistance to States and local governments in their farmland protection efforts.

Mr. President, my appreciation of the need for such legislation stems largely from the experience of my own State, the most densely populated in the Nation. New Jersey farmland is the most expensive in the Nation, with correspondingly high prices for farm equipment and supplies. Air and water pollution have had an impact of farm productivity.

At the same time, developers have applied increasing pressure on New Jersey farmers to sell their choice land for residential and commercial uses. In the 1960's such pressures were causing the loss of an average of three farms a day.

Despite all of these factors which make it difficult to continue to farm, New Jersey is still one of the Nation's leading producers of a number of crops. In 1976, it was second in the Nation in blueberry production, third in cranberries, fourth in tomatoes, spinach, and green peppers, and fifth in peaches and asparagus. New Jersey clearly makes a substantial contribution to our Nation's food supply. Its farms provide a nearby source of fresh food or the largest metropolitan area in the Nation.

The State has taken steps through its tax laws and through the work of its department of agriculture to protect its valuable farmland, but my State is not alone in facing this critical problem. Nationwide the conversion of agricultural land has reached alarming proportions. Between 1967 and 1975, 23 million acres were converted to other uses, and another 2 to 3 million acres more are lost each year. I believe that we must begin now to develop the information and the expertise we need to curb this trend. The legislation which I am pleased to join in sponsoring today would be an important step in that direction.●

By Mr. CANNON (by request):

S. 796. A bill to reform the economic regulation of railroads, and for other purposes; to the Committee on Commerce, Science, and Transportation.

RAILROAD DEREGULATION ACT OF 1979

Mr. CANNON. Mr. President, today I am introducing by request of the President and the Department of Transportation legislation that will amend those parts of the Interstate Commerce Act that authorize the economic regulation of the railroad industry.

The financial difficulties of the rail industry are well recognized. Because of the fundamental crisis in the rail industry, the Federal Government has been obliged to contribute over $1 billion annually to the preservation of the rail freight system. Continuation of the trends to smaller traffic shares, increased deferred maintenance, and decreasing returns on investment could result in an industry facing enormous capital shortfalls and increasing dependence on the financial support of the Federal Government.

Mr. President, I am convinced that maintenance of a healthy and efficient private sector rail freight transportation system is essential if this mode of transportation is to continue to play its vital role in our Nation's transportation network. The rail crisis must be solved. However, I do not believe that increasing direct Federal assistance can be the answer. In October of this year, the Secretary of Transportation issued a report entitled, "A Prospectus for Change in the Freight Railroad Industry." That report analyzed the causes and implications of the present state of the rail industry and concludes that a major contributor to the industry's problems is the total Interstate Commerce Commission's authority to regulate railroad rates and services. The administration believes that the legislation I am introducing today at its request will solve the problems by establishing a system of regulation that allows rate flexibility and encourages rail innovation, but also provides a mechanism which corrects abuses should they occur.

Mr. President, I believe that the rail crisis is real, immediate, and deserving of the Commerce Committee's highest priority and closest consideration. In this regard, the committee will conduct a series of hearings beginning on April 12, 1979, with an overview of the administration's proposal which will also serve as a foundation for subsequent and more detailed hearings on the specific issues addressed in the bill.

Mr. President, I ask unanimous consent that the text of the bill, along with the Secretary's letter of transmittal, a section-by-section summary, a DOT fact sheet, and a DOT paper entitled "Frequently Asked Questions About Railroad Regulatory Reform Legislation" be printed in full in the Record following my remarks.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 796

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "Railroad Deregulation Act of 1979".

RAILROAD TRANSPORTATION POLICY

Sec. 101. Railroad Transportation Policy.—(a) Add a new section 10101a to title 49, United States Code, immediately following section 10101 of title 49, United States Code, to read as follows:

"§ 10101a. Railroad transportation policy

"To assure the development and maintenance of a healthy, efficient freight transportation system, in the private sector, in which the various modes of transportation are subject to impartial regulation, the Interstate Commerce Commission shall consider the following as being in the public interest:

"(a) maximum reliance on competitive market forces and on actual and potential competition among all transportation modes to provide transportation services at fair prices and to enable efficient and well-managed carriers to earn adequate profits and to attract capital;

"(b) avoidance of undue concentrations of market power;

"(c) reduction of regulatory barriers to entry into and exit from the industry;

"(d) maintenance of fair wages and working conditions;

"(e) operation of transportation facilities and equipment without detriment to the public health and safety; and

"(f) development and maintenance of a transportation system responsive to the needs of the public, in which regulatory decisions are reached fairly and expeditiously.".

(b) Section 10101 of title 49, United States Code, is amended by striking the first word, and adding at the beginning the following: "Except where policy may have an impact on rail carriers, in which case the principles of section 10101a of this title shall govern, to".

(c) Amend the index to chapter 101 of title 49 by adding the following after the first line:

"10101a. Railroad transportation policy.".

RATEMAKING

Sec. 102. Maximum and Minimum Rate Regulation.—(a) Section 10701 of title 49, United States Code, is amended as follows:

(1) The title is amended by inserting "other than for rail carriers" after the word "practices".

(2) Subsection (a) is amended by adding the words "subchapter I (other than a rail carrier), II or III of IV of" after the word "under" in the first sentence.

(3) Subsection (b) is stricken.

(4) Existing subsection (c) is renumbered as subsection (b) and amended by adding the words "(other than a rail carrier)" after the words "either of those subchapters".

(5) Existing subsection (d) is renumbered as subsection (c).

(b) A new section 10701a of title 49, United States Code, is inserted immediately after section 10701 of title 49, United States Code, to read as follows:

"§ 10701a. Standards for rates and conditions of service for rail carriers

"(a) General Rule.—Subject to the provisions of subsection (b) (from January 1, 1980, through December 31, 1984) and of subsection (c) of this section, a rail carrier subject to jurisdiction of the Interstate Commerce Commission under subchapter I of chapter 105 of this title may establish any rate and condition for transportation or other service provided by the carrier. In addition, one or more rail carriers may, by contract, agree with one or more purchasers of rail services on specified rates and conditions for specified services. Such agreements or contracts shall not be subject to the provisions of subsections (b) and (c) of this section.

"(b) Transition Period—Regulation of Rate Increases.—(1) From January 1, 1980, to December 31, 1984, any rail carrier rate that exceeds the base rate, increased by 7 percent annually, shall be subject to the provisions of subparagraphs (2) through (7) of this subsection. The base rate is the rate in effect for substantially similar services on January 1, 1980, adjusted by multiplying the rate by a fraction, the enumerator of which is the latest published Quarterly Implicit Price Deflator for Gross National Product compiled by the United States Department of Commerce (or any successor index) (the 'GNP Deflator') and the denominator of which is the same index for the fourth quarter of 1979. The base rate for services for which there was no commodity rate on January 1, 1980, and for rates established under paragraph (5) of this subsection shall be such rate adjusted by multiplying the rate by a fraction the numerator of which is the latest published quarterly GNP Deflator and the denominator of which is the same index for the quarter immediately preceding the establishment of the base rate.

"(2) From January 1, 1980, to December 31, 1981, one or more rail carriers may put into effect a rate increase described in section 10703(a)(3)(B) so long as that increase does not exceed the base rate. The base rate is the rate in effect for services substantially similar to those affected by the increase on January 1, 1980, adjusted by multiplying the rate by a fraction, the numerator of which is the latest published quarterly GNP Deflator and the denominator of which is the same index for the fourth quarter of 1979.

"(3) During the period January 1, 1980, to December 31, 1984, the Commission may, subject to subparagraphs (4) through (8) of this subsection, order a reduction in the amount of a rate increased in excess of those described in subparagraph (a) of this subsection, except where such increase raises the rate to a level at which it covers only the incremental cost of providing the service, as defined in section 10102(11) of this title. A rate may be reduced only upon investigation initiated on petition of a complaining purchaser of transportation service or an organization representing a complaining purchaser. Before an investigation may be initiated, a complaining purchaser must demonstrate on the record that—

"(A) it will be or has been competitively damaged by imposition of the rate complained of; and

"(B) it is likely to prevail on the merits of any investigation actually undertaken.

"(4) In any such investigation, the complaining purchaser must demonstrate, on the record, by clear and convincing evidence, that it has no reasonable alternative to transportation by the carrier proposing the increase. The complaining purchaser must address and the Commission must make a specific finding on each of the following:

"(A) transportation services and associated rates offered by rail carriers other than the rail carrier proposing the increase, by other common carriers of other modes and by combinations of modes;

"(B) the possibility of and cost of private carriage; and

"(C) the existence of alternative markets for or sources (as appropriate) of its goods.

In making its determination under this subparagraph, the Commission must find that the complaining purchaser has a reasonable transportation alternative if comparable motor carriage is available at rate not in excess of 125 percent of the rail rate at issue or if carriage by rail and water or rail and motor carrier is available at a rate not in excess of 110 percent of the rail rate at issue, or if comparable traffic from that purchaser has moved at a rate in excess of the rail rate at issue during the year prior to the effective date of the rail rate at issue.

"(5) If the Commission finds, taking into account all the factors listed, that the complaining purchaser has no reasonable transportation alternative, then the rail carrier establishing the increase shall bear the burden of proving, by clear and convincing evidence, on the record, that the increase is reasonable.

"(6) If the Commission finds that the complaining purchaser has no reasonable transportation alternative and that the rate at issue is not reasonable, it may order the rate reduced. However, no rate may be reduced by the Commission below the level required to assure the rail carrier revenues which are (A) adequate to cover total operating expenses, including an allocable share of indirect costs and depreciation and obsolescence incurred, and (B) which, when considered in the context of revenues received by the affected carriers from other sources, will yield an overall adequate return on capital, as defined in section 10102(1) of this title. In no instance, however, may the Commission set a rate which yields a return on the capital used to provide the service which is greater than twice the overall rate of return as calculated pursuant to section 10102 (1) of this title. In addition, the Commission may not reduce the rate below that which could be established under subparagraph (1) of this subsection.

"(7) Any rate reduction ordered by the Commission shall apply only to the portion of the rate to the nearest interchange point at which a water carrier or two or more rail carriers that have not discussed the rate at issue operate, unless such interchange point is more than 50 miles from the origin or destination of the shipment, in which case the reduction may be for the entire rate. In addition, any rate reduction ordered by the Commission shall apply only to the complaining purchaser and affiliated entities. The complaining purchaser and affiliates may ship at the reduced rate only as long as they ship all output that can practicably be moved by rail, container-on-flat-car, or trailer-on-flat-car between the points covered by that rate via the rail carrier or carriers affected by the rate reduction.

"(8) Notwithstanding any other provision of this section, no increase in a rate previously reduced under this subsection may be proposed to be effective less than 12 months after the effective date of the Commission's order reducing the rate.

"(9) An action under this subsection may be brought by a group of similarly situated purchasers, but the showing required by paragraph (3) must be made for each member of the group before such member may benefit from a rate decreased.

"(c) Rate Decreases.—No rail carrier shall, with the intent to eliminate a competitor, set a rate below a level that contributes to the establishing carrier's going concern value. Any rate that covers incremental cost, as defined in section 10102 of this title, shall be found to contribute to going concern value. Upon a determination, based on the record after opportunity for hearing, that a protestant has demonstrated that a rate is in violation of this section, the Commission may order such rate to be raised only to a level that contributes to the going concern value of the carrier.

"(d) Demand-Sensitive Rates.—A rail carrier may establish a tariff, for any movement or group of movements, under which rates may be raised or lowered, between published minimum and maximum levels, on publication, in response to either expected or actual fluctuations in demand for rail service. The conditions under which rates shall be raised or lowered, and upper and lower limits on the rates, shall be set forth clearly in the tariff. From January 1, 1980, to December 31, 1984, except where a complaining purchaser can show that a particular rate level covered by such tariff remained in effect for more than 120 days in any 150-day period, in which case subsections (b) and (c) of this section shall apply with respect to such rate, subsections (b) and (c) of this section shall apply to the unweighted average rate actually charged under such tariff in any 6-month period during which it is in effect. For purposes of this subsection, a given rate level shall be deemed to include rates up to 3 percent above and 3 percent below any given level.".

(c) Amend the index to chapter 107 of title 49 by adding the words "other than for rail carriers" after the word "practices" in the line dealing with section 10701 and by adding a new line immediately following the line to read as follows:

"10701a. Standards for rates and conditions
of service for rail carriers.".

Sec. 103. Investigation of Rates and Orders Setting Rates.—(a) Section 10704(a) (1) of title 49, United States Code, is amended by changing the period at the end of the first sentence to a comma, by adding immediately thereafter the words "subject to the provisions of section 10701a.".

(d) Section 10707(a) of title 49, United States Code, is stricken.

(c) Section 10704(f) of title 49, United States Code, is renumbered subsection (e) and amended as follows:

(1) Change the period at the end of the first sentence to a comma and insert immediately thereafter the words "except that with respect to a rail carrier, the Commission may begin an investigation only upon complaint.".

(2) Change the comma after "of this title" in the second sentence to a period and strike the remainder of the sentence.

(d) Section 10707(a) of title 49, United States Code, is amended as follows:

(1) In the first sentence thereof, strike the words "on its own initiative or" and insert the words "containing the allegations required by section 10701a" after the words "interested party".

(2) Insert the following sentence after the first sentence: "No investigation may be ordered with respect to any rate increase that becomes or is scheduled to become effective after December 31, 1984.".

(e) Section 10707(b) (1) of title 49, United States Code, is amended as follows:

(1) In the first sentence thereof, strike "7th" and insert in lieu thereof "4th", and strike everything after the word "after" and insert in lieu thereof "a complaint is filed.".

(2) Strike the second sentence.

(3) Strike subparagraphs (A) and (B) and insert in lieu thereof "remains in effect.".

(f) Section 10707(c) of title 49, United States Code, is stricken.

(g) Section 10707(d) of title 49, United States Code, is renumbered 10707(c) and amended as follows:

(1) The first sentence is amended by striking all before "the Commission shall require" and inserting in lieu thereof "With respect to any rate increase investigated under this section," and by deleting all after the words "under the increase until the Commission completes the proceeding or until" and by inserting in lieu thereof the following: "4 months after a complaint is filed, whichever comes first.".

(2) The third sentence is amended by inserting after the words "final action" the words "in favor of a complaining purchaser" and by striking the period and inserting at the end of the sentence, "and may assess attorneys' fees and costs of the complaining purchaser, or any portion thereof.".

(3) The fourth sentence is amended to read as follows: "If the Commission determines that an action under this section was initiated or continued in bad faith, it may assess the complainant the costs and attorneys' fees incurred by the carrier, or any portion thereof.".

(h) Section 10707(e) of title 49, United States Code, is stricken.

(i) Section 11701(a) of title 49, United States Code, is amended by striking the initial word and inserting in lieu thereof "Except as otherwise provided, the".

Sec. 104. Joint-Line Rates and Through Routes.—Section 10705 of title 49, United States Code, is amended as follows:

(a) Subsection (a)(1) is amended as follows:

(1) Strike the first word and substitute the following in lieu thereof: "The Interstate Commerce Commission may prescribe through routes among rail carriers and between rail carriers and other common carriers subject to the jurisdiction of the Commissioner under subchapter II (except a motor common carrier of property) or III of chapter 105 of this title. In addition, except as provided in subsection (b) of this section, the".

(2) Strike the number "I".

(3) Strike the last sentence.

(b) Subsection (a)(2) is stricken.

(c) Subsection (a)(3) is renumbered (a)(2) and amended by striking the words "or joint rate applicable to it" in subparagraph (B) thereof.

(d) Renumber subsection (b) as subsection (c) and add the words "subchapter II or III of" after the word "under" the first time it appears and strike the words "of a rail or" after the words "joint rates of.".

(e) Renumber subsection (c) as subsection (d).

(f) Renumber subsection (d) as subsection (e)(1), amend it by striking the words "rail or" in the first sentence, striking the second sentence (including all subparts thereof), and adding a new subsection (e)(2) to read as follows:

"(2) Unless the participating carriers agree otherwise, a joint-line rate involving a rail carrier shall be increased or decreased by the absolute amount of any increase or decrease in the rate of any participating carrier for its portion of the traffic, and the amount of the increase or decrease shall be added to or subtracted from the share of revenues of the carrier establishing the new rate. Any participating carrier may, however, elect to cancel the joint line-rate in such event.".

(g) Renumber subsection (e)(1) as subsection (f), strike "(b)" in the first sentence and insert "(c)" in lieu thereof, and strike all of subsection (e) after the first sentence, including all of subsections (e)(2) and (e)(3).

(h) Renumber subsection (f) as subsection (g).

(i) Add a new subsection (b) to read as follows:

"(b)(1) Rail carriers subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title may among themselves, and with carriers of other modes, establish joint-line rates for through services on any route, and may agree on any division of revenues from such rates on such routes.

"(2) In the event rail carriers participating in any through route involving a rail carrier that is established by the Commission pursuant to subsection (a) of this section, are unable or unwilling to agree on joint-line rates and divisions of revenues, the applicable rate for service on the through route shall be the sum of the local or proportional rates established by each participating carrier for its portion of the route, and each carrier shall receive revenues in accordance with its local rate.

"(3) Unless the participating carriers agree otherwise, the originating carrier on any through route involving a rail carrier shall collect all revenues for the service and shall divide the revenues according to the local rates or the divisions established, as the case may be.

"(4) Nothing in this subsection shall be deemed to require the cancellation of any joint-line rates or divisions of revenue in effect on the effective date of this subsection.".

Sec. 105. Rate Bureaus.—Section 10706(a) is amended as follows:

(a) Add a new subsection (a)(1)(C) to read as follows:

"(C) 'practicably participate in that movement' means—

"(i) as to a revision of an existing joint-line rate, that a carrier has, during the 12 months preceding the discussion, agreement, or vote, actually carried traffic under the joint-line rate at issue, or

"(ii) as to a joint-line rate proposed for a movement never before conducted, or for which no joint rate was previously in effect, that a carrier has agreed to carry any traffic tendered to it under the joint-line rate at issue during the 12 months following the date on which the joint-line rate becomes effective.".

(b) Amend subsection (a) (2) (A) by adding the words "or publication of them" after the words "establishment of them," and by striking the number "10101" and inserting in lieu thereof "10101a.".

(c) Amend subsection (a) (3) (A) by adding a new sentence after the first sentence to read as follows: "Such organization shall provide that all of its meetings, except those dealing with personnel or purely internal administrative matters shall be open to the public and recorded or transcribed (a legible copy of a transcription to be available to any member of the public on payment of reasonable costs of reproduction), and that all votes and agreements shall be open, recorded, and not secret.".

(d) Amend subsection (a) (3) (A) (i) by adding the words "discuss or," after the words "rail carrier to".

(e) Effective 2 years after the effective date of this Act, subsection (a) (3) (B) is stricken in its entirety.

(f) Subsection (a) (3) (C) is renumbered as (a) (3) (B).

(g) Add a new subsection (a) (4) to read as follows:

"(4) Notwithstanding any other provision of this subsection, one or more rail carriers may enter into an agreement, without obtaining prior Commission approval, that provides solely for compilation, publication, and distribution of rates in effect or to become effective. The Sherman Act (15 U.S.C. 1 et seq.), the Clayton Act (15 U.S.C. 12 et seq.), the Federal Trade Commission Act (15 U.S.C. 41 et seq.), sections 73 and 74 of the Wilson Tariff Act (15 U.S.C. 8 and 9), and the Act of June 19, 1936, as amended (15 U.S.C. 13, 13a, 13b, 21a) shall not apply to parties and other persons with respect to making or carrying out such agreement. However, the Commission may, upon application or on its own initiative, investigate whether the parties to such an agreement have exceeded its scope and upon a finding that they have, issue such orders as are necessary, including an order dissolving the agreement, to assure that actions taken pursuant to the agreement are limited as provided in this paragraph.".

SEC. 106. ANTIDISCRIMINATION.—(a) Section 10741 of title 49, United States Code, is amended by striking subsection (a) and inserting in lieu thereof:

"(a) No carrier subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title may discriminate in price, directly or indirectly, between competing purchasers of like and contemporaneous transportation service under similar transportation conditions unless—

"(1) the cost of the service differs as between purchasers and the charges reflect only the difference; or

"(2) the degree of competition to provide the purchasers with transportation services differs as between the purchasers.

"(b) Upon petition of a purchaser of transportation services, or of a lawful representative of a locality, port, gateway, or transit point, alleging that a rail carrier has charged different prices for like and contemporaneous services under similar transportation conditions, and that such action has resulted in competitive harm to the petitioner, or, in the case of a locality, port, gateway, or transit point, to a purchaser doing business in that locality, port, gateway, or transit point (a represented purchaser), the Commission may order an investigation of the alleged discrimination. To obtain relief—

"(1) a petitioner must demonstrate, on the record, by clear and convincing evidence that different rates were charged, that the petitioner or a represented purchaser has been damaged by the alleged discrimination, not simply by the rate charged, and that the injured purchaser is in competition with the favored purchaser; and

"(2) a petitioner alleging that a rail carrier has discriminated against it by failing to offer to enter into a contract for rates and services similar to that into which another purchaser has entered must prove, in addition to the proof required in subparagraph (1) of this subsection, that the injured purchaser or represented purchaser would have been ready, willing, and able to accept substantially similar contract terms at a time essentially contemporaneous with the period during which the carrier offered the contract to the favored purchaser. The rail carrier shall have the burden of proving, by clear and convincing evidence, the cost justification for price differentials or differing degrees of competition. Costs developed in accordance with the accounting system promulgated by the Commission under section 11142(b) of this title shall be accepted as proof of cost.

"(c) A rail carrier may be found to be in violation of subsection (a) of this section with respect to a price charged for services for which a joint-line rate is in effect only if the carrier is an indispensable party to the route covered by the joint rate and if it has refused to provide the portion of the service on its route at a nondiscriminatory rate.

"(d) A rail carrier found to be in violation of subsection (a) of this section shall be required to establish nondiscriminatory rates, within the meaning of this section, for the traffic involved and to pay an injured purchaser or represented purchaser damages equal to the difference between the rate charged that purchaser and the rate charged the favored purchaser from the date the complaint was filed until the date on which the Commission issues its decision, plus interest at a rate equal to the average yield (on the date the complaint is filed) of marketable securities of the United States having a duration of 90 days. In addition, if violation is found to be willful, the Commission may order a carrier to pay the complainant's attorneys' fees and costs. If the Commission determines that an action under this section was initiated or continued in bad faith it may assess the complainant the costs and attorneys' fees incurred by the carrier, or any portion thereof.".

(b) Amend existing section 10741(b) of title 49, United States Code, by inserting the words "(except a rail carrier)" after the words "of this title".

(c) Renumber existing subsection 10741(b) of title 49, United States Code, as subsection 10741(e), and renumber all following subsections accordingly.

(d) Section 10742 of title 49, United States Code, is amended by adding a new sentence at the end thereof as follows: "A carrier subject to this section may require a connecting line to pay the incremental cost of providing any facilities or services required under this section.".

(e) Section 10726 of title 49, United States Code, is amended by deleting the words "I or" in subsection (a) (1), by striking subsection (c) in its entirety, and by renumbering subsection (d) as subsection (c).

SEC. 107. NOTICE AND PUBLICATION.—Section 10762 of title 49, United States Code, is amended as follows:

(a) Add a new sentence after the first sentence of subsection (a) (1) to read as follows: "A rail carrier that has entered into a contract to provide a purchaser of rail services with specific services at specific rates shall publish and file with the Commission the essential terms of such contract, as required by the Commission. In setting the terms to be published, the Commission, to the maximum extent consistent with the purposes of this section, shall not require publication of the name or other identifying characteristics of the purchaser of rail services.".

(b) Strike the initial word in subsection (b) (1), and insert in lieu thereof "Except with respect to the tariffs of a carrier providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title, the" and delete the number "I" in that subsection.

(c) Strike paragraph (b) (1) (B) and renumber succeeding subparagraphs accordingly.

(d) Add new subsections (b) (2) and (b) (3) to read as follows:

"(2) With respect to the tariffs of a rail carrier, the Commission may prescribe the information to be included in a published tariff, but it may not prescribe the format. 'Format' includes, but is not limited to, such items as type face, spacing, and type of index, and location of information in such tariffs.

"(3) With respect to the tariffs of a rail carrier, the word 'publish' shall mean that the tariff is generally available to the public (a) while it is in effect and (b) during the notice period set out in subsection (c) (3) or (c) (4) of this section, as applicable, except as that notice period is modified pursuant to subsection (d) of this section.".

(e) Renumber existing subsection (b) (2) as (b) (4).

(f) Strike the first word of the second sentence of subsection (c) (3), and insert in lieu thereof "Except with respect to rates under a tariff described in subsection 10701a (d), a" and add a new sentence at the end of that subsection to read as follows: "However, a tariff described in subsection 10701a (d) may not take effect until 30 days after the notice is published, filed, and held open as required under subsections (a) and (b) of this section.".

(g) Add a new subsection (c) (4) to read as follows:

"(4) Notwithstanding the provisions of subsection (c) (3) of this section, until the first anniversary of the effective date of the Rail Transportation Act of 1979, new or changed rates of rail carriers may become effective 21 days after notice thereof is published, except that rates described in the second sentence of subsection 10701a(a) may become effective immediately upon publication. Upon the first anniversary of the effective date of such Act, new or changed rates may become effective 14 days after notice thereof is published. Upon the second anniversary of the effective date of such Act, new or changed rates may become effective 7 days after notice thereof is published. Upon the third anniversary of the effective date of such Act, rates may become effective upon publication of notice thereof.".

(h) Amend subsection (d) (1) by deleting "30-day" and inserting in lieu thereof "notice".

SEC. 108. MISCELLANEOUS RATE PROVISIONS, INCLUDING RATES ON GOVERNMENT TRAFFIC, RELEASED VALUE RATES AND THE COMMODITIES CLAUSE.—(a) Section 10721 of title 49, United States Code, is stricken.

(b) Section 10727 of title 49, United States Code, is stricken.

(c) Section 10728 of title 49, United States Code, is amended by striking subsection (b) in its entirety and deleting the letter "(a)".

(d) Section 10729 of title 49, United States Code, is amended to read as follows: "Notwithstanding the provisions of any other sections of this title, any rate that became effective under this section prior to January 1, 1980, shall remain in effect in accordance with its terms, but for no longer than 5 years from its effective date, unless the parties agree otherwise. During that period, the Commission may, however, order the rate revised to a level equal to the incremental cost of providing the transportation if the Commission finds that the level then in effect reduces the going concern value of the carrier.".

(e) Section 10730 of title 49, United States Code, is amended by striking all that precedes "establish" and inserting in lieu thereof "A carrier may" and by inserting a period after "written agreement" and striking the remainder of the section.

(f) Section 10746 of title 49, United States Code, is stricken.

(g) Sections 10781 through 10786 of title 49, United States Code, are stricken.

(h) Amend the index to chapter 107 of title 49 to strike the lines referring to sections 10721, 10727, 10746, and all of subchapter V.

SEC. 109. STUDIES.—(a) At the end of the second year after the effective date of this Act, the Secretary of Transportation shall prepare and submit to the Congress a preliminary study of competition in the provision of transportation services. Specifically, the Secretary of Transportation shall address the extent to which all forms of competition are available in connection with the transportation of goods and commodities between and within all regions of the country. The study will identify factors such as types of commodities or movements that could preclude effective actual or potential competition, and determine what, if any, rail traffic is not subject to competition.

(b) At the end of the fourth year after the effective date of this Act, the Secretary of Transportation shall prepare and submit to the Congress a final study describing experience under the maximum rate regulation provisions of this Act, relating that experience to the results of the earlier study, summarizing the effects of that experience on carriers of all modes, shippers, and consumers, and recommending any legislation necessary to provide users of the freight transportation system with the benefits of competition.

(c)(1) For the purposes of the studies authorized by subsections (a) and (b) of this section, carriers of all modes, shippers, and other persons shall, upon request of the Secretary of Transportation, provide information and data relevant to the study. Such data may include, but is not limited to: traffic flows by mode and commodity between and within specified regions; relevant costs, rates, and revenues associated with the provision of existing and alternative transportation services; and existing and alternative marketing patterns for the commodities studied.

(2) Any information or documentary material provided to the Secretary or his representatives under this section, to the extent it contains or relates to trade secrets, processes, operations, or style of work or the identity, confidential statistical data, amount of source of any income, profits, losses, or expenditure of any person, firm, partnership, corporation, or association, shall be exempt from disclosure under section 552 of title 5 and no such data may be made public except as part of the projections, statistical studies, analyses, and related activities required under this section (in which case identifying characteristics shall be deleted to the maximum extent possible), and as may be relevant to any administrative or judicial action or proceeding.

(d)(1) The Secretary is authorized to request from any department, agency, or instrumentality of the Federal Government such statistics, data, program reports, and other materials as he deems necessary to carry out his functions under this section; and such department, agency, or instrumentality is authorized and directed to cooperate with the Secretary and to furnish such statistics, data, program reports, and other materials to the Department of Transportation upon request made by the Secretary. Nothing in this paragraph shall be deemed to affect any provision of law limiting the authority of an agency, department, or instrumentality of the Federal Government to provide information to another agency, department, or instrumentality of the Federal Government.

(2) The head of any Federal department, agency, or instrumentality is authorized to detail, on a reimbursable basis, any personnel of such department, agency, or instrumentality to assist in carrying out the duties of the Secretary under this section.

STRUCTURE

SEC. 120. ENTRY.—(a) Section 10901 is amended to read as follows:

"(a) Any rail carrier or other entity, including but not limited to a State or local government, a shipper, or shipper association, but not including a carrier subject to the jurisdiction of the Commission under subchapter II, III, or IV of this chapter, may—

"(1) construct and operate over a new railroad line, including an extension of an existing railroad line;

"(2) construct and operate over a railroad line that crosses another railroad line, provided that—

"(i) the construction does not unreasonably interfere with operation of the line crossed,

"(ii) the operation does not materially interfere with the operation of the line crossed, and

"(iii) the owner of the crossing line shall pay the owner of the crossed line a fair market rental or for the easement provided.

If the carriers are unable to agree on the amount or terms of payment, or operation, either party may submit the issue to the Commission for binding arbitration.

"(b) Subject to the provisions of sections 11342 and 11343 of this title, any rail carrier or other entity, including but not limited to, a State or local government, a shipper or shipper association, but not including a carrier subject to the jurisdiction of the Commission under subchapter II, III, or IV of this chapter, may acquire an existing rail carrier and operate over its railroad line.

"(c) A rail carrier providing service within a given Standard Metropolitan Statistical Area (SMSA), as defined by the Department of Commerce, shall provide switching service in a nondiscriminatory manner, at a charge not to exceed the fully-allocated cost of providing such service, to all carriers originating or terminating traffic within that SMSA.".

(b) Section 10902 of title 49, United States Code, is stricken.

(c) Amend the index to chapter 109 of title 49 by striking the line dealing with section 10902.

SEC. 121. ABANDONMENT AND DISCONTINUANCE OF SERVICE.—(a) Section 10903 of title 49, United States Code, is amended as follows:

(1) Strike the last sentence of subsection (a).

(2) Strike the dash and the number "(1)" after the word "shall" in paragraph (b)(1), and strike subparagraph (b)(1)(A)(ii) in its entirety.

(3) Renumber paragraph (b)(2) as paragraph (b)(3) and insert after paragraph (b)(1) a new paragraph to read as follows:

"(2) The Commission shall find that the public convenience and necessity require and permit the abandonment or discontinuance if—

"(A) no objection to the abandonment or discontinuance is filed, prior to 30 days prior to the date proposed in the application for the abandonment or discontinuance to become effective, by a shipper or other person that has made significant use (as determined by the Commission) of the railroad line involved during the 12-month period before the filing of the application, or by a State or political subdivision of a State in which any part of the railroad line is located;

"(B) the applicant carrier demonstrates that revenues attributable to the line or service, as the case may be, do not meet or exceed the 'full cost' of operating the line or service, as defined in section 10905(a)(1) of this title; or

"(C) the Commission determines that the benefit to the applicant carrier from abandonment or discontinuance, including any benefit arising from the ability to put capital used on the line or service to other railroad use, exceeds the detriment to the protestant and others similarly situated from loss of service, taking into account any impact the abandonment or discontinuance may have on rural and community development.".

(4) Amends subsection (c) to read as follows:

"(c) A certificate issued under this section shall be effective on the 31st day after its issuance.".

(b) Section 10904 of title 49, United States Code, is amended as follows:

(1) In subsection (a)(2)(A), strike the word "and" after the semicolon, renumber subparagraph (B) as subparagraph (C) and insert after subparagraph (A) a new subparagraph (B) to read as follows:

"(B) a statement that the line is available for subsidy or sale in accordance with section 10905 of this title, an estimate of the subsidy and minimum purchase price required to keep the line in operation, calculated in accordance with section 10905 of this title, and the name and business address of the person who is authorized to discuss sale or subsidy terms for the carrier; and"

(2) Subsection (b) is amended as follows:

(A) Strike the first word, and insert in lieu thereof the following: "Except with respect to applications that have been approved by the Secretary of Transportation as part of a plan or proposal under section 401 of the Railroad Revitalization and Regulatory Reform Act of 1976 (49 U.S.C. 1654 (a) through (d)), the".

(B) Add a new sentence following the last sentence to read as follows: "An application approved by the Secretary of Transportation as part of a plan or proposal under section 401 of the Railroad Revitalization and Regulatory Reform Act of 1976 (49 U.S.C. 1654 (a) through (d)) shall be approved by the Commission unless a protestant demonstrates on the record by a preponderance of the evidence, that the detriment to the protestant and others similarly situated from the abandonment or discontinuance exceeds the transportation benefit from the plan or proposal as a whole, as determined by the Secretary of Transportation.".

(3) Amend paragraph (c)(1) as follows:

(A) In the first sentence, delete the comma after the word "shall"; and delete the words "petition, and may, on its own initiative," after the word "on" and insert in lieu thereof the words "objection described in section 10903(b)(2)(A) of this title".

(B) In the last sentence, insert a period after the word "party" and delete the remainder of the sentence.

(C) Add a new sentence at the end of the paragraph to read as follows: "An investigation commenced under this section shall be completed within 90 days of the date on which the Commission issues the order to investigate.".

(4) Paragraph (c)(2) is amended to read as follows:

"(2) If an objection described in section 10903(b)(2)(A) is not filed within 30 days of the filing of an application to abandon or discontinue service, the Commission shall act under section 10903(b) of this title immediately upon the expiration of the 30th day after the application is filed. If an investigation is conducted, the Commission shall issue a certificate under section 10903(b) of this title, if the application is approved, when the investigation is completed: *Provided, however,* That if the investigation is not completed within 150 days of the date the application was filed, the Commission shall issue a certificate approving the application.".

(c) Section 10905 of title 49, United States Code, is amended as follows:

(1) Delete paragraph (a)(2), renumber paragraph (a)(1) as paragraph (a)(2), and insert a new paragraph (a)(1) to read as follows:

"(1) 'full cost' means the avoidable cost of providing rail freight transportation on a line, plus an adequate return on capital attributable to the line, as defined in section 10102(1) of this title.".

(2) Amend subsection (b) by striking the number "30" and inserting in lieu thereof the number "10" and by deleting everything after the words "after the publication," and inserting in lieu thereof the following: "the carrier has received an offer of subsidy under subsection (c) of this section or an offer to purchase under subsection (e) of this section, any certificate issued by the Commission authorizing the abandonment or discontinuance shall have no effect for the line or, in the case of a purchase offer, of the portion of the line covered by the offer: *Provided, however,* That if an offer of subsidy or sale is made and the sale or subsidy agreement is not consummated within 100 days after notice is published under subsection (b) of this section, the Commission shall issue a new certificate authorizing the abandonment or discontinuance.".

(3) Delete subsection (c) in its entirety and insert in lieu thereof new subsections (c) through (i) to read as follows:

"(c) During the 10 days following the date notice is published under subsection (b) of this section, any financially responsible person may offer to pay the carrier a subsidy that covers the difference between revenues attributable to the line and the full cost of continuing service. Such offer shall be filed concurrently with the Commission. If such offer is for less than the carrier's estimate provided in the notice issued under section 10904 of this title, the offer shall explain the basis of the disparity. The full cost of continuing service shall be determined by the carrier and the offeror in accordance with subsection (a) of this section. The carrier shall promptly make available to all potential offerors who request such information all information that the Commission by regulation deems necessary to allow a potential offeror to calculate an adequate subsidy offer. If the carrier and the offeror cannot agree on 'full cost' or other terms of the subsidy, either party may, within 30 days after the offer is made, submit the dispute to the Commission for binding arbitration, except that the offeror may withdraw his offer after the close of arbitration in which case—

"(i) the offeror shall pay to the operator the full cost of operation of the line, as previously determined by arbitration, for any time the line was operated or is required to be operated subsequent to the 30th day after notice was published under subsection (b) of this section, and

"(ii) the Commission shall issue a certificate authorizing the abandonment or discontinuance.

"(d) If a dispute is referred to the Commission for arbitration under subsection (c) of this section, the Commission shall have 60 days to render its decision (which shall be effective immediately upon the Commission's decision and which shall provide for the subsidy payments to be retroactive to 30 days after the date notice was published under subsection (b) of this section).

"(e) During the 10 days following the date notice is published under subsection (b) of this section, a financially responsible person (including a governmental entity) who intends to continue service on the line may offer to purchase the line or any portion thereof (including, unless otherwise mutually agreed, all facilities on the line or portion necessary to provide effective transportation services) for at least its fair market value when used to provide rail services. Such offer shall be filed concurrently with the Commission. If such offer is for less than issued under section 10904 of this title, the offer shall explain the basis of the disparity. Except as otherwise agreed by the parties, a sale under this subsection must be consummated within 100 days after notice was published under subsection (b) of this section. If the carrier completes such sale, it may not discontinue service on the line or on the portion purchased, if only a portion was purchased, until the purchaser commences service or 30 days after consummation of the sale, whichever occurs first.

"(f) If at any time prior to 30 days after notice was published under subsection (b) of this section, the carrier and the offeror cannot agree on the purchase price (which shall be no lower than the fair market value of the property when used for railroad purposes) or other terms of sale, either party may submit the dispute to the Commission for binding arbitration which shall be final as between the carrier and the offeror. The Commission shall have 50 days to render its decision, and the carrier shall continue service at its own expense during the arbitration period unless the carrier and the offeror agree that the offeror shall begin service during the arbitration period.

"(g) If a carrier receives more than one offer to purchase or subsidize, it shall, prior to the 40th day after the date notice was published under subsection (b) of this section, choose the offeror with whom it wishes to deal and complete the sale or subsidy agreement or submit the dispute to arbitration in accordance with this section.

"(h) No purchaser of a line or portion of line sold under this section may transfer or seek to discontinue service on such line prior to the end of the second year after consummation of the sale, nor may such purchaser transfer such line, except to the carrier from whom it was purchased, prior to the end of the fifth year after consummation of the sale.

"(i) Any subsidy provided under this section may be discontinued on 60 days' notice. Unless, within the 60-day period, another financially responsible party enters into a subsidy agreement at least as beneficial to the carrier as that discontinued, the Commission shall, at the carrier's request, immediately issue a certificate authorizing the abandonment or discontinuance of service on the line.".

(d) Section 10906 of title 49, United States Code, is stricken.

(e) Section 10907 of title 49, United States Code, is amended by striking "sections 10901 and 10902" and inserting in lieu thereof "section 10901," in subsection (a) and by striking "under sections 10901–10906 of this title" in subsection (b).

(f) Section 10908 of title 49, United States Code, is amended by striking "train or" in the title and wherever else it appears.

(g) Section 10909 of title 49, United States Code, is amended as follows:

(1) Strike "train or" in the title and each time it appears in subsections (a) and (b).

(2) Add a new subsection to read as follows:

"(d) The procedures governing abandonment, discontinuance, and changes in services provided by rail carriers subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title are exclusive and may not be modified by a State except where service is provided, without interstate through service including service via one or more connecting railroads, wholly within that State.".

(h) The index to chapter 109 of title 40 is amended by striking the words "train or" in the lines dealing with sections 10908 and 10909, and by striking the line dealing with section 10906.

SEC. 122. MERGERS and CONSOLIDATIONS.—(a) Section 11341 of title 49, United States Code, is amended by striking the first word and inserting in lieu thereof "Except as otherwise provided in this subchapter, the".

(b) Section 11342 of title 49, United States Code, is amended as follows:

(1) Strike "this section" in subsection (d) and insert "subsections (a), (b), and (c) of this section" in its place.

(2) Add a new subsection to read as follows:

"(e)(1) Notwithstanding subsections (a) through (d) of this section, the Commission shall approve and authorize any transaction involving one or more rail carriers that provides for the coordination of services, exchange of markets, joint use of facilities, granting of trackage rights, or transfer of substantially less than all rail assets of any such carrier unless, on the basis of comments received from interested parties and a hearing if the Commission so orders, the Commission finds that—

"(A) as a result of the transaction, there is likely to be a substantial lessening of competition, creation of a monopoly, or a restraint of trade in freight surface transportation in any region of the United States; and

"(B) the anticompetitive effects of the transaction outweigh the public interest in meeting significant transportation needs.

In evaluating any transaction under this subsection, opponents of the transaction shall have the burden of proving the reduction or elimination of competition, and the party defending the transaction shall have the burden of proving that transportation needs outweigh such anticompetitive effects.

"(2) In making its findings under this subsection, the Commission shall accord substantial weight to any recommendation of the Secretary of Transportation. Upon receipt of an application and upon the making of any finding under this section, the Commission shall publish notice thereof and shall provide a copy of such application or finding to the Secretary of Transportation.

"(3) Unless the Commission determines, within 30 days after an application is filed, that a proposal submitted under this section is of regional or national transportation significance, the Commission must issue its finding under this section within 120 days after an application is filed. The Commission must issue its finding under this section within 365 days after an application is filed where the transaction has been found to be of national or regional transportation significance.".

(c) Section 11343 of title 49, United States Code, is amended as follows:

(1) In subsection (a), add the words "except a transaction involving only two or more rail carriers" after the words "of this title".

(2) Add a new subsection at the end of the section to read as follows:

"(e) The approval and authorization of the Commission is not required for any merger, acquisition of control, transfer of all or substantially all of a rail carrier's railroad assets to another rail carrier or to a company that controls or is controlled by a rail carrier, or corporate consolidation involving only one or more rail carriers or companies that control or are controlled by rail carriers. However, no such transaction shall be effective unless the Commission certifies that the transaction is in compliance with the provisions concerning employee protection arrangements contained in section 11347 of this title. Such transactions shall be subject to the Sherman Act (15 U.S.C. 1 et seq.), the Clayton Act (15 U.S.C. 12 et seq.), the Federal Trade Commission Act (15 U.S.C. 14 et seq.), sections 73 and 74 of the Wilson Tariff Act (15 U.S.C. 8 and 9), the Act of June 19, 1936, as amended (15 U.S.C. 13, 13a, 13b, 21a), the Securities Act of 1933 (15 U.S.C. 77a et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), and the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.). No service may be abandoned or discontinued in connection with a transaction under this section except in accordance with the procedures specified in subchapter I of chapter 109 of this title.".

(3) Strike paragraph (6) of subsection (a) and strike subsection (d)(2) in its entirety and the number "(1)" in subsection (d).

(d) Section 11344 of title 49, United States Code, is amended as follows:

(1) Revise subsection (a) by inserting "(a)" after "11343" and by inserting the words "(unless such transaction involves only two or more rail carriers)" after the word "transaction" in the last sentence.

(2) Strike paragraph (2) of subsection (b) and renumber paragraphs (3) and (4) as (2) and (3), respectively.

(3) Strike the last sentence of subsection (c).

(e) Sections 11345 and 11346 of title 49, United States Code, are stricken.

(f) Section 11347 of title 49, United States Code, is amended to read as follows:

"§ 11347. Employee protection arrangements in transactions involving rail carriers

"Employee protective arrangements in transactions, under subchapter III of chapter 113 of this title involving a carrier or carriers by railroad, shall be certified by the Commission as fair and equitable in the circumstances of each transaction. No such arrangement shall be certified unless it contains levels of protection for the interest of employees who may be affected at least as protective of those interests as those provided by this section before February 5, 1976, and section 565(b) of title 45, including the issuance to affected employees of 90-day notices of intended changes and the negotiation and execution of implementing agreements prior to the effectuation of changes resulting from the transaction that may affect employees.".

(g) Section 11348 of title 49, United States Code, is amended by striking "sections 11344 and 11345" and inserting in lieu thereof "section 11344" in subsection (a) and by further striking "11711" wherever it appears.

(h) Section 11350 of title 49, United States Code, is stricken.

(i) Section 11912 of title 49, United States Code, is amended by striking "11345, 11346,".

(j) Amend the index to chapter 113 of title 49 by striking the lines dealing with sections 11345, 11346, and 11350.

FINANCIAL STRUCTURE

SEC. 130. RAIL SECURITIES SUBJECT TO THE SECURITIES LAWS OF THE UNITED STATES.—(a) Section 11301 of title 49, United States Code, is amended by revising subsection (a)(1) to read as follows:

"(1) 'carrier' means a corporation or other entity described in section 11302(a) of this title, but does not include a rail carrier.".

(b) Subchapter IV of chapter 113 of title 49 (49 U.S.C. 11361 through 11367), is stricken.

(c) The index to chapter 113 of title 49 is amended by striking the words "Subchapter IV" and everything following.

OPERATIONS

SEC. 140. CAR SERVICE.—(a) Section 11121 of title 49, United States Code, is amended to read as follows:

"§ 11121. Criteria, compensation and practice

"(a) Rail carriers providing transportation subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title may establish and publish an agreement that sets and provides an enforcement mechanism for uniform, industrywide rules covering safe and adequate car service and related practices, demurrage rates, and charges for a rail carrier's use of rolling stock owned by another rail carrier and other equipment used in rail transportation. Such agreement may not provide for joint decisions on car distribution as it relates to specific shippers, ports, or localities. Such agreement shall be submitted for approval, to the Commission, which shall approve it if it is limited to those items described in the preceding sentence and contains the procedural provisions required by this subsection. If approved, the Sherman Act (15 U.S.C. 1 et seq.), the Clayton Act (15 U.S.C. 12 et seq.), the Federal Trade Commission Act (15 U.S.C. 41 et seq.), sections 73 and 74 of the Wilson Tariff Act (15 U.S.C. 8 and 9), the Act of June 19, 1936, as amended (15 U.S.C. 13, 13a, 13b, 21a) shall not apply to parties and other persons with respect to making or carrying out such agreement. All discussions, agreements, and voting of the carriers relative to the collective establishment of such rules, practices, and rates shall be open to the public, not secret, and recorded or transcribed (a legible copy of a transcription to be available to any member of the public on payment of reasonable costs of reproduction). The Commission may, on its own initiative or on petition, investigate whether the parties to an agreement approved under this subsection have exceeded its scope and upon a finding that they have, issue such orders as are necessary, including an order revoking approval of the agreement, to assure that actions pursuant to the agreements are limited as provided in this subsection.

"(b) If the rail carriers cannot reach agreement on any or all car service, car hire, demurrage, or related practices, any rail carrier may submit the dispute to the Commission for arbitration that shall be binding as to the carriers. The Commission shall render its decision (which may be retroactive) within 90 days.

"(c) The establishment of an industrywide agreement shall not preclude a rail carrier from negotiating different terms with another rail carrier or with an individual shipper provided that if agreement between such carriers or between carrier and shipper cannot be reached, the relevant uniform industrywide rates and provisions established pursuant to subsections (a) and (b) of this section shall apply.

"(d) Rail carriers may not agree among themselves as to the terms of compensation for use of cars owned by an entity other than a rail carrier. Each rail carrier shall be free to enter into an agreement with any such car-owning entity covering all terms and conditions affecting such compensation.".

(b) Section 11122 of title 49, United States Code, is stricken.

(c) Section 11123 of title 49, United States Code, is amended as follows:

(1) Revise the title to read as follows:

"§ 11123. Transportation emergencies requiring immediate action to provide adequate rail transportation".

(2) Revise subsection (a) by—

(A) striking "Interstate Commerce Commission considers" and inserting "President of the United States finds" and by striking "Commission" and inserting "Secretary of Transportation";

(B) striking the word "and" in paragraph (3); striking the period at the end of paragraph (4) and replacing it with a semicolon and the word "and"; and adding a new paragraph (5) to read as follows:

"(5) require the handling, movement, and routing of traffic that cannot be transported by the rail carrier to which it is offered in a manner that serves the public, over one or more other railroad lines to promote commerce and service to the public, on terms of compensation the carriers establish between themselves subject to subsection (b)(2) of this section.".

(3) Revise subsection (b) by—

(A) striking "Commission" and inserting "Secretary of Transportation" and by striking "its" and inserting "the Secretary's";

(B) by adding a new paragraph to read as follows:

"(3) The Secretary of Transportation shall compensate a rail carrier for any costs incurred by it in complying with orders issued pursuant to subsection (a) of this section if such costs are not otherwise recovered, and funds are authorized to be appropriated for that payment. The Secretary shall issue regulations establishing procedures to be followed to receive compensation under this section.".

(d) Sections 11124, 11125, and 11126 of title 49, United States Code, are stricken.

(e) Section 11128(a)(1) of title 49, United States Code, is amended by striking "Interstate Commerce Commission" and inserting in its place "Secretary of Transportation" and by striking "Commission" and inserting in its place "Secretary of Transportation".

(f) Amend the index to chapter 111 of title 49 by striking the lines dealing with sections 11122, 11124, 11125, and 11126, adding a comma and the words "compensation and practice." at the end of the line dealing with section 11121, and by changing the line dealing with section 11123 to read as follows:

"11123. Transportation emergencies requiring immediate action to provide adequate rail service.".

SEC. 141. COMMON CARRIER OBLIGATION.—Subsection 11101(a) is amended by inserting, immediately after the first sentence, two sentences that read as follows: "As to a rail carrier, 'reasonable request' shall mean a request for service at a rate not found unlawful under section 10701a. A rail carrier cannot be found to have violated this section solely because it provides different frequencies or qualities of service at different prices, or offers to contract to provide service in some circumstances but not under significantly different circumstances, or fails to provide prompt service during periods of peak demand where such failure is due to prior commitment of equipment.".

ACCOUNTS AND REPORTS

SEC. 150. DEFINITIONS.—(a) Section 10102 of title 49, United States Code, is amended as follows:

(1) Add a new subsection before subsection (1) to read as follows:

"(1) 'adequate return on capital' means (a) a return on debt capital equal to the actual cost of the debt associated with capital assets employed in providing a specific service or movement or, where such cost cannot be calculated, the mean embedded cost of debt of a given railroad, plus (b) a return on the equity capital adequate to attract and retain new equity capital. To attract and retain new equity capital, the rate of return must be at least equal to rate of the return an investor could earn on equity issues of other firms of comparable capital structure and risk.".

(2) Add a new subsection after existing subsection (9) to read as follows:

"(11) 'incremental cost' means that amount by which a firm's cost change as a result of a change in the quantity of a specific service or movement provided. For purposes of this definition, a service or movement is one provided under specified conditions and circumstances, between specified origins and destinations or at a specified location or locations. For a service or movement not expected to continue beyond the life of the existing assets used to provide that service or movement and that will not be used in other service, the cost of those existing assets shall not be included in the computation of incremental cost of that service or movement, except to the extent of their salvage values.".

(3) Renumber existing subsection (1) as subsection (2) and renumber all following subsections (except new subsections) accordingly.

(b) Within 4 years after the effective date of this Act, the Commission shall revise all reporting requirements affecting carriers subject to the jurisdiction of the Commission under subchapter I of chapter 105 of this title to require the minimum amount of information necessary for the Commission to properly perform its duties under this subtitle.

SEC. 151. FINANCIAL AND COST ACCOUNTING SYSTEMS.—Section 11142 of title 49, United States Code, is amended as follows:

(a) Strike the words "cost and revenue" in subsection (a) and insert in lieu thereof "financial".

(b) Amend subsection (b)(1) to read as follows: "Not later than 1 year after the enactment of this Act, the Commission shall prescribe, for rail carriers providing transportation subject to this subtitle, a Uniform Cost Accounting and Reporting System, which shall be separate from the financial accounting system described in subsection (a) of this section. Such system shall identify and define, for each cost center—

"(A) operating and nonoperating revenues;

"(B) direct costs, including labor, materials, and direct overhead; and

"(C) indirect costs.".

(c) Add a new subsection (2) to read as follows:

"(2) The fololwing definitions shall apply to this subsection:

"(A) 'cost center' shall mean each activity, segment of line, asset, yard, shop, station, or geographic location large enough to provide accounting data sufficiently discrete to allow the costing system to yield data on specific services and lines; and

"(B) 'direct costs' are those costs that can be attributed to a specific cost center without resort to arbitrary allocation.".

(d) Add a new subsection (3) to read as follows:

"(3) The Commission shall require carriers to collect and retain data on an individual cost center basis but must by regulation establish levels of aggregations of cost centers that shall be used in providing data for public reports.".

(e) Renumber subsections (b)(2) and (b)(3) as subsections (b)(4) and (b)(5), respectively.

COMMISSION ORGANIZATION

SEC. 160. ARBITRATION PANELS.—(a) Add a new subchapter IV to chapter 103 of title 49 to read as follows:

"SUBCHAPTER IV—ARBITRATION PANELS

"§ 10351. Scope of functions

"Wherever in this title provision is made for 'arbitration by the Commission,' such arbitration shall be conducted according to this subchapter. It shall be assumed in all arbitration that the public interest lies solely in completing the proceeding by reaching an expeditious agreement (within the time stated in each specific arbitration authorization) in conformity with the standards set forth in each specific arbitration authorization.

"§ 10352. Establishment of panels

"(a) A party authorized to call for arbitration by the Commission shall do so by filing with the Commission, in a form established by the Commission, a notice of request for arbitration. Such notice shall include names of a Commissioner and an alternate chosen by the calling party to serve on the arbitration panel. The notice shall simultaneously be served on all other parties to the proposed argeement.

"(b) Within 5 days after the notice is served, the party to the proposed agreement other than the calling party shall file with the Commission, in a form established by the Commission, a response to the notice, which response shall include designation of a second Commissioner and an alternate to serve on the arbitration panel: *Provided, however,* That where there are more than two parties to the proposed agreement, all noncalling parties together shall, within 10 days after the notice is served, respond and designate.

"(c) Within 5 days after the response is served, the two designated Commissioners shall designate a third person, who may be a Commissioner, to serve on the panel.

"(d) If a designated or alternate Commissioner is unable to serve, all parties shall be immediately notified and the party that had designated such Commissioner shall, within 5 days of notification, designate another Commissioner.

"(e) Except with respect to arbitration conducted pursuant to section 10903 of this title, the Commission may grant such extensions of time as are necessary, but a decision in an arbitration proceeding must be promulgated no later than 1 year after the date on which the arbitration is called for under subsection (a) of this section.

"§ 10353. Arbitration procedures; precedent; appeal

"(a) The Commission shall establish procedures for arbitration under this subchapter, except that—

"(1) Arbitration proceedings shall be open only to the panel and its staff, the parties and their representatives, and witnesses and their representatives.

"(2) The decision rendered shall consist of the agreement reached and supporting rationale. The decision shall be available to the public.

"(b) An arbitration decision shall not be considered a decision of the Commission and shall not be considered precedent for future Commission or arbitration proceedings.

"(c) An arbitration decison shall be appealable to the United States district court for the district in which any of the parties resides or does business: *Provided, however,* That implementation of an arbitration decision may not be stayed or enjoined pending judicial review except where the petitioner alleges and proves that there has been fraud in the arbitration process. The findings and decision of the arbitration panel shall be presumed correct and may be set aside, in whole or in part, or remanded to the panel, only if:

"(1) if the decision does not conform to the substantive requirements of the section of this title under which the arbitration was authorized;

"(2) the proceedings were not substantially in conformity with this subchapter and regulations promulgated by the Commission thereunder; or

"(3) the decision was procured by corruption, fraud, or undue means or there was evident partiality or corruption in the arbitrators, or any of them.

"§ 10354. Compensation; conflict of interest

"(a) The Commission may designate one or more employees appointed under section 3105 of title 5 to advise and assist the arbitration panels established under this subchapter.

"(b) The members of a panel and any employees designated to assist them under subsection (a) of this section may administer oaths, subpena witnesses, and the production of records, and take depositions under section 10321 of this title related to matters for which the panel was established.

"(c) When carrying out their duties under this subchapter, panel members shall receive an allowance for travel and subsistence expenses as the Commission shall provide. In addition, each member of an arbitration panel who is not a Commissioner or other employee of the United States Government, shall receive a per diem compensation in an amount not to exceed the daily equivalent of the annual rate of basic pay for GS-18.

"(d) A member of an arbitration panel may not have a pecuniary interest in, hold an official relation to, or own securities of, a party to the arbitration.".

(b) Amend the index to chapter 103 of title 49 as follows:

(1) Renumber subchapter IV as subchapter V and subchapter V as subchapter VI.

(2) Add the following:

"SUBCHAPTER IV—ARBITRATION PANELS

"10351. Scope of functions.

"10352. Establishment of panels.

"10353. Arbitration procedures; precedent; appeal.

"10354. Compensation; conflict of interest.".

FEDERAL-STATE RELATIONS

SEC. 170. STATE AUTHORITY.—Section 11501 of title 49, United States Code, is amended as follows:

(a) Strike the first word of subsection (a)(1) and insert in lieu thereof "Where the Interstate Commerce Commission under other sections of this title has the authority to do so, the".

(b) Strike the word "shall" in subsection (b)(2) and insert in lieu thereof "shall, but only when authorized under sections 10701a or 10741 of this title,".

(c) Add at the end of the section a new subsection (d) to read as follows:

"(d) No State or political subdivision thereof and no interstate agency or other political agency of two or more States shall enact or enforce any law, rule, regulation, standard, or other provision having the force and effect of law relating to rates, charges, routes, classifications, rules, practices, services (including abandonments or discontinuances of service), or financial structure of a rail carrier with respect to transportation described in section 10501(a)(2).".

EFFECTIVE DATES AND CONFORMING AMENDMENTS

SEC. 180. EFFECTIVE DATE.—Except as otherwise provided in this Act, this Act shall take effect on January 1, 1980.

SEC. 181. ANTI-INJUNCTION PROVISION.—Nothing in this Act shall be construed to confer on any court the power to grant injunctive relief with respect to any of the regulatory matters dealt with in this Act.

SEC. 182. AMENDMENTS RELATING TO BANKRUPTCIES.—(a) Section 1170(b) of title 11, United States Code, is amended by amending the second sentence to read as follows: "The Commission shall report its action on the application to the court 120 days after the application is filed.".

(b) Section 1170(c) of title 11, United States Code, is amended by striking the words "or the expiration of the time fixed under subsection (b) of this section, whichever occurs first,".

OFFICE OF THE SECRETARY OF TRANSPORTATION,
Washington, D.C., March 23, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is legislation, the Railroad Deregulation Act of 1979, to amend those parts of the Interstate Commerce Act that deal with economic regulation of railroads. The legislation would diminish significantly the powers of the Interstate Commerce Commission ("Commission") to regulate the railroads and, in some cases, phase out such powers.

The legislation stems from a zero-based examination of the current rail regulatory system. It represents a coherent, economical, efficient, but carefully limited, regulatory scheme.

The legislation reflects our conviction that we face a real and immediate crisis in the railroad industry. The industry, as currently structured, but excluding Conrail, faces a potential capital shortfall of $13–16 billion through 1985. There are three railroads already in bankruptcy, two surviving only because of Federal subsidies, and several others whose financial condition is marginal. Last year the industry-wide rate of return was only 0.83 percent—far too small to attract private unsecured investment. And yet, America's industrial economy would not function without its railroads. The railroads carried almost a billion and a half tons of freight in 1977—36 percent of all freight movements. The railroads received more than $20 billion in revenues and employed a half million workers.

The rail crisis can be solved. The purpose of this legislation is to help assure that the solution comes primarily from the private sector, not from continuing infusions of Federal dollars, or from nationalization. The private sector solution means dramatic change, but its long-run effects are far less costly, and far more productive, than the alternatives.

The legislation falls into five major categories: rate regulation; rate bureaus; discrimination; industry structure; and service regulation.

With respect to maximum rate regulation, Commission authority would be entirely phased out over a five-year period. During the transition, rate increases falling within a prescribed zone would not be regulated, but increases outside the zone would be regulated in accordance with a two-part test that determines whether the shipper or receiver facing a rate increase had reasonable transportation alternatives, and whether the rate was reasonable. The Department would submit studies to the Congress after the second and fourth years describing experience under the legislation and the efficacy of competition as a regulator of rail prices, thus addressing the so-called "captive" shipper issue.

Rate decreases would be regulated in accordance with antitrust standards that prohibit pricing intended to drive competitors out of the market. Generally, rates covering the incremental costs of the service (that is, the amount by which the railroad's costs change as a result of a change in the quantity of service provided) could not be found to violate that standard.

The legislation limits rate bureau functions. Rates for services provided by a single carrier could no longer be discussed, agreed, or voted on. With respect to joint-line rates (those requiring two or more carriers), discussion, agreement, and voting would be limited to those carriers who have actually carried traffic covered by the rate within the previous 12 months, or who hold themselves out to carry the traffic if it, or the rate, is new. Antitrust immunity would be granted by the Commission only as outlined above, and, after two years, could not be granted for industry-wide general rate increases. All rate bureau meetings (including voting, but excluding purely administrative matters) would be open to the public, and rate bureaus would continue to publish rates.

The anti-discrimination provisions of the Interstate Commerce Act are rewritten to clarify existing law and to prohibit railroad discrimination between shippers, localities, ports, types of traffic, and connecting carriers of any mode, unless the railroad incurs different costs or faces different competitive circumstances in providing services to these parties. Enforcement powers under this provision would remain with the Commission.

Industry structure would be affected by new provisions governing entry, abandonments, and mergers and lesser consolidations. Entry would be essentially free, and would include provisions that help many shippers served by only a single carrier. Abandonments would be treated as they are now in the sense that the ICC would be required to find that the public convenience and necessity (P, C & N) permit or require abandonment, before it could occur. P, C & N would automatically be found if the railroad shows that the line is losing money. For other lines, the ICC would balance the costs and benefits of abandonment, although abandonments proposed as part of restructuring proposals would receive favorable consideration. Even if a line is approved for abandonment, continued service would be required if those using the line (or State or local governments) paid the costs of its operation through subsidy or purchase.

Mergers would be governed by the same antitrust laws applied to all other (nontransportation) industries, and smaller-scale restructuring proceedings would be accelerated.

Commission authority over most aspects of rail service, such as car service orders, charges for cars among railroads, and similar management prerogatives would generally be repealed. Powers to deal with emergencies would be vested in the Secretary of Transportation. The common carrier obligation to serve anyone requesting service at the prevailing rate would be retained (albeit modified to reflect diminished rate regulation), and rail management would be given greater discretion to control the timing of service. The legislation also continues labor protection provisions substantially similar to those contained in existing legislation so as to assure fair treatment of workers affected by mergers and abandonments.

The benefits of this legislation are clear, and the need for them urgent. The legislation will foster rail productivity increases, increased rail revenues, improved rail service, and greater efficiency in the transportation industry as a whole. These gains, in turn, will help to lessen and eventually eliminate rail reliance on massive Federal subsidy and to avert the prospect of nationalization. I believe that prompt passage of this legislation is imperative if the private sector solution is to work.

The Office of Management and Budget advises that submitting this legislation to the Congress is in accord with the Administration's program.

Sincerely,

BROCK ADAMS.

Enclosures.

SECTION-BY-SECTION ANALYSIS

SECTION 101. RAILROAD TRANSPORTATION POLICY

Explanation

The existing National Transportation Policy dates from the Transportation Act of 1940, and has been interpreted to emphasize protection of each mode of transportation through regulation rather than the benefits to service that can result from competition among and between the modes. This has, especially in the case of the railroads, resulted in failure to accomplish one of the goals of the policy, namely to "encourage sound economic conditions in transportation."

There is need for a new statement to cover situations in which there are impacts on rail carriers. This new statement emphasizes equality of regulation, the encouragement of free and fair competition among and between carriers of all modes. In addition, it requires regulatory policy with respect to railroads to take into consideration the impact of that policy in the context of the whole surface transportation system.

Description

Subsection (a) adds a new section 49 U.S.C. 10101a to govern rail policy. That section states that the ICC shall consider, as in the public interest, maximum reliance on competitive market forces, avoidance of undue concentrations of market power, reduction of barriers to entry and exit, maintenance of fair wages and working conditions, and encouragement of safe transportation operations. In addition, the Commission is required to be responsive to the needs of the public and to issue decisions fairly and expeditiously.

Subsection (b) limits 49 U.S.C. 10101, Transportation Policy, to situations not impacting on rail carriers.

Subsection (c) is a technical conforming change.

SECTION 102. MAXIMUM AND MINIMUM RATE REGULATION

Explanation

For nearly a century, the ICC has investigated and altered rate increases and decreases proposed by railroads. This power has, in the past, been used to hold down some rail rates to geographical areas or particular shippers that were believed to be economically disadvantaged, and to hold up other rail rates to protect the competitive positions of other modes. At the same time, and somewhat unconsistently, the Commission has been required to consider the effect of particular rates on the railroads' overall revenue levels. As shown in part by the enormous spread between the 10.6% rate of return the Commission has determined to be adequate for 1978 and the 0.83% rate of return actually achieved by all railroads, the latter goal has not been met.

The Railroad Revitalization and Regulatory Reform Act of 1976 ("4R Act") made several changes in this scheme, the most important being (i) the requirement that the Commission actually determine "adequate revenue levels" for railroads and assist the railroads in achieving it; (ii) the establishment of a requirement that the Commission could regulate maximum rates only if it first determined that a railroad had "market dominance" with respect to the traffic or movement at issue; and (iii) the restriction of minimum rate regulation to rates above that rate which "contributes to going concern value." Unfortunately, the expected benefits of those changes, including greater reliance on market forces, have not been realized, in part because the 4R Act reforms were modest with a complex system basically left intact, in part because of restrictive ICC interpretations of provisions meant to liberalize ratemaking, and in part because of railroad hesitancy or lack of resources to exact the largest possible benefit from the Act.

The new provision is based on the theory that competition for the provision of surface transportation services, of which rail services are only a part, is pervasive and that free market forces, not the Federal Government, should determine the prices to be paid for and the conditions of service. In addition, there are no "infant industries" left in the surface transportation business—each mode should be subject to the full effects of free and fair competition. In many areas, most particularly agricultural carriage by motor and water carrier and bulk carriage of such items as coal by water, rail carriers are totally regulated and their competitors are not. In the near term, there must be a zone within which business decisions on pricing can be made without intervention or fear of intervention. In the long-term, complete deregulation of rates is proposed. A five-year transition period is provided to allow shippers and receivers to adjust existing rail-related investments, contract for future rail services and develop alternate marketing patterns. The new provision also removes some archaic features of prior law caused by almost a century of successive statutory accretions.

Description

Subsection (a) removes rail carriers from the general ratemaking provisions of the Interstate Commerce Act that would remain applicable to other modes.

Subsection (b) contains the new rate regulation provisions applicable to rail carriers. Subsection (a) of new section 49 U.S.C. 10701a sets forth the general rule that any rail carrier can set its rate for services at market-determined levels. In addition, contracts for rates and services, entered into by a carrier or carriers and a purchaser of rail services (either a shipper or receiver), are explicitly permitted. Such contract rates are not subject to challenge under either the minimum or maximum rate regulation sections.

In subsection (b) of the new section, a transition rule for maximum rate regulation in the period January 1, 1980 to December 31, 1984 is set out. During that period, rates may be raised, with no regulatory investigation or interference, by 7% per year, in constant 1980 dollars. New rates or rates previously reduced may also be raised by 7% per year, in constant dollars. For a two year period, until December 31, 1981, general rate increases would be permitted, but only to cover economy-wide inflation. General rate increases are included in, not in addition to, other increases within the zone. (Of course, any economy-wide regulations on prices would supercede these rules.)

Outside the "zone of reasonableness", the Commission may undertake an investigation of the rate upon allegation of a purchaser that it has been competitively damaged by the rate increase and is likely to prevail on the merits in any subsequent investigation. Competitive damage means damage to a purchaser's competitive position, and not simply the economic fact of higher transportation costs.

In order to obtain relief, a complaining purchaser or an organization representing it must prove that it has no reasonable transportation alternative. In so doing, both the complainant and the Commission must address other existing and potential transportation opportunities, private carriage, and the existence of alternative markets for the purchaser's goods. Even if no alternative is available, the carrier increasing its rate may still avoid a rate reduction by proving the rate at issue to be reasonable. In proving reasonableness, a carrier would be expected to address such issues as its costs, and the competitive circumstances.

If there is no transportation alternative and the rate is found unreasonable, the Commission may, for the benefit of the complaining purchaser only (no other purchaser having shown that it had no transportation alternative), order the rate reduced, but not below that level necessary to cover costs and provide an adequate return on capital, when considered in the context of other revenues. In no instance, however, may the Commission set a rate that yields a rate of return on the capital involved that is greater than twice the overall rate of return calculated pursuant to section 10102(1). Thus this section provides protection to the railroad against unfairly low rates and to the "captive" shipper against excessively high rates. (See Sec. 150 (a), below). The reduced rate would, in general, be applicable only over that part of the movement where there was no rail or water competition. In order to protect purchasers, no rate lowered by Commission proceeding can be raised for twelve months after the effective date of the Commission's order. On the other hand, a purchaser receiving the benefit of a reduced rate must ship all affected output by rail (including Trailer-on-Flat-Car and Container-on-Flat-Car). Provision is made for joint actions by groups of purchasers, but in order to obtain relief, lack of reasonable transportation alternatives must be shown as to each purchaser.

Subsection (c) of the new section sets forth the general policy on rate decreases. The general policy is that a railroad may not, with the intent to eliminate a competitor, set a rate below a level that contributes to the firm's going concern value. A rate set at or above "incremental cost" as defined in 49 U.S.C. 10102(11) (see Section 150(b), below) shall be deemed to contribute to going concern value. (The definition of "incremental cost" includes a "fire sale" provision that would allow a railroad to price a service at an even lower level if it can prove that the affected line or service is going out of business.) On demonstration, the Commission may order the rate increase only to a level covering incremental cost. The Commission may assess damages for violation of this subsection under section 11705(b)(3) of this title.

Subsection (d) of the new section states that a carrier may establish a tariff that contains minimum and maximum rates and that provides for rate fluctuations within these limits in accordance with actual or predicted fluctuations in demand. Rates under such tariffs, during the transition period, will be subject to minimum and maximum rate regulation only with respect to the average rate actually charged over six-month's time, unless a given rate within the tariff range stays in effect for more than 120 days in any 150 day period. The purpose of the section is to allow a carrier to establish rates that fluctuate either by the calendar (in response to predicted seasonal changes in demand) or by, for example, the number of carloads tendered in a week or other indicia of actual demand. No advance notice beyond the publication of the tariff is required to put a rate into effect. This will allow rate fluctuations in response to peak and seasonal demands, and allow railroads to flatten peaks and troughs of demand and to compete effectively for this traffic with trucks and barges, which regularly engage in rapid price fluctuations.

Subsection (c) is a technical conforming change.

SECTION 103. INVESTIGATIONS OF RATES AND ORDERS SETTING RATES

Explanation

The ICC now has the authority, on its own or on request, to investigate a proposed rate change, and may suspend a rate on complaint. The 4R Act amended these provisions to require a complainant to show a rate likely to be unlawful before the Commission could suspend and to limit a suspension to seven months, unless the Commission explained to Congress the need for further delay. However, the provision continues to limit the railroads' ability to respond quickly to changing conditions and thus, to compete with unregulated competitors. In addition, much time, energy, and legal fees are wasted in responding to protests, frivolous and otherwise. The failure of the act to provide for collection of suspended rates later found lawful, while requiring refund of collected rates later found unlawful, merely encouraged suspension requests.

The new provision eliminates the Commission's power to suspend rates, and limits its power to investigate to situations in which an injured party requests an investigation. (Investigations of rate increases are further limited by the requirements established by new section 49 U.S.C. 10701a. See description of section 102 above.) To discourage railroad abuse of the no-suspend provision, a railroad charging a rate later found to be unlawful may, in addition to refunding the excess revenue collected and interest, be required to pay a complaining purchaser's attorneys' fees and costs.

Description

Subsection (a) requires that Commission orders on railroad rate proposals, made after investigation, conform to the provisions of section 49 U.S.C. 10701a. This limits the amount of increase or decrease that may be ordered and restricts the benefits of a Commission order to the complaining purchaser.

Subsection (b) repeals the existing section requiring the Commission to consider rate relationships among ports, commodities, etc., and the competitive damage a proposed rate will have on complaining purchasers in determining whether a proposed rate is lawful. Consideration of rate relationships was valid when railroad rate regulation was an instrument of social policy to protect certain segments of the country or certain commodities. Under deregulation, marketplace economics and efficiencies will serve the function of resource allocation. Competitive harm to shippers is one of the factors the Commission must consider under new section 10701a, and harm caused by discriminatory rates will be remedied under new section 10741. See Section 106, below.

Subsection (c) restricts the Commission to investigations into railroad affairs on complaint, repealing the Commission's power to order an investigation on its own initiative. Rate investigations may not be added to ongoing investigations in other areas.

Subsection (d) requires that rate investigations be started only on complaint, and that the allegations required by new section 10701a be contained in any applicable petition for investigation. The subsection also provides that no investigations may be made of rate increases that become effective after December 31, 1984.

Subsection (e) requires all rate investigations to be completed and a final decision issued within four months after a complaint is filed. If a decision is not made within that time, the rate protested is conclusively lawful. The provision allowing an extension of time upon notification to Congress is deleted.

Subsection (f) repeals the Commission's power to suspend a rate.

Subsection (g) provides that a carrier must refund to the complaining purchaser any portion of an increased rate later found to be unlawful, plus interest and, at the Commission's discretion, the complainant's costs and attorneys' fees. Technical changes are made to reflect repeal of the suspension power.

Subsection (h) deletes the existing provision that places the burden of proof on a protestant in a suspension proceeding as unnecessary in light of repeal of the suspension provision.

Subsection (i) conforms the general provision regarding Commission initiated investigations to the new rules on rail investigations that prohibit the Commission from undertaking such investigations on its own initiative.

SECTION 104. JOINT-LINE RATES AND THROUGH ROUTES

Explanation

Some of the most lengthy and difficult proceedings in railroad ratemaking stem from the Commission's authority to require carriers to set one rate (joint-line rates) for service on a route that requires the participation of two or more carriers (through routes). The requirement for joint-line rates leads to the issue of how revenues earned under such rates are to be divided between participating carriers—so-called division of revenue proceedings. Division proceedings may last as long as 15 years. Furthermore, the ultimate conclusion has generally tended to favor railroads with long relatively simple hauls over shorter haul carriers, particularly the Eastern railroads.

While it will continue to be useful for the Commission to designate through routes so that shippers can be assured of through service without carrying on multiple negotiations, it is not necessary for the Commission to continue to require joint-line rates. On any through route, a rate can be calculated by adding the rates of each carrier on its portion of the route (rates called "local" or "proportional"). This will avoid entirely the divisions issue. On the other hand, where there are economies or good marketing techniques that favor point-line rates, carriers should be allowed to set such rates and agree on divisions if they are able, and even to agree to determine divisions by commercial arbitration rather than by Commission proceedings. Both the sum of locals and joint rates could be published to provide shippers quick access to full point-to-point rates. The new section is based on these principles.

Description

Subsection (a) confirms the Commission's power to establish through routes involving rail carriers, but eliminates its power to set joint-line rates involving rail carriers.

Subsection (b) repeals restrictions on the type of rail through routes that may be established as unnecessary in light of the repeal of authority to require joint-line rates.

Subsection (c) conforms the prohibitions against the Commission's prescription of certain joint-line rates and through routes to reflect the repeal of authority to require railroad joint-line rates.

Subsection (d) removes the Commission's power to set divisions with respect to joint rates involving one or more rail carriers.

Subsection (e) is a technical conforming change.

Subsection (f) repeals the Commission's authority to suspend or investigate a cancellation of a joint-line rate involving a rail carrier. Since establishment of such rates is entirely voluntary, cancellation should also be permitted without restriction. The subsection also adds a new subsection (e)(2) to 40 U.S.C. 10705, providing that in the event any carrier that is a party to a joint-line rate unilaterally increases or decreases its rate for its part of the movement, the joint-line rate shall be automatically increased or decreased by the absolute increase or decrease for the part. A participating carrier would, however, have the right to cancel the joint-line rate instead.

Subsection (g) contains technical amendments to reflect the repeal of the Commission's authority to set or adjust divisions.

Subsection (h) is a technical conforming change.

Subsection (i) establishes the ground rules under which rail carriers may establish joint-line rates. The section provides (i) that railroads and connecting carriers of other modes may establish through routes, joint rates, and divisions; (ii) that as to Commission-prescribed through routes, if an associated joint-line rate cannot be agreed upon, traffic will be carried on a rate equal to the sum of the rates established by each carrier for its portion of the route; and (iii) that unless carriers agree otherwise, the originating carrier shall collect and divide the revenues earned under a joint or summed rate. The subsection also provides that existing joint-line rates and divisions may continue in effect unless the carriers decide otherwise.

SECTION 105. RATE BUREAUS

Explanation

Rate bureaus are groups of carriers that meet to discuss and vote on proposed rate and routing changes. In addition, the bureaus, by requiring notice of a proposed rate change in advance of the time the change would be filed with the Commission, provide an informal forum for complaints and comments by shippers and other carriers about the proposed changes. The bureaus also publish the tariffs of their member carriers.

Many rate bureau activities, most notably the setting of uniform rates on different routes between two locations, would violate the antitrust laws were they not granted immunity from such laws by the Commission. The Commission's authority to grant immunity started in 1949 with the Reed-Bulwinkle Act, passed over President Truman's veto, and continued, although in somewhat restricted form, under the 4R Act.

The Commission has recently exercised its powers under the 4R Act to attempt to minimize the anticompetitive effects of the bureaus' price-setting power, while holding out the possibility that the bureaus can continue to serve their valid administrative functions if they comply with the Commission's rules, the most significant of which would open all meetings and votes of the bureaus to the public. The new section builds on the Commission's decision, while retaining the Commission's authority to deny antitrust immunity altogether should other changes in the statute, such as the abrogation of the requirement for joint rates, make the bureaus unnecessary or if the bureaus cannot prove that their operations are in furtherance of the national transportation policy.

Description

Subsection (a) sets limits on a carrier's right to participate in discussion and voting on a joint-line rate by requiring that the carrier actually have carried traffic under the joint-line rate during the last twelve months (if the proposal is to change an existing rate), or must hold itself out to carry traffic under the rate at issue (if the proposal is for a new joint rate).

Subsection (b) makes explicit a rate bureau's right to publish rates, and is a clarification of existing law.

Subsection (c) requires that all bureau meetings, except those of a purely administrative nature, be open to the public, and that a transcript be available. All votes must also be open and recorded.

Subsection (d) removes the rate bureaus' authority to discuss single-line rates. The 4R Act prohibited voting on such rates, but permitted them to be discussed. Since a single carrier has the ability to alter these rates unilaterally, joint discussion tends only to result in tacit agreements or to assure that such rates are held up to the level of less efficient routes or carriers. Proposed changes in the antidiscrimination laws (see section 106, below) make discussion of single line rates to avoid violation of those laws unnecessary.

Subsection (e) removes, after two years, the Commission's authority to grant antitrust immunity to rate bureau agreements that provide for general rate increases or decreases or broad tariff changes. It is expected that the result will be that the industry will cease setting prices on an industry-wide basis. Thus, like all other industries, the railroad industry would be required to set and change prices competitively, rather than collusively. A single firm would, however, be permitted to raise all of its own rates simultaneously if it wished to.

Subsection (f) is a technical conforming change.

Subsection (g) permits a group of carriers to enter into an agreement limited to compiling, publishing and distributing rates, but not establishing them. The agreement can be entered into and carried out without Commission approval but with immunity from the antitrust laws. The Justice Department and the National Commission for the Reform of the Antitrust Laws have indicated that such agreements would not violate the antitrust laws in most cases, but the statutory provision will remove uncertainty. In order to prevent abuse of this provision, the Commission is authorized to investigate whether parties to the agreement have exceeded its authority and, if necessary, to abrogate the agreement.

SECTION 106. ANTIDISCRIMINATION

Explanation

The antidiscrimination sections of the Interstate Commerce Act, now codified at 49 U.S.C. sections 10726, 10741, and 10742, but commonly known as "sections 2, 3 and 4," are some of the most misunderstood, archaic, and misused sections of the act. In general, section 2 (49 U.S.C. 10741(a)) prohibits one railroad from charging two shippers different rates for the same service over the same line and between the same origin and destination. Section 3(1) (49 U.S.C. 10741(b)) prohibits a carrier from charging different rates to different shippers, ports, localities and districts, if the different rates result in undue preference or prejudice among the competing parties. This section, for example, is concerned with situations in which two shippers in different cities, shipping to a single destination by the same railroad, are charged different rates even though the distance is approximately the same from both origins. Section 3 also prohibits discrimination by a railroad against its connecting carriers (49 U.S.C. 10742).

Section 4 prohibits a carrier, except in special circumstances, from charging more for a short-haul than for a long-haul over the same route. This, for example, restricts a carrier's ability to give discount rates to a shipper willing to fill a car that would otherwise return to its origin empty. Another part of section 4 prohibits a rail carrier from raising a rate previously lowered to meet water competition after the water competition is no longer operating.

With the exception of the long-haul/short-haul provision, which appears to function mainly as an excuse (by either a railroad or the Commission) not to engage in competitive pricing, and which is frequently waived, the provisions have a continuing economic basis. However, interpretation has been inconsistent, and frequently unpredictable. Furthermore, the Commission has often used the provisions in ways that are contrary to development of an efficient transportation system. For example, when rail carriers shipping grain to New Jersey wanted to lower their rates to compete with motor carriers, the Commission required them to lower their rates on grain to New England also, although New England carriers face less competition from trucks. The carriers responded by not lowering the New Jersey rates, contending the wider reduction would have been too costly.

The new provision would repeal the long-haul/short-haul clause, and make more explicit the law's policy that cost and competitive differences justify different rates. It also permits ports and localities to challenge rates on the basis of their discriminatory effect when the port or locality can demonstrate that a purchaser of rail services doing business within the port or locality has been competitively injured. The water carrier protection of section 4 is subsumed by the general minimum rate regulation section, new section 10701a(c). In addition, a rail carrier's willful manipulation of rates to put a competing water carrier out of business is, if not within the scope of the Interstate Commerce Act, as amended by this bill, subject to the antitrust laws.

Description

Subsection (a) amends 49 U.S.C. 10741 by adding new subsections (a) through (c), combining old sections 2 and 3(1). New subsection (a) of 49 U.S.C. 10741 provides that a carrier cannot discriminate between competing purchasers of like and contemporaneous transportation service unless cost or competitive differences exist. "Like and contemporaneous transportation services" means service of approximately the same amount and character, such as transportation of three covered hoppers of grain per week—offered at approximately the same time.

New subsection (b) of 49 U.S.C. 10741 establishes procedural requirements for obtaining relief under subsection (a). These are that the purchaser or his representative must show that a carrier has charged different prices for like and contemporaneous transportation services under similar transportation conditions, and that the purchaser has been competitively harmed. The purchaser has the burden of showing different rates, damage, and that he is in competition with the favored purchaser. The carrier has the burden of proof on cost justification and differing competitive conditions.

New subsection (b) also provides that a purchaser alleging that he has been injured by being denied an opportunity to contract for services provided to another, must show, in addition to the requirements above, that he was ready, willing, and able to enter into a similar contract during the period the carrier was offering the contract terms to the allegedly favored purchaser.

New subsection (c) of 49 U.S.C. 10741 codifies present case law to the effect that a carrier may be found to discriminate on a joint-line rate only if it has refused to provide a non-discriminatory rate on its part of the service.

New subsection (d) of 49 U.S.C. 10741 sets the penalty for violation of the antidiscrimination sections at the difference between the rate charged the complainant and that charged the favored shipper plus interest. The Commission is authorized to assess attorneys' fees and costs against the carrier for a willful violation and against the complainant for a complaint brought or continued in bad faith. In addition, the carrier must render the rates non-discriminatory, within the meaning of this section. Thus, he may raise the low rate or lower the high one, and may have different rates if there are cost or competitive differentials that have been shown during the proceeding challenging the initial rate.

Subsection (b) makes the existing antidiscrimination provisions inapplicable to rail carriers, which are now subject to the new provisions described above.

Subsection (c) makes technical conforming changes.

Subsection (d) retains existing law requiring non-discriminatory connections and makes clear a carrier's right to charge a connecting carrier for the cost of facilities and services required to make the service provided to the connecting carrier nondiscriminatory.

SECTION 107. NOTICE AND PUBLICATION

Explanation

Current law requires rail carriers to give 30 days notice of rate changes, and to publish tariffs in accordance with complex rules, many of which were developed by the Commission prior to the advent of sophisticated data processing, transmittal, and retrieval systems. At the same time, some of the railroads' most important competitors—motor carriers carrying raw agricultural products such as grain and water carriers carrying bulk commodities including grain and coal—do not have to give notice or publish rates. The result has been that the rail system is overpriced during much of the year and not used, and underpriced and overburdened during periods when prices on the other modes increase. Increases may be the result of large harvests, but they can also arise from foreign grain sales, fluctuations in the domestic grain market or currency fluctuations.

The new provision recognizes the desirability of publishing rates, in part because complete pricing information improves the functioning of the marketplace, and in part so that shippers can assure themselves that carriers are not engaging in illegal discrimination. However, there is also a need to allow the industry to publish in the best way modern technology provides. In addition, the notice period is reduced, over a three-year phase-in period, so that rail carriers can compete effectively with unregulated carriers. Decreased rates will be effective on notice and increased rates after a one-day lag. Peak and seasonal rates, established under section 49 U.S.C. 10701a(d) (see section 102, above), immediately may provide for increases and decreases on one-day and no notice, respectively.

Description

Subsection (a) requires that the essential terms of contracts for rates and services allowed under new section 49 U.S.C. 10701 a(a), be published and filed with the Commission. This will assist smaller carriers and shippers in the development of innovative agreements, and will also make possible enforcement of the antidiscrimination provisions. Essential terms, to be defined by the Commission, include carrier(s), general origin and destination, commodity shipped, rate and minimum shipment requirements. The Commission, to the maximum extent consistent with the purpose of the section, is not to require shipper names or other identifying data.

Subsection (b) removes rail carriers from the general rules on notice and publication of rates.

Subsection (c) makes a technical conforming change.

Subsection (d) establishes new rules for publication of rail rates: the Commission can prescribe what must be in a tariff, but not its format, and "publish" means only that a rate is generally available to the public while it is in effect and during the notice period. It is expected that the freedom provided by this section will encourage either the carriers or another entity to establish a system that makes tariffs easily and promptly available, whether via computer terminal or in some other fashion, to shippers, other carriers, and freight agents. Carriers will still have to file tariffs with the Commission.

Subsection (e) makes a technical conforming change.

Subsection (f) amends the existing 30-day notice provision to provide that a particular peak or seasonal rate, established under new section 49 U.S.C. 10701a(d), may take effect immediately for decreases and on 1-day's notice for increases. However, the overall tariff, containing the upper and lower rate limits, requires a 30-day notice period. This will allow for immediate carrier flexibility to respond to changes in demand for services, and to compete with unregulated carriers but will also allow purchasers of rail services time to understand and make transportation plans based on the proposed rates.

Subsection (g) establishes the phased-in decreasing notice period for all railroad rates. Contract rates will immediately be able to become effective on publication. For other rates, for the first year after the effective date of this act, rates may go into effect on 21-days' notice; during the second year, 14-days' notice; and during the third year, 7-days' notice. After 3 years, increases may go into effect on 1-day's notice and decreases upon publication. Of course, good business practice may well require carriers to provide shippers with more advance notice, particularly of major rate changes.

Subsection (h) makes a technical conforming change.

SECTION 108. MISCELLANEOUS RATE PROVISIONS, INCLUDING RATES ON GOVERNMENT TRAFFIC, RELEASED VALUE RATES, AND THE COMMODITIES CLAUSE

Explanation

Because of the age of the Interstate Commerce Act, and the multitude of uses to which it has been put, the act contains myriad obsolete provisions designed to use railroad rate regulation to achieve various social goals. Many of these have not been used in years and either clutter the act needlessly, or permit the ICC to require railroads to subsidize other industries or areas. Others, while technically obeyed, are avoided through well-known ruses.

This section deletes, or, where necessary, amends these provisions.

Description

Subsection (a) deletes the provision allowing U.S. government traffic to travel at reduced rates. There have been two justifications for this clause—that the railroads owe it to the government because of the land grants on which they were built, and that it is essential in an emergency. The act provides extensive powers to the Secretary of Transportation to compel rail service in time of war, threat of war, or other national or local emergency. See section 140, below. In addition, studies show that on any reasonable calculation of the value of the land grants, the railroads' provision of reduced rate transportation services to the government repaid the grants before the end of World War II. If the railroads are to operate under a free market system, the government, like any other shipper, must negotiate rates that reflect the cost of the service and the competitive conditions faced by the railroads.

Subsection (b) deletes the Commission's mandate to establish rules for demand-sensitive rates. Such rates will be set, as the railroads believe useful, under the provisions of new section 10701a(d), described above at section 102.

Subsection (c) deletes the Commission's authority to establish rules for distinct service pricing (i.e., unbundling services from tariffs and pricing them separately). In a free market system, carriers and shippers should be free to set rates applicable to the services demanded by the individual shipper subject only to the antidiscrimination provisions.

Subsection (d) deletes a provision added by the 4R Act allowing a carrier to file a special rate in response to a related capital investment of $1 million or more by the carrier or a shipper. The provision has been the subject of an enormous amount of litigation during its short history and contains numerous ambiguities and loopholes. Again, the market is a better judge of when a reduced rate should be established for service using shipper-supplied capital than is the government. The subsection provides protection, however, for capital incentive rates established before the effective date of this Act, since such rates were to be guaranteed for 5 years.

Subsection (e) frees carriers and shippers to agree on reduced rates in situations where the railroad shifts to the shipper part of the loss should the cargo be destroyed. Railroads now are usually required to bear the full cost of lost cargo and any damage caused by its loss. As claims have risen, insurance has been harder and harder to obtain, and many railroads face substantial losses in the event valuable cargo, particularly of hazardous materials, is lost or damaged. On the other hand, shippers have, in many instances, the resources to insure at least part of the loss themselves. The Commission has been reluctant to allow reduced rates when the risk is shifted. Carriers and shippers should be allowed to agree on a fair rate for all service provided, explicitly taking into account the risks of loss or damage.

Subsection (f) strikes the so-called commodities clause that forbids a railroad to transport property owned by it except as the property is used in the business of the carrier. The clause is honored only in the breach, since the prohibition does not apply to commodities sold by the railroad at, for example, the mouth of a mine, and then transported by the railroad that owns the mine.

Subsection (g) repeals the subchapter dealing with valuation of carrier property. The valuation procedure is extremely time-consuming and reports produced are generally sufficiently out-of-date as to be of little value. Furthermore, the cost accounting system mandated in section 11142, as amended by section 151 of this bill, coupled with cost-based ratemaking in those instances where the Commission will retain some authority over rates, makes the valuation procedure unnecessary.

Subsection (h) makes a technical conforming change.

SEC. 109. STUDIES

Explanation

The new system of railroad rate regulation established by the bill will have substantial effects on both carriers and shippers. Some amount of confusion and dislocation, while both carriers and shippers learn to cope with the new system, is likely. This section requires the Secretary of Transportation to carry out two studies, due two and four years after the Act's effective date, of the short run and longer run effects of the Act.

Description

Subsection (a) requires the Secretary to prepare and submit to Congress a two-year status report on competition in the provision of transportation services. This report will analyze, in greater detail than previously possible, the factors that guide shippers into one or another mode of transportation and the actual inter- and intra-modal competition in the system. It will be particularly useful as a first-level assessment of the magnitude of the so-called "captive shipper" problem.

Subsection (b) requires the Secretary to prepare and submit a final study of the experience under the maximum rate provision of the Act, including recommendations for legislative action, if necessary, to assure that users of the freight transportation system will have the benefits of competition, through either competition or regulation. This study will allow Congress to assess the actual experience of shippers under an essentially free market system.

Subsection (c) requires carriers, shippers and others to provide to the Secretary information needed to carry out the studies mandated. The section also provides that the Secretary shall keep confidential the proprietary data in the information provided. Such data may be used anonymously in the studies required under this section.

Subsection (d) authorizes and directs other agencies to cooperate, through the provision of data and in other ways, with the Secretary in producing the reports.

SEC. 120. ENTRY

Explanation

Entry into the railroad industry, like exit from it, has been restricted by the Commission under a "public convenience and necessity" standard. This regulation dates from the early part of this century and was a response to the massive overbuilding of that period. While the regulation served a worthwhile purpose in the past, it now has the effect of restricting the possibilities for increased intra-modal competition.

It is generally agreed that the cost of both land and construction now severely restrict the construction of major new segments of rail line. Open entry should, therefore, not result in the overbuilding that restricted entry was meant to prevent. On the other hand, there are places where construction of a few miles of line, with a switch or crossover at another carrier's line, will provide substantial new rail-rail competition. This is particularly true in some port areas.

The new provision would free entry, by construction or acquisition, from restrictions other than those applicable to mergers, except with respect to entry by a regulated carrier of another mode. (Intermodel ownership issues will be considered in other legislation.) The new provision specifically allows construction crossing a rail line, as long as construction and operation can be accomplished without undue interference with the operation of the crossed line and a fair price is paid for the easement.

The new provision also contains a section expanding slightly and making applicable to all parts of the country so-called "reciprocal switching agreements" under which a railroad must agree to pick up and deliver cars on behalf of another carrier at a standard switching charge. This too, should expand the possibililites for intra-modal competition.

Description

Subsection (a) amends the railroad entry provision to allow free entry, by construction or acquisition, to anyone except a regulated carrier of another mode. The subsection also provides that new track may be constructed crossing another carrier's track. A fair price must be paid for the easement, and Commission arbitration is provided if the parties cannot agree. See section 160, below. In addition, construction cannot "unreasonably interfere" with the operation of the crossed line, and operation cannot "materially interfere." It is expected that construction will restrict service on the crossed line for the minimum time feasible and at times most convenient to the crossed carrier. Operation of the crossing line is expected to interfere minimally, if at all, with operation of the crossed line.

Subsection (a) also requires all carriers operating within a Standard Metropolitan Statistical Area to switch, at a standard charge not to exceed fully-allocated cost, the cars of all other carriers originating or terminating traffic within the SMSA.

Subsection (b) strikes the provision dealing with adequacy of service. In a free market economy, what service is "adequate" is a question to be resolved by buyer and seller, and is defined by price. Other sections of the Interstate Commerce Act, as amended, will provide the Secretary of Transportation power to assure that national or local transportation emergencies do not interfere with essential services. See section 140, below. The Department of Transportation's authority over rail safety continues unchanged.

Subsection (c) makes a technical conforming change.

SEC. 121. ABANDONMENTS

Explanation

Under current section 10903, railroads may not abandon a line or discontinue service without first obtaining from the Commission a certificate declaring that the "present or future public convenience and necessity require or permit the abandonment or discontinuance." The quoted phrase is undefined, and the law makes no attempt to relate this standard to whether a line is compensatory or not.

A carrier seeking abandonment has the burden of proof and it also has the burden of fulfilling a fairly complex and lengthy set of procedural requirements. Carriers must submit applications at least 60 days prior to the proposed effective date of the abandonment. However, the statute also provides in section 10904 that if the certificate of abandonment is opposed by those making significant use of the line during the 12 month period prior to the application or by a state or locality, the Commission may issue an abandonment certificate only if the line was described on a diagram filed with the Commission at least 4 months prior to the date of the application and showing lines for which the carrier plans abandonment.

Once an application is filed, the Commission can order an investigation and postpone the abandonment "for a reasonable period of time necessary to complete the investigation." The statute imposes no absolute deadline on this process. If the Commission finds that a certificate should be issued, it may still postpone the issuance of the certificate for a period of up to six more months if it finds that a "financially responsible person" has offered assistance equal to the difference between the revenues attributable to the line and the "avoidable cost" of providing the service, plus a reasonable return on the value of the line.

Experience to date under the current standard and procedures illustrate how vague and cumbersome the program is. The ICC has attempted to issue interpretive regulations, but substantial parts of these regulations have been found unlawful. According to information supplied by ICC staff, the ICC received 341 abandonment applications in the period from February 1976 to December 1978. Of the 341 applications (covering about 7,700 miles), 120 (4200 miles) are still pending, 6 (189 miles) were denied, 192 (2,806 miles) were granted, 3 (37 miles) were partially granted, and 20 (460 miles) were withdrawn or dismissed. The time elapsed in the proceedings averaged 259 days, but the individual times ranged from 8 to 750 days. The existing abandonment procedures provide no compenastion to railroads for the losses incurred in operating their lines while the abandonment process is taking place. This noncompensated loss occurs even after the Commission finds that a certificate should be granted but is still awaiting subsidy from a "financially responsible person." These losses are in addition to any costs, which may be quite considerable, of the abandonment regulatory process itself.

Description

The amendment contained in this section retains the basic requirement that the Commission find that the public convenience and necessity (PC&N) permit or require an abandonment or discontinuation of service, but the criteria under which the Commission must find PC&N are defined, and more definite time limits are provided. A provision is also included to allow service to continue on a line if it is subsidized or purchased, but strict limits are placed on the time a railroad can be forced to continue losing operations while a subsidy or purchase agreement is being negotiated. However, to avoid the feature in the 4R Act provisions that essentially allows a recalcitrant railroad to refuse to accept a subsidy, the section requires binding arbitration at the Commission in the event that offeror and railroad cannot agree on a subsidy or purchase price.

Subsections (a) and (b) amend 49 U.S.C. 10903 and 10904 to define the conditions under which the Commission must find PC&N, and the time within which actions must be taken. Where no objection to the abandonment or discontinuance is forthcoming within 30 days after the application is filed, the Commission must immediately issue a certificate approving the abandonment or discontinuance. Where objections are forthcoming, the Commission must, within 30 days, start an investigation. The Commission must find PC&N, and approve the application, if the revenues attributable to the line do not cover the full cost of providing service—the avoidable costs of the service plus an adequate return on the capital used to provide the service. In other cases, the Commission is required to weigh the benefit to the railroad, including benefits that would arise from not having to use capital on the line (so-called "opportunity costs") against the detriment to the protestant and others similarly situated.

The railroad is required to show that it is losing money, and on a non-money-losing line, the burden is on the carrier to show that benefits outweigh costs. However, section 121(B)(2) amends section 10904 of title 49 to provide that where an abandonment is proposed as part of a merger, consolidation or rationalization proposal approved by the Secretary of Transportation under section 401 of the 4R Act, the abandonment will be presumed to meet PC&N, and to overcome the presumption, the opponent must show that the detriment to himself and others similarly situated outweighs the benefit of the 401 proposal, taken as a whole. The Secretary of Transportation, in approving proposals under section 401, brings into the process and takes into account the interest of shippers, employees, and state and local governments, among others. On the other hand, the proposals are valuable in large part because they cover a number of interrelated actions. To consider the effect of any one of those actions of outside the context of the entire proposal would substantially reduce the efficacy of the 401 process.

Subsection (b) also amends section 10904 to place strict time limits on the abandonment process. The Commission must initiate an investigation on the objection of a substantial user or state or locality, but such an investigation must start within 60 days of the date an application is filed, and must be completed 90 days later. If the investigation is not completed within the time given, a certificate approving the abandonment or discontinuance must be issued.

Subsection (c) amends section 10905 of title 49 to alter the system under which a line can be kept in operation through subsidy, and provides a new purchase alternative to subsidization. Once the Commission declares that PC&N has been shown, it must (as under current law) publish a notice of that fact in the Federal Register. A potential subsidizer or purchaser must make an offer within 10 days of publication.

The new subsection 10905(c) provides the condition for subsidy. The offer of subsidy must be received from a "financially responsible person" who offers to pay a subsidy "that covers the difference between revenues attributable to the line and the full cost of continuing service." "Full cost" is defined in new subsection 10905(a)(1) as the avoidable costs of the line, plus a reasonable return on capital attributable to the line. "Avoidable cost" is defined as in present law, which has been interpreted in *Chicago & North Western Transportation Co.* v. *United States*, — F.2d — (7th Cir. 1978), *cert. denied*, —— U.S. —— (1979).

This subsection provides that if the parties cannot agree on the amount of subsidy, either party may submit the dispute to the Commission for binding arbitration, which must be completed, and the agreement consummated, (according to subsection (d)) within 60 days. The subsidy shall be effective starting on the 30th day after the Commission's decision is published. Provision is made for an offeror to rescind its offer after arbitration, at which time the Commission must immediately issue a certificate authorizing the abandonment or discontinuance.

In new subsection (e)-(f) the procedures for an offer to purchase are provided. The offer to purchase must be: (1) for all the facilities in the line or a portion thereof; (2) at least for the fair market value of the line or portion when used to provide transportation services, and (3) made by a financially responsible person. If the parties cannot agree on a price, either party may submit it to arbitration, and the Commission is required to reach a decision within 50 days. The sale must be consummated within 10 days of the arbitration decision. If there is a consummated sale, the railroad is required to continue service, at its cost, for an additional 30 days, unless otherwise agreed.

New subsection (g) provides that if more than one offer of sale or subsidy is made, the carrier must, within 40 days of the date the notice is published by the Commission, either accept an offer or choose one offeror with which to go to arbitration.

New subsection (h) provides that a purchaser of a line noticed for abandonment may not transfer the line or seek to discontinue service for two years after the purchase was consummated, and that for three additional years, transfer may only be made back to the carrier that sold the property. This is to reduce the windfall profits potentially available to a purchaser of a line, the right-of-way of which is more valuable than the line itself. New subsection (i) states that when a line noticed for abandonment or discontinuance is kept running on subsidy, the subsidy may be discontinued on 60 days' notice, and that the Commission must approve the abandonment or discontinuance effective immediately thereafter.

Subsection (d) of this amendment strikes the existing purchase section. The rest of the amendment contains minor technical changes.

SEC. 122. MERGERS AND CONSOLIDATIONS

Explanation

Under present law, the ICC has authority to approve rail mergers and consolidations, and such an approved transaction is exempt from the antitrust laws. Currently, there are two alternative rail merger procedures and standards. Under the first test, in essence the test in place before the 4R Act was enacted and now found in section 11344, a consolidation must be approved by the ICC when it is "consistent with the public interest." In determining when this standard is met, the Commission is statutorily directed to consider several matters. The courts have interpreted these statutory directions to require consideration of the effects of the merger on competitors and on the general competitive situation in the industry. In addition, and very importantly, this procedure allows the ICC to consider modifications of the proposal suggested by opposing parties, including requests by other railroads for inclusion in the merger.

Traditionally, because of these inclusion applications and the vague public interest standard, merger cases have taken an inordinate amount of time. This problem led Congress, in the 4R Act, to enact time limits for the traditional merger procedure, and also to enact an alternative procedure and test. (Although time limits were imposed, the statute specifies that if the Commission fails to decide within the prescribed limits, a written notice and explanation must be sent to Congress. Thus, there is a question of exactly how binding the time limits are.)

Under the second test and procedure, found in section 11346, the initial analysis of the transaction is made by the Secretary of Transportation, who is directed to consider several broad factors such as the environmental impact of the proposal and its impact upon shippers, consumers, and employees. In the event that the transaction is submitted to the Commission for approval either by the Secretary or the railroads, the Secretary is then directed to report his findings to the Commission, and the Commission is directed to give "due weight and consideration" to the Secretary's report and to determine whether the transaction is in the "public interest." This is the same phrase as is used in the pre-4R standard, but in determining the "public interest" under this second test, the Commission must review each application on its own merits and there is no provision for inclusion. The 4R Act also placed a two year time limit upon Commission consideration of merger and consolidation petitions under the new procedure, although the statute did not specify what would occur if the Commission failed to reach its decision within the prescribed time.

In summary, although some attempt was made in the 4R Act to expedite the merger process, we are still confronted with a vague test whose relationship to the traditional antitrust standards in other areas is quite unclear, and a process that is time-consuming and expensive.

Description

The thrust of this bill is to place railroads under the same rules as apply to other business as much as possible except where unique circumstances dictate otherwise. This section extends that philosophy into the rail merger area. With respect to rail-rail mergers, including mergers among companies controlled by or in control of railroads, this section would delete the special standards and procedures for mergers and would require these transactions to be reviewed under the antitrust laws that apply to all other (non-transportation) industries. (Intermodal mergers would still remain subject to Commission scrutiny.) A proposed merger could not, however, be effected unless the Commission certified it to be in compliance with current labor protection provisions.

A different course is proposed for rail restructuring proposals of lesser magnitude. Such proposals include coordination of services, exchanges of markets, joint use of trackage, or transfers of substantially less than all rail assets of any rail carrier. There is a great deal of excess plant in the rail industry, and there is an urgent need for rationalization. This amendment would preserve the authority to approve such transactions in the Commission pursuant to a type of balancing test. Under this test the Commission would have to weigh the anticompetitive effects of any proposed consolidation against the public interest in meeting significant transportation needs. It would have to approve such a transaction if the benefits outweighed the possible anti-competitive effects. This section would also set a definite time limit of 120 days for

Commission consideration. A detailed description of the section follows.

Subsection (a) amends 49 U.S.C. 11341 to make clear that where a merger transaction, as one between two rail carriers (see subsection (c), below), is not subject to Commission jurisdiction, standard processes to which such transactions are subject in other industries apply.

Subsection (b) amends the section dealing with Commission authority over pooling, etc. agreements, to incorporate new standards relating to coordination, consolidation, market swap and other similar transactions involving rail carriers. The Commission is to consider such agreements under a standard much like that in the Airline Deregulation Act of 1978—is the transaction anticompetitive under traditional antitrust standards and if so, do the transportation benefits nevertheless outweigh the anticompetitive effects. The Commission has 120 days within which to deny permission for the transaction unless, within 30 days, it determines that the transaction is of regional or national (as opposed to local) transportation significance. In the case of these more important transactions, the Commission must make its decision in 365 days. The Commission must accord the views of the Secretary of Transportation substantial weight in making its decision. It is expected that the Secretary's findings in connection with an application developed under the procedures of section 401 of the 4R Act will be accorded special deference.

Subsection (c) exempts mergers and acquisitions of control or of substantially all the assets of one rail carrier by or into another from the requirement that they be approved by the Commission, and expressly provides that such transactions shall be subject to the antitrust and securities laws of the United States. However, no such transaction may be effected without certification by the Commission that the terms of the transaction protect labor to the extent required by new section 11347. See subsection (f), below.

Subsection (d) amends the section governing Commission procedure in a consolidation or merger case to make clear its inapplicability to a transaction involving only two or more rail carriers, and also eliminates, for all transactions involving rail carriers, the Commission's direction to consider applications for inclusion.

Subsection (e) strikes the two sections of the title that deal with rail-rail mergers, thereby repealing the Commission's authority over such transactions.

Subsection (f) governs employee protection arrangements in connection with rail mergers, consolidations, and abandonments. It is essentially a recodification of existing law, providing protection certified by the Commission to be at least at the level specified in the agreement entered into under the Rail Passenger Services Act, including provisions for notice and the execution of implementing agreements prior to any adverse action.

Subsection (g) is a technical conforming change.

Subsection (h) repeals the requirement that the Secretary of Transportation issue a report in connection with the expedited rail-rail merger procedure as unnecessary in light of the repeal of the Commission's authority over such transactions.

Subsection (i) is a technical conforming change.

SEC. 130. RAIL CARRIER SECURITIES SUBJECT TO THE SECURITIES LAWS OF THE UNITED STATES

Explanation

Securities issued by rail carriers are currently subject to regulations of the Interstate Commerce Commission as well as to some portions of the Securities Act of 1933. The division of responsibility for monitoring and regulating such securities between the Securities and Exchange Commission and the Interstate Commerce Commission has not been beneficial to the carriers or investors and has contributed to the non-comparability of rail carrier financial documents with those of other industries.

The new section would repeal the ICC's authority over rail carrier securities, leaving their regulation subject to all provisions of the securities laws of the United States.

Description

Subsection (a) repeals the ICC's authority to approve various types of rail carrier securities, including equipment trusts.

Subsection (b) deletes ICC authority to monitor and approve a change in the financial structure of rail carriers. The Commission does not have this authority with respect to any other type of carrier.

Subsection (c) is a technical conforming change.

SEC. 140 CAR SERVICE

Explanation

The Interstate Commerce Commission now has the authority to set rules and regulations for the handling of rail cars and to approve and, if necessary, determine the charges each railroad makes for use of its cars by another railroad (per diem) and for use of its cars by a shipper or receiver (demurrage). All of these issues are essentially economic decisions that should be left to negotiations between railroads or between railroads and shippers. (Safety, of course, is regulated separately by the Department of Transportation).

Both per diem and demurrage are important to the efficient functioning of the rail system. If per diem is too high, railroads are discouraged from holding cars owned by other carriers for loading; if it is too low, there is inadequate incentive for carriers to purchase sufficient rolling stock of their own or to return cars owned by others expeditiously. If demurrage charges are too low, rail cars tend to be used by shippers as storage space; if they are too high, shippers are penalized if railroad service is poor.

Car service orders issued by the Commission constitute direct intervention into the management of railroads, and, in the past year in particular, have been issued without sufficient consideration of their implications. Often they have solved one problem only by creating another. For example, in 1978 the Commission restricted the number of grain cars that could be used in unit trains (trains going from origin to destination without addition or subtraction of cars). The result was to make more cars available for small shippers, but since cars in unit trains are vastly more efficient than single service cars, the order substantially reduced the amount of grain that actually could be transported, and artificially reduced railroad operating efficiency and revenues.

The new section would continue to allow the railroads, under a Commission grant of antitrust immunity, to set standard per diem and demurrage payments by consensus. All meetings, agreements and votes of the group setting such rates must be open to the public. In the event that agreement cannot be reached, arbitration by the Commission is provided. While this system would retain the convenience of system-wide standard charges, any two carriers (in the case of per diem) or any carrier and shipper or receiver (in the case of demurrage) could agree on different rates and terms. Payments by railroads to shippers for use of shipper-owned cars must be individually negotiated in light of individual circumstances. The railroads would not be permitted to set a standard charge for use of shipper-owned cars.

Industry-wide agreement on car service rules would, as now, be permitted. Again, all meetings on such issues must be open to the public. In the interrelated rail system, agreements on such items as gauge (width) of track, definitions of car types, and interchange procedures are essential. Allowing the carriers to continue this activity rather than requiring a government agency to be involved will have beneficial effects outweighing any anticompetitive implications.

In local and national transportation emergencies, however, government intervention may be necessary. Examples are the bankruptcy of a carrier that results in temporary cessation of service, or a natural or war-related disaster. The new section provides that orders relating to the operation of carriers may be issued by the Secretary of Transportation but only upon Presidential finding that a national or local transportation emergency exists. This will restrict the use of this power to situations in which there is a clear public interest.

Subsection (d) repeals the Commission's authority to issue various types of car service and directed service orders. These are now covered by section 11123.

Subsection (e) transfers authority to issue orders relating to priority of transportation in times of war or threatened war from the ICC to the Secretary of Transportation.

SEC. 141. COMMON CARRIER OBLIGATION

The common carrier obligation and its enforcement, are at the heart of the Commission's service rules. In general, common carriers are required to provide service, within a reasonable time, to all who request it and are willing to pay the published rates. While common carriers in all modes are technically subject to the obligation, it is generally agreed that the burden of enforcement falls mainly on the railroads. Combined with rate regulation, the result has been that the railroads have become the stand-by carrier, required to provide service at times when carriers of other modes have priced themselves out of the market or have refused to abide by their common-carrier obligation.

The new section retains the requirement that carriers not refuse to provide service for personal or other non-market reasons, but allows price and service variations. In addition, those contracting in advance for equipment would (as is the case today with coal unit trains) have first call on available equipment if the contract is so provided.

Description

The section amends 49 U.S.C. 11101(a), the common carrier obligation section, to add two sentences dealing solely with rail carriers. The first provides that a service requirement can be enforced if the shipper is willing to pay the associated rate and that rate has not been found unlawful under 49 U.S.C. 10701a, dealing with maximum and minimum rate regulation. See section 101, above. The second sentence states that it shall not be a violation of the common carrier obligation to provide different types of service at different rates, to refuse to offer a contract to a prospective purchaser under different circumstances than those under which a contract is offered to another, or to fail to provide prompt service when the failure is due to prior commitment of cars.

SEC. 150. ACCOUNTING DEFINITIONS

Explanation

Rate regulation of any sort and the determination of the proper subsidy level in an abandonment proceeding require consideration and application of difficult accounting concepts. This is particularly the case in the railroad industry when notions of "cost" are involved for two reasons: first, the industry has historically collected cost data only on a firm-wide basis and not with respect to provision of a particular service, and second, a large part of a rail carrier's costs are not attributable to any one service ("joint" or "common" costs) and must, therefore, be allocated, more or less arbitrarily, in order to determine the full cost of a given service. For example, the cost of service on a branch line includes not only the cost of maintaining the line and of labor and fuel each time a train operates on the line, but also, among other things, a part of the cost of the cars on the line (but only a part of the cost because the cars may operate elsewhere at other times), part of the cost of switching cars at the junction point, and part of the general and administrative expenses of the firm.

The 4R Act recognized many of these problems, and tried to pinpoint many of the concepts involved using new terms. Except in rare instances, definitions of those terms were not provided, and the Commission has just started a proceeding to establish the necessary definitions. How the terms are defined can have a substantial impact on the operation of the provisions of the Act employing those terms.

The new section statutorily defines the most important accounting terms used in the Act. While further refinement by the Commission may be required, such definitions will give more guidance and will help make sure that the intent of the Act is carried out.

Description

Subsection (a) contains definitions. New paragraph 49 U.S.C. 10102(1) defines "adequate return on capital," a term used in both maximum rate regulation (see section 102, above), and abandonment subsidy determinations (see section 121, above). An adequate return on capital consists of the sum of two parts—the cost of debt associated with assets used to provide a specific service or movement plus the cost of equity associated with those same assets. The cost of debt is calculated based on the actual debt payment required or, where that is not calculable (because, for example, the assets falls under several blanket mortgages), the mean imbedded (actual) cost of debt of the railroad. The cost of equity is calculated on the basis of what it costs to keep and obtain investment. This is to be based on the return an investor could receive on equity securities of a firm of comparable capital structure and risk—the so-called comparable earnings standard.

New paragraph 49 U.S.C. 10102(11) defines "incremental cost," a term used in minimum rate regulation. (See section 102, above.) Incremental cost is the additional cost to a railroad of providing a greater quantity or different type of service, including the cost of moving from no service to some service. The calculation must be based on, for example, the specific initial quantity of service, including origin, destination and frequency, and the specific new quantity, defined the same way. The incremental cost of traffic on what would have been an empty backhaul movement, for example, will be comparatively small since the only new costs are the costs of loading, unloading, and any extra fuel or wear and tear incurred by reason of a car traveling loaded rather than empty.

In recognition of the fact that railroads may have substantial segments of excess capacity and that service on those lines should not cover the cost of replacing those lines, a "fire sale" provision has been added to the definition. Thus, if service will not continue beyond the life of the assets used in providing the service, and the assets will not be used elsewhere, the cost of those assets (except salvage value) shall not be included in the incremental cost of the service.

Subsection (b) requires the Commission to analyze its reporting requirements and, within four years of the effective date of this Act, revise them to require the minimum amount of information necessary to enable the Commission properly to carry out its duties.

SEC. 151. FINANCIAL AND COST ACCOUNTING SYSTEMS

Explanation

As discussed in the explanation of section 150, above, accounting plays a major role in, particularly, rate and abandonment issues. The ICC has, for many years, regulated railroad accounting. In general, the Uniform System of Accounts (USOA) used provides information about an entire firm's financial condition. It does not provide accurate information about the cost of providing specific services. The 4R Act directed the Commission to establish a new "cost and revenue accounting system." So far, the Commission has revised the USOA, but has made minimal progress on a costing system.

Since almost all the regulation that will remain with the Commission after enactment of this Act requires cost information, speedy development of such a system is essential. In addition, the Commission has taken the position that since a cost system is not explicitly required by the 4R Act, it need not officially publish its efforts or accept comments. The new section would explicitly require development of a cost accounting system, separate and apart from the financial accounting system represented by the Uniform System of Accounts. The Commission is expected to solicit public comments on the system during the course of its development.

Description

Subsection (a) makes explicit the distinction between the financial accounting system represented by the USOA, and the cost accounting system required by this act.

Subsection (b) requires the Commission, within one year of enactment of this Act, to develop a cost accounting system, based on the principle that all costs associated with a specific service or facility should be ascertained, and that indirect costs should be apportioned on a basis related to direct costs.

Subsection (c) defines "cost center" as an activity or facility large enough to provide meaningful accounting data, and "direct costs" as those costs associated with a cost center that do not have to be allocated.

Subsection (d) requires the Commission to permit carriers, in order to ease the reporting burden and to protect proprietary data, to report data only in aggregate groups, although the data must be collected by cost center.

Subsection (e) makes technical conforming changes.

SEC. 160. ARBITRATION PANELS

Explanation

Although the thrust of this Act is to minimize the degree of ICC regulation over the rail industry, there are situations in which the public interest requires that there be some mechanism available to solve in a prompt manner such issues as the fair market value of an easement provided to a railroad to cross the right-of-way of another road, the purchase price of a line for which an abandonment notice has been filed, or the industry-wide per diem standard. In order to provide such a mechanism without involving the sort of lengthy procedures that accompany formal Commission action, this section establishes a Commission arbitration procedure.

The procedure would function much like commercial arbitration. Each side to the proceeding would choose a Commissioner, and those two would choose a third person (who need not be a Commissioner) to serve with them on the arbitration panel.

Although arbitration proceedings would be carried out in private, the agreement and supporting analysis would be made public. Decisions would be appealable to the United States District Court in the District in which any of the parties resides, but the decision of the arbitration panel could not be stayed. Two important facets of the arbitration process are that a panel's decision would not be considered a decision of the Commission and would have no value as precedent, and that the public interest is declared to lie solely in consummation of an agreement according to the standards, such as fair market rental, set out in each section of the statute that authorizes arbitration.

Description

Subsection (a) adds a new subchapter IV to the chapter of title 49 that deals with organization of the Interstate Commerce Commission. New section 10351 states that the procedures under this subchapter shall be used wherever "arbitration by the Commission" is authorized. The section also states that the public interest lies solely in consummation of an agreement in accordance with the statutory standards; the arbitration panel is not free to decide, for example, that continuation of service on a branch line proposed for abandonment is so important that a subsidy of less than the amount specified in section 10903 is permissible.

New section 10352 establishes the procedure for establishing an arbitration panel. A party desiring arbitration must file a notice to that effect, naming a Commissioner to serve and an alternate. The other party to the agreement (the "non-calling party") has five days in which to respond and to name another Commissioner (and alternate) to serve. The two designated Commissioners must designate a third person within five days. The third person need not be a Commissioner, and it is expected that much of the work burden of the proceeding will be carried by that person.

Provision is made for Commissioners unable to serve and for extensions of time, except that in the case of abandonment proceedings, both parties must agree to the extension. This is to prevent extended arbitration being used as a substitute for subsidization or purchase of a line. It is assumed that any agreement to extend time in an abandonment case will include an agreement as to the party to pay for service during the extended period. In all arbitration cases, the decision must be promulgated no later than a year after arbitration is called for.

New section 10352 allows the Commission to determine procedures for arbitration panels, but the procedures must provide that arbitration proceedings will be conducted in private and that the agreement and supporting rationale will be available to the public. The section also establishes that an arbitration decision is not a Commission decision and is not precedent, and that it is appealable to the United States District Court for the district in which any of the parties resides or does business. The decision may not be stayed pending judicial review, except where there is an allegation and proof of fraud in the arbitration process. A decision of an arbitration panel is presumed correct and may be overturned only if the panel exceeded its authority or deviated from procedural requirements or if the decision was procured by fraud, duress, undue means or by partiality or corruption on the part of the panel.

New section 10354 provides that the Commission may designate staff to serve the arbitration panels, gives the panels the right to administer oaths, subpoena witnesses and documents and take depositions, and establishes that panel members shall receive travel and subsistence allowances as the Commission establishes and that non-government members of the panel shall receive per diem compensation. The section also provides that a member of an arbitration panel may not have any interest in a party to the arbitration.

Subsection (b) makes a technical conforming change.

SEC. 170. STATE AUTHORITY

Explanation

Under present law the Interstate Commerce Commission has jurisdiction regarding the economic regulation of interstate rail transportation and the states have jurisdiction only with respect to intrastate rail matters. The Interstate Commerce Act does not specifically exclude the states from regulating the interstate transportation, but the courts have held that the Federal regulatory system is so comprehensive as to not allow state economic regulation of interstate transportation or of certain intrastate transportation.

In many parts of the bill, significant restrictions are placed upon the ICC and a question may be raised whether the states could fill the "vacuum". This section would prevent such action by the states while not affecting the power they now have to regulate intrastate traffic.

Description

Subsection (a) is a technical change to conform to the fact that under this bill, the ICC's authority to prescribe rates, classifications, rules, and services for rail carriers has been reduced.

Subsection (b) is a technical change of similar nature to that in subsection (a).

Subsection (c) preserves the existing Federal/state relationship and specifically prohibits the states or localities from imposing any type of economic regulation upon the interstate activities of railroads. This section is not intended to change the existing Federal/state relationship in the areas of environmental regulation, safety or taxes, however.

SECTIONS 180–182. EFFECTIVE DATE AND CONFORMING AMENDMENTS

Explanation

As a result of the substantial change in the structure of economic regulation of the railroad industry that is made by this bill, several other laws dealing with the industry are affected. This section makes conforming changes in those laws.

Description

Section 180 sets an effective date for most sections of the Act of January 1, 1980. While it is important to give shippers, carriers, the Commission and others time to prepare for the changes brought about by the Act, the condition of the industry demands that these reforms be implemented as soon as possible.

Section 181 provides that the "vacuum" left by repeal of some of the ICC's economic regulatory authority may not be filled by injunctive actions in court. This conforms to the scheme of the antitrust laws under which private actions are permitted for damages, but not for injunctions.

Section 182 amends 11 U.S.C. 1170, the section of the bankruptcy law dealing with railroad abandonments, to conform it to the new abandonment procedures. Thus, a fixed time period of 120 days is established for the Commission to report to the court on an abandonment application. Any decision to sell or accept a subsidy will be made by the court.

Railroad Deregulation Act of 1979

BACKGROUND

The freight railroad industry today is in a struggle for survival. Its rate of return on investment last year was less than one percent. Yet the need for railroads to play a continuing vital role in our nation's transportation sector is unquestioned. They transport more than a third of all intercity freight in this country and are the principal carriers of coal, grain, pulp and paper products, food stuffs and chemical products, among other commodities.

The Administrations' legislation, prepared by the Department of Transportation, seeks to reform the economic regulation of railroads to foster the development and maintenance of a healthy, efficient private freight transportation system, with a maximum reliance on competitive forces in the transportation marketplace.

HIGHLIGHTS

Rates

The DOT proposal calls for decreasing maximum rate regulation by the Interstate Commerce Commission during a transition period of five years, from Jan. 1, 1980 to Dec. 31, 1984. After that date there would be no maximum rate regulation. Minimum rate regulation would continue as would rules prohibiting rate discrimination

During the transition period, railroads will have a regulation-free zone within which most pricing decisions can be made with regard only to the transportation marketplace.

Also, under the legislation, the ICC loses its authority to suspend a rate increase or decrease. During the transition, the Commission may, however, investigate rates upon complaint by a shipper. It then could order the railroad to change the rates and pay damages if the rates are found to be unlawful.

Railroads will continue to be required to fulfill common carrier obligations when applicable. However, the purchaser of the service must pay the going rate for the service, and prior commitments of equipment, for example under long term contracts, would take precedence over demands for common carrier obligated service.

Rate Increases—During the transition period, individual rates may be raised with no regulatory investigation or interference by seven percent each year (in constant 1980 dollars). Industry-wide increases will be permitted for two years, but may only cover the economy-wide rate of inflation.

For larger rate increases, the ICC may investigate the increase only if a user of rail services, such as a shipper, can show it has been hurt competitively by the rate increase. The user also must show it has no reasonable transportation alternative. After investigation, the ICC may order the railroad to reduce its rate, if the railroad cannot show the rate was reasonable. But the rate cannot be reduced below the level necessary to cover the railroad's costs to provide the service and produce an adequate return for the carrier. The rate reduction would apply only to the complaining purchaser. An upper limit is also provided on rates set under this provision.

Rate Decreases—To prevent predatory rate making, the DOT proposal stipulates that a railroad may not set a rate below a level which covers the incremental cost of the service, including an adequate return on capital used. After investigation, the ICC may order the rate increased and may assess damages for violation of this regulation.

Peak and Seasonal Rates—A railroad may establish specific rates that vary within a set maximum and minimum in response to such changes in demand as seasonal peaks. This provision will allow railroads to compete more effectively with unregulated trucks and barges, that regularly offer seasonally or demand sensitive adjusted rates.

Rate Investigations and Suspensions—The DOT proposal eliminates the ICC's authority to initiate its own investigations and its power to suspend rates. The Commission would be empowered to investigate rates only upon request by an injured party.

To discourage a railroad's abuse of the no-suspend provision, a railroad charging a rate later found to be unlawful would be required to refund any excess revenue collected, plus interest, and could be required to pay the complaining purchaser's attorney's fees and costs.

The legislation requires that all rate investigations must be completed and a final decision issued within four months after a complaint is filed. If a decision is not made within that time, the rate is considered lawful.

Rate Bureaus—After two years, the Department proposes to remove the ICC's authority to grant antitrust immunity to rate bureau agreements that provide for general rate increases or decreases, broad rate changes. Discussion on single line rates would be prohibited immediately.

The DOT proposal also requires that all bureau meetings, except those of a purely administrative nature, to be open to the public, and that a transcript be made available. All votes must be open and recorded.

Notice and Publication—Current law requires rail carriers to give 30 days notice of rate changes, while many competing modes are not required to give any notice of rate changes.

The DOT proposal recognizes the desirability of making rates public because complete pricing information improves the functioning of the marketplace and shippers can make certain that carriers are not engaging in illegal discrimination. The notice period will be reduced over a three-year transition period to allow rates to be effective immediately upon publication.

Entry

Entry into and exit from the railroad industry have been restricted by the ICC under a "public convenience and necessity" standard. This regulation dates from the early 1900s and was a response to the massive overbuilding of that period. While the regulation served a worthwhile purpose in the past, it now has the effect of restricting the possibilities for increased competition among railroads.

The DOT proposal allows free entry, by either new construction or acquisition, to anyone except a regulated carrier of another transportation mode.

While significant new construction is not anticipated, open entry will encourage increased competition in such areas as ports, where construction of a few miles of line would provide substantial new rail-to-rail competition. The legislation specifically allows construction across a competitor's line, as long as construction and operation can be achieved without undue interference with the crossed line and a fair price is paid for the easement.

The DOT legislation also extends to all metropolitan areas so-called "reciprocal switching agreements" under which a railroad must agree to pick up and deliver cars on behalf of another carrier at a standard switching charge. This will allow a shipper to deal directly with more rail carriers than just those on whose lines the shipper is located, and thus provide greater competition.

Abandonments

Under current regulations, railroads may not abandon a line or discontinue service without first obtaining from the ICC a certificate declaring that the "present or future public convenience and necessity require or permit the abandonment or discontinuance."

DOT's legislation continues this requirement, but defines more precisely the public convenience and necessity standard. If no substantial user or state or local government objects to the abandonment application within 30 days, the ICC must approve abandonment immediately. If there is an objection by a government or by a substantial user, the Commission must begin an investigation within 30 days of that objection.

In deciding whether to approve an application, the Commission is required to weigh the benefits to the railroad of service discontinuance against the damage to the objecting party and others affected by the service. Except where an application has been approved by the Secretary of Transportation, the railroad has the burden of proof.

However, if the Commission finds that the revenues generated by the service do not cover the costs of the service plus an adequate return for the railroad, then abandonment must be approved. If the ICC investigation is not completed within 90 days, the abandonment must be approved.

Once the ICC has approved an abandonment, notice must be published in the *Federal Register*. A potential subsidizer or purchaser has 10 days from the date of publication to make an offer to subsidize or buy the abandoned line.

DOT's legislation provides that if the railroad and the potential subsidizer or purchaser cannot come to terms, either may submit its proposal to the ICC for binding arbitration. The ICC must then act within 60 days. An arbitration decision can be appealed to the United States District Court.

Mergers and consolidations

Mergers—Under present law, the ICC has the authority to approve rail mergers and consolidations, and such an approved transaction is exempt from the antitrust laws. DOT would revise rail merger procedures to require mergers and other large-scale transactions to be reviewed under the antitrust laws that apply to all other industries. The DOT bill would keep inter-modal mergers under ICC scrutiny.

In addition, a proposed merger could not occur unless the Commission certified it to be in compliance with current labor protection provisions.

Consolidations—The DOT proposal would preserve the ICC's authority over such transactions as coordination of services, exchanges of markets, joint use of trackage, or transfers of substantially less than all rail assets of any rail carrier. The Commission must weigh the anti-competitive effects of the transaction on the relevant regional freight transportation market against the transportation benefits arising from the transaction. If the Secretary of Transportation has approved the transaction, his opinion must be given substantial weight by the Commission.

The legislation sets a 120-day time limit for action by the ICC unless the consolidation is of regional or national transportation significance, in which case the Commission must act within 365 days.

FREQUENTLY ASKED QUESTIONS ABOUT RAILROAD REGULATORY REFORM LEGISLATION

Question. The railroads were originally regulated to protect the public from abuse of monopoly power. Why should the railroads now be given so much freedom?

Answer. During the 1800's and early 1900's, railroads were true monopolies, and were regulated as such to protect the public interest. Since that time, however, water and truck transportation has grown substantially, much of it unregulated and benefitting from substantial federal-financing of river and road systems, only part of which has been repaid. The ubiquitous highway system brings trucks virtually to the doorstep of almost every shipper—a fact reflected in trucks' surpassing railroads in share of the freight market.

Today, there are few, if any, rail-served areas that are not also served by barges, trucks, or both. We believe that this competition will effectively prevent the railroads from engaging in unfair or monopolistic practices. However, in those cases where a shipper is actually "captive" to a railroad, our proposal provides for protection against unreasonably high rail pricing for a transition period during which the shipper can plan for alternative transportation services or markets or enter into a long term contract with the railroad. Competing carriers who fear monopolistic railroad practices will be protected by the bill's prohibition, enforceable at the ICC, against below-cost pricing.

Question. How will the Administration proposal solve the shippers' most severe problem: unsatisfactory service?

Answer. Relaxing regulation of rail pricing will stimulate more effective marketing by the railroads, who face vigorous competition from other modes for nearly every commodity they haul. The explosive growth of premium truck and air services in the last decade provides ample proof that price alone is not the sole criterion by which shippers choose a mode of transportation. Rather, shippers will choose the mode or carrier offering the most effective price *and* service combination for their needs.

By fostering innovative and specialized price and service alternatives for shippers, we expect substantial growth in unique rail services at a wide range of rates. In effect, by getting away from the "average" pricing that is a practical consequence of the current regulatory system, we expect services and prices to become progressively more responsive to individual shipper needs—and by making such services more unique and identifiable, they can be more readily subject to quality control by the providing carrier. The bill would specifically allow railroads and shippers to contract for desired services.

In addition, several provisions of the bill should result in decreased costs and overall increases in productivity. We expect that this will encourage renewed investment in physical plant and facilities, a necessary development if service is to improve.

Question. What protection does the shipper who must ship by rail—the so-called captive shipper—have if the railroad decides to increase his rates unreasonably?

Answer. If a shipper really must ship by rail, and there is only one railroad on which he can ship, he will, for the first five years after the bill becomes effective, be able to file a protest with the ICC seeking to have his rate lowered. The shipper must show he is captive, but if he does so, the burden shifts to the railroad to show the rate to be reasonable. If the railroad fails, the ICC can lower the rate, but not lower than the cost to the railroad of providing the service, including an adequate return on capital used. Setting the rate at that level will assure that other shippers do not have to help pay the cost of the "captive shipper's" service. The Department of Transportation is required to perform two studies, due at the end of the second and fourth years after the bill is effective, to inform Congress and the public how the provision is working and whether there are "captive shippers" who have been hurt by greater railroad pricing flexibility.

Because the bill as a whole is directed toward creating a more efficient, more competitive freight transportation system, many shippers who today think of themselves as captive will find opportunities for better freight transportation without making use of the ICC's protection. For example, long term contract rates will be permitted for rail services, allowing a shipper to buy the service he really wants, at a price he negotiates, and thus to protect himself from unexpected price and service variations.

In addition, restrictions on railroad rate bureau activities and increased opportunities for entry into the industry should increase rail-rail competition. Product and market competition, and the expanding opportunities for truck competition, resulting in part from recent ICC decisions, will also increasingly expand a shipper's choice of carriers.

Question. Once the Administration's bill passes, what protections will exist to protect the shipper from discriminatory pricing and how will the railroads be stopped from engaging in anticompetitive practices?

Answer. The Administration's bill will continue to require the railroads to price on a non-discriminatory basis. That is, the same rate must be offered for the same service, performed at the same time, taking into account cost and competitive differences. A shipper or other entity, such as a port acting on a shipper's behalf, will be able to bring an action before the ICC to enforce this requirement. On the other hand, the Administration's bill will allow railroads to take advantage of such economically sound practices as backhaul pricing (charging less for shipping goods using cars that otherwise would have returned home empty), and responding to lower prices charged by local competitors, as long as the railroad does not intentionally price below its incremental cost for providing the service.

If the railroads engage in anticompetitive practices not within the scope of the antidiscrimination and predatory pricing provisions of the Interstate Commerce Act, as amended, they will continue to be subject to the economy-wide antitrust restraints of the Sherman Act. But in most, if not all, rail-served markets, competitive pressures from other modes will prevent the railroads from engaging in such practices. Even if a railroad was able, through below-cost pricing, to drive competitors out of the market in the short-term, when the railroad sought to raise its price again, motor or water carriers would reenter. The presence of barge or truck service will force the railroads to compete fairly by offering good service at fair rates.

Question. If the railroads have more freedom to abandon their branch lines, can small industry, communities and agricultural interests expect wholesale losses of rail service? What effect would this have?

Answer. The railroad industry can no longer carry the burden of subsidizing uneconomic service, and the eased abandonment procedures of the legislation are designed to make abandonment a simpler, shorter, and less expensive process. However, existing studies make it clear that the effects of abandonment on shippers and surrounding communities usually are not severe. This reflects the fact that abandonments are generally the result of a loss of traffic and demand for the service not the cause of that loss.

In most areas likely to be affected by abandonments the highway network is so extensive that short-haul trucking to consolidated rail terminals can readily replace branch lines lost through abandonments. For example, in Iowa, a successful program has been underway for some time on a cooperative carrier-shipper basis to consolidate service and create larger trainloading facilities. Through this program, farmers are able to benefit from the economies of scale in rail operations, while railroads can abandon (without opposition) lightly-used lines that are a drain on resources. We believe such programs can be adapted to suit the needs of other areas as well. Regions with small coal mines could be excellent candidates for projects of this kind.

The state rail planning agencies can ease the period of adjustment following branch line abandonment through the local rail services continuation assistance program of the FRA. Money available from this program may be used for temporary operating subsidies, for rehabilitation or purchase of lines, and for construction of substitute service facilities.

Finally, should a state or community decide that abandonment *will* have a severe impact on the affected area, they may choose to offer the railroad a subsidy to continue operations. If the subsidy offered covers the cost of providing rail service, our legislation will require the rail carrier to continue the line in operation. Alternatvely, a state, locality or group of shippers may purchase the line to continue operations. The railroad must accept a purchase offer that at least equals the fair market value of the line when used for rail service.

Question. Will the Administration's bill give the Northeast a break? Can the Northeast expect better service and an alternative to Conrail, or will the bill result in a service cutback and more money down the drain?

Answer. Both the Northeast and the rest of the nation will benefit from more reliable and innovative rail service. The Administration's bill will provide the railroads with the management discretion and pricing freedom to tailor service to the specific needs of shippers and communities. At the same time, the increased earnings potential and new cost-cutting measures available to railroads will encourage renewed investment in industry fixed plant and facilities. We expect that the rejuvenated marketplace environment for railroading which this legislation will permit will signal a new era of reliable, efficient rail freight transportation for the Northeast as well as all other regions of the country.

The Department is acutely aware that the Northeast is unique among the regions insofar as the availability of competitive rail service is concerned. Much of this region is wholly dependent on Conrail for the movement of goods by rail and we know, from both shippers and railroads which connect with Conrail, that the quality of this service in many areas has been less than acceptable. But we believe it best to deal with this problem by considering the structure and health of the Northeast rail system, rather than to tailor the regulatory reform proposal to fit specific regions, or for that matter, any other special concerns. Ultimately, the same economic rules apply in the Northeast as elsewhere. By monitoring and, if necessary, by recommending adjustments to the Northeastern system, we believe we can guide the region into a much healthier, more efficient structure. Conrail, the Department, and the United States Railway Association are all working on such a program. The program probably will result in changes in service and changes in employment. The Administration policies will be designed to achieve these changes with minimum dislocation and minimum expenditures.

The Federal Government's investment through Conrail in the continuation of essential rail service in the Northeast is substantial. To a lesser degree we have also provided financial assistance to other railroads for needed capital and maintenance expenditures so that necessary rail service could continue. Without fundamental change in Federal regulation of the railroads, our financial investment in their future will continue to grow. The Administration's bill recognizes that such reform is key to both the long term prosperity of the railroads and to the end of continuing Federal subsidies of that industry. In the case of Conrail, the passage of this bill, together with successful implementation of any additional restructuring of that railroad which may be warranted, should provide the environment for a successful Northeast railroad system unsupported by Federal funds.

Question. Our national energy policy encourages a shift from petroleum fuels toward alternatives such as coal. Won't the railroads, under your proposals, increase coal rates to the point of making it uneconomic as alternative?

Answer. We do not believe the railroads will raise rates to the point where coal will be displaced by other energy sources. Insensitive pricing could result in less coal being shipped by railroad, and negate the railroads' substantial investments in coal-related equipment and fixed plant.

Coal rates undoubtedly will increase in the future; railroads must generate the funds to invest in new facilities as coal traffic continues to grow. In a very real sense, coal producers and railroads are partners in achieving America's energy goals. Railroads are and will continue to be affected by the cyclical swings in coal production and demand, although the bill would enable both shippers and carriers to plan more effectively for such changes by long-term contracting. The crucial economic fact is, however, that railroads are dependent on the ability of coal producers to meet competition, and, as such, it is in the economic interest of a railroad to maintain its customer's vitality in the marketplace by sensible pricing actions.

Question. We need to cut energy consumption and our highways are deteriorating. Will the Administration's bill put more traffic on the highways or take it off?

Answer. Both. We believe that increased price and service flexibility will divert long-haul and heavy traffic from the highway back to the rails. Much of this diversion is likely to be in the form of "piggy-back" or "TOFC" traffic, that is, a highway trailer on a railroad flatcar. Piggy-back service combines the convenience of truck pick-up and delivery with the economies of rail line haul, and will rid the highways of some of the traffic they are least able to handle. In addition, it is energy-efficient, using on the average only one-third to one-half the energy needed for an all-highway haul.

On the other hand, there will probably be some increase in short-haul trucking as motor carriers—with relatively low fixed costs—replace rail service in areas where there is too little traffic to cover the railroads' high fixed costs. Trucks will also increase their share of the market in those instances where light density trackage is abandoned, although many of those truck hauls will probably be to consolidated rail terminals.

In accordance with priorities developed by the States, the Department's branch line assistance program can provide funding for the construction of intermodal facilities. These facilities permit rapid transloading of commodities from trucks to rail cars and vice versa. From the standpoint of resource allocation and fuel consumption, such intermodal service is frequently the most efficient use of all resources—fuel, highway, and railroad.

Over a longer period, and as the railroads adjust to their new marketing freedom, we believe that economic forces (including the increased cost of energy) will compel a net diversion of freight from the highway to the rails. The benefits of this include less wear on the highways, more efficient use of transportation fuels, and a reduced need for federal aid to the railroad system.

Question. Some observers have suggested that the result of rail deregulation, unlike airline deregulation, will be higher rates and ultimately higher prices for the consumer. What is your estimate of the inflationary impact of this bill?

Answer. Freight rate increases represent one source of additional revenue for railroads and selective rate increases may be an initial consequence of deregulation. Any increases will, of course, be evaluated in terms of the Administration's voluntary price guidelines. In the long run, marketplace adjustments uninhibited by regulation will be less inflationary than the alternative of continued taxpayer subsidy of the preservation of unprofitable services. Our present policies can lead only to increasing Federal assistance to railroads.

Deregulation will provide the market environment necessary for an efficient allocation of resources and a more productive transportation sector. It will provide an opportunity for railroads to earn a fair rate of return, enabling them to continue to offer services where they are the most efficient mode, while allowing them to abandon services where they are not. Some aspects of deregulation may be directly and immediately effective against inflation in certain instances. For example, arrangements such as contract rates, increased use of seasonal and peak-load pricing, and more individualized price and service packages may lead to reduced shipping costs. In addition, to increased revenue from existing customers, the bill will allow railroads to seek additional traffic by offering lower rates and improved services to potential customers.

On balance, we believe that the more efficient use of our transportation resources over time will have a greater and more beneficial economic impact than short term price changes.

Question. What provisions are included in the Administration's bill to protect rail labor and how much will labor protection cost the taxpayer?

Answer. The bill continues the present statutory requirements for employee protection for employees who are adversely affected by a merger, consolidation or abandonment. A protected employee is provided with up to six years of protection from the date he is adversely affected. The protection takes several forms. In the event of a separation, the employee is entitled to a separation allowance of up to twelve months pay. If an employee is reassigned to a position with the railroad at less pay, he is entitled to a differential, known as a "displacement allowance," based on his average earnings for the twelve months immediately preceeding the change in status. In order to maintain his protected status, an employee must accept employment if a position is offered within his seniority district and within the employee's craft or class. The legislation anticipates that the full cost of employee protection will be paid by the railroad, as is the case under present statutory employee protection requirements.

By Mr. JACKSON (by request):

S. 797. A bill to provide for the timely management of the spent fuel from nuclear reactors; to the Committee on Energy and Natural Resources.

SPENT NUCLEAR FUEL ACT OF 1979

● Mr. JACKSON. Mr. President, by request, I send to the desk for appropriate reference a bill to provide for the timely management of the spent fuel from nuclear reactors.

Mr. President, this draft legislation was submitted and recommended by the Department of Energy, and I ask unanimous consent that the bill, the executive communication, and a section-by-section analysis which accompanied the proposal from the Secretary of Energy be printed in the RECORD at the conclusion of my remarks.

Mr. President, I also wish to associate myself with the remarks of the distinguished senior Senator from Colorado regarding the cooperation between the Environment and Public Works Committee and the Energy and Natural Resources Committee in this area of mutual interest and concern. Mr. President, I ask unanimous consent that an exchange of letters between myself and the distinguished chairman of the Environment and the Public Works Committee regarding this matter be printed in the RECORD.

There being no objection, the bill and material were ordered to be printed in the RECORD as follows:

S. 797

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Spent Nuclear Fuel Act of 1979."

SEC. 2. Section 161 of the Atomic Energy Act of 1954, as amended, is amended by adding the following subsection:

"x. Enter into contracts, for such periods of time as the Secretary of Energy deems necessary or desirable, to take title to, and to provide interim storage and ultimate disposal of spent fuel from foreign and domestic nuclear reactors: *Provided*, That (i) charges for services under this subsection shall be established on a nondiscriminatory basis; (ii) charges shall be subject to prepayment; and (iii) charges established under this subsection shall defray all costs of storage and ultimate disposal; *And provided further*, That contracts entered into pursuant to this subsection may provide for refund of an appropriate portion of the charges in the event that it is determined that spent fuel may be reprocessed and the spent fuel is returned to the former owner or reprocessed in the United States."

SEC. 3. Chapter 19 of the Atomic Energy Act of 1954, as amended, is amended by adding thereto the following sections:

"SPENT FUEL STORAGE AND DISPOSAL FUND

"SEC. 264. a. The Secretary of Energy (hereinafter referred to as the Secretary) is authorized to establish a fund to be used as a revolving fund to finance activities relating to the storage and disposal of spent nuclear fuel (hereafter referred to as the Fund). The Fund shall consist of (1) all receipts, collections, and recoveries of the Secretary in cash from the exercise of the authority granted to him under subsection 161x of this Act; (2) proceeds from the investment by the Secretary of any moneys of the Fund; and (3) all proceeds derived from the sale of bonds by the Secretary pursuant to section 265.

"b. The Secretary may make expenditures from the fund without fiscal year limitation, but within such specific directives or limitations as may be included in appropriate acts, for any purpose necessary or appropriate to the conduct of the Secretary's functions and activities for the provision of services for the interim storage and ultimate disposal of spent fuel from foreign and domestic nuclear reactors, including but not limited to, the acquisition, construction, operation, maintenance and surveillance of facilities and real property for the itnerim storage or ultimate disposal of spent fuel from foreign and domestic nuclear reactors, the procurement of spent nuclear interim storage services for such periods of time as the Secretary deems necesesary or desirable; the making of refunds under contracts executed pursuant to subsection 161x. of this Act; and for paying the interest on, and principal of all bonds issued under Section 265 of this Act; *Provided, however*, that until expressly authorized by Congress, no expenditures can be made from the Fund for the construction of a repository for the ultimate disposal of spent fuel from foreign and domestic reactors.

"c. The provisions of the Government Corporation Control Act (31 U.S.C. 841 *et seq.*) shall be applicable to the Secretary in his utilization of the Fund in the same manner as they are applied to the wholly-owned Government corporations named in Section 101 of such Act (31 U.S.C. 846).

"d. If the Secretary determines that the monies of the Fund are in excess of current needs he may request the investment of such amounts as he deems advisable by the Secretary of the Treasury in obligations of the United States with maturities suitable for the needs of the Fund and bearing interest at rates determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining period to maturities comparable to the maturities of such investments; *Provided*, however, that the interest rate on such invetments shall not exceed the average interest rate applicable to existing borrowings."

"SEC. 265. REVENUE BONDS

"a. The Secretary is authorized to issue and sell to the Secretary of the Treasury from time-to-time, bonds, notes, and other evidences of indebtedness (collectively referred to herein as "bonds") to assist in financing the acquisition, construction, operation, maintenance and surveillance of facilities and real property for the interim storage or ultimate disposal of spent fuel from foreign or domestic nuclear reactors; the procurement of spent nuclear fuel interim storage services and to issue and sell bonds to refund such bonds. Such bonds shall be in such forms and denomination, bear such maturities, and be subject to such terms and conditions as may be prescribed by the Secretary of the Treasury taking into account terms and conditions prevailing in the market for triple-A rated nongovernment utility bonds and the useful life of the facilities for which the bonds are issued. Any refunding provisions may be prescribed by the Secretary. Such bonds shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities, plus an amount in the judgment of the Secretary of the Treasury to provide for a rate comparable to the rate in the prevailing market for triple-A rated nongovernment utility bonds. The aggregate principal amounts of any such bonds shall not exceed $300,000,000. All borrowing authorized in the subsection shall be available only to such extent or in such amounts as contained in appropriations acts.

"b. The Secretary of the Treasury shall purchase any bonds issued by the Secretary under this section and for that purpose is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include any purchases of the bonds issued by the Secretary under this section. The Secretary of the Treasury may, at any time, sell any of the bonds acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such bonds shall be treated as public debt transactions of the United States."

MARCH 7, 1979.

Hon. JENNINGS RANDOLPH,
U.S. Senate, Washington, D.C.

DEAR JENNINGS: As you know, the President has transmitted to the Congress his proposed legislation for a program of away-from-reactor storage of spent fuel from commercial nuclear reactors.

The Executive communication has conveyed the legislation in the form of two bills. One bill covers the matters of financing, constructing and operating the storage facilities and is predominantly within the jurisdiction of the Committee on Energy and Natural Resources. The other measure relates to the licensing of waste disposal facilities and is predominantly within the jurisdiction of the Committee on Environment and Public Works.

I would suggest that these bills, when they are introduced, be referred in accordance with the predominant jurisdiction. I would also suggest that, as our two committees proceed to consider the bills, we maintain close coordination to insure to the extent possible that they are compatible. Furthermore, I would propose that we review the circumstances when either of the bills, or any other measure dealing with away-from-reactor storage of spent fuel, is reported to the Senate. I also propose that we have an understanding that prior to Senate action on either bill we will consult as to the possibility of re-referral of a bill to the other committee for consideration of those matters that may be found to relate to the predominant interest of that committee.

I recognize that any future re-referrals would require the consent of the Senate, but I believe that the specific reasons for such re-referral would be more obvious at that time. I can assure you of my own cooperation in this matter.

Sincerely yours,
HENRY M. JACKSON,
Chairman.

UNITED STATES SENATE,
COMMITTEE ON ENVIRONMENT AND
PUBLIC WORKS,
Washington, D.C., March 21, 1979.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, United States Senate, Washington, D.C.

DEAR SCOOP: Thanks for your letter regarding the respective interests of our Committees in the Preisdent's proposed legislation with respect to away-from-reactor storage of spent fuel.

Your suggested arrangements for referral and subsequent consideration of the legislation are satisfactory to me and to the Chairman of the Subcommittee on Nuclear Regulation, Senator Hart. We could also consider joining into a single measure any bills dealing with away-from-reactor storage that are developed by our respective Committees. We look forward to working closely with you on this basis.

Truly,
JENNINGS RANDOLPH,
Chairman.

DEPARTMENT OF ENERGY,
Washington, D.C., February 24, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: I am transmitting herewith the proposed "Spent Nuclear Fuel Act of 1979", a measure designed to assure timely management of the spent fuel from nuclear reactors in a manner which is economically efficient, environmentally sound, and protects public health and safety. Also enclosed is a companion bill to provide for the licensing of Department of Energy facilities used primarily for the receipt and storage of commercial spent fuel. Section-by-section analyses accompany each of the bills.

As you know, in October 1977 the President announced as Administration policy that the United States would accept for storage and disposal: (a) domestic commercial spent fuel, in cases where concern for safety, the environment and responsible management of the electric supply system warrant such action; and (b) limited quantities of foreign spent fuel, where such acceptance serves our nonproliferation objectives. At the same time he stated his intention to work with the Congress to effect that policy. We have been working since that time with other interested parties to develop the best means of implementing the Presidential decision. The proposed "Spent Nuclear Fuel Act of 1979" would provide the authority and framework for that implementation.

In preparing this legislation, we have considered environmental analyses from three draft environmental impact statements, copies of which are enclosed. The public comment period for these documents closed on February 15, and the final documents are scheduled to be published this spring and will be transmitted to the Congress at that time. This legislation is consonant with the supporting environmental analysis. In the event that subsequent comment or analysis indicates a significant change, we will inform you of that fact.

The Department of Energy (DOE) would be authorized to accept domestic and foreign spent fuel for interim storage and permanent disposal in return for a non-discriminatory one-time charge which recovers all costs of the program. A range of possible values for the storage and disposal fee was explored by DOE and published in July of 1978. A copy of this document is enclosed for your information.

A commitment or contract for the acceptance of spent fuel from abroad would, under subsection 131.a of the Atomic Energy Act of 1954, as amended, constitute a "subsequent arrangement." Thus, prior to entering into such commitments or contracts, DOE would be required to follow the procedures (including State Department concurrence) required by that subsection. We will also be forwarding generic planning criteria for acceptance of foreign spent fuel for storage as provided by this legislation.

The proposed "Spent Nuclear Fuel Act of 1979" would provide DOE with sufficient authority and flexibility to manage the program, while affording appropriate oversight by the Congress. The mechanism proposed for financing the Department's functions and activities for the management of spent fuel is the establishment of a revolving fund. Revenues for the fund would be derived from (1) the charges for spent fuel storage and disposal; (2) proceeds from fund investment; and (3) proceeds derived from the sale of bonds to the Treasury. DOE's authority to sell up to $300 million worth of bonds to the Treasury is subject to such prior Congressional approval as may be contained in appropriation acts.

The fund would be available for expenditures for Away-from-Reactor interim storage and related facilities without fiscal year limitation, but would be subject to specific directives or limitations which Congress might include in annual appropriation acts. Initially, expenditure from the fund would be for activities related to Away-from-Reactor interim storage of spent fuel. Accordingly, his legislation is drafted to prevent expenditures for the construction of a repository for the permanent disposal of spent fuel until expressly authorized by the Congress.

Finally, the proposed companion bill expressly authorizes the Nuclear Regulatory Commission (NRC) to license any DOE facility used primarily for the storage of foreign spent fuel or domestic spent fuel resulting from an NRC-licensed activity. The NRC has taken the position that it already has authority to license such facilities, but would welcome clear Congressional recognition to that authority. Therefore, this proposal is intended to clarify any remaining ambiguity with respect to the NRC's authority. This provision would not extend NRC's licensing authority to facilities used for the storage of nuclear waste from DOE's defense and research activities.

The proposed legislation is part of the ongoing effort of the Administration to address the issues of nuclear waste management and the risk of nuclear weapons proliferation. We believe that a sound and flexible approach in management of our domestic nuclear waste and prudence in our pursuit of international nonproliferation objectives require that an initial Away-from-Reactor storage capability be available by 1983. Because of the significance of this effort, we urge prompt consideration of the draft legislation. We look forward to working with you in this important matter. The Office of Management and Budget advises that the enactment of this legislation would be in accord with the President's program.

Sincerely,

JAMES R. SCHLESINGER,
Secretary.

Enclosures.

SECTION-BY-SECTION ANALYSIS OF THE SPENT NUCLEAR FUEL ACT OF 1979

1. Section 2 of the bill would amend the Section 161 of the Atomic Energy Act of 1954 (hereinafter called the Act) by adding Subsection x., which would authorize the Secretary of Energy (hereinafter called the Secretary) to enter into contracts to provide interim storage and ultimate disposal of spent fuel from foreign and domestic nuclear reactors.

2. The first proviso in the proposed Subsection x. would require that charges for services provided would be established on a non-discriminatory basis, that such charges be subject to prepayment, and that such charges shall defray all the Government's costs of storage and ultimate disposal.

3. The second proviso in the proposed Subsection x. would authorize the inclusion in contracts entered into pursuant to that subsection of a provision for the refund of an appropriate portion of the charges in the event that it is determined that spent fuel may be reprocessed and the spent fuel is returned to the former owner or reprocessed in the United States.

4. Section 3 of the bill would add Sections 264 and 265 to the Atomic Energy Act of 1954, as amended. Subsection a of the proposed Section 264 would authorize the Secretary to establish a revolving fund to finance DOE functions and activities relating to the storage and disposal of spent fuel. The Fund would consist of (1) all of DOE's receipts, collections, and recoveries derived from activities associated with the storage and disposal of spent fuel pursuant to the authority contained in Subsection 161 x.; (2) proceeds from the investment of Fund monies; and (3) proceeds derived from the sale of bonds by the Secretary pursuant to Section 265.

5. Subsection b of the proposed Section 264 would provide that expenditures from the fund could be made only for purposes necessary or incident to DOE's provision of services pursuant to authority granted in Section 161 x. The fund would be available for expenditure without fiscal year limitation, but would be subject to specific directives or program limitations which Congress might include in appropriation acts. Monies in the Fund could be used for either operating or capital expenditures. The proviso in this subsection prohibits expenditures from the Fund for the construction of a repository for ultimate disposal of spent fuel until explicitly authorized by subsequent legislation.

6. Subsection c of the proposed Section 264 would apply the Government Corporation Control Act to the utilization of Fund monies. This would specify that the Fund will be operated on a businesslike basis.

7. Subsection d of the proposed Section 264 would make provision for investment of Fund monies in public debt securities with maturities suitable for the needs of the Fund and bearing interest at the lower of prevailing market rates or the average interest rate applicable to existing borrowings. Such investment could be made when the Secretary determines monies of the Fund are currently in excess of current needs.

8. Subsection a of the proposed Section 265 would authorize the Secretary to issue revenue bonds, the proceeds of which would be used for Fund purposes. The Secretary of the Treasury would prescribe the form, denomination, maturities, interest rates and other terms and conditions of the bonds. The section would place a ceiling on the amount of bonds which could be issued and specifies that borrowing authority must be provided in appropriation acts.

9. Subsection c of the proposed Section 265 would require the Secretary of the Treasury to purchase bonds issued by the Secretary pursuant to Section 265. This subsection also would authorize the Secretary of Treasury to sell any bonds acquired from the Secretary.●

By Mr. HART (by request):

S. 798. A bill to provide for the licensing of Department of Energy Facilities primarily used for the receipt and storage of commercial spent fuel; to the Committee on Environment and Public Works.

● Mr. HART. Mr. President, I am introducing, by request of the Secretary of Energy, a companion bill to the proposed Spent Nuclear Fuel Act of 1979. This companion measure would provide for licensing by the Nuclear Regulatory Commission of any Department of Energy facilities primarily used for the receipt and storage of commercial nuclear spent fuel. The construction of such "away from reactor" (AFR) storage facilities would be authorized in the other bill, which is being introduced today by the distinguished Senator from Washington, Mr. JACKSON.

As chairman of the Subcommittee on Nuclear Regulation of the Committee on Environment and Public Works, I am pleased to cooperate with Senator JACKSON in consideration of legislation that deals with an important element of the nuclear waste problem. As Secretary James R. Schlesinger stated in the message that accompanied these two bills, the away-from-reactor approach "is designed to assure timely management of the spent fuel from nuclear reactors in a manner which is economically efficient, environmentally sound, and protects public health and safety."

These are very important objectives, and the Congress will have to give close scrutiny to the AFR proposal to determine whether it, in fact, is the best approach to managing highly radioactive spent fuel prior to permanent disposal. Both I and the distinguished Senator from West Virginia, Mr. RANDOLPH, chairman of the Committee on Environment and Public Works, have communicated to Senator JACKSON our desire to work closely with him, and he has agreed to join us in maintaining close coordination between our two committees on any legislation dealing with away-from-reactor storage of spent fuel. Chairmen JACKSON and RANDOLPH exchanged letters on this subject, and I ask unanimous consent that the text of these letters be inserted at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C., March 21, 1979.

Hon. HENRY M. JACKSON,
U.S. Senate,
Washington, D.C.

DEAR SCOOP: Thanks for your letter regarding the respective interests of our Committees in the President's proposed legislation with respect to away-from-reactor storage of spent fuel.

Your suggested arrangements for referral and subsequent consideration of the legislation are satisfactory to me and to the Chairman of the Subcommittee on Nuclear Regulation, Senator Hart. We could also consider joining into a single measure any bills dealing with away-from-reactor storage that are developed by our respective Committees. We look forward to working closely with you on this basis.

Truly,

JENNINGS RANDOLPH,
Chairman.

U.S. SENATE, COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, D.C., March 7, 1979.

Hon. JENNINGS RANDOLPH,
U.S. Senate,
Washington, D.C.

DEAR JENNINGS: As you know, the President has transmitted to the Congress his proposed legislation for a program of away-from-reactor storage of spent fuel from commercial nuclear reactors.

The Executive communication has conveyed the legislation in the form of two bills. One bill covers the matters of financing, constructing and operating the storage facilities and is predominantly within the jurisdiction of the Committee on Energy and Natural Resources. The other measure relates to the licensing of waste disposal facilities and is predominantly within the jurisdiction of the Committee on Environment and Public Works.

I would suggest that these bills, when they are introduced, be referred in accordance with the predominant jurisdiction. I would also suggest that, as our two committees proceed to consider the bills, we maintain close coordination to insure to the extent possible that they are compatible. Furthermore, I would propose that we review the circumstances when either of the bills, or any other measure dealing with away-from-reactor storage of spent fuel, is reported to the Senate. I also propose that we have an understanding that prior to Senate action on either bill we will consult as to the possibility of re-referral of a bill to the other committee for consideration of those matters that may be found to relate to the predominant interest of that committee.

I recognize that any future re-referrals would require the consent of the Senate, but I believe that the specific reasons for such re-referral would be more obvious at that time. I can assure you of my own cooperation in this matter.

Sincerely yours,

HENRY M. JACKSON,
Chairman.

Mr. HART. Mr. President, perhaps no other issue connected with generating electricity from nuclear powerplants causes the American people deeper concern than the disposal of the wastes from these plants. And it is no wonder. Unless properly shielded and contained, the radioactive materials contained in the spent fuel are toxic beyond imagination. Unless properly safeguarded, these materials can be processed and used in atomic bombs.

For these reasons, I have made nuclear waste licensing and control the top item on the agenda of the subcommittee. Chairman RANDOLPH shares my sense of urgency. This contributed to the unique and gracious step he has taken to serve as a member of the subcommittee in this Congress. His active participation at the subcommittee, as well as the full committee, level will help to insure that strong, well-considered legislation will be acted on without delay.

The subcommittee will address the nuclear waste problem for the first time in the 96th Congress during hearings on April 23 and 30. At that time, we will consider reports that have been prepared by the Nuclear Regulatory Commission at our direction on two crucial aspects of the issue: the appropriate role for States in Federal decisionmaking on moving and storing wastes within their borders, and the extent to which NRC licensing authority should be extended to wastes managed by the Department of Energy. I am now drafting legislation dealing with these and other aspects of licensing and controlling nuclear wastes, and I will introduce it soon.

In the meantime, Mr. President, I am pleased to introduce the companion bill to the proposed Spent Nuclear Fuel Act of 1979, at the request of Secretary Schlesinger, without making any commitment as to the merits of either measure. I ask unanimous consent that the text of the companion bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 798

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 202(3) of the Energy Reorganization Act of 1974 is amended to read:

"(3) Facilities used primarily for the receipt and storage of high-level radioactive wastes or spent fuel resulting from activities licensed under such Act or spent fuel from foreign reactors transferred under a subsequent arrangement authorized under such Act."●

By Mr. SCHMITT:

S. 799. A bill to increase the duty on imported copper by an amount which offsets the cost incurred by copper producers in the United States in meeting domestic environmental requirements; to the Committee on Finance.

COPPER ENVIRONMENTAL EQUALIZATION ACT OF 1979

● Mr. SCHMITT. Mr. President, I am introducing today, legislation entitled "the Environmental Equalization Act of 1979."

This bill is designed to insure that the United States is not "exporting" pollution when we purchase foreign produced copper for domestic consumption. To accomplish this, the bill would impose a duty on imported copper equal to the cost advantages employed by foreign producers who are not subject to environmental regulations comparable to those in effect here. The bill will contribute to the preservation and protection of the world's environment by encouraging foreign copper producers to adopt environmental standards similar to those employed in the United States.

All nations of the world should recognize a responsibility not to pollute the environment that we all must share. The governments of the United States and of the copper producing States within this country have faced up to this responsibility by imposing stringent air and water quality control laws and regulations, and domestic copper producers have responded by investing more than $1 billion in pollution control facilities. However, many foreign copper pollution of the environment, with minimal investment in control facilities and with resulting degradation of the world's atmosphere.

Moreover, foreign copper producers who are not subject to reasonable environmental standards save substantial costs and thereby obtain an extremely unfair competitive advantage over our domestic industry. It has been estimated that domestic producers spend up to 10 cents for each pound of copper they produce to comply with environmental regulations. This cost represents a significant percentage of the price at which copper can currently be sold in the U.S. market. The current copper duty of only 0.8 cents per pound affords domestic producers no significant protection against foreign producers with this enormous cost advantage.

As a result of the low prices currently being charged for copper on the world markets and sharply increased copper imports, the domestic producers have recently curtailed operations with the result that many American workers have been laid off for varying periods nationwide in recent months.

Having imposed costly environmental requirements on our own copper producers, we can do no less for them and their workers than to give them an opportunity to compete in our American markets on an equal footing with foreign producers who are not subject to comparable regulations.

I ask unanimous consent that the final text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 799

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Copper Environmental Equalization Act of 1979".

SEC. 2. The purposes of this Act are—

(1) to enhance the world's environment by encouraging foreign copper producers to adopt environmental measures substantially equivalent to those employed in the United States; and

(2) to offset the cost advantage obtained by foreign copper producers who do not employ environmental measures substantially equivalent to those imposed on domestic copper producers.

TITLE I—AMENDMENTS TO THE TARIFF SCHEDULES OF THE UNITED STATES

SEC. 101. The Appendix to the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by adding at the end thereof a new part 4 as follows:

"PART 4.—ENVIRONMENTAL EQUALIZATION DUTIES

Item	Articles	Rates of duty	
		1	2
	Part 4 headnotes: 1. The duties provided for in this part are cumulative duties which apply in addition to the duties, if any, otherwise imposed on the articles involved. Unless otherwise stated, the duties provided for in this part are effective until suspended or terminated. 2. The duties provided for by items 960.00 and 962.00 may be adjusted as provided in section 201 of the Copper Environmental Equalization Act of 1977.		
960.00	Copper bearing ores and materials (provided for in items 602.28, 602.30, 603.49, 603.50, 603.54, and 603.55 of part 1, schedule 6).	10¢ per pound on copper content.	10¢ per pound on copper content.

Item	Article	Rates of duty		
		1–a	1–b	2
962.00	Copper, its alloys, and their so-called basic shapes and forms (provided for in items 612.02 through 612.06, inclusive, and items 612.15 through 613.18, inclusive, of part 2C, schedule 6).	10¢ per pound on copper content.	10¢ per pound on copper content.	10¢ per pound on copper content."

TITLE II—ADJUSTMENTS TO COPPER EQUALIZATION DUTY

SEC. 201. (a) The President shall, under the circumstances described in subsection (b), adjust the duty imposed on an article of copper by section 101 of this Act.

(b) The President shall, based upon determinations of the various environmental costs of production by the Administrator of the Environmental Protection Agency (hereinafter in this Act referred to as the "Administrator") under section 203—

(1) increase the duty imposed by section 101 on an article of copper by an amount equal to the amount by which the excess of—

(A) the United States environmental costs of production, over

(B) the foreign environmental cost of production,

of such article exceeds 10 cents per pound;

(2) decrease the duty imposed by section 101 on an article of copper, by an amount equal to the amount by which the excess of—

(A) the United States environmental cost of production, over

(B) the foreign environmental cost of production,

of such article exceeds 10 cents per pound.

SEC. 202. (a) The Secretary of the Treasury (hereinafter in this Act referred to as the "Secretary") shall by regulation prescribe a procedure by which interested parties may propose an adjustment in the rate of duty which is imposed on an article of copper by section 101. If the Secretary finds pursuant to such procedure that there may be cause to make an adjustment under section 201, he shall request the Administrator to make a determination under section 203 of each of the environmental costs of production required to be made by such section.

(b) The Secretary shall promulgate any necessary regulations for the assessment and collection of duties imposed by this Act. In the collection of such duties, there shall be an identification of each portion of a shipment which may be subject to a different rate of duty under this Act so that the appropriate duty may be applied accordingly. If a shipment contains portions of articles of copper subject to the duty imposed by section 101 which, because of commingling, cannot be readily identified for purposes of imposing duties, the Secretary shall collect a duty on such portions equal to the highest duty which may be imposed on any portion of such shipment.

SEC. 203. (a) The Administrator shall by regulation prescribe a method or methods for the determination of environmental costs of production for the articles of copper subject to the duty imposed by section 101, which shall include a method or methods for the determination of the foreign environmental cost of production of such an article of copper in cases in which environmental costs of production have been incurred in more than one country.

(b) When requested by the Secretary under section 202, the Administrator shall, applying the methods prescribed under subsection (a), determine—

(1) the environmental cost of production for each phase of the processing of each article for which such request is made, with respect to each country in which such processing occurs, and

(2) the comparable environmental cost of production of such article in the United States for each such phase.

The foreign environmental cost of production shall be computed with respect to each such article for each combination of countries in which such article may be processed for importation into the United States.

SEC. 204. The President shall have no authority under any provision of law to reduce the duty which is imposed on articles of copper by section 101, except as provided in this title.

SEC. 205. For purposes of this title—

(1) ENVIRONMENTAL COST OF PRODUCTION.—The term "environmental cost of production" means the cost incurred in mining, milling, smelting, refining, or in any other phase of the processing of an article of copper which is subject to the duty imposed by section 101, or which would be subject to such duty if imported into the United States, which is attributable to compliance with a law or regulation of the country in which such process occurs which is for the purpose of protecting the environment.

(2) UNITED STATES ENVIRONMENTAL COST OF PRODUCTION.—The term "United States environmental cost of production" means the aggregate of the environmental costs of production of an article of copper which would be subject to the duty imposed by section 101 if it were imported into the United States, for which each phase of the processing occurs in the United States

(3) FOREIGN ENVIRONMENTAL COST OF PRODUCTION.—The term "foreign environmental cost of production" means the aggregate of the environmental costs of production of an article of copper subject to the duty imposed by section 101 which is imported into the United States.

TITLE III—AMENDMENT TO THE TRADE ACT OF 1974

SEC. 301. Subsection (c)(1) of section 503 of the Trade Act of 1974 is amended—

(1) in subparagraph (F), by striking out "and";

(2) in subparagraph (G), by striking out the period at the end thereof, and inserting in lieu thereof ", and"; and

(3) by adding at the end thereof the following new subparagraph:

"(H) copper articles which are subject to the duty imposed by section 101 of the Copper Environmental Equalization Act of 1977.".

TITLE IV—EFFECTIVE DATE

SEC. 401. The provisions of this Act shall be effective with respect to articles subject to the duty imposed by section 101 which are imported into the United States after the date of the enactment of this Act.●

By Mr. MATHIAS:

S. 800. A bill to amend the Rail Passenger Service Act in order to improve cost allocating procedures and the method of determining the amount of Federal assistance to be provided the National Railroad Passenger Corporation for operating costs; to the Committee on Commerce, Science, and Transportation.

AMTRAK COST ALLOCATION ACT OF 1979

● Mr. MATHIAS. Mr. President, I believe that the time has now come for the Congress to provide guidelines for Amtrak's management that clearly specify the objectives which we expect Amtrak to achieve.

We say that Amtrak should provide dependable service at a reasonable cost. Yet in the 8 years since the creation of Amtrak, we have been unable to define the level of service or what a reasonable cost might be. Until these definitions are explicitly stated, understood, and agreed upon, there can be no improvement in our national rail passenger service.

The legislation that I am proposing provides guidelines on which to evaluate Amtrak's performance. The legislation provides a formula which explicitly defines the public service value of rail passenger service to the Federal Government. For the first time, Congress and the administration would specify what should be an acceptable subsidy level for each route and each passenger carried on the Amtrak system.

Establishing such a public service value would provide Amtrak management with a clear objective on which to evaluate and determine route and service changes. The concepts embodied in this legislation have precedent in the urban mass transit legislation passed in the 95th Congress where the Federal mass transit subsidy is determined by ridership rather than by mileage. I am proposing the extension of this model to the Amtrak arena.

Currently Amtrak operates 41 routes on its 27,000-mile system. On a fully allocated cost basis, the "best route" loses almost $700,000 annually, whereas the "worst route" loses $63,000,000. At the same time, the ridership on these routes varies widely from a low of 40,000 per year to a high of 3.5 million. The cost for providing these services has continued to escalate at an alarming rate. To a large extent, Amtrak has been unable to deal in a businesslike fashion with this issue of increasing costs.

In particular, decisions relating to the level of service provided and the route structure have become so politicized that indecision seems to be the path of least resistance.

At present, Amtrak uses several formulas and criteria for determining cost on its 41 routes. First it assigns costs for items such as maintenance-of-way and labor, which are solely attributable to a particular route to that route; these costs amount to about 50 percent of the total system costs.

Amtrak then assigns the other 50 percent of its costs for items such as systemwide management, upkeep of stations, and marketing across the board to its routes based mostly on train frequency or train miles.

This present amalgam of formulas does not rely on a uniform standard for allocating costs. As a result, all Amtrak routes, under the present accounting procedure, register deficits, some more than others. The Federal operating subsidy, which Amtrak annually requests, is based on a projected yearly operating loss throughout the system.

Thus, the Congress is presented with an annual deficit picture from Amtrak for all its routes with no sign of improvement. It is little wonder, then, that Congress has become less and less enthusiastic about helping support a national rail passenger system which annually presents such a bleak picture.

Under the public service value formula which I am proposing in this bill, Amtrak would adopt an accounting system based on total number of passengers carried per route. Under this new accounting procedure, at least half of the existing 41 routes would show a public service profit annually. We could then take steps, such as fare restructuring, schedule changes, or equipment improvements which could turn that situation around.

The public service value formula in my bill contains two basic elements. The first element is operating contribution (OC) which amounts to 50 percent of the fully allocated loss experienced on each of Amtrak's 41 routes. The percentage of Federal operating contribution (50 percent) would remain constant over time. The OC is the Federal Government's recognition of the high cost inherent in the operation and maintenance of national rail service.

The second component of the formula consists of a ticket subsidy. Under this component the Federal Government's subsidy to Amtrak would be directly tied to the number of riders carried on each of the routes. If the ticket subsidy is set at a fixed level across routes, its effect would be to encourage Amtrak's management to promote ridership on the most cost-effective routes.

Under the proposed formula, 50 percent of the total Federal operating subsidies would be derived from the operating contribution and 50 percent from the ticket subsidy.

Let me briefly outline some of the benefits to be gained by the adoption of a public service value funding mechanism as proposed in this legislation.

First, the Congress and the executive branch would have explicitly agreed on the value of Amtrak service; that is, on what ticket subsidy should be provided per passenger. This would permit Amtrak's management to determine the public service value and cost of each route relative to the congressionally established criteria.

Second, Amtrak's management, for the first time, could establish marketing goals in terms of the number of riders for each of the routes not showing a public service profit in order that these routes might become socially profitable. In addition, Amtrak could establish equipment and ticket pricing policies in order to achieve public service profits for the various routes.

Third, Amtrak's management could be rewarded for performing better than anticipated by permitting the Corporation to invest excess profits (that is, where fares plus appropriated funds exceed expenses in capital improvements).

Fourth, major capital improvements, such as the Northeast Corridor, and other corridor development programs, could be evaluated against the benefits derived. Thus, for the first time, a cost benefit analysis could be performed on these proposed improvements.

Fifth, Congress could determine on a yearly basis the actual ticket subsidy as a measure of the current public service value of passenger train service. Furthermore, this ticket subsidy level could be easily understood by constituents in terms of the Government's contribution to rail passenger service.

Sixth, Amtrak's route and service decisions would be aimed at increasing ridership rather than focusing on cost-cutting regardless of the service consequences.

Seventh, Amtrak's management performance would be evaluated on the extent to which they realized an excess profit over revenues from tickets and the Federal operating subsidy. They would also be evaluated on the extent they were able to convert routes from "public service loss" to "public service profit."

The concept of public service value would cause a change in the perception of Amtrak. Decisions would now be focused on the social cost and benefits of certain routes rather than the overall deficit nature of the operation. The amount of service provided would be a major determinant in making route and service decisions.

The adoption of a funding formula such as this does not imply that routes experiencing a public service loss would automatically be eliminated. On the contrary, money-making routes would subsidize a certain number of losing routes that would be retained for the social benefits that they provide and/or the future market potential of these routes. Such "loss leader" routes could be viewed as temporary deficit routes where fare policy, equipment, and service scheduling improvements should be focused in order to attract additional ridership and, hence, increase revenues.

The formula would provide a single index of route performance. We would be able to ask Amtrak management, for instance, what it would take, in terms of equipment, ridership and fare policy to make a route socially profitable. Thus, for the first time we would be able to determine whether public service profit is, in fact, possible for each route.

The bill, furthermore, provides for a certain discipline on the part of Amtrak's management. Amtrak is required, under the provisions of the bill, to submit a 5-year plan with its budget. The 5-year plan requires Amtrak to identify its levels of service and route structure given the 50 percent operating contribution and a ticket subsidy at last year's level.

Therefore, if Amtrak received $15 per ticket as a ticket subsidy in fiscal year 1979 on 20 million tickets sold for a total of $300 million, and a 50 percent operating contribution of $300 million for fiscal year 1979, then for fiscal year 1980 they would have to inform the Congress of the service they can provide with the 50 percent operating contribution and the $15 ticket subsidy.

It should be noted that this does not require Amtrak to live within the same budget for 5 years. It means that if their ridership increases, as we all hope it will, then they will be able to realize additional revenue from the ticket subsidy—in my example an additional $15 per ticket for each ticket sold in fiscal year 1980. Additionally, the 50 percent operating contribution would change depending upon the costs incurred and would, thus, provide a partial offset against inflation.

The adoption of this legislation would help bring order to an otherwise chaotic process. It would clearly establish goals and objectives for Amtrak, which has had none since its inception. It would provide an incentive for efficient management and the generation of additional ridership. It would provide Congress with a yardstick to measure route performance. It would provide a mechanism for identifying routes which cannot, under any circumstances, provide a positive public service profit. And finally, it would permit Amtrak's management to develop a 5-year plan that reflects Congress concern with containing the costs and providing maximum service per tax dollar.●

By Mr. DANFORTH (for himself, Mr. MOYNIHAN, Mr. CHAFEE, and Mr. DOMENICI):

S. 801. A bill to increase the tax on cigarettes; to the Committee on Finance.

TAX ON CIGARETTES

● Mr. DANFORTH. Mr. President, today, I together with Senators MOYNIHAN and CHAFEE am introducing a bill which will raise the Federal tax on a pack of cigarettes by 10 cents—one dime. The tax is now 8 cents a pack and it has been at that level since 1951, more than 25 years. Although a dime is not a great deal to pay, it will raise $2.9 billion—enough revenue to finance the Federal share of a catastrophic health insurance bill I introduced yesterday with Senator DOLE and Senator DOMENICI. Whether our version of catastrophic health insurance is enacted or some other version, I believe it is absolutely justified for the cigarette tax to be increased and for the revenue so generated to be targeted to pay for catastrophic health costs.

Three things have happened since the cigarette tax was set at 8 cents a pack in 1951. First, we have had tremendous inflation. Eight cents in 1951 would be the equivalent of 20 cents today. In 1951, the Federal excise tax represented about one-third of the average cost of a pack of cigarettes. Today, the Federal tax represents only one-seventh of the cost. On its own, therefore, it makes sense to raise the tax.

The second thing that has happened since 1951 was the Surgeon General's report. We now have strong, direct evidence linking cigarette smoking with a whole range of catastrophic illnesses—lung cancer, strokes, emphysema and so on, and it is now the pronounced public policy of our Nation to combat smoking.

And third, since 1951, medicare and medicaid were enacted as was the disability insurance program of social security and the supplemental security income program. It has been estimated that $8.2 billion a year is spent directly on health care costs attributable to smoking. Since medicare and medicaid pay 40 percent of the Nation's hospital bills, that translates to a $3.3 billion cost to taxpayers generally. Similarly, 1.5 million individuals collect social security disability payments as a result of lung or heart ailments and a large number receive SSI payments as well. As a result, the American people—nonsmokers as well as smokers—are subsidizing the real costs associated with cigarette smoking. We are now talking about expanding the Federal Government's role in the health area through some form of catastrophic health insurance legislation. If we do pass such legislation without a concomitant increase in the cigarette tax, we are asking the American people to subsidize even further the real costs associated with smoking.

I am not hopeful that a 10-cent increase in the cost of cigarettes will discourage many people from smoking. Nevertheless, to the extent that the tax deters anyone from smoking, it seems to me we would be making an important, direct contribution to our Nation's health.

For all these reasons, I hope this bill is speedily enacted.●

By Mr. CHURCH (by request):

S. 802. A bill to further amend the Peace Corps Act; to the Committee on Foreign Relations.

PEACE CORPS ACT

● Mr. CHURCH. Mr. President, I introduce by request a bill to amend the Peace Corps Act.

The bill has been requested by the Director of ACTION and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the analysis of the bill, and the letter from the Director of ACTION to the President of the Senate dated March 13, 1979.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 802

Be it enacted by the Senate and the House of Representatives of the United States in Congress assembled, That this Act may be cited as the "Peace Corps Act Amendments of 1979.".

SEC. 2. Section 3 of the Peace Corps Act (22 U.S.C. § 2502) is amended—

(a) in subsection (b) by striking out the matter before the first proviso and inserting in lieu thereof the following:

"There are authorized to be appropriated to carry out the purposes of this Act (1) for the fiscal year ending September 30, 1980 not to exceed $105,404,000 and (2) for the fiscal year ending September 30, 1981 such sums as may be necessary:"; and

(b) in subsection (c) by striking out "year 1979" and by inserting in lieu thereof "years 1980 and 1981".

ACTION,
Washington, D.C., March 13, 1979.

HON. WALTER F. MONDALE,
President of the United States Senate,
U.S. Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill, and section-by-section analysis which will permit the Peace Corps to continue its activities on behalf of world peace and understanding in the fiscal years ending September 30, 1980 and September 30, 1981.

The proposed bill authorizes the appropriation of $105,404,000 for activities under the Peace Corps Act in fiscal year 1980, and such sums as may be necessary for that purpose in fiscal year 1981. It also authorizes the appropriation of such sums as may be necessary in each of those fiscal years for increases which may be authorized by law in salary, pay, retirement and similar employee benefits. The bill would also discontinue the earmarking benefits for the United Nations Volunteer programs. While Peace Corps will continue its support of the valuable activities of the United Nations Volunteer programs, the amount of the contribution should be determined annually on a programmatic basis without a restrictive specific $1,000,000 earmark. Furthermore, this earmarking could divert funds from the maintenance of existing Peace Corps programs.

Continuation of the activities of Peace Corps Volunteers in improving the quality of life for persons living in countries and areas most in need is an important and valuable activity. I urge the speedy passage of this legislation which will permit our Peace Corps Volunteers to continue their useful activities.

The Office of Management and Budget has advised that there is no objection to submission of this draft legislation to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

SAM BROWN,
Director.

SECTION-BY-SECTION ANALYSIS

Sec. 1 contains the short title of the Act, "Peace Corps Act Amendments of 1979".

Sec. 2 amends Section 3 of the Peace Corps Act (22 U.S.C. § 2502) (hereinafter the "Act") to:

(1) Authorize the appropriation of not to exceed $105,404,000 in the fiscal year ending September 30, 1980, and such sums as may be necessary for the fiscal year ending September 30, 1981, to carry out the purposes of the Peace Corps Act.

(2) Strike out the requirement that $1,000,000 of the Peace Corps appropriation be used to support United Nations Volunteer programs. ACTION considers support of the United Nations Volunteer programs to be an important and productive activity. However, the amount of the contribution should be determined annually on a programmatic basis without a restrictive specific earmark. Furthermore, the reservation of this amount for expansion of the United Nations Volunteer program could jeopardize the ability of Peace Corps to provide adequate support to its existing volunteer programs.

(3) Authorize the appropriation of such sums as may be necessary for increases in salary, pay, retirement, or other employee benefits which may be authorized by law in fiscal years 1980 and 1981.●

By Mr. DURKIN:

S. 805. A bill to repeal changes in the exclusion of sick pay made by the Tax Reform Act of 1976, and for other purposes; to the Committee on Finance.

● Mr. DURKIN. Mr. President, today I am introducing legislation to set up a new tax rule that restores the exclusion for sick pay as it was before Congress approved the Tax Reform Act of 1976. This measure eliminates the current disability requirement and income phaseout for tax-free sick pay. Since both standards went into effect on January 1, 1978, my bill recommends their retroactive repeal by 1 year. For those relatively few people who prefer the 1976 act rules, they may elect to apply them in taxable year 1978.

In my view, elimination of the sick pay exclusion was an ill-advised and unnecessary decision. The law as amended has seriously limited the ability of people who are receiving sick pay from claiming the tax exclusion. Only those who are under 65, have retired on disability, and are permanently and totally disabled are eligible.

These are not the only people who need this help. The effect of illness and injury on an individual and his family is profound, regardless of whether the condition is permanent. And the resulting loss of income may be equally devastating for those who are not totally and permanently disabled.

Mr. President, as you well know, the sick pay exclusion was repealed by the Tax Reform Act of 1976. This specific provision was never taken up for floor debate and vote in either House but rather, cleared Congress as a Senate-House conference committee agreement. Subsequently, Congress did address the issue of sick pay. Not once, but twice it agreed by an overwhelming vote to postpone the effective date of the 1976 changes in the sick pay exclusion. Without any further delay, sick and disabled taxpayers are now realizing that the exclusion benefit does not exist for them. Even those people who are certified as being permanently and totally disabled cannot benefit from the exclusion if their gross income, including disability payments, are in excess of $15,000.

My bill is aimed at helping every American worker who, for reasons of injury or illness, finds himself caught in the financial squeeze of a reduced income and increased costs which are associated with medical care. It provides a maximum $100 a week ceiling on excludable benefits, without regard to gross income. This $5,200 limit is a very modest proposal when you recall that it is the same figure approved by Congress back in 1954. It is not lavish in relation to the present cost of living, but it is much needed.

If sick pay received is 75 percent or less of the regular weekly rate and the taxpayer is hospitalized for 1 day during the period, my bill allows the exclusion to apply immediately. Should sick pay received be more than 75 percent of the regular weekly rate, the waiting period is 30 days whether or not the taxpayer is hospitalized during the period. As with the old law, there are other strict waiting period rules that will have to be met to qualify for the sick pay exclusion in effort to prevent extreme abuses.

I strongly urge my colleagues to vote for the enactment of the legislation I introduce today. Equity argues that changes in the tax treatment of sick pay are needed, and it is incumbent upon Congress to make them now. No American household has escaped the wrath of inflation, but it is a particularly trying time for that family who has severe financial worries in addition to serious concern over the health and future well-being of one of its loved ones.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 805

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (d) of section 105 of the Internal Revenue Code of 1954 (relating to certain disability payments) is amended—

(1) by inserting "Sick Pay and" after "Certain" in the caption.

(2) by striking out so much of paragraph (1) as precedes "income" and inserting in lieu thereof "(1) In general.—Gross."

(3) by striking out "permanent and total disability" in paragraph (1) and inserting in lieu thereof "personal injuries or sickness"

(4) by striking out paragraphs (3) and (5),

(5) by striking out so much of the text of paragraph (6) as precedes "for purposes of section 72" and inserting in lieu thereof "(6) Coordination with section 72.—In the case of a taxpayer who—

"(A) has not attained age 65 before the close of the taxable year, and

"(B) retired on disability and, when he retired, was permanently and totally disabled,", and

(6) by adding at the end thereof the following new paragraph:

"(7) Special rules for initial period.—

"(A) Payments in excess of 75 percent.—Paragraph (1) shall not apply with respect to amounts attributable to the first 30 calendar days of any such period, if such amounts are paid at a rate which exceeds 75 percent of the regular weekly rate of wages of the employee (as determined under regulations prescribed by the Secretary).

"(B) Payments not in excess of 75 percent.—If amounts attributable to the first 30 calendar days of any such period are paid at a rate which does not exceed 75 percent of the regular weekly rate of wages of the employee, then—

"(i) paragraph (2) shall be applied by substituting '$75' for '$100' for that period, and

"(ii) paragraph (1) shall not apply to amounts attributable to the first 7 calendar days in such period unless the employee is hospitalized on account of personal injuries or sickness for at least one day during such period.".

Sec. 2. (a) Any election made under section 104(d)(6) of the Internal Revenue Code of 1954, or under section 505(d) of the Tax Reform Act of 1976, for a taxable year beginning in 1978 may be revoked (in such manner as may be prescribed by the Secretary of the Treasury) at any time before the expiration of the period for assessing a deficiency with respect to such taxable year.

(b) In the case of any revocation made under subsection (a) the period for assessing a deficiency with respect to any taxable year affected by the revocation shall not expire before the date which is 1 year after the date of the making of the revocation, and, notwithstanding any rule or rule of law, such deficiency, to the extent attributable to such revocation, may be assessed at any time during such one-year period.

Sec. 3. The amendments made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1977, but shall not apply—

(1) with respect to any taxpayer who makes or has made an election under section 105(d)(6) of the Internal Revenue Code of 1954, or under section 505(d) of the Tax Reform Act of 1976, for a taxable year beginning in 1978, if such election is not revoked under section 2(a) of this Act, nor

(2) with respect to any taxpayer (other than a taxpayer described in paragraph (1)) who has an annuity starting date at the beginning of a taxable year beginning in 1978 by reason of the amendments made by section 505 of the Tax Reform Act of 1976, unless such person elects (in such manner as the Secretary of the Treasury may prescribe) to have such amendments apply.●

By Mr. DURKIN:

S. 806. A bill to amend the Internal Revenue Code of 1954 to make certain wood gasification equipment eligible for the residential energy credit; to the Committee on Finance.

● Mr. DURKIN. Mr. President, I am today introducing legislation to make wood gasification equipment eligible for the residential renewable tax credits written into the tax code last year. Wood gasifiers represent such a potentially great energy source in wood-rich regions of our Nation, such as New Hampshire and New England, that the tax credit for renewable energy systems should be extended to cover this developing technology. Last year Congress made solar, wind, and geothermal energy systems eligible for a tax credit of 30 percent of the first $2,000 and 20 percent of the next $8,000 for a maximum of $2,200. If my bill is passed and signed into law, wood gasifiers will be eligible for the same tax credit.

Wood gasifiers are simple devices that gasify wood in the form of wood pellets by heating wood in an oxygen-free environment. When wood pellets are heated in an oxygen-free environment, a medium BTU methane suitable for burning is produced. This gas can then be burned in existing natural gas stoves, water heaters, or furnaces or used to produce clean industrial process heat. Wood gasification also offers great promise for the generation of electricity. Since wood in a gasified form is free of the water and high ash of unprocessed wood, it is more suitable for use in the large, high temperature boilers that turn electric turbines.

This credit would provide immediate aid to those enterprising groups and individuals in New England and elsewhere that are working to bring this technology to the point of commercialization. In years ahead this tax credit will provide homeowners all across America the sort of nonbureaucratic broad-based tax incentive that is so effective in commercializing new energy technologies.

Wood and especially advanced wood technologies like wood gasification, have been the orphan of our energy policy in this country. Wood deserves the full commitment that we have in the past afforded oil, gas, and nuclear technologies. In New England wood could make a substantial contribution to our national effort to develop sustainable domestic energy sources. This tax credit, if passed, would provide the sort of incentive that this young but extremely promising technology needs today to compete with the heavily subsidized conventional technologies that are far more environmentally destructive and are in limited supply. It also will help cut down on our oil import bill, so damaging to our economy, and especially to New England.

I urge the support of my colleagues for this measure, and I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 806

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (5)(A) of Section 44c(c) of the Internal Revenue Code of 1954 (relating to the definition of the renewable energy source property) is amended by adding at the end thereof the following new clause:

(iii) energy from burning gasified wood, or wood residues or products, including systems for the gasification of wood, wood residues and wood products, and including all controls, pipes, and ducts necessary for the safe and efficient operation of any such property.

Sec. 2. The amendments made by this section shall apply with respect to taxable years beginning after December 31, 1978.●

By Mr. DURKIN:

S. 807. A bill to amend section 5(e) of the Food Stamp Act of 1977 to remove the ceiling on the excess shelter expense deduction, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. DURKIN. Mr. President, today I am introducing legislation which I believe will correct a very serious deficiency in the food stamp program. This amendment to the Food Stamp Act of 1977 will remove the arbitrary limit placed on shelter deductions for food stamp recipients so recipients in areas with high shelter costs will not suffer from an unfair reduction in benefits.

The food stamp program, started in the 1960's and greatly expanded in the 1970's, is certainly one of the most significant and worthwhile public-service efforts the Federal Government has today. It attacks the very substantial problem of hunger in the United States and gets nutritious meals to millions of Americans who might otherwise go hungry.

Despite its many successes, this program, like many others that grew rapidly in a short time, developed serious shortcomings. Those problems were the genesis of the Food Stamp Act of 1977. In addition to correcting some of the abuses of the past food stamp program, this bill had the dual purpose of eliminating from the program altogether recipients with the highest income levels and, in turn, getting food stamps to the neediest people by abolishing the purchase requirement for the stamps.

I wish to commend my colleagues for the reforms they made to the original food stamp legislation. In revamping the law, they were acutely aware of the real worth of this program, that the Federal Government has a commitment to people who, for one reason or another, cannot adequately feed themselves. On the whole, my colleagues did an excellent job under very difficult circumstances, but I do believe they erred by placing a ceiling on shelter cost and child care deductions, which now stands at $80 a month.

Under the previous food stamp program, the normal household costs—such as rent, utilities, and medical expenses—were subtracted from a recipient's income to determine the level of eligibility for food stamps.

In an effort to simplify and streamline the program, the individual deductions were taken out of the 1977 act and replaced with one standard deduction—now at $65—to take those expenses into account. The new act also placed a maximum, now at $80, on the deduction on combined shelter and child care costs.

As all of my colleagues are aware, shelter costs are not uniform throughout the United States. Shelter costs are much higher in New Hampshire and the Northeast and in urban areas than they are in the South, for instance. In my home State of New Hampshire, it is not uncommon for a family to spend several hundred dollars a month on heating oil to fend off the winter cold. With heating oil approaching 70 cents a gallon and electrical costs increasing almost daily, this limit on shelter deductions has placed an extreme hardship on some of my constituents.

The sole reason for deductions in the food stamp program is to acknowledge that households have expenses other than food. There are other necessities which must be paid for out of a household's monthly pay check or welfare payment. As a result, the food stamp program wisely attempts to base eligibility and benefit levels on disposable income after other necessary expenses have been met.

To place an arbitrary "cap" on those deductions simply means that we are attributing to those households income they simply do not have. In the case of the shelter deduction, we are closing our eyes to reality by stating that no more than $80 a month may be deducted for excess shelter, no matter what those costs might be.

By removing this arbitrary ceiling on shelter costs, my amendment merely recognizes the high cost of shelter in various parts of the country—whether it be in the Northeast or in urban areas—and attempts to compensate for the inequities in this nationwide program.

In my home State of New Hampshire, the new regulations governing the food stamp program have caused hardship to a particularly large segment of those receiving the assistance.

According to figures supplied me by the New Hampshire Division of Welfare, out of 15,000 active food stamp cases in February, 1,000 of those households lost their benefits entirely as a result of the new regulations and 11,000 had their allocations reduced when the new rules went into effect on March 1. I know of other States facing a similar situation.

My amendment will not solve every hardship case created by the new legislation. Estimates I have received indicate it could restore up to 60 percent of the benefits lost as a result of the new legislation.

This legislation is by no means a cure-all for the very real problems that some people must now face as a result of the change in the food stamp program, but it is a way of mitigating some of those problems.

I ask that my colleagues join me in support of this worthwhile endeavor.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 807

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) clause (1) of the fourth sentence of section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended to read as follows: "(1) a dependent care deduction, the maximum allowable level of which shall be $80 a month, for the actual cost of payments necessary for the care of a dependent, regardless of the dependent's age, when such care enables a household member to accept or continue employment, or training or education which is preparatory for employment, except that households in Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands of the United States shall be allowed maximum dependent care deductions determined by the Secretary and such maximum shall vary from the maximum level prescribed for the forty-eight contiguous States and the District of Columbia to the same extent that the standard deduction prescribed for Alaska, Hawaii, Guam, Puerto Rico, and the Virgin Islands of the United States vary from the standard deduction prescribed for the forty-eight contiguous States and the District of Columbia, and".

(b) The fourth sentence of section 5(e) of such Act is further amended by striking out the colon preceding the proviso and all that follows down through the end of such sentence and inserting in lieu thereof a period and a new sentence as follows: "The maximum level of the dependent care deduction under clause (1) shall be adjusted annually (commencing January 1, 1980) to the nearest $5 increment to reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor for the twelve month period ending the preceding September 30.".●

By Mr. DURKIN:

S. 808. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

● Mr. DURKIN. Mr. President, today I am introducing legislation that authorizes a separate pension system for all World War I veterans and their surviving spouses. My legislation recommends a minimum monthly pension of $135 to every veteran of the First World War who establishes eligibility or elects participation in this special pension program under the existing VA pension structure.

During the last Congress, I worked hard to assure Senate and House approval of the $800 maximum annual rate increase for World War I vets under the Pension Improvement Act. That increase went only to those World War I veterans currently receiving a pension. The measure I introduce today enacts an unrestricted pension to all World War I veterans, many of whom receive no pension whatsoever.

Simply stated, these men, who currently number about 600,000, were never afforded many of the advantages which have been available to veterans of subsequent wars, such as entitlement to employment counseling, readjustment and GI educational benefits. The average age of our World War I veterans is 80 years old. With this in mind, I not only believe that he has earned our help but, more important, I believe he needs it now.

While no American household has escaped the wrath of inflation, the fight to make ends meet is taking its greatest toll on our senior citizens who often live on a fixed income. As I am sure you agree, it is the elderly who suffer most when the economy worsens. It is the elderly who are hurt most during the cold months when fuel costs rise. And, it is the elderly who sacrifice most when food prices rise.

My bill would not require World War I veterans to demonstrate their need for pension assistance and it operates without regard to current VA requirements of disability. World War I veterans may be entitled to hospital, domiciliary and medical care for nonservice, as well as service-connected disabilities under the provisions of this measure. Furthermore, the legislation permits outpatient treatment of World War I vets by a Veterans' Administration facility under any circumstance. If it is determined that travel to and from a VA medical center imposes medical or financial hardship on the veteran, then the cost of medical treatment which is provided outside of Veterans Administration facilities may be reimbursed by the VA.

Mr. President, I hope we can take immediate action on this legislation. It would give World War I veterans deserved recognition for their service and provide them with compensation rightly earned a half century ago.

I ask unanimous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 808

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter II of chapter 15 of title 38, United States Code, is amended by adding immediately after section 512 the following new section:

"§ 513. Certain World War I veterans.

"(a) For purposes of this section—

"(1) The pension and other benefits provided by this section shall be deemed, for all purposes, to be in payment of the debt owed by the Nation to the beneficiaries thereof for services rendered by them and shall not, for any reason, be considered to be a gratuity.

"(2) The term 'World War I' means the period beginning on April 5, 1917, and ending on July 2, 1921.

"(b) The Administrator shall pay to each veteran who served in the active military, naval, or air service at any time during World War I and who is not eligible for pension under section 521 of this title pension at the rate prescribed by this section.

"(c) (1) If the veteran is married and living with or reasonably contributing to the support of his spouse, or has a child or children, the monthly rate of pension shall be $150.

"(2) If the veteran is unmarried (or married but not living with or reasonably contributing to the support of his spouse) and has no child, the monthly rate of pension shall be $135.

"(d) If the veteran is in need of regular aid and attendance, the monthly rate of pension payable to him under subsection (c) shall be increased by $125.

"(e) If the veteran has a disability by reason of which he is permanently housebound but does not qualify for the aid and attendance rate payable under subsection (d), the monthly rate payable to him under subsection (c) shall be increased by $50.

"(f) (1) Any veteran entitled to pension under this section is entitled to hospital, domiciliary, and medical care under chapter 17 of this title for any non-service-connected disability.

"(2) Notwithstanding any other provision of law, the Administrator shall pay on behalf of any veteran receiving pension under this section the cost of any medical services provided outside of Veterans' Administration facilities to such veteran by any physician if the Administrator finds that travel to and from a Veterans' Administration medical facility for such services would impose a medical or financial hardship on the veteran.

"(g) The pension, medical and hospital benefits, and reimbursement for medical costs provided for by this section shall be paid, or provided, as the case may be, without regard to (1) any income of any kind or from any source payable to the veteran or his spouse, and (2) the corpus of the estate of the veteran or his spouse.

"(h) Any veteran who is eligible for pension under section 521 of this title shall, if he so elects, be paid pension, and provided the other benefits, prescribed by this section. If pension is paid pursuant to such an election, the election shall be irrevocable.".

(b) The analysis of such chapter 15 is amended by adding immediately after

"512. Spanish-American War veterans."

the following:

"513. Certain World War I veterans.".

SEC. 2. (a) Subchapter III of chapter 15 of title 38, United States Code, is amended by adding immediately after section 537 the following new section: § 538. Widows of certain World War I veterans

"(a) The Administrator shall pay to the widow of each veteran of World War I who at the time of his death was receiving pension under section 513 of this title pension at the rate prescribed by this section, if the widow is not eligible for widow's pension under any other provision of this subchapter.

"(b) (1) If there is a widow and one or more children, the monthly rate of pension shall be $150.

"(2) If there is not child, the monthly rate of pension shall be $135.

"(c) No pension shall be paid to a widow of a veteran under this section unless she was married to him—

"(1) before December 14, 1944; or

"(2) for one year or more; or

"(3) for any period of time if a child was born of the marriage, or was born to them before the marriage.

"(d) The pension provided by this section shall be paid without regard to (1) any income of any kind or from any source payable to the widow, and (2) the corpus of the estate of the widow.

"(e) Any widow who is eligible for pension under section 541 of this title shall, if she so elects, be paid pension prescribed by this section. If pension is paid pursuant to such an election, the election shall be irrevocable.".

(b) The analysis of such subchapter III is amended by inserting immediately after

"537. Children of Spanish-American War veterans."

the following:

"538. Widows of certain World War I veterans.".●

By Mr. STEVENS (for himself, Mr. BAYH, Mr. DOMENICI, Mr. DOLE, Mr. FORD, Mr. GARN, Mr. HATCH, Mr. HUDDLESTON, Mr. HUMPHREY, Mr. METZENBAUM, Mr. MORGAN, Mr. MOYNIHAN, and Mr. THURMOND):

S. 809. A bill to amend title 38, United States Code, to provide that a member of a Reserve component of the Armed Forces shall not be denied certain employment because of membership in such Reserve component; to the Committee on Veterans' Affairs.

Mr. STEVENS. Mr. President, I am today introducing a measure that would make it illegal for an individual to be denied employment because of membership in a Reserve unit of the Armed Forces or the National Guard.

This is a companion measure to Congressman BOB TRAXLER's bill H.R. 2290. I am pleased to have Senators BAYH, DOMENICI, DOLE, FORD, GARN, HATCH, HUDDLESTON, HUMPHREY, METZENBAUM, MORGAN, MOYNIHAN, and THURMOND join me in introducing this measure in the Senate. The National Guard Association of the United States, the Reserve Officers Association of the United States, the Naval Reserve Association, and the Air Force Sergeants Association have also announced their support for this legislation.

As my colleagues are aware, many employers are hesitant to hire a reservist because of their obligation to participate in summer and weekend drills. Although 356,000 employers have signed a statement in support of the Guard and Reserve, there is no Federal law prohibiting them from discriminating against reservists. Enactment of this legislation would help to correct this situation.

With our All-Volunteer Force and increased reliance on a total force policy it is increasingly important to rebuild the strength of our military—particularly our Reserve units. Today, Reserve forces are involved with their active duty counterparts in exercises and practice military operations. The increased involvement and dependence on reservists in our national defense posture to provide direct combat arms and maintenance support in event of conflict commands our immediate attention to the assurance of an adequate Reserve system. Therefore, it is essential to make military service a viable, alternative career by creating incentives to recruit and retain membership in the Reserve and active duty forces.

Mr. President, I urge my colleagues to act promptly in approving this bill. I ask unanimous consent that the text of the bill be printed in the RECORD in its entirety at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 809

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2021 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) No person shall be denied employment (other than employment by an employer having not more than ten employees) because of obligation as a member of a Reserve component of the Armed Forces."

SEC. 2. Section 2022 of title 38, United States Code, is amended by striking out "or (b) (3)," and inserting in lieu thereof "(b) (3), or (d),".

SEC. 3. The amendments made by this Act shall apply with respect to individuals who are denied employment on or after the date of the enactment of this Act.

By Mr. STEVENS:

S. 810. A bill to amend section 1102 of the Education Amendments of 1978; to the Committee on Labor and Human Resources.

Mr. STEVENS. Mr. President, the bill I am introducing today would amend section 1102 of the ESEA bill which we passed in the closing days of the 95th Congress.

The House version of the education amendments contained a formula to change the distribution of Johnson-O'Malley funds which are used to provide supplemental services to Indian students in public schools. I opposed the House formula and thanks to the efforts of the distinguished Senator from New York, Mr. JAVITS, the formula was deleted from the conference version of the legislation. The House, however, insisted on bill language requiring the Secretary of the Interior to revise the distribution formula. Included in the language is a requirement that the tribes vote on several options and that the Secretary certify such vote and implement the formula receiving the largest vote.

Due to time constraints, the conferees apparently gave little thought to the problems involved with requiring the formula be voted on by the tribes. Should each tribe receive one vote? If so, a tribe of 100 people would have a vote equal to that of the entire Navajo Nation. If the vote were weighted on the basis of population, there is no way to insure the equity of the distribution as the four or five largest tribes could determine the formula. We also face a problem with respect to Alaska where we do not have tribes. If each village were allowed one vote, that would give the State of Alaska more than 200 votes, yet the village councils are the closest things we have to tribal governments.

Mr. President, there is no other Federal program that I can think of where we submit the distribution formula to the recipients for a vote—these decisions are usually worked out by the Congress for many of the same reasons that we have problems with determining how the tribes will vote.

My bill would repeal that section of the law requiring the Secretary to conduct a vote on the formula options. Instead, I would substitute the process now commonly used that would require the Secretary to take into consideration the testimony received from the tribes and Alaskan Natives at the field hearings being held this month and the comments received in response to the publication of the options in the Federal Register in determining which formula is most equitable to the entire Native American community when distributing Johnson-O'Malley funds.

Mr. President, I ask unanimous consent that the text of my bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 810

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 1102 of the Education Amendments of 1978 (95-561; 92 Stat. 2143) is amended by striking out subsection (b) and inserting in lieu thereof the following:

(b) Having taken into consideration the views of the tribes obtained during the field survey and the public comment period, the Secretary shall establish and publish the formula in the Federal Register no later than July 1, 1979. Such formula shall be used for the distribution of the funds appropriated pursuant to such Act beginning on or after October 1, 1979. The Secretary may, in accordance with procedures consistent with those prescribed herein, revise such formula periodically as necessary.

ADDITIONAL COSPONSORS

S. 7

At the request of Mr. Cranston, the Senator from Colorado (Mr. Hart) was added as a cosponsor of S. 7, the Veterans' Health Care Amendments of 1979.

S. 15

At the request of Mr. Levin, the Senator from Montana (Mr. Melcher) and the Senator from Hawaii (Mr. Matsunaga) were added as cosponsors of S. 15, to amend the Consumer Credit Protection Act to prohibit discrimination on the basis of geography in the issuance and use of credit cards.

S. 43

At the request of Mr. Hatch, the Senator from Colorado (Mr. Hart) was added as a cosponsor of S. 43, a bill to promote safety and health in skiing and other outdoor winter recreational sports.

S. 75

At the request of Mr. Nelson, the Senator from Alaska (Mr. Gravel) was added as a cosponsor of S. 75, to amend the Internal Revenue Code to allow a retirement savings deduction for persons covered by certain pension plans.

S. 79

At the request of Mr. Helms, the Senator from New Mexico (Mr. Schmitt) and the Senator from Utah (Mr. Garn) were added as cosponsors of S. 79, a bill to amend the Internal Revenue Code of 1954 to reinstate the nonbusiness deduction for State and local taxes on gasoline and other motor fuels.

S. 110

At the request of Mr. Nelson, the Senator from Vermont (Mr. Leahy) was added as a cosponsor of S. 110, to amend the Internal Revenue Code to provide accelerated and simplification depreciation for small business.

S. 210

At the request of Mr. Ribicoff, the Senator from Alaska (Mr. Stevens) was added as a cosponsor to S. 210, the Department of Education Organization Act of 1979.

S. 223

At the request of Mr. Danforth, the Senator from South Carolina (Mr. Hollings) was added as a cosponsor of S. 223, a bill to amend the Antidumping Act, 1921, the Tariff Act of 1930, section 801 of the Revenue Act of 1916, and for other purposes.

S. 270

At the request of Mr. Bumpers, the Senator from Idaho (Mr. Church) and the Senator from New Hampshire (Mr. Humphrey) were added as cosponsors of S. 270, to amend the Occupational and Health Safety Act to insure equal protection of the laws for small business and to provide that any employer who successfully contests a citation or penalty shall be awarded a reasonable attorney's fee and other reasonable litigation costs.

S. 380

At the request of Mr. Durkin, the Senator from Oklahoma (Mr. Bellmon), the Senator from Nebraska (Mr. Exon), and the Senator from Michigan (Mr. Levin) were added as cosponsors of S. 380, a bill to amend the Bank Holding Company Act of 1956, to limit the property and casualty and life insurance activities of the bank holding companies and their subsidiaries.

S. 518

At the request of Mr. Bumpers, the Senator from Alabama (Mr. Heflin) and the Senator from Arizona (Mr. DeConcini) were added as cosponsors of S. 518, to amend the Poultry Products Inspection Act to restrict authority of the Secretary of Agriculture to regulate the speed of processing poultry on the basis of State, region, or other area, or on the basis of a lack of inspectors.

S. 533

At the request of Mr. Heinz, the Senator from North Dakota (Mr. Young) was added as a cosponsor of S. 533, the Buy American Act of 1979.

S. 538

At the request of Mr. Heinz, the Senator from Maine (Mr. Cohen) was added as a cosponsor of S. 538, to amend the Tariff Act with respect to the imposition of countervailing duties, and for other purposes.

S. 655

At the request of Mr. Weicker, the Senator from North Dakota (Mr. Young) was added as a cosponsor of S. 655, the Small Business Investment Incentive Act.

S. 697

At the request of Mr. Sasser, the Senator from Michigan (Mr. Levin) was added as a cosponsor of S. 697, a bill to reduce by $500 million the amount which may be obligated for travel and transportation of officers and employees in the executive branch during fiscal year 1980.

S. 720

At the request of Mr. Durkin, the Senator from Oregon (Mr. Hatfield) was added as a cosponsor of S. 720, to amend the Internal Revenue Code to make certain woodburning equipment eligible for the residential energy credit.

SENATE JOINT RESOLUTION 43

At the request of Mr. Durkin, the Senators from Rhode Island (Mr. Pell and Mr. Chafee) were added as cosponsors of Senate Joint Resolution 43, to proclaim March 21, 1980, "National Energy Education Day."

SENATE RESOLUTION 49

At the request of Mr. Schmitt, the Senator from Arizona (Mr. Goldwater) was added as a cosponsor of Senate Resolution 49, to disapprove Amtrak route terminations.

SENATE RESOLUTION 98

At the request of Mr. Bentsen, the Senator from West Virginia (Mr. Randolph), the Senator from Missouri (Mr. Eagleton), the Senator from Arkansas (Mr. Pryor), the Senator from Nevada (Mr. Laxalt), the Senator from New Mexico (Mr. Schmitt), the Senator from South Carolina (Mr. Hollings), and the Senator from North Carolina (Mr. Helms) were added as cosponsors of Senate Resolution 98, opposing the President's standby gasoline rationing program.

SENATE RESOLUTION 112

At the request of Mr. Weicker, the Senator from Arizona (Mr. Goldwater) was added as cosponsor of Senate Resolution 112, to establish a Select Committee on Presidential Financial Transactions.

SENATE CONCURRENT RESOLUTION 10

At the request of Mr. Jepsen, his name was withdrawn as a cosponsor of Senate Concurrent Resolution 10, authorizing the wearing of the red beret by Army airborne units.

AMENDMENTS SUBMITTED FOR PRINTING

IMPARTIAL OBSERVERS OF THE FORTHCOMING ELECTION IN RHODESIA—SENATE CONCURRENT RESOLUTION 8

AMENDMENT NO. 125

(Ordered to be printed and to lie on the table.)

Mr. HART submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 8, a concurrent resolution providing for impartial observers of the forthcoming election in Rhodesia.

ENERGY EMERGENCY PREPAREDNESS—SENATE RESOLUTION 78

AMENDMENT NO. 126

(Ordered to be printed and to lie on the table.)

Mr. HART submitted an amendment intended to be proposed by him to Senate Resolution 78, a resolution expressing the sense of the Senate with respect to the immediate need for energy emergency preparedness in the United States, in light of world oil supplies and the situation in Iran.

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

Mr. NELSON. Mr. President, on March 29, 1979, at 9:30 a.m. the Small Business Committee will hold a markup session on S. 388, a bill to promote the ownership of small business by their employees, and for other purposes.

Mr. President, on April 5, 1979, at 2 p.m. the Small Business Committee will hold a hearing on two programs of the Small Business Administration. In the first hour, the committee will review the Small Business Development Center program. In the second hour, the committee will review the agency's implementation of the new minority assistance legislation, Public Law 95-507. Senator Nunn will chair both parts of the hearing.

HEARINGS ON THE FARM ENTRY ACT, S. 582

Mr. NELSON. Mr. President, on April 3, 1979, the Select Committee on Small Business will hold hearings on S. 582, the Family Farm Entry Act. This bill would create a cooperative Federal-State program to assist well-qualified, but low-asset farmers get started in farming.

Mr. President, I would like to explain the committee's participation in this issue. In December, the committee held field hearings in Wisconsin on the general problem of entry into farming. After those hearings, Senator McGovern, who has had a longstanding interest in this issue, joined with me in drafting legislation to address the problem of entry into farming. The resulting bill, S. 582, was recently introduced in the Senate by 13 Senators and referred to the Senate Committee on Agriculture, Nutrition, and Forestry. That committee, in turn, referred the bill to its Subcommittee on Credit and Rural Electrification. That subcommittee has scheduled hearings for April 3, and the Small Business Committee has requested the opportunity to participate in those hearings. The subcommittee has agreed.

Persons seeking additional information about these hearings should contact the Small Business Committee staff at 224-5175.

SUBCOMMITTEE ON GOVERNMENT PROCUREMENT

Mr. NELSON. Mr. President, on April 3 and 12, the Small Business Subcommittee on Government Procurement will hold hearings on the impact on small businesses of the International Procurement Code being negotiated as part of the multilateral trade agreement.

The hearings will begin at 10 a.m. on April 3 and at 9:30 a.m. on April 12 in room 424, Russell Office Building.

Testimony will be received on April 3 from Ambassador Robert S. Strauss, Special Representative for Trade Negotiations, and from representatives of several State agencies responsible for export assistance.

On April 12, the subcommittee has invited Juanita M. Kreps, Secretary of Commerce, and Frank A. Weil, Assistant Secretary of Commerce for Domestic and International Business, and A. Vernon Weaver, Administrator, Small Business Administration, to testify with regard to the impact of the proposed code and the development of special programs to assist small firms in selling to foreign governments. Representatives of small business organizations have also been invited to testify on this day.

The committee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Persons desiring additional information should contact committee staff at 224-2130.

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled a hearing on Wednesday, April 4, 1979, at 10:30 a.m. in room 4232 Dirksen Senate Office Building, on the nomination of Marjorie Fine Knowles, of Alabama, to be Inspector General, Department of Labor.●

SUBCOMMITTEE ON AGRICULTURAL CREDIT AND RURAL ELECTRIFICATION

● Mr. ZORINSKY. Mr. President, I wish to announce that the Subcommittee on Agricultural Credit and Rural Electrification of the Senate Committee on Agriculture, Nutrition, and Forestry has scheduled a hearing on S. 582, the Farm Entry Assistance Act. The bill would provide Federal guarantees for State programs which extend financial assistance to qualified individuals who wish to become full-time farmers.

The Committee on Small Business will also participate in the hearing. S. 582 was introduced by Senator Gaylord Nelson, chairman of the Committee on Small Business.

The two committees will hear from a list of invited witnesses on Tuesday, April 3, beginning at 10 a.m. in room 322 Russell. Anyone wishing further information should contact the Agriculture Committee staff at 224-2035.●

SUBCOMMITTEE ON ANTITRUST, MONOPOLY, AND BUSINESS RIGHTS

● Mr. METZENBAUM. Mr. President, the Judiciary Subcommittee on Antitrust, Monopoly, and Business Rights will hold an additional day of hearings on S. 390, the Antitrust Procedural Improvements Act of 1979, on April 2, 1979. The hearings will begin at 10 a.m. in room 5110 of the Dirksen Senate Office Building.

Also, Mr. President, the Judiciary Subcommittee on Antitrust, Monopoly, and Business Rights will hold hearings on April 6, 1979, on the impact of market concentration on rising food prices. The hearing will begin at 9:30 a.m. in room 5110 of the Dirksen Senate Office Building.●

PRIVATE PENSION SUBCOMMITTEE

● Mr. BENTSEN. Mr. President, on April 3 the Private Pension Subcommittee of the Senate Finance Committee will hold hearings on the tax treatment of employee pension contributions and Individual Retirement Accounts.

I ask unanimous consent to have printed in the Record a copy of the Finance Committee press release announcing the hearing.

There being no objection, the press release was ordered to be printed in the Record, as follows:

Finance Subcommittee on Private Pension Plans and Employee Fringe Benefits Sets Hearings on Employee Tax Deductible Contributions to Qualified Retirement Plans and Individual Retirement Accounts and on Retirement Savings by Husbands and Wives

Senator Lloyd Bentsen (D.-Tex.), Chairman of the Subcommittee on Private Pension Plans and Employee Fringe Benefits of the Senate Committee on Finance, announced today that the Subcommittee will hold hearings on April 3, 1979 on several bills to encourage Americans to save for retirement.

The hearing will be held in Room 2221 Dirksen Senate Office Building and will begin at 10:00 A.M.

One of the bills, S. 75, introduced by Senator Robert Dole (R.-Kan.), would allow individuals to claim as much as a $1,000 tax deduction for certain contributions to a company retirement plan or an individual retirement plan.

Another bill, S. 94, introduced by Senator Bentsen, would give the same tax break to homemakers which wage earners now receive for establishing individual retirement accounts.

The third bill, S. 557, introduced by Senator Bentsen, would allow individuals to claim as much as a $1,500 tax deduction for certain contributions to a company pension plan or to an individual retirement account.

In addition, the Subcommittee will receive testimony on sections 201 through 204 of S. 209, introduced by Senator Williams (D.-N.J.), and Senator Javits (R.-N.Y.), which would provide certain tax deductions and credits for pension contributions and would amend the lump sum distribution rules of the Internal Revenue Code.

"It is clear that our laws need to provide more incentives than now exist for people to save for their retirement years," Bentsen said.

"The April 3 hearing will examine these legislative proposals for achieving that goal."

Witnesses who desire to testify at the hearings should submit a written request to Michael Stern, Staff Director, Committee on Finance, Room 2227 Dirksen Senate Office

Building, Washington, D.C. 20510 by no later than the close of business on March 23, 1979.

Legislative Reorganization Act.—Senator Bentsen stated that the Legislative Reorganization Act of 1946, as amended, requires all witnesses appearing before the Committees of Congress, "to file in advance written statements of their proposed testimony, and to limit their oral presentations to brief summaries of their argument."

Witnesses scheduled to testify should comply with the following rules:

(1) A copy of the statement must be filed by noon the day before the day the witness is scheduled to testify.

(2) All witnesses must include with their written statement a summary of the principal points included in the statement.

(3) The written statements must be typed on letter-size paper (not legal size) and at least 100 copies must be submitted by the close of business the day before the witness is scheduled to testify.

(4) Witnesses are not to read their written statements to the Committee, but are to confine their fifteen-minute oral presentations to a summary of the points included in the statement.

(5) Not more than fifteen minutes will be allowed for oral presentation.

Written Testimony.—Senator Bentsen stated that the Subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the record. Statements submitted for inclusion in the record should be typewritten, not more than 25 double-spaced pages in length and mailed with five (5) copies by April 20, 1979, to Michael Stern, Staff Director, Committee on Finance, Room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on Wednesday, March 28, 1979, to hold a hearing on the trucking industry economic regulation oversight.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HEALTH AND SCIENTIFIC RESEARCH

Mr. ROBERT C. BYRD. Mr. President, the following request has also been cleared.

I ask unanimous consent that the Health and Scientific Research Subcommittee of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate today and Wednesday, March 28, 1979, beginning at 3 p.m. to hold a markup session on S. 570, the hospital cost containment bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

PUSH FOR JESSE JACKSON'S EXCELLENCE

● Mr. McGOVERN. Mr. President, most of the time our newspapers are filled with stories of tragedy and misfortune. Yesterday, however, I was pleased to see a different kind of story; an article that gives hope for the future. I am referring to the Washington Post article by Bill Curry describing the Rev. Jesse Jackson's "Push for Excellence" program; a program which attempts to motivate students to excel in school.

Too often our society has tried to solve its problems by throwing millions of dollars at them, or by calling in a team of experts to give "technical assistance," or by mandating a study to find a solution. Reverend Jackson needs no expert, no study, and very little money to make his program work. What he needs is a student's commitment to hard work, self-discipline, and good education, combined with strong support from teachers and parents. He is successful in getting this commitment largely because of his inspirational preachings which instill in students a sense of pride, and make them realize that they are important and have an opportunity to succeed.

Our country is indebted to Reverend Jackson, whom I am pleased to count among my personal friends. His program has inspired young people who otherwise may have dropped out of school and wasted their lives, to become responsible, productive members of society.

I ask that this inspiring and hopeful article be printed in the RECORD.

The article follows:

[From the Washington Post, Mar. 26, 1979]

JESSE JACKSON: A MAGNET FOR REVIVING YOUNG PRIDE

(By Bill Curry)

AUSTIN, TEX.—Like most of the Rev. Jesse Jackson's crowds, this one was on its feet the other day, gladly and loudly reciting his oath:

"I *am* somebody. I *am* somebody. Respect me. Protect me. Never neglect me. My mind is a pearl. I can learn anything in the world. I *am* somebody."

It has happened before. But the crowd this time was a joint session of the Texas legislature, and the magnetic Jackson, preaching a rather conservative gospel of self discipline, good education and racial harmony, brought down the house. And the senate.

As he rode away, Jackson elbowed a visitor and whispered his own disbelief: "The . . . Texas . . . state . . . legislature!"

Just the night before in New Orleans, he had similarly roused a crowd of 65,000 students, teachers, parents and others, overwhelmingly black, in the Superdome as he inaugurated his "Push-for-Excellence" (Push-Excel) school program in two high schools in that city. He exacted from students raised-hand promises of harder study and greater discipline and from their parents an oath to better supervise their children's schooling.

Largely untested, its long-range impact unknown as yet, Push-Excel is nonetheless reaching across America into a growing number of troubled and in some cases desperate schools. These school grounds have become battle grounds, as Jackson puts it.

Increasing amounts of money are being put into local schools for Push-Excel. The federal government has given $425,000 already to Jackson and contemplates $3 million more over the next three years. In some quarters there is a fear that if this approach doesn't help the schools after years of unsuccessful innovations, then maybe nothing will.

Much of Jackson's success lies in the common appeal of his mesage to blacks and whites, liberals and conservatives: through hard work, self discipline and equal educational opportunity, blacks can get ahead; then jobs and paychecks will replace welfare and crime.

He denounces dope, pornography, teen-age sex and a general national pursuit of pleasure as barriers to achievement.

To blacks he preaches racial pride, to whites equal opportunity.

It is not so much a school program as a set of values. It meshes with a growing national conservatism in politics and individual behavior as well as a return to basics in schools.

"We feel like it's a movement," says Marie Langie, director of Push-Excel in New Orleans.

"We're going into this with our eyes open," said Louisiana school superintendent Kelly Nix of Push-Excel's untested impact and of past educational innovations now being discarded.

The broad appeal of Push-Excel was illustrated in Louisiana. Nix was elected state superintendent in 1976 after calling for a return to teaching basic skills (two years of high school English have since been added). Then the legislature's black caucus asked Nix, a conservative white, to support Push-Excel programs in the state.

He did, the governor did, and the legislature voted $300,000.

"We needed something to motivate the lower socio-economic groups," Nix said. Eventually, six schools in the state, with black, Cajun and poor white students, will have such programs.

"We hope to see results," Nix said the other night at the Superdome, with partial results visible in the crowded stands around him. "But we may never know. If this doesn't work, there really is not a great deal left. But I think it will work."

In Los Angeles, Push-Excel has been accompanied by reductions in absenteeism, tardiness, vandalism and assaults on teachers.

The program itself is a blend of packaging, payroll and personality.

The wrapping is signed pledges by teachers, parents and students to do more and to do better, for students to turn off the television and the radio and the telephone in favor of homework, and for parents to get to know their children's teachers and to take a more active role in school affairs.

Money pays a teacher's aide to hold group counseling sessions with students, to raise each one's belief in his or her abilities. A fulltime paid community liaison worker helps parents keep their part of the bargain, because Push-Excel, though offered in schools, is basically a voluntary effort.

But the personality is all Jackson's. The 37-year-old civil rights minister can show up in an open-necked two-piece bush-cut suit in New Orleans one night and in a three-piece gray Givenchy here the next day—and get identical responses from different audiences.

For three years he has been spreading the word of Push-Excel, the educational effort of his Chicago-based People United to Save Humanity. Push-Excel is at work in perhaps 12 to 15 communities.

One of this state's most formidable lobbying groups, the Texas Automobile Dealers Association, provided plane and pilot to fly Jackson from New Orleans.

Al Edwards, a black freshman state representative from Houston, arranged for Jackson's visit here to promote educational programs and budgets now facing the legislature but not a specific Push-Excel program yet.

While Jackson's movement is aimed at education, it is also a civil rights movement.

Students, he says, should be given a diploma in one hand and a voter's registration card in the other. "That is the way," he tells his audiences, "to stop being 'them' or 'those students' in the eyes of politicians and to become 'my distinguished constituents.' "

And so in Austin, Republican Gov. William P. Clements canceled a trip to hear Jackson's speech. In New Orleans, U.S. Rep. David Treen, a Republican candidate for governor, attended a luncheon with 1,200 Jackson followers.

"No side of town has a monopoly on genius," Jackson told his mostly black audience in New Orleans. To that he added in Austin: "No side of town has a monopoly on dope, no side of town has a monopoly on family breakups."

Part of the difficulty in assessing the impact of Push-Excel lies in the broad nature of Jackson's challenge. "We are now trying to shift the winds," Jackson said in an interview, "to shift prevailing attitudes, to shift prevailing values."

"Hands that picked cotton in 1960," he told the Superdome, "will pick presidents in 1980." Evidence of the possibly changing winds was the 6-year-old girl who introduced Jackson and brought 65,000 people to a standing cheer: "I am somebody," she recited. "I can learn anything. I can achieve."●

THE UNIVERSITY OF MINNESOTA HOCKEY TEAM

● **Mr. DURENBERGER.** Mr. President, for the third time since 1974 the University of Minnesota hockey team has brought glory and national recognition to the State and to the university. On Saturday, March 24, the hockey Gophers of the University of Minnesota captured the NCAA championship.

A large measure of the credit for this outstanding achievement is the University of Minnesota Athletic Director Paul Giel and Hockey Coach Herb Brooks. Coach Brooks has been at the University of Minnesota for 7 years. In that short time he has directed his teams to national championships in 1974, 1976, and again this year. In addition, the Gophers were national runners-up in 1975.

Perhaps most significantly in this day of "professional amateurs" playing major college sports is the makeup of Coach Brooks' team: All of the 26 members of the team are from Minnesota. Athletic Director Giel and Coach Brooks would be among the first to compliment the outstanding athletic and recreation programs operated by schools and communities throughout the State of Minnesota. These programs have given youths of all ages an opportunity to participate in all sports, including hockey. The quality of these programs is demonstrated by the university's home-grown national hockey champions.

The people of Minnesota join in congratulating Athletic Director Giel, Coach Brooks, and the 26 members of the hockey team who have represented the State so well in NCAA championship play.●

PORT OF LONG BEACH COMMENDED

● **Mr. HAYAKAWA.** Mr. President, yesterday the Port of Long Beach in California was the recipient of the E Flag award in 1974 for its excellent export service. Today, an even higher award is being bestowed upon the harbor by the Department of Commerce—the E Star—for the port's continued outstanding contributions to export expansion.

It gives me particular pleasure to note that this southern California port has become the leading west coast port in export commodities, exporting 6½ million tons this year, a 13½ percent increase over last year. This has been achieved, not only because of the port's desire to maintain a solid business, but because the Port of Long Beach has the national interest at heart.

For 10 years, port officials have understood America's need for increased exports to counteract the drain on the balance of payments and to strengthen the dollar.

They have done a good job. Port employees have aggressively participated in overseas trade missions to personally insure foreign trading companies a smooth flow of commodities from industry to cargo ships to foreign shores. And the port officials have maintained a good relationship with local industry by modernizing terminals to handle their products as efficiently as possible.

I am honored to be the U.S. Senator from the State which houses the Port of Long Beach and I wish the port continued success.●

FARM ENTRY ASSISTANCE ACT

● **Mr. McGOVERN.** Mr. President, recently, along with my colleague from Wisconsin, Senator Gaylord Nelson, and 11 other Senators from both sides of the aisle, I introduced S. 582, the Farm Entry Assistance Act. The bill would encourage States to create their own programs to assist qualified new farmers get started in farming by providing Federal guarantees of credit extended to program beneficiaries. Under the bill, the Secretary of Agriculture would be empowered to provide 90 percent guarantees for payments on land sale contracts, leases, or loans for land or equipment.

Unlike other Federal programs, however, the Farm Entry Assistance Act would be run by the States. States would create their own programs, blending the kinds of guarantees most appropriate to their situations with whatever additional features they might want to add on their own, such as State tax breaks for sellers who agree to sell their land to a beginning farmer at a lower price, or State deferred loans to help defray some of the early interest costs of a beginning farmer. The States would then submit the program to the Secretary of Agriculture, who would approve or disapprove the program on the basis of whether it was fiscally sound and would help to preserve family farming in the area. If he approved the program, the State would select the applicants and administer the guarantees itself.

This program would provide a low-cost, but effective, approach to an increasingly serious problem. In recent years, entry into farming has become extremely difficult. Despite the Farmers Home Administration program to help people get started in farming, new starts in farming have declined from about 60 percent of all land sales in 1956 to only 20 to 25 percent in 1976. In the last 40 years, the number of farms declined from 6.8 million to 2.3 million, and by the year 2000, agricultural experts expect this number to be cut in half. The decline of the family farm evidenced by these data is a serious policy problem for this country, for it is beyond question that the family farm unit is not only the most efficient producer of food, but it is absolutely essential to the quality of rural life. I consider entry financing for young farmers to be perhaps the largest credit obstacle to the preservation of the family farm as we know it, taking into consideration that the average age of American farmers is now 55 years.

With typical family farm units requiring investments of $200,000 to $600,000, however, it is easy to understand why more and more land is sold to farmers expanding their operations, land speculators, corporate factory farmers, and land developers. If the new entrant is shut out, where will the family farmers of the next generation come from?

By passing this bill, Congress would encourage a creative Federal-State partnership to address this crucial issue. One State, Minnesota, has already set up its own program. With a staff of only three people, Minnesota helped 86 new farmers get started in only 14 months. Unfortunately, most States lack either the constitutional ability to guarantee loans or other credit, or lack the resources necessary for such guarantees. Federal guarantees could fill this void, while the States could use their familiarity with local problems to design effective programs and administrative approaches.

Recently the Washington Star printed an editorial endorsing this bill. It is most unusual for a city newspaper such as the Star to print a lead editorial on farming, and I think their comments deserve attention. I submit the text of the editorial to be printed in the Record.

The editorial follows:

Rescuing the Family Farm

The contribution of family farmers to the development and stability of the United States hardly needs recounting. Suffice it to say that throughout the country's history, the social values of farm life have been almost as important as the foodstuffs they produced.

Yet, the number of farms is dwindling at a rapid rate. In the past 40 years, the number has dropped from 6.8 million to about 2.3 million, which means that farms are becoming larger and farmers fewer. The average age of farm owners is about 55, which means that young people either see no future in agriculture or don't have the means to pursue it.

What is the result of this trend? In many cases, it means absentee farm owners, who do not participate in local affairs and who take their profits elsewhere. Sometimes it means overworking the soil and using excessive amounts of fertilizer and pesticides to produce bigger yields and bigger profits. It means the decline of many rural communities and businesses that depend on family farmers for survival.

It means migration of people from rural areas and additional burdens thrown on urban centers. It means national farm policies increasingly oriented toward large farms and corporate operations, policies which aggravate the problems of small farmers and accelerate farmland consolidation.

The concentration of farmland in fewer hands proceeds apace despite government studies showing that the family farm is the most efficient unit in terms of production cost and return on investment.

Can anything be done to slow or reverse the trend? Sen. Gaylord Nelson and 12 other senators think they have at least a partial solution.

Recognizing that high costs of land and equipment have made entry into farming virtually impossible for persons without substantial assets—the cost of starting a family-sized farm from scratch is estimated at $250,000 to $500,000—they have introduced a bill entitled the "Farm Entry Assistance Act."

Basically, the bill would provide loan guarantees for persons who want to become farmers but don't have the necessary capital or can't get loans on their own. To qualify, a person would have to be able to operate a farm, would have to be entering farming on a full-time basis for the first time within the past 10 years and could have a net worth of no more than $75,000. A family farm would be defined as one that can be maintained and operated by a farmer and members of his or her family with no more than the equivalent of one full-time hired helper.

This would not be a grant program nor a program under which loans would be made from the federal treasury. It would be a repayment "guarantee" program for loans made from private sources. The sponsors claim the program would cost the federal government little since it would be expected that most loans would be repaid. In instances in which loans might be defaulted and the government had to pay them off, there would be farm assets on which the government could foreclose. Federal administrative costs, they say, would also be kept at a minimum because the program would be administered for the most part by the states.

The bill states that "the maintenance of a farm system dominated by family-sized units is and should be a basic goal of American agricultural policy."

That's a worthy goal and Senator Nelson's bill seems worthy of consideration as a way to reach it. We hope the bill doesn't gather dust on some committee shelf.●

SALT II AND THE BACKFIRE BOMBER

● Mr. GARN. Mr. President, with the signing of the Middle East peace treaty by Israel and Egypt, President Carter will be pushing hard to conclude negotiations with the Soviet Union regarding the SALT II Treaty. One of the key weaknesses of the nearly completed SALT II Treaty involves the issue of the Soviet Backfire bomber. The Backfire bomber issue is a perfect example of the fundamentally inequitable nature of the SALT Treaty that President Carter intends to submit to the Senate for its ratification.

Two principal issues held up final agreement between the United States and the Soviets on the Vladivostok accord: The cruise missile and the Backfire bomber. The Carter administration, in its inimitable bargaining style, has resolved the critical issue by accepting range limitations on ground- and sea-launched cruise missiles while excluding the Backfire from the proposed ceilings on launch vehicles.

It is incomprehensible to me how this administration saw fit to disregard the advice of the Joint Chiefs of Staff on the need to restrict the Backfire. Gen. David C. Jones, Chairman of the Joint Chiefs of Staff, has testified before Congress on more than one occasion that—

> The United States military high command wanted the Backfire counted within the numerical ceilings on strategic nuclear weapons of the strategic arms limitation treaty (SALT) because it is capable of intercontinental bombing missions.

Mr. President, this administration ignores the advice of its own military leaders, and relies instead on the assurances of Soviet leaders who have demonstrated time and time again their readiness to break agreements whenever it was deemed in their interests to do so.

Last month, the Honorable Thomas C. Reed, former Secretary of the Air Force, presented an incisive and cogent analysis of the Backfire issue. Former Secretary Reed correctly concluded that—

> SALT II, without curbs on Backfire, consigns the United States to permanent strategic inferiority, and makes nuclear blackmail inevitable.

Mr. President, the American people are not opposed to arms control—they are, however, opposed to unilateral giveaways disguised as mutual restraint. The Soviet Backfire is an intercontinental bomber, and should not be excluded from the terms of SALT II. Former Secretary Reed has provided a formidable case against the administration's position, and I ask that it be printed in the RECORD.

The statement follows:

THE SOVIET BACKFIRE AND SALT II

This administration is about to present to the American public a SALT II agreement which ignores the lessons of a half century of history. It disregards the opportunities offered and the dangers posed by the manned bomber.

On the one hand, this President has cancelled production of the American B–1, after fifteen years of work and three billion dollars spent, without any quid pro quo of any sort by the Soviet Union. He places his reliance on studies of a new bomber and in the meantime on obsolete B–52's that cannot penetrate the Soviet Union in the 1980's and in fact are not likely even to escape their home bases in the event of surprise attack because of their slow start and departure characteristics and their vulnerability to electromagnetic pulse damage.

On the other hand, he now proposes to sign a SALT II agreement with the Soviets that does not recognize the threat posed by their Backfire heavy bomber, a bomber three-quarters the size of our B–1, with the ability to strike any target in the U.S. and recover in Cuba without any inflight refueling.

He proposes by separate letter to allow the Soviets to produce Backfires at a rate not to exceed thirty per year. At that rate of production (which they now exceed) and at the rate the U.S. must retire its aging B–52D's, by 1982 the Soviets will finally surpass us in one of the last remaining measures of strategic force—numbers of manned bombers.

This administration further ignores reality by relying on Soviet assurances that Backfire will not be given the capability to operate at intercontinental ranges, and that it will not be deployed for such use.

The unfortunate facts are:

1. The Backfire already has intercontinental range, even without inflight refueling.

2. Every picture of a Backfire I have seen shows the aircraft equipped with an inflight refueling probe.

3. There is every indication that the Soviets have begun testing the launch of cruise missiles from the Backfire.

4. Aircraft are very mobile weapon systems. Backfires based in European Russia today can show up across the Bering Sea from Alaska tomorrow if world geopolitics so require.

Given the virtually nonexistent U.S. defenses against manned bomber attack, the Backfire will give the Soviets and excellent reserve force, allowing them to use more of their central rocket forces in any first strike against the U.S.

SALT III envisions force reductions—something we would all like to see. But what are the implications for the future, for SALT III, of an unconstrained force of Soviet Backfires, proliferating at the rate of thirty per year, outside of any SALT constraints at all?

This administration should not sign, and the United States Senate should not ratify, any SALT agreement that does not recognize and constrain the Soviet Backfire Bomber.

THE SOVIET "BACKFIRE" AND SALT II: AN APPRAISAL

If we are to believe the reports, a new Strategic Arms Limitation Treaty, SALT II, will shortly be concluded. Although not all the terms of the proposed treaty have been made public, enough has been released to enable us to form some conclusions. Reliable sources indicate that the treaty will not constrain the production or use of one of the most formidable Soviet strategic weapons—the Backfire bomber. Designated the TU-26 by the Soviets, this recently developed supersonic bomber is named "Backfire" by NATO. Failure to include Backfire in the SALT II accord permits the Soviets to manufacture as many as they like.

The Soviets insist that Backfire is not a strategic bomber, and therefore should not be covered under SALT II. Backfire's mission, according to the Soviets, is to strike targets in the People's Republic of China and Europe making it a "theatre" rather than a strategic weapon. Some Backfires perform an anti-shipping role, and would be used in the Mediterranean, the Atlantic Ocean, and the Pacific Ocean. The Soviets claim the size and range of the Backfire, together with the location of its bases, make it unsuitable for attacking targets in the United States. The Soviets have also indicated a willingness to sign an agreement with President Carter to limit production to current levels and to prohibit basing of Backfires at Arctic airfields, closer to the U.S.

Backfire raises significant defense problems for the United States; and its capabilities reflect on the desirability of SALT II as a whole. If Backfire has genuine strategic capability, and if it is excluded from the treaty, the treaty can be viewed as fatally flawed. The United States cannot afford to enter into an agreement which pretends to limit strategic weapons but actually grants the Soviet Union unilateral authority to circumvent the very principles of arms limitation. To determine whether or not the Backfire presents a realistic strategic threat to the United States, we must examine its characteristics and capabilities.

The Backfire-B (the most common subtype) is a supersonic bomber with a maximum speed of over twice the speed of sound. It is 132′ long, 33′ tall, and has a wing span of 113′ when the swing wing is swept forward. The gross weight at takeoff is 285,000 lbs., and its two engines generate over 92,000 lbs. of thrust in full afterburner. The plane can carry a maximum payload of about 25,000 pounds of missiles and bombs, though a normal strategic load would be two AS–6 nuclear air to surface missiles with a high kiloton or even megaton size warhead. Protection is provided by two radar-directed 37 mm cannons in the tail, plus very advanced electronic warfare equipment, including radar homing and warning receivers, jammers, chaff, flares and possibly other infra-red and optical countermeasures. With a combat load of two AS–6 missiles, Backfire has an unrefueled radius of action of 3,250 nautical miles according to International Defense Review. This puts the total unrefueled one-way range at 6,500 nautical miles. If a Backfire is refueled in mid-air, the radius of action increases to 4,700 nautical miles, and the range to 9,400 nautical miles. The vital statistics of an aircraft can be very revealing. In the case of the Backfire, they reveal it as a heavy, strategic bomber and as such should have been included in the SALT II agreement.

SALT II counts the Soviet Bear and Bison, as well as the American B–52 and B–1, as heavy bombers. Although Backfire is excluded from the definition of heavy bombers, it in fact compares favorably with aircraft which meet that definition. Backfire is two and a half times the weight of the FB–111, with which it is often compared, and is nearly as heavy as the Bear. Backfire's maximum payload, 25,000 lbs., is equal to that of the Bear, 25% more than Bison, and more than twice that of the FB–111. Backfire's range is greater than Bison and very near that of Bear. In fact, it is even greater that our B–1 superbomber, cancelled in 1977. By comparison with recognized heavy bombers as regards the standard criteria of weight, payload and range, Backfire meets the definition of a heavy bomber. Yet the Soviets have insisted that Backfire not be counted as a heavy bomber. That the U.S. negotiators accepted the Soviet viewpoint in the face of available evidence is both surprising and alarming.

The Soviets are permitted under the terms of SALT II, to build a Backfire force limited only by their own burgeoning defense budget. This force has the potential to inflict devastating damage on the continental United States—damage that should not be dismissed as sheer "overkill." The Backfire can use its terrain-following and navigation radar to hit targets with precision accuracy. With the flexibility of the manned bomber, they can inspect the results of an ICBM strike and destroy whatever might otherwise have survived.

The Backfire's capability to strike a devastating blow at America has not been reduced by ignoring them in SALT II. It has been argued that Backfires could not attack the U.S. from their present bases, unrefueled, and return to the Soviet Union: thus, there is no need to include the Backfires in the SALT II agreement and agreement on basing will suffice.

This argument relies on unsubstantiated assumption. First, while present Backfire bases are not ideal locations from which to mount an attack against the United States, the Soviets can still fly to Arctic bases, refuel in minutes, and then take off for the attack on America. Second, air refueling has been a standard operational procedure for decades, and the Soviets have a significant air tanker fleet. If the Soviets were to attack, it would doubtlessly be planned and coordinated so as to take full advantage of available air refueling resources. Third, we must not assume that Soviets planners would have as an absolute requirement the return of the bombers to Soviet soil. One-way missions are nothing new in the nuclear age, nor are they peculiar to fanatical airmen. Crews of the U.S. Strategic Air Command's bomber force have lived with the doctrine for many years that they will proceed even if there is only enough fuel to reach the target. Fuel for a return is optional, not a necessity. Are we to believe that the Soviets are more timid than we? Backfires attacking the United States could continue on to Cuba, or perhaps neutral nations. Backfire crews could conceivably simply land at military or civilian airfields in the United States. If Russia wins the war, the crews would be returned as heroes. If they lose, their condition will certainly be no worse than if they returned to their home base.

The number of Backfires we would have to deal with is difficult to determine. The Soviets release no information on the numbers of weapons at their disposal. Intelligence estimates vary from best case to worst case, with the real figure possibly somewhere between the extremes. "Best case" estimates puts the present Backfire deployment at 120 or more, with a production rate of about 36 a year. Other "worst case" estimates place the production at over 100 per year, and the present inventory at 300 or more. The Washington Post recently put the number of Backfires presently deployed at 400, but this is probably an excessive figure. The real number is likely to be somewhat lower, probably between 150 and 200. The production rate question presents a unique problem. While present production may be as low as the Administration's estimate of 36 a year, a second Backfire factory has been built at Kazan next to the first plant. Although thus far it has not gone into production, reliable intelligence indicates that it is prepared to begin production at any time. At this point, Backfire production will at least double.

The Administration appears willing to accept a separate (non-SALT II) agreement with the Soviet limiting Backfire production. This may be anything from a "firm" 30 Backfires a year, or may be a limit of "no more than the present rate of production." The date chosen to represent this present rate then becomes quite important. It is difficult enough to accept a rate of 30 per year. To accept 72 to 100 new Backfires a year would be a cynical affront to the principle of arms control.

There are a significant number of Backfires deployed today, and in the next several years there will be even more. How many? The Administration feels there will be 300 to 400 with 360 often cited as a target inventory. There are reasons to doubt such a low figure. The Soviets already are approaching the lower figure, if, indeed we accept estimates toward the low end of the inventory. The crucial question is: If production is supposed to level off, then why have the Soviets built a second production facility. The most probable answer is that the Soviets have no intention of stopping production at 360 Backfires.

By all indications, the Soviets have found Backfire to be a very powerful and flexible weapon system. It can attack maritime targets, land targets and strategic targets. It has speed, endurance, and payload capacity. It has a far greater capability than any previous Soviet bomber. For this reason, the Soviets quite likely plan on having Backfire eventually replace their aging fleet of medium bombers and heavy Bear and Bison bombers. This would call for at least 700 Backfires! Judging from the recent increase in Soviet production capacity, this is probably a realistic assessment.

The ability of the Backfire to seriously damage the United States depends to a great extent on the effectiveness of our air defenses, which currently are weak and rely on outmoded equipment. While the Soviets have amassed over 12,000 surface-to-air missile air launchers to defend their homeland, the U.S. has no such defenses, except for a single Hawk brigade and a lone Nike-Hercules battalion. While the Soviets have more than 2,700 fighter interceptors based in the USSR, the U.S. has a total force of 303 interceptors (including the National Guard), mostly aging F–106's.

The last U.S. F-106 was delivered to the Air Force in 1961. Because of its age, and the fact that production has for these aircraft been closed for many years, spare parts are increasingly difficult to come by. The incommission rate of these aircraft is 70 to 75 percent, leaving between 212–227 interceptors combat ready at any time, so the "paper" figure of 303 interceptors is not a realistic reflection of what actually is combat ready.

All of this demonstrates an incredible deterioration in U.S. strategic defenses over the past 20 years, in contrast to the USSR's relentless and wide-ranging arms buildup.

By our allowing U.S. air defenses to deteriorate, the Backfire has been rendered much more potent in case of war. Since bombers would arrive over the United States after Soviet ICBM's and SLBM's had struck, the number of surviving U.S. interceptors available to meet the attacking bombers would presumably be significantly smaller than those on hand today. The critical issue then becomes the balance between the effectiveness of the interceptors and the effectiveness of the Backfire's defense measures. By all standards, Backfire is a superior product of 1970's technology. It carries the latest Soviet avionics, weaponry, and electronic countermeasures. Electronic countermeasures can make communications impossible between the interceptor and the ground controller, and make it difficult, if not impossible for radar to locate the bomber, and for defensive forces to shoot it down even when its position is known. To do this, the Backfire employs a variety of modern electronic warfare devices. If an interceptor does manage to get close, Backfire has a tail mounted radar directed twin 37 mm cannon. To be sure, the F–106 and our older interceptors were designed to overcome a degree of electronic countermeasures. However, they are all products of 1950's technology and are in no way prepared for the electronic threat of the 1970's. In short, Backfire is well prepared to overcome any air defense which we could mount; it can do this even without the added precaution conferred by attacking at low altitude. Backfire could operate at high altitude where its fuel consumption is lower; but even if it uses low altitude penetration, Backfire's 5500 n.m. range would permit it to attack the majority of strategic targets in the United States.

The U.S. Air Force has recognized the shortcomings of our air defenses, and has tried to take steps to act as a temporary remedy. The Air Force has indicated that what is needed is a complete modernization of our air defenses. Certainly such a modernization would be necessary even without Backfire, but the presence of the Backfire threat makes modernization all the more urgent. The problem is that new interceptors and surface-to-air missile may be years away, while the Soviet bomber threat is here and now. As a stopgap measure, the Air Force has assigned some F–15 and F–4 squadrons from the Tactical Air Command to a secondary role of air defense. Unfortunately, these same aircraft are also assigned to augment our forces in other parts of the world in case there are indications of imminent hostility. Therefore, they are likely not to be here at the time they are most needed, and their utility in opposing a penetrating bomber attack is largely illusionary.

This state of affairs is unfortunately all too common in America's plans for military confrontation. Our forces appear adequate in time of peace, but lack essential war fighting capabilities.

It has been said, only in half jest, that if war comes, we will fly nonexistent soldiers in transport planes we don't have, to land at already destroyed airfields in Europe. In order to correct that scenario, the Administration will have to revaluate its concepts of nuclear war. Until now, nuclear war has been treated by most U.S. authorities as unthinkable, too horrible to rationally comprehend. The Soviets have never felt that way. In their writings and in their training concepts, they have demonstrated the belief that nuclear war not only is thinkable, but also is winnable—by the Soviets. Backfire is a product of that preparation and must be treated as seriously as ICBM's and missile submarines. We cannot allow a Maginot Line mentality (when we don't even have a Maginot Line) to blind us to the capabilities of weapons for which we have no real defense. It will do us little good to insist that Backfire is a theatre weapon, even as it vaporizes American cities and defense installations. In not defining Backfire as a heavy bomber in SALT II, we are contributing to the unreality which marks many of our national security policies.

Although the advantages of manned bombers were widely discussed in the national debate over the B–1, many Americans are still unaware of them. In the wake of the cancellation of the B–1, the public soon forgot those characteristics which caused the design of that bomber in the first place. In a nuclear war, ICBM's and SLBM's would probably be used against those targets requiring immediate destruction: ICBM silos, bombers, transport and interceptor bases, submarine bases and C"3" (command, control and communications) centers. Following this attack by several hours, bombers would arrive to attack targets of high priority which were either not time-critical, or were missed by the missiles. These might include population and industrial centers, remaining C"3" centers and other defense installations.

In conducting these operations, manned bombers also would perform a poststrike reconnaissance function. They would be able to tell the battle staff in the Soviet Union how effective the missile and bomber strikes had been, and what remained to be targeted. Even before the actual strike began, manned bombers would have certain advantages over other weapons systems. Bombers, such as the Backfire, could be used against strategic, theatre, or maritime targets. They could be shifted from base to base or placed on airborne alert to reduce their vulnerability to attack. They could be placed on runway alert in order to "scramble" them at the appropriate moment. Once in the air they could be refueled to increase their range. They could be targeted while still in the air, and could re-attack a target which had not been destroyed in initial attacks. If a bomber had been sent on a mission by mistake, it could be recalled.

Short of war, as international tensions increased, bombers could be deployed to forward areas as a show of strength and determination. If tomorrow the Soviets deployed some Backfires to Cuba, for example, the U.S. would be left with no doubt that the Soviets meant business. Such a deployment would, if war ensued, give this country a minimum of warning time before an actual attack. In fact, Backfire flying at high speed and low altitude from Cuba might give us absolutely no warning before the first nuclear detonation.

While the U.S. has chosen not to build a modern bomber to replace our aging fleet of B–52's, the advantages inherent in manned bombers have not been lost on the Soviet Union. Rather than ignore the potential of the manned penetrating bomber, the Soviets have chosen to improve and modernize their bomber force. The result is Backfire.

While the U.S. must take seriously any modern bomber in the enemy inventory, there are additional reasons to view Backfire as one of the most dangerous manned weapon systems deployed by the Soviet Union. The AS–6 (NATO code name "Kingfish") air-to-surface missile carried by Backfire is a newly developed and particularly devastating weapon. Each of the two Kingfish carried by Backfire has a yield several times of a Minuteman III warhead. This, combined with a highly accurate guidance system, makes the AS–6 suitable for use even against hardened targets. With a speed of three times the speed of sound, this missile can be launched from high altitude to a range of about 435 nautical miles. From low altitude it can strike targets nearly 150 nautical miles away. The nearest U.S. equivalent, SRAM (Short Range Attack Missile), has a maximum range of about 100 nautical miles. Clearly, the Soviets have eroded what once was a clear U.S. advantage.

Another advantage we thought we had was in the area of air-launched cruise missiles. Recently, we began advanced development of an air-launched cruise missile (ALCM) to be fired from existing B–52 bombers and perhaps later from specially built cruise missile carrier (CMC) aircraft. Within the last few weeks it has been revealed that the Soviets have tested their own ALCM, and launched it from a Backfire bomber. The ALCM launched on that occasion flew for approximately 600 nautical miles, although intelligence experts feel that its actual range capability may be much greater.

Whatever the actual or potential range of the new Soviet ALCM, its existence and its launch from a Backfire carries with it grave consequences. According to a report dated December 23, 1978, by the panel on Strategic Arms Limitations Talks of the House Armed Services Committee, the Soviets may be violating one of the terms of the SALT II agreements. The report cites as a probable treaty term: "cruise missiles with ranges in excess of 600 kilometers will be limited to heavy bombers. Heavy bombers are defined as the Soviet Bear and Bison and the U.S. B–52 and B–1." By testing a cruise missile from a Backfire, the Soviets are either admitting that Backfire is indeed a heavy bomber (as all objective observations would demonstrate) or that they are prepared to violate SALT II even before it is signed. In either case, the tests are at the very least an indication of the low regard the Soviets have for arms control and for the United States. Despite the tests, it is unlikely that the Soviets are ready to agree to place Backfire under SALT II limitations.

While Backfire escapes restraint, our negotiators have curiously agreed to count under SALT II each and every B–52 and B–1 we have. The four B–1's we have are prototypes for research and development. About half our B–52 fleet counted under SALT II is in a condition which would preclude its use against the Soviet Union. Of these aircraft, many were converted for use with conventional bombs during the Vietnam war. Others have been "mothballed" or placed in storage. According to SALT II this does not matter. Even though it would take at least a year for these aircraft to be made capable of attacking the USSR, we will have to literally cut them in half to keep them from counting under our SALT II limitations. That is an enormous step to take to enable the Soviets to verify our compliance with the spirit as well as the letter of SALT II. Unfortunately, though our own bomber fleet is cut in half, the Soviets are permitted to build Backfires at a rate they set themselves.

The only limitations which will be placed on the Backfire fleet will be on a piece of paper personally agreed to by President Carter and President Brezhnev. This agreement may even take the form of an informal verbal understanding, thus avoiding any Congressional scrutiny. Such a step is not without precedent in this century. In 1938, British Prime Minister Neville Chamberlain placed his faith in the written and verbal assurances of Adolf Hitler. Sincere was his faith, worthy of Polyanna, but small consolation to the tens of millions who paid for it with their lives, their blood, their treasure, and more importantly in many cases, their freedom.

In Backfire, we are dealing with a weapon which can increase deliverable Soviet megatonnage by 25 to 30 percent with only the 400 aircraft the Administration feels the Soviets will build. By every objective observation, Backfire is a long range intercontinental bomber of strategic significance. The Department of Defense defines a long range bomber as "a bomber designed for a tactical operating radius of over 2,500 nautical miles at design gross weight and design bomb load."

For the sake of argument, we shall assume that the Soviets give us assurances to hold production to present levels, to keep Backfire out of Arctic bases, to stop air refueling exercises with Backfire, and even to remove the air refueling probe from the nose of the aircraft. It then becomes our problem to verify that the Soviets are living up to the assurances. As things stand, the verification problem may prove insurmountable. It is commonly assumed that our intelligence sites in the Middle East, and surely our satellites, can detect any evasion of the terms of agreement. This capability has already been compromised in significant ways. The recent unrest in Iran has deprived us of a major portion of our intelligence of the Soviet Union. In Turkey, a U.S. imposed embargo of arms to this NATO ally caused the Turks to shut down our sensors in that country for over three years. Currently civil disorder in eastern Turkey, of a similar nature to that in Iran, threatens to deprive us once again of the use of our sensors there.

The Soviets also have deliberately placed roadblocks before our attempts to verify treaties already in effect. For the past three years, the Soviets have been encrypting the telemetry produced by missile tests. Our most advanced reconnaissance satellite, the KH–11, has been the specific target of Soviet attempts to evade verification. Even before a CIA employee sold the Soviets a copy of its technical manual, we had reason to believe the Soviets were taking steps to minimize the usefulness of the KH–11 and our other satellites. In so doing, they were violating one of the foundations of the SALT concept, that of verifiability. Even the meaning of the word "verification" has changed. Where once it meant the capability of the U.S. to know if the Soviets were cheating, now Paul Warnke says that verification is being able to tell if the Soviets are cheating on a large enough scale to threaten what he calls "rough equivalence" between ourselves and the USSR. Since this Administration apparently feels that Backfire is not important enough to include in SALT II, it is fair to ask whether or not violations of these assurances will cause the US to confront the Soviets and force compliance. It should be noted that the Soviets cheated on the SALT I treaty, and in each case the State Department failed to inform the American people and also failed to confront the Soviets. It was only after unofficial reports of the violations were leaked, months after they happened, to such publications as Aviation Week and Space Technology that the State Department was shamed into action. One expects the Soviets to deceive. We had expected better from our own State Department.

If the Soviets intend to cheat on their Backfire assurances, it will require a minimum of effort on their part. The Soviets have not as yet given us an accounting of Backfire production or inventory. Since U.S. negotiators have indicated a willingness to accept a production rate of about 100 per year, it is difficult to conceive of a situation in which the Soviets would need to cheat in this area. One hundred a year is a tremendous rate of production, and hardly constitutes a "limit." Arctic basing is prohibited, but defense analysts have stated that the Soviets do not now base any bombers at Arctic bases. In other words, bombers are now based in other areas of the country and would go to Arctic bases as the strategic situation requires. The restriction therefore lacks meaning.

Other possible Soviet SALT assurances are that Backfire crews will not practice air refueling and that the planes themselves may have their refueling probes removed. These assurances cannot prevent Backfire crews from practicing air refueling while flying other aircraft, or simulating air refueling by flying a similar formation with non-tanker aircraft. Photos of Backfire have shown the aircraft both with and without an air refueling probe, indicating that it is already a removable item. Stowed on board the plane, the probe can in all likelihood be attached to the nose within a few minutes, much as some of our own aircraft can do. Assurances on air refueling are therefore moot. What all this amounts to is that the Administration is willing to accept the appearance of arms control, without demanding its substance.

The exclusion of Backfire from the SALT II treaty, and the absence of real control on that weapon system, severely damages the contention that SALT II is a vehicle of arms control. Setting certain strategic weapons aside from SALT not only ignores their capabilities in war but may actually encourage the Soviets to concentrate improvements in nuclear armaments in this area.

Technology is never stationary; it always moves ahead. By using present-day technology, Backfire could be upgraded in range and payload to a significant extent. Nothing in SALT II, and nothing in the "assurances" prevents such improvements. Further eroding confidence in the assurances is the likelihood that they would be invalid in time of war. To quote the House Armed Services SALT II Panel report:

" 'Assurances' which would preclude an increase in the present production rate of the *Backfire*, imposition of basing restrictions, or denying refueling exercises, would be without military significance in a crisis period. The Subcommittee panel's view is confirmed by the U.S. Arms Control and Disarmament Agency in its report on SALT II verification which stated.

"While we believe it unlikely that the Soviets would violate these assurances (outlined above) in time of peace, there are no assurances that will ensure that *Backfires* would not be used against the continental United States in time of war.

Since it is obvious that any attack on the United States would involve only weapons then in being, the panel's concern with the *Backfire* bomber and all other Soviet weapons is their potential impact in time of war. Assurances which would limit the *Backfire* in time of peace, but not in time of war, are, in the panel's view wholly irrelevant if not patently ridiculous. Further, the panel is concerned that at a time when the United States is seeking assurances that the Soviet Union will not increase the present production rate of the *Backfire* bomber, the Soviets have significantly expanded their *Backfire* production capability."

Thus we have another example of an agreement void of meaning or significance. Void of significance, that is, where real events and circumstances are concerned. If SALT II were truly meant to control strategic arms, *Backfire* would have to count toward the total of heavy bombers and other strategic systems deployed by the Soviets. If the Soviets were sincerely committed to arms control, they would voluntarily move to include *Backfire* in SALT II. It would not, however, be advisable to hold one's breath waiting for that to happen. The Soviets have shown themselves to hold a cynical attitude in the area of arms control. In SALT II, and in SALT I before, the Soviets have insisted on wording the terms of the treaty so as to permit them to do exactly what they would want to do *without* a treaty. Therefore, the Soviets are able to abide by the letter of the treaty, while at the same time defeating the purpose of arms control and increasing their strategic capabilities. The only party constrained, then, is the United States.

A report on SALT I by former CIA analyst David Sullivan detailed several violations of the treaty by the Soviets. One such violation involves the construction of three ballistic missile submarines over and above the number permitted by the treaty. The Soviets contend that the submarines have never gone to sea on trials and therefore should not count against SALT limits. The State Department appears satisfied with this explanation. What the Soviets and the State Department did not say is that the three submarines are already equipped with the SS–N–8 ballistic missile, which has a range sufficient to destroy targets in the United States without leaving home port! Again we see the cynical attitude of the Soviets, pretending to abide by the letter of the treaty, while actually perverting its intention. In SALT I, the Soviets refused to accept even the most innocuous definition of a heavy ICBM. Thus, terms of treaty were rigged by them to permit an unlimited increase in strategic capabilities. It was only after SALT I that the Soviets deployed: the SS–16, SS–17, SS–18, SS–19 and SS–20 ICBM's, the SS–N–8 and SS–NX—18 SLBM's and the Backfire bomber. It was after SALT I that the Soviets tested the SA–5 surface-to-air missile in an ABM mode. It should surprise no one that the Soviets have developed prototypes of one, and possibly two, new strategic bombers, even larger than Backfire. Possibly designated TU–126 and TU–160, they will be permitted to be built without restriction under SALT II because of the incredible hole in the definition of what constitutes a heavy bomber.

It is unlikely that a nation with the SALT I performance of the Soviet Union has any interest in true arms control. Thus far what we have seen is the exploitation of arms control by the Soviets to render the United States strategically inferior. For those who do not understand the usefulness of strategic superiority, one need only survey the global situation to see what Soviet power has enabled the Soviets to do. In Africa, Asia and the Middle East, the Soviet Union has, through direct efforts and through client states, sown the seeds of conquest. Let us never forget that our military forces exist to deter war, and if necessary to fight it. We must never permit the strategic balance to deteriorate to the point that it may actually encourage war. It is our maintenance of a credible deterrent and a strategic balance that separates us from the Shcharansky's of this world.

If this were a time without tension, we might perhaps give the Tupelov design bureau an award for producing such a fine aircraft as the Backfire. However, the existence of Backfire today, and the lack of militarily significant constraints in SALT II on its production, deployment, or use, constitutes a fraud on the American people under the name of arms control.

The people of the United States strongly favor arms control. However, in formulating agreements and treaties with the Soviet Union, we must always insure that the result is in fact mutual arms control, and not a one-way street. SALT II, without curbs on Backfire, consigns the United States to permanent strategic inferiority, and makes nuclear blackmail inevitable. It would be appropriate to send SALT II back to the negotiating table, and bring it back only when it truly controls arms.●

MAINE SUNDAY TELEGRAM WINS NATIONAL AWARD FOR SPECIAL SECTION ON ENERGY MANAGEMENT

● Mr. MUSKIE. Mr. President, for the second year, the Maine Sunday Telegram's special section on energy management has won first place in a national competition for newspapers. The competition, sponsored by the Department of Energy, the National Newspaper Association, and the Home Improvement Time Organization, is designed to encourage conservation and better use of energy at home.

Entries were received from 72 newspapers nationwide this year, and the sponsors again singled out the Maine Sunday Telegram for recognition.

The 20-page special section, edited by Sanders R. Johnson, is titled "Energy Management is a Family Affair." It includes articles on solar, wind, wood, and hydroelectric energy, oil and gas heat; energy-saving steps ranging from caulking to paint selection; energy costs; and energy regulations.

The Maine Sunday Telegram is by no means the largest circulation newspaper which entered the competition. The excellence Mr. Johnson and the Telegram staff demonstrated in producing the special section is a tribute to their ability and hard work. I think it is also an important statement of the special difficulties Maine people face in dealing with the high price of energy.

Ours is not a wealthy State. It is not favored with a mild climate. Since the Arab oil embargo, we have taken conservation and alternatives to oil seriously. Maine has been a national leader in that effort.

So the Maine Sunday Telegram, in being named the best in the Nation in this competition, is accurately reflecting the needs and the values of its community.

I commend the Maine Sunday Telegram, and particularly Mr. Johnson, for this achievement.

Mr. President, a copy of the award-winning supplement is available in my office. Colleagues who are interested in conservation, and in the role of a newspaper in helping people conserve, are welcome to stop by to examine the supplement.●

S. 344: STATES SUPPORT NEW FLEXIBILITY IN BILLBOARD CONTROL EFFORT

● Mr. STAFFORD. Mr. President, the American Association of State Highway Officials (AASHTO) recently conducted a poll of the State highway and transportation departments seeking their opinion of S. 344. This is my bill to return flexibility and vigor to the billboard control program.

By a wide margin—38 to 13—the State highway directors expressed support for S. 344. While I cannot tell my colleagues how each State voted specifically—AASHTO policy keeps those votes secret—it is clear that the great preponderance of the States see strong advantages to cutting away the impossible burdens of the present billboard protection law.

Since the law is not working, I believe my bill offers the only reasonable response, allowing States to do what they wish in regard to billboards.

Mr. President, I submit for the Record a letter from AASHTO on this issue.

The letter follows:

American Association of
State Highway and
Transportation Officials,
Washington, D.C., March 20, 1979.

Hon. Robert T. Stafford,
U.S. Senator,
Washington, D.C.

Dear Senator: As a followup to my earlier letter to you, and in response to your letter of March 14th, AASHTO has now completed its balloting process on the support in principle of conversion of the highway beautification program to a voluntary state program.

The final balloting was 38 Member Departments in favor of such a conversion and 13 opposed.

AASHTO has traditionally operated under the concept of secret ballot, so that a vote cast by an individual is not identified. We would prefer to continue in that vein of protecting confidentiality. For your information, the 13 negative votes represented one New England State, one Middle Atlantic State, two Southern States, 2 Midwestern States, and 5 far Western States.

With 38 affirmative votes, AASHTO has now developed a policy position since this represents a consensus of over two-thirds of the States.

Sincerely.

H J. Rhodes,
Deputy Director.

RESPONSIBILITY FOR ENVIRONMENTAL PROGRAMS

● Mr. McGOVERN. Mr. President, recently the State Legislature of South Dakota adopted House Concurrent Resolution No. 1005 expressing the sense of that body that the Forest Service should not be removed from the Department of Agriculture. For purposes of advising the administration of the feelings of the South Dakota Legislature, I submit the attached text of this resolution to be printed in the Record.

The resolution follows:

House Concurrent Resolution No. 1005

Whereas, President Carter has approved a plan to study whether federal responsibilities for natural and environmental programs are effectively organized and to consider possible improvements; and

Whereas, the scope of the study includes a proposal to transfer the United States Forest Service and the United States Soil Conservation Service from the United States Department of Agriculture to the United States Department of the Interior; and

Whereas, the United States Department of Agriculture has a long history of land management with resource capabilities for carrying out land programs and related activities and has the expertise and facilities for carrying out such programs and related activities on a cooperative basis with ranchers and farmers; and

Whereas, there is a close relationship between land resources and the production of food and fiber which has been historically administered by the United States Department of Agriculture; and

Whereas, when land and water resource management is viewed as the mutual responsibility of government and the private sector, the United States Department of Agriculture is centrally involved, in that ninety percent of the land area of this nation is affected by its programs and policies for conservation and its use of renewable resources; and

Whereas, it is in the interest of all of the residents of South Dakota to consider the impact of legislation concerning federally owned land and privately owned land contiguous thereto; and

Whereas, the United States Department of Agriculture has historically managed to balance the demands on public lands and has more experience in the multiple use concept of public land than any other federal department or agency; and

Whereas, such actions as are being proposed which concern the transfer of certain functions of the United States Department of Agriculture to other departments will relegate said department to less than a cabinet-level department of the federal government and leave it without a voice concerning the economic growth of this nation:

Now, therefore, be it resolved, by the House of Representatives of the Fifty-fourth session of the state of South Dakota, the Senate concurring therein, that the South Dakota Legislature hereby opposes the transfer of the United States Forest Service and the United States Soil Conservation Service from the United States Department of Agriculture to the United States Department of the Interior and requests that the federal government move cautiously in its deliberations regarding any change in the organization for management of the nation's renewable resources.●

BUDGET REQUESTS FOR 1980

● Mrs. KASSEBAUM. Mr. President, a distinguished Kansan, Dr. Duane Acker, President of Kansas State University at Manhattan, recently submitted an important statement to the House Subcommittee on Agricultural Appropriations.

President Acker pointed out the importance of the land grant college system, and particularly its research, extension, and teaching, for the great accomplishments in American agriculture. He also revealed the serious threat to our future food supply that comes from shortsighted limitations on research, extension, and teaching at these land grant institutions.

I want to point out to my colleagues one very important point in President Acker's statement. He stated:

> Productivity growth in American agriculture, for decades the envy of the world, is slowing down dangerously. During this decade the productivity growth rate is 40% below its rate during the 1950s and 60s. Unless reversed, the recent decline will lead to higher food prices at home and loss of our competitive position in world markets.

Mr. President, Kansas is one of the leading agricultural States, and Kansas State University at Manhattan is one of the leading agricultural universities in the Nation. It is important that all of us in the U.S. Senate take heed when the distinguished president of that university alerts us to the serious consequences that could result from unwise budget decisions. I submit for the Record the opening statement by President Acker as part of my remarks.

The statement follows:

Statement by President Acker

Chairman Whitten and members, I am Duane Acker, President of Kansas State University at Manhattan, Kansas. Today I represent the National Association of State Universities and Land-Grant Colleges. Thank you for the opportunity to speak on what I consider some of the most important aspects of the Executive Budget Request for 1980—funds for research, teaching, and extension, which have made U.S. food production the envy of the world. Those three functions of our land-grant Universities are models sought out and studied by peoples of many lands who are seeking to produce food for their citizens and ways to enhance the quality of life around the world.

I am very proud to represent this system, which you and your predecessors helped build, but I am deeply concerned about the way the Executive Branch of the Federal Government is letting the system deteriorate. It is the system supporting agricultural production for exports, our primary counterbalance to oil imports. The Federal government's historic share of this Federal-State partnership has been declining when it should have been increasing because teaching, research and extension related to agriculture help balance the Federal budget, fight inflation, and strengthen the nation by increasing efficiency and productivity while reducing the unit cost of food.

Increasing production while reducing unit costs is the long-term, significant way to combat inflation. Reduced production, on the other hand, increases inflation, reduces our balance of payments, and weakens the nation. The current price of beef in our food markets dramatizes how reduced production affects inflation.

Productivity growth in American agriculture, for decades the envy of the world, is slowing down dangerously. During this decade the productivity growth rate is 40% below its rate during the 1950s and 60s. Unless reversed, the recent decline will lead to higher food prices at home and loss of our competitive position in world markets.

What causes this alarming trend One of the basic causes is lack of Federal funds for basic agricultural research, extension and teaching—for years the well-spring of knowledge and technology that fueled our agricultural system. Additionally, the trend toward earmarking programs Federally out of formula funds designed historically to allow judgment at the state level and doing this earmarking with zero fund incerases, is severely damaging the cooperative federal state, and local system.

For more than 100 years, Congress endorsed balanced blending of local, state, and federal interests, personnel, funding, program development, and administration. But during the 70s the Federal government has been gradually backing out of this cooperative relationship. The Federal share of the extension budget, for example, has declined nearly 1 percent per year the past seven years.

And the purchasing power of both the Smith-Lever extension funds and the Hatch Act research payments to the States has declined even faster—largely because of inflation. Inflation weakens land-grant universities the same as it weakens industries and other segments of society. We all know that reducing spending is a way to fight inflation. But another way to fight inflation is to spend on production that decreases unit costs, especially in that sector of our economy where the U.S. enjoys a competitive advantage. I am before you today to urge you to maintain such a research, extension and teaching system that has proved itself so well for more than a century.

Recognizing the tight budget situation, we propose minimum budget increases averaging 6.0% for extension, research, and teaching, plus inflation adjustments—for a total of $84 million above the $407 million proposed in the President's budget for these activities. The added $84 million would not make up for past cuts and lack of funding to meet inflation. But it would help maintain the land-grant college system and provide a continuing base for research and education in agricultural and food sciences. That includes not just basic production-related research but research and education in human nutrition, food safety and quality, energy use and conservation, pest management, environmental pollution, and improving the economic health of small towns and rural America.

Our proposal is the minimum needed to maintain a proved production system—a system that serves all Americans wholesome diets, adequate food and fiber and simultaneously provides food and feed for export—the major bright spot in U.S. balance of payments.●

JOSEPH G. KEALOHA, JR., PROVES BEING HAWAIIAN IS NO OBSTACLE TO SUCCESS IN BUSINESS

● Mr. MATSUNAGA. Mr. President, Native Hawaiian ancestry is no obstacle to success in the business world. So says Joseph G. Kealoha, Jr., a successful real estate developer of Hawaiian ancestry who will be honered this week as the "Hawaiian Businessman of the Year" by the Hawaiian Businessmen's Association.

A graduate of the Kamehameha schools and the University of Hawaii, Kealoha cites motivation, hard work, and a good education as the main components of his success.

He tells other young Hawaiians.

> What really matters is how you think about success. You have to want it real bad. And you have to be devoted to what you are doing and hardworking.

Joe, who always dreamed of being his own boss, started his business on the island of Maui 11 years ago, only 3 years after he graduated from the university. Although his is not the largest real estate concern in Hawaii, his success has been spectacular by any standards. He is currently involved in real estate developments and sales worth more than $35 million.

Says a longtime colleague:

> Moreover, you can't mistake him for being anything but a Hawaiian businessman. The way he communicates, the way he feels for people, his whole personality is so Hawaiian.

Because the traditional Hawaiian cultural patterns were quite different from those of the Western European, young Hawaiians frequently find it difficult to enter the business world. The success story of Joseph G. Kealoha, Jr., proves that it can be done, and that the traditional Hawaiian characteristics can be assets, not liabilities. He is an outstanding example for the young people of Hawaii to emulate, and I know that my colleagues in the Senate will join me in extending hearty congratulations to Joe, and best wishes for success in his future endeavors.

In the hope that others may be inspired by reading about this remarkable person of one of the smallest minority groups in the United States, I submit a profile of Joseph G. Kealoha, Jr., which appeared in a recent edition of the Hawaiian Business Digest to be printed in the Record.

The profile follows:

BUSINESS PROFILE: JOSEPH G. KEALOHA, JR.

"There's one thing about Joe Kealoha," said a longtime colleague. "You can't mistake him for being anything but a Hawaiian businessman. The way he communicates, the way he feels for people, his whole personality is so Hawaiian."

Joe's success in business proves, if nothing else, that being Hawaiian—warm, considerate, generous, friendly—is no obstacle to being a successful businessman.

He says, "I'm proud to be a Hawaiian and a businessman at the same time.

"But what really matters is how you think about success. You gotta want it real bad. And you have to be persistent, devoted to what you're doing, and hardworking. No matter what race or color you are, it all boils down to these simple rules and values."

He is as good as his word, and it has paid off handsomely.

Take a look at his current workload: 17 real estate developments on Maui in which he is either the owner, joint venture partner or developer worth in excess of $17 million. In addition, he runs his own real estate brokerage with 35 salespersons who have or are in the process of selling $18 million worth of housing and lots.

He's not the biggest broker or developer on booming Maui, but among the wholly owned companies the 1973 Maui Realtor of the Year ranks at the top.

Getting to the top is a goal he set for himself a long time ago. "Ever since I was a kid," he says, "I've always wanted to be my own boss, doing my own things."

The oldest of seven children, he was raised in Kalihi by parents who could offer a lot of love but little money. His father was a government employee and had no interest in business.

"I've worked all my life. I worked throughout my years at Kamehameha (Class of '58). And I worked while I was at the UH, even though I had a football scholarship. The fact is I needed the scholarship to get an education.

Joe was a pretty good player. He was captain of the team in his senior year along with Larry Price; played in the Hula bowl; and coached the Junior Varsity at Kamehameha in 1967.

When he entered the UH, he majored in agriculture. "I thought I was going to be a horticulturalist because I love plants. But when I realized that I'd never be my own boss working for the planation or some experiment station, I switched to business administration."

In 1964, while a junior, he joined Mercury Delivery Service and left three years later as assistant manager. In 1965 Joe joined the Retail Credit Company as an insurance credit inspector, working at night. Holding down two jobs at the same time, however admirable, was just not his idea of the good life.

In 1968, he decided to get into real estate and moved to Maui. He doesn't credit himself with anticipating the island's boom as a reason for making the move; it's just that his wife lived on Maui. But that decision was a turning-point in his business career.

He got to be his own boss that year when he established Joseph Kealoha, Inc., a wholly owned real estate brokerage. Two years later, in 1970, he went into the development business and set up Realty Consultants of Maui, Inc.

Since then, he has been involved in more than two dozen projects. His brokerage firm has been exclusive sales agents for Maalaea Surf Condominium (59 units) in Kihei, with sales of $5 million; Puuone Towers (80 units), Wailuku, with sales of $3.2 million; and Waipuilani Condominium (59 units), Kihei, with $3.2 million sales; and many others.

As a developer, he has been a joint venture partner with Amfac Development Corporation and a general partner in several condominium and housing subdivision projects.

Currently, he is the owner/developer of a 20,000 sq. ft. professional office building in Wailuku, a racquetball and Nautilus fitness center at a cost of $1 million, and a 5,000 sq. ft. office and warehouse in the Wailuku Industrial Park. There are several other projects which are in various stages of startup or completion.

He is bullish about Maui's continued economic growth and especially real estate, but admits that prices in certain types of real estate are getting clearly out of hand.

His list of community services is as long as his arm. They include past president of the Maui Jaycees (who voted him "Outstanding Young Man" in 1974), Big Brothers of Maui, and the Maui County Board of Realtors. He has been a national director of the National Association of Realtors and was chosen by the Maui Association of Realtors as its top member in 1973.

He has also been active in Hawaiian community affairs as past president of the Central Maui Hawaiian Civic Club and a member of the Kalaupapa National Historical Park Advisory Commission.

While he has never been in politics, he has helped a lot of Hawaiian political candidates such as Danny Akaka, Billie Beamer, Abraham Aiona and many others.

He says, "In a small community like Maui where Hawaiian businessmen are few, it's important that I keep actively involved in community activities which not only serves the community but offers inspiration to other Hawaiians."

With his visibility, it is no surprise that he is sought out by Hawaiians, both young and old. "Sometimes I'm confronted by activists," he says, "who don't like developers. But I tell 'em if I don't somebody else will. At least, I have some aloha for the aina."

Among his Hawaiian-related interests, he collects native art, including the works of local painters. He says he is negotiating now for a Madge Tenant.

His advice to young Hawaiians is to get an education, work hard, and think success. But what he does best is to advise by personal example. And that pretty well sums up the Hawaiian Businessman of the Year.

A bachelor, Joe has an adopted daughter, Tanya.●

ESTATE PLANNING

● Mr. DOLE. Mr. President, the Tax Reform Act of 1976 initiated the complicated and ill-conceived tax policy of carryover basis. Although the effective date of carryover basis has been delayed until the end of this year, Congress must now face the issue. As the sponsor of S. 112, a bill to repeal carryover basis, I believe the Congress should understand the real issues involved.

Mr. President, the Treasury has stated in hearings before the Finance Committee that carryover basis is administerable. However, this is not the prevailing view. A recent article appearing in Trusts and Estates outlines a practitioner's concern to carryover basis.

I ask that the following article be printed in the Record.

The article follows:

CARRYOVER BASIS—AN IMPOSSIBLE DREAM

In response to universal criticism that the carryover basis provisions of the 1976 Tax Reform Act were excessively complex and impossible to administer, and over vigorous Treasury objections, the 95th Congress postponed the effective date of carryover for three years, until January 1, 1980.[1] The Treasury had before then offered and is yet suggesting various proposals for simplifying carryover basis in an all-out effort to retain in the law some tax on unrealized appreciation at or after death. These proposals change regularly. The latest to be published as of this writing are discussed in the article entitled, "Treasury's New Views on Carryover Basis," by Donald C. Lubick, Assistant Secretary of the Treasury for Tax Policy, and Harry L. Gutman, Deputy Tax Legislative Counsel, which appeared in the January issue of this magazine.[2]

Although the Treasury calls its proposals "a marriage of fairness and administrability," the article's content reveals a thoroughgoing lack of confidence in them. The concluding paragraphs refer to the proposals as representing "a sound starting point for carryover basis revision if that is the system Congress chooses to enact," encourage suggestions for further improvement, and seem to imply that the Treasury would be far happier if carryover basis would simply disappear and be replaced by either of two earlier suggested alternatives, capital gains tax at death or an additional estate tax on appreciation.

The degree of the Treasury's uncertainty concerning the workability of its proposals is highlighted by a list of questions it submitted to representatives of several interested accounting, banking, bar, farm, real estate and union groups who met in Washington on December 11, 1978, at Treasury request, subsequent to the preparation of Messrs. Lubick's and Gutman's article. Some of these questions involve fundamental problems with carryover basis as well as its alternatives:

"Carryover Basis:

"(1) How should property with liabilities in excess of basis (the "negative basis" problem) be treated? Issues involve the identification of the taxable event, the definition of the property interest to be covered and the definition of the 'amount realized.'

"(2) How can the property 'subject to tax' be determined in the case of pre-funding sales, residuary bequest to charity, split-interest transfers and over-funded marital bequests?

"(3) Should items of income in respect of a decedent be treated as carryover basis property with a basis adjustment substituted for the Section 691(c) deduction?

"(4) Should a decedent's capital losses carry over to his heirs? Or is it more appropriate to increase the basis of assets included in the estate by the amount of the capital loss carryover? If the latter, how should the losses be allocated?

"(5) How should the basis of non-marketable property be treated for purposes of the 'fresh start' adjustment, e.g., by appraisal, the time proration formula of Section 1023 or a discount back formula? Should the choices be elective or should one be chosen and made mandatory?

"Death as a Recognition Event:

"(1) Should death be treated as a recognition event for all assets included in a decedent's gross estate or should there be some exceptions, such as an exception for property passing to charity?

"(2) To what extent should generation-skipping transfers be treated as recognition events?

"(3) How should the system operate in a community property state? Should a surviving spouse be entitled to pay the deathtime gains tax as to that spouse's share of the community and take a fair market value basis for the property?

"(4) Should income in respect of a decedent be accrued into the tax base?

"(5) How should ordinary income items be treated?

"(6) What relief provisions should be made available for farms, closely-held businesses and other illiquid assets? We believe it is essential to develop rational and fair liquidity relief provisions and ask that you devote particular attention to this issue."

Simplifying carryover basis or its alternatives thus seems to be like peeling the onion—each layer of complexity removed uncovers another.

The estate administrator and planner must thus expect to have to undergo another mind-crunching exercise in comprehending and projecting the practical consequences of further Treasury-proposed legislation of standard complexity. Since 1976, they have had to spend what must be tens of thousands of hours of study and analysis of the carryover basis provisions; and, at great cost in time and effort, they have separately and in concert written to individul Senators and Representatives and appeared at three Finance Committee and Ways and Means Committee hearings to explain carefully why carryover basis and any other system of taxing appreciation at or after death is not workable and cannot be made to work acceptably.[3] The next hearings are scheduled for March 12, 19, and 20, 1979, before the Senate Finance Committee,[4] when the same exercise will be repeated.

Hopefully, the March hearings will be the last. The current Treasury proposals do not work, and no future Treasury proposals will work because they can do nothing to solve the insuperable factual difficulty with any system of taxing appreciation at or after death—discovering the decedent's basis for the property included in gross estate. Dead men tell no tales.

"ALMOST IMPOSSIBLE"

A reader of the Congressional hearings prints is struck by two things. First, the care and attention to fact and detail exhibited in the great number of statements and letters submitted. These experts in the field of estate administration speak from years of practical experience under pre-1977 law as well as experience under the 1976 Act. There is not the slightest equivocation in their testimony, which is repeated in different words over and over again, throughout more than 1,000 pages. Typical are the following samples taken from the Senate hearings of July 25, 1977:

Letter from a Seattle, Washington, trust officer:

"For Congress to presume that the personal representatives of all or even a majority of American decedents will be able to obtain accurate records of a lifetime of investment and financial activity is foolish and naive. . . .

"It may be supposed that those of us who work for corporate fiduciaries will somehow be able to assimilate all of this and comply with expected accuracy, but I'm not even so sure about that. As manager of a trust division tax department, I cannot see that the law's complexities can be managed by lower-level clerical staff, and I doubt that the employees capable of the work required are going to be interested in doing it for very long because of its frustrating, plodding, perpetually tentative nature."[5]

Letter from a Fresno, California, lawyer:

"For clients who have consulted me since the 1976 Tax Reform Act concerning their estate plans, I have suggested that they consider and itemize the basis for everything they own. This is an almost impossible and highly impractical exercise for the great majority of farm owners. If it is not accomplished, however, heirs will apparently be at the mercy of the IRS on future audits. Again, the carryover basis is neither fair, justified nor well considered in its practical application."[6]

Letter from a Clayton, Missouri, trust officer:

". . . the fundamental assumption that an executor will be able to determine the decedent's original cost basis for each asset is so farfetched that this law, without a doubt, will prove to be totally impractical and unworkable . . .

"It is easy, I suppose, to assume that a taxpayer will have cost records for virtually all his assets in a convenient location such as a safe deposit box or desk drawer and all the executor has to do is put them in alphabetical order. Without being facetious, the real world does not work that way, at least it hasn't so far in my experience. . . ."[7]

Letter from a Stamford, Connecticut, trust officer:

"Frequently, a decedent's cost records are not available. This necessitates tracing acquisition dates and costs through transfer agents or reconstructing costs based on certificate dates, a costly, time consuming process."[8]

Letter from a Covington, Ohio, trust officer:

"In some cases it will be an almost impossible task to try to establish basis for listed securities because of stock splits, stock dividends, tax-free exchanges and securities received by gift. Real Estate may not be too difficult to work with if no changes or improvements are made following acquisition. However, in reality, this is often not the case."[9]

Letter from a Pennsylvania banker:

"The carryover basis provisions are predicated upon the assumption that the decedent's income tax basis is readily ascertainable. Most individuals, human nature being what it is, do not maintain perfect records of the cost basis of their assets. An individual during his lifetime does not need his income tax cost basis unless he decides to sell an asset. While the individual is alive, he can be asked how the asset was acquired, when it was acquired, and what it costs. As an individual ages, his recall begins to fade and the necessity for recordkeeping has less meaning to the person."[10]

Statement by a Winterset, Iowa, lawyer:

"From a practical standpoint, the 'carryover-basis rule' is unworkable. This rule envisions that every person has a record showing the day, month and year that he acquired every item which he possesses at the time of his death. . . .

"The requirement is simply beyond the ability of the average American citizen. Most people have enough difficulty in keeping records of the major items which they own such as real estate, stocks and bonds. In the absence of such records, the person who owned the property is deceased and there is no practical way for the executor or administrator, or the beneficiaries, to furnish the information required to determine the decedent's adjusted basis according to the rule. Any attempt to substitute an artificial rule as to estimated life, estimated date of acquisition and estimated cost is simply recognizing that the 'carryover-basis rule' is unrealistic and actually unworkable."[11]

And so on and on.

"CAN'T DEAL WITH STUPIDITY"

The reader of the hearings prints is also struck by the unwillingness and, indeed, flat refusal of supporters of a tax on appreciation to believe the overwhelming evidence. The only three of them who commented on this issue at the Ways and Means Committee and the second Senate hearings (no proponent made a statement on this point at the

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Footnotes at end of article.

first Senate hearing) did not recount any contrary experiences of their own. One simply found the general testimony that a widespread problem existed "hard to believe." The other two simply rejected it:

Statement by New York City lawyer:

"It is hard to believe that most taxpayers are as careless about keeping records of the cost or other basis of property as opponents of carryover basis or of the appreciation tax suggest. In any event, the fact that the computation of a tax involves maintenance of a record of costs is not an adequate objection to the tax. The fact that taxation entails recordkeeping is not a sufficient argument for non-imposition of the tax.

"This is not to suggest that taxpayers should be harshly penalized for inadequate records of basis; reconstruction and reasonable estimate should be permitted." [12]

Statement by Legislative Director, Taxation with Representation:

". . . this committee cannot deal in the Tax Code with stupidity. If people do not keep records there is not much that this committee can do about it. These people are already hiring highly sophisticated tax lawyers to avoid paying any taxes. You cannot tell me generation-skipping trust provisions are simple.

"I agree that carryover basis provisions are not simple either, but we already have the carryover basis problem with gifts under the current law. People had to figure out what their basis was if they were going to give away their assets, so we have the same problem now with [transfers at death]." [13]

Statement by a former Commissioner of Internal Revenue and former Chief Counsel, International Revenue Service:

"I was disturbed by some of the things that many of the witnesses were saying this morning. It appeared to me that they never heard that we had an income tax and that the income tax does require the maintenance of records, because one never knows when one is going to sell an asset.

"Having practiced tax law for some reasonable period of time and having practiced accounting for some reasonable period of time, it is my experience that most taxpayers maintain good records . . .

"We cannot write the law for the few slobs in the world, otherwise we will write laws that are much more complex than even the ones we have today and much less workable."[14]

In their article, Messrs. Lubick and Gutman simply deny the truth of the testimony developed before the Senate and Ways and Means Committees and assert that difficulties in finding a decedent's basis are restricted to cases of careless taxpayers and esoteric assets: ". . . it is simply untrue to assert that the records required to implement an acceptable alternative to prior law do not exist. In most instances, taxpayers do assume recordkeeping obligations for income tax purposes. They do this because they cannot know with certainty that they will hold assets until death. Certainly this is the case for virtually all investment and business assets and the acquisition price of most residences. . . .

"In testing the worth of any proposal we professionals tend to focus on the hard cases; the collection of 25,000 stamps, the family heirlooms or the lost records . . .

"Recordkeeping problems for esoteric assets or careless taxpayers cannot be used to justify a result which permits a decedent to pass $5 million of highly appreciated assets to an heir free of income tax . . .[15]

Yet the uncontradicted testimony at the hearings reveals enormous basis determination problems with such unesoteric assets as farms and ranches, securities, residences, partnership interests and small businesses. The evidence is overwhelming that numerous estates will have one or more esoteric assets and that every decedent will be a "careless taxpayer" with respect to many assets.

This stonewall denial of proven problems prompted the following comments by a Chicago lawyer to the Ways and Means Committee: "Notwithstanding Sheldon Cohen's contention that most taxpayers already do keep good records, your Committee heard enough witnesses yesterday who have had actual experience in the nine months that have elapsed since the law was made effective sufficiently to emphasize the dilemma created where the decedent has not maintained adequate records. That problem exists. It will not go away by blandly agreeing that it should not occur." [16]

It is impossible to understand the out-and-out refusal by those who seek to tax unrealized appreciation to listen to any voices but their own. This is the third time in recent years that deafness to warnings of unavailability of records and taxpayers' undersophistication has made it necessary for Congress to grant exceptions to effective dates or repeal new provisions in this very area of tax law. [17]

If it were the "careless" taxpayer who was punished, no one would complain of injustice. The careless taxpayer should pay extra taxes and can elect to do so if he does not wish to go to the trouble of keeping records or pay the expense of reconstructing basis. The estate representative who is innocent of carelessness has no such choice. His fiduciary duty, which is nowhere mentioned or taken into consideration by supporters of carryover basis or its alternatives, necessitates his discovering the decedent's tax basis for each item of property so that the estate or the estate's beneficiaries will pay no more tax than required by law. The availability of a "fresh-start" basis does not eliminate the need to discover the decedent's basis. If the decedent's basis exceeds "fresh-start," however determined, using it rather than "fresh-start" will decrease the amount of unrealized appreciation or establish a deductible loss in the event of a sale. Failure to do the necessary detective work with sufficient care and diligence to find the decedent's basis would subject the representative to surcharge by the court.

It is difficult to estimate the cost of such detective work. Experience during 1977 and 1978 has little value as a guide because the closeness of the December 31, 1976 "fresh-start" date for marketables and nonmarketables, coupled with the market decline immediately thereafter, lessened the problem to a great degree. Even so, many fiduciaries encountered severe compliance problems. See Appendix A, page 17.

There is no question that the expense to fiduciaries and their advisors of administering carryover basis or its alternatives would upset completely the economics of estate administration. Estimates presented at the hearings suggest cost increases of up to 50 percent.[18] None of the predictable consequences is desirable: Nonprofessional executors or administrators would be unable to comply with the law or would refuse to serve because of lack of requisite expertise; executors' commissions and attorneys' fees would have to be increased substantially despite criticism that they are already too high; and, as happened while carryover basis was in effect, trust companies and highly qualified attorneys would decline to handle moderate-sized estates.[19]

The need to discover basis and its high cost has nothing whatever to do with complexity versus simplicity, though the Treasury article discusses it in those terms. This issue involves no more than understanding that the taxpayer is the decedent's executor-administrator, not the decedent himself; and that it is not fair but oppressive to impute the decedent's knowledge, which has died with him, to the estate representative.

The Treasury's proposals to simplify carryover basis do have severe problems of complexity. The extent of the complexity is best seen if the proposals are not considered separately, but in the context of an executor's overall duties. When so viewed, it is obvious that adopting them would result in a law whose complexities and technicalities would certainly impede the orderly administration of estates to an impermissible degree.

The proposals that will be examined are those incorporated in S. 2461 (Senator Hathaway).[20] Many provisions of the Hathaway bill are also contained in one or more of H.R. 10617 (Mr. Steiger),[21] H.R. 10312 (Mr. Fisher)[22] and H.R. 10636 (Mrs. Keys).[23]

HATHAWAY BILL

Educators must be able to act speedily in new estates, particularly in these days of wide and sudden market fluctuations, to raise the cash necessary to take care of the very large cash claims against an estate for debts, taxes and administration expenses. Before the 1976 Act, the executor knew precisely what income tax liabilities he was creating through the immediate sale of assets in his possession because these assets acquired either a date-of-death value basis for gain or loss or, if he later elected alternate valuation, a basis equal to the net sales price therefor. Carryover basis in any form removes this certainty and the ability of the executor to know what tax liabilities he is incurring. Compare the numerous and intricate steps an executor would have to take under the Hathaway bill to determine the tax bases of the estate's properties.

1. Ascertain the fair market value of all of the assets comprising decedent's gross estate (exclusive of insurance, income in respect of a decedent and a few less important classes of noncarryover basis property).[24] If the total is $175,000 or less, the tax basis of all such property will be fair market value. If the executor's appraisal of nonmarketable property is increased on audit of the state (or Federal) death tax return, so that the $175,000 figure is exceeded, the properties would acquire carryover tax bases automatically. It is also possible that date-of-death values of this property will exceed $175,000 and that alternate valuation will be less than $175,000. If the election is made, basis will be changed from carryover to fair market value. If there are substantial high-basis properties in the estate, the tax game may be changed to preserving the tax-valuable basis. The executor may be expected in such a case to seek to have estate properties valued generously so that they will exceed the $175,000 figure. Theoretically, a $1 difference in value could make a thousandfold or more dollar difference in income taxes.

Because cash and cash equivalents are carryover basis properties, it would be easy in borderline cases, by a little pre-death planning in the form of borrowing, to make sure that the decedent's high bases are not lost. On the other hand, if estate tax value bases are desired, every effort would be made to keep decedent's outstanding debts down.

Nothing comparable to the $175,000 fair market value test is present in the 1976 law. The Hathaway bill thus adds an additional complication in estates of around $175,000. Where the size of the estate substantially exceeds $175,000, this change makes no improvement, and the new provision may simply be ignored.

For executors of estates substantially less than $175,000 in size, the change is enormously beneficial. The Treasury asserts that its adoption would remove 98 percent of all decedents' estates from the operation of carryover basis. A huge percentage of this percentage would have had no problems under carryover basis anyway, so this figure is vir-

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Footnotes at end of article.

tually meaningless. Nevertheless, this Treasury proposal is unquestionably the best of all of its proposals. But it clearly does not go far enough. First, those engaged in estate administration depend for their economic existence on handling estates substantially greater than $175,000, and the proposal does nothing to reduce the excessive cost of administering carryover basis in such estates. Further, this is a double-digit inflationary economy. Inflation will continue quietly but steadily and inexorably to eradicate the benefits of this Treasury proposal. An estate worth $175,000 on January 1, 1980 (the postponed effective date) discounted back at 10%, compounded annually, would have been worth $131,000 on December 31, 1976; on January 1, 1987 (10 years), $67,000; on January 1, 1992 (15 years), $42,000.

2. In estates exceeding $175,000 in value, discover the basis to the decedent (or other holder) of all property included in gross estate. The burden of discovery, the most objectionable attribute of carryover basis and any tax determined by decedent's basis, has been discussed at length. Until the decedent's basis determined, the executor will be unable to make an informed choice concerning the assets he should sell because he will not know the tax consequences of their sales. In many cases, the executor simply will not be able to wait for the detective work. He must sell blind to the tax consequences. A tax policy forcing fiduciaries to make partially blind sales is not justifiable.

3. A. Determine and make the "fresh-start" adjustment for each asset included in gross estate. The value of marketable properties on December 31, 1976, adjusted for all capital changes thereafter, is their "fresh-start" basis under the 1976 law. The Hathaway bill would require the executor to compare this value with estate tax value, *i.e.*, date-of-death or alternate value, if elected by the executor, and use estate tax value if lower than December 31, 1976 value.[25] Alternate valuation for assets neither sold nor distributed will not be known by the executor until six months after death. For nonmarketable properties, "fresh-start" basis will normally be determined according to the formula in the 1976 law employing (1) the holding period of the decedent both before and after December 31, 1976, (2) his basis, (3) fair market value on death or on the alternate valuation date and (4) an as yet unannounced formula for attributing appreciation to substantial improvements.

In these "fresh-start" determinations, the Hathaway bill complicates rather than simplifies 1976 law. The limitation in the case of marketables to estate tax value, if less than December 31, 1976 value, has already been mentioned. This is a substantive change as well as a complicating change. It will work against the interests of taxpayers in every case. It will make carryover basis more expensive because it will subject to tax some pre-1977 appreciation that Congress intended in 1976 not to tax. On the other hand, the Hathaway bill's elimination of double taxes for gain and loss is a substantial simplification of the 1976 law.

The "fresh-start" adjustment for nonmarketables is also more complex under the Hathaway bill than under the 1976 law. First of all, it provides special treatment for several classes of nonmarketables. The need for such special treatment cannot be questioned. These differentiations are necessary to maximize unfair consequences and lessen administrative difficulties of carry over basis, but they complicate estate administration in other ways. The Hathaway property classifications for purposes of the "fresh-start" adjustments.

"Certain preferred stock"; [26]

2. "Certain other property" having "a relatively fixed value," all the rules to be prescribed in regulations, presumably because the drafters of the Hathaway bill were not able to think through to workable definitions.[27]

3. Items to be treated on "a class basis"—such items also to be determined under regulations to be issued at some indeterminate future time;[28]

4. Principal personal residences;[29]

5. Nonbusiness tangible personal property.[30]

3.B. For personal residences and nonbusinesses tangible personal property, including "class basis" property falling within that description, the executor would also have to compute minimum basis under the Hathaway bill's amendment to section 1023(e)(3) of the Code.[31] The Hathaway bill's minimum-basis adjustment is an alternative "fresh-start" adjustment, subject to increase by the $175,000 minimum-basis provision and the death tax basis increase yet to be mentioned. The minimum-basis formula is as difficult of comprehension by the nonmathematical mind as the Technical Correction Act's minimum-basis formula, but its five percent rate is somewhat less unreasonable, and it contains a minimum basis of 25 percent of estate tax value.

The present Treasury proposal is to use a six percent rate to determine the elective fresh-start basis for all property held on December 31, 1976, other than marketable securities; alternatively, this discount rule would be adopted as the sole method of determining fresh-start basis for nonmarketable property.

4. Ascertain basis under $175,000 minimum basis provision.[32] Only after the executor has determined the historical bases of the decedent's property, and made the fresh-start adjustments referred to in 3.A. and 3.B. above, will he be able to determine whether the $175,000 minimum-basis provision is applicable to the estate. The executor will usually not be able to discover the bases of all properties. Yet he will have the burden of proving to the Service that the basis of all such properties is less than $175,000. This is the reverse of the usual basis controversy. Thus, in the cases in which this provision would be meaningful, proving entitlement to it may be difficult or impossible. The $60,000 minimum-basis adjustment in the 1976 law is innocuous because it is inapplicable to virtually all estates. Raising the key figure from $60,000 to $175,000 greatly increases the number of estates to which this complicated and largely ineffectual provision may have application, and thereby would needlessly complicate estate administration for many executors.

5. Determine and make the estate tax adjustment for each asset in gross estate. The death tax basis adjustment in the Hathaway bill[33] is unquestionably an improvement over existing law because it requires only one rather than two and possibly three death tax basis adjustments and because the amount of the adjustment is not dependent upon the fair market values of all property subject to the estate tax. This simplicity is, however, obtained at the expense of estates that are required to pay state death taxes (as in New York) in excess of the maximum credit for state taxes allowable against the Federal estate tax. There is no reason why a basis increase should not be given at the combined Federal and state marginal estate tax rates. Indeed, allowing for such state taxes is the approach taken by the Hathaway bill for determining the amount of death taxes deductible in computing Federal income taxes on income in respect of a decedent, a vast improvement over the 1976 law.[34]

The principal defect in the death tax basis adjustment provisions of the Hathaway bill is their failure to specify what property will be deemed to pass to charity or a surviving spouse under a marital deduction qualifying provision. No carryover basis statute could be satisfactory that did not solve this vexing problem.

The foregoing outline of steps required of an executor is for the usual kinds of estate property, and, therefore, oversimplifies the executor's problems under the Hathaway bill. There are a host of difficult technical problems that executors would have to face for less usual kinds of assets, such as partnership interests, literary works and works of art, stock redeemable under Section 303, Section 306 stock and negative-basis property.

These steps cannot possibly be completed when they are most needed—before the executor liquidates. They must nevertheless be completed by him in order to file proper tax returns and provide the estate's beneficiaries with the information mandated by Code Section 6039A. None of these detailed efforts would help the executor accomplish his major tasks of collecting decedent's assets, paying debts, funeral and administration expenses and death taxes and turning over the balance remaining to decedent's beneficiaries. They would just be extra burdens imposed upon him.

Whether or not these Treasury proposals simplify carryover basis is really beside the point. The complexity that remains is staggering. One is reminded of hospital reports that a terminally ill patient's condition is "improved."

Where we go from here is indeed of legitimate concern to all those engaged in estate planning and administration. We are told that the President will not accept repeal or further postponement of the carryover basis rule and no bill with such a provision would be veto-proof.[35] So the pressure will be intense on Congress to enact one of the three alternatives and on us to go along, something we cannot responsibly do. This time there should certainly be hearings on actual bills. If there are, we will have a chance to bring our expertise and experience to bear before, rather than after, enactment. It would indeed be foolhardy not to take maximum advantage of such an opportunity.

FOOTNOTES

[1] Revenue Act of 1978, Pub. L. No. 95-600 § 515(2), 92 Stat. 2763, 2884 (Nov. 6, 1978).

[2] TRUSTS & ESTATES, January 1979, p. 10.

[3] *Hearing on Estate and Gift Tax Problems Arising from the Tax Reform Act of 1976 Before the Subcommittee on Taxation and Debt Management Generally of the Senate Committee on Finance*, 95th Cong., 1st Sess. (July 25, 1977) (hereinafter cited as *"First Senate Hearing"*); *Hearings on Estate and Gift Tax Carryover Basis and Generation-Skipping Trust Provisions and Deductibility of Foreign Convention Expenses Before the House Ways and Means Committee*, 95th Cong., 1st Sess. (Oct. 6, 17, 1977) (hereinafter cited as *"W. & M. Hearings"*); *Hearings on* H.R. 6715, S. 1954, S. 2227 *and* S. 2228 *Before the Subcommittee on Taxation and Debt Management Generally of the Senate Committee on Finance*, 95th Cong. 1st Sess. (Oct. 26-28, 31, 1977) (hereinafter cited as *"Second Senate Hearings"*).

[4] Daily Executive Rep. No. 5, Special Report (Jan. 8, 1979) at 7.

[5] Letter from Edward W. Kennedy, Assistant Vice President and Manager, Trust Tax, Seattle-First National Bank, *First Senate Hearing, supra* note 3, at 199-200 (Aug. 12, 1977).

[6] Letter from J. H. Perkins, Esq., *id.* at 216, 217 (Sept. 13, 1977).

[7] Letter from Ronald H. Spicer, Assistant Trust Officer, St. Louis County National Bank, *id.* at 130, 131 (Aug. 2, 1977).

[8] Letter from Hartford National Bank and Trust Co. to Walter T. Sullivan, Senior Vice President and Trust Officer, Fidelity Trust Co., *id.* at 135 (Aug. 1, 1977).

[9] Letter from Carl W. Bowman, Trust Officer, Western Ohio National Bank & Trust Co., *id.* at 229 (Sept. 9, 1977).

[10] Letter from Julius J. Ciesielka, Jr., Chairman, Trust Tax Committee, Pennsylvania Bankers Association, *id.* at 271 (Sept. 6, 1977).

[11] Statement of Shirley A. Webster, Esq., *id.* at 273, 274.

[12] Statement of James B. Lewis, Esq., *W. & M. Hearings, supra* note 3, at 235, 240 (Oct. 17, 1977).

[13] Statement of Thomas J. Reese. *Id.* at 102 (Oct. 6, 1977). Mr. Reese made essentially the same statement at the Second Senate Hearings. The use of carryover basis for inter vivos gifts is no problem, because the donor is not dead and supplies the requisite information. Income in respect of a decedent, mentioned in the Treasury article (p. 12) along with gift carryover basis, is no problem either. Such income results from transactions made by the decedent himself, usually very shortly before death, and the requisite tax information is virtually always immediately at hand.

[14] Statement of Sheldon S. Cohen, Esq., *id.* at 135–36 (Oct. 6, 1977).

[15] TRUSTS & ESTATES, January 1979, p. 12. Mr. Lubick's testimony before the Senate at the TCA hearings was essentially the same. *Second Senate Hearings, supra* note 3, at 84, 94.

[16] Letter of Hugo J. Melvoin, Esq., Federal Taxation Committee, Chicago Bar Association. *W. & M. Hearings, supra* note 3 at 258 (Oct. 7, 1977).

[17] Unavailability of complete trust and beneficiary records for all past years, coupled with the trustee's fiduciary duty to compute throwback under both the "exact" and "short cut" methods made the 1969 accumulation distribution rules overly difficult to apply and administer. H.R. Rept. No. 94–658, 94th Cong., 1st Sess. 183–184 (1975). They were repealed by Section 701(d)(i) of the Tax Reform Act, Pub. L. 94–455, 90 Stat. 1578 (1976), which substituted a single method based only on a distributee's five most recent preceding taxable years.

Charitable remainder annuity trusts and unitrusts, introduced in the 1969 Tax Reform Act, are apparently still beyond the grasp of a substantial number of taxpayers and their advisors. Congress now permits the estate tax deduction if nonqualifying will and trusts created before December 31, 1977 are conformed to the 1969 rules by action initiated before December 31, 1978. Section 2055(e), as amended by P.L. 95–600, § 514(a). Section 2055(e) was originally added to the Code in 1975, allowing disposition before September 21, 1974 to be conformed by action initiated before December 31, 1975. The 1976 Tax Reform Act subsequently postponed the two dates to December 31, 1977, Congress stating that "this is to be the last extension of these transitional rules." Summary of the Tax Reform Act of 1976 (H.R. 10612, 94th Congress, Public Law 94–455) [Prepared by the Staff of the Joint Committee on Internal Revenue Taxation (October 4, 1976)], p. 67.

[18] "The time which professionals will be required to devote to determine the carryover basis of assets owned by a decedent will increase the fees attendant to dying. Several members of our Committee have projected cost increases by as much as 50 percent, in that the computations of Section 1023, in estates having more than one or two noncash assets, will consume greater amounts of time than will the preparation of estate, inheritance and income tax returns, collectively. This will be particularly true under the 'fresh-start' concept where two bases must be determined for each asset."—Letter from William C. Golden, Esq., Chairman, Trust Law Committee, the Chicago Bar Association, *W. & M. Hearings, supra* note 3 at 256 (Oct. 5, 1977).

[19] "Executors have the responsibility to carry out Carryover Basis in the face of the multitude of problems previously described. Many of the professional executors, such as banks and trust departments, will refuse to serve except in very large estates. This shifts the burden of Carryover Basis to people with modest-sized estates and they are least able to afford professional assistance absolutely required to comply with this hydraheaded monster."—Statement of John S. Pennell, Chairman, Tax Section, American Bar Association. *W. & M. Hearings, supra* note 3, at 15.

[20] S. 2461, 95th Cong., 2d Sess., 124 Cong. Rec. pp. 1284–1286, 1292 (Jan. 30, 1978) (entitled the (Senate) Estate and Gift Tax Amendments of 1977). The Hathaway bill and other proposals advanced until early in 1978 are thoroughly analyzed in Covey and Hastings, "Cleaning Up Carryover Basis," 31 *The Tax Lawyer* 615 (Spring 1978).

[21] H.R. 10617, 95th Cong., 2d Sess., 124 Cong. Rec. pp. 1284–1286, 1292 (Jan. 30, 1978) (entitled the (House) Estate and Gift Tax Amendments of 1978).

[22] H.R. 10312, 95th Cong., 1st Sess., 123 Cong. Rec. pp. 39110, 39113 (Dec. 15, 1977) (entitled the (House) Estate and Gift Tax Amendments of 1977).

[23] H.R. 10636, 95th Cong., 2d Sess., 124 Cong. Rec. pp. 1284–1286, 1292 (Jan. 31, 1978 (entitled House Estate and Gift Tax Amendments of 1978).

[24] Hathaway bill S. 2461, *supra* note 20, Sec. 2(a), amending I.R.C. Sec. 1023(b)(1).

[25] *Id.*, amending I.R.C. Sec. 1023(b)(1).

[26] *Id.*, amending I.R.C. Sec. 1023(e)(5).

[27] *Id.*, amending I.R.C. Sec. 1023(e)(6).

[28] *Id.*, amending I.R.C. Sec. 1023(g)(5).

[29] *Id.*, amending I.R.C. Sec. 1023(e)(3)(D)(ii).

[30] *Id.*, amending I.R.C. Sec. 1023(e)(3)(D)(i). The Hathaway bill also requires the executor to determine what items are "personal or household effects," and permits him to elect noncarryover-basis treatment for up to $25,000 thereof, amending I.R.C. Sec. 1023(b)(3). Under the 1976 law, the corresponding amount is $10,000. The Treasury proposals as of this writing eliminate the elective feature and would require that "property subject to the exclusion would be determined in ascending order of fair market value on the relevant estate tax valuation date, starting with the least valuable property included in the decedent's gross estate. Pieces of property, none of which has a fair market value in excess of $100 and all of which are related in function or use, may, at the executor's election, be treated as a single piece of property, e.g., dishes, clothing, stamps, coins, etc."

[31] Hathaway bill, S. 2461 Sec. 2(a), *supra* note 30.

[32] *Id.*, amending I.R.C. Sec. 1023(c).

[33] *Id.*, amending I.R.C. Sec. 1023(d).

[34] Hathaway bill, Sec. 3(a) amending I.R.C. Sec. 691(c)(2)(A) and Sec. 691(c)(2)(C).

[35] Daily Executive Rep. No. 5, Special Report (January 8, 1979) at 7.●

LEADERS OF CONGRESSIONAL RURAL CAUCUS SAY, "NO," TO ADMINISTRATION'S REORGANIZATION SCHEMES

● Mr. TALMADGE. Mr. President, time and again I have tried to bring the message to the Senate that the proposed reorganization of certain Government agencies that is being proposed by the administration is doomed to failure. The schemes are infantile in design. They save no money. They save no manpower. Yet they put to risk a system of agricultural protection, consumer protection, resource protection, rural development that is without parallel.

My distinguished colleague from North Dakota, Mr. BURDICK, who is chairman of the Subcommittee on Regional and Community Development, has pointed out to administration officials that an attempt to accomplish some of the reorganization schemes through the reauthorization of the Economic Development Administration, would put that reauthorization and the future of the EDA in considerable doubt. I must agree.

The distinguished chairman of the House Agriculture Committee, Mr. FOLEY, has joined me on three occasions to warn the President of the dangers involved in attempting to transfer the U.S. Forest Service to the Department of the Interior.

The ranking majority member of the Committee on Agriculture, Nutrition, and Forestry, Mr. McGOVERN, has joined with me and 24 other Members of the Senate in cosponsoring Senate Resolution 71, which calls for a strong and independent Department of Agriculture.

Now four distinguished Members of the House, led by the chairman of the Congressional Rural Caucus, Mr. WATKINS, have come forward to offer their opposition.

I shall submit for the RECORD their remarks in the House.

As a Member of this body who has always sought to achieve economy and efficiency in Government, I had high hopes for the President's reorganization initiatives. But he has been given bad advice by a group of amateurs, who have no sense of history. They have no concept of the functions of this Government beyond the boundaries of the District of Columbia.

There are many vital issues to come before the Congress this year. We must reduce Federal spending; the Middle East remains a tinderbox; the SALT II agreement must be debated; if only to mention a few key items.

The President should not waste the time of the Congress with the $6.5 million debacle presented to him by the President's reorganization project. The reorganization plans will be defeated overwhelmingly. But, notwithstanding the defeat, the Congress will waste vital time that should be spent on something of more substance than these "Washington star wars," which will have no positive impact whatever on the people of this Nation.

The remarks follow:

OPPOSITION TO REORGANIZATION PLAN TO TRANSFER CERTAIN FUNCTIONS FROM USDA

Mr. WATKINS. Mr. Speaker, I rise as chairman of the Congressional Rural Caucus to submit a resolution declaring the transfer of the Forest Service and the Farmers Home Administration business and industrial program from the U.S. Department of Agriculture through executive reorganization to be unacceptable.

The USDA administers a well-integrated array of programs to enhance and protect American agriculture, and the viability of rural America. The Forest Service and other USDA agencies have done an outstanding job of enhancing and protecting the Nation's renewable natural resources on public and private lands. The business and industrial program of the Farmers Home Administration is a critical element in the USDA's program for the economic development of rural America.

The USDA has performed its functions well since the administration of President Abraham Lincoln. We all rely on the USDA—whether we are from rural areas or urban areas, whether we are farmers or consumers. A strong and vigorous agricultural economy, and abundance of food and fiber at reasonable prices, a thriving network of rural communities across this great Nation are essential to the future of this country and its way of life.

Therefore, Mr. Speaker, we cannot stand by while the Cabinet-level Department of Agriculture is stripped of some of its vital functions in the false name of efficiency. We certainly are not opposed to reorganization of agencies if that reorganization is logical and will result in efficiency.

However, it is not logical to dismember the USDA when it is serving the people it is supposed to serve. We do not believe the administration is fulfilling its responsibility to serve all the people when it proposes a reorganization plan such as this. In short, this plan is a wolf in sheep's clothing.

In 1972, Congress mandated that USDA give assistance and direction to rural development and expanded Farmers Home Administration to include the business and industrial program because of its successes. FmHA has a developed network of county and district offices across this country that bring its programs close to the local people, close to the people it serves, close enough to understand rural problems and rural needs. There is no other Government agency responsible for development loans that can match FmHA's delivery system.

Rural America has long been called the backbone of America. Sitting in this House are approximately 300 Members representing districts that are 50 percent or more rural. In those rural areas, the food for 215 million people is produced and harvested—the only potential resource this country has for offsetting our trade deficit.

Rural America is wide open spaces, children who can roam free, green grass and blue skies—and, Mr. Speaker, it is hard work. Rural people do not want the Government to provide their lives for them—but they do want, and should get, fair and equal treatment. They want a fair shake. That is what we are asking today.

Although agriculture still is the mainstay of our rural areas, the rural economy is having trouble providing sufficient job opportunities and millions of rural residents have migrated to the urban centers. This only contributes to the problems our cities are having and weakens our smaller communities even more.

Congress gave USDA the lead in rural development because the other Federal departments and agencies were not responsive to rural needs. Now, we are being asked to sit quietly by while the role of the USDA is downgraded and our rural citizens are told they are indeed second-class citizens.

The administration budget proposed earlier this session devoted far more money to urban problems than it did to rural problems. I am personally concerned that the business and industrial program will take on an urban role if it is transferred to the Economic Development Administration and rural America will again take a back seat.

Mr. Speaker, this reorganization plan is not in the best interests of rural America or the rest of the country.

REORGANIZATION OF ECONOMIC DEVELOPMENT ADMINISTRATION

Mr. HAMMERSCHMIDT. Mr. Speaker, I want to associate myself with those remarks made earlier by my friend, Wes Watkins, chairman of the rural caucus, on reorganization of EDA.

I also wish to express my concerns about the President's announced plans to transfer the Farmers Home Adiministration's business and industrial loan program and SBA's local development loan program to the Economic Development Administration.

As ranking minority member of the Economic Development Subcommittee, I have been an active supporter of the EDA programs. In this capacity, I will continue to work to strengthen these programs, which are so vital in establishing economic stability in local communities. Having been a firsthand observer of what the traditional EDA programs can do, I was pleased that the President discarded a previous plan to shift a number of economic development programs to HUD. Such a plan would have, in my opinion, decreased flexibility of the existing programs and may have created a barrier toward providing a balanced economic development program throughout the country.

On the other hand, I have reservations about shifting FmHA's business and industrial and SBA's 501 and 502 loan programs to EDA. Both of these agencies have a proven record of service to rural communities. They are respected and they have a delivery system already in place. Local businessmen and communities in need of this assistance, know where to go to get help. It works—Why do we need to change it? We do not yet know the administration's actual proposal and will not until around the 1st of April. I do plan to examine it with an open mind but to me the burden of proof is on the White House. Until they make their case I continue to oppose the transfer of these programs.

I have seen no indication that their transfer will improve them. In fact, people who are familiar with them express concern that the indecision regarding reorganization is leading to confusion and uncertainty in their efforts to obtain these badly needed loan programs.

Economic development is vital to strong local communities and the Nation's well-being. We should move forward in this field—not spend idle hours moving the pieces and ignoring the programs which benefit the people.

WE SHOULD BE STRENGTHENING THE FUNCTIONS OF THE DEPARTMENT OF AGRICULTURE

Mr. BROYHILL. Mr. Speaker, I rise at this time to speak in support of a resolution that has just been introduced by my colleague, the gentleman from Oklahoma (Mr. Watkins) expressing concern over the President's action that would dismantle certain functions of the U.S. Department of Agriculture. It seems to me that what we should be doing is strengthening the functions of the Department of Agriculture. The USDA is in danger of dismemberment to a point that its capabilities to assure the production and marketing of food, fiber, and forest products that are so basic to life itself, are in jeopardy. I would urge that the Members support the resolution that has been introduced by myself and the gentleman from Oklahoma (Mr. Watkins).

DEPARTMENT OF AGRICULTURE SHOULD BE PRESERVED AS STRONG ADVOCATE OF RURAL AMERICA

Mr. JONES of Tennessee. Mr. Speaker, I would like to express my support of the congressional rural caucus resolution regarding the preservation of the Department of Agriculture as a strong advocate of rural America. I believe it is imperative that we reject the President's proposed reorganization plan to remove the Forest Service and the business and industrial loan program from USDA's jurisdiction.

There are numerous reasons to leave these programs at the Department of Agriculture. To say that the proposed plan will make Government more efficient is a weakly substantiated argument in my opinion. I feel that the Forest Service and the B. & I. loan program have been highly successful in their efforts to augment programs that contribute greatly to the well-being of rural America and the rest of the Nation. To say that these services will be rendered just as well under the direction of different departments cannot be proved. However, it is known that the Department of Agriculture has obtained excellent results through their endeavors with both the Forest Service, and the B. & I. loan program.

The rural community is an important segment of our society, and it deserves services equal to the services it provides the Nation. The Department of Agriculture is familiar with the needs of rural inhabitants. To carve such a large part of its jurisdiction away on unfounded precepts would cripple its ability to act as well as create bureaucratic havoc. Frankly, I can see where some people might think that reorganization looks good on paper. However, the present plan ignores practical solutions for the problems we have in favor of idealistic concepts. The Forest Service has been doing a highly commendable job of preserving both private and public lands and the B. & I. loan program has made it possible for rural communities to prosper from economic development which would have otherwise been stalled. To be realistic, I am not saying that all is perfect at USDA. However, I do feel that it would be an easier task, and I might add, more practical, to correct the problems there than to simply reshuffle these two programs to different departments.

The Forest Service has been a paramount force in maintaining and developing our renewable natural resources. The administration persists that it will be more effective under a new Department of Natural Resources. However, I doubt seriously that this will be the case. To consolidate the Forest Service with the programs Interior has would probably spur department infighting and destroy the beneficial system of checks and balances that USDA and Interior have at the present time. Under such circumstances, it is obvious that the Forest Service would suffer. Indeed, if one were to expect the very best of the proposed plan, the final outcome would probably reflect little progress from that already realized under the present system. The quality of work the Forest Service provides through USDA's guidance is exemplary. Why do we want to take a chance on reorganization when the facts indicate that USDA has done such a good job?

The business and industrial loan program has encouraged much needed development assistance to rural communities. It has stimulated economic growth in areas that had received little attention in the past. In the State of Tennessee, the fruits of the B. & I. loan program are notably evident. During 1978, 4,154 jobs were saved and 1,581 jobs were created in distressed areas exhibiting characteristics of low income and high unemployment; 5,149 jobs were saved, and 3,495 jobs were created in nondistressed areas. This has been a significant factor in Tennessee's economic growth, and it is important that the Farmers Home Administration be allowed to continue this good work through the B. & I. loan program. The Farmers Home Administration, in conjunction with USDA, has the knowledge and the experience in administering this program. Its delivery systems are among the best. I believe that it would be foolhardy to move such a successful program under these circumstances. The Farmers Home Administration knows the problems of the rural communities. There is no guarantee that such understanding would exist if the B. & I loan program is taken from FmHA and the Department of Agriculture. Indeed, I believe it would have a detrimental effect on this program and would diminish its accomplishments. USDA should continue to have jurisdiction over the B. & I. loan program so that the continuity of excellence will not be interrupted.

We cannot allow the Forest Service and the B. & I. loan program to be moved from USDA if we desire to see the needs of the rural areas fulfilled. Those people out there in rural America do not need to be the guinea pigs of OMB's reorganization plan. I cannot see that tampering with a proven system is in the best interest of the people, or the Government for that matter. The rural community needs an advocate versed in its own special problems. The Department of Agriculture serves this function well, and I would like to urge that we act to preserve it.●

SEVEN FISHERIES ORGANIZATIONS SAY, "NO", TO A DEPARTMENT OF NATURAL RESOURCES

● Mr. TALMADGE. Mr. President, I rise once again to demonstrate to the Senate that there is no national support for the creation of a Department of Natural Resources as recommended by the administration.

As we all know by this time, the administration intends to move the National Oceanographic and Atmospheric Administration from the Department of Commerce, and the U.S. Forest Service from the Department of Agriculture into the Department of the Interior. This new agglomeration would be called the Department of Natural Resources.

On December 20 of last year, seven fisheries organizations, calling themselves the National Fisheries Policy Conference, wrote to a member of President Carter's staff opposing the creation of this new department.

I submit this letter for the Record.

The letter follows:

National Fisheries
Policy Conference,
Washington, D.C., December 20, 1978.

Stuart E. Eizenstat,
Assistant to the President for Domestic Affairs and Policy, Washington, D.C.

Dear Mr. Eizenstat: The United States fishing industry is opposed, at this time, to the transfer of the National Oceanic and Atmospheric Administration to a Department of Natural Resources, as proposed by the staff of the President's Reorganization Project (PRP) within the Office of Management and Budget. On December 11, the Steering Committee of the National Fisheries Policy Conference met with Mr. Richard A. Pettigrew, Assistant to the President for Reorganization, and Mr. William W. Harsch and Dr. Charles French of the PRP. We were briefed on the status of reorganization plans as they would impact the American fishing industry, particularly a proposed Department of Natural Resources. Subsequent to that meeting, the Steering Committee reviewed a November, 1978, draft staff analysis which proposes the creation of a Department of Resources and Conservation.

Neither the meeting with Mr. Pettigrew and PRP officials, nor the staff document, offered the American fishing industry clear and compelling arguments supporting the transfer of NOAA. The only benefit accruing to fisheries mentioned in the meeting and document was the elimination of an alleged overlap in fish stock assessments, evaluation of stocking, and environmental studies. No consideration is given in the document to the need to improve the federal government's perception of national fishery resources as an important domestic and international food protein source, nor to how government can support industry efforts to increase exports of U.S. harvested and processed fish. Insufficient cause has been shown for instigating the "inevitable disruption that results from a major reorganization" (staff analysis, p. 18). Significant costs will be incurred as the price of any massive reorganization. There will be a decrease in government efficiency for an indefinite period. Actual dollars will be expended to effectuate the transfer. Time and momentum will be lost by administrators of important fishery programs within NOAA. These losses could not come at a more critical time.

The consequences of dislocation for NOAA's National Marine Fisheries Service are especially unaffordable now. The Fishery Conservation and Management Act (P.L. 94–265, April 13, 1976) became effective March 1, 1977. It is the most important fisheries legislation in our history. It established regional fishery management councils as responsible for developing and overseeing fisheries management plans (FMP's) for species predominantly within the 197 mile fishery conservation zone formed by extension of U.S. fisheries jurisdiction to 200 miles. These councils are the Act's basic management and conservation bodies.

The National Marine Fisheries Service gives the councils administrative, statistical, and legal support. Seven FMP's will be in effect by the close of 1978. The planning pace will accelerate sharply next year and continue into 1980. By March 31, 1979, NMFS is scheduled to receive 23 more FMP's in draft and final form, all of which should be implemented by the Commerce Secretary by year-end. NMFS expects to review another 17 draft FMP's in 1979, although the plans won't become effective until 1980. NMFS must prepare the regulations which accompany plan installation and must handle Federal Register notification required by the Administrative Procedures Act. In calendar 1980, 25 more council draft FMP's will be completed.

This detail is given to indicate the management tasks NMFS must cope with during the remainder of the decade. It has been converted in two short years from a predominantly scientific agency to one with important responsibilities for management support. Its staff has not grown. It has been through two partial reorganizations in two years. It began a reorganization in October, 1976, which was terminated in the Summer of 1977, before top management posts were filled, when Richard Frank became NOAA Administrator. He indicated a NMFS reorganization should follow the reorganization of NOAA he intended. NOAA's reorganization was proposed in October, 1977, and completed in the Spring of 1978. NMFS began another reorganization shortly thereafter whose first stage, final civil service clearance for supergrade positions, was completed early this month. Morale and efficiency have suffered during this prolonged period of instability.

The two years ahead are crucial, not only for managing U.S. fisheries, but for resolving fishery boundary issues with Canada, for achieving international agreements to manage tuna, for negotiating international fishery agreements with Japan, Mexico, Brazil, and the European Economic Community. These will be years of emphasis on developing new fisheries and products. NOAA investigations, like the Anne Wexler Study focusing on export market potential, will contribute the factual foundation for clear, concise development policies.

These subjects are complex and will require the total commitment of industry, the Congress and the Administration. In view of the other responsibilities of the new department, we question its ability to effectively respond to the issues confronting the fishing industry.

In summary, as stated above, the United States fishing industry is opposed at this time to the transfer of the National Oceanic and Atmospheric Administration. No compelling arguments have been offered by representatives of the PRP which support this transfer insofar as the fishing industry is concerned, and we respectfully request that this reorganization effort not be a segment of the President's legislative program for the coming Congress. The Steering Committee is prepared to meet with you to discuss more fully our concerns.

Sincerely yours,

National Federation of Fishermen, Lucy Sloan.

National Fishmeal & Oil Association, Thomas Reynolds.

National Shrimp Congress, William Utz.

United States Tuna Foundation, David Burney.

National Fisheries Institute, Lee Weddig and Gustave Fritschie.

National Food Processors Association, Kathryn Nordstrom.

Shellfish Institute of North America, Everett Tolley.●

RURAL ELECTRIC COOPERATIVES SAY, "NO", TO A DEPARTMENT OF NATURAL RESOURCES

● Mr. TALMADGE. Mr. President, another distinguished organization has now joined the monotonously long list of associations and distinguished individuals who have joined ranks to create a Department of Natural Resources under the administration's reorganization authority.

I submit for the Record resolution H–14 of the National Rural Electric Cooperative Association.

Resolution No. H–14

From Power & Water Resources Committee.
Approved by Resolutions Committee.
Subject Department of Natural Resources.

President Carter in his annual message indicated that he planned to send to the Congress legislation to establish a Department of Natural Resources which would have as its nucleus the present Department of the Interior.

We understand that among other things this new department would transfer into Interior a number of important functions now being carried out in the Department of Agriculture. It would also take away from the Corps of Engineers its responsibility for planning water resource projects and transfer out of Interior the construction program to the Bureau of Reclamation to the Corps of Engineers.

We are firm in the belief that the present organization of the government which would be changed by establishing this new Department of Natural Resources would only result in confusion and greater inefficiencies.

We urge the President to reconsider and not transmit this objectionable legislation to the Congress. We strongly urge that in the event such legislation is sent forward, the Congress of the United States reject it.●

BYELORUSSIAN INDEPENDENCE DAY

● Mr. DOLE. Mr. President, March 25 is a day dear to the hearts of the Byelorussian people. On that day in 1918 they ended years of suffering under the tyranny of Czarist Russia by proclaiming the establishment of the Byelorussian Democratic Republic.

THE NEW RUSSIAN TYRANNY

Russian tyranny has, however, again engulfed Byelorussia. In direct contradiction to the Helsinki agreements, the Soviet Union perpetrates almost daily violations of the rights of Byelorussians. Svetlana Misiuk, an eighth grade girl, was beaten for believing in God. Aleksandar Krut'ko has been threatened with confinement to an asylum if he continues his efforts to gain permission to join his children in the United States. Many brave Byelorussians have faced this oppression, and stood up to it. Today I would like to pay tribute to two of these men.

YAUHIN IVANOVICH BUZINNIKAV

Yauhin Ivanovich Buzinnikav has spent 12 years in jail for his support of human rights. Now he has been arrested once more. What is his "crime?" Buzinnikav was corresponding with fellow dissident Andrei Sakharov, listening to and disseminating foreign radio broadcasts, and allegedly requesting to print works by Byelorussian writer Mykola Rudenko. For these offenses against Soviet totalitarianism, acts which are guaranteed by the Helsinki accords, Buzinnikav was thrown into prison.

MICHAL KUKABAKA

Writer Michal Kukabaka, one of the most eloquent exponents of Byelorussian identity, has long protested Soviet violations of human and political rights. In the past year, he has published one of his finest essays on the Byelorussian consciousness, "The Stolen Motherland," and has taken the bold step of renouncing his Soviet citizenship. Mr. Kukabaka has been imprisoned by the Soviet authorities, and remains behind bars. To this date he has not been charged with any crime. Indeed, what has he done that deserves any kind of censure? I have written to Ambassador Dobrynin and to the director of the prison where Mr. Kukabaka is now incarcerated, urging Mr. Kukabaka's immediate release.

HOPE FOR THE FUTURE

With courageous leaders such as Mr. Kukabaka and Mr. Buzinnikav, the idea of freedom, like the mythical call of the sirens, is irresistible. The quest for freedom can be delayed; it cannot be thwarted.●

SALT II

● Mr. EAGLETON. Mr. President, the December 30, 1978 issue of the Economist contained an article entitled "Seven Lean Years" which sets out what that magazine considers to be three major weaknesses in the treaty. In the view of the Economist, the proposed SALT II treaty:

First, conceals a large imbalance in Russia's favor;

Second, has managed to increase Europeans' doubts about America; and

Third, leaves the United States vulnerable to a surprise Russian attack.

I sent copies of the article to Lt. Gen. George M. Seignious, Director of ACDA, and Deputy Assistant Secretary of State, Brian Atwood, and asked that they respond to the points raised. Both General Seignious and Mr. Atwood have now responded point by point.

Mr. President, Secretary of State Vance said this weekend that a SALT II treaty was very close to completion. I believe that my colleagues will find the views of the Economist, as well as the responses of General Seignious and Mr. Atwood, helpful as the Senate begins consideration of a SALT II treaty. I ask that these items be printed in the Record.

The articles follow:

Seven Lean Years

An eve-of-Christmas near-agreement between Russia and America about nuclear weapons, with the last details almost certain to be wrapped up in the new year, might seem occasion for rejoicing. It is not. For a mixture of reasons, ranging from the nuclear weakness Mr. Jimmy Carter inherited on becoming president two years ago to his own failure to bargain adamantly enough since then, the SALT-2 treaty which Mr. Cyrus Vance and Mr. Andrei Gromyko carried to the verge of completion in Geneva on December 23rd, and which is designed to last until the end of 1985, could be the beginning of seven singularly dangerous years.

THE ROCKS AHEAD

The relatively minor problems the SALT-2 negotiators have been quibbling about all through 1978—the treaty was originally supposed to be ready by the time Salt-1 ended in October, 1977—seem to be coming out rather more in Russia's favour than America's (see the box overleaf). But none of these affects the core of the Salt-2 agreement. The disturbing basic shape of that agreement was settled in the first wavering year of the Carter administration. It points to three large future problems.

1. On the surface, the proposed new treaty is neatly balanced; but it conceals, just under the surface, a large imbalance in Russia's favour. The supposed superiority of the Salt-2 agreement—compared with the first Salt deal in 1972, which merely froze the Soviet lead in missile numbers at that time—is that it lays down exactly equal permitted totals for each side: 2,250 nuclear launching vehicles of all kinds, of which 1,320 can carry Mirv multiple warheads or cruise missiles, and so on down through the various sub-sections.

But in fact, whereas the current Soviet missile-building programme will have no difficulty in filling most of the permitted totals, the existing American armoury and present American building plans mean that by 1985 the United States will be behind Russia both in the overall total and in some of the most important sub-categories. (The most striking example is "modern large" missiles, where the Russians will be allowed to keep their 308 huge 10-warhead SS–18s but the Americans will have none at all.) Anyway, this deceptive equality in simple numbers also conceals a growing Russian advantage in other aspects of nuclear power. This second-level Soviet advantage is a result of the fact that the Russians are building several land-based missiles bigger than anything the Americans possess, which can carry a much larger explosive load. By 1985, the Russians could have a lead of more than 3 to 1 in the total number of megatons that can be dropped on the other side, and 7 to 1 in megatons carried in land-based missiles; in consequence, a lead of 3 to 2 in their ability to destroy protected targets, such as missile silos; and a lead of more than 2 to 1 in their ability to destroy unprotected targets, such as cities.

Even if these figures were not militarily important (and they are: see point three), they would have unpleasant political consequences. The allies of the United States have got into the habit of measuring its ability to protect them against Russia by totting up the units of American nuclear power. That is the "nuclear umbrella". If that power is seen to be getting smaller than Russia's, one spoke of the umbrella after another, public opinion in these allies will grow more nervous about the value of American protection; and nervousness could crack the alliance.

2. The most dangerous place for such mistrust to grow is western Europe. The second major criticism of Salt-2 is that it has managed to increase Europeans' doubts about America most of all.

The planned treaty, while setting limits on the number of missiles Russia can aim at America, says nothing about the growing number of missiles it points at western Europe, especially the powerful new SS–20; and the only reference to Russia's Backfire bomber will apparently be some sort of Soviet "assurance" (outside the treaty itself) that this Europe-busting nuclear-bombing aircraft will not be used to bust America too. This hardly encourages the Europeans. They are not reassured by the fact that the American-designed cruise missile, which could be one way of equalising things, may be denied to them under the Salt-2 clause which says that neither side may do anything to "circumvent" the treaty. The Americans say this should not prevent them providing the Europeans with the know-how, and maybe some of the parts, to make the cruise missile; but Russia says flatly it will prevent just that.

The Europeans also find it worrying that the kinds of cruise missiles most useful to them—the ones launched from ships or from the ground—will be limited to a feeble 375-mile range by the protocol which will regulate a few particularly tricky problems during the first two or three years of the general treaty. They suspect that when those two or three years are over Russia will try to bully Mr. Carter or his successor into prolonging the protocol, and with it the range restriction, and they are not confident of Mr. Carter's ability to defy Russia. All in all, Mr. Carter may discover at the Guadeloupe summit next Friday that the Europeans are not comforted by the suggestion that "your problems will be dealt with in Salt-3"—after 1985.

3. But the biggest problem with Salt-2, the wobbly cornerstone which makes the whole structure tremble, is that it may leave the United States itself vulnerable to a surprise Russian attack.

By the early 1980s, the growing number of increasingly accurate warheads Russia can pack into its huge missiles will put it in a position of being able to destroy virtually all of America's land-based missiles in a single half-hour cataclysm, while still keeping quite a lot of its own missiles in reserve, ready for a second blow. (By comparison, the Americans could probably knock out only about two-thirds of Russia's land-based missiles in a similar first strike of their own.) If that Russian first strike did happen, an American counter-attack against the Soviet missile system would have to depend mainly on the aircraft-carried cruise missiles permitted under Salt-2, which would take 10 hours to trundle towards their targets—and even then would destroy not much more than half of the Soviet launching silos.

This is not "parity". It is often said, quite correctly, that even with these advantages the Russians would probably not press the button for the unimaginable ghastliness of a nuclear exchange. This misses the point of nuclear mathematics. The point is that the Russians would not have to. If they know that even a theoretical exchange of Soviet first strike and American counter-strike would leave them with more surviving missiles, which would then hold America's cities hostage, they would know that the American president would know it too; and that he would be paralyzed by his knowledge as the grisly game of bluff and counter-bluff moved closer to button-pressing point. This is the political reality behind the apparently abstract calculations of who-would-have-more-missiles-left.

HOW IT WENT WRONG

It is by no means entirely Mr. Carter's fault that Salt-2 is now carrying the west towards these three rocks. The first Salt agreement, in 1972, set limits on the number of missiles the Russians could build but not—the heart of the present trouble—on the size of those missiles. In the years after 1972, while the Russians were testing and then deploying their new giants, the Americans were so mesmerised by Vietnam and Watergate that they failed to spot the danger and start an adequate new missile-building programme of their own. Mr. Carter went into Salt-2 with this inherited weakness. Nevertheless, he could have made things better—or less bad—if he had stuck to his original demand of March last year that the Russians should halve the number of their very biggest SS-18 missiles. Instead, the Russians shook their heads and he backed down.

SALT TILTED, EVERYTHING TILTED

The nuclear balance, or imbalance, is the starting-point of every international political calculation. But there are other factors at work, too, which could tip the balance even more steeply against the west.

There is the competition in non-nuclear military power, where Russia is also trying to establish its claim to be primus inter pares. In central Europe the Russians are already ahead of the Nato allies in several of the main things by which non-nuclear strength is measured, and the 3%-a-year increase in Nato defence spending which was meant to restore the balance is now threatened by Mr. Carter's desire to cut the next American budget. Even if Nato's 3% is saved, it may be at the cost of cutting the "non-Nato" part of the American defence budget (if such a distinction is in fact possible), which would make America weaker in the world outside Europe. But the loss of the old American nuclear superiority makes it even more necessary for the west to match the Russians in non-nuclear forces anywhere, if it is not to find itself faced down in one local confrontation after another.

There is also the matter of what can only be called political-military will. The Russians have, among their allies, a Cuba willing to keep 40,000 or more troops in Africa and south-west Asia, a Vietnam content to have put its army across the Cambodian border, an East Germany lavish with "advisers" in foreign parts; and, in Russia itself, a public opinion that is no obstacle to the generous distribution of Soviet military aid between Kabul and Luanda. The lone example of Mr. Giscard d'Estaing's France apart, can the Americans find among their allies—or in themselves—even a fraction of the countervailing political-military will that may be needed in the next seven years?

It is not possible to stop the Soviet Union from expanding its military power: guns, after all, are the one thing the Soviet economy is good at. It is esential to prevent that Soviet expansion proceeding to the point where it controls the commanding heights, nuclear or non-nuclear. There are still things that can be done to avoid that. The American senate may insist, as the price of its ratification of Salt-2, on an acceleration of the new mobile missile the treaty allows America to build, and other measures to shorten the dangerous period of American first-strike vulnerability. The 3% increase in general Nato defence spending may be rescued, and its benefits not confined to Europe. But unless something is done to block the trend, the coming years are going to be the roughest the west has yet faced against Russia.

U.S. ARMS CONTROL AND
DISARMAMENT AGENCY,
Washington, D.C., March 6, 1979.
The Hon. THOMAS T. EAGLETON,
U.S. Senate.

DEAR SENATOR EAGLETON: Thank you for your letter asking for comments on an article in The Economist of Demember 30, 1978, entitled "Seven Lean Years."

I am pleased to provide you with the following comments on the three major criticisms of the emerging SALT II Treaty made by The Economist in this article.

The first charge is that SALT II ". . . conceals . . . a large imbalance in Russia's favour," even though the Treaty provides for equal totals in strategic systems for each side. It is implied that an imbalance will result from the equality specified by the Treaty because the Soviets will continue with their strategic programs but we will not. This criticism is not well founded. The equal aggregates of the Treaty are an accomplishment in which U.S. negotiators can justifiably take pride. Such a result has been the goal of the U.S. for many years and was in fact mandated by the Congress in 1972.

Within the equal aggregates, SALT II will preserve the military options in which the United States currently has an interest, such as air-launched cruise missiles; other programs, such as the MX missile and the Trident submarine and missiles can proceed unconstrained by SALT II. The development, and testing, of ground-launched and sea-launched cruise missiles are other programs that as a practical matter can proceed unconstrained by the Treaty or the Protocol. Requests for funding relating to all of these programs were recently transmitted to the Congress as part of the Administration's budget for Fiscal Year 1980. I should note that total spending for strategic forces from Fiscal Year 1979 to Fiscal Year 1980 is expected to increase by 23 percent from $8.8 to $10.8 billion. It is estimated that expenditures for strategic forces through Fiscal Year 1984 will increase by 20 to 40 percent on an annual average basis. These figures do not represent an America standing still.

The Soviets will be constrained by the equal aggregate limitation in several ways. They will be obliged to dismantle or destroy hundreds of strategic systems to comply with the aggregate limitations set by the Treaty. Without a SALT II Treaty it is likely that the Soviets, just based on the momentum of their current strategic programs, could reach the level of approximately 3,000 deployed strategic systems by 1985. For the U.S. to match such deployment levels by 1985 would require crash programs and the expenditure of vast sums over and above planned strategic forces expenditures. No increase in security would be obtained. Moreover, the Soviets have accepted a limit of 820 on numbers of launchers of MIRVed ICBM's, a limit on the number of warheads which can be deployed on those missiles—including the SS-18 to which The Economist referred—and a ban on new types of ICBM's (with one exception for each side). Thus, it can be said that the major component of Soviet strategic forces—ICBM's—are significantly constrained by the Treaty, both quantitatively and, to a considerable degree, qualitatively.

I should add that it is more than a little misleading to select certain weapons categories in which the Soviets have a lead, ignore others where the U.S. has a lead, and reach a conclusion that the Soviets are, therefore, superior overall. To assess the balance of forces, one must look at all factors—quantitative and qualitative. If one does so today, the inescapable conclusion is that the U.S. and the Soviet Union are essentially equal in strategic nuclear forces.

The second criticism made by The Economist is that SALT II ". . . has managed to increase Europeans' doubts about America most of all." Without question some Europeans can be found who have "doubts" about America—however non-specific they may be—but the implication that the governments of America's NATO allies are dubious with regard to SALT II is not consistent with the record. Over the past two years, our chief SALT negotiators have briefed the North Atlantic Council on the progress of the SALT negotiations on the average of once a month. Our allies have expressed satisfaction not only with this procedure, but with the resolution of issues under negotiation. Moreover, recently, the Prime Minister of the United Kingdom, the Chancellor of the Federal Republic of Germany and the President of France have all publicly expressed support for SALT II.

Prime Minister Callaghan said: "I would like to urge the . . . conclusion of the agreement and speedy ratification on both sides." Chancellor Schmidt: "SALT II is going to be a very important contribution toward stabilizing world peace." President Giscard: "France desires the early conclusion of a balanced accord between the U.S. and the U.S.S.R. for the reduction of strategic nuclear arms." I note finally on this point that we and our allies have always been in accord that in SALT II no discussion of U.S. forward based systems or our allies' strategic weaponry take place. This principle has been observed and retains its integrity.

The final major criticism of the Treaty by The Economist is that it ". . . may leave the United States itself vulnerable to a surprise Russian attack." The question of the vulnerability of the U.S. land-based ballistic missile forces to a Soviet first-strike is one that arises without regard to the provisions of SALT II. Once each side had deployed large numbers of MIRVed ICBM's—and the U.S. was the first to do so—the theoretical vulnerability of land-based silos increased. As qualitative improvements in guidance are made to the forces of each side, this vulnerability increases. Yet, to acknowledge this vulnerability of land-based ICBM's is not to say that the U.S. deterrent is itself vulnerable. The U.S.—unlike the Soviet Union—has developed a balanced Triad of strategic forces. Were the Soviets to commit the ultimate folly of launching a surprise attack on the United States and its land-based force, we would retain the massive retaliatory capability of our sea-launched ballistic missile force and of our strategic bomber force regardless.

The issue of Minuteman vulnerability must be viewed in perspective. The Soviets face substantial uncertainties in planning an attack on our Minuteman: how reliable and accurate will their missiles really be; can they avoid having the explosion of one attacking warhead damage the effectiveness of subsequent attacking warheads; can they be certain of the degree of hardness of our missile silos. Furthermore, although we do not have a policy of launch-on-warning, the Soviets would have to include in their planning the possibility that we might launch our ICBM's once it was determined that a massive ICBM attack was underway, thus leaving only empty holes for the Soviet Missiles to hit.

It also should be noted that the United States retains the option to deploy a mobile ICBM system after the expiration of the Protocol should we consider this necessary to increase the survivability of our ICBM force. One of the candidate systems that has been mentioned is the so-called multiple aim point system. Without the warhead freeze in the SALT II Treaty, such a system would be ineffective as the Soviets could just add warheads as we added aim points.

I look forward to meeting with you again in the near future to discuss these and other questions relating to SALT II.

Very truly yours,

GEORGE M. SEIGNIOUS II.

DEPARTMENT OF STATE,
Washington, D.C.

Hon. THOMAS F. EAGLETON,
U.S. Senate.

DEAR SENATOR EAGLETON: I welcome the opportunity to respond to the points raised in the December 30 Economist article you mentioned.

First, we cannot accept the proposition that the United States has been negotiating from a position of weakness. In his State of the Union address, President Carter referred to the fact that one Poseidon submarine carries 160 warheads, each more than three times as powerful as the bombs used to destroy Hiroshima and Nagasaki. As you know, the awesome power carried by one Poseidon represents a tiny fraction of our strategic force. In all we deploy over 2,000 systems carrying some 9,500 warheads, the smallest of which are those deployed on Poseidon.

These forces have been growing, not standing still. Since the signing of the SALT I Accords we have completed MIRVing of our Minuteman III ICBM force, improved the accuracy of our missiles, hardened our ICBM silos, upgraded our strategic bombers, and moved towards deploying the strategic air-launched cruise missile, a new submarine, and a new submarine-launched ballistic missile. In the last seven years we have added 3,500 warheads. These improvements have allowed us to maintain forces which are at least equal to the Soviet Union overall and clearly superior in crucial measures such as accuracy, flexibility, and survivability.

Our strategic might, the strong support we have received from our Allies, and the skill of our negotiators, have helped us to negotiate a SALT Treaty which, if the final issues can be equitably resolved, serves both our own interests and those of the Alliance. The Treaty clearly protects the strategic equality which exists between the United States and the Soviet Union. Unlike SALT I, the ceilings on strategic systems (2250), MIRVed missiles plus cruise missile carrying bombers (1320), MIRVed missiles (1200) and land-based MIRVed missiles (820) are the same for both sides. This will allow the United States to increase the number of our systems while forcing the Soviets to dismantle over 250 of theirs. Moreover, the quantitative and qualitative limits in SALT have been carefully negotiated to allow all the improvements we plan in our strategic forces to go forward. The United States will be able to deploy the new MX missile in a mobile mode, if we choose; we will be able to place air-launched cruise missiles on our bombers. We will be able to proceed with our planned ground- and sea-launched cruise missile test program; and we will proceed with our new Trident submarines and Trident I missiles.

It is true that during the life of the Treaty the Soviet Union will be able to continue its MIRVing program and otherwise upgrade its strategic forces. In the absence of a treaty, however, the Soviets would have no launcher or warhead constraints and could increase forces even more. For these reasons, we feel strongly that our national security will be greatly enhanced by SALT II.

Let me now turn to the specific points raised by the Economist:

1. The Economist argues that the Treaty is not an equal one. They cite the fact that the Soviets will continue to enjoy a throw-weight advantage by 1985 and that the Soviets are allowed 308 "modern large" ICBMs, the SS-18, while we will have none under SALT II.

While it is true that the Soviets will have a throw-weight advantage, this is the result of military planning, not SALT. American military decision makers have preferred to develop smaller and more accurate warheads, while the Soviets have opted for larger, heavier missiles. More importantly, a throw-weight advantage is important only when it can be translated into a large number of warheads. The Treaty contains limits on fractionation (the number of warheads which may be placed on each missile) which will constrain the use to which throw-weight can be put.

The modern, large ICBM "inequality" cited by the Economist has no practical effect. Again, the United States has no plans to deploy heavy missiles during the SALT II period, for military reasons unrelated to SALT. It must also be noted that the Treaty's fractionation limits, and its limits on new types, allow us to deploy a non-heavy missile, the MX, having the same number of warheads as the SS-18 (ten) plus greater reliability and accuracy. Current defense plans are not to deploy the MX until 1986, but SALT preserves our option for earlier deployment, should it prove necessary.

2. The Economist claims that SALT II's non-circumvention provision will weaken European security. On the contrary, the U.S. has made clear to the Allies that the non-circumvention provision does nothing more than make explicit the inherent obligation in any international agreement not to circumvent its provisions. We have told the Soviets on the negotiating record that cooperation with the Alliance will continue under SALT II. The U.S. has rejected the inclusion of a provision banning transfers and has made clear to the Soviets that transfers cannot, ipso facto, constitute circumvention.

In addition, we have preserved cruise missile options which could prove useful to European defense. The deployment of ground- and sea-launched cruise missiles with a range greater than 600 km, is banned only for the duration of the three-year Protocol, while testing on these programs to any range is allowed. Since the U.S. does not have the capability to deploy such cruise missiles for the next three years, the Protocol limits will not have any practical effect on future deployments of GLCM's and SLCM's, should we and the Allies decide in favor of such deployments.

It is also wrong to argue that the Protocol will be inevitably extended. The Protocol limits are temporary in nature, and set no precedent for possible future limitations.

Finally, it should be noted that NATO leaders have made clear their support for SALT II at the December Guadeloupe Summit at numerous other occasions.

3. The Economist also charges that the SALT II Treaty will leave the United States vulnerable to a surprise attack. This argument must be considered at some length.

It is true that in the early to mid-1980's the Soviets will have the theoretical capability to destroy a large fraction of our fixed land-based ICBM's in a surprise attack, while preserving enough land-based missiles in reserve for a second blow. The Economist and other analysts believe that with our ICBM's gone, the U.S. would be deterred from launching an attack in reply against Soviet cities, since to do so would be suicide. Surrender would be our only option. Even in the absence of such an attack, it is argued, the Soviets—armed with the knowledge they would win in such an exchange—would begin to coerce the United States.

There are many problems with this argument. First, it is hard to imagine that any national decision maker would risk his nation's survival on the hope that, after a nuclear attack, a surviving President would coldly calculate the next step in the nuclear game and be deterred, especially since even a "limited" nuclear attack would kill millions of Americans. Moreover, at this time there are considerable technical problems involved in such an attack, particularly in light of the problems of reliability; yet such an anti-silo attack would have to be perfect. A successful attack would also require that the U.S. missiles sit in their silos until the Soviet missiles arrived, something of which no Soviet decision maker could be sure. Furthermore, our current forces are useful against a wide range of targets, not just cities. We should not ignore the potential "counterforce" value of an attack on the Soviet general forces used to hold together the Warsaw Pact, check unhappy minorities and deter the Chinese.

More importantly, even if all the operational problems were discounted, Minuteman vulnerability is still not an argument against SALT. To cope with the vulnerability of our ICBM's, the U.S. has been exploring various mobile basing systems for our missiles. SALT provides the U.S. with options to proceed with a mobile system which would prevent the Soviets from destroying our land-based ICBM's in a surprise attack.

The SALT II Treaty will protect Western security from nuclear threats and reduce the likelihood of nuclear war. It will also help the United States cope with conventional military challenges. Especially in a time of taxpayer revolt, SALT will make it much easier for the United States to meet these challenges by freeing resources which otherwise would be used in a needless and destabilizing strategic arms race. Moreover, we will be safer when confrontations do occur in troubled areas of the world, if they occur against a background of strategic equality and stability than against the background of a dangerous nuclear arms race.

I hope this letter has been responsive to your request.

Sincerely,

BRIAN ATWOOD,
Deputy Assistant Secretary for Congressional Relations.●

NEW CLUES TO PROLONGING OF LIFE

● Mr. WALLOP. Mr. President, a University of Wyoming professor of zoology and physiology, Dr. Joan Smith-Sonneborn, recently published a report in Science magazine describing her research with single-celled organisms and ultraviolet light. Her remarkable studies indicate that doses of ultraviolet light can prolong human life. The implications—medical, social, philosophical—of this possibility boggle the mind. This discovery could transform society.

I know we will be hearing more of Dr. Smith-Sonneborn, and I hope her work generates further research and debate. I ask that articles from the Wyoming Star Tribune and the Washington Post be printed in the RECORD.

The articles follow:

[From the Wyoming State Tribune, Mar. 10, 1979]

NEW CLUES TO PROLONGING OF LIFE?

(By Kirk Knox)

LARAMIE.—A professor of zoology and physiology at the University of Wyoming believes, based on research, that age-related genetic damage can be prevented or repaired, extending cell life by as much as 50 percent, under laboratory conditions.

Prof. Joan Smith-Sonneborn is the author of an article on the subject which appears in the March 10 issue of Science, a magazine published by the American Association for the Advancement of Science.

She said today, "I hope it (the research) will lead to a delay or removal of degenerative aspects of old age in humans."

She added, "The biggest question really is whether human cells have this same capacity. If they do, it shouldn't be long before some practical application would be possible."

"But that is a big if."

Professor Smith-Sonneborn said she hoped to find that answer through understanding the mechanism of extension of cell life span in her research. "Then it might be easier to find it in human cells. Of course, other people may be stimulated to work on it."

She said there is evidence in scientific literature as far back as 1969 indicating that treatment of rabbits with X-rays and then ultraviolet radiation resulted in decreased X-ray damage.

She said, "That means to me that there is such a repair system in a complex animal. Since the rabbit is complex, it raises the hope that humans also may have this mechanism."

"I think it is very exciting," she added.

She said, "I expect to be studying it until I get the answer."

She explained that she has a renewed grant from the energy department, "but the emphasis of that grant is on screening for hazardous agents. I have two grants pending with the National Science Foundation and the National Institute on Aging. I am hopeful we will get more funds from them."

The professor is not a pure researcher, but does research while doing her job as an active teacher.

She said, "This semester, I am teaching general genetics and have 107 students."

Professor Smith-Sonneborn goes to work around 8 a.m. and comes home about 7 p.m. She said she spends "the rest of the evening on lectures, grant proposals and writing papers."

She said she likes bowling, but didn't mention whether she crowds it into her already crowded schedule.

She said she is "a curious person" agreeing that curiosity is basic to her research.

Could that research ultimately lead to deferring aging in humans beyond the usual point where cancer becomes more likely?

Professor Smith-Sonneborn: "We believe that this mechanism repair is reducing damage to DNA and damage to DNA is related to cancer production.

"It may, therefore, be possible to delay the time when genetic damage may promote cancer production."

For the past 18 months she has conducted experiments with paramecium, a microscopic, one-celled animal which has a limited life span. The paramecium is a true cell with characteristics similar to human cells.

In part of her work on aging, supported by a National Science Foundation grant, and in detection of hazardous chemical agents, funded by the U.S. Department of Energy, she combined the effects of radiation and aging in one study.

Other investigators have shown that as cells age, damage to the heredity material (DNA) can occur and that the damage can be associated with the promotion of cancerous tumors.

In the professor's experiments, the level of DNA damage was enhanced in parmecia by ultraviolet irradiation, reducing their life span. Then she used a repair process called photoreactivation or light repair to decrease the damage which had been induced.

"A surprising result was obtained," she said. "The life span was greater than in untreated control cells and the treated cells showed a more youthful response to further radiation treatment. Repeated treatment of old cells with ultraviolet light, coupled with further light repair, produced an increase of more than 200 percent in the remaining life of these cells. Measured in time, these cells lived 50 percent longer than the control cells."

The professor said the mechanism responsible for the beneficial effect, itself, was not being investigated at the start of the project but results indicate existence of some defense process within cells which is capable of delaying the aging process.

Her thesis is that damaged DNA either directly or indirectly stimulates the defense process. The damaged DNA is corrected by the light treatment which frees the then-activated system for a beneficial effect on age-related damage.

The professor noted that other studies have shown that the ability to repair DNA damage is correlated with the life span of higher organisms. The professor said that, among investigators in the area, is Ron Hart of Ohio State University who has consulted extensively with her during her research.

Professor Smith-Sonneborn said she was guardedly optimistic about the possibilities but cautioned that, "uncontrolled attempts to stimulate the defense process could be very dangerous."

She said that unrepaired DNA damage could stress, rather than help cells, promoting reduced life spans and cancer conditions. The doses required for a beneficial effect are most critical and can be expected to vary with age and cell type.

She said work continues in an effort to further the understanding of the complex and opposing mechanisms involved and that she hopes future research will show an alternative and risk-free technique to stimulate only the beneficial effects.

The professor said she had been helped in her effort by students, both graduate and undergraduate, who have worked in her laboratory as part of their UW academic programs.

They include Dirk and Mary Millhouse, formerly of Buffalo and now living in Montana; Tim Williams and Paul Hanson, both from Illinois; and Ed Van Kirk, a former Ohio resident.

In more recent phases of the study, Dan Cotton, Sue Hough and Charles Herr, all of Laramie, have assisted.

Professor Smith-Sonneborn is a native of Watervliet, N.Y., and was graduated from Bryn Mawr. She obtained a doctor's degree from the University of Indiana in biochemistry and zoology. She continued with postdoctoral fellowships at Brandeis University in Massachusetts and at the University of California at Berkeley, as well as at the University of Wisconsin.

She has been on the UW faculty for the past eight years.

[From the Washington Post, Mar. 3, 1979]

CELL WORK RAISES HOPES HUMAN LIFE CAN BE EXTENDED

The chances of dramatically extending the human life span were raised yesterday with the report of a University of Wyoming scientist that she has learned how to extend cell life by one half.

Dr. Joan Smith-Sonneborn, a professor of zoology and physiology, said she uncovered the life-extending mechanism in work with a common, single-celled organism widely used in biology laboratories.

Writing in Science magazine, she reported that by bathing the cells in different doses of ultraviolet light the damage caused by aging could be delayed, or even reversed.

She described how in her research she had increased damage to the cells by applying a dose of ultraviolet light that hastened the aging process.

That dose was followed by one of so-called "black light"—ultraviolet radiation of a different wave length—to repair the damage by activating the cell's repair mechanism, a photoreactive enzyme.

To the surprise of Smith-Sonneborn and her colleagues, the cells so treated showed a greater life span and a more youthful response to futher radiation treatment.

Furthermore, by continuing the rounds of ultraviolet treatments, a 50 percent increase in cellular longevity was obtained.

The process, in its basic form, is thought to occur naturally in simple organisms, but in an uncontrolled form that can as easily destroy the organism as repair damage to its DNA (deoxyribonucleic) molecules. DNA enzymes are the building blocks of all life.

Smith-Sonneborn believes that in the laboratory the defense mechanism is set in motion by the first dose of ultraviolet radiation that damages the cell.

When the second, or healing application, is applied, the defense mechanism is freed to attack the damage caused by the aging process.●

TAX CHECKLIST FOR ELDERLY AMERICANS

● Mr. BUMPERS. Mr. President, former IRS Commissioner, Mortimer Caplin once said "There is one difference between a tax collector and a taxidermist—the taxidermist leaves the hide." It is indeed a sad fact that in the 16 years since he made this observation, Congress has done very little to make our tax system any less burdensome on the average taxpayer. Despite our repeated promises to reform the Nation's tax laws, we still have the most convoluted and confusing system in the world.

I have spent 4 frustrating years in the Senate, hoping this body would enact meaningful tax reform legislation. Somehow each year we have fallen far short of any real tax reform. Somehow the underlying deficiencies of our tax system persist.

Part of the blame can be traced to the seemingly uncontrollable growth in Federal expenditures. The once highly held virtue of thrift seems all but forgotten in this age of multibillion-dollar budget deficits. I believe that we are making headway toward balancing the budget. But deficit spending accounts for only part of our taxation problem. The more fundamental deficiency in our tax system is simply the tax laws, themselves. There are no more aggravating and confusing laws in the land than the cryptic and verbose passages that make up our tax code.

I receive innumerable letters each day from Americans who are unhappy with the inherent unfairness and complexity of our tax system. As my colleagues may recall, during the waning days of the 95th Congress the Senator from Massachusetts (Mr. KENNEDY) and I offered an amendment to the Revenue Act of 1978 that increased tax benefits for middle- and low-income Americans. Although that measure was adopted in the Senate, it was unfortunately dropped from the bill by the House-Senate Conference Committee. Until I am successful in adding a similar provision to future tax legislation, low- and middle-income citizens will be deprived of the tax relief they need and deserve. In the interim, I hope to help these people by publicizing the tax benefits they are entitled to receive.

Today, I am taking the first step in this campaign by publicizing the numerous tax advantages provided for elderly Americans. At a time in which double-digit inflation is draining the limited financial resources of those on fixed incomes, it is apparent that the millions of elderly citizens are desperately in need of this information. These are not people who are demanding greater tax benefits for themselves. On the contrary, these are people who seek only to receive what they deserve. For them, securing professional tax help is simply an unaffordable luxury. As a result, they fail to take advantage of the many tax benefits they might otherwise receive.

Mr. President, the Senate Special Committee on Aging has compiled a comprehensive list of itemized deductions available to elderly citizens. I think it is one of the most useful documents I have seen this year. I ask that it be printed in the Record immediately following my remarks. The checklist follows:

Protecting Older Americans Against Overpayment of Income Taxes

MEDICAL AND DENTAL EXPENSES

Medical and dental expenses (unreimbursed by insurance or otherwise) are deductible to the extent that they exceed 3% of your adjusted gross income (line 31, Form 1040).

INSURANCE PREMIUMS

One-half of medical, hospital or health insurance premiums are deductible (up to $150) without regard to the 3% limitation for other medical expenses. The remainder of these premiums can be deducted, but is subject to the 3% rule.

DRUGS AND MEDICINES

Included in medical expenses (subject to 3% rule) but only to extent exceeding 1% of adjusted gross income (line 31, Form 1040).

OTHER MEDICAL EXPENSES

Other allowable medical and dental expenses (subject to 3% limitation):

Abdominal supports (prescribed by a doctor).

Acupuncture services.

Ambulance hire.

Anesthetist.

Arch supports (prescribed by a doctor).

Artificial limbs and teeth.

Back supports (prescribed by a doctor). Braces.

Capital expenditures for medical purposes (e.g., elevator for persons with a heart ailment)—deductible to the extent that the cost of the capital expenditure exceeds the increase in value to your home because of the capital expenditure. You should have an independent appraisal made to reflect clearly the increase in value.

Cardiographs, Chiropodist, Chiropractor, Christian Science practitioner, authorized, Convalescent home (for medical treatment only), Crutches.

Dental services (e.g., cleaning, X-ray, filling teeth), Dentures, Dermatologist, Eyeglasses, Food or beverages specially prescribed by a physician (for treatment of illness, and in addition to, not as substitute for, regular diet; physician's statement needed).

Gynecologist, Hearing aids and batteries, Home health services, Hospital expenses, Insulin treatment, Invalid chair, Lab tests, Lipreading lessons (designed to overcome a handicap), Neurologist.

Nursing services (for medical care, including nurse's board paid by you), Occupational therapist, Ophthalmologist, Optician, Optometrist, Oral surgery.

Osteopath, licensed, Pediatrician, Physical examinations, Physical therapist, Physician, Podiatrist, Psychiatrist, Psychoanalyist, Psychologist, Psychotherapy.

Radium therapy, Sacroiliac belt (prescribed by a doctor), Seeing-eye dog and maintenance, Speech therapist, Splints, Supplementary medical insurance (Part B) under Medicare, Surgeon.

Telephone/teletype special communications equipment for the deaf, Transportation expenses for medical purposes (7¢ per mile plus parking and tolls or actual fares for taxi, buses, etc.), Vaccines.

Vitamins prescribed by a doctor (but not taken as a food supplement or to preserve general health), Wheelchairs, Whirlpool baths for medical purposes, X-rays.

Expenses may be deducted only in the year you paid them. If you charge medical expenses on your bank credit card, the expenses are deducted in the year the charge is made regardless of when the bank is repaid.

TAXES

Real estate, State and local gasoline, general sales, State and local income, personal property.

If sales tax tables are used in arriving at your deduction, ordinarily you may add to the amount shown in the tax tables the sales tax paid on the purchase of the following items: automobiles, trucks, motorcycles, airplanes, boats, mobile homes, and materials used to build a new home when you are your own contractor.

When using the sales tax tables, add to your adjusted gross income any nontaxable income (e.g., Social Security, Veterans' pensions or compensation payments, Railroad Retirement annuities, workmen's compensation, untaxed portion of long-term capital gains, dividends untaxed under the dividend exclusion, interest on municipal bonds, unemployment compensation and public assistance payments).

CONTRIBUTIONS

In general, contributions may be deducted up to 50 percent of your adjusted gross income (line 31, Form 1040). However, contributions to certain private nonprofit foundations, veterans organizations, or fraternal societies are limited to 20% of adjusted gross income.

Cash contributions to qualified organizations for (1) religious, charitable, scientific, literary or educational purposes, (2) prevention of cruelty to children or animals, or (3) Federal, State or local governmental units (tuition for children attending parochial schools is not deductible).

Fair market value of property (e.g., clothing, books, equipment, furniture) for charitable purposes. (For gifts of appreciated property, special rules apply. Contact local IRS office.)

Travel expenses (actual or 7¢ per mile plus parking and tolls) for charitable purposes (may not deduct insurance or depreciation in either case).

Cost and upkeep of uniforms used in charitable activities (e.g., scoutmaster).

Purchase of goods or tickets from charitable organizations (excess of amount paid over the fair market value of the goods or services).

Out-of-pocket expenses (e.g., postage, stationery, phone calls) while rendering services for charitable organizations.

Care of unrelated student in your home under a written agreement with a qualifying organization (deduction is limited to $50 per month).

INTEREST

Home mortgage.

Auto loan.

Installment purchases (television, washer, dryer, etc.).

Bank credit card—can deduct the finance charge as interest if no part is for service charges, loan fees, credit investigation fees, or similar charges.

Other credit cards—you may deduct as interest the finance charges added to your monthly statement, expressed as an annual percentage rate, that are based on the unpaid monthly balance.

Points—deductible as interest by buyer where financing agreement provides that they are to be paid for use of lender's money and only if the charging of points is an established business practice in your area. Not deductible if points represent charges for services rendered by the lending institution (e.g., VA loan points are service charges and are not deductible as interest). Not deductible if paid by seller (are treated as selling expenses and represent a reduction of amount realized).

Penalty for prepayment of a mortgage—deductible as interest.

Revolving charge accounts—may deduct the separately stated "finance charge" expressed as an annual percentage rate.

CASUALTY OR THEFT LOSSES

Casualty (e.g., tornado, flood, storm, fire, or auto accident provided not caused by a willful act or willful negligence) or theft losses—the amount of your casualty loss deduction is generally the lesser of (1) the decrease in fair market value of the property as a result of the casualty, or (2) your adjusted basis in the property. This amount must be further reduced by any insurance or other recovery, and, in the case of property held for personal use, by the $100 limitation. Report your casualty or theft loss on Schedule A. If more than one item was involved in a single casualty or theft, or if you had more than one casualty or theft during the year, you may use Form 4684 for computing your personal casualty loss.

MISCELLANEOUS

Appraisal fees to determine the amount of a casualty loss or to determine the fair market value of charitable contributions.

Union dues.

Cost of preparation of income tax return.

Cost of tools for employee (depreciated over the useful life of the tools.

Dues for Chamber of Commerce (if as a business expense).

Rental cost of a safe-deposit box used to store income-producing property.

Fees paid to investment counselors.

Subscriptions to business publications.

Telephone and postage in connection with investments.

Uniforms required for employment and not generally wearable off the job.

Maintenance of uniforms required for employment.

Special safety apparel (e.g., steel toe safety shoes or helmets worn by construction workers; special masks worn by welders).

Business entertainment expenses.

Business gift expenses not exceeding $25 per recipient.

Employment agency fees under certain circumstances.

Cost of a periodic physical examination if required by employer.

Cost of installation and maintenance of a telephone required by your employment (deduction based on business use).

Cost of bond if required for employment.

Expenses of an office in your home if used regularly and exclusively for certain business purposes.

Educational expenses that are: (1) required by your employer to maintain your position; or (2) for maintaining or sharpening your skills for your employment.

Political Campaign Contributions.—You may claim either a deduction (line 31, Schedule A, Form 1040) or a credit (line 38, Form 1040), for campaign contributions to an individual who is a candidate for nomination or election to any Federal, State, or local office in any primary, general, or special election. The deduction or credit is also applicable for any (1) committee supporting a candidate for Federal, State, or local elective public office, (2) national committee of a national political party, (3) State committee of a national political party, or (4) local committee of a national political party. The maximum deduction is $100 ($200 for couples filing jointly). The amount of the tax credit is one-half of the political contribution, with a $25 ceiling ($50 for couples filing jointly).

PRESIDENTIAL ELECTION CAMPAIGN FUND

Additionally, you may voluntarily earmark $1 of your taxes ($2 on joint returns) for the Presidential Election Campaign Fund.

ADDITIONAL INFORMATION

For any questions concerning any of these items, contact your local IRS office. You may also obtain helpful publications and additional forms by contacting your local IRS office.

OTHER TAX RELIEF MEASURES

Filing status	*Required to file a tax return if gross income is at least—*
Single (under age 65)	$2,950
Single (age 65 or older)	3,700
Qualifying widow(er) under 65 with dependent child	3,950
Qualifying widow(er) 65 or older with dependent child	4,700
Married couple (both spouses under 65) filing jointly	4,700
Married couple (1 spouse 65 or older) filing jointly	5,450
Married couple (both spouses 65 or older) filing jointly	6,200
Married filing separately	750

Additional Exemption for Age.—Besides the regular $750 exemption, you are allowed an additional exemption of $750 if you are age 65 or older on the last day of the taxable year. If both a husband and wife are 65 or older on the last day of the taxable year, each is entitled to an additional exemption of $750 because of age. You are considered 65 on the day before your 65th birthday. Thus, if your 65th birthday is on January 1, 1979, you will be entitled to the additional $750 exemption because of age for your 1978 Federal income tax return.

"Zero Bracket Amount."—The "zero bracket amount" is a flat amount that depends on your filing status. It is not a separate deduction; instead, the equivalent amount is built into the tax tables and tax rate schedules. Since this amount is built into the tax tables and tax rate schedules, you will need to make an adjustment if you itemize deductions. However, itemizers will not experience any change in their tax liability and the tax computation will be simplified for many itemizers.

Tax Tables.—Tax tables have been developed to make it easier for you to find your tax if your income is under certain levels. Even if you itemize deductions, you may be able to use the tax tables to find your tax easier. In addition, you do not have to deduct $750 for each exemption or figure your general tax credit, because these amounts are also built into the tax table for you.

Multiple Support Agreements.—In general, a person may be claimed as a dependent of another taxpayer, provided five tests are met: (1) Support, (2) gross income, (3) member of household or relationship, (4) citizenship, and (5) separate return. But in some cases, two or more individuals provide support for an individual, and no one has contributed more than half the person's support. However, it still may be possible for one of the individuals to be entitled to a $750 dependency deduction if the following requirements are met for multiple support:

1. Two or more persons—any one of whom could claim the person as a dependent if it were not for the support test—together contribute more than half of the dependent's support.

2. Any one of those who individually contribute more than 10% of the mutual dependent's support, *but only one of them*, may claim the dependency deduction.

3. Each of the others must file a written statement that he will not claim the dependency deduction for that year. The statement must be filed with the income tax return of the person who claims the dependency deduction. Form 2120 (Multiple Support Declaration) may be used for this purpose.

Sale of Personal Residence.—You may exclude from your gross income some or all of your gain from the sale of your principal residence, if you meet certain age, ownership, and occupancy requirements at the time of the sale. These requirements, and the amount of gain that may be excluded, differ depending on whether you sold your home before July 27, 1978, or on or after that date. The exclusion is elective, and you may elect to exclude gain only once for sales before July 27, 1978, and only once for sales on or after that date.

If you sold your home before July 27, 1978, and you were age 65 or older before the date of sale, you may elect to exclude the gain attributable to $35,000 of the adjusted price if you owned and occupied the residence for 5 of the 8 years ending on the date of sale. If you sold the home after July 26, 1978, and you were age 55 or older before the date of sale, you may elect to exclude $100,000 of gain on the sale if you owned and occupied the residence for 3 of the 5 years ending on the date of sale (or 5 of 8 years under certain circumstances). Form 2119 (Sale or Exchange of Personal Residence) is helpful in determining what gain, if any, may be excluded.

Additionally, you may elect to defer reporting the gain on the sale of your personal residence if within 18 months before or 18 months after the sale you buy and occupy another residence, the cost of which equals or exceeds the adjusted sales price of the old residence. Additional time is allowed if (1) you construct the new residence; (2) you were on active duty in the U.S. Armed Forces; or (3) your tax home was abroad. Publication 523 (Tax Information on Selling or Purchasing Your Home) may also be helpful.

Credit for the Elderly.—You may be able to claim this credit and reduce taxes by as much as $375 (if single), or $562.50 (if married filing jointly), if you are:

(1) Age 65 or older, or

(2) Under age 65 and retired under a public retirement system.

For more information, see instructions for Schedules R and RP.

Credit for Child and Dependent Care Expenses.—Certain payments made for child and dependent care may be claimed as a credit against tax.

If you maintained a household that included your dependent child under age 15 or a dependent or spouse incapable of self-care, you may be allowed a 20% credit for employment related expenses. These expenses must have been paid during the taxable year in order to enable you to work either full or part time.

For detailed information, see the instructions on Form 2441.

Earned Income Credit.—If you maintain a household for a child who is under age 19, or is a student, or is a disabled dependent, you may be entitled to a special payment or credit of up to $400. This is called the earned income credit. It may come as a refund check or be applied against any taxes owed. Generally, if you reported earned income and had adjusted gross income (line 31, Form 1040) of less than $8,000, you may be able to claim the credit.

Earned income means wages, salaries, tips, other employee compensation, and net earnings from self-employment (generally amount shown on Schedule SE (Form 1040) line 13). A married couple must file a joint return to be eligible for the credit. Certain married persons living apart with a dependent child may also be eligible to claim the credit.

For more information, see instructions for Form 1040 or 1040A.

ENERGY TAX ACT

The Energy Tax Act of 1978 is directed at providing tax incentives for energy conservation measures and for conversion to renewable energy sources.

A credit of up to $300 may be claimed for expenditures for energy conservation property installed in or on your principal residence, whether you own or rent it. The residence must have been substantially completed by April 20, 1977. Items eligible for the credit are limited to the following: insulation (fiberglas, cellulose, etc.) for ceilings, walls, floors, roofs, water heaters, etc.; exterior storm (or thermal) windows or doors; caulking or weather-stripping for exterior windows or doors; a furnace replacement burner which reduces the amount of fuel used; a device to make flue openings (for a heating system) more efficient, an electrical or mechanical furnace ignition system which replaces a gas pilot light; an automatic energy-saving setback thermostat; and a meter which displays the cost of energy usage.

A maximum credit for renewable energy source property is $2,200. Equipment used in the production or distribution of heat or electricity from solar, geothermal, or wind energy sources for residential heating, cooling, or other purposes may qualify for this credit.

Energy credits may be claimed by completing Form 5695 and attaching it to your Form 1040. Credit for expenditures made after April 19, 1977, and before January 1, 1979, must be claimed on your 1978 tax return. Do not file an amended 1977 return to claim a credit for expenditure in 1977.

Examples of items which do not qualify for energy credit are the following: carpeting, drapes, wood paneling, exterior siding, heat pump, wood or peat fueled residential equipment, fluorescent replacement lighting system, hydrogen fueled residential equipment, equipment using wind energy for transportation, expenditures for a swimming pool used as an energy storage medium, and greenhouses.

For further information, consult the instructions for Form 5695 and IRS Publication 903, Energy Credits for Individuals.●

THE UNITED NATIONS UNIVERSITY

● Mr. KENNEDY. Mr. President, the United Nations University is a unique institution. It is unique both in its nonpolitical character and in its commitment to practical solutions to existing global problems such as hunger, natural resources, and human and social development. The U.N. University does not require a campus, because its work takes place wherever the problem exists. For example, U.N. University recently organized a combined research effort by scientists from Latin America, Asia, and the Caribbean, establishing nutritional standards and identifying foodstuffs in developing countries to meet these standards.

In addition to the U.N. University's contribution to world needs, its programs also benefit the U.S. direction. Several of our leading institutions—including Harvard, MIT, Ohio State University, University of Colorado, and the Research Triangle in North Carolina—have been, or will be, involved in its important work. And, of course, U.N. University is headed by the former president of New York University, Jim Hester, an able and dedicated administrator of this new enterprise.

During my trip to East Asia last year, I was able to visit the U.N. University headquarters in Tokyo. I was impressed by the scope of the programs that the university had already established. Although the U.S. Congress has authorized funds for U.N. University in the past, none have yet been appropriated. I feel that the United States should join with Japan and 20 other nations in contributing to this important organization.

Recently former Assistant Secretary of State John Richardson, Jr., wrote an article in the Christian Science Monitor on our failure to contribute to U.N. University to date. I agree with Mr. Richardson that—

> The UN University is not political in its orientation, theoretical in its approach, or bloated in its administration. It meets the objections critics make to the international organizations which the U.S. is currently funding. It is both ironic and tragic, therefore, that it is the one going penniless.

I request that the full text of his article be printed in the RECORD.

The article follows:

U.N. UNIVERSITY: WHY THE BIG UNITED STATES LETDOWN?

(By John Richardson, Jr.)

International organizations have an image problem in the United States today. Too many are seen as groups which spend dollars for administration and pennies for programs while spending their time engaged in nothing more productive than ideological bombast.

You would think, therefore, that an international agency which spends three-fourths of its budget directly on practical programs for alleviating identified problems—and successfully keeps its nose out of politics—would be embraced by Americans with enthusiasm.

Unfortunately, that hasn't been the case with the United Nations University, which is just that sort of organization. The United States played an important role in shaping this unique institution but, since its establishment, has refused to give it one cent.

Other nations have not been as reluctant, fortunately. No one else has come close to Japan's $100-million commitment to the endowment. But about 20 nations have contributed funding, many of them among developing countries which can ill afford to give money away. The endowment provides a practical guarantee of independence from political interference.

The U.N. University is really more a network than an institution. From its headquarters in Tokyo, it plans, coordinates and funds programs; its research and advanced training projects around the globe are aimed at practical solutions to problems of hunger, natural resources, and human and social development. It doesn't require a campus.

Its work is easier to understand through example. Take one of its projects concerning hunger. Most of the information on nutrition standards has come from research on college students in industrialized nations. It has little relevancy for rural people in underdeveloped nations. Recognizing this gap, the U.N. University organized a research effort by scientists from Latin America, Asia, and the Caribbean; with university funding, the scientists are seeking to establish nutritional standards appropriate for their people and to identify local foodstuffs which can be used to meet those needs.

Identifying a real need. Determining a practical approach. Organizing and funding a workable solution. That is the mission of the U.N. University.

In helping to get this university off the ground, Americans argued the importance of having a nonintergovernmental institution capable of mobilizing worldwide research and advanced training resources on a comprehensive basis. The need is no less great now than it was a few years ago.

Therefore, you would think that, as Congress considers funneling $250 million to international organizations in 1980, it could find a few million as a contribution to the permanent capital of this worthy project. You would think they would recognize this low-overhead approach, which emphasizes building self-reliance in developing countries, as an extremely cost-effective use of our money.

The U.N. University is not political in its orientation, theoretical in its approach, or bloated in its administration. It meets the objections critics make to the international organizations which the U.S. is currently funding. It is both ironic and tragic, therefore, that it is the one going penniless.●

A FOREIGN POLICY OF "SELECTIVE ENGAGEMENT"

Mr. EAGLETON. Mr. President, in the March 16 New York Times, the distinguished former Under Secretary of State for Political Affairs, Joseph J. Sisco, presented a thoughtful case for a foreign policy based on what he calls "selective engagement." Mr. Sisco points out that—

> The lesson of Vietnam is that our power is finite, that there is not necessarily a Washington blueprint for every international ill . . .

And goes on to state that—

> We have options that can influence external and internal developments; they can help substitute for strict noninvolvement a policy of selective engagement in promoting fundamental American national interests.

President Carter has been criticized lately by those who feel that the United States is becoming weak, that American leaders are not showing enough force in dealing with events around the world. Mr. Sisco counters this criticism by pointing out the vital and successful role President Carter played in negotiations between Israel and Egypt, and elaborating on the long-term benefits of President Carter's recent actions in the Middle East.

I ask that this article, entitled "Far From Supine," be printed in the RECORD.

The article follows:

FAR FROM SUPINE

(By Joseph J. Sisco)

WASHINGTON.—President Carter's policy in the Middle East and in the Persian Gulf and the Arabian Peninsula has demonstrated that we are far from supine.

First, American power—political, economic and military—has been used effectively in bringing about the imminent Egyptian-Israeli agreement. That power, in the form of a more substantive military presence and involvement in the Gulf and the Peninsula, has begun to reassure our friends in that area. Second, these areas, both vital to the West, while having distinctive features are no longer being treated as separate entities but within an overall regional strategy—a strategy made necessary by events in Iran and Yemen.

These are welcome changes, for we have been experiencing a belittling of American power. It is not too much to hope that the Vietnam syndrome will be put behind us. Our problems are difficult enough without a psychological impediment against prudent, effective use of our power. The lesson of Vietnam is that our power is finite, that there is not necessarily a Washington blueprint for every international ill, and that world events are less subject to our influence than in the past. But some nations were beginning to conclude, incorrectly, that America had become so paralyzed after Vietnam and Watergate that it would not—indeed, could not—exercise the options of power available to it in regions of vital interest.

These recent exercises of power by the Administration, in large measure pressed upon it by events, can have far-reaching benefits. Most countries in these two regions have acted in the shadow of the major powers. We have options that can influence external and internal developments; they can help substitute for strict noninvolvement a policy of *selective engagement* in promoting fundamental American national interests.

Dealing with these two areas more or less separately in the past made sense and worked well. Iran, under the Shah, supported our diplomacy on the Arab-Israeli dispute; he did not meddle or second-guess us. Oil to Israel was strictly a commercial deal without strings. And, while Saudi Arabia manifested a continuing interest in the Arab-Israeli dispute, its role was passive, despite its fears of Arab radicalism. Its preoccupation has been stability in its immediate region and its own defense and security.

The revolution in Iran has linked events in the Gulf and the Arabian Peninsula with the Middle East in more pronounced ways than in the past. It has brought common concern among the moderate forces in the Arab world, and particularly in Saudi Arabia, over the strategic implications of an America appearing unable to act. Iranian developments complicated the post-Camp David peace efforts, the irony being that instability in the Gulf underscored to Anwar el-Sadat, Menachem Begin and Mr. Carter the increasing importance of achieving the peace treaty, yet made both sides more cautious about concessions or even the appearance of concessions. President Carter, therefore, not only had to find substantive formulas but his presence made it possible for Mr. Begin and Mr. Sadat to concede to him things they could not concede directly to each other.

We will see increasing interaction of the two regions in the future.

The cutoff of Iranian oil required the United States to guarantee supplies for Israel in the future. Each Arab state, will have to deal effectively in its own way with the new Islamic fervor. A nonaligned Iran may well support radical elements in the Arab world; the Yasir Arafat meeting with Ayatollah Khomeini was a first symbolic sign.

And between these two regions Saudi Arabia has become the linchpin. Jordan, which does not find the present status quo in the West Bank intolerable, will await the Saudi lead. The Egyptian-Israel agreement gives both King Hussein and the Palestinian Arabs a chance to participate in West Bank autonomy. They will have to make up their minds in time. Can they disregard indefinitely the reality that only Mr. Sadat will get his territory back peacefully and that war is not a real Arab option without Egypt?

The Palestinians will seek to increase pressure on Saudi Arabia to cut off the financial subsidy of Egypt. The Saudis have two choices: Lead the pack against Mr. Sadat or stick to its priority interest of stability in its area and continued support of those favoring the peace process. It is not in the Saudi interest to cut off Mr. Sadat and risk supplanting him with a radical regime. This would only increase the danger of radicalism in Saudi Arabia. Moreover, the fighting in Yemen is a reminder that the Soviet-Cuban toehold is a threat and that America remains the shield against further Communist encroachments. The manifestation of American power in the Gulf, the positive response to Saudi concerns, the reinforcement of American centrality in Middle East diplomacy, and the Carter commitment to focus next on the West Bank and Gaza ought to provide the Saudis with ample justification to maintain their strong links with us. We hope reason will prevail.

THE NEED FOR A REAL NATIONAL RECOMMITMENT TO COAL

● Mr. RANDOLPH. Mr. President, on March 7, 1979, I participated in the important Mining and Reclamation Council of America's second annual membership meeting. The dinner session was highlighted by an address given by the Governor of our State, John D. Rockefeller IV, to more than 600 men and women.

West Virginia's chief executive spoke of the frustrations that all of us working for more use of coal, are currently experiencing. When President Carter declared the need for an integrated and comprehensive national energy policy in April of 1977, he stressed that coal was the cornerstone of that plan. Yet 2 years later, with a National Energy Act in place which supposedly discourages the use of imported oil and scarce supplies of domestically produced natural gas in favor of coal, we receive discouraging signals from the administration on increased utilization of our most plentiful energy resource. We do not see emphasis placed on the importance of direct coal utilization and coal conversion. We do not have well-funded and significant dedication to programs in coal research and development. And, we do not have interagency cooperation and research on ways to mine and burn coal cleanly and safely.

Mr. President, coal is ready, as it has so successfully done in the past, to fill a great portion of the country's current and future energy requirements. I commend this courageous address to my colleagues. We urge the administration to reestablish and increase its original commitment to coal. Governor Rockefeller, chairman of President Carter's Commission on Coal, has set forth facts that should be considered as a vital part of the energy policy speech to the Nation, to be made soon by our President.

Mr. President, I ask to print in the Record the address by Gov. John D. Rockefeller IV, to the Mining and Reclamation Council of America.

The address follows:

Address By Gov. John D. Rockfeller IV

I have begun to feel, I must say, in the past year that maybe there are not all that many people who work in this city who do remember there is a coal industry out there which is trying to get some things accomplished. It amazes me from a substantive point of view of how the importance of coal to our National Energy Plan soars and then dies in popularity, much in the manner of a roller coaster.

I swear to you that it was not so long ago I thought I heard that coal was being talked about as the answer to America's energy problem. I might have been wrong, but I did think I heard that. And, I thought I heard that it was the major artillery weapon in the National Energy Plan's arsenal with which we are to do battle at the national and international level with an intensity that was to approximate "the moral equivalent of war."

The next minute, the next month, we find energy ignored with the exception of the word "solar" in the State of the Union message. I know that in my State of the State message, I spent about one-third of the entire speech talking about coal. And energy. And research. And technological development.

Now, I recognize the problems of West Virginia are slightly less complex than the problems of the nation, and much less complex than the problems of the world. But, nevertheless I would have thought better if I had heard about more than solar energy in the State of the Union. And then, to find that Secretary Schlesinger had something to say about nuclear power, (which I'll get into in a moment) or natural gas, because of the intrastate, post-NEP consequences, or "sunshine energy," or again nuclear energy—depending upon which day of the week, what you read, what the mood was, who the speaker was, who the cabinet secretary was, or which memorandum you were reading in the newspapers.

And we're left, therefore, with a sense of confusion and bewilderment about whether we do, in fact, have a national energy policy. Or, as Finnign says to Flannigan—"Off again, on again, and gone again."

There was an English writer in the last century who said, "The world does not require so much to be informed, as reminded."

So I travel from my state capital to Washinton in the 57th day of a 60-day session of our Legislature not to inform, but to "remind" of several points.

To remind Washington, that the coal reserves in the United States are equal to one-half of the known reserves in the entire world. And that they have five times the energy value of our recoverable oil and natural gas.

To remind Washington, that there is enough coal around to last this nation, at current rates of consumption, for over 360 years, and if allowed to develop that technology, we can recover and use even larger portions of our coal resources.

To remind Washington, that only a few short years have passed since we stood in long lines at gasoline pumps in the wake of the OPEC oil embargo.

And most of all, to remind Washington, that less than two years have clapsed since the President, in formulating a national energy policy, did in fact challenge us to double national coal production by 1985, declaring that the "two C's"—coal and conservation—will be the cornerstones of our new policy.

I take any President seriously. And, when he said that coal would be the cornerstone of the policy, I was prepared to believe him. And, I'm still prepared to believe him.

Why, then, having laid out a logical plan based upon common sense, having an act of legislation establishing the parameters within which we can reach our energy goals, do we now seem to be stuck and indecisive and self-contradictory? Why are you in such a state of gloom and lack of certainty?

The reason, in my judgment, is that this administration, which I support, has not chosen to effectively harness and control the forces of government which it is meant to control toward a working realistic energy policy. We cannot, in my judgment, endure the head of a government, at any level, telling us to switch to coal—thus lowering dependence upon foreign oil imports—and at the same time allow agencies of government following behind him with unrealistic and unprecedented rules and regulations that substantially limit us from mining coal and from burning coal. You do not, in principle and in practice, as a leader, call for action and then preside benignly over the creation of uncertainty in a key national area.

Admittedly, it is cheap stuff for politicians to stand up and spout rhetoric against regulators. It is the easiest thing in the world to do. As chairman of the President's Commission on Coal, I have heard as much as anyone in this room.

I can understand it in large well-established departments in Washington, with long-standing traditions, where bureaucracies have grown and developed momentums of their own. They become the masters of others. But, that is not what we are faced with in the field of energy, and particularly in the field of regulation of energy development.

The recently-created departments which regulate are not old, are not well-established, and are in a position to be flexible and to be creative.

To date, in some measure, OSM has pushed for, and fought for many unprecedented, illogical and uninformed positions through rules and regulations relating to the mining of coal.

We, in West Virginia, have fought back on some of those. And, it is to the credit of OSM and its leadership that they have recognized and receded from some of those positions. But it strikes me as crazy for me, or for Director Dave Callaghan of our Department of Natural Resources, or for any other governor or senator or any other person with responsibility, to have to spend a year or so in brutal fighting. This is not necessary and not desirable, to eliminate a rule or regulation which should not have been put up in the first place.

It strikes me as not unreasonable to suggest that, in a democratic and rationally-run nation, a government either wants to produce coal, says so and makes its policies accordingly, or it does not choose to have that as a national policy, and makes its rules and regulations accordingly. On that, we ought to be clearly in something called the Energy Crisis.

Do we blame OSM—the easy target? I'm not necessarily sure that that is correct.

In my government, in my state, I take responsibility. The President, and the head of the Department of Energy, and the head of the Department of the Interior must control, must lead these people and not follow benignly in a trail of red-tape and regulations. The White House cannot have it both ways. They are no different from either you or me. The President cannot expect to keep all of his environmental constituency on the one hand and double coal production in the United States on the other.

But again, don't just blame him. I was not able to attend a recent National Governor's Association meeting, here in Washington, because of the Legislature back home. At the NGA meeting, Secretary Schlesinger talked at length about nuclear power and nuclear energy as a fundamental force for the future. And as I read it, and as I heard it, he went first from coal, then to natural gas, and then to nuclear energy, saying that it really was the safest, most economical long-term answer for this country.

And then, not a governor stood up to fight. Not a coal governor stood up to fight him. He said it. Senator Jackson said it. Nobody from the governors came forward to fight. And I regret I wasn't there.

But what is it that creates uncertainty? It is the lack of certainty. You cannot talk nuclear and at the same time talk coal, and expect certainty and expect Wall Street to react in favor of coal. There is no greater enemy than fear and uncertainty.

When you talk nuclear, which in my judgment is not wise and in no way a short-term answer, you cannot do that and send those mixed messages out to our people, and call that leadership and call that a rational energy policy.

The miners and operators of America will come together as well as they can to ease the burdens of our nation. But, we have every right to expect a commitment from our federal government, as the people in my state have a right to expect it from me, that the bureaucracy will act in accordance with stated national goals.

We expect a bureaucracy to cooperate, not to hinder efforts. We expect OSM and EPA and the Corps of Engineers and the myriad of other agencies whose rules and regulations we must observe, to cooperate with designated national goals.

In West Virginia we make it work. We have approximately the same number of permits for surface mining issued in 1978 and in 1977. And, I would have to say that those also were, for a period of time, operating under the temporary federal regulations. But, we try to make it work. We try to expedite. We try to have the bureaucracy conform to the coal imperative of that clearly coal-oriented state. I try not to send out mixed signals to anyone.

So what then do we do, and where do we turn? I suggest that we go back to basics—simple stuff.

The nation has an energy crisis. Coal can help solve that crisis. But, to help in the solution, the coal has to be mined. It has to be mined safely. It has to mined properly, with proper reclamation, with proper expenditures in that area. It has to be mined with common sense.

I suggest that in the final analysis the problem can be defined on a national level as the absence of a cohesive, working national energy policy, and only the President is in a position to assert that policy to make it clear and to make it work.

Now let me make a couple of other comments. I don't want you to be pessimistic. If there is anything which we do not need, it is for people in coal to decide that the future is so gloomy and the signals are so mixed that they will give up.

Several things we must be very realistic about . . .

One, the rules and regulations promulgated by OSM are now permanent. They are fact. We accept them, we live with them, we don't pretend that they're not there, they are.

Let's accept another reality. You couldn't give me the job that Walter Heine has. He's got the toughest job in the United States. You don't know, but I do, the pressures that he is under as he tries to adjust and work within an extraordinarily difficult system. You don't know, but I do, that just this week he faced down, and gave hell to, the Sierra Club of this country on behalf of national rules and regulations. But Walter Heine cannot operate all by himself. He was appointed to enforce laws. Walter Heine and the people who work with him cannot write one set of rules for West Virginia and another set of rules for another state. There has to be a common set of rules and regulations. And, it is true that through the 1960s, and maybe even into the first year or two of the 1970s, there were a lot of coal companies that were not doing the job. The legacy of that, the fact of that, the memory of that, the impact of that on environmental groups, on public people at all levels, lingers. And, that does not make the job of the OSM director any easier. Walter Heine is a reasonable man. He operates under extraordinary pressures. I have found that when I sit down with him, or when Dave Callaghan sits down with him to work out problems on a direct basis, that he is not difficult to deal with. He will tell me no sometimes. He will tell me yes sometimes. He will explain why. He is a fair man. To scream, to yell, to criticize, to engage in unnecessarily and unuseful cheap rhetoric is counter-productive.

In order to do it, we'd better all work together. We have a lot of good things going for us, you know. The coal is still there. We are in an adjustment period, a transition period. Everything is very complicated, very difficult. You want to have everything soft right now. You want to have things happen right now that cannot happen right now. So, we work together.

Last week, in my office in Charleston, for the first time, I would suppose in the history of that state, there sat the president of the United Mine Workers of America and three or four of his principal people from the state of West Virginia and some very key coal operators from the state of West Virginia, all complaining about the same thing, with the same intensity, with the same words, and with the same goals.

That, ladies and gentlemen, I submit to you, is extraordinarily historic and is progress by any definition because the UMW has discovered, only too recently, that in the rules and regulations and the federal surface mine act, deeping mining also is affected. So, they want in on the deal. And the deal is that if we can't work rationally together, some of the UMW people are going to lose their jobs. And if you were president of a union in which the percentage of national production had gone from about 75 per cent to about 48 per cent in four or five years, you'd be worried too.

Arnold Miller is stronger now, more secure now, than he ever has been. He understands and is willing to work on some of the problems that you and I face together. That's progress.

I have discovered in recent years that operators are a lot more willing to deal with realities and work through the system more realistically than in the past.

It is a fact that the President's Commission on Coal is going to make substantial contributions to the whole focus on coal, to the resolution of some of the problems associated with coal—labor relations, collective bargaining, and environmental rules and regulations, which are key to your work. You have a Commission which is a good one, with a good staff, which is totally committed to focusing honestly and fairly on problems which directly affect you.

We mean to produce results, to focus on the problems and to be helpful in the national interest.

And, then to remember, that coal still is the answer. No matter what the problems are now, things will get better. They can't get a whole lot worse. They will get better.

Finally, I would say, be organized, hang tough, be persistent, and do what everybody else does. Work the system fairly, squarely, precisely, with your facts in hand and with your emotions in control, and with the sight on the target, which is—the coal is out there, and we've got to get to it. The country's going to need it and the country's coming after it. There are some problems now, and we will work them out. But, we keep our eye on the target. You do not allow yourselves to be clobbered by frustrations. You simply say that we have some problems now that we are working on—together—with the public process, with the labor process, with the private sector process.

I will help you carry that fight, wisely and fairly. It is my judgment the energy field is looking at the leaders in public life as well. I know the problems that you face. On the other hand, I also know the problems that government faces. And, I know the problems that our people face. And, I also have my eyes on the future of coal, just as you do. I am committed, as a person, as a Chairman of the President's Commission on Coal, to honestly be helpful, to constructively be helpful. But, we will need to do that together, ladies and gentlemen because the world is a whole lot tougher than it was in 1973 and 1974. We can be sad about that, but we better accept it. With the coal in the ground, with the expertise in the audience, and with the proper leadership, there is not cause for gloom in this room.●

ALASKA LANDS LEGISLATION

● Mr. DURKIN. Mr. President, Members of the 96th Congress have a unique opportunity to make a lasting and far-reaching contribution to the cause of conservation.

Alaska lands legislation, which is currently before the House and Senate, represents the most significant land, water, and wildlife measure ever to come before the Congress.

My Alaska lands bill, S. 222, now has 18 cosponsors, almost one-fifth of the Senate. This bill calls for protection of the best of Alaska's scenic treasures and wildlife habitat for future generations of Americans to enjoy, while at the same time allowing for orderly and controlled development of Alaska's vast natural resources.

The House and the Senate were unable to complete action on an Alaska lands bill in the 95th Congress, but many of us—realizing how important this issue is to the American people—are back working for passage of a strong lands bill this year. The American people look to Congress to act as trustees for preserving this splendid wilderness, and we in Congress must not disappoint them by shirking this responsibility.

Secretary of the Interior Cecil D. Andrus has summarized the Alaska lands issue in a particularly eloquent article which recently appeared on the op-ed page of the New York Times. I ask that the article be printed in the RECORD.

The article is as follows:

PROTECTING ALASKA

(By Cecil D. Andrus)

WASHINGTON.—The debate over Alaska National Interest Lands has been portrayed as a consent between developers and conservationists. That portrayal misses the point: at least two-thirds of Alaska will be open for development. The real issue: How much of the rest will be protected for all Americans?

Two years ago, the Administration called for designation of 92.5 million acres of Federal land in Alaska as new conservation areas. Within these proposed boundaries lie wild, mostly untouched territory. This includes the nation's highest mountain and the continent's greatest mass of high peaks and glaciers. It includes places where traditional people remain true to their ancient traditions. It includes the calving grounds for America's only large, healthy herd of free-roaming caribou and the breeding grounds for about 10 percent of our country's waterfowl. No one can seriously argue that these places do not have national importance. In fact, some argue we seek protection for too little of Alaska.

The problem we took seriously, though, was striking a balance in land use. We developed and applied two basic principles. First: Include only areas of true national significance, and use watershed or ecosystem boundaries to be sure that they will remain as healthy, self-sustaining units; in other words, don't plan for environmental "salvage operations" later. Second: Exclude areas of purely economic value whenever possible.

By applying these principles, we achieved a unique plan. We located and marked for protection places that will continue to stun future generations with their beauty, natural productivity and historical significance. Also, more than 90 percent of Alaska's high-potential on-shore oil and gas areas, all the offshore areas, and more than 70 percent of the high potential of hard-rock mineral areas remain available for exploration and development.

As our ability to work in the far north developed, so did our understanding of the special conditions that require major conservation efforts. For the first time, we have both the opportunity to balance development with conservation and the knowledge to understand exactly why we should do so. One important tool, while we drew the boundaries, was a computerized-resource inventory developed by the state of Alaska.

Last May, the House of Representatives, 277–31, passed an Alaskan lands bill. An end-of-session filibuster threat blocked a Senate vote. With Congress adjourned and statutory protection for our proposed areas about to expire, President Carter decided too much was at stake not to act and extended administrative protection to these lands. Under emergency powers, I withdrew 110 million acres from all claims. Subsequently, President Carter designated 56 million of these acres as national monuments under provisions of the Antiquities Act.

The genesis of Alaska conservation goes back more than 40 years when there was a call for protection of all land north of the Yukon River. Little thought was given to that proposal, though, until oil was discovered on state land at Prudhoe Bay in 1968. Suddenly, Alaska's seemingly impervious wilds were threatened by construction of the Trans-Alaska Pipeline.

Legislation to clear land titles for the pipeline and settle Alaska native claims struck a bargain between Alaska and the rest of the nation: America would support development in Alaska if Alaska would support large-scale conservation there for all Americans. While this bargain indicated that selection of Alaska's vast 104-million-acre statehood grant might be slowed to allow native selections, it also guaranteed Alaska a sound economic future. But many Alaskans and their allies in the resource industries now seem to have forgotten the agreement with the other 200 million Americans.

Too often conservation has been an effort to salvage some remnant of beautiful land or a small population of once-numerous animals. In Alaska we have a second national opportunity to protect healthy, productive lands, simply allowing them to continue in their natural state. Few nations are ever favored with the chance to make a decision to protect their natural heritage. If we decide to reject this opportunity to conserve and develop, we will deserve the insults that our grandchildren will remember us with. Let's do it right, for once, the first time.●

TIME-LIMITATION AGREEMENT—SENATE CONCURRENT RESOLUTION 8

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Senate Concurrent Resolution 8, Calendar Order No. 50, a concurrent resolution providing for impartial observers of the forthcoming election in Rhodesia, is called up and made the pending business before the Senate, that there be a time agreement thereon as follows: 2 hours for debate on the resolution to be equally divided between Mr. CHURCH and Mr. JAVITS; 1 hour on an amendment by Mr. SCHWEIKER; 30 minutes on any other amendment; 20 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate for its discussion; and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR A PERIOD FOR ROUTINE MORNING BUSINESS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow that there be a brief period for the transaction of routine morning business of not to exceed 15 minutes, and that Senators may be permitted to speak therein for not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECOGNITION OF SENATOR HART TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business tomorrow, the Senator from Colorado (Mr. HART) be recognized to make his request with respect to his resolution, which he indicated to the Senate tonight he would call up, a resolution which would read as follows, I believe:

> "*Resolved*, That notwithstanding section 313(c) of Senate Resolution 110, 95th Congress, as amended, rule XLIV of the Standing Rules of the Senate, as amended, shall take effect as of January 1, 1979.

Mr. HART presumably will ask unanimous consent for the immediate consideration of that resolution. I would hope that there would be no objection, and I would hope we could get a time agreement on the resolution. I would prefer that there be no amendments to it, and that the Senate simply vote up or down on the resolution.

We all know what we are talking about. The Senate, some days ago, as I stated earlier, acted to amend the rules so as to extend the outside earnings limitation of $25,000—in effect the last several years—to January 1, 1983, and there have been some Senators—Mr. HART included—who have indicated they would like to have a rollcall vote on that matter. There have also been indications and statements that adequate notice was not given as to the previous action of the Senate.

As I pointed out today, the resolution was offered on the 7th of March. Opening statements were made on the 7th of March. The resolution was printed in the RECORD on the 7th of March. I secured a time agreement on March 7 that there would be a vote on the resolution at no later than 12:30 p.m. the following day; and the following day the Senate voted, by voice vote, to approve the resolution that had been introduced the preceding day.

Any Senator could have asked for the yeas and nays. I inadvertently was off the floor, but as I stated subsequently thereto to the press, I supported the resolution. I support it now, so there is no question as to where I stood or now stand on the resolution that was adopted on March 8.

The RECORD adequately and very clearly stated in the Digest of March 7 that the resolution had been introduced, and that it would be voted on the following day at no later than 12:30 p.m. As I say, opening statements were made.

All Senators are presumed to read the RECORD, and they were on notice that there would be a vote. If any Senator wished to have a rollcall vote at that time, he need only have asked, and that would have been done, if he could have secured a sufficient second, and I feel that he would have.

But in any event, Mr. HART sought to call up an amendment to the debt limit bill today to vitiate the Senate's action of March 8, and I sought to get a time agreement thereon so as not to delay final action on the debt limit bill. My time limit request would have provided for an up-or-down vote, with no amendments or motions, after 20 minutes, so everybody could show down. The matter has been discussed in the newspapers, on the radio, in Senators' letters back home, in Senators' speeches here and everywhere else, so everybody has had an opportunity to speak his piece.

Nobody is under any illusions as to what the issue is, so I thought we could just have a clean vote today, up or down, as to whether or not to vitiate the previous action, but that request was objected to. So I suggested to Mr. HART that he offer a resolution, try to get it up for immediate consideration tomorrow, and have a vote. He indicated early today that sooner or later he wanted to have a vote on this matter anyway, so I thought it was just as well to get it behind us today. That having failed, I suggested that he call up a resolution tomorrow, which he is willing to do. He is going to ask unanimous consent tomorrow morning to proceed to the immediate consideration of that resolution.

One single objection, as I stated earlier, will prevent the consideration of that resolution tomorrow and it will go over under the rule, under rule XIV.

So there it is. If Senators want to have an up-or-down vote, this is their opportunity. I have stated that I oppose the resolution. I intend to vote against it. I hope there will not be any amendments offered, in the event we are able to get it up. Any amendments to the resolution could cloud the issue, and we could have many problems with a voting time. But here is the opportunity for the Senate to vote up or down, and have a showdown once and for all. I am going to be against it, and intend to try to get a vote on it.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. STEVENS. I thank the Senator from West Virginia for his explanation for the record of what transpired here today, but I am compelled to state for the record also that we have a Senator on our side of the aisle who has indicated that if there are to be amendments offered to the Hart resolution, he wishes to reserve the right to make a motion to table the Hart resolution and any amendments to it, and not have a definite time agreement on the resolution if it is amended. That would indicate there would not be the opportunity to have a tabling motion otherwise.

Mr. ROBERT C. BYRD. Yes, I can understand the Senator. I do not know the identification of that Senator, but I can understand that any Senator might wish to move to table the resolution if there are amendments offered to it. If there are no amendments offered to it, or none are adopted, I would like to see an up-or-down vote on the resolution, on the clearcut issue of whether or not the Senate wants to vitiate the action that it took 3 weeks ago.

Due notice was given in the RECORD. Resolutions are often called up here without giving a day's notice, with the resolutions approved. There were some suggestions at that time that it ought to be called up and voted on the same day, but I said "no," to call it up one day and vote on it the next.

If there are going to be amendments to Senator HART's resolution, I would understand that any Senator would want to reserve his rights, one of those rights being to move to table the resolution.

Mr. STEVENS. I thank the Senator. May I inquire, Mr. President, are we still in the morning hour?

PROGRAM

Mr. ROBERT C. BYRD. If the Senator from Alaska will allow me, I would hope that otherwise tomorrow the Senate could also proceed to the consideration of the Rhodesian resolution, Calendar Order No. 50, Senate Concurrent Resolution 8. There is a time agreement on that resolution. Following that, I would hope the Senate could take up the countervailing duties legislation, which is Calendar Order No. 51, H.R. 1147, an act to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties.

So I think in sum, there will be rollcall votes tomorrow. Tomorrow is only Wednesday. It could be a long day; no reason why it should not be, in order to complete our business. We will be in session on Thursday, and in accordance with my promise, which I am carefully keeping, there will be no rollcall votes Friday if we are in, unless there be some emergency situation.

I yield the floor.

(Mr. ROBERT C. BYRD assumed the chair.)

RECESS UNTIL 11:45 A.M. TOMORROW

Mr. STEVENS. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 11:45 a.m. tomorrow.

The motion was agreed to, and at 8 p.m., the Senate recessed until Wednesday, March 28, 1979, at 11:45 a.m.

EXTENSIONS OF REMARKS

ENERGY PROBLEMS

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. HILLIS. Mr. Speaker, I recently received a letter from P T. Argell, vice president of TRW, Inc. The letter outlines the praiseworthy efforts by TRW to conserve on energy. The attitude and approach of TRW needs to be adopted by our entire business community and reflected in the energy policies of the Federal Government.

Recent announcements by the OPEC oil ministers of higher prices are cause for great concern. Those increases further illustrate the urgency of reducing our energy demands. TRW's approach and attitude toward energy conservation should be brought to the attention of the American people and used as an example of how to address the energy problems now facing this Nation. I hope my colleagues will share TRW's letter with their constituents. The letter follows:

MARCH 21, 1979.

Hon. ELWOOD H. HILLIS,
House of Representatives,
Russell House Office Building,
Washington, D.C.

DEAR CONGRESSMAN HILLIS: As you and other members of the 96th Congress address the energy situation of the U.S. again, we thought it in order to acquaint you with our views of the situation. In the way of background, TRW has for some years been vitally concerned with the following aspects of energy:

We have directed great attention to energy in our internal operations so that less units of energy will be utilized in each unit of output. As a result, in 1978 we used 26 percent less energy per unit of output for our 100 domestic manufacturing operations than we did in 1972. Also important, our total absolute consumption of oil is down 23 percent. We have a strong corporate policy statement on energy conservation, one of industry's best energy reporting systems, and we anticipate continuing improvement.

Our products and services are constantly reviewed to insure that their efficiencies are being maximized from an energy standpoint. Much progress has been made but only two examples need be cited. First, some of our automotive parts have been reduced by over 20 percent in weight to support automotive manufacturers in building lighter automobiles. Second, the entire product line of our submerged petroleum pumps is undergoing an extensive engineering review with the established objective of increasing the operating efficiency by at least 5 percent, and preferably by 10 percent where practicable.

We are conducting extensive communications with our employees to insure that they appreciate fully the importance of energy conservation and its ultimate impact on the American way of life.

We believe that the energy situation is crucial to the United States. The record shows that American industry has done an outstanding job of energy conservation in compliance with the Energy Policy and Conservation Act of 1975. Also, TRW studies show that U.S. industrial energy efficiency has increased more rapidly than other industrialized nations since 1972. Economic reason will force continued progress by industry. However, these efforts alone will not provide a solution which will permit a continuation of our life style. In fact, increased productivity is the fundamental factor by which improvement in living is obtained. Energy and productivity are closely interrelated. It is quite clear that the balance of trade impact of oil imports could have been minimized if the U.S. had been successful in maintaining and increasing certain levels of manufactured exports. Furthermore, 70 percent of final U.S. oil consumption is for transportation; this figure includes the energy required for production of motor fuels as well as end use. The American people must recognize all of these ramifications. They must be involved in an active and creative effort towards increasing our energy use, efficiency, and productivity if they wish to maintain and improve their life style.

Our purpose in writing to you may be summarized in the belief that normal, free-market economic forces are the preferred solutions for most economic matters. If it becomes necessary for government to intervene, this must be done in a cooperative fashion involving all persons and institutions concerned with the issues. We think it is essential to the American public and industry to address this situation in the cooperation and understanding fashion of which much of our history has shown us to be superbly capable. The solution rests in this direction as opposed to finger-pointing and attempting to blame difficulties on someone else.

We stand ready to assist you and members of your staff in any way which will be beneficial.

Sincerely,

P. T. ANGELL,
Vice President.●

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

MINORITY RESOURCE CENTER FOR TVA

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. FORD of Tennessee. Mr. Speaker, today I seek the support of my colleagues on the House Appropriations Committee, Subcommittee on Public Works, in insuring that a $3.2 million proposed budget for a Minority Resource Center be included in the Appropriations Committee's budget for the Tennessee Valley Authority (TVA). The Resource Center would devise approaches for making TVA programs and activities more supportive of minority economic needs and interests throughout the region.

Specifically the Resource Center would rectify the disparity which has excluded minorities from meaningful participation in the economic development programs financed with billions of dollars in public funds over the past 46 years. It would tap minority talents in business, the professions and education, and link these talents with TVA projects. To achieve this end satellite TVA offices will be set up throughout the valley.

The Resource Center would be an ongoing institutional mechanism. It would be staffed by competent minority professionals from throughout the region. This staff would work directly with TVA personnel in design, development, and implementation of programs in the following areas:

Economic research and analyses;

Economic/business feasibility studies;

Minority purchasing and business developments;

Management and technical assistance in support of business and economic development projects;

Sources and support mechanism for equity and debt financing and bonding;

Manpower development and training; and

Experimental and demonstration projects in the development of alternative energy sources and in energy production, conversion, and conservation.

If implemented, the Center could begin to reverse the conditions of exclusion which are costly to the entire Nation in terms of waste, human resources, and the loss of regional and local technological and industrial capabilities.

With leadership, and financial support from the Congress for the Center, positive steps could be taken to create new jobs, strengthen the business and industrial base, and promote long-term economic growth and development in minority and poor communities throughout the valley.

The largest Midsouth daily newspaper, the Commercial Appeals, ran the following editorial:

> TVA AIMS TO HELP MINORITIES
>
> The Tennessee Valley Authority directors will be meeting in Memphis April 5 to vote on a plan to expand job opportunities for minorities by giving them a share in TVA's $3 billion annual work contracts.
>
> The Tennessee Valley Center for Minority Economic Development, Inc., was proposed by Rep. Harold Ford of Memphis and has the enthusiastic endorsement now of both TVA chairman S. David Freeman and Richard Freeman, the other board member.
>
> It is an idea that is long overdue.
>
> Black enterprises have been neglected in the awarding of contracts for such major governmental agencies. Last year, as the TVA chairman notes, such businesses were awarded only a small fraction of 1 per cent of TVA's total purchases.
>
> The problem has been the result of lack of proper access to such contracts and lack of information. Black businesses often have not had the resources to bid competitively even when they were capable of doing the work the contracts demanded.
>
> Surely the development of minority business and the creation of job opportunities within that part of the region should be just as important as the development of agriculture, recreation and electricity. After all those minorities represent 22 per cent of the 27 million population of the seven-state TVA region. They should be given first consideration when contracts representing jobs and incomes are being parceled out.

CONGRATULATIONS TO U.N. AMBASSADOR SET MONJIAN ON PARAGRAPH 30

HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. BENJAMIN. Mr. Speaker, a great step forward in the cause for human rights was achieved when the United Nations Commission on Human Rights agreed to reconsider its Report on Genocide by taking another look at the deleted reference of the Armenian genocide which occurred during the years 1915–18. This reference, commonly called Paragraph 30, recognized the crimes perpetrated on the Armenian people by the Ottoman Empire. Nearly 2 million persons were massacred or deported from their provinces in Turkey. This was the first mass ethnic slaughter in modern history and brought the realization of the horror behind the word "genocide." The world learned that genocide was a violation of the essential human right from which all others derive: The right to life.

During the proceedings of the Human Rights Commission, efforts were made by a few parties to exclude any reference to these massacres. This would have been a travesty. An honest study of the crime of genocide would be far from complete without an inclusion of the atrocities committed on the Armenian people. In this Commission no virtue can be found in silence.

Through the admirable efforts of the U.S. delegation, and especially that of U.S. Representative to the United Nations, Mr. Set Monjian, the Commission agreed to delay the final passage of the report and reconsider the Armenian genocide reference.

Inclusion of this reference would be a great victory for human rights. Acts of destruction can only be prevented in the future if those of the past are recognized. An omission of the crime of the magnitude inflicted upon the Armenian people would defeat the purpose of the Commission and only serve to provide collateral support for future massacres. We must remember the entire past or we will be doomed to relive its misery.

If the goal of the United Nations Human Rights Commission is to adopt international measures for preventing a repetition of the crimes of genocide, then a true account of the brutal treatment of the Armenian people must be included in the report. The Commission should be a forum of global debate on human rights. Let us not allow it to escape into silence. For we are the hope of the persecuted, the imprisoned, and the tortured. We must not let them down.●

FARM SAFETY WEEK

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. MOORE. Mr. Speaker, rarely in the political arena does a public servant get a second opportunity to make a gross error twice—and remain a public servant. However, it is my unpleasant duty to inform the House that for the second year in a row, President Carter has not only issued a proclamation designating "National Farm Safety Week" but has also at the same time requested elimination of funding from the proposed fiscal year 1980 budget for the farm safety program, administered by USDA's Extension Service.

In his March 23, 1978 proclamation issued during the last Congress, the President stated: "Anything that diminishes the ability of farmers and ranchers to meet these vital needs (production of food and fiber) is of great concern." I certainly felt that his action was of great concern to us all since zero funding for an important program can only diminish its effectiveness. But, to add insult to injury, he stated in the Monday, March 19, 1979, proclamation designating July 25 through July 31, 1979, National Farm Safety Week, the following:

> I also ask those who serve agricultural producers to support their accident-reducing efforts by providing encouragement and educational aids.

According to the President's fiscal year 1980 budget, it will be pretty hard for the Extension Service—the primary educational arm of the U.S. Department of Agriculture—to provide anything except a few cheers from the sidelines due to the fact its capable personnel will not be provided funding for farm safety work.

But, Mr. Speaker, all is not lost. The House Agriculture Committee, on which I had the privilege to serve for 4 years, has recognized the need for continued farm safety education by recommending to the Budget and Appropriation Committees a $1,500,000 funding level for Extension's farm safety endeavors for fiscal year 1980. This compares with a fiscal year 1979 appropriation of $1,020,000. I am sure even the President—once a farmer himself—could rationalize a $480,000 increase over last year's appropriation in order to help avoid future farm accidents and the resulting costs. His recent proclamation argued for improved farm safety stating there were more than a half-million farmers, employees, and others who suffered from farm and ranch accidents that totaled almost $5 billion in losses. He also added:

> The pain and personal loss to the injured and to their families and friends cannot be measured.

What we really need, Mr. Speaker, is a measure of accountability on the part of the current administration. I feel sure that the House Committee on Appropriations will seriously consider fullfunding for this program, and will not contradict its previous position on farm safety. I only hope that one day the administration will realize that its commitment to U.S. agriculture must be based upon more than proclamations and should reflect a determination to keep American farmers and ranchers safe, economically stable, and productive.●

GUN CONTROL

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. VAN DEERLIN. Mr. Speaker, since I was first elected to Congress, in 1962, I have supported stronger gun control laws, as have sizable majorities on most public opinion polls whenever this issue is raised.

A willful minority has been able to block passage of effective legislation. Meanwhile, the toll of gunshot slayings continues to mount. Many of the killings take place only because a firearm is instantly available.

Dr. Emanuel Tanay, a Detroit psychiatrist, believes that in a domestic fight when a gun is not handy, "There is time for the person to become himself again * * * makeup and go on living." With a gun, the first blow is often final, and there is no chance to make amends.

The San Diego Evening Tribune covered a recent talk by Dr. Tanay to the Vista Hill Foundation in San Diego. I believe the article to be of sufficient interest to include it at this point as an extension of my own remarks.

GUN CONTROL CALLED WAY TO REDUCE LETHAL VIOLENCE

(By Darla Welles)

Cutting this nation's homicide rate, according to Detroit psychiatrist Dr. Emanuel Tanay, could be as simple as one, two, three.

Tanay, who is a clinical professor of psychiatry at Wayne State University and chairman of the American Psychiatric Association's committee on psychiatry and the law, was here yesterday to speak at a seminar on violence sponsored by the Vista Hill Foundation.

He listed in an interview three steps for limiting the number of killings that occur in this country, all three of which he considers to be "so simple that no one will pay any attention to them.

"Certainly we could reduce our homicide rate by very simple measures," Tanay said. "By diminishing the number of guns in circulation. By keeping in confinement people who are habitual killers. By providing hospitals for people who are clearly potential killers, because they are sick."

In advocating gun control, Tanay points out that the most killings occur as the result of violent domestic situations. The availability of a lethal weapon in such situations, he says, can change them from family fights that end in a black eye to disasters.

"In Great Britain (where handguns are not readily available), if you become enraged with your wife and feel that you want to kill her, the only weapon available to you is your bare hands." Tanay said. "Homicide then becomes a matter of strength and persistence.

"The problem with a gun is that while it causes a great deal of destruction, it provides little aggressive gratification.

"If a person has a rage reaction and has no weapon other than his bare hands, it takes a little time so that the self can be reasserted. The aggression is discharged. There is time for the person to become himself again. Make up and go on living.

"If he has a gun, the effort, the discharge of aggression—which is the essential part of it—is so minimal and yet the destructive effects are so tremendous."

Secondly, he points out the rarity of actual imposition of severe penalties such as life imprisonment or the death penalty in dealing with habitual killers.

"One of the problems with our system of punishment," he said, "is that the more severe the penalty, the less likely it is to be imposed."

And finally, he said that many killings could be prevented by confining and treating the mentally disordered persons who have the potential to become killers.

"Our whole approach is irrational," he said. "We do it only retrospectively. In order to attract the attention of the criminal justice system, you have to commit the act first.

"Nobody looks at the people in a rational way. Homicide is not being studied. It's being only condemned. That will not make it go away." ●

SIXTY-FIRST ANNIVERSARY OF THE BYELORUSSIAN DEMOCRATIC REPUBLIC

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. ANDERSON of California. Mr. Speaker, each year, in the month of March, the Byelorussian people from around the world commemorate a special day of freedom. It was on the 25th day of this month in 1918, that the nation of Byelorussia proclaimed its independence from Communist Russia and declared the autonomy of the Byelorussian Democratic Republic. Unfortunately, the Soviet army made the reign of freedom short-lived. Ten months later, Russian military forces overcame the newly declared democratic government.

Throughout the years, the Byelorussians have persisted in their pursuit of freedom. At the end of World War II, the All-Byelorussian Congress convened to issue a second proclamation of independence, but this effort was quickly thwarted by the might of the Russian Army once again.

The people of Byelorussia have maintained a strong desire to be free of the oppressive rule of the Soviet Government. Their relentless spirit and courage has remained unbroken in spite of the constant violations of human rights that they must face each day.

For Americans of Byelorussian origin and for all who hold dear the principles of national, religious, and human rights, the Byelorussian Day of Independence serves as a reminder that we should rededicate ourselves to support these brave people as they continue their fight for selfdetermination. We should mark this occasion by urging those who carry out our own Nation's foreign policy to continue to voice the American belief that basic human rights should never be denied.●

THE SAW MILL RUN FLOOD CONTROL PROJECT

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. WALGREN. Mr. Speaker, on Wednesday, March 21, I testified before the Subcommittee on Water Resources of the Public Works Committee concerning the Saw Mill Run flood control project.

I made this statement on behalf of the residents of the West End area of the city of Pittsburgh. The citizens of the West End have worked hard over the last decade to revitalize their neighborhood and have proven the economic and social benefits that would flow from the completion of this project.

I would like to bring my statement to the attention of my colleagues:

THE SAW MILL RUN FLOOD PROJECT

Mr. Chairman and Members of the Subcommittee: I am grateful for this opportunity to appear before the Subcommittee on Water Resources to present the case for the Saw Mill Run Flood Project in the West End area of the City of Pittsburgh.

This is a small project as flood control projects go, requiring an investment of only $5.2 million. But it is the last essential link in a decades-old effort started by my predecessor in the U.S. Congress, Jim Fulton, and I feel his spirit urging us on today.

This flood project is essential because the existing channel of the Saw Mill Run Creek now repeatedly overflows its banks in the West End causing substantial flood damage. But the worst thing is that high water now causes the sanitary sewer line to back up and overflow. This investment is essential to eliminate once and for all a condition that causes this neighborhood to become an open sewer at high water.

The West End community has unfairly borne the brunt of wealthier suburban growth on the hills of Saw Mill Run Watershed which reaches far into the South Hills. With new houses, the run-off of rain water has come more rapidly—and as the waters rise, raw sewage from these new communities overflows the sanitary sewer line.

In response to citizen organization in the West End, the city of Pittsburgh has made a real commitment to a strong residential-industrial future for this community. The City has committed $500,000 to move district police and maintenance centers into the West End. The City has already invested $1,200,000 on construction of a section of new sanitary sewer line that was designed to fit part and parcel with the relocation of the channel proposed by this project. In short, a great investment has been made already in reliance on approval of this project.

The Saw Mill Run Creek is located entirely in Allegheny County with approximately fifty percent of the drainage basin within the Pittsburgh city limits. The drainage area is 19.4 miles square, the topography is hilly, and the flood plain is narrow except where it widens to about 600 feet in the West End area.

The Corps of Engineers investigated many different types of flood control and determined that a channel modification, such as the Saw Mill Run Project, was economically feasible and beneficial. The Saw Mill Run Project would provide protection from flooding with an average reoccurrance of fifty years. The amount of flood damage would be reduced by at least 92 percent.

We are not asking for government funds for re-development. We only ask to remove a public nuisance and the community will develop itself.

I urge the committee to approve this project and complete a twenty-year effort to solve this problem once and for all.●

INDEPENDENT CONTRACTOR TAX STATUS CLARIFICATION ACT OF 1979

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. GEPHARDT. Mr. Speaker, today I am introducing the bill, H.R. 3245, to clarify the standards used for determining whether, for Federal income tax withholding, social security, and unemployment tax purposes, an individual is an independent contractor or an employee.

In order to provide taxpayers with some direction and guidance in dealing with contradictory, and often oppressive, IRS administrative actions last year, the Congress enacted a section in the Revenue Act of 1978 that provided relief from inequitable retroactive assessments for small businesses, the self-employed, and other independent contractors. That temporary relief expires on December 31, 1979, at which time we must set forth specific guidelines for those taxpayers who are not within the "safe harbor" of the common law. This is a bill that will achieve that goal and, thus, has the support of many independent contractors within affected industries, including real estate, insurance, and direct sales to name a few.

I recommend this proposal for your review and possible cosponsorship:

H.R. 3245

A bill to amend the Internal Revenue Code of 1954 to clarify the standards used for determining whether individuals are not employees for purposes of the employment taxes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the Independent Contractor Tax Status Clarification Act of 1979".

STANDARDS

SEC. 2. (a) IN GENERAL.—Chapter 25 of the Internal Revenue Code of 1954 (relating to general provisions relating to employment taxes) is amended by adding at the end thereof the following new section:

"SEC. 3508. ALTERNATIVE STANDARDS FOR DETERMINING WHETHER INDIVIDUALS ARE NOT EMPLOYEES.

"(a) GENERAL RULE.—For purposes of this subtitle other than chapter 22 and for purposes of chapter 2, and notwithstanding any other provision of chapters 21, 23, and 24 of this subtitle, if all of the requirements of subsection (b) are met with respect to service performed by any individual—

"(1) such service shall be treated as being performed by an individual who is not an employee, and

"(2) the person for whom such service is performed shall not be treated as an employer with respect to such service.

"(b) REQUIREMENTS.—For purposes of subsection (a), the requirements of this subsection are met with respect to service performed by any individual if—

"(1) CONTROL OF HOURS WORKED.—The individual controls the aggregate number of hours actually worked and substantially all of the scheduling of the hours worked.

"(2) PLACE OF BUSINESS.—The individual does not maintain a principal place of business, or, if he does so, his principal place of business is not provided by the person for whom such service is performed, or, if it is so provided, the individual pays such person rent therefor. For purposes of this paragraph, the individual shall be deemed not to have a principal place of business if he does not perform substantially all the service at a single fixed location.

"(3) INVESTMENT OR INCOME FLUCTUATION.—

"(A) The individual has a substantial investment in assets used in connection with the performance of the service,

"(B) The individual risks income fluctuations because his remuneration with respect to such service is directly related to sales or other output rather than to the number of hours actually worked.

"(4) WRITTEN CONTRACT AND NOTICE OF TAX RESPONSIBILITIES.—

"(A) The individual performs the service pursuant to a written contract between the individual and the person for whom such service is performed—

"(i) which was entered into before the performance of the service, and

"(ii) which provides that the individual will not be treated as an employee with respect to such service for purposes of the Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Tax Act, and income tax withholding at source; and

"(B) The individual is provided written notice, in such contract or at the time such contract is executed, of his responsibility with respect to the payment of self-employment and Federal income taxes.

"(5) FILING OF REQUIRED RETURNS.—The person for whom such service is performed files any information returns required in respect of such service under section 6041(a).

"(c) SPECIAL RULES.—

"(1) SECTION NOT TO APPLY TO CERTAIN INDIVIDUALS FOR PURPOSES OF SOCIAL SECURITY TAXES.—For purposes of chapters 2 and 21, this section shall not apply to an individual described in section 3121(d) (3) (relating to certain agent-drivers, commission-drivers, full-time life insurance salesmen, home workers, and traveling or city salesmen).

"(2) SPECIAL RULE FOR CONTRACTS ENTERED INTO BEFORE 1981.—With respect to contracts entered into before January 1, 1981, subparagraph (b)(4) of this section shall be deemed to be satisfied if such contract clearly indicates that the individual is not an employee (either by specifying that the individual is an independent contractor or otherwise), provided that the notice required by subparagraph (b)(4)(B) is given before January 1, 1981."

"(d) NO INFERENCE.—If all the requirements of subsection (b) are not met with respect to any service—

"(1) Nothing in this section shall be construed to infer that the service is performed by an employee or that the person for whom the service is performed is an employer, and

"(2) any determination of such an issue shall be made as if this section had not been enacted."

(b) CLERICAL AMENDMENT.—The table of sections for such chapter 25 is amended by adding at the end thereof the following new item:

SEC. 3508. Alternative Standards for determining whether individuals are not employees."

SEC. 3. SOCIAL SECURITY COVERAGE.

Section 210(a) of the Social Security Act is amended by striking out "or" at the end of paragraph (19), by striking out the period at the end of paragraph (20) and by inserting in lieu thereof "; or", and by adding after paragraph (20) the following new paragraph:

"(21) Service which, under section 3508 of the Internal Revenue Code of 1954, is treated as being performed by an individual who is not an employee."

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply to service performed after December 31, 1979.●

COMMEMORATION OF GREEK INDEPENDENCE DAY

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. YOUNG of Florida. Mr. Speaker, on May 29, 1453, Constantinople fell into the hands of the Ottoman Turks, and more than 1,000 years of Byzantine history came to an end. Soon after, Greece was also placed in a servitude which lasted almost four centuries. As a result, what was left of the Hellenic culture was forced to be buried in the monasteries or to be passed from one generation to another by secret gatherings of worshippers and children seeking a knowledge of their historic past. In this way, the Hellenic traditions were maintained, and the desire for a liberated Greece was always present.

On March 25, 1821, Archbishop Germanos and his fellow churchmen of Agia Lavra raised their banner of rebellion—the sign of the cross—and the Greek war of independence had begun. Although the Ottoman Turks were ruthless in their massacre of Greeks, even to the extent of executing the ecumenical patriarch of the Orthodox Church, Greece was determined to overthrow the yoke of bondage. By 1830, she was guaranteed her independence, and the world witnessed the rebirth of the Greek nation.

Yesterday, throughout the Sixth Congressional District of Florida, Greek-Americans celebrated the 158th anniversary of Greek Independence Day, as well as the religious commemoration of the Feast Day of the Annunciation. The United States shall always be indebted to Greece and her people for the principles of government handed down to us, and as the ethnic programs of yesterday pointed out, the celebration of Greek independence reminds us all of that ideal bequeathed to the world by the ancient Greeks—freedom.●

HOW I WOULD HAVE VOTED

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

• Ms. FERRARO. Mr. Speaker, the following is a list of recorded votes taken by the House of Representatives since the 96th Congress convened for which I was unavoidably absent. Because my constituents have a right to know my position on matters coming before the House, I have indicated how I would have voted had I been present.

FEBRUARY 27, 1979

"Yea" on Roll No. 14, a vote on S. 37 to repeal a section of Public Law 95-630 dealing with financial privacy so as to remove a paperwork burden from all financial institutions.

MARCH 6, 1979

"Yea" on Roll No. 22, an amendment to H.R. 2439 that rescinds $37 million in appropriations for construction of new facilities for the National Institute of Child Health and Human Development.

MARCH 20, 1979

"Yea" on Roll No. 42, a vote on final passage of H.R. 1301 dealing with the sale of lottery materials outside the United States.

"Yea" on Roll No. 43, a vote on House Resolution 118, to establish a Select Committee on Committees.

"Yea" on Roll No. 44, a vote on House Resolution 156, the rule for the consideration of H.R. 2283, legislation to amend and extend the Council on Wage and Price Stability Act.

"Yea" on Roll No. 45, an amendment to H.R. 2283 that sought to direct the Council on Wage and Price Stability to hold regional hearings on matters affecting general consumer interests and to enlist public participation to monitor anti-inflationary programs.

"Yea" on Roll No. 46, an amendment to H.R. 2283 that extends the Council on Wage and Price Stability for 1 year rather than the 2 years proposed in the bill.

MARCH 21, 1979

"Yea" on Roll No. 47, final passage of H.R. 2283, to amend the Council on Wage and Price Stability Act to extend the authority granted by such Act to September 30, 1981.

"Yea" on Roll No. 48, a vote on House Resolution 13 providing for the establishment of the Select Committee on Narcotics Abuse and Control.

"Yea" on Roll No. 49, a vote on House Resolution 83, to establish a Select Committee on Population.

MARCH 22, 1979

"Yea" on Roll No. 51, passage of H.R. 2774, to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act.

"Yea" on Roll No. 52, a vote on House Resolution 86, amended, to provide for the expenses of investigations and studies to be conducted by the Committee on the Judiciary.

"Yea" on Roll No. 53, a vote on House Resolution 134, amended, to provide for the expenses of investigations and studies to be conducted by the Committee on Science and Technology.

"Yea" on Roll No. 54, a vote on House Resolution 139, amended, to provide funds for the expenses of studies and investigations to be conducted by the Committee on Interior and Insular affairs.

"Yea" on Roll No. 55, a vote on House Resolution 140, amended, to provide for the expenses of investigations, studies, and oversight functions to be completed by the Committee on Government Operations.

"Yea" on Roll No. 56, a vote on House Resolution 123, amended, to provide for the expenses of investigations and studies to be conducted by the Committee on Post Office and Civil Service.•

THE AGONY OF DEFEAT

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

• Mr. MYERS of Indiana. Mr. Speaker, "the thrill of victory and the agony of defeat" is a cliche that has been grossly overused, but it is certainly an appropriate explanation of the feelings of the members of the Indiana State University basketball team, and their fans, as the Sycamores suffered their first defeat of the season last night in the national championship game played in Salt Lake City, Utah.

After finishing their regular season with a perfect undefeated record, the Sycamores won their Missouri Valley Conference tournament and entered the NCAA playoff with an unblemished 29-0 record. They proceeded to defeat such powerhouses as Virginia Tech, Oklahoma, Arkansas, and DePaul to earn a spot in last night's national championship game. After experiencing the thrill of victory 33 consecutive times, the Sycamores realized the agony of defeat for the first time last night when they lost to Michigan State 75-64.

Indiana State was truly the "cinderella team" of this year's NCAA tournament. They were cast into that role on July 26 of last year when head coach Bob King suffered a heart attack and was forced to step down as coach. On October 11, just 6 weeks before the Sycamores' first game, assistant coach Bill Hodges was elevated to acting head coach. Although ISU had been selected for the National Invitation Tournament the preceding 2 years, most "experts" did not rate the Sycamores as one of the top teams in the Nation. Although Coach Hodges' team began to roll up victory after victory, there were still skeptics who would not give ISU the credit they deserved. The charge often heard was that ISU does not play a tough schedule and that they were still untested. These charges came despite the fact that the Sycamores defeated the Soviet team that had toppled a number of national collegiate powerhouses.

The Sycamores of Indiana State University were finally rated No. 1 in the Nation during the final few weeks of the season, but many still did not believe they could carry their success into the tournament, where they would face "tougher" opponents. But they did, and they reached the national finals.

I want to congratulate Michigan State for their great victory last night. They are deserving national champions.

I also want to offer my congratulations to Indiana State, who have a record to be proud of, and whom I am proud to represent in the House.•

THE TAIWAN ISSUE AND THE SEEKING OF A NO-FORCE PLEDGE FROM THE PRC

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

• Mr. HAMILTON. Mr. Speaker, during the recent debate over Taiwan legislation, there was considerable discussion over the degree to which the United States, in its negotiations with the People's Republic of China, sought to obtain a Peking no-force pledge against Taiwan.

I had correspondence with the State Department on this subject which indicates that, in fact, during the last rounds of talks with the PRC, such a pledge was not a focus of negotiations although the United States felt that it obtained a method to insure that Taiwan could maintain its own security in the future.

I attach for the interest of my colleagues a copy of a Washington Post editorial of February 12, 1979, and my exchange of letters with the Department of State.

FEBRUARY 12, 1979.

Hon. CYRUS VANCE,
Secretary of State, Department of State, Washington, D.C.

DEAR MR. SECRETARY: There has been considerable press reporting recently concerning what occurred during the negotiations with the People's Republic of China on the normalization of relations regarding the Taiwan issue.

I would like to know: (a) whether or not a no-force pledge against Taiwan was sought during negotiations and discussions with the Peking government; (b) if it was, what form it took and what was the Chinese reply; and (c) if it wasn't, why wasn't it?

I appreciate your consideration of these questions and look forward to an early reply

With best regards.

Sincerely yours,
LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

DEPARTMENT OF STATE,
Washington, D.C., March 23, 1979.

DEAR MR. CHAIRMAN: The Secretary and Dr. Brzezinski have asked me to reply to your letters of February 12 on the non-use of force question in negotiations with the People's Republic of China (PRC).

We believe that the discussions on this issue have too often ignored the history of our negotiations with the Chinese. I would like to review the record on this issue. In the 1955–56 period, the United States sought to obtain a non-use of force pledge from the Chinese. Beijing (Peking) argued repeatedly that our formulations on this issue constituted open interference in their internal affairs and if accepted would undermine their sovereignty. The United States, for its part, would not accept the vague Chinese formulations, because they avoided an explicit pledge the PRC would renounce its right to attempt to take Taiwan by force. With the failure to agree, this issue became a sterile and bitter subject between the two countries with both sides accusing the other of using it for their own propaganda purposes.

One of the premises behind the talks in the early seventies was to find areas of agreement and to avoid propaganda debates. It was clear in these discussions that the Chinese would not agree to a renunciation of the use of force on Taiwan. For the Americans' part, we spoke often of the importance of a peaceful settlement of the issue; but there was no point in insisting on a specific Chinese non-use of force pledge as part of our new relationship. The Chinese had every reason to asume that the U.S. side—if it seriously wanted a normal relationship—was not going to resurrect this old dispute.

Hon. LEE H. HAMILTON,

Thus, given the negotiating record on this issue from preceding Administrations, it would have been useless to make this a condition for United States agreement to normalization and would have doomed our efforts at the outset. What the Administration did instead was to get the substantive equivalent of a verbal pledge on non-use of force by putting a unilateral statement on the record with Chinese agreement not to contradict it and then, more importantly, to ensure Taiwan could continue to defend itself indefinitely by establishing that we would continue arms sales. In this way, we were able to find a way around the semantic impasse while taking concrete steps to ensure Taiwan could maintain its own security.

We believe this approach, coupled with the political, economic, and military context of normalization, effectively provides as meaningful an assurance as possible that force will not be used to settle the Taiwan issue.

I hope you will find this useful.

Sincerely,

DOUGLAS J. BENNET, Jr.,
Assistant Secretary for Congressional Relations.

TWO WASHINGTON TRIANGLES

What is this new China connection? Is it as substantial and helpful as the administration was proclaiming while Vice Premier Teng Hsiao-ping was here? Several new developments impel us to ask. One is the revelation that Jimmy Carter never asked Peking for a pledge not to use force to regain Taiwan. The other is the performance of Mr. Teng.

Why was a no-force pledge not sought? The administration seems to have felt that since a request was certain to be refused—and since Taiwan's security did not depend on it anyway—it would only make trouble to ask. There was evidently a disposition on the part of both the militant Brzezinski wing and the moderate Vance wing not to jostle normalization, which both wanted for their own foreign-policy reasons and which Jimmy Carter wanted for political considerations as well.

But surely Taiwan was owed at least the Americans' best effort to extract the strongest guarantee. The lapse suggests an almost indecent yearning, if not an irresponsible haste. How revealing that Jimmy Carter, when queried about it at a news conference, dissembled. We do not say Taiwan's security is the worse off as a result. On the contrary, the disclosure is sure to strengthen Congress' determination to write language asserting the American interest in the security of Taiwan. Mr. Carter himself, playing catch-up, now asserts that the United States might even go to war to protect the island. *But to be afraid to ask. . . .* What must the Chinese have thought when they saw the Carter administration tiptoeing so?

That question, it seems to us, is relevant to the way Mr. Teng conducted himself when he left. The very next day he attacked the United States for bungling in Iran and "for allowing the Soviet Union to place a lot of pawns on the world's chessboard." It is hard to know what to make of this. Either Mr. Teng was deeply disappointed in his talks here, in which case the administration's claim to have made history with him is absurd. Or he was led to believe that such attacks would serve the useful purpose of spurring the United States to greater anti-Soviet exertions—one wonders in this connection how he interpreted being received for his first American meal in Zbigniew Brzezinski's home.

The question is not academic. Mr. Teng is obsessed by neighboring Vietnam's march into Cambodia. This may well be the reason he suddenly accelerated China's drive toward normalization last fall. Having massed forces on Vietnam's border, he is threatening unspecified "prudent . . . sanctions." Unquestionably, China has a problem. But so does the United States. For Mr. Teng, by coming to Washington as this crisis flowered, did a very clever thing.

If the United States, notwithstanding its last-minute warnings, essentially stands still while China moves against Vietnam, this country will appear as a co-conspirator to the Soviet Union—at a moment when the overwhelming American interest lies in moving toward a SALT agreement. Alternatively, if the United States steps back, it will appear to many, in Washington as well as Peking, as unreliable and weak. Either way, Peking becomes the arbiter of American policy to an unacceptable degree.

Underneath these considerations lies a deeper reason for queasiness. It is the impression that *Jimmy Carter has still not gotten on top of the basic ideological split between Secretary of State Vance, with his first-things-first emphasis on SALT, and National Security Adviser Brzezinski, whose readiness to challenge the Kremlin can take on a gratuitous edge* . In the China case, Mr. Carter's advisers took different approaches. Demonstrably, he did not demand from them a fully thought-out and worked-out policy before proceeding.

In brief, the capital's liberals, presumably including Mr. Vance, *are scared by how close the United States has gotten to a regime with, it seems, only anti-Sovietism on its mind*—although Mr. Brzezinski appears to revel in it. Many conservatives are troubled by the looseness evident in the treatment of Taiwan. Jimmy Carter looks foolish for the questionable management of two critical Washington triangles, Moscow-Peking-Washington and Carter-Vance-Brzezinski. He leaves a lot of anxious Americans and foreigners alike right back where they were in mid-1978, wondering just who's in charge.●

BYELORUSSIAN INDEPENDENCE DAY

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. PATTEN. Mr. Speaker, Sunday, March 25, 1979, marked the 61st anniversary of the Proclamation of Independence of the Byelorussian Democratic Republic. Many Byelorussian-American communities across the country commemorated the event on that day.

I would like to join in a tribute to these brave people and to acknowledge their fight for freedom from Soviet domination.

Despite repression, the Byelorussian people have succeeded in maintaining their national identity and their desire for freedom. They have fought at every opportunity for liberation. They are a people with a well-developed culture and a strong sense of nationalism.

We should continue our support for the Byelorussian cause and I would urge my colleagues to take a moment to remember those still suffering and fighting for the cause of human dignity.●

RURAL CAUCUS OPPOSES WEAKENED AGRICULTURE DEPARTMENT

HON. WES WATKINS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. WATKINS. Mr. Speaker, House Resolution 173 is a unanimous expression of the members of the executive committee of the Congressional Rural Caucus.

The resolution declares the sense of the House of Representatives opposing the weakening of the Department of Agriculture through the transfer of the Forest Service and the business and industry programs of the Farmers Home Administration.

Mr. Speaker, attached is the resolution which fully related why we find the administration's reorganization proposal unacceptable:

HOUSE RESOLUTION 173

Whereas a strong and effective Department of Agriculture is essential to the economic and social well-being of the Nation and the world;

Whereas on March 1, 1979, President Carter announced his plans to transfer the Forest Service from the Department of Agriculture to a new Department of Natural Resources and to transfer the Business and Industry Programs of the Farmers Home Administration from the Department of Agriculture to the Economic Development Administration;

Whereas the Forest Service and other agencies within the Department of Agriculture have done an outstanding job of enhancing and protecting the Nation's renewable natural resources on both public and private lands;

Whereas the Business and Industry Programs of the Farmers Home Administration are critical to the ability of the Department of Agriculture to operate a broad and comprehensive program for the economic development of rural America;

And whereas these two provisions of the President's reorganization proposals would severely weaken the Department of Agriculture and lessen its ability to be the overall service agency for rural America: Now therefore, be it

Resolved, That it is hereby declared to be the sense of the House of Representatives that the transfer of the Forest Service and the Farmers Home Administration Business and Industry Programs from the Department of Agriculture is unacceptable and, that any reorganization proposal which would diminish the Department's resources is unacceptable.

SEC. 2. The Clerk of the House of Representatives shall transmit copies of this resolution to the President and the Secretary of Agriculture."

Sponsored by the Executive Committee of the Congressional Rural Caucus:

Wes Watkins, Chairman; Ed Jones, Vice-Chairman; James T. Broyhill, Vice Chairman; Bill Alexander, Gunn McKay, Les Aucoin, John Paul Hammerschmidt, Gillis Long, Richard Nolan.●

A DEPARTMENT OF EDUCATION

HON. CARL D. PERKINS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. PERKINS. Mr. Speaker, 78 Members of the House of Representatives have joined in cosponsoring H.R. 2444 which establishes a separate Cabinet-level Department of Education.

I take this opportunity to briefly describe for my colleagues what H.R. 2444 would do and why its enactment is so desperately needed.

The proposed Department of Education would include more than 150 programs currently housed in HEW and six other Federal agencies and approximately 16,000 employees. The new Department's budget of over $13 billion would be larger than five other existing departments—Energy, Justice, Commerce, Interior, and State. However, H.R. 2444 provides for no new program authority. It would simply consolidate existing programs, personnel, and funds.

Major components of the new department would include: Office of Education, National Institute of Education, and Office of Assistant Secretary for Education, all currently comprising the Education Division of HEW; the education-related activities of the Office for Civil Rights in HEW; the college housing loan program in HUD; the overseas dependents' schools in the Department of Defense; the nursing and health professions student loan programs in HEW; the law enforcement student loan programs in the Department of Justice; the migrant education programs in the Department of Labor; the telecommunications nonbroadcast programs in HEW; certain science education programs in the National Science Foundation; the USDA Graduate School; and special institutions for which HEW exercises budgetary oversight, including Howard University, Gallaudet College, the American Printing House for the Blind, and the National Technical Institute for the Deaf.

The Department of Education will not increase the bureaucracy or increase the Federal presence in the classroom. Indeed, the new department will be an additional deterrent to Federal control of education. H.R. 2444 specifically protects the rights of States and local governments to determine their own education needs and policies and specifically prohibits Federal intrusion in those areas. In addition, the Department's very visibility as a Cabinet agency will make the Federal education effort more accountable and responsive to the Congress, the public, and the "education establishment," none of which wants or would permit Federal interference in the schools or Federal intrusion into State and local decisions. Moreover, by removing education from health and welfare, also removed would be the mindset which must properly be brought to bear by officials fulfilling the uniquely Federal responsibilities toward health and welfare.

The current Federal educational structure is scattered in over 40 Federal departments and agencies and leads to a lack of coordination of the Federal education effort. A Department of Education will put in place an effective management structure, conducive to more efficient delivery of services to States, local government agencies, and public and nonpublic institutions. It would also provide the opportunity to reduce massive paperwork requirements and duplicative regulations which have evolved in the past from low-level Federal education officials each operating separately and independently with no accountability to one education official.

Not only will H.R. 2444 improve the management and efficiency of the Federal Government's limited but necessary role in education, but it will also go far toward improving the management of health and welfare programs. Taking the "E" out of HEW will enable the Secretary of the Nation's largest department (HEW) to devote more scrutiny, oversight, and attention to the growing problems of welfare and health.

New challenges and demands created by declining enrollments, shifting population patterns, local property tax revolts, failing confidence in public education, and high dropout rates will require the Federal Government to more effectively manage existing resources and existing programs if education is to fulfill the fundamental role in personal and technological advancement it has played traditionally.

While a Department of Education cannot in and of itself solve all our educational problems, it would be a giant step toward improving the education of all citizens of this Nation by enabling the Federal Government to assist more effectively State and local agencies to meet their needs.●

ROBERT POWELL, BUENA PARK BOYS' CLUB BOY OF THE YEAR

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. PATTERSON. Mr. Speaker, no matter how many things that Bobby Powell has to do during his busy schedule, he somehow finds the time to make his daily contribution to the boys' club.

Words such as courtesy, understanding, and ambition can only begin to describe this energetic young man.

Playing in tournaments against other members and other boys' clubs may not always result in victory for Bobby, but, nevertheless he is just as proud just having been a participant.

Bobby is recognized by his club for his asset by the love and concern he shows to the club as well as his peers. His peers often mention that Bobby has maintained above average grades at his junior high school level which has helped them and his friends in the right direction.

No one better than this young man can maintain such stature and still find time to show his respect for his parents, who he brags so much about.

Bobby Powell is a young man who is highly recommended and in our opinion very much entitled to this award.●

EXPRESSION OF REGRET AT THE RESIGNATION OF GSA ADMINISTRATOR SOLOMON

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. BONER of Tennessee. Mr. Speaker, I rise this morning to express my regret and sense of loss for our Nation at the resignation of an honest, efficient, and dedicated public servant, Jay Solomon, Administrator of the GSA.

In less than 2 years, Administrator Solomon has attained national recognition for his leadership in the self-investigation and internal housekeeping relating to the recent troubles experienced by his agency.

Typical of the acclaim his efforts have inspired are the comments of the chairman of the House Committee on Governmental Operations, the Honorable JACK BROOKS:

> I have had occasion to work closely with a number of GSA Administrators, and I can say without hesitation that Jay Solomon is one of the very best we have had.

Jay Solomon has drawn upon the strength of the private sector to reform GSA's administrative management practices and assure more efficiency and economy in Government. Blue ribbon panels, with members from the leadership of the Nation's institutions, universities, and businesses, were convened under his leadership to examine GSA's practices and advise the Administrator on such things as construction rules, leasing practices, architect-engineer selection, management of the stockpile and strategic materials, disposal of surplus property, financial management, and reorganization.

The Administrator has brought the agency to the forefront in President Carter's urban policy program, made GSA a leader in historic preservation and energy conservation.

During his tenure, Federal buildings throughout the country have been made accessible to handicapped persons; public buildings have been made available to the citizens for use after normal office hours by civic and community activities; and excellence in design and landscaping have become a way of life in the Federal Government.

Wolf Von Eckart of the Washington Post wrote of Solomon's efforts:

> Now we have a G.S.A. Administrator, Jay Solomon, who is enthusiastically devoted to good art and architecture. Solomon believes that integrity and quality in government buildings can do much to restore integrity and quality in American life.

This, I believe, characterizes the tenure of Administrator Solomon.

Prior to becoming GSA Administrator, Jay Solomon was chairman of the board of Arlen Shopping Centers Co., vice president of Arlen Realty & Development Corp., and also a member of the board of Arlen Realty, Inc.

Following his graduation from Vanderbilt University in Nashville, Tenn., Solomon joined in the operation and management of the theater chain his father had established in 1912. In 1961, after one of the drive-in theaters was destroyed by a windstorm, he developed a regional shopping center on the 55-acre site. To turn the company's full resources in this direction, the theater chain was then sold. Ground was broken in September of 1961 in Chattanooga, work completed in August of 1962 on the Eastgate Shopping Center.

The firm expanded rapidly nationwide, and in February of 1970, with other business interest, formed a publicly owned company, Arlen Shopping Centers, Inc., with Solomon becoming vice president as well as president of the Independent Enterprise Division. The first year, the company opened four shopping centers, began construction on 8 more, and development of another 14.

In 1971, Arlen merged with Spartan Industries, forming Arlen Realty and Development Corp., listed on the New York Stock Exchange and one of the Nation's real estate development concerns. When Solomon resigned to accept the GSA post, the firm had 184 shopping centers owned or managed by Arlen Realty and Development Corp. and was recognized as the leader in the shopping center development and management field.

Besides Jay Solomon's triumphs in the mercantile area, he has many interests and accomplishments in his personal and civic life. Married with two children, he has served as the chairman of the Chattanooga Housing Authority and member of the board for 14 years, president of the Mental Health Association, Jewish Welfare Foundation, and Chattanooga Opera Association.

Mr. Speaker, to quote from an editorial which appeared in the Raleigh, N.C. Times:

> Jay Solomon (was) the best thing to have happened to the scandal-ridden G.S.A. since the invention of Xerox.●

PEACE ON EARTH

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. JACOBS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

> Let there be peace on Earth.
> And let it Begin with Sadat.●

MEDICAL AND LEGAL PROFESSIONAL LIABILITY INSURANCE TAX EQUITY ACT

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. PEASE. Mr. Speaker, I am today introducing the Medical and Legal Professional Liability Insurance Tax Equity Act, H.R. 3259. The gentleman from Washington (Mr. PRITCHARD) joins me as the coauthor of this legislation.

The purpose of our bill is to facilitate partial self-insurance by providers of health care and legal services. The legislation is, essentially, limited to doctors, lawyers, and hospitals. Earlier this month we introduced similar legislation to help manufacturers and design professionals interested in self-insuring for their liability risks.

The bill we are introducing today would allow medical care and legal services providers to establish tax-exempt self-insurance reserve funds to help protect against malpractice liability. They would be allowed to take business deductions for contributions to such funds. The effect of this would be to give the same tax treatment to funds paid to self-insurance reserves as is now given to amounts paid for commercial insurance coverage.

At the hearings held by the Ways and Means Subcommittee on Miscellaneous Revenue Measures last year it became evident that legislation facilitating self-insurance would have to contain clear-cut limits, to protect the Treasury. Consequently, we have built into our proposal a restriction that no more than 5 percent of the taxpayer's gross annual income can be put into self-insurance each year and be deducted. This should certainly be adequate to meet first-layer self-insurance needs and, at the same time, ought to satisfy the concerns of the Treasury Department.

Of course, additional amounts can be used to purchase additional insurance from commercial providers and we expect that all responsible practitioners will want those higher layers of coverage. The Tax Code already grants business deductions for payment of commercial premiums.

MEDICAL MALPRACTICE

Mr. Speaker, several years ago the dramatic rise in medical malpractice insurance costs made national headlines. While some changes in the tort law and adjustments in State insurance regulations have helped ease the crisis, the fact remains that medical malpractice premiums are many times higher today than they were just a few years ago. For many doctors, especially those recently graduated from school and still burdened with large personal debts, these costs must be passed through directly to the consumer.

A study done by the Rand Corp. in California in 1976 turned up an alarming fact. Rand reported that some area physicians were responding to escalating malpractice insurance costs by going bare, that is practicing without any insurance. In some parts of California the study found that up to 25 percent of the physicians had no commercial coverage. The national average is believed to be between 10 and 15 percent.

It is our feeling that our legislation, which we have nicknamed "Malplite," would be of direct assistance to physicians who are struggling to cope with rising malpractice insurance rates. By setting up a mechanism that helps doctors to establish and maintain reserve funds we give them a tool to help control rising insurance costs. As physicians build up self-insurance reserves they will be able to take higher deductible features or higher ceilings on their commercial insurance coverage, thus reducing costs.

HOSPITAL INSURANCE

Malplite offers help not just to doctors, but to all health care providers, as defined by the Internal Revenue Code. This includes hospitals, and I wish to talk about their special situation for a moment.

The Department of Health, Education and Welfare studied rising health care costs in the mid-1970's, noting that they were among the fastest growing items on the cost of living index. HEW found that insurance costs were one of the fastest rising elements of hospital administration expenses. And they found that partial or total self-insurance offered a great opportunity for cost control or reduction. Consequently, HEW's Bureau of Health Insurance in April 1977 authorized reimbursement by medicare and medicaid for allocated costs of hospital self-insurance.

There is a catch, though. While nonprofit or public hospitals are free to take advantage of the self-insurance option, the Nation's 1,000-plus commercial hospitals currently are inhibited from self-insuring.

The commercial hospitals pay income taxes from which the public and nonprofit hospitals, obviously, are exempt. So, the commercial hospitals are discouraged from self-insuring because they cannot now claim for contributions to self-insurance the business deductions that are available for the purchase of commercial insurance.

Also, commercial hospitals have the added problem that the Internal Revenue Service may penalize them for building up self-insurance reserves even if they do so with after-tax dollars. The reserve may be treated by IRS as undistributed dividends or unreasonable accumulation of funds.

The Internal Revenue Code was amended last year to permit manufacturers to set aside after-tax dollars in reserve funds for product liability. No such provision was made for professional liability such as medical malpractice.

It seems to me absurd to have HEW telling us that self-insurance is a good way to help reduce the cost of hospital operations but to have the Internal Revenue Code barring over 1,000 hospitals from taking advantage of the opportunity. The legislation we propose is needed by the hospitals and will ultimately benefit the consumers.

LEGAL MALPRACTICE

Finally, we have the issue of legal malpractice. While the costs of legal malpractice insurance are nowhere near as great as medical malpractice or product liability, they have risen sharply in recent years.

Perhaps of greatest concern is the dramatic shrinkage in the number of companies offering commercial policies to attorneys—from 10 firms 7 years ago to 2 firms today. For the general practice lawyer insurance still is available at affordable prices, but costs are beginning to approach the prohibitive and policies are increasingly difficult to find in certain specialty areas. The field of securities law comes to mind most readily.

CONCLUSION

Mr. Speaker, in the last Congress Joel Pritchard and I had the privilege of serving on an ad hoc panel chaired by former Congressman Charles Whalen. We studied the product liability insurance problem and developed the Product Liability Insurance Tax Equity Act, H.R. 7711.

At the suggestion of Ned Pattison, another member of the panel, that legislation was expanded to include professional liability. Thus, we ended up authoring the first legislative proposal to change the tax code to facilitate self-insurance by doctors, lawyers, architects, engineers, and others.

Probably what persuaded us most was Mr. Pattison's point that professionals are so completely dependent upon the maintenance of their professional reputations. Yet they sometimes find their insurance companies paying off spurious malpractice claims because that is more economical than engaging in expensive legal defense. Increasingly, those professionals are insisting on being personally responsible for low-level claims or for legal expenses. These people, with pride in their work and a need to maintain their professional reputations, are those who would benefit most from our legislation.

Last fall extensive hearings were held on H.R. 7711 and related proposals. As I indicated earlier in this statement, we have done as much as possible to incorporate the lessons learned at those hearings and in the floor debate in the Senate.

Our other bill, the Product Liability Partial Self-Insurance Act, H.R. 2693, reflects a similar refinement of thought on the subject of product liability and professional liability of architects and engineers. Malplite, we believe, reflects the best collective wisdom on the proposal for self-insurance for medical and legal professional liability.

We are very pleased to note that Charles McC. Mathias, recognized as the leading Senate advocate of self-insurance for professional liability risk, will soon be introducing identical legislation in the other body. He also is the author of the companion bill to H.R. 2693.

In the next few days Mr. Pritchard and I will circulate a letter to our colleagues, inviting them to join us in supporting both Malplite and the Product Liability Partial Self-Insurance Act. In the last Congress 66 Representatives and 50 national trade and professional associations endorsed H.R. 7711. We are hopeful that we will receive at least as much support for this next generation of the legislation.●

THE REHABILITATION COUNSELORS CERTIFICATION ACT

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. RICHMOND. Mr. Speaker, on February 8, 1979, my good friend and colleague from Pennsylvania, Congressman Doug Walgren and I introduced H.R. 2056, a bill to establish Federal standards for certification of professional rehabilitation counselors.

Rehabilitation counselors are essential to the well being of millions of handicapped individuals. The counselor evaluates an applicant's rehabilitation potential and is also responsible for the individual's rehabilitation plan specifying services to be provided, along with objectives and employment goals to be achieved. The counselor assists the handicapped person through out his entire course of rehabilitation, including developing his employment skills and providing any necessary postemployment services to assist the person in maintaining employment.

Of the 1.1 million Americans who applied for rehabilitation counseling in 1976, only 460,000—42 percent—were accepted. The lack of qualified rehabilitation counselors accounts for much of this discrepancy. According to the U.S. Bureau of Census Statistics, in 1975 there were 32.4 million Americans who were moderately or severely disabled. By 1984, this number is predicted to rise to 38.6 million. The demands on the time and talents of rehabilitation counselors will continue to increase. To meet the growing need for qualified rehabiliation counselors, and the Federal Government spends over $30 million annually in 61 institutions of higher education in 37 States and the District of Columbia to insure the best possible training.

Since its founding in 1974, the Commission on Rehabilitation Counselor Certification has certified over 11,000 people. The National Rehabilitation Counseling Association (NRCA), with its 6,500 members, and the American Rehabilitation Counseling Association (ARCA), with its 3,200 members, represent this field throughout the country. Dr. David Brubaker, executive director of the NRCA, has been invaluable in helping me develop the proposed legislation and bringing me up to date on current activities in the field.

As Dr. Brubaker has informed me, there are actually close to 20,000 people in the United States who call themselves rehabilitation counselors. Only 11,000 of these people are actually certified, which means they have met the minimum educational and practical work experience standards set by the field itself. The other 9,000 people may be well-intentioned individuals but may not have the necessary training, background, and skills to adequately service the population they are asked to work with on a daily basis.

This can lead to mistreatment of patients and a view by some handicapped advocacy organizations and individuals that rehabilitation counselors are not as valuable as they really are. The cliche "One bad apple spoils the whole bunch" might certainly apply to this situation.

Since the bill was first introduced in the 95th Congress I have received hundreds of supportive letters from handicapped people throughout the country. Rehabilitation counselors from every part of the Nation have written me in support of this bill. In addition to these supportive letters, I have learned of many cases of abuse by noncertified rehabilitation counselors, who misdiagnosed an individual and caused significant physical and/or mental damage to his client. The following are a few examples of the mistreatment caused by noncertified rehabilitation counselors:

A profoundly deaf man applied for services at a local department of vocational rehabilitation office. The counselor who was assigned to serve the client said the man was not deaf but was only faking his disability.

A rehabilitation counselor working in a State psychiatric hospital has essentially no training in psychology, psychiatry, or the psychological dimensions of handicapping conditions. As a consequence, this counselor falsely assumed that each of the patients residing at the institution was essentially "hopeless" in terms of their potential for competitive employment. The counselor, therefore, would not give assistance to clients in terms of vocational training if it involved more than very rudimentary work such as washing dishes. Residing at this institution were a number of very gifted individuals, albeit with significant psychological problems.

As a consequence, many of these clients actually regressed due to the fact that they saw little help from the institution in helping them to reorder their lives in order to enter the mainstream of American life. This counselor did irreparable harm to a great many individuals before being replaced by a counselor who was qualified.

A client with cerebral palsy was referred for vocational rehabilitation services. The counselor, as a result of not having had courses or experience in physical disabilities, wrongly assumed that the client was not compatible with competitive employment. The client was denied services and remained at home for a considerable period of time unemployed and not in school. Eventually, the client reapplied for vocational rehabilitation services, saw a qualified counselor, and was enrolled in a college curriculum.

An epileptic client was killed while working with industrial machinery. The unqualified counselor, who did not understand the potential that the client may have a seizure on the job, placed this individual in a fatal situation. A qualified counselor would have had a more realistic view of jobs which would be compatible with this client's medical condition.

H.R. 2056 would eliminate the possibility of such cases by establishing Federal standards for qualified rehabilitation counselors. Basically, the bill states that if a rehabilitation center receives Federal funds, it will only hire rehabilitation counselors who are certified by the Commission on Rehabilitation Counselor Certification, or the applicant will meet the minimum standards of education and/or work experience for certification. This will insure that we are protecting our handicapped consumers, many who are extremely vulnerable because of their disability, from the possibility of being treated by a person who may not be qualified to administer a rehabilitation program for his client.

To date, the following associations have endorsed the bill: The American Personnel and Guidance Association; the American Rehabilitation Counseling Association; the National Association of Rehabilitation Professionals; the National Council on Rehabilitation Education; the National Rehabilitation Association and the National Rehabilitation Counseling Association. These organizations represent over 75,000 professionals in the many fields of rehabilitation and prove to me that the need and understanding for such legislation, as that which Mr. WALGREN and I have introduced, is welcome and supported by those professionals who will be most affected by it.

I hope that my colleagues will join in supporting this bill and bringing it to a successful and timely passage in the near future.●

THE MAGIC IN MICHIGAN

HON. DONALD JOSEPH ALBOSTA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. ALBOSTA. Mr. Speaker, the magic of Michigan State University was in great abundance last night in the NCAA finals in Salt Lake City, Utah. This magic was not only prevalent in the All-American player who bears that nickname, Sophomore Earvin Johnson, but the illusionary effects were provided by the entire Michigan State Spartan team.

Mr. Speaker, I am proud to have a district that borders the East Lansing campus of Michigan State University. Many of the students and faculty members reside in my district. It is for this reason that I believe we should pay tribute to the coaches, players and fans of the Michigan State University, the NCAA champions for 1979–80.

Under the direction of Head Coach Jud Heathcoate, the Spartans proved they are No. 1 in the Nation by handily defeating the very talented and previously undefeated Indiana State Sycamores. This marks the first Michigan college or university to win a national basketball championship. I am confident, however, that with the level of competition and talent in my home State, this will certainly not be our last.●

SURVEY MEMBERS FAVOR THE "DRAFT"

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. GAYDOS. Mr. Speaker, the growing interest in whether to revive the Nation's selective service program prompted me to conduct a survey in the 20th District of Pennsylvania to determine public opinion on the issue.

The question of the "draft" versus the present All Volunteer Army was put to nearly 2,500 members of my "Home Phone Poll," a group of citizens who periodically supply me with their views on topical matters. No attempt was made to explore subissues, such as the conscription of women in the armed services or their possible use in combat situations.

However, many of the individuals responding, including a substantial number of women, volunteered their feelings on this question. Because not everyone commented on the issue, an accurate tally is not possible, but I believe it is fair to say that among the statements preferred the division of opinion was fairly even.

I would like to point out the poll does not reflect the views of young adults about the draft. The members of the "Home Phone Poll" generally are in an older age group and the views expressed are their own, not those of the family.

Nevertheless, I found the results interesting and have listed them below for the attention of my colleagues. I also have sent a copy of the survey results to President Carter for his information.

Home phone poll results

Those favoring the "draft" ----------------	1,418	(58%)
Those favoring the volunteer army-------	821	(34%)
Those having no opinion	200	(8%)●

THE UNPLEASANT CHOICES ABOUT OIL PRICES

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. BROWN of California. Mr. Speaker, it is time for the Congress to recognize that it only has unpleasant and unsatisfactory choices with oil prices. The first choice is the status quo, which will continue shortages, inequities and conflict; the second choice is simple oil price deregulation which will clearly exacerbate the present inequities and severly harm the poor of our society; and the third choice, which is a decontrol and excess profits, income distribution proposal which attempts to share the benefits of decontrol with those who are most severely hurt by it.

In the past the Congress has ducked this issue. Instead, we have postponed the day of decontrol, while allowing price rises which are not offset by any real attempts to achieve equity. This year, I doubt that we can duck much longer.

Mr. Speaker, because this matter is of concern to every Member of this body, I commend the following article by Dr. Lester C. Thurow to my colleagues. I believe the author properly describes the unpleasant choices before us.

The article follows:

[From the Los Angeles Times, Mar. 25, 1979]

LIFTING THE LID ON OUR DOMESTIC OIL PRICES—IF COSTS INCREASE, SO MUST TAXES OR POOR WILL SUFFER

(By Lester C. Thurow)

(Lester C. Thurow is a professor of economics and management at the Massachusetts Institute of Technology.)

The increasing demands by the nation's oil companies that President Carter decontrol the price of domestic crude oil have struck many Americans as industrial blackmail. But the unfortunate fact remains that unless Carter acts to deregulate oil prices over a short period, the American economy will be in serious trouble. The President must use the power of his office, however, to ensure that the burden of decontrol is more equitably distributed.

Fortunately or unfortunately, in our mixed economy of private ownership and government regulation, government does not have the technical or political ability to hold any major price below its market level for any extended period of time. Since demand inevitably grows in a growing economy and producers cannot be forced to invest in new production facilities, shortages eventually arise. The prospect of these shortages leads to speculation and hoarding which, in turn, magnifies the impact of the shortages.

This is exactly what is now occurring in the U.S. oil market. Government regulators have held the price of U.S. oil below world levels since the winter of 1973–74. Five years of price controls are now leading to the shortages and distortions that were to be expected. Producers have not invested in new refining facilities, and even without the Iranian cutbacks the United States would be facing shortages of specific products, such as unleaded gasoline. Producers have simply refused to make the necessary investments given current oil prices, and under our economic system they cannot be forced to make those investments.

Those who remember that the same types of rules and regulations were used to hold the price of oil above world market levels from 1957 to 1973 may regard this as unfair—and it is—but economically it is much easier to hold the price above its market level than it is to hold the price below its market level. At worst, one ends up with surpluses when prices are too high and these surpluses are simply expensive to store. Shortages are much more difficult to handle. One does not have something that one needs.

But what happens if oil prices are deregulated? A congressional staff report indicates that such an action would cost consumers $14 billion in the first year. Basically, this would be a transfer of income from consumers to the owners of domestic oil. If deregulation had occurred in 1978, corporate profits would have risen 32% rather than the 26% they did over the course of the year. Not many Americans have received wage increases of either 26% or 32%.

In a study which I undertook for the Joint Economic Committee in 1977, moving to world energy-price levels would have eventually lowered the real income of the average American household by 6%. This includes the direct effects of higher-priced fuel for heating, air conditioning and driving as well as the indirect effects of higher consumer prices because industry would also have to pay higher energy costs. Gasoline prices would jump almost instantly, but eventually everything that requires energy in its production or marketing (and that is almost everything) would also rise in price.

The average 6% cut in purchasing power, however, masks large differences between rich and poor. Households in the richest 10% of the population would suffer a 3% cut in their standard of living, while households in the poorest 10% of the population would suffer an 18% cut in their standards of living. In addition, all of those extra profits go to somebody. Since 43% of all privately held corporate stock is owned by the top one-half of 1% of the population, the income gains of those at the top of the economic pyramid would exceed the higher prices that they have to pay. Without doubt, the poor and the middle class will be worse off while the rich will be richer.

Even so, our economic system has no choice but to deregulate. Our government does not invest in energy production facilities and it cannot force private investors to do so. It can, however, mitigate the adverse income distribution effects.

This could be done with a combination of fuel stamps and changes in the income-tax laws that would cut the taxes for low-income taxpayers and provide extra income for those whose income is so low that they do not now pay taxes. Such a program would, of course, have to be financed by a tax increase on someone. And who that "someone" would be is the key question.

The Carter Administration has made vague noises about taxing the windfall profits of oil companies that are not reinvested in energy-production facilities, but these should be recognized for what they are—vague noises. The Administration cannot collect any significant amount of revenue from the oil companies for two reasons: If it did collect a lot of revenue, the price of oil would not rise as far as the oil companies want, and they would not continue to invest; but the government also won't collect much revenue since companies say they will reinvest. Basically it does not make a lot of difference whether the energy companies give their stockholders dividends or reinvest their profits and give them higher stock prices because of larger capital investments. Stockholders are going to be wealthier either way.

As a result, any compensation system would have to be financed by some change in general taxation rather than a tax on oil. Obviously, there won't be any volunteers for this role. If the burdens of oil-price decontrol are to be shared more equitably, taxes will have to go up for high-income Americans and down for low-income Americans.

This leaves the Carter Administration with three choices: It can refuse to deregulate the price of oil and watch the economy come to a sputtering halt; it can simply deregulate and watch the income of the poorest 50% of the population plummet, or it can propose raising some tax. From the perspective of an elected politician, this is not a delightful set of choices.●

ABOLISH THE STATUTE OF LIMITATIONS FOR NAZI WAR CRIMES

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. WAXMAN. Mr. Speaker, the California State Assembly last January unequivocally declared its concern that the Federal Republic of Germany abolish or extend the statute of limitations for the prosecution of Nazi war crimes, which expires at the end of 1979. In adopting this measure, the State Assembly has recognized that the erasure of responsibility for the commission of these monstrous crimes against humanity solely by virtue of the passage of time would be a tragedy.

It is my hope the Congress will act shortly on a similar resolution introduced by Representatives HOLTZMAN and FISH, and which I have cosponsored. The action of the legislature in California should serve as an example to the Congress.

I am pleased to insert, for the benefit of my colleagues, the resolution adopted by the California State Assembly:

[Filed With Secretary of State Jan. 26, 1979]

ASSEMBLY JOINT RESOLUTION NO. 7—RELATIVE TO NAZI WAR CRIMINALS

LEGISLATIVE COUNSEL'S DIGEST

AJR 7, Levine. Nazi war criminals.

Memorializes the federal government to urge the German Federal Republic to abolish or extend the statute of limitations on Nazi war criminals.

Whereas, It is a reprehensible policy that would assume that the moral obligation for the mass murder of over 11,000,000 innocent victims of the "Holocaust" can be eliminated by the passage of time; and

Whereas, The statute of limitations of the German Federal Republic relating to Nazi war criminals is scheduled to expire on December 31, 1979; and

Whereas, If such statute of limitations does expire, no investigation of murder, including genocide, committed by Nazi war criminals can be initiated after that date; and

Whereas, If such statute of limitations does expire, thousands of Nazi war criminals who were actively involved in the calculated and brutal mass murder of millions of innocent victims will be rewarded for having evaded justice; and

Whereas, Crimes of lessor horror than mass murder and genocide are subject to no statute of limitations either in California or in numerous other jurisdictions; and

Whereas, It is in the interest of all free people that new generations not be allowed to forget the dangers and consequences of the crime of genocide; and

Whereas, An international campaign to convince the German Federal Republic to eliminate or extend the current statute of limitations has been initiated by a broad base of concerned organizations and individuals; now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Government of the United States urge the German Federal Republic and the legislators of that nation to abolish or extend the statute of limitations relating to Nazi war crimes; and be it further

Resolved, That the Legislature requests that the President and Secretary of State of the United States communicate the contents of this resolution on behalf of the people of California to the following officials of the German Federal Republic: the President, the Chancellor, the Ambassador to the United States, Chief Justice of the Supreme Court and the national legislators; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President of the United States, to the Secretary of State, to the Speaker of the Leader of the Senate, to the Chairman, Senate Foreign Relations Committee, to the National Security Council members, and to each Senator and Representative from California in the Congress of the United States.●

ELINEOR DYER, A DEDICATED VOLUNTEER

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. PATTERSON. Mr. Speaker, we who occupy this Chamber and represent the American people know that were it not for a select few dedicated and tireless volunteers from our home districts, many of us would not be Members of Congress.

During my tenure in Congress, I have been fortunate to have benefitted from the services of one such volunteer. Mrs. Elineor Dyer has been an active participant in the electoral process and has volunteered her services and talents to work in the true spirit of participatory democracy.

Elineor has assisted my home office and me with the duties, responsibilities and services to my constituents. It has been a comforting feeling for me to know that I can always count on her help when I need it.

However, Elineor and her husband, Jim, are retiring and moving to Oklahoma. Her departure will leave a void in my continuing effort to represent the interests of my constituents, but I wish her well in her new home and in her retirement years.

Persons like Elineor Dyer, that special breed of politically active volunteers at the grassroots level, are what make one's election to Congress rewarding and serve to remind us of our commitments to the people and not to private special interests.●

CONGRESSMAN McCLORY SPEAKS ON BALANCED BUDGET ISSUE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. MICHEL. Mr. Speaker, hearings began today before the House Judiciary Subcommittee on Monopolies and Antitrust on a proposed constitutional amendment for a balanced budget, or spending limitation, or other alternative proposal, to impose a constitutional requirement for responsible management of the fiscal business of the Federal Government.

Mr. Speaker, our colleague from Illinois (Mr. McClory), the ranking Republican member on the Judiciary Committee, has been influential in promoting action on this vital domestic issue. As Mr. McClory and many others see the problem, a basic cause of our inflation is the persistent deficits which have become a pattern during recent sessions of the Congress. It is primarily to eliminate this part of the inflation problem that our colleague Bob McClory and many others on this side of the aisle are directing earnest attention to the constitutional amendment concept.

Mr. Speaker, at the opening of the hearings today, preliminary to the receipt of testimony from Dr. Arthur F. Burns, the distinguished former Chairman of the Board of Governors of the Federal Reserve System, and from the well-known economist professor, Paul Samuelson of MIT, Mr. McClory made the following statement. I commend it to my colleagues:

STATEMENT OF ROBERT McCLORY

Mr. Chairman, this is, indeed, an historic occasion. I compliment the Chairman for recognizing the dynamic forces at work in our society by scheduling these hearings. I realize that my opening statement is no place to testify on the merits of the resolutions before us. Instead, I suggest the following guidelines.

First, the people are right. There is a fundamental problem. The government is out of control. It taxes and spends in excess of the consent of the governed.

Second, the issue is not whether we should reject FDR's politics and constitutionalize Herbert Hoover's economics. Rather the issue is who is in charge. Is the government in charge of the people? Or are the people in charge of the government? The issue, then is the relationship between the citizen and his government. Whereas many may find it inappropriate for a constitution to embrace a particular school of economic thought, few can deny that the fundamental relationship between the citizen and his government is for constitutional resolution.

Third, the problem is the Congress. As an institution, we do not subscribe, as so many believe, to Keynesian economics. Rather, we cite Keynesian economics much as the devil cites Scripture. We legislate deficits not out of obedience to Keynesian principles but out of desire for re-election. It is easier to get re-elected by giving money away, and giving money away becomes even easier when it doesn't have to be first collected from the people through taxes. Keynesian principles are convenient, for they appear to lend some respectability to political pragmatism. Congress need only point to a recession—past, present, or future—to justify deficit. But this is not Keynesian economics. It is "Congressional" economics. Keynesian economics would presently suggest a surplus. But we don't like that part of the Bible, so we don't read it.

Fourth, Congress appears incapable of correcting itself. It was first hoped that when Congress enacted the Budget Act of 1974, it would produce the requisite fiscal discipline. But rather the opposite has happened. The years following the Act's enactment show deficits three times as great as for the comparable years before.

A more important indication that Congress is incapable of correcting itself early this year in the House. After the 96th Congress—the so-called austerity Congress—was sworn in, it adopted Rules changes which made it much more difficult to balance the budget. The original purpose of the Budget Act was to require Congress first to determine how much it could spend, then to establish priorities among the many programs, and finally to decide which programs might be funded and which could not. Now the House Rules have been changed so that it is illegal to decide first how much Congress can spend. Indeed, this was a shocking betrayal of an electoral mandate. Apparently, the majority leadership feared that many of its favorite programs would suffer if the Budget Act was allowed to work.

What this means is all too clear. Fiscal responsibility must be imposed upon Congress by rules which Congress cannot routinely change.

Fifth, the role of this Subcommittee is not to act as judges, which we are not, but as legislators, which we are. It is no sin in our representative form of government to believe as the people believe and to speak as the people speak. On matters of fundamental values, I am not impartial.

Many of us may recall during the civil rights battles of the sixties, there was anguish in the land. We did not listen "impartially" to the cries of those hurting. Instead, our role was to translate those cries into a solution that would work. Our role was not to sit as judges of legislation but to act creatively to do right by our people. It was the opponents of civil rights that sat as judges; for them, there was a defect in every bill. Fortunately, we legislators prevailed.

So now in the seventies, it falls upon us to fashion a new civil right to protect the people against the diminution of economic freedom. This new civil right is but a reapplication of the principle embodied in the original Constitution, the principle that in this land the people govern. From the time the Constitution was written until recent times, it was unnecessary to impose constitutional restraints to preserve economic freedom, for fiscal discipline was thought indispensable to public service. Now that has changed, and the people have reacted. The task before us as in the sixties is to translate the cries of the people into a solution that would work.

That is no small task. The ultimate solution is not readily apparent as we open these hearings. While I have sponsored H.J. Res. 269, I am open to alternative solutions. I am pleased that the Subcommittee will hear testimony from various leaders in our society, such as the distinguished witnesses before us today. With the help of their insight, I am confident that we can fashion a solution that fulfills the aspirations of the American people to bring a constitutional requirement for fiscal responsibility to the Legislative and Executive Branches of our Federal government.●

WORKPLACE FATALITIES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. GAYDOS. Mr. Speaker, workplace tragedies continue to plague industry and workers in this country. Since 1970, the Occupational Safety and Health Administration has been intimately involved in the process of limiting the scope and magnitude of these catastrophies. OSHA, under the direction of Dr. Eula Bingham, is currently striving to improve its procedures for carrying out its mandate of assuring safe and healthful working conditions for working men and women. However, since its inception, OSHA has been confronted and hindered by strong opposition throughout the United States.

For instance, there have been numerous cases where OSHA inspectors have been barred by business owners from entering the workplace. But the continuing threat to workers in this Nation posed by inexcusable hazards demands that effective action be taken toward their elimination. Better cooperation between industry, labor, and OSHA officials is the first step in coping with this problem.

As a result of my continuing effort to demonstrate the need for effective safety regulation in the workplace, I have made a conscious attempt to closely monitor the occurrence of workplace fatalities. I now provide, for the Record, information on recent tragedies in the workplace.

On October 3, 1978, three employees were killed and eight employees were hospitalized in a refinery explosion in Commerce City, Colo. Federal OSHA has completed its investigation and one willful violation has been issued for violations of the National Electric Code and section 5(a)(1) of the Occupational Safety and Health Act. Each violation carried a proposed penalty of $10,000. One serious citation, with a $6,480 penalty, has also been issued for 11 violations. The oil refinery has filed a contest notice.

On October 6, 1978, at Lake Keowee, S.C., there was a cofferdam failure in which seven employees were killed. The investigation, which is presently under way, is being handled by South Carolina OSHA with assistance from a contract engineer and Federal OSHA.

On October 25, 1978, two employees were electrocuted while installing a power line in Point Pleasant, W. Va. The employer was issued one repeat citation, with a proposed penalty of $1,400, for violation of OSHA standards regarding power transmission and distribution. The repeat citation was issued in reference to an August 5, 1977, fatality.

On November 5, 1978, a fire occurred at a department store in Des Moines, Iowa, killing 10 employees. One serious citation, with a $1,000 penalty, was issued by the State of Iowa OSHA for violations concerning locked or fastened exit doors, failure to provide fire alarm facilities, and not maintaining means of egress. The department store involved has filed a letter of contest.

On November 11, 1978, an accident occurred at a hotel in Joplin, Mo., killing two employees. The hotel was being prepared for demolition, but collapsed prematurely. All three companies involved were issued one willful citation, carrying a $4,500 penalty, for failure to secure an engineering service to determine the soundness of the hotel structure for purposes of demolition. Two of the companies have filed contest letters with OSHA.

Wherever catastrophic work place accidents occur, such as the cooling tower collapse in Willow Island, W. Va., which took the lives of 51 workers, as well as a series of grain elevator explosions between December 21, 1977 and January 19, 1978, which took the lives of 62 workers, the public is alerted through extensive media coverage. Yet, this represents only a fraction of the work place fatalities.

According to the Bureau of Labor Statistics, in 1977 a total of 5,405 fatalities occurred in the work place. However, of this total, a sizable proportion are comprised of accidents involving a small number of employees which usually go unnoticed by the media. But these remote and isolated tragedies merit just as close attention as the accidents of great magnitude. One can only question how many lives could have been spared if safety regulations had been more closely adhered to.●

SUPPORT FOR TRUCKERS

HON. MARTY RUSSO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. RUSSO. Mr. Speaker, today I am introducing a bill which I sincerely hope will ease the financial burden of escalating fuel costs now confronting the Nation's truck operators. I view this price rise as a severe crisis for our motor transportation industry. If something is not done to alleviate this problem, more independent truckers will go out of business. We will have fewer trucks to carry precious commodities. Rates could increase and further fuel inflation.

A common phrase among truckers could not be further from the truth—"If you've got it, a truck brought it." Most Americans are not aware of how crucial trucks are to the flow of goods—from food to clothing to furniture to just about everything.

Once before we had a severe fuel crisis. At that time we instituted a pass-through of fuel costs by means of a surcharge. This was poorly administered and little understood. We do not need such bureaucratic involvement and confusion again if people will support this bill.

What does the bill do? Simply put, it allows a truck operator a tax credit in lieu of deductions for increases in the cost of fuel and also encourages truckers to undertake measures for fuel conservation. Any trucker who buys fuel at retail and uses the fuel to transport goods in interstate commerce will be eligible for the credit. The credit will be equal to 50 percent of the excess of the average cost per gallon of fuel used during the tax year over the cost per gallon as of January 1, 1979. In addition, if the trucker increases his or her average mileage per gallon for the base year, the credit will increase 10 percent for each 10 percent increase in mileage.

If we ignore the coming fuel crunch on truckers, not only will many of them go out of business, our whole economic strucure will feel the aftershock and so will our pocketbooks.

I am pleased to tell the House that this idea came from two enterprising over-the-road truckers. Mr. John Baur of the Maryland Independent Truckers and Drivers Association came up with the credit idea. Mr. Theodore Brooks, president of the organization, refined the proposal and added the fuel conservation measure. I thank these gentlemen for their concern and am pleased to offer the idea to the Congress.●

THE ABANDONED ELDERLY REPRESENTS A GROWING NATIONAL PROBLEM

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. BIAGGI. Mr. Speaker, many Americans were saddened by the death this past week of Al Hodge who gained national face as "Captain Video," on the early days of television. Yet his death was far more than a personal tragedy. It was symptomatic of a growing national problem which I would like to discuss today—the plight of the abandoned elderly.

Al Hodge was found dead—at the age of 67—alone, destitute in a shabby welfare hotel. The tragedy is there are thousands—maybe millions of older Americans who today are living alone abandoned by family and friends. The fastest growing group of senior citizens in New York City are those living alone, many in poverty—in a sense imprisoned and left alone to die.

We as a society must be concerned about these Americans. Al Hodge was a man whose life was characterized by the peak and valley syndrome. Here was a man who entertained millions of Americans—and suddenly was forgotten by these same millions of Americans.

I serve as an original member of the House Select Committee on Aging and in this capacity, I believe the plight of abandoned older Americans must be examined. I approach the subject not so much to offer some new form of Federal assistance, rather in a sense to raise a societal consciousness. Maybe this alone can prevent another tragedy like that of Al Hodge. The Subcommittee on Human Services which I chair will be looking into this issue in detail over the coming months.

Mr. Speaker, as a demonstration of my concern, I wish to place into the RECORD a moving article by Harriet Van Horne which appeared in the March 23 New York Post. I urge my colleagues to read and respond to the message it conveys.

The article follows:

AL HODGE MET THE DISMAL END WE ALL FEAR

(By Harriet Van Horne)

To all of us, however snug, dark thoughts come unbidden in the night. And the most piteous of these is the image of oneself, old and sick and out of funds, shuffling down the long gray corridor to death.

This grim fantasy probably stirred anew this week as newspapers and television reported the lonely, shabby death of the man we all knew as Captain Video, Al Hodge—his real name—was TV's first hero, the shining idol of the under-12 set. He had dash and style and he deserved a better death.

For eight years Captain Video held the moppet set in thrall as he rode the galaxies in his intrepid space ship. He was the Robin Hood of the cosmos, battling celestial storms, space monsters and super-armadas from unfriendly planets whose names linger in memory as Thantos and Quark. ("Quick, it's the Quarkians with the death-ray guns!")

Captain Video's adventures took place in the '50's, a decade before *Star Trek*, 20 years before men walked on the moon. The series was the prime attraction on the old DuMont network and it must have paid Al Hodge a handsome sum over the years. He should not have died at 67 alone and broke in a welfare hotel.

I'll always remember what a dashing figure Al cut in his spaceman's uniform. I remember the space ship, too, a flimsy prop of painted cardboard, embellished with knobs, buttons, meters, all the comic book touches. And the great dome of heaven—a limbo shot with scattered sequins. I remember it all with love and tears because my late husband—as a young man new to television—directed Captain Video for a brief time.

Eventually my husband went on to a distinguished career in documentary films but we never forgot Captain Video. A few years ago I happened to meet Al Hodge in the street, not far from the studio where he used to blast off on another adventure each afternoon. We exchanged pleasantries and I remember being shocked by his pallor. He looked old, old in a way that made one forget he'd ever been young.

Meeting Al Hodge in the days of his decline reminded me of Hazlitt's bitter essay on old actors. *They live from hand to mouth*, he wrote in the 19th Century. *They plunge from want into luxury, they have no means of making money breed.*

The italics are Hazlitt's. *All professions that do not live by turning money into money, or have not a certainty of accumulating it in the end by parsimony, spend it. Uncertain of the future, they make sure of the present moment.*

So do millions of us who are not actors. Dr. Robert Butler, the psychiatrist who heads the National Institute on Aging, says that the greatest distress caused by retirement is the sudden cut in income, usually by 50 per cent. People simply do not prepare for old age, he said in an interview. He might have added that today's inflation has made such preparation all but obsolete.

The median income of elderly persons in 1977 was about $3800. The Assn. of Retired Persons reports that 70 per cent of the elderly is "barely getting by." Sometimes the cost of food takes half the old person's income.

The raising of the retirement age from 65 to 70 is easing the plight of older Americans. But their lot remains a dismal one. It's a problem sure to claim more government attention as we become a nation of older people.

We now have nearly 25 million Americans over 65. More than two thirds of this number have at least one chronic ailment. Some have two or more. The Social Security Fund that keeps many from destitution is being depleted. As we approach Zero Population Growth there will be fewer and fewer young workers to replenish the Social Security trust.

The picture isn't totally bleak, however. A new working class called "the young old" will be flourishing by the year 2000, according to the U.S. News & World Report. This group is expected to be the "vigorous, educated and financially secure retirees who will be demanding more of a say in national life."

Regrettably, there will always be the abandoned elderly, the Al Hodges who are alone in cheap, ugly rooms, surrounded by the memorabilia of better days. And the rest of us will shudder and say, "Oh, God, don't let it happen to me!"

These are the lost ones, the men and women whose attachments and commitments fell away. People who—in Hazlitt's phrase—"are torn from themselves while living."

Poor Captain Video . . . I keep wishing he might have died a mysterious death, somewhere out there in the long night of Outer Space.●

VFW VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM; MASSACHUSETTS WINNER

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. MARKEY. Mr. Speaker, in a time when Americans have grown increasingly skeptical of our Government and its ability to address national problems, it is indeed heartening when you hear from a young man who speaks up for the ideals that made our country great. Brian Lacey, a high school student from Everett, Mass., recently forwarded to me an essay which won him honors in the nationally known "Voice of Democracy" scholarship program. Brian's words ring with the truth and the commitment that are so necessary to what we have traditionally called, the American experience. I insert this young man's thoughtful piece for the CONGRESSIONAL RECORD.

WHY I LOVE AMERICA

(By Brian Edward Lacey)

She is a rich and rare land;
Oh! she's a fresh and fair land,
She is a dear and rare land—
This native land of mine.

With this stanza from My Land by Thomas Osborne Davis, I would like to tell you why I love America.

I love America because of the ideals which the pioneers established for our homes, for our schools, for our democratic community life, and for our spirit of reform and social advance. In America, freedom of speech has given us the special gift to speak our minds: One should never repress his opinion whether on politics or on some other forum. A free exchange of ideas and suggestions among people, however, is the foundation on which our country's communities were built.

Think for a moment of the rich and beautiful country we are privileged to inhabit, and the mighty heritage that has come to us through the great deeds performed by the pioneers who built our country. This nation has been blessed with the grace of God and the labors of our ancestors. They have given us the inspiration and the pride to call ourselves Americans.

I love America because of its great schools, where knowledge is not a luxury for the few, but is dispensed among all people who seek it. The thirst for knowledge has led to great scientific and technological advancement. Our achievements in those areas have been the products of our institutions and of our individual industriousness. It has given us the ability to work for greater health and prosperity, not only for our own country, but for the world.

I love our flag and that for which it stands; one nation under God, indivisible, with liberty and justice for all. I love the story of our flag. It tells of struggle for independence and of a union preserved. This story of the independance of our flag could never have been told without the brave men who fought for it from the Revolutionary War through the Vietnam War. These men deserve our love, respect, admiration, and loyalty. There would be no America to love if it were not for these great men of history. By this, I do not refer just to Washington, MacArthur, or Westmoreland, but I refer to every man who ever donned a uniform for this great nation. As Ralph Waldo Emerson wrote:

Not gold but only men can make
A people great and strong;
Men who for truth and honor's sake
Stand fast and suffer long.

I cherish the great documents of American history. They are expressions of truth and beauty upon which our civilization rests. The foresight of their authors planted the inspiration and the courage in men and women to bring themselves forth from the wilderness of repression overseas to the sparkling light and sunshine of America's shores.

With all the achievements and with the industriousness of our people, America is now the foremost nation on the earth today. It stands as the vanguard of freedom and morality in today's dangerous world.

I love America even though it is not perfect. This country has weathered storms in its past, and we will ride out the storms of the present. I love America enough to believe the vast majority of its people will forget their grievances, petty hates, and prejudices and that we will resolve our differences so that we will have a more perfect union.●

THE GENTLEWOMAN FROM NEW JERSEY

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. MICHEL. Mr. Speaker, our distinguished colleague MILLICENT FENWICK, has recently been the subject of an informative article in the Sunday News Magazine of New York City. This article accurately portrays the ability, the dedication and the great spirit of MILLICENT FENWICK. I urge you and all our colleagues to read it.

At this point I wish to insert in the RECORD, "The Gentlewoman From New Jersey" by Ellen Cohn, Sunday News Magazine, March 11, 1979:

THE GENTLEWOMAN FROM NEW JERSEY

(By Ellen Cohn)

The story is a natural for Katharine Hepburn. An aristocratic woman—born and bred to shine only as a rich man's wife—overcomes personal tragedy, financial reverses and a series of illnesses to win election to Congress at the age of 64. Setting a pace that exhausts staffers less than half her age, she makes political allies in unexpected camps, threatens to expose a Cabinet member dawdling over a measure she supports, bowls over the press with her elegant mien and biting wit, and skewers a notorious House tyrant (to whom old hands pay tribute) with a neat riposte.

There is money in her voice and her well-cut clothes, yet she drives a working-class Chevy and can spot a bargain at Sears. She's dubbed a "Congressional conscience," a "character," a "class act," and her idiosyncratic ways inspire a popular comic strip.

It's a true story. If they're smart, they'll get Frank Capra to direct. And the title: "Mrs. Fenwick Goes to Washington."

Bernardsville, N.J., lies in that part of the Garden State where gardens may still be measured in acres and hard hats are what the gentry wear when riding to the hounds. It is where Millicent Hammond grew up in a 38-room house whose size she laughingly compares to "a summer hotel"—a home which at that time included a boot room, sewing room, pressing room, schoolroom, and 13 rooms for the servants alone. It is the same house she lives in today, though it now requires only the services of a couple to maintain.

In the class to which Millicent Hammond was born in 1910 to a banker father and heiress mother, proper young girls were expected to have their names in the papers three times only—when they were born, when they married (well and once only), and when they died.

Had anyone suggested to Millicent as an athletic, coltish teenager that she would one day represent her district in Congress, she would have thought it an odd joke and scampered off to keep a tennis or riding date. ("Archeology fascinated me and I was very keen on poetry; but I never thought of doing anything except getting married.")

And the same suggestion made to Millicent Fenwick on an oppressively hot summer day in 1938 as she stood despairing in front of Bonwit Teller would have been stranger still, even unkind. Now a 28-year-old debt-ridden divorcee and mother of Mary and Hugh, ages 4 and 1, she had just been labeled unemployable by the store's personnel department—too old to be a "runner," not qualified (she lacked a high school diploma) for selling stockings. (Millicent's formal education was interrupted when she was 15 and Calvin Soolidge appointed her father ambassador to Spain. Though she later took courses at Columbia University and the New School, she remains, speaking strictly, a high school dropout.)

And then there was luck. A chance remark to a friend about some stories she had written (they were later rejected by the only agent to have read them) led to an interview at Vogue where she started off writing captions at $40 a week. ("I was so grateful for that job and so terrified I'd lose it.") She learned her craft ("writing to size, like a carpenter"), edited "Vogue's Book of Etiquette" and stayed for 14 years.

In 1952, when "the family fortune came through" (approximately five million dollars inherited from her mother who died in the sinking of the Lusitania when Millicent was 5), Fenwick left Vogue determined to do nothing more than gardening, needlework and, perhaps, in time, some writing.

But it was not to be. Politics had always been a consuming interest; she had served as a Republican State Committeewoman, been active in local affairs, and—as an ardent Willkie supporter—had taken time off from Vogue to attend the 1940 Republican National Convention.

"At a meeting of the National Conference of Christians and Jews, Judge Proskauer had told a story about crossing the plains with Al Smith in the 1928 Presidential campaign. There is a string of hills that surrounds Oklahoma City and as the train went through a gap in the hills, on every one there was a fiery cross. And when they got to the station, there was just one person waiting to receive Al Smith—a young lawyer named Wendell Willkie."

Fenwick—with patrician accents, with flawless timing, with a voice as rich and savory as plum pudding—serves up the anecdote with the grace of a master storyteller. After a knowing pause to allow the drama to sink in, she smiles as if the story was but a joke on herself. "So I was for Wendell Willkie!"

Back home in Bernardsville, Fenwick worked diligently for civil rights, for legal aid and prison reform, and held a variety of state and local posts. In 1969, she was asked to run for the State Assembly, and was elected.

It was an invitation she had been waiting for for 12 years.

"In 1957, a young man was brought to see me to find out what I thought of him as a candidate. I thought how I'd love to be in his shoes. But it never occurred to me to say so. I never thought it appropriate. I was just too shy."

She was less shy 10 years later when she asked her mayor to submit her name for the Assembly seat. He did but she was not even considered.

"It was just dropped right in front of me." Fenwick recalls, still stung, "and I was too timid, too ridiculously taking-the-back-seat—as women have automatically done for too long—to do anything about it. I did that over and over."

But she learned. And in 1974, eager to run for Congress, she entered the Republican primary and won—by 84 votes. (Fenwick had been re-elected to the Assembly in 1971 but resigned the following year to become director of New Jersey's Division of Consumer Affairs, a position she held for 15 months until she set her sights on Congress.)

In what The New York Times hailed as a "geriatric triumph" (a phrase she takes wry delight in repeating), Fenwick defeated her 37-year-old Democratic opponent with 55% of the vote. Since then her popularity has soared. In 1976, she captured over two-thirds of the vote and won re-election to her third term this past November receiving 73% of the votes cast.

Though not identified as strongly with feminist concerns as some of her contemporaries (Bella Abzug, Elizabeth Holtzman), she has been a dedicated campaigner for the Equal Rights Amendment and was a major figure in the successful fight to prevent the Republican leadership from chipping ERA out of the party's 1976 platform. A member of the Congressional Women's Caucus, and one of the cosponsors of the bill extending the deadline for ratification, her on-the-spot lobbying helped push it through the House Judiciary Committee.

The ERA also triggered a particularly choice Fenwick retort in the New Jersey Assembly. As tempers and temperatures rose during debate, so did an exasperated male colleague who declared, "I always thought women were meant to be kissable, cuddly, and sweet-smelling."

"That's what I thought of men," Fenwick shot back. "And I hope for your sake, you haven't been disappointed as many times as I've been."

When, shortly after her arrival in Washington in January 1975, she repeated that story at a Washington Press Club dinner, the "pipe-smoking grandmother" (as she had come to be called) became an overnight sensation. (Fenwick switched from cigarettes in 1965. Four years later, preparing for her first Assembly race, the county chairman informed her that such an eccentricity would have to go—"I was holding my pipe by my side and I thought he was pointing to my shoes. 'These flats,' the fledgling asked wickedly, 'my dear, you don't like them?' "—The pipe stayed. The shoes too.)

If *tout* Washington expected Fenwick's *bon mots* to spice their breakfast reading they were set for disappointment. A confessed workaholic who rises at 5:30 a.m. (she rents "a four-room dump of a house half a block from the office") she is at her desk by 6:30. Her business day runs to about midnight and she attends evening functions only when convinced they're relevant to her work.

It was working the day shift in the House which next brought her to national attention. When Wayne Hays, then the powerful and feared chairman of the Administration Committee sought to feather the members' nests via increased expense funds. Fenwick's moral feathers were ruffled. She called for public debate.

Hayes unleashed his thunder. "If the Republicans think their expense allowance is too large," he shouted at her, "I can reduce it for them. I can strip them of their staffs."

"Mr. Chairman," the newcomer replied coolly. "I did not expect to hear threats . . . when an amendment is offered . . . in the hope that it will provide good government. I think we have heard something today for which we are all going to be sorry and ashamed."

Hayes stripped his remarks from the record but his provision passed.

Though columnist Mary McGrory wrote of Fenwick's "genuine courage," some House colleagues snickered and still think of her as naive. Once, appearing on "Meet the Press," Fenwick, who introduced the legislation that provides for the monitoring of the 1975 Helsinki Accords, was interrupted by the moderator who commented that she had twice used "a word that we don't hear very often on this show." The five-letter word that startled Bill Monroe was "honor."

It wasn't the word but the intensity with which Fenwick said it. Fair words dribble from politicians' lips like so many frogs masquerading as princes. But when Fenwick speaks of honor and of justice (and she does often) one knows she means it; she is credible.

I first met Millicent Fenwick at 8 a.m. on a spring morning at Sears in Livingston, N.J., where she had been invited to speak to the employes and answer their questions.

She is tall and lean with a natural tendency to stride. Her gray hair is worn gently pulled back in a roll that would be dowdy on a less elegant woman: on Fenwick it translates as classic. She has a splendid laugh and keen gray-blue eyes that never entirely lose a certain sadness.

Meeting the citizens is an activity she relishes. (On a previous visit here, the manager tells me, she held her audience spellbound.) Many of those gathered in the lunchroom are her constituents; they know their Congresswoman from her biweekly newsletter.

Congressional newsletters are, as a rule, as distinctive as apartment leases. And make as good reading. Cranked out by staffers once or twice a year (more often when an election looms), they are heavily laced with pictures of the senator or representative receiving a pen or a plaque, cutting a ribbon or shaking hands. What little news there is seems preselected by computer to pat the sender on the back and not alarm the natives.

Then there is the newsletter which Fenwick writes herself every other week—simple, informative, personal reports that approach mini-essays—on global issues such as human rights and energy, but also reflections on volunteerism; about a stimulating university debate she attended or provocative testimony (unreported elsewhere) given before a subcommittee on which she serves. Or about a book she's just read. The style is serious but straightforward, peppered with quotes from Whitman and Yeats, urban planner Jane Jacobs and philosopher William James, Woodrow Wilson ("The business of government is justice.") and Mark Twain ("Congress is the only clearly defined American criminal class.")

On this morning—speaking extemporaneously as always—Fenwick shared her frustration over a problem that had come to her in the mail. A man in her district, whose mother is a Medicaid patient in a nursing home, was distraught after learning that her visits home every Sunday would have to stop. According to federal regulations, no patient could be absent from facilities more than 18 days a year—even if their health permitted.

"Perfectly ridiculous! I couldn't believe that a program designed to help people was acting in such a cruel and arbitrary way. Who does it harm if grandparents can get out to church or to see their grandchildren or to visit their friends? No one! The family benefits. So does the nursing home; they can rotate their staff. And it isn't going to cost the taxpayers a dime.

"The agencies are out of control," Fenwick said, her voice rising. "They are becoming the enemies of the people. . . . Please, if you have parents in nursing homes, write to me. Write to me, it will strengthen my hand."

Fenwick had heard from her constituent at the end of February. The following week HEW Secretary Joseph Califano heard from her. When we talked in April in her district and again in July in Washington, she still had received no answer. She had been in touch with others in the department and was searching for new contracts, asking regularly of sympathetic sources, "Isn't there anybody in HEW with a heart?"—and springing into action with each new name.

Finally on a Wednesday morning in September, her patience at an end, she called one of Califano's top aides and announced she was going to the press. On Friday, the 18-day regulation was lifted.

It is typical of Millicent Fenwick, who wears her own good heart on her sleeve, that while pleased with the final result of her action, she resented having to issue a threat.

"I hate people throwing their weight around," she says sternly. But she brightens quickly, claps her hands like a schoolgirl, and tears into a description of a new bill she's introduced that would provide an alternative for the 400,000 persons now in nursing homes (under Medicare or Medicaid) who don't need round-the-clock supervision or nursing care of any kind.

"They simply have no other place to live. And the expense to the public is considerable: in New Jersey, it runs between $900 and $1,200 a month for each person in an institution.

"Suppose we took half and, holding to the same requirements, gave it directly to the people themselves as a tax-free stipend. With an extra income of $6,000 a year, they might be able to live with family and a social worker could visit monthly to make sure all is well. For those with no relatives, I have a picture of two wonderful old girls in a two-bedroom apartment and a wonderful old boy living together with a combined tax-free income of $18,000 a year.

"My only worry is those who want the government to use the money to hire homemakers. It's all wrong! If we're going to talk about the dignity and independence of old age, let's give that money directly to the people who need it—and not fuel one more group of what Herman Badillo calls "poverticians."

Fenwick feels confident that demonstration projects will eventually prove her case. But another pet bill—which would clip House members of their cut-rate barbershop and beauty salon, turning the establishments over to private contractors—may not fare as well.

"Can you imagine," she says, her voice trembling with indignation, "25 hairdressers for 18 women? And the women voted for it. Every single darn one of them. It broke my heart.

"'This is not Buckingham Palace,' I told them. 'We should not have resident hairdressers.'

"(Rep. Morris) Udall said as long as the men have barbers, he didn't see why I was so excited. And besides the best lobbyist in the world told him to vote for it—meaning his wife. I'm fed up with that kind of patronizing!

"Someone added that the public comes in too. What of it? Why shouldn't they pay what everyone in Washington pays? We should see that the workers have decent health coverage and wages and charge enough to cover them.

"One Congresswoman testified that men were having permanent waves in the beauty salon so it wasn't just for women. God Almighty! You poor public!"

New Yorkers who witnessed Rep. William Green and Democratic challenger Carter Burden spend $1.5 million between them in a fight to represent the 18th C.D. (Manhattan) or read of William Woodward's unsuccessful race for the State Senate (estimated cost $500,000) may grow restless as yet another millionaire cries out for public financing of campaigns. But Millicent Fenwick can point proudly to a record of frugality.

"I never spent a dime until I ran for Congress—except for gas. When I was running for the Assembly, I simply went around to every meeting in sight. I'd always contributed to my local county party; so when my name was added to the slate, I was in all the brochures they sent out. I do no mailings of my own."

Planning to run for a third Assembly term, Fenwick lost all sense of proportion and forked over $37.50 for several hundred ball point pens marked "Millicent Fenwick, Assemblyman." She became Consumer Director instead and still has the pens.

"The biggest ill we still tolerate is large campaign contributions from special interests. I once asked a colleague, 'What are you going to do on the veto override tomorrow?' 'What do you think I'm going to do?' he replied. 'I took $58,000 from such and such a group; they want it' That's terrible!" And the Congresswoman's low voice takes on the rising rumble of a kettle drum.

Fenwick's rules for her own Congressional campaigns are simple. "I will not accept gifts from business or professional or occupational groups of any kind. Whatever personal money my opponent spends, I will feel free to match with my own money. If my opponent accepts money from special interest groups, I am free to match that too from my own money—but I won't go beyond it." (Fenwick does accept contributions from individuals.)

Her first Congressional race cost $130,000; the second time she was determined she'd spend half, and did.

After she won nearly three-fourths of the vote last November, one local poll observed, "Who'd want to run against her?"

Which could mean that in 1980, Millicent Fenwick—who believes fervently that "Waste is a sin"—will again happily limit her campaign budget to fueling up her light-blue Chevy and driving off to every meeting in sight.

A REPRESENTATIVE SAMPLER

On Congressional opposition to abortion:

I respect right-to-lifers but the Hyde amendment (which strictly limits the use of Medicaid funds for abortion) is not respectable. Nor is Mr. Califano's jaunty contemptuousness of the needs of poor women. . . . I think it's a psychological thing. Men have so little to do with pregnancy after all and they can't bear to have their plans frustrated.

On women and politics:

I detest group judgments—women do this, men do that; Jews do this, black do that. It offends me. But I've observed that women in political office have more common sense than men do. They are not crazy about filling organizational charts with expensive directors and sub-directors and assistant directors, each with an office, secretary, telephones, pension and health benefits, etc. They care less about a huge program with their names on it than a program that will work. . . . I remember when President Kennedy said we must go to the moon. Well, if a woman had been President, we might now have garbage recycling in every county in this nation. We still don't know what to do with waste. . . . Maybe when women get into the seats of power, when we have a long theoretical past, and are accustomed to being the head of MIT, that will change. Maybe we won't be so damned practical.

On privacy:

I wrote about my pacemaker (the operation was performed in 1975) and it was the most popular newsletter I'd written. I suppose I should talk more about such things—but I have a sense of privacy. When I was young, you didn't even say someone was having a baby. Sex was a word that I had to train myself to say.

On male politicians:

I said to a man once, "You should never have put that man above that woman; she's far more able and has worked much harder." He said, "Oh, he's had business reverses; I had to help for psychological reasons." "What about her psychology?" I said, "How do you know she hasn't had a terrible divorce or her husband beats her?" It doesn't occur to them. They think men's problems are real and women's problems simply don't exist.

On youth and age:

I see photographs of myself, I don't feel very attractive, but I don't care. When you get to your 60s, the most glorious thing happens—you don't give a damn. People keep telling poor tortured teenagers that that's the happiest time of their lives. It's the meanest thing you can say. It's the most wretched time—you haven't found yourself; you don't know where you're going; you feel everything is an opportunity you'll miss. But now I go anywhere I want, I come home when I feel like it, I don't need an escort. It's the most marvelous freedom and nobody ever talks enough about it.

On Doonesbury:

Ever since Rep. Lacey Davenport (R-Calif.) began appearing in Garry Trudeau's Pulitzer Prize-winning strip "Doonesbury," Fenwick has been taping key episodes to the office walls.

Hollis McLoughlin, her administrative aide, finds the Fenwick-Davenport resemblance "hilarious," and reports staffers enjoy "being connected to a folk hero."

Fenwick herself paid little attention at first. "I was told she had a hat and an adoring husband;" I said, "It must be Bella." Later, when reporters pointed out that both she and Davenport serve on the House Ethics Committee, Fenwick took a closer look.

"I'm crazy about her. I see some of my comic side—he (Trudeau) must have heard me talk—and my unexpected ability to make myself felt as a Representative. Lacey's so candid and frank and so nice about giving a job to the woman (Joanie Cacus) who worked for her opponent. God. I like that woman but I don't dare call him up."

A MATTER OF CONSCIENCE

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, a number of my colleagues have taken the floor in the past to denounce trapping. In addition, on at least two occasions, an editorial entitled "Trapped" which was printed in the New York Times last month has been inserted in the RECORD. I take the floor today to offer a different point of view and one which looks at the facts, rather than the emotions, of the trapping issue.

I am formerly a trapper myself, so I am personally familiar with what is involved in running a trapline. It is not something that is done for fun, or to preserve an image of masculinity, or to deliberately inflict harm on animals. Trapping is a valid game management tool that is recognized by wild life managers throughout the Nation. In my State of Alaska, where we have many full-time trappers, furs are sold in order to earn a living; without them, there would be no money for clothing, heating oil, tools, et cetera. When traps are used and set properly, they catch animals without harming the pelt; death is inflicted in the most humane way possible by the trapper. Under proper State regulation, traplines must be checked frequently enough so that the horror stories we hear of animals chewing off the trapped leg do not occur. Frankly, trapping is as humane, if not more so, than the daily slaughter of cattle and hogs, which we all depend upon for our meat.

Finally, let me answer a final criticism that is frequently made that trapping will harm endangered species. The Endangered Species Scientific Authority which was established by the Federal Government to monitor U.S. actions under the Convention on International Trade in Endangered Species, has found that lynx, a commonly trapped species in Western States, is being subject to increasingly less trapping pressure and may in fact be increasing in numbers.

The following editorial, published in Tempo, the official magazine of the Fur, Leather, and Machine Workers Union, serves as an excellent rebuttal to the New York Times article. I ask that it be inserted in the RECORD.

The text follows:

A MATTER OF CONSCIENCE

The leaders of the fur union are continually confronted by the challenge as to whether they can justify their attachment to an industry that depends for its existence on the consumption of the skins of furbearing animals—particularly when they are obtained by trapping. After all, the fur union has a long tradition of concern for humanity—whether in the form of the struggle for full equality or the fight for peace. How, then, can such a union and its leaders be associated with inhumanity toward animals?

The latest example of this challenge comes in an article on the Op-Ed page of the New York Times of February 13 by John B. Oakes, the former Senior Editor of that paper. The article is entitled "Trapped," and it paints a vivid picture of the suffering endured by animals caught in the steel leg-hold trap—the target of legislation in a score of states and Congress.

Now, Mr. Oakes, is a fine, well-meaning, liberal individual. And yet, having said this, we must add that in this case, he has accepted at face value the unsupported claims of those who seek to eliminate the fur industry.

Does this sound exaggerated? Not at all! The anti-fur forces make no bones about the fact that even if a substitute for the steel leghold trap could be found, they have no intention of allowing the fur industry to live on happily ever after. They feel that it has no place in our society and that its thousands of workers had better be retrained (we almost said recycled) for other pursuits. Nor is this blanket condemnation limited to trapped furs. They complain of the cruelities inflicted on ranched animals as well. And when it comes to promoting the sale of "fake furs," they make no distinction between leopard, mink, racoon, or muskrat.

Here are a few additional facts for Mr. Oakes to consider:

Every responsible wildlife manager in this country affirms that trapping is an essential tool for proper wildlife management and that at the present time, there is no workable substitute for the steel leghold trap.

The fur industry is one of the few institutions in our society that has provided funds for research into the possibility of developing a substitute for the steel leghold trap—so far to no avail.

None of the furbearing animals that are trapped in the U.S. are in any danger of extinction. On the contrary, experience has shown that the commercial acceptability of a fur skin is the best guarantee that the specie bearing it will be nurtured and developed. Before red foxes were economically desirable, the species in New York State were at a low point, both in numbers and in health, and trappers had to be hired by the state to harvest the population. Today, now that long-haired furs are popular, red foxes are in abundance and the strain is healthier and sounder. In short, furs, like grown foods and others of nature's bounties, are a renewable resource and the health of their bearers depend upon sound harvesting procedures.

We humans have altered nature by paving the animals' habitat for airports, stadiums, and housing developments. We cannot now, as the animal protectionists would have us do, "let nature take its course" and permit the animals to fend for themselves. Nature has far crueler remedies than the leghold trap—hunger, disease, and the incursions of predators. We would remind Mr. Oakes and all like-minded, well-intentioned individuals that unobserved animal death is no more humane than that which we see, and that we know of no case of a wildlife inhabitant dying of old age.●

H.R. 2565—A CALL FOR COUNSELING ASSISTANCE FOR OLDER AMERICANS

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. PEPPER. Mr. Speaker, the lack of Government support for counseling of the elderly might lead an observer to believe that Congress had in its files a series of studies showing that although it sounds good, counseling is not necessary. But research reveals that precisely the opposite is the case: Counseling can and does make a significant difference in the life of the older person.

As chairman of the House Select Committee on Aging, I have come to learn that the loss of income, status, companionship, mobility, and physical well-being that occur as part of the aging experience requires numerous adjustments if emotional and physical health is to be promoted and maintained. Loss is a predominant theme in later life. Unfortunately, a rapid succession of losses can leave older individuals with unresolved grief, and a sense of emptiness or helplessness. For this reason, it should come as no surprise to learn that mental illness is more prevalent among the elderly than among younger populations. Research reveals that 15 to 25 percent of older persons have significant mental health problems. Despite these astounding statistics, experts agree that 80 percent of the elderly requiring mental health services do not have their needs met through existing resources. Furthermore, although the over-65 comprise about 11 percent of the population, at best only 4 percent of patients seen in community mental health clinics and only 2 percent seen in private clinics are in this age group.

Although the need for effective action seems compelling, it is the sad truth that older persons historically have not received and still do not receive the counseling services they require. According to "Counseling the Aged," the first training syllabus for counseling professionals released recently by the American Personnel & Guidance Association, counselors in the past have typically not devoted much effort to working with older persons. Obstacles which likely contribute to the counselors lack of involvement with the elderly include the culturally conditioned belief that working with the elderly is an inefficient use of time because they are destined to "senility," they are resistant or unable to change, or they are likely to die soon and time is better spent on younger people who can make more substantial contributions to society.

Sadly, a reluctance to work with older persons is also reflected in our Nation's curriculum of counselor education programs, until recently, few counselor education programs addressed the needs and life experiences of the elderly. A 1975 national survey revealed that only 18 out of 304, or 6 percent, of counselor education training programs even offered elective courses in counseling the elderly.

The reluctance on the part of the counselor and the educator to deal with older persons is an endemic aspect of life in which elderly are relegated to a secondary or inferior status with respect to their health care, unemployment, social, recreational, education and cultural needs. In fact, many of the problems faced by older persons are directly or indirectly related to the attitudes and behaviors of the rest of the Nation's population.

Frequently, as a result of these attitudes and behaviors, older persons come to perceive themselves as helpless, worthless, nonproductive, and dependent on society. These self-perceptions are reinforced by their concerns over health, fear of crime, fear of loneliness, finances, boredom, lack of independence, and being rejected by the young.

Depression is a major problem among aging Americans and the suicide rate of those over 65 is substantially higher than for other age groups.

It is important that we realize that these problems will continue to become more and more widespread in the years to come as the percentage of the population that is over 65 increases and as changing social and economic patterns result in earlier retirement, thus accelerating the point at which Americans confront these problems.

The solution to many of these problems is to provide older persons with professional counselors and support personnel who are trained in human relationships and who have the skills and abilities to help older persons to see that they still do count and that they are capable of leading rich full lives.

Therefore, Mr. Speaker, on March 1 I introduced H.R. 2565 which can be referred to as the Older Persons Comprehensive Counseling Assistance Act of 1979. This legislation would make badly needed counseling more available to older Americans by authorizing an appropriation of $45 million to provide grants to the States for counseling assistance for the fiscal year 1981 and each of the succeeding four fiscal years. These grants would be made by the Commissioner of the Administration on Aging, for distribution to State and area agencies on aging for support of agency counseling assistance to the elderly.

These programs would include initiation and development of counseling assistance outreach programs for the elderly; preretirement counseling programs and job placement services; counseling programs for elderly persons preparing for a change, or second career; counseling programs for elderly persons seeking postretirement employment or opportunities for volunteer services; referral services, including psychological, health, educational, cultural, social, transportation, nutrition, and retirement and social security services; providing professional, trained counselors. skilled in problems of the aging and aged for program coordination and leadership functions in local, State, and Federal agencies implementing the provisions of this Act; providing for counseling for families of sick or disabled elderly persons, with emphasis on the families of persons who are entering, residing in, or leaving skilled or intermediate care nursing or convalescent homes; activities designed to bring the needs and problems of elderly persons to the attention of the communities in which they reside and the public as a whole; and the activities of area agencies in the development of State plans.

The bill authorizes an additional $20 million for fiscal year 1981 and each of the succeeding 4 fiscal years for the purpose of providing preservice and inservice training of professional counseling and support personnel. These funds will be granted to postsecondary education institutions, area agencies on aging, and appropriate State agencies for the training programs.

Finally, the bill would authorize an appropriation of $15 million for the 1981 fiscal year and each of the succeeding 4 fiscal years to provide for a program of demonstration and evaluation to be carried out by the Commissioner of the Administration on Aging. These funds would be granted to identify existing effective practices in counseling older persons by a thorough examination of the state of the art in counseling older persons; identify where further development is needed in providing effective counseling services for older persons; promote demonstration activities in counseling older persons through the encouragement of pilot projects and the publication of developments in multipurpose facilities and delivery systems and counseling approaches designed specifically for the elderly; provide for the communication of proven effective and efficient counseling programs for counseling older persons especially in the areas of continued education, leisure time activities, paid or unpaid employment, and vocational retraining; insure that older persons are aware of and can make use of the services available to them in the community; and develop model training programs at the preservice and inservice level for professional counselors and support personnel. The money would also be used for such programs as identifying more effective methods for the training and retraining of counseling personnel working with older persons; innovative techniques for, and approaches to counseling older persons; identifying effective methods for communicating information on how to develop programs for counseling older persons that meet the needs of the persons served and the staff in the setting; identifying more effective methods for integrating counseling services into already existing services for the elderly such as legal services, health and nursing care agencies, retirement and social security service, employment services, volunteer services, and recreation facilities; and development of multimedia materials which provide information on such areas as availability of work options for older persons, location of community services, availability of and function of counseling services, and coping with problems common to many older persons.

In addition to these authorizations, the bill also requires that the Commissioner of the Administration on Aging, through the National Information Resource Clearing House for the Aging, collect, analyze, and disseminate information related to the provisions of counseling services for older persons.

In order that we might now begin to serve those that will otherwise not be served, I urge my colleagues to join me in sponsoring this important legislation.

Last, Mr. Speaker, I would like to acknowledge the very special contributions made by the American Personnel and Guidance Association in guiding the direction of this legislation. Also, I would like to share with all those interested the foreword and introduction to "Counseling the Aged," prepared respectively by Robert N. Butler, director, National Institute on Aging, and Mary L. Ganikos, editor of the syllabus and director of the special training project on Counseling the Aged. I ask that these be inserted in their entirety at this point in the RECORD:

"COUNSELING THE AGED"—A TRAINING SYLLABUS FOR EDUCATORS

FOREWORD

(By Robert N. Butler, M.D., Director, National Institute on Aging)

The American Personnel and Guidance Association has made a significant advance in the field of counseling by providing training materials for working with the aged. Until recently, most counselor education training programs did not address the needs of the elderly. The development and dissemination of these training materials will do much to overcome this deficiency and more important, provide a model for improving the quality of training of counselors who work with the aged.

Old age is a period of many changes in physiological, behavioral, and social status. These changes often occur rapidly and may have profound immediate as well as long-term effects upon children and grandchildren. The complexity and profundity of aging is one of the reasons that gerontology is such an exciting and challenging area for research. Our lack of understanding of the aging process and society's lack of preparation for the growing numbers of elderly has led many service providers, including counselors, to avoid working with the aged because their problems appear so overwhelming. This sense of futility is augmented by ageism, an individual and societal fear of growing older that is expressed in stereotypes and prejudice against the elderly in many areas, including employment and the availability of services. The APGA's effort to confront the issues of aging augurs well for an improvement in the elderly's self-image and in society's attitudes toward the old.

The Model Training Syllabus is comprehensive and recognizes the need for special attention to the postretirement period. Preretirement counseling has value, but it must be supplemented by retirement counseling services for those who have already retired. Special consideration is also given in the syllabus to the unique problems of minorities, to group as well as individual counseling, and to various social and health policies that affect older people.

The contributors to this project include some of the most experienced people in the field of counseling. I am delighted to see the APGA take leadership in focusing this collective expertise on the needs and problems of the aged. This effort should point up the facts that the aged need to have counseling services available to them, that one can benefit from counseling regardless of age, and that more qualified counselors are needed to work with older people.

* * * * *

INTRODUCTION

(By Mary L. Ganikos, Ph. D.)

Older people historically have not received and still do not receive their fair share of counseling, mental health, and social services. For example, only 4 percent of people seen in community mental health clinics are 65 and over (Cohen 1977). The term "reluctant therapist" coined by psychologist Robert Kastenbaum in 1964 continues to portray most service providers in that they have devoted little attention to the psychological, social, and basic life-coping needs of the elderly. Operating under the "YAVIS syndrome" (Schofield 1974), mental health workers have spent their energies on the young, attractive, verbal, intelligent, and successful; a rather elite group that by design excludes the older person. Most counselors have traditionally offered their services in the school setting—the population of which seldom includes the older person.

Despite more recent and deliberate efforts of counselors to extend services to increasingly diverse subgroups within the population, including the incarcerated, the handicapped, minorities, and women, and to train for and secure employment in nontraditional settings, counselors still have a disproportionately low number of older people among the clientele. To use terms from Module I, whether this situation arises from "benign neglect" or "overt discrimination" (p. 3), the result is the same: the counseling services available to the elderly are in no way as great as their needs.

The practitioner's lack of involvement with the elderly has been attributed to various obstacles, many of which reflect the basic values of society. Among these obstacles is the belief that working with the elderly is an inefficient use of time because they are destined to "senility," they are resistant or unable to change, or they are likely to die soon and time is better spent on younger people who can make more substantial contributions to society.

Further, many professionals may be personally uncomfortable with older people. Counseling the elderly may constantly remnd the helping agent that s/he, too, is aging and will someday die. A counselor who has not resolved his/her own fears about the aging process obviously will not be able to provide the quality of services and atmosphere necessary for client growth to take place. When counselors' attitudes and fears about aging even partially impede the older person's realization of his/her capacity for growth, the irony is that the facilitators themselves become obstacles. Counselors need to examine their own feelings, identify their biases, and come to terms with their fears about aging. As Module VII stresses, an initial and crucial step for anyone preparing to be a counselor of older people is to "know thyself."

Contributing to the practicing counselor's lack of involvement with the elderly is the almost total absence of gerontology in the curriculum of counselor education programs. Until very recently, few preservice training programs in counselor education offered students classroom or practical experience in counseling the elderly: A 1975 national survey (Salisbury 1975) revealed that only 18 out of 304 (about 6%) counselor education training programs even offered elective courses in counseling the elderly. Similar deficiencies are apparent in the *National Directory of Educational Programs in Gerontology* (Association for Gerontology in Higher Education 1976). A practitioner whose academic training included little or no experience with older people is unlikely to direct his/her professional efforts toward this population. The dearth of aging-related instruction conveys to students a subtle but more detrimental message: that the period of older adulthood is of little importance. This continued exclusion mirrors and perpetuates society's values that relegate the older population to an ignoble status.

Paralleling the reluctance of the practitioner and the educator to deal with the elderly is the reluctance of the older client. Most of today's older people do not actively seek counseling and mental health services. A number of reasons may explain this. During the formative years, individuals develop a basic value system, internalizing the values of the society. When the values of today's elderly were being formed, engaging in counseling or therapy was viewed by society with disapproval in contrast to more recent times when obtaining such professional assistance is viewed more favorably as a normal response to a problem. From this historical perspective, it is not surprising that few older people seek professional assistance for personal or interpersonal concerns.

Older people may also hold the culturally conditioned belief that they should be mature enough to handle their own problems without counseling; that they would be considered by others as less capable or independent if they engage in counseling; and that by accepting counseling assistance, they might be taking the initial step on the road to institutionalization. Additional and more concrete deterrents include the cost of therapy and the lack of access via inexpensive and convenient transportation. Furthermore, older people may be unaware of the existence and array of available psychosocial services, particularly counseling. Since the early 1900s, the counseling profession has grown from providing primarily academic and vocational services to providing a variety of therapeutic services of a more psychosocial nature in a variety of nonschool settings. If older persons are not aware of these developments, they cannot be expected to seek the assistance of a counselor for personal and interpersonal concerns.

Given this triad of the "reluctant therapist" (Kastenbaum 1964), the reluctant educator, and the reluctant client, it is not surprising that older people do not receive their fair share of counseling and mental health services. At the same time, older people are subjected to far more than their fair share of life challenges that threaten their sense of well-being and adaptation. Throughout this syllabus the reader is reminded that old age, like other periods, is a developmental stage of life with tasks to master, skills to acquire, and transitions to make. In this sense little difference exists between old age and any other age as all involve development and adjustment. In sharp contrast with earlier life periods, however, the latter stages of life involve numerous adjustments to losses.

Although people of all ages experience losses, during the last stage of the life cycle, losses are ubiquitous and become particularly difficult when experienced simultaneously or in rapid succession. "Losses in every aspect of late life compel the elderly to expend enormous amounts of physical and emotional energy in grieving and resolving grief, adapting to the changes that result from loss, and recovering from the stresses inherent in these processes." (Butler & Lewis 1973, p. 29). An older individual may be forced to adjust to loss of work, income, status, choice, designated and valued roles, social contacts, participation in society, home, physical health, mobility, spouse, loved ones, and friends. Any of these losses experienced individually are difficult; encountered in multiples as they frequently are, they stress one's ability to adapt and compound the normal difficulties of daily living.

Given this array of real and potential losses and crises, the need for the counselor with specialized training in working with the elderly is clear. Contrary to stereotypical belief, research indicates that the older people do benefit from effective, timely, and even modest counseling and psychotherapy, that they have an enormous capacity for change, and that the presence of a confidant in the life of an older person helps mitigate against the negative effects of transitions such as retirement or widowhood (Lowenthal & Haven 1968).

Many of the roles a "gerocounselor" (Module X) will need to assume and many of the functions s/he will need to perform may seem at variance with those traditionally characteristic of the counselor. But many of the older people the counselor will see are suffering not from "intra-psychic" difficulties, but from real problems of daily living. Sixteen percent of the elderly, for example, live below the poverty level (DHEW 1977); 30 percent live in substandard housing (Dovell & Van Horenbeck 1978), and less than 28 percent of the elderly who are eligible for food stamps are receiving them (Butler 1975). A person who is hungry, no doubt, has little immediate concern for self-actualization. No counselor, no matter how skilled, can hope to eliminate depression or anxiety without also helping to resolve some of these debilitating conditions that may contribute to or cause depression or anxiety.

Counseling with the elderly, however, must not be limited to crisis- or problem-oriented interventions, but should emphasize preventive and developmental strategies as well. The opportunities for counselors to assist older people to make positive goal-oriented plans for the future are great, particularly in view of the increasing life expectancy and earlier retirement trends. Within a developmental and preventive counseling context older people and future generations of older people can more realistically look forward to rich and fulfilling later years.

The potential for all counselors, even those who work with the very young, to directly or indirectly assist older people should not be overlooked nor underemphasized. Promoting positive attitudes about aging, introducing gerontology in public school curricula, encouraging lifetime planning, helping people to establish healthy coping skills and to adjust to change are among the many ways counselors who work with people of any age can meet their challenge of promoting the development of today's and tomorrow's elderly.

Who are the elderly?

To design training materials directed at a particular subgroup, the parameters of that subgroup need to be identified. Recently, there has been much controversy among specialists in aging as they attempt to adequately identify the elderly. Even in Federal legislation, old age is not clearly defined and has begun at 55 (CETA), 60 (the Older Americans Act), and 65 (Social Security, and Medicare). Of late, gerontologists have been rejecting a strictly chronological definition of old age, arguing that factors other than birthdays are more salient in the determination of an individual as old. Such factors include but are not limited to measures of physical functioning, employment status, life tasks or adjustments, and self-perception, as well as the interaction of these and other variables. Increasingly prevalent in the vocabulary of gerontologists are the terms young-old, middle-old, and old-old, used to make finer delineations within the older population.

Despite the variety of opinions and the minimal consensus on the definition of the term aged, some mention needs to be made regarding the people about whom this syllabus is written as it would be clearly inappropriate to develop training materials about an unidentified population. Although it is impossible that any one definition of the elderly will be acceptable to all counselors, no less persons in other disciplines or the elderly themselves, the following concepts should help to identify the population about whom this syllabus is written and provide a backdrop for the use of these training materials. The interaction of the concepts of developmental transitions and chronological age seems to present one viable paradigm that counselors can employ to identify the elderly. Accordingly, the population representing the focus of these training materials are those who are experiencing, in large part, the development transitions that are more characteristic of old age than of any other period, and are over 60 years old.

Although it seems worthwhile to identify parameters that lend direction to study, training, and practice, exceptions must be made to accommodate individual differences and societal and cohort changes. The trend toward early retirement, for example, may lower this figure while the recently passed legislation banning most mandatory retirement might have reverse effects. Furthermore, because of poor health and socioeconomic conditions, many minority elderly do not reach their 60th birthday, and may experience "old age" at a much younger chronological age. Any definition of the elderly is only useful for the aggregate, not for any one individual.

The modules: An overview

The knowledge and skills counselors acquire to work with the general population apply to the older population. The counselor of the older adult first needs general training in the basics of counseling including but not limited to training in principles of guidance and counseling, theories of personality and development, counseling techniques, consultation procedures, group counseling, tests and measurements, career development, research, and so on. These and similar courses representing the core of counseling are already part of counselor education programs and are not the focus of this syllabus. The materials provided here are not a substitute for but a complement to the core curriculum and provide information and guidelines for the educational experiences of those training to become counselors of older people.

When preparing to be counselor of the elderly, the student needs a cognitive understanding of the demography and dynamics that make old age different from other developmental periods. Modules I through V provide an overview of this kind of information: demographic characteristics of the older population that have particular relevance to counselors are covered in Module I, and the developmental transitions of old age are introduced in Module II and addressed in detail in Modules V–B and V–C.

Interplay between physical and mental health is significant, and older adults experience numerous physical changes that require important adjustments. The counselor of older people, in contrast to the counselor of younger people, needs a greater understanding of the normal and abnormal physiological changes of his/her client (Module III).

Few theories of counseling or personality address the older person. Yet, effective counseling must be guided by a theoretical framework that permits mediated and orderly intervention and precludes trial and error or random counselor responses. Module IV presents an overview of the psychosocial theories of aging.

Because old age is characteriezd by multiple transitions, a theoretical perspective of the nature of transitions is provided in Module V–A. This model should enable the reader to better understand the transitions which are frequently encountered in old age subsequently discussed in Modules V–B and V–C.

It is important for the counselor to understand the unique cultural differences of elderly minorities and become sensitive to the compounded difficulties an older minority member may experience. Four minority groups have been represented in Module VI. Clearly, other groups warrant particular attention as well. Depending on the geographic region or the composition of the community, the professor and student may want to select other groups for study.

The first six modules provide information about later life that a student needs when preparing to be a counselor of older people. Once mastered, the student must be able to translate this information into action. Module VII suggests how basic counseling skills can be delivered in a manner consonant with the particular needs and values of the older population.

Older people themselves can be invaluable in the delivery of counseling services. Module VIII provides suggestions for the development of counseling programs using peer and paraprofessional counselors. Specific guidelines are included for selection, training, and evaluation of peer counselors.

Because most older people are unlikely to seek counseling assistance and because many counseling settings are inaccessible to the older person, counselors must extend their services to nontraditional settings. Module IX proposes such environments for the provision of counseling services. Guidelines for supervised practical experiences, a must for all counselors, are provided in Module X.

An important aspect of good counseling for the elderly is being aware of and developing an expertise in the procurement of available social services that can have a positive impact on stress-producing life problems. Further, as an advocate, the counselor must try to eliminate, through legislative means, some of the oppressive external conditions impinging on the lives of older people. Module XI provides an expanse of information regarding policy, issues, and the network in aging.

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NATIONAL ENERGY POLICY

HON. MELVIN PRICE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. PRICE. Mr. Speaker, under leave to extend my remarks in the Record, I include the following:

CONCURRENT RESOLUTION: NATIONAL ENERGY POLICY

Whereas five years after the Arab Oil Embargo, the United States has increased its dependence on the importation of foreign petroleum to the detriment of both national security and the nation's economy;

Whereas conservation, despite government policies encouraging and mandating such action, has not been able to keep pace with expanding energy needs and reduce our unacceptably high, from the standpoint of our national security and economy, requirements for imported petroleum;

Whereas other basic sources of energy are available domestically which could be utilized in place of a significant portion of our present use of the various petroleum fuels;

Whereas there are two such basic energy resources which possess all of the characteristics—magnitude of potential contribution, developed and demonstrated technology and the industrial capability—needed to increase their utilization without delay, except for bureaucratic interference and conflicting policies;

Whereas those two sources are coal and nuclear-fueled energy systems: Now, therefore, be it

Resolved by the House of Representatives and Senate of the United States of America in Congress assembled, That the President of the United States of America is hereby encouraged to adopt and aggressively carry out a policy for the accelerated utilization of coal and nuclear energy on the basis of the highest national priority in order to obtain the maximum contribution to our national security and economy.●

BIAGGI CONGRATULATES PRESIDENT CARTER FOR CONSUMMATE MIDDLE EAST ACHIEVEMENT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. BIAGGI. Mr. Speaker, I was proud to be among those who attended yesterday's historic signing of the first Israel-Egypt peace treaty on the front lawn of the White House. At this time I wish to extend to the President of the United States my warmest personal congratulations for an unparalleled achievement and contribution to the cause of world peace.

Risk taking is inherent to peacemakers. President Carter subjected himself to considerable political and personal risks in his various trips to the Middle East in pursuit of peace. The potential for failure was quite strong. Yet President Carter exhibited a combination of courageous leadership and personal conviction which led to the treaty signed yesterday. Nothing less than the personal commitment of the President of the United States could have achieved this.

The dedication to peace was also characteristic of the leaders of Israel and Egypt. President Sadat and Prime Minister Begin exposed themselves to political risks in working for this agreement, and unfortunately the signing of the treaty does not signal the end of their ordeal. Yet the simple fact is—the interest of peace on all sides prevailed over the risks and consequently peace has been established between Egypt and Israel and peace in the Middle East is closer today than at any time in recent memory.

Obviously, the security of Israel is a major concern to the United States. The Middle East treaty promises Israel her greatest sense of security since her establishment as a modern state in 1948.

The enforcement of the peace will take time and a determined effort by all sides. Yet, with yesterday's signing ceremony, a significant first step has been achieved. The courage of the three men who lent their names to the accord must be rewarded by the peace being a durable one.

Monday, March 26, will be remembered as a day of peace in Washington and the world. The ceremony yesterday ushered in a new and unprecedented commitment to peace in the Middle East. Let us pray that the hopes of Prime Minister Begin that there be "no more war, no more bloodshed, no more bereavement" do indeed come to pass and that this and all future generations of Israelis can live in peace.●

LIMITS ON GOVERNMENT GROWTH

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. ANDERSON of Illinois. Mr. Speaker, I am introducing today the Limits to Government Act of 1979. The bill, as its title suggests, is designed to set limits on the growth of Government.

There is no future in believing that we can allow Federal expenditures to rise indefinitely as a percent of national output. There is still less future in permitting deficit financing to become a legislative norm.

In view of the enormous popular support for economy in Government, it is the responsibility of this Congress to undertake measured, deliberate steps aimed at imposing a stricter discipline on the budget process. Without such discipline, our spending decisions will continue to be made in vacuo, without properly addressing the broader budget concerns represented by the aggregates.

The Budget and Accounting Act of 1921 and the Congressional Budget Act of 1974 were both intended to focus greater attention on the budget aggregates and thereby limit the growth of Government. But both have failed. As before, economy in Government remains more afterthought than forethought.

If this shortfall is to be corrected it is imperative that attention be directed to the aggregates at the very outset of the budget's formulation. At the same time, it is important that we set up institutional safeguards against unwarranted deficit spending or increases in Government outlays. The Limits to Government Act provides such a framework.

First, the bill amends the Budget and Accounting Act to require the President to submit a balanced budget that limits outlays to 20 percent of the estimated fiscal year GNP. Consistent with his constitutional authority to do so, the President can later recommend additional outlays. But first, the President must submit a balanced budget to the Congress.

Second, the bill overhauls the Congressional Budget Act. Concurrent budget resolutions are divided into separate resolutions: A spending resolution and a budget resolution. The spending resolution, which is acted upon approximately 1 month in advance of the budget resolution, sets overall spending and revenue targets. The level of outlays specified in the spending resolutions establishes a spending ceiling for the subsequent budget resolution. A three-fifths majority is required for the adoption of the first concurrent spending resolution if outlays exceed either recommended revenues or 20 percent of the estimated fiscal year GNP. Subsequent spending resolutions could later increase the aggregate level of outlays as specified in the first concurrent spending resolution, but only by a three-fifths vote of both Houses.

The budget resolution, which cannot be acted upon until the adoption of the spending resolution, sets forth spending targets for each of the functional categories as does the present budget resolution.

Because the Limits to Government Act is a statutory provision, rather than a constitutional limitation, it is subject to review and modification by a subsequent Congress. I think it is appropriate to allow Congress to discover by careful experimentation the most efficacious means of imposing fiscal discipline on the budget process. The Limits to Government Act provides such an opportunity. I hope my colleagues will give it careful review. I insert at this point in the RECORD a brief summary of the bill:

THE LIMITS TO GOVERNMENT ACT OF 1979

SUMMARY

Declarations of congressional policy

The bill states that it is the responsibility of the Federal government to:

(1) limit Federal outlays to no more than 20 percent of the estimated gross national product, except in war or other national emergency, and to seek further reductions in spending levels whenever appropriate;

(2) annually review the tax code to determine whether Federal tax rates or laws are unduly restricting the supply of savings, investment, and labor; and to enact such reductions as are needed to promote the optimum employment of the nation's human and material resources; and

(3) balance the budget by fiscal year 1982, and thereafter to promote a balanced budget as a matter of national policy, subject only to war or other national emergency.

Provisions

Title I amends the Budget and Accounting Act of 1921 to require the President (effective December 31, 1981) to submit in his or her annual budget message:

(1) an estimate of the gross national product for the fiscal year;

(2) recommended outlays, not exceeding 20 percent of the estimated gross national product or the estimated revenues for that fiscal year;

(3) a ranking of the President's budget priorities; and

(4) a separate report identifying those tax reductions, if any, that are needed to reduce estimated revenues to 20 percent of the estimated gross national product for that fiscal year.

Title II amends the Congressional Budget Act of 1974 to divide concurrent budget resolutions into separate resolutions: a spending resolution and a budget resolution.

The *Spending Resolution* sets forth: 1) the aggregate level of budget outlays and new budget authority; 2) the surplus or deficit (if any); 3) the recommended level of revenues; 4) the apropriate level of public debt; and 5) the amount if any by which outlays or revenues exceed 20 percent of the estimated gross national product.

The *Budget Resolution* sets forth (consistent with the ceilings established by the Spending Resolution) an estimate of budget outlays and an appropriate level of new budget authority for each major functional category, for contingencies, and for undistributed intragovernmental transactions.

A *three-fifths vote* is required for the adoption of the first concurrent spending resolution if the aggregate level of outlays exceeds either recommended revenues or 20 percent of the estimated gross national product. Subsequent adoption of any spending resolution that increases the aggregate level of outlays specified in the first concurrent spending resolution must be approved by a three-fifths vote.

The following timetable is established for the consideration of budget and spending resolutions:

February 15.—Committees and joint committees submit reports to Budget Committees for purposes of first concurrent resolution on spending.

March 1.—Congressional Budget Office submits report to Budget Committees for purposes of first concurrent resolution on spending.

March 15.—Budget Committees report first concurrent resolution on spending to their Houses.

March 15.—Committees and joint committees submit reports to Budget Committees for purposes of first concurrent resolution on the budget.

April 1.—Congressional Budget Office submits reports to Budget Committees for purposes of first concurrent resolution on the budget.

April 10.—Congress completes action on first concurrent resolution on spending.

April 15.—Budget Committees report first concurrent resolution on the budget to their Houses.

September 15.—Congress completes action on second required concurrent resolution on spending.

September 20.—Congress completes action on second required concurrent resolution on the budget.

The effective date of the above provisions is December 31, 1980.●

THE U.S. LABOR PARTY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. McDONALD. Mr. Speaker, the controversial U.S. Labor Party, that is sometimes known by its original name, the National Caucus of Labor Committees, continues to attract the attention of people from a wide political spectrum. The question most often asked is, "Who does the U.S. Labor Party really work for?"

There are no definitive answers.

We know of the U.S. Labor Party's collaboration with the intelligence services of the Soviet Union and of East Germany, as well as their more recent united front with Liberty Lobby. Nevertheless, this bizarre and enigmatic group continue to operate behind a cloak of mystery.

A former member of this group who now describes himself as a "democratic socialist," Gregory Rose, has published an article in the March 30 issue of National Review which raises a variety of points that demand further and in-depth investigation. Unfortunately the FBI has closed its case on the U.S. Labor Party, and we no longer have a House Internal Security Committee to undertake the necessary investigation.

While I recommend that my colleagues read this article, I must suggest that they consider the bias of the author. While some of the information detailed by Mr. Rose is consistent with evidence that I have obtained independently, only a full investigation could document all of the material that he presents.

The article follows:

THE SWARMY LIFE AND TIMES OF THE NCLC

(By Gregory Rose)

You meet them at a Republican club meeting, or a Chamber of Commerce luncheon, or a scientific conference. They are young (mid- to late twenties), well-dressed, well-groomed, well-spoken. They present themselves as being in favor of economic growth. They speak of energy produced by controlled thermonuclear fushion as "an absolute necessity if the human race is to survive the next quarter-century." They say that they represent the Fusion Energy Foundation and need contributions from conservative businessmen who understand the need to oppose Ralph Nader and the "eco-freaks who threaten the growth of U.S. industry." They sound good. You give them a check.

What they do not tell you is that the Fusion Energy Foundation (FEF), recently and incredibly granted tax-exempt status, is a front for the National Caucus of Labor Committees (NCLC) and its electoral arm, the United States Labor Party (USLP), a self-styled Marxist organization with intimate ties to groups as disparate as the Soviet Mission to the United Nations, the Palestinian terrorist movement, and Willis Carto's Liberty Lobby.

They also do not tell you that your contribution will fund NCLC/USLP propaganda, as well as some of the group's other, equally dubious, undertakings. Nor do they tell you that, not long ago, the NCLC undertook a major campaign to penetrate and influence conservative organizations nationwide.

Emerging originally as a faction of Students for a Democratic Society (SDS) during the 1968 Columbia University student strike, the NCLC has grown into an international organization with 1,500 to 2,000 members in the U.S., Canada, Western Europe, and Latin America. Another 1,000 to 1,500 NCLC supporters (called "periphery" by the organization) are grouped around various front organizations, including the U.S. Labor Party (and parallel organizations in other countries—the North American LP, European LP, and Latin American LP), the FEF, the National Unemployed and Welfare Rights Organization (NUWRO), the International Workingmen's Association (IWMA), the Labor Organizer's Defense Fund (LODF), the International Press Service (IPS), and the Committee for Fair Elections (CFE). Its newspaper is called *New Solidarity*. The NCLC, along with its fronts, is under the tight control of its chairman, Lyndon H. LaRouche Jr. (also known by his party name, "Lyn Marcus"), a former Trotskyite who has, in his more modest moments, described himself as "the American Lenin."

Discipline in the organization is strict, and dissenters from LaRouche's particular brand of orthodoxy are dealt with severely. Several

NCLC members were arrested in New York in January 1974 for allegedly kidnapping a dissident member and holding her against her will. (The woman later dropped the charges.) The personal lives of members are extensively regulated by the organization. Ties with family and former friends are discouraged. "Unauthorized" personal relations are forbidden. Activities as varied as marijuana-smoking and masturbation are expulsion offenses. Any activity that does not serve the NCLC's interest will generally result in the attention of the NCLC's equivalent of the GPU, the Security Staff.

In recent years the NCLC has distinguished itself from the legitimate Left in the U.S. by its ascriptions of all secular evils to the machinations of the Rockefeller family, its periodic predictions of imminent apocalypse (usually in the form of thermonuclear war), and its perfervid invective. Here is a small sample of the NCLC's rhetoric, from the editorial pages of its theoretical journal, *The Campaigner* (July 1975):

"The world stands on the threshold of the greatest dangers and the greatest promise it has faced in decades. Rockefeller will use any political loophole to try to clamp down his police terror regime. His vision is 1946: terror bombing of millions in Japan, massive European Communist Parties doomed to impotence, whole populations starved into submission. Again he aims to be lord of the rubble—the rubble of Brazil, Western Europe, and the United States."

Or from the December 1975 issue:

"At this moment, the human race stands closer to destruction than at any time in its history. The remaining loyal elements of the Rockefeller political-financial machine—which once bestrode the world like a colossus but now rages in the [*sic*] mortal terror of its impending extinction as a species—are determined to salvage what they can by bringing the world to the brink of nuclear war. Under present military-strategic circumstances, such desperate folly means the total thermonuclear destruction of North America and major destruction in Europe and the Soviet Union."

Among the allegations which have sprinkled the pages of *New Solidarity* are predictions of imminent worldwide famine and epidemics, all courtesy of the alleged Rockefeller "cabal." The means by which this impending doom may be averted have changed with the NCLC's line over the years; what has never changed is the necessity that the NCLC "seize state power within five years."

Those who publicly dissent from this world-view may find themselves, at some point, targets of the NCLC. An NCLC leaflet dated April 4, 1974 attacks various members of the New York AFL–CIO Central Labor Council as "homosexuals," "perverts," and "criminals." These unionists and their families were subjected to a campaign of obscene and threatening phone calls by NCLC cadres, orchestrated by the NCLC Security Staff in New York. Another NCLC leaflet referred to the president of a UAW local in Toledo in terms the mildest of which was "Woodcock-———." He and his family were also subjected to obscene and harassing phone calls. The father of an NCLC member, who is attempting to persuade his daughter to leave the organization, was greeted one morning by a hearse whose driver and attendant had been told "to pick up the body," an unmistakable threat. I have been repeatedly attacked in the pages of *New Solidarity* and have received threatening phone calls from NCLC members.

This world-view did not spring into being full-blown at the moment when the NCLC split from SDS. The NCLC was originally a New Left-dilettante study group; it first adopted violent tactics in the spring of 1973 with a series of physical attacks on the Communist Party U.S.A. and other left groups in an effort to prove itself more left than the Left. In the summer of 1973, the NCLC began organizing the now-defunct Revolutionary Youth Movement (RYM) among ghetto youth-gangs, primarily in New York, Newark, and Detroit. In 1974–75 the violence was extended to attacks on trade unionists. Local leaders of the United Auto Workers, United Steelworkers, United Mine Workers, and United Farm Workers, to name a few, were harassed and beaten.

In the summer of 1974 the NCLC held a military training school for selected members at a farm near the villages of Argyle and Salem in upstate New York. Among the subjects covered were explosives and demolition, small arms, small unit tactics, and military history. The explosives and demolition classes were taught by an NCLC technical expert who had been a member of the Puerto Rican terrorist organization MIRA.

Also beginning in 1974, the NCLC cultivated contacts with Palestinian terrorist organizations, particularly the Popular Front for the Liberation of Palestine (PFLP). A close liaison with the Iraqi Mission to the United Nations culminated in LaRouche's trip to Baghdad in the spring of 1975 at the invitation of the Iraqi Ba'ath Party (IBP) to meet with IBP and PFLP officials.

In the spring of 1975 the NCLC's focus began to shift from terrorist contacts to an interest in extremist right-wing organizations and, eventually, in responsible conservative organizations.

As early as September 1974 the NCLC was in contact with Ken Duggan, publisher of *The Illuminator* and head of a radical rightist organization in New York known as the Provisional National Government. An NCLC "Security Memorandum" from the spring of 1975 sets out the rationale for this turn:

"Our success in beating back the Fang's [i.e., Nelson Rockefeller's] Endgame Scenario [another NCLC prediction of thermonuclear war] shows the potential impact we can have among previously unpenetrated strata. Operations reports from our organizers in the field indicate growing sympathy for our "Impeach Rocky" campaign among right-wing circles. We must move to take advantage of this situation.

"Right-wing organizations offer four opportunities: 1) sources for fund-raising (especially related to our organizing); 2) political contacts to circulate our perspective in anti-Rocky political-financial-military circles; 3) opportunity to expose and discredit Rocky's Buckley-FBI-CIA penetration of the Right; 4) potential USLP members and periphery.

"Cadres should be firmly fixed on the politics underlying this move: the real enemy is Rocky's fascism with a democratic face, the liberals, and social fascists. We can cooperate with the Right to defeat this common enemy. Once we have won this battle, eleminating our right-wing opposition will be comparatively easy.

"This project will be given top priority. No one can be permitted to block on it. Locals and regions with existing right-wing contacts should TWX names to Security Staff as soon as possible, unless threat of harassment is too great. Scott [Thompson, an NCLC security officer] will coordinate this operation."

Thompson moved quickly to implement this "Security Memorandum." NCLC organizers in Delaware had made contact with Leroy Jones, an American Party leader who had run on that ticket for state senator in 1972 and state representative in 1974. While an article in the June 2, 1975 issue of *New Solidarity* emphasized Jones' alleged connections with the Socialist Party in the 1940s, it failed to mention his current (as of 1975) affiliation with the John Birch Society.* Jones was brought to New York to meet with members of the NCLC Security Staff, and a plan was hatched whereby Jones became the USLP candidate for governor of Delaware and a source of entree into right-wing circles.

In the June 16, 1975 issue of *New Solidarity*, Jones' call to "his former comrades in the American Party and other right-wing organizations to join with the Labor Party in its drive to impeach Vice President Nelson Rockefeller and to endorse the Labor Party's reconstruction program" was published. It read in part:

"I came into the U.S. Labor Party for action. The Right is divided. It has no national program. All I did while a member of the American Party was go from meeting to meeting. There was never discussion of what really had to be done. . . . We must take our foreign and military policy out of the hands of the insane Rockefeller cabal and put it back in the hands of the people and their elected representatives. Rockefeller has already bankrupted the capitalist system. Now, he is bringing us to the brink of nuclear war with the Soviet Union. We must follow the USLP's programmatic lead. . . ."

Jones' appeal met with limited success. Mary Kangas, identified in the article as the Oregon state chairwoman of the Women's Federation of the American Party, joined in his call.

Contacts with Roy Frankhouser, an officer of the Pennsylvania Ku Klux Klan and an activist in the Minutemen and the American Nazi Party, were initially fruitful. However, disclosure of Frankhouser's role as an FBI informant temporarily took the NCLC aback. Regrouping, the organization proceeded to give extensive publicity to the Frankhouser case, claiming it as evidence of the alleged "FBI-CIA-Rockefeller-Buckley" control of the extremist Right.

Vastly more useful to the NCLC, in any case, was a series of contacts provided by Ken Duggan. Duggan introduced the NCLC's Scott Thompson to Willis Carto of the Liberty Lobby. Thompson met regularly with Carto through 1975 and 1976. Sources close to the NCLC report that these meetings centered on joint anti-Rockefeller actions and Carto's use of his connections to procure funding for these operations. These sources further report that Carto's Liberty Lobby was a conduit for extremist right-wing contributions to LaRouche's USLP campaign for the Presidency, including part of the more than $90,000 used to purchase a half-hour prime-time commercial on NBC on the eve of the 1976 election. These allegations are under investigation by the Federal Election Commission.

Other NCLC/Liberty Lobby cooperation included Carto's selling of NCLC literature through his radical rightist network, and prominently displayed endorsements of the NCLC program in the Liberty Lobby newspaper, *Spotlight*. Similar entree was provided by Duggan into Carto's National Youth Alliance and C. B. Baker's Youth Action.

Duggan also facilitated an NCLC operation undertaken at the behest of the Iraqi Mission to the United Nations, which asked the NCLC Security Staff in May 1975 to investigate the National Renaissance Party (NRP). Some time earlier the NRP had published an antisemitic and pro-Iraqi tract, and the Iraqis, who could not afford the potential embarrassment of an open contact with the NRP, were interested in the group as a possible conduit for propaganda. After some investigation, the NCLC reported back to the Iraqis that the NRP was too small and unstable to be of any real use.

A corollary interest of the NCLC's in this period was, as suggested above, the Buckley family, National Review, and responsible conservative organizations, which were seen by the NCLC as instruments of the Rockefeller-CIA conspiracy. Agreements were made with Carto and Baker to exchange information on the Buckleys, YAF, the ACU, *NR*, and others.

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*The John Birch Society has since strongly repudiated the NCLC.

The offices of National Review and Buckley residences in New York City, Stamford, Conn., and Sharon, Conn. were placed under periodic surveillance by the NCLC Security Staff. NCLC security officers visited Robert Yoakum, a freelance writer in Lakeville, Conn., a few miles from Sharon, who opened his extensive files on the Buckley family to the NCLC. This material was used in a series of *New Solidarity* articles on the Buckleys, but the files were also intended, according to sources around the NCLC, for use in planned clandestine harassment operations against the Buckleys. In addition, NCLC security officers purporting to be journalists and conservative activists placed calls to *NR*, YAF, the ACU, *Human Events*, and others to gain current information on various conservative figures.

LaRouche's decision to run a presidential campaign in 1976 marked a turning point in the NCLC's overtures to the Right. For the first time, a serious campaign would be mounted to penetrate, influence, and finally exploit those conservative circles that had previously been dismissed as under control of the "FBI-CIA-Rockefeller-Buckley" cabal. In late 1975 and early 1976, the NCLC focused its attentions on the Republican Party and responsible conservative activists. These operations came to be known as "building the Whig Coalition."

The bizarre twists and turns of the NCLC line during the 1976 presidential campaign are difficult to catalogue. The assassination attempts upon President Ford by Sara Jane Moore and Lynette Fromme were described in *New Solidarity* as attempts by Vice President Rockefeller and Secretary of State Kissinger to remove Ford and replace him with Rockefeller. Somewhat later, the Reagan candidacy was characterized by *New Solidarity* as a move by the Rockefeller cabal to dislodge the allegedly anti-Rockefeller Ford forces by a sally from the Right. Finally, the Carter candidacy was heralded by the NCLC as the final blow by the Rockefeller cabal against the "Whig-constitutionalist" Ford. The basis for these theorizings is, to put it charitably, obscure.

However, the increasingly pro-Ford disposition of the NCLC formed the basis for the "Whig Coalition" operations. NCLC field organizers presented Ford, during their campaigning for LaRouche, as the lesser of two evils and the candidate most worthy of support after LaRouche. This line was repeated in a nationally broadcast prime-time paid commercial in which LaRouche spoke for half an hour on the eve of the election. According to informed sources, slightly less than half the $90,000 spent on the commercial came from Republican Party circles; the remainder, according to these same sources, came from right-wing Texas oil interests through Willis Carto and the Liberty Lobby. Precisely why members of the Republican Party should contribute funds to a campaign as bizarre as LaRouche's is a question which deserves an answer.

It was after the 1976 presidential election that the NCLC openly began trying to work jointly with Republicans and responsible conservative groups. This new "Whig Coalition" operation was centered in the Committee for Fair Elections, an NCLC front organization, which charged the Carter campaign and the Democratic Party with massive vote fraud and challenged Carter's election in the courts on that basis. CFE-originated suits were filed in New York, Pennsylvania, Ohio, and Wisconsin and listed as complainants in the various litigations electors from the LaRouche campaign, the Ford campaign, and the American Party. In each of the cases where litigation has been completed, the challengers to Carter's election have been dismissed.

In connection with the CFE lawsuits, the NCLC mounted a major fund-raising drive among conservative and Republican organizations and congressmen. A staff member of a moderate-conservative Republican congressman from the Midwest revealed an extensive effort by the NCLC to entangle Republican legislators in these litigations and to use their staffs for fund-raising contacts. The NCLC made use of the International Press Service to gain entree to the offices of conservative members of Congress. While posing as an independent news service, the IPS is under the control of the NCLC, is funded and staffed by NCLC members, and operates out of the NCLC national headquarters on West 29th Street in New York City. NCLC members, particularly security officers, use IPS credentials to gain admission to various functions as accredited members of the press. An NCLC "Security Memorandum," dated Aprill 28, 1975, reports:

". . . our contact network on Capitol Hill has been firmly established, and the legitimacy of IPS as a press service is now generally recognized. Under these conditions our briefing operations have already begun to pay off. . . . Bernard [Greene, an NCLC member] and Laura [Chasen, an NCLC member] have accomplished our first phase tasks. However, with Sue [Wagner, an NCLC member on the national staff] now in Washington and Art [Leaderman, a leader in the NCLC Washington local] now taking a more vigorous role we can begin to cultivate more specific contacts in targeted congressional offices through IPS. . . . Our attack on Rocky's Endgame Scenario in Congress will provide us with an in into [*sic*] conservative congressmen. "How Rocky Got Control of the Button" [a 16-page NCLC "intelligence briefing" used for propaganda purposes] will especially appeal to anti-Rocky conservatives. . . . Special emphasis will be given to the offices and staffs of Senators Helms, Thurmond, and Stennis. A full list of targeted offices is being prepared by the National Security Staff. . . ."

These IPS congressional contacts included not merely propaganda and lobbying activities, but also the rifling of files and unauthorized procurement of documents.

Another major thrust of the "Whig Coalition" is the NCLC's attempt to make conservative contacts through the Fusion Energy Foundation. Founded at the prompting of and under the auspices of the NCLC, the FEF remains firmly under NCLC control. Chuck Stevens, Dr. Morris Levitt (both long-time NCLC members), and Uwe Henke (an NCLC National Executive Committee member, also known by his party name. "Uwe Parpart") direct FEF activities on a day-to-day basis. The FEF's main activity is fund-raising. Most of the contributions it takes in go to the NCLC war-chest. Estimates of the NCLC's annual budget range from $1 million to $3 million, with the higher figure the more reliable.

A more recent "Whig Coalition" development has been a growing alliance between the NCLC/USLP and Colonel Thomas A. McCrary's National Coalition of Independents on Issues. (McCrary is a leader of the Independent Party of Georgia.) A September 27, 1977 *News Solidarity* article suggests a motive behind this alliance which goes beyond mere "discussion of issues": "The afternoon session of the [September 25 Whig Policy Conference] closed with a spirited fund-raising session that demonstrated in dollars the degree of support for the American system. The group raised $2,000. . . ." Once again, the politics of the quick buck.

Three plausible explanations can be given for the web of contacts the NCLC has maintained with the radical Right and sought to build with the responsible Right:

1. The NCLC has a pecuniary interest in cultivating funding sources on the Right. Contributions to the CFE and FEF, for example, help considerably to reduce the NCLC's operating deficit.

2. The NCLC has an obvious ideological affinity with the extreme Right. Radical rightist organizations such as the Liberty Lobby share the NCLC's conspiratorial *Weltanschauung*. The paranoid fascination with the Rockefeller family which characterizes the NCLC also characterizes much of the radical Right.

3. The NCLC's approach to responsible conservative organizations could be part of a campaign to penetrate these groups in the interests of the Soviet Union and its intelligence apparatus. The NCLC is avowedly pro-Soviet, as even a cursory examination of *New Solidarity* will show. The entrée the NCLC has sought into conservative organizations provides an opportunity for circulating Soviet propaganda in circles where a direct Soviet overture would be impossible. This hypothesis is reinforced by the NCLC's close relationship with the Soviet Mission to the United Nations.

In January 1974 the first NCLC contact with the Soviet Mission was established. After an initial meeting with a Soviet diplomat who identified himself as Nikolai Logiunov. Soviet liaison with the NCLC was handled by Gennady Nikolayevich Serebreyakov. While Serebreyakov was officially listed as a press officer of the Mission, he has been identified as a KGB official.

The NCLC representative in this liaison was Konstandinos Kalimtgis (a/k/a "Gus Axios"), a former Greek CP member, heavily involved, as he has told me, in Soviet-sponsored underground activities during the reign of the Colonels. Kalimtgis met regularly with Serebreyakov through 1974–75. NCLC Chairman LaRouche met with Serebreyakov on at least two occasions, once at the Mission and, later, at the NCLC national headquarters in New York. It is not known who replaced Serebreyakov after his return to the Soviet Union, but informed sources suggest that a more clandestine form of contact has been established. The full range of discussions undertaken in these contacts is unknown. But after 1974, the NCLC's Trotskyist line was replaced by a pro-Soviet line.

The NCLC is in a position to promote a pro-Soviet line on such issues as U.S. defense posture within certain conservative circles, whereas the Soviets could not make such an approach directly. It is equally obvious that information on conservative attitudes and personalities gained from NCLC contacts would be helpful to Soviet intelligence.

The NCLC's ability to move in conservative circles rests not merely on the failure of conservatives to perceive the true character of such fronts as the Committee for Fair Elections and the Fusion Energy Foundation, but, more, on a fundamental misunderstanding of the parent organization. The NCLC's posture of political independence, its advocacy of positions on issues that are tangential to its own primary political program but important to conservative activists (e.g., opposition to the decriminalization of marijuana), and the forcefulness of its criticisms of prominent Left and liberal leaders have led many on the Right to buy its pitch—and pay for it.

Responsible leftists and liberals, the victims of NCLC violence and harassment, have long harbored serious suspicions of the NCLC's methods and aims. Much of the Left regards the NCLC as a police-provocateur organization. There is little evidence, if any, to support such a hypothesis. However, the evidence of a Soviet connection is extensive and well-founded. Conservatives should regard the NCLC with hostility and should warn and, if necessary, repudiate those on the Right whom it has ensnared.●

NATIONAL COMMISSION ON DIGESTIVE DISEASES REPORT

HON. DAVID W. EVANS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. EVANS of Indiana. Mr. Speaker, the National Commission on Digestive Diseases was established by Congress in 1976. In the course of its work, the Commission found that digestive diseases account for a major cost to the Nation's health and economy. The Commission has also found that the impact of these diseases on individuals and on the Nation as a whole, can be reduced in the foreseeable future.

I hereby submit the summary report of the National Commission on Digestive Diseases, in which the Commission recommends a concurrent program of education and research as a means of early and substantial improvement in the control of digestive diseases:

FINDINGS OF THE COMMISSION

While digestive diseases vary in severity from brief, self-limited illnesses to chronic, disabling and some universally fatal conditions, their total social and economic impact is enormous. Measured in terms of morbidity, mortality, and cost, they constitute the third largest component of the total economic burden of illness in the United States, being outranked only by circulatory diseases and by the combined category of accidents, poisonings, and violence.

Digestive diseases collectively represent:

10 percent of the total economic burden of illness in the United States, as defined by the National Center for Health Statistics.

The primary reason for major surgery.

The leading cause of hospitalization.

15 percent of all hospital utilization (43.4 million hospital days each year).

The second most prevalent cause of disability among the employed.

20 million chronically ill individuals.

14 million persons who suffer acute episodes of illness each year.

190,000 deaths each year (counting only those for which digestive diseases are identified as the immediate cause of death).

$17 billion in direct health care costs.

$35 billion in total annual economic loss, or approximately 1.5 percent of the gross national product (1978 projection).

Digestive diseases are highly detrimental to Americans in their peak years of productivity and responsibility. Seventeen of every 100 individuals between the ages of 45 and 64, most of whom sustain family income in whole or in part, have some form of diagnosed digestive disease. At the same time, the absolute importance of digestive diseases as causes of serious illness, hospitalization, and death is highest among the aged.

Digestive diseases abound in all strata of our society and in all parts of the United States. Their diagnosis and treatment often depend upon the ready availability of sophisticated instruments and highly trained personnel. Thus, the burden of digestive diseases can be expected to fall more heavily on our rural population, where the low population density cannot support expensive equipment and specialists, and where physical distances between physician and patients are often great.

The figures cited above, however, fail to convey the social and financial devastation experienced by people afflicted with the most severe and chronic forms of digestive diseases. For these people, frequent consequences may be prolonged debility, malnutrition, unemployment, denial of insurance protection, and lifetime medical expenses as high as $500,000 for an individual patient.

In contrast to the magnitude of these problems, efforts to control digestive diseases have been tragically inadequate and needlessly fragmented. This is due in part to public attitudes and to minimum public awareness of preventive measures and the consequences of neglect. The digestive tract and its functions are viewed through veils of ignorance, embarrassment, taboo, and inappropriate humor.

Efforts of concerned voluntary organizations which have worked hard and long to increase patient and public understanding of digestive diseases are noteworthy. They have demonstrated over the years that changes in public attitudes through education are both possible and vitally necessary.

As a subject of academic concern, digestive diseases are underrepresented on the faculties of medical and other professional schools, and the number of active researchers in the field is not only relatively small, but is also declining. The decline is related to current limitations on the level and the stability of support for digestive disease research, which has discouraged talented young physicians and scientists from pursuing research careers in this field. Meanwhile, established investigators have left research in the digestive diseases and are not being replaced.

Despite the relatively low level of research support, significant advancements have been made in the state of knowledge about a number of common digestive diseases, their treatment, and their prevention. Major benefits have been achieved for patients with hepatitis, peptic ulcers, gallstones, infectious diarrhea, diseases of absorption, reflux esophagitis, gastrointestinal bleeding, aspirin-induced stomach injury, and colonic polyps, as well as for patients requiring parenteral nutrition and major surgical intervention. Much work remains to be done, however, in terms of both prevention and treatment of these disorders, and there are still many diesases for which effective modes of diagnosis and treatment are entirely lacking.

THE NATIONAL PLAN

The National Commission on Digestive Diseases strongly believes it is time for the nation to mount a vigorous and well-coordinated attack on digestive diseases. The national plan presented in Volume I of the report of the National Commission on Digestive Diseases includes a series of interrelated goals and strategies. They incorporate the most promising leads in research and needed new directions in health care delivery and education. All components of the plan can and should be implemented without delay, with the expectation that benefits to the public will be evident and measurable in varying stages in one to 10 or more years.

Since so much remains unknown about the causes, mechanisms, and factors influencing digestive diseases, the esssential foundation of the long-range plans is a well-coordinated, expanded research endeavor. Research offers the surest and most cost-effective means of substantially reducing the suffering and the economic burdens resulting from digestive diseases. In the meantime, as research progresses, the immediate needs of patients with digestive diseases must not be overlooked; these needs are addressed directly in the long-range plan.

The Commission has developed the long-range plan to achieve two major goals:

Reduce the suffering of all Americans afflicted with digestive diseases.

Reduce the costs associated with digestive diseases.

In an era of escalating health care needs and limited resources, only a well-organized, detailed, cost-effective program directed at a clearly identified social goal can justify sustained public support. The long-range plan developed by the Commission, we believe, is such a program. Minimum budget increments to implement these programs are proposed.

The recommendations listed below have been carefully considered for their feasibility, cost, and expected benefits. They represent, in essence, the Commission's conclusions in terms of: (1) immediate action that promises early and lasting benefits, (2) programs that are imperative for the public good in the long-range effort to combat digestive diseases, (3) proposals that are not aimed solely at problems related to digestive diseases but are inclusive of other major national health needs, and (4) steps essential to the coordination and organization of the long-range plan.

RECOMMENDATIONS OF THE COMMISSION

The National Commission on Digestive Diseases recommends that Congress and concerned agencies, public and private, take the following actions immediately to provide early and continued benefits in the national effort to combat digestive diseases.

Measures to improve the provision of information and training to patients, health care personnel, and the public:

1. Establish and fund a National Digestive Diseases Education and Information Clearinghouse to improve wide distribution of available knowledge in prevention and control of digestive diseases.

2. Promote the establishment of standards for the education and training of specialists in digestive diseases.

3. Strengthen and, where necessary for this purpose, fund educational programs in digestive diseases in American medical schools.

Measures to improve medical care of patients with digestive diseases:

4. Standardize the nomenclature, diagnostic criteria and methodology, and guidelines for measuring disability caused by digestive diseases.

5. Develop guidelines for the sequence of performing diagnostic tests in the digestive diseases.

6. Increase funding for the study of risk-benefits and cost-benefits related to health care services for patients with digestive diseases, and for translational research—the translation of known medical knowledge into effective treatment.

7. Expand programs in digestive diseases in the Department of Defense.

8. Expand clinical research in the digestive diseases and programs for the treatment of these diseases in the Veterans Administration.

Measures to promote research in needed and promising areas:

9. Enlarge and strengthen Federal training programs in research on digestive diseases to increase the number of teacher-researchers and to encourage the interest of larger numbers of young scientists in this vital area of research.

10. Increase funding for applied (clinical) research on such topics as adverse drug reactions, alcoholic liver disease, cirrhosis, colonic disorders, functional gastrointestinal diseases, gallstones, gastrointestinal bleeding, and vascular disorders, gastrointestinal surgery, hepatitis, infectious diarrheas, inflammatory bowel diseases, maldigestion and malabsorption, malignancies (cancer) of the digestive organs, pancreatitis, pediatric digestive diseases, peptic ulcer, reflux esophagitis and esophageal motility disorders.

The Commission recommends that simultaneously with the actions in Recommendations 1 through 10, Congress and the respective concerned agencies take the following specific actions to ease the national burden caused by digestive diseases in the foreseeable future and to establish a long-range, national program of continuing and coordinated research in digestive diseases:

11. Increase funding for basic research in digestive diseases to lay firmer foundations for their prevention, diagnosis, and treatment.

12. Fund cooperative research in digestive diseases when scientifically necessary and cost-effective.

13. Expand the intramural digestive disease research programs at the National Institutes of Health.

14. Determine epidemiological patterns of digestive diseases to formulate a comprehensive understanding of their impact on the population's physical, emotional, and financial well-being.

15. Study the effects of environmental and industrial pollutants on organs of the digestive system

16. Fund research on the critical role of diet as a cause of digestive diseases.

The Commission recommends that the Congress or appropriate agencies undertake the following steps wth regard to diseases in general, but with specific emphasis on digestive diseases:

17. Survey manpower requirements for the prevention and treatment of digestive and related diseases and study the cost-effectiveness of various forms of professional training.

18. Assure that the cost of educating patients about their digestive diseases is a direct reimbursable expense by Federal and private insurance programs.

19. Enact legislation to provide catastrophic health insurance coverage for all citizens.

20. Exempt from the Office of Management and Budget clearance procedures those medical and behavioral research projects which are conducted in accordance with specified protocols which are approved under DHEW regulations for the protection of human subjects, and which call only for voluntary participation; and exempt the digestive diseases workshops recommended in this report from the DHEW policy which reduces the number of conferences.

The Commission recommends that the Congress and/or appropriate Federal agencies, in order to organize and coordinate the long-range plan outlined in this report, take the following actions:

21. Establish a National Digestive Diseases Advisory Board responsible to the Congress and the Secretary of Health, Education, and Welfare.

22. Appoint knowledgeable representatives concerned about the problems associated with digestive diseases and the implementation of solutions to those problems to the Advisory Councils of the National Cancer Institute, the National Institute of Allergy and Infectious Diseases, and the National Institute of Alcohol Abuse and Alcoholism.

23. Enhance the status of digestive diseases within the National Institutes of Health by forming a Division of Digestive Diseases within the National Institute of Arthritis, Metabolism, and Digestive Diseases.●

THE 61ST ANNIVERSARY OF INDEPENDENCE BY LITHUANIA

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Ms. OAKAR. Mr. Speaker, Thomas Jefferson once wrote:

> I have sworn upon the altar of God eternal hostility against every form of tyranny over the mind of man.

We should renew Jefferson's pledge often as we see the flower of freedom struggling to survive in a field overgrown with the suffocating weeds of tyranny.

In this spirit of realizing and appreciating our own liberty and independence as a nation, I wish to submit into the RECORD a resolution adopted by the Cleveland, Ohio, chapter of the Lithuanian American Council, on February 11, 1979, in observance of the 61st anniversary of the restoration of the independence of Lithuania.

RESOLUTION BY LITHUANIAN AMERICAN COUNCIL, INC., CLEVELAND CHAPTER, AMERIKOS LIETUVIU TARYBA, CLEVELANDO SKYRIUS, CLEVELAND, OHIO

We, Lithuanian Americans of the Cleveland area, gathered at the parish hall of the Our Lady of Perpetual Help Church in Cleveland, Ohio, on Sunday the 11th day of February, 1979, to observe the sixty-first anniversary of the restoration of independence of Lithuania, have adopted the following

RESOLUTION

Whereas, on February 16, 1918, Lithuania, a sovereign state and a kingdom since the 13th century that came to an end in 1975, rose again after a 123 year occupation by its neighbors and in its ancient capital of Vilnius proclaimed itself an independent republic; and

Whereas, on June 15, 1940, the Soviet Union broke all existing treaties with the Republic of Lithuania and forcibly and illegally occupied its territory, which fact had been officially confirmed by the Select Committee on Communist Aggression of the U.S. House of Representatives of the 83rd Congress and condemned by all U.S. Administrations; and

Whereas, while many former African and Asian colonies have become independent, the Soviet Union continues to subjugate, exploit and deny all human rights to the Lithuanian people, which is contrary to the beliefs of the civilized community, and through a program of deportations and colonialization continues to change the ethnic character of the population of Lithuania, thereby committing genocide: Now, therefore be it

Resolved, That we again demand that the Soviet Union withdraw its armed forces, colonists and its entire apparatus from Lithuanian soil and permit the Lithuanian people to exercise their sovereign rights; and be it further

Resolved, That we repeatedly express our gratitude to the United States Government for the firm position of non-recognition of Soviet occupation and annexation of Lithuania and request the Administration to direct the attention of world opinion at all international forums on behalf of the restoration of sovereign rights to the Lithuanian and other Baltic peoples, to specifically demand this at the European Security Conference in Madrid in 1980, and by other means to influence the Soviet Union to stop its genocidal practices in Lithuania and to cease all acts of continued occupation; and be it finally

Resolved, That this resolution be forwarded to the President of the United States and copies thereof to the Secretary of State, to both U.S. Senators from Ohio and Members of the House of Representatives from the Cleveland area and to the press.

Resolution proposed by the Cleveland Chapter of the Lithuanian American Council and adopted by this assembly.

K. ALGIMANTAS PAUTIENIS,
President, Cleveland Chapter of the Lithuanian American Council, Inc.●

NATIONAL ENERGY PROBLEM

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. WYDLER. Mr. Speaker, I would like to share with my colleagues an article that appeared in a recent issue of Energy Users News. The article is, in effect, a reprint of a speech given by Mr. Holly Cantus of United Technologies in Washington, D.C.

The speech makes some very cogent points about the thrusts of the administration on its so-called energy policy. I urge my colleagues to review this as we all mentally prepare ourselves to hear the President's speech to the Nation on March 29.

WASHINGTON PERSPECTIVE: POLITICS IS THE PROBLEM

(By H. Hollister Cantus)

While the debate on the National Energy Problem has engulfed the Washington scene for the past five years, few note that there are factors associated with the National Energy Problem which have little to do with btus. A complex mix of emotion, theory, personality and career motivation, combined with the very nature of the political animal, provides the overlooked factor which I term the "politics of energy".

The Problem—which I intend to capitalize throughout as a measure of respect for its import on the health and welfare of the Nation and the world—cannot be viewed strictly from either the supply or demand side of the equation. One cannot claim that the solution lies in the control of energy demand or in the increase of energy resource production.

In fact, just as in a mathematical equation, the true answer probably lies in a balance of the two views. There is no shortage of energy resources available and promised. There are decades of oil and gas remaining and centuries of coal; there are more barrels of oil shale than the Arabs have oil; there are more uranium resources, with or without the recycling and waste recuperation process known as breeding, than we can use up in the next two centuries; and there are promises of almost infinite resources available from solar and fusion technologies.

On the other hand, even the demand side of the equation has limits. Were we to reduce energy growth to an annual rate of as low as 2 percent, that would still entail a doubling of demand in 24 years. If we were to aim at even lower energy-demand growth rates, or the zero growth some advocate, we would face the very real danger of destroying the American Dream. Cutbacks would mean that people in the lower economic brackets would be unable to progress upward and even with luck, would be barely able to remain equal to the inevitable cost increases caused by inflation and other economic factors. Thus, neither the supply-only or the demand-only aspects can remedy the Problem.

The other faces are political in nature. I include activities relating to the development of policy, the conduct of government activities involved in the election of politicians, and factors which impact on the consciousness and the conscience of politicians. It is this broad-based compendium of factors which may well be the major portion of the Energy Problem.

There has probably never been, a consensus as to the appropriate roles and missions for the private and public sectors in the energy arena.

Whether the Government should operate as a regulator or as an incentivator is an issue as old as the Republic but particularly appropriate and frustrating in the energy area. Present policies show that the Carter Administration prefers to amend the Law of Supply and Demand to the Law of Comply and Expand, where government forces compliance and, in so doing grows in power and in personnel (and in cost).

While the deregulation and decontrol examples incorporated in the National Energy Act debates were clearly roles-and-missions issues, the two most striking examples of our national lack of consensus are the Synthetic Fuels Loan Guarantee Act and the Nuclear Fuels Assurance Act of 1976.

In these cases, the government proposed to get slightly involved in one energy area where it had never trod before and to get out of another area where private investment and private industry were previously barred. In both cases, the Congress said "no.".

In the Synfuels case, the more conservative members of Congress preferred to wait until the "free market" factors made synfuels economical, while more liberal members objected to providing taxpayers' dollars to corporations whose net worth was greater than the National Debt—the largest number Congress comprehends.

A more sinister aspect of the roles-and-missions question was recently described by Rep. Clarence J. Brown, Republican of Ohio, in the Wall Street Journal, complaining about the growing servility of business to the desires of government, Brown drew critical attention to the government's opportunities for coercion through regulatory linkage.

The day-to-day activities of the government and the private sector companies operating in the energy development field are impacted by the roles-and-missions question too The battle wages daily, although very stealthily, as to how much work, and therefore how much money, will be conducted inside the walls of the national laboratories, as opposed to outside, in the private sector.

The politics of energy versus environment is largely a debate over a national standard for acceptable risk. A few years back, Dr. Rasmussen's study team computed the risk of a major nuclear disaster caused by a nuclear powerplant to be on the same others it is not. There is an obvious need

To many, this is an acceptable risk. To others it is not. There is an obvious need for a political solution. Unfortunately, the politics of environmental issues are such that nothing but absolute safety is acceptable in the so-called "public interest groups."

Oft-decried but seldom appreciated is the political factor in the energy dilemma known as single-issue lobbying: roughly, those individuals and groups which place their support or opposition to a candidate solely on the grounds of how that candidate votes on "their" single issue.

Those who see the answer to the energy problem in one field only bring political pressure on members of Congress, bureaucrats, and even the press, often far out of proportion to the numbers of votes they have been able to demonstrate in their behalf.

To a substantial degree, lack of organizational stability in both the executive and the legislative branches of government has impeded the progress of energy legislation.

There was hope that the establishment of the Department of Energy would bring stability and order to the executive branch's energy policies. Unfortunately, many failed to recognize that the DOE was, itself, only one more step down the yellow-brick road towards energy consolidation.

The result of reorganizations, mixed with the election of a new Administration with new energy policies, was the interruption of stability among bureaucrats of program progress, and of the continuity upon which the nongovernment sector depends. The transition to an integrated department has been so slow and painful that writers have dubbed DOE the "Department of No Energy."

Notwithstanding William Howard Taft's truism that "mere size is no sin," Congress has had to contend with the opposite point of view on almost every issue related to energy. If a particular measure helps Big Business or creates Big Government, the bill under consideration suffers more frequently than not. The unfortunate fact is that a country which measures its annual energy usage in quadrillons of Btus can not expect resolution of its Problem without the participation of Big Something, be it Business or Government.

Complexity, both technological and economic, forms yet another political problem related to energy. If the public is convinced that an energy crisis exists—a conviction yet to be demonstrated—it is the Government's responsibility to translate that conviction into specific plans and programs, aimed at elimination of the crisis

The political problems involved in this activity lie in the ability of members of Congress to comprehend the crisis, to propose solutions, to establish priorities and to translate priorities into specific funding decisions.

Secretary Schlesinger, on becoming aware of the extent of the negative reaction with which the President's National Energy Policy was received on Capitol Hill, lamented the lack of a political constituency for the National Energy Plan.

In the sense that there were very few who eagerly awaited the call to a "moral equivalent of war," his lament was well-founded. The American people have demonstrated that, when faced with a crisis, the U.S. is unparallel at producing its way out of danger. The populist President had underestimated the public's attachment to the lifestyle of plenty. Had the National Energy Plan been prepared with a balance on each side of the supply and demand equation, the awesome constituencies of the private sector would undoubtedly have rallied in support of NEA.

Real political constituencies, the voting public, have geographical locations and, therefore, regional self-interests. As a political factor in the energy business, regional self-interests manifest themselves most frequently when threatened.

On the negative side, regional self-interest can be a painful political factor. How, for instance, can a member of Congress explain to voters that it is in their best interests to locate an oil refinery on their pristine shores, a nuclear waste disposal site in their backyard, a coal-fired powerplant downwind?

It is a political fact of life that the politician who cannot convince the voters of his district of the wisdom of such positions will, almost without exception, vote against such measures.

Credibility vs. conspiracy: It seems that everyone "knows" that the oil embargo of 1973 and the subsequent oil price hikes were and are the work of the Seven Sisters and the Saudis; that the winter shortages of natural gas are the result of conspiracies between the pipeline companies; that the electric utilities conspired to black-out large portions of the East Coast in order to justify price hikes; and so on. In an environment of deceit, the special trust and confidence which once provided the lubricant to the legislative process of only a decade ago, has been eliminated. As a result, bills which might have passed expeditiously have been blocked in the bowels of the Capitol.

There was a time when a Member of Congress could admit to partial ignorance. In such cases he would pick out a colleague and ask simply, "How should I vote on this one?" thereby placing special trust and confidence in that colleague. In return, he would receive a measured response. While the colleague might believe the bill should be approved for the National Good, if such a vote would prejudice the Member back in his District, the colleague would return the trust by advising a Nay vote. That kind of personal trust is extremely difficult in the current political environment.

The good news is that that sort of trust seems to be slowly returning to the Hill, albeit for the wrong reasons. Workload is so great that members are more and more frequently arriving on the Floor unaware of of the issues. In this environment, one which has strengthened the role and influence of the Professional Staff Member on Congressional Committees, Members of Congress are forced to locate, identify and utilize special relationships with their colleagues. Perhaps this is the most optimistic trend in the legislative process in recent times.

As one examines the multitude of specific energy problems, be they technological, regulatory or economic, one would be well-advised to keep these political aspects in mind. They are neither the basis for an apologia on Congress nor a criticism of the process.

They are what they are and, until they can be appreciated and ameliorated if not eliminated, the National Energy Problem will remain with us to a greater degree than might be necessary.

ST. PATRICK'S DAY MESSAGE OF PEACE ENDORSED BY 71 HOUSE MEMBERS

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

• Mr. BIAGGI. Mr. Speaker, the Nation and more specifically millions of Irish Americans have just observed St. Patrick's Day. Yet this year's observance, as so many others in recent years, has been tarnished by the continuing absence of peace and justice in Ireland. I was joined by 71 of my House colleagues in a St. Patrick's Day Message of Peace in which we rededicated ourselves to the goal of making the 1980's a decade of peace for all of Ireland.

As chairman of the 125 member Ad Hoc Congressional Committee for Irish Affairs I feel that peace in Ireland is impossible while the status quo of human rights violations and deprivations are continued. The recent release of the Bennett report detailing serious violations of human rights constitutes one more piece of documentation about the extent and severity of this problem. The restoration of full human and civil rights in Ireland must be considered a priority goal. It is hoped that the upcoming Congessional Irish Peace Forum that the ad hoc committee will sponsor will serve as a catalyst to advancing the cause of peace and justice in Ireland.

As we observe the final St. Patrick's Day of the 1970's we deeply regret that peace and justice have yet to be realized by all Irishmen. We the undersigned rededicate ourselves to helping make the 1980's a decade of peace for all Ireland.

Peace remains impossible while there are violations and deprivations of human and civil rights. We are cognizant of past documented reports from the European Commission and Court of Human Rights as well as Amnesty International, detailing abuses and inhumane treatment of both Catholic and Protestant prisoners by both British and Irish authorities. We were most concerned about a very recent statement by Dr. Robert Irwin, a Northern Ireland, police surgeon who stated that more than 150 Republican prisoners that he examined were physically mistreated by the Royal Ulster Constabulary at the Castlereagh interrogation center.

The existence of past and ongoing violations of human rights dims the hopes for peace in Ireland while making for a muted celebration of St. Patrick's Day by millions of Irish Americans.

The President has stated that human rights is the cornerstone of our Nation's foreign policy. We renew our plea to the President that this foreign policy include Ireland. The respect for human rights is admirable but only effective if applied in a consistent fashion. Up to now, the administration has engaged in selective morality in its human rights policy by the exclusion of Ireland.

We restate our total opposition to violence, whether it be institutional or civilian. It too impedes the path to peace. Ireland and her people have suffered too long. We cannot allow another generation to endure an environment of bloodshed and oppression.

We pledge our total commitment to peace in Ireland and it is our ferevent hope that the advent of a new decade will be accompanied by peace and justice for all people in Ireland.

Mario Biaggi, of New York.
Patricia Schroeder, of Colorado.
Don Bailey, of Pennsylvania.
Raymond F. Lederer, of Pennsylvania.
William M. Brodhead, of Michigan.
William R. Ratchford, of Connecticut.
Frank Annunzio, of Illinois.
Gerald B. H. Solomon, of New York.
Richard L. Ottinger, of New York.
Charles B. Rangel, of New York.
Gary A. Lee, of New York.
Parren J. Mitchell, of Maryland.
Nicholas Mavroules, of Massachusetts.
Elliott H. Levitas, of Georgia.
John W. Wydler, of New York.
Morgan F. Murphy, of Illinois.
Lester L. Wolff, of New York.
William R. Cotter, of Connecticut.
Joseph M. Gaydos, of Connecticut.
Michael E. Lowry, of Washington.
James H. Scheuer, of New York.
Geraldine A. Ferraro, of New York.
George Miller, of California.
Dan Rostenkowski, of Illinois.
William Carney, of New York.
Joseph G. Minish, of New Jersey.
Doug Walgren, of Pennsylvania.
Frederick W. Richmond, of New York.
James J. Florio, of New Jersey.
Marty Russo, of Illinois.
Robert A. Roe, of New Jersey.
Hamilton Fish, Jr., of New York.
Henry B. Gonzalez, of Texas.
Mary Rose Oakar, of Ohio.
Austin J. Murphy, of Pennsylvania.
David E. Bonior, of Michigan.
Benjamin A. Gilman, of New York.
William S. Moorhead, of Pennsylvania.
Douglas Applegate, of Ohio.
Ronald M. Mottl, of Ohio.
Matthew J. Rinaldo, of New Jersey.
Jerome A. Ambro, of New York.
Antonio Borja Won Pat, of Guam.
Ted Weiss, of New York.
Herbert E. Harris, II, of Virginia.
James J. Blanchard, of Michigan.
Michael O. Myers, of Pennsylvania.
Edward P. Boland, of Massachusetts.
Benjamin S. Rosenthal, of New York.
James J. Howard, of New York.
Bruce F. Vento, of Minnesota.
John B. Breaux, of Louisiana.
John H. Rousselot, of California.
Leo C. Zeferetti, of New York.
John M. Murphy, of New York.
Jim Lloyd, of California.
Peter A. Peyser, of New York.
George M. O'Brien, of Illinois.
Abner J. Mikva, of Illinois.
Floyd J. Fithian, of Indiana.
S. William Green, of New York.
Melvin Price, of Illinois.
Edward J. Stack, of Florida.
John P. Murtha, of Pennsylvania.
Frank J. Guarini, of New Jersey.
James L. Oberstar, of Minnesota.
Gene Snyder, of Kentucky.
Henry J. Hyde, of Illinois.
John G. Fary, of Illinois.
James M. Hanley, of New York.
Charles Wilson, of Texas. ●

SPY RING

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. SYMMS. Mr. Speaker, as a vice chairman of the House Republican Study Committee, I was interested to note that the effectiveness of the other body's Steering Committee, our counterpart organization here in Congress, was highlighted last Thursday during floor debate.

An Associated Press story on the subject asks the question: "Is there a Republican spy ring operating in the Senate of the United States?" and supplies the answer according to one school of thought.

Displeasure has apparently been incurred by at least one Member of the other body in what the AP story describes as an "arm-waving, desk-pounding denunciation" of the group. The ostensible reason was a poll on legislation made by the committee on all Members. But the more likely reason is the effectiveness this committee has demonstrated in its 5 years of existence.

During its time, the committee has been involved in vitrually every important piece of legislation to be considered by Congress. It has been active on labor issues, regulatory reform, consumer protection legislation, antitrust matters, electoral law, the rules of the other body, and various foreign policy issues. It has helped cut hundreds of millions of excessive expenditures from the Federal budget.

In this light, this criticism, can only be taken as a compliment. So to the Steering Committee, my hearty congratulations for its evident legislative effectiveness.

Mr. Speaker, I include the Associated Press wire story of March 22, 1979, cited above, in the RECORD in full.

The article follows:

IS THERE A REPUBLICAN SPY RING OPERATING IN THE UNITED STATES?

(By Donald M. Rothberg)

Is there a Republican spy ring operating in the Senate of the United States?

It looks that way to Democratic leader ROBERT C. BYRD.

The West Virginia Democrat launched into an arm-waving, desk-pounding denunciation today of a group that calls itself the Senate Steering Committee.

"That's a phony name," shouted the majority leader, while several Republicans stood around smiling. "Senate Steering Committee," Byrd railed, his voicing rising higher, his fist smashing down on the desk normally used by Republican Leader Howard H. Baker, Jr.

According to Byrd, offices of Democratic Senators occasionally get calls from someone who identifies herself as a staff member of the Steering Committee and asks how the Senator plans to vote on a particular issue.

Now, there happens to be a better known steering committee It's the Democratic steering committee and its chairman is Byrd. That body is a formal part of the Democratic leadership.

The chairman of the other steering committee is Sen. James McClure, R-Idaho. He rushed to the floor when he was told that Byrd planned to denounce his group.

The majority leader demanded to know "what is this mysterious Senate steering committee and where it got its name."

McClure replied that the group was no mystery to Byrd. "The Senator from West Virginia well knows, the Senator from Idaho has served as chairman of that group for some time," he said.

"He says the Senate majority leader knows thus and so," shouted Byrd, interrupting McClure, "that is not the fact."

McClure protested that he and Byrd had conferred many times. Furthermore, he added, he was miffed that the majority leader hadn't notified him that he would denounce the Senate steering committee on the floor, an oversight clearly in violation of Senate courtesy.

"How did I know to consult him?" asked Byrd. "Who is he?" said the majority leader, pointing to McClure, who stood grinning at his desk.

"He's the Republican Senator from Idaho," shouted Byrd, waving his right arm in a broad arc.

"Let them call themselves the Republican steering committee," suggested Byrd. "That's legitimate. Fine. I have no problem with that."

"Oh," said McClure. Membership isn't limited to Republicans.

"Print the names in the RECORD," Byrd demanded.

McClure declined. It would be up to individual Senators to identify themselves, he said.

Byrd persisted in demanding that McClure's group call itself the Republican steering committee.

"Let it not appear to give itself an official status it does not have," he said.

"Oh, is there a Democratic steering committee?" asked McClure, with an exaggerated tone of surprise. "I didn't know there was a Democratic steering committee."

Finally, Byrd closed the discussion with a warning to Democratic Senators: "Any call he gets from the Senate steering committee, beware." ●

NUCLEAR POWER: DRAMA AND REAL LIFE

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. MURPHY of Illinois. Mr. Speaker, a movie called The China Syndrome opened last week in theaters across the country. The movie, which deals with a nuclear power accident, raises the question: How well does this fictional account mirror real life? Not very well, according to New York Times writer Philip M. Boffey. I would like to draw my colleagues' attention to this excellent article, which appeared in the Times on March 23:

THE ANTINUCLEAR SYNDROME

Two dramas about the catastrophic potential of nuclear power opened almost simultaneously last week. In movie theaters around the country, Jane Fonda and Jack Lemmon struggled against reckless businessmen to prevent a devastating accident known as "The China Syndrome." And in Washington, D.C., regulators ordered five nuclear plants shut down to avert a virtually identical accident. How well did art mirror life?

The movie deals with the "worst-case accident"—a loss of cooling liquid that would allow the nuclear core to melt down, burn its way through containment walls (though not all the way to China) and endanger surrounding areas. The movie suggests that the radioactive cloud might kill everyone in southern California or render an area the size of Pennsylvania forever uninhabitable; but even a hydrogen bomb dropped on Los Angeles or Pittsburgh would not do that. Still, the consequences could be horrible enough: thousands of immediate deaths and tens of thousands of delayed deaths from cancer and other ailments.

The film's villains are the nuclear industry and lax regulators. A construction firm does a poor welding job, falsifies reports and attempts murder. A utility restarts its reactor without adequate testing. The Nuclear Regulatory Commission perfunctorily gives the plant a clean bill of health.

Cut now to real life. Here we find the Nuclear Regulatory Commission shutting down five plants because of doubts that their pipe systems are strong enough to withstand an earthquake. If the pipes should rupture, coolant would be lost and the "China syndrome" meltdown might occur.

How responsibly did the real-life players behave? The industry deserves credit—thought not rave reviews—for discovering that a problem existed. The details are still murky, but here is what seems to have happened:

Duquesne Light Co., a Pennsylvania utility, bought some new valves for its nuclear plant and asked the firm that designed its pipe system, Stone & Webster Engineering Corp., whether they could be installed safely. Stone & Webster checked and found errors in some of its original calculations of the stress that an earthquake would impose. The utility pressed for better explanations, and Stone & Webster kept revising its account of which calculations had gone astray.

All of this was duly reported to the regulatory agency. Eventually, the two companies concluded that minor adjustments had solved the problem at Duquesne's reactor.

That did not satisfy a Federal inspector, who kept badgering the companies to explain unresolved discrepancies and eventually alerted his superiors in Washington; they concluded that a computer model used by Stone & Webster probably had resulted in weak pipes at five plants. To avoid any possibility of disaster, they were shut down pending remedial action.

So the principals behaved much differently from the villains in the movie. Stone & Webster found, acknowledged and at least partially corrected some errors—although it then impeded close examination of its computer model, apparently the real problem. Duquesne Light kept pressing for answers—although it may have acquiesced too soon in declaring the problem solved. And the regulators, far from being lax, turned out to be vigilant and decisive—so much so that several Congressmen accused them of "asinine" overreaction.

The film ends on a note of hope that responsible employees of the nuclear industry will join the Fonda-Lemmon crusade to protect the public. Can it be that responsible people are already in charge? ●

THE PRODUCT AND PROFESSIONAL LIABILITY INSURANCE TAX EQUITY ACT

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. LUKEN. Mr. Speaker, today I am introducing the Product and Professional Liability Insurance Tax Equity Act of 1979, along with 25 of my colleagues. This bill would provide the most immediate form of relief Congress can offer to the many businesses and professionals who are burdened with exorbitant product and professional liability costs.

The costs of liability insurance for many businesses and professionals has skyrocketed in recent years. The Subcommittee on Capital, Investment, and Business Opportunity, on which I served last Congress, issued a report concluding that in many cases annual product liability premium increases have exceeded 200 percent. Over the past 8 years premium increases in excess of 1,000 percent are not uncommon.

For many manufacturers and professionals, such as physicians, engineers, and architects, who have not been able to obtain liability insurance coverage at reasonable cost, self-insurance should be an alternative. However, the law now puts those who choose self-insurance at a disadvantage. The Internal Revenue Code makes the payment of liability insurance premiums a tax-deductible expense, but if funds are set aside in a self-insurance trust, there is no deduction allowed.

The bill I am introducing would correct this inequity by providing for the establishment of tax-exempt self-insurance trusts. The money put in this trust could be used only for liability costs—claims and expenses—unless and until the business is disbanded. This bill is essentially the same bill which our former colleague Chuck Whalen sponsored last year, which had broad support in the last Congress.

I would like to point out that this bill will not only help the businessmen and professionals, but also consumers. When the cost of liability insurance becomes prohibitive, some businesses have chosen to "go bare"—that is, uninsured. If an accident occurs and the injured person files a claim, he may not be able to make full recovery. With businesses and professionals able to self-insure, the consumer is better protected from this happening. I think this bill would benefit consumers for another reason: When a company's own funds are at risk, the company will have greater incentive to make safer products.

Action was taken on product and professional liability self-insurance measures at the closing of last Congress, when the Subcommittee on Miscellaneous Revenue Measures held hearings on similar bills. It is my hope that there will be further action on this measure in the near future.●

DEEP SEABED MINING

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. BOB WILSON. Mr. Speaker, for too long we have held tight to the reins on our domestic mining interests who propose to mine the deep seabed for the wealth of minerals it contains. We have done so out of good faith, believing that our neighbors in the world would work out a mutual agreement on deep seabed mining activities to the benefit of us all. But even today, as the law of the sea negotiations go forward in Geneva, there seems to be little hope of a resolution of the issue, either in the immediate, or far distant future. In the meantime, our domestic mining interests stand idle.

Just as we have to depend on foreign countries for petroleum, so too must we depend on foreign countries for minerals essential to our survival as a nation. We import all of our cobalt and over 70 percent of our nickel, minerals basic to the production of metal alloys. We import all of our manganese, without which we cannot produce steel. The seabed contains these minerals in the trillions of tons, and we have the technology—right now—to become self-sufficient in these areas. American interests are ready to move forward in domestic recovery as soon as we give the go-ahead, with the possibility of being at a state of full production by the mid-1980's.

I believe that we must proceed at once along these lines, but at the same time keep a careful eye on developments during the Law of the Sea Conference, and to that end, I am introducing legislation to promote our domestic mining activity, while taking into consideration the current law of the sea negotiations.

This legislation is truly an interim measure, as it allows the United States to go ahead with a much-needed industry while remaining flexible to any future international agreements when and if progress is made and it is in the interests of the United States to participate.

The bill is a measure that balances many competing interests and will establish a sound and rational program for our domestic needs while carefully fulfilling our international obligations. I firmly believe that the legislation I am introducing is the way for us to proceed at this time with regard to both an indication of our concern to the Law of the Sea Conference and a realization of our responsibility to the future economic health of our country.●

PEACE CORPS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. BONKER. Mr. Speaker, there is growing awareness in the Congress that the Peace Corps should be taken out of ACTION, and established as a Government foundation.

In testimony last week before the House Foreign Affairs Committee, former Peace Corps Directors Sargent Shriver and John Dellenback inspired committee members to take action to preserve this one-of-a-kind program. They presented many convincing arguments for the Government foundation alternative to achieve this independence.

Among those presented were:

The creation of ACTION, with the inclusion of the Peace Corps, was a deliberate attempt by the Nixon administration to permanently lay to rest the Kennedy legacy which created the Peace Corps in 1961. They maintained that the merger should have never happened.

That removal of the Peace Corps from ACTION, and placement of it within the new superagency, International Development Cooperation Administration, now on the administration's drawing board, would be a worse form of subservience. Sargent Shriver emphasized that the same arguments advanced now for "consolidation" were advanced in the early 1960's and rejected. Shriver says that any such merger, would, by definition, "kill the Peace Corps." He stressed that the reason the Peace Corps works is that it is not like any other Government program we have, and by merging it with other programs, we regularize it and deprive it of its lifeblood—independence.

The Government foundation idea. on the other hand, presents several distinct advantages. As a foundation, funded through the appropriations process of the Congress, the Peace Corps would be able to: attract and keep much needed strong leadership, maintain its separation from the foreign and development policy establishment, weather the storms of unknown Presidential attitudes toward it.

The letter which I am inserting for your consideration today is signed by over 40 prominent people in Peace Corps' history. They include former directors of the agency, volunteers, and leaders in the development field. Their message is clear; the Peace Corps is a fragile and vitally important agency to the people of the United States, and we must preserve it by granting it its freedom.

COMMITTEE FOR AN INDEPENDENT PEACE CORPS

Dear Chairman Zablocki and Chairman Church: It has come to our attention that both the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs will soon take up the Peace Corps authorization for next year. We also understand that you intend to consider at that time alternatives for separating the Peace Corps from ACTION.

We would like to add our voices to those who are strongly urging the Congress to create an independent Peace Corps.

Prior to incorporation into ACTION, the Peace Corps was one of the most effective and popular programs our country ever launched overseas. We believe that this was because the Peace Corps volunteers symbolized our desire to help others on a "people to people" basis.

The Peace Corps could never have achieved this degree of effectiveness were it not able to conduct its affairs during the early years in an independent fashion, free of bureaucratic constraints or the dictates of foreign policy considerations.

Since the Peace Corps was merged into ACTION, it has lost its visibility and its independence. ACTION assumed total control over Peace Corps' budget, external relations, recruitment, selection and training of volunteers—in short, over every basic management function. The position of Peace Corps Director was even abolished. For five years, the Peace Corps was not even allowed to print the words "Peace Corps" on a piece of stationery by the new ACTION Agency.

In recent years, the Peace Corps had been plagued with additional problems within ACTION. We believe these problems are derived from the fact that the Peace Corps should never have been placed within ACTION in the first place.

ACTION is essentially a domestic volunteer effort. It was created by the Domestic Volunteer Act of 1973. Its original goals did not even refer to the basic international mission of the Peace Corps.

The Peace Corps' mandate is international, designed to serve the needs of over a billion persons who are desperately impoverished in the developing world.

To stress the international character of the Peace Corps, however, is not to say that it should become part of any other superagency, least of all one which would make the Peace Corps part of U.S. foreign and development policy. This would be tantamount to replacing one form of bureaucratic subservience with a worse form. Under such an arrangement, the Peace Corps would be perceived in the developing countries as an integral part of the foreign policy establishment of the U.S. government.

Based on our experience with the Peace Corps and our love for it, and convinced that it can be as important to the American people in the future as it has been in the past, we urge you to give the Peace Corps a fresh start.

In our view, the most effective ways of accomplishing this would be to create the Peace Corps as a public corporation with a Board of Directors, and an International Advisory Council, as favored by several members of the House Foreign Affairs Committee.

COMMITTEE FOR AN INDEPENDENT PEACE CORPS

Carrington, Walter, Executive Vice President, African-American Institute, Former Director of Africa, Region/Peace Corps.

Carroll, Maureen, Vice President, University Research Corp., and Director, National Center for Alcohol Education, Former Deputy Director of Evaluation/Peace Corps.

Cleveland, Harlan (Professor), University of Texas at Austin, LBJ School of Public Affairs, Author of Aspen Institute Study of Peace Corps Under ACTION.

Dawson, William L., President, Program Development Corporation, Former PCV Dahomey and African Regional Staff.

Delaney, Kevin, Director of News Operations, ABC TV, Former PC Director and Deputy Director of East Africa, Thailand and Pacific Region.

Dellenback, John, President, Christian College Consortium, Former Associate Director for International Operations/ACTION.

Edwards, Michael W., Senior Editor, National Geographic Magazine, Former Deputy Country Director Jamaica and Afghanistan (1962–1968).

Inglish, Joseph T., M.D., Director of Psychiatry, St. Vincent's Hospital and Medical Center, Former Director Medical Programs, Peace Corps.

Farrell, Joseph, Vice President, Government Affairs, Pullman, Inc., Former PC Director Honduras.

Gale, Robert L., President, Association of Governing Boards of Universities and Colleges, Former Director of Recruiting and Director of Public Affairs.

Harding, Deborah A., Member, Board of Directors Peace Corps Volunteer Fund, Former Director Office of Volunteer Placement/Peace Corps.

Hartle, Dr. Janet, Director of Academic Affairs, Antioch University, Former Chief of Programming and Training Latin America Region/Peace Corps.

Lisnow, Harmon, Associate Deputy Comptroller/Texas, Former PCV Liberia/Former PC Training Staff.

Lucas, C. Payne, Executive Director, AFRICARE, Former Director Africa Region/Peace Corps.

O'Donnel, Kevin, President, CIFCO Industries, Inc., Former Associate Director for International Operations/ACTION.

CARE, Former Director Africa Region/Peace Corps.

Perez, Alfredo, PML Associates Ltd., Former Acting Associate Director for International Operations of ACTION.

Peters, Charles, Editor-in-Chief, Washington Monthly, Former Director of Evaluation and Research/Peace Corps.

Quinbey, Thomas H.E., Former Africa Regional Director.

Saxe, Ruth M., Former Deputy Director, Peace Corps.

Scanlon, Thomas J., President, Benchmarks, Inc., Former Peace Corps Volunteer.

Scheyer, Stanley C., M.D., Chairman, Family Health Care Inc., Former Director Office of Peace Corps Medical Operations.

Steedman, Charles, Assistant Director, Center for Research on Economic Development, Univ. of Michigan, Former PC Country Director/Chad & Chief of Programming and Training/Africa Region.

Williams, Franklin, President, Phelps Stokes Fund, Former Director Africa Region/Peace Corps.

Williams, Lawrence E., Secretary-Treasurer, Family Health Care Inc., Former Peace Corps Country Director/Cameroon.

Yaffe, Ellen, Former Director Office of Peace Corps Management.

Yonkers, Charles E., Partner, Sellers, Conner & Cuneo, Former PC Country Director/Dahomey.

SUPPLEMENTAL LIST

Thomas P. Corcoran, Director of Utilities, City of Camden (N.J.), Former Peace Corps Director/Benin, and Former Peace Corps Volunteer/Chad.

William Dyal, President, Inter-American Foundation, Former Peace Corps Director/Columbia, Regional Director (North Africa, Near East, South Asia).

Robert Gardner, Professor, Lincoln University, Former Director of Peace Corps Training.

Gene Gordon, M.D., Sr. Attending Physisian Children's National Medical Center, Board Member Public Committee for Mental Health, Former Consulting Psychiatrist to Peace Corps (1962–70).

Delano Lewis, Asst. Vice President, C & P Telephone Co., Former Peace Corps Director/Uganda.

Frank Mankiewicz, President, National Public Radio, Former Regional Director for Latin America/Peace Corps.

Nan Tucker McEvoy, Former Director Peace Corps Talent Search and Deputy Director of Africa Region.

Melvin J. Mirkin, Member of Board of Surface Mining and Reclamation Appeals (Dept. of Interior), Former Country Director/Korea.

Joseph Murphy, President, Bennington College (Vt.), Former Peace Corps Director/Ethiopia.

Samuel N. Stokes, Director Mid-Atlantic Field Office, National Trust for Historic Preservation, Former Peace Corps Director/Benin and Former Peace Corps Volunteer/Ivory Coast.

OIL

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. FORD of Tennessee. Mr. Speaker, it is becoming increasingly urgent for the Members of Congress to do something about the rising costs of natural gas. I recently introduced a bill to address this concern and solicit your support.

The Natural Gas Policy Act of 1978 is not achieving one of its fundamental objectives: increasing the supply of natural gas by encouraging producers to drill more wells through deregulation. The only thing which is increasing rapidly is the cost; and supply has only increased as a result of the merging supplies of intra/inter state natural gas.

It is an absolute shame that gas prices are eroding the purchasing power of the American consumer. While I virtually never share the same philosophical perspective of news columnist Jack Anderson, his column entitled, "Cozy Ties of Oil Firms, Regulators," which appeared in the March 23, 1979, Washington Post, did have some valid points we all should review.

Another article, "U.S. Oil Drilling Found Lagging," which appeared in the March 26, 1979, New York Times, highlights these same points. Both articles follow:

[From the Washington Post, Friday, Mar. 23, 1979]

COZY TIES OF OIL FIRMS, REGULATORS

(By Jack Anderson)

Congress has been hornswoggled by the oil and gas industry again, and as usual, it's the American consumer who pays.

Natural gas prices, which have already soared out of orbit, are expected to go even higher as a result of the partial deregulation passed by Congress late last year.

And the supposed "benefit" of deregulation—increased supplies by encouraging producers to drill more wells—has failed to materialize. On the contrary, gas producers cashing in on the higher prices are stashing their profits away and showing little inclination to reinvest their money in exploration for new supplies.

For years we have been warning that deregulation would help neither prices nor supply, that the rosy promises of the industry were largely propaganda. We were roundly denounced by the oil and gas moguls, who convinced Congress that deregulation was the key to plentiful supplies of fuel and eventual price stability.

Well, their promises have now been shown to be as hollow as we said they were: The number of wells drilled has actually declined since passage of the gas act.

[From the New York Times, Mar. 25, 1979]

U.S. OIL DRILLING FOUND LAGGING—UNCERTAINTY OVER DECONTROL OF PRICES CITED

(By William K. Stevens)

HOUSTON, March 25.—The search for new supplies of oil and gas in the United States appears to be faltering despite the cutoff of Iranian oil, which has re-emphasized the nation's dependence on imports.

According to the Hughes Tool Company, the petroleum industry's record keeper in such matters, drilling activity has declined for nine weeks in succession and is running about 8 percent behind the vigorous pace of a year earlier. In Canada, meanwhile, 20 percent more oil and gas wells are being drilled than a year ago and the pace is accelerating.

Some of the domestic decline can be attributed to normal seasonal fluctuations and to unusually wet weather, industry spokesmen, observers and analysts say. But most of it, they believe, is caused by confusion over Government pricing policy on natural gas and uncertainty as to whether domestic oil prices will be decontrolled.

RELUCTANCE TO COMMIT CAPITAL

Independent producers, who drill 70 to 80 percent of all wells in the country, and their investors apparently are reluctant to commit new capital to drilling operations until the questions are resolved in their favor. "Our biggest problem is capital accumulation to expand our ability to drill and produce," Chester Upham, president of the Texas Independent Producers and Royalty Owners Association, said in a recent interview.

The next few weeks should furnish important clues as to whether the pace of exploration and production will turn upward later this year or whether it will continue to falter.

Ordinarily, the rate of drilling would begin picking up around April 1. And by May 1, most producers and drillers must have their budgets set for the remainder of the year.

That is why the next month, and particularly this week, could turn out to be crucial. On Thursday, President Carter is expected to make his recommendations on oil-price decontrol. Under present law, he could end price controls on domestic oil altogether or in phases.

Oilmen are banking on full decontrol for at least some categories of oil such as newly drilled wells and deep "stripper" wells. A "stripper" well is defined as one that produces 10 barrels or less a day. Mr. Upham, for one, favors raising the definition of some stripper wells above 10 barrels.

If effective decontrol comes, Mr. Upham predicts, "within 12 months we would be able to increase our daily oil flow by nearly a million barrels a day." At present rates of consumption, that would more than make up for the deficiency—estimated at 500,000 to 800,000 barrels a day—caused by the cutoff of Iranian oil.

Some other observers believe that Mr. Upham's forecast is a little optimistic, but few analysts doubt that the lifting of controls on domestic oil would stimulate production, particularly if producers are encouraged to plow back some of their increased profits into exploration.

One mechanism being discussed in Washington would impose a tax on so-called "windfall" decontrol profits, with a provision exempting from tax profits funneled back into exploration for new oil and gas.

Just before the Arab oil embargo of 1973–74 began, the federally controlled price of newly discovered domestic oil was set at $3.40 a barrel. At that price, many producers found it uneconomical to drill and demand was modest, given a cheap, plentiful supply of foreign crude.

SHARP RISE IN FEDERAL PRICE

After the Arab embargo, the Federal price rose dramatically, reaching $12.43 last October. This had the effect of touching off a drilling boom, as producers went after expensive-to-find oil that would have not been economical before.

Now, however, according to Fred Mills, an oil analyst in the Dallas office of Rotan Mosle Inc., inflation has depressed the "real" price of new oil to the point where many producers are again finding it unprofitable to drill new wells. According to Mr. Mills's calculations, the real price of new oil has eroded from $7.40 in 1974 (in constant 1973 dollars) to about $5.70 now.

Some analysts fear that decontrol could be accompanied by inhibiting features if the President's forthcoming energy proposals hinge too much on Congressional action. That, it is believed, would cause further delay and uncertainty, thereby discouraging new drilling.

As evidence for this view, they cite industry confusion over the new Natural Gas Policy Act. The act, which gradually decontrols the price of natural gas between now and 1985, was expected to spur drilling for gas.

Instead, virtually everyone connected with the situation says, so much confusion exists over the many gas-price categories that producers are reluctant to drill. The reason most often cited is that if a producer charges the wrong price by mistake, he is liable for economic penalties.

Many observers believe that it is only a matter of time before the confusion clears up, but in the meantime the hoped-for surge in gas exploration has not materialized.

At the same time, surplus gas that had been bottled up in the producing states has not begun to move into other areas of the country in the quantities that had been expected.

Some such movement took place earlier this year, but there has not been much since. Again, confusion over the new law is most often cited as the reason. One result is that producers who had been counting on revenues from the surplus gas are not getting them. This further discourages new drilling according to analysts.●

AFTER-USE OF THE OLYMPIC HOUSING FACILITY SHOULD NOT BE A FEDERAL PRISON

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. DRINAN. Mr. Speaker, I recently submitted a statement to the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice expressing my opposition to the after-use of the 1980 Olympics athletes housing facility as a Federal youth prison. Following is my statement:

STATEMENT OF CONGRESSMAN ROBERT F. DRINAN

When the House Appropriations Committee was considering expenditures for the 1980 Olympic Games at Lake Placid, New York, much concern was expressed over the need to find an after-use for the facility which would be constructed to house the athletes. In February of 1977, without any review by the House Judiciary Committee, a supplemental appropriation of $22 million was requested for the Federal Bureau of Prisons to construct the athletes housing facility which would be converted to a federal youth prison following the 1980 Olympic Games.

Since the tragic slaying of the Israeli athletes at the 1972 Olympics in Munich, it has become necessary to provide secure housing for our Olympic athletes. However, it does not follow from that situation, that the best after-use is a prison. Moreover this decision was made without the benefit of public discussion or a search for alternative uses.

I served on this Subcommittee, which has oversight responsibilities for the Bureau of Prisons, for eight years. I have long had a special interest in the need for a national policy on prison construction. During the hearings which this Subcommittee held in 1975 on prison construction a number of prestigious groups urged that we halt further construction until a policy was established. We know that our penal institutions don't work in that many offenders especially young adults leave them more hardened to a life of crime than when they were first incarcerated. We also know that it now costs us over $9,000 per prisoner per year and that does not take into account indirect costs such as health and pension benefits for prison employees and the welfare costs for the families of those incarcerated.

A central issue in any discussion about prison construction is the location of such facilities. In 1975 the Director of the Bureau of Prisons, Mr. Norman Carlson, told us that "new institutions should be as close as we can humanly get them to where the offenders are from and where we can find staff and other resources". The Subcommittee was mindful at that time of the Bureau's interest in building a youth facility in the Northeast and I assumed efforts would focus on metropolitan areas.

It was most disturbing to learn that Lake Placid was selected to serve the need for a facility in the northeast region. The youth offenders who will be incarcerated at this facility will come from the metropolitan areas of New York which is 300 miles away as well as Boston, Baltimore, Philadelphia and Washington, D.C. which are of an even greater distance.

Those sent to Lake Placid will have little opportunity to see their families and friends. Their surroundings will have no identification with the communities they left and to which they will return. Once again urban minorities will be guarded by rural whites creating a potential for violent disruption, such as what occurred at Attica, New York. This runs counter to all penology which stresses the usefulness of maintaining and strengthening familial and community ties especially for young offenders. As Director Carlson said "We feel the younger offender is the one in whom we ought to invest the maximum opportunities for change. If we can somehow intervene at the earlier age, and help bring about a change in behavior, we can save the taxpayers and the criminal justice system a great deal of expense in the years ahead".

In the past the Bureau of Prisons has had difficulty recruiting professional staff for remote facilities. It is unlikely that they will be more successful with Lake Placid. Also, it is unlikely that minorities will seek employment at this facility. Work and study release programs will only exist to the extent the Bureau can contract with facilities in the area. Social services such as counseling will only be available to the extent they already exist in this community.

It makes no sense to proceed with this plan. Using Lake Placid for a federal youth prison runs counter to everything we have learned about corrections. Further effort must be given to alternative uses for the facility.

A likely use could be a permanent housing facility for athletes. Lake Placid has been designated as a training site for winter athletics by the U.S. Olympic Committee. In the closing days of the 95th Congress we passed the Amateur Sports Act of 1978 and in separate action provided $16 million for the purposes of the Act which include construction of facilities. The U.S. Olympic Commission should be consulted about taking over this facility.

I commend the Subcommittee for attention to this situation and I hope that some alternative can be found.●

CONGRESSIONAL WELFARE

HON. MARJORIE S. HOLT

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mrs. HOLT. Mr. Speaker, here is another piece of legislation that would plunder the taxpayers in the name of "reform." We have seen it so often around here, this reaching into the taxpayers' pockets to the accompaniment of sermons.

But this bill is worse than most, because it could use the Public Treasury to finance the election campaigns of congressional candidates. Here is a situation in which Members of the House are being asked to vote more benefits for themselves.

It is true that the pie would be sliced to serve opposing candidates as well as incumbents, and perhaps some of us can soothe our consciences with that argument. I am not among them.

The idea of using tax dollars to finance the personal ambitions of politicians is repugnant to me. I believe that the public's money should be used only to provide for essential public needs.

Let me reduce this to the simplest possible terms. How can anybody suggest that tax dollars should be used for bumper stickers, brochures, signs, balloons, and the other baubles and trinkets of an election campaign? Outrageous, isn't it? But that is what is being proposed in this legislation.

I am also extremely disturbed by another feature of this legislation. It would force taxpayers to finance the campaigns of candidates they would otherwise oppose.

The person who voluntarily contributes to the campaign of one candidate would be forced through the tax system to contribute to the opposing candidate.

I believe this violates a citizen's basic right to freedom of expression.

Mr. Speaker, this is bad legislation, and I cannot understand how the House Administration Committee majority can seriously propose it to this House.●

WINNING SPEECH

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mrs. BOUQUARD. Mr. Speaker, it is with great pleasure that I submit for inclusion in today's CONGRESSIONAL RECORD, a copy of the winning Voice of Democracy speech for the State of Tennessee. This year's winner is Miss Fawnia Rae Taylor of Cleveland.

I am proud to represent such outstanding young people who are not only genuinely interested in the future and welfare of our country, but who are also able to express their feelings for the benefit of others.

I extend my congratulations to Fawnia upon receipt of this distinct honor.

1978–1989 V.F.W. VOICE OF DEMOCRACY SCHOLARSHIP PROGRAM

America. A name. A place on a map. Freedom and opportunity.

I have little concern for just a name, just a place on a map, or a few isolated freedoms and opportunities. They are inanimate and are of little importance in practical concern.

What is a name if there is no one to bear it? What is a map if there is no one to read it? What are freedom and opportunity if there is no one to enjoy them? Who Cares?

We are a free land. We are a great nation. Most importantly, we are a people who care. We have proven it in foreign affairs, in tragedies in other nations, and in charitable organizations.

Because of our forefathers' vision for a great nation and because of the continuance of that vision, we are an outstanding nation in the world today.

I dearly love my country. Not just for its strength in comparison to other countries, but for the fervor that built that strength. Not just for the freedom we have today, but for the courage that was volunteered to set us free. I love and care for my country because the zeal and tenacity that helped to establish this nation still live in the heart of every true American.

"We the people" still have the goals of our ancestors: To live freely, justly, honestly, to attain high goals and maintain high standards.

Everything of importance must have purpose.

A person with no aim feels useless, unimportant and has no hope.

A nation with no aim grows apathetic and destroys itself from the inside out.

America still offers freedom. Freedom for people to make their own decisions, to live and to enjoy life. This freedom bears the seed of purpose. For with this seed one may plant the opportunities and the freedoms of this nation into one's life to be nurtured and raised, harvested and utilized for whatever one desires. This gives direction.

When one has meaningful purpose there is a reason to care.

In caring for America, there is no possible way for any one person to care for every other person by tending and helping each individual. However, one can care for America by taking the responsibility of having concern for the well-being of all classes, races, religions, nationalities, and all groups that are willing to stand for what is right in this nation.

I can best care for America by using my strength to help this nation to defend the morality for which America stands.

America is people. With people there can be freedom. With freedom there can be purpose. With purpose there is meaning. With meaning I care.●

BYELORUSSIAN ANNIVERSARY

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. HUGHES. Mr. Speaker, on March 25, 1979, the Byelorussian-American community commemorated the 61st anniversary of the creation of the Byelorussian Democratic Republic. Although this Byelorussian independence was only experienced for a few brief months, the memories of freedom from persecution and foreign domination are clearly ingrained in the hearts of the people of Byelorussia forever.

The Byelorussian struggle for independence began when Kastus Kalinouski led the anti-Russian uprising of 1863, and the national revolution continued with the creation of the Byelorussian national revival movement. The quest for independence culminated when the first All-Byelorussian Congress convened in December 1917. The act of March 25, 1918 proclaimed Byelorussia to be an autonomous nation, free of the Soviet yoke of oppression, and bestowed the citizens of the Byelorussian Democratic Republic with their individual liberty.

With the onset of the Bolskevik October Revolution, the Byelorussians were once again returned to their state of political subjugation and oppression. Although the Byelorussians resisted their attackers with all their might, the forces of the newly created Republic could not compete with the Bolshevik army. The Russians' hold over the people of Byelorussia became stronger than ever.

But, the people of Byelorussia would not forget their brief encounter with liberty. The memories of freedom have enabled the Byelorussians to withstand the Russification process. Although the Russians have tried to force a unification of its captive peoples by stifling culture and creativity, eliminating diversity of language, and obliterating national heritages, these efforts have been unsuccessful in the Byelorussian nation.

The people of Byelorussia have refused to succumb to Soviet efforts at intellectual enslavement, and continue to maintain their dignity even though they have been denied their basic human rights and refused their right to self-determination.

The history of the Byelorussian struggle for independence should be remembered by individuals of all nationalities and ethnic origins. It is truly an inspiration for any who suffer under the yoke of oppression. I pay tribute today to these determined people, by joining the Byelorussian-American community in celebrating the anniversary of their independence from the Soviet Union, and sharing their hope that the Byelorussian Democratic Republic will once again join the ranks of the nations of the free world.

TENNESSEE'S STATE ROCK

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. JONES of Tennessee. Mr. Speaker, I rise today to pay special tribute to students in the 6th grade, Tennessee history class at Martin Junior High School in Martin, Tenn., and to their dedicated teacher, Mrs. Jenny Vaughn. "Miss Jenny," as her students affectionately call her, and this history class have accomplished a feat which exemplifies what America and our democratic process is all about.

Earlier in the school year when the students were learning the particulars of our government in Tennessee they were surprised to find our State had failed to designate any rock as the State's rock. Tennessee had a State bird, a State flower, a State tree, a State flag—but no such honor had been bestowed on the solid mineral matter that makes up much of the Earth's crust we commonly refer to as rock.

The sixth grade Tennessee history class in Martin decided to make an effort to rectify this situation. With "Miss Jenny's" guidance their research revealed that any attempt to add to the list of people, places, and things honored by our State government would have to be initiated in the legislature.

The students began their lobbying effort. They took their case to area members of the State house of representatives and the State senate. Fortunately, their representatives were Tennessee House Speaker Ned R. McWherter and a distinguished leader in the house, Representative John Tanner. Their State senator was the able senate majority leader, Senator Milton Hamilton, Jr.

As in all successful lobbying efforts these young lobbyists had gathered the (geological) facts. They presented a convincing argument. It was pointed out how remiss Tennessee would be not to honor a mineral which means so much to our State. Not only does Tennessee proudly display majestic boulders but a great deal of industry is associated with stone and stone products.

Should their legislators agree with them, the students suggested an appropriate State rock would be limestone. Limestone is the only rock found in all three grand divisions of our State.

Senator Hamilton, Speaker McWherter, and Representative Tanner were readily convinced and they jointly introduced a bill to designate limestone as the State rock.

After the bills were introduced, the students corresponded with every member of the Tennessee General Assembly urging them to support the "State Rock Legislation." As the bill treaded its way through the legislative process, "Miss Jenny" raised money from area businesses to secure transportation for the entire class to make the 150-mile trip to Nashville the day the bill was scheduled for floor action.

The big day finally came and the students left for Nashville to culminate their lobbying effort. The day of the vote found these young Tennesseans in the halls of the general assembly at an early hour. They readily assisted their area legislators with ample persuasion on any unconvinced member.

Their efforts were successful. First Senator Hamilton secured passage in the senate; Speaker McWherter and Representative Tanner were not far behind and the house acted with swift competence. Limestone is now Tennessee's State rock.

Governor Lamar Alexander signed the law proclaiming limestone as Tennessee's State rock, March 13, 1979.

Mr. Speaker, on many occasions you have heard me attest to the patriotic heritage and aggressive civic pride which prevails in the Volunteer State of Tennessee. I believe this experience further exemplifies the public spirit and political tenacity our people have.

Mr. Speaker, I want to congratulate these students and their teacher, Mrs. Vaughn. I have known Jenny more years than we care to admit. Her husband, Wilbur and I worked together side by side for 25 years. I am proud to call Jenny and Wilbur Vaughn my friends.

In closing, Mr. Speaker, I would like to suggest that the next time this august body gets endlessly bogged down in the legislative process we might do well to tap the legislative acumen of the sixth grade class at the Martin Junior High School.●

ALASKA: WHO IS TELLING THE TRUTH

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, on March 1, the Committee on Interior and Insular Affairs ordered reported an Alaska lands bill that sets aside 120 million acres of land in Alaska under various Federal protection and management systems. This bill could easily be characterized as the conservation measure of a lifetime.

Unfortunately, certain environmental groups appear to be getting greedy. Rather than supporting this carefully crafted measure, which meets both the national interest and the needs of the residents of my State, they seem intent in going after even more land. This in spite of the fact that the failure of the same bill last year was characterized as "throwing Alaska to the bulldozers."

The enclosed editorial from the Fairbanks Daily News-Miner speaks of this constantly changing point of view. I commend it to my colleagues and suggest that they think very carefully about who is telling the truth.

[From the Fairbanks (Alaska) Daily News-Miner, Mar. 19, 1979]

Ouch!

The Sierra Club was understandably outraged when its champion, House Interior Secretary Morris Udall, got his Alaska lands bill rammed down his throat by his own committee two weeks ago. It's interesting to see how the rhetoric heats up when the tables are turned.

"In a series of very close votes on Feb. 28 the House Interior Committe approved and reported to the full House a drastically weakened Alaska lands bill," says the club's "National News Report." It added that the substitute bill "has become a vehicle to exploit, rather than preserve, the national interest lands."

The Sierra Club calls the Huckaby substitute, "Sen. Ted Stevens' version of the incomplete negotiations that were held in the final hours of the 95th Congress." The club then lists how many fewer million acres there were in parks and wildlife refuges in the new bill.

This is the same bill, mind you, that Alaska Sen. Mike Gravel killed last year, and it's the same Sierra Club that castigated Sen. Gravel then for throwing Alaska to the bulldozers. How times change.

From reading the club bulletin its readers would never imagine that the Huckaby substitute withdraws almost 100 million acres of Alaska into federal parks and preserves, including about 30 million acres of land with oil and gas potential. One would never guess, to listen to the Sierra Club, that it closes 20 million acres to sport hunting and imposes federal policies over the rest of Alaska's fish and game management.

From listening to the Sierra Club one certainly wouldn't get the idea that the Huckaby bill requires an act of Congress to drill for oil in the Arctic National Wildlife Range, or that it closes 115 million acres to mining claims.

The Sierra Club members certainly wouldn't think this is the same bill which had its death widely cheered throughout Alaska last year, despite the heavy lobbying for it from most state political leaders.

The House Interior Committee has just passed the greatest parks and wildlife refuge bill in history, and the Sierra Club tells its members that it's opened Alaska up to massive development. Its lobbyists learned long ago that if you tell a big enough lie, people will pay you so they can listen.●

THE CARTER BUDGET

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. McDONALD. Mr. Speaker, the Carter budget, in spite of protestations to the contrary, is not an austerity budget. The fat in the budget is oozing out the sides as Anthony H. Harrigan described in a recent editorial that appeared in the U.S. Industrial Council Bulletin for March 15, 1979. The income transfer and vote buying programs are bloated and undamaged. The editorial follows:

The Carter Budget

(By Anthony H. Harrigan, Executive Vice President)

Anyone who reads that dreary federal document entitled "The United States Budget In Brief—Fiscal Year 1980" realizes that President Carter's description of the budget as "lean and austere" is utterly without validity.

Mr. Carter has sent another welfare state, big-spending budget to Congress. He proposes that Congress spend $29 billion more than he anticipates in revenues—a surefire prescription for galloping inflation.

Mr. Carter isn't interested in reducing the cost of government. He wants to spend more on dozens of federal programs.

Consider these proposals in the new Carter budget:

Mr. Carter wants to expand foreign aid. According to the Budget, he proposes to spend a staggering $8.2 billion, "an increase of $900 million over 1979." All this at the time the U.S. has the largest trade deficit in its history.

Outlays for the World Bank and similar institutions are to rise from $900 million to $1 billion.

The Agency For International Development is scheduled to receive another $100 million.

Outlays for solar energy research, which has virtually no chance of solving America's energy problems in this century, will be hiked 40 per cent. Solar energy is favored by the anti-technology idealogues who oppose nuclear power and fossil fuel plants.

"Spending for energy information, policy and regulation" (read PR and red tape) will be increased from $798 million to $969 million.

Non-productive outlays for pollution control will rise 14 per cent from $4.1 billion to $4.7 billion.

Housing loans and grant assistance under the Farmers Home Administration will be hiked $144 million.

The new National Consumer Cooperative Bank, which is authorized to make loans to cooperative food stores, pharmacies, garages, etc., are estimated to cost $90 million.

Another $200 million will go to the National Credit Union Administration.

Requested budget authority for "community and regional development" will rise from $8.1 billion to $11.3 billion.

The Dept. of Housing and Urban Development programs for public housing will get an additional $400 million.

Outlays for federal aid to education will be increased from $12.7 billion to $13.3 billion.

Federal youth job training programs will cost $2.1 billion in 1980. Summer programs alone will cost $545 million.

A total of $6.7 billion will go for the much-abused Aid to Families with Dependent Children program.

Finally, the food stamp program, according to the Budget, will "assist 17.4 million recipients" at a cost of $6.9 billion. This is an income transfer program that strikes directly at the self-reliant middle class.

If this is what President Carter regards as an "austere, tight" budget, the taxpayers better hope that he never presents what he would regard as a "generous" budget. It would break their backs.

The figures stated above give only part of the overall spending picture. For example, the administration also proposes to fund, the National Development Bank. This giant boondoggle proposal, which would make loans to the organizations that are poor credit risks, would receive $3.5 billion under the Carter budget.

Clearly, if one ignores the self-serving austerity talk of the President and his assistants, the proposed federal budget will be seen for what it is, namely another welfare budget completely in line with the spender proposals of the Kennedy and Johnson administrations.

The Carter budget is more of the same—more of what has caused the tragic weakening of the American economy.

The Carter budget represents another attempt at public expropriation of the national income—more wealth transfers to the handout—hungry elements in our society.

It's essential, therefore, that thoughtful citizens understand the real character of this budget and reject Mr. Carter's false characterization of the budget as "lean and austere." This is the type of budget that has driven the U.S. public close to a tax rebellion.●

SMALL CLAIMS COURTS

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. BROYHILL. Mr. Speaker, in the last Congress I introduced legislation to protect consumers by establishing small claims courts, arbitration programs, and other mechanisms to help resolve consumer disputes in the marketplace. This legislation, known as the Dispute Resolution Act, was designed to provide States, localities, and nonprofit organizations with financial assistance to develop inexpensive, fair and easy-to-use mechanisms for resolving consumer disputes and other minor civil disputes. Although approved by the Senate last year, the measure, S. 957, narrowly failed in the House under suspension of the rules on October 12, 1978.

I intend to introduce similar legislation in the weeks ahead, and hope that my colleagues will take the time to acquaint themselves with what I believe is an effective and feasible approach to addressing consumer complaints in the marketplace. Accordingly, at this time I would like to have submitted in the RECORD a copy of an article which appeared in the January 1979 issue of the American Bar Association Journal. I believe this article clearly points out the benefits which can be realized through the enactment of the Dispute Resolution Act. I hope that this article will be of benefit to my colleagues.

President's Page

(By S. Shepherd Tate)

MINOR DISPUTE RESOLUTION

Last month I visited the Venice/Mar Vista Neighborhood Justice Center in Los Angeles. This pilot program is a public service activity of the Los Angeles County Bar Association and is funded by the United States Department of Justice. The Justice Department supports two similar experimental centers for minor dispute resolution in Atlanta and Kansas City. These projects are an important part of the search for fairer, faster, and less costly ways of resolving minor disputes.

The American Bar Association is firmly committed to this search. In 1976 we cosponsored the Conference on the Causes of Popular Dissatisfaction with the Administration of Justice (Pound Conference). Specific recommendations arising from that conference and the work of the Pound Conference Follow-Up Task Force, which was chaired by Griffin Bell, included the establishment of neighborhood justice centers and the expanded use of small claims courts and arbitration. In 1977 further attention was devoted to these and other proposals at a National Conference on Minor Disputes Resolution funded by the American Bar Endowment and the American Bar Association.

Much of the Association's nationally recognized work in this area is now carried on by the Special Committee on Resolution of Minor Disputes. This committee, which is ably chaired by Talbot (Sandy) D'Alemberte of Miami, was created by the Board of Governors in 1976.

During its brief life this special committee has provided valuable leadership in evaluating and implementing various proposals. For example, it has worked closely with the three neighborhood justice centers. Assistance to these projects has included the promulgation of standards and guidelines and the training of staff. In addition, the special committee has worked directly with local bar associations and other groups in developing alternatives to litigation and has served as a national clearinghouse for information on minor dispute resolution.

One of the top priorities of the special committee, and of the Association as a whole, is enactment of federal legislation to provide much needed "seed" money to states to improve existing and to experiment with new dispute resolution forums. The Dispute Resolution Act (S. 957 in the 95th Congress) passed the Senate last year but narrowly missed approval in the House of Representatives.

This act was introduced last year by Senators Kennedy and Ford and Representatives Kastenmeier, Eckhardt, and Broyhill. It was supported by President Carter and Attorney General Bell, by a bipartisan congressional coalition, and by the United States Chamber of Commerce and the Consumer Federation of America. I have urged the administration to support similar legislation vigorously in the 96th Congress.

There can be no doubt that we must find ways to improve the settlement of small personal or monetary disputes without the formalities or prohibitive costs of court action. Many aggrieved parties, regardless of socioeconomic status, do not now have effective access to any forum for the resolution of disputes because the loss involved is generally far less than the time, money, and trouble required to recover it. And, in some consumer and other disputes, the traditional adversary system may not be the best approach. For example, litigation in the courts between people with a continuing relationship, such as members of the same family or neighbors, often solves one problem while creating others. Negotiated settlements are more likely to lead to a restoration of good relationships. In these cases, society has a stake not only in a final disposition of a personal controversy but also in an amicable one.

If we are to ensure all of our citizens access to justice, we must invest resources in programs that will facilitate negotiated compromises in nonadversary settings. These forums do not replace courts, nor do they render the assistance of counsel obsolete. Instead, they foster faith in and reliance on the ability of the justice system to help resolve all legal problems, no matter how small.

The A.B.A. will continue its efforts to assist programs such as the Venice/Mar Vista Neighborhood Justice Center. In addition, we plan to continue our work to secure passage of the Dispute Resolution Act or similar legislation. With the help of federal funds, I believe that state and local governments, and such private groups as bar associations, can develop means by which minor disputes can be resolved more effectively. The organized bar stands ready to help in this important endeavor.●

BYELORUSSIAN DEMOCRATIC REPUBLIC

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. HORTON. Mr. Speaker, yesterday, March 25, 1979, marked the 61st anniversary of two important events for all Byelorussians; the convening of the First All-Byelorussian Congress and the creation of the Byelorussian Democratic Republic. For the first time in their history, Byelorussians were a free and independent people. It is important therefore that we join Americans of Byelorussian descent in reaffirming the pursuit of freedom and human rights.

As was the case with other peoples and republics, Byelorussia's independence was short-lived. Although there were numerous anti-Bolshevik uprisings throughout Byelorussia, it ultimately succumbed to Soviet domination at the end of the Russian Civil War. Their brief period of freedom is the foundation of the continuing outcry against Soviet repression of the Byelorussian people.

In light of the Helsinki agreement and our own advocacy of human rights around the world, it is important that those of us in the Congress concerned about Soviet human rights violations maintain our support and call for freedom of Byelorussians and other captive nations.●

UNITED STATES-U.S.S.R.: CONTRASTING VIEWS OF NUCLEAR WAR

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. SYMMS. Mr. Speaker, I recently received in my office the March 1979 issue of the National Security Record published by the Heritage Foundation here in Washington. This particular issue discusses the asymmetries in strategic nuclear doctrine between the United States and the Soviet Union.

I would like to take this opportunity to recognize Mike Donley of the Heritage Foundation staff for his fine work in the preparation of this discussion. Mr. Donley received his master's degree in international relations from the University of Southern California in 1978 specializing in national security studies.

Mr. Speaker, I believe that this report is especially valuable since it clearly explains the fallacies of the argument that new or additional Soviet weapon systems cannot threaten U.S. security since both nations already have enough nuclear weapons to destroy each other several times over. It also points out that, unlike U.S. strategy, the Soviet doctrine emphasizes war fighting and war survival as its key elements. I commend this Heritage Foundation report to my colleagues in Congress, and I urge its careful consideration as we approach consideration of the SALT II treaty.

[From the National Security Record, March 1979]

UNITED STATES-U.S.S.R.: CONTRASTING VIEWS OF NUCLEAR WAR

Both the U.S. and the Soviet Union possess a substantial arsenal of strategic nuclear weapons—weapons of great destructive power which can be delivered over long distances in a relatively short period of time. This qualitative and quantitative leap in war-making power brought about a reevaluation of strategy in both countries, each attempting to understand how strategic nuclear weapons relate to other aspects of military and diplomatic power and to foreign policy objectives. On balance, not only did the U.S. reach different conclusions about the nature of nuclear war than did the Soviet Union, but it departed from long-standing and more historically grounded approaches to strategy in general.

DETERRENCE VIA ASSURED DESTRUCTION

The essence of U.S. military policy over the past 20 years has not changed: it is the deterrence of aggression, both nuclear and non-nuclear. In more specific terms, this has included a nuclear attack against the U.S. and/or its allies; a conventional attack by the WARSAW PACT against NATO; or lesser regional conflicts that might lead to conflict, or the threat of conflict, between the U.S. and USSR.

The U.S. concluded early on that nuclear war was something to be avoided at all cost. In the 1960s, in part as a response to this general tendency, a concept known as "Assured Destruction" was developed which stated that nuclear war could best be avoided by assuring that the consequences would be unacceptable for the potential attacker. Under this concept, strategic forces are needed only to inflict a certain level of punitive damage, measurable in industrial destruction and population deaths, on Soviet society.

Assured Destruction has had ramifications for the design and production of U.S. strategic weapons systems since, to a significant degree, it placed an upper limit on strategic force requirements. Types of weapons systems can be generically characterized in three days: those that are hard-target capable; those that are time-urgent capable; and, finally, those that are both hard-target and time-urgent capable. To the first category belong ICBMs, gravity bombs delivered by manned aircraft, and potentially cruise missiles; to the second category ICBMs and SLBMs; and to the third category only ICBMs.

To hold an Assured Destruction capability does not require emphasis in the third category. (Thus, those individuals more or less sympathetic to a strategy of "minimum deterrence" would not necessarily be concerned with the potential loss of U.S. fixed land-based ICBMs.) As a result of an Assured Destruction emphasis, the "backbone" of the U.S. retaliatory capability is found in SLBMs—missiles of relatively low yield and debatable accuracy, but supposedly sufficient to inflict unacceptable damage on the Soviet urban/industrial complex.

OVERKILL

The concept of overkill represents the somewhat illogical extension of a strategy of Assured Destruction. If a finite level of strategic capabilities can ensure a certain level of punitive destruction on Soviet society, then any additional strategic capability becomes not only superfluous but extravagant. The popularity of the overkill thesis grew in particular as a result of Secretary of Defense McNamara's address at San Francisco in September 1967 (and has since been reinforced by President Carter in his recent State of the Union address). Mr. McNamara then revealed that an ability to successfully deliver 1600 warheads would destroy virtually all of the Soviet urban population and the largest percentage of Soviet industry. President Carter has made a similar analogy. Any additional capability, it would appear, would only rearrange the rubble.

The overkill argument is flawed in a great many respects, most of all in the sense of considering only the static warhead inventory of the U.S., rather than the number of warheads that would survive a pre-emptive Soviet strike and then successfully arrive on target.

The U.S. openly prefers a second-strike posture. Conceptually, this is revealed in an Assured Destruction doctrine which is based on retaliation. Operationally, the TRIAD of ICBMs, SLBMs, and bombers is designed to complicate a first-strike such that, in the event deterrence fails, the U.S. could maintain a sufficient retaliatory capability. Thus, the primary reduction, or "draw down," in forces available to the U.S. will occur in the opening phase of conflict. U.S. losses at this point in time will be largely determined by their readiness posture. Fixed ICBMs—regardless of readiness—are supposedly prepared to ride out a Soviet attack.[1] About half of the U.S. SLBM force is in port at any given time; only 30 percent of the B-52 force is operational, on station, or on alert at any given time. In sum, the survivability of ICBMs is directly determined by the killing power of the attacking missiles, while the survivability of SLBMs and bombers is highly dependent upon advance warning.

After pre-launch survivability, the effectiveness of remaining forces will be influenced by other factors including: systems reliability (which is usually placed at about 85 percent)—that is, how many missiles will actually launch; in-flight survivability—or what percentage of the bombers, for example, will reach their release point and then successfully penetrate Soviet defenses, or how many warheads will be neutralized by the residual anti-ballistic missile (ABM) capability of the Soviet air defense system? Another consideration is defense suppression—what percentage of weapons will be used to thwart Soviet defensive (rather than offensive) forces?

Next: of those weapons available on target, how many will be required to destroy a single target with the desired degree of confidence? The answers here will be determined by the priority of the target, its hardness, the yield of the warhead, and its accuracy. To increase the probability of kill, improvements in accuracy are relatively more important than increases in yield; but higher yields can compensate for practical degradations in accuracy and are less affected by wide variations in hardness among different types of targets.

Finally, there is the driving question of strategy. An appropriate response to the question how much is enough is the question what do you want your forces to do? Deterrence is inherently a psychological term and will depend on the perceptions of the military balance by real and supposed adversaries. Deterrence, however, has two distinct aspects: capability and credibility—the equating of ends with means. The notion of simple and automatic retaliation does not in itself constitute a strategy. It provides a degree of deterrence against some kinds of attacks, but does not address the desirability of such a response under various circumstances.

A Soviet strike at U.S. military targets (not limited to Minuteman ICBM silos), avoiding population centers, may result in less than 10 million fatalities—a stupendous figure to be sure. However, with 95 percent of U.S. population surviving and upwards of 98 percent of American industry still intact, any president would be hard pressed to choose a simplified urban/industrial (countervalue) response, especially when the bulk of Soviet strategic forces still remain in reserve. The issue surrounding an Assured Destruction strategy is, therefore, not one of capability but credibility.

DEFENSE AND DAMAGE LIMITATION

The concept of Assured Destruction has had a negative impact on the U.S. approach to defense and damage limitation.

From the basic assumption that there can be no winner in a nuclear war, the U.S. approach has been that nothing should be done to make nuclear war possible at any time and at any level. The primary objective, then, would be to make sure that—if deterrence were to fail—both sides would lose. In essence, this led to the concept of Mutual Assured Destruction (MAD). Succumbing to a "mirror image" approach, the U.S. rationalized that the Soviet Union was in agreement regarding the "new realities" of the nuclear era.

MAD dovetailed neatly with other emerging issues of arms control. What MAD really meant was that both sides—for the sake of stability—should remain mutually vulnerable. To avoid upsetting mutual deterrence, the unwritten rules of the MAD "logic" state that neither side should threaten the survivability of the other's retaliatory forces.

In offensive forces, this means that large-throwweight, high-yield, high-accuracy missiles were characterized as especially destabilizing to the strategic balance since they lend themselves to a "counter-force" strategy. In defensive forces, the implication is that neither side should try to defend itself (after all, a nuclear war cannot be won—so why bother?) nor should either side challenge the effectiveness of the other's deterrent by developing an ABM capability. In this context one can better understand why arms control enthusiasts are so adamantly against ABM no matter how effective it may be.

MAD inexorably leads one to the conclusion that missiles which kill missiles are bad, and missiles which kill people are good. If defensive forces were prohibited, it was postulated, then offensive force requirements would remain modest and strategy simplified. Within the MAD framework this relationship between offensive and defensive forces would supposedly produce stable and mutual deterrence, and would lower the cost of the "arms race" by theoretically eliminating the need for strategic defense of any kind.

As it applies to the control of conflict escalation, the MAD concept dictates that however desirable control of a nuclear war may be, it is nevertheless uncontrollable. Once nuclear weapons of any kind are used—in whatever numbers at whatever level of conflict—escalation to an "all-out" nuclear exchange is "inevitable." This dictate is designed to reinforce the idea that nuclear war is "unthinkable." In sum, damage limitation of any kind is anathema to MAD since it would call into question this basic and fundamental assumption.

MAD is a comprehensive set of mutually-reinforcing arguments designed to remove the use, or threatened use, of nuclear weapons as a viable option in the application of diplomatic or military power. It serves as a sophisticated explanation of how and why deterrence cannot fail, but it ignores the strategic issues and policy options which would necessarily be addressed should deterrence fail.

THE SOVIET APPROACH

If there is one single all-consuming problem with the concept of Mutual Assured Destruction it is that MAD is not "mutual." The CIA has noted that "MAD, as a desirable and lasting basis for a stable strategic relationship between superpowers, has never been accepted in the USSR."

In its effort to explain the role of nuclear weapons in foreign and military policy the Soviet Union concluded that the development of these weapons, and their modern means of delivery, constituted a revolution in military affairs. Yet instead of making general war "unthinkable," the nuclear era has merely required an adjustment in concepts of distance, time, and destructive potential. From the Soviet point of view nuclear weaponry posed new problems, but at the same time presented new opportunities.

SOVIET DOCTRINE

Soviet military doctrine is a reflection of the basic political principles that guide the government in all of its activities. Military policy is defined by the leadership of the CPSU and is based on the need to defend the USSR's accomplishments against all adversaries. Nevertheless, war is not desirable from the Soviet point of view. A long-standing historical guideline remains central: it is preferable to subdue the adversary without resorting to the use of force.

From the historical perspective of Marxism-Leninism, conflict between the two opposing systems is the norm. War (though not desirable) is therefore a distinct possibility. The use of force, however, does not represent a failure or breakdown in foreign policy but rather (in Clausewitzian terms) a continuation of policy by other means. War is not considered an accidental, spontaneous, or spurious event. Instead, it is viewed as a purposeful undertaking integrally related to higher policy objectives. The use of nuclear weapons in war is to be subordinated to policy and nuclear weapons are intended to be used to accomplish political objectives. Thus, the Soviets appreciate the value of deterrence within the context of overall strategy, but not as an ultimate objective.

This conceptual approach contrasts sharply with a "theory of limitation" which attempts to answer the question how much is enough. The Soviet approach says that the military power of a state is relative and must be compared with other states or coalitions. The achievement of political or foreign policy objectives is directly dependent on a "correlation of forces." It is only military supremacy that makes victory in war possible. However, military supremacy does not guarantee victory; but only provides the essential ingredient for its attainment.

Soviet military doctrine states that the course of military operations in modern war will be decisively influenced by the use of nuclear weapons. Because of their unique combination of tremendous power and speed, strategic forces are seen as the fulcrum upon which all other forms of military power rest. Superiority is therefore highly desirable and resources should be allocated so as to attain it. If an evident superiority is achieved over an adversary, then it can be translated into specific means to achieve desired objectives. The method of combat operations is seen as the choice of the superior force. The relationship of forces at the strategic nuclear level will ultimately predetermine the transition from low levels of conflict to higher ones. Ideally, from the Soviet view, deterrence is thus a one way street imposed by the stronger power upon the weaker.

DAMAGE LIMITATION

While the U.S. placed its conceptual efforts behind deterrence of nuclear war, the Soviet Union concentrates its strategy around the proposition that deterrence may eventually fail. By developing a nuclear war-fighting strategy and capability, the Soviets apparently believe that the credibility of their capacity to deter U.S. strategic forces is enhanced. Moreover, should deterrence fail, they would be in a relatively better position to fight and win a nuclear war. The Soviets clearly reject the notion that both sides would lose—indeed *should* (under MAD) lose—a nuclear war.

On the offensive side, Soviet appreciation of strategic nuclear power has led to a well defined approach to targeting. In the most elemental terms, Soviet strategy is to strike an enemy's weapons at their source. Of particular importance is to destroy an enemy's means of nuclear attack. This "preemptive defense" contains two interrelated components of a modern military strategy based on the advent of nuclear weaponry: one emphasizes the element of surprise; and the other is the need to preempt, strike first, and be decisive. By taking the initiative to reduce the enemy's means of attack or retaliation the Soviet Union thereby reduces the damage to itself or its interests. Thus, the so-called hard target killers characterized by MAD as "destabilizing" (very large and accurate ICBMs) are precisely those missiles preferred by the Soviet Union.

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[1] A policy of "launch on warning" has in the past been consistently rejected by the U.S. as the least desirable survivability option due to its inherent instability. The problems associated with such a policy have been summed up in the following manner: the U.S. would have to decide within a very short period of time how many of what forces to launch against how many of what kinds of targets in response to what level and what kind of Soviet attack.

In active defensive forces, the Soviets have made substantial investments in a comprehensive air defense system. The Soviets also maintain a vigorous ABM research and development program; and despite notions prevalent at the signing of the ABM Treaty that the Soviets had recognized the "destabilizing" character of ABM, many questions about Soviet SALT violations involve the use of upgrading of air defense capabilities for ABM purposes.

To the Soviet Union, however, civil defense in particular is seen as essential to deterring an attack upon the USSR. It is the further contention of the Soviet leadership that civil defense is fundamental to the survival of the Soviet state in the event of war. This stems from the fact that the Soviets believe nuclear war will not end with the initial strategic exchange; remaining industrial and economic assets will therefore be decisive.

As a result, every effort should be taken to reduce the vulnerability of industry and communications, and measures taken to restore industrial production after the strategic attack. The basic purposes of civil defense, therefore, are two-fold: to reduce population deaths and to retain the integrity of the society and the authority of the state. In short, the means taken by the Soviet Union to protect its industry and population, they believe, may help to predetermine the outcome of a nuclear exchange in the Soviet favor.

In the Soviet view, then, damage limitation is a single process that includes both offense and defense. The Soviet civil defense apparatus, for example, is not intended to withstand an all-out U.S. attack directed at urban/industrial centers. Its purpose, rather is to minimize, to the extent physically and economically feasible, the potential damage which would result from significantly impaired U.S. strategic forces—forces "drawn down" in a first strike, and then again by active defenses.

A summary of U.S. and Soviet approaches to nuclear strategy would undoubtedly conclude that the Soviet approach is profoundly different from that of the U.S. Rather than attempting to expunge nuclear warfare as a viable political/military option by creating a more or less artificial "strategy" to limit strategic nuclear forces, the Soviet Union has sought to incorporate these modern weapons into a coherent strategic doctrine. Some may belittle or reject the Soviet approach, but a strategist would fail to appreciate these differences only at his peril.●

SALT II: A EUROPEAN PERSPECTIVE

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. WHITEHURST. Mr. Speaker, Dr. Alois Mertes, in his capacity as a member of the German Bundestag, and as a spokesman for disarmament and arms control for the Christian Democrat-Christian Socialist Union Parliamentary Party, recently offered some interesting comments on the prospective SALT II agreement.

Dr. Mertes concisely identifies the primary SALT II issues of concern to our German and NATO allies, issues which must also be of fundamental concern to us. The comments made by Dr. Mertes eloquently speak on their own behalf.

I would only add that as we consider the SALT II agreement in the near future, the points raised by Dr. Mertes will play a major role in the important and necessary public debate which will accompany SALT II.

Mr. Speaker, I insert Dr. Mertes' remarks in the RECORD at this time, and I recommend them highly to my colleagues for consideration:

DR. ALOIS MERTES STATEMENT ON SALT II

SALT-II would really stabilize the international balance and strengthen world peace if its contents are balanced, clear and verifiable. It is not yet known whether these prerequisites will be fulfilled; the final text of the treaty has not been drawn up yet. German politicians therefore should abstain from prematurely praising or criticizing SALT-II. Out of a sense of responsibility for the conduct of foreign policy and respect for the U.S. Senate, we Germans must not become the chief witnesses of the domestic American advocates or adversaries of the present SALT-II treaty. We should confidently and clearly outline our problems and questions to the United States resulting from our singular situation, for this treaty between geographically remote America and nearby Soviet Union touches the core of our common security.

In this context German policy is confronted primarily with three questions:

1. How can it be unequivocally guaranteed that the so-called "now-circumvention clause" of the SALT-II treaty, running for eight years, touching upon the relationship between the two superpowers and their allies, henceforth does not impede close cooperation in the Western Alliance? In view of the growing Soviet threat, SALT-II must not burden Western Europe with the handicap of political or military doubts resulting from Soviet-American antagonisms regarding its correct interpretation and application.

2. How can it be unequivocally guaranteed that the 3-year SALT-protocol does not foreclose, legally or politically, options for Western Europe for weapons necessary for its security and that, once the protocol has expired, all the options for those weapons systems indispensable for the security of Western Europe, indeed remain open? (The protocol, for instance, prohibits the deployment of land- and sea-based cruise missiles with a range of over 600 km, which could possibly become most important some day for the deterrence of Soviet gray area weapons.)

3. How will it be reliably guaranteed, with a view to the multilateral effects of bilateral American-Soviet arms control policy and West European security prior to ratification, that the gigantic and incessantly growing Soviet superiority in medium-range nuclear launching vehicles—which is not a subject of SALT-II—will be either mitigated with a view to parity, or offset by respective western nuclear defense measures? (While Soviet nuclear gray area system cannot reach the United States, they could completely destroy Western Europe and therefore become a vehicle for political pressure and blackmail.)

Disarmament and arms control contribute to the preservation and stabilization of peace, provided they also strengthen security. This is particularly true for the Federal Republic of Germany, which, following her 1954 NATO-wide renunciation of nuclear weapons, signed the nuclear non-proliferation treaty of 1974 at the urging of the United States. Thus, the Federal Republic has also agreed to total renunciation of nuclear weapons vis-a-vis the Soviet Union and, therefore, is much more dependent on credible security guarantees by the United States than are England and France. These security guarantees should be such that neither the Federal Republic nor the Soviet Union could seriously doubt them.●

GUESS WHAT? WE ALREADY HAVE A LAW TO BALANCE THE BUDGET

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 27, 1979

● Mr. BROWN of California. Mr. Speaker, an article from yesterday's Los Angeles Times documents the rapid progress the Congress has made in its efforts to legislate a balanced Federal budget. We have moved so rapidly that few in Congress know that beginning fiscal year 1981 the law already requires a balanced budget. This remarkable feat was accomplished at the end of the last session of Congress with a nongermane Senate rider to a rather obscure bill which is now law.

Mr. Speaker, while there are some flaws in this budget-balancing law, which are explained in the following article, I do not wish to detract from this accomplishment. The Congress and the President are to be commended for acting with all the rhetoric at their disposal. Now all we have to do is adjust taxes and expenditures to meet the legislative intent.

The article follows:

[From the Los Angeles Times, Mar. 26, 1979]

GUESS WHAT? A BALANCED-BUDGET LAW IS ALREADY ON THE BOOKS

(By David Weil)

As voters flock to the call for a balanced federal budget, politicians are positioning themselves accordingly. By one count, 99 separate proposals to constitutionally or statutorily mandate a balanced budget have surfaced in the 96th Congress. Concerned congressmen formed a Balanced Budget Caucus last week to deal with the issue.

Lost in the shuffle somehow is the little-known fact that legislation requiring a balanced budget was passed by Congress last September and signed into law by the President on Oct. 10, 1978. Section 7 of Public Law 95-435 says: "Beginning with fiscal year 1981, the total budget outlays of the federal government shall not exceed its receipts."

The great anonymity achieved by this statute may be the result of its strange voyage through Congress and the enormous confusion concerning its legal effect.

Last winter the House of Representatives passed a bill authorizing the United States to contribute about $2 billion to a special facility of the International Monetary Fund (IMF). Five months later the bill reached the Senate floor, where legislation may be amended to include provisions that have nothing to do with the legislation itself. The IMF bill was amended to include (among other things) a trade embargo against Uganda—and a balanced federal budget in 1981.

Sen. Harry F. Byrd Jr. (Ind.-Va.), who offered the balanced-budget amendment, explained in a two-minute statement that he was simply fulfilling one of President Carter's campaign promises. His brief remarks made up the entire debate; not one other senator commented on the proposal. The amendment passed, 58 to 28, with Sens. Alan Cranston (D-Calif.), Edward M. Kennedy (D-Mass.) and George McGovern (D-S.D.) among the liberals in opposition. The bill itself then sailed through, 69 to 16.

Next, when the House appointed conferees to meet with their Senate counterparts to reconcile the different versions of the IMF bill, Rep. Charles E. Grassley (R-Iowa) moved that the House conferees be instructed to accept the balanced-budget amendment. The House debate was more extensive than the Senate monologue, but few speakers discussed the merits of the idea, and no one explained how the amendment was supposed to work.

Several congressmen feared that they were voting on a balanced budget in 1981 without having studied it. Rep. Henry S. Reuss (D-Wis.), pointing out that committee hearings had never been held on the proposal, confessed: "The truth of the matter is that we do not know beans about the niceties of the budget." The House then voted overwhelming approval of the balanced-budget requirement. Many of those voting in favor said that they wanted to go on record in support of a balanced budget without actually requiring one. The amendment, they said, could easily be superseded by the action of a later Congress. And so, within a month the IMF bill was signed into law, amendment in tow.

Now, five months later, people are beginning to ask what the law means. According to Byrd, it means that the President "will have an obligation to submit a balanced budget to the Congress for 1981." It could also mean that regardless of what the President submits, Congress is obligated to turn down appropriations that exceed receipts for 1981. A Congressional Research Service memo on the amendment's legal effect suggests a third possibility: The President may have to spend less than Congress appropriates, if that's what is necessary to balance the budget. Of course, if the President impounds appropriated funds (even to balance the budget) he may violate the Congressional Impoundment Control Act of 1974 (passed in reaction to the Nixon administration's refusal to spend funds that Congress had appropriated).

In addition to confusion over who is supposed to do what under the balanced-budget law, there is puzzlement over how it is to be enforced. Since the law declares simply that outlays shall not exceed receipts, without making anyone in particular responsible, who could be named as a defendant in a lawsuit if the budget weren't balanced? And who would have standing to bring suit? How would anyone know at what point during fiscal 1981 that outlays exceeded receipts? Would the courts even consider the balanced-budget requirement a justiciable issue? Most likely the judiciary would find the law to be hortatory, without any binding effect at all.

At least one statement made in Congress about the balanced-budget requirement seems accurate: ". . . many efforts will be made to set aside, ignore or evade" it.●

SENATE—*Wednesday, March 28, 1979*

(Legislative day of Thursday, February 22, 1979)

The Senate met at 11:45 a.m., on the expiration of the recess, and was called to order by Hon. MAX BAUCUS, a Senator from the State of Montana.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray:

Almighty God, from whom all holy desires and all just works do proceed, we beseech Thee to remove from this Earth every vestige of hate and hostility, rancor and vindictiveness which contaminate the climate for peace and obstruct the coming of Thy higher kingdom. Let not the glowing achievement of one accord conceal the unfinished task of creating a just order for peoples still ravaged by disorder, injustice, and violence. Guide by Thy Holy Spirit the leaders of the world in the work which remains to be done.

Look upon us in this place that we may obey Thy commandments and possess that peace which the world cannot give nor take away, that peace which passeth all understanding and endures eternally.

"Whom shall we trust but Thee, O Lord?
Where rest but on Thy faithful word?
None ever called on Thee in vain:
Give peace, O God, give peace again."
—HENRY BAKER, 1854.

Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., March 28, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable MAX BAUCUS, a Senator from the State of Montana, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BAUCUS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I have no requests for my time, so if the distinguished minority leader wishes to proceed, I shall reserve my time for the moment.

RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

A PARTNERSHIP FOR PEACE

Mr. BAKER. Mr. President, the banner story in this morning's Washington Post reported that the United States has made certain pledges of economic, political, and military assistance to Israel in the event Egypt violates the terms of the peace treaty signed in Washington on Monday.

This treaty has been cause for considerable celebration this week, and I have been among those commending the principals in these negotiations for their initiative and commitment.

The vast majority of my colleagues in the Senate, I believe, wish to be faithful partners in the continuing Middle East peace process.

The security and success of that partnership rests heavily on the willingness of the administration to take the Congress and its leadership into the administration's confidence, to solicit our counsel as well as our consent, to let us know precisely the nature and extent of the agreements being made with our friends in Israel and in Egypt.

President Carter gave us a brief summary of the proposed U.S. economic assistance package associated with this treaty in a briefing at the White House on Monday following the signing ceremony.

But the pledges of military assistance outlined in the Post this morning, including the possibility of direct U.S. naval action to break a sea blockade and other such military interventions, were news to me.

We are taking steps into the unknown in these momentous days, Mr. President, and we all want to play as constructive a role as possible within the limits of prudent policy.

I simply urge the administration to be very sure it gives the Congress the opportunity we genuinely seek to be a full—and fully informed—ally in the waging of peace.

JAY SOLOMON

Mr. BAKER. Mr. President, I am delighted to join my distinguished fellow

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Senator from Tennessee in sponsoring a resolution of appreciation for the outstanding work which Jay Solomon has done in the past 2 years as head of the General Services Administration.

It is distressing and disturbing, Mr. President, to see a good man like Jay Solomon being forced out of the Federal Government, apparently for doing his job too well.

Mr. Solomon was given the difficult task of rooting out corruption at the scandal-ridden GSA. His success in that effort is convincingly demonstrated by the more than 40 indictments and some 30 guilty pleas which are the product of the GSA investigation to date.

I have risen to Jay Solomon's defense several times in the course of this investigation, Mr. President, and that defense has always been against the charge that he was too conscientious in fulfilling his mandate.

I have also risen to his defense when he declined to play the age-old politics of cronyism in Washington, only to be undercut by an administration which had campaigned so ardently against "politics as usual" in 1976.

Now Jay Solomon is taking his leave of Washington and returning to his home, his family, and his business enterprises in Tennessee.

He takes with him the appreciation of the Senate, and it is most unfortunate that he takes with him a substantial measure of this administration's credibility as well.

Mr. President, I have no further requirement for my time.

I yield back my time remaining under the standing order.

Mr. ROBERT C. BYRD. Mr. President, I yield back my time also.

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business of not to exceed 15 minutes, with statements therein limited to 5 minutes each.

Is there morning busines?

TRIBUTE TO B. E. BENSINGER

Mr. PERCY. Mr. President, since the death of B. E. Bensinger, almost 2 months ago, the business and civic community and our Nation as a whole lost a valuable friend.

Ted Bensinger lived life to its fullest, and gave everything he had to all of his endeavors, which included hunting and fishing, various civic activities, and family life. He was largely responsible for making Brunswick Corp. a Fortune 500 company.

No one capsulized his outstanding career and the characteristics he brought to everything he touched better than Rabbi Herbert Bronstein of the North Shore Congregation Israel in Glencoe, Ill., during the memorial service. His words deeply moved all of us privileged to hear him and who had been honored to share a part of Ted Bensinger's exciting and meaningful life. I ask unanimous consent to have Rabbi Bronstein's eulogy printed in the RECORD.

There being no objection, the eulogy was ordered to be printed in the RECORD, as follows:

IN MEMORIAM: B. E. BENSINGER

(By Rabbi Herbert Bronstein)

To begin, I would like to share with you, friends, a poem selected by Ted Bensinger's children, written by Rudyard Kipling, a poet that he loved, and from whose works he read often to the children as they were growing up.

If you can dream—and not make dreams
your master;
If you can think—and not make thoughts
your aim;
If you can meet with triumph and disaster
And treat those two imposters just the same;
If you can bear to hear the truth you've
spoken
Twisted by knaves to make a trap for fools,
Or watch the things you gave your life to,
broken
And stoop and build 'em up with worn-out
tools;
If you can force your heart and nerve and
sinew
To serve your turn long after they are
gone,
And so hold on when there is nothing in
you
Except the will which says to them: Hold
on!

I could not help but think, sitting in the Bensinger home, a place over the years so brimful of festivity and the joys of life, and yesterday again full of family, the children, some of their friends, the grandchildren, I could not help but think how very much Ted Bensinger would have enjoyed to the fullest yesterday afternoon simply being with everyone there; how he would have loved to watch the Super Bowl with them, punctuating the action now and then with some well wrought and totally original comment of his own, now and then an especially rich and sometimes pungent turn of phrase; an afternoon he would have all the more enjoyed if he had organized the gathering himself to the last detail, from the transportation that would have brought the members of the family together from distant parts, down to the refreshments themselves, leaving nothing else for anyone else to do, but enjoy themselves. And then, in the course of the afternoon, he might have taken now this grandchild aside to talk about how things were going at his beloved Yale and with the football team (and what it must have meant to him to have had a grandson at Yale on the football team); to another grandchild whom he had been bombarding daily with the Yale Daily News as to why he should go to Yale; to a third in whom he might perceive some important juncture in life, a decision to be made, expressing his own views forthrightly, but not in an overbearing manner, perhaps even beginning by putting himself down a bit with a salacious comment, wisely, in order to get a hearing; and in each instance calling each of them by a distinctive nickname which he himself had coined years ago and which, like so many other things that Ted Bensinger did, stuck.

And during that whole day, I imagine, that charming smile and gracious manner, which, throughout the years since his own youth, had given such a lustre to so many such gatherings, would have fairly shone from him. And if friends were there, with whom he, with Linda, could share the pleasure, that would have given him the supreme joy itself.

All of us gathered here, all of us assembled for this memorial service, come with a sense of respect for B. E. Bensinger. Many of you, I know, have come with real affection for him; and some are here with feelings of deep and abiding love. But all of us know that we are paying tribute to a marvelously unique person of significant accomplishment, a human being who had an effect, as upon me, as I learned of him more and more in these last few days, had an effect as an example, and even as an inspiration, upon anyone whose life his own life touched.

That example and significance begins even with what I perceive was the outward circle of his being, that is, the public life, notable in that while we pay a deserved tribute to those who by focus of singleminded attention upon only one endeavor are able to succeed in but a single field, how much the more notable with him, in that however widespread and varied were his interests, somehow each showed in accomplishment, in effect, quality and depth, the mark of excellence.

As his own sons have written:

He meant a lot to many people in different ways and at different times. He was an inspiring leader for Brunswick, for Michael Reese Hospital, for the Boy Scouts, for salmon conservation, for his family, his friends, his community. He experimented and he studied; he learned and he read; and he watched and he listened; and whether it was learning to fly an airplane (which he did) or to speak four languages (which he spoke) or to teach the difference between a grilse and a salmon (which his expression revealed while one was on the line), he gained a level of expertise achieved by few. Therefore, his leadership was sought. He made people not only feel important, but he inspired them to contribute significantly. He simply brought out the best in people, and he had the vision and ability to make it count. Whether Ted was talking with his associates about planning the development of the automatic pinsetter, helping to organize a building fund drive for the hospital, or campaigning for a civic philanthropic contribution, or traveling with his family, he not only did his homework, but he got the job done."

And again, I quote:

"Ted Bensinger changed the world he lived in. He changed the business he was involved with, Brunswick. He made it an important diversified, respected institution. He was among those who changed Michael Reese Hospital and developed it into a great medical institution, after serving the hospital for years. He founded the first chair for Slavic languages and Russian studies, and we all know how important the understanding of this culture is in our lives and in that of our children. He changed the direction and the capacity of the Gastro-Intestinal Research Foundation so that more understanding and research could take place about the human body. He changed the rules and regulations that control the environment, as head of the Atlantic Salmon Foundation. He changed the activities of so many civic organizations—the University of Chicago, the Jewish Federation, Boy Scouts, Girl Scouts, Lyric Opera, Field Museum, etc., etc., etc. He changed the English language, for all of us know of his totally individual way of speaking."

"Ted Bensinger"—I quote—"did make a difference."

So, only with the beginning of the achievement in the complex articulation and phenomenal growth of a commercial enterprise about which another businessman wrote that "a Harvard business professor could do a study of paths not taken and expertise in hindsight, but the work of which he, Ted Bensinger, actually accomplished;" to the numerous committees and the extensive philanthropies and the variety of personal interests; to his incredible capacity, to use his son's words, "to attend wtih equal concentration to each person with whom he was;" to acts of simple, direct generosity, good counsel, all with effort, attention, focus, concentration.

Of such a person surely it behooves us to inquire after the sources in his being that made for such a fullness and completion that one can say of him, as Scripture of the patriarch, with such simple force, "he lived!"

What were those sources?

First, certainly, a marvelous combination of innate, God-given intelligence, energy, dynamism, will, revealed in his mastery of detail, as well as his grasp of general principles, whether in the field of automation, biological research, not only the lore of fishing, which he so loved, but from this to the science of icthyology, from the raising and training of hunting dogs, his acquisition of languages, fields in medicine—yes, even to the knowledge voluminously recorded day by day, as he studied the illness which struck him down, followed and understood by him with the same acumen, step by step at every turn of the process. When he came to the leadership of a great institution, Michael Reese Hospital, it was only after he had served and mastered, humbly, the work of every single committee. And if he could bring the work of such an effort of what many of you call GIRF—Gastro-Intestinal Research Foundation—and its professional leadership to the height of an excellence unequalled anywhere, it was because he himself insisted first on being thoroughly informed; and unlike some others whose motto may be "the best" without the substance of its reality, he went after the best and achieved it.

But I have come to understand that his was a more encompassing, even visionary intelligence that transcended the realm of detail and fact alone, as important as these are. The success of Brunswick was based, not only as in all of this endeavor upon the astute choice of personnel and delegation of responsibility, at which he was very good, but also upon an astute analysis of changes in American society and its culture, and therefore its leisure patterns, which earlier than many others he perceived.

But as much as these innate gifts, I believe that the wholeness and richness and fullness of his life flowed from his very love of life. From youth throughout his days, for him "life piled on life," in the words of the poet, "were all too little." And even at the end he said to a confidant: "I know very well what the final score is going to be. All I want is a few more innings!" Like many others, he was born into the means on which he could build to enjoy a good life; but like very few, as one has said quite truly, very few, he actually did enjoy his life—from the crew parties on Derby Day, which he himself organized at college, always wanting even at those parties the best and the latest, to the Sunday brunches at his home, to the world travel, the active sports he so loved, yes, even at the endless benefits, which we have to accept as an obligation, his smile and his elegant charm always enkindled the occasion. Humor effervesced from him as bubbles from a fine champagne.

And the places of their dwelling, Linda and Ted—here, in Jamaica, the lodge in New Brunswick, above all 945 Dean Avenue—were always houses of life. His days were, like the collage fashioned by grandchildren now above the mantel in the dining room, a collage of the finest enjoyments life can afford.

But, above all, for those closest to him, this love of life was expressed in nothing else so much as in his profound love of nature, the field, the stream, nature in its every varying abundance, its largesse, which he prized; and nowhere so happy in nature as at the Restigouche, Two Brooks, that love of nature which he passed on to his sons and endeavored—and that was his final expression of the love of life, which he endeavored with such success to pass on to grandchildren, as well.

Ability, the love of life, and certainly to complement his achievement in enterprise, another source of the fullness of his life was his civic spirit. I cannot help but think that that came from traditions in his family, an ideal passed on by our generations, the motive of community service, the sense of noblesse, of obligation, which is the best part of our most successful people. And, as his father and mother must have passed this on to him, so this, as in so many aspects of their shared spirit, with Linda, the principle of communal service he passed on to his children, which is manifest in certain aspects of the engagement of their lives and work, and which one can already perceive in the spirit of his grandchildren, as well.

And to these we must add an ever deeper element in his spirit—the element of courage. He was a man who actually was energized by challenge; and the greater the challenge, the greater the response in the power of his determination "to strive, to seek, to find, and not to yield." Whether it was finding a conveyance, as one dear friend remembers, on a trip in a field to cross a river in the middle of the night; whether transforming the operation of a tremendously complex institution, whether even to face up to and comprehend and battle a dread disease beyond the power yet of any hand to stay—yes, even to stay itself "the hand of the Fell Sergeant, Death, so strict in his arrest."

His children knew, remember, and have written of this example of courage: "For him," they say, "there was always a way somehow! Over many a mountain that would have turned others back—in fact, most would not have attempted to scale the peaks he climbed." "Our world," they have written, in tribute to him, "is a mixed bag of cynicism and change; it tests the human spirit to the limit. Ted rose to the task time and time again, and at the end fought as relentless and as painful a battle as life can pose."

I believe that if, as some have told me, he believed in the free entrepreneurial spirit of the 19th century, it was because at the heart of that ideal is individual courage to take a risk, the courage to venture and to take the responsibility, a spirit whose diminution in our own time was one of his few laments.

He accepted life's reverses and pains, even his illness, with unusual grace, a grace which is dowered, friends, only by courage.

But, finally, at the heart of the man, I believe beyond the innate gifts, the love of life, the community spirit, the courage, one more element remains to explain how of him we can say with the greatest of all poets, whom he loved—Shakespeare—"His life was *gentle,* and the elements so mixed in him that Nature might stand up and say to all the world, 'This was a man.'" Yes, that was it. That element I believe at his heart was an unusual generosity of spirit, an inward gentleness, the ability to give, to love.

And that ability to give explains why one who had no need to do so could, with Linda, give such endless weary hours to the mere details, and, yes, necessary amenities of philanthropic life, why he took significant entrepreneurial risks for the very purpose of enlarging his philanthropies—a rarity, indeed. And I think that true generosity of spirit explains how his worthy name is associated at the hospital to which he gave so much of his very being—Michael Reese, which bears the stamp of his spirit as much as that of any man—how his name and philanthropy is associated with the *service* building, as totally necessary to healing as such a structure is totally unglamorous; and why he saw, whether it was cost-effective or not, that a hospital should have a park in addition to the technical facilities, should have the ambience of the human, the humane.

To his committee work, as one testifies who knows this well as any, he brought forcefulness, yes, but a constant geniality. And, as an early employee wrote to him only recently—a man who indicated that by Ted Bensinger's example he rose to be the head of his own corporation—"I believe that you did more than the usual along these lines. Those employee picnics at your house in Highland Park were a graceful thing to do, and I suspect sometimes painful. A few excessive drinkers, excessive familiarity, intrusion of your house and grounds. But it was the bringing of some humanness into the corporate equation."

And it was the same spirit of generosity which showed in his keeping of a diary of the birthdays and notable days of family and friends, and his remarkable mental record of what each person liked and where they wanted to sit and what they liked to do. That generosity was in the Kipling stories and poems he loved to read at bedtime to his sons, the immense amount of time he gave to them, as later to his grandchildren.

But in nothing was that love of life and that life of love so fulfilled as with his life companionship with you, Linda, the wife of his youth; and in your life together until only recent times enthusiasm in shared giving, in sharing perception, in shared ideals, a life together that was kind of eternal youth.

For everyone in the community the passing of such a man as Ted Bensinger is a tremendous loss. To such a man how hard it is for you who loved him, how hard it is for you to bid farewell.

And yet, you can think of him as I do now, standing at the confluence of rivers in some eternal Restigouche, savoring in the breeze of a sun forever shining, a sky without horizon, and in the midst of the flow of endless life about him, there, perhaps, in his mind echo the words of Kipling's nature night song, which he used to love to recite to his sons when they were little:

O hush thee, my son, the night is behind us
And black are the waters that sparkled so green.
The moon, o'er the combers, looks downward to find us
At rest in the hollows that rustle between.
Where billow meets billow, then soft by thy pillow
Ah, weary wee flipperling, curl at thy ease!
The storm shall not wake thee, nor shark overtake thee.
Asleep in the arms of the slow swinging seas.

STANDBY GASOLINE RATIONING PLAN

Mr. PRYOR. Mr. President, I have a short statement that relates to gasoline rationing as proposed by the President.

I am very proud to have my name added as a cosponsor to Senate Resolution 98, which was introduced on March 13 by our distinguished colleague from Texas, Senator BENTSEN. This resolution expresses the sense of the Senate that the President should withdraw and amend the standby gasoline rationing plan which he presented to the Senate earlier this month.

I strongly object to the proposed plan, because it is grossly unfair to Arkansas and other States which are similar in their demographic and economic nature. The President's plan would place an unbearable burden on these rural States like ours under rationing conditions. This is because it fails to take into account the very particular needs of each State, based on per capita fuel consumption figures.

Instead, the plan would allocate gasoline by national average gasoline consumption rates. There is no allowance for the fact that the citizens of some States—like Arkansas—simply must rely on the private vehicle to a greater degree than citizens of other States who might have the benefit of mass transit or public transportation.

It distresses me that our State would be almost uniquely impacted under the President's plan. I was shocked when I saw the figures. With a 15-percent gas curtailment, Pennsylvania for example, would receive 7 percent more gasoline than it used in 1976 while the State of Arkansas would receive only 71.6 percent of its 1976 consumption level. This is the most extreme example of inequity. Assuming a plan based on a 25-percent reduction in gasoline supplies, the States of Hawaii, Pennsylvania, North Dakota, and Rhode Island would receive coupons for more than 90 percent of each State's normal supplies. On the other hand, Missouri, South Carolina, West Virginia, and Texas would receive an average of 65 percent of their normal supplies.

In short, the plan fails to reflect the historical differences in per vehicle consumption levels among the States.

In a resolution passed by the Arkansas General Assembly on March 1, the general assembly expressed its belief that Arkansas' dependence on the automobile, its rural character and historic usage patterns should be considered if gas rationing plans are, in fact, to be developed. In joining Senate Resolution 98. I ask for the same considerations.

Also, the so-called "white market" allowed under the plan is no solution to our dilemma. In fact, in my opinion, it is a disaster. Not only would it be a nightmare administratively, it, too, is unfair to the States which would be under-allocated. The "white market" allows these States to purchase additional coupons from citizens in other States. I might add that there is no limit on the price that these coupons could bring. The result would be an enormous income-transfer from one State to another.

The Arkansas legislature noted in its resolution that it could cost the citizens of Arkansas an additional $6 million per month to buy additional allotments on the "white market" due to the failure of the rationing plan to contain State adjustment factors. This situation should not be allowed. Arkansas is almost at the bottom of the list in per capita income as it is. It is wrong to sanction a situation where States like Arkansas would be required to pay out large sums of money to States who have a much higher per capita income.

As my distinguished colleague from Texas, Senator BENTSEN, pointed out, seven States including Arkansas with an average per capita income of $5,816 would account for 70 percent of the income lost to the "white market." Seven States with a per capita income of $7,522 would account for approximately the same percentage of income gained. Why allow such a situation to exist when it could be solved by basing State allocations on historical needs?

I would like to stress to my colleagues that Arkansans do not waste gasoline any more than other American consumers.

But the very nature of living and working in a State like the one I have the honor to represent, in this day and age, requires a heavy reliance on the private vehicle. Imagine the situation where a mother in Nashville, Ark., needed to take her child to an orthodontist or a pediatrician. The nearest one she could find would be in Texarkana, 60 miles away. Countless examples—and more extreme ones, I am sure—involving small cities all over the State could be cited. After all, Arkansas has only four cities of over 50,000 population. These cities are the only places, basically, where many goods and services can be obtained.

The relatively high per capita percentage of gasoline usage in Arkansas is not frivolous or willful. It is a necessity. Our State could be paralyzed by the President's proposed plan.

In addition to the inequities of the gas allocation formula, the President's rationing plan would have a devastating impact on agriculture. Under the present allocation program, agriculture is given 100 percent of its current requirements for gas and diesel fuel. Under the proposed formula, agriculture would have no meaningful priority. Agriculture is lumped in the same grouping with all other users and would be subject to rationing only "after the fact" in a shortage situation. The proposal to allocate fuel to agriculture on the complicated national formula which would necessitate a study of fuel usage on a commodity by commodity basis and ultimately on a farm by farm basis is not only unworkable but violates the legislative intent of section 203 of the Energy Policy and Conservation Act which mandates a program which would have precedence to certain classes of users in order of social priority over other classes of users. This rationing plan, as it affects agriculture, is not a workable system. It is the first plan in the history of our country without a meaningful agricultural priority.

The large number of letters I receive daily from citizens who are concerned about the energy crisis prove to me that Arkansans are willing and eager to conserve gasoline to the extent that they can. However, they also point out the pitiful lack of alternatives available to them. Mr. President, Arkansas has no Metro system. If Arkansans are to go about their daily business, they must be assured of an adequate supply of fuel.

I agree with my distinguished colleague from Texas that this plan is totally unjust and unacceptable. I am prepared to join with him to do everything I can to defeat it. I am not asking for any special treatment for my State. Rather, I feel that it is our responsibility to insure that any legislation we approve treats citizens equally. This is especially so in a crisis situation. If the hardship arises, we should shoulder it together, on an equal basis.

Mr. President, I ask unanimous consent that the resolution passed by the Arkansas Legislature be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SENATE CONCURRENT RESOLUTION 4

Whereas, the Department of Energy is currently considering a gasoline rationing contingency plan for submission to the Congress for approval; and

Whereas, that plan, at the present time, fails to reflect historical differences in per vehicle consumption levels among the states; and

Whereas, it could cost the citizens of Arkansas an additional six million dollars ($6,000,000) per month to buy additional allotments on the "white market" due to the failure of the rationing plan to contain state adjustment factors; and

Whereas, the current proposed plan would also fail to adequately provide for the essential needs of agriculture in spite of the fact that Section 4(b)(1) of the Emergency Petroleum Allocation Act requires such needs to be met; and

Whereas, Arkansas' dependence on the automobile, its rural character, and historic usage patterns should be considered if gas rationing plans are to be developed. Now therefore,

Be it resolved by the Senate of the State of Arkansas, the House of Representatives concurring therein;

That the Department of Energy is hereby urged to consider revisions in its proposed gasoline rationing contingency plan to more fairly provide for the historic per vehicle consumption rates of the various regions of the country and for the essential needs of agriculture and of rural America.

Be it further resolved that a copy of this Resolution be sent to the United States Department of Energy and each member of the Arkansas Congressional Delegation.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HART. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SENATE RESOLUTION 115—TO MAKE RULE XLIV OF THE STANDING RULES OF THE SENATE EFFECTIVE ON JANUARY 2, 1979

Mr. HART. Mr. President, I ask unanimous consent that it be in order to take up a resolution.

Mr. ROBERT C. BYRD. Mr. President, I suggest that the Senator send his resolution to the desk, let it be stated by the clerk, and then ask unanimous consent.

Mr. HART. Yes.

The ACTING PRESIDENT pro tempore. The clerk will state the resolution.

The assistant legislative clerk read as follows:

The Senator from Colorado (Mr. HART) for himself and Mr. RIEGLE, Mr. THURMOND, Mr. EXON, Mr. STONE, Mr. BURDICK, Mr. METZENBAUM, Mr. HEFLIN, and Mr. LEAHY, proposes a resolution (S. Res. 115) as follows:

Resolved, That notwithstanding section 313(c) of S. Res. 110, Ninety-fifth Congress, as amended rule XLIV of the Standing Rules of the Senate, as amended by section 101 of that resolution, shall take effect on January 2, 1979.

Mr. HART. Mr. President, I ask unanimous consent that it be in order to take up the resolution.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the resolution?

Mr. STEVENS. Reserving the right to object——

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

Mr. STEVENS. Mr. President, I would not object if we can get an agreement to vote.

This affects my resolution. I have a longstanding personal commitment which requires me to be home tomorrow, so I would like to have a vote today. If my good friend would agree to a time limit so we can vote not later than 4:30 p.m. today, I have no objection.

Mr. HART. It was the intent of the Senator from Colorado to get consent that it be in order to take up the resolution and then ask unanimous consent for a time agreement of relatively short duration.

The ACTING PRESIDENT pro tempore. The Chair inquires of the Senator from Colorado whether he intends to introduce a new resolution or whether he is attempting to discharge the committee from Senate Resolution 97?

Mr. HART. The intent is to introduce a new resolution.

The ACTING PRESIDENT pro tempore. The Chair thanks the Senator from Colorado.

Mr. STEVENS. I do not object.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the resolution?

The Chair hears none.

Mr. HART. Mr. President, I ask unanimous consent that there be a vote——

Mr. ROBERT C. BYRD. Mr. President, on this I think the Senator should confer with me on any agreement as to time.

Mr. HART. Very well. I will leave it to the leadership.

Mr. ROBERT C. BYRD. Will the Senator discuss it with me so I will know what he has in mind?

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr President, I have discussed the matter with the distinguished Senator from Colorado.

There are Senators that I want to be sure are protected. Mr. LEVIN on yesterday objected to a time agreement which would have permitted a vote yesterday.

I wonder if Mr. LEVIN has any objection to a time agreement on this measure today, to a vote on it today. Does the Senator know?

Mr. HART. It is my informal understanding the Senator from Michigan (Mr. LEVIN) does not intend to offer any amendments.

We are double checking that with his office now, but I was informed this morning that he did not intend to offer an amendment.

Mr. ROBERT C. BYRD. I thank the Senator.

Mr. MORGAN had indicated he might wish to offer an amendment. Does the Senator know anything in this regard?

Mr. HART. No, I do not.

Mr. ROBERT C. BYRD. Mr. President, I propose that there be a time agreement, and Senators may participate in this before I put the request, which would allow 30 minutes on any amendment, but I think the agreement ought to be in the usual form, because amendments should be germane to this resolution.

Aside from that, points of order can be made against any amendment that is not germane, or any amendment to the resolution, unless 1 day's notice has been given.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. The only stipulation I would like to add is the one I put in the RECORD last night, that there was request on this side that if amendments were offered it would be in order to move to table the resolution, and carry with it all amendments, and not have an understanding there would be automatically an up-or-down vote.

We have no objection to an up-and-down vote on the resolution per se; but if amendments are offered, the only way to take care of all of them at the same time, on one vote, would be to have a motion to table.

If the Senator from Colorado would understand that, we would like to have an up-and-down vote on the resolution, but we do not know what amendments would be offered.

So I would like that reservation.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, I know of one amendment on this side that will be offered by the Senator from Connecticut (Mr. WEICKER). Since he is not in the Chamber at this moment, I would like to make sure that nothing in this agreement precludes his opportunity to offer his amendment.

Mr. HART. I only want to make this point: The whole purpose of this resolution is to get an up-and-down vote, pure and simple, on the issue of limitations on earned income.

If this resolution is encumbered by all sorts of amendments and we try to start reforming the ethics of the Senate on the floor, using this resolution as a platform, and if we get into a whole series of parliamentary maneuvers—a tabling motion and a lot of other things—we are going to defeat the whole purpose. This is a simple method to get an up-or-down vote on an issue that concerns many people in the Senate and around the country. If we start to relitigate the whole issue of Senate ethics and the question of what income we can earn, and so forth, we probably will be here until summer.

So I hope that, on both sides of the aisle, purely and simply, we would get a vote in the next hour on the issue of the limitation upon earned income.

Mr. MORGAN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. MORGAN. Mr. President, I heard the colloquy on the speaker in my office and immediately left for the Chamber. I missed the agreement. I wonder whether the leader would tell me what the proposed agreement is.

Mr. ROBERT C. BYRD. I had not yet made a proposal. I had indicated that the distinguished Senator from North Carolina had indicated yesterday evening that he would have an amendment which he might think about calling up, and I just asked the distinguished Senator from Colorado if he had any information as to what the wishes of the Senator from North Carolina were. So there has been no request as yet.

I had suggested that we might have some informal discussions here, or on the record, of a time agreement. I was going to propose that there be a time for debate, equally divided between Mr. HART, as a cosponsor of the resolution, and the distinguished Senator from Alaska, as an opponent of the resolution; that there be, say, 30 minutes to a side for debate and 30 minutes on any amendment, with the understanding that amendments be germane. Otherwise, the resolution does become a lightning rod for all kinds of amendments. However, we really do not need the germaneness provision, because any amendment that is not germane would be open to the point of order that the Senate was not given previous notice. As a matter of fact, I would suppose that any amendment to the resolution would be subject to a point of order, on the basis that the Senate had not had a day's notice.

I ask the Chair. I propound it as a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. Any amendments dealing with the same rule would not be subject to 1 day's notice.

Mr. ROBERT C. BYRD. Why should that be? Any change in the rule requires a day's notice, and the Senator from Colorado has given a day's notice of his proposal.

If Senator x comes in and seeks to amend that resolution, the Senate has not been given a day's notice of Senator x's proposed change in the rule.

The ACTING PRESIDENT pro tempore. Under the precedents, amendments thereto are in order.

Mr. ROBERT C. BYRD. They would be in order so long as they are germane to the amendment.

The ACTING PRESIDENT pro tempore. The Senator is correct. If they deal with the same rule.

Mr. MORGAN. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. MORGAN. Mr. President, I would be glad to discuss with the Senate my thoughts, which might help us to arrive at some decision.

First, I have no desire at all to hinder or to delay a vote on the resolution of the Senator from Colorado. I have stated that had I been here, I would have voted for the resolution in the past. I will vote for it today. I do not know which way it will be proposed.

Mr. President, my concern is this: I have served on the Ethics Committee for 2 years now, and I have been honored to serve on it, although I must say, in all candor, that it probably has been the most burdensome undertaking I ever have been involved in, and it appears that I will be involved in it a little while longer.

However, I think the matter I am concerned about is of a great deal of urgency to the Senate and to those of us serving on the committee. I have discussed it briefly with the leader, privately, and with some other Members.

To be candid, I do not know whether or not I would insist on my amendment today. I have two alternatives. I mentioned last night that I think we should do now what the House has done. We should conform our rules to the Ethics in Government Act of 1978, which I believe would be germane and relevant, since it does deal with earned income and honorariums.

I believe that if the Senate understood it, we could move on to a vote today on this matter. But I would like to discuss it and have some colloquy on the floor. Then, if my colleagues felt that today was not the proper time to vote on this matter, I probably would like to offer as a substitute to that a resolution. I think Senator STEVENSON might join me—I have not talked with him this morning, and I cannot speak for him. My substitute would direct that the Governmental Affairs Committee and the Committee on Ethics make a study and report back to the Senate, say, within 30 days.

I feel that we have been laboring with it so long that it is not something that should go back to the Rules Committee and be involved all this year; because if we in the Ethics Committee are going to administer the rules and the act, we should know it, but I really think it would be better to do one.

If we enter into an agreement, I would be willing to agree to a reasonable time limitation; and I say to the Senator that most likely I would not pursue it to a vote to conform it, but I would like to pursue the other instead.

The reason why I wanted to discuss it on the floor of the Senate is that I think we have to bring the problem to the attention of the Senate, and we have not been able to do so on an individual basis.

Mr. ROBERT C. BYRD. Mr. President, if the Chair will indulge me——

Mr. PERCY. Mr. President, while the majority leader is deliberating, will he yield?

Mr. ROBERT C. BYRD. I yield.

Mr. PERCY. Mr. President, I would like to briefly outline my reasons for supporting the Hart resolution to reinstitute the limit on outside-earned income for Members of the Senate and certain staff.

This limit was originally enacted in 1977 in response to public concern about the salary increase for Members of Congress which had gone into effect that January. We adopted the income limit as part of the new rules of Senate ethics, to be effective January 1 of this year. I opposed the recent action of the Senate to postpone the effective date of the limit and I will support the pending amendment to cancel that postponement. The original enactment of an income limit was, in a very real sense, part of the agreement to let the pay raise stand and I believe that is a basis for regarding the Senate's action as a breach of that agreement.

I recognize that it is difficult for some Members who do not have investment income to keep up with inflation, but removing the earned income limit may actually make the situation worse. With the limit postponed, I expect that there will be considerable pressure for Congress to once again refuse to accept the annual inflation adjustment made for Federal employees. We will soon find ourselves in the position we were in in 1977. That year there was a great public outcry when congressional salaries were increased by 29 percent, despite the fact that real income of Members had decreased by 35 percent since the previous raise in 1969.

Members have not received the two annual salary adjustments since 1977, and with the limit on outside-earned income postponed, it appears that the cost of living will have to rise another 35 percent before Congress will bring itself to make another adjustment. It is Congress reticence to allow itself reasonable periodic cost-of-living adjustments that severely undermines the purchasing power of those who depend on outside earned income.

Finally, while I also recognize that limiting earned and not investment income creates an apparent inequity. I want to point out that the Senate rules of ethics do provide some limitation on Members activities with respect to investment income as the result of an amendment I offered in 1977. My amendment prohibited Members from spending such time on the acquisition of investment income that it would interfere with the performance of their Senate duties. The managers of the ethics resolution incorporated the substance of this proposal by reference into the rules of ethics and that limit stands today.

Mr. ROBERT C. BYRD. Mr. President, if I may, protecting my rights to the floor, I yield to the Senator from Arkansas.

Mr. PRYOR. I thank the majority leader for yielding.

Mr. HART. Mr. President, a parliamentary inquiry.

Mr. ROBERT C. BYRD. Mr. President, I yield for that purpose.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. HART. What is the pending business?

The ACTING PRESIDENT pro tempore. The pending business is Senate Resolution 115.

TIME-LIMITATION AGREEMENT—S. RES. 115

Mr. ROBERT C. BYRD. Mr. President, I shall propound the request, and I think it will meet with the approval of the distinguished Senator from Colorado who has been so patiently waiting.

I ask unanimous consent that there be a time limitation of not to exceed 1 hour on the resolution, to be equally divided between Mr. HART and Mr. STEVENS, that there be a time limitation on any amendment thereto of 30 minutes, that there be a time limitation on any debatable motion of 30 minutes, a time limitation on any appeal of 10 minutes, a time limitation on any point of order, if such is raised and submitted to the Senate, of 30 minutes, and that the agreement be in the usual form with the proviso that a vote occur up or down on the resolution, if not amended, at no later than 5:30 p.m. today.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. STEVENS. Mr. President, reserving the right to object, as I have stated previously it is a personal matter but I have an obligation to be at home tomorrow and I will have to leave here no later than 4:30 p.m. to make that plane. It will take me back to Anchorage tonight.

Mr. ROBERT C. BYRD. Mr. President, I understand the Senator's situation. I shall revise my request to make the vote occur no later than 4:30 p.m. today in relation to the resolution, if it is in the meantime amended, or up and down on the resolution if it is not amended no later than 4:30 p.m. today.

Mr. BAKER. Mr. President, reserving the right to object, do I understand the nature of the request now to be that a tabling motion against the resolution would not be in order?

Mr. ROBERT C. BYRD. No, no, that is not quite the case. I said that if the resolution is amended, then a tabling motion would be in order. If the resolution is not amended, then it would be an up and down vote.

Mr. BAKER. Mr. President, I have one problem—it is not mine but, on behalf of another Senator—that I will have to clear to make sure——

Mr. ROBERT C. BYRD. Yes.

Mr. President, I do not mean to hold the floor, but does the Senator from Colorado wish the floor? If he does, I will yield the floor. I merely wanted to get an agreement.

Mr. HART. Mr. President, did the majority leader get such agreement?

Mr. BAKER. No. I would like to reserve for a moment while we check.

Mr. HART. Mr. President, reserving the right to object—and I will not object—the whole purpose here is to get a vote on the resolution as simply and as quickly as possible. The majority leader is doing his utmost, as he always does, to protect the rights of Senators.

It was by no means the intention of the sponsor of this resolution to take the afternoon of the Senate, a half-day, to debate this issue. I think if Senators come over here and try to revise the code of ethics and to change the rules and pursue their pet peeves we will have lost the whole object of proposing this resolution. Obviously Senators can do what they want to, and the leader is protecting them.

I hope on both sides of the aisle that people will address this issue as quickly and as simply as possible so that we can go on with the business of this country.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator. He is right on the bull's-eye. I feel as he does. Everybody knows what the issue is. There ought not be any necessity for taking the whole afternoon for this matter. We just ought to vote up or down on whether or not the Senate wishes to vitiate its action taken on March 8. I supported the action on

March 8. I oppose the resolution the distinguished Senator has offered today, but he is entitled to a vote up or down but, at the same time, let me repeat my request so that all Senators are protected:

I ask unanimous consent that there be 1 hour on the resolution to be equally divided between Mr. HART and Mr. STEVENS; that there be a time limitation on any amendment of 30 minutes; a time limitation on any debatable motion of 30 minutes; a time limitation on any point of order of 30 minutes; a time limitation on any appeal of 10 minutes; that Mr. MORGAN have 30 minutes for debate under his control; that no nongermane amendments be in order; that if no amendments are adopted, the vote occur up or down on the resolution at no later than 4 p.m. today; and that in the alternative, if the resolution is amended, that a vote occur in relation to the resolution, as amended, if amended; and that the agreement be in the usual form.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. TSONGAS. Mr. President, I will not object, but I would only indicate that some of us have a meeting at the White House at 2 p.m. on alternate sources of energy, and I would like to be here for the vote. Is there any way we can get an agreement to that effect?

Mr. ROBERT C. BYRD. I wish we could get an agreement for the White House to leave us alone at 2 o'clock, and I am not making a flippant answer to the Senator. I tried to discourage them down there from breaking into the middle of our afternoons, and I am surprised that they are doing it today.

We had a meeting in my office today, at their request; had several Senators in there to discuss energy. It seems to me there are plenty of hours early in the day and late in the day when they can have Senators down there. I will talk with them in the meantime to see if they can possibly reschedule that meeting. But, in answer to the Senator's question, at precisely what hour is it set for?

Mr. TSONGAS. From 2 to 2:30, with 15 people going.

Mr. ROBERT C. BYRD. I can only assure the Senator that if he has to go to the White House I will protect the Senator.

Mr. TSONGAS. I thank the majority leader.

Mr. WEICKER. Mr. Presdient, reserving the right to object——

The ACTING PRESIDENT pro tempore. The Senator from Connecticut.

Mr. WEICKER. I was not on the floor when the allocation of time was referred to. I have a rather important all-encompassing amendment. Whether I pursue it or not remains to be seen and depends on what transpires, but I would like 30 minutes on the amendment. Is that possible for the distinguished majority leader to include that in his unanimous-consent request?

Mr. ROBERT C. BYRD. The only problem with that, may I say to the distinguished Senator from Connecticut, if I get 30 minutes specified on an amendment that amendment can come in whether or not it is germane, that is my problem. Is the amendment germane?

Mr. STEVENS. I might state that the amendment is germane, but it does enter into the problem of notice again, and I have discussed this with the distinguished Senator from Connecticut as to whether or not he would agree to the procedure that we are trying to work out with the Senator from North Carolina with regard to reference to the Governmental Affairs Committee and the Ethics Committee of the total problem of the Ethics and Governmental Affairs Committees and the existing ethics rules and having a report back to the Senate within a reasonable time to deal with that issue separately from the earned income provisions.

If that is agreeable—and the Senator understand there is a problem of notice because his proposal does exceed the scope of the earned income rule, is that correct, is my interpretation correct? It does, does it not?

Mr. WEICKER. Does it exceed the scope of the resolution of the distinguished Senator from Colorado? The answer would be "Yes." Does it exceed the scope of the issue, and I am not talking about Senate ethics, the answer is, "No." It is restricted absolutely to both the Ethics Committee and the Ethics-in-Government Act.

Mr. STEVENS. Yes, but there is a problem of 24 hours' notice.

Mr. ROBERT C. BYRD. It is not 24 hours; it is a day's notice.

Mr. STEVENS. The Senator gave the 1 day's notice and that complies with the rule. With regard to rule XLIV, the Senator from Connecticut's proposal and the Senator from North Carolina's proposal exceed the scope of rule XLIV, and, therefore, it would be subject to a point of order in terms of this procedure now of not having complied with the 1 day's notice. But I am hopeful that the Senator from Connecticut will agree to pursue the course outlined to the Senator from North Carolina. The Senator can discuss his proposal here today but have the matter go to the Governmental Affairs Committee and the Ethics Committee, then having it reported back here with their recommendations and with the Senator's material and the Senator from North Carolina's material, which would go to those two committees to be reviewed by them under this procedure.

I concur, I might add, with the Senator from Colorado. I do hope we can work it out to get an up or down vote on the Senator from Colorado's proposal which, in effect, would repeal the action that was taken by the Senate at the request of my resolution here several weeks ago, and that I think we would like to seek a clean vote on whether or not the Senate wants to uphold or reverse the action we took 3 weeks ago.

Mr. ROBERT C. BYRD. I would also like to see a clean vote on the proposal that Mr. MORGAN and Mr. WEICKER are making. I am afraid if we attach amendments to this resolution there is going to be a tabling motion, and then the issue will be all fuzzed up again. Then the Senate will be criticized for not voting on the issue when it, indeed, would have voted by virtue of a tabling motion. But I have heard it said before that a tabling motion does not stake out where the Senate stands.

I would like to see an up or down vote on this resolution because I want to vote against it, and others will want to vote for it, but I am afraid if we have amendments coming in and cluttering this up, then we are going to have a tabling motion, and I reserve the right to move to table myself.

I hope the distinguished Senator from Connecticut and the distinguished Senator from North Carolina will get together and work out a resolution; I would be glad to try to get an agreement on it to act quickly on it, as soon as possible. It would require an agreement, of course, but I would be glad to try.

I now yield to the distinguished minority leader.

Mr. BAKER. Mr. President, if the majority leader will yield to me——

Mr. ROBERT C. BYRD. I beg the minority leader's pardon.

Mr. BAKER. I thank the majority leader for his statement, and I appreciate his yielding.

I asked him to yield. On further checking on this side of the aisle it is likely that there will be a tabling motion if, in fact, there is an amendment to this resolution, and that the unanimous consent request that the majority leader propounded, that is, for an up-or-down vote on the resolution, if it is unamended, is acceptable on this side, and there would not be an objection.

I, too, would hope we could have an up-or-down vote on this resolution and dispose of this issue. I not only respect what the Senator from Connecticut is trying to do, but I support it, as I have in the past when he has previously offered it. But at this point I would hope we can get an up-or-down vote on the Hart resolution, so we can dispose of that branch of the issue at this time, and I pledge to the Senator from Connecticut that I will support his proposal if presented at another time.

Mr. WEICKER. Mr. President, reserving the right to object for the purpose of propounding a parliamentary inquiry, where does that leave us in respect to the Senator from North Carolina and I being able to make our point in connection with the resolution of the Senator from Colorado?

Mr. BAKER. If the majority leader will yield to me so that I can attempt to answer the Senator from Connecticut, if the unanimous-consent request of the majority leader is granted as propounded——

Mr. WEICKER. What was that?

Mr. BAKER. That there be a time limitation on the resolution and amendments to the resolution, and that the agreement be in the usual form.

Unless the Chair holds also that amendments do not require a day's notice under the rules, the Senator from Connecticut would be precluded, and he would simply have to request that his amendment be referred to the Committee on Governmental Affairs and the Committee on Ethics for further consideration.

Mr. COHEN. Mr. President, will the Senator yield?

Mr. WEICKER. I yield.

The ACTING PRESIDENT pro tempore. The Senator from West Virginia has the floor.

Mr. COHEN. Will the Senator from West Virginia yield?

Mr. ROBERT C. BYRD. Yes.

Mr. COHEN. I want to commend the leadership and the Senator from Colorado for attempting to bring the resolution of the Senator from Colorado to an up-or-down vote. I think if we do not have an up-or-down vote on it, we will simply be getting ourselves into a worse position.

Mr. BAKER. I certainly agree with that. I hope we can accommodate the Senator from Connecticut and the Senator from North Carolina, but I also hope we can get on promptly to a vote on the Hart resolution as is.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may propound another unanimous-consent request without withdrawing the one now pending.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that before the close of business today, the distinguished Senator from North Carolina and the distinguished Senator from Connecticut may be recognized, after the close of other legislative business and before the close of the day, to call up their resolution to amend the rules, with the 1 day's notice to be waived, and that there be—how much time for debate?

Mr. MORGAN. I would like to have, maybe, half an hour, just for the purposes of a discussion of the reasons for it.

Mr. ROBERT C. BYRD. Would the Senator anticipate any amendments?

Mr. MORGAN. No, I would not.

Mr. WEICKER. I would want 5 minutes or so. A total of 30 minutes? That would be the total for both of us?

Mr. MORGAN. Yes.

Mr. WEICKER. Since we are both on the same track.

Mr. ROBERT C. BYRD. That there be 1 hour, to be equally divided between Mr. Weicker and Mr. Morgan, and that votes could occur up or down on the resolution, with no amendments in order thereto. How is that?

Mr. WEICKER. Reserving the right to object, has the distinguished Senator from North Carolina so drafted his resolution as to address it to Senate Resolution 101?

Mr. MORGAN. If the majority leader will yield, the resolution I have drafted simply says:

> The Select Committee on Ethics shall review the desirability of repealing, repealing in part or modifying Rule XLII of the Standing Rules of the Senate.

I would propose adding into it Senate Resolution 109, with particular reference to the differences between them, and that each committee shall report the results of its review, together with its recommendations.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator for reading the resolution. I remove my proviso that there be no amendment thereto, because the Governmental Affairs Committee may feel that it has some jurisdiction, and might wish to amend it.

This would allow 1 hour on the resolution, with 20 minutes on any amendment, debatable motion, appeal, or point of order, if such is submitted to the Senate, and that no amendment not germane be in order. This would still allow the Governmental Affairs Committee, if it wanted to and felt it had jurisdiction, to offer an amendment.

Mr. BAKER. Mr. President, reserving the right to object, and I do not expect to object, I generally agree with the majority leader, and feel this is the best way to cut through the redtape, but I feel I owe an obligation to the ranking minority member of the Rules Committee, who is not presently on the floor, to obtain his approval.

Mr. STEVENS. Could we tie down the request on the Hart resolution, however?

Mr. PRYOR. Mr. President——

Mr. ROBERT C. BYRD. Does the Senator from Arkansas reserve the right to object?

Mr. PRYOR. Yes. Reserving the right to object, I am trying to protect, Mr. Leader, the right of my colleague from Arkansas (Mr. Bumpers), who is on his way to the floor, to offer an amendment. I understood it had to be mentioned at this stage in the debate to permit him to do that.

Mr. ROBERT C. BYRD. I understand that amendment is not germane. I wonder if anyone can advise us.

Mr. BAKER. Is it to the Hart resolution on the Morgan resolution?

Mr. ROBERT C. BYRD. It is to the resolution by Mr. Hart. I did include the nongermane provision in my request. Does the Senator know what is in the amendment?

Mr. PRYOR. I am sorry, I do not know what is in the amendment.

Mr. ROBERT C. BYRD. Does the Senator from Colorado know what is in the Bumpers amendment?

Mr. HART. Only that it had something to do with outgoing Members' honoraria.

Mr. BAKER. Mr. President, we have no objection to the formulation stated.

Mr. ROBERT C. BYRD. Very well. I ask that the record show that I repeat my request with respect to the resolution by Mr. Morgan and Mr. Weicker.

The request was as follows:

> Mr. Robert C. Byrd. Mr. President, I ask unanimous consent that before the close of business today, the distinguished Senator from North Carolina and the distinguished Senator from Connecticut may be recognized, after the close of other legislative business and before the close of the day, to call up their resolution to amend the rules, with the 1 day's notice to be waived, and that there be 1 hour, to be equally divided between Mr. Weicker and Mr. Morgan, and that votes could occur up or down on the resolution, with no amendments in order thereto.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. HART. Mr. President, if the majority leader will yield, regardless of the state of germaneness of the amendment by Mr. Bumpers, as I understand, he will under the order be permitted 30 minutes on his amendment, and I believe he will be adequately protected.

Senators were on notice that this matter was coming up at noon today. I do not know how we have spent 45 minutes in nonsense, in procedural harangue, here. We could have had the vote on the issue.

Mr. ROBERT C. BYRD. Mr. President, I certainly can understand the frustrations of the Senator from Colorado. Mr. Bumpers' amendment is not germane. He can call it up and let the Chair rule and if the Senate wants to overrule the Chair, it can. That is about the only thing I can say. Otherwise, we shall get no agreement, because there are going to be Senators who will object to nongermane amendments. I think it is a sure way of getting a tabling motion on the resolution offered by Senator Hart.

Mr. President, I ask unanimous consent that the Senator from Arkansas (Mr. Bumpers) be permitted to have 30 minutes on his amendment before any question of germaneness or point of order, if such would lie, be raised.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none.

Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I have just walked into the Chamber. There has been no agreement here on time, has there?

Mr. ROBERT C. BYRD. That is the request I have just made, that there be a 1-hour limitation for debate; 30 minutes on any amendment, debatable motion, or point of order; that a vote occur no later than 4 o'clock p.m. today; and that no nongermane amendments be in order.

Mr. STENNIS. That suits me all right. I want a small amount of time in opposition to the resolution.

The ACTING PRESIDENT pro tempore. Is there objection?

The Chair hears none. It is so ordered.

Mr. WEICKER. Mr. President, I ask unanimous consent that Mr. Geoff Baker and Mr. Steven Moore, of my staff, be permitted the privilege of the floor during the course of debate on the amendment of the Senator from Colorado and the resolution of the Senator from North Carolina.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. HART. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. HART. What is the pending business?

The ACTING PRESIDENT pro tempore. The pending business is Senate Resolution 115.

Mr. HART. Mr. President, 2 years ago, the Senate passed Senate Resolution 110, limiting a Senator's outside income——

Mr. STENNIS. Mr. President, may we have order now?

The ACTING PRESIDENT pro tempore. The Senator's point is very well taken. The Senate will be in order.

Mr. HART. It limited a Senator's outside income to $8,625 a year from earned sources, or 15 percent of a Senator's annual salary. This provision was a subject of extensive debate and national publicity and became, of course, a key feature of the Senate Code of Ethics, which was adopted in the last Congress.

A few weeks ago—on March 8 of this year, to be specific—the Senate passed by a voice vote a resolution to defer for 4 years the implementation of this rule. The effect of the Senate's action will be to leave in place a previously legislated $25,000 a year limit on outside earned income.

Mr. President, I regret that the Senate acted earlier this month, with no committee consideration, very little floor debate, and, most importantly, no recorded rollcall vote. I equally regret that few Senators were on the floor to give the action the careful consideration it deserved. The resolution which I have offered today provides that the 15 percent annual outside earned income limitation embodied in Senate rule XLIV take effect at once, or retroactively, as of the first of this year.

Mr. President, it is my understanding that, according to the time agreement entered into, we shall have a rollcall vote on this amendment. If the amendment or if the resolution is tabled, it is my intention to bring it back up again so that we can have a rollcall vote, up or down, on the simple proposition of limitations on outside earned income. I think that rollcall vote will offer every Senator an opportunity to be on record on what I consider to be an important matter of both Senate ethics and Senate procedure.

In light of all the publicity that has occurred with regard to this issue—publicity, I must say, which would lead people around the country to believe that there is no other matter of national or international urgency except the proposition of how much Senators can earn—some important distinctions have, unfortunately, been lost. Those distinctions relate primarily to the merits of the issue of the amount of outside earned income as opposed to the method which the Senate adopted to change that limitation. I have stressed, in my remarks so far, outside earned income because, unfortunately, most of the debate and discussion about this issue in the last couple of weeks has made it appear that this limitation applies to all outside income. It does not. It applies to earned income. When we debated this a couple of years ago in connection with ethics reform and the increase in Senate salaries, there was extensive debate about the difference between earned income and unearned income; but, as a result, I guess, of the procedures adopted by the Senate a couple of weeks ago, that distinction has been blurred.

Unfortunately, the people in the country have, forgotten that it is possible to have unlimited unearned income and still be a U.S. Senator; that is to say, immense holdings of all sorts of property that return income to the holder of that property. It permits the possibility of at least a suggestion of conflicts of interest on votes that are cast and so on and so forth. Nevertheless, we chose not to place limitations on that unearned income and Senators can have all sorts of property interests and still be Senators. They can receive, for all practical purposes, unlimited amounts of money as a return on that investment and still be Senators.

Those who attempt, one way or another, to earn money from other sources while holding their Senate seats are placed under restrictions, formerly of $25,000 a year and, as a result of the later actions taken, slightly over $8,000 a year prior to our recent decisions.

I think it is important, Mr. President, to keep in mind the distinction that we are discussing here today. It is a distinction which relates to earned income by Senators. It does not place any limitation at all, unfortunately, on the income of Senators from unearned sources. I think it is very important that the American people understand that, even though it is the intent of the Senator from Colorado to try to return to where we were before, under the procedures that we adopted before, to the previous low limit on earned income.

I think what concerns people as much as anything else was the method that the Senate used in reversing the previous decision. That was, as I have indicated, a voice vote. No one requested at that time—Mr. President, may we have order in the Senate?

The ACTING PRESIDENT pro tempore. The Senate is not in order. The Senate will be in order.

The Senator from Colorado may proceed.

Mr. HART. What offended many American people and many journalists was the method used to reverse the decision. A certain citizens' lobby described this method of a voice vote, as "greed and cowardice."

I do not think it is a question of greed or cowardice. It was a step taken by representatives of both sides, both political parties, both sides of the aisle—in some cases, people in leadership positions. Senators were on the floor who objected to that procedure, but chose, for one reason or another, not to request a rollcall vote, which would have been very simple to do.

I do not think we ought to question anybody's motives, and it is not my intention to do that here today. In fact, I take strong issue with the statement of the leaders of the so-called citizens' lobby that this was an act of greed and cowardice.

I do not think it was that at all. I think any statements of that sort are well wide of the mark as to what the real issue is here today.

The resolution which is before the Senate, which the majority leader was so helpful in bringing before the Senate, and the leaders on both sides of the aisle, will put Senators on record as to their views on the limitations on outside earned income, as to whether we should return to our previous limitation of $8,625 a year, or whether we shall go back to the even earlier limitation of $25,000 a year. If we are able to get, sooner or later, a vote on this issue, then Senators will be on record and their constituents can make their own decisions on whether their Senators voted their will on this issue or not.

I think we are reversing here today, or will shortly reverse, what seems to be a part of the grievance registered in the press and by the public about their view of our making this change.

But, Mr. President, I want to once again take very strong exception to those who have said that the Senate has acted in a cowardly way or that what is involved here is a matter of greed.

I do not want, as I already indicated, to go back and repeat the debate of 2 years ago about financial conditions of Senators. I do not think there are very many American people that think that the Senate ought to be an organization limited to the wealthy. It was and has been over much of the history of this country pretty much that kind of institution, unfortunately.

But I think, given current moods in the country and attitudes of the people, they at least like to have a few people here who are not wealthy individuals.

I do not intend to stress the cost of holding office. I think my constituents understand, and I think the constituents of a lot of us understand, the costs of maintaining two residences, the incidental costs of a variety of kinds that people get into in holding national office, particularly office that requires constant travel back and forth, and other expenses of that sort, that are not paid for out of the public treasury.

The point here is, Mr. President, that on this issue, if nothing else, I am constantly reminded of Thomas Jefferson's observation that when you become a public servant, you become public property.

As a result of fairly early recognition and understanding of that principle, I have taken pains myself, when running for office as well as every year I have been in office, to release my own financial records, particularly the annual tax forms.

We have procedures for reporting outside earned income, and I guess unearned income, for that matter. So these matters will be on the public record. Even if they were not on the public record, it has been my own policy throughout my limited public career to make them a matter of public record, how much taxes I paid, what I earned in honoraria.

In 1976, I guess my honoraria income was just slightly over $13,000. In 1977, I earned $8,920 in speaking engagements. That has been pretty much the record over the past 4 years, as far as I am concerned.

So I do not believe that this Senator is making a killing off his public office and he does not intend to. He will continue, whether the Senate or the law requires him to or not, to publicly disclose to his constituents, or anyone else who cares to know, not only how much money he made from all sources every year, how much taxes he paid, but also what the source of that income was.

My own policy, and each of us, I guess, has to make his own decision on this, is not to accept money for speeches in my own State, not to accept any honoraria for speeches to any organizations that may have a direct or immediate interest in legislation, or, for that matter, I guess, an indirect or nonimmediate interest.

We all have our own decisions about that, but, ultimately, we are responsible to our constituents, and they are the ones that have to make the decision. In order to make that decision, I think they have a right, and I think that right is recognized by the leadership on both sides of the aisle, to know where we stand on this issue of what the limit ought to be.

But I certainly hope, Mr. President, that out of this, hopefully, brief discussion and deliberation today, the people will keep in mind that there is a significant discrimination between those who earn money in addition to their Senate salary and those who get income from so-called unearned sources, and that there are substantial differences in the restrictions on those, that the net effect of those restrictions is to encourage, I think, one way or the other, individuals of wealth to hold Senate seats.

I think that is not healthy for the Republic, myself. But there we are.

We have to deal with the mood, and the times, as we find it. When this issue arose, the mood was, and I am afraid still is, very much anti-Government, and a lot of that mood focuses on the Congress of the United States.

We are dealing here, I think, Mr. President, with a symbolic issue as much as anything else.

I do not know the average numbers, really, whether that limitation is $8,000, $9,000, $10,000, or maybe for that matter $25,000. I do not know.

What is of concern to people, and I think was of great concern to a large number of journalists, particularly, editorial writers, based on editorials I have seen here, was the method used to change this procedure.

We are going to reverse that today. We are going to change that method and see what the mood of the Senate is and what the individual Members feel on that.

I yield to the Senator from Wisconsin.

Mr. NELSON. Mr. President, I am interested in the Senator's observation about the method and the editorial comments of the papers.

I would just like to say, in all good humor, it would not make any difference how the Senate or the Congress handled the question of salaries. It would be attacked editorially anyway.

When we created the Presidential commission back in the sixties for the purpose of taking the decision away from the Senate and the Congress, allowing an independent Presidential commission of distinguished American citizens to decide what should be the salaries of the higher echelons of the executive branch, the judiciary, and the Congress, it was then thought that this objective group could make the recommendation and then it would become law, unless somebody demanded a rollcall. It seemed to me a very sensible approach.

I do not like to have to make the decision as to what the salary ought to be. There is no other job like it.

If I had the income of a number of people in this body, I would happily serve here for nothing because it is a very interesting, challenging position to have.

So if we have a rollcall, we are attacked for voting for the salary increase. If we do not have a rollcall, we are attacked for not having a rollcall. In any event, we are attacked as having a conflict of interest because we set our own salary.

We have to face the prospect, I say to the Senator, that no matter what Congress does, it will be attacked for it.

I just wanted to say a word, if I may, about why that limitation is where it is. It was put in there by me as chairman of the ad hoc committee that dealt with the ethics question, the question of limitations on income. It is not a magic figure, by any means.

In fact, I thought it was too low. But I put it in because that is what the House did.

So we in the committee adopted the same limitation as the House. It was my personal view that that limitation was too low, although I add that it makes no difference to me, since I do not have the time nor the interest to take the hassle of running around the country even to reach the current limitation. I have no interest in that. But it was a figure that I picked up because the House set that limitation, even though I had thought the limitation was lower than it should be.

However, it was adopted in conjunction with the adoption of the Presidential Commission's recommendation on salaries. It should not have had to be tied to that at all. The salary recommendation was by an independent commission headed by Mr. Peterson, former Secretary of Commerce. Distinguished business leaders, labor leaders, and laymen served on the commission and made that judgment; and in my view, we should have accepted their judgment and need not have tied this with it. But we did.

So that was the compact, so to speak, made at the time; and, in my judgment, we should live with that until the next Presidential Commission. That is the length of time, it seems to me, we are obligated to maintain this income limitation for the 4-year period during which the Commission's recommendation for salary is in effect, until the next recommendation, which I believe will come in January of 1981.

On that ground, I support retaining the limitation we put in, and that was recommended by the ad hoc committee that I handled, and it was voted on a rollcall vote on the floor of the Senate after a considerable amount of debate. Then, if a change should be made, if one wishes to make a change, I think the appropriate time to do that is at the expiration of the 4-year period of the salary recommendation of the Presidential Commission.

Mr. HART. I thank the Senator from Wisconsin.

Mr. WEICKER. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. WEICKER. Mr. President, I say to the distinguished Senator from Colorado that I am delighted that he has brought the issue to the floor for a vote. That should have been done; except that I also want to make clear that, to me, the crux of what is to be considered by the U.S. Senate and the American public is not the issue of honoraria but the entire issue of the ethics code and the Ethics in Government Act. I will not be discussing the resolution of the distinguished Senator from Colorado next to this debate. There will be intervening business, I imagine.

I just want to point out that, in the totality of what needs to be considered, it is this plus what the distinguished Senator from North Carolina will be raising. I know he will get the headlines, and I also know it is important.

I also commend the distinguished Senator for having this matter brought to a vote. That I agree with. Nothing else I agree with.

Mr. PRESSLER. Mr. President, will the Senator yield?

Mr. HART. I yield.

Mr. PRESSLER. Mr. President, I commend the Senator from Colorado.

Where we usually get into trouble is not having a rollcall vote. When I served in the House, there were issues of pay raises. It seems that Congress has a great deal of difficulty in coming to an up-or-down vote in these matters, and the American people might have more confidence in our procedures if we had that rollcall vote, which I hope we will have this afternoon.

At the Constitutional Convention, this matter of remuneration for Members of Congress was discussed; and James Madison said that it would be safe to let Congress set their own pay, because they always would have a vote to which people could look, to see how they voted.

In the 4 years I was in the House, I frequently raised the issue and, indeed, brought a lawsuit requiring that there be a rollcall vote. I think the American people will be much more understanding of what we do, whatever it is, if there is a vote; and I hope we have that up-or-down vote this afternoon.

I join the Senator from Colorado and others in seeking such a vote.

Mr. STEVENS. Mr. President, I welcome a rollcall vote on this matter, and I hope we will have an opportunity to vote up or down on the Hart resolution.

It was originally my resolution which was adopted by voice vote on March 7; and if there was any confusion concerning its adoption at that time, I apologize to the Senate. However, let me state for the RECORD that the notice given on my resolution exceeds the time of the notice given on this resolution. As a matter of fact, I had discussed my resolution many times with Members of the Senate, and it was common knowledge that at the time the rule was first adopted, I was quite disturbed with that Senate action.

During that time, I was the ranking minority member of the Post Office and Civil Service Committee and I met with representatives of both the current administration and the previous administration. We discussed the question of the pay raise and we found that the position taken by both administrations was to support the Peterson Commission report in recommending the pay raise.

At that time, the Senator from Illinois (Mr. STEVENSON) supported the proposition. He was a leader of the reform movement at the time, as was the Senator from Wisconsin (Mr. NELSON).

I do not take umbrage at the comments that have been made by the Senator from Colorado (Mr. HART). We have all read them in the newspapers. The press is entitled to draw the conclusions it wants from actions we take.

When the Senator from Illinois, the chairman of the Ethics Committee, came to the floor on March 7 and said that he would support my resolution, that was an indication to me that the Senate was ready to vote to provide another 4 years before this new rule had to take effect.

The reason for my position is that, first, the Constitution provides that you cannot reduce the pay of a chief executive nor the pay of a Federal judge. The other two branches of government have a protection against reducing their income during the term of their service. While this resolution does not reduce the pay, it does reduce the earned-income potential of a Member of the Senate. I took the position that, at least for one full term, that that was unfair and that we should be subject to the same policies that are applied to the other two branches of government.

I point out, parenthetically, that I never have taken the full amount of honorarias that I could have accepted. I do not have earned income, because I am a member of the legal profession, and our code of professional responsibility prohibits a sitting Member of Congress from engaging in private practice. As a matter of fact, even before the rule was adopted, the day I was appointed to the Senate I closed my law office, and I have not practiced law 1 day since that time. So I imposed on myself the code of ethics before it was adopted by the bar association.

However, what we are talking about here is earned income, not just honoraria—all earned income. We are talking about the tradition in this Nation that we should have a citizen national legislature and whether that tradition shall be preserved. When a decision is made by a person to come to Washington to serve, or attempt to come to Washington to serve, in Congress, that person must decide whether he or she has the independence to return back and to be able to earn a living and not be dependent upon this position in Congress.

Common Cause has been more misled on this position than on any other position they have taken, because the issue is not the amount of honoraria. The issue is whether we can have a right to return to our lives at home after leaving the Congress, earn a living, and be independent of the pressure groups that affect the national Congress.

Only the lawyers today cannot do that; but, technically, we still are practicing law, whether we consider it so or not. We are involved in the enactment of laws, so it is really the same as if we are practicing law, so far as I am concerned. But I have known Members of Congress during my lifetime who have been doctors and have continued to practice, who have been veterinarians and have continued to practice, who have been optometrists; who have been people from all walks of life, and they kept their connections with their particular income-producing capabilities. So they had the right to go home and the independence to do so.

The question here is not how much you should earn in terms of honoraria. I can show any Member of the Senate how these rules work any time he wants and legally, as a matter of fact.

This is a question of honor to a Senator. It is not a question of rules.

Common Cause has led us to a position where this Senate will become the House of Lords. This body will be made up of only people who are independently wealthy if this rule becomes effective. It would limit a person to $8,600 gross income.

Harry Truman kept open his haberdashery. He went home when the Senate was not in session. Now what happens today? If that rule became effective it would be all right if he incorporated and let someone else run it, put out a sign in the front saying "Senator Truman's Haberdashery" and took all of the business that came into Senator Truman's Haberdashery, but if he worked for a salary 1 day while the Senate was in session it would be considered unethical. Imagine that.

A veterinarian can go home now, since the Senate adopted my resolution and he can keep up his business, he can go and be a part of his business, and keep his clientele if he is a dentist, an optometrist, whatever he or she might be, and he has the independence to go home and the independence to stand up and vote his conscience.

This resolution will turn us back to the point where we are subject to more pressure, not less pressure, more pressure as Members of the Senate because we will not have any source of income to go back to. We have to be able to maintain our independence.

I think that it is unconscionable to tell a member of a profession or a business that if he determines to run for the Senate, he must come here with the knowledge that he has to cease doing anything while the Senate is in session that would lead to a gross income from that business in excess of $8,600.

There are some things that constitute very borderline questions under rule 44.

My late wife had a plant shop. I went over and helped her on weekends. I knocked off the plaster. We put in new walls. We did a lot of things. That business earned money. Under rule 44, had it been effective at that time—since my work did contribute to the income from that family business while the Senate was in session, I would have violated this rule if we had more than $8,600 in income.

What is wrong with that income? We declared that income.

Under the disclosure rules we have to disclose all sources of income in excess of $100. Let us look at the rules. We now say all income in excess of $100 has to be declared and disclosed, all personal property, held for business purpose or for investment, all debts owed, all promises of future employment, all gifts received, all patent rights held, all honoraria received, all real estate owned, and all nongovernment positions held must be disclosed. Those are the provisions of rule XLII.

The Ethics in Government Act last year duplicates this, and adds a little more. That is one of the things that Senator MORGAN and Senator WEICKER rightfully are going to address. It provides for complete disclosure of all income plus all reimbursements received.

Rule XLV contains the conflict of interest provisions. We can have no outside professional activity which may interfere with our official duties. We cannot be affiliated with a firm, and I have said that that is redundant with the Bar Association's position anyway. We cannot hold any position as a director or officer of any public regulated corporation. We cannot lobby for 1 year after we leave office.

Rule XLVI limits the funds we can use to official expenses, to personal funds, funds received from the Senate, funds that are donated and reported under the Political Reporting Act, and reimbursements received.

We have a complete setup for full disclosure. I was part of the committee that considered in conference the Federal Election Campaign Act. We set a new limit of $25,000 honoraria. We did not deal with the question of outside earned income. We did not want to limit those people who might want to seek a position in the Senate to any kind of income limitation, because that puts another impediment in the way of those people who could and should serve in the national Congress for a period of their life. Many people owe this Government some part of their life. But they do not owe this Government the duty to become permanent professional legislators. Some of us are, but many do not choose to be. I would rather see the right for a person to come here and maintain a connection with his earned-income capacity than I would to see this body filled only with people who have the right to unlimited unearned income.

That is the situation that would have persisted had my resolution not been adopted on March 7. Just remember: Unearned income is not subject to any limitation. It is unlimited. You can get a million dollars from coupon clippings, but you cannot earn more than $8,600 gross if you work for a living.

The concept of earned income limits wrapped up in that portion of the Peterson Commission was wrong. I stated at the time I would work to undo it. We did not undo it with Senate Resolution 93. What we did was to give it 4 more years, give the Federal Election Act 4 more years and let even Common Cause see what happens.

We disclose everything we do financially. We disclose everything we own. We disclose even what our wives and minor children earn and what they do. And if after 4 years the public record is not complete, if then the public cannot make up its mind who is here for the purpose of using the office of U.S. Senator to increase his earned income and who is earning income to preserve his independence as a Senator, then I personally will not press the issue in 4 years. But if I am here, and God willing I will be here, and by the grace of God I am here right now, I believe that we should wipe this provision out entirely, and I pledge to try to wipe it out entirely before the end of those 4 years if the disclosure rule works as it should.

But right now the issue is not honoraria. That is a false issue. Some feel the members of the press owe the public an apology for that, because this is not a question of honoraria. It is a question of earned income and it is a question of where we stand in the community. Do we have to become financial eunuchs to come to the Senate? I certainly hope we do not.

I will tell you, Mr. President, I can think of nothing in my Government career, which now goes over many years, that more disturbs me than the way that this action has been misinterpreted. We had a voice vote, because the Senate understood it is the process of leadership to stand up and take a position which preserves the integrity of the Senate, to take a position which keeps our independence and preserves the right of average citizens to come here and serve and still go back to his or her life after the decision was made, in the national interest, to vote against the best wishes of our constituents. I am glad that this resolution has been presented, and I thank my good friend from Colorado for presenting it because, as I said, no thing has bothered me more than the comment that it was handled in a sneaky way. It was not sneaky. Senate Resolution 93 was handled precisely the way we have handled hundreds of resolutions since I have been here. We called it up. There was a day's notice. It was printed in the RECORD. It was listed in the Daily Digest. It was discussed on the cloakroom recordings. We had a whole morning for debate. We had an order to vote a half-hour after the vote that was to take place on the amendment offered by the Senator from Virginia (Mr. BYRD). That vote did not take place. When that vote did not take place, Senators asked if there was going to be a vote? We said there was not going to be a vote: The Senator from Virginia's amendment is not going to come to a vote. That was interpreted by some people as saying we were not going to have a rollcall vote then at that time on any subject. Then we asked how can we have a rollcall vote on the Stevens resolution if we just said there was not going to be a rollcall vote, because of that misunderstanding?

It was a misunderstanding. I do apologize to the Senate not only for the confusion in that regard but for the adverse publicity that came to the Senate, because of the procedure. But I do not apologize for the action the Senate took with respect to my resolution, and I hope the Senate has the wisdom and the courage to stand up and preserve the rights of those who are not here yet to maintain their independence for the future.

I reserve the remainder of my time.

Mr. President, I ask unanimous consent that the provisions of rule XLII, XLV, and XLVI be placed in the RECORD following the conclusion of my prior remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RULE XLII[1, 2]

PUBLIC FINANCIAL DISCLOSURE

1. (a) (1) Each individual who for a period in excess of ninety days during a calendar year is a Senator, or an officer or employee of the Senate who is compensated at a rate in excess of $25,000 a year, shall file a report containing a full and complete financial statement for that calendar year.

(2) Each employee designated under rule XLIX to handle campaign funds during any calendar year shall file a full and complete financial disclosure statement for that calendar year.

(b) Each individual described in subparagraph (a) who during any calendar year ceases to occupy an office or position described in such subparagraph shall file a report containing a full and complete financial statement for that portion of such year beginning on January 1 and ending on the date on which he ceases to occupy such office or position.

(c) Any individual who seeks nomination for election, or election, to the office of United States Senator shall file in any year in which such individual has—

(1) taken the action necessary under the law of a State to qualify for nomination for election, or election, or

(2) received political contributions or made expenditures, or has given consent for any other person to receive political contributions or make expenditures, with a view to bring about such individual's nomination for election, or election, to such office.

a report containing a full and complete financial statement for the preceding calendar year.

(d) The Secretary of the Senate shall submit annually to the Select Committee on Ethics (hereinafter referred to as the "Select Committee") a complete list of Members, officers, and employees of the Senate who are required to file a report under this paragraph and shall submit at the close of each calendar quarter a list of individuals required to file such report who have begun or terminated employment with the Senate or been designated pursuant to rule XLIX.

2. Each individual shall include in each report for each calendar year for which he is required to file a report under paragraph 1 a full and complete statement, in such manner and form as the Select Committee shall prescribe, which contains the following:

(a) (1) The amount and the identity of each source of earned income (exclusive of honoraria) received during such calendar year which exceeds $100 in amount or value;

(2) the identity of the source, the amount, and the date, of each honorarium received during such calendar year and an indication of which honoraria, if any, were donated to a charitable organization pursuant to paragraph 2(c) of rule XLIV; and

(3) the identity of each source of income (other than earned income) received during such calendar year which exceeds $100 in amount or value, and an indication of which of the following categories the amount or value of such item of income is within:

(A) not more than $1,000,

(B) greater than $1,000 but not more than $2,500,

(C) greater than $2,500 but not more than $5,000,

(D) greater than $5,000 but not more than $15,000,

(E) greater than $15,000 but not more than $50,000,

(F) greater than $50,000 but not more than $100,000, or

(G) greater than $100,000.

(4) For purposes of clauses (1) and (3), any gift described in subparagraphs (b) and (c) of this paragraph shall not be considered as income.

(b) The identity of the source, a brief description of, and the value of any gifts of transportation, lodging, food, or entertainment aggregating $250 or more provided by any one source other than a relative during the calendar year except that any food, lodging, or entertainment received as part of the personal hospitality of any individual need not be reported.

(c) The identity of the source, a brief description of, and the value of all other gifts aggregating $100 or more from any one source other than a relative during the calendar year unless, in an unusual case, a waiver is granted by the Select Committee.

(d) (1) Gifts with a fair market value of less than $35 need not be aggregated for the purposes of subparagraphs (b) and (c) of this paragraph.

(2) In aggregating gifts for purposes of subparagraphs (b) and (c) of this paragraph, the reporting individual may deduct from the total value of gifts received from any source during the calendar year the total value of gifts given by the reporting individual to that source during the calendar year, except that, if gifts with a fair market value of less than $35 received from that source are not aggregated, gifts with a fair market value of less than $35 given to that source may not be deducted.

(e) (1) The identity and category of value of each item of real property held, directly or indirectly, during such calendar year which has a fair market value in excess of $1,000 as of the close of such calendar year; and

(2) the identity and category of value of each item of personal property held, directly or indirectly, during such calendar year in a trade or business or for investment or the production of income which has a fair market value in excess of $1,000 as of the close of such calendar year.

(f) The identity and category of value of each personal liability owed, directly or indirectly, which exceeds $2,500 at any time during such calendar year.

(g) The identity, date, and category of value of any transaction, directly or indirectly, in securities or commodities futures during such calendar year exceeding $1,000, except that (1) any gift to any tax-exempt organization described in section 501(c)(3) of the Internal Revenue Code of 1954 involving such a transaction need not be reported, and (2) any transaction solely by and between the reporting individual, his spouse, and dependents need not be reported.

(h) (1) The identity, date, and category of value of any purchase, sale, or exchange, directly or indirectly, of any interest in real property during such calendar year if the value of the property involved in such purchase, sale, or exchange exceeds $1,000 as of the date of such purchase, sale, or exchange, except that (1) any gift to any tax-exempt organization described in section 501(c)(3) of the Internal Revenue Code of 1954 involving such a transaction need not be reported, and (2) any transaction solely by and between the reporting individual, his spouse, or dependents need not be reported.

(2) For the purposes of subparagraph (e)

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[1] Rules XLII through L, which are known as the "Senate Code of Official Conduct," were added by S. Res. 110, 95–1, Apr. 1, 1977.

[2] Rule XLII becomes effective Oct. 1, 1977.

(1) of this paragraph and clause (1) of this subparagraph, the identity of an item of real property shall include the number of acres of property (if there is more than one acre), the exact street address (except with respect to a personal residence of a reporting individual), the town, county, and State in which the property is located, and if there are substantial improvements on the land, a brief description of the improvements (such as "office building").

(i) Any patent right or any interest in any patent right, and the nature of such patent right, held during such calendar year.

(j) The identity of all positions held as an officer, director, trustee, partner, adviser, proprietor, agent, employee, or consultant of any corporation, company firm, partnership, or other business enterprise, any nonprofit organization, and any educational or other institution.

(k) A description of, the parties to, and the terms of any contract, promise, or other agreement between such individual and any person with respect to his employment after such individual ceases to occupy an office or position described in paragraph 1, including any agreement under which such individual is taking a leave of absence from an office or position outside of the United States Government in order to occupy an office or position described in paragraph 1, and a description of and the parties to any agreement providing for continuation of payments or benefits from a prior employer other than the United States Government.

An officer or employee of the Senate required to file a report under paragraph 1 shall include in this report the identity of any person, other than the United States Government, who paid the reporting individual compensation in excess of $5,000 in any of the two calendar years prior to such calendar year and the nature and term of the services the reporting individual performed for such person. The preceding sentence shall not require any individual to report any information which is considered confidential as a result of a privileged relationship, established by law, between such individual and any person nor shall it require an individual to report any information with respect to any person for whom services were provided by any firm or association of which such individual was a member, partner, or employee unless such individual was directly involved in the provision of such services.

3. (a) For purposes of subparagraphs (e) through (h) of paragraph 2, an individual need not specify the actual amount or value of each item required to be reported under such subparagraphs, but such individual shall indicate which of the following categories such amount or value is within:

(1) not more than $5,000,

(2) greater than $5,000 but not more than $15,000,

(3) greater than $15,000 but not more than $50,000,

(4) greater than $50,000 but not more than $100,000,

(5) greater than $100,000 but not more than $250,000,

(6) greater than $250,000 but not more than $500,000,

(7) greater than $500,000 but not more than $1,000,000,

(8) greater than $1,000,000 but not more than $2,000,000,

(9) greater than $2,000,000 but not more than $5,000,000, or

(10) greater than $5,000,000.

(b) For the purposes of subparagraph (e) of paragraph 2, if the current value of an interest in real property (or an interest in a real estate partnership) is not ascertainable without an appraisal, an individual may list the date of purchase and the purchase price of the interest in the real property instead of specifying a category of value pursuant to subparagraph (a) of this paragraph. If the current value of any other item required to be reported under subparagraph (e) of paragraph 2 is not ascertainable without an appraisal, such individual may list the book value of a corporation whose stock is not publicly traded, the net worth of a business partnership, the equity value of an individually owned business, or with respect to other holdings, any recognized indication of value but such individual shall include in his report a full and complete description of the method used in determining such value.

(c)(1) For the purposes of subparagraphs (a) through (c) of paragraph 2, the individual need only report the source, not the amount, of any earned income over $1,000 or gifts over $100 ($250 in the case of transportation, lodging, food, or entertainment) received by a spouse or minor dependent, and of gifts of over $500 received by an adult dependent, but with respect to earned income, if his spouse or minor dependents are self-employed in his or her own business or profession, only the nature of such business or profession need be reported.

(2) For the purposes of subparagraph (a) (3) and subparagraphs (e) through (j) of paragraph 2, a reporting individual shall also report the interests of the spouse or dependents of that individual if such interests are within the constructive control of the reporting individual. For the purposes of this subparagraph, an interest is in the constructive control of a reporting individual if the enhancement of the interest would substantially benefit the reporting individual.

(3) No report shall be required with respect to the interests of a spouse living separate and apart from the reporting individual.

(d)(1) Except as provided herein and at clause (2) of this subparagraph, the holdings of and income from a trust or other financial arrangement from which the reporting Senator, officer, or employee or the spouse or dependents of such reporting individual receives income or has an equity interest in must be publicly reported according to the provisions of paragraph 2, except that the identity of the holdings and the sources of a trust's income need not be disclosed if—

(A) the trust was not created directly or indirectly by the reporting individual, his spouse, or dependents,

(B) the reporting individual, his spouse, and dependents have no knowledge of the contents or sources of income of the trust, and

(C) the reporting individual has requested the trustee to provide information with respect to the holdings and sources of income of the trust and the trustee refuses to disclose the information.

However, where the identity of the holdings and the sources of income of a trust need not be disclosed, the reporting individual must list the category of the net cash value of his interest in the total trust holdings under subparagraph (e) of paragraph 2, and must list the category of the amount of the income from the trust under subparagraph (a)(3) of paragraph 2.

(2) Since it is the policy of the United States Senate that Senators, and officers and employees of the Senate make full and complete public financial disclosure of financial holdings, it is the sense of the Senate that trusts established for the purpose of being blind trusts, whether revocable or irrevocable, shall be dissolved or amended by May 15, 1978, by the creating party to permit the disclosures required by this rule unless, prior to that date, the minimum requirements for a blind trust are defined by a rule of the Senate or by statute and the trust involved meets the requirements of that rule or statute.

(e) An individual only is required to report information within his knowledge.

4. (a) Each individual required to file a report under paragraph 1(a) for any calendar year shall file such report with the Secretary of the Senate not later than May 15 of the next year.

(b) Each individual required to file a report under paragraph 1(b) for a portion of a year shall file such report with the Secretary of the Senate on the last day he occupies an office or position described in paragraph 1 during such year.

(c) Each individual required to file a report under paragraph 1(c) shall file such report with the Secretary of the Senate not later than the thirtieth day following the day on which such individual first fulfills the filing requirements of such paragraph during such year or May 15 of that year, whichever is later.

(d) A copy of each report filed under subparagraphs (a), (b), and (c) shall be provided to the Select Committee by the Secretary of the Senate.

(e) Each Senator and each individual required to report under paragraph 1(c) shall cause his financial disclosure statement to be filed as a public document with the Secretary of State (or, if there is no Office of Secretary of State, the equivalent State officer) in the State which the Senator represents or in which he is a candidate for the position of Senator.

(f) The Select Committee may grant one or more reasonable extensions of time for filing any report but the total of such extensions shall not exceed ninety days.

(g) The Comptroller General shall provide assistance in completing any reports required under this rule when requested by a Member, officer, or employee of the Senate.

5. (a) Except as provided in this paragraph, the Secretary of the Senate shall make each report filed with him under this rule available to the public within fifteen days after the receipt of such report, and shall provide a copy of any such report to any person upon a written request.

(b) The Secretary of the Senate shall require any person receiving a copy of any report under subparagraph (a) to supply his name and address and the name of the person or organization, if any, on whose behalf he is requesting such copy and to pay a reasonable fee in any amount which the Secretary of the Senate finds necessary to recover the cost of reproduction or mailing of such report excluding any salary of any employee involved in such reproduction or mailing. The Secretary of the Senate may furnish a copy of any such report without charge or at a reduced charge if he determines that waiver or reduction of the fee is in the public interest because furnishing the information can be considered as primarily benefiting the public.

(c) Any report received by the Secretary of the Senate shall be held in his custody and made available to the public for a period of seven years after receipt by the Secretary of the Senate of such report. After such seven-year period, the Secretary of the Senate shall destroy any such report.

(d) The Select Committee shall review all financial statements filed pursuant to paragraph 1 to determine whether such statements are filed in a timely manner and are complete and in proper form.

(e)(1) The Comptroller General shall, under such regulations as he may prescribe, and which are approved by the Select Committee, conduct, on a random basis, audits of approximately 5 per centum of the reports filed with the Secretary of the Senate (other than those filed by a Member of the Senate).

(2) The Comptroller General shall, during each six-year period beginning after December 31, 1977, audit at least one report filed by each Member of the Senate except that no such audit shall take place during the calendar year such Member is up for reelection.

(3)(A) In conducting an audit under clause (1) or (2), the Comptroller General is authorized to request that the Select Committee issue a subpena to require the production of books, papers, and other documents.

(B) The Comptroller General may use outside consultants to assist him in his responsibilities under this subparagraph.

(4) The Comptroller General shall transmit the findings of each audit to the Select Committee and the individual being audited.

6. (a) Each individual who is required to file a financial statement under paragraph 1 for any calendar year shall file with the Comptroller General, in a sealed envelope, a report containing a copy of the returns of taxes, declarations, statements, other documents, and amendments thereto, which he, or he and his spouse jointly, or any fiduciary (regarding income received on behalf of such individual), made for such year in compliance with the income tax provisions of the Internal Revenue Code of 1954. Such report shall be filed not later than the date on which such individual is required to file a financial statement under paragraph 1.

(b) Except as otherwise provided by this paragraph, all papers filed with the Comptroller General under this paragraph shall be kept by the Comptroller General for not less than seven years, and while so kept shall remain sealed. Upon receipt of a resolution of the Select Committee, adopted by a recorded majority vote of the members of the Select Committee, requesting the transmission to the Select Committee of any of the reports filed by an individual under this rule, the Comptroller General shall transmit to the Select Committee the envelopes containing such reports. After such recorded vote has been taken, but prior to the transmittal to the Select Committee of the envelopes containing such reports, the individual concerned shall be informed of the vote to examine and audit, and shall be advised of the nature and scope of such examination. When any sealed envelope containing any such report is received by the Select Committee, such envelope may be opened and the contents thereof may be examined only by members of the Select Committee in executive session. If, upon such examination, the Select Committee determines that further consideration by the Select Committee is warranted and is within the jurisdiction of the Select Committee, it may make the contents of any such envelope available for any use by any member of the Select Committee, or any member of the staff of the Select Committee, which is required for the discharge of his official duties. The Select Committee may receive the papers as evidence, after giving to the individual concerned due notice and opportunity for hearing in a closed session. The Comptroller General shall report to the Select Committee not later than the 1st day of June in each year the names of Senators, officers, and employees who have filed a report. Any paper which has been filed with the Comptroller General for longer than seven years, in accordance with the provisions of this paragraph, shall be returned to the individual concerned or his legal representative. In the event of the death or termination of service of a Member of the Senate or an officer or employee of the Senate, such papers shall be returned unopened to such individual, or to the surviving spouse or legal representative of such individual within one year of such death or termination of service unless the Select Committee directs that such papers be returned at a later date.

(c) Notwithstanding the provisions of subparagraph (b), the Comptroller General, after giving notice to the individual being audited, may examine the material filed pursuant to this paragraph for the purpose of conducting an audit as required under paragraph 5(e).

(d) Whenever in any criminal case pending in any competent court in which a Member, officer, or employee of the Senate is a defendant, or in any proceeding before a grand jury of any competent court in which alleged criminal conduct of the Member, officer, or employee of the Senate is under investigation, a discovery order of such court is served upon the Comptroller General directing him to appear and produce any reports filed pursuant to this rule, the Comptroller General shall—

(1) within a reasonable time prior to appearing in response to such discovery order of such court, notify the individual whose report is requested of the receipt of the discovery order of such court,

(2) if such report is in a sealed envelope, unseal the envelope containing such report and have an authenticated copy made of such report, replace such report in such envelope and reseal it, and note on such envelope that it was opened pursuant to this clause in response to a discovery order of such court, a copy of which shall be attached to such envelope, and

(3) appear in response to such discovery order of such court and produce the authenticated copy so made. For purposes of this subparagraph, the term "competent court" means a court of the United States, a State, or the District of Columbia which has general jurisdiction to hear cases involving criminal offenses against the United States, such State, or the District of Columbia, as the case may be; and the term "discovery order" includes a subpena approved by a competent court.

(e) The Select Committee on Ethics shall promulgate regulations and procedures to insure the confidentiality of tax returns and tax return information examined by the staff of that committee pursuant to subparagraph (b) above. Such regulations shall include the sanction of dismissal for any employee who knowingly and willfully communicates to any unauthorized person information derived from any confidentially filed tax return or tax return information examined pursuant to subparagraph (b) above.

7. As used in this rule—

(a) the term "commodity future" means commodity future as defined in sections 2 and 5 of the Commodity Exchange Act, as amended (7 U.S.C. 2 and 5);

(b) the term "Comptroller General" means the Comptroller General of the United States;

(c) the term "dependent" has the meaning set forth in section 152 of the Internal Revenue Code of 1954;

(d) the term "earned income" means outside earned income (as defined in rule XLIV) and any salary disbursed to an individual by the Secretary of the Senate;

(e) the term "employee of the Senate" includes any employee or individual described in paragraphs 2, 3, and 4(c) of rule XLIX;

(f) the term "gift" means a payment, subscription, advance, forbearance, rendering, or deposit of money, services, or anything of value, including food, lodging, transportation, or entertainment, and reimbursement for other than necessary expenses, unless consideration of equal or greater value is received, but does not include (1) a political contribution otherwise reported as required by law, (2) a loan made in a commercially reasonable manner (including requirements that the loan be repaid and that a reasonable rate of interest be paid), (3) a bequest, inheritance, or other transfer at death, or (4) anything of value given to a spouse or dependent of a reporting individual by the employer of such spouse or dependent in recognition of the service provided by such spouse or dependent;

(g) the term "income" means gross income as defined in section 61 of the Internal Revenue Code of 1954;

(h) the term "political contribution" means a contribution as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431);

(i) the term "political expenditure" means an expenditure as defined in section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431);

(j) the term "relative" means, with respect to a person required to file a report under this rule, an individual who is related to the person as father, mother, son, daughter, brother, sister, uncle, aunt, great uncle, great aunt, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, financé, financée, or who is the grandfather or grandmother of the spouse of the person reporting;

(k) the term "security" has the meaning set forth in section 2 of the Securities Act of 1933, as amended (15 U.S.C. 77b); and

(l) the term "transactions in securities and commodities futures" means any acquisition, transfer, or other disposition involving any security or commodity future.

Rule XLV

CONFLICT OF INTEREST

1. A Member, officer, or employee of the Senate shall not receive any compensation, nor shall he permit any compensation to accrue to his beneficial interest from any source, the receipt or accrual of which would occur by virtue of influence improperly exerted from his position as a Member, officer, or employee.

2. No Member, officer, or employee shall engage in any outside business or professional activity or employment for compensation which is inconsistent or in conflict with the conscientious performance of official duties.

3. No officer or employee shall engage in any outside business or professional activity or employment for compensation unless he has reported in writing when such activity or employment commences and on May 15 of each year thereafter so long as such activity or employment continues, the nature of such activity or employment to his supervisor. The supervisor shall then, in the discharge of his duties, take such action as he considers necessary for the avoidance of conflict of interest or interference with duties to the Senate.

4. No Member, officer, or employee shall knowingly use his official position to introduce or aid the progress or passage of legislation, a principal purpose of which is to further only his pecuniary interest, only the pecuniary interest of his immediate family, or only the pecuniary interest of a limited class of persons or enterprises, when he, or his immediate family, or enterprises controlled by them, are members of the affected class.

5. A Member, notwithstanding the provisions of rule XII of the Standing Rules of the Senate, may decline to vote, in committee or on the floor, on any matter when

he believes that his voting on such a matter would be a conflict of interest.

6.[1] No Member, officer, or employee of the Senate compensated at a rate in excess of $25,000 per annum and employed for more than ninety days in a calendar year shall (a) affiliate with a firm, partnership, association, or corporation for the purpose of providing professional services for compensation; (b) permit that individual's name to be used by such a firm, partnership, association or corporation; or (c) practice a profession for compensation to any extent during regular office hours of the Senate office in which employed. For the purposes of this paragraph, "professional services" shall include but not be limited to those which involve a fiduciary relationship.

7.[1] No Member, officer, or employee of the Senate compensated at a rate in excess of $25,000 per annum and employed for more than ninety days in a calendar year shall serve as an officer or member of the board of any publicly held or publicly regulated corporation, financial institution, or business entity. The preceding sentence shall not apply to service of a Member, officer, or employee as—

(a) an officer or member of the board of an organization which is exempt from taxation under section 501(c) of the Internal Revenue Code of 1954, if such service is performed without compensation;

(b) an officer or member of the board of an institution or organization which is principally available to Members, officers, or employees of the Senate, or their families, if such service is performed without compensation; or

(c) a member of the board of a corporation, institution, or other business entity, if (1) the Member, officer, or employee had served continuously as a member of the board thereof for at least two years prior to his election or appointment as a Member, officer, or employee of the Senate, (2) the amount of time required to perform such service is minimal, and (3) the Member, officer, or employee is not a member of, or a member of the staff of any Senate committee which has legislative jurisdiction over any agency of the Government charged with regulating the activities of the corporation, institution, or other business entity.

8.[1] An employee on the staff of a committee who is compensated at a rate in excess of $25,000 per annum and employed for more than ninety days in a calendar year shall divest himself of any substantial holdings which may be directly affected by the actions of the committee for which he works, unless the Select Committee, after consultation with the employee's supervisor, grants permission in writing to retain such holdings or the employee makes other arrangements acceptable to the Select Committee and the employee's supervisor to avoid participation in committee actions where there is a conflict of interest, or the appearance thereof.

9.[1] If a Member, upon leaving office, becomes a registered lobbyist under the Federal Regulation of Lobbying Act of 1946 or any successor statute, or is employed or retained by such a registered lobbyist for the purpose of influencing legislation, he shall not lobby Members, officers, or employees of the Senate for a period of one year after leaving office.

10.[1] If an employee on the staff of a Member, upon leaving that position, becomes a registered lobbyist under the Federal Regulation of Lobbying Act of 1946 or any successor statute, or is employed or retained by such a registered lobbyist for the purpose of influencing legislation, such employee may not lobby the Member for whom he worked or that Member's staff for a period of one year after leaving that position. If an employee on the staff of a committee, upon leaving his position, becomes such a registered lobbyist or is employed or retained by such a registered lobbyist for the purpose of influencing legislation, such employee may not lobby the members of the committee for which he worked, or the staff of that committee, for a period of one year after leaving his position.

11. For purposes of this rule—

(a) "employee of the Senate" includes an employee or individual described in paragraphs 2, 3, and 4(c) of rule XLIX;

(b) an individual who is an employee on the staff of a subcommittee of a committee shall be treated as an employee on the staff of such committee; and

(c) the term "lobbying" means any oral or written communication to influence the content or disposition of any issue before Congress, including any pending or future bill, resolution, treaty, nomiantion, hearing, report, or investigation; but does not include—

(1) a communication (i) made in the form of testimony given before a committee or office of the Congress, or (ii) submitted for inclusion in the public record, public docket, or public file of a hearing; or

(2) a communication by an individual, acting solely on his own behalf, for redress of personal grievances, or to express his personal opinion.

12. For purposes of this rule—

(a) a Senator or the Vice President is the supervisor of his adminstrative, clerical, or other assistants;

(b) a Senator who is the chairman of a committee is the supervisor of the professional, clerical, or other assistants to the committee except that minority staff members shall be under the supervision of the ranking minority Senator on the committee;

(c) a Senator who is a chairman of a subcommittee which has its own staff and financial authorization is the supervisor of the professional, clerical, or other assistants to the subcommittee except that minority staff members shall be under the supervision of the ranking minority Senator on the subcommittee;

(d) the President pro tempore is the supervisor of the Secretary of the Senate, Sergeant at Arms and Doorkeeper, the Chaplain, the Legislative Counsel, and the employees of the Office of the Legislative Counsel;

(e) the Secretary of the Senate is the supervisor of the employees of his office;

(f) the Sergeant at Arms and Doorkeeper is the supervisor of the employees of his office;

(g) the Majority and Minority Leaders and the Majority and Minority Whips are the supervisors of the research, clerical, or other assistants assigned to their respective offices;

(h) the Majority Leader is the supervisor of the Secretary for the Majority and the Secretary for the Majority is the supervisor of the employees of his office; and

(i) the Minority Leader is the supervisor of the Secretary for the Minority and the Secretary for the Minority is the supervisor of the employees of his office.

Rule XLVI

PROHIBITION OF UNOFFICIAL OFFICE ACCOUNTS

1. No Member may maintain or have maintained for his use an unofficial office account. The term "unofficial office account" means an account or repository into which funds are received for the purpose, at least in part, of defraying otherwise unreimbursed expenses allowable in connection with the operation of a Member's office. An unofficial office account does not include, and expenses incurred by a Member in connection with his official duties shall be defrayed only from—

(a) personal funds of the Member;

(b) official funds specifically appropriated for that purpose;

(c) funds derived from a political committee (as defined in section 301(d) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431)); and

(d) funds received as reasonable reimbursements for expenses incurred by a Member in connection with personal services provided by the Member to the organization making the reimbursement.

2. No contribution (as defined in section 301(e) of the Federal Election Campaign Act of 1971 (2 U.S.C. 431)) shall be converted to the personal use of any Member or any former Member. For the purposes of this rule "personal use" does not include reimbursement of expenses incurred by a Member in connection with his official duties.

UP AMENDMENT NO. 55

(Purpose: To prohibit the acceptance of honoraria by Members, officers, and employees of the Senate, except for donation to certain tax-exempt organizations)

Mr. BUMPERS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. Bradley). The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. Bumpers) proposes an unprinted amendment numbered 55.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

S. Res. 115, a resolution to make Rule XLIV of the Standing Rules of the Senate effective on January 2, 1979.

At the end of the resolution insert the following new section:

Sec. 2. (a) Paragraph 2 of rule XLIV of the Standing Rules of the Senate is amended—

(1) by striking out subparagraphs (a) and (b) and inserting in lieu thereof the following:

"(a) A Senator, officer, or employee of the Senate shall not receive any honorarium for any appearance, speech, or article."; and

(2) by redesignating subparagraph (c) as (b) and by striking out "Notwithstanding the limitations under paragraph 1 or 2 (b) (2), any Senator, officer, or employee may accept honoraria in exces of the amount allowed in paragraph 1 or 2 (b) (2) but not in excess of $25,000" in such subparagraph and inserting in lieu thereof "Notwithstanding the limitation under paragraph 1 or the provisions of subparagraph (a) of this paragraph, a Senator, officer, or employee may accept honoraria, but not in excess of $25,000 during a calendar year".

(b) The amendments made by subsection (a) shall take effect as of January 1, 1979, except that the provisions of rule XLIV of the Standing Rules of the Senate, as in effect on the day prior to the date on which this resolution is agreed shall continue to apply to any honorarium received for an appearance made or speech delivered before such date or for any article submitted and accepted for publication before such date.

Mr. BUMPERS. Mr. President, Senator Bellmon from Oklahoma made one of the funniest comments on this subject when this issue was first debated in the Senate. Another Senator was trying to persuade Senator Bellmon to raise the limit on honorarium for a speech from $1,000 to $2,000; Henry said:

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[1] Effective Apr. 1, 1978.

> I would love to help but, I am such a lousy speaker when they pay me $1,000 everybody knows it is a bribe.

Some people in this body make quite a bit of money on honoraria because they are captivating and entertaining speakers. In that respect, allowing Senators to accept honoraria for speeches is unfair.

Some Members receive more invitations because of committee assignments or eloquence. From that standpoint, everybody does not share equally in the fruits of honoraria.

I do not think the Senator from Colorado or anybody else will defend the sacredness of limiting income to 15 percent of our salary, which was $8,625. Any Senator who has children in college and maintains homes in his or her home State and in Washington can use the additional income.

The other night on the evening news, one of the truckers was saying that he objected to the President's 7-percent guideline. He objected by saying:

> What kind of increase did Congress get—29 or 30 percent?

I thought what an unkind cut that was. We got an increase in salary 2 years ago, and this fellow still remembers it.

I can go back home and tell my constituents, "The last time Congress got an increase in pay was in 1967. The increase 2 years ago translates into a 3-percent annual increase or roughly one-third of the inflation rate over the same 10-year period."

When I explain this to my constituents, I might as well be talking to that wall, because they are not interested in hearing it. They realize that the increase in pay we received is above the median family income of 85 percent of the people in my State.

As the Senator from Alaska said, we are hardly financial eunuchs around here at $57,500. Even though all of us, particularly those with sons in college, sometimes have a little difficulty in making ends meet.

I do not think any Senator will disagree that any specific limit on honoraria is highly arbitrary. Is $8,700 right? Is $25,000 less right? What would be a proper figure? $15,000? Do you think that is going to change the editorials in this country?

If we are doing this to please the press and our constituents back home honoraria ought to be eliminated, because they do not like any part of it, $8,625 or $25,000.

The amendment I just sent to the desk, Mr. President, eliminates all honoraria except those that are donated back to charity with a limitation of $25,000. I know this amendment has little chance of passing.

Mr. HART. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. Yes.

Mr. HART. Has the Senator's amendment defined what a charity is and, if not, would that definition include the education of the Hart children? [Laughter.]

Mr. BUMPERS. Well, let me read the law to the Senator and I will let him decide whether his children come within it:

> (c) Notwithstanding the limitations under paragraph 1 or 2(b)(2), any Senator, officer, or employee may accept honoraria in excess of $25,000, if he donates such honoraria to an organization—

That excludes the Hart children—

> exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1954 and if no tax benefits accrue to such Senator, officer, or employee for such donation.

So, Senator, I would have to say that you were cut out again.

Mr. STEVENS. Mr. President, will the Senator yield to me for just one question?

Mr. BUMPERS. Yes.

Mr. STEVENS. Maybe it will be a statement more than a question, if I may, on my time.

Mr. BUMPERS. I have 30 minutes and I am not going to use that much time.

Mr. STEVENS. I hope the Senator will understand that I did not intend this to apply to the salary we receive as Senators. What I am talking about is what our capacity would be to earn a living if defeated, defeated primarily because of taking positions which were inconsistent, which were independent, you might say, of our own electorate. I think that the necessity to have a back-door political life, to be able to know that you can provide for your family if you are defeated, is essential to being independent, and I hope the Senator will agree with that.

Mr. BUMPERS. I do not agree or disagree with that.

Is the purpose to limit the income of a Senator? If it is, why not limit the interest income I receive? How about eliminating the rent I get from my farm? How about eliminating income that Senators get from their old law firms or whatever the source of their income? If it is inherently bad for a Senator to receive income from any source other than his Senate salary, about 99 Senators are going to have to resign.

If you are going to eliminate income, all of it ought to be eliminated, but that is not the purpose of my amendment. My amendment simply prohibits the taking of an honorarium while you are serving in the Senate.

Aside from the clamor of the public and the press to limit honoraria, is there a legitimate reason for Senators to be away from the Senate in order to earn independent income? Should not we be here?

If the Hart resolution is defeated, another resolution should be introduced which says that nobody can receive an honorarium for making a speech during the time the Senate is in session. That would eliminate some of the problems, would it not?

Do we limit honoraria to eliminate undue influence? If you are on the Banking Committee and you make a speech to the American Bankers Association for $1,000 is that undue influence? If the truckers, who do not want to be deregulated, invite somebody from the Commerce Committee to speak to the truckers association, is that undue influence? You cannot make a speech that cannot be construed as an effort to influence you in the future on legislative items of interest to the group paying you the honorarium.

Assume my amendment is adopted. You cannot receive honoraria from the American Bankers Association, but they say:

> We cannot pay an honorarium, Senator, but we would love to rent the penthouse in Caesar's Palace for you and your wife for 3 days to come out and sit on a panel. We will invite you for a weekend on Lake Tahoe on so and so's yacht or sailboat.

They do not talk about honoraria, but when it is all said and done the expenses run $4,000 or $5,000. How has that Senator been any less influenced than if he had flown out and back and taken a $1,000 honorarium?

I think there is a great deal of hypocrisy in this Chamber. I can live with the limit on honoraria either way. I can live just as well without it.

Is it fair for 30 Members of the U.S. Senate to be millionaires, and 20 Members essentially limited to their salary? This reminds me of what the President said one day about medicaid abortions:

> There is not much fair in this life and some people always suffer and get discriminated against.

Incidentally, I did not agree with his statement on that.

It is either right or it is wrong. You cannot make it a little bit or a whole lot right, or a little bit wrong or a whole lot wrong. You cannot be a little bit pregnant.

If the Members in this body honestly feel that honoraria are inherently wrong—and they must or we would not have limited honoraria to $8,625—let them stand up and be counted and vote to eliminate honoraria altogether. It will be a financial sacrifice by everybody, but it might be therapeutic for all of us.

I hope that the Members of this body will support this amendment.

In this case, I think we have a chance for the U.S. Senate to stand up and say the American people should be pleased with this system. I do not find that much fault with it, but as long as the American people find fault with it, the credibility and integrity of this body are further eroded. I do not know how much further the Congress and the other institutions of this country can be eroded before all those dire predictions Thomas Jefferson made 200 years ago will come true, when he said that the consent of the governed will not be forthcoming in the future.

Mr. DOLE. Mr. President, will the Senator yield for a question?

Mr. BUMPERS. Yes.

Mr. DOLE. The Senator from Kansas was not on the floor when the Senator started. Does he eliminate all income?

Mr. BUMPERS. Yes.

Mr. DOLE. All income, or all——

Mr. BUMPERS. All honoraria.

Mr. DOLE. Unless you give it to charity, is that it?

Mr. BUMPERS. Yes. That provision is in the bill now, and I have left that in.

Mr. DOLE. I appreciate that. If we

would eliminate all other income except for our Senate salaries, I would vote for it.

Mr. BUMPERS. I have made that point. We should eliminate all outside income.

Mr. DOLE. I think we are getting down now to where it would hurt.

Mr. BUMPERS. I want it to hurt.

Mr. DOLE. But we ought to hurt everybody, not just 40 percent of this body.

Mr. BUMPERS. That is my point. I made the point of unjust discrimination.

Mr. DOLE. There are two Senators in this body, one can take in a million dollars and the other cannot write a book or go out and speak over the weekend, because that is forbidden.

Mr. BUMPERS. But if we try to correct that, only two Senators would vote for it, the Senator from Kansas and I.

Mr. DOLE. We might make it two clients or three clients per Senator, and we might get some support.

I do not know who is in either group. All I know is what group I am in. Some of those who might be supporting this may be out this weekend, making speeches for honorariums themselves. If we could eliminate all income, the Senator from Arkansas might be on the right track.

Mr. HART. Mr. President, the Senator from Arkansas, in his customarily eloquent way, has described a serious kind of discrimination between earned and unearned income, and then indicated that perhaps—I think the Senator from Kansas stated 60 percent of the Senators receive a lot of income from unearned sources, and 40 percent have to earn it, and then the Senator from Arkansas seeks to introduce an amendment to further increase discrimination. I do not quite follow his logic, but there it is. He further makes a couple of other arguments against his own amendment, saying that even if honoraria were limited it would not prevent anybody from entertaining Senators and their families quite lavishly, that that would not be an honorarium and consequently there would not be any limit on the amount of entertainment that might go on.

The question here, I think, is not the question of entertainment, but that if Senators are going to be compromised, we could adopt the amendment offered by the Senator from Arkansas and there would still be a hundred or a thousand ways to compromise Senators, politically, financially, or any other way.

This amendment will not stop Senators from being compromised if they are going to be compromised by appearing before a group. So at the appropriate point, I shall raise the point of order on this amendment as to germaneness.

I would just say, Mr. President, that the purpose of the pending resolution was originally to get, as quickly and simply as possible, an up or down vote on the issue of restoring the original limitation on earned income. The Senator from North Carolina, the Senator from Connecticut, and others have exercised some forbearance in not trying to amend the resolution. I think if we try to solve all the ethical problems of the Senate, all the questions of financing and outside earnings and all the rest of it, with this resolution, we will have removed the whole point, which was merely to correct what I think was an error in judgment on the part of those who offered the original resolution and permitted it to go to a voice vote. If we try to permit amendments to solve other ethical or financial problems, we will have obscured the whole point and will not get to the principal issue.

I want to permit the Senator from Arkansas to make all the arguments that time permits here, and then I will make a point of order.

Mr. BUMPERS. Mr. President, I will take a few more minutes, and then yield back the remainder of my time in order for the Senator to make his point of order.

I voted for the original ethics bill. Sometimes when I look at some of the provisions, I wonder why. But that ethics bill neither prevents Senators from compromising themselves through any number of alternatives they might select, nor does it insure the honesty of anyone in this body.

My father believed and often said that by the time a child is 14 or 15 years old, the hay is in the barn. He either has it or does not have it. All the laws in the world are not going to change that.

I know my amendment is not germane. I knew it when I offered it, and I asked the majority leader to get me 30 minutes to debate it before the vote was taken. I think I have made my point.

I am going to vote for the resolution. I am going to vote for it with considerable reservation.

I know the Senator from Colorado's resolution will not pass, because there has been a headcount taken. Everybody knows the outcome of this right now. I can live with it or without it. When you think of all the reasons for the rule on honoraria, the resolution of the Senator from Colorado is not going to affect any of it. It will not keep you honest or keep you from being unduly influenced. If you are going to be unduly influenced, you will be unduly influenced by $8,625 just as fast as by $25,000. If you are going to take a bribe, you would take $8,625 just as fast as you would take $25,000.

I am not one of the wealthier Senators, but I have an outside income. There is an element of hypocrisy when we limit the honoraria received by Senators, but do not limit the other types of outside income a Senator can receive. Those with independent income will continue to spend their own money to be elected, to live fairly opulent lifestyles, and good luck to everybody else.

Mr. STEVENS. Mr. President, may I inquire of the Senator from Colorado, there is one Senator who wishes time from my time.

Mr. BUMPERS. If the Senator will let me yield my time back, he can make the point of order.

Mr. STEVENS. I would like to see if we can get a vote here before 2 or after they come back from the White House.

Mr. HART. Mr. President, I shall make the point of order shortly. I should like to get a vote on the resolution. I do not think there are any other amendments. We can have the matter disposed of by quarter to 2.

Mr. STEVENS. I thank the Senator.

Mr. HART. No one is going to change his mind.

Mr. President, I make the point of order that the amendment of the Senator from Arkansas is nongermane.

The PRESIDING OFFICER. The point of order is well taken. The amendment goes beyond the scope of the resolution and, therefore, is not germane.

Mr. STEVENS. Will the Senator from Colorado yield for just a moment?

Mr. HART. Yes, I yield.

Mr. STEVENS. I have one obligation to yield time to the Senator from Mississippi and I want to make sure he is protected.

I think we need to warn these people whether they should go or stay, really.

Mr. HART. Mr. President, I want to yield 1 or 2 minutes to the Senator from Michigan and then I am prepared to vote.

Mr. STEVENS. May we have an agreement that we divide the time between now and 8 minutes before 2?

The PRESIDING OFFICER. Is there objection?

Mr. STEVENS. I make a request, if it is agreeable with the majority leader, that the Senator from Colorado and I divide the time and after time, we yield back all the time we have left at 8 minutes to 2 and start the vote at 8 minutes before.

Mr. ROBERT C. BYRD. Reserving the right to object, will the Senator withdraw the request?

Mr. STEVENS. I withdraw the request. If the Senator from Colorado will yield to me, I yield to the Senator from Mississippi for 5 minutes.

Mr. STENNIS. I thank the Senator.

Mr. President, I hope I am not disrupting anything else here. On this matter, I first want to pay my respects to the Senator from Colorado. There is no Member here that I have more respect for than I do for him and the very fine work he has done. He is earnest and sincere in what he does.

I am not speaking at the request of anyone. No Member of this body has mentioned this matter to me or asked me to speak, at least. I shall not be affected by it, one way or the other, whichever way the pendulum swings. But there was a time when I would have been affected. Back when my children went to college in the 1950's—and I do not want to go into personal matters any more than I have to, we were maintaining a home in Mississippi, as we wanted to do and as Mrs. Stennis and I felt we should do. We were also maintaining and owned a home here—that is, we had a deed to it. It had a mortgage on it. We thought that was best for the family. Both children were in college. If I had not had at least some outside income, it would have been an impossible situation, to a degree, just dollar-for-dollar, with no considerations otherwise.

I understand some of our colleagues

here now are in that same condition, with three or four or five children, and have many approaching college years, many of them. There is no way around it, they have to have the money then to send their children to college. To put the penalty on them just because they are Members of the Senate is personally wrong. It is a wrong to them, as I see it. It is a financial matter that they cannot cope with reasonably without tremendous sacrifice. I understand that now, at the present salary, when it comes to a person buying a home in Washington, a Member of this body, just on sheer financing, is not eligible. If he has nothing beyond his income, nothing appreciable beyond it, he will not qualify to buy a home for a family here because those prices have gone up so high.

Even beyond all of those things, we believe in the U.S. Senate as an institution. That is one of the reasons we aspire to come here. Unless we leave those conditions comparable to what they were then, it would not have appealed to us enough to have ever aspired to it. We are downgrading it, making membership in it second rate in this way, at least, and in other ways, I think. An institution cannot retain its vigor and respect and its place in the public mind and thought and respectability as a whole when it has these limitations on it that many of us think are wrong and unfair, and put the institution and the membership—all the membership—on the defensive.

We are not just trying to take care of ourselves when we ask that some, at least some, more reasonable figure be allowed here for what they earn with their own effort—the membership. We are defending an institution. It does not belong to us, even, it belongs to the people. It is an institution. People, on second thought, anyway, a great majority of them, I am satisfied, would not want this restriction, this limitation, and this question mark that is put on the name of every Member here, not to be trusted beyond 15 percent of his legal salary, to have a percentage in the course of a year beyond that.

With all deference to anyone, it is pitiful, it seems to me, that we should drop into that rut, however good intentions we might have, that we can lower this great institution in such a fashion. As I say, I speak with great respect to those who have the other view and those who have called for a rollcall.

I made a mistake on this matter when I voted the other way. I have not forgotten the speech of the Senator from Maine. I understood that there had been an arrangement of some kind, a packaging, something I had not kept up with. I want to rectify that mistake. But that is not enough. I cannot give a stronger reason than that to my colleagues. I cannot influence them.

I repeat, let us measure this without regard to the person or the individual, ourselves, or anything else except this institution. Keep it where the door will always be open and a person will not have to make so much sacrifice, personal sacrifice, to be a Member. Who wants to be left between the idea of sending his children to college and straining here with a rule of the Senate that puts a ceiling on his talent for honest toil, honest labor, honest night work?

I believe the second thought of the Senate will say we should destroy that limitation, so-called. We shall let everyone look the constituency in the face, the world in the face, the columnists in the face, and say the better rule has been adopted.

I thank the Senator for yielding.

Mr. STEVENS. I thank the Senator from Mississippi very much.

Mr. HART. Mr. President, I yield 3 minutes to the Senator from Michigan.

Mr. LEVIN. I thank the Senator.

Mr. President, I support Senator HART's resolution. I believe that the limitations on outside earned income for Senators and staff adopted in 1977 represented a wise decision by the Senate and I see no compelling reason to delay their implementation. Senator HART's resolution fulfills the promise made to the American public in 1977. It satisfies reasonable public expectations about what the public is paying us for, and it will strengthen the public's confidence in the Senate as an institution.

I also want to take this opportunity to comment on the procedural aspects of this vote.

There is no doubt in my mind that, when this matter first came up 3 weeks ago, the distinguished majority leader's actions were totally consistent with the rules of the Senate. Indeed, when there was a request at one point to vote immediately on the motion to delay implementation of rule 44, the majority leader worked out an agreement which postponed such action until the next day. He demonstrated his customary determination to protect all the Members of this Senate.

Last night, the Senator from Colorado planned to offer an amendment to the debt ceiling limit which would have rescinded our action delaying rule 44. At that time, a unanimous consent request was introduced limiting debate to 20 minutes. I objected to that request even though I shared the desire of this body to resolve this issue. I objected last night because it seemed to me that, with few of us on the floor, the setting of a 20-minute time limit on what was then an unprinted nongermane amendment of this importance might prove to be inadequate and unwise. Also, I was considering offering a perfecting amendment to what was then our amendment of Senator HART. That time agreement would have, as a practical matter, prevented me from doing that. At the time the unanimous consent request was made, I had not had sufficient time to discuss that perfecting amendment with a number of colleagues with whom I wished to consult. Therefore, I felt compelled to object to that request.

I have now had an opportunity to discuss my concerns with several of my colleagues and to study the statements made by the distinguished majority leader as they appeared in the RECORD of yesterday's proceedings. I have concluded that the perfecting amendment I was considering is not necessary. I do not intend to offer it. But, the basic point is that it was only after I had time to consider and discuss the issue with my colleagues that I reached that conclusion. If I had been forced to act last night, I may have acted differently. In my case, at least, the delay was of value, and a valid one.

I thank the Chair.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. LEVIN. I am happy to yield to the Senator.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator for a very candid and clear statement as to the Senator's position and his reason for objecting to the request last evening.

I respect him for his reasons and I congratulate him on his fine statement.

Mr. HART. Mr. President, I yield 1 minute to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I was pleased to join the distinguished Senator from Colorado in support of this resolution.

I happen to have been vice chairman of the committee that wrote the code of ethics for the Senate. At that time, the question arose concerning outside income. The salaries of Senators had been raised, and raised on the theory that we would not have to accept a large amount of outside income.

I think that we ought to think well before we vote on this because it is hard to explain to the people that we are getting the salary we do, $57,500 a year, and accept outside income.

As the former vice chairman of the Special Committee on Official Conduct in the 95th Congress, I was closely involved in the background and process of changing the Senate rules to encourage higher ethical standards. One of the most hotly contested and debated issues was that dealing with limitation on outside earned income.

Mr. President, this was not a matter taken lightly by the special committee. A number of witnesses were called to testify that honoraria paid for speeches by Senators and other public appearances were getting out of hand. Special interest groups were more than willing to schedule Senators to speak for a $2,000 fee realizing that there may be more to the intent of the honoraria than meets the eye.

In addition, regardless of the intent of outside income, there is always the possibility of the appearance of impropriety when those sums are very high. Therefore, as the debates on the ethics code indicated, a 15-percent cap on outside income is reasonable. A Senator should not appear to be using his office for his own personal financial gain and take undue time away from his job, even though his speeches and public appearances may serve a public good.

I realize that it is a hardship on some people to stay here on that salary, but I believe that we can do it. I think we ought to do it. I think we ought to set an example. I think we have got to appear right to the people, as well as be right.

In my judgment, it is a right of the people to show we are not here just to grab all we can for ourselves.

I hope the resolution will be agreed to.

Mr. STEVENS addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, I yield to the distinguished majority leader such time as he may require.

Mr. ROBERT C. BYRD. Mr. President, I will simply say that I made a statement at the time the Stevenson resolution went into effect and at that time I stated that there should be a limit on outside income. I supported the 15-percent limitation.

Since that time, I have changed my mind as to the 15-percent limitation. I feel that the disclosure provisions are adequate, and in view of the supporting statement by Mr. STEVENSON, who is chairman of the Ethics Committee, I feel all the more so. So long as there is full disclosure, there certainly should not be any conflict of interest as between a 15-percent limitation and a $25,000 limitation.

The people are going to be the judges at the time of election or reelection of each Senator. These are not public funds. It is outside-earned income.

Therefore, I shall oppose the resolution that has been offered by Mr. HART.

I congratulate him on his efforts to bring the matter to a rollcall vote. As I indicated yesterday, there was adequate notice given to Senators at the time of the March 8 vote, and they are all presumed to read the RECORD, or to know what is in the RECORD with respect to the program.

It was clearly stated in the Digest of the RECORD of March 7 that there would be a vote on the adoption of the resolution the following day, not later than 12:30 p.m. It was not set for a specific time: It said not later than 12:30 p.m. A vote, as all Senators know, can be a vote by voice, or a vote by division, or a vote by rollcall. So Senators or their staffs had notice. I have every right to believe they read the RECORD. So, as far as adequate notice was concerned, it was given.

I heard the distinguished Senator from South Carolina say a moment ago that Senators can grab all they can grab. Mr. President, may I say that it is up to each Senator to determine whether or not he wishes to accept any honoraria. If he want to limit himself to 15 percent of his earnings, that is up to him. If he does not want to accept any honoraria at all, that is up to him. If he wants to accept honoraria and give the honoraria to charity, that is up to him. No Senator is forced to accept more than 15 percent. No Senator is forced to accept any honoraria.

So this business of Senators being here to "grab all they can grab," I know nothing about that. I do not think that any Senator here has that purpose in mind. I would imagine, as far as most Senators are concerned, as to what they earn in honoraria, probably half of it is going for income tax payments anyhow.

So it is not a matter of "grabbing." Any Senator who wants to accept a speaking engagement is under no obligation to accept an honorarium. Any who want to limit themselves to 5 percent, 10 percent of their salary, or 15 percent, they can do it.

But this $25,000 limit has been in effect now for something like 4 or 5 years. The action by the Senate on March 8 in extending the limitation was not an increase in the honoraria over what it had been the previous 4 or 5 years. It was an extension of that same limitation for an additional 4 years, with Senators retaining every right to decline to accept honoraria if they want to, give it away to charity if they want to, limit themselves to 15 percent if they want to.

So I think that the record should be clear. Again I say, it is not public money. There is adequate disclosure. Every Senator has to disclose what he earns in honoraria and the source of each honorarium, and as long as we have that kind of disclosure, I believe that, as the Senator from Illinois (Mr. STEVENSON) has stated, the extension of the earnings limitation for 4 more years need not raise any conflict of interest question.

So I shall vote against the resolution. I supported the action of the Senate on May 8, and so stated to the press in my weekly press conference. An up-or-down vote today will clear the air. Let the Senate work its will. If it wants to vitiate its previous action, let it vitiate it. If it does not, I hope that will resolve the situation and that Senators will not be accused of "grabbing," or running under the desks to hide in order to avoid a vote.

Each of us is going to be accountable to our constituents when we run for reelection. The record is there. Honorariums are publicly recorded; there is full and adequate disclosure. So let the record stand.

Mr. HART. Mr. President, I ask unanimous consent that the name of the Senator from Nebraska (Mr. ZORINSKY) be added as a cosponsor of the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HART. Mr. President, the Senate faces extremely important business of this country. It relates to the economy, energy, national security, and foreign policy. Whatever steps we take cannot be taken unless we have the confidence of the American people. We can gain that confidence only by cutting square corners, by crossing the t's and dotting the i's.

I hope Senators will vote for this resolution today. If not, at least they will be on record.

I yield back the remainder of my time.

● Mr. STEVENSON. Mr. President, as I said last time this matter was raised in the Senate, the code of conduct and the law contain many measures to cope with each form of possible misconduct in the Senate.

The receipt of honoraria, their use, and public disclosure are covered by the Federal Election Campaign Act. Honoraria are subject to public disclosure, and the amounts are limited by that law.

As if it were not enough to let the people judge their Senators, the code also prohibits any outside earnings which create a real or apparent conflict of interest. If outside activities divert a Senator or staff member from his conscientious performance of duty, they are punishable. Affiliations with law firms and other businesses are expressly prohibited. And to enforce all such prohibitions and guard against any improprieties, the Ethics Committee issues rulings and investigates in accordance with procedures established by rules of the Senate and the committee.

I regret that honoraria are still necessary in the legislative branch. Like many of my colleagues, I earmark my own for charity and official expenses—and still must subsidize my office from my pocket. In addition to the official expenses, Senators must maintain two homes. They must transport families between the two. Their personal expenses are increased by the nature of their office.

It would be best if Senate salaries were somewhere near comparability with the private sector; the tax treatment and expense allowances made comparable. Until this is done, I will support some relief by this means, knowing that other rules and laws prohibit abuse. My interest is in saving the Senate from exclusive membership for those who are rich or improvident.

We have come too far already from Jefferson's vision of a legislature made up of farmers, lawyers, business people, and tradesmen, traveling from their homes and places of business periodically to make the Nation's laws. The rise of the full time, regulated, professional lawmaker may already be associated with the country's decline and the public's discontent.

The reasons for my support of this resolution were well stated recently in an editorial by the Washington Post. Mr. President, I ask that it be printed in the RECORD.

The editorial follows:

[From the Washington Post, Mar. 12, 1979]

SENATE INCOME AND ETHICS

Senators Ted Stevens (R-Alaska) and Daniel P. Moynihan (D-N.Y.) are likely to get some flak for sponsoring the sudden move to defer, until 1983, the rule that would limit senators' outside earned income to 15 percent of their salaries ($8,250 per year). Instead, these two men and Senate Ethics Committee chairman Adlai E. Stevenson III (D-Ill.) should be commended for bringing this issue out of the cloakrooms and being willing to explain why they favor suspending a rule that they voted for two years ago.

We think they're right—and that reflects some rethinking of our own. In 1977 we too supported the 15-percent rule as part of the stringent ethics codes that the Senate and House adopted, after much turmoil, in tandem with their pay raise from $44,600 to $57,500. We saw this as a package that would give members of Congress more adequate incomes, reduce the likelihood of conflicts between official and outside activities, and promote public confidence in Congress' capacity for self-discipline.

Since then, we, like many others, have grown more and more concerned about the smothering effect of too much righteousness and rules of conduct and disclosure that require people in public service to give up too much. The 15-percent limit on legislators' earnings, which took effect this year, is near the top of that list. It is more stringent than concerns for conflicts of interest or institutional seemliness justify. It gives too little flexibility to lawmakers who need or want to augment their salaries and can do so without slighting the public's business.

We would not rush to the opposite extreme and sweep away all curbs on legislators' outside activities. Nor has the Senate done so. Last week's action leaves intact the more sensible limits on speaking fees and honoraria—$2,000 per appearance and $25,000 overall per year—in the campaign law of 1976. As Sen. Stevenson emphasized, senators are still constrained by ethics rules that require full disclosure of outside earnings and prohibit the types of professional activities, such as practicing law, that are most likely to produce conflicts of interest. Those safeguards are surely enough to protect what Sen. Stevens called "the public interest in honest senators." Moreover, if a senator does exploit the higher limit by spending too much time on the lecture circuit, he is likely to hear about it from his constituents, who are the ultimate judges of senatorial conduct in any case.

Some problems with the public may yet flow from the way the Senate's action came about. Unhappiness with the 15-percent rule is widespread. Yet the subject was thought too sensitive for normal processing through public hearings, committee action and a roll-call on the floor. Instead, the Stevens-Moynihan measure was introduced Wednesday evening and passed by voice vote Thursday noon with few senators on hand. Three spoke for it. Three were present to object; three more put statements of opposition in the Congressional Record later that day. Nothing has been heard from the others, including more than 40 who voted for the rule two years ago. Their shyness may feed public suspicions that the Senate is doing something sneaky and untoward. We hope the House will be more straightforward when the issue comes up there.●

REVERSAL OF S. RES. 93

● Mr. DOLE. Mr. President, rule XLIV, which limits outside earned income of United States Senators, is an inequitable restriction.

Mr. President, no Member of this body wants to lower the ethical standards by which we conduct our affairs. Our ethical code should enforce just conduct of the Senate. It also should insure equitable treatment of each individual Senator. If a limitation on earned income is justifiable, then a limitation on unearned income is equally justifiable. Is a Senator who exceeds the $8,625 limit on outside income through honoraria less virtuous than he whose unearned income has surpassed this arbitrary limit? I think the answer is obvious. The answer is no.

But Mr. President, let us turn now to the crux of the argument, the question of discrimination. What bothers the Senator from Kansas, and should bother all Senators, is the unequal treatment given to two classes of Senators: Those who have unearned income and those who do not.

The question may well be asked: Is unearned income any more ethical than earned income? To many, the reverse would seem more logical.

Mr. President, if this limitation were being placed upon a group of individuals who were not Members of the Senate, the courts would call it invidious discrimination. The limitations placed on earnings are purely arbitrary. No logical reasoning is involved.

Mr. President, if it is wrong for a Member of Congress to receive outside income then all outside income must be prohibited. If we are to put a cap on the amounts of outside income received then we must put a cap on all outside income, not just one kind. Anything else is a double standard. We're not talking about individual gain. We are talking about simple justice. There should not be one set of rules for those with outside earned income and one set of rules for those with unearned income.

Mr. President, a single standard should be set for all.

Mr. President, the Senator from Kansas believes that full disclosure is the best safeguard against all abuses. The Senator from Kansas has followed the practice of full disclosure and will continue to do so.

But, Mr. President, he also believes that the financial limitation as proposed is discriminatory and should be rejected as long as no such controls are in place on outside unearned income.●

Mr. STEVENS. Mr. President, I hope the vote today will be a vote to preserve the integrity, the honor, and the opportunity for future Senators to be independent.

I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I ask for the yeas and nays.

Mr. HART. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. SARBANES). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Chair state the question?

The PRESIDING OFFICER. The question before the Senate is on agreeing to Resolution No. 115, offered by the Senator from Colorado (Mr. HART) and other cosponsors. The question is on the resolution itself.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Carolina (Mr. HOLLINGS) is necessarily absent.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. PACKWOOD) is necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. PACKWOOD) would vote "nay."

The PRESIDING OFFICER. Are there any Senators in the Chamber who have not voted who wish to vote?

The result was announced—yeas 44, nays 54, as follows:

[Rollcall Vote No. 29 Leg.]

YEAS—44

Baucus
Bellmon
Boren
Boschwitz
Bumpers
Burdick
Cannon
Chiles
Cohen
DeConcini
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Glenn
Hart
Heflin
Helms
Kassebaum
Kennedy
Leahy
Levin
Long
Magnuson
Metzenbaum
Nelson
Pell
Percy
Pressler
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schmitt
Stafford
Stewart
Stone
Thurmond
Tsongas
Zorinsky

NAYS—54

Armstrong
Baker
Bayh
Bentsen
Biden
Bradley
Byrd, Harry F., Jr.
Byrd, Robert C.
Chafee
Church
Cochran
Cranston
Culver
Danforth
Dole
Garn
Goldwater
Gravel
Hatch
Hatfield
Hayakawa
Heinz
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Laxalt
Lugar
Mathias
Matsunaga
McClure
McGovern
Melcher
Morgan
Moynihan
Muskie
Nunn
Proxmire
Roth
Schweiker
Simpson
Stennis
Stevens
Stevenson
Talmadge
Tower
Wallop
Warner
Weicker
Williams
Young

NOT VOTING—2

Hollings
Packwood

So the resolution (S. Res. 115) was rejected.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was rejected.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia, the majority leader.

Will Members please clear the aisle and take their seats?

The Senator from West Virginia.

Mr. ROBERT C. BYRD. May I have attention of Senators?

The PRESIDING OFFICER. Will the Senator suspend for a moment until we obtain order in the Chamber?

Will Members please clear the aisles?

The Senator from West Virginia. Members will clear the aisles and take their seats so that we can proceed with the business of the Senate.

TIME-LIMITATION AGREEMENT—H.R. 3091 AND CARRYOVER BASIS LEGISLATION

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, it is the hope of the leadership to be able to call up the countervailing duty waiver bill today, but before doing so, and I have discussed this with the distinguished manager of that bill, there are a couple of requests that I shall attempt to secure agreement on prior to calling up that measure, and they are as follows: I believe that if these requests can be granted, it will be possible then to get up the countervailing duty waiver bill and have action thereon hopefully today. I would also hope to call up some other measures before the day is over, this being Wednesday.

I ask unanimous consent that H.R. 3091 be held at the desk, that it be later taken up today, with time limits of 1 hour on the bill, 1 hour on germane amendments, 1 hour on an amendment by Mr. LONG to extend certain expired child support provisions; and that no other nongermane amendment be in order and that the agreement be in the usual form.

Mr. BAKER. Mr. President, reserving the right to object—and I shall not object—it is my understanding that there is another request the majority leader will make, and if that is granted——

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. If these are granted, it is his desire to proceed with the countervailing duty bill?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I have no objection.

Mr. JAVITS. Which bill?

Mr. BAKER. The countervailing duty bill.

Mr. ROBERT C. BYRD. That there be a time limit on any debatable motion, appeal or point of order, if such be submitted to the Senate, of 30 minutes.

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, is it not the intent that there be one agreement for the two issues involved?

Mr. ROBERT C. BYRD. Is the Senator talking about the carryover basis for estate tax purposes?

Mr. HARRY F. BYRD, JR. Yes.

Mr. ROBERT C. BYRD. Mr. President, at such time as the Committee on Finance, of course—and this is the remainder—reports such legislation on the carryover basis, the bill will be a privileged matter to be debated with a time limit of 1 hour on the bill, 2 hours on the provision repealing the carryover basis, and with no other amendments in order. Provided further, that there be a time limit of 30 minutes on any debatable motion, appeal, or point of order, if such be submitted to the Senate; and that the agreement be in the usual form.

Mr. JAVITS. Mr. President, reserving the right to object, did we agree to the previous unanimous-consent request?

The PRESIDING OFFICER. No.

Mr. ROBERT C. BYRD. It is all in one request.

Mr. JAVITS. What is this one? I do not get it. I am interested in H.R. 1147 respecting countervailing duties. What is that request?

The PRESIDING OFFICER. The Chair will inform the Senator from New York that it is the Chair's understanding that only one unanimous-consent request has been put to the Chair encompassing two issues, and I believe the majority leader has now fully stated the unanimous-consent request pending before the Senate.

Mr. JAVITS. What is it? I reserve the right to object.

Mr. ROBERT C. BYRD. The Chair is correct. My request did not encompass the countervailing duty bill.

As to the explanation of the substance of the request concerning the amendments, I will ask the distinguished chairman of the committee (Mr. LONG) to respond.

Mr. LONG. Mr. President, there are some of us who feel that we should insist on an amendment to continue the portion of child support program which faces an immediate loss of funding, to continue a provision that helps make it possible for welfare mothers to find employment in day care centers, to correct some errors in the work incentive program tax credit that helps people off welfare rolls to find their way into employment, and also to continue an expiring social services provision which has to do with the rehabilitation of alcoholics.

We are willing not to offer those amendments on other legislation provided that they can be offered on this State legislators' expense bill which involves something we have passed before. Senators would be willing to withhold their amendments on these expiring programs if they could put them on this State legislation bill.

There are other Senators who want to offer an amendment that has to do with the carryover basis, and they are willing to withhold offering it to the countervailing duty bill providing they have an opportunity to vote on it on a subsequent bill. With that assurance, they would be willing to withhold. That is why we are asking that when the Committee on Finance finds some relatively minor bill, something I would hope that can be agreed to, then we would report it out with the amendment relating to the repeal of the carryover basis, and we would have an agreement that the matter be voted on.

In other words, Senators favoring that amendment are willing to settle for the will of the Senate provided they can have a vote, and on that basis the Senators would be willing to withhold their amendment at this time. That would help us to clear this bill so that——

Mr. JAVITS. This bill being which, the countervailing duty?

Mr. LONG. The countervailing duty bill.

Mr. JAVITS. When would the majority leader wish to call that up? That is what I do not understand.

Mr. ROBERT C. BYRD. Immediately. May I say——

Mr. JAVITS. Do we have a time limit on it?

Mr. ROBERT C. BYRD. Not yet. I wanted to get agreement on the other two first so that there would be an understanding that the amendments the Senator is talking about would not be offered.

Mr. JAVITS. Would the other two follow the countervailing duty bill?

Mr. ROBERT C. BYRD. I was attempting to say to the distinguished Senator, if he will allow me to complete my statement——

Mr. JAVITS. I am sorry.

Mr. ROBERT C. BYRD (continuing). That the purpose of trying to get the agreements on the other two first is so that Senators would be assured they would have a vehicle to which to offer their amendments. Then it would be my desire to go to the countervailing duty bill hopefully with an agreement on it, and we can proceed with it immediately, and thus the risk of the amendments to which the Senator alluded, which might be added to that bill, would be nil.

Mr. JAVITS. I have no objection but I want to know whether what the Senator is asking for on the State legislators and the carryover—what is his unanimous-consent request?

Mr. ROBERT C. BYRD. I will repeat it. I have asked unanimous consent that with respect to——

The PRESIDING OFFICER. Will the Senator suspend for a moment? I think it would be helpful if the Senate would be in order and would listen carefully to the unanimous-consent request and then we may be in a position to expedite our business.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair.

The request is as follows: That the State legislators' expense bill, H.R. 3091, be held at the desk; that it be later taken up today with time limits of 1 hour on the bill, 1 hour on germane amendments, 1 hour on an amendment by Mr. LONG to extend certain expired child support provisions; that no other germane amendments be in order; that there be a time limit on any debatable motion, appeal, or point of order, if such be submitted to the Senate, of 30 minutes, and that the agreement be in the usual form; provided further, at such time as the Committee on Finance reports such legislation repealing the carryover basis for estate purposes, the bill would be a privileged matter to be debated with time limits of 1 hour on the bill, 2 hours on the provision repealing the carryover basis, and with no other amendments in order.

Mr. JAVITS. Mr. President, if the Senator will yield, I have an amendment, too, on the countervailing duty bill, I had it on the bill when we quit last year, which was carried, and then the whole thing died, and I would like to be included in this exclusive corporation so that I, too, may present my amendment.

Mr. LONG. Will the Senator tell us what his amendment is? I do not know what it is.

Mr. JAVITS. I wish I remembered it, too, but I know I have it. I think it was some welfare amendment that you accepted, as a matter of fact. It was accepted.

Mr. LONG. Senator, all we are asking for here is to continue some programs that face an immediate loss of funding.

Mr. JAVITS. I think this is also an expiring program.

Mr. LONG. If so, it might be included in what we have. But it would be all right with me for it to be in order for the Senator to offer his amendment if it is to extend an expiring program.

Mr. JAVITS. Will the Senator agree that if it does continue an expiring program, then I will be permitted to offer it on this legislation, but if not, then I will be permitted to offer it on the main bill? Is that all right?

Mr. LONG. Yes.

Mr. METZENBAUM. Mr. President, reserving the right to object, and I do not know that I will object, will the majority leader be good enough to tell us what H.R. 3091 is? It is not on the calendar, and I do not know what it contains.

Mr. LONG. Mr. President, it is a bill on the tax treatment of travel expenses of State legislators.

Mr. METZENBAUM. Will the chairman of the Finance Committee be good enough to explain what he is proposing by this legislation? I do not recollect, Did we pass it last year or this year?

Mr. LONG. Yes; we passed it last year.

Mr. METZENBAUM. I do not have any specific recollection of it. Will the Senator be good enough to explain what it contains?

Mr. LONG. I am not asking the Senator to vote for the bill; I am just asking to get it to a vote.

Mr. METZENBAUM. I understand.

Mr. LONG. It extends, for 1 additional year, the effective date for the tax treatment of travel expenses incurred by State legislators while away from home to taxable years beginning before January 1, 1979.

Generally, under present law, an individual's "tax home" is determined by a number of factors. This situation sometimes has led to uncertainty and awkward results, especially in the case of State legislators.

The bill allows a State legislator to treat his place of residence within his legislative district as his "tax home" for purposes of computing income tax deductions while away from home. The bill also allows State legislators to deduct ordinary and necessary business travel expenses similar to those allowed to individuals in other trades or businesses. The provision which the bill extends initially was enacted in 1976, and subsequently has been extended two times. Without a further extension, State legislators will have to file their income tax returns for 1978 under the general rules for determining the location of an individual's "tax home."

Mr. METZENBAUM. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

Mr. DOLE. Mr. President, reserving the right to object, let me suggest that I share the views expressed by the distinguished chairman. What we are trying to do here is accommodate Ambassador Strauss. He has a deadline on when the countervailing duty waiver bill should be passed. Some of us have an amendment on carryover bases. We have agreed not to try to load the countervailing duty waiver bill up with amendments. This agreement would satisfy us, but I would make one exception. We can do it with the agreement, I would assume, that if any amendments are adopted, other amendments will be in order. I do not want this one adopted; I hope we can table it.

Mr. LONG. I would hope the Senator would be willing to withhold his amendments on this bill.

Mr. DOLE. I do not intend to offer it unless other amendments are offered.

Mr. LONG. If other amendments are agreed to, then you would be free to offer yours; that is fair.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF H.R. 3091

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the countervailing duties bill, the Senate proceed to the consideration of H.R. 3091, which order already has been entered; that it be considered as having been read the first and second times, and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

TEMPORARY EXTENSION OF COUNTERVAILING DUTY WAIVER AUTHORITY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the countervailing duty waiver bill, H.R. 1147, with a limitation of 1 hour on the bill, to be divided between the Senator from Louisiana (Mr. LONG) and the Senator from Kansas (Mr. DOLE); that no amendments be in order, but that there be a time limitation on any debatable motion, appeal, or point of order, if such is submitted to the Senate, of 30 minutes, and that the agreement be in the usual form.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, I very much hope this unanimous-consent request will be granted.

I would ask the majority leader, however, what his intentions are with respect to the next item to be presented to the Senate.

Mr. ROBERT C. BYRD. Mr. President, will the Senator indulge me for just a moment?

It would be the intention of the leadership, following the action on the countervailing duty waiver bill, to proceed with H.R. 3091.

Mr. BAKER. What after that?

Mr. ROBERT C. BYRD. After that, if possible, to get to the Rhodesia resolution. I understand that can be quickly done; there is already a time agreement on it. Then following that we would take up the resolution offered by the distinguished Senator from North Carolina (Mr. MORGAN) and the distinguished Senator from Connecticut (Mr. WEICKER).

Mr. BAKER. I thank the majority leader.

Mr. MELCHER. Mr. President, reserving the right to object, might I inquire of the majority leader if the unanimous-consent request he is making now refers to the countervailing duty bill?

Mr. ROBERT C. BYRD. Yes.

Mr. MELCHER. Mr. President, at this point I would have to object.

The PRESIDING OFFICER. Objection to the unanimous-consent request is heard.

Mr. ROBERT C. BYRD. Mr. President, let me say respectfully that the Senator from Montana indicated to me earlier that for the time being he would have to object.

I ask unanimous consent that the Senate proceed to the consideration of the countervailing duty waiver bill. This is without the time limitation.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The bill will be stated by title.

The legislative clerk read as follows:

A bill (H.R. 1147) to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of the countervailing duties,

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration. The Senator from Connecticut is recognized.

Mr. RIBICOFF. Mr. President, on March 22, the Committee on Finance ordered favorably reported this bill, H.R. 1147, to extend temporarily the authority of the Secretary of the Treasury to waive the imposition of countervailing duties. The committee did this in order to remove a procedural obstacle to the completion of the 4-year-old multilateral trade negotiations which are being concluded in Geneva. By removing this obstacle, the Congress will have the opportunity to consider the results of the trade negotiations.

A little background may put this issue into perspective. Under present law, the Secretary of the Treasury is required to impose countervailing duties on imports of products on which he determines a subsidy is being paid by foreign governments. The countervailing duty is imposed in addition to regular duties and is equal to the net amount of the subsidy and is intended to offset the advantage afforded by the foreign subsidy practice.

In the Trade Act of 1974, Congress directed the President to seek new international rules on subsidy practices in the multilateral trade negotiations. To permit the President to avoid confrontations over the U.S. countervailing duty law, which was considered by many of our trading partners to be inconsistent with U.S. international obligations, and to create an international climate conducive to negotiating a subsidies code, Congress provided the Secretary of the Treasury temporary authority for 4 years, until January 3, 1979, to waive countervailing duties; that is, not impose and collect them even though a subsidy exist if he determines certain conditions were met.

The negotiations have not been concluded, but the waiver authority has expired. About a year ago, the European communities, one of the major negotiating parties participating in the multilateral trade negotiations, indicated that it would not conclude the multilateral trade negotiations in terms of formal approval of the agreements until Congress insures the continued application of the waiver authority for the period of time necessary to conclude the negotiations and for Congress to consider the results.

The extension of the countervailing duty waiver authority is a political issue with the Europeans, a symbolic issue about which they feel very strongly. The European communities believe that the United States has been improperly using its countervailing duty law in the past against their products, a view with which I disagree, strongly. However, the communities claim that the existence of the waiver has permitted it to negotiate a code on subsidies and countervailing duties, a code important to U.S. interests. About half the imports of products now covered by waivers come from the European communities, including dairy products, Danish canned hams, and butter cookies.

Let us understand clearly what this bill does. It is based on a bill which passed the Senate last session. It is a temporary extension of the waiver authority for a maximum period of 9 months. It affects approximately $600 million worth of U.S.

imports out of total imports of $150 billion, and could result in the waiver of no more than $30 million in duties. The exercise of the waiver authority would still be subject to all the terms and conditions that Congress wrote in the Trade Act of 1974 as safeguards against the abuse of this power.

Thus, a waiver could not be exercised unless the foreign government has taken adequate steps to reduce substantially or eliminate the adverse effect of the subsidy. If Congress does not agree with the exercise of the waiver authority in a particular case, it may override the action by the adoption in either House of Congress of a resolution disproving such waiver determination. The committee expects vigorous enforcement of the conditions for granting a waiver in order to protect domestic producing interests from the adverse effects of subsidized competition. Further, the committee expects that exercise of the extended waiver authority in any new cases not already subject to waiver as of January 2, 1979, would apply only perspectively from the date the Secretary determines the waiver conditions have been met.

Mr. President, this bill will permit Congress to consider the results of the multilateral trade negotiations. If Congress does not approve the agreements, then it may reject them. Such rejection would terminate the waiver extension automatically. I have not made up my mind personally on whether the results of the multilateral trade negotiations should be approved by Congress. However, based on the intensive consultations which have been going on recently with the administration, I believe there is a good chance that what the administration sends to us in the way of agreements and an implementing bill would be something that, on balance, the Senate may want to support as being in the national interest. I believe, Mr. President, that without this extension of the countervailing duty waiver authority, Congress will never have the opportunity to evaluate the results of the negotiations.

Mr. President, I ask unanimous consent that the following Finance Committee staff be granted the privilege of the floor during the consideration of H.R. 1147 and H.R. 3901: Michael Stern, Bob Cassidy, David Foster, Bill Finan, Joe Humphreys, Bill Galvin, Bill Morris, Ed Hawkins.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that a member of my staff, Edwin Ing, be granted the privilege of the floor during consideration of the pending bill and votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I believe the Senate should act affirmatively on H.R. 1147. I agree with the statement just made by my distinguished colleague (Mr. RIBICOFF). As the Senator from Kansas indicated a few moments ago, it is crucial—at least, I have been persuaded by Ambassador Strauss that it is crucial that we pass this legislation very quickly, that we do not encumber it with a number of amendments. This Senator certainly is willing to accommodate Ambassador Strauss, who, in my view, has done an outstanding job and deserves consideration. When he tells me that the deadline is April 2 or April 3, I want to try to help them meet that deadline.

I hope we do not encumber this measure with amendments. The Senator from Kansas and the distinguished Senator from Virginia (Mr. HARRY F. BYRD, JR.) had an amendment which we felt deserved consideration. We were persuaded not to offer it to this legislation. By agreement with the distinguished chairman of the Committee on Finance, we have now a unanimous-consent agreement that we might call that up later.

Having said that I support the extension, on the basis that it is necessary in order to assure that Congress will have the opportunity to judge the results of 5 years of international trade negotiations. In any sense, I regret the need for this legislation. It is disappointing that the administration apparently could not conclude the trade negotiations without this temporary waiver of the application of our countervailing duty law to certain subsidized products of foreign countries.

Nevertheless, as I have indicated, I think we must accept Ambassador Strauss' word, when he tells us that this bill is vital to completion of the trade negotiations.

I want to emphasize that approval of H.R. 1147 will in no way signify approval of the trade agreements package negotiated in the MTN. Most of us have not made up our minds on that package which is complex and as yet not complete. In the Finance Committee, we are now scrutinizing that package and trying to develop appropriate legislation in consultations with the executive branch.

I personally hope that the trade agreements package and the steps taken in the implementing bill will merit the support of Members on both sides of the aisle. I cannot make that judgment at this time, nor is the Senate asked to do so. The important point is that approval of H.R. 1147 is necessary if we are to have the opportunity later this year to judge agreements and new legislation potentially affecting billions of dollars in U.S. exports and imports.

Mr. President, I am of the opinion that we should move very quickly. I am certainly willing to support this legislation.

I yield the floor to the distinguished Senator from Maine.

Mr. COHEN. I would like to take this opportunity to express my views on how this legislation is likely to affect my own State of Maine.

Trade is very important to Maine. Maine is the leading exporter of leather and leather products, and a large exporter of paper products, electric equipment, and sardines. A recent Department of Commerce study has estimated that 4,200 jobs in Maine in 1976 were directly related to producing exports of manufactured goods. An additional 3,500 Maine jobs were required to produce materials and parts for incorporation in products exported from the other 49 States. This totals 7,700 jobs related to exports in manufacturing alone, which are important, at least, for the State of Maine. This does not include the jobs related to agricultural exports, which are also important.

While the exports of these industries are very important to the economy of the State, other Maine industries are suffering because of the unfair trading practices of some major trading partners.

The industry that particularly concerns me today is the fishing industry. Maine fishermen have been severely hurt, being forced to compete with the Canadian fishing industry, which is heavily subsidized by the Canadian Government. The Maine fishermen, along with other affected fishermen in the United States, have been forced to file a petition with the U.S. Treasury Department to have their case reviewed. Their goal was to have a countervailing duty applied to offset the Canadian subsidy and to improve their own competitive position. But the countervailing duties are not being paid; they have been waived by the Treasury Department. The fishermen feel that the Treasury Department failed to determine the full extent of the subsidy.

This legislation to continue the authority of the Treasury Department to waive countervailing duties would mean that Maine fishermen would continue to have no recourse to offset the advantage that the subsidized Canadian industry has in the marketplace. For that reason, I cannot support the extension of this authority in the absence of any administration assurances to the fishing industry that the Federal Government will take prompt, firm and effective action to alleviate the present market problems caused by Canadian imports.

I appreciate the Senator from Kansas expressing his confidence with Ambassador Strauss that this legislation is important, if we are able to sign agreements now underway, or the negotiations underway, in Geneva.

I know we are apt to get carried away with how the EEC's attitude will be affected toward the MTN. I would like to look behind those acronyms and code words toward human problems of people I represent.

In congressional discussions of trade policy it is easy to become lost in the theoretical economic arguments which must be posed and analyzed, and to get carried away with the catch phrases and acronyms which surround the relevant issues. As a result, we frequently forget the human dimensions of the problems which confront us.

Such a situation is developing as we discuss countervailing duties. We point to the possible affect that failure to pass this bill will have on the "EEC's" attitude toward the "MTN." For a moment, I would like to ask the administration to put aside its code words and, at the very least, to acknowledge what members of one affected group—Maine fishermen—think when they hear the phrase "waiver of countervailing duties."

The mental picture which appears is that of the marketplace in Boston where potential buyers of Maine fish refuse to bid because they know that a shipment of Canadian fish is on the way. They actually step back when the auctioneer asks for buyers to speak up. All too often the result of this action is spoiled fish, or fish sold at a price below the amount spent to harvest it.

Anger and frustration inevitably will be experienced by the fishing community of my State, and I suspect of all the New England States, as well.

I wish to make clear that I intend to keep an open mind in deciding the merits of the agreements coming out of the Geneva trade talks. Further, I will carefully examine the subsidy/countervailing duty code as well as the other agreements which may have a potential impact on Maine industries. However, I will not agree to the administration's desires with respect to a countervailing duty waiver as long as the administration refuses to acknowledge the anger and frustration and inequity of my fishermen in the State of Maine and the urgent need for sympathetic action which will bring fairness to their marketplace.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, I thank my distinguished colleague from Maine.

I might add that many arguments raised by the Senator from Maine were raised in the committee, and we will continue to raise those same arguments when it involves a domestic industry.

It has been suggested we are being, in effect, blackjacked by the Common Market countries who say, in effect, that if we do not extend the countervailing duty waiver authority there will be no trade agreement.

That does not say much for their efforts. It does not appeal to this Senator, or the Finance Committee, and we take a dim view of threats such as that.

But we do believe in this case, where Ambassador Strauss indicated willingness to work with the committee to solve some problems raised by the distinguished Senator from Maine and the rest of us, that we should give him that authority.

It is on that basis the Senator from Kansas and most members of the committee are willing to support the legislation.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, while we are waiting for the distinguished Senator from Montana. I would like to make a statement.

Mr. President, last week the Department of Commerce announced that in 1978 the United States had its largest trade deficit in history. The United States imported $34 billion more in merchandise than we exported.

These enormous numbers stand as a sober backdrop to our consideration of the MTN package and implementing legislation. We must be tough minded. I do not suggest that we reject the new trade agreement simply because some concessions must be granted to foreign countries, but we must be certain that we will get at least as much as we are giving. The new laws must assure that we can act vigorously against unfair foreign practices which increase our imports and limit our exports.

I have no illusions that the trade agreements package, by itself, would reverse our trade deficit. We must also, at this time, examine other means of increasing our exports. I doubt that any other country ties the hands of its farmers and businessmen with more regulations against exports. Indeed, the governments of most of our major competitors are encouraging exports with a variety of means that we could emulate without violating any international rules. American industry and agriculture can compete with anybody, if their government is ready to help rather than hinder our exports.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIBICOFF. Mr. President, I think we are ready for third reading.

The PRESIDING OFFICER. Are there amendments to the bill?

Mr. MATSUNAGA addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. RIBICOFF. Mr. President, may we have third reading?

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 1147) was ordered to a third reading and was read the third time.

Mr. RIBICOFF. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. MATSUNAGA. Mr. President, I well realize that the passage of this bill is considered a prerequisite to the successful conclusion of the multilateral negotiations in Geneva. The administration has predicted serious disruptive consequences if the multilateral trade negotiations are not brought to a successful conclusion.

In my position as chief deputy majority whip and as a member of the Democratic Party, I have consistently supported the President. However, the special trade representative's office has acted to reduce the tariff protection for a vital Hawaiian industry, and the secretive, uncooperative position taken by our trade representatives, greatly strains my basic goodwill toward the administration.

The problem first surfaced in December of 1978, when, just by chance, I learned that the U.S. delegation to the multilateral trade negotiations received authority to offer a concession on pineapple and pineapple juice, in response to a request from the Philippines. After learning of this, I immediately wrote to Ambassador Alonzo L. McDonald, the head of the U.S. delegation in Geneva, expressing concern and urging him to reject any tariff reduction which would undermine the economic viability of the pineapple industry in Hawaii. I pointed out that a tariff reduction from 3 percent to 1 percent ad valorem would jeopardize the second largest cash crop in the State of Hawaii.

On January 10, 1979, I took up this matter in a letter addressed to Ambassador Strauss, U.S. special representative for trade negotiations. On February 5, 1979, I personally talked with Ambassador Strauss about the matter.

In addition, I joined John Tolan, executive vice president of the Pineapple Growers Association of Hawaii, in testifying before the Senate Finance Subcommittee on International Trade, on February 22, 1979. We both underscored the importance of the pineapple industry to the Hawaiian economy and urged committee action against the possible reduction in tariff on imported processed pineapples and pineapple juice.

However, the U.S. delegation in Geneva and the special trade representative continued to maintain that the tariff reduction would have a minimal impact on U.S. interest. They argued that a tariff reduction of 2 percent phased in over 8 years would be very small and at the same time would also benefit two multinational corporations which have operations abroad and import processed pineapple into the United States.

However, their arguments overlooked the top priority given to the proposed tariff reduction by the Philippines and Thailand. These two countries viewed the tariff reduction as crucial. Moreover, the position of the special trade representatives' office while focusing on U.S. business abroad, overlooked the vital role pineapple serves in the Hawaiian economy. As I stated before, the Senate Finance Subcommittee on International Trade, the industry in Hawaii provides year-round employment for 4,200 workers and seasonal employment for an additional 8,000 workers during the summer months. Wages to pineapple workers have contributed $50 million annually to the Hawaiian economy; purchases of equipment and materials in the local economy have added another $43 million annually.

Last year, the Hawaiian industry paid $7.2 million in Federal, State, and county taxes. Despite this contribution to Hawaii, the industry faces a tenuous future, because of the ever increasing foreign competition due to cheap labor.

Having failed to obtain a satisfactory response from the U.S. delegation in Geneva and the special trade representative, I decided to take up this matter personally with President Ferdinand Marcos of the Philippines. On March 15, 1979, while on a brief visit in Manila, I met and pleaded with President Marcos to withdraw the Philippine's demand for a reduction in U.S. tariff on imported processed pineapple and pineapple juice. I pointed out that the reduction in tariff in the long run would lead to a flood of pineapple from Thailand and Mexico; these outside sources would not only wipe out the Hawaiian industry but also endanger Philippine exports into the United States.

I also pointed out that the Hawaiian pineapple industry has provided employment for a large number of immigrants from the Philippines and the destruction of this industry would work a great hardship on many of these people. Acting on my proposal, President Marcos stated that the Philippines would not object to the U.S. retention of the present duty on processed pineapple.

However, on my return to the United States, I learned that the U.S. delegation had offered to reduce the tariff on pineapple juice, as well as the tariff on solid pineapple. The offer was included in the U.S. closeout agreement with the Philippines, which had been concluded on an ad referendum basis prior to my trip to the Philippines. In all my contacts with the special trade representative's office, no mention had been made of tariff reduction on pineapple juice. Despite the crucial interest of Hawaii at stake, the special trade representative's office failed to inform me of their prior agreement to reduce the tariff on pineapple juice by as much as 50 percent.

It was stated that the U.S. delegation had acted after consultation with the interagency advisory committee comprised of representatives from the State Department, the Treasury Department, the Department of Commerce, and the Department of Agriculture. It was also stated that the interagency advisory committee had analyzed the economic impact of the tariff reduction and concluded that the reduction would have minimal impact on the domestic pineapple industry. It was also stated that the U.S. delegation had acted after consultation with the private industry Agriculture Technical Advisory Committee for fruits and vegetables.

However, upon further probing, I learned that the administration officials had very little data on which their decision was based. In addition, I also learned that the Private Industry Advisory Committee was not consulted on this issue. When the Private Industry Advisory Committee reviewed the proposed close-out agreement with the Philippines, the committee formally stated its objection to the pineapple concessions. The committee also adopted a resolution urging that the tariffs on pineapple products be retained at present levels.

Furthermore, representatives of the two international companies involved have both expressed grave alarm over the pineapple juice concession. They have categorically stated that they were ignorant of any such intention by the U.S. delegation in Geneva to make such concessions. They were never consulted as to the potential impact such action would have on their Hawaiian operations.

At this point, both companies have registered their objection to the reduction in tariff. The International Longshoremen's and Warehousemen's Union which represents pineapple workers in Hawaii, has also registered its objections. The Governor of Hawaii has cabled the President, expressing grave alarm over this action. Both Houses of the Hawaii State Legislature have passed resolutions urging the retention of the present level of tariff protection.

Nonetheless, the U.S. delegation in Geneva and the special trade representative's office persist in seeking foreign concessions in return for U.S. reduction of the tariff on processed pineapple and pineapple juices. Indeed, the U.S. delegation has informed me that they interpret President Marco's statement as merely inviting the United States to reopen the negotiations with the Philippines. The U.S. delegation has indicated that it is unwilling to reopen its negotiations and will hold the Philippines to its close-out offer.

Mr. President, in my more than 16 years in the Congress I have never risen in anger and do not ever intend to do so, but the willful, almost surreptitious action by the U.S. delegation in Geneva and the special trade representative's office in using pineapple as a pawn disturbs me to no end. As part of the Senate leadership and as a loyal Democratic Party member, I shall vote for the passage of the countervailing duty waiver authority, because I believe the President needs it to act in the best interest of our country. However, I will cast my vote with extreme disillusionment and loss of faith in the administration's conduct of the Geneva negotiations.

Mr. President. I yield the floor.

(Mr. MATSUNAGA assumed the chair.)

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I wish to rise to add my voice and support to the eloquent statement that was just made from my distinguished colleague, the Senator from Hawaii.

A couple of weeks ago at this desk and on this floor I called like attention to the failures of the Geneva talks with regard to other agricultural products in other parts of the United States.

At this moment I have not made a determination as to how I will vote on this particular matter.

It seems to me like somewhere along the line we are going to have to send a message very loud and very clear to the administration that we do not feel that the interests of the American food producers are being adequately protected.

I cite once again the fact that for many years now our friend Switzerland has been subsidizing their domestic wheat producers to the tune of $11 a bushel and in the Common Market countries domestic production of wheat is subsidized by those governments from between $5.50 and $7 a bushel.

And with our allies the Japanese it is well known and documented that foodstuffs produced here are multiplied by two or three times before they are pumped into the Japanese economy.

I, therefore, say it is about time that we strengthen our back and send a message to the world that America cannot continue its international cheap-food policy if we are ever going to have a chance at balancing our serious deficit of international trade that we all know has reached record proportions.

So I compliment my colleague from Hawaii for his very fine statement. At this moment I am not sure that I am going to go as far as he has gone. Maybe this is in the interest of the United States of America to give the administration another chance to do what they say they might be able to do with the extension of the act as is being suggested. Nevertheless, I want it shown in the RECORD that I think there are many of us in the Chamber of the Senate who are not pleased with the less than aggressive attitude that we have taken in the Geneva negotiations and particularly the Tokyo rounds.

Thank you very much.

Mr. RIBICOFF. Mr. President, it is my understanding there is no further request for time and I think we are ready to vote.

Mr. President, will the Chair withhold the yeas and nays? The distinguished Senator from Maine (Mr. MUSKIE) has a short statement to make.

The PRESIDING OFFICER (Mr. EXON). The Chair recognizes the Senator from Maine.

Mr. MUSKIE. I thank my good friend from Connecticut, the floor manager of this bill.

Mr. President, I have been watching with some interest recent developments as we seek to conclude the multilateral trade agreement.

I supported the effort we made in the 1974 Trade Act, to give the President the flexibility he needs to negotiate trading agreements with other nations. But I also supported the effort the Senate made in that legislation, which seeks to protect the essential interests of American industries.

The countervailing duty provisions of that legislation were carefully drawn to give the Treasury Department flexibility to respond positively to other governments, when they chose to reduce export subsidies. But these provisions were not intended to strip all protection from domestic industries. The Congress never indicated any willingness to forego the basic principles embodied in the countervailing duty language: To protect domestic industry against unfair subsidized competition from abroad.

I am, therefore, concerned about the manner in which the waiver authority has been utilized in recent periods.

The recent action by the Treasury Department, to waive countervailing duties on Canadian fish imports, was reached on the basis of a relatively minor adjustment in a direct subsidy payment the Canadian Government makes on fish exports.

The reduction in the direct subsidy is welcome.

But alone, it does nothing to eliminate the competitive advantage that the deep Canadian subsidy of the Canadian fishing industry gives that industry.

I have a particular interest in it in connection with the New England fishing industry.

The New England fishing industry has suffered substantial and continuing damage from that subsidized competition. I hope the recent agreement reached with the Canadian Government on fisheries will help reintroduce a more equitable and more orderly market share relationship in the fishing industry on both sides of the border.

But in the meantime, the continuation of the deep subsidy the Canadian industry enjoys is doing serious damage to our domestic fisheries.

Today, Maine fishermen sending their catch to the Boston markets are placed in the position of knowing that if a Canadian truckload of fish is on the way, their catch will not be sold. This is intolerable.

I am concerned that the Treasury Department has made little effort to respond positively to this position.

I am disturbed by the use made of this waiver authority in the case of the fishing industry.

And I believe Congress should reiterate its position: That the basic principles on which the creation of the countervailing duty language was developed, are not principles that can be disregarded as we move nearer to considering a multilateral trade agreement.

I share the concerns expressed by my colleague from Maine regarding this legislation. The argument advanced by proponents of this bill that we must enact it to permit conclusion of the multilateral trade negotiations is not particularly persuasive when I consider the likely impact of those negotiations on industry in my State and my region.

I will, therefore, vote against passage of H.R. 1147, the extension of the countervailing duties waiver authority.

I thank my good friend from Connecticut for giving me the time to make the statement.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Montana.

Mr. MELCHER. Mr. President, extending the time period under which the Secretary of the Treasury has the authority to waive countervailing duties on subsidized imports does not make sense now.

It is a clear case of putting the cart before the horse.

When this waiver was first authorized by Congress as part of the 1974 Trade Act, it was clearly intended to provide an incentive to our trading partners—particularly our European trading partners—to negotiate a new, more equitable, multilateral trade agreement governing the use of export subsidies, Government procurement practices, tariffs, safeguards, and product standards, among other areas, prior to January of this year. This has not been accomplished. And now the Common Market countries are telling us that if we do not further extend the waiver of countervailing duties, they will not agree on a new multilateral agreement.

I think it is time to respond to such demands by telling them that we have gone as far as we intend to go in coaxing them to negotiate these matters with us. What if we do not get a new agreement? We make up something like 35 percent of the total amount of trade among GATT members. What can they do without us? We do not even know if the agreement now coming out of Geneva is even in our benefit. Evidence is beginning to indicate that it may well be a continuation of bad trade policy for the United States.

The administration has consistently stated that the real benefits for the United States from this agreement do not come from changes in tariffs, but from what we are getting in the nontariff areas. They Congressional Budget Office in March 1979 estimated that the gain or loss to the United States of the new tariff agreements will not be more than $1 billion—at a time when we are running better than a $30 billion a year trade deficit. If there are to be any significant gains they will have to come in the nontariff areas.

Let us look at a couple of these areas. One important section of the treaty deals with the question of safeguards for our domestic industries that are injured by excessive imports. Now this is important. I have personal knowledge of this. In Montana we have over 2,500 copper workers unemployed because of copper imports.

The United States has put forward very moderate language for a new safeguards code. As I understand it, it simply calls for negotiations between the exporting and importing countries and then if no agreement can be reached within a specified time, the dispute would be arbitrated by an international panel of GATT signatories. But the Common Market refuses to go along with this language. They continue to insist that they have the unilateral right to impose selective import barriers whenever and however they feel like it. They do not want to go through open and formal GATT procedures. Why? Because they do not think it is to their benefit. They have a better deal now.

According to Richard Mathieson of the special trade representative's office, whose job it is to negotiate the safeguards portion of the agreement, the rest of the GATT members would likely go along with the U.S. language—but the Nordic and Common Market countries refuse. As a result, there is a very good chance that there may be no safeguards code at all in the agreement.

A "subsidies code" is another important nontariff area. But whether it will be workable or of any value is an open question. For example, in agricultural commodities there continues to be open disagreement in the world press as to what the subsidies code will do. U.S. spokesmen claim that it will stop subsidies by the Common Market countries to agricultural producers. The Europeans disagree completely. The truth of the matter appears to be that the final language for the "subsidy code" will probably be so vague that it will be meaningless. That will leave the European countries still selling their products at subsidized low prices to capture our market.

Another area of the subsidies code that is less than satisfactory is the "injury test" conditions. This is another European demand that our negotiators gave in to. We do not need an injury test in dealing with admittedly unfair trade practices if what we all want is "free trade." I have never heard free trade defined as including Government subsidies for exports. Adam Smith would turn in his grave at the thought of it. But the Europeans demand an injury test obviously to delay any protective actions on the part of the U.S. Government. That is clearly continuation of the same old one-way trade policy we have where they have access to our markets and keep our products out.

This brings us back to the question of this legislation. We are being asked—or rather ordered—to extend favorable treatment to our trading partners—primarily the Common Market in this instance—without any assurances that it will be to the benefit of the American people.

I think that the Senate should refuse to extend this waiver until we have had a chance to see the final terms of the new agreement. This would provide a lot more incentive to the countries involved to get down to the business of negotiating a fair trading agreement than to constantly give in to their every demand.

If we want "free trade" then we must have reciprocal and equal rights with the Europeans and Japan—not one-way deals, not dumping, and definitely not buying their products, unless they buy ours. We do not have "free trade" now—they have the only "free" part of it and then block us out or buy cheap—such as our wheat—and add to the price in selling to their consumers making profits that our own wheat farmers should have.

We do not have fair and reciprocal trade when the duty on imported cars we have is one-fifth or one-quarter of the duty they charge on American cars.

We do not need to continue these foolish trade policies that turn Uncle Sam into Uncle Sucker.

● Mr. ROTH. Mr. President, as ranking Republican member of the International Trade Subcommittee, I support passage of H.R. 1147.

On its face, this bill provides for an extension of the Secretary of the Treasury's authority to waiver countervailing duties. However, the bill represents much more than that. Very simply stated, it represents the final hurdle for us to clear before we will have the opportunity to decide whether or not the United States should participate in the most ambitious trade agreements negotiated in over 30 years. In fact, our action on this bill could well determine whether any of our trade partners will be able to participate in the agreements. As Ambassador Strauss has stated, if we do not extend the waiver authority, the E.C. will not enter into the agreements which in turn will lead to a complete unraveling of the negotiations. These potential ramifications certainly require a global perspective in the deliberation of this issue.

I have not yet made up my mind regarding the MTN itself. There are some new opportunities, but there have also been some major disappointments. Much depends on the final shape of the implementing legislation. If the United States is properly organized to defend its interests and rights under the MTN, our participation in the new codes may well be of benefit. If not, other countries will be in a much better position to take advantage of the codes and new trade rules than the United States will be.

That is why I believe it is absolutely essential the implementing legislation include a commitment by the administration to help Congress establish a new Department of International Trade and Investment.

At the present time, we in the Finance Committee and other committees of jurisdiction are making recommendations to try to write the best possible implementing legislation. We may not be successful in our efforts, but I believe we should have the opportunity to see. Congress can then judge whether the implementing legislation is good enough or not. But without the countervailing duty waiver extension, we will not even have the opportunity to make this judgment.

I do not think I am alone in expressing a deep resentment that the community would use such a minor issue as the waiver of countervailing duties (annually worth about $47 million) as an excuse for not entering into the trade agreements. The Tokyo round of negotiations has involved 5 years, the work of thousands of people, and some immensely important decisions. To threaten a pull-out because the United States fails to continue waiving countervailing duties demonstrates a lack of responsibility on the part of the E.C., not only to the people within its boundaries, but to the people of all those nations who should be given the opportunity to analyze the agreements and decide what direction international trade should take in the decades to come. The need to make such decisions far outweighs any small benefit that the extension of the waiver authority may hold for the Europeans.

Mr. President, I call upon my colleagues to demonstrate the responsibility and global perspective that the Europeans seem to lack but which has been the hallmark of American trade policy in this century. We must give the American people, as well as the rest of the world, the opportunity to consider the MTN agreements. Today, we can either present the world with the options that the MTN offers, or we can close the book on the negotiations. I, for one, want to consider the options that may lead us to a fairer and more open international trading system.●

● Mr. CHAFEE. Mr. President, I support this measure which would extend the authority of the Secretary of the Treasury to waive the application of countervailing duties.

The Trade Act of 1974 authorized the Secretary of the Treasury to waive the application of countervailing duties for a 4-year period to encourage completion of the multilateral trade negotiations (MTN). This authority expired January 2, 1979 and the negotiations are not yet completed. The United States will gain much in terms of export opportunities for our industrial and agricultural products from this agreement.

Passage of this extension of authority does not in any way prejudge the merits or demerits of the MTN package. It does not condone foreign subsidy practices or other unfair trade practices. This is a procedural matter but an important one—without it the Congress will not have opportunity to consider the agreements themselves.

Extension of the waiver authority, which will send a signal to the Europeans that the United States wishes to complete the multilateral trade negotiations, is supported by a broad range of industries and associations. The House of Representatives passed this extension overwhelmingly and without amendments. I urge the Senate to support extension of the waiver authority so that the Congress and the American people can judge for themselves the fruits of the Tokyo round.●

● Mr. HEINZ. Mr. President, when this legislation appeared before the Senate last October I opposed it in its original form and succeeded in amending it to provide for a significantly shorter extension. As it turned out, however, the amendment was ultimately not enacted, despite being attached to two different bills. Although the extension's demise at that time was due to a variety of factors in addition to my concerns, I confess I was not sorry to see it go. Nor am I particularly excited to see it return now, though it is not my intention to oppose it this time.

Last October I fought this extension for two reasons. First, negotiations on the subsidies code, to which it related, were not yet completed, and I saw no need to extend a significant concession with no real assurance that a code satisfactory to us would be developed.

Second, I have had strong views for some time about the form MTN implementing legislation should take to insure that domestic industries have adequate opportunities to defend themselves against the unfair trading practices of other nations. In order to fully express those views, which are not in every detail shared by the administration, it is necessary to take advantage of every opportunity to convince administration officials of the need to draft a strong implementing bill. Extending countervailing duty waiver authority is just such an opportunity, and withholding approval of it has proved to be a useful way to bring these concerns to the attention of our trade negotiators, and to make sure that congressional concerns about our trade policy are fully considered by the President.

The passage of time, however, has lessened these concerns somewhat. The Subsidies Code is now virtually complete, and copies of it have been available to Congress for some time. It appears likely it will be signed, if this extension is enacted. Moreover, the procedures the Finance and Ways and Means Committees have adopted to consider the MTN codes insures a full measure of congressional input into the development of strong implementing legislation.

Thus, in many respects, my concerns of last October have been satisfactorily resolved. The Finance Committee, in my judgment, has made significant progress in recent weeks in developing strong MTN implementing legislation on the Subsidies Code. Specifically, a number of us, notably Senators MOYNIHAN, DANFORTH, BENTSEN, and myself, have been working hard to develop: First, a standard of injury that American firms can easily meet; second, definitions of unfair trade practices that are broad and include both export and domestic subsidies; third, short time limits on investigations of unfair practices; fourth, payment of penalties and duties early in the investigation instead of at the end; fifth, increased transparency so American complainants will have full knowledge of the other side's case; and most importantly, sixth, the creation of a Department of International Trade and Investment, which will consolidate the many different trade-related agencies and take administration of unfair trade investigations out of the hands of the Treasury Department, where it has been so badly handled.

Whether the final product of the two committees will be acceptable on these points remains to be seen. I have no intention of supporting implementing legislation which is not satisfactory with respect to these concerns, but it is fair to say that at the present time some progress is being made.

In principle, it would be advantageous to withhold action on this extension until the final draft of the Subsidies Code implementing legislation is available, but it seems clear that there will be no final draft until the code is actually signed, which will not occur until this extension is adopted. Therefore, in order to facilitate this process, I have decided not to oppose H.R. 1147. I want to make it clear, however, that my decision is prompted by my belief that the administration has acted in good faith in its negotiations with Senator MOYNIHAN and myself and other members of the Finance Committee in developing implementing legislation that satisfies our concerns. Should my belief prove to be incorrect, you can be sure I will oppose the MTN implementing legislation with all the resources I can muster.●

Mr. RIBICOFF. Mr. President, I believe we are ready to vote.

The PRESIDING OFFICER. The question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New Hampshire (Mr. DURKIN) and the Senator from South Carolina (Mr. HOLLINGS) are necessarily absent.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. DURKIN) would vote "nay."

Mr. STEVENS. I announce that the

Senator from Oregon (Mr. PACKWOOD) is necessarily absent.

The PRESIDING OFFICER. Is there any other Senator in the Chamber who wishes to vote?

The result was announced—yeas 82, nays 15, as follows:

[Rollcall Vote No. 30 Leg.]

YEAS—82

Armstrong
Baker
Baucus
Bayh
Bentsen
Biden
Boren
Bradley
Bumpers
Byrd,
Harry F., Jr.
Cannon
Chafee
Chiles
Church
Cochran
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Eagleton
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Pell
Percy
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Tower
Tsongas
Warner
Williams
Young

NAYS—15

Bellmon
Boschwitz
Burdick
Byrd, Robert C.
Cohen
Exon
Helms
Melcher
Muskie
Pressler
Schweiker
Thurmond
Wallop
Weicker
Zorinsky

NOT VOTING—3

Durkin
Hollings
Packwood

So the bill (H.R. 1147) was passed.

Mr. RIBICOFF. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ANNOUNCEMENT OF POSITION ON A VOTE—H.R. 1147

(The following proceedings occurred later.)

Mr. DURKIN. Will the Senator yield for a brief explanation?

Mr. LONG. Yes.

Mr. DURKIN. I thank the Senator from Louisiana.

Mr. President, I missed that last vote. I was at the White House discussing energy policy with a number of Members of the Senate and the House with the President as a prelude to his preparation of a speech next week. I missed the vote on passage of H.R. 1147, which would extend the President's authority to waive countervailing duties while Congress completes adjustment on the Trade Package Act.

My vote was not crucial, inasmuch as it passed, 82 to 15. However, had I been here, I would have voted nay, because I think it adversely impacts on our shoe industry and our textile industry, what is left of it, in New Hampshire.

I thank the Senator from Louisiana for being so gracious.

EXTENSION OF PROVISIONS OF LAW RELATING TO BUSINESS EXPENSES OF STATE LEGISLATORS

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of H.R. 3091, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 3091) to extend for one year the provisions of law relating to the business expenses of State legislators.

UP AMENDMENT 56

(Purpose: To extend certain expired provisions related to child support enforcement and social services under the Social Security Act)

Mr. LONG. Mr. President, I explained the merits of the pending measure at the time we got unanimous consent that it be considered.

I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana (Mr. LONG) proposes an unprinted amendment numbered 56.

Mr. LONG. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with. I shall explain the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following new sections:

CHILD SUPPORT ENFORCEMENT

SEC. . (a) Section 455 (a) of the Social Security Act is amended—

(1) by striking out the semicolon at the end of paragraph (2) and inserting in lieu of such semicolon a period, and

(2) by striking out all that follows paragraph (2).

(b) This section shall become effective on October 1, 1978.

WIN CREDIT

SEC. . (a) (1) Section 50B of the Internal Revenue Code of 1954 is amended by redesignating subsection (i) as subsection (j) and by adding after subsection (h) the following new subsection:

"(i) Special Rules with Respect to Employment of Day Care Workers.—

"(1) Eligible employee.—An individual who would be an 'eligible employee' (as that term is defined for purposes of this section) except for the fact that such individual's employment is not on a substantially full-time basis, shall be deemed to be an eligible employee as so defined, if such employee's employment consists of services performed in connection with a child day care program of the taxpayer, on either a full-time or part-time basis.

"(2) Alternative limitation with respect to child day care services eligible employees.—The amount of the credit allowed a taxpayer under the preceding provisions of this section with respect to work incentive program expenses paid or incurred by him with respect to an eligible employee whose services are performed in connection with a child day care services program conducted by the taxpayer shall, at the election of the taxpayer, be determined by including (in computing the amount of such expenses so paid or incurred by him) any amount with respect to such employee for which he was reimbursed from funds made available pursuant to section 3(c) of Public Law 94–401 or section 2007 of title XX of the Social Security Act, except that, if the total amount of such credit, as so computed, plus such amount reimbursed to him under such sections, exceeds the lesser of $6,000 or 100 percent of the total expenses paid or incurred by him with respect to such employee, the amount of such credit shall be reduced (but not below zero) so as to provide that such total does not exceed the lesser of $6,000 or 100 percent of the total expenses paid or incurred by him with respect to such employee.".

(2) The amendment made by paragraph (1) shall be effective in the case of taxable years beginning after December 31, 1978.

(3) Section 508(a)(2)(B) of the Internal Revenue Code of 1954 as in effect prior to amendment by the Revenue Act of 1978 is amended, effective October 1, 1978, by striking out "October 1, 1978" and inserting in lieu thereof "January 1, 1979".

(b) Paragraphs (1) and (2)(A) of section 3(c) of Public Law 94–401 are each amended by striking out "(other than the fiscal year ending September 30, 1979)".

(c) Paragraphs (1) and (3)(B) of section 3(c) of Public Law 94–401 are each amended by striking out "Federal welfare recipient employment incentive expenses" each time it appears and inserting in lieu thereof in each instance "work incentive program expenses".

(d) Section 3(c)(3)(B) of Public Law 94–401 is amended—

(1) by striking out "Federal welfare recipient employment expenses" and inserting in lieu thereof "work incentive program expenses"; and

(2) by striking out "section 50B(a)2)" and inserting in lieu thereof "section 50B(a)(1)".

(e) Section 3(c)(2)(B) of Public Law 94–401 is amended—

(1) by striking out "$5,000" and inserting in lieu thereof "$6,000"; and

(2) by striking out $4,000" and inserting in lieu thereof "$5,000".

(f)(1) The amendments made by subsection (b) shall be effective on and after October 1, 1978.

(2) The amendments made by subsections (c), (d), and (e) shall be effective with respect to expenses paid or incurred after December 31, 1978.

CHILD DAY CARE SERVICES

SEC. . (a) Section 2002(a)(1) of the Social Security Act is amended by inserting "100 per centum of the expenditures during that quarter (which are not in excess of 2 per centum of the limitation applicable to that State under paragraph (2)(A) for the fiscal year in which such quarter occurs) for grants to qualified providers under section 2007," after "an amount equal to".

(b) Title XX of such Act is amended by redesignating section 2007 as section 2008 and inserting after section 2006 the following new section:

"CHILD DAY CARE SERVICES

"SEC. 2007. (a) Subject to subsection (b), sums granted by a State to a qualified provider of child day care services (as defined in subsection (c)) to assist such provider in meeting its work incentive program expenses (as defined in subsection (c)) with respect to individuals employed in jobs related to the provision of child day care services in one or more child day care facilities of such provider, shall be deemed for purposes of section 2002 to constitute expenditures made by the State in accordance with the provisions of this title for the provision of child day care services.

"(b) The provisions of subsection (a) shall not be applicable with respect to any grant made to a particular qualified provider of child day care services to the extent that (as determined by the Secretary) such grant is or will be used to pay wages to any employee at an annual rate in excess of $6,000, in the case of a public or nonprofit private provider, or at an annual rate in excess of $5,000, or to pay more than 80 per centum of the wages of any employee, in the case of any other provider.

"(c) For purposes of this subsection—

"(1) the term 'qualified provider of child day care services', when used in reference to a recipient of a grant by a State, includes a provider of such services only if, of the total number of children receiving such services from such provider in the facility with respect to which the grant is made, at least 20 per centum thereof have some or all of the costs for the child day care services so furnished to them by such provider paid for under the State's services program conducted pursuant to this title; and

"(2) the term 'work incentive program expenses' means expenses of a qualified provider of child day care services which constitute work incentive program expenses as defined in section 50B(a)(1) of the Internal Revenue Code of 1954, or which would constitute work incentive program expenses as so defined if the provider were a taxpayer entitled to a credit (with respect to the wages involved) under section 40 of such Code.".

(c) Sections 2002(a)(4)(C), 2002(a)(4)(D), and 2002(a)(5)(A) of such Act are each amended by striking out "2007(1)" and inserting in lieu thereof "2008(1)".

(d) The amendments made by this section shall become effective on October 1, 1979.

PERMANENT EXTENSION OF PROVISIONS RELATING TO ALCOHOLICS AND DRUG ADDICTS

SEC. . Section 4(c) of Public Law 94–120 is amended (effective October 1, 1978) by striking out "only for the period" and all that follows and inserting in lieu thereof "from and after October 1, 1975.".

AMENDMENTS RELATED TO SECTION 322 OF THE REVENUE ACT OF 1978

SEC. . (a) Paragraph (1) of section 322 (e) of the Revenue Act of 1978 (relating to effective date) is amended by adding at the end thereof the following new sentence: "For purposes of applying section 50A(a)(2) of the Internal Revenue Code of 1954 with respect to a taxable year beginning before January 1, 1979, the rules of sections 50A (a)(4), 50A(a)(5), and 50B(e)(3) of such Code (as in effect on the day before the date of the enactment of this Act) shall apply.".

(b) Subparagraph (B) of section 322 (e)(2) of the Revenue Act of 1978 (relating to eligible employees hired after September 26, 1978) is amended—

(1) by striking out "September 27, 1978," and inserting in lieu thereof "September 26, 1978, for purposes of applying the amendments made by this section,"; and

(2) by striking out "January 1, 1979." and inserting in lieu thereof "January 1, 1979, and any wages paid or incurred after December 31, 1978 with respect to such individual shall be considered to be attributable to services rendered after that date.".

(c)(1) Subparagraph (C) of section 50A (a)(4) of the Internal Revenue Code of 1954 (relating to limitation with respect to nonbusiness eligible employees) is amended by striking out " '$6,000' and" and inserting in lieu thereof " '$6,000' for".

(2) Subparagraph (B) of section 50B(g) (2) of such Code is amended by striking out "giving to such credit" and inserting in lieu thereof "giving rise to such credit".

(3) Clause (i) of section 50B(h)(1)(A) of such Code is amended by striking out "9-day" and inserting in lieu thereof "90-day".

(4) The second subsection designated as subsection (d) of section 322 of the Revenue Act of 1978 is amended by striking out "our" in paragraph (1)(A) thereof and inserting in lieu thereof "out".

Mr. LONG. Mr. President, at the end of the 95th Congress, certain temporary provisions related to the child support and social services programs expired because the legislation providing for their extension did not reach enactment. As far as I am aware, there was no substantive opposition to continuing these provisions and they were in fact approved by the committees of jurisdiction in both Houses. Certain of these provisions were, in fact, passed by both the House and Senate although on bills which, for other reasons, were not enacted. Consequently, important aspects of the child support and social services program are now operating in the shadow of considerable uncertainty which needs to be promptly remedied. The amendment I am offering would correct this situation by making the affected aspects of these programs permanent and by making certain related changes which had been approved last year as a part of the continuation legislation reported from committee or which are needed to conform to changes in the welfare recipient tax credit provisions enacted last year.

The amendment would make permanent a provision for Federal matching of the costs incurred by States for providing services to families not on welfare to assist them in obtaining child support from absent parents. This authority has been in the law on a temporary basis and has proven well worth the cost in that it keeps families from having to become dependent on welfare in the first place.

The amendment would also restore the authority of the States to use social services funds under title XX of the Social Security Act to pay the costs of employing welfare recipient in child care jobs. This authority was available in fiscal years 1977 and 1978. Although it was not as widely used as might be hoped, it was a very successful part of the program in those States that chose to employ it. The amendment would make this authority permanent and would also make certain changes to conform and better coordinate it with the provisions under which employers obtain a tax credit for hiring welfare recipients. The amendment would:

First. Extend the authority to use title XX funds to reimburse the costs of hiring welfare recipients in child care jobs;

Second. Incorporate this authority as a permanent part of the basic title XX statute;

Third. Increase the maximum per recipient annual combined tax credit and title XX reimbursement from $5,000 to $6,000—the same level of wages that is eligible for the new welfare recipient tax credit;

Fourth. Make the payment and credit available for part-time as well as full-time employment in child care jobs;

Fifth. Permit the credit to be computed on the basis of the full wages including the part reimbursed under title XX—subject to a maximum combined tax credit and title XX payment not to exceed 100 percent of the first $6,000 of wages; and

Sixth. Make the tax credit coverage applicable to the period between the date it previously expired (October 1, 1978) and the effective date of the new credit enacted last year (January 1, 1979).

At the end of last year, another feature of the social services program which had authorized funding for certain services to addicts and alcoholics also expired. These provisions have proven useful in certain States in treating these problems during the past few years. They were originally proposed by the Senate as permanent elements in the social service program but were limited to a temporary enactment because of certain reservations expressed by the House of Representatives. Last year, however, the House indicated its willingness to accept them as a permanent part of the social services program and I know of no objection to them. The amendment I am proposing would follow this approach, making these provisions a permanent part of the title XX statute.

I yield to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. DANFORTH. Mr. President, I wish to express my appreciation to the chairman of the Finance Committee for this amendment, and especially for the extension of the title XX funds for the use in detoxification centers.

Detoxification programs have been highly successful in the State of Missouri and but for this amendment the funds have been shut off. This would make available the continuation of funds for this very worthwhile purpose in a program which has been highly successful in the State of Missouri.

I appreciate the efforts of my chairman in working this matter out.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. LONG. Mr. President, if there is no other request for time, I am prepared to yield back the remainder of my time on the amendment. I assume there is no request.

The PRESIDING OFFICER. Does the acting minority leader yield back his time?

Mr. DANFORTH. I yield back the remainder of the minority's time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment (UP No. 56) was agreed to.

Mr. LONG. Mr. President, I have no request for time on the bill and I am prepared to yield back the time on the bill.

● Mr. RIEGLE. Mr. President, I wish to emphasize the importance of the amendments offered by the senior Senator from Louisiana (Mr. LONG) to H.R. 3091. As chairman of the Subcommittee on Alcoholism and Drug Abuse, I believe that the provision of alcoholism and drug abuse services by the States through the use of title XX funds has had, and will continue to have a salutary effect not only on the alcoholics and drug abusers who receive these services, but also upon their families, their communities, and the State governments themselves.

When title XX of the Social Security Act was signed into law in January of 1975, it authorized funding of "appropriate combinations of services * * * for alcoholics and drug abusers." Later that same year, the more detailed provisions currently being offered by Mr. Long were authorized on a temporary basis. The previous chairman of the Alcoholism and Drug Abuse Subcommittee, Mr. Hathaway, sponsored the most recent renewal of these amendments, which expired at the end of the last fiscal year. Clearly, we have had sufficient experience with these amendments to know how valuable and indeed how necessary, they are to continued provision of effective drug and alcohol services under title XX.

For many States, the most significant amendment pertains to use of title XX funds to cover the entire rehabilitative process for alcoholics and drug abusers, including initial detoxification, short-term residential treatment, and followup outpatient counseling and rehabilitation. All of these services are essential components of most treatment programs for alcoholics and drug abusers, which generally find a comprehensive continuum-of-care approach to be most effective. The amendments dealing with confidentiality and the relationship between detoxification and other services have also proven to be effective in encouraging State activities to combat these problems.

Mr. President, I support the current effort to renew these amendments and to make them permanent and retroactive. Title XX has effectively spurred many States to provide essential services to treat and prevent the recurrence of alcoholism and drug abuse among eligible individuals. In conjunction with other public and private efforts to combat these problems, I believe we can reduce the economic and social cost to the Nation from the abuse of alcohol and other drugs.●

The PRESIDING OFFICER. Does the minority leader yield back his time?

Mr. DANFORTH. I yield back the time on this side.

The PRESIDING OFFICER. All time has been yielded back. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 3091) was passed.

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DANFORTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMPARTIAL OBSERVERS OF THE FORTHCOMING ELECTION IN RHODESIA

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 50.

The PRESIDING OFFICER. Without objection, it is so ordered. The concurrent resolution will be stated by title.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 8) providing for impartial observers of the forthcoming election in Rhodesia.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution, which had been reported from the Committee on Foreign Relations with amendments as follows:

On page 3, line 10, after "under" insert "this";

On page 3, line 10, strike "(2)";

On page 4, beginning with line 14, insert the following:

SEC. 5. Nothing contained in this resolution shall be deemed by implication or otherwise to indicate any determination as to the qualifications of the elections or the Government, under section 27(2) of the International Security Assistance Act of 1978.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and I ask that the time be charged equally against both sides on the measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRAVEL). Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, I wonder who is expected on this matter on our side. I think Senator HAYAKAWA has an interest in it, and Senator HELMS undoubtedly has, as well as Senator JAVITS.

Mr. CHURCH. It had been my understanding that Senator HAYAKAWA would be representing the Republican side of the committee in connection with the resolution. He has a keen personal interest in it. Senator McGOVERN will be representing the Democratic side.

My purpose now is simply to lay the resolution before the Senate and make a few introductory remarks.

Mr. DANFORTH. I did not see Senator HAYAKAWA in the Chamber, and I wanted to make sure he was here.

Mr. CHURCH. Mr. President, it is both a privilege and a pleasure to support the resolution, Senate Concurrent Resolution 8, which deals with the Rhodesian conflict, probably the most critical issue currently facing the United States in the Continent of Africa.

The origins of the Rhodesian war reach back to 1965. At that time, the self-governing British colony dominated by a white minority regime declared its independence from Whitehall. The essential reason for UDI, as it is commonly called, was the white minority's objections to British proposals for a gradual transfer of political power to the black majority. Had they, at that time, accepted a gradual transition toward majority rule, there might be peace in Rhodesia today.

Faced with a rebellion, and disdaining the use of force, Britain went to the United Nations, asked for and obtained, mandatory economic sanctions.

The U.S. record on complying with the United Nations-imposed sanctions has been inconsistent. In 1968, we imposed them, in 1971 lifted them, in 1977 reimposed them, and in 1978 almost lifted them again. Now, the controversy surrounding the sanctions question is reaching a new threshold, as the world searches for a solution to end the slaughter in what might have been a bountiful and beautiful land, a model of racial harmony.

The Rhodesian conflict started as a constitutional crisis; it has since disintegrated into a brutal war. Over the past 6 years, the war has taken thousands of lives, and wreaked havoc on the Rhodesian economy. It threatens to become a protracted conflict, with profound and disturbing implications for the stability of southern Africa, for East-West relations, and for the course of race relations in our own country. National Security Adviser Zbigniew Brzezinski was quoted in the Washington Post on December 21, 1978, making the same point in a somewhat more earthy fashion. The test of the Carter administration's initiatives in Rhodesia, he commented, will come "when white nuns being raped by black guerrillas wearing red stars on their armbands start appearing on nightly television news."

Mr. President, this vivid description of how racial tensions could be triggered should serve to underscore the very serious potential this war has of becoming a major international crisis. Rhodesia contains the seeds of a major race war that could enflame the whole of southern Africa, one of the richest and most volatile areas of the world today. The exacerbation of racial tension in Africa could poison our relations with the Third World as a whole, especially if we appear to be backing a retreating white minority. If foreign powers intervene in Rhodesia, as they did in Angola, we could also face the prospect of another cold war contest in a remote Third World country. Access to strategic materials in the region would be placed in jeopardy by the disorder and instability that would follow. Some have even suggested linking Soviet activities in support of the guerrilla forces to our consideration of the SALT Treaty. For these reasons, we cannot ignore the deteriorating situation in Rhodesia. The stakes are much too high.

The problem we face here, as in so many unstable areas of the world, is the limits of our influence. Over the past 2 years, the Carter administration, in concert with Great Britain, has repeatedly tried to promote a diplomatic solution. But the search for peace has been elusive. A report by British special emissary Cledwyn Hughes concluded that none of the parties in the conflict—either the Salisbury group or the so-called Patriotic Front—are presently interested in negotiating an end to the dispute. On the one hand, the Salisbury group is operating on the premise that their salvation lies in getting sanctions to be lifted and in winning diplomatic recognition from the West. The Patriotic Front, on the other hand, feels that time is on their side, that they can eventually achieve total victory on the battlefield. The front line states that surround Rhodesia—and which have also become victims of this tragic war—want desperately to end the fighting. More than the Rhodesian parties, they support the Anglo-American plan which calls for internationally supervised elections and a U.N. peacekeeping force.

The U.S. appeal for the start of negotiations of these terms was reiterated once again by Secretary of State Cyrus Vance on March 17, 1979, though his invitation seemed to fall on deaf ears. The Government of Rhodesia will hold its own election on April 20, hoping to comply with the requirements of the Case-Javits amendment enacted last year. For the Rhodesia Government, the expectation is that this election could lay the foundation for a unilateral lifting of sanctions by the United States.

It is in this context that the resolution before the Senate is being considered. According to the terms of section 27 of the International Security Assistance Act of 1978 (the so-called Case-Javits amendment), the President is obligated to make a determination, whether positive or negative, with regard to two conditions: First, the Government of Rhodesia has demonstrated its willingness to negotiate in good faith at an all-parties conference, held under international auspices, on all relevant issues; and second, a government has been installed chosen by free elections in which all political and population groups have been allowed to participate freely, with observation by impartial, internationally recognized observers.

According to the law, if the President makes a positive determination on these two conditions, sanctions must automatically be lifted.

However, there is an inherent problem in implementing this legislation. Neither the President nor Congress can easily make a determination on the validity of the election consistent with the terms of the Case-Javits amendment. For example, the amendment requires that the election be one in "which all political and population groups have been allowed to participate freely * * *." Because of the illegal status of the regime, no international organization such as the United Nations or the Organization for African Unity, is prepared to send observers to report on whether that requirement is met. What we are likely to get in the absence of internationally recognized observers is a spate of conflicting partisan reports that will only serve to polarize the issue further.

Senate Concurrent Resolution 8 fills this gap. Sponsored by Senators MCGOVERN and HAYAKAWA—two men who regard the Rhodesian issue from totally different perspectives—this resolution proposes to send an impartial factfinding mission composed of people recruited from private life to monitor the Rhodesian election and issue a report on their findings.

Mr. President, this is an unprecedented initiative on the part of the U.S. Congress. In agreeing to this resolution, we will be acting in anticipation of an issue that is certain to be controversial. Senators MCGOVERN and HAYAKAWA have acted with keen foresight in proposing to get an independent report for the use of both the legislative and executive branches. It could well turn out to be the most reliable assessment of an issue that has been pivotal to our relations with all of Africa. I urge the Senate to agree to this resolution in the interests of making a significant contribution to the formulation of a sound foreign policy in Africa.

The PRESIDING OFFICER. Who yields time?

Mr. McGOVERN. Mr. President, I yield myself 15 minutes.

Mr. President, I, first of all, express my appreciation to the Senator from Idaho, Senator CHURCH, for his remarks in support of Senate Concurrent Resolution 8, sponsored by Senator HAYAKAWA and myself, and also for his leadership as the chairman of the Committee on Foreign Relations during the consideration of this resolution and its favorable reporting by our committee.

Indeed, I am delighted to see the support which this resolution has received in the Senate. It was reported favorably by the Committee on Foreign Relations by a vote of 8 to 1, and, in addition to Senator HAYAKAWA and myself, 10 other Senators have now added their names as cosponsors, and I am advised one additional Senator has asked to be added as a cosponsor. Some 13 Members of the Senate have now joined in the cosponsorship of this resolution representing a broad bipartisan and ideological cross section of the Senate.

They are Senators JAVITS, DANFORTH, COHEN, WALLOP, DURENBERGER, HOLLINGS, SCHMITT, THURMOND, CANNON, HUMPHREY, and NUNN.

At the outset, Mr. President, let me comment on the "odd couple" that has teamed up to promote this resolution, namely, Senator HAYAKAWA, of California, and myself.

As Members of the Senate are well aware, Rhodesia is only one of several issues about which the Senator from California and I differ, although we enjoy the most congenial personal relationships.

We are poles apart politically and ideologically, including on the Rhodesian question itself. Senator HAYAKAWA, and I think I am thoroughly familiar with his views, supported the Helms amendment to lift sanctions last year. I continue to support sanctions, given the present state of affairs in Rhodesia.

Senator HAYAKAWA was instrumental in getting President Smith to come to the United States. I feel that Mr. Smith, the author of UDI and a symbol of white minority rule, is one of the principal stumbling blocks to a peaceful solution to the conflict.

During my visit to Rhodesia 4 months ago, I frankly advised Mr. Smith directly to resign from office as soon as possible, a suggestion that was not enthusiastically received, but which was sincerely made.

Senator HAYAKAWA feels that the lifting of sanctions could help the internal settlement, a goal which he deems to be in the best interests of the United States and our security concerns. I feel that the lifting of sanctions would be interpreted as American backing for a minority regime, having disastrous consequences for our foreign policy interests in Africa.

If I understand his position correctly, the Senator from California, like many other people in this country, believes that the Rhodesian war is essentially an ideological struggle between Soviet-backed Marxist terrorists, on one hand, and Western-oriented Christian moderates, on the other.

Although I am mindful of the potential for ideological forces to take hold, I am of the view that the Rhodesian conflict is essentially two interacting struggles: One is the struggle of nationalism against racism. The other is the struggle of rival nationalisms, a pattern of competition that has come into play in many African countries following decolonization.

Our responsibility, as a major Western power that stands for self-determination and majority rule, is not to intervene in nationalist internal struggles but to insure that we act in ways that are as consistent as possible with our own values and principles. Our role, in short, is to take a firm stand against racism.

Having laid out where Senator HAYAKAWA and I differ, I now turn my attention to the thinking that went into our joint support of this resolution, presumably the one major issue on which we presently agree. Basically, our resolution is a product of our assessment of the historical, the legal, and the political context in which the question of Rhodesian sanctions has been cast. I shall deal with those three issues one by one.

First, the historical aspect: We all know the record of congressional action on Rhodesian sanctions.

Senator CHURCH has just underscored the inconsistency with which Congress has dealt with this question, often causing confusion, if not anger, among our friends abroad. U.S. vacillation on this question of sanctions is widely interpreted not as an accommodation to shifting events or domestic pressures but as a lack of will to stand up for racial justice.

No other country in the world, I regret

to say, has reversed itself as often as we have on this issue that is so sensitive in the minds of people concerned about events in Africa.

This brings me to the legal context in which this resolution is proposed. Now. Mr. President, to be frank I would not have supported this resolution myself if it had been proposed last year when the Rhodesian Government had originally scheduled an election for December 31, 1978. There, in fact, would have been no practical purpose served by sending observers because until late last year there was no legal requirement to take that election into account in dealing with the sanctions issue.

The President and Congress could have decided on the basis of the constitutional proposals and the general political situation whether or not a change of policy was justified. But now new political realities have to be faced. The first and foremost is the passage of section 27 of the International Security Assistance Act of 1978, a law that established a formula for the automatic lifting of sanctions.

Mr. President, whether we like it or not, whether we agree with it or not, that is the law of the land. It is the policy which we are bound to follow unless Congress overrides it. So it is partly in the light of the requirements of this legislation that the current resolution proposing to send observers to the Rhodesian election make sense.

We know that under that law the President must make a determination, positive or negative, on whether the election is free and fair.

We know that the election will be controversial. It has already been argued by well-intentioned groups all over this country, there has been a steady stream of them coming to my office, some arguing that the election is unfair on the surface, others arguing that the people of Rhodesia have agreed to have an election, so what is the argument about?

But obviously there are sharp differences of opinion that will provoke great controversy as to whether this election is a valid one or whether it is not, and there will be many partisan observers, whether we pass this resolution or not, who will report on the conduct of the election.

We know there will be strong pressures on the administration, which is perceived in many circles as being partisan itself, and I frankly admit my own partisanship, on my own bias, on this issue. But all will be making an effort to make a positive determination which would lift sanctions or, arguing negatively, that sanctions should not be lifted.

If the President does not make such a finding, then the stage could be set for a direct confrontation between Congress and the executive branch. As every Senator knows there is nothing new about that on this issue of sanctions. A confrontation such as that could well place in doubt the international credibility of the United States as a country opposed to racism.

It is this confrontation, and the sharp partisanship and the controversy, that Senator HAYAKAWA and I want to avoid both for domestic and foreign policy reasons, and I think we would be the first ones to admit that neither one of us is in a position to make a totally impartial judgment about events in Rhodesia and the whole question of sanctions.

We both have strong convictions on this question, and the differences between us illustrate the widespread differences in the country itself on Rhodesian issues.

This, Mr. President, brings me to the second concern, the political context in which this resolution is proposed. Anyone who has followed this issue knows that the Case-Javits amendment was the only thing that stopped the 95th Congress from lifting sanctions last year. An earlier amendment to lift sanctions unconditionally, introduced by Senator HELMS, failed by only four votes.

The 96th Congress is poised for similar action. It is possible that the attempt to lift sanctions may succeed, and then again it may well fail, but I would prefer that whatever Congress decides to do that it be done on the basis of a reasonable degree of confidence that the principles for which the United States stands, self-determination and majority rule, are not compromised.

For that assurance to be given it is important that we adhere to the proposition that the holding of free and fair elections is a minimal criterion for yet another policy reversal on this issue.

The substance of the Rhodesian resolution is simple enough. It proposes to fund a team of independent observers recruited from private life to monitor the Rhodesian election to be held in April and to submit a report to Congress.

Obviously, there will be problems to iron out in implementing this idea. Many of them were raised during the hearings and in committee markup on the resolution now before the Senate. But, on balance, it is my view and that of Senator HAYAKAWA that this resolution could go a long way toward coming to grips with this issue, enabling both branches of government to formulate a sound foreign policy toward Rhodesia.

So I am very hopeful that my colleagues will support this resolution in the spirit in which it is offered, namely, to obtain an accurate assessment of whether or not the upcoming Rhodesian election fulfills the terms of the Case-Javits amendment within which we and the President are bound to act.

I might just underscore at this point, Mr. President, the language in the Case-Javits proposal which is now the law of the land. It sets forth these two conditions under which the President could make a determination that sanctions would be lifted:

First, that the Government of Rhodesia has demonstrated its willingness to negotiate in good faith at an all-party conference held under international auspices on all relevant issues.

The second criterion: A government has been installed, chosen by free elections, in which all political and population groups have been allowed to participate freely, and then this important proviso, with observation by impartial internationally recognized observers.

So there is a strong legislative history here, Mr. President, making the case for the Congress to follow up on the law that we passed last year to provide those observers.

Senator CHURCH has made clear why they are not being provided by other governments, by international organizations. But it is important that the Congress of the United States, having established the conditions by law under which the President should deal with this question of sanctions, follow up on its own legal requirements that a part of that assessment includes observation of that election by impartial internationally recognized observers.

Now, Mr. President, after we started our deliberations on this matter we were advised that there might be some security concerns for the observer team should Congress decide to send such a team to Rhodesia, and we decided that it was necessary to make some modest provision to cooperate with the Rhodesian Government in providing such security as we can. So I have an amendment at the desk that fully meets the intent of our committee. This amendment provides for an additional expenditure of $75,000 to cover the cost of private security advisers for the observer team and of other miscellaneous expenses such as the rental of equipment, communications, and clerical and administrative support.

When the original estimate of the cost of the observer team was drawn up, we did not include the hiring of independent security advisers, but as we explored the problems involved in this exercise, we felt that it would be advisable to enable this team of 25 to 50 observers to have some competent security personnel with them. Their function would be to coordinate between the American observer team and the Rhodesian authorities. They would go to Rhodesia in advance of the observer team, to survey the security measures that the Rhodesian Government plans to make available. They would then return to the United States to consult with our Government security experts, and then accompany the observers to Rhodesia to continue to act as advisers.

UP AMENDMENT NO. 57

Mr. President, I move the adoption of this amendment. I guess it has to be reported first. I ask that the amendment be stated.

The PRESIDING OFFICER. Will the Senator send his amendment to the desk?

Mr. McGOVERN. It was sent to the desk, I think.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from South Dakota (Mr. McGOVERN) proposes an unprinted amendment numbered 57:
>
> Page 4, line 5, strike "$175,000" and insert in lieu thereof "$250,000".

Mr. McGOVERN. Mr. President, as I have already said, the purposes of this increase in the authorization figure from $175,000 to $250,000 would be to authorize an additional $75,000 for covering the security expenses involved. I would hope the Senate would agree to that modification of the concurrent resolution, and I move its adoption.

Mr. HAYAKAWA. Mr. President, I am very happy to agree to that amendment. I think it is a responsible addition.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. TSONGAS. Mr. President, could we have a discussion of the amendment?

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. TSONGAS. Mr. President, I would like to be heard on the issue, and expand on it somewhat.

The PRESIDING OFFICER. The Senator is entitled to do that. The Chair recognizes the Senator from Massachusetts.

Mr. McGOVERN. Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. McGOVERN. Mr. President, who has control of the time in opposition to the amendment?

Mr. TSONGAS. Mr. President, I would inform the Chair that the control of the time is on the side of those who favor the resolution, and those of us who oppose it have no allocated time.

Mr. McGOVERN. How much time would the Senator like?

Mr. TSONGAS. Fifteen minutes.

The PRESIDING OFFICER. The Chair would point out that this amendment is not in order until the committee amendments have been disposed of.

Mr. TSONGAS. Pardon?

The PRESIDING OFFICER. Until the committee amendments have been disposed of.

Mr. TSONGAS. Is it in order for the Senator from Massachusetts to speak on the amendment to the resolution at this time?

The PRESIDING OFFICER. He can speak on an amendment which is not before the body, if the Senator cares to yield him the time.

Mr. HAYAKAWA. Mr. President, I wonder if the distinguished Senator from Massachusetts would permit me to make an introductory statement, too, along with Mr. McGovern, before he makes his objection.

The PRESIDING OFFICER. The Chair recognizes the Senator from California for the purposes of an introductory statement.

Mr. HAYAKAWA. I am very grateful to the Senator from Massachusetts.

Mr. President, let me start by expressing my thanks to the distinguished Senator from Idaho for his fair and impartial account of the history of the problems with respect to Rhodesia. He has provided us with an excellent background against which to evaluate the proposals now before us.

I also express my deep gratitude to the distinguished Senator from South Dakota for his account of how he and I, despite our differing backgrounds and views, have come together on this particular proposal for observer teams. His statement of the legislative history of our work in relationship to Rhodesia and his account of the present legislative situation are, as is to be expected from the Senator from South Dakota, accurate and authoritative, and I am glad to add my comments in the light of these background presentations.

I am sure that many of our colleagues in this Chamber were surprised when they saw the names of the two authors of this resolution. Senator McGovern and I are usually to be found on the opposite side of legislative issues, but in this particular case, we decided to join forces. The future of Rhodesia is not only important to the black and white inhabitants of this beautiful country. A positive solution of the Rhodesian problem would have far-reaching benign repercussions, in all of Africa and it would greatly influence future U.S. policies toward the Third World.

I would add, too, that the prospects of ultimate peaceful resolution of the problems of South Africa are also involved in the solution we hope to provide in Rhodesia. The consequences of a continuation or intensification of the guerrilla war, on the other hand, would be most calamitous for the entire world.

There can be no doubt, I think, that the forthcoming elections will be an event of historical significance. The elections are of course part of the so-called internal settlement. The administration and other opponents of Ian Smith consider the internal settlement unsatisfactory. They therefore argue that the dispatch of qualified, objective observers would legitimize the new constitution. Neither Senator McGovern nor I see it that way. Neither my distinguished colleague of South Dakota nor I are enthusiastic about the new Rhodesian Constitution. We both have reservations of various degrees. But we both believe that it is one thing to have a less-than-perfect constitution arrived at by honest elections or to have it imposed by a fraudulent vote. As Senate Concurrent Resolution 8 emphasizes, an affirmative vote for the resolution does only mean that Congress should be able to base future decisions in this regard on the report of objective and qualified observers.

When we talk about the less-than-perfect constitution, Mr. President, I would like to point out that one of the principal criticisms of the Rhodesian Constitution is that it reserves 48 seats out of a parliament of 100 for the non-African population, namely, the whites and Asians. That is, 4 percent of the population get 48 percent of the seats. This is regarded, of course, as extraordinarily unfair, and in one sense it is. But I would also like to point out that in the beginning of these African nations which are inhabited by both native blacks and whites and Asians who have come in to help develop these countries, this disproportion in representation has been quite common in history.

In Ghana's 1960 Constitution, 30 percent of the seats were reserved for 1 percent of the population. In Tanzania, 10 percent of the seats were reserved for something like 3 percent of the population. And in Zambia, 15 seats were reserved for 39 million blacks, and 15 seats were also reserved for 84,000 whites.

These proportions simply represent, Mr. President, the differences in the levels of technological and managerial abilities represented by the whites and the Asians in these African countries to help them get started on the course of economic development.

Mr. President, I really find it difficult to understand the administration's position regarding the alleged illegality of the Smith regime. An answer may be found in a scholarly treatise by the well-known political scientist, Andrew Scott, in his book "The Functioning of the International Political System."

Scott deals extensively with the "learning and forgetting" processes of the decisionmakers. As he points out, decisionmakers are able to make images of their environment only because of the stored memories of the political system in which they operate. Such stored memories may or may not represent an accurate interpretation of past events and may or may not offer an accurate picture of the existing situation. In a similar vein, the decisionmaking systems will normally have the capacity to remember and will almost certainly have the capacity to forget. Scott concludes that forgetting is a selective process. Each system will develop patterns regarding the material that it chooses to remember or chooses to forget.

Mr. President, I would like to suggest that we have before us a telling example of the selective process of forgetting which Andrew Scott talks about. Obviously, the Carter administration has chosen to forget that President Carter's predecessor 38 times removed acted equally illegally as Ian Smith. It seems to have forgotten that the first American Constitution, the Articles of Confederation, after 9 years was found unsatisfactory and had to be replaced as no doubt the Constitution of Rhodesia will ultimately have to be replaced. The administration seems to have forgotten that the new Constitution of the United States immediately had to be amended and that within 3 years, 10 amendments, the Bill of Rights, had to be introduced. And most important, the administration has chosen to forget that about 200 years had to elapse until all citizens of this great Republic, regardless of color, were able to enjoy the full rights which the Constitution had promised. In spite of this unimpressive record, the emissaries of the Carter administration have the temerity to pass a negative judgment on the internal settlement. That seems to be incredible intellectual arrogance. No wonder that the statements of the administration are often viewed with hostility abroad.

Mr. President, I would like to make some final comments about the observer team. I think the administration's refusal to send observers is very unwise.

The State Department leaves itself open to the suspicion that it might be afraid of a positive report. The argument that the international press will report on the elections and that, therefore, no observers are needed does not hold any water with me. We cannot even get factual and unbiased press reports on elections in Chicago. There is a liberal press and there are conservative papers. We can take it for granted that the reports by the international press will be in line with this basic world view. It stands to reason that the exclusive reliance on the international press will enable the State Department to pick and choose. Apparently, this is the plan and this is precisely what resolution 8 tries to avoid. Let me repeat once more, Congress must have the best possible basis for the future decisions. I, therefore, hope the Senate will speedily authorize the observer program authorized by this piece of legislation.

I thank the Chair.

I should like to add a couple of footnotes to the foregoing remarks, Mr. President.

We all realize how important the peaceful resolution of problems in Rhodesia is to the future of racial relations not only in Africa but elsewhere in the world. It is well known to those who have visited Rhodesia that, however much there are inequities in the legal status of blacks and whites, at the level of interpersonal relations Rhodesia is famous for having the best race relations in the world, far, far better than South Africa and far better than many parts of the United States.

Another fact is that Rhodesia has the best educated black population of any nation in Africa. I am told that there are something like 10,000 university graduates who are blacks in Rhodesia, and many an African country has started out with not more than a dozen blacks with college educations. In other words, in the past history of Rhodesia care has been taken that the black population will prepare itself for citizenship, for literacy, and to take a place in the managerial and political life of the nation.

I want to emphasize again that with all its imperfections the constitution of the new Rhodesia-Zimbabwe is only one step in an evolutionary process. Further steps are bound to follow, just as they followed the first American Constitution to perfect it over time.

For these reasons, I regard the presence of the impartial observer team extraordinarily importantly in providing us with the facts.

People have also asked me at various times, "Is there precedent for foreign observers of elections doing anything that is useful in situations of this kind?"

It will be recalled that elections in Vietnam were observed and reported upon with objectivity and justice. In more recent times an observer team went to Bolivia, an international observer team, if I remember correctly, and reported unfavorably on the results of that election and the conduct of it, and, consequently, the election was disqualified.

After that, a military government took over, and then after a further process of evolution, a more stable, democratically elected, seems to have been put into place.

We have had recently the experience of neutral observers in Namibia reporting on the elections there. The fact that a relatively small number of people with experience and background in these matters can go into a country whose language they often cannot speak, nevertheless shows that it is possible for a trained, qualified group of observers to go into a country and find out what is going on and be able to give some kind of report with some kind of objectivity as to the fairness of that election.

Again let me thank the chairman of the Foreign Relations Committee, the distingiuished Senator from Idaho, and the chairman of the Subcommittee on Africa, the distinguished Senator from South Dakota, for their espousal of this legislation. I urge all my colleagues to support it. I thank the Chair.

Mr. President, I yield the remainder of my time to the distinguished Senator from Massachusetts who has been waiting to talk on this subject.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. TSONGAS. Thank you, Mr. President. I will start off by saying that I consider this to be a sad occasion. I think what we are going to do today, since it looks like it will pass, will have a major negative impact on U.S. relations in black Africa. I hope it is not too extreme to say that what we are engaging in here is the equivalent of the Tonkin Gulf, a hasty decision based upon facts which will have long-term implications. I would like to suggest why I feel that way.

On the face of it, this resolution appears reasonable and responsible. The sending of observers to an election in Rhodesia may sound to many like a constructive initiative. But appearances can be deceiving and, in this case, they are. Although well-intended by its sponsors, this resolution presents grave risks and problems which the Senate cannot ignore. I am apposed for a number of reasons. My objections to this resolution fall into three categories: It is unnecessary; it is impractical; and it would invoke grave foreign policy risks.

Why unnecessary? The answer is simply that the upcoming election does not satisfy the provisions of the Case-Javits amendment. There is no need to observe an election which is already known to fall far short of the explicit requirements of the Case-Javits amendment.

For example, the amendment states that the Government of Rhodesia must "demonstrate its willingness to negotiate in good faith at an all-parties conference held under international auspices on all relevant issues." The committee report makes clear that "all relevant issues" include the Anglo-American plan. But the Rhodesian Government has stated repeatedly that it will not accept preconditions to an all-parties conference. Ian Smith and his colleagues will attend an all-parties conference, but they will not commit themselves to discussing any "relavant issue" whatsoever. That is a crucial distinction and it violates the first provision of the Case-Javits amendment.

There is a second, even more serious, violation. The Case-Javits amendment states that participation in the election is to be open to all political and population groups. But the Rhodesian Government has banned the internal wings of the guerrilla groups. They cannot hold rallies, publish their programs, or use the media in any way. This situation has prevailed for years with only a brief hiatus last summer.

How can an election be "open" to all groups if two of the major political parties have been banned from political activity for so long?

Finally, the Case-Javits amendment requires the holding of free elections. This is an imprecise term, but we must still ask if the forthcoming election will be free. The Constitution on which this election is based was approved by a white referendum only. No blacks voted in that referendum; only white. White are only 3 percent of the population of Rhodesia. As you know, the Constitution entrenches white control over much of the Government for another 10 years. By over-representing whites in both the executive and legislative branches, the Constitution establishes a white veto power over any important legislation.

There has been no referendum on this Constitution for the country's 7 million blacks. Let me repeat that: There has been no referendum on this Constitution for the country's 7 million blacks. I think that tells us something.

The election itself will arrange voters into two groups: Registered whites who will vote for the white candidate of their choice, and unregistered blacks who will vote for a political party, not an individual. The potential for fraud is obvious. I can add that 90 percent of the country has been under martial law for some time. Under these conditions, the election can hardly be called free and fair.

Let me use another example. If you are black and you are opposed to the Constitution, as many of them are, what do you do? If you vote, you participate and that is lending credence to the election. If you do not vote, then you are simply not counted. So if you believe that this Constitution is a fraud, as many blacks in Rhodesia do, there is no vehicle for expressing those feelings. So this election becomes a self-fulfilling prophesy. Those who vote, by definition, support it; those who do not vote are not included. Therefore, the situation comes full circle.

I think that these are important points to keep in mind. The Case-Javits language clearly rejects this election on the basis of information the Rhodesian Government itself has publicized. But I am not one to insist on pure electoral democracy in the Third World. There are other important factors to consider, such as practical questions bearing on the observer team.

The impracticality of this resolution is, in my mind, one of its most glaring weaknesses. The resolution would send up to 50 individuals, many of them Americans, to observe an election in a country torn by war, where 90 percent of the country is under martial law, where private armies attached to various leaders roam the countryside performing "political education," where planes are shot out of the sky, where all vehicles travel with an armed convoy, where the capital itself is vulnerable to mortar attack, and where guerrilla forces move freely over most of the country.

We are going to send our people into this situation. Are we prepared to send the Sergeant at Arms to protect our surrogates in Rhodesia? I think not.

Casualties run as high as 3,000 per month, and most of them are black civilians. The guerrilla forces are determined to disrupt the election by force, if necessary.

It is into that environment that the brave observers will venture.

Sent by the administration? No. Sent by us, the Senate. We are not going over there. We are not going to be at risk. Those people will be. We have no way to protect them. There is not one Senator who can stand up and guarantee the safety of the people we would send over there. If anything happened to them, then what?

They will receive protection from the Rhodesian Government, the resolution claims. But can the Rhodesian Government guarantee the safety of the observers? If Salisbury oil depots can be destroyed by guerrilla mortars, then an observer team is not safe anywhere in Rhodesia. What will be the response of the Congress if any of the observers are wounded or even killed? Again, the Tonkin Gulf analogy. How will the United States respond if guerrilla forces capture and hold hostage members of the observer team? Before we send observers to Rhodesia, we must consider these grave risks.

We must also consider the question of the observers' impartiality. Rhodesian military personnel will escort the observers at all times. The observers will hear the Rhodesian side of the war from their escorts day after day.

The analogy was used by the distinguished Senator from California as to the elections in Chicago. It is like observing the elections in Chicago by being driven around by Mayor Daley.

How long can the team retain its objectivity under such conditions? I wonder how long you or I would remain neutral traveling with an army, our ears filled with their point of view and our safety totally dependent on their protection.

There is another striking impracticality to consider. The resolution states that the observers must determine the extent of guerrilla intimidation of voters and also measure the level of voluntary abstention from the election. These requirements indicate to me that the observers must do more than merely observe polling places. They must undertake a survey in the countryside to understand how many people abstained and for what reasons. This is an enormous, complex task. I do not think anyone can suggest that it can be done. Given the security risks and in view of the limited resources of the observer team, it seems to me that the resolution asks the impossible.

An effective observer team for any Third World election is a serious undertaking. The U.N. plan for Namibia is an interesting standard for comparison. It requires a cease-fire 7 months before the election, a 7,000-man U.N. monitoring force, confinement of the combatants to military bases, U.N. supervision of the election campaign and of the election itself, and a continued U.N. presence after the election to insure faithful compliance with the election results. In comparison, a 50-man observer team—our team—touring Rhodesia for a few weeks is hopelessly inadequate.

The impracticalities of the resolution are, indeed, striking, but the foreign policy risks of the resolution are even more disturbing to me.

I refer the membership to the article I had published today in the New York Times on Angola, another example. This resolution will launch the United States on a disastrous course in Rhodesia and Southern Africa. It will associate the United States with the Rhodesian Government at a time when the outlook for the Smith regime is most unfavorable. It is important to recognize how desperate the situation has become for Mr. Smith, Bishop Muzorewa, and Reverend Sithole, the self-appointed leaders of this transitional regime.

This war has raged now for over 5 years. Neither side is willing to negotiate a peaceful settlement, but one side is clearly gaining on the other. The guerrilla forces are by all accounts winning the war. Mr. Smith has conceded that point. His internal settlement is not in danger of imminent defeat, but he is steadily losing ground. Bombing raids into neighboring countries, as lethal as they are, have had no impact on guerrilla infiltration into Rhodesia. The signs of deterioration are everywhere.

Whites are leaving Rhodesia in large numbers. The net outflow for December was a record 2,770 people. The Smith government has promised bonuses for those civil servants and soldiers who will stay on past April, but another 1,000 whites left Rhodesia in January. The military turned to conscription of black recruits late last year, but only 20 percent of those called actually reported for induction. Mr. Smith's black colleagues have formed private armies to serve their private ambitions. Guerrillas control some areas so effectively that the Rhodesian Army will not enter those zones.

These facts are not controversial—no reliable analyst claims that Rhodesia is winning the war—almost all agree that the guerrillas will ultimately prevail.

The Rhodesian Government has mounted every effort to avert defeat. They have called on the guerrillas to lay down their arms and join the internal settlement but wtih meager results. They have written a constitution and scheduled elections with black participation. But the constitution entrenches white control over the Government and has failed to win the support of the guerrillas or the civilian population. The opponents of the Salisbury regime grow in number. The direction of the war demonstrates how little black support there is for the Rhodesian Government and its future. The Government has tacitly admitted its lack of black support by declining to hold a black referendum on the constitution, something we would consider a prerequisite to suggesting we have black support.

It is clear enough that the sending of American observers to Rhodesia places American policy squarely on the deck of a sinking ship. With the war going so badly for Ian Smith and his associates, this resolution will push the United States closer to this doomed regime. For it must be understood that sending observers to this election is not a neutral act. It amounts to a de facto recognition of the Smith regime. The Rhodesian Government will interpret the observers as the first step the United States will take toward lifting economic sanctions and recognizing their illegal regime. They will take heart and renew their efforts to win the war. African states and Third World will see the observers as proof of America's original intention to support white rule in Southern Africa. American credibility in the Third World and particularly in Africa will suffer great harm. The neighboring states of Zambia and Mozambique will find it increasingly difficult to reject offers of major Cuban and Soviet involvement. I remember we used to be concerned about that. South Africa will be encouraged to step up its support for the post-election government in Rhodesia. These possible developments illustrate the disturbing potential of this resolution to escalate and internationalize the war in Rhodesia. Our tacit recognition of the Rhodesian Government is a provocative and dangerous act.

This situation reminds me of another U.S. initiative in the Third World. Sending observers to Rhodesia will set America on a course not very different from our disastrous intervention in the Angolan civil war. We ignored the African realities in that case and paid dearly for our error. Must we repeat the performance in Rhodesia? The Soviets and the Cubans stand ready and able to reap the rewards of our folly in Rhodesia. They, not the Rhodesian Government, would be the prime beneficiaries of our association with Ian Smith and company. All over black Africa, we are being watched. I think it would be a brilliant departure from our past behavior to disappoint the Soviets and to maintain our policy of neutrality. We should acknowledge the strength of African nationalism, and stay away from the group which opposes it. We can maintain our hard-won credibility in black Africa. We can do the right thing.

I fully realize that many Members of the Senate have lost patience with this interminable war. The administration has worked hard to broker a negotiated solution, but with no success. The war has intensified. Atrocities by both sides are appalling. I think that there is a strong desire here to find a short way out. With the patience of Congress stretched so thin, the inclination is to scramble for the nearest exit, to grasp at straws. I share some of these feelings. I, too, am impatient. I, too, want a quick solution and an end to the war. But the McGovern-Hayakawa resolution is not the answer. The real answer lies in U.N. supervised elections involving all the parties to the conflict. The resolution is a well-intended, but in fact a risk-laden initiative taking the United States on the first step toward another foreign policy disaster in southern Africa. Please join me in opposition to Senate Concurrent Resolution 8.

I would also add, if I might, the administration had the same opposition in front of it and decided not to do it. So this initiative, indeed, would be by the Senate.

I will close, Mr. President, by referring my colleagues to the Congressional Record of March 22, 1979, page 5943, where I had printed a letter to the President signed by some 200 leaders of the civil rights group in the United States, labor, the Black Caucus, which goes into the elections and why, indeed, they are fraudulent.

I will not read all the names, nor the letter. But will state some people who signed on:

B. Tartt Bell, Director, Washington Public Affairs Program, American Friends Service Committee.

Isaac Bivens, Board of Global Ministries, The United Methodist Church.

William H. Booth, President, American Committee on Africa.

Bishop Hartford Brookins, African Methodist Episcopal Church.

Douglas Fraser, President, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW.

Elizabeth Steel Genne, President, National Board of the Young Women's Christian Association of the U.S.A.

Victor Goode, Executive Director, National Conference of Black Lawyers.

Carlton B. Goodlett, M.D., President, National Black United Fund.

Gale Green, Atlanta Branch, National Association for the Advancement of Colored People.

Karl D. Gregory, Professor of Economics and Management, Oakland University.

Jane F. Guise, Coordinator, North East Human Rights Network.

Ruth M. Harris, Executive Secretary for Urban/Rural Ministries World Division, Board of Global Ministries, The United Methodist Church.

The Honorable Benjamin Hooks, Executive Director, National Association for the Advancement of Colored People.

Rev. Jesse L. Jackson, National President, Operation PUSH, Inc.

Dr. C. Payne Lucas, Executive Director, AFRICARE.

Barbara Lupo, Co-Director, Clergy and Laity Concerned.

Edward May, Director, Office of World Community, Lutheran World Ministries.

Lloyd McBride, President, United Steelworkers of America.

Patsy T. Mink, President, Americans for Democratic Actions.

Avery Post, President, United Church of Christ.

Father Robert C. S. Powell, Director, Africa Office, National Council of the Churches of Christ in the U.S.A.

Glenn Watts, President, Communications Workers of America.

The Honorable Charles W. Whalen, Jr., President, New Directions.

Robert L. White, National President, National Alliance of Postal and Federal Employees.

Mr. President, I call upon this Chamber to look at this resolution closely and, hopefully, vote it down.

Mr. President, I thank the Senator from South Dakota and the Senator from California.

Mr. McGOVERN addressed the Chair.

The PRESIDING OFFICER (Mr. Metzenbaum). The Senator from South Dakota.

Mr. McGOVERN. Mr. President, I yield myself such time as I may require.

Mr. President, in all due respect to the junior Senator from Massachusetts (Mr. Tsongas), whom I admire very much, I cannot recall a speech here on the floor of the Senate in a long time that was less relevant to the issue at stake than the remarks the Senator from Massachusetts just made. They had no relevance at all to the resolution pending before the Senate.

The import of the Senator's remarks is that the decision by the Foreign Relations Committee, a decision with only one dissenting vote, I might add, to support the sending of impartial observers to Rhodesia was somehow an endorsement of the Smith government, somehow an endorsement of the election process itself.

The committee and its resolution has made as clear as the English language can make it that this resolution is in no way a judgment on the election, on the Smith government, on the internal settlement, or any other parts.

Quite the contrary, the purpose of this resolution is to try to make an impartial judgment about the nature of the election process.

Let me read the language of the amendment itself:

> Congress intends that this assistance—

The sending of observers—

> should in no way be regarded as implicit or explicit support by the U.S. Government of the provisions of the so-called internal settlement or of the Rhodesian Government.

Mr. President, just to make doubly clear that there was nothing in this resolution that could be interpreted by any fairminded person as an endorsement of either the election or the existing government, Senator Javits offered this language, which was accepted unanimously by the committee and added to the resolution:

> Nothing contained in this resolution shall be deemed by implication or otherwise to indicate any determination as to the qualifications of the elections or the Government, under section 27(2) of the International Security Assistance Act of 1978.

Mr. President, to compare a resolution of that kind, which calls upon this body to select professional impartial observers to help us make a judgment on a complicated foreign policy question—to compare that with the Gulf of Tonkin resolution is ridiculous. The Gulf of Tonkin resolution was an action by this body which gave the President the authority to take military action as he saw fit anywhere in southeast Asia. It has nothing to do with the resolution that would send nongovernment professional observers to make a judgment as to the question of whether an election is valid in Rhodesia.

It is clearly irrelevant to compare this to the covert paramilitary activity that was sent into Angola.

It is all well and good for Senators to conjure up history, but let us be reasonable about it. There is no relevance at all to these scare words that have been used with reference to this resolution.

The Senator from Massachusetts may argue—and I am inclined to agree with him—that the terms of the present election are not fair on the surface. However, that is a judgment that he and I make. It is a judgment that is disputed by a good many Members of this body.

Indeed, Senator DeConcini and Senator Schweiker, two respected Members of the Senate, offered a resolution calling for the automatic lifting of sanctions 10 days after this election is held. I disagree with that resolution. However, I do not see how anyone can argue reasonably that sending observers, carefully picked for their impartiality and their professional skill, to advise us on the terms of this election could be construed as an endorsement of the Smith government or any other faction in Rhodesia.

The practical situation we are going to face, once this election is held, if we do not have an observer team there, is a highly controversial situation in which claims and counterclaims will be made as to the validity of that election.

The Senator from Massachusetts says that, in his judgment, the terms of the election make it invalid. That is one of the things that the observer team is called upon to evaluate. This is not simply a matter, as the Senator from Massachusetts has implied, of looking at an election in Chicago to see who goes in the polling places and who does not. The observer team is charged with looking at all aspects of this election, including the structural conditions for the election, the constitutional framework in which it is held.

I think there is a kind of implicit arrogance in the argument by the Senator from Massachusetts that he can make a judgment about this election that should be accepted automatically by the Members of Congress and the executive branch. If it is possible for a Senator sitting in this Chamber to make a judgment that this election is structured in such a way that it is unfair and does not meet the terms of the Case-Javits language, it is not beyond the competence of an impartial team of 25 to 50 Americans, picked for their fairness and their competence, to come to the same conclusion.

It would not surprise me at all—although I do not think my friend and colleague from California shares this view—if that is precisely the conclusion to which the observer team comes. But I do not feel that it is up to me, as a Member of the U.S. Senate, to make that judgment and assume that any conclusion I draw about this election is automatically going to be accepted as the final word.

The Senator from Massachusetts has argued that it is impractical to try to observe an election under the kind of turbulent conditions that exist in Rhodesia and that we cannot guarantee the safety of the people selected for this mission. Admittedly, Mr. President, it is not within the power of this body to guarantee the safety of observers who are sent to Rhodesia, any more than we could guarantee the safety of an ambassador in Afghanistan or the safety of our embassy in Iran. There are dangers to Americans who are involved abroad in activities that are important to our foreign policy.

The committee has taken these matters under careful consideration. We had a lengthy session with representatives of the State Department and the CIA precisely for this purpose. We are going to explore carefully, under the terms of this resolution—and, I hope, the amendment I am planning to offer shortly—the security arrangements that the Rhodesian Government has made. We are going to check out those security arrangements with our own security experts; and we think that, within reason, security can be provided for these observers.

The Senator from Massachusetts has talked about the speed with which this resolution has been considered, comparing it again to the Gulf of Tonkin resolution. That resolution, as I recall, was brought to the committee one day, reported the next, and acted on here in the Senate the following day. This resolution is one I discussed with the Secretary of State in some depth as early as last December.

We have had wide discussions about it in Congress. It has been pending in the Congress of the United States since March 1. We have had extensive hearings on it before the Foreign Relations Committee and gave everyone who wanted to be heard on it an opportunity to be heard. We had follow-up discussions on it since that time. So we are not acting in great haste on this matter.

As I indicated here earlier, I think the amendment builds very clearly on what is already the law of the land, and that is the so-called Case-Javits amendment that was adopted to the International Security Act last year. The Senator from Massachusetts has argued that the first of those conditions for the evaluation of sanctions—namely, the willingness of the Government of Rhodesia to negotiate in good faith at an all-parties conference under international auspices—has not been met. This resolution does not speak to that question. That is another totally irrelevant point. We make no effort, under the conditions of this observer team, to evaluate whether or not the Government of Rhodesia has demonstrated its willingness to negotiate in good faith. That is a judgment the President of the United States will have to make.

However, the second proviso of the Case-Javits language does call for the evaluation of the election "with observation by impartial internationally-recognized observers."

The Case-Javits language was adopted by a solid margin in the Senate last fall. It calls for the observation of that election by impartial internationally-recognized observers; and the closest that we, as Members of this body, can come to discharging our obligation under that law is to take this carefully-planned step to send observers to report back to us on all the arrangements and the procedures for this election.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from South Dakota yield for a question?

Mr. McGOVERN. I yield to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, I feel that the Senator from South Dakota has made a very fair and objective presentation of the resolution sponsored by the Senator from South Dakota and the Senator from California.

My question to both Senators is this: They have made a fine case, I think, as to the importance of this resolution to the Case-Javits amendment which was enacted last year, but are not both Senators concerned about the time element? Congress, as I recall, will adjourn for the Easter recess 2 weeks from today. The Senate ought not to be involved in a meaningless exercise. If the House does not have time to act then this entire effort will have been without any purpose whatsoever. In that event, I would think the Senate ought to be prepared to send its own delegation, perhaps Senators themselves should go.

But the House of Representatives not having time to act on the resolution is a contingency for which the Senate should be fully prepared. The Senate should have its own plan of action to insure that our work today is not an empty gesture.

But I am interested in the view of the distinguished Senator from South Dakota.

Does the Senator from South Dakota in candor feel that the House of Representatives will have time to act on this resolution prior to the Easter recess?

Mr. McGOVERN. I say to the Senator that obviously the House of Representatives would have time to act if they moved with some reasonable dispatch, but he is quite correct in being concerned about the timing because the election, as the Senator knows, has been announced for April 20, just about 3 weeks hence. So, assuming that the Senate acts favorably on the resolution this afternoon, and the House of Representatives were to take it under consideration next week and were to move within a week's time, let us say, on the resolution, I think that provides ample time for the leadership of the House of Representatives and Senate to select the two cochairpersons and they, in turn, to select the balance of the team in time to observe the Rhodesian election.

I share the Senator's concern about the timing, but I do not think it is an impossible time frame for us to meet here in Congress.

Mr. HARRY F. BYRD, JR. I appreciate very much the Senator's assurance that ample time for House action is available. His remarks are reassuring, and I thank him.

But if I could ask nevertheless one additional question, would the two sponsors look favorably on an amendment to this resolution specifying that if the House of Representatives does not act, and assuming the Senate acts affirmatively today, that the President pro tempore, as is provided by the resolution, would appoint a chairperson who, in turn, would make the other appointments of observers as the resolution provides? Or should that amendment be withheld in light of the view expressed that the House will have time to act?

Mr. McGOVERN. I say to the Senator I can only speak for myself on that, but I would think that a bad precedent on a matter that is as obviously controversial as this. I think both the House of Representatives and the Senate ought to act on it.

The proposal that the Senator made is one that went through my mind originally thinking this might be something the Senate would want to undertake on its own in view of the special relationship that we bear to advising and consenting on foreign policy matters, but it is one that I think involves a fundamental question of American foreign policy. It involves an important decision affecting the whole country and our relationship to Rhodesia. I personally would be reluctant to see this issue resolved by one body alone.

Mr. HARRY F. BYRD, JR. I think it would be better, of course, if both bodies were to act.

I am very concerned, however, about the time element and whether the House of Representatives is in a position to act within a 2-week time frame. That is the reason I suggest acting in that fashion. The Senate would be assured of achieving at least part of what is sought by the resolution.

But if the Senator is certain the House will be able to act in the time frame involved, I will defer to his judgment.

Mr. McGOVERN. I appreciate the Senator's concerns, but I do think that if we move today to passage of this resolution, it is within the competence of the House of Representatives to move before the Easter recess.

Mr. HARRY F. BYRD, JR. Well, I also trust that the leadership in the House would see fit to give this matter the very high priority it deserves and that it requires in view of the short time available. But if the Senator will yield further, could I ask the Senator from California his view?

Mr. HAYAKAWA. Yes; I, too, wish to try to answer the question. I, too, would be reluctant for the Senate to go ahead by itself except for the fact that if the House of Representatives knowing that we have such a short time remaining before the election decides upon deliberately dilatory tactics to prevent any action on the matter, then we are left in the situation where we are frustrated, not by a decision of the House of Representatives but a decision of the subcommittee of the House of Representatives to drag its feet in coming to an important decision. If they come to a decision and defeat the idea, that is one thing, but if they just want to drag it out, then I am afraid that because of the limited time remaining we must act by ourselves, and, as I say, we will act by ourselves only with the greatest regret, but, goodness, there is no way to fight simply dilatory tactics.

Mr. McGOVERN. Mr. President, will the Senator yield on that point?

Mr. HAYAKAWA. I am happy to yield.

Mr. McGOVERN. I have to say, in good humor, that I do not think the history of our own body here has been such that we can lecture the House of Representatives too strenuously on dilatory tactics, and just as a practical matter I would have to say I do not think we would expedite action in the House of Representatives if we were to hold over their heads the threat of unilateral action here in the Senate. The House of Representatives has ways of moving expeditiously when they are dealing with a matter that they think is in the national interest. They sometimes move with greater speed than we do even though they are a much larger body. So while I appreciate the good faith of the Senator from Virginia in trying to move something under a limited time frame, I would just have to say that for myself I would have to resist an amendment of that kind.

Mr. TSONGAS. Mr. President, will the Senator yield on that point?

Mr. McGOVERN. Yes, I yield to the Senator from Massachusetts.

Mr. TSONGAS. Is there any precedent for the Senate taking unilateral action on an issue of foreign policy?

Mr. McGOVERN. I do not think there is any precedent for either the Senate or the House of Representatives acting in the tradition that we are proposing here in this amendment. I will say to the Senator, I am not aware of any precedent.

Mr. TSONGAS. I wish to express a concern beyond the issue. However we may come down on this particular concern, if we do indeed set a precedent where the Senate would have, if the House of Representatives does not move in a particular direction, our own foreign policy, I think that would be met with appropriate chuckles from the world community.

Mr. McGOVERN. I agree with the Senator. I think also I see this observer team as flowing logically from the Case-Javits language that was passed by both the House of Representatives and the Senate last year. While that was the Senate initiative it was approved by the conference committee and ratified by both the House of Representatives and the Senate. So I think we would be better advised to deal with the issue on its own merits and let the House of Representatives do the same.

The Senator from North Carolina asked me some time ago if I would yield to him. How much time does the Senator wish?

Mr. HELMS. Mr. President, I say to the able Senator if he could spare 10 minutes——

Mr. McGOVERN. I yield 10 minutes.

Mr. HELMS. I wonder if I might ask him if he would be willing to yield first to the distinguished Senator from Pennsylvania and then to the Senator from Massachusetts each of whom has a statement.

Mr. McGOVERN. I yield to the Senator from Pennsylvania.

Mr. SCHWEIKER. I thank the Senator.

Mr. President, this resolution is too little but to avoid the possibility of its also being too late, I shall refrain from offering as an amendment the provisions of Senate Concurrent Resolution 7 which I introduced February 9 with my distinguished colleague from Arizona (Mr. DECONCINI). The resolution before us, Senate Concurrent Resolution 8, is only half a loaf. But I fear trying to make it whole by adding the provisions of Senate Concurrent Resolution 7 might delay acceptance of any resolution and we might end up not with half a loaf but with no loaf.

In testimony March 7 before the Committee on Foreign Relations, I outlined the compelling reasons for having Congress recognize at once the progress already made in Zimbabwe-Rhodesia and set up a firm timetable for the lifting of sanctions following the installation of a black majority government chosen at free elections. I ask unanimous consent to print at the end of these remarks my March 7 testimony arguing in favor of the adoption of Senate Congressional Resolution 7.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. SCHWEIKER. Mr. President, as the preamble to the resolution before us today, (S. Con. Res. 8) notes, the conflict in Zimbabwe-Rhodesia has reached a critical stage. There is no assurance that the April 20 elections to install a black majority government will reduce that conflict.

However, the case may be made in both precedent and principle that this Congress should dispatch observers to satisfy ourselves of the validity of the balloting.

What we have there is a transitional government, employing a democratic process, however imperfect, to cast off the shackles of colonialism.

But the Carter administration seems to take the position that guerrilla warfare must continue until all factions agree to come to the peace table—if indeed, there is anyone left to do so.

The so-called Patriotic Front, which demands the reins of government without elections, publicly considers armed force as the only arbiter of political differences.

Are we diplomatically on dead-center because the guerrillas in Zimbabwe-Rhodesia refuse to take their chances at the ballot box in a free election?

Granted, there is some temporary imbalance toward the white minority in this proposed transition. But the Constitution corrects that warp in a decade.

This provision also has been the pattern in Africa as one-time colonies achieved independence. When Tanzania was created, 30 percent of the seats went to 1 percent of the population. In Kenya, 30 percent of the seats went to 4 percent. In Zambia, half of the 30 parliamentary seats were reserved for 84,000 Europeans, and half went to 3½ million blacks. Such provisions often are essential during the crucial transition period.

Any democratic transition to majority rule in a country that has not had it faces many dangers that do not concern an autocracy. Democracy tries to win the minds of men, not their bodies. In my testimony before the Foreign Relations Committee, I pointed out that a new black majority government in Zimbabwe-Rhodesia cannot long withstand inaction from supporters of a democratic and prosperous nation there.

The United States should recognize the efforts which have been made by the transitional government in accordance with the International Security Assistance Act of 1978.

The dispatch of observers will increase the stakes for successful completion of the democratic transition.

This resolution is less than I hoped for, but may demonstrate this Congress' public concern for Zimbabwe-Rhodesia's struggle toward democratic independence.

EXHIBIT 1

FOREIGN RELATIONS COMMITTEE

Mr. Chairman and members of the committee: I appreciate the opportunity to testify today on behalf of Senate Concurrent Resolution 7 which Senator DECONCINI and I have introduced concerning the termination by the United States of Sanctions against Zimbabwe-Rhodesia.

This resolution must be evaluated in the light of the transition to a black majority government in that country, as embodied in the Salisbury agreement of March, 1978.

The Zimbabwe-Rhodesia transitional government has remained steadfast in seeking a democratic transfer of power to the black majority through free elections on April 20, 1979, despite international opposition and guerrilla harassment.

This historic result satisfies the self-determination goals of many Zimbabwe-Rhodesian citizens who have opposed an entrenched white minority rule for so many years.

It would be especially tragic if the United States displayed less than full support to a fledgling constitutional democracy on a continent where other governments are predominantly autocratic and where tribal rivalries and foundering post-colonial societies are ripe for exploitation by antidemocratic forces.

Terrorist brutality perpetrated by the self-proclaimed Patriotic Front is but a prelude to an "orgy of destruction" vowed by front coleader Joshua Nkomo against those who dare to vote in the democratic elections—or even those who approve a settlement not based on the front's terms.

The so-called Patriotic Front has flatly rebuffed the transitional government's invitation to resolve its conflicts at an all-parties conference. Obviously, the front considers armed force the most reliable and persuasive arbiter of political differences—like the bully who tries to win a lost argument with his fists—and the front knows it cannot win at the polls April 20.

The Anglo-American reconciliation plan among the parties is essentially defunct. Great Britain and the United States apparently have opted to allow the escalating military conflict to resolve itself—or at least strengthen the chances of compromise. But time and events have shown that guerrilla leaders are deeply divided by tribal, personal and ideological schisms. Many fear that the accession to power of the guerrillas would trigger a far more destructive civil war.

Furthermore, the ostensibly neutral policy pursued by London and Washington in maintaining sanctions to secure a peace has clearly hurt Salisbury economically. It is not being helped by an insurrection fed by arms and money from foreign powers hostile to democracy.

So far, both nations have also spurned the transitional government's invitation to send observers to monitor the elections, even when that action is consistent with the present law.

Anglo-American reluctance to encourage a black majority government election seems even more puzzling when considering the stance and strength of the guerillas. They have demanded an outright concession of power. They have the ability to disrupt the elections and endanger a new government—a serious implication for Western interests in critical South Africa.

Has the United States no alternative to passive observance of a developing bloodbath? Are we stuck with a defunct policy that at least tacitly encourages antidemocratic forces to overtly reject the very values we hope to see promoted in Zimbabwe-Rhodesia?

I do not believe that. Congressional awareness and response to the perilous situation in Zimbabwe-Rhodesia is imperative now—little more than a month before the elections.

Timing is critical. It is useless to ask a man—or a nation—to roll up his sleeves and go to work when he has just lost his shirt. A resolute indication of support for a constitutional settlement has never been more necessary. It is the best means of assuring those who have accepted the risk that the transitional process is warranted and their perseverance justified.

Congress directed in section 27 of the International Security Assistance Act of 1978 that sanctions against Zimbabwe-Rhodesia not be enforced upon a presidential determination that,

1. The transitional government of Zimbabwe-Rhodesia had demonstrated its willingness to participate in, and negotiate in good faith on all relevant issues, at an all-parties conference held under international auspices and,

2. A government has been installed in Zimbabwe-Rhodesia which was chosen by free elections observed by impartial outsiders, and in which all political and population groups were allowed to participate freely.

The Schweiker-DeConcini resolution declares the finding of Congress that the transitional government has indeed complied with the first precondition in section 27. This resolution expresses the sense of Congress that the President, not later than ten days after the installation of the black majority government pursuant to such elections, should determine that the second pre-condition has been met; and should not enforce sanctions.

Prompt passage of this resolution will provide a strong psychological inducement to complete the transitional process. It would symbolize now recognition by the United States Congress that the transitional government seeks a peaceful transfer of power to the black majority. Moreover, this resolution would convey now to all concerned parties that we have an abiding interest in a democratic Zimbabwe-Rhodesia.

There is a critical, and I believe necessary distinction between the Schweiker-DeConcini resolution and the thrust of section 27. Grave conditions in Zimbabwe-Rhodesia make undue executive discretion in determination of compliance short-sighted. By posing a reasonable and certain time frame for this determination, this resolution recognizes that the economic and political survival of a new black majority government cannot long withstand inaction from supporters of a democratic and prosperous Zimbabwe-Rhodesia. Communicating those intentions now provides every reasonable incentive to Salisbury to comply with the remaining pre-condition. It would increase the stakes for successful completion of the democratic transition.

The Democratic transition to black majority rule in Zimbabwe-Rhodesia clearly faces many dangers. Yet those who are making the perilous effort must be assured that it is worth the price, possibly in lives. It is small wonder that reasonable people ask whether penalizing the Salisbury administration with sanctions while doing little to discourage the guerillas makes sense.

If a constitutional democracy incorporating black majority rule fails now, or founders because the United States does not actively support a timely lifting of its sanctions, there is a strong probability that Zimbabwe-Rhodesia ultimately will be ruled by forces hostile to the West and to democratic concepts.

It is for these reasons, which I will be glad to elaborate upon in response to your questions, that I ask that this resolution be reported out of the Foreign Relations Committee promptly for full consideration.

This situation in Zimbabwe-Rhodesia demands that Congress speak out now on this critical issue.

Mr. KENNEDY. Mr. President, the Senator from North Carolina was kind enough to indicate I might proceed for maybe 4 minutes. I am wondering who is handling the time of those who are opposed to the resolution or whether either Senator will be good enough to yield time.

Mr. McGOVERN. Does the Senator wish time yielded now?

Mr. KENNEDY. Yes. The Senator from North Carolina indicated that it would be acceptable.

Mr. McGOVERN. How much time does the Senator wish?

Mr. KENNEDY. Five minutes.

Mr. McGOVERN. I yield 5 minutes to the Senator.

Mr. KENNEDY. Mr. President, last summer I voted against all the amendments which were offered either by the Senators from North Carolina or actually by the Senators from New York and New Jersey, the Javits-Case amendment. I was opposed to all such unilateral actions by the United States, taken in derogation of our international obligations.

And I am opposed to the proposals of Senators HAYAKAWA and McGOVERN to send an observer team to monitor the elections scheduled to be held in Rhodesia on April 20.

The reasons for opposing such proposals in the past remain equally valid today.

The United States and Great Britain have consistently taken the position that no solution, no settlement, nor any election can work if it does not have the support and consent of the people of Rhodesia as a whole.

The scheduled elections cannot meet that test.

Black Rhodesians, who constitute 97 percent of the population, have been given no opportunity to vote on the constitution under which these elections are being held. Indeed there is every reason to believe that they would reject this constitution.

The Commission for Justice and Peace of Rhodesia has recently made this judgment:

> The Salisbury agreement of March 3, 1978 does not guarantee a genuine transfer of power to the African majority, nor does it provide any mechanism, such as a referendum, to ascertain whether the African majority accepted it. The right of rejection was reserved, typically, to the whites. The agreement retains firmly in white hands effective military and economic power, as well as effective control over the civil service and the judiciary . . . to state that the agreement does not transfer power from the white minority to the black majority is indeed too mild; the agreement ensures that no such transfer shall take place. (*Rhodesia After the Internal Settlement*, p. 4–6)

Free elections cannot be held without free participation by all of the parties that have popular followings. The two nationalist wings of the Patriotic Front, Zapu and Zanu, have been banned since September. More than 300 of their leaders are in jail. More than 2,000 political prisoners remain in jail notwithstanding promises of amnesty. The Patriotic Front and other opposition organizations can neither engage in full political campaigning and activities nor publish their views. Access to radio and television is controlled by the Government. Press reports are heavily censored.

Free elections cannot be held in conditions of insecurity and intimidation. Without a ceasefire and the establishment of security in which the population of Rhodesia can make genuine choices, there cannot be a truly free election—90 percent of Rhodesia is now under martial law, and power flows only from the gun in these circumstances.

The Patriotic Front forces intend to disrupt an election process which they see as prejudicial and exclusionary. Private armies roam the countryside "teaching people to vote" by intimidation.

Such an electoral process is not legitimate. It cannot work, it cannot end the war because it does not remove the cause of the war, a government based on racial privilege and intimidation, and not on the consent of the governed.

No other country will be sending observers. The U.N. Security Council of which we are members has asked member nations not to do so.

If we do send observers, the international community will accuse us of lending legitimacy to an illegal process. We will once again be thumbing our nose at the world, siding with South Africa in violating international legal obligations as we did when we passed the Byrd amendment.

Steps that seem tiny can turn out to be giant leaps.

What arrangements are going to be made to protect the safety of these observers if they wish to see all of the country and not just what the Government of Rhodesia's security forces allow them to see? What if one of our observers should lose his or her life? Who will accept the liability and the responsibility for that?

During committee markup, the senior Senator from New York seemed to advocate the use of American defense equipment and forces to secure their safety.

But is this wise? Is this not likely to deepen our involvement in this tragic war without assisting in its resolution?

The Senator from New York also seemed to favor not simply observers but military supplies to a new and allegedly democratic Government in Rhodesia. This is a dangerous line of thought, with incalculable consequences for our involvement on the side of the minority in Southern Africa.

The involvement of the United States in such an electoral process—widely regarded throughout Africa and much of the world as unrepresentative, indeed farcical—would do great harm to our credibility and our prestige. It would seriously jeopardize our future status as an impartial mediator.

These judgments reflect the attitudes of members of the Salisbury government itself. Recently five ministers resigned from that government. For example, Internal Affairs Cominister Ndweni said: "My people have demanded I resign and call for the immediate return of Nkomo." Foreign Affairs Cominister Gabellah said: "I can no longer reconcile my conscience with certain actions by which (Mr. Sithole's party) seeks to promote support for itself."

Mr. Ahrn Paley resigned as constitutional legal adviser to Bishop Muzorewa precisely because the new constitution perpetuates white domination and offers the majority of the population no substantive change from their present position.

Mr. President, we need to adhere to our principles in this matter. I welcome the March 17 statement by Secretary of State Vance. He called upon the parties to accept the principle of United Nations supervised elections in Rhodesia and to negotiate the conditions for holding such elections. He said:

> The crucial point is the acceptance of the principle of internationally supervised elections as the only way to avoid protracted and damaging war.

I believe Secretary Vance is right. The fundamental basis for any lasting solution in Rhodesia is a free and unfettered election process. For this reason I intend to vote against the current resolution. It is contrary to the obligations and dangerous to the interests of the United States.

I thank the Senator from South Dakota and the Senator from North Carolina.

Mr. McGOVERN. I yield now 10 minutes to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from South Dakota only has 5 minutes left on his resolution. The Senator from California has 20 minutes left.

Mr. HAYAKAWA. Mr. President, I yield to the Senator from North Carolina how much time he needs. How much time does the Senator need?

Mr. HELMS. I think I would like to have 10 minutes total or 11 and I will be as brief as possible.

Mr. HAYAKAWA. I yield that time to the Senator on my time.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, as the two able sponsors of this resolution, the distinguished Senator from South Dakota (Mr. McGovern) and the distinguished Senator from California (Mr. Hayakawa) both know, the Senator from North Carolina would much prefer the lifting of all sanctions against Rhodesia right now.

There is absolutely no valid reason for maintaining sanctions of any kind against the present Government of Rhodesia. In fact, I wonder how many other nations in Africa have the freedoms that Rhodesians enjoy today. With the elections coming up, and Rhodesia making its move toward becoming a multiracial government based on democratic principles, I wonder if any other African state can boast of being more pure in its pursuit of democratic rule than Rhodesia.

So why do we persist in maintaining sanctions?

The U.S. State Department's attitude toward the current attempt by Rhodesia to move toward a multiracial democracy is odd indeed. The State Department takes—and has taken—the position that Rhodesia can do no right, if we judge by the unyielding standards set by the ideologues running the executive branch's Rhodesia policy.

The State Department attitude is inexcusable; it is a stupid policy, with no recognition of the realities in Africa and Rhodesia. It is a narrow-minded view, tilting fully toward the so-called Patriotic Front, whose guerrilla tactics the State Department is incredibly, implicitly, supporting. No other view can be taken of this weird posture of our State Department.

Therefore, I feel that sanctions should be lifted immediately, just as I did last July, when a measure I introduced to do just that came within only a few votes of passage in the Senate.

As it was, the Senate decided, instead, to adopt the Case-Javits amendment to my amendment. That amendment stated, and I quote:

> In furtherance of the foreign policy interests of the United States, the Government of the United States shall not enforce sanctions against Rhodesia after December 31, 1978, provided that the President determines that—
>
> (1) the Government of Rhodesia has demonstrated its willingness to negotiate in good faith at an all-parties conference, held under international auspices, on all relevant issues; and
>
> (2) a government has been installed, chosen by free elections in which all political and population groups have been allowed to participate freely, with observation by impartial, internationally-recognized observers.

Mr. President, I say again while I would prefer that the Senate vote to lift sanctions today, I am willing to participate in this attempt to fulfill the conditions of the Case-Javits amendment to my measure to lift sanctions.

I am willing to participate, because I feel that this is a good faith attempt on the part of the Senate to implement Case-Javits, in spite of numerous impediments thrown in the path of its eventual success by the State Department and certain members of the House of Representatives.

Mr. President, in all candor I must say the State Department has not acted in good faith in carrying out the terms of Case-Javits. The Senate ought to take due note of that. Rather, its policy has been to throw up roadblocks all along the way.

The first operative condition set out in Case-Javits is that Rhodesia demonstrate a willingness to negotiate in good faith in an all-parties conference.

Mr. President, there can be no question, no question whatsoever, that Rhodesia has demonstrated that willingness, and continues to do so. Of course Rhodesia has. Even the State Department has reluctantly admitted this fact over and over again to me and to others and to members of my staff. This is quite an admission by the State Department since the State Department has abandoned the all-parties conference plan. In fact, the State Department was forced to do so because the Patriotic Front has refused to participate. Not only have they refused to participate unless certain conditions are placed on the conference—hardly dealing in good faith—they have flatly refused to participate. So where does that leave us, Mr. President?

When the members of the Interim Government, Mr. Smith, Rev. Muzorewa, Rev. Sithole, and Mr. Chirau, visited the United States last year, I urged strongly that they seek an all-parties conference immediately. Frankly, Mr. President, I would have preferred to have the conference here, in the United States, where all parties would have access to a free and inquiring press, and where the interim Government could sit down with the Patriotic Front relatively free from pressure from outside influences. Here, I refer to the Patriotic Front's allies, the so-called frontline states: The socialist state of Zambia; the socialist state of Tanzania, now itself engaged in an armed invasion of another black African state; the Marxist state of Angola; the Marxist state of Mozambique; and Botswana.

Also, pressure from the ideologues at the State Department could be countered by a watchful Congress.

Unfortunately, that meeting never took place. Why? Because Mr. Nkomo refused to come, as did Mr. Mugabe.

So much for the workings of the first part of Case-Javits.The Rhodesians still stand ready for an all-parties conference, although with an election coming up, it is pretty late in the day for such a conference. In the meantime, one major part of Case-Javits is frustrated—and not by the Rhodesian Government.

And so we come to the second test of Case-Javits: Free elections internationally supervised.

Today, the Senate seeks to insure that the elections will, indeed, be free. It seeks to do so by providing proper international supervision of those elections. A team from the United States would join observer teams from Germany and Britian and other European nations in observing the Rhodesian electoral process.

How free will these elections be?

Who can say?

The Senator from South Dakota put his finger on that question: It is a matter of judgment, and it is an objective judgment at best.

Will they be as free from defect as elections held in established democracies like the United States, or England, or France or Germany? Certainly, we would desire that. But Rhodesia has no long tradition of elections for all the people, something which can be said about just about every other nation in Africa as well, if indeed they have elections. But at least Rhodesia is trying to move toward democracy. So I trust that the standard to which Rhodesia will be held will take into account the nature of the attempt being made in such good faith by the Interim Government.

I will conclude in a moment. But what concerns me, Mr. President, is that the second test of Case-Javits well may be frustrated also.

Already, the chairman of the African Affairs Subcommittee of the House Committee on Foreign Affairs is said to be planning to see that the McGovern-Hayakawa resolution never sees the light of day. Additionally, the State Department has made its position abundantly clear: it does not wish to see this important legislation, this keeping of faith with the Case-Javits Act, take place.

Mr. McGOVERN. Mr. President, will the Senator yield on that point?

Mr. HELMS. Yes.

Mr. McGOVERN. In all fairness to the administration, while they have not seen fit to send an administration observer team, they have remained neutral on the question of the Congress sending an observer team. So I think in fairness to them, they have testified on the record publicly very clearly that they are not opposing this pending resolution.

Mr. HELMS. Well, as the Senator knows—or maybe he did not attend the closed session of the committee—a somewhat different position was taken. But I would be willing to accept what the Senator says as the State Department's position, if indeed they will follow through on it.

Mr. McGOVERN. I did attend all the sessions. The Senator is correct that in the initial presentation, they seemed to concentrate on the idea of an observer team without drawing a distinction between a congressional observer team and an administration team. Their testimony, if the Senator will review it, was centered, really, on the reasons why they did not feel the administration could participate in the establishment and dispatch of an observer team.

But on further reflection, when they were further interrogated about that provision in the committee, both in executive session and open session, they made clear that they were not opposing this resolution, and I think the Senator will not find anywhere where they are on record against this resolution.

Mr. TSONGAS. Mr. President, will the Senator yield?

Mr. HELMS. I want to finish my statement, and I do not know how much more time the managers of the resolution will allow me to have.

Mr. TSONGAS. For a 10-second inquiry?

Mr. HELMS. All right.

Mr. TSONGAS. The Senator made reference to an observer team, that there were observers from West Germany and France and Great Britain. I was not aware that that was taking place. Were there national teams sent by those countries?

Mr. HELMS. That is a fact, I would say to the Senator, by the Conservative Party in Britain and an equivalent group in Germany.

Mr. TSONGAS. But there was no national team sent by the existing Governments in power in any of those countries?

Mr. HELMS. Well, it is a recognized official team.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). The Senator's 10 minutes have expired.

Mr. HELMS. I wonder if I could have 2 more minutes from the Senator from California?

Mr. HAYAKAWA. I am glad to yield the Senator 2 more minutes. Can he finish in a minute and a half? Other Senators are waiting in line.

Mr. HELMS. I will be glad to try.

I say to my friends in the House of Representatives, and warn the State Department, that if the intent and actual operation of Case-Javits is frustrated, I see no recourse but to move quickly in the Senate with the original intent of my measure which was amended by Case-Javits.

Thus, I will be left with little recourses but to find an appropriate vehicle and move to lift sanctions immediately. Until that time, I intend to do all that I properly can to gain passage of the measure we consider today.

Perhaps, too, if the will of the Senate is frustrated, a private group of U.S. citizens may be willing to undertake to become observers of the election in Rhodesia. I am aware of efforts under way even now to do so.

But this is all speculation for the moment. It all depends on how the House of Representatives deals with this concurrent resolution, if it is passed by the Senate, which I assume it will be.

I thank the Senator from California.

Mr. HAYAKAWA. Mr. President, I yield a minute and a half, if that will be sufficient, to the distinguished Senator from Iowa.

Mr. JEPSEN. Mr. President, I compliment the distinguished Senator from South Dakota (Mr. McGOVERN) and the distinguished Senator from California (Mr. HAYAKAWA). They have indeed, by their actions and their persistence, offered hope to the freedom loving and Christian people throughout the world in offering this prudent yet very important gesture to a people who want to be free, a people who have met every test, every criterion, and every requirement that has been imposed or given or dictated to them over the years, and now are about to take a vital step with elections.

The distinguished Senator from North Carolina (Mr. HELMS) stated that the Patriotic Front, the guerrillas, the Marxists, call them what you may, refused to participate. Not only did they refuse to participate, but Nkomo said he "turned the ballot boxes into battlefields."

The distinguished Senator from Massachusetts (Mr. KENNEDY) said, "We want free and unfettered elections; we don't want to get involved."

Mr. President, if we do not want to get involved, why do we have sanctions against Rhodesia? We are involved.

We have heard it said that we do not want to be on the wrong side. Well, one way to get out of there, and not be on the wrong side, is to lift those sanctions. I find it strange that we find fault with our friends and give aid and comfort to our enemies.

I would like to close, Mr. President, by quoting what I think is a very commonsense editorial, which puts it all into perspective, without emotion, in words that prudent and rational people can understand. This editorial was published in the Washington Post of March 3, 1979:

> Fortunately, others perceive the difference between observing an election and endorsing its results:

They go on to state:

> How can a democratic country not measure the democratic performance of another country asking to be measured? How can the United States set a fair-elections test on sanctions and not see how it is passed?

I thank the Senator for yielding.

Mr. HAYAKAWA. I yield 1 minute to the distinguished Senator from South Carolina (Mr. THURMOND).

Mr. THURMOND. Mr. President, I rise today in support of the concurrent resolution (S. Con. Res. 8) to provide for impartial observance of the forthcoming elections in Rhodesia. My support and cosponsorship of this resolution stems from my firm belief in the democratic form of government.

The United States should not prescribe what form of constitutional structure the people of Rhodesia are to follow, but rather, we should respect and protect the right of the Rhodesian people to practice their politics freely and openly and to exercise their rights of self-determination without any intimidation from any source. Free elections with universal suffrage will remain hollow slogans unless in practice they are implemented completely in the open and exposed to public scrutiny. The Rhodesian Government has taken steps to preserve these objectives by inviting impartial observers to monitor the upcoming election in that country.

Mr. President, the brevity of my remarks in no way reflects upon the complexity of a solution to the Rhodesian situation. The transition to majority rule with minority rights is to be implemented through an election set for April 20, 1979. Following that election, a black government is to be installed in Rhodesia and a new constitution effected. Those changes stem from an internal agreement concluded between Prime Minister Ian Smith and three black leaders who command majority support—Bishop Abel Muzorewa, the Reverend Ndabaningi Sithole and Chief Jerimiah Chirau.

Some terrorists, the so-called Patriotic Front, alleged to be of Marxist ideology and backed by the Soviets, refused to participate in the negotiation of this internal agreement, and have avowed to continue their guerrilla war from bases in neighboring countries and disrupt the April 20 elections.

The issue thus becomes clear—shall the transition in Rhodesia take place by the ballot box or by the gun? Mr. President, I strongly believe in the democratic process of government and thus fully support the free and open election to take place in Rhodesia.

The obstacles faced by the Rhodesian people are seemingly almost insurmountable. Some criticize that the proposed constitution does not establish a perfect, one-man-one-vote regime. It provides for 29 white seats in a legislature of 100. But this idea is endorsed by the black party leaders, who believe it will help insure a smooth transition and discourage the white minority from leaving Rhodesia which would have disastrous economic consequences. In any event, the United States should not interfere in such internal matters that are part of a negotiated agreement that is ratified by a majority of the people of Rhodesia in a free and open election.

One final observation should be made. Section 27 of the International Security Assistance Act of 1978 as enacted into law (Public Law 96–384) provides that:

> SEC. 27. In furtherance of the foreign policy interests of the United States, the Government of the United States shall not enforce sanctions against Rhodesia after December 31, 1978, provided that the President determines that—
>
> (1) the Government of Rhodesia has demonstrated willingness to negotiate in good faith at an all-parties conference, held under international auspices, in all relevant issues; and
>
> (2) a government has been installed, chosen population groups have been allowed to participate freely, with observation by impartial, internationally organized observers.

Sending an impartial observer team would aid the President in fulfilling the mandate of this section by providing the U.S. Government with accurate, impartial, and firsthand information. It should be noted that section 5 of the resolution states:

> Nothing contained in this resolution shall be deemed by implication or otherwise to indicate any determination as to the qualifications of the elections or the government, under section 27(2) of the International Security Assistance Act of 1978.

In sum, Mr. President, I give my unequivocal support to the people of Rhodesia as they earnestly attempt to settle their differences by a fair and impartial election rather than by warfare. The very least the United States can do to help insure a peaceful transition is to provide an impartial team to observe this election. I, therefore, intend to vote for Senate Concurrent Resolution 8 and urge my colleagues to also support this resolution.

Mr. HAYAKAWA. I thank the Senator from South Carolina.

Mr. President, I ask unanimous consent that the Senator from Utah (Mr. HATCH) be included as a cosponsor of Senate Concurrent Resolution 8.

The PRESIDING OFFICER. Without objection, it is so ordered.

Who yields time?

The Senator from South Dakota.

Mr. McGOVERN. Mr. President, I yield myself a couple of minutes of time.

Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

The committee amendments were agreed to en bloc.

UP AMENDMENT NO. 57

(Purpose: To make provision for payment of additional expenses, including private security advisors to the observer team, communications, rental of equipment, and miscellaneous administrative costs)

Mr. McGOVERN. Mr. President, earlier I spoke about an amendment to the resolution which would have the effect of authorizing an additional $75,000 to cover the cost of private security advisors for the observer team.

I would hope this would help, at least in part, to satisfy the concern that some Senators have expressed about the safety of these observers. It is a matter that grew out of the rather lengthy discussion that members of the Foreign Relations Committee had with representatives from the State Department and the Central Intelligence Agency. It would have the effect of increasing the total authorization for this entire operation to $250,000.

I move the adoption of this amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from South Dakota (Mr. McGOVERN) proposes an unprinted amendment numbered 57.
>
> On page 4, line 16, strike out "$175,000" and insert in lieu thereof "$250,000."

Mr. McGOVERN. Mr. President, I move the adoption of the amendment.

Mr. TSONGAS. Mr. President, I will not delay my colleagues on this issue. I would just like to be recorded in opposition. I think it is a well-intentioned gesture, but I think perhaps given the armies available to both the guerrillas, the Patriotic Front, and the various factions, this amendment is too little and too late.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. McGOVERN. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from South Dakota has 2 minutes remaining and the Senator from California has 3 minutes remaining.

Mr. McGOVERN. Mr. President, in view of the lateness of the hour I do not propose to delay the Senate any longer. I think the arguments which can be made pro and con have already been made. I just want to stress again that after carefully considering this resolution the Senate Foreign Relations Committee saw fit to report it to the floor with only one dissenting vote. It came out of the committee not only with strong bipartisan support but, to the best of my recognition, with the strong support of the committee as a whole, save for one vote.

I think it is in the national interest of the United States.

Mr. TSONGAS. Will the Senator yield for a moment?

Mr. McGOVERN. Yes.

Mr. TSONGAS. Just as a point of clarification, I think it is true that Senator SARBANES, Senator GLENN, and Senator ZORINSKY conveyed their opposition to the vote. I just wanted that in the RECORD.

Mr. McGOVERN. That may be. That may have been done after the vote. They were apparently not in the committee room when the vote was taken. However, I do not dispute what the Senator has said.

Nevertheless, I think this concurrent resolution is broadly based. I think it follows naturally from the Case-Javits language, which is already the law of the land. I would hope that the concurrent resolution will be overwhelmingly adopted here today.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. McGOVERN. Mr. President, I yield back the remainder of my time.

Mr. HAYAKAWA. Mr. President, I do not need 3 minutes, though I have that remaining. I want to say that what has brought Senator McGOVERN and I together in this unusual alliance is the fact that both of us went to Rhodesia. There are certain things that one observes there which have brought us to this agreement in spite of our many disagreements. It is an experience I would recommend very strongly to others.

Rhodesia is a beautiful and fascinating country, though heartbreakingly torn up. I would urge my colleagues to vote in favor of this resolution.

● Mr. STEVENSON. Mr. President, it seems to me a serious mistake for the United States to involve itself directly in the forthcoming Rhodesian elections. I understand the desire of the sponsors, in light of the Case-Javits amendment to the International Security Assistance Act of 1978, to obtain as complete information as possible about these elections. These elections could have an important bearing on any decision of the United States with respect to the lifting of the United Nations sanctions now being imposed on Rhodesia.

In all candor, I must say that I have grave doubts about the ability of some 25 to 50 as yet-unidentified Americans, regardless of their individual competence, to provide reliable, accurate, and comprehensive information about an election in a war-torn and divided country such as Rhodesia. This is not just another election in a long series: It is an unprecedented event. Even assuming good will and the best intentions on the part of the Rhodesian regime the Rhodesians themselves hardly know what to expect. How can a group of self-anointed foreign observers do better? The possibilities for deception, misrepresentation, and simple mistake are rife in a situation where foreign observers of the kind contemplated in this resolution are totally dependent on Rhodesian officials for transportation, security, and the opportunity to watch elections in progress.

I am not suggesting that the kind of newspaper reporting we are likely to get is going to provide better information than the proposed group of observers. What I am suggesting is that it is foolish to inject ourselves as a government in this situation in an effort to obtain information that is bound to be questionable and of doubtful utility.

I believe we should continue to impose sanctions against Rhodesia until there is genuine progress toward majority rule. That is an international obligation that we undertook to put pressure on the Smith regime to initiate steps toward this end. But, when it comes to forthcoming elections, there is little the United States can or should do to affect the outcome. Sending observers may give us information of marginal value, but at a cost of direct involvement that is not worth it. We should leave the Rhodesians to settle their own problems.

Arguments have been made that sending an observer delegation gives an unjustified imprimatur to the Smith regime. It is also argued that security threats make the sending of a delegation imprudent. I am not persuaded by these arguments. If I thought sending observers would give us reliable information on which to base sound policy with respect to Rhodesia, I would have no hesitation about supporting the resolution. But the weight of the evidence is on the other side. I do not believe that the proposed observer mission would serve the interests of the United States and will, therefore, not support the resolution.●

● Mr. HATFIELD. Mr. President. Like everyone else in this chamber I am anxious to get on with the business of normalized relations with a free Zimbabwe. But I am not pursuaded that the Senate's approving monitors to supervise the April elections can possibly hasten a political solution when the elections are structured in such a way as to exclude the opposition movement leaders from the process. It is my view that the "internal settlement" approach to the election negates the rationale behind unilateral involvement by the United States or any other nation of the world.

How can one observe an election to determine its fairness when the process itself is inherently undemocratic?

If there is to be a political solution, and we pray that this would be so rather than continued hostilities with violence from both sides, then there must be a just and comprehensive process. A United Nation's supervised election framework is what all parties, including those who have been excluded from the Smith plan, have requested. According to the Rhodesian Information Office this even includes the Rhodesian Government Executive Council. But we must not give anyone in Rhodesia or the front-line nations any reason to believe that we as a nation want the Smith government to be bouyed for a long last-ditch stand. It appears abundantly clear that we must not take the side of either the Smith government or the opposition parties. Whether in reality or perception sending observors is taking a side. Our commitment to human rights and racial equality cannot be threatened at this time by such an ill-advised breach of U.N. procedure.●

● Mr. DOLE. Mr. President, last year the Congress passed the International Security Assistance Act which directed that sanctions against Zimbabwe Rhodesia be suspended upon a presidential determination that the present government there had made a good faith attempt to negotiate at an all-parties conference and that a freely elected government had been installed with the participation of all political and population groups. As you are aware, Mr. President, the interim government led by Mr. Ian Smith did agree to meet with all parties at a conference, however the Soviet-supplied, Marxist-dominated guerrilla groups known as the Patriotic Front declined to participate.

RHODESIA MEETS PRECONDITIONS

As a result the white minority government moved ahead on its own in its plans for a transition to black majority rule. In January a new constitutional blueprint was ratified for the establishment of a new democratic government—a government which for the first time would allow all population groups an opportunity to vote and hold office. This historic election will occur in less than 4 weeks, on April 20, 1979. It now appears extremely likely that the new ERA ushered in on that date will meet the preconditions we in this body required for the lifting of economic sanctions.

A great many critics of the Ian Smith regime—and I too have many serious reservations about the legality, the motivations and the actions of that government—quite a few critics have claimed that this new election will change nothing, and that the election itself is a sham. The Senator from Kansas is convinced however, that the white minority in Rhodesia has at last seen the futility of its racist, bigoted programs. This transition to a full-participation, majority rule government is a meaningful change, a real, first step of progress.

These critics claim that because the new constitution still reserves 28 percent of the seats in parliament for the white minority we must reject the entire process of change. Mr. President, there are many countries we recognize today in Africa that are not known for their attention to democratic freedom, due process, and human rights. This by no means exculpates Rhodesia. But there is a ferment of change in detectable amounts in Rhodesia and South Africa of which we must work to take advantage.

BLACK SUPPORT FOR ELECTIONS

The black moderates within Zimbabwe Rhodesia warmly embrace this compromise opportunity for a peaceful transition. They do not want to see the massive white flight that would come about if the Patriotic Front had its way. It would take decades to recover from the damage to the economy and technology such a flight would cause. Instead they hope to see the orderly transition of power that accompanied the change from colonial status in Kenya.

The administration, in the inflamed rhetoric of Andy Young, would deny any formula that does not include the Marxist terrorists. Why cannot we at least try to support a moderate, democratic and pro-western government on a continent that is often hostile to our national interests? Why should we insist that a violent, pro-Soviet guerrilla group—without sufficient internal support to grasp power by legitimate means—be included in any settlement? The administration tells us that it is not reasonable to support an agreement that leaves out such a large and troublesome group as the Patriotic Front—that no solution would be viable while opposing armies remain in contention.

This is the political reasoning of appeasement and capitulation. We did not follow that course in the Middle East when we achieved the historic treaty between Egypt and Israel—excluding the large and troublesome terrorist group called the Palestine Liberation Organization. The administration should have learned from that experience that it is not possible to compromise on every position, not when your opponent's stance calls for the complete rejection of your every right to existence.

The Soviet Union, the last imperialist country on Earth, is involved in a giant pincer movement on the West, closing in on vital, strategic areas in the Mideast and the Horn of Africa. Russia has many untapped natural resources, but they would like to get control over the oil in the Arabian States and the raw materials in Africa indispensable to the machinery of American defense. Western Europe, perceiving a pattern of American withdrawal and retreat throughout the world, will be forced into an accommodation with the U.S.S.R. if they see their vital sources of supply coming under the sway of pro-Soviet governments. The "Finlandization" of Europe would leave the United States in a vulnerable and dangerous position, standing virtually alone against an aggressive enemy.

We must encourage the moderate governments of Africa. We must give every opportunity for the new government in Zimbabwe-Rhodesia to succeed. Our embargos and sanctions serve only to drive the white minority into a circle of covered wagons. Our constructive involvement can improve the conditions for success or failure for this desperate last chance experiment.

I urge the lifting of sanctions concomitant with the scheduled elections. I also would hope that the United States would show a greater willingness to work for progress and democracy with those truly representative, legitimate parties who are pro-Western. The Egyptian-Israeli agreement gave us the lesson that we cannot remain aloof from those crises that threaten global strategic interests. We must commit ourselves to involvement.

Mr. President I would just like to add that utilizing white minority representation to enhance the smooth transition to a majority rule government has ample precedent among some of Rhodesia's strongest critics. In Tanzania, Kenya, and Zambia provision was made to avoid economic and technological disaster by allowing disproportionate minority participation in the postcolonial governments. I ask that this information sheet on such previous examples be printed in the RECORD.

The material follows:

MINORITY REPRESENTATION IN POSTCOLONIAL CONSTITUTIONS OF TANZANIA, KENYA, AND ZAMBIA

TANZANIA

The 1958 constitution

Legislative Council of 30 members—one African, one Asian and one European from each of ten constituencies.

Population:

African	8, 600, 000
Asian	70 000
European	20, 000

Nyerere's TANU contested the elections on this basis and won ten African seats, seven Asian seats and four European seats.

The 1960 constitution

Parliament of 71 members—50 open seats, eleven Asian and ten European. I.e. 30% of the seats were reserved for minority groups which together represented one per cent of the populaition.

KENYA

The 1960 constitution

Legislative Council of 65 members—45 open, 10 Europeans, 8 Asian and 2 Arab.

Population:

African	6, 000, 000
European	62, 000
Asian	161, 000
Others	40, 000

Thus 30% of the seats in the legislation went to minority groups totalling 4% of the population.

ZAMBIA

The 1962 constitution

A complex arrangement of dual voting rolls which in effect gave 15 seats to 84,000 Europeans and 15 seats to 3.5 million Africans.●

Mr. PERCY. Mr. President, when the resolution sponsored by Senators McGOVERN and HAYAKAWA was before the Foreign Relations Committee, I felt compelled to vote against it. Although I believe that the resolution is well intentioned, I have serious doubts about whether the plan could really be implemented as envisioned by the sponsors.

The resolution calls for impartial observers. My concern is that if a person is sufficiently knowledgeable about the internal government and the events leading up to these elections, it is hard to believe that such a person could also be truly impartial.

Moreover, it is my feeling that a team of 25 to 50 observers will not be able to cover the entire country adequately to obtain all the information they will need for their report. Under the best of circumstances, this is a difficult challenge. Our observers will be dependent on the Rhodesian Government not only for access to places and people, but for security, at a time when 90 percent of the country is under martial law. An international law professor who testified before the committee said that because of conditions in Rhodesia, he had "very real questions concerning the feasibility, indeed, the wisdom, of conducting the elections on April 20."

Finally, we really have no assurances that the composition of the team will actually meet the criteria set forth in the resolution. Beyond the two cochairmen, Congress has no control over the team membership. If the team chosen is perceived not to be impartial, or "balanced," or is not well qualified, we are taking a great risk in sending them.

Regrettably, it appears to me that the odds are against the observer team's being able to accomplish well what the sponsors would like them to do. And if they fall short of the challenge, either through their own shortcomings or because of the many difficulties they will encounter in Rhodesia, and they produce an insufficient or inaccurate report, this effort will have proven to be dangerously counterproductive.

The PRESIDING OFFICER. Is all time yielded back?

Mr. HAYAKAWA. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New York (Mr. MOYNIHAN), the Senator from Indiana, (Mr. BAYH), and the Senator from Washington (Mr. MAGNUSON), are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), would vote "nay."

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON), would vote "yea."

Mr. BAKER. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from New York, (Mr. JAVITS), the Senator from Oregon (Mr. PACKWOOD), and the Senator from Alaska (Mr. STEVENS) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) would vote "yea."

The PRESIDING OFFICER (Mr. LEAHY). Have all Senators in the Chamber voted?

The result was announced—yeas 66, nays 27, as follows:

[Rollcall Vote No. 31 Leg.]

YEAS—66

Armstrong
Baker
Bellmon
Bentsen
Biden
Burdick
Byrd,
  Harry F., Jr.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Danforth
DeConcini
Dole
Domenici
Durenberger
Exon
Ford
Garn
Gravel
Hart
Hatch
Hayakawa
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Long
Lugar
Matsunaga
McClure
McGovern
Melcher
Morgan
Muskie
Nelson
Nunn
Pell
Proxmire
Randolph
Roth
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Williams
Young

NAYS—27

Baucus
Boren
Boschwitz
Bradley
Bumpers
Byrd, Robert C.
Cranston
Culver
Durkin
Eagleton
Glenn
Hatfield
Heflin
Kennedy
Levin
Mathias
Metzenbaum
Percy
Pressler
Pryor
Ribicoff
Riegle
Sarbanes
Stevenson
Stewart
Tsongas
Zorinsky

NOT VOTING—7

Bayh
Goldwater
Javits
Magnuson
Moynihan
Packwood
Stevens

So, Senate Concurrent Resolution 31, as amended, was agreed to.

Mr. McGOVERN. Mr. President, I move to reconsider the vote by which the resolution was adopted.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

Mr. HAYAKAWA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Without objection, the preamble is amended and agreed to.

The preamble, as amended, is as follows:

Whereas the conflict in Rhodesia has reached a critical stage; and

Whereas the Rhodesian Government has announced its intention to hold an election on April 20, 1979, to install a new government; and

Whereas Congress has specified in the International Security Assistance Act of 1978 that the holding of a free election, as provided in section 27(2) of said Act, is one of two conditions to be fulfilled to the satisfaction of the President before economic sanctions against Rhodesia may be lifted; and

Whereas it is the intention of Congress to provide assistance in determining whether such election is free and fair; and

Whereas Congress intends that this assistance should in no way be regarded as implicit or explicit support by the United States Government of the provisions of the so-called internal settlement or of the Rhodesian Government; and

Whereas Congress supports ongoing diplomatic efforts to achieve a peaceful negotiated settlement in Rhodesia: Now, therefore, be it

The concurrent resolution, with its preamble, as amended, is as follows:

S. CON. RES. 8

Whereas the conflict in Rhodesia has reached a critical stage; and

Whereas the Rhodesian Government has announced its intention to hold an election on April 20, 1979, to install a new government; and

Whereas Congress has specified in the International Security Assistance Act of 1978 that the holding of a free election, as provided in section 27(2) of said Act, is one of two conditions to be fulfilled to the satisfaction of the President before economic sanctions against Rhodesia may be lifted; and

Whereas it is the intention of Congress to provide assistance in determining whether such election is free and fair; and

Whereas Congress intends that this assistance should in no way be regarded as implicit or explicit support by the United States Government of the provisions of the so-called internal settlement or of the Rhodesian Government; and

Whereas Congress supports ongoing diplomatic efforts to achieve a peaceful negotiated settlement in Rhodesia: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), SECTION 1. That the President pro tempore of the Senate and the Speaker of the House of Representatives, acting jointly and after consulting with the majority leaders and minority leaders of the Senate and the House of Representatives, shall appoint two individuals to serve as cochairpersons of a team of observers of the election in Rhodesia to be held on April 20, 1979. The cochairpersons shall select not less than twenty-five and not more than fifty other individuals to serve on the team of observers. All individuals appointed or selected to the team of observers shall be from private life or members of national private organizations or associations, and no individual who is serving as an officer or employee of the United States Government may be appointed or selected.

SEC. 2. (a) It shall be the duty and function of the team of observers to observe the election in Rhodesia to be held on April 20, 1979, and to report thereon to the Congress. Such report shall be submitted by the cochairpersons as soon as possible after such election has been held.

(b) The report submitted under this subsection shall include the views of the team of observers, or individual members thereof—

(1) as to whether all of the people of Rhodesia and all organized political groups were given a fair opportunity to participate fully in the election without regard to ethnic identity or political affiliation; and

(2) on the extent of public participation in the election, including the extent to which disruptions in the election process due to guerrilla activities may have affected public participation in the election and the extent to which eligible voters expressed opposition by voluntarily refraining from voting in the election.

SEC. 3. The cochairpersons and members of the team of observers shall serve without compensation but shall be reimbursed for transportation expenses and travel expenses when away from their homes in performance of their duties. The amount of travel expenses for which reimbursement may be made shall be the same as may be paid to an employee of the Senate serving on the staff of a committee, except that reimbursement may be made for actual and necessary travel expenses incurred while in Rhodesia and in traveling to and from Rhodesia.

SEC. 4. The expenses of the team of observers in carrying out this concurrent resolution, which shall not exceed $250,000, shall be paid from the contingent fund of the Senate upon vouchers signed by the cochairpersons and approved by the Committee on Rules and Administration of the Senate.

SEC. 5. Nothing contained in this resolution shall be deemed by implication or otherwise to indicate any determination as to the qualifications of the elections or the Government, under section 27(2) of the International Security Assistance Act of 1978.

ORDER OF BUSINESS

The PRESIDING OFFICER. May we have order in the Chamber? The Senator from West Virginia has the floor, but may we have order?

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, under the agreement reached earlier today, Mr. MORGAN and Mr. WEICKER were to be recognized at the conclusion of all other legislative business to call up their resolution on which a time agreement has been reached.

I would inquire of both distinguished Senators as to whether or not they expect a rollcall vote on this resolution.

Perhaps I should ask Mr. MORGAN to state to the Senate what the resolution does and then I would inquire as to whether or not anyone wants a rollcall vote.

The PRESIDING OFFICER. Will the Senator suspend for just a moment, so we could have order in the Chamber?

The Chair is having difficulty hearing and I suspect others are having that difficulty, too.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. I yield to the Senator.

REVIEW OF RULE XLII AND SENATE RESOLUTION 109

Mr. MORGAN. Mr. President, in 1977, the Senate adopted rule XLII, which is the ethics rule under which we operate. Last year we passed the law, ethics and conduct in government, the bill of 1978, which provides for ethics in the judiciary, executive, and legislative branches.

I had proposed that we conform our rule to the law that we passed last year as the House did. But this morning we decided we would refer that to the Ethics Committee, along with Senator WEICKER's proposed resolution which he introduced last week, with instructions that they make a study of the differences between them and report back to the Senate in 30 days. After consulting with Rules and Governmental Affairs, we have the agreement of the chairman of the Rules Committee and the chairman of Governmental Affairs, and, as far as I know, there is no controversy.

Mr. ROBERT C. BYRD. So the resolution provides only for a study and then a reporting back within 30 days?

Mr. MORGAN. Yes.

Mr. ROBERT C. BYRD. Does any Senator wish to have a rollcall vote on that resolution?

Mr. WEICKER addressed the Chair.

Mr. ROBERT C. BYRD. I yield to the Senator from Connecticut.

Mr. WEICKER. Mr. President, my response to the distinguished Senator from West Virginia is that I do not intend to ask for a rollcall vote unless we get into some sort of parliamentary hassle here as between committees, and then the answer is "yes," I will force the issue to a vote.

I imagine from the comments of the distinguished Senator from North Carolina that such is not the case, that all three committees have agreed to participate, and what it is is called for by his resolution.

If that is the case, I have no difficulty at all in having this matter passed by a voice vote. But I want that assurance, because I do not want to mislead my colleagues. If we get into some sort of parliamentary battle or turf battle as to jurisdiction, that is a horse of a different color.

Mr. ROBERT C. BYRD. Mr. President, I ask the distinguished Senator if he is agreeable to putting such a rollcall vote over until tomorrow, if it is asked for.

Mr. WEICKER. Yes, I do agree to that.

Mr. ROBERT C. BYRD. I thank all Senators.

Mr. President, I ask that the Senator be recognized now to call up his resolution.

Mr. McCLURE. Mr. President, will the Senator yield for a question?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLURE. The House has passed a resolution with regard to Taiwan, and the papers are being brought back here. Is it the intention of the leader to bring that conference report before the body today?

Mr. ROBERT C. BYRD. Mr. CHURCH, who is the chairman of the Committee on Foreign Relations, spoke to me earlier. He indicated a desire to bring it up tomorrow, and I told him that it is a privileged matter and that he could call it up about noon.

Mr. McCLURE. It would not be the majority leader's intention to bring it up today?

Mr. ROBERT C. BYRD. It would not be.

Mr. McCLURE. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I ask the distinguished Senator from Connecticut and the distinguished Senator from North Carolina if they would be agreeable to Mr. SASSER's calling up a resolution, with a time limitation of no more than 10 minutes thereon, to allow him to dispose of that before we get into their issue. There will be more talk on theirs. It is entirely up to them.

Mr. WEICKER. Mr. President, reserving the right to object, I think the Senator from North Carolina and I have given way to everybody else.

Mr. ROBERT C. BYRD. The Senators have been very patient.

Mr. WEICKER. We have tried to work it out. If this were a unanimous-consent request for a minute, it would be different, but 10 minutes is of some substance. I would like to move forward with what has been scheduled.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the pending resolution that is being called up by Mr. MORGAN, the distinguished Senator from Tennessee (Mr. SASSER) be recognized to call up his resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 117—REVIEW OF RULE XLII OF THE STANDING RULES AND SENATE RESOLUTION 109

Mr. MORGAN. Mr. President, I ask that my resolution be reported.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

A resolution (S. Res. 117) directing a review of Rule XLII of the Standing Rules of the Senate and S. Res. 109.

The Senate proceeded to consider the resolution.

Mr. MORGAN. Mr. President, I will take only about 5 minutes, but I think it is important that I state for the record—especially for staff members who are listening in their offices—what my resolution proposes to do and what we hope to do after the report.

It will be recalled, as I mentioned earlier, that in 1977, if my recollection is correct, we adopted new rule XLII for the Senate, which had to do with the ethics under which we now live in the Senate. It dealt with public disclosure and a number of other subjects.

Then, throughout 1977 and in 1978, the Governmental Affairs Committee worked on a bill called Ethics in Government Act of 1978. It finally was passed last year in the House and in the Senate, and it is the law of the land. It prescribes a code of ethics, a code of conduct, not only for Congress but for the judiciary, including the Supreme Court of the United States, and the executive branch as well. It is substantially the same as rule XLII, which we are trying to administer under my distinguished chairman, the Senator from Illinois, in the Ethics Committee. There are some differences, and I think these should be known to the Members of the Senate. I will mention them in a moment.

However, after the Ethics in Government Act of 1978 was passed last year, the House of Representatives, in January, changed its rules to coincide or to mesh with the new law. Similar action by the committee would make both Houses of Congress consistent. I think it would give greater clarity to the rules and greater certainty to the American people in their understanding of Congress.

In my opinion, there is no reason why Members of Congress should live under rules different from those under which members of the Supreme Court or Cabinet members live.

It would make a couple of changes. I believe that the Ethics in Government Act would produce a more balanced approach to financial disclosure. By setting higher cutoff levels for reporting, especially for staff members, there would be a reduction in the number of individuals who would be required to file.

In addition, the workload of the responsible committees would be decreased and the efficiency of oversight would increase. Right now, there are approximately 1,600 staff members in the Senate who are required to file. It is an unworkable figure and one that cannot be managed. The cutoff levels in the act would be higher, and we would not have as many, but we would have the top echelon, and therefore we could do a better job policing them.

The random audits within each term of a Senator would be eliminated. Under the present law, every Senator has to have his disclosure statement audited by the General Accounting Office at least once during the term. Under their random selection method, some Senators can be audited three times. Those who have been audited know what a burdensome process this is.

Disclosure would be required of travel expenses, something that is not now required under our rule. It is required under the law, but it is not required under our rule.

Reporting on certain private matters, such as home mortgages or furniture or cars would be eliminated, and liabilities over $10,000, rather than $2,500, would be disclosed.

In essence, Mr. President, the law would be clearer. One law would apply to all officials in Government.

What we propose to do, what this resolution provides, is to ask the Ethics Committee to make a comparison of rule XLII with the law, along with the resolution which previously has been offered by the distinguished Senator from Connecticut, and report back to the Senate within 30 days with recommendations. I think time is of the essence because the new financial disclosure must be filed by May 15. So I think it should be done quickly.

I am glad to yield some of my time to my distinguished chairman.

Mr. STEVENSON. Mr. President, I thank the Senator from North Carolina for yielding. I do have a question to ask him.

I commend him and the Senator from Connecticut for offering this resolution.

The appropriate committee of the Senate should consider conforming rule XLII with the Ethics In Government Act, and it should give consideration to Senate Resolution 109, which was submitted by the Senator from Connecticut.

This resolution would require the Ethics Committee to consider these matters and, as I understand it, if it concludes that rule changes would be appropriate, to report rule changes to the Senate.

The only committee with jurisdiction to do that is the Rules Committee; so my question to my colleagues is whether this resolution has been cleared with the Rules Committee. As I understand it, the resolution would mandate the Ethics Committee to report rule changes.

Mr. MORGAN. It has been cleared with the chairman of the Rules Committee and the chairman of the Government Affairs Committee. I personally cleared it with the chairman of the Government Affairs Committee, and the majority staff cleared it with the chairman of the Rules Committee. The majority leader, who is on the Rules Committee, has stated that he has no objection.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from North Carolina yield?

Mr. MORGAN. I yield.

Mr. ROBERT C. BYRD. I do not read the resolution as requiring the Ethics Committee to report legislation.

Mr. MORGAN. Just recommendations.

Mr. ROBERT C. BYRD. The distinguished Senator from Illinois is correct. Legislation could not be reported by the Ethics Committee. I think that is what he said, did he not?

Mr. STEVENSON. Mr. President, no. As I read this resolution it would require the Ethics Committee to report rule changes in order to conform Senate rules with law and rule changes are within the jurisdiction of the Rules Committee.

Mr. ROBERT C. BYRD. The way I read the resolution it would require only that the committee report on the results of its review together with its recommendations. It would not be reporting legislation. Am I correct, may I ask the distinguished Senator from North Carolina?

Mr. MORGAN. Mr. President, that was our intention. It really was our intention to give the Senate the benefit of the committee's study and thoughts on the two matters.

Mr. STEVENSON. Then, if I understand the Senators, it would not be incumbent on the Ethics Committee to report rule changes. It would simply make a report and with the benefit of that report the appropriate committees, including the Rules Committee of the Senate, could recommend rule changes to the Senate. And as I understand it, also, it does not require the Ethics Committee to report any specific action with respect to rule XLII or Senate Resolution 109.

Mr. MORGAN. That is my understanding.

Mr. STEVENSON. With that, Mr. President, I have no objections to this resolution. Indeed, I will support it and do my best to see to it that the Ethics Committee considers this mandate promptly and within the time limit specified by the resolution.

I thank my colleague for his assurances.

Mr. WEICKER. Mr. President, while the distinguished Senator from Illinois is on the floor, I ask a question not in the sense in any way, I might add, of embarrassing him but trying to make the point in the sense of what follows. If I am not mistaken, if I recall the final moments of debate on the ethics code, indeed after debate was over and the vote was taken, did not the late distinguished Senator from Minnesota, Senator Humphrey, ask that a summary or a synopsis of what it was that had been passed be put together by the Ethics Committee and distributed to various Senators?

Mr. STEVENSON. I think the Senator is correct, and the Ethics Committee is going way beyond the suggestion of the late Senator from Minnesota. As the Senator from Connecticut, I am sure, realizes all Senators have already been furnished with the first of two large looseleaf notebooks which will contain not only a summary, but all of the rulings of the committee annotated and not only the code but the other provisions of law and of the rules which this committee has to enforce.

I regret that we have not been able to get all of this done sooner, but it has been a moving target. The rules have changed; laws have been enacted. We have had to also prepare to file first the elaborate disclosure forms for last year and then new provisions came into effect and we had to prepare additional financial disclosure forms for this year which have been circulated. And as of today I think the total number of interpretive rulings issued by this committee is in excess of 700. So the committee has been busy, and I do hope that we will be able to comply fully with the late Senator's request and go beyond that soon. But this experience just underscores what an extremely elaborate and difficult code it is we have adopted for ourselves in its enforcement.

Mr. WEICKER. I asked the question,

Mr. President, not in any way to reflect negatively on the diligence of the committee which, Lord knows, has been diligent but to underline, rather, the impossibility of what it was that was created out here on the floor in a heated quest for instant ethics.

Here it is a task that what was a simple request, I might add, becomes a little bit ludicrous when one understands that the request was made for the synopsis or the summary after we had voted. And even that what seemingly is a simple request, and indeed it is not in light of what it is that was passed, 2 years later has not been able to fully accomplished—and not due in any way to the members of the committee or the staff of the committee. They have been diligent, but it is the impossibility of the task due to the impossibility of the legislation. The problem was not the honorarium situation as we addressed it here this afternoon. Sure, that grabs the headlines and that is something that is easily editorialized, easily understood, easily demagoged, but what is at issue here is an ethics code which is enforceable, and the present code and the present law is not and therefore, is worse than nothing at all.

Mr. President, this resolution includes an evaluation of Senate Resolution 109. This is a comprehensive substitute, for the Senate ethics code. It tries to deliver what is expected of us in the sense of a code or a code of conduct that is enforcible. It is easily understood, but the essence of all of this is very simply this: What is proper or improper is something to be determined by the constituencies of the respective Senators on this floor and is not something to be framed in the terms of the opinions of the seven members of the Ethics Committee.

This comprehensive ethics reform responds to the frustrating and debilitating experience of the Senate in the last 2 years under the present Code of Official Conduct. This complex, arbitrary and incomprehensible system has yielded neither higher ethical standards nor public respect for this institution. The proposals I have submitted in Senate Resolution 109 will make ethics a credible, meaningful, and understandable exercise for both the membership of this body and the people we represent.

I care not a whit for the public relations of ethics. The public relations has nothing to do with what is supposed supposed to be passed on this floor. What I care about is a code that can be understood and that can be enforced and that will further the credibility of this institution.

Senate Resolution 109 has two broad purposes: First, to rebuild the Official Code of Conduct to establish full financial disclosure as the foundation of Senate ethics; and second, to restructure the administrative and investigative functions of the ethics jurisdiction in the Senate.

Two years ago this Senate found it necessary to demonstrate its rectitude to a skeptical public. It did so under the Damoclean sword of an unpopular pay raise, recommended not by Congress but by a Presidential commission. The Official Code of Conduct under which we now live was the product of haste and expediency. The time has come, Mr. President, to take a look at what we passed on April Fools Day 1977 and understand that the cruel joke was on us and on those we serve.

Senate Resolution 110 was intended to provide a comprehensive system to monitor ethical behavior of Senators and staff. What we got was partial disclosure and restrictions on otherwise legal activities. A so-called Code of Ethics was patched together on and off this floor during 10 days of debate. In approving Senate Resolution 110, Senators agreed that our ethical obligation has been satisfied and that the public relations of this body had been well served. The price we have paid for that quick fix of respectability has been enormous. In this Senator's opinion we have blackened our eyes to save face. It is time we got down to the real issues of ethics and left the cosmetics to lesser men and women than ourselves.

Full financial disclosure must be recognized as the force and essence of ethics regulation in the Senate. We must fashion a Code of Ethics which provides the media, the voters and political opponents with every significant fact which bears on the conscientious performance of official duties of an incumbent or candidate. Compelling each member, candidate and key staff member to reveal to public scrutiny a complete history of financial dealings is the most credible and legitimate role we can play.

Now, there are those who, for one reason or another, continue to try to impose either in the form of law or an amendment or proposition words which substitute for the judgment of either men in this body or the constituency as a whole, and I suggest to my colleagues that the system works as long as it is in possession of all facts. There is no better ethics committee than the people of this country when given all material facts.

No individual judgment of either the Senator from North Carolina (Mr. MORGAN) or the Senator from Connecticut, sitting on an Ethics Committee, can substitute for the judgments of their constituencies, given all the facts.

The present code rests on two dangerous presumptions that: First, we are an inherently dishonest and corruptible lot, and second, that the Senate must step in where the electorate has failed to enforce proper conduct. We cannot legislate respect for this body, Mr. President. We must earn it. We cannot do so by stepping on the franchise of the American voter. We will not do so through a system of partial disclosure which leaves the public more confused than enlightened. We cannot do so by telling the Nation through our Code of Ethics that 100 grown Senators need a nanny of an ethics panel to keep us in line.

Mr. President, the opportunity to serve in the U.S. Senate gives this Senator great pride. To participate in one of the noblest government institutions in history is both a high honor and a solemn responsibility. But I am ashamed, Mr. President, of this Senate when we engage in an exercise of the rank of this so-called Code of Official Conduct. In it we barter the substance of congressional ethics for its appearance. In it we trade our accountability as representatives for a flimsy guise of regulated propriety. In it we degrade ourselves, our constitutional system, and our constituents.

For the last 2 years, the Senate Select Committee on Ethics has labored to bend reality into the shapes dictated by Senate Resolution 110. Almost 200 interpretative rulings have been handed down by the select committee to explain to Senators what it was they passed, and in some important issues, the select committee has been unable to provide any meaningful guidelines.

As a former member of that committee I can personally attest to the fact that its deliberations resemble something out of Dante's Inferno. Such weighty issues as: may two Senate employees who wed accept a gift of shrimp for their reception from a State official? And what meaning can be put into meaningless terms and restrictions on conflict of interest, divestiture and gifts. If further evidence of the failure of this particular experiment in congressional ethics is needed, note the stampede of members to get off the select committees in the House and Senate.

Mr. President, we need an ethics code worthy of this great body and the responsible, intelligent, decent citizens who sent us here. Therefore, I have introduced ethics reform legislation which is designed to streamline and strengthen the Senate ethics system. I invite my colleagues to examine carefully the specific provisions of this legislative package. I welcome comment and criticism, and would be pleased to discuss modifications to improve these proposals. But what is most important is that the Senate, after 2 years of experience with Senate Resolution 110, reconsider what it is we really mean by ethics in government.

In summary, Senate Resolution 109 the Official Conduct Amendments of 1979 would substitute a new rule XLII which requires full disclosure of assets, liabilities, gifts, and honoraria received, and positions held by persons covered by the rule, as well as disclosure of tax returns—except for itemized medical deductions or charitable contributions. Because full disclosure should be the essence of ethics in the Senate, rule XLIII, restrictions on gifts and foreign travel and rule XLIV, restrictions on outside earned income and honoraria are repealed—however, existing statutory restrictions, on foreign travel and honoraria, for example, are not affected. Rule XLV—conflict of interest—is amended to permit outside business or professional activity which is not inconsistent or in conflict with performance of official duties. Rule XLVI—unofficial office accounts—is amended to include the language of Senate Resolution 25 which was reported earlier this year by the Select Committee on Ethics. Rules

XLVII through L are retained without amendment.

The resolution further restructures the ethics jurisdiction of the Senate by separating the administrative and investigative functions of ethics regulation. The Select Committee on Ethics will have the sole responsibility of investigating complaints of improper misconduct which have been referred to it by the Committee on Rules, which will have the responsibility of administering the disclosure and other provisions of the code. However, since the rules to be administered have been simplified in number and complexity, and since the number of persons covered by the disclosure and other rules has been reduced by more than half, the administrative burden on the Rules Committee will be substantially less than that of the Ethics Committee.

The third part of the ethics reform package, contained in S. 694 legislation amending the Ethics in Government Act of 1978, would provide that the requirements for disclosure under title I of that act as to Senators and certain Senate employees, would be satisfied by filing under rule XLII of the Standing Rules of the Senate. Thus, the requirement for two different filings for certain persons covered by the act and the rules would be eliminated without lessening and in fact through strengthening of the disclosure requirement.

Our recent experience on this floor with Senate Resolution 93 indicates both the need for responsible ethics reform and broad Senate support for it. On March 8, 1979, the Senate approved a 4-year postponement of rule 44, limitation on outside income. The logic of this specific resolution, which I supported, applies generally to the initiative I have offered: that financial disclosure is the best enforcer of ethics and that restrictions of otherwise legal activities create more problems than they solve.

Mr. President, I am hopeful that the Senate will afford these proposals serious consideration. I realize ethics is a controversial subject that many in this Chamber would rather not bring up ever again. However, I strongly believe that we owe it to our constituents and to ourselves to assure that the Senate understands what ethics is all about, and what makes it work. Public integrity is not assured by arbitrary restraints on personal activity—it is achieved when a fully informed public is in a position to render judgment on its elected representatives. Full disclosure is the foun- participatory democracy. It is time now dation of ethical responsibility in our for the Senate to live up to this simple yet supremely effective principle of ethics regulation.

Mr. President, I hope that the Senate Ethics Committee, in consultation with the Rules Committee and the Governmental Affairs Committee, will see to it that meaningful evaluation is brought forth to the Senate floor 30 days hence, and that at that time the leadership will so schedule the matter that whatever is in place come July 1 will be effective.

I am tired, and I might add, not naive in the sense of not being associated with politics, too, of at times hearing that "the Senator from Connecticut is, well, you know, he is naive, he is idealistic."

Oh, no. Six years in the statehouse in Hartford, 4 years elected mayor of a town, 2 years in the House, 9 years in the Senate, and I have seen government in all of its aspects.

Those who say that the rule of the game is corruption, ineptness, self-aggrandizement do not know what they are talking about. The rule among 98 percent is a dedication, an integrity, unparalleled in any other profession in this country.

If it is not so I also have a great belief in the present election process and in the intelligence of the American voters. I would far rather that that intelligence and that evaluation be exercised by them than be exercised by a small group of individuals, be they Senators or be they staff, and who hold in their hands the fate of any Member of this body or any member of the staff supporting this body. Commonsense is all I want. Commonsense in the way of ethics legislation, and then the judgment of the American people.

There is no argument to me that only 34 percent of the American people choose to exercise that judgment on election day. It is their responsibility both to see to the substance of what it is in the nature of our national priorities, it is their responsibility to see what it is that will be the ethics of those they send to serve. That is the system, and that is a system that will work, and one which I hope we will adopt.

I yield at this time unless there are others who care to speak—I yield the remainder of my time.

Mr. MORGAN. Mr. President, I yield back all the time that I have unless someone else desires the time.

The PRESIDING OFFICER. Does the Senator from Connecticut yield back his time?

Mr. WEICKER. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 117) was agreed to as follows:

Resolved, that the select committee on Ethics shall review the desirability of repealing in part or modifying Rule XLII of the Standing Rules of the Senate, and review the provisions of S. Res. 109, and, after consultation with the Committee on Governmental Affairs and the Committee on Rules and Administration, shall report on the results of its review, together with its recommendations, to the Senate within thirty (30) days after the day on which this resolution is agreed to.

Mr. WEICKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MORGAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RETIREMENT OF JOEL W. SOLOMON AS ADMINISTRATOR OF THE GENERAL SERVICES ADMINISTRATION

Mr. SASSER. Mr. President, I send a resolution to the desk and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 118) noting the retirement of Joel W. Solomon, and expressing gratitude for his contributions as a public servant.

The PRESIDING OFFICER. Without objection, the further reading of the resolution will be dispensed with and the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the resolution (S. Res. 118) which was submitted by Mr. SASSER, for himself, Mr. RIBICOFF, Mr. BAKER, Mr. METZENBAUM, Mr. EAGLETON, Mr. PELL, Mr. MOYNIHAN, Mr. CHILES, Mr. ZORINSKY, Mr. PRYOR, Mr. ROBERT C. BYRD, JR., Mr. RANDOLPH, Mr. BOREN, Mr. DURKIN, Mr. LEVIN, Mr. BENTSEN, Mr. MATSUNAGA, Mr. SARBANES, Mr. STEVENS, Mr. NUNN and Mr. PERCY.

Mr. SASSER. Mr. President, this resolution has been cleared with the majority and minority leaders.

It is with great pleasure that I offer this resolution to honor Joel W. Solomon.

Jay Solomon has served as Administrator of the General Services Administration for 2 years. He will leave office on Saturday to return to private life. While there has been discussion about the circumstances of Jay's departure from the GSA, there has been vast and bipartisan praise for the accomplishments of his administratorship.

The GSA employs over 37,000 men and women. It is the Government's landlord, its purchasing agent, its travel agent, its archivist, and much more. Jay has performed well in each of these areas. But, Jay will be and has already been noted for other reasons.

Jay Solomon brought considerable talents to his Government position. Talents which have brought him abundant personal rewards are talents he shared with the country. What has proven to be most important about his service to the GSA is not only his keen business and management abilities—but even more, his very clear sense of what is right and what is wrong.

He saw waste. He saw fraud and he saw corruption. And, he knew there was only one course to take: The very difficult course of correcting these wrongs. He could have turned his head or closed his eyes. But, he did not. He did not temporize. He did not blink when he faced the crisis at GSA. He spoke up. He told the American people what he saw. And, he acted. He did what had to be done. He attacked the problem. And, he produced results.

The saga of Jay Solomon in Washington reminds me of the words of Edmund Burke, who said:

> All that is necessary for the triumph of evil is that good men do nothing.

Jay Solomon is a good man. He is an honest man. He is capable of outrage and he is capable of action. He acted. His outrage at what he found at GSA was matched by the effectiveness of his actions.

Jay Solomon was not able to eliminate all of the GSA's problems in his 2 years as Administrator but, he started the process. He exposed a great deal of wrongdoing, and some of those who violated the public trust have been published.

Most important he gave the people of the United States renewed confidence—confidence that those who violate their obligations as servants of the public will not go unchallenged.

He demonstrated that the Government can operate in the light of day. He had no fear of dealing with the problems of his agency in the open and with no equivocation or dissembling.

President Kennedy once observed:

> For those to whom much is given, much is required. And when the high court of history sits in judgment, recording whether in our brief span of service we fulfilled our responsibilities to the state, our success or failure, in whatever office, will be judged by the answers to four questions: First, were we truly men of courage. Second, were we truly men of judgment. Third, were we truly men of integrity. Finally, were we truly men of dedication.

Mr. President, by these basic criteria, I believe that Jay Solomon will be judged well. He will be remembered in Washington as a good man who had the courage to act. I am honored to present this resolution to the Senate.

Mr. President, I yield to the distinguished minority leader.

Mr. BAKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, it is my privilege to be a cosponsor, with my distinguished colleague (Mr. SASSER), of the resolution now pending before the Senate. It was may privilege as well to speak earlier, in the course of the time allocated to the leadership under the standing order this morning, on the subject of Mr. Solomon's retirement. I will not, therefore, speak redundantly on this subject, except to say that not only do I admire Jay Solomon for his work, his dedication, and his devotion to service, but for his diligence as well.

I wish to him and to his wife and their family rewarding and satisfying continuation of their distinguished careers in Tennessee, and I join with Senator SASSER in the hope that the Senate will promptly adopt this resolution.

Mr. EAGLETON. Mr. President, I am pleased to join our colleague, the Senator from Tennessee, in sponsoring a resolution to recognize the achievements of Jay Solomon, the outgoing Administrator of the General Services Administration.

Mr. Solomon's most newsworthy achievement at GSA has, of course, been his spearheading of the investigation of corruption and scandals within the agency. However, Jay Solomon has not spent all of his time ferreting out evildoers. He also has found time to be a progressive and creative administrator. Projects in my own State of Missouri bear witness to this.

In St. Louis, we faced a problem with our old Post Office building. Several years ago, this building was deserted, decaying and slated for destruction. It's loss would have been a historical tragedy, as it is one of only two remaining buildings designed by the noted 19th century architect, Alfred Mullett.

Today, the Old Post Office is undergoing rehabilitation. In accordance with the administration's policy of using Federal facilities as levers and magnets for core city redevelopment, GSA under Jay Solomon worked with local preservationists to save the building. It now is to be the first Federal building rehabilitated under the Federal Buildings Cooperative Use Act. When completed, this historically significant structure will live again, providing needed Federal office space and downtown shopping, as well. The Old Post Office project is a significant Federal contribution to the continuing revitalization of downtown St. Louis.

In Kansas City, we faced a not totally dissimilar project with the Kansas City Union Station. All local efforts to save that beautiful and historic structure had failed when GSA, working in conjunction with my office and with Kansas City Mayor Charles Wheeler, got into the act. Under our plan, which now is under final review at GSA, the Federal Government will take over the building and much of the surrounding land for use as offices and a museum. A new Internal Revenue Service center building will be erected on adjacent land, and an area of the central city which we once thought doomed to blight will be rejuvenated. The Union Station project, which we hope soon will be a reality, was a complex and difficult project to arrange. We will owe its success in large measure to the encouragement, cooperation and strong support of Jay Solomon at GSA.

These are just two of the many examples I could cite from around the country, examples of the way Jay Solomon has directed GSA as a positive force for the improvement of life in our urban areas. It is the kind of aggressive and creative management we should encourage in the Federal Government. Along with the citizens of Missouri, I am grateful to Jay Solomon for his efforts in this regard, and I am pleased to be able to join in paying him a tribute.

Mr. METZENBAUM. Mr. President, I commend the Senator from Tennessee for the action he is taking today to recognize the outstanding service that Jay Solomon has given to this Nation as administrator of the GSA. I deeply regret Mr. Solomon's departure and I want him to know that there are very many people in this country who are grateful for what he tried to do against overwhelming odds to restore integrity to a deservedly discredited agency.

Two years ago, Jay Solomon took on a job that would have made a lesser man throw up his hands in frustration and dismay.

Two years ago, Jay Solomon stepped into an agency that was riddled from top to bottom with every kind of abuse and corruption.

And in those 2 years, he launched a cleanup process that cannot and will not be reversed.

I am sorry that Jay Solomon will not be able to finish what he started.

I am sorry to see a man of his quality leave this administration.

And I am especially sorry that the circumstances of his departure are such that they will inevitably give pause to other men of courage, competence, and integrity who may in the future be called upon to enter the service of our Government.

Mr. President, Jay Solomon is one of the finest public servants that it has ever been my pleasure to know.

Jay Solomon is the kind of man that this Government cannot afford to lose.

And as he returns to private life, I want to offer to him and to his lovely and talented wife, Rosalind, my warmest good wishes and my deep appreciation for a job well and faithfully done.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 118) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

Whereas Joel W. Solomon has provided outstanding and exemplary government service for two years as Administrator of the General Services Administration;

Whereas he left a successful and lucrative business career to serve his country;

Whereas he has worked to rid the General Services Administration of widespread fraud, corruption, and mismanagement;

Whereas he has renewed public confidence in the reality of an open, efficient, and honest government;

Whereas, through his commitment to historic preservation and the promotion of the arts, he has added a human perspective to public administration; and

Whereas his leadership has been an inspiration to those who believe that one man in government can make a difference: Now, therefore, be it

Resolved, That, at this time of his retirement from his position as Administrator of the General Services Administration, the Senate of the United States honors Joel W. Solomon and expresses gratitude for his tireless and selfless contributions to the Nation.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business of not to exceed 15 minutes, and Senators be permitted to speak for 5 minutes each therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 2:47 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3091. An act to extend for one year the provisions of law relating to the business expenses of State legislators.

ENROLLED BILL SIGNED

At 3:35 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled bill:

H.R. 2439. An act to rescind certain budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96-46), transmitted pursuant to the Impoundment Control Act of 1974.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

At 4:49 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2676. An act to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1980, and for other purposes; and

H.R. 2729. An act to authorize appropriations for activities of the National Science Foundation, and for other purposes.

At 5:28 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to H.R. 2479, an act to help maintain peace, security, and stability in the Western Pacific and to promote continued extensive, close, and friendly relations between the people of the United States and the people on Taiwan.

HOUSE BILLS REFERRED

The following bills were read twice by title and referred as indicated:

H.R. 2676. An act to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1980, and for other purposes; to the Committee on Environment and Public Works; and

H.R. 2729. An act to authorize appropriations for activities of the National Science Foundation, and for other purposes; to the Committee on Labor and Human Resources.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-966. A communication from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to amend sections 3031(d) and 8031(d) of title 10, United States Code, to limit their application to general officers assigned or detailed to study in the executive part of the Department of the Army and the Deparment of the Air Force, and for other purposes; to the Committee on Armed Services.

EC-967. A secret communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the weaknesses in the Navy's surface combatant ships which make them vulnerable to the "cheap kill"; to the Committee on Armed Services.

EC-968. A communication from the Acting General Counsel, Department of Housing and Urban Development, transmitting a draft of proposed legislation to extend the Crime Insurance and Riot Reinsurance Programs under title XII of the National Housing Act, the National Flood Insurance Program under the National Flood Insurance Act of 1968, to authorize appropriations for studies under the National Flood Insurance Act of 1968 for the fiscal years 1980 and 1981, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EC-969. A communication from the Director, Office of Hearings and Appeals, Department of Energy, transmitting, pursuant to law, a report on private grievances and redress; to the Committee on Energy and Natural Resources.

EC-970. A communication from the Chairman, United States Nuclear Regulatory Commission, transmiting proposed changes to the NRC civil penalty authority; to the Committee on Environment and Public Works.

EC-971. A communication from the Assistant Legal Adviser for Treaty Affairs, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC-972. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, the 56th annual report of the Board of Actuaries of the Civil Service Retirement System for the fiscal year ended June 30, 1976; to the Committee on Governmental Affairs.

EC-973. A communication from the Executive Officer, Freedom of Information Officer, United States Environmental Protection Agency, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-974. A comunication from the Executive Director for the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations for the Strengthening Developing Institutions Program—Title III of the Higher Education Act of 1965, as amended; to the Committee on Labor and Human Resources.

EC-975. A communication from the Administration, Veterans Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to extend the delimiting date for veterans under certain circumstances; to limit the time for filing claims for educational benefits based upon disability; to modify the standards of progress requirements; to modify the 50 percent employment requirements; to eliminate the requirements for counting BEOG's and SEOG's in the 85-15 enrollment ratio; to modify payment of educational benefits to incarcerated veterans; to permit certain foreign training; to pay benefits for certain continuing eduction programs; to strengthen statutory provisions on measurement of courses and on overpayment of educational benefits; to repeal the authority for pursuit of flight and correspondence training; to repeal the authority for pursuit of certain PREP training; and for other purposes; to the Committee on Veterans Affairs.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-126. A resolution adopted by the Legislature of the State of Hawaii; to the Committee on Banking, Housing, and Urban Affairs:

"H.R. No. 414

"Whereas, Section 304(a) Housing and Urban Development Act of 1968, Public Law 90-448, approved August 1, 1968, Stat. 476,507 added section 240 which for the first time provided for FHA insurance of loans by financial institutions for the purpose of financing purchases by howeowners of the fee simple title to property on which their homes are located in the State of Hawaii with a maximum insured loan amount of $10,000; and

"Whereas, because of the prevailing high cost of land in Hawaii the $10,000 maximum loan amount as established in 1968 for section 240 FHA insured loans has been found to be inadequate and, in consequence, section 240 FHA insured loans have not been made in Hawaii; and

"Whereas, Congress, with the subsequent approval of the President, enacted the Housing and Community Development Amendments of 1978, which, among its provisions, provided for an increase from $10,000 to $30,000 as the maximum loan amount for section 240 FHA insured loans in the State of Hawaii; and

"Whereas, in 1967, the State of Hawaii enacted a program that made it possible for Hawaii residents to convert the title of their residential properties from leasehold to fee simple, generally referred to as the "Land Reform Program", which has become especially active after being dormant for several years; and

"Whereas, enactment of this program by the Legislature was deemed necessary to the State, since there now exists in Hawaii a concentration of land ownership disproportionate to the number of homeowners, which has an adverse effect on the availability at reasonable cost of fee simple residential land, and which may contribute to an artificial inflation of residential land values; and

"Whereas, the State of Hawaii currently administers and is implementing a program that directly and very significantly can benefit from the insured loan limit increase for FHA section 240 as enacted by the Congress and approved by the President; and

"Whereas, since the Hawaii Housing Authority is designated to implement and administer the leasehold conversion program and now has close to 4,000 individual conversion cases in process with a possible ultimate total in excess of 25,000, it is apparent that the FHA section 240 insured loan program can and will be essential to assure the availability of the susbtantial funding from financial institutions required to implement these conversions; and

"Whereas, the originating lenders in Hawaii of the necessary loans to leaseholders to accomplish the conversions will, because of the size and scope of the program, require substantial investment funding from outside of the State of Hawaii through the mechanism of a "secondary" market; and

"Whereas, the FHA insured loan section 240 revised loan maximum to $30,000 will make this possible and feasible; and

"Whereas, because the early adoption by HUD of regulations to implement this FHA section 240 insured loan program is necessary to permit originating lenders to accept applications, and for the HUD Hawaii Area Office to process such applications for eligible loans to be FHA insured, it is essential that such regulations be promulgated at the earliest possible date; and

"Whereas, following the promulgation of the regulations, originating lenders will be able to accept and process FHA section 240 loans and for FHA to provide insurance of such loans it will be possible for the Federal National Mortgage Association to establish its procedures for the purchase of such insured loans thereby establishing the necessary "secondary" market for and the marketability of such insured loans; now, therefore,

"Be it resolved by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that this body extends to our distinguished Senators Daniel K. Inouye and Spark M. Matsunaga, our distinguished Congressmen Daniel K. Akaka and Cecil Heftel, and to the Congress of the United States special recognition and appreciation for the actions taken in enacting the modification of HUD/FHA section 240 increasing the insured loan limit to $30,000; and

"Be it further resolved that this body extends to the Hawaii Area Office of HUD/FHA, its director Alvin Pang, and his staff, and to the Washington Central Office of HUD/FHA, in particular to Secretary Patricia M. Harris of HUD, special recognition and appreciation for their cooperation and special effort in working with the Congress in modifying FHA section 240 to provide for an increase in the maximum insured mortgage amount to $30,000; and

"Be it further resolved that, on behalf of the thousands of leasehold homeowners in Hawaii, this body urgently requests the Honorable Patricia M. Harris of HUD to use her good offices to expedite with all prudent haste the adoption of the essential regulations implementing FHA section 240 at the earliest possible date; and

"Be it further resolved that certified copies of this Resolution be transmitted to the members of Hawaii's congressional delegation, the Speaker of the United States House of Repreesntatives, the President of the United States Senate, Secretary Patricia M. Harris, and Mr. Alvin Pang."

POM–127. A concurrent resolution adopted by the Legislature of the State of North Dakota; to the Committee on Commerce, Science, and Transportation:

"HOUSE CONCURRENT RESOLUTION No. 3031

"Whereas, Congress has enacted the Regional Rail Reorganization Act of 1973 and the Railroad Revitalization and Regulatory Reform Act of 1976; and

"Whereas, the Regional Rail Reorganization Act of 1973 completely failed to address the rail service problems of the great plains states; and

"Whereas, the Railroad Revitalization and Regulatory Reform Act of 1976 has failed to adequately deal with the problem of railroad line abandonment, especially in those places where rail service is vital to the delivery of fuel for energy generation;

"Now, therefore, be it resolved by the House of Representatives of the State of North Dakota, the Senate concurring therein:

"That the Forty-sixth Legislative Assembly urges the President of the United States and the United States Congress to provide appropriate assistance to those railroads serving as a vital link between agricultural areas in the great plains states and the urban marketplaces; and

"Be it further resolved, that the Forty-sixth Legislative Assembly urges the President of the United States and the United States Congress to provide assistance to railroads to preclude further abandonment of branch rail lines, especially in those areas where such rail service is vital to the delivering of fuel for energy generation: and
ing of fuel for energy generation: and
members, to change the date on which
State to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, the Interstate Commerce Commission, the North Dakota Public Service Commission, and each member of the North Dakota Congressional Delegation."

POM–128. A concurrent resolution adopted by the Legislature of the State of North Dakota; to the Committee on Commerce, Science, and Transportation:

"SENATE CONCURRENT RESOLUTION No. 4010

"Whereas, the Metric Conversion Act of 1975 makes it the policy of the United States to coordinate and plan the increasing use of the metric system in the United States; and

"Whereas, the Act established a United States Metric Board to coordinate the voluntary conversion to the metric system, but gives the board no compulsory powers to enforce conversion to the metric system; and

"Whereas, Congress has given the Metric Board the power to recommend legislation or executive action needed to implement the programs of conversion; and

"Whereas, opposition has grown throughout the United States to the implementation of the metric system because it is believed the metric system is not needed;

"Now, therefore, be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

"That the Forty-sixth Legislative Assembly urges the United States Congress not to pass any legislation mandating conversion to the metric system in the United States; and

"Be it further resolved, that copies of this resolution be forwarded by the Secretary of State to the President of the United States; the President of the United States Senate; the Speaker of the United States House of Representatives; the Chairman of the Senate Commerce, Science, and Transportation Committee; the Chairman of the House Science and Technology Committee; and each member of the North Dakota Congressional Delegation."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

Mr. WARNER. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the nomination of Gen. John Joseph Hennessey, USA, (age 57). to be placed on the retired list in the grade of general, three permanent appointments in the Army Medical Department (two to major general and one to brigadier general (list begins with Maj. Gen. Kenneth Ray Dirks); in the Army Reserve, Col. Albert Bryant for appointment as a Reserve commissioned officer of the Army in the grade of brigadier general; for the Air Force, Lt. Gen. Bennie Luke Davis to be general, Maj. Gens. Andrew Philip Iosue and Billy Martin Minter to be lieutenant generals and Maj. Gen. Richard Bodycombe, USAFR, for appointment as Chief, Air Force Reserve. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. In addition, Mr. President, there are 95 appointments in the Army to the grade of colonel and below (list begins with George B. Hamilton), 501 for appointment to the grade of major and below (list begins with Le Ester Alexander), 279 for promotion in the Reserve of the Army and the National Guard in the grade of colonel and lieutenant colonel (list begins with Brent A. Clay) and Howard T. Prince II named to be permanent professor at the U.S. Miltary Academy; in the Navy and Naval Reserve, there are 477 permanent promotions to the grade of captain (list begins with Thomas Curtis Adams), 39 for permanent appointment in the grade of commander and below (list begins with Jerry S. Davidson), and 525 ensigns in the Navy for promotion to grade of lieutenant (junior grade) (list begins with Joseph E. Adamonis); and, for the Air Force and Air Force Reserve, there are 53 for appointment/promotion to the grade of colonel and below (list begins with Robert J. Bailey) and 18 Air National Guard officers for promotion in the Reserve Air Force to the grade of lieutenant colonel (ilst begins with Maj. Allen W. Boone). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD on March 5. March 7, and March 15, 1979, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KENNEDY:

S. 811. A bill to amend the act establishing the Select Commission on Immigration and Refugee Policy to correct an error regarding compensation of the members, to change the date on which the final report shall be due, to provide for adequate funding, and for other purposes; to the Committee on the Judiciary.

By Mr. HATFIELD (by request):

S. 812. A bill to designate certain areas as wilderness areas, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S. 813. A bill to designate certain lands in the Shasta National Forest, Calif., as the Mt. Shasta Wilderness; to the Committee on Energy and Natural Resources.

By Mr. HEINZ:

S. 814. A bill to reduce the compensation of Members of Congress to the rate paid on February 28, 1977, and for other purposes; to the Committee on Governmental Affairs.

By Mr. JAVITS:

S. 815. A bill to exempt programs of the Federal National Mortgage Association from State usury laws, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HAYAKAWA (for himself and Mr. Young):

S. 816. A bill to amend the Social Security Act to provide that any alien receiving benefits under certain needs related provisions of such Act shall be considered to be a public charge, to provide for attribution of a sponsor's income and resources to an alien, and to provide a three year residency requirement for aliens who receive certain benefits; to the Committee on Finance.

By Mr. JACKSON (for himself, Mr. Morgan, and Mr. Goldwater) (by request):

S. 817. A bill to amend the act of July 2, 1940, to increase the amount authorized to be appropriated for the Canal Zone Biological Area; to the Committee on Rules and Administration.

By Mr. JEPSEN (for himself, Mr. Baker, Mr. Cochran, Mr. Danforth, Mr. Dole, Mr. Durenberger, Mr. Exon, Mr. Helms, Mrs. Kassebaum, Mr. Lugar, Mr. Pressler, Mr. Boschwitz, Mr. Hayakawa, and Mr. Young):

S. 818. A bill to prohibit the Secretary of Agriculture and the Secretary of Health, Education, and Welfare from banning the use of nitrites in meat without sufficient proof of any carcinogenic effect nitrites may be represented to have, or until the development of a satisfactory alternative to protect the public health from botulism; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Labor and Human Resources, jointly, by unanimous consent.

By Mr. PRESSLER:

S. 819. A bill to amend the Clean Air Act to promote the use of alcohol as a motor fuel and as an additive to motor vehicle fuels, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. STENNIS:

S. 820. A bill for the relief of Lt. Col. Henry F. McGraw, U.S. Army, retired; to the Committee on Armed Services.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KENNEDY:

S. 811. A bill to amend the act establishing the Select Commission on Immigration and Refugee Policy to correct an error regarding compensation of the members, to change the date on which the final report shall be due, to provide for adequate funding, and for other purposes; to the Committee on the Judiciary.

SELECT COMMISSION ON IMMIGRATION AND REFUGEE POLICY

● Mr. KENNEDY. Mr. President, as Senators know, the Congress acted last year to establish a Select Commission on Immigration and Refugee Policy, to undertake the important and difficult task of reviewing our Nation's immigration laws. The Commission is charged with the responsibility of recommending to Congress in 2 years proposals to totally overhaul and recodify the Immigration and Nationality Act of 1952, as amended.

I will be serving as one of four Senate Judiciary Committee members of this Commission, and I will strongly support its work. It has just been formed with the appointment last week of four public members by the President, with former Governor Reuben Askew of Florida serving as chairman.

In support of this Commission's important work, and to correct some small errors and minor deficiencies in the original authorizing legislation, I am introducing the following bill at the request of Governor Askew and the administration.

Briefly, the bill does the following: it changes the daily rate of compensation for the public members of the Commission; it extends the life of the Commission since it has been delayed by 6 months in starting; it specifies that detailees from Federal agencies may be detailed without reimbursement by the Commission; it specifically authorizes the Commission to procure the services of experts and consultants; and it increases the amount of funds authorized and eliminates section 4(j) which has as an effect the specific prohibition against the reimbursement of start-up expenses.

Mr. President, I strongly recommend the enactment of the amendments included in this proposal. I believe that their enactment will significantly improve the ability of the Commission to conduct a thorough review of our immigration and nationality laws and to develop the information required for sound policy development.

I ask that the text of the bill and a section-by-section analysis be printed in the Record.

There being no objection, the bill and analysis were ordered to be printed in the Record, as follows:

S. 811

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 4 of Public Law 95-412 is amended—

(a) by striking out "receive the sum of $100" in subsection (b)(2) and inserting in lieu thereof "be compensated at a rate not to exceed the daily equivalent of the rate specified from time to time for grade GS-18 in the General Schedule as prescribed in section 5332 of title 5, United States Code".

(b) by striking out "September 30, 1980" in subsection (d)(7) and inserting in lieu thereof "March 1, 1981".

(c) by adding after the words in subsection (e)(1) "detailed to the Commission" the following: "without reimbursement,".

(d) by striking out "$700,000" in subsection (i) and inserting in lieu thereof "$2,450,000".

(e) by striking out section (j) in its entirety, and inserting in lieu thereof: "The Commission is authorized to procure temporary and intermittent services of experts and consultants as are necessary to the extent authorized by section 3109 of title 5, United States Code, but at rates not to exceed the daily equivalent of the rate specified from time to time for grade GS-18 in the General Schedule as prescribed in section 5332 of such title."

Analysis of Select Commission on Immigration and Refugee Policy Amending Legislation

Section 1(a) of the bill changes the rate of compensation for the public members of the Commission to the prevailing rate.

Section 1(b) extends the life of the Commission from September 30, 1980 to March 1, 1981.

Section 1(c) permits Federal employees detailed to the Commission to serve without reimbursement by the Commission.

Section 1(d) increases the authorization for the Commission to enable it to accomplish the tasks mandated more effectively.

Section 1(e) removes the provision which has as an effect the specific prohibition against the reimbursement of start-up expenses, and authorizes the Commission to procure the services of experts and consultants.●

By Mr. HATFIELD (by request):

S. 812. A bill to designate certain areas as wilderness areas, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. HATFIELD. Mr. President, I am today introducing legislation, on behalf of the Governor of Oregon, dealing with one of the most significant natural resource questions that Congress will face this session. The current roadless area review and evaluation (RARE II), a comprehensive wilderness study now being conducted by the Forest Service, will help determine the use of some 62 million acres of roadless areas on our national forest lands. After the administration makes its final recommendations, Congress will have the responsibility to review them and formally designate wilderness acreage on appropriate lands.

In Oregon, some 3 million acres have been studied for their wilderness potential. Because of the obvious significance of this decisionmaking process to our State, I believe it appropriate to accommodate Governor Atiyeh's request that I introduce his own proposal for use of these lands. I anticipate that various proposals will be offered such a legislative vehicle, in order that all points of view may be considered on a matter of this importance.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 812

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in accordance with section 3(b) of the Wilderness Act, as amended (16 U.S.C. 1131, 1132), the areas referred to in subsection (b), as generally depicted on maps which are on file and available for public inspection in the office of the Chief, Forest Service, Department of Agriculture, are hereby designated as wilderness.

(b) The following areas are hereby designated as wilderness areas in accordance with subsection (a) of this section:

(1) A6103—Mt. Washington, 6,443 acres.
(2) A6111—Odell, 8,300 acres.
(3) A6192—Sisters, 27,200 acres.
(4) 6225—Gearhart Mountain, 4,114 acres.
(5) A6238—Strawberry Mountain, approximately 13,000 acres.

(c) As soon as practicable following the date of the enactment of this Act, the Secretary of Agriculture shall file a map and a legal description of each such wilderness area referred to in subsection (b) of this section with the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives, and such map and description shall have the same force and effect as if included in this Act, except that correction of clerical and typographical errors in such maps and descriptions may be made.

(d) Such wilderness areas established by this Act shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness areas, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

SEC. 2. (a) Notwithstanding any other provision of law, in the case of all other lands, located within the State of Oregon, which have been studied as a part of the Secretary of Agriculture's Roadless Area Review and Evaluation Program (RARE II) and which are not designated as wilderness by the first section of this Act, shall, on and after the date of the enactment of this Act, be available for resource utilization other than wilderness under the existing Forest Service land management plans applicable to the national forest within which such lands are located, or under such plans as amended or hereafter modified, and such lands shall not be the subject of further studies by any department or agency of the United States for possible inclusion in the National Wilderness Preservation System.●

By Mr. CRANSTON (for himself and Mr. HAYAKAWA):

S. 813. A bill to designate certain lands in the Shasta National Forest, Calif., as the Mount Shasta Wilderness; to the Committee on Energy and Natural Resources.

MOUNT SHASTA WILDERNESS

● Mr. CRANSTON. Mr. President, on behalf of Senator HAYAKAWA and myself I am introducing for appropriate reference a bill to establish the Mount Shasta wilderness area in California. I'm pleased to report that Congressman HAROLD JOHNSON is introducing the identical bill in the House today.

Mount Shasta is renowned as one of the most beautiful mountains in California. Rising more than 14,000 feet in elevation and snowcapped the year round, Mount Shasta is a dominant, awe-inspiring feature that can be seen from many spots in northern California and southern Oregon. It is the largest volcano in the 48 States. And the 10 glaciers that lie on Shasta's upper slopes are the largest in California. Unlike most of the world's glaciers, they have grown in recent decades. Because of the high altitude, several uncommon wildflower species occur. But Shasta's most distinctive and spectacular plant is the Shasta red fir which is found in extensive stands. This setting has been extremely popular for hiking and mountain climbing, camping, and cross-country and downhill skiing. Certainly, Mount Shasta, largely undeveloped, deserves a place in our national wilderness preservation system.

Mr. President, the bill I am introducing today calls for the designation of 25,980 acres in the Shasta National Forest as the Mount Shasta wilderness. The boundaries under this bill are very close to the preferred alternative of the Forest Service in its RARE II recommendations. However, 620 acres have been deleted to exclude Giddy Giddy Gulch encompassing parts of sections 19, 20, and 30.

In 1978 an avalanche destroyed five towers of the existing ski lift on Mt. Shasta. Since that time, there has been no replacement of facilities for downhill skiing on the mountain, in large part because the permittee has wanted to relocate to lands included in RARE II. Some others have proposed expansion of the existing ski runs into the Grey Butte area.

I personally would like to see downhill ski opportunities provided on the mountain once again. Moreover, I want to expedite the Forest Service decision on where the skiing should be. But the Forest Service needs to know what the final wilderness boundaries will be and which lands are available for ski consideration before a decision on the best location can be made. Thus, it is extremely important that Congress move forward with wilderness legislation for Mt. Shasta at an early date.

I want to make it clear that I am not endorsing any specific ski proposal for Mt. Shasta at this time. It is my hope that the various concerned local groups can reach some agreement on the best site. Mediation efforts are currently underway under the auspicies of the California Office of Planning and Research. I certainly do not wish to preclude the consideration of any potential ski site by placing the area in wilderness. For that reason, I have chosen to exclude from this wilderness bill Sand Flat and Giddy Giddy Gulch which has potential for expert ski runs. It is also my understanding that the upper reaches of Giddy Giddy Gulch may need to be managed for avalanche control if there is to be skiing on the lower slopes.

Should the local community and the Forest Service decide to provide skiing elsewhere on Mt. Shasta, I would favor amending the wilderness boundaries and adding these areas to the wilderness. They are roadless, and presently qualify for inclusion in the national wilderness system.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 813

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in furtherance of the purpose of the Wilderness Act of September 3, 1964 (78 Stat. 890, 892; 16 U.S.C. 1132), certain lands in the Shasta National Forest, California, comprising about 25,980 acres, as depicted on a map entitled "Mt. Shasta Wilderness", dated February 1979, are hereby designated as the Mt. Shasta Wilderness.

SEC. 2. An soon as practicable after this Act takes effect, the Secretary of Agriculture shall file a map of the wilderness area and a legal description of its boundaries with the Energy and Natural Resources Committee of the United States Senate and the Interior and Insular Affairs Committee of the House of Representatives, and such map and description shall have the same force and effect as if included in the Act: *Provided, however,* That correction of clerical and typographical errors in such legal description and map may be made. The map and description of the boundaries of such lands shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Department of Agriculture.

SEC. 3. The wilderness designated by this Act shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness.●

By Mr. HEINZ:

S. 814. A bill to reduce the compensation of Members of Congress to the rate paid on February 28, 1977, and for other purposes; to the Committee on Governmental Affairs.

● Mr. HEINZ. Mr. President, in 1977, Congress passed a large pay increase for itself, a move I opposed. I took that position because I felt it was not proper for Congress to vote itself a nearly 30 percent pay increase during a time when it was asking the American people to make sacrifices in the war against inflation. How can we expect our anti-inflation policies to have any effect if this Nation's leaders ignore the very program they themselves established?

In an effort to make that pay raise politically acceptable, Congress also set a tight limit on the amount of outside earned income a Senator or Congressman can receive. I opposed that provision because I felt the American people should be the ones to decide if their elected officials are engaging in outside activities which detract from their performance of the job they were elected to do. We have rules guarding against conflicts of interest. We have laws requiring full disclosure of every lawmaker's outside activities. I believe they provide the protection and the information every citizen might need to determine if their Senator or Congressman is devoting too much time to outside activities.

Today I have voted against the Hart resolution which would have restored the tight limits on outside earned income. I did so because I still believe that the voters in each State should make the decision concerning how much outside income it is proper for their Senators to earn.

However, I am still distressed that Congress has not lived up to the political bargain it made in 1977 to get its pay raise. The $12,800 pay raise was "justified" by the outside earnings limitation, it was said at the time. I opposed both provisions for the reasons I have outlined, but since the Senate has chosen to change the rules under which the pay raise was "justified," I believe it is only fair that the Senate should also roll back the pay raise itself. Accordingly, I am introducing legislation that will return our salaries to the level that existed before the pay raise.●

By Mr. JAVITS:

S. 815. A bill to exempt programs of the Federal National Mortgage Association from State usury laws, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

FANNIE MAE PREEMPTION

● Mr. JAVITS. Mr. President, I am introducing today the Home Financing Leveraging Act of 1979, a bill to exempt programs of the Federal National Mortgage Association "Fannie Mae" from State usury laws. Congresswoman Ferraro has introduced similar legislation in the House.

This legislation would make possible the utilization of Fannie Mae's urban loan participation program in all urban areas. Presently, Puerto Rico and 16 States—Arizona, Arkansas, California, Georgia, Idaho, Illinois, Louisiana, New Mexico, New York, North Dakota, Oklahoma, Pennsylvania, South Dakota, Tennessee, Texas, and West Virginia—have State usury laws that are lower than the prevailing interest rate at Fannie Mae auctions, thus effectively precluding lenders in their urban areas from participating in the program.

Fannie Mae began the urban loan participation program in late 1978 with $200 million and expanded it by another $500 million in February of this year. Under this program, a lender with at least $250,000 in mortgages in an urban area may pool these mortgages and sell 60 to 90 percent of the pool to Fannie Mae. FNMA then sells these mortgages to private investors at biweekly auctions, at rates that now are exceeding 11 percent, FNMA returns the sale proceeds to the lender, and the lender is required to relend the money for urban homes or businesses.

By its urban loan participation program, Fannie Mae is providing a market for loans, thus giving urban lenders additional lending capacity. And, by purchasing only 60 to 90 percent of a pool, Fannie Mae assists in keeping lenders concerned with the viability of the urban areas where the mortgaged property is located.

With interest rates at high levels, lenders in many States are effectively precluded from participation in the Fannie Mae program. New York, for example, has a State usury law that for State-chartered institutions is now at 9½ percent and for federally chartered institutions at one point over the Federal discount rate, thus 10½ percent now. With participation loans selling for over 11 percent, New York institutions are not likely to participate.

Preemption of State usury laws is not an unfamiliar issue to the Congress. In 1975 the Senate adopted an amendment I introduced to exempt activities under the Emergency Home Purchase Act of 1974 from State usury laws. It was enacted as a part of Public Law 94–50.

Mr. President, I have often advocated additional Federal moneys for the distressed urban areas of our Nation. Today I urge Federal action that will not involve Federal money but will permit private money to work for the betterment of our urban areas. Enactment of the Home Finance Leveraging Act of 1979 will remove the roadblock that prevents lenders in many States from leveraging their lending funds.

Prompt action is necessary so that the lenders in these 16 States, with about half of the total U.S. population may participate in this program. The Housing Subcommittee of the House Banking Committee is holding hearings on Congresswoman Ferraro's bill today. I urge my colleagues of the Committee on Banking, Housing, and Urban Affairs to move equally rapidly and give this bill their careful consideration.●

By Mr. HAYAKAWA (for himself and Mr. Young):

S. 816. A bill to amend the Social Security Act to provide that any alien receiving benefits under certain needs related provisions of such act shall be considered to be a public charge, to provide for attribution of a sponsor's income and resources to an alien, and to provide a 3-year residency requirement for aliens who receive certain benefits; to the Committee on Finance.

● Mr. HAYAKAWA. Mr. President, today I am introducing a bill to amend the Social Security Act as it relates to newly arrived legal aliens applying for and receiving public assistance. I ask that it be referred to the appropriate committee.

Unless your State is particularly affected you may be unaware of the extensive abuse of the intent of our welfare programs by newly arrived legal aliens. Did you know that in the five States of New Jersey, Florida, Illinois, New York, and California approximately 37,511 newly arrived legal aliens receive $72 million in supplemental security income benefits in 1 year—$31.6 million were paid in California alone. A recent Government Accounting Office report shows that 63 percent applied for and received SSI benefits within 1 year of their arrival in the United States.

The Immigration and Nationality Act says that an alien likely to require public assistance will be denied admission to the United States. It also states that if an alien becomes a "public charge" within 5 years of entry he is subject to deportation. However, 30 days after he arrives in the United States he can sign up for financial assistance and free medical care under the supplemental security income program originally enacted to help our aged and disabled.

I am appalled by the horror stories describing the flagrant abuse of these weak laws. Guy Wright, a noted columnist for the San Francisco Examiner, has been urging Congress for years to change these laws. Mr. Wright tried to tell us that while Congress was overlooking the loophole in the SSI law, sick and elderly aliens were arriving in this country and within 30 days receiving SSI benefits. One example he used in a column on the subject involved a 14-year-old mentally retarded boy and his parents. Provisions in the immigration laws prevent entry to mentally retarded, with few exceptions, and those are with personal guarantees that the alien will not become a public burden. To paraphrase Mr. Wright:

The parents and two other children came here from the Philippines and received permanent resident status. Under the law, the retarded boy was denied entry. However, once the family was settled here they filed an "application for waiver on the grounds of excludability" on behalf of their son. A San Francisco doctor signed an affidavit that said, "I agree to supply any treatment or observation necessary" and declared "satisfactory financial arrangements have been made."

According to Mr. Wright, in spite of the solemn pledges made and signed the boy was soon enrolled in a mental retardation program. He is now signed up for a lifetime of mental therapy at taxpayer expense, plus his parents can draw SSI payments for caring for him. Also, when the boy turns 18 he will be eligible for a lifetime SSI pension.

To further illustrate, I will relate an example of failure to honor an affidvit of support for a newly arrived alien which is taken from the most recent GAO report on "Aliens Who Receive SSI."

> A 76-year-old alien entered the U.S. in March, 1977 and applied and became eligible for SSI benefits in April. Before she immigrated, her daughter and son-in-law had signed an affidavit of support promising she would not become a public charge. They cited a combined annual income of about $17,100 and a net worth of about $62,000 as evidence of their ability to provide support. The alien indicatd on her SSI application that the daughter did not provide any assistance.

The courts have pointed out the inconsistencies in the laws by ruling that an alien is not subject to deportation for applying for public assistance because the term "public charge" is not defined in the Social Security Act. They have also said that a lack of residency requirement prevents an SSI recipient from becoming a "public charge."

I believe the bill I am introducing today will correct those inconsistencies. This bill sets specific requirements an alien must meet to apply for and receive SSI benefits, medicaid or Aid to Families With Dependent Children. It will amend the Social Security Act to require a 3-year residency requirement before an alien may apply for public assistance under either SSI, Aid to Families With Dependent Children or medicaid. Those aliens who become blind or disabled after arriving in this country will be exempt from the provisions of this bill and will be evaluated individually. My bill provides for attribution of the sponsor's income and resources in determining an alien's need for assistance and specifies a 3-year residency period. Finally, the bill will amend the Social Security Act to include "definition of public charge," which I feel is the most important aspect of this legislation.

I realize this becomes a tight and in some ways unbending law. Legal aliens will, under this law, be subject to deportation if they become a "public charge" by applying for and receiving public assistance. I firmly believe that the emphasis should and will be put on screening and evaluating the applications of incoming aliens. I hope that the courts will interpret this legislation in such a way as to make the affidavit of support binding on the sponsor. I think this legislation should accomplish that goal.

Your support and cosponsorship of this legislation is welcomed.●

By Mr. JACKSON (for himself, Mr. Morgan, and Mr. Goldwater) (by request):

S. 817. A bill to amend the Act of July 2, 1940, to increase the amount authorized to be appropriated for the Canal

Zone Biological Area; to the Committee on Rules and Administration.

● Mr. JACKSON. Mr. President, on behalf of Senator Goldwater, Senator Morgan, and myself, I introduce a bill on behalf of and at the request of the Regents of the Smithsonian Institution. Senators Goldwater, Morgan and I serve as the Senate Members of the Board of Regents. The legislation we are introducing today has been approved by the Board of Regents to meet the needs of the Institution in relation to its responsibilities for Barro Colorado Island in the Panama Canal Zone.

By the Act of July 2, 1940 (54 Stat. 724) the Congress set aside Barro Colorado Island in order to preserve and conserve its national features for research purposes, and authorized the appropriation of $10,000 for necessary administrative and maintenance expenses related to the island. Subsequently, Public Law 89–280 approved October 20, 1965, increased the authorization to $350,000.

At its meeting on January 22, 1979, the Board of Regents requested its congressional members to introduce and support legislation raising the ceiling on appropriations from $350,000 to $750,000. Although current obligations are within the present statutory limit, the pressure of increasing costs and the need for improvements to the Canal Zone Biological Area maintained by the Smithsonian on the island indicate that the limit will be reached in the near future.

On March 17, 1977—also at the request of the Board of Regents—Senator Pell, who was then a regent, Senator Goldwater and I introduced S. 1031 raising the ceiling to $600,000. That bill was amended in the Rules Committee to increase the authorization level to $750,000, and passed the Senate in May 1977. However, the other body did not complete action on the measure.

The bill introduced today would raise the authorization ceiling to $750,000—the figure recommended by both the Smithsonian and the Senate Rules Committee—and approved by the Senate in the last Congress.●

By Mr. PRESSLER:

S. 819. A bill to amend the Clean Air Act to promote the use of alcohol as a motor fuel and as an additive to motor vehicle fuels, and for other purposes; to the Committee on Energy and Naturaal Resources.

CLEAN AIR ACT AMENDMENTS OF 1979

● Mr. PRESSLER. Mr. President, several Members of the House of Representatives—led by the Honorable Dan Glickman of Kansas—have recently introduced legislation relating to the expanded use of alcohol as a fuel by using some of our country's surplus agricultural products.

I am today introducing this same legislation on the Senate side of the Capitol that that a dialogue can begin and we can work toward eventual enactment of this important legislation.

In addition, Senator Frank Church of Idaho had a bill pending before the last session of the 95th Congress—S. 2533—which was known as the Gasohol Motor Fuel Act of 1978.

I have taken that proposal—along along with Congressman Glickman's Alcohol Fuels-Environmental Coordination Act and the Alcohol Production Incentive Act—pending on the House side as H.R. 2647 and H.R. 2648, and had the Senate Legislative Counsel's office update the Gasohol Motor Fuel Act and am introducing them together in a package for the appropriate Senate committees to consider.

As a member of the Senate Environment and Public Works Committee, we will be studying the Alcohol Fuels-Environmental Coordination Act of 1979—part of the bill I am introducing today—the measure will amend the Clean Air Act to direct the Environmental Protection Agency to require those retail gasoline marketers which are currently required to sell unleaded fuel to sell blends including at least 10 percent alcohol rather than unleadeed, as supplies of alcohol-gasoline blends become adequately available as determined by the EPA Administrator and the Secretary of Energy jointly.

It is clear that alcohol fuels are the only liquid fuels that can be used in existing vehicles other than gasoline. In testimony before the Energy Development and Applications Subcommittee of the House Committee on Science and Technology, Acting Assistant Secretary for Energy Technology John Deutch commented that, in the event of an embargo, he would "absolutely" favor the mandated sale of alcohol-gasoline blends at service stations. The EPA has already certified that stations may comply with the requirement that they sell unleaded gasoline by selling alcohol-gasoline blends instead. And the most problematic immediate motor fuel shortfalls are expected to be in supplies of unleaded gasoline. There needs to be an assured retail market before we can expect to see significant private sector investment in the needed alcohol production. The modified mandate provided for in this section would not be burdensome since unleaded pumps could simply be converted to handle the blends.

In addition, the bill will amend the Clean Air Act to provide the Administrator of the Environmental Protection Agency authority to permit emissions in excess of specific standards for individual pollutants which might result from use of blends of alcohol and unleaded gasoline, provided that the Administrator certifies that the use of motor fuels approved under this section will have an overall positive impact on air quality.

Mr. President, in recent EPA testing, alcohol-gasoline blends have resulted in significant reductions in most types of emissions, including hydrocarbons and carbon monoxide; however, specific standards for evaporative emissions have been surpassed in some tests. The EPA Administrator has granted a temporary waiver allowing alcohol fuels marketing to continue, but a long-term answer to this potential roadblock is needed. The fact that so many owners of cars having catalytic converters have been using leaded fuel and thereby creating a more serious pollution problem than existed before passage of the Clean Air Act makes it even more important that we facilitate use of alcohol blend fuels which will eliminate the problems with "pinging" and poor performance that have caused many of those drivers to "take things into their own hands." This proposed language will give the EPA the authority and flexibility it needs to achieve its goal of cleaner air.

The measure also will direct the Department of Energy and the Environmental Protection Agency to cooperate in effort to facilitate expanded production and distribution of alcohol for fuel use.

Mr. President, there has been inadequate coordination between various Federal agencies on questions relating to the use of alcohol to supplement our fuel supplies. This language will put the Congress on record in directing the cooperation among agencies essential to facilitate alcohol fuels use in the near term..

I ask unanimous consent that the bill be printed in the Record.

These being no objection, the bill was ordered to be printed in the Record, as follows:

S. 819

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Clean Air Act Amendments of 1979".

FINDINGS

Sec. 2. The Congress finds that—

(1) the United States is currently importing large quantities of crude oil;

(2) a substantial portion of this crude oil is needed for the production of gasoline sold in interstate commerce; and

(3) renewable resources in the United States can provide a sufficient source of alcohol suitable for blending with gasoline to decrease the need for imported oil.

TITLE I—CLEAN AIR ACT AMENDMENTS

RETAIL SALES OF UNLEADED GASOLINE

Sec. 101. (a) Section 211 of the Clean Air Act (42 U.S.C. 7545) is amended by adding the following new subsection at the end thereof:

"(h)(1) Any regulation promulgated by the Administrator under this section which requires any person to offer unleaded gasoline for sale at any gasoline retail outlet shall be amended by the Administrator to require such person to offer for sale at such outlet a blend of unleaded gasoline and alcohol which contains not less than 10 percent alcohol in lieu of the present requirement that unleaded gasoline be offered for sale. The requirement contained in the preceding sentence shall apply to a person only if the Administrator and the Secretary of Energy jointly determine that supplies of such a blend are reasonably available to such person. The requirement contained in this subsection may be waived by the Administrator with respect to any filling station for any period specified by the Administrator if the Administrator determines that—

"(A) compliance with the requirements of this subsection would result in severe economic hardship; or

"(B) additional time is required to prepare existing storage tanks at such station for alcohol gasoline blends.

"(2) For purposes of this subsection, the terms 'unleaded gasoline' and 'retail outlet' shall have the meanings provided under regulations promulgated by the Administrator.".

(b) The amendment made by subsection (a) shall take effect 90 days after the date of the enactment of this Act.

EFFECT ON AIR QUALITY OF CERTAIN PROHIBITIONS

SEC. 102. (a) Section 211(c)(2)(C) of the Clean Air Act is amended by adding the following at the end thereof: "No prohibition may be imposed by the Administrator under paragraph (1)(A) with respect to the use of alcohol as a fuel or fuel additive unless the Administrator determines that the imposition of such prohibition will, taken as whole, result in better air quality than would be the case if no such prohibition were imposed.".

(b) The amendment made by subsection (a) shall take effect 90 days after the date of the enactment of this Act and shall apply with respect to prohibitions in effect under regulations under section 211(c)(1) of the Clean Air Act which were promulgated before, on, or after the date of the enactment of this Act.

COOPERATIVE EFFORTS

SEC. 103. The Secretary of Energy, the Administrator of the Environmental Protection Agency and the Secretary of Agriculture shall take such cooperative actions as may be appropriate to facilitate the expanded production and distribution of alcohol for use as a motor vehicle fuel and fuel additive.

TITLE II—GASOHOL MOTOR FUEL

DEFINITIONS

SEC. 201. As used in this title, the term—

(1) "alcohol" means methanol, ethanol, or any other alcohol which is produced from renewable resources and which is suitable for use by itself or in combination with other fuels as a motor fuel;

(2) "alcohol blended fuel" means any fuel consisting of a mixture of gasoline and alcohol motor fuel;

(3) "alcohol motor fuel" means alcohol produced for use as a motor fuel;

(4) "commerce" means any trade, traffic, transportation, exchange, or other commerce—

(A) between any State and any place outside of such State; or

(B) which affects any trade, traffic, transportation, exchange, or other commerce described in subparagraph (A).

(5) "motor fuel" means any substance suitable as a fuel for self-propelled vehicles designed primarily for use on public streets, roads, and highways;

(6) "refiner" means any person engaged in the refining of crude oil to produce motor fuel, including any affiliate of such person, or any importer of gasoline for use as a motor fuel;

(7) "Secretary" means the Secretary of Energy;

(8) "United States" means each State of the several States and the District of Columbia;

(9) "ultimate purchaser" means, with respect to any item, the first person who purchases that item for purposes other than resale;

(10) "renewable resource" means any substance which is a source of energy, and which is available in an inexhaustible supply in the foreseeable future.

PROGRAM

SEC. 202. The Secretary shall establish pursuant to this title a program to promote the use of alcohol-blended fuels in the United States. The purpose of the program shall be to replace gasoline used as a motor fuel with an alcohol-blended fuel containing the maximum percentage of alcohol motor fuel as is economically and technically feasible for use as a motor fuel.

STUDY

SEC. 203. (a) The Secretary, in consultation with the Secretary of Transportation, the Secretary of Agriculture, the Secretary of Commerce, and other appropriate agencies, shall conduct a study to determine—

(1) the most suitable raw materials, other than petroleum or natural gas, for the production of alcohol motor fuel; and

(2) the nature of the alcohol motor fuel distribution systems and the various production processes, using feedstock other than petroleum and natural gas;

that will be necessary for the rapid development of an alcohol motor fuel industry. Such study shall identify ways to encourage the development of a reliable alcohol motor fuel industry and shall identify the technical, economic, and institutional barriers to such development, and shall include an estimation of the production capacity of alcohol motor fuel needed to implement the provisions of this title.

(b) The Secretary shall report to the Congress not later than 6 months after the date of enactment of this title on the results of the study described in subsection (a), together with such legislative recommendations as may be appropriate to further the purposes of this title.

PRODUCTION GOALS

SEC. 204. The Secretary, by rule, within 6 months after the completion of the study in section 203, shall establish production goals for the production of alcohol motor fuel in the United States in each of the calendar years 1982 through 1991. In setting such goals, the Secretary shall take into account the availability of reliable sources of alcohol produced from renewable resources. The production goal for alcohol motor fuel for calendar year 1982 shall be not less than 1 percent by volume of the projected consumption of gasoline used as a motor fuel in the United States for that year. The production goal for alcohol motor fuel for calendar year 1986 shall be not less than 5 percent by volume of the projected consumption of gasoline used as a motor fuel in the United States for that year. The production goal for alcohol motor fuel for calendar year 1991 shall be not less than 10 percent by volume of the projected consumption of gasoline used as a motor fuel in the United States for that year.

ALCOHOL-BLENDED FUEL REQUIREMENTS

SEC. 205. (a) The total quantity of gasoline sold annually in commerce in the United States by any refiner for use as a motor fuel shall contain, on the average, not less than the percentage alcohol motor fuel by volume set forth for the calendar years shown in the following table:

Calendar year:	*Percentage alcohol motor fuel by volume:*
1982	1 percent.
1983	Determined by the Secretary under subsection (b) of this section.
1984	Determined by the Secretary under subsection (b) of this section.
1985	Determined by the Secretary under subsection (b) of this section.
1986	5 percent.
1987	Determined by the Secretary under subsection (b) of this section.
1988	Determined by the Secretary under subsection (b) of this section.
1989	Determined by the Secretary under subsection (b) of this section.
1990	Determined by the Secretary under subsection (b) of this section.
1991	10 percent.

(b) Not later than July 1, 1981, the Secretary shall prescribe, by rule, the percentage alcohol motor fuel by volume required to be contained, on the average, in the total quantity of gasoline sold annually in commerce in the United States in calendar years 1983 through 1985 and 1987 through 1990 by any refiner for use as a motor fuel. Such percentage shall apply to each refiner, and shall be set for each such calendar year at a level which the Secretary determines (A) is technically and economically feasible, and (B) will result in steady progress toward meeting the percentage alcohol motor fuel by volume required pursuant to this section for calendar year 1991.

(c) Each refiner shall report annually to the Secretary the percentage alcohol motor fuel by volume contained on the average in the total quantity of gasoline for use as a motor fuel that refiner sold during the preceding calendar year.

ENFORCEMENT BY THE SECRETARY

SEC. 206. (a) Any person who violates any requirement of section 205(a) is subject to a civil penalty of not more than $1 per gallon for each gallon of fuel sold that is not in compliance with section 205(a). Such penalties shall be assessed by the Secretary.

(b)(1) Before issuing an order assessing a civil penalty against any person under ths section, the Secretary shall provide to such person notice of the proposed penalty. Such notice shall inform such person of the opportunity to elect within 30 days after the date of such notice to have the procedures of paragraph (3) (in lieu of those of paragraph (2)) apply with respect to such assessment.

(2)(A) Unless an election is made within 30 calendar days after receipt of notice under paragraph (1) to have paragraph (3) apply with respect to such penalty, the Secretary shall assess the penalty, or order, after a determination of violation has been made on the record after an opportunity for an agency hearing pursuant to section 554 of title 5, United States Code, before a hearing examiner appointed under section 3105 of such title. Such assessment order shall include the hearing examiner's findings and the basis for such assessment.

(B) Any person against whom a penalty is assessed under this paragraph may, within 60 calendar days after the date of the order of the Secretary assessing such penalty, institute an action in the United States court of appeals for the appropriate judicial circuit for judicial review of such order in accordance with chapter 7 of title 5, United States Code. The court shall have jurisdiction to enter a judgment affirming, modifying or setting aside in whole or in part, the order of the Secretary, or the court may remand the proceeding to the Secretary for such further action as the court may direct.

(3)(A) In the case of any civil penalty with respect to which the procedures of this paragraph have been elected, the Secretary shall promptly assess such penalty.

(B) If the civil penalty has not been paid within 60 calendar days after the assessment order has been made under subparagraph (A), the Secretary shall institute an action in the appropriate district court of the United States for an order affirming the assessment of the civil penalty. The court shall have authority to review de novo the law and the facts involved, and shall have jurisdiction to enter a judgment enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part such assessment.

(C) Any election to have this paragraph apply may not be revoked except with the consent of the Secretary.

(4) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order under paragraph (2) or after the appropriate district court has entered final judgment in favor of the Secretary under paragraph (3) the Secretary shall recover the amount of such

penalty in any appropriate district court of the United States. In such action, the validity and appropriateness of such final assessment order or final judgment shall not be subject to review.

ALCOHOL DISTILLATION FUEL REQUIREMENTS

SEC. 207. (a) Any person constructing a facility to distill alcohol for motor fuel use shall use fuel sources which are renewable.

(b) The Secretary shall, 6 months after enactment of this Act, promulgate, by rule, procedures for certifying that any facility built for alcohol distillation pursuant to this title comply with the following priorities of fuel use:

(1) First priority for fuel sources to operate such distillation facilities shall be given to renewable energy resources.

(2) Last priority for fuel sources shall be given to petroleum, petroleum derivatives and natural gas.

(c) The Secretary may by waiver, authorize the use of fuel sources described in subsection (b)(2) upon finding that it would not be economically or technically feasible to comply with the requirements of subsections (a) and (b), above.

PROCEDURES FOR RULEMAKING

SEC. 208. Any rulemaking by the Secretary pursuant to this Act shall be, unless otherwise provided in this Act, in accordance with section 501 of the Department of Energy Organization Act of 1977.

AUTHORIZATION OF APPROPRIATIONS

SEC. 209. There is authorized to be appropriated to carry out section 203 and section 204 not to exceed $1,000,000 for fiscal year 1980.

TITLE III—ALCOHOL PRODUCTION INCENTIVES

AMORTIZATION OF ALCOHOL PRODUCING FACILITIES

SEC. 301. (a) Part VI of Subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:

"SEC. 193. AMORTIZATION OF QUALIFIED ALCOHOL-PRODUCING FACILITIES.

"(a) ALLOWANCE OF DEDUCTION.—Every person, at his election, shall be entitled to a deduction with respect to the amortization of any qualified alcohol-producing facility (as defined in subsection (b)) based on a period of 60 months.

"(b) QUALIFIED ALCOHOL-PRODUCING FACILITY.—For purposes of this section, the term 'qualified alcohol-producing facility' means any tangible property—

"(1) which is used in producing alcohol (the primary use of which is fuel or other petroleum substitution) from coal or biomass; and

"(2) which is of a character subject to the allowance for depreciation.

Such term does not include a building and its structural components unless the building is exclusively an alcohol-producing facility.

"(c) AMOUNT OF DEDUCTION.—The amortization deduction for any qualified alcohol-producing facility shall be an amount, with respect to each month of the 60-month period within the taxable year, equal to the adjusted basis of the qualified alcohol-producing facility at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction provided by this section with respect to any qualified alcohol-producing facility for any month shall be in lieu of the depreciation deduction with respect to such property for such month provided by section 167. The 60-month period shall begin, as to any qualified alcohol-producing facility, at the election of the taxpayer, with the month following the month in which such property was placed in service or with the succeeding taxable year.

"(d) SPECIAL RULES FOR ADJUSTED BASIS.—

"(1) For purposes of this section, the adjusted basis of any qualified alcohol-producing facility with respect to which an election has been made under subsection (e) shall not be increased for amounts chargeable to capital account for additions for improvements after the amortization period has begun.

"(2) The depreciation deduction provided by section 167 shall, notwithstanding subsection (c), be allowed with respect to the portion of the adjusted basis which is not taken into account in applying this section.

"(e) ELECTION OF AMORTIZATION.—The election of the taxpayer to take the amortization deduction, and the election to begin the 60-day period with the month following the month in which the qualified alcohol-producing facility is placed in service or with the taxable year succeeding the taxable year in which such facility is placed in service, shall be made by filing with the Secretary, in such manner, in such form, and within such time as the Secretary may by regulations prescribe, a statement of such elections.

"(f) TERMINATION OF ELECTION.—

"(1) BY THE TAXPAYER.—A taxpayer which has elected under subsection (e) to take the amortization deduction with respect to any qualified alcohol-producing facility may, at any time after making such election, discontinue the amortization deduction with respect to the remainder of the amortization period, such discontinuance to begin as of the beginning of any month specified by the taxpayer in a notice in writing filed with the Secretary before the beginning of such month. The depreciation deduction provided under section 167 shall be allowed, beginning with the first month as to which the amortization deduction does not apply, and the taxpayer shall not be entitled to any further amortization deduction under this section with respect to such facility.

"(2) CONSTRUCTION TERMINATION.—If at any time during the amortization period any qualified alcohol-producing facility ceases to meet the requirements of subsection (b), the taxpayer shall be deemed to have terminated under paragraph (1) his election under this section. Such termination shall be effective beginning with the month in which such cessation occurs.

"(g) LIFE TENANT AND REMAINDERMAN.—In the case of any qualified alcohol-producing facility held by one person for life with remainder to another person, the deduction under this section shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant.

"(h) APPLICATION OF SECTION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the amortization deduction provided by this section shall apply to property placed in service after the date of the enactment of the Clean Air Act Amendments of 1979 and before January 1, 1984.

"(2) TRANSITIONAL RULES.—

"(A) In the case of property the construction, reconstruction, or erection of which is begun by the taxpayer on or before the date of the enactment of the Clean Air Act Amendments of 1979, the amortization deduction provided by this section shall only apply to that portion of the basis which is attributable to construction, reconstruction, or erection after such date.

"(B) In the case of property which is constructed, reconstructed, or erected by the taxpayer or for the taxpayer pursuant to a contract which is binding on the taxpayer on January 1, 1984, and at all times thereafter, and which is placed in service on or after January 1, 1984, the amortization deduction provided by this section shall apply to that portion of the basis which is attributable to construction, reconstruction, or erection before January 1, 1984.

"(i) CROSS REFERENCE.—

"For treatment of certain gain derived from the disposition of property the adjusted basis of which is determined with regard to this section, see section 1245.".

(b)(1) The second sentence of section 46 (c)(2) of such Code (defining applicable percentage for purposes of determining qualified investment) is amended by inserting after "the useful life used" the following: "(or, if the taxpayer has elected an amortization deduction under section 193 with respect to the property, which would have been used)".

(2) Section 642(f) of such Code (relating to amortization for estates and trusts) is amended by striking out "and 191" and substituting "191, and 193".

(3) Section 1082(a)(2)(B) of such Code (relating to basis in certain exchanges) is amended by striking out "or 191" and substituting "191, or 193".

(4) Section 1245(a) of such Code (relating to gain from dispositions of certain depreciable property) is amended—

(A) by striking out "or" each place it appears in paragraph (2) and substituting "or 193", and

(B) by striking out "or 190" in paragraph (3)(D) and substituting "190, or 193".

(5) Paragraph (3) of section 1250(b) of such Code (relating to depreciation adjustments) is amended by striking out "or 190" and substituting "190, or 193".

(6) The table of sections for part VI of subchapter B of chapter 1 of such Code is amended by adding at the end thereof the following:

"Sec. 193. Amortization of qualified alcohol-producing facilities.".

(c) The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.●

By Mr. JEPSEN (for himself, Mr. BAKER, Mr. COCHRAN, Mr. DANFORTH, Mr. DOLE, Mr. DURENBERGER, Mr. EXON, Mr. HELMS, Mrs. KASSEBAUM, Mr. LUGAR, Mr. PRESSLER, Mr. BOSCHWITZ, Mr. HAYAKAWA, and Mr. YOUNG):

S. 818. A bill to prohibit the Secretary of Agriculture and the Secretary of Health, Education, and Welfare from banning the use of nitrites in meat without sufficient proof of any carcinogenic effect nitrites may be represented to have, or until the development of a satisfactory alternaive to protect the public health from botulism; to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Labor and Human Resources, jointly, by unanimous consent.

USE OF NITRITE IN MEAT

Mr. JEPSEN. Mr. President, today I am introducing a bill to prohibit the Secretary of Health, Education, and Welfare and the Secretary of Agriculture from banning the use of nitrite in meat without sufficient proof of any carcinogenic effect nitrites may be represented to have or until the development of a satisfactory alternative to protect the public health from botulism. I believe this legislation is a commonsense approach to a confused and tentative situa-

tion. In a joint release on August 11, 1978, the U.S. Department of Agriculture and the Food and Drug Administration announced the findings of Dr. Paul M. Newberne of the Massachusetts Institute of Technology which indicated a possibility that nitrite caused cancer in laboratory rats. There was speculation that nitrite could be banned from the market based on this information. In early March news articles reported that there was reason to believe the Justice Department would issue an opinion that would result in an immediate ban of nitrite. We have been witnessing a political football that has been kicked, passed and fumbled until it is unclear who has the ball, let alone what the score is. This bill is a practical approach to this matter, preventing any kind of extreme actions without proper evidence.

Sodium nitrite in meat prevents botulism and protects our families from fatal disease. The reason for its presence is clear and historically established. Furthermore, nitrite provides a safeguard against mishandling by manufacturers, distributors, retails or consumers. A recent USDA study concluded that 63 percent of the 25,000 households surveyed ran a "high risk" of food borne illness because of a lack of awareness of basic safe food handling practices. In addition to this health benefit nitrite gives cured meats their special flavor and appearance. To this date, we are not familiar with a tested and proven substitute for nitrite.

Mr. President, I send the bill to the desk and ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 818

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That neither the Secretary of Agriculture nor the Secretary of Health, Education, and Welfare shall take any action under the Federal Meat Inspection Act or the Federal Food, Drug, and Cosmetic Act to prohibit the use of nitrites in meat or meat food products solely on the basis of any carcinogenic effect on humans that nitrites may be represented to have, unless—

(a) the Secretary of Agriculture and the Secretary of Health, Education, and Welfare jointly determine, based on clear, unequivocal, and convincing evidence, that nitrites, when used in meat or meat food products, have a significant carcinogenic effect on humans, or

(b) the Secretary of Agriculture and the Secretary of Health, Education, and Welfare jointly determine that there is commercially available a substance for use in meat and meat food products (1) that is effective in protecting the public health from botulism, and (2) that has substantially the same effect on meat and meat food products as nitrites, and (3) the use of which will not impose an unreasonable economic burden on consumers or meat processors.

Sec. 2. The Secretary of Agriculture and the Secretary of Health, Education, and Welfare shall jointly conduct or support (by grant or contract) research and development activities for a substance that will meet the criteria set forth in section 1(b) of this Act.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced by the Senator from Iowa (Mr. Jepsen) relating to the use of nitrites in meat, be referred jointly to the Committee on Agriculture, Nutrition, and Forestry, and the Committee on Labor and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 29

At the request of Mr. Hatch, the Senator from Iowa (Mr. Jepsen) was added as a cosponsor of S. 29, a bill to repeal the Davis-Bacon Act.

S. 98

At the request of Mr. Chafee, the Senator from South Dakota (Mr. McGovern), the Senator from Indiana (Mr. Lugar), and the Senator from Arizona (Mr. DeConcini) were added as cosponsors of S. 98, the Young Families Homeownership Act of 1979.

S. 193

At the request of Mr. Tower, the Senator from Mississippi (Mr. Cochran), the Senator from Utah (Mr. Hatch), the Senator from Indiana (Mr. Lugar), and the Senator from South Carolina (Mr. Thurmond) were added as cosponsors of S. 193, a bill to amend the Federal Trade Commission Act to provide for congressional review of each rule proposed by the Federal Trade Commission.

S. 299

At the request of Mr. Culver, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 299, a bill to amend sections 551 and 553 of title 5, United States Code, to improve Federal rulemaking by creating procedures for regulatory issuance in two or more parts, and for other purposes.

S. 388

At the request of Mr. Stewart, the Senator from New Hampshire (Mr. Humphrey) was added as a cosponsor of S. 388, the Small Business Employee Ownership Act.

S. 425

At the request of Mr. Williams, the Senator from Texas (Mr. Bentsen) was added as a cosponsor of S. 425, a bill to end the use of steel-jaw, leghold traps.

S. 533

At the request of Mr. Heinz, the Senator from New Hampshire (Mr. Humphrey) was added as a cosponsor of S. 533, a bill to establish a reasonable and fair preference for domestic products and materials in Government procurement and in procurement with Federal funds, and to establish procedure to insure that, if purchased, only fairly traded foreign products and materials are procured by the Government or with Federal funds.

S. 542

At the request of Mr. Culver, the Senator from Oregon (Mr. Hatfield) and the Senator from Missouri (Mr. Eagleton) were added as cosponsors of S. 542, a bill to amend the Internal Revenue Code of 1954 to provide for a deduction paid into a reserve for product liability losses and expenses, to provide a deduction for certain amounts paid to captive insurers, and for other purposes.

S. 592

At the request of Mr. Pressler, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of S. 592, a bill to authorize the Corps of Engineers to undertake additional work at the Fort Randall Dam-Lake Francis Case project in South Dakota.

S. 654

At the request of Mr. Goldwater, the Senator from South Carolina (Mr. Thurmond) was added as a copsonsor of S. 654, a bill to remove residency requirements and acreage limitations applicable to land subject to reclamation laws.

S. 810

At the request of Mr. Stevens, the Senator from Utah (Mr. Hatch) and the Senator from Montana (Mr. Melcher) were added as cosponsors of S. 810, a bill to amend section 1102 of the Education Amendments of 1978.

SENATE RESOLUTION 99

At the request of Mr. Cranston, the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of Senate Resolution 99, relating to the West German statute of limitations applicable to war crimes.

SENATE CONCURRENT RESOLUTION 14

At the request of Mr. Magnuson, the Senator from Washington (Mr. Jackson), the Senator from Nevada (Mr. Cannon), the Senator from Rhode Island (Mr. Pell), the Senator from Massachusetts (Mr. Kennedy), the Senator from Indiana (Mr. Bayh), the Senator from Wisconsin (Mr. Nelson), the Senator from California (Mr. Cranston), the Senator from Oregon (Mr. Packwood), and the Senator from Montana (Mr. Baucus) were added as cosponsors of Senate Concurrent Resolution 14, which calls for a moratorium of indefinite duration on the commercial killing of whales.

SENATE RESOLUTION 116—SUBMISSION OF A REGULATION WAIVING THE CONGRESSIONAL BUDGET ACT

Mr. DOLE (for himself and Mr. Harry F. Byrd, Jr.) submitted the following resolution, which was referred to the Committee on the Budget:

Senate Resolution 116

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of any bill or amendment providing for the repeal of carryover basis to any measure reported by the Committee on Finance. Such waiver is necessary because the first concurrent resolution on the budget has not yet been adopted. The current legislation is due to expire. In order to assure taxpayers adequate notice and ability to provide adequate tax planning a Congressional action needs to be made at the earliest possible time.

AMENDMENTS SUBMITTED FOR PRINTING

COUNCIL ON WAGE AND PRICE STABILITY AUTHORIZATION—S. 349

AMENDMENT NO. 127

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to S. 349, a bill to increase the authorization for the Council on Wage and Price Stability, and to extend the duration of such Council.

AMENDMENT S. 349 TO REPEAL THE CREDIT CONTROL ACT

● Mr. HELMS. Mr. President, every day I receive reports that the financial markets in this country are growing more unstable in part because of fears that the administration may impose credit controls under the Credit Control Act of 1969.

Financial analyst Don Conlan predicts a 40-percent likelihood of credit controls. Morris Cohen says such controls seem more probable now; Barron's editor, Robert Blieberg predicts a 60-percent chance of credit controls. Alan Greenspan has said interest rates are at "politically acceptable limits." Recent reports from Wall Street suggested that controls would be imposed in 2 months. Such rumors and predictions can not help stabilize the markets.

Only repeal of this onerous law can quiet this unrest. Indeed, failure to repeal the law will accelerate speculation about control implementation.

To stabilize financial markets, it is vitally important that we repeal the standby authority to impose massive, arbitrary controls on the financial system.

The President has said he does not want wage and price control authority. It is only consistent for us to clean up the Federal Code by removing this extension of authority over the financial system.

The Credit Control Act provides for Government setting the "price" for credit. It states:

> Whenever the President determines that such action is appropriate or necessary for the purpose of preventing or controlling inflation he may authorize the Board of Governors of the Federal Reserve System to regulate and control any or all extensions of credit.

When invoked by the President, the Credit Control Act arms the Federal Reserve with powers broader than those wielded to control credit during World War II and the Korean war. It provides blanket authority for:

First, registering any or all extensions of credit and licensing all lenders; such lenders would be subject to regular fees as well as penalties for violations of regulations promulgated under this act;

Second, prohibiting any credit for purposes deemed inappropriate by the Federal Reserve and prescribing maximum amounts of credit that may be extended with any loan or purchase;

Third, establishing maximum rates of interest, minimum down payments on purchases, and conditions for repaying loans.

While many would argue that credit controls are unworkable and counterproductive on economic grounds, the first and most obvious objection to the Credit Control Act is political. The statute is so loosely drawn and confers such vast powers on the President and—through him—on the Federal Reserve Board that no credit transactions would be outside the purview of this law, once the authority is invoked by the President. The invocation of virtually unlimited power by the President is hardly consistent with the post-Watergate mood of Congress, with the desire of the Congress to limit the powers of the President and to regain those of its own which it had heretofore delegated.

In the 94th Congress, Public Law 94-412 repealed or greatly modified numerous laws which gave the President great powers under "emergency" statutes such as the War Powers and Trading with the Enemy Acts.

The Credit Control Act should have been considered in this context, but apparently was overlooked.

It might be argued that credit controls may become necessary under certain economic conditions. If so, they should be justified in the light of those conditions. Congress should know to whom they would apply and how. Should they apply only to consumer and housing credit as in World War II or the Korean War? What types of consumer and housing credit? Should they apply to small business as well as big business? Should limitations or conditions apply only to the down payment and duration, or to the rate of interest as well?

The controls can't cure inflation, but could push the economy into a recession—while at the same time lessening pressure on the Fed to moderate money growth and lessening pressure on the administration for spending limits.

The Treasury Department does not want the control authority repealed. Treasury opposes repeal because the authority is only for controlling inflation. But this authority cannot control inflation. The authority can control one symptom of inflation—one symptom of inordinate expansion of the money supply.

Treasury opposes repeal because the Credit Control Act authority is only "for a limited duration." Unfortunately, the Treasury is wrong, for the act specifically states that the controls may be imposed by the President "for such time as he may determine." That period of time could be forever.

Treasury opposes repeal because the authority "may be all that stands between stability and widespread dislocation in the short term." But it is the existence of the stand-by authority that is causing instability. The partial imposition of credit controls in 1971 hurt more than helped, and it is inflation and controls themselves that cause dislocation. Controls do not prevent it.

And finally, Treasury opposes repeal because:

> It is better to have the authority in place for use in emergency circumstances than to have to request it when needed.

This rationalization should be decried by every advocate of Congress exerting its proper role in our Government. This simplistic justification for dictatorial power has been rejected by recent Congresses with the passage of the War Powers Act, the National Emergencies Act and other pieces of legislation specifically limiting the exercise of broad Presidential powers and requiring congressional approval of certain acts.

Mr. President, the time for repealing this unjustifiable act is now.

Mr. President, I ask unanimous consent that excerpts from my comments of January 15 on this issue be printed in the RECORD, that an article from the April 1979 issue of "Banking" magazine which I have authored be printed the in the RECORD, that the Treasury Department comments on S. 35 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the CONGRESSIONAL RECORD, Jan. 15, 1979]

STANDBY CREDIT CONTROLS SHOULD BE REPEALED

Mr. HELMS. Mr. President, at the end of the 95th Congress, I introduced legislation which would repeal the Credit Control Act of 1969.

I did so with the hope that the Treasury Department would have an opportunity to consider the bill in the 3 months between Congress adjournment and beginning of the new Congress. Unfortunately, Treasury has not done so.

I also asked the chairman of the Federal Reserve Board, the Honorable William E. Miller for his views and he agreed that the dislocations caused by credit controls would be disruptive and costly to the economy. He felt, however, that standby controls should stay on the books, stating:

> The distortion which such wide-ranging credit controls would produce, both during and after the period when they were in effect, makes them unacceptable except under the most exigent circumstances. You have questioned whether the present authority should even be on the books.
>
> In my view, the shortcomings of mandatory credit controls are so well known as to assure that they would be used only in an emergency situation. If such a situation arose, and selective credit controls appeared to be necessary, it would be helpful to have the authority for such controls already in place. Moreover, the fact that mandatory controls could be imposed may well contribute to the success of voluntary guidelines, which of course are a much better means for generating desired flows of credit. For these reasons, the standby authority contained in the Credit Control Act probably serves a useful purpose.

I am glad that Chairman Miller agrees with the assessment that the controls would impose massive costs on the economy. But, his arguments in favor of standby credit controls could easily be used in support of standby controls over wages and prices. I do not believe that the Chairman of the Fed has advocated such controls, but there may be some inconsistency in not advocating standby controls for wages and prices if we are to have standby controls for credit. I frankly view such controls as mere treatments of the symptom of inflation—not treatment of its cause.

One sure way for the Federal Government to cause more trouble than it eliminates is to attack a problem by treating the outward manifestations and not the root causes.

Today we hear more and more people saying that wage-and-price controls can be effective to stop inflation. It is as if we say allowing no thermometer to register above 98.6° is going to stop fevers. As President Carter himself has said:

> Wage and price controls, mandatory wage and price controls, would be ill-advised and also counterproductive. I don't think they would work.

We know that there is now on the books no emergency authority allowing the President to impose wage-and-price controls. I hope there will never be such controls. They could only serve to further mask the real culprit: The U.S. Government. Specifically, the culprit is inordinate Federal spending, causing Federal deficits and expansion of the money supply brought on by the Federal Reserve System's monetization of those growing Federal deficits. Without Federal deficits, we could expect more responsibility from our monetary authorities. We could expect rational, noninflationary monetary policies.

I find, however, that there remains on the books in the Federal Code an onerous piece of legislation which purports to be a means of "combating inflation." In fact, it is little more than a means of providing total Federal control of the financial system of this country. I speak of Public Law 91–151, the Credit Control Act of 1969.

In 1969, the Nation was beginning to suffer from the inflation caused by the "guns and butter" Federal deficits of the late 1960's. In S. 2577—Public Law 91–151, the Congress approved a bill initially aimed at expanding earlier legislation relating to "disintermediation" of funds from savings and loan associations to banking institutions. The main controversy evidently centered around housing credit, and the bill provides for massive controls over all issuance Federal Home Loan Bank lending. Of interest is that there is almost no record of debate on one portion of the bill, title II, which provides for massive controls over all issuance of credit. Portions of 12 U.S.C. 1904 and 1905 read as follows:

> § 1904. Credit controls
>
> (a) Whenever the President determines that such action is necessary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume, the President may authorize the Board to regulate and control any or all extensions of credit.
>
> § 1905. Extent of control.
>
> The Board, upon being authorized by the President under section 1904 of this title and for such period of time as he may determine, may by regulation
>
> (1) require transactions or persons or classes of either to be registered or licensed.
>
> (2) prescribe appropriate limitations, terms, and conditions for any such registration or license.
>
> (3) provide for suspension of any such registration or license for violation of any provision thereof or of any regulation, rule, or order prescribed under this Act.
>
> (4) prescribe appropriate requirements as to the keeping of records and as to the form, contents, or substantive provisions of contracts, liens, or any relevant documents.
>
> (5) prohibit solicitations by creditors which would encourage evasion or avoidance of the requirements of any regulation, license, or registration under this Act.
>
> (6) prescribe the maximum amount of credit which may be extended on, or in connection with, any loan, purchase, or other extension of credit.
>
> (7) prescribe the maximum rate of interest, maximum maturity, minimum periodic payment, maximum period between payments, and any other specification or limitation of the terms and conditions of any extension of credit.
>
> (8) prescribe the methods of determining purchase prices or market values or other bases for computing permissible extensions of credit or required downpayment.
>
> (9) prescribe special or different terms, conditions, or exemptions with respect to new or used goods, minimum original cash payments, temporary credits which are merely incidental to cash purchases, payment or deposits usable to liquidate credits, and other adjustments or special situations.
>
> (10) prescribe maximum ratios, applicable to any class of either creditors or borrowers or both, of loans of one or more types or of all types.
>
> (A) to deposits of one or more types or of all types.
>
> (B) to assets of one or more types or of all types.
>
> (11) prohibit or limit any extensions of credit under any circumstances the Board deems appropriate.

In other words, if the President declares that "such action is necessary * * * for * * * controlling inflation," he might set all kinds and varieties of restrictions on the normal utilization of credit.

It is nothing more than price controls on money. The interest rate charged on money is no more than the price charged for "renting" money.

That this bill was passed so swiftly, and evidently with such little conroversy, indicates that often Congress does not give serious enough consideration to the problems it addresses.

During consideration by the Senate of this proposal, I hope we can call on the expertise of our colleagues who worked to effect the passage of the "National Emergencies Act," Public Law 94–412, a proper and important piece of legislation which repealed numerous laws which gave the President vast powers under various "states of emergency" declarations. I hope that the good work that was done to limit the arbitrary authority of the Executive branch might be used as a foundation to further trim this power now held by the President. In my mind it could be used for little, if any, good.

In developing the case for this bill, there is the entire question of academic opinion. I have a feeling that there would be precious few scholars and experts in the fields of finance and economics who could support such exercise of power except under the most dire of circumstances.

It's Time To Take the Credit Control Act Off the Books

The year was 1975, and the Budget Committee of the U.S. Senate had just begun to function. Some of the Committee's staff members were expressing concern that they might not be able to find an economist to advocate a planned economy. Someone jested that the best such "expert" might be Albert Speer, Adolf Hitler's economic potentate.

There is a degree of comfort to be found in the fact that there are very few credible economists who advocate centrally planned economies—for the simple reason that planned economies have never worked, and never will.

But Albert Speer might feel at home with a ten-year-old law called the "Credit Control Act of 1969" (Public Law 91–151). It is a piece of legislation that should never have been drafted, let alone enacted by Congress. Unwise legislation, embraced by politicians seeking easy answers, is neither remarkable nor unique in Washington, D.C. But the Credit Control Act of 1969 is remarkable in that it is a total contradiction of the best interests of our country.

The Credit Control Act of 1969 provides standby authority for the President to direct the Federal Reserve Board to jury-rig almost every aspect of the U.S. financial system. With a simple order, he is empowered to institute interest-rate controls; to license and regulate all issues of credit; and to set the "form, contents, or substantive provisions of contracts, liens, or any relevant documents."

Also granted to the Federal Reserve Board is the power to "prescribe the maximum maturity, minimum periodic payment, maximum period between payments, and any other specification or limitation of the terms and conditions of any extension of credit." The Board may, under this law, "prescribe maximum ratios, applicable to any class of either creditors or borrowers or both, of loans of one or more types or of all types" and may *"prohibit or limit any extensions of credit under any circumstances the Board deems appropriate."*

The incredible provisions go on and on, like Tennyson's Brook, but the examples just cited indicate the scope of the Credit Control Act of 1969.

The blank check this law provides is awesome. That its controls over the marketplace cannot possibly work, and that implementation of them would surely dislocate financial markets is equally frightening. As we have seen with every utilization of arbitrary economic controls, such controls don't work—they destroy.

The law provides that the Federal Reserve Board may prescribe methods of determining purchase prices or market values for credit purposes. Just imagine, for example, an "Office of Market Values," which would have hundreds of bureaucrats checking loans to make sure they were based on "fair" values. There would, of course, have to be a "Division of Market Value Appeals," and all would be within a "Commission on Consumer Credit." Business Credit would have its own agency, as would International Credit, and probably Minority Credit and Women's Credit, and Left-Handed Episcopal Credit.

A combination of Parkinson's Law and the Peter Principle would flourish. The hiring of multitudes of new federal administrators might even cause unemployment to vanish. The paper companies and the printing houses would prosper—think of the avalanche of new federal forms! Office space in Washington—already tight because of the need to house existing federal regulatory agencies—would surely double in price.

The Credit Control Act came at a time when the guns-and-butter deficits of the '60's were taking their toll on the dollar and inflation was accelerating. It may be that the Democratic-controlled Congress wanted to give President Nixon extraordinary power to curb inflation via controls to make sure that he would be blamed for inflation. The fact that Congress and the President accelerated federal spending and increased federal deficits indicates that both were unwilling to face a very clear economic fact of life concerning inflation.

For inflation is, has been, and always will be, a monetary phenomenon. It is an increase in the supply of money in excess of any increase in the output of the economy. That there is widespread avoidance of this fact is an indictment of responsible businessmen, academicians and public leaders. That something like the Credit Control Act could be passed by Congress is a measurement of the degree to which scapegoats are constantly sought when the federal government creates inflation.

Federal Reserve Chairman William Miller

agrees that imposition of the controls are "unacceptable except under the most exigent circumstances," and the "shortcomings are so well known as to assure that they would be used only in an emergency situation." But compare, if we can, another exercise of Presidential authority—the ability to wage war. War is generally unacceptable except under the most exigent circumstances, but the widespread awareness of that fact has not led Congress to relinquish the power to declare war. Moreover, Congress has limited the President's ability to conduct war without its approval. The authority to control the nation's financial system is less logically given to the President.

The Credit Control Act states that controls can be imposed whenever the President thinks they are "necessary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume." If the Federal Reserve System increases the money supply or allows it to increase faster than real output there will be inflation—controls or no controls. Saying that the extension of credit generates inflation is like calling the inordinate multiplication of cells in a tumor the cause of cancer.

By imposing controls, government disrupts the economy in three ways. First, it takes the pressure off the Federal Reserve Board to restrain money growth. When wage and price controls (and some implementation of the Credit Control Act) were imposed in 1971, the Federal Reserve Board felt able to open the money gates.

Second, government stops the market from performing the most important function of allocating credit. Political judgments are substituted for economic judgments. The "needs" of politically powerful groups are substituted for the high bidder in the market.

Third, government adds to inflation, the problem that controls are supposed to be solving. When the economy's ability to allocate credit on a rational basis is crippled, it loses efficiency. Costs go up, and output tends to stagnate. Given any specific rate of money supply growth, reduced output will mean higher price levels—more inflation.

The answer? Repeal the Credit Control Act of 1969, which would be accomplished by my bill, S. 35.

The prerequisite? Education of public policy makers of the importance of this issue. Send the word to your elected Representatives.

Department of the Treasury,
Washington, D.C., March 20, 1979.

Hon. William Proxmire,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: Reference is made to your request for the views of the Department of the Treasury concerning S. 35, "To amend the Credit Control Act."

The bill would repeal the Credit Control Act (12 U.S.C. 1901, *et seq.*) which permits the President to authorize the Federal Reserve Board to regulate and control any or all extensions of credit whenever the President determines that such action is necessary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in excessive volume. In brief, the Act gives the Federal Reserve Board broad powers to allocate credit. These powers include the authority to place limitations on interest rates, maturities, and amounts of credit in any transaction, and to prohibit extensions of credit. The authority to allocate credit, however, must be conferred by the President for anti-inflation purposes and for only such period of time as he determines. It is the only statute which currently authorizes the imposition of mandatory economic controls.

This Department is opposed to the repeal of the Credit Control Act. While mandatory controls tend to create as many problems as they solve, the availability of the authority in times of economic emergency may be all that stands between stability and widespread dislocation in the short term. Since the authority under the Credit Control Act must specifically be granted by the President for anti-inflation purposes and for a limited duration, it is better to have the authority in place for use in emergency circumstances than to have to request it when needed. In today's volatile economic climate, it is essential that legitimate economic options not be foreclosed. Therefore, the Department of the Treasury opposes the repeal of the Credit Control Act.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this report to your Committee.

Sincerely yours,
Henry C. Stockell, Jr.,
Deputy General Counsel.●

NOTICES OF HEARINGS

HEARING ON THE NOMINATION OF JOHN WHITE TO BE DEPUTY DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET

● Mr. RIBICOFF. Mr. President, the Committee on Governmental Affairs will hold hearings on Friday, March 30 on the nomination of John P. White to be Deputy Director of the Office of Management and Budget. The hearing will be held at 10:30 a.m. in room 3302 of the Dirksen Senate Office Building.●

SUBCOMMITTEE ON RURAL DEVELOPMENT

● Mr. LEAHY. Mr. President, on April 2, 1979, beginning at 1 p.m. in room 324, Russell, the Subcommittee on Rural Development will hold the first in a new series of oversight hearings to focus on the current state of achieving goals and implementing programs to improve the lives of our rural citizens.

This first hearing will provide a comprehensive review of where the Farmers Home Administration has been; what is being done to rectify problems brought out in past hearings; and what the Department views as the future of the agency.

Additionally, the subcommittee will be interested in hearing from Assistant Secretary Mercure on how the Department of Agriculture is working with both the White House and other agencies and departments in developing a coordinated rural policy.

Since I recently introduced the Rural Development Policy and Coordination Act of 1979, the Assistant Secretary will also be commenting on that legislation.

Assistant Secretary Mercure will be the only witness at this hearing; however, additional Government and public witnesses will take part in our future hearings.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. PRYOR. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate today beginning at 1:30 p.m. to hold an oversight hearing on motor carrier regulation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. PRYOR. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, March 29, 1979, beginning at 3 p.m. to hold an executive session for a briefing by CIA, ACDA, and DOD officials on the impending SALT treaty.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE MEDIA

● Mr. TOWER. Mr. President, we are all very much aware of the media in this country, with varying opinions of its power and influence. It is often that more such power is attributed than is due. However, there are examples of the media's ability to influence the perception of reality, enough examples, in fact, to raise the very real question of how widespread the practice may have become.

An outstanding discussion of this issue is contained in an address presented recently by Mr. Maurice Rosenblatt of Washington, D.C. although I do not agree in every specific with Mr. Rosenblatt in his dissertation, it certainly contains many valid and thoughtful observations. I commend it to the Congress, the public, and the mass media.

Mr. President, I ask that the text of Mr. Rosenblatt's remarks before the St. Regis Conference in Luxembourg in February of this year, be printed in the Record.

The material follows:

The Fabrication of Reality: Media in America Today

THE FIRST ESTATE

Today's America, its mind, economy and politics, is dominated by the media, both print and electronic.

We should examine the vital statistics concerning the power, wealth and privileges of media in the United States. Measured in these terms, one suddenly discovers that the Fourth Estate has become the First Estate. To some of its critics it exhibits the characteristics of the Bourbon autocracy.

The press, and that has come to include broadcasting, has, by court precedents and constant usage, succeeded in winning immunities and dispensation that are denied other enterprises. The cornerstone of this exceptional status is the First Amendment to the Constitution: "Congress shall make no law . . . abridging the freedom of speech, or of the press . . .". Originally this was applied only to Federal law, but in a series of milestone decisions the immunity of the press has been extended to cover the states, so that the press may not be curbed by local or state statutes either. Also, the press enjoys special treatment in other ways: there are reduced postal rates for mailing newspapers and magazines; copyright laws shield the press from the piracy of its product; the normal prohibitions against monopoly are strained and bent so that the press has latitudes not allowed to other business. Over the years, these considerations have given the press economic advantages of enormous value.

When Ben Bagdikian, the distinguished newspaper critic, examined the average profits of newspapers he found them to be 76 percent higher than those of all other American industries. Max Kampelman, a Washington lawyer and Humphrey confidante, in his monograph "The Power of the Press: A Problem for Our Democracy", wrote that "The press is not only an institution designed to provide the principal means of communication and the exchange of ideas in our body politic, but (unlike almost all universities, for example) it is also an institution of business and profit for those who own newspapers and TV stations. In terms of employment, the newspaper industry today is America's third largest manufacturer, behind automobiles and steel."

Historically, the awesome power of the press had been limited by competition. Newspaper readers had access to other newspapers which were competitors and rivals so that editorial comment and news reports could be compared, verified and validated. In other words, there was a free market of ideas and information, which gave readers the opportunity to do some comparison shopping for the truth. Such an option disappears when monopoly takes over.

This problem of monopoly is a real one. The decline of independent ownership of daily newspapers in the United States has changed the economic and editorial character of the press. New York City, in 1920, had 15 daily newspapers; in 1963 there were still 12; today there are three. Across the country in 1910 there were 2,202 daily papers, all but 62 independently owned. By 1977 the total number had dropped to 1,762 of which 1,047 were owned by groups. In terms of circulation, today's groups have 71 percent of weekday and 78 percent of Sunday sales. The large chains are now buying up smaller chains. Newhouse now own the Booth group and Gannett owns both Spiedel and Combined Communications broadcasting outlets. Many of the larger groups own valuable subsidiaries, such as publishing houses, timber plantations, magazines, radio, TV and cable systems.

The following chart from Editor and Publisher International Year Book, 1977 edition, shows the growing concentration of ownership and identifies the dominant conglomerates. (Note the circulation decline from 1970 to 1977, attributed to the shift to television.) More recent reports indicate TV viewing may have peaked, with print readership stabilizing.

A valid projection indicates that within two decades, virtually all of America's daily newspapers will be owned by fewer than two dozen communication conglomerates. The one-newspaper town has become the rule: today there are fewer than 45 cities with two or more competing dailies; in 1,500 cities a single newspaper holds sway.

GROUP[1] OWNERSHIP, U.S. DAILY NEWSPAPERS 1910–77

Year	Number of dailies	Circulation (thousands)	Number of groups	Group papers	Group average
1910..	2,202	22,426	13	62	4.7
1930..	1,942	39,589	55	311	5.6
1940..	1,878	41,132	60	319	5.3
1960..	1,763	58,080	109	560	5.1
1970..	1,748	62,107	157	879	5.6
1977..	1,762	60,977	167	1,047	6.2

[1] Editor & Publisher defines a group as having 2 or more daily newspapers in different cities under the same ownership.

Source: Editor & Publisher for July 9, 1977.

Newspaper groups ranked according to circulation*

Following are the newspaper groups which have aggregate circulations of more than 500,000 on weekdays as shown in the Editor & Publisher International Year Book for 1977:

Knight-Ridder	3,681,301
Newhouse	3,204,212
Tribune (Chi.)	3,099,120
Gannett	2,771,936
Scripps Howard	1,894,962
Times Mirror	1,879,870
Dow Jones	1,782,622
Hearst	1,435,527
Cox	1,179,370
N.Y. Times	975,255
Capital Cities	949,935
Thomson	935,460
Pulliam	758,692
News (Detroit)	665,542
News America	645,570
Freedom	635,307
Wash. Post	602,818
Copley	601,019
McLean	586,294
Cowles	564,144
Media Gen'l	545,142
Harte Hanks	543,263

*(E&P defines a group as having two or more daily newspapers in different cities under the same ownership.)

(Note: In most cases the figures are net paid averages as of September 30, 1976. Gannett Co. has reported that 1977 circulation is near 3 million. Other groups also have had gains.)

Source: Editor & Publisher for July 9, 1977.

Groups which have 10 or more units*

	Dailies	Sunday
Gannett	73	45
Thomson	57	21
Knight-Ridder	34	23
Donrey	32	27
Newhouse	29	21
Freedom	27	15
Walls	27	8
Harte Hanks	23	19
Scripps League	20	2
Stauffer	19	4
Worrell	19	8
Scripps Howard	17	7
Cox	17	9
Lee	15	10
Dow Jones	14	6
Howard	14	7
Ingersoll	14	5
Pioneer	14	4
Ogden	12	3
Harris	11	3
Morris (W.S.)	11	5
N.Y. Times	10	6

*(E&P defines a group as having two or more daily newspapers in different cities under the same ownership.)

Source: Editor & Publisher for July 9, 1977.

THE WALL STREET JOURNAL

The Wall Street Journal stands apart from the rest of the media. It is unorthodox in its fidelity to classic journalistic traditions, and unique, because it has emerged as America's only national newspaper. Its singularity offers a counterpoint to other publications, a standard against which to measure the mass product of flack journalism that engulfs the national scene.

People read the Journal whereas they scan other newspapers. It is thoughtful, non-dogmatic and non-ideological, despite its conservative heritage and editorial policy. In contrast to the majority of other newspapers whose non-advertising copy (local, wire and syndicate) is over 80% public relations material or purely the output of the news source itself, the columns of the Journal are the result of the paper's own initiative and creativity.

We talked with Norman Miller, the Journal's bureau chief in Washington. Here is a summary of the discussion.

How is production different from that of other papers? The Journal is published five mornings a week. Its 1.6 million circulation makes it the second largest American daily, only slightly behind the New York Daily News tabloid. The newsstand price is 30 cents, at least twice the average price of other papers.

The Journal is distributed from 12 cities across the country. The editorial and news content is prepared in New York. Mechanical production was transferred to Springfield, Massachusetts, to escape New York's turbulent union problems. From Springfield, it is transmitted electronically to Brunswick, New Jersey; Washington, D.C.; Orlando, Florida; Dallas, Texas; Los Angeles and San Francisco, California; Seattle, Washington; Highland Park, Illinois (near Chicago); and Cleveland, Ohio. The various editions appear simultaneously, with advertising localized to suit each region.

How does its appeal differ? The Journal is a second newspaper for most of its readers, who read at least one other paper from local news. In the Journal they find a reliable, comprehensive report on business and economics, broadly defined. Business is not only interested in its own affairs but in general conditions, government regulation, civil rights, federal-state relations, health, personnel and job trends, and public taste.

The news is capsulized on the front page with fuller treatment inside when necessary. Most of the front page articles are really magazine articles, written on the assumption that the readers are serious, not escapist and not looking for entertainment. Reporters are given time, sometimes weeks, to develop their stories in depth, since the objective is analysis and understanding. This is not to say the writing is dry or lacking in human interest. The reader will find a daily front page feature story on a personality, a community movement, a religious cult or a new mouse trap; but it must be significant as well as novel. The Journal does not repeat what readers have already learned from their local or broadcast news. Disasters, scandals, celebrity gossip, and violent incidents are not covered.

How does readership differ? Most U.S. dailies are ravenous for circulation. They employ pollsters to identify ways to boost it even more. Surveys proclaim that the paper must stress sports, comic strips, letters-to-the-editor, neighborhood trivia, gossip, sex and violence; contests and bounties are popular. Hunger for readership, the basis for lucrative advertising, transfers the control of content and taste from the objective journalist to the huckster-promoter. Sensationalism and vulgarity mark the final product.

In contrast, the Journal does not seek to increase its readership at the expense of quality. It caters to well educated readers in business and labor who are seriously interested in public affairs and have a sense of continuity. Editions are limited to 48 pages. There is something to this spareness, at a time when other papers are growing heavier in an attempt to satisfy highly diversified audiences.

How well has this approach worked? The Wall Street Journal has found, or has created a national market; its circulation figures prove this.

	Copies
1940's	100,000
1960's	600,000
1978	1,600,000

How is the Journal managed and who owns it? The Journal is owned by Dow

Jones, which also owns the new service, Barrons Magazine, a chain of small newspapers, the Monthly Book Digest, and some Asian economic services. All elements are in the information business, "repackaging" information, mainly through the overseas Dow Jones-AP ticket. It is a diversified news organization, with 90% of income derived from the Journal. It is noteworthy that the president of Dow Jones is chosen from the news gathering side of the business. The Journal does not at present have broadcast affiliates. It has been reluctant to acquire them because of the accompanying government regulation, though some involvement is being considered.

How do you feel about advocacy journalism? Miller replied, "Journalism is the process of imposing order on events that are chaotic, resulting in their coherent presentation. We aren't tied to yesterday; we seek an amalgam of insights. There is no law that requires that you print everything. We are committed to the test that events be significant. We avoid being soothsayers and ex-cathedra judgments. We try to give information as fully as possible and let the readers make up their own minds."

How to keep the press honest? Miller, like most sophisticated students of the media, recognizes that there is no simple, ironclad procedure to insure that the whole truth and nothing but the truth will be printed, but agrees that there are certain steps that can be taken to insure a reliable press.

There are newspapers in the United States that turn their backs on responsible journalism. In New Hampshire, Ohio, Indiana, and Arizona we know certain publications steeped in bias. But we must recognize that the credibility of the press is constantly being reviewed, and tested by events; it is an empirical process.

One of the main safeguards for the integrity of the press, is for owners to avoid conflicts of interest such as develop from being engaged in non-related business enterprises. The press has a privileged position, and with it go obligations.

The Journal rotates reporters, to avoid the kind of cozy relationships that develop from covering the same beat for years, though, admittedly, this is a mechanical gesture. A more useful change may be to tighten the libel laws. Presently, it is very difficult for a citizen to make a case against the press.

To correct the other faults of the press, mentioned elsewhere in this paper, such as the blotting out of certain persons and stories, and "handicapping" candidates, we cannot rely on laws and formal codes. We must look toward rigorous training for reporters and editors, stressing responsibility to their craft and to society. We must rely on the ethics of the journalist, who, if he is conscientious, seeks the esteem of his peers within the profession. To keep the press free under the First Amendment, and still insure its quality and veracity, self-discipline remains the best safeguard.

BROADCASTING

Never have so few controlled so many with so little. Contemporary American life is more dominated by the media, particularly television, than any society in human history. Walter Lippmann wrote of this awesome power:

"The news of the day as it reaches the newspaper office is an incredible medly of facts, propaganda, rumor, suspicion, clues, hopes and fears. . . . The power to determine each day what shall seem important and what shall be neglected is a power unlike any that has been exercised since the Pope lost his hold on the secular mind."

That was written sixty years ago, before the saturation of people's lives by broadcasting. Today 98 percent of American households have at least one television. The average viewing time is 6 to 7 hours per day. So what we have is a society whose awareness of events, whose sense of reality through sight and sound, is conditioned by a selective interpretation of the universe. All stimuli are filtered through the prism of the media.

In the United States mass communications, broadcasting and press, are business for profit, protected under the First Amendment. Radio and television are licensed by the Federal Communications Commission. They pay no rental for the airwaves on which they hold a monopoly. They are supported by advertisers who pay varying fees, depending on the time of the broadcast and the popularity of the program. The most lucrative advertising sells beer, cosmetics, cars, patent medicines and similar consumer products. Advertising rates range from a few dollars for a couple of minutes on a small radio station to $120,000 for a 30-second TV spot during the "Super Bowl" last month. Stations are required to offer 5 to 10 percent of operating time for "public service announcements."

A new frontier has been opened in the ether over America. There is a parallel between the way air rights are distributed today and the way public lands were parceled out in the West. In the 19th Century, the railroads, through political influence, secured rights-of-way and township sites, all of which produced high speculative profits on practically no investment; thus the fortunes of Vanderbilt, Gould, Hill and Ryan were accumulated.

The diversion of public air space to private exploitation has produced a similar disregard for the community's interests. Today's broadcasting buccaneers pose as proprietors of the airwaves and not as licensees entrusted with a public resource. An example of this presumption has been their cavalier attitude toward providing time for election campaigns. The escalating cost of campaigning, the biggest bite being for air time, has become the central problem and a threat to honest elections. When it was audaciously proposed that free media time be allocated among contending candidates, the broadcasters wailed that this would reduce prime time revenue.

Reminders that the airwaves, the equivalent of the Greek agora or Roman forum, should be reserved for the transaction of public business, met with the industry's fury. Congressmen were pressed by friendly stations from home districts—also many held partnerships in local radio/TV enterprises—so the proposal was killed. As a sop a bill was passed that provided that candidate-time can no longer be priced higher than regular commercial rates. Another consolation was considered, to offer campaigners cheap time in slack periods. Perhaps, someone suggested, the Athenians should have held Socrates' trial at three in the morning so as not to disturb the olive vendors, feather merchants, fish mongers and other traders who were permitted in the agora during the day.

In the 1978 campaign each of the 68 Senate candidates spent an average of more than $900,000. In some campaigns the figure climbed to $2 million. About ⅔ went to pay broadcasters for the use of air time.

In January 1979, there were 999 television stations operating, 725 commercial and 274 non-commercial; in radio there were a total of 8,888 licensed operators, of which 7,811 were commercial and 1,055 were non-commercial.

When it comes to the number of persons equipped to receive broadcasting, there is an overwhelming disparity between the United States and the rest of the world. In 1976, the total number of television sets worldwide was 364 million, or 108 per thousand people. North America had 506 sets per thousand and Africa had 1.3 sets per thousand. The average for developed countries was 200 per thousand and for underdeveloped countries ran 15 per thousand.

The total number of radio sets worldwide was 881 million, or 288 per thousand. Again, North America had the highest percentage with 1,667 sets per thousand—almost two per person. Noteworthy is the strong showing of the USSR in radios, with 441 sets per thousand compared with 313 for the rest of Europe; Latin America had 170; Asia and the Arab states both had 110 and Africa had 42 per thousand people.

The same disparity exists in telephones, where the U.S. has 64 telephones per 100 people (1975) while Brazil has 3.3, Argentina 8 and Spain 19 per hundred people.

When it comes to electronic media and telecommunications, the U.S. is in another century, virtually light years ahead of the rest of the planet.

So much for quantity. When it comes to quality of content, the imbalance may be somewhat rectified. In the United States broadcasting is directed at entertainment and advertising. The "bottom line", not taste or truth, governs programming. Many Americans look to British broadcasting as superior, both in entertainment and news.

Anthony Smith, the British media expert, went to the heart of the problem of American television when he noted that the assumption that the public has the right to be informed was converted by television into the notion that the public has the right to be entertained. In his essay on The Politics of Information, he writes that it is "in the nature of the medium that all programs must be directed at a medium audience, hour by hour. The program-maker, in the very process by which he is professionalized and trained, is made to believe that his audience must be 'held', that it must be 'grabbed', that it must be addressed within an area of common allusion created by the medium of television itself. The program maker, the audience and the medium are assumed to be locked together within the same plane of meaning; all other meaning is excluded as lying outside the nexus."

PUBLIC BROADCASTING IN THE UNITED STATES

There are three commercial networks: ABC, CBS and NBC, and then there is a public broadcasting network that services 280 noncommercial stations via satellite. They offer entirely different programs, featuring educational materials, news and entertainment uninterrupted by commercials—the bane of television continuity. These public outlets are owned by communities, universities, school districts and states. More than 40% of all American families now watch public TV at least once a week. The budget for public broadcasting, $347 million, comes from the federal government, foundations, corporations and volunteer contributions.

The Carnegie Commission on the Future of Public Broadcasting recently recommended that $1 billion be made available for noncommercial broadcasting. The new money would come from a fee charged commercial broadcasters for their use of the airwaves plus a susbtantial federal government contribution.

This proposal comes at a time when President Carter has also suggested more federal funding ". . . to create high quality domestic productions . . . public broadcasting can provide complete coverage of news events such as important Congressional hearings, that commercial broadcasting rarely offers."

THE MYTH MAKERS

"The news is what I say it is."—NBC's David Brinkley. The media's power to invent and eclipse public figures, particularly in the political theater, is awesome to the point of being sinister. There appears to be a self-orchestration among the press, the instinct of the pack, shared by most journalists. It is based not upon any unanimity of perception of what is going on but rather upon shared insecurity that makes them look to each other, reinforcing their wavering vision by closely reading yesterday's headlines. One day they are tame and ingratiating as they fawn for any newsy tidbit from the public figures whom they themselves have contrived. The next day they are wolves, bent on savaging the same person. They have been described as blackbirds on a telephone line; when one flies off they all fly off, and when one flies back they all fly back, as if on cue.

THE PRESS FALLS FOR ITS OWN VILLAIN—JOE M'CARTHY

Joe McCarthy, the demogogic Wisconsin Senator was a creature almost entirely out of whole cloth woven on the looms of typewriters. His rise can be attributed largely to the gullibility of the press who covered him with fulsome fascination as no Senator has ever been covered, before or since.

McCarthy rose on the twin myths of conspiracy and invincibility. The press did much to inflate both. The conspiracy myth was sustained by the anxieties of the Cold War. McCarthy had absolutely no shred of evidence to support his wild charges that 210 Communists had infiltrated the State Department, that President Truman was in league with Canadian atomic spies, that the Pentagon was "soft on Reds", et cetera. He ran a press circus with himself as ringmaster. He shrewdly exploited the illusion of power, converting it into real power as the Secretary of State and the Secretary of the Army catered to his whim. Even Dwight Eisenhower allowed himself to be boxed in, and cravenly refused to counter McCarthy's charge of "treason" against General George Marshall.

As to his political potency, McCarthy was credited with the election of 10 Senators of his ilk and the defeat of 10 who had resisted him. This fable of omnipotence exploded upon examination but the press failed to examine it. Actually, candidates who ran with McCarthy's blessing were often defeated, and those whom he was credited with defeating, Tydings, Lucas, Benton, and others, either won at the time of McCarthy's attacks or were brought down by factors totally unconnected with his efforts. Sober examination showed that both the man and his "ism" profited from an Alice in Wonderland multiplication, through the mirrors of the press.

The press was in a real dilemma. They had helped create him and now the geni was out of the bottle, the noisiest voice in the land, a direct or subjective force involved in every political decision. Most newspapers denounced him editorially, while the Chicago Tribune and its satellites, the Hearst Press and the newspapers of similar stripe extolled him.

For the established liberal press, McCarthy cast a lurid spell. They could not leave him alone, over-reporting him with horror, prompting the coining of the term "foebophile"—those who are morbidly fascinated by their enemies.

The central lesson of the McCarthy experience is the importance of conceptualizing reality. Here was the cardinal principle, the key to unlocking the mystery of McCarthy's rise and fall.

His press image was that of a reactionary bent on destroying liberals. It was necessary to correct this image, which required an unorthodox rhetoric. A new term was invented a rubric now part of the political lexicon, "radical right". In the new dialectic, McCarthy was recast as a reviler of the Protestant Church, befouler of West Point, a vandal subverting his own Republican Party, a slanderer of the bankers and financiers of Wall Street, a wrecker bent on bringing down the temple of the establishment. Finally, he was pitted against the Senate itself, making his attack on that institution the crime which resulted in his condemnation, not by the liberals but by the establishment.

He was a reckless hooligan who violated the truth twice a day on time for the afternoon and morning editions of the press. It was fascinating to observe that when the press ignored McCarthy he became sullen and morose. They had contrived him and when there ceased to be a fantasy figure, the real flesh and blood man crumbled. He had identified himself with his image and when the image died, he died.

If there was one other casualty it was the print media, led by the Associated Press. The televising of the Army-McCarthy hearings gave the public a first hand, and entirely different view of this man whom they read about as the Sir Lancelot of Americanism. People saw him as a bully boy, snarling and mephistic, the prototype of the "bad guy" of TV westerns. More important, wire editors of newspapers all over the country saw that this was no one-sided contest; they saw witnesses stand their ground, they heard rational voices discrediting the Senator's lies. McCarthy was dismayed when pressed with hard evidence; he looked like a fool as well as a villain. Newspapers in the hinterland demanded more balanced reporting, and from that point the press had to modify their lopsided coverage and deal with a public whose opinion had been formed by another medium. On this occasion, at least, the press had to halt stampeding opinion, that had been made possible by a lack of competition.

IRAN, THE EMPEROR'S NEW CLOTHES

On January 16th the Washington Post carried an editorial "Who is Khomeini?" raising more important questions than the identity of the exiled Iranian religious leader. The editorial was marked by naive astonishment, as if an obscure apparition had suddenly pulled the Persian rug from under the Emperor. The real question is where has the American press been for the past 25 years, during which time adulatory coverage presented the Shah as an enlightened, progressive reformer striving to drag a backward Iran into the modern technological age. American coverage of Iran stands as a prime example of media myopia, sloth and incompetence aided and abetted by official policy makers.

Why was the press taken by surprise by the current strife? Instead of investigation and analysis, the press took its cue from the State Department-CIA propaganda mill which proved to be an unreliable source because as the Post notes, "to avoid offending the Shah, American officials long accepted the demand to shun contact with all opposition elements." According to the Post, the insulation of Americans on the issue was so complete that "until just the other day the CIA could not even lay its hands on some of Mr. Khomeini's voluminous—and revealing—writings. It is hard to imagine a more painful instance of willful self-blinding." More pervasive and possibly more damaging were the assumptions formulated by policymakers and propagated by the press, such as:

The Iranian military represents a bulwark against the Soviets;

The Shah's reforms were transforming the feudal Society into a stable modern country;

The financial transactions (in military hardware and oil) are meaningful to the Iranian masses;

Having Iran as a friend would somehow stabilize the Mideast situation; and

The Shah had correctly characterized his opposition as "Islamic Marxists." Who else would resist such a popular, beneficent ruler?

One need only substitute the names of other countries and other puppets to see this pattern repeated around the world; in Vietnam, Korea, Chile, Nicaragua, wherever the United States security agencies have injected themselves to manipulate foreign policy and public opinion.

This approach, ending in upheaval and collapse, has generally been abetted by a long misrepresentation or obscuring of the facts by the American press. The media have taken their cue from the official insiders, who then tend to believe their own propaganda. One cannot tell which comes first, the ostrich or the egg. In the case of Iran, competent observers have never believed there was any serious possibility of stopping or even slowing down a Soviet aggression. As to the validity of the Shah's "reforms", there was a complete misreading of the social and political realities, that resulted in a superficial optimism, ignoring the volcano underneath.

Reporters missed the boat. They failed to understand the opposition to the Shah's modernization plan because of their overall failure to explain what is going on in Iran. According to the Columbia Journalism Review's current study (Reporting Iran Through the Shah's Eyes), "This failure to comprehend why reasonable people who are neither religious zealots nor Marxists might object to the Shah's brand of modernization has, in turn, been caused by the reporters' cultural nearsightedness and ideological estrangement from the values of Iran society."

The journalists' lack of depth made them repeat incantations about "land reforms." Had they dug beneath official rhetoric they would have discovered that the Shah was engaged in a ploy to widen his political base by diminishing the influence of large landholders, the Shah's once and future political rivals. About 10 percent of the peasants benefitted from the redistribution and roughly ten million more were left with less acreage than is required for family subsistence. A forced migration to the cities caused a drastic reduction in agricultural production, so Iran must now import 50 percent of its staples because of the chaos that ensued.

Likewise, the press is only beginning to realize that the anti-Government demonstrators are not merely religious fanatics with Marxist overtones. The complaint is not so much with modernization as it is against corruption, ostentation, autocracy and the imposition of Western notions and practices.

It is no wonder that coverage and policy collapsed under the weight of false assumptions, ethnocentrism and naiveté. The press, by accepting the official line and apparently believing it, did the public a great disservice. In the words of Richard A. Falk, the Princeton international law professor: "the media . . . has denied the Iranian opposition legitimacy in American eyes, thereby truncating public debate on one of the most important foreign policy developments since the end of U.S. involvement in Indochina. Unless the press helps open up debate, the American public will be making up its mind under much the same conditions that prevailed during the Vietnam War."

The list of distortions is inherent in the press methodology in case after case, given the basic cohesiveness of the entire information apparatus. America has just received the full treatment again in coverage of the visit of Teng Hsiao-p'ing. Overnight the Red Chinese devil has been given a complete face-lift and presented uncritically, with thousands of words and hours of television depicting him as a benign, witty, engaging personality, America's friend and ally. Scant coverage was given to the thousands of protesters who clogged the streets of Washington or to the concern by members of Congress who urged some reserve and caution before we lose our balance again.

NOMINATION BY THE PRESS

The media have now taken over in candidate selection. It is in the primaries that press interpretations have been found to supersede the actual expression by the voters, and it is the media's imposed judgment that often settles the outcome. Professor M. J. Robinson, in his study "TV's Newest Program: The Presidential Nomination Game" formulates what he terms the "dismal" theory that "the key to winning the nomination is merely to be declared the winner by the networks in the New Hampshire primary." It is often forgotten that President Johnson received a majority of the New Hampshire votes in the 1968 primary, but Senator Eugene McCarthy, with 42 percent was "declared" the real winner by the press. A few weeks later in the Wisconsin primary, McCarthy garnered 56 percent of the votes against the Johnson slate, but now he was "declared" to have "lost" because he had failed to reach 60 percent, the magic level arbitrarily set by the press.

An even greater distortion comes from the amount of coverage given. Robinson points out that prior to the 1976 New Hampshire primary, 11 states had held caucuses that accounted for 587 delegates compared to New Hampshire's 38. Yet the news stories on those 11 states represented less than 10 percent of network political coverage compared to 23 percent for New Hampshire alone. A New Hampshire delegate received 80 times the coverage as those from the earlier states. Most people came to know only one of the candidates, the New Hampshire "winner", Jimmy Carter. Public recognition of Carter quadrupled. The influence of the media raised Carter from obscurity to the position of declared "frontrunner". Yet Carter received only 30 percent of the New Hampshire vote while 70 percent voted for other candidates; but according to Walter Cronkite the results "gave Carter a commanding head start" and CBS's Roger Mudd declared that "Carter's victory was substantial". NBC hailed him as the "unqualified winner".

All this built to the ultimate ap theosis of politics, cover stories on Time and Newsweek. By actual count, Carter received 2,630 lines of coverage in these magazines while all of Carter's opponents received only 300 lines. The week after New Hampshire, the Georgian received three times the television and four times the front page coverage as all his rivals together. The New York Times pointed out that reporters did not like Senator Henry Jackson and that television therefore dismissed his substantial victories as "special cases." In Massachusetts, Carter's 23,000 votes merited respectful talk about his momentum while Jackson's 163,000 votes elicited little more than a shrug. When Jackson went on to win New York, Roger Mudd said this was because of "New York peculiarities" and Leslie Stahl (CBS) declared that his victory did not give him momentum. A study by Professor Thomas Patterson showed that "Carter simply dominated election reporting. The coverage became more lopsided with each primary until, Professor Patterson found, "Carter was receiving five times as much exposure as his major rivals." By the time of the Democratic convention Carter had only to harvest the victory so uncritically planted by the media.

The 1976 presidential election saw the low ebb of the print media as triumphant television took over the political arena. TV was the name of the game; coverage by the newspapers was reduced to reviewing the candidates' performance on the rival medium. The Ford-Carter debates were live if not lively, and the scribes sat on the sidelines with the rest of the public. They had become voyeurs, much as the sportscasters keep up a running comment while the actual game is played for all to see. The written press, long one of the most influential factors in the American political process, has lost out to a new technology that both overwhelms and numbs the public.

The media power to influence the selection process determines the type of candidate who enters politics today, based upon television appeal. What matter if a candidate is knowledgeable about economics, is a fine lawyer or skillful parliamentarian? The question is, how does he come across on the tube; is the smile engaging, is he smart on "talk shows", does he have an effective television image? Forget the depth of his mind, how deep are his dimples? Suddenly we have a crop of candidates who are actors, astronauts, and athletes. Instead of political parties we have groupies. American politics has become show business.

LITERACY OF THE AMERICAN PUBLIC

In his Nobel Prize lecture, Aleksandr Solzhenitsyn declared that a nation that loses its memory loses its spiritual unity.

One of the most disturbing characteristics of post-World War II Americans, those too young to remember the war, is their abysmal ignorance of the past. A whole generation of Americans view history as divided into B.W. and A.W.: Before Walter Cronkite and After Walter. For this generation, the War means the Vietnam War. Their knowledge of the Twentieth Century, the two world wars, the Great Depression, the New Deal, is practically nonexistent. When network television showed "The Holocaust" last year, the reaction of many Americans was one of bewilderment rather than disbelief. They could not understand how such an event could have happened in our time. Yes, they had heard vague rumors, but it remained a myth until a television fiction authenticated it.

Another anecdote: recently a young friend of mine remarked that she wanted to read "War and Remembrance," Herman Wouk's new novel about the Second World War. She understood that it contained a superb description of the Battle of Midway. To this, one of her contemporaries replied, "What's Midway?" A third member of the group said, in horror, "Do you mean to say you've never watched any John Wayne war movies on TV?"

Recent polls have shown that two-thirds of the American people now get most of their news from television. The percentage among young viewers is even higher. In an interview conducted in 1974, Av Westin, executive producer of ABC evening news, frankly conceded the shortcomings of TV news. He said: "I know what we have to leave out; if people do not read newspapers, news magazines and books they are desperately uninformed."

Not only are Americans today uninformed; millions of them have managed to pass through our secondary and higher education institutions and emerge as functional illiterates. The inability to read and write basic English is one of the great scandals of modern American education. Consider the following:

"Some 12 million American adults 14 years of age and older cannot read as well as the average fourth-grader, yet seventh-grade reading ability is required to perform such skilled or semi-skilled jobs as machinist or cook. An estimated 18 million adults cannot read well enough to file applications for Medicaid, Social Security, bank loans, or drivers' licenses." (*American Education*, May 1974)

The majority of Americans of all ages tend to use only the simplest sentence structure and the most elementary vocabulary when they write. The writing performance of teenagers seems to be deteriorating at the most alarming rate of all. Essays of 13- and 17-year olds tested in 1975 were far more awkward, incoherent and disorganized than those of the same age group tested in 1969.

Why the decline? Educators differ on the reasons, citing poor family environment, lack of discipline, faulty teaching, inadequate facilities. Most agree, however, that time spent watching television is time not spent practicing reading and writing. U.S. Commissioner of Education Ernest L. Boyer remarked last April that "Young children—two to five years old—now watch television over four hours every day, nearly 30 hours a week. . . . By the time a youngster enters first grade he or she has had 6,000 hours of television viewing. . . ." By the time American students graduate from high school they have spent 50 percent more time watching TV than they've spent in school. Some sources estimate that, at the present rate, Americans will end their lives having spent more time watching television than doing anything else except sleeping.

So what is so wrong with so many hours spent in front of the tube? What is so wrong is that watching television is entirely a passive exercise. Television demands nothing of the imagination. Unlike the reader, the TV viewer is not forced to deal with abstractions and complexities, to follow another's train of thought, to visualize characters and situations for himself. Although television informs, it does not demand that the viewer take an active part in learning. It diminishes and atrophies the critical faculties. And because it is so desperately anxious never to bore (thereby losing its audience and precious advertising revenue), it is forced to present subjects in as sprightly and superficial a fashion as possible. The moguls of American commercial television cater to a very brief attention span. Recently, for example, one of the major networks, ABC, changed the format of its evening news program to include, as the news is being broadcast, captions for upcoming stories. The implication is that, if you don't like what you're seeing now, just wait. You'll be seeing something entirely different 30 seconds from now. The new scheme does wonders for the concentration.

What is also so wrong with so much TV is that it may influence some antisocial individuals, particularly among the young, to violent behavior. Since the early fifties, when television became part of everyday life in America, there has been a noticeable increase in juvenile crime and street violance. It has been over 20 years since the United States Senate first held hearings to investigate the effects of media violence on children and youth. Congressional hearings on the same subject have been held many times since.

What is so dangerous about so much television is that we have allowed it to take over as the chief means of communication. C. P. Snow (Lord Snow), in a speech at the National Book Awards in 1977, put it this way:

"The spread of TV is the greatest revolution in human interchange since the invention of printing. Far more than radio, since most people, though not all, are more deeply affected by what they hear, and most of all by what they see-and-hear . . . Sometimes it seems that the range of stimuli which hit us takes away from any desire to think.

Thinking has gone out of fashion . . . We can become punch-drunk with mindless pictures and mindless sound. We needn't remember anything.

"The week is a long time in politics, said one of our recent Prime Ministers. The week is a long time in today's culture. The printed word—including those obsolescent objects, books—is the collective memory of the human race. Books don't fade with last night's memory. Maybe that is why they are ceasing to be read."

That is the pessimistic view, perhaps too pessimistic. There is a brighter side to this story. The American television industry was dismayed about six months ago, when its surveys told it that viewing time among the prime market 18- to 34-year-olds was actually on the decline. At first, naturally, the networks blamed the survey methodology rather than themselves. A decline in television viewing. Heresy. Better to kill the messenger than heed the sad tidings.

Reasons for the decline in viewing are not yet clear. It probably has something to do with the fact that so many American women are now working outside the home. That has meant fewer hours spent in daytime viewing as well as in the evening. Many working couples simply haven't the time to watch. It is even conceivable that television bores them. It is also true that the per capita sale of books is today three times what it was 25 years ago. This figure comes from Dan Lacy, senior vice president of one of America's largest publishing conglomerates, McGraw-Hill, Inc.

NEEDED: A COMMUNICATIONS MAGNA CARTA

What the railroads were to the economic development of the United States in the 19th Century and the automobile was to the first half of the 20th Century, the communication industry has become for the balance of this century, into the 21st.

The problems that arise today concerning the press and broadcasting are not new in essence—they echo the eternal conflict between liberty and license, freedom and authority—but they certainly are new in magnitude. The media is no longer the aloof observer chronicling the passing scene. It is engaged as an active participant, making markets, picking candidates, arbitrating taste and morality, exaggerating or ignoring developments. It does all this while holding shares and partnerships; it controls or finds itself controlled by businesses unrelated to its communication purpose. No other industry has access to so many varied levers of power.

Perched on its rock of constitutional immunity, to whom is the press responsible and accountable? What if it exploits its freedom, rendering the news in a biased way, acting capriciously or viciously? When Stanley Baldwin was Prime Minister, he was the target of two press magnates, Lord Rothermore and Lord Beaverbrook, whose papers attacked him intemperately. Baldwin replied, "What the proprietorship of these papers are aiming at is power, and power without responsibility—the prerogative of the harlot throughout the ages."

When this question of press responsibility is raised in America, we are offered unacceptable options, either abridge the Constitution's protections or risk the dangers of unbridled power and abuse. The rapid concentration of newspaper ownership and the growth of communications conglomerates, compel that we immediately seek ways to escape this dilemma. Presently, committees of Congress are rewriting the Federal Communications Act, a heroic task approached by politicians with timidity, since this is a subject so complicated and obscure to the public that only interested parties and their hired mercenaries bother to follow the intricacies. Unless a new communications Magna Carta is drawn, we will be left at the mercy of the media's intentions, good or bad.

The unacceptable answer, offered by the press, is to leave the matter completely to voluntarism, to the ethics and self-restraint of the media. The Wall Street Journal is cited as an example of responsible journalism, where integrity is respected. But there are also the horrible examples: the Manchester, New Hampshire Union Leader, a paper steeped in bias, and once a Fierce Goldwater supporter, delivered an astonishing rebuke for Goldwater's criticism of Jimmy Hoffa, the head of the Teamsters Union. It was later learned that the Teamsters had 2 million invested in the paper. Joseph Kennedy put $500,000 into the ailing Boston Post at the time the paper switched its support to John Kennedy. Look at papers in Ohio, Indiana, Arizona for other examples of press bias and wanton distortion.

In the present situation, the voluntary approach, trusting the good will of the media, is not protection for the public, and it was the public, not the publisher that the First Amendment was intended to protect. Safeguards can be drawn that will not do violence to the First Amendment, that would provide for a reasonable balance in communications. Competition must be the underlying principle if there is to be independence and responsibility at a time when technology is making concentration a profitable but dangerous practice. We submit this program:

Broadcasting and publishing should not be permitted to conglomerate. Such attempts as the current drive by American Express to take over McGraw-Hill (publishers of 30 magazines and 26 newsletters) can be prohibited under existing law; in telecommunications, the licensee should be restricted to communications, for the license is a privilege, not a right, and the holder should be obliged to observe boundaries in the public interest.

Anti-trust exemptions for the press should be removed; present law prohibits a newspaper from monopolizing the broadcasting in a given market; this should be extended to limit the control of other newspapers in the same community; the anti-trust laws can be amended to break up combines. National banks, for instance, are prohibited from doing business in more than a single state.

Government can, as a principle, foster new entrants into the media; satellite facilities and similar regulated technologies should be made available to new applicants before they are preempted by AT&T, IBM and similar giants. Administrative vision, rather than new legislation, would be required.

The Department of Justice (Anti-Trust Division) should be armed by legislation to deal aggressively with the trend toward giantism in communications.

Public broadcasting, which has been successful in other countries needs strong government support. In the U.S. it has a promising beginning in an atmosphere of industry hostility and government indifference. The Carnegie Institute's proposal, to assess private broadcasters a billion dollars annually to be applied to Public Broadcasting, is a reasonable proposal. It should be looked upon as a user tax on licensees who derive enormous revenues from the public's airwaves.

A serious professional effort should be made for self-reformation. As suggested by Max Kampelman, "The recruitment and training of editors and reporters require change. News stories would have to be written less hastily; they would probably be longer and in greater depth, possibly at the risk of not being as lively." An independent press council is desirable to resolve disputes arising out of unfair press treatment. The broadcasting "Fairness Doctrine" must be revised so that dissenting views and minority opinion can be heard and not legally strangled.

Unless believers in democracy address the rapidly changing realities of modern communication, they will find that the revolutionary developments in technology have imposed an invisible tyranny on our minds and society.●

THE MINING OF ANTHRACITE COAL

● Mr. CHAFEE. Mr. President, I would like to bring to the attention of my colleagues a fine article written by Senator Heinz, that has been published in Environment magazine (January–February 1979). The article suggests a number of reasons why we should encourage the mining of anthracite coal. Since we in the East have a great deal of this type of coal waiting in the ground to be mined, I urge my colleagues to give careful attention to Senator Heinz' article.

I ask that the text of Senator Heinz' article be printed in the Record.

The article follows:

THE CASE OF ANTHRACITE

(By John Heinz)

OVERVIEW

Early this year the Environmental Protection Agency will issue new regulations for electric utility steam-generating plants which may well determine the future of the anthracite coal industry—and of the six northeastern Pennsylvania counties where most of the high-Btu, low-sulfur coal is found. The December hearings on EPA's New Source Performance Standards (NSPS) reveal some serious problems inherent in the uniform application of environmental regulations. At the hearings, interested community action groups and representatives of the anthracite industry testified that, without special consideration for anthracite-fired electric utility steam-generating plants, anthracite will be economically non-competitive with other coals; the result, they contend, will be the death of the industry, further economic decline in the anthracite region, and more expensive and much delayed reclamation of the scarred environment of northeastern Pennsylvania. Their testimony reflects the view that, in establishing pollution control requirements, the EPA Administrator must consider the economic and energy impacts of such regulations as well as their effect on air quality. The Clean Air Act Amendments of 1977 explicitly give the Administrator the authority to take such factors into account in deciding on the new source performance standards. In the case of the anthracite industry, what is being asked for is exemption from the requirement that all utility and industrial plants must install "scrubbers" in order to reduce sulfur emissions (see "Overview," November 1978).

The 17.5 billion tons of reserves the U.S. Bureau of Mines has identified in northeast Pennsylvania represent 96 percent of the nation's total anthracite reserves and the only supply currently being mined. The combination of the high heat value and low sulfur characteristics of this coal make anthracite environmentally attractive because it can be burned in compliance with EPA sulfur dioxide emission ceilings without the use of such post-combustion pollution control equipment as "scrubbers."

As a result of earlier deep- and strip-mining conducted without adequate environmental controls, this part of Pennsylvania is currently an environmental disaster area. Over 900 million tons of coal refuse mar the visual quality of the anthracite region and the overflow from the abandoned deep mines contaminates the local water supply. While state and federal land and water reclamation programs have made some progress in containing the destructive byproducts of previous mining operations, the goal of total reclamation could be achieved much sooner and at significantly less expense if the cleanup were associated with active mining.

The anthracite industry was founded in 1781, making anthracite the first coal commercially mined in the United States. But today it is in serious economic trouble. Production, which peaked at 100 millions tons in 1917, declined precipitously to only 5.2 million tons sixty years later, although total U.S. coal production in 1976 was 665 million tons.

The decline in anthracite production can be attributed to the availability of oil and natural gas, which are cheaper and more convenient as home heating fuels. Although the residential sector still constitutes 40 percent of annual domestic anthracite consumption, the future of anthracite depends on its ability to compete in the electric utility field—currently the second largest consumer of anthracite—and in the industrial market.

Traditionally, the higher costs associated with anthracite have encouraged industry and utilities to favor bituminous coals. As a result of the technical difficulties involved in removing anthracite from steeply pitching seams of varying thickness, the price of anthracite is higher than that of bituminous coal. In addition, due to its higher carbon content higher temperatures are required to ignite anthracite. To maintain these temperatures during the combustion process, a larger boiler must be employed. Overall, special specifications for boilers and other combustion equipment make anthracite plants at least 15 percent more expensive than comparable bituminous facilities. Any NSPS that requires installation of scrubbers on an anthracite plant would effectively eliminate anthracite as an alternative fuel source for electric utility steam-generating plants by exacerbating these cost problems. On the other hand, allowing this low-sulfur coal to be used without scrubbers could more than offset these higher costs.

Permitting anthracite-fired facilities to operate without scrubbers would have only a marginal impact on air quality. Over 80 percent of the anthracite reserves contain less than 0.75 percent sulfur by weight. Considering that precombustion treatment can remove up to 40 percent of the sulfur from anthracite and that an average of 8.8 percent of the sulfur is retained in the bottom ash remaining after combustion, the SO_2 emissions from such a facility would often be less than those from a bituminous plant at which full 85 percent scrubbing is achieved. In no case, however, would SO_2 emissions from an unscrubbed anthracite plant exceed the EPA emission ceiling of 1.2 pounds of SO_2 per million Btu's.

Data compiled in a recent study by the Franklin Research Institute indicate that an anthracite-fired facility without scrubbers could produce electricity for 27 mills per kilowatt hour (kwh). Electricity from a comparable bituminous plant with scrubbers would cost 38 mills per kwh, nearly 25 percent more than that from the anthracite-fired facility. Such a cost advantage would not only encourage utility companies to commit the sums of capital required for the construction of anthracite-fired steam-generating electric plants, but could also cut consumer energy bills.

Two 600-megawatt powerplants capable of supplying a city of 600,000 persons would consume an average of 3 million tons of anthracite per year. Over a forty-year life span, the coal would replace at least 500 million barrels of imported oil. An increase in production of this magnitude (more than 50 percent more than current output) would bring anthracite producers close to the ten million tons per year capacity of the mining equipment they currently own.

Increased mining of anthracite will have beneficial environmental effects. It will occur at the sites of prior mining operations, thus contributing to the cleanup of these scarred areas. Pennsylvania's Surface Mining Conservation and Reclamation Act of 1971 requires the cleanup of existing environmental damage, in addition to restoration of any part of the environment disturbed by new mining operations. Therefore, the net effect of expanded mining activity will be environmental benefits in the form of the reclamation of land and water resources that would otherwise remain in their damaged state.

Presently there are at least 12,000 acres of coal refuse or culm banks and nearly 18,000 acres of abandoned stripmined land located throughout the anthracite region. The Franklin Research Institute study reports that reclamation without associated mineral extraction costs $110,000 per acre, while the same degree of cleanup achieved in conjunction with mining activity would cost only $4,000 per acre. Pennsylvania's Bureau of Surface Mine Reclamation is currently progressing toward the goal of total reclamation at a rate of 300 to 400 acres per year. At this rate, it will take 80 to 100 years to complete the process. In contrast, the Franklin Institute concludes that a doubling of anthracite production would achieve essentially complete restoration by the year 2000.

Similar positive effects would be realized in terms of water reclamation, if anthracite production expands. A study by Berger Associates estimates that there are 375 billion gallons of acid mine water in 167 pools located in abandoned anthracite workings. Run-off from one site contributes the equivalent of 4,860 pounds of acid, 272 pounds of iron, and 8,190 pounds of sulfides per day to a local stream. In 1978 dollars, it costs $1.8 million per month for electricity to operate pumps which lower these pools at the rate of 500 feet per year. Remining these old workings could curtail 75 percent of the infiltration of surface water and reduce pool volume by 50 percent by the end of the century.

The cumulative present value of the collateral environmental benefits that would result from expanded anthracite mining over the next two decades, as estimated by the Franklin Institute, are on the order of $500 to $900 million. Achieving these results requires a doubling of production. This in turn depends on the competitive viability of anthracite in the electric utility market.

In terms of the local economy, a doubling of anthracite production could increase employment by 5,000 people in a region in which 32,000 people are currently looking for work. The wages earned by new anthracite miners would spur expansion in other sectors of the economy and at the same time increase the tax revenues of the region's cities and towns. Historically, the economy of northeastern Pennsylvania has been closely associated with the condition of the anthracite industry. While anthracite production probably will not return to the levels achieved during the early 1900s, it still has the ability to serve as a source of economic rebirth for the entire region.

A demographic analysis of the anthracite region reveals a population skewed toward older age groups, reflecting the tendency of younger individuals and families to leave the area in search of jobs. Approximately 12,000 residents of northeastern Pennsylvania are retired anthracite miners, who are relying in part on payments from the anthracite pension fund to support themselves. These payments are derived from a fund maintained by contributions from anthracite producers based on the quantity of coal mined. As production and the work force declined, so did the pension fund's assets. For nearly 17 years, retired anthracite miners have received a minimal support payment of $30 per month. Expanding production will increase contributions to the pension fund and reduce the burden on the 3,600 currently employed and 12,000 retired anthracite miners.

All the environmental, economic, and energy benefits associated with a renaissance of the anthracite industry can be achieved without exceeding the emission ceiling that EPA has determined adequately protects air quality. EPA must now decide whether it will eliminate the low-sulfur advantage of anthracite by requiring the same post-combustion pollution control equipment for anthracite-burning plants as for those burning high-sulfur coal, thus precluding the realization of many collateral environmental and economic benefits. Congress specifically gave the Administrator the flexibility to establish new source performance standards that achieve a balance between environmental, energy, and economic factors so as to maximize the protection and improvement of the environment. Establishing a special standard of anthracite that does not mandate the installation of scrubbers is an example of how that balance could be achieved.●

MAYOR-ELECT RICHARD BERKLEY, KANSAS CITY, MO.

● Mr. DOLE. Mr. President, yesterday the people of Kansas City, Mo., elected a new mayor, Richard Berkley. For the first time since 1925, Kansas citians have elected a Republican to their highest post. I would like to congratulate Mr. Berkley and wish him well as he faces the many problems confronting urban America.

Richard Berkley's clear-cut victory indicates to me that the people of Kansas City have found something appealing in the Republican philosophy.

I look forward to continued growth and prosperity in Kansas City under the realistic and responsible management of Richard Berkley. I am sure that his administration will emphasize to all Americans that Republicans can and will deal with the problems of America's cities—problems of unemployment, housing, and transportation.

I anticipate that the message of Kansas City will be heard by other American cities, and that the politics of responsibility, as practiced by Republicans throughout the country, can provide the answers to urban questions that once seemed insoluble.●

SENATOR STAFFORD DISCUSSES BILLBOARD CONTROL ON THE CBS MORNING NEWS

● Mr. CHAFEE. Mr. President, the steady erosion in the effectiveness of the Federal Highway Beautification Act was examined in a recent report carried on the CBS Morning News. CBS pointed out that many believe that the highway beautification law had become the "Billboard Protection Act."

During this CBS segment, our distinguished colleague, Senator Stafford, appeared to discuss his billboard control legislation, S. 344.

I ask that a transcript of this segment from the CBS Morning News be printed in the Record.

The material follows:

TRANSCRIPT

SCHIEFFER. Back when Lyndon Johnson was President, one of Lady Bird Johnson's pet projects was cleaning up the nation's roadsides. Mrs. Johnson's campaigning resulted in Congress passing a law, a clean-up law, but that law may not be doing what Mrs. Johnson thought it would. Neil Strawser explains.

NEIL STRAWSER. The aim of the Highway Beautification Act of 1965 was a federally funded highway like this one—landscaped, junkyards kept out of sight, and billboards kept 600 feet off the right of way. But now critics say it is becoming the Highway Billboard Protection Act. Some states are taking advantage of an original exemption to extend the commercial zones along highways, where signs are said to conform. And a 1978 amendment has curtailed the power of states and localities to remove offensive signs. Owners must be compensated, even if the signs have already paid for themselves. One of the Senate's most vocal billboard critics, Robert Stafford, says the act might as well be repealed.

Sen. ROBERT STAFFORD. Well, in my opinion, to put it very briefly, I think the program, as it now exists, is really protecting billboards in this country, instead of getting down nonconforming billboards on the Interstate, the primary system of the country. And so, that's why I have proposed we turn the program back to the states, so the states who want to go ahead and get billboards down can do so, and those that don't want to won't have to. And in the process, we'll avoid some government regulation, red tape, bureaucracy, and save some federal dollars.

STRAWSER. Stafford predicts the billboard lobby will fight his legislation, and apparently he is right. The big outdoor advertising association of America would not comment, but another major group did.

WILLIAM REYNOLDS [Roadside Business Assoc.]: We see too much good in the program. We see that federally regulated is easier to work with than if we had it go back to the states, such as the senator is proposing.

STRAWSER. But is this one industry that does not want deregulation?

REYNOLDS. I would say, yes, sir. I am—emphatically.

STRAWSER. Why?

REYNOLDS. Look at the airline industry. Look what happened to it when it got deregulated. It's a total chaos.

STRAWSER. The billboard lobby contends that polls show Americans want highway signs. Senator Stafford concedes public sentiment against signs is now weak, because environmentalists who won the 1965 act have gone on to other fights. His bill may not pass, but he hopes they hear the new call to arms for the second battle of highway beautification.—Neil Strawser, CBS News, Washington.●

CALIFORNIA OFFERS ITS STRONG SUPPORT FOR A GREATER STATE PARTICIPATION IN THE BILLBOARD CONTROL PROGRAM

● Mr. STAFFORD. Mr. President, increasing interest appears to be developing in my proposal (S. 344) that would return the highway beautification program to those States wishing to resume control. This week I received a letter from an official of the State of California expressing that State's strong support for S. 344.

Such strong backing for S. 344 from the Nation's most populated State represents a major step forward for this legislation. Mr. President, because of its importance, I ask that this letter be printed in the RECORD.

The letter follows:

STATE OF CALIFORNIA,
Washington, D.C., March 22, 1979.

Hon. ROBERT T. STAFFORD,
U.S. Senate, Washington, D.C.

DEAR SENATOR STAFFORD: I take this opportunity to inform you that the California Department of Transportation fully supports your S. 344, a bill to allow the States to either remain or withdraw from participation in the Highway Beautification Act program.

We have analyzed your proposal and have found ourselves willing to lend any assistance possible in speeding the measure to enactment.

Your statement in the March 21, 1979 *Congressional Record* beginning on page 5654 makes a most convincing argument.

Please let us know what specific steps we can take to assist you.

Best wishes.

Sincerely,

JOHN H. INGRAM,
California Department of Transportation.●

GOING PUBLIC: A DIFFICULT PROPOSITION

● Mr. WEICKER. Mr. President, on March 14, I reintroduced the Small Business Investment Incentive Act, S. 655. This legislation is designed to encourage the participation of individual investors in the serious problem of providing equity financing for our Nation's smaller businesses.

Although legislation passed by the last Congress will go a long way toward stimulating investment in the equity markets, I believe more must be done to attract investors to small businesses. An article entitled "Going Public: Initial Stock Offerings Hurt by Poor Demand From Wary Investors" which appeared in yesterday's Wall Street Journal substantiates my concerns about the availability of capital for small business. I commend this article to my colleagues, and urge that they give serious attention to the problems still encountered by smaller businesses desiring to obtain growth capital.

Mr. President, I ask that the following article be printed in the RECORD.

The article follows:

INITIAL STOCK OFFERINGS HURT BY POOR DEMAND FROM WARY INVESTORS

(By Vasil Pappas)

American Management Systems wants to go public this spring. It's a pity for AMS that this isn't the spring of 1969.

Then, at the height of the stock market's new-issue boom, selling stock to the public was considered a natural step in corporate evolution. It was how young, innovative firms raised the capital needed for further growth. And it was easy.

AMS stock might well have been a highflyer. Ivan Selin, the company's 42-year-old founder and chairman, had two Ph.D's by age 25 and ran the Pentagon's systems-analysis group at age 32. And AMS has fulfilled its bright promise. Today, the nine-year-old company has become a leader in the computer-services industry. For the past three years, AMS revenues have been growing 56% a year, and return on equity has averaged 65%.

SOME BIG PROBLEMS

But selling new stock issues to the public isn't easy these days, even for fledgling firms with impressive credentials. The difficulties stem from greatly diminished investor interest and from the sharply rising costs of making an initial public offering.

"To go public today, it would have to be just a truly outstanding company, and I don't think there are that many out there," says William Hambrecht, a partner in Hambrecht & Quist, a San Francisco investment-banking firm specializing in taking companies public.

It many ways, AMS is perhaps typical of companies waiting in the wings and hoping to go public. It's in a high-technology, high-growth market; it needs additional capital to continue its rapid progress, and yet it's having to look hard at the difficulties of selling stock.

WARY INVESTORS

The chief difficulty is the sharp decline in the supply of capital available to new stock issues. Investors who bought new issues a decade ago generally are avoiding the market now. They are still smarting from losses sustained when prices of then-highly-touted new stocks plummeted. And with inflation rampant and a recession widely anticipated, financial institutions and the remaining individual investors are more inclined to choose less risky, more-liquid investments such as bonds, which are yielding up to 11 percent. As a result, many small firms that otherwise might go public are staying privately held or merging with larger companies.

The impact on initial public offerings has been heavy. Last year, only 46 companies raised a mere $250 million through new stock offerings, down from 1,026 companies raising $2.65 billion in 1969, according to Going Public magazine.

This drop has stirred some reaction from the federal government. Last year, Congress took measures that may help reopen the capital markets to small companies; included were a cut in the maximum capital-gains tax rate to 28 percent from about 49 percent and a tripling to $1.5 million of the amount that small companies can raise without filing a full-scale, expensive registration statement with the Securities and Exchange Commission. In addition, the Labor Department, which oversees pension-fund investments, formally clarified its investment criteria to make it easier for pension-fund managers to put modest portions of their assets into smaller, riskier companies. The action reduced the chance of lawsuits from fund beneficiaries if the investments sour.

CURRENT PACE

There's reason to believe that these moves may be helping renew interest in initial stock issues. This year through last week, 12 publicly underwritten new issues have been sold raising $50.6 million, up from four issues raising $5.6 million in the year-earlier period, according to Going Public. But the pace remains far below that a decade ago.

Back in December 1969, launching a new business was simpler. Mr. Selin and four other Defense Department "whiz kids" decided to form AMS to sell to businesses the type of sophisticated computer analysis that they were doing in the Pentagon. Working nights and weekends, they assembled a 25-page, typewritten prospectus containing three pages of rosy financial projections, a business plan and their resumes.

"We had a good, but relatively vague, business plan, no assets and no clients," says Charles Rossotti, AMS's 38-year-old president. "If we tried to do that today, we'd be laughed at." But back then, the prospectus drew three offers quickly, and in just two face-to-face meetings, the group sold 20 percent of the proposed company's stock for $300,000 to a predecessor company of Lehman Brothers Kuhn Loeb Inc., a big New York investment-banking firm. The process took two months and cost less than $5,000.

The next financing took longer and cost more. In 1972, when AMS was employing 60 people, the founders sold privately 16 percent of the company's equity to venture-capital firms for $650,000, at a per-share price that was 40 times earnings (the 400 common stocks used in the Standard & Poor's industrial index are currently averaging less than nine times earnings). "If we'd been in business a little longer, we wouldn't have had the nerve to ask for that much," Mr. Rossotti comments. This time, the prospectus ran 100 pages, and the process took six months. Out-of-pocket expenses for auditing, legal and printing fees totaled $15,000, and the commission fee to the underwriting group was $35,000.

Today, with more than 700 employees, AMS hopes to sell about a quarter of the company for roughly $6 million. It projects out-of-pocket expenses at $125,000—low by industry estimates—and commission fees at $420,000. The process, which began with a decision last September to try to go public, will take eight months—if the stock is sold in May.

Typical of fast-growing companies, AMS is going public because it needs cash. "They have to have a fresh infusion of equity capital to continue the growth they've had in the past," says Robert S. Cherouny, senior vice president of Union National First Bank of Washington, D.C. AMS recently negotiated a $5 million line of credit with the bank; included is a $2 million term loan to finance projected growth until the stock is sold.

Besides providing new funds, the offering will create a public market for AMS stock and thus allow the founders and key employes who own shares to cash in. "What we've been living on now is the fact that lots of people think they'll be rich someday, and that gets old after a while," says Mr. Selin, who makes about $100,000 a year and will receive between $500,000 and $750,000 before taxes by selling some of his stock.

ELEMENTS OF SUCCESS

The success of the offering depends on three elements: a price attractive to investors; support from institutional investors, which generally lead the buying, and a healthy stock market. Earlier this month, AMS filed its preliminary registration statement with the SEC and printed 25,000 copies of it for the investment community. In April, Lehman Brothers, which will head the underwriting group selling the stock, will set up analyst meetings around the country to enable potential investors to meet and evaluate AMS's top management.

Then, assuming SEC approval of the filing, the current owners and the underwriters will hold the touchy negotiations right before the actual sale of the securities to determine the stock price. "Every owner thinks his company is worth more than its offering price," one underwriter suggests. To fix a price, comparable companies in the same industry are used as measures, and the price is calculated as a multiple of current earnings.

AMS, which last year earned $1.28 a share, hopes to get between $15 to $17 a share, or about 12 to 13 times earnings. If the company can't get at least $13.50 a share, Mr. Selin says, it probably will postpone the offering. "We'd feel the market wasn't good enough," he explains.

ROLE OF THE MARKET

The stock market does hold the key. "The Dow Jones (industrial) average has to be about 800 or higher for the offering to sell," or enough buyers won't be attracted to the stock at an acceptable price, says Steven Feinster, a Lehman Brothers partner. Other underwriters stress not so much where the market is as where it seems to be headed.

In the first nine months of last year, for example, the new-issue market was relatively strong, compared with the previous two years. But in October, a steadily declining dollar and soaring interest rates sent the overall stock market plunging. Investors switched into safer investments, and funds in the new-issue market dried up. "There were companies that investors just couldn't wait to buy when they were in registration in August, but when they came out in October you couldn't give them away," one underwriter moans.

Even if market conditions are acceptable, pricing a new issue is difficult. Underwriters want the price a few dollars below the level at which they think the shares will open when trading begins. If the stock sells below the offering price, the new stockholders' investment has immediately declined in value, and the underwriters worry that their customers will be annoyed because the issue was priced too high.

From an issuing company's viewpoint, however, prices can be set too low. When Auto-Trol Technology Corp. went public in late January at $13 a share, the stock soared to $17 in the first day of trading; and Donald Smith, chairman of the maker of computer-based design and drafting equipment, muses, "You always wonder if you priced the stock high enough."

Even after an issue has been traded for a while, nearly everyone involved wants the price to stay at or above the offering level. Investors expect consistently increasing quarterly earnings from new-issue companies, just as they do from large, established ones. Any unwelcome surprises can send a new stock reeling. For example, Floating Point System, a Portland, Ore., maker of specialized computer-processing gear, went public last September, and the offering quickly sold out at $18 a share. But in December, the company unexpectedly announced that it would report a loss for its fiscal first quarter, and the stock plunged $7.25 in one day to $12 bid, $13 asked—close to where it trades now.

Such reactions worry AMS. "One thing I'd hate to give up is the flexibility to make decisions that would be good in the long run but would depress quarterly earnings," Mr. Selin says. He adds that in 1975, not only did the company's earnings decline from the previous year, but one quarter showed a loss. Mr. Fenster, the prospective underwriter, comments, "If they don't have faith in their earnings for 1979 and 1980, quarter by quarter, then it isn't a good idea to go public now."

ATTRACTIVE ALTERNATIVE

The most-attractive alternative to going public is to sell out to another company. The chief advantage is that the price is completely negotiable and generally much higher than the return from going public. In purchasing publicly held companies, buyers in the past two years have been paying 60%-to-70% premiums over the stock-market price, says Peter Goodson, head of mergers and acquisitions for Kidder, Peabody & Co., a New York investment firm. Moreover, the high costs of bringing out a new issue are avoided.

Mr. Selin, however, rules out a merger. He explains that all the AMS founders (and principal stockholders) are still young and don't want to work for a new owner. But he concedes that to go public, the company will have to add a few outside directors and several extra employes to handle reports to the government and shareholders—and among the new employes would be "someone smooth" for investor relations, he says.

Whether AMS decides to go public this spring depends on the stock market. Mr. Selin says the company has enough funds from the new bank credit and from operations to finance growth for two years. But he isn't planning to wait for a stock-market rally in the hope of getting a high price. "The uncertainty of the market will make us do it earlier rather than later," he says.●

S. 639—SMALL BUSINESS REVITALIZATION ACT OF 1979

● Mr. SCHMITT. Mr. President, I am pleased to cosponsor the Small Business Revitalization Act introduced by Senator HEINZ.

This legislation will allow businesses to depreciate the first $100,000 of machinery or equipment purchased each year over the following 3 years using the straight-line method.

Capital investment in our economy has been lagging far behind historical averages. This action will encourage investment by small businessmen to purchase new plant and equipment, adding to our Nation's productivity base and increasing the job formation process in the economy.

There is a pressing need for simplification of the provisions of the Internal Revenue Code. The current depreciation provisions are extremely complex and often confusing to the small businessman without benefit of specialized staff. This legislation will greatly simplify these tax provisions allowing far more of the Nation's small businessmen to take advantage of the tax incentives in the Code.

Small business is often called the backbone of our country. It is a frequently overlooked fact that every large business was once a small one. Small business is the laboratory where the future of America is developed. Concern for the health of small business is, therefore, not an academic exercise, it is a matter of the survival of our economic system. Right now, investment in our future is down. We must take action to encourage the flow of investment funds into the heart of our economy.

The Small Business Revitalization Act will help to accomplish this, and I am pleased to cosponsor it with my colleague from Pennsylvania, Senator HEINZ. I ask that the text of the bill be printed in the RECORD.

The text of the bill follows:

S. 639

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Small Business Revitalization Act of 1979".

SEC. 2. 3 YEAR STRAIGHT LINE DEPRECIATION ALLOWED FOR CERTAIN PROPERTY.

(a) GENERAL RULE.—Section 167 of the Internal Revenue Code of 1954 (relating to depreciation) is amended by adding at the end thereof the following new subsection:

"(s) 3 YEAR STRAIGHT LINE DEPRECIATION.—

"(1) IN GENERAL.—At the election of the taxpayer, made at such time and in such manner as the Secretary shall prescribe, the term 'reasonable allowance', as used in subsection (a), shall mean, for property which is tangible personal property and which has a useful life of more than 36 months, an allowance based on a useful life of 36 months computed under the straight line method.

"(2) $100,000 BASIS LIMITATION.—The election provided by paragraph (1) shall not apply with respect to more than $100,000 of the basis of property placed in service by the taxpayer during any taxable year. If a taxpayer makes the election provided by paragraph (1) for a taxable year with respect to property placed in service during that year which has a basis in excess of $100,000, then that property shall be treated, for purposes of this chapter under regulations prescribed by the Secretary, as 2 properties, one of which has a useful life of 36 months and a basis of $100,000 and the other of which has a useful life determined without reference to this subsection and a basis equal to $100,000 less than the basis which would have been determined for the entire property under this section without regard to this subsection.

"(3) Limitations and special rules.—

"(A) Certain property excluded.—This subsection shall not apply to property—

"(i) acquired from a person whose relationship to the person acquiring it would result in the disallowance of losses under section 267 or 707(b) (but, in applying section 267 (b) and (c) for purposes of this subsection, paragraph (4) of section 267(c) shall be treated as providing that the family of an individual shall include only his spouse, ancestors, and lineal descendants),

"(ii) acquired by one component member of a controlled group from another component member of the same controlled group, and

"(iii) the basis of which in the hands of the person acquiring it is determined—

"(I) in whole or in part by reference to the adjusted basis of such property in the hands of the person from whom acquired, or

"(II) under section 1014(a) (relating to property acquired from a decedent).

"(B) Subsection not to apply to trusts.—This subsection shall not apply to trusts.

"(C) Estates.—In the case of an estate, any amount apportioned to an heir, legatee, or devisee under section 167(h) shall not be taken into account in applying the dollar limitation under paragraph (2) to property of such heir, legatee, or devisee not held by such estate and to which this subsection applies.

"(D) Dollar limitation of controlled group.—For purposes of paragraph (2)—

"(i) all component members of a controlled group shall be treated as one taxpayer, and

"(ii) the Secretary shall apportion the dollar limitation contained in such paragraph (2) among the component members of such controlled group in such manner as he shall by regulations prescribe.

"(E) Controlled group defined.—For purposes of subparagraphs (A) and (D), the term 'controlled group' has the meaning assigned to it by section 1563 (a), except that, for such purposes, the phrase 'more than 50 percent' shall be substituted for the phrase 'at least 80 percent' each place it appears in section 1563(a) (1).

"(F) Dollar limitation in case of partnerships.—In the case of a partnership, the dollar limitation contained in paragraph (2) shall apply with respect to the partnership and with respect to each partner.

"(G) Noncorporate lessers.—The provisions of this subsection shall apply to a person which is not a corporation with respect to property of which such person is the lessor only if—

"(i) the property subject to the lease has been manufactured or produced by the lessor, or

"(ii) the term of the lease (taking into account options to renew) is less than 50 percent of the useful life of the property (determined without regard to this subsection), and for the period consisting of the first 12 months after the date on which the property is transferred to the lessee the sum of the deductions with respect to such property which are allowable to the lessor solely by reason of section 162 (other than rents and reimbursed amounts with respect to such property) exceeds 15 percent of the rental income produced by such property. Notwithstanding the first sentence of this subparagraph, in the case of property of which a partnership is the lessor, the provisions of this subsection shall apply with respect to such property to any partner which is a corporation. For purposes of this subparagraph, an electing small business corporation (as defined in section 1371) shall be treated as a person which is not a corporation.".

(b) Useful Life for Investment Credit Purposes Not Affected.—Subsection (c) of section 46 of such Code (relating to qualified investment) is amended by adding at the end thereof the following new paragraph:

"(7) Coordination with section 167(s).—Notwithstanding paragraph (2), in the case of an item of property treated as having a useful life of 36 months under section 167(s), the applicable percentage for purposes of paragraph (1) shall be determined without regard to any election in effect with respect to such property under that section.

Sec. 3. Effective Date.

The amendments made by section 2 of this Act shall apply with respect to property placed in service after the date of the enactment of this Act.●

MAJORITY LEADER SAYS NATURAL RESOURCES REORGANIZATION OUGHT TO BE LEGISLATED

● Mr. TALMADGE. Mr. President, on March 12, our distinguished majority leader, Mr. Robert Byrd, sent a very thoughtful letter to President Carter with respect to the pending proposal to reorganize the natural resource functions of the Government.

In the most eloquent fashion, Mr. Byrd has urged the President not to submit a reorganization proposal under the provisions of the 1949 Reorganization Act. Instead, the majority leader says that reorganization of such magnitude ought to be handled through the normal legislative process.

Mr. Ribicoff, the distinguished chairman of the Government Affairs Committee has also sent the White House this identical message, and I find the arguments of both Senators compelling.

I submit for the Record the majority leader's letter to the President.

The letter follows:

March 12, 1979.

The President,
The White House,
Washington, D.C.

Dear Mr. President: I am writing to express my opposition to your intention to create a new Department of Natural Resources by a reorganization plan. I urge you to submit your proposal for such a department to the requirements of the normal legislative process.

The Reorganization Act authority on which you rely permits reorganization plans which change the name of a department and transfer functions from one department to another. Since 1964, statutory restrictions written into renewals of the Reorganization Act have prohibited reorganization plans which "provide for" or "have effect of" creating new cabinet departments. Congress has repeatedly made it clear that major reorganizations of executive departments must be handled through the full legislative process.

I have not reached any judgment about the merits of the proposed reorganization. I am familiar enough with the scope of the proposal to believe that proceeding by reorganization plan would violate the spirit, if not the letter, of the Reorganization Act. Proposals for a Department of Natural Resources have a long history. and they have excited support and aroused opposition precisely because they represented a major departure from our current approach to resource management. Transferring major agencies like the Forest Service, which includes 26 percent of the employees of the Department of Agriculture, and the National Oceanic and Atmospheric Administration, which comprises 43 percent of the Commerce Department, are the earmarks of a major reorganization. The goal of the reorganization—the creation of one department with the mission and the power needed to manage our precious natural resources in a comprehensive and far-sighted way—plainly indicates that a new department is envisioned.

The Reorganization Act, of course, places strict time limits on Congress and ultimately permits Congress only an up or down vote on the plan submitted. For this reason, proceeding by plan precludes the kind of study and amendment, refinement and compromise that follows from full Congressional consideration. The process and its limits are well-suited to minor transfers within the Executive Branch. However, in a major reorganization, proceeding by plan improperly transfers what are essentially legislative functions and responsibilities from Congress to the White House.

Moreover, a new department created by reorganization plan is destined to be inadequate. Presumably, the Administration seeks this reorganization because our current approach to resource management evolved piecemeal over time, and the agencies are hampered by mandates which are overlapping or irreconcilable. A reorganization plan cannot include a statement of mission for the department. It cannot spell out the powers which the Secretary must have to pull together a department comprised of agencies which have traditionally been independent and sometimes antagonistic. These and other issues essentially to the department's success can only be addressed through legislation.

The Administration may believe that proceeding by plan affords the best chance of success. This conclusion seems highly questionable, at best. Proceeding in this fashion gives Senators a reason to oppose the proposal, regardless of its merits. There is one other unfortunate political consequence: Supporters of the status quo will fight the idea regardless of its format, but the chance to rally the support of those who might be enthusiastic could be lost if the effort is portrayed as a major reorganization, to be brought about by plan rather than the normal legislative process.

For all these reasons, I urge you to reconsider this matter.

Sincerely yours,

Robert C. Byrd.●

THE TAX REVOLT IS LIKE A POT OF TEXAS CHILI

● Mr. TOWER. Mr. President, yesterday we continued debate on legislation to increase the temporary debt limitation to the staggering sum of $830 billion. At that time the Senate rejected an amendment which would have forced, for the first time, a measure of discipline into the budgetary process by making future debt increases, unless Senators feel that extenuating economic circumstances dictate otherwise, contingent upon attaining a balanced Federal budget. As a cosponsor of this measure, I sincerely regret the missed opportunity to take the first step in heeding the will of the American taxpayer, who wants performance—not just promises—from Congress in controlling a Federal budget that has run wild.

I would like to make clear at the outset that, to the Senator from Texas, a balanced budget is far from fanciful. It is now on the verge of fulfillment. I am sure my colleagues can appreciate the satisfaction in seeing the Senate so seriously consider this matter after so many years of spending as though there were no tomorrow. We cannot continue to spend money we do not have on programs we do not need in the vain hope of being all things to all people. At last, this economic reality has come to be recognized.

Now, the CONGRESSIONAL RECORD is filled with bills and speeches about a balanced budget. It warms my heart to see so many Members of Congress acknowledge the damage done to our economy by votes of years past. We have overdosed on the outworn Keynesian remedy of always looking to deficits to invigorate the economy. There is no better advocate of temperance than a reformed drinker, and what better disciples of fiscal responsibility could there be than reformed deficit spenders.

In our newfound inclination to return to commonsense economics, we have considered two commendable amendments to the debt ceiling bill. In different ways, those amendments would have demonstrated our determination to move gradually toward less inflation, lower taxes, and a balanced budget. Rejection of those amendments is an early warning signal to the public that this Congress is doing business as usual.

While I will not venture to predict the ultimate outcome of the debate on budgetary restraint and tax reduction, I do want to look beyond the legislation at hand to consider the options which, sooner or later, we will not be able to evade. For even if the Senate declines to commit itself to a balanced budget at this time, even if the Congress finds ways of avoiding action on tax cut proposals repeatedly offered by members of the minority, the tax revolt issue is here to stay and will follow each and every Member of this body like his shadow until its demands are addressed.

Whether or not the requisite number of States eventually pass resolutions calling for a Constitutional Convention, it is obvious that a great many Americans want more than just good intentions when it comes to a balanced Federal budget. In this Senator's view, statutory action is preferable over the more drastic means of amending our Constitution. But whatever we do, it must be unmistakably clear to Congress, to the administration, and to the public that we mean business.

The simple way of balancing the budget is to cut Federal spending until we reach the level of our incoming revenues. Not a bad idea. There is reason to suspect, however, that some of the most ardent budget-balancers would be reluctant to apply that remedy. Moreover, the brief performance of the 96th Congress to date makes it unlikely that official Washington has the will to knock $30 billion to $40 billion off the President's budget by cutting programs regarded as sacrosanct by their proponents.

In committee after committee, hearings are being held on the alleged need for more Federal spending across the board. New programs are being launched left and right, but mostly left. There is a monstrous new Federal child care program in the works, schemes for socialized medicine in doses large and not so large, and a multi-billion-dollar expansion of welfare. Most ludicrous of all, an attempt is underway to lift the cap on the food stamp program, thereby allowing its costs for fiscal year 1980 to increase by well over $1 billion.

There is not any Arab shiek that is going to pick up the bill; there is not a tooth fairy that is going to pick up the bill. I assure you, it is going to be paid by the American people. But while the Carter administration is trying to impose wage guidelines on those who work for a living, it wants to remove spending limitations on those who profit from taxes.

Scripture warns us that things hidden in darkness will come to light. So it will be with Federal spending. When the first concurrent resolution on the budget for fiscal year 1980 reaches the floor of the Senate within the next month, then the Senate's disinclination to cut spending will be in the spotlight for public reprobation.

A second alternative for budget balancing is to make Federal revenues match spending by hiking taxes. I feel as kindly to that approach as a jackrabbit does to a rattlesnake. But here in Washington, there is a lobby for everything, higher taxes as well as rattlesnakes. Only, the high-tax lobby uses code words to conceal its real intent. Its favorite is "tax loopholes," which means any provision of the Internal Revenue Code which allows taxpayers to keep some of their earnings. Another is "tax expenditure," an ingenious way of contending that, when the Federal Government allows a person to keep his earnings through a deduction or exemption, it is "spending" revenues. What a clever way of positing that all wealth belongs, by divine right, to the Government.

Now, you would think that high-taxers would be as successful during the tax revolt as buying steers to stock a breed herd. But not so. They manage to accomplish their goals through the diabolical mechanism of inflation. As American workers race to keep up with the price spiral, it pushes them into higher and higher tax brackets. Thus, the Federal Government reaps a nasty financial windfall from misery in the form of bigger tax receipts. It may be legal, "but it ain't nice."

Even so, we can try to balance the budget in the short run by hiking taxes, directly or indirectly. The problem is that, by the time the Federal Government taxes away from the public enough wealth to cover its budget, the combination of raging inflation and disincentives to work or invest will have brought the economy to its knees.

But there is another way, a proposal that has been repeatedly made and brought to a vote by members of the minority in the 95th Congress: While gradually reducing Federal spending, we can simultaneously reduce Federal taxing, thereby restoring incentives to work, save, invest, grow, develop, hire, train, promote, and prosper. We can hack out of the Federal tax code the confiscatory taxes which are choking the productive industry of the American people. We can liberate the ingenuity and energy of Americans; for it is they who are the driving power behind our economy, while the Congress does little but keep its foot on the brake.

That, my friends, is the surest way—in the realm of political possibility, perhaps the only way—to reach our goal of a balanced budget. Cut spending and cut taxes. Let the resulting new wave of economic expansion generate the increased tax revenues which follow upon greater prosperity.

There is but one obstacle in our way. It is not practical. It is ideological. Official Washington is populated with persons whose entire careers are based upon the outworn dogma that problems arise from the private sector while solutions arise from Government. What a splendid bit of old-fashioned statism. It is as irrelevant as a whalebone corset, and every bit as restrictive. Blind adherence to that doctrine is what keeps the Congress from joining the tax revolt. What is really sticking in the craw of Capitol Hill, though, is not a matter of money or economics. It is a matter of power: Whether the most powerful and prosperous economy the world has known will be dominated by the producers and consumers, on the one hand or, on the other, by Federal officials.

That is the real question the Senate faces as it considers amendments to the debt ceiling bill and other measures down the road. To those of my colleagues who are tantalized by the doctrines of the past, who oppose whatever legislation will secure a balanced budget through the tandem tactics of spending cuts and tax reduction, I would respectfully offer a prudential warning: The tax revolt is like a pot of Texas chili. If you lock the lid on while it is simmering, you will only bring it to a boil. But let it simmer long enough, and the powerful concoction will blow the lid off.

If the Senate tries to lock the lid on the tax revolt by rejecting amendments for a balanced budget and tax cuts, we will be lucky if it is only chili we will be scraping off the ceiling.●

CONGRESSIONAL AWARD ACT PROGRAM, S. 221

● Mr. DOLE. Mr. President, I have recently joined as a cosponsor to S. 221, a bill which would establish a congressional award program to promote and recognize achievement and leadership among our Nation's young persons. This bill was introduced by the Senator from Wyoming (Mr. WALLOP) and has a large number of cosponsors, indicative of the congressional interest and support in this bill.

It would be hard to name a program which is more attractive than the one proposed in this legislature. The congressional award is intended to give young persons a legitimate, worthwhile goal to strive toward, and to help develop in themselves qualities which we have traditionally recognized as desirable. Through the creation of the congressional awards, persons between the ages of 14 and 23 are invited to compete with themselves for this award. It is my understanding that the awards are being designed in such a way so that individual initiative and perseverance are more important to achieving the awards than brain and brawn. The intent behind the awards is that they are not to be obtainable simply by those persons who are in the top performance level of their age group but that rather all young persons will be inspired to work individually toward receiving the award.

Because receipt of the award is based on the accomplishment of three sections—public service, personal interest, and exploration—working toward the award will help the individual to get to know both his community and himself. It is my hope that by working toward this award, young persons will gain a sensitivity and appreciation of the problems in our society and ways in which they can make a difference.

The bill contains no Federal authorization, for one of the purposes of the project is to enlist private support in the congressional award program. I am pleased that already a respectable sum of money has been raised for this program, and find this indicative of the Nation's receptiveness to this idea.

Mr. President, the Senator from Kansas is pleased to indicate once again his support for the congressional award program and his cosponsorship of S. 221. I hope that it can be considered in the near future.●

OFFICE OF HISPANIC AFFAIRS, S. 788

● Mr. DOLE. Mr. President, I am pleased to join Senators DOMENICI, TOWER, and DECONCINI in introducing a bill to establish an Office of Hispanic Affairs in the Executive Office of the President.

AN EMERGING AMERICA

The reintroduction of this measure is particularly important in light of the estimated 20 million Americans of Hispanic descent. We can no longer ignore the fact that a nation within a nation is emerging—along the border from California to Texas, and in such nonborder cities as Los Angeles, Houston, Denver, and even in some cities in my home State of Kansas, Hispanic Americans make up a significant number of the population. In 1976, according to the Census Bureau, there were about 6.5 million Mexican Americans in the United States. Today the Mexican-American population in the Southwest alone is believed to number more than 8 million. Whatever the precise number, the growth of Hispanic Americans in this country also needs to be reflected in the meaningful participation of Government.

OFFICE OF HISPANIC AFFAIRS

Mr. President, the introduction of this legislation is not the first and final effort in addressing this concern. More will need to be done as we begin to learn and understand the needs and concerns of this emerging American population. As a first step in this effort, this measure is being introduced to establish an Office of Hispanic Affairs in the Executive Office of the President, charged with advising the Federal Government's executive departments and agencies on policies affecting the ever increasing Hispanic American population. This measure would replace a Cabinet-level executive committee for Hispanics that expired on December 31, 1974.

I believe this legislation would help address problems which have long hampered the development and upward mobility of the Hispanic American, that is, critical unemployment, low-level education, inadequate housing and health care, unfamiliarity with the English language, and disposition to political apathy.

AN ACCURATE COUNT

A particular area of great importance to Hispanic Americans, which this legislation could help address, is the full and complete enumeration of this population. It is vitally important when you consider that the Federal Government uses census data to calculate the allocation of almost $15 billion annually to State and local governments for Federal assistance programs, to insure equal employment opportunities and to protect voting rights.

Racial and ethnic data collected by various agencies are essential tools with which to combat discrimination and monitor affirmative action programs to remedy past discrimination. The collection and analyses of this data is the most effective and accurate means of measuring Federal program impact on minority beneficiaries and for assuring that equal employment opportunity policies are working effectively.

Mr. President, I do not suggest this bill will provide all the solutions to the problems of Hispanic Americans, but I do believe it will begin to address and provide the same benefits long enjoyed by other Americans. This bill offers a long overdue opportunity for the Senate to show its understanding and support for the aspirations of all Hispanic Americans. I welcome my colleagues to join with me as cosponsors of this very important legislation; and I especially welcome my colleagues to join with me to expedite this proposal for early consideration and passage by the Senate.●

● Mr. TOWER. Mr. President, it is a pleasure to join once again with three of my colleagues—Mr. DOMENICI, Mr. DOLE, and Mr. DECONCINI—in introducing legislation that would create an Office of Hispanic Affairs in the Executive Office of the President, and in each of the many Federal agencies that bear responsibility for resolving the myriad of problems that confront our Hispanic-American population.

Since 1974, I have advocated the establishment of such offices in the executive branch of our Government. In 1976, my colleagues and I introduced a joint resolution calling for an Office of Hispanic Affairs. Two years ago, we introduced S. 1066, the immediate predecessor of our current legislation. The Hispanic Affairs Act of 1979 represents an even more comprehensive approach to the needs of Hispanic-Americans than these past legislative initiatives. It spells out in greater detail the duties and responsibilities of the proposed office, and it increases the number and widens the scope of Federal programs to be overseen.

I am pleased to participate in the presentation of this strengthened version of our earlier bill, especially in light of this country's increasing recognition of the need for closer cooperation with our neighbors in Mexico. This acknowledgement of our growing interdependence provides, I believe, the proper atmosphere in which to enact the legislation we propose. Overtures by the administration to the Republic of Mexico in search of better economic and political ties signify the rediscovery that our neighbor to the south is, indeed, an important and necessary ally. They underline the recognition that, far too long, we have ignored the needs of our Hispanic neighbors and the problems facing our own Hispanic-American population.

Hispanic Americans constitute the fastest growing segment of our populace. The legislation that we propose would enable this expanding portion of our population to enter more fully into the economic and social mainstream of America. It would also help to alleviate the real knowledge of many of our Hispanic Americans that the Federal Government is insensitive to their special problems.

The establishment of an Office of Hispanic Affairs would insure that Hispanic Americans have representation in the highest councils of the Federal Government. The broadened communication and closer working relationship resulting from enactment of this legislation would be of incalculable benefit to American Hispanics—now the fourth largest Spanish-speaking population in the Western Hemisphere. It is my strong conviction that enactment of the Hispanic Affairs Act of 1979 will serve our Nation's interests both here at home and abroad. Therefore, I earnestly solicit the support of my colleagues for this legislation; support that I feel is of vital importance for our Hispanic-American fellow citizens.●

CHANGE OF VOTE—ROLLCALL NO. 23

Mr. COHEN. Mr. President, I noticed in going through the RECORD of yesterday's events that on rollcall No. 23, the so-called DeConcini amendment, I am listed as voting in the negative. It was my understanding yesterday that it was a straight up-or-down vote on the DeConcini amendment in which I thought I was voting against the DeConcini amendment. I am recorded in effect as being in favor, and I ask unanimous consent that the permanent RECORD reflect my vote to table the DeConcini amendment in yesterday's proceedings.

The PRESIDING OFFICER. The statement of the Senator will appear in the RECORD.

Is there objection to the Senator's changing his vote? The Chair hears none, and it is so ordered.

NUCLEAR WASTE MANAGEMENT REORGANIZATION ACT OF 1979, S. 742

Mr. PERCY. Mr. President, I have a revised version of S. 742, the bill I introduced on Thursday, March 22, with Senator GLENN, and which is currently being held at the desk. I ask unanimous consent that this revised version be substituted for the original and be referred to the appropriate committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The bill (S. 742) was referred to the Committee on Governmental Affairs.)

Mr. PERCY. Mr. President, Senator GLENN and I are introducing this bill at a crucial time in the national debate on nuclear waste management. In recent months that debate has become focused on the efforts of the interagency review group (IRG) on nuclear waste management. The IRG has spent a year reviewing the issue and formulating recommendations for administration policy. It has summarized its conclusions in a report issued last week.

The IRG effort has encouraged a broad discussion of the issues which must be addressed as we formulate nuclear waste management policy. It is now up to the Congress to address those issues and, where appropriate, to pass legislation to insure that they are resolved.

The issues facing us today are of two kinds: Technical and institutional. The technical issues include doubts as to the geologic formations and waste packaging best suited to permanent nuclear waste disposal. While Congress itself cannot "resolve" all of the technical issues being raised today, it can, and I believe should, express confidence that those issues can be resolved given the proper research.

It is in the institutional area where direct congressional action is most clearly needed. If there is a nuclear waste management crisis today, it exists not because the technical issues are so intractable, but because the Federal programs designed to address them have been so inadequate. Those programs have in the past been poorly planned, poorly managed, and poorly coordinated, and have lacked coherent principles to guide their development.

The result has been a dramatic loss in public confidence in the Federal Government's ability to do the job. This drop in public confidence has been accompanied by a blurring of public perceptions of the issues. The technical issues have grown in stature and have become inseparably linked to the Federal Government's inability to deal with them, so that the public now perceives nuclear waste as an ominous problem to which there may be no solution.

Some members of the Federal Government have finally come to recognize the significance of this situation. In testimony before Senator GLENN's Energy Nuclear Proliferation and Federal Services Subcommittee, Gus Speth of the Council on Environmental Quality noted that:

> . . . We all inherited a seriously flawed federal program that has provided a poor basis for getting to the right answer quickly and little basis for public confidence. The history of waste management in the United States provides warning of the risks of having policy formulation colored by past programs and promotional concerns. It is a history of failure to produce an acceptable method of waste disposal. Devising a program for the future must take into account the loss of credibility that has ensued; it will not be enough to devise a program that could be credible under other circumstances.

I agree wholeheartedly with these comments. Reestablishing public confidence in Federal nuclear waste management programs will not be easy, but it is essential if those programs are to be successful.

In order to win back the public's confidence, we must identify and correct the weaknesses in current Federal nuclear waste programs. We must anticipate the challenges which those programs will face in the future, and insure that they are equipped to handle them. Last, we must base those programs on sound principles which can guide their development in the future and gain public acceptance for the results they produce.

I see two areas where improvements must be made, and which are addressed in this legislation. The first involves policy formation and program planning at the national level, and the second involves the siting and development of nuclear waste disposal facilities.

On the issue of policy formation and program planning, I believe there are three main deficiencies in the way that these activities are being undertaken today. First, the efforts of the various Federal agencies and departments with responsibilities for nuclear waste management are poorly coordinated. Efforts undertaken by some agencies are unnecessarily duplicated by others, and as program objectives shift there is a danger that the regulations needed to license those programs will not be in place in time.

Second, there is no policy planning process which involves all of the relevant Federal agencies and departments in the formation of a comprehensive, governmentwide policy toward nuclear waste. Indeed, even within these various agencies and departments there seems to be little in the way of rigorous policy planning.

Last, State and local government officials and the public have no way to provide meaningful input into Federal nuclear waste policy. Decisions which will ultimately affect some States and localities very directly are made in the depths of the bureaucracy and buried within budget legislation. It should hardly be surprising, given the current mood of distrust of the Federal Government, that States, localities, and the public are likely to oppose such decisions when they are implemented.

I do not believe that the answer to these problems lies in creating a new Federal agency for nuclear waste management. The legislation which Senator GLENN and I are introducing contains several provisions which will correct these deficiencies while leaving primary responsibility for nuclear waste management where it is now, in the Department of Energy.

First, our bill proposes the establishment of a Nuclear Waste Coordinating Committee. The coordinating committee would consist of representatives of the various Federal agencies which have responsibilities relating to nuclear waste management, including DOE, DOI, CEQ, EPA, and the NRC. It would also have a member representing the Nuclear Waste Management Planning Council, which I will discuss shortly. The committee would be chaired by the representative of the Department of Energy.

The coordinating committee would have several functions. First it would work to improve coordination of the efforts of its member agencies, and to resolve jurisdictional disputes and scheduling conflicts. If necessary, it would make recommendations to the President on these issues.

Second, in each of the first 5 years of its existence, the committee would be required to prepare a comprehensive nuclear waste management plan describing current and planned Federal nuclear waste management programs. In preparing the plan, the members of the committee would work to integrate and reconcile the views of their respective organizations. If agreement could not be reached among committee members on key provisions of the plan, the different views would be brought to the attention of the President and resolved by him. The resulting final document, which would represent Government-wide nuclear waste policy, would then be submitted to Congress.

A key feature of the bill is the creation of a Nuclear Waste Management Planning Council. The members of the Council would be appointed by the President, and would include 11 officials of State or local government, and 4 private citizens. The Council would be the mechanism through which these groups could participate in the formation of Federal nuclear waste policy. A representative of the Council would participate fully in the activities of the coordinating committee, including the preparation of the annual nuclear waste management plan. The Council would also advise the various Federal agencies on nuclear waste management issues.

I believe that these measures would correct the deficiencies I discussed above. While they require the creation of two new Government entities, I believe that is an acceptable price to pay. Wherever possible, Senator Glenn and I have tried to minimize that price. We have for example "sunsetted" the preparation of the annual plan, in the expectation that after 5 years a stable and comprehensive Federal nuclear waste policy will have emerged.

One of the best arguments for the measures we are advocating has been the IRG effort itself. Whatever its failings, the IRG has produced some highly valuable self-criticism of the Federal Government's nuclear waste management efforts. It has forced the agencies to come together, to ask themselves tough questions about what each of them was doing and why, and finally to try to put the pieces together in a defensible and coherent whole. The value of such a process was noted by Worth Bateman of the Department of Energy, in testimony before the Energy and Environment Subcommittee of the House Interior and Insular Affairs Committee:

> The Administration also recognizes that a successful waste management policy is not just a DOE policy. It must be developed in conjunction with the many executive agencies which already have a statutory role or other interests bearing directly on waste management. Moreover, a successful policy also requires broad public understanding, participation and support.

I agree with Mr. Bateman's assessment, and believe that the measures we have suggested will insure that a rigorous policy formation process will be employed in the future.

The second main area we have addressed in the legislation is the process by which nuclear waste repositories are sited and developed. As their mistrust of Federal nuclear waste management programs has grown, State governments have increasingly demanded the right to stop the construction of Federal nuclear waste repositories within their borders. Although the Federal Government seems clearly to have preempted the States' right to control the siting of such facilities, a dozen States have nevertheless enacted laws which purport to give them some control over repository siting. Whether such laws are valid or not, it is clear that States have numerous other legal and political tools at their disposal with which they can effectively stop construction of Federal nuclear waste repositories.

The dangers of this situation cannot be overemphasized. Given the current atmosphere, the Federal Government will be lucky to find States willing to accept these repositories. Even if it finds such States, we have no assurances that they will contain the best sites for repositories.

Clearly, a major revision in Federal policy is needed. If such a revision is not made, repository siting could well prove to be the Achilles' heel of the entire nuclear waste management effort.

In revising the current process, we must recognize several key facts. First, it is clear that States do have legitimate concerns about nuclear waste repositories, or more precisely, about the Federal Government's ability to construct and operate them safely. This mistrust is the sad legacy of the past performance of the Federal Government. In order to overcome it, we must establish a process which allows States to raise their legitimate concerns about these facilities and insures that those concerns will be addressed.

On the other hand, we must realize that ultimate control over the siting of nuclear waste repositories should remain in the hands of the Federal Government. If State Governments are given unlimited veto power over such repositories, I believe they will utilize that power whether or not their fears about them are legitimate. Public anxiety about the problem is so great that most, if not all, State governments would be forced to exercise the veto.

In short, both the State veto and Federal preemption approaches to repository siting contain elements which are absolutely essential to a successful repository siting process. Neither approach alone is likely to produce desirable results, given the current atmosphere of public mistrust. Clearly then we must seek a "middle ground" between the two approaches, one which incorporates their essential elements while excluding their principal flaws.

The legislation Senator Glenn and I are proposing attempts to set forth such an approach. Under the bill, the Federal Government would be required to provide early notification to the Governor of a State of its intention to construct a repository for high level nuclear waste, spent nuclear fuel or TRU-wastes in that State. Upon receiving such notification, the Governor could convene a repository review panel to participate in the planning of the repository. The review panel would consist of the Governor, who would serve as chairman, together with other State and local government officials and concerned private citizens from the State, and representatives of concerned adjacent States.

The Nuclear Waste Coordinating Committee which I described earlier would be required to prepare a detailed repository review report for the proposed repository. The report would contain descriptions of the design of the facility and proposed operating procedures for it, safety and environmental analyses, and plans for transporting wastes and providing economic assistance to affected States and localities. The representative of the Department of Energy would take the lead in the preparation of the report, and would have the authority to resolve disputes among committee members over its contents. In preparing the report, the committee would be required to consult closely with the review panel and incorporate its views into the report to the maximum extent feasible.

When the committee finished the report, it would submit it to the review panel for final review. If the Governor who convened the panel believed that the report did not adequately protect State and local interests, he could, after consulting with other panel members, raise formal objections to the report. If he did not raise formal objections, licensing and construction of the facility could proceed.

If the Governor did raise formal objections, the repository could not be built unless the Congress passed a concurrent resolution stating that the report adequately balanced State, local and national interests. Congress would have 60 days in which to consider such a resolution, with such consideration taking place under highly expedited procedures. If Congress did not pass a resolution in the 60-day period, the repository could not be built unless a revised repository development report was prepared. The revised report would have to be prepared under the same procedures, and would be subject to the same review, as was the original report.

I believe that this approach reconciles the conflicting needs of giving the States a significant role in repository siting while maintaining ultimate Federal control. Under this proposal, States would have the right to demand that Congress review the Federal Government's plans for a repository to ensure that they adequately protect the interests of affected States and localities. The debate over those plans would be highly visable, and the decision on their adequacy would be made by elected members of Congress responsible to their constituents. Congress would have the right, if it was satisfied that the plans adequately responded to legitimate States and local concerns, to direct that the repository be built.

This process has several inherent advantages. First, it would force the Federal Government to thoroughly plan these facilities and establish their safety prior to constructing them. The review panels would provide forums through which the States could participate in the preparation of those plans from the outset, and thereby develop confidence in them and in the Federal Government itself. Both the States and the Federal Government would have clear incentives to participate in this process in a responsible manner, since both would know that their cases might be scrutinized by the Congress.

Several additional comments should be made about the process we are proposing. First, I would like to address the question of whether Congress is up to the role which this bill would give to it. To begin with, the bill does not ask Congress to make final, definitive judgments on the complex technical issues which will undoubtedly be raised about these facilities. Instead, it asks Congress to make a general finding about whether the Federal Government has done a defensible job of addressing those issues and other issues which are of concern to the States. In short, it asks Congress to play a vigorous oversight and review role. Such congressional review would not replace or prejudge either the NEPA process or NRC licensing of these facilities, and it would be through those processes that final judgments would be passed on the complex technical issues.

It could be argued that Congress will not be able to address an issue such as this on the merits alone, that the vote in the Senate will be 98 to 2 against the State in which a repository is to be located. I do not accept these arguments. Congress has repeatedly shown that it can act responsibly on an issue such as this and can strike a fair balance between national and local interests. Good examples can be found in some of the environmental and parks bills which Congress has considered recently.

The nuclear industry may worry that the process we are proposing will be time consuming and will carry with it an element of uncertainty. However, I believe that it has less potential for delay and uncertainty than either the current situation or any of the alternatives I have heard proposed. To begin with, it should be emphasized that, if current expectations hold, the process I have outlined would be employed only a handful of times before the turn of the century. Furthermore, under our proposal, the role of the States, the Federal Government and Congress are clearly defined and circumscribed. If and when objections come up to the Congress, they will be considered under highly expedited procedures which will prevent the use of dilatory parliamentary tactics and ensure that Congress will be able to act if it so wishes.

To be sure, we have no assurance that Congress will overrule a State's objections and direct a repository to be built. However, I believe that if a majority of the Members of either House of Congress cannot be convinced that the plans for such a repository are adequate, then those plans should be improved before the repository is built.

In sum, I believe that the process that Senator GLENN and I are proposing will enable us to select the best possible sites for repositories in the shortest time possible, and gain public acceptance of those facilities. Our proposal recognizes that the primary obstacle to siting and developing these facilities is public mistrust of the Federal Government. If we are to succeed in getting them built, the Federal Government has no alternative but to work hard to regain the public's confidence. The measures we have suggested will ensure that the Federal Government will indeed work hard to produce the high level of results which the public deserves.

Before closing, Mr. President, I would like to emphasize again that there are a number of other nuclear waste issues which must be addressed by this Congress. In particular, I believe that Congress must establish a funding mechanism which will ensure that the producers of commercial nuclear wastes pay all of the costs of disposing of those wastes. I introduced legislation in the last session of Congress which would have established such a mechanism, and may reintroduce such legislation again during this session.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section summary of it be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 742

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "Nuclear Waste Management Reorganization Act of 1979".

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TITLE I—FINDINGS, PURPOSES, AND DEFINITIONS

DECLARATION OF FINDINGS

SEC. 101. (a) The Congress finds that—

(1) nuclear wastes generated in the national defense program have been accumulating for more than 30 years, and spent nuclear fuel and nuclear wastes from the commercial industry are increasing rapidly;

(2) nuclear waste has become a major issue of public concern;

(3) stringent precautions must be taken to ensure that nuclear wastes do not adversely affect the public health and safety of this or future generations;

(4) confidence in the ability of the Federal Government to manage a program providing for the safe and permanent disposal of nuclear wastes must be substantially increased if nuclear power is to contribute significantly to meeting the energy needs of the United States in the future;

(5) Federal nuclear waste disposal programs have been ineffective due to—

(A) inadequate coordination among the various federal agencies and departments which have responsibilities relating to nuclear waste management;

(B) the lack of a policy making process which integrates the views of all Federal agencies and departments into a comprehensive government-wide policy;

(C) the lack of an organizational mechanism which affords States, localities and the public the opportunity to participate fully in the formulation of Federal nuclear waste management policy; and

(D) the lack of an organizational mechanism which allows States and localities to review Federal plans for the development of nuclear waste disposal facilities, and to ensure thereby that such plans adequately protect State and local interests;

(6) a Nuclear Waste Management Planning Council must be established to afford States, localities, and the public the opportunity to participate fully in the formulation of Federal nuclear waste management policy;

(7) a Nuclear Waste Coordinating Committee must be established in order to—

(A) improve the cooordination of the activities of Federal departments and agencies with respect to nuclear waste management;

(B) annually prepare a Nuclear Waste Management Plan which reflects the views of all Federal agencies and departments with responsibilities pertaining to nuclear waste management and the views of the Nuclear Waste Management Planning Council; and

(C) prepare Repository Development Reports and Repository Loading Reports with respect to proposed nuclear waste disposal facilities;

(8) Nuclear Waste Repository Review Panels must be established to ensure that States and localities have adequate opportunities to review plans for the development of Federal nuclear waste disposal facilities.

DECLARATION OF PURPOSES

SEC. 102. The Congress declares that there is a compelling need to improve coordination among Federal agencies and departments with respect to nuclear waste management activities, to establish a policy making process which integrates the views of all such agencies and departments, together with the views of States, localities, and the public, and to provide for State and local review of Federal plans for the development of nuclear waste disposal facilities. It is the purpose of this Act to—

(1) establish a Nuclear Waste Management Planning Council to provide State, local and public views in the Federal nuclear waste management policy development process;

(2) establish a Nuclear Waste Coordinating Committee, to improve coordination of Federal nuclear waste management programs, to prepare annually a Nuclear Waste Management Plan which reflects the views of all interested parties, and to prepare Repository Development Reports and Repository Loading Reports with respect to proposed nuclear waste disposal facilities; and

(3) establish Nuclear Waste Repository Review Panels, to ensure that States and localities have adequate opportunity to review Federal plans for the development of nuclear waste disposal facilities.

DEFINITIONS

SEC. 103. For the purposes of this Act the term—

(1) "Committee" means the Nuclear Waste Coordinating Committee;

(2) "Council" means the Nuclear Waste Management Planning Council:

(3) "Secretary" means the Secretary of Energy;

(4) "Department" means the Department of Energy;

(5) "Review Panel" means a Nuclear Waste Repository Review Panel;

(6) "Chairman" means the Chairman of a Review Panel;

(7) "Plan" means the annual Nuclear Waste Management Plan;

(8) "Governor" means the Governor of a State, or successors to the Governor, during their respective terms of office, or their designees;

(9) "nuclear waste" means high-level waste, transuranic contaminated waste and low-level waste;

(10) "high-level waste" means the highly radioactice wastes resulting from the reprocessing of spent nuclear fuel, and includes both the liquid waste which is produced directly in reprocessing and any solid material into which such liquid waste is made;

(11) "transuranic contaminated waste" means material contaminated with elements having an atomic number greater than 92, including neptunium, plutonium, americium, and curium, in concentrations of greater than 10 nanocuries per gram;

(12) "low-level waste" means material contaminated with radioactive elements emitting beta or gamma particles or with traces of transuranic elements in concentrations less than 10 nanocuries per gram;

(13) "spent nuclear fuel" means fuel which has been discharged from a nuclear reactor following irradiation, whose constituent elements have not been separated by reprocessing;

(14) "repository" means a facility for the permanent disposal of high-level waste, transuranic contaminated waste, or spent nuclear fuel, whether or not such facility is designed to permit the subsequent recovery of such material, except for facilities to be used exclusively for research and development purposes containing an insignificant amount of such materials;

(15) "storage" means retention of nuclear waste or spent nuclear fuel with the intent to recover such material for subsequent use, processing, or disposal;

(16) "disposal" means the emplacement of nuclear waste or spent nuclear fuel with no intent of recovery, whether or not such em-

placement permits the recovery of such materials;

(17) "local government" means any political subdivision of a State including any town, city, township, borough, parish, village, county, or other general purpose political subdivision of a State;

(18) "Indian tribe" means an Indian tribe, as defined in the Indian Self-Determination and Education Assistance Act (Public Law 93-638);

(19) "public health and safety" means the public health and safety of current and future generations;

(20) "nuclear waste and spent nuclear fuel management" means the transport, storage, and disposal of nuclear waste and spent nuclear fuel; and

(21) "main shaft" means the primary vertical access shaft of a nuclear waste repository.

TITLE II—ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE MANAGEMENT PLANNING COUNCIL

ESTABLISHMENT OF NUCLEAR WASTE MANAGEMENT PLANNING COUNCIL

SEC. 201. There is established a Nuclear Waste Management Planning Council as an independent instrumentality of the United States in the executive branch.

MEMBERSHIP OF THE COUNCIL

SEC. 202. (a) The Council shall consist of 15 members appointed by the President. Eleven members of the Council shall be elected officials of State or local government or Indian tribes, except that not less than 3 such members shall be elected officials of local government or of Indian tribes. The remaining 4 members of the Council shall be selected from interested members of the public. Members of the Council shall be appointed for a term of 2 years and may be reappointed for additional terms. No member appointed as one of the 11 elected officials may continue to serve on the Council if such member ceases to be an elected official of State or local government or of an Indian tribe.

(b) In appointing members of the Council, the President shall endeavor to ensure representation of a broad range of views with respect to nuclear waste and spent nuclear fuel management and to ensure representation of areas which are users of nuclear power and of areas which are serving or may be likely to serve as locations for nuclear waste and spent nuclear fuel storage or disposal or which may be directly or substantially affected by such activities.

(c) The Charman of the Council shall be a member of the Council designated by the President and shall be the Governor of a State.

FUNCTIONS OF THE COUNCIL

SEC. 203. (a) The Council shall—

(1) pursuant to section 301, appoint a representative to the Nuclear Waste Coordinating Committee;

(2) pursuant to the procedures set forth in section 303, provide views on the annual Nuclear Waste Management Plan to the President;

(3) advise the Federal agencies and departments having membership on the Committee on nuclear waste and spent nuclear fuel management policy, with special reference to issues pertaining to the siting and development of nuclear waste and spent nuclear fuel storage and disposal facilities; and

(4) comment on proposed Federal regulations, standards, and criteria pertaining to nuclear waste and spent nuclear fuel management and spent fuel storage, including radiation exposure standards.

(b) The Council shall have the authority to—

(1) obtain (in accordance with section 3109 of title 5, United States Code, but without regard to the limitation in such section on the number of days or the period of such service) the services of experts or consultants who have scientific or other pertinent professional qualifications:

(2) utilize, with their consent, the services, equipment, personnel, information, and facilities of other Federal, State, or local public agencies, with or without reimbursement therefor;

(3) accept voluntary and uncompensated services;

(4) accept unconditional gifts, or donations of services, money, or property, real, personal, or mixed, tangible or intangible; and

(5) enter into such contracts, leases, cooperative agreements, or other transactions, without regard to sections 3648 and 3709 of the Revised Statutes of the United States (31 U.S.C. 529, 41 U.S.C. 5), as may be necessary in the conduct of its functions, with any public agency, or with any person, firm, association, corporation, or educational institution.

(c) There are authorized to be appropriated to carry out the provisions of this title such sums as may be necessary.

TITLE III — ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE COORDINATING COMMITTEE

ESTABLISHMENT OF NUCLEAR WASTE COORDINATING COMMITTEE

SEC. 301. There is established a Nuclear Waste Coordinating Committee as an independent instrumentality of the United States in the executive branch.

MEMBERSHIP OF THE COMMITTEE

SEC. 302. (a) The Secretary, the Council, the Nuclear Regulatory Commission, the Council on Environmental Quality, the Director of the Office of Science and Technology Policy, the Administrator of the Environmental Protection Agency, the Secretaries of Interior, Transportation, and State, and the head of any other federal agency or department designated by the President shall each appoint one representative to serve as members of the Committee.

(b) The representative of the Department shall serve as the Chairman of the Committee.

(c) The Nuclear Regulatory Commission shall participate in the activities of the Committee to the extent it determines such participation to be consistent with the independent regulatory responsibilities of the Commission.

FUNCTIONS OF THE COMMITTEE

SEC. 303. (a) The Committee shall facilitate the coordination of activities of the Federal agencies and departments represented on the Committee with respect to nuclear waste and spent nuclear fuel management so as to minimize duplication of effort and unnecessary delay in Federal nuclear waste and spent nuclear fuel management programs.

(b) The Committee shall make recommendations to the President to resolve jurisdictional disputes and schedule conflicts regarding the activities of the Federal agencies and departments represented on the Committee.

(c) The Committee shall prepare an annual Nuclear Waste Management Plan for the fiscal years 1981, 1982, 1983, 1984 and 1985, as follows:

(1) To the maximum extent feasible, the Plan shall incorporate the views of all members of the Committee. If significant divergence of opinion exists among Committee members on major issues, the draft Plan shall indicate where such divergences of opinion exist and shall include the relevant options for consideration by the President following the submission of public comment pursuant to paragraph (2).

(2) The Committee shall make the draft Plan available for public comment for at least 30 days, and shall thereafter submit the draft Plan to the President; concurrent with the submission of the draft Plan to the President, the Federal departments and agencies represented on the Committee and the Council shall submit their views on the draft Plan to the President.

(3)(A) The President shall review the draft Plan and the comments he receives thereon and shall resolve any divergent views presented pursuant to paragraph (1), and may further modify the draft Plan as he deems appropriate.

(B) Protection of the public health and safety shall be foremost among the factors to be weighed by the President in reviewing the draft Plan.

(4) Not later than March 1, 1980, and March 1 of each succeeding year thereafter through March 1, 1984, the Committee shall submit the final version of the Plan for the next fiscal year to the Congress.

(5) Any committee of either House of Congress reporting a bill authorizing funds for activities described in the Plan shall consider the Plan and may specify in any report accompanying such bill the extent to which such proposed authorization is consistent with the Plan.

(d)(1) At such time as any Federal agency or department represented on the Committee shall decide to undertake the study of any area within a State for the purpose of determining its suitability for a nuclear waste or spent nuclear fuel repository or storage facility, the Committee shall notify in writing the Governor of the State in which the area is located of such determination and shall furnish such Governor all relevant information on a current basis concerning the program of the relevant Federal agency or department for such study.

(2) The Committee shall seek the views of appropriate agencies of any State containing an area under study for the purposes described in subsection (d)(1) and, at the discretion of the Chairman of the Committee, the appropriate agencies of any concerned adjacent State. Technical representatives designated by the Governor of each such State may participate in the technical analyses performed by the relevant Federal agency or department.

(e)(1) The Committee shall—

(A) at the earliest feasible time prior to the intended submission by any Federal agency or department to the Nuclear Regulatory Commission of an application for a license to construct the main shaft of a nuclear waste repository, or

(B) in the event that such agency or department is not required by law to obtain a license from the Nuclear Regulatory Commission for the construction of the main shaft of such repository, at the earliest feasible time prior to undertaking site preparation work leading to construction of the main shaft of such repository,

prepare a nuclear waste Repository Report. The Chairman of the Committee shall have the authority to resolve differences of view among Committee members with respect to such Report. The Committee shall immediately notify the Governor of the State in which such proposed repository would be located of its decision to prepare the Repository Development Report.

(2) The Repository Development Report shall contain—

(A) a detailed description of—

(i) the design of the repository and plans for its construction;

(ii) proposed operating procedures for the emplacement of high-level or transuranic contaminated wastes or spent nuclear fuel, including amounts and types of waste or spent nuclear fuel to be emplaced, loading factors, waste form, and packaging;

(iii) procedures for maintaining the retrievability of emplaced nuclear waste or spent nuclear fuel and for subsequent shaft and tunnel sealing; and

(iv) plans for perpetual care and monitoring of the facility;

(B) an analysis of the anticipated environmental, health, and safety impacts of the proposed facility, including a discussion of any remaining areas of scientific and technological uncertainty and plans for resolving such uncertainties, with specific reference to information to be collected during the course of the proposed facility's construction and operation;

(C) a plan for the transport of high-level or transuranic contaminated waste or spent nuclear fuel to the repository, including an assessment of anticipated environmental, health, and safety impacts and a description of emergency planning procedures; and

(D) any plan to provide financial assistance to State or local governments or Indian tribes with respect to impacts arising from the proposed repository.

(3) The Committee shall coordinate the preparation of a Repository Development Report for a proposed facility with the preparation of any pertinent Environmental Impact Statements mandated by the National Environmental Policy Act so as to avoid unnecessary delay and duplication of effort. Nothing in this title shall be construed to relieve any Federal agency or department of any duty imposed by that Act.

(4) If a Nuclear Waste Repository Review Panel has been convened with respect to a proposed repository pursuant to section 401—

(A) the Committee shall prepare the Repository Development Report with respect to such proposed repository in close cooperation with the appropriate Review Panel and shall incorporate the views of such Panel into such Repository Development Report to the maximum extent feasible;

(B) upon completing the Repository Development Report, the Committee shall submit the Repository Development Report to the Review Panel for final review.

(5) The Committee shall submit the Repository Development Report for a proposed repository to the Congress, together with the comments of the appropriate Review Panel, if one has been convened with respect to the proposed repository, and any formal objections raised by the Chairman of such Review Panel with respect to such Report. Until a Repository Development Report for a proposed repository has been submitted by the Committee to the Congress no Federal agency or department may undertake site preparation work leading to the construction of the main shaft of such repository, except that where the Chairman of the Review Panel convened with respect to such repository formally objects to such Repository Development Report pursuant to the provisions of section 403(b), the action prohibited in this paragraph may not be taken unless and until Congress shall have passed a concurrent resolution pursuant to section 304 stating in substance that the Repository Development Report equitably balances State, local, and national interests.

(6) In the event that Congress fails to pass a concurrent resolution as specified in paragraph (5) with respect to a Repository Development Report to which the Chairman of the relevant Panel has formally objected, the prohibitions set forth in paragraph (5) shall remain in effect until such time as—

(A) the Committee shall have submitted to the Congress a revised Repository Development Report to which the Chairman of the relevant Review Panel has not formally objected, or

(B) Congress shall have passed a concurrent resolution as specified in paragraph (5) with respect to a revised Repository Development Report to which the Chairman of the relevant Panel shall have formally objected.

Each revised Repository Development Report shall be prepared pursuant to the procedures set forth in this section and in section 403 pertaining to the preparation of Repository Development Reports.

(f)(1) The Committee shall—

(A) at the earliest feasible time prior to the intended submission by any Federal agency or department to the Nuclear Regulatory Commission of an application for a license to emplace significant quantities of high level of transuranic contaminated nuclear waste or spent nuclear fuel into a repository; or

(B) in the event that such agency or department is not required by law to obtain a license from the Nuclear Regulatory Commission in order to emplace significant quantities of high level or transuranic contaminated nuclear waste or spent nuclear fuel into such repository, at the earliest feasible time prior to beginning the emplacement of such waste or spent nuclear fuel into such repository;

prepare a Repository Loading Report with respect to such repository. The Chairman of the Committee shall have authority to resolve differences of view among Committee members with respect to such Report. The Committee shall immediately notify the Governor of the State in which such repository is located of its decision to prepare the Repository Loading Report.

(2) The Repository Loading Report prepared with respect to such repository shall contain the information required in the Repository Development Report prepared with respect to such repository pursuant to section 303(e)(1), appropriately updated. The Repository Loading Report for such repository shall identify any significant differences between the plans, descriptions, and analyses contained therein and those presented in the Repository Development Report prepared with respect to such repository. Special emphasis shall be given to assessing the significance of information collected during the course of the construction of the repository to the analyses of the anticipated environmental, health, and safety impacts of such repository.

(3) If a Nuclear Waste Repository Review Panel has been convened with respect to a proposed repository pursuant to section 401, the Committee shall—

(A) prepare the Repository Loading Report with respect to such repository in close cooperation with the Review Panel and shall incorporate the views of such Panel into such Report to the maximum extent feasible;

(B) upon completing such Repository Loading Report, the Committee shall submit the Report to the Review Panel for final review.

(4) No Federal agency or department may emplace significant quantities of nuclear wastes or spent nuclear fuel into any repository, unless and until the Committee shall have submitted to the Congress a Repository Loading Report prepared with respect to such repository, together with the comments of the appropriate Nuclear Waste Repository Review Panel, and a period of 30 days of continuous session of Congress (as defined in section 304) shall have elapsed.

CONGRESSIONAL REVIEW PROCEDURES

SEC. 304. (a) Not later than 45 days of continuous session after the date of transmittal to the Congress of a Repository Development Report with respect to which the Chairman of the appropriate Review Panel has raised formal objections, the Committees of the House of Representatives and of the Senate to which such Repository Development Report is referred shall submit a report to their respective House on their views and recommendations respecting such Repository Development Report together with a concurrent resolution, as defined in subsection (g), stating in substance that the Congress believes that the Report equitably balances State, local, and national interests. If any such Committee has not reported such a resolution at the end of such 45-day period, such Committee shall be deemed to be discharged from further consideration of such Repository Development Report. If no such resolution has been reported at the end of such period, the first resolution as defined in subsection (g) which is introduced within 5 days thereafter within such House shall be placed on the appropriate calendar of such House.

(b) The Chairman of the Coordinating Committee may amend a Report to address any objection raised to it by the Chairman of the appropriate Review Panel during the first 30 days of continuous session after it is submitted to the Congress.

(c) When the relevant committee or committees have reported such a resoluion (or have been discharged from further consideration of such a resolution pursuant to subsection (a)), or when a resolution has been introduced and placed on the appropriate calendar pursuant to subsection (a), as the case may be, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for any Member of the respective House to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. The motion shall not be subject to amendment, or to a motion to postpone, or a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to, or disagreed to, shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

(d) Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between individuals favoring and individuals opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to a motion to postpone, or a motion to recommit the resolution, or a motion to proceed to the consideration of other business is not in order. A motion to reconsider the vote by which the resolution is agreed to, or disagreed to, shall not be in order. No amendment to any concurrent resolution pursuant to the procedures of this section is in order except as provided in subsection (e).

(e) Immediately following (1) the conclusion of the debate on such concurrent resolution, (2) a single quorum call at the conclusion of debate if requested in accordance with the rules of the appropriate House, and (3) the consideration of an amendment introduced by the Majority Leader or his designee to insert the phrase "does not" in lieu of the word "does" if the resolution under consideration is a concurrent resolution of approval, the vote on final approval of the resolution shall occur.

(f) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to such a resolution shall be decided without debate.

(g) For the purposes of this section, "concurrent resolution" means only a concurrent resolution, the matter after the resolving clause of which is as follows: "That the Congress believes that the Repository Development Report numbered relating to the proposed development of a nuclear waste or spent nuclear fuel repository at within the State of transmitted to Congress by the Nuclear Waste Coordinating Committee on , 19 (as amended by the Chairman of the Nuclear Waste Coordinating Committee on , 19) equitably balances State, local, and national interests", the blank spaces therein being appropriately filled and the text in parenthesis being included if the Chairman of the Coordinating Committee has amended the Report pursuant to subsection (b).

(h) If the Congress has not passed a concurrent resolution in accordance with the procedures described in this section within 60 days of continuous session after the transmittal of the Repository Development Report, such report shall be considered rejected.

(i) For the purposes of this section—

(1) continuity of session is broken only by an adjournment of Congress sine die; and

(2) the days on which either House is not in session because of an adjournment of more than 3 days to a day certain are excluded in the computation of any period of time in which Congress is in continuous session.

(j) This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described by subsection (g) of this section; and they supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(k) In considering any Repository Development Report submitted to the Congress pursuant to this title, the Congress may obtain the views and comments of the Nuclear Regulatory Commission on such Report. The provision of views by the Commission shall not be construed as binding the Commission with respect to any subsequent licensing action pertaining to the repository which is the subject of such Repository Development Report.

(l) The passage of a resolution by the Congress pursuant to this title shall in no way be considered as binding with respect to any subsequent licensing action of the Nuclear Regulatory Commission pertaining to the repository which is the subject of such resolution.

(m) For the purposes of this section a revised Repository Development Report as set forth in section 303(e)(6) shall be deemed to be a Repository Development Report.

EFFECT ON OTHER LAWS

SEC. 305. (a) Nothing in this Act shall affect the authority of the Nuclear Regulatory Commission to license and regulate high-level or transuranic contaminated waste or spent nuclear fuel storage and disposal pursuant to section 202 of the Energy Reorganization Act of 1974 or of byproduct, source, or special nuclear material pursuant to section 201(f) of such Act.

(b) Nothing in this Act shall exempt any Federal department or agency from the requirements of the National Environmental Policy Act.

(c) Nothing in this Act shall affect the authority of States to inspect nuclear facilities as designated pursuant to State law pursuant to section 274 of the Atomic Energy Act.

TITLE IV—ESTABLISHMENT, MEMBERSHIP, AND FUNCTIONS OF NUCLEAR WASTE REPOSITORY REVIEW PANELS

ESTABLISHMENT OF NUCLEAR WASTE REPOSITORY REVIEW PANELS

SEC. 401. (a) At any time within 120 days after receiving notification of the intention of the Committee to prepare a Repository Development Report pursuant to section 303(e)(1) with respect to a proposed repository to be located within a State, the Governor of such State receiving such notification may establish a Nuclear Waste Repository Review Panel to facilitate State and local participation in the planning and development of such repository.

(b) The procedures provided by sections 303(e), 304, and 403(b) for State and local review and for submission to the Congress of objections to the Repository Development Report prepared with respect to a proposed repository, and the procedure provided by sections 303(f) and 403(c) for State and local review and for submission to the Congress of comments on the Repository Loading Report prepared with respect to such repository, shall not apply with respect to such repository unless there shall have been convened a Nuclear Waste Repository Review Panel with respect to such repository pursuant to subsection (a).

(c) A Review Panel convened pursuant to section 401(a) with respect to a proposed repository shall continue to function until—

(1) the Committee formally notifies the Panel that the Federal government no longer intends to construct and operate such repository, or

(2) the Committee formally notifies the Panel that a Repository Loading Report prepared with respect to such repository has been submitted to the Congress pursuant to section 303(f), and the Chairman of the Panel thereafter declares the Panel to be adjourned.

MEMBERSHIP OF REVIEW PANELS

SEC. 402. A Review Panel convened by a Governor pursuant to section 401(a) shall consist of—

(1) the Governor convening the Panel who shall serve as the Chairman of the Panel;

(2) seven additional individuals from the State of the convening Governor to be appointed by the Governor and to serve at the pleasure of the Governor. The convening Governor shall include on the Panel individuals who are local government or Indian tribe officials of the area under study by the Department as a possible site for the proposed nuclear waste and spent nuclear fuel repository and may include—

(A) other officials of the State's government including members of the State legislature, and

(B) interested residents of the State, except that such residents shall be selected so as to ensure representation of a broad range of views on nuclear waste repository development issues; and

(3)(A) the Governors of any adjacent State or States, to be appointed by the Council, upon a finding that such State or States may be directly and substantially affected by the operation of a nuclear waste repository situated in the State of the convening Governor;

(B) Each Governor so appointed by the Council may appoint up to three additional individuals from his State to serve on the Review Panel at the pleasure of the Governor. Such Governor shall include among such appointees at least one local government or Indian official of the areas which would be directly and substantially affected by the development of the proposed repository, and may include—

(i) other officials of the State government including members of the State legislature, and

(ii) interested residents of the State, except that such residents shall be selected so as to ensure representation of a broad range of views on nuclear waste or spent nuclear fuel repository development issues.

FUNCTIONS OF REVIEW PANELS

SEC. 403. (a) A Review Panel established pursuant to section 401(a) shall meet regularly to review current and planned actions of the Federal agencies and departments having membership on the Committee with respect to the siting, construction, and operation of the relevant proposed nuclear waste repository. Representatives of such agencies and departments shall meet regularly with the Review Panel to explain their activities and obtain the views of the Panel thereon.

(b)(1) A Review Panel shall cooperate closely with the Committee in the preparation of a Repository Development Report prepared pursuant to section 303(e)(4)(A).

(2) A Review Panel shall, within 90 days after receipt of a Repository Development Report pursuant to section 303(e)(4), ascertain whether the Report adequately provides for the protection of State and local interests and may hold public hearings on the Repository Development Report in support of this review.

(3) Within 90 days after the Review Panel receives the Repository Development Report, the Chairman of the Panel, after consultation with other Panel members may submit to the Committee formal objections that the Repository Development Report does not adequately provide for the protection of State and local interests. A formal objection shall state the grounds therefor and shall also propose amendments to the Repository Development Report whose implementation would remove the basis for such objections. The Chairman of the Panel and other members of the Panel may provide comments on the Repository Development Report to the Committee regardless of whether the Chairman has submitted formal objections to the Repository Development Report.

(c)(1) A Review Panel shall cooperate closely with the Committee in the preparation of a Repository Loading Report prepared pursuant to section 303(f)(1).

(2) Such Review Panel shall, within 90 days after receipt of the Repository Loading Report pursuant to section 303(f)(4), ascertain whether the Report adequately provides for the protection of State and local interests and may hold public hearings on the report in support of this review.

(3) Within 90 days after such Review Panel receives such Repository Loading Report, the members of the Panel shall submit their comments on such report to the Committee.

SECTION-BY-SECTION SUMMARY: NUCLEAR WASTE MANAGEMENT REORGANIZATION ACT OF 1979

Title I: Findings, Purposes, and Definitions.

Sec. 101. Findings.

Sec. 102. Purposes.

Sec. 103. Definitions.

Title II: Establishment, Membership, and Functions of Nuclear Waste Management Planning Council.

Sec. 201. Establishes the Council as an independent instrumentality of U.S. in the Executive Branch.

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Sec. 203. Functions. The Council shall appoint a representative to the Nuclear Waste Coordinating Committee pursuant to section

302. The Council shall also advise federal agencies and departments on nuclear waste and spent nuclear fuel management policy.

Title III: Establishment, Membership and Functions of Nuclear Waste Coordinating Committee.

Sec. 301. Establishes the Committee as an independent instrumentality of the U.S. in the Executive Branch.

Sec. 302. Membership. The Council and all federal agencies with responsibilities relating to nuclear waste and spent nuclear fuel management are to appoint representatives to the Committee. The DOE representative shall serve as Chairman.

Sec. 303.

303(a) The Committee is to facilitate coordination of federal activities with respect to nuclear waste and spent nuclear fuel management.

303(b) The Committee is to attempt to resolve jurisdictional and scheduling disputes and to make recommendations on such matters to the President where necessary.

303(c) The Committee is to prepare an annual Nuclear Waste Management Plan for each fiscal year through 1985.

To the maximum extent feasible the Plan is to incorporate the views of all members of the Committee. If members disagree over the major provisions of the Plan, the draft Plan shall so indicate and shall include relevant options for Presidential consideration.

The draft Plan shall be made available for public comment and shall then be submitted to the President, together with the views of the members of the Committee.

The President may modify the draft Plan as necessary. In so doing, protection of the public health and safety is to be foremost among the factors weighed.

The Committee shall submit final version of the Plan to the Congress by March 1, 1980, and by March 1 of each succeeding year thereafter, through March 1, 1984. Congressional authorizing committees would then consider the Plan.

303(d) The Committee is to notify the Governor of a State of Federal plans to undertake studies in the State leading to the siting a nuclear waste or spent nuclear fuel repository or storage facility in that state. Thereafter, the Committee shall seek the views of appropriate agencies of any such State, and shall permit technical representatives of such States to participate in any federal technical analyses performed.

303(e) Prior to the commencement of construction of a repository by any Federal agency or department, the Committee must prepare a Repository Development Report for that repository. The Report shall contain descriptions of the design and proposed operating procedures of the proposed repository; safety and environmental analyses; plans for transporting nuclear wastes to the repository; and plans for providing federal impact aid or other assistance to States and localities affected by it.

If a Repository Review Panel has been convened with respect to the proposed repository pursuant to section 401, the Committee is to consult closely with the Panel while preparing the Report.

Upon completing the Report, the Committee shall submit it to the Review Panel. After a 90-day review period, the Chairman of the Panel (the Governor of the State containing the facility) may submit formal objections to the Report to the Committee if he believes that the Report does not adequately protect state and local interests. (See Section 403). The Committee must then submit the Report, together with such objections, if any, to the Congress.

If the Chairman has not raised formal objections the appropriate federal agency may proceed with construction or licensing of the repository.

If the Chairman has raised objections, the construction or licensing of the repository may not proceed unless Congress passes a concurrent resolution, pursuant to the procedures set forth in section 304, stating that the Report equitably balances State, local, and national interests.

If Congress does not pass the resolution within the 60 day period, construction or licensing of the repository may not proceed unless and until a revised Repository Development Report has been prepared following the same procedures for preparation and review outlined above; and, either (1) the Chairman of the relevant Panel does not formally object to such revised Report or (2) if he does object, Congress passes a concurrent resolution (as above) with respect to the revised report.

303(f) Repository Loading Reports. Prior to the emplacement of significant quantities of nuclear waste or spent nuclear fuel in a repository by any Federal agency or department, the Committee shall prepare a Repository Loading Report. The Repository Loading Report shall update the information contained in the relevant Repository Development Report. The Committee shall prepare such Loading Report in consultation with the Repository Review Panel formed with respect to that repository, and upon completing such Report shall submit it to the Panel for review. The Committee shall submit the complete Loading Report and the comments of the Review Panel on it to the Congress. The procedures for submitting and resolving formal objections of the Panel shall not apply in the case of Repository Loading Reports.

Sec. 304. Congressional Review Procedures. Congress shall have 60 days of continuous session after receiving a Repository Development Report to which the Chairman of a Panel has objected in which to pass a concurrent resolution stating that the Report equitably balances local, State, and national interests.

Committees to which the Report is referred shall have 45 days of continuous session to report such a resolution, after which they would be discharged from further consideration of it. The Chairman of the Committee would be able to amend the Report for the first 30 days of continuous session after its submission. Consideration of the resolution on the floors of both Houses would be under highly expedited procedures.

Sec. 305. Effect on Other Laws. The provisions of this Act shall in no way affect the authority of the NRC to license waste facilities, nor shall it relieve any Federal department or agency of the requirements of the National Environmental Policy Act.

Title IV: Establishment, Membership, and Functions of Nuclear Waste Repository Review Panels.

Sec. 401. Establishment of Nuclear Waste Repository Review Panels. Within 120 days after receiving notification of the Committee's intent to prepare a Repository Development Report for a repository in his state, the Governor of the State may form a nuclear waste Repository Review Panel.

The Repository Review Panel would remain convened until such time as the Committee formally notifies the Panel that the federal government no longer intends to construct or operate such proposed repository, or until such time as the Committee notifies the Panel that a Repository Loading Report prepared with respect to such repository has been submitted to the Congress pursuant to section 303.

Sec. 402. Membership. A Repository Review Panel would consist of the Governor convening the Panel, who would be its Chairman; seven additional State and local government officials and private citizens from that State to be appointed by the Governor; the Governors of any adjacent State or States which would be directly affected by the development of the repository in question, to be appointed by the Nuclear Waste Management Planning Council; and three representatives from each such adjacent State to be appointed by the respective Governor of that State.

Sec. 403. Functions. The Repository Review Panel would review current and planned federal actions regarding the siting, construction, and operation of the relevant proposed repository, and would participate in the preparation of the Repository Development Report for the repository and would, within 90 days after receipt of the Repository Development Report, ascertain whether the Report adequately provided for the protection of State and local interests. At the end of that 90 day period, the Chairman of the Panel, after consultation with other Panel members, could submit to the Committee formal objections that the Repository Development Report does not adequately provide for the protection of State and local interests. The Chairman would state the grounds for his decision and propose amendments to the Repository Development Report.

The Repository Review Panel would participate in the preparation of and would comment on any Repository Loading Report prepared for such repository.

SENATE RESOLUTION 119—SUBMISSION OF A RESOLUTION TO ELIMINATE CERTAIN RESTRICTIONS ON THE APPOINTMENT OF FEMALE SENATE PAGES

Mr. PROXMIRE (for himself, Mr. Javits, Mr. Baucus, Mr. Bayh, Mr. Bradley, Mr. Chafee, Mr. Cochran, Mr. DeConcini, Mr. Durenberger, Mr. Eagleton, Mr. Gravel, Mr. Hatch, Mr. Heinz, Mrs. Kassebaum, Mr. Leahy, Mr. Levin, Mr. Matsunaga, Mr. Metzenbaum, Mr. Morgan, Mr. Moynihan, Mr. Percy, Mr. Pressler, Mr. Randolph, Mr. Riegle, Mr. Stafford, Mr. Tsongas, and Mr. Weicker) submitted the following resolution, which was referred to the Committee on Rules and Administration:

S. Res. 119

Resolved, That Senate Resolution 112, 92d Congress, agreed to on May 13, 1971, is amended by striking out the second sentence thereof.

Mr. PROXMIRE. Mr. President, the senior Senator from New York (Mr. Javits) and I with the 25 cosponsors named hereafter, are introducing today a resolution to remove a restriction on the employment of female pages here in the Senate—a restriction that applies only to the young women who wish to become pages, not to the young men. Twenty-five of our colleagues have added their names to this resolution as cosponsors.

At this time I send to the desk a copy of the resolution.

As you may already know, a Senator wishing to hire a female page must, according to Senate Resolution 112, passed in 1971, file an agreement with the Sergeant at Arms stating that the Senator—

Will be responsible for the safe transportation of the female page he appoints between the Senate and the page's place of local abode and return; and

Will assume full responsibility for the safety, well-being and strict supervision of such female page while such page is in her place of local abode.

Even though he may take a sincere personal interest in her well-being, a busy Senator cannot possibly oversee a female page's daily trips to and from the Senate. Nor can he supervise her activities away from the Senate.

According to the American Law Division of the Library of Congress, there is no provision for shifting this responsibility to the parents by waiver, and a Senator in all likelihood would be liable for an injury that might occur while the female page is under his supervision.

At the end of the last session, of the 30 Senate pages only 4 were female. The House of Representatives, which does not have this restriction on the use of female pages, had 22 girls out of a total of 56 pages.

It is clear that many of our colleagues would appoint young women if it were not for the legal responsibility, which is virtually impossible for us to meet. Obviously, the current system is unfair to the many girls who would enjoy and profit from the great experience of working in the U.S. Senate.

In place of current rules we suggest eliminating all special requirements for female pages concerning arrangements for transportation, lodging and well-being.

As a practical matter a Senator may wish to establish with the page and his or her parents guidelines for the page's living arrangements and transportation. The Senator may even sign an agreement with the parents accepting certain responsibilities. That should be up to the parties involved. But to require that a Senator accept full responsibility for any page is unrealistic, and to limit such responsibility to female pages is discriminatory.

Under rule L (50) adopted by the Senate and put into effect with this Congress, a Senator may not discriminate in his employment practices on the basis of sex. The requirement of senatorial responsibility in Senate Resolution 112, which applies only to females, is clearly discriminatory, and the Senate should move immediately to correct this bias.

The few young ladies who have worked as pages here in the Senate since 1971 have—like all our pages—done a marvelous job. We could not do without our pages, and I hope to see more young women among them in the future.

I would like to mention that the Senator from New York was the first among us to appoint a female page, and he has long pushed for fair treatment of women at all levels.

Mr. President, I hope that my colleagues will support this resolution and give young women the same chance to be be a page as we give to young men.

Mr. President, this resolution is cosponsored, in addition to Senator Javits and myself, by Mr. Baucus, Mr. Bayh, Mr. Bradley, Mr. Chafee, Mr. Cochran, Mr. DeConcini, Mr. Durenberger, Mr. Eagleton, Mr. Gravel, Mr. Hatch, Mr. Heinz, Mrs. Kassebaum, Mr. Leahy, Mr. Levin, Mr. Matsunaga, Mr. Metzenbaum, Mr. Morgan, Mr. Moynihan, Mr. Percy, Mr. Pressler, Mr. Randolph, Mr. Riegle, Mr. Stafford, Mr. Tsongas, and Mr. Weicker.

● Mr. JAVITS. Mr. President, today Senator Proxmire and I, with others of our colleagues, are submitting a resolution to eliminate the responsibility clause applicable only to female pages.

Under the terms of Senate Resolution 112, adopted by the Senate in 1971, young women for the first time could be pages in the Senate. But any Senator appointing a female page must file with the Sergeant at Arms a written statement that he or she will be responsible for her safe transportation to and from the Senate and will assume full responsibility for her safety, well-being, and strict supervision while she is in her place of local abode. It is this requirement that the resolution we introduce today would eliminate.

I ask unanimous consent that the second sentence of Senate Resolution 112, which our resolution would eliminate, be printed in the Record at this time:

In the case of Senate pages, however, until such time as the fireproof building containing dormitory and classroom facilities, as authorized by section 492 of the Legislative Reorganization Act of 1970, is constructed and the pages are living under appropriate supervision in such building, the Sergeant at Arms of the Senate shall promulgate and have in effect regulations for the appointment of pages of the Senate requiring that no female page shall be appointed by a Senator until the Senator files with the Sergeant at Arms a written statement accompanying such appointment that the Senator—

(1) will be responsible for the safe transportation of the female page he appoints between the Senate and the page's place of local abode and return; and

(2) will assume full responsibility for the safety, well-being, and strict supervision of such female page while such page is in her place of local abode.

In 1971 I introduced, along with Senators Percy and Harris and other cosponsors, a resolution to permit the appointment of female pages. The Rules Committee amended the resolution to require, until such time as a dormitory were constructed, that Senators assume the special responsibility for female pages that I have outlined here. During the floor debate on the resolution, I stated my opposition to this discriminatory provision. But I realized that the matter would be hotly contested and long protracted if we did not accept the special responsibility clause. So we agreed to the amendment, in order that I, and Senators Percy and Harris, could go ahead with the appointment of female pages who had been waiting months for their appointments.

Eight years have gone by, and we have seen many female pages perform their duties admirably. I am confident, though, that many other young ladies would also have had the opportunity to be pages were it not for the chilling effect of the special responsibility clause.

No matter how interested we are in the well-being of our pages, both female and male, the realities of the situation are such that no Senator can assure at all times the strict supervision of pages. We can only advise the parents, as I do with male and female pages alike, on appropriate living situations in Washington.

Pages I have appointed have lived with relatives or with family friends or even with families arranged through a church. No matter what the living arrangement, I and my staff are always available to these young men and women as friend and guide for whatever assistance they may need while living away from home. I feel this approach is a much more appropriate one for the young men as well as the young women, given the realities of the situation.

As my colleagues know, I have long supported equal opportunities for women. I feel it is important that we redress at this time this small, but significant impediment to providing such equal opportunities. I urge my colleagues to give this resolution their every consideration.●

A UNITED NATIONS REMINDER OF GENOCIDE

Mr. PROXMIRE. Mr. President, on March 17, the U.N. Commission on Human Rights terminated its 35th session. Over the 5 weeks during which the Commission met, individual abuses of human rights played the dominant role in their discussions. Included in the session were a record 9 days of debate dealing with charges of human rights violations in a number of countries. Among those charged with human rights violations were, in varying degrees, the Governments of Uganda, Ethiopia, Korea, Equitorial Guinea, Paraguay, Uruguay, and Indonesia. Mr. President, when records are set in the amount of time spent debating human rights violations, it is clear that this terrible problem is not being solved. Our country considers human rights one of the most important issues of our time. Yet, the first and foremost international treaty on human rights, the Genocide Convention, has yet to be ratified by the Senate.

Are we a leader in the crusade to abolish genocide? Can our country truly speak on human rights with authority? I am afraid the answer is a painful "no". It is both inconsistent and hypocritical that we advocate the elimination of genocide, when we have not taken action to ratify the only international treaty which serves to prevent the most horrible and destructive of crimes.

It is now 30 years since the Genocide Convention was first taken up by the Senate. Another session of the U.N. Commission on Human Rights has met and reminded us that human rights violations continue in abundance. There has never been a more opportune moment for us to reaffirm our belief in the crucial and fundamental importance of eradicating genocide. We must ratify the Genocide Convention.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there further morning business?

ORDER FOR RECESS UNTIL 12 NOON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, are we still in morning business?

The PRESIDING OFFICER. We are.

Mr. ROBERT C. BYRD. I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, will the Senator yield 3 seconds to me?

Mr. HOLLINGS. I am delighted to yield.

STATEMENT ON H.R. 2534, TO PROVIDE A TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

Mr. THURMOND. Mr. President, on March 27, 1979, the Senate approved by a vote of 62 yeas to 33 nays H.R. 2534. This legislation would provide for a "temporary" increase of $38 billion in the public debt limit, making the total debt limit $836 billion.

Mr. President, I voted nay on this bill because the national debt is already dangerously high. Difficult as it may be, we must stop this continuous upward spiral and begin to reduce spending so that surplus funds may be used to reduce the debt. The interest alone on the public debt for fiscal year 1979 will be over $50 billion. It horrifies me to realize that this is approximately one-tenth of our yearly budget.

I have introduced legislation that calls for a constitutional amendment requiring a balanced Federal budget and contains provisions for repayment of the debt. I hope that such an amendment can be adopted.

Finally, Mr. President, let me say that I have voted for years against extending the debt limit. I voted against extending the debt limit on March 27, and I am going to vote in the future against extending it. We must bring this situation to a head.

I realize that some will say that failure to raise the limit will precipitate a financial crisis, that we will be in the situation in which New York and Cleveland have found themselves. Maybe that is what we need. Nothing else has been able to get our attention focused properly on fiscal responsibility.

I thank the distinguished Senator.

STATEMENT OF POSITION ON THE HART AMENDMENT REGARDING EARNED INCOME

Mr. HOLLINGS. Mr. President, the Senate earlier today voted on the Hart amendment regarding the honoraria issue with respect to senatorial income. On last evening, we were prepared to vote on that amendment. I was scheduled to talk before the National Association of Broadcasters in Dallas, Tex. The plane was to leave last evening at 7 o'clock.

Last night it was stated that the Hart amendment was to be brought up today. The vote was close. My position was known as opposing the Hart amendment.

I left for Texas early this morning in order to make the speaking engagement. I had stayed on, I had the feeling that perhaps the vote would be put off at least until the time for my flight to arrive in Washington at 5 o'clock this evening.

I understand from the leadership that other Senators had other exigencies.

My flight arrived late, and I missed the vote. But, I believe the important thing is that each Senator's individual position should be known.

I support the increase, if it is considered an increase, or keeping the limit as it was, staying this year, in 1979, as scheduled for last year, 1978.

I think the $25,000 limitation is reasonable. It does not interfere with senatorial duties. I had the highest voting record in 1978 of anybody in the South Carolina delegation, over 94 percent, and yet I made the full limit of $25,000.

Mr. President, I think what is really involved is the matter of actually listing from whence the honoraria are derived, to whom the Senators are speaking, what groups, and what have you, and once that is published, which occurs regularly, a Senator's supporters, his voters, his electorate, his constituency can, in turn, make up their minds as to what is undue, undeserved, or disruptive of senatorial duties.

On the basis that we are not limiting earned income, a gentleman who graduated from agricultural school can operate his farms on the weekend. I did not happen to go to an agricultural school. I went to law school.

I make talks, Mr. President, and I actually learn more from talking than sitting around on weekends, and other occasions, when I am offered an opportunity to meet others of greater talents and experience. I travel the country in that way, and learn greatly from the exchange of ideas and individuals with whom I discuss these issues.

I think it has enhanced my capability as a Senator.

I would have debated long and hard to kill any kind of Hart amendment, to go back to that silly limitation somebody is writing about in Common Cause and editorials.

Mr. President, although my vote would not have changed the outcome of the Senate's action today, I believe I ought to make my position known. I thank the leadership for according me this opportunity.

ORDER FOR RECOGNITION OF SENATOR WALLOP AND PERIOD FOR ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders have been recognized under the standing order, the Senator from Wyoming (Mr. WALLOP) be recognized for not to exceed 15 minutes, that there then be a brief period for the transaction of routine morning business of not to exceed 15 minutes, and that Senators be permitted to speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, are there orders for recognition of Senators tomorrow, other than the order for the recognition of Senator WALLOP?

The PRESIDING OFFICER. The Chair has no record of other orders.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, tomorrow, following morning business, the Senate will probably turn to the conference report on the Taiwan legislation. Mr. CHURCH has indicated he would like to call that up early tomorrow. It is a privileged matter, being a conference report, so he will proceed to take that up.

Following that, I would like to take up the wage and price stability measure. There is a budget waiver resolution, which is Calendar Order No. 52, which would be called up prior to that.

It will be my guess that there will be some rollcall votes tomorrow.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 noon tomorrow.

The motion was agreed to, and at 7:06 p.m., the Senate recessed until Thursday, March 29, 1979, at 12 meridian.

NOMINATIONS

Executive nominations received by the Senate March 28, 1979:

DEPARTMENT OF LABOR

Janet L. Norwood, of Maryland, to be Commissioner of Labor Statistics, U.S. Department of Labor, for a term of 4 years, vice Julius Shiskin, deceased.

FEDERAL LABOR RELATIONS AUTHORITY

H. Stephan Gordon, of Maryland, to be General Counsel of the Federal Labor Relations Authority for a term of 5 years (new position).

NATIONAL SCIENCE FOUNDATION

Lewis M. Branscomb, of New York, to be a member of the National Science Board, National Science Foundation, for a term expiring May 10, 1984, vice Russell D. O'Neal, term expired.

HOUSE OF REPRESENTATIVES—*Wednesday, March 28, 1979*

The House met at 3 p.m.

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

When a man's ways please the Lord, he makes even his enemies to be at peace with him.—Proverbs 16: 7.

Gracious Father, we ask Your guidance upon the people of our Nation. Give us the assurance that when we hear Your still small voice and faithfully do Your will, we will know the power of Your presence in our daily lives. May we not believe that only our intellect or talent or activity can bring about the spirit of trust between nations and peoples, but that we, in these quiet moments of prayer, can be strengthened by that heavenly peace that passes all human understanding.

We pray in His holy name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2534. An act to provide for a temporary increase in the public debt limit, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2439) entitled "An act to rescind certain budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96–46), transmitted pursuant to the Impoundment Control Act of 1974."

INTRODUCTION OF LEGISLATION TO CUT CONGRESSIONAL PRINTING AND BINDING COSTS

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, I trust that all of my colleagues will agree that the first place to cut spending is by eliminating Government waste. We can make significant savings by cutting "frills" that serve no meaningful Government function.

Congressional printing and binding costs are expected to increase to $76,212,000 in fiscal year 1980. Today, I am introducing three bills and a resolution to allow us to cut those costs below fiscal year 1979 levels.

The resolution would require that statements and related materials printed in the RECORD be relevant to Government. With the cost of printing a page of the RECORD approaching $400, I think we owe it to our constituents to stop being so nice with our words and instead treat their tax dollars more kindly. The RECORD should be a forum for policy issues, not niceties.

My bills would: First, eliminate authority for publishing in bound volumes copies of memorial tributes—already printed in the RECORD—in honor of deceased Members of Congress; second, strike authority for the Public Printer to, upon request, put expensive, hand-done bindings on Government publications for Members of Congress; and third, repeal statutory authority for preparing nearly 2,000 bound editions of the RECORD and for printing over 5,000 copies of the daily editions. The cuts would not eliminate needed copies of the RECORD for immediate or research use.

Jointly, these proposals would save over $3 million each year. I would welcome the support and cosponsorship of every Member of this body.

CANCELLATION OF B–1 BOMBER PRODUCTION VIEWED AS A MISTAKE

(Mr. ROBERT W. DANIEL, JR., asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, I am pleased that the Secretary of the Air Force, John Stetson, invited me to fly a mission yesterday in the B–1 bomber to observe firsthand the capabilities of this remarkable weapons system.

This flight leaves me even more strongly convinced than ever that President Carter's 1977 decision to cancel B–1 production was a bad and potentially tragic mistake.

The Soviet Union appreciates fully the value of modern bombers and for some time has had in series production the bomber designated "Backfire," which is essentially the equivalent of the B–1. As if this were not enough, the Soviets are pushing ahead with development of two yet more advanced bombing aircraft.

Acting in apparently belated recognition of the important role modern bombers can play in strategic warfare the administration this year has come to our Committee on Armed Services to request authorization for an advanced strategic bomber study.

Our potential enemies will not be vulnerable to studies, so I maintain that our country's need is not for further studies but rather for production of the capable and badly needed B–1 bomber.

THREATS FROM YASSER ARAFAT

(Mr. SKELTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, the recent outbursts of Yasser Arafat, the leader of the so-called Palestine Liberation Organization, comes in the form of threats in the wake of the Israel-Egypt Treaty, and our President's role in bringing this accomplishment about.

Mr. Speaker, Arafat stated, "Hit the head of the snake, the United States." He called for using "the oil weapon" against our country, and he called to cut off the hand of our President, President Carter.

This irresponsible talk is disgusting, and I know that each American resents this kind of action. It is somewhat ironic, however, that Mr. Arafat refers to America as a snake whose head he would sever. If he knew our history better, he might recall that one of our earliest revolutionary flags had the figure of a rattlesnake on it with the words, "Don't tread on me."

☐ 1515

REPORT ON THREE MILE ISLAND NUCLEAR FACILITY

(Mr. FISH asked and was given permission to address the House for 1 minute.)

Mr. FISH. Mr. Speaker, I thought my colleagues in the House would like to be informed on the status of the situation at the Three Mile Island nuclear facility, located 10 miles south of Harrisburg, Pa., which has been a lead story in all the news today.

According to the Nuclear Regulatory Commission, Three Mile Island Nuclear Plant No. 2 shut down at 4 a.m. as a result of the loss of primary coolant, precisely why is not known at this time. At 7 a.m. an onsite emergency was declared by the Metropolitan Edison Co., which operates the plant, and according to the Nuclear Regulatory Commission the plant was brought into a controlled condition at 11 a.m. and the plant is being cooled.

High levels of radiation have been detected inside the containment area, with confirmed reports of radiation leakage both on and off the nuclear plant site. Fortunately, the levels of radiation reportedly detected are considered only slightly above the minimum detectable levels.

The Nuclear Regulatory Commission has dispatched a six member team to the site, made up of operations and environmental experts to survey the situation. In addition, there is a radiological assistance team on standby at Brookhaven.

Fortunately, there has been no reports of personnel injuries as a result of what one Nuclear Regulatory Commission official calls, the worst accident at a commercial nuclear plant in the history of commercial operation of nuclear powerplants.

Possible overexposure to radiation of personnel at the plant at the time of the

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

accident is not considered to be a problem at this time.

REQUEST FOR CONSIDERATION OF SENATE AMENDMENTS TO H.R. 2534 PUBLIC DEBT LIMIT INCREASE

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 2534) to provide for a temporary increase in the public debt limit, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, after line 14, insert:

SEC. 5. Congress shall balance the Federal budget. Pursuant to this mandate, the Budget Committees shall report, by April 15, 1979, a fiscal year budget for 1981 that shall be in balance, and also a fiscal year budget for 1982 that shall be in balance, and by April 15, 1980, a fiscal year budget for 1981 that shall be in balance, and by April 15, 1981, a fiscal year budget for 1982 that shall be in balance; and the Budget Committees shall show the consequences of each budget on each budget function and on the economy, setting forth the effects on revenues, spending, employment, inflation, and national security.

Page 2, after line 14, insert:

SEC. 6. (a) If a budget which is transmitted by the President to the Congress under section 201 of the Budget and Accounting Act, 1921, would, if adopted, result in a deficit in fiscal year 1981 or in fiscal year 1982, the President shall also transmit alternate budget proposals which, if adopted, would not result in a deficit.

(b) Such alternate budget proposals shall be transmitted with the budget and, except as provided in subsection (c), shall be in such detail as the President determines necessary to carry out the purposes of this section.

(c) Alternate budget proposals for a fiscal year transmitted under subsection (a) shall include a clear and understandable explanation of specific differences between the budget and alternate budget proposals.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. RHODES. Mr. Speaker, reserving the right to object, I am somewhat disappointed in the Senate amendments to the debt limit resolution. I had been in hopes that the other body would send back to the House a clear proposal for a balanced budget at a time certain. As a matter of fact, the other body did have a chance to do that if it had adopted an amendment which was presented by the senior Senator from Kansas, which would have had the effect of providing that there would be no further increases in the debt limit until the first concurrent budget resolution for fiscal year 1980, was reported, and that either that resolution would call for a balanced budget or the resolution would be adopted by a three-fifths vote of both Houses.

☐ 1520

Mr. Speaker, I think that the amendment offered by the Senator from Kansas is the way to go.

I must say that I am somewhat pleased by the fact that the other body has gone so far as to ask to be informed by the Committee on the Budget as to the effect that a balanced budget would have in each of these fiscal years. That is a step in the right direction, and it is progress; but it is not as much progress as can be made.

I think all of us, with very few exceptions, feel the necessity of working toward a balanced budget in a reasonable period of time. We on this side think that that reasonable period of time is when the first and second concurrent budget resolutions are adopted in the year 1980 for the fiscal year 1981. Therefore, it would be our hope, Mr. Speaker, that when I object—and I do intend to object—the majority would take this resolution to the Committee on Rules, which would bring it out with a rule which would make the Dole amendment in order. If, the rule does not so provide—we would try to defeat the previous question on the rule and amend it for the purpose of offering the amendment which was offered by the Senator from Kansas in the Senate. Then the whole matter could be rereferred to the Senate for the approval of that body or to the conference which might be requested.

Mr. ROSTENKOWSKI. Mr. Speaker, will the gentleman yield to me, please?

Mr. RHODES. I yield to the gentleman from Illinois, of course.

Mr. ROSTENKOWSKI. Mr. Speaker, the reason for the unanimous-consent request of the gentleman from Illinois truly is because of the fact that Treasury has put us on notice that if we consider this legislation today, we would have the opportunity of saving the taxpayers $35 million.

I would like to point out, too, that with a delay, of course, there will be no savings. I would also like to point out that Senator DOLE in the other body did support this modified amendment after his amendment was defeated, and I would like also to point out that the amendment to which the gentleman refers here on the floor of the House of Representatives was similar to the Dole amendment and was also defeated here.

Therefore, Mr. Speaker, I see no really useful purpose in delaying the consideration of this legislation. However, if the gentleman from Arizona feels that he has to object, the gentleman from Illinois has no control over that.

Mr. RHODES. Mr. Speaker, of course, the gentleman from Arizona is not in the habit of trying to cost the Federal Government $35 million or even 35 cents; but I suggest to the gentleman from Illinois that if, indeed, it is possible for the House and the Senate to come up with a balanced budget in fiscal year 1980 for fiscal year 1981, the savings to the Government would be greatly in excess of the $35 million.

I think the chance that the majority would agree with the minority that this is the way to go is a good one. I have great faith in the intelligence and in the dedication of most Members of the majority, especially in the light of their campaign promises. I think they will agree with us tomorrow and that we will proceed to pass this resolution with the almost ironclad assurance that there will be a balanced budget by fiscal year 1981.

Mr. LATTA. Mr. Speaker, will the gentleman yield?

Mr. RHODES. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Speaker, I want to thank the minority leader for yielding and to commend him on his reservation and his intention to object.

Mr. Speaker, I think there is more than $35 million involved here. If we are talking about $35 million to the Treasury a day, I wonder how many 35 millions of dollars have been wasted while this matter has been over in the other body. There were several days when this matter could have been before the Senate, and it could have been back here a long time before this.

Mr. Speaker, let me just point out that the passage of the Senate amendment would bring about a very confused situation, to have the Committees on the Budget submit two separate budget resolutions, one in balance and one not in balance, to the Senate and to the House.

☐ 1525

The Senator from Louisiana's amendment would probably confuse a lot of people who are for a balanced budget. I think precisely what we have here is some legislative sleight of hand on a very important matter. Seventy percent of the American people support a balanced budget. That is proven by the Gallup poll. I think this is something that deserves the attention of the House in full-scale debate, and the matter ought to go to the Committee on Rules and it should come out with a rule, as the gentleman indicated, to provide that the matter could be fully debated.

Mr. RHODES. Mr. Speaker, I hope that the Committee on Rules will make it possible for the House to work its will on this matter, and I object.

The SPEAKER. Objection is heard.

CALL OF THE HOUSE

Mr. SLACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 61]

Anderson, Ill.
Andrews, N.C.
Archer
Ashbrook
Ashley
Beard, Tenn.
Brooks
Burton, John
Burton, Phillip
Carter
Clay
Conable
Conyers
D'Amours
de la Garza
Diggs
Dingell
Dixon
Drinan
Edgar
Evans, Del.
Findley
Fisher
Flood
Foley
Frenzel
Garcia
Gaydos
Giaimo
Gibbons
Goodling
Guarini
Hance
Hawkins
Hopkins
Huckaby
Ireland
Jones, Okla.
Lederer
McCloskey
McDonald
McEwen
McKay
McKinney
Marks
Mathis
Mavroules
Michel
Mikva
Pepper
Runnels
Satterfield
Scheuer
Staggers
Stark
Stewart
Ullman
Vander Jagt
Vanik
Weaver
Young, Fla.

□ 1540

The SPEAKER pro tempore (Mr. CHARLES H. WILSON of California). On this rollcall 371 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

CONFERENCE REPORT ON H.R. 2479, TAIWAN RELATIONS ACT

Mr. ZABLOCKI. Mr. Speaker, I call up the conference report on the bill (H.R. 2479) to help maintain peace, security, and stability in the Western Pacific and to promote continued extensive, close, and friendly relations between the people of the United States and the people on Taiwan, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

(For conference report and statement, see proceedings of the House of March 24, 1979.)

The SPEAKER pro tempore. Under the rule, clause 2(c), rule XXVIII, the reading is not required, and the unanimous-consent request is not necessary.

The gentleman from Wisconsin (Mr. ZABLOCKI) will be recognized for 30 minutes, and the gentleman from Michigan (Mr. BROOMFIELD) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. ZABLOCKI).

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report before us today on H.R. 2479, the Taiwan Relations Ast, is similar in all fundamental respects to the bill as it passed the House March 13.

As Members will recall, the basic purpose of the legislation which we approved, by a vote of 345 to 55, is to establish a peace and security framework for our interests in the Western Pacific and for Taiwan and to continue our commercial and other relations with Taiwan following the President's action in switching official diplomatic recognition from the Taiwan Government to Peking.

When we went into conference with the Senate, we found that the principal objectives of their bill were rather similar to ours. While there were a number of secondary differences, the conferees were able to reconcile them in two meetings over a 24-hour period. We believe we have combined the best features of both bills. We think the resulting legislation is just as strong as the measure which the House passed, and in some respects, better. Therefore, we once again urge its passage by an overwhelming margin.

The principal features of the conference report and the resolution of differences with the Senate may be outlined as follows:

The Senate bill did not include in its title the Taiwan security objective of the legislation. The House bill listed this purpose at the start of its title. The conferees agreed to do this, and we followed this in the title with some phrases from the Senate title. Likewise, for a short title, we use the House term "Relations" rather than "Enabling" which was in the Senate bill.

The first part of the conference report, as in the House bill, sets forth U.S. policy with regard to peace and security in the Western Pacific. The wording in essence is a melding of the provisions of the House and Senate bills which were quite similar in both bills. Members will note that any use of force against Taiwan will, under the conference report, be "of grave concern to the United States." It will be our policy to provide Taiwan with defense arms. Also, we retained in essence the House provision in behalf of the human rights of the 18 million people on Taiwan.

For implementation of the policy statement the conference report provides that we shall make available to Taiwan such arms as are needed for her self-defense. The President and the Congress will determine what these arms shall be, judging this solely according to Taiwan's needs. The determination will be reviewed by U.S. military authorities. The President is to inform Congress promptly of any threat to Taiwan's security and any danger to U.S. interests therefrom. The U.S. response to any such danger is to be determined by the President and the Congress, in accordance with constitutional processes.

The next section of the conference report is the key one for continuing and promoting commercial and other relations with Taiwan on a nongovernmental basis. The conferees agreed in effect to accept the broad provisions of the House bill and to include also the more specific Senate provisions which dealt with narrower questions. Thus, section 4(a) states broadly yet clearly that the laws of the United States shall continue to apply with respect to Taiwan as if derecognition had not taken place. Section 4(b) goes on to cite various specifics, such as applying U.S. legal references to "foreign countries" to include Taiwan, to continue Taiwan's capacity to sue and be sued in U.S. courts, to continue Taiwan's rights and obligations, and so on.

All treaties and other international agreements between the United States and Taiwan are continued in force, including multilateral conventions, except for the Mutual Defense Treaty. We accepted a Senate provision which also makes clear that nothing in this Act may be construed as supporting expulsion of Taiwan from any international organization.

Providing for continued Taiwan ownership of the Embassy property here in Washington was not an issue; it was in both bills and is in the conference report. Also, we had no difficulty agreeing on a compromise reflecting the intent of both Houses, which requests the President to extend to Taiwan's new instrumentality here the same number of offices and personnel as previously operated in the United States before the breakoff in diplomatic relations. Likewise, we have agreed on language providing for privileges and immunities for the Taiwan instrumentality personnel here, on a reciprocal basis.

The conference report also includes a provision, taken from the Senate bill, which waives the Overseas Private Investment Corporation (OPIC) $1,000 per capita limitation with regard to investments on Taiwan. The provision is designed to stimulate confidence in business investments in Taiwan. However, we placed a 3-year limit on the waiver to avoid Taiwan's receiving this special status indefinitely in view of the prosperity of her economy.

On providing for a new U.S. nongovernmental entity to succeed the American Embassy on Taiwan, the conference report provides both for "The American Institute on Taiwan" as designated in the Senate bill, and for a Presidential option to designate some other nongovernmental entity, which was in the House bill. As a factual matter, the United States and Taiwan have already reached an agreement on establishing these entities, with the U.S. instrumentality being named "the American Institute on Taiwan" and that of Taiwan's being called the "Coordination Council for North American Affairs."

On definitions of terms in the legislation, the conference report adopts the House approach in defining "Taiwan," rather than focusing on "People on Taiwan," which was the Senate approach.

Finally, we agreed to the Senate provision for funding to carry out this act in fiscal 1980 and to the House provision for congressional oversight, with an amendment to include "other appropriate committee" as well as the Foreign Affairs and Foreign Relations Committees in monitoring the provisions under this act.

In sum, Mr. Speaker, I believe the conference report to be a strong bill which is eminently satisfactory from the standpoint of the House.

It is, of course, an absolutely necessary bill from the standpoint of the interests of the United States. It reflects our strong desire for Taiwan's continued security and for continuing, without interruption, our commercial, cultural, and other nondiplomatic relations with Taiwan.

The conference report is needed to achieve these objectives. I urge its overwhelming approval by the House.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield for a question?

Mr. ZABLOCKI. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Speaker, some of us have a strong feeling that they do not wish to be a party to any legislation that terminates our diplomatic recognition of the Republic of China on Taiwan. For that reason I intend to vote against this. I understand that this is the-best-we-can-get syndrome that is presented in the gentleman's argument. But I do have some concern about the change in the House provision on appropriations in an amendment that was offered by my colleague, the gentleman from Ohio (Mr. Ashbrook), which required appropriations and authorization for all expenditures of this Institute conducting the affairs between these two nations.

I understand the other body authorized a provision dealing with such sums. But is that for only one fiscal year? And what assurances do we have that the appropriate congressional committees in both Houses of Congress will be able to control the fiscal affairs of this Agency in the future? Is it an open-ended authorization?

Mr. ZABLOCKI. Mr. Speaker, I can assure my colleague, the distinguished gentleman from Maryland, that it is not an open-ended authorization. As the gentleman from Maryland knows, the Ashbrook amendment, to which he referred, which was adopted in the House, stated:

> No agency of the United States Government may pay or otherwise make available to the designated entity, by contract or otherwise, any funds unless the Congress has expressly authorized and appropriated those funds to be made available to and used by the designated entity.

☐ 1550

The conference report, in section 16, adopted the Senate funding provision. This authorizes the appropriation to the Secretary of State for fiscal year 1980 to carry out provisions of this act. The conference report, in effect, includes the main point of the Ashbrook amendment, which was to have a specific authorization. No such authorization was needed for fiscal year 1979. Those funds as the gentleman will recall, and as the the gentleman from Wisconsin was advised in committee, have already been appropriated to the State Department for the American Embassy on Taiwan. The State Department has asked the Appropriations Committee for a reprograming so the moneys can be used for the American Institute in Taiwan, so this satisfies the need in 1979.

For fiscal year 1980 and thereafter we anticipate, as indicated in the Statement of the Managers, that the funding will, as usual, be through the annual funding process for the State Department and that both authorizing and appropriating committees will be able to maintain full control over this funding as before.

Mr. BAUMAN. So that each year the State Department in its authorization and appropriation bill must come before the appropriate committee to justify the spending and explain what they have done about it before.

Mr. ZABLOCKI. That is correct.

Mr. BAUMAN. Could the gentleman answer one last question? That is, what is the attitude of the Communist Chinese Government toward this legislation?

Mr. ZABLOCKI. Mr. Speaker, I am very pleased to advise the gentleman that the People's Republic of China is furious, is very unhappy, and I think this could be very convincing to the gentleman from Maryland if he had any concerns about the legislation that we had passed. I would hope that he would now support it, because it is displeasing to the Communist government.

Mr. BAUMAN. Have they indicated they would break relations with the United States over this legislation?

Mr. ZABLOCKI. I am in no position to advise the gentleman from Maryland as to what is the thinking of the Communist in any country, and especially the Communist government in Peking. I do not believe they would do that.

Mr. BAUMAN. Mr. Chairman, it has not met my test, I would say to the gentleman.

Mr. WOLFF. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I will be glad to yield to the gentleman from New York.

Mr. WOLFF. I think it should be understood, however, that the bill that was finally arrived at is consistent with the negotiations conducted by the President; and it does not embody any government-to-government relations. Now, the point that the People's Republic of China objected to was the question of the security provisions; however, those security provisions would not have been necessary had the People's Republic of China renounced the use of force to accomplish their political aims.

Mr. ZABLOCKI. Mr. Speaker, it is not too often that I include in my remarks a quote from the Washington Post, but I intend to ask unanimous consent to include in my remarks the editorial of the Washington Post of March 27, entitled, "Peking Political Education." The editorial says in part:

> The People's Republic of China has now pronounced unacceptable the legislation in which the Congress sought to strengthen, beyond the administration's measure, the formal assurances the United States is offering Taiwan.

A bit further, it says:

> Although Peking is upset it does not appear to be so upset that it will react rashly, least of all, say, by denormalizing.

I think we have served through our committee, and the Congress, a lesson to the PRC that the Congress is a very important body, and that our Government is a government of the executive, the legislative, and the judiciary: It is a lesson that I hope they will keep in mind.

(The full text of editorial follows:)

[From the Washington Post, Mar. 27, 1979]

PEKING'S POLITICAL EDUCATION

> The People's Republic of China has now pronounced "unacceptable" the legislation in which the Congress sought to strengthen, beyond the administration's measure, the formal assurances the United States is offering Taiwan. Most of the congressional increments were a good idea; and it's not such a bad idea, either, that Peking has been afforded this occasion to deepen its political education.
>
> The increments do not alter the basic framework of normalization, and this is to the good. But by tone as much as by word, they make explicit a certain caution about Chinas' ultimate intentions and a considerable degree of sympathy for Taiwan. In other words, they make explicit what we take to be the feelings of most Americans. It must have come as something of a shock to the Chinese to discover that the arrangements they had laboriously worked out with the executive branch were tampered with by the legislature. Welcome to America. "Normalization" means not merely regularizing official relations but opening up those relations to the normal buffeting of the American political process.
>
> Although Peking is upset, it does not appear to be so upset that it will react rashly, least of all, say, by "denormalizing." Only a handful of those congressmen who supported the new language could have wished to provoke that result. American diplomats are working overtime to limit the damage. But we think it can only strengthen Chinese-American relations for the long run for the two countries to learn that their political systems, and not alone their diplomatic establishments, must meet and interact.
>
> The Chinese are not shy about defining their own national interest. Americans should be no less forthcoming. This is by way of saying that Peking should consider the effect its invasion of Vietnam had on congressional consideration of the Taiwan legislation. The spectacle of China disregarding American urgings and sending troops across a border into a neighboring country surely helped spur Congress to strengthen the assurances being offered Taiwan. We would even go a step further and suggest that that spectacle served as a useful brake on any incipient American tendency to regard normalization as a wholly unmixed blessing for the United States in its continuing attempt to "contain" Soviet power. Normalization is desirable, we believe, but, like any other political act, it carries limits and risks. It is better that Americans proceed with a knowledge of what the risks are.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield further?

Mr. ZABLOCKI. I am delighted to yield.

Mr. BAUMAN. Based on the knowledge I have gleaned recently about the numbers and quality of the Members who will be visiting Red China during the Easter recess, I am sure the Red Chinese will have a firsthand chance to learn about the quality of almost every Member of the House of Representatives before the year is out.

☐ 1555

Mr. ZABLOCKI. Mr. Speaker, my only regret is that the gentleman from Maryland (Mr. Bauman) is not a member of that expeditionary force because if he were, he could get some idea of the composition of the PRC and of the differences of opinion which we have in this legislative body.

Mr. BAUMAN. Mr. Speaker, if the gentleman will yield further, the gentleman from Maryland has been invited to go as a member of the minority delegation.

Mr. ZABLOCKI. I regret that the gentleman did not take that opportunity.

Mr. BAUMAN. The gentleman has not made up his mind as yet.

Mr. ZABLOCKI. Mr. Speaker, I reserve the balance of my time.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I endorse the comments of my distinguished colleague, Mr. Zablocki, and fully support the conference report to H.R. 2479, the Taiwan Relations Act. The legislation we have before us will better provide for the peace and security of the more than 17 million people on Taiwan. Moreover, the conference report not only contains essential provisions of the previously passed House bill, but also reflects the congressional concerns over many of the deficiencies of the administration's original legislative request—deficiencies which could have been corrected at even an earlier date given more informed congressional consultation by the administration.

The conference report takes several significant steps beyond the administration's original bill. An essential security amendment, which I offered, stating that any economic boycott or embargo to prevent Taiwan from engaging in trade with other nations would be considered a threat to the security of Taiwan—is preserved in the conference report. In particular, the conference agreement on our declaration of policy toward Taiwan preserves several important House amendments including the intent of the Congress to provide Taiwan with arms of a defensive character and to maintain Taiwan's capacity to resist any force or other coercion which would jeopardize the security, or the social or economic system, of Taiwan. Moreover, the preservation and the enhancement of the human rights of the Taiwan people, as provided by a House amendment, are reaffirmed as U.S. objectives in the conference report. Still other provisions of the conference report protect Taiwan's embassy property, Taiwan's position in any international financial institution or organization, as well as the status of nuclear export applications.

As for congressional oversight concerning the Taiwan Relations Act, a conference substitute was adopted. This substitute would allow the House Foreign Affairs Committee, as well as other appropriate committees of the Congress to monitor the provisions of the conference report on H.R. 2479.

I believe that the conferees have developed legislation which is a significant improvement over the administration's original request. I believe that the conference provisions in general and the security provisions in particular are vital to our continuing commitment to the people of Taiwan. I therefore urge my colleagues to favorably consider the conference report to H.R. 2479.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I rise in support of the conference report. I believe our position has been very accurately and properly stated by the chairman and the ranking minority member.

I should add, Mr. Speaker, that, as we know, at this point in the discussion of a conference report it is standard procedure for someone to eulogize the chairman and ranking minority Member and to commend them for heroic jobs in conference vis-a-vis the other body.

Mr. Speaker, I do not think that is necessary in this case. I do not think, given the limited problems, that they were particularly heroic or brilliant. But they were good.

However, I do wish to say that the House committee staff under the leadership of our chief of staff, Dr. Brady, dazzled the staff of the other body. The Members would have been proud of the House staffers as they totally outmaneuvered the Senate staff on every point.

I do commend this measure. I certainly do not approve of the policy and decision announced on the 15th of December, but this measure makes the best of what is a bad situation. Whether one is pleased or displeased with this policy, I commend support of this measure.

Mr. Speaker, on March 24, the House and Senate met in conference to discuss the Senate's amendments to H.R. 2479, the Taiwan Relations Act.

I would like to call attention to one amendment approved in conference that "states that nothing in this act shall contravene U.S. interest in the human rights of Taiwan's approximately 18 million inhabitants." This provision makes clear the intent of Congress that any effort by the People's Republic of China (PRC) to impose restrictions on Taiwan or encroach on its people would constitute a violation of the human rights of the people on Taiwan.

A further decision of the conference committee was that "the President and the Congress are to decide the nature and quantity of (defense) arms and services solely according to their judgment of Taiwan's needs * * *" This provision is meant to insure that Taiwan's defense needs are determined by its authorities and those of the United States without regard to the views of the PRC. Any attempt by the PRC to interfere in this process would be completely contrary to the interests of the United States.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. GUYER).

Mr. GUYER. I thank the gentleman for yielding.

Mr. Speaker, I, too, want to commend the work of the conferees on this conference report because, like many others, I had a lot of apprehension and a lot of reservation about what we might do to mend some of the damage. I had questions, for example, about whether or not the PRC would be a successor government. I had questions about bank deposits. I wondered about existing treaties, whether they would be honored, things such as the Treaty of Friendship, Commerce, and Navigation, the Air Transport Services Agreement, Atomic Energy Cooperation for Civil Uses Act, and many others. The thing that astounded me was that when the cavalcade of charm swept through our country, it dawned on us at dawn's early light that in return for total diplomatic relations we really had not received very much. We still did not have a commitment, a concession, a compromise, a guarantee, or a down payment. But someplace along the line we do want to do something to see that the American image is not tarnished, that our reputation for being a reliable ally is safeguarded, and that these good people do have a sense of security and well being together with our friendship.

I agree that this is probably the very best assurance that we could put together, and while I had very little to do with it, I intend to support that because of the integrity of the people and the final form in which they have brought this to the floor. I think internationally it is good. It is good to help restore our integrity, and I want to commend the chairman and those who worked on the conference committee.

Mr. BROOMFIELD. Mr. Speaker, I reserve the remainder of my time.

Mr. ZABLOCKI. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. I thank the chairman for yielding.

Mr. Speaker, I rise in support of the conference report where I do feel that it fulfills the responsibility that has been given to us as a Congress in seeing to it that we carry out the provisions of the agreements that were reached by the President and at the same time afford it the protection that we want it to, to the question of the security of Taiwan itself. Therefore, regardless of the position that has been taken by the PRC in indicating that this was creating new avenues, the final report that was made by the conference committee is in complete agreement and in complete accord with the agreement that was reached by the President with the Peoples Republic of China. I ask my colleagues to support this report.

Mr. KELLY. Mr. Speaker, will the gentleman yield?

Mr. WOLFF. I will be delighted to yield to the gentleman from Florida.

Mr. KELLY. I thank the gentleman for yielding.

Does not the conference report just quite clearly establish that the Congress joins the administration in recognizing that the Government of Taiwan is the Communist government in Peking?

Mr. WOLFF. No, it does not.

Mr. KELLY. Then why do we not recognize the government on Taiwan as it exists?

Mr. WOLFF. Because we have recognized the government of Peking and derecognized the Government of Taiwan, and that has absolutely no relationship to the fact that we recognize Peking's authority over Taiwan.

☐ 1605

Mr. KELLY. Mr. Speaker, will the gentleman yield further?

Mr. WOLFF. Yes, I would be delighted to yield.

Mr. KELLY. Is it not the situation that the government, Communist government in Peking has announced as a result of action of the United States taken by the administration that they, in fact, are the sovereign government of Taiwan?

The SPEAKER pro tempore. The time

of the gentleman from New York (Mr. WOLFF) has expired.

Mr. ZABLOCKI. Mr. Speaker, I yield to the gentleman from New York 1 additional minute.

Mr. WOLFF. Mr. Speaker, this is a position that the Peking Government has taken over the years, but it has absolutely no effect upon the United States.

Mr. BROOMFIELD. Mr. Speaker, I now yield 2 minutes to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Speaker, the conference report before us today on continuing relations between the United States and Taiwan while a definite improvement over President Carter's version still leaves much to be desired.

As I have stated previously, the basis for relations with the continuing Government of the Republic of China on Taiwan is the unrealistic notion that this government and country does not exist. Obviously it exists and sensible U.S. policy would be to diplomatically recognize its existence. Nongovernmental relations as this bill deals with is an affront to our own country and to our friends and allies in Taiwan.

The security language in the legislation should be much stronger. In addition, justified concern has been raised about the provision of "defensive" weapons to Taiwan. A proper defense of Taiwan necessitates control of the air and waters of the Taiwan Straits. Unfortunately, before so-called normalization with Peking, the Carter administration has been reluctant to provide such weapons to Taiwan. I seriously question the willingness of the Carter administration after recognition of Peking and derecognition of Taiwan to sell the necessary weapons to provide for Taiwan's defense.

As I stated previously, the congressional bill is much better than the President's but it has a number of other smaller difficulties in addition to the ones that I have already discussed. These include the instrument for relations itself, the weakening of language on the number of offices and personnel Taiwan will be allowed to have in the United States, no specific inclusion of the antiboycott law, and the lack of a specific call for diplomatic immunity for Taiwan's representatives.

Once this legislation is passed and signed into law we in the Congress have a serious responsibility to insure that Peking does not attempt to subvert or conquer Taiwan. I will continue to push for a realistic policy toward Taiwan which includes diplomatic recognition.

Mr. ZABLOCKI. Mr. Speaker, I yield 5 minutes to the gentleman from North Carolina (Mr. FOUNTAIN), a member of our committee.

Mr. FOUNTAIN. Mr. Speaker, with some reservations, I rise in support of the conference report on H.R. 2479, the Taiwan Relations Act. As a cosponsor of this legislation, I believe the text agreed to by the conferees is probably the most we can reasonably do to redeem our Government in view of the unwise and premature recognition last December of the People's Republic of China.

As my colleagues know, I opposed then, as I still oppose now, the President's diplomatic recognition of Red China. In the ensuing months, nothing has happened to cause me to change my mind. To the contrary, for instance, I reminded my constituents following Vice Premier Teng Hsiao-ping's visit here that we ought not fall prey or victim to all the happy smiles, warm handshakes, and cordial hospitality which awaited Teng at every stop on his tour. More recent events on the war front in Southeast Asia, including extensive Chinese military involvement, have reinforced my view that we should deal with the Communist leaders of China at arms, length whenever and wherever possible rather than deal while locked in fond embrace.

The legislation before us today, however, is primarily directed at continuing to the maximum extent possible the relations and ties which we had for 30 years with our friends and allies on Taiwan—the only free China. While the President, as Chief Executive, made the unilateral, but regrettable, decision to tear up our 1954 treaty with Taiwan, we in the Congress can surely write into statutory law, not subject to reversal by Presidential whim, that good and responsible relations with Taiwan will continue, notwithstanding the President's December action. What we have then in this bill constitutes a full recognition of Taiwan, in effect if not in fact.

H.R. 2479 is necessary for the maintenance of peace, security, and stability in the Western Pacific. It is needed for the continuation, preservation, and promotion of our commercial, cultural, and other relations with Taiwan. The bill declares in no uncertain terms that peace and stability in that part of the world are in the political, security, and economic interests of the United States, and are also matters of international concern.

This legislation underscores our Nation's policy that the administration's decision to establish diplomatic relations with Red China rests upon the expectation that Taiwan's future will be determined through peaceful means. Otherwise, any threat to peace and security in the Western Pacific will be a matter of grave concern to the United States.

The bill mandates that our Government make available to Taiwan such guarantees of defense articles and defense services, including arms of a defensive character, as are necessary to enable Taiwan to maintain a sufficient self-defense capability. This determination will be made jointly by Congress and the President, and will include advice from U.S. military authorities.

The President is directed to inform the Congress promptly of any threat to the security or to the social or economic system of Taiwan and of any resulting dangers to our own interests. Any such danger would be dealt with by appropriate action in accordance with law.

It might be well to note at this point, Mr. Speaker, that the section of the bill regarding Presidential notification of Congress is not a vague, nonbinding "sense of the Congress" provision. Instead, it directs the President in straightforward terms to keep Congress completely informed and to make Congress an equal partner in dealing with threats to Taiwan. We should remember that it was the President's failure to consult with Congress prior to his December announcement, as requested in last year's foreign aid bill, that fueled much of the continuing protest here on Capitol Hill.

This legislation also provides that our laws will continue to apply with full force to Taiwan, even in the absence of formal diplomatic relations. For those purposes, Taiwan shall remain a foreign country, nation, state, government, or similar entity—whatever the particular law in question dictates. Taiwan's rights and obligations under our laws shall not be abrogated, infringed, modified, denied, or otherwise affected by the absence of diplomatic relations and recognition.

In addition, the conference bill continues in force all United States-Taiwan treaties, international agreements, and multilateral conventions existing on the date of derecognition, unless and until terminated in accordance with law.

This legislation provides for a Federal-State-local tax exempt, nonprofit corporation, the American Institute in Taiwan, to conduct and carry out programs, transactions, and other relations with respect to Taiwan. The bill contains provisions for furnishing of property and services to and obtaining services from the Institute.

Mr. Speaker, behind the chairman, the gentleman from Texas, Mr. BROOKS, as ranking majority member of the House Government Operations Committee, I can attest unequivocably to the essential nature of congressional oversight of actions taken by the executive branch. As a result, I am pleased that this bill provides that the House Foreign Affairs Committee, the Senate Foreign Relations Committee, and other appropriate committees of Congress, shall monitor the implementation of this act, the institute's operations and procedures, the legal and technical aspects of the continuing relationship between the United States and Taiwan, and the implementation of our Government's policies concerning security and cooperation in East Asia. So long as I remain a Member of Congress and the House Government Operations and Foreign Affairs Committees, I will do my utmost, whatever I can, to see that this oversight is conducted vigorously.

Let me add a final and more personal note, Mr. Speaker. This legislation, as it originally passed the House, and in final form today, is substantially stronger than what the administration initially proposed. The executive branch says it can live with this bill. I trust that will prove to be the case and that the President signs it willingly and enforces it aggressively. But at the same time, I hope this legislation is seen by the President and his advisers as a forthright and compelling response by the Congress to his ill-advised, single-handed recognition of Red China without first arriving at an equitable solution to questions surrounding the future of Taiwan and without consulting meaningfully ahead of time with the Congress.

Under our Constitution, the President is Chief Executive officer, and speaks and acts in various ways on behalf of our country in international affairs. However, Congress too has its vital and important constitutional role to play in foreign affairs. Regrettably, that role has too often, under many recent Presidents, been slighted, undermined, or overlooked altogether.

Hopefully, the Taiwan Relations Act will serve notice on this and future administrations, and encourage future Congresses, that the national legislature should not sit idly by and allow its prerogatives and place in international policy-making to be undercut or ill-served. This legislation not only helps insure the safe and secure future of Taiwan, but hopefully also aids in establishing concrete legislative precedents for stronger future congressional involvement in foreign affairs. That important message is not set forth word for word in the text of this bill, but I hope it is, and will be seen, and heeded, nevertheless.

Mr. Speaker, I urge my colleagues to join with me in voting to adopt this conference report—as the best possible way left for us to salvage the diplomatic relations we maintained for so many years with the Republic of China, prior to untimely, unwise and premature action by the President last December, when he formally recognized the People's Republic of China, and broke diplomatic relations with the Republic of China.

I might add that this legislation is approved and requested by our friends, the Government of Taiwan, the only free China. Like the Congress under the laws of our land, they really have no other alternative. But again it is a meaningful alternative—much better than I ever anticipated and I am satisfied much better than the Republic of China (Taiwan) ever expected. A vote for this legislation is not, and should not be construed as support for the action taken by the President.

□ 1610

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. FOUNTAIN. I am glad to yield to my distinguished friend and former co-ambassador to the United Nations.

Mr. BROOMFIELD. Thank you very much.

I wish to associate myself with the very fine remarks made by the gentleman from North Carolina (Mr. FOUNTAIN). I think that Mr. FOUNTAIN has really given a very excellent analysis of this bill. If I draw one conclusion of the work we have done here we have demonstrated our concern for those people who live on the island of Taiwan. I just wish to compliment you on a very fine statement.

Mr. FOUNTAIN. I thank the gentleman for his contribution.

□ 1615

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. KELLY).

Mr. KELLY. Mr. Speaker, I urge my colleagues in the House to vote against the conference report.

Taiwan is important to the western Pacific defenses of the United States. The conference report surrenders these defenses.

The platitudes in the conference report are a sham which attempt to conceal the surrender of Taiwan to the Communists. We, by adopting this conference report, are simply implementing the surrender of Taiwan which was accomplished by the administration. That is all that is being done by this conference report; we are simply implementing what the President has done.

This does not in any way change the proposition that the President has surrendered the sovereignty of Taiwan to the Communist government in Peking. There is no government on Taiwan by the action of adopting this conference report; otherwise we would send an ambassador to our friend of 30 years. We send no ambassador because by this action we recognize no government on Taiwan. There is no government there because we have sold it out to the Communist regime in Peking, and we do that by adopting this conference report.

The supporters will ultimately argue that the Taiwan question is an internal affair of the PRC and thus attempt to deceive the public.

Mr. Speaker, I urge the Members to vote against the conference report.

Mr. BROOMFIELD. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. MCCLORY).

Mr. MCCLORY. Mr. Speaker, I thank the gentleman for yielding this time to me.

Mr. Speaker, I want to compliment the conferees on the development of the conference report presented to us today concerning our Nation's continuing relationship with the people of Taiwan.

Mr. Speaker, while I voted against the measure which was passed by this House a few weeks ago, I am reassured by language in the conference report with which the Members of this House and of the other body have agreed. It is my hope and expectation that the cultural, social, and economic relations between the peoples of our two nations may be continued—even extended in the years ahead.

Mr. Speaker, I am also satisfied that the conference report contains assurances that we will help provide defense supplies to our friends in Taiwan—and we are pledging ourselves to support Taiwan if it is subjected to any military or economic attack.

Mr. Speaker, it appears that we have—under very adverse circumstances—provided the maximum of support and friendship in the language of this conference report and I intend to vote for its adoption.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I thank my colleague, the gentleman from Michigan (Mr. BROOMFIELD), for yielding this time to me.

Although I can understand why my good friend, the chairman of the committee, wants to move this along as expeditiously as possible. A sinking feeling must come over the proponents, a little bit like having a bone in your throat or a lump in your heart. It is something you want to forget about quickly and bury it, hoping that all your pious platitudes really have some truthful ring in the future.

It is bad enough to insult a sovereign people—and that is what we are doing—but the Republic of China is a sovereign nation, not an entity, the Taiwanese or the people on Taiwan. I have been on this floor during the entire debate and watched how careful the sponsors of this legislation were not to refer to a "sovereign people" or a "sovereign country" or the Republic of China.

That is a little bit insulting to them, but it is worse to find Members of this Congress, Members of the House of Representatives, afraid to call long-time friends a sovereign nation. It is bad enough that we refer to them as "Taiwanese" or "the people on Taiwan." You who advocate this travesty have been careful not to refer to them as a nation, but how much worse it is when we are doing this to a country that has been a lifelong friend, a friend extending back as far as any of us in this Chamber can go back and remember, and our minds run not to the contrary.

Not so with the people on the mainland, not so with the People's Republic of China. The Communists repressive and inhumane rule makes them no friend. Why carry water for them.

It is also bad enough that the President would usurp the authority of the Congress—and indeed I believe he did, and I hope a lawsuit will prove that—but it is worse that the Congress rolls over and ratifies this action.

How many times have I heard in the last 10 years, particularly during the Vietnam war and after the Tonkin resolution, that the Congress ought to stand up to the President? Maybe we do not stand up to this President, but at any rate this was a good time to do it, and the Congress failed to do so.

It is bad enough that we are accepting this act in the way we are, but it is worse that I keep hearing people say that it is for the Taiwanese, that it is to help them, and that we are for them. I hear time and time again that they have agreed to this shameful ploy.

That is a little bit like the man who sits down in the electric chair and allows himself to be electrocuted. We might say that because the man sits down in the chair and allows himself to be strapped in, he goes along with it. Of course, that assumes the guards standing there did not make any difference. But the sponsors say the Taiwanese people have accepted this, they want this, they urgently request this, that is why it must be done. Foolishness, sheer foolishness we know what we are doing, whatever you might call it or however you might try to rationalize it.

□ 1620

I just want to register that on this day in March 1979, I am one who believes the majority in Congress is going to do an unconscionable thing. They are going to turn their backs on their friends; worse, because it was a demand, a price extracted by an enemy. Yes, I think the Government of the People's Republic of China is an enemy. You can call their friends all you want, but they are the unrepentant murderers of millions of people on their own mainland. They have never repented. The only way they repent is to die. Mao Tse-tung and Chou En-lai never repented. They had to die. I think a lot died today, including the dignity and the word of this country.

Mr. ZABLOCKI. Mr. Speaker, I yield myself 30 seconds, merely to advise my dear friend and colleague, the gentleman from Ohio (Mr. ASHBROOK), for whom I have a high regard and esteem, that I do not have a lump in my throat and I am not swallowing hard or in any way remorseful or concerned about this conference report. Let me advise the gentleman that I have had an opportunity to speak to some of the people who were formerly represented here, who are interested in the Republic of China, and they are pleased with this legislation and with this report, and only the PRC is unhappy with this report. I submit—and I might be in error—that those who are voting in opposition to the report will really be making the PRC happy that they have at least that number of Members who they will interpret are looking out for their interest.

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, the sterile record of the CONGRESSIONAL RECORD will not show future generations what I would like to record.

My good friend, the gentleman from Wisconsin (Mr. ZABLOCKI), had to grope, had to pause to find a way to refer to our former friends of the Republic of China, and that in itself shows that there must be some small lump in the throat of my good friend.

Mr. ZABLOCKI. No, I was not groping. I was speaking slowly for emphasis.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 339, nays 50, answered "present" 5, not voting 38, as follows:

[Roll No. 62]

YEAS—339

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burlison
Butler
Byron
Campbell
Carr
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Danielson
Daschle
Davis, Mich.
Davis, S.C.
Deckard
Derrick
Derwinski
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fithian
Flippo
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gingrich
Ginn
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leland
Lent
Levitas
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
McClory
McCormack
McDade
McEwen
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stockman
Stokes
Stratton
Studds
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Treen
Udall
Van Deerlin
Vento
Volkmer
Walgren
Walker
Wampler
Waxman
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—50

Applegate
Ashbrook
Badham
Bailey
Bauman
Burgener
Carney
Collins, Tex.
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Devine
Dickinson
Dornan
Edwards, Okla.
Gilman
Goldwater
Hansen
Jeffries
Kelly
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lewis
Livingston
Loeffler
Lungren
McDonald
Marriott
Miller, Ohio
Moorhead, Calif.
Paul
Robinson
Rousselot
Roybal
Rudd
Satterfield
Shelby
Shumway
Solomon
Stenholm
Stump
Symms
Trible
Watkins
Wyatt

ANSWERED "PRESENT"—5

Burton, John
Burton, Phillip
Dellums
Kindness
Weiss

NOT VOTING—38

Anderson, Ill.
Beard, Tenn.
Brooks
Broyhill
Carter
Conable
Conyers
de la Garza
Diggs
Edgar
Evans, Del.
Findley
Fisher
Flood
Florio
Forsythe
Frenzel
Gaydos
Gibbons
Guarini
Hawkins
Jones, Okla.
Lederer
Lee
Lehman
McCloskey
McKay
Marlenee
Michel
Mikva
Pepper
Runnels
Staggers
Stewart
Ullman
Vander Jagt
Vanik
Weaver

□ 1635

The Clerk announced the following pairs:

Mr. Pepper with Mr. Anderson of Illinois.
Mr. Guarini with Mr. Forsythe.
Mr. Flood with Mr. Marlenee.
Mr. Brooks with Mr. Vander Jagt.
Mr. Gaydos with Mr. Runnels.
Mr. Hawkins with Mr. Michel.
Mr. Lederer with Mr. McCloskey.
Mr. Lehman with Mr. Broyhill.
Mr. Staggers with Mr. Conable.
Mr. Florio with Mr. Evans of Delaware.
Mr. Ullman with Mr. Findley.
Mr. Vanik with Mr. Beard of Tennessee.
Mr. Weaver with Mr. Carter.
Mr. Mikva with Mr. Stewart.
Mr. de la Garza with Mr. Edgar.
Mr. Diggs with Mr. Fisher.
Mr. Conyers with Mr. Lee.
Mr. McKay with Mr. Jones of Oklahoma.
Mr. Gibbons with Mr. Frenzel.

Mr. WEISS changed his vote from "yea" to "present."

Mr. DICKINSON changed his vote from "yea" to "nay."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A motion to reconsider was laid on by Mr. Sparrow, one of its Clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3091. An act to extend for one year the provisions of law relating to the business expenses of State legislators.

□ 1640

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

REQUEST FOR PERMISSION FOR COMMITTEE ON RULES TO FILE A PRIVILEGED REPORT

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wonder if the chairman of the Committee on Rules could tell us the topic of the report?

Mr. BOLLING. Mr. Speaker, if the gentleman will yield, it would be a resolution dealing with the debt limit.

Mr. BAUMAN. Mr. Speaker, further reserving the right to object, it is the information of the gentleman from Maryland that the need for this legislation was described as an emergency situation. The notice I received was that our Rules Committee meeting was to be held in 15 minutes but that the rule and the bill would not be called up until Monday. If it is not to be called up until Monday why would the request be made that the report be filed tonight?

Mr. BOLLING. Mr. Speaker, the gentleman has information I do not have. I was informed it would come up tomorrow, but I could be in error.

Mr. BAUMAN. Mr. Speaker, the gentleman from Maryland does not wish to stand in the way of progress as seen by the gentleman from Missouri, but I do think it might be better to await the determination of the Committee on Rules.

Therefore, Mr. Speaker, I would object.

The SPEAKER pro tempore. Objection is heard.

PROVIDING FOR CONSIDERATION OF H.R. 1787, NASA 1979 SUPPLEMENTAL AUTHORIZATION

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 177 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 177

Resolution providing for the consideration of the bill (H.R. 1787) to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1787) to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Texas (Mr. FROST) is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 177 provides for the consideration of H.R. 1787 authorizing supplemental appropriations to the National Aeronautics and Space Administration for fiscal year 1979 in the amount of $185 million for research and development.

The rule provides for 1 hour of general debate to be divided equally between the chairman and ranking minority member of the Committee on Science and Technology. The resolution also waives points of order against the bill for failure to comply with section 402(a) of the Congressional Budget Act. Section 402(a) prohibits the Congress from considering legislation which authorizes new budget authority for a fiscal year unless the bill was reported on or before May 15 preceding the beginning of that fiscal year. The Committee on Science and Technology requested the waiver subject to section 402(b) of the Congressional Budget Act which allows the Rules Committee to grant an emergency waiver of section 402(a). The waiver, of course, is necessary since this authorization was reported after May 15, 1978 and authorizes appropriations for fiscal year 1979.

This supplemental appropriation is necessary, Mr. Speaker, to allow NASA to continue the Space Shuttle program without delays that could substantially increase the costs of the program. During the 95th Congress, NASA was authorized an appropriation of $1,443,300,000 for the Space Shuttle design, development, test, and evaluation program and the Shuttle production program for a four-Orbiter fleet, with $4 million of these funds to be used for a fifth Orbiter option. The request for the additional $185 million for fiscal year 1979 is the first supplemental request in the 7 years the Shuttle program has been under development. The request is a result of technical problems encountered in the development, manufacturing and testing of the Shuttle systems, and delay in appropriating these additional funds would cause a major disruption in schedules at Space Shuttle prime contractor, subcontractor and vendor plants throughout the country leading to layoffs of half the projected work force, about 20,000 out of 42,000 jobs.

Delay in appropriating these funds would also result in a delay of several months for the first orbiter flight and a 6- to 12-month delay in the delivery of the second, third, and fourth Orbiters at an estimated increased cost of between $400 to $600 million.

Mr. Speaker, in light of the important role the Space Shuttle will play in the development of outer space for commercial, scientific, and defense needs, I urge by colleagues to adopt House Resolution 177.

□ 1645

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a 1-hour, open rule providing for consideration of H.R. 1787, which authorizes a supplemental appropriation to the National Aeronautics and Space Administration for research and development. Section 402(a) of the Congressional Budget Act is waived, since the legislation authorizes funds for fiscal year 1979 and, accordingly, should have been reported from committee prior to May 15, 1978. The first reading of the bill is to be dispensed with.

H.R. 1787 is a supplemental authorization for fiscal year 1979 in the amount of $185 million to be used by NASA in connection with the Space Shuttle program. When added to the $1.44 billion authorized last year for research and development at NASA, the total fiscal year 1979 authorization will be approximately $1.63 billion.

It is my understanding that the authorizing committee has investigated the supplemental request and has determined that the need for the additional funds has resulted from technical problems encountered in the development, manufacturing, and testing of the Space Shuttle systems. The committee report suggests that the effect of the potential delay in the Space Shuttle program if this money is not authorized is estimated at $400 to $600 million.

Mr. Speaker, I support this rule and this legislation.

Mr. Speaker, I have no problem with this rule. I yield back the balance of my time.

Mr. FROST. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

□ 1650

GENERAL LEAVE

Mr. FROST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 1786, NASA FISCAL YEAR 1980 AUTHORIZATIONS

Mr. FROST. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 176 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 176

Resolution providing for the consideration of the bill (H.R. 1786) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1786) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology, the bill shall be read for amendment under ths five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Science and Technology now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, and all points of order against said substitute for failure to comply with the provisions of clause 5, rule XXI, are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Texas (Mr. Frost) is recognized for 1 hour.

Mr. FROST. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from Mississippi (Mr. Lott), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 176 provides for the consideration of H.R. 1786 authorizing appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management and for other purposes.

The rule provides for 1 hour of debate with the time equally divided and controlled by the chairman and ranking minority member of the Committee on Science and Technology. The resolution also makes in order consideration of an amendment in the nature of a substitute recommended by the Committee on Science and Technology now printed in the bill as an original bill for the purpose of amendment under the 5-minute rule. Upon conclusion of the consideration of the bill for amendment, a motion to recommit with or without instructions would be in order.

The resolution waives points of order against the substitute for failure to comply with the provisions of clause 5, rule XXI, which prohibits appropriations in a legislative bill. This waiver is necessary because in several instances the committee substitute technically makes appropriations for NASA activities. In addition, the resolution contains a waiver against points of order for failure of the bill, as introduced, to comply with the provisions of section 402(a) of the Congressional Budget Act which prohibits the Congress from considering legislation which authorizes new budget authority for a fiscal year unless the bill was reported on or before May 15 preceding the beginning of the fiscal year.

Mr. Speaker, H.R. 1786 would authorize appropriations of $4,762 million for NASA in fiscal year 1980. This authorization level is $37 million higher than the President's budget request for fiscal year 1980 and 9.5 percent above the current fiscal year 1979 appropriation ($4.35 billion, excluding a pending supplemental appropriation request of $185 million).

The increases made by the committee adjusted four line items all within the research and development category. Principally, the committee retained the option in fiscal year 1979 appropriations for a fifth Space Shuttle Orbiter and increased the line item for the Space Shuttle research and development program by $27 million. The committee authorized a total of $1,393,000,000 for Shuttle research and development and $27,750,000 for construction of facilities for the Space Shuttle, which is schedule to make its first flight on November 9 of this year.

H.R. 1786 also amends the National Aeronautics and Space Act of 1958 to raise from $5,000 to $25,000 the amount for which NASA may settle or adjust damage claims on behalf of the U.S. Government for actions resulting from the conduct of NASA functions. The act is further amended by adding a new subsection authorizing the Administrator to provide, at his discretion and at the terms he deems appropriate, liability insurance to private users of space vehicles—including the Space Shuttle—to compensate for claims by third parties.

Mr. Speaker, the NASA program is of vital importance to our country and has provided jobs and rapidly accelerated technology development in the past 20 years. I would urge my colleagues to adopt House Resolution 176 so that we may proceed to the consideration of H.R. 1786, the NASA authorization bill.

□ 1655

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a 1-hour, open rule permitting consideration of H.R. 1786, which authorizes appropriations to the National Aeronautics and Space Administration for fiscal year 1980. Section 402(a) of the Congressional Budget Act is waived against the bill, since language in certain subsections provides authorizations for fiscal year 1979 and should have been reported before May 15, 1978. It will be in order under the rule to consider the amendment in the nature of a substitute recommended by the Committee on Science and Technology now printed in the bill for purposes of amendment. Clause 5 of rule XXI, which prohibits appropriations in legislation, is waived against the amendment in the nature of a substitute. The reason for this waiver is because the substitute contains language which can be interpreted as reappropriations.

The purpose of H.R. 1786 is to authorize a total of $4.76 billion to NASA for fiscal year 1980. Of this figure $3.6 billion is for research and development, $157.6 million is for construction of facilities, and $965 million is for research and program management. The total authorization represents a $37 million increase over the President's budget request for fiscal year 1980. This increase consists of $27 million in additional authorizations for maintaining the option to purchase the fifth Space Shuttle Orbiter, $1 million for program studies for a large deployable antenna demonstration, $2 million for initiating development of a multispectral resource sampler, $4 million for initiating development of a national oceanic satellite system, and $8 million for augmentation of the variable cycle engine component program. There is a corresponding $5 million decrease in other items.

Mr. Speaker, the passage of this legislation, along with the NASA supplemental authorization for fiscal year 1979, will continue a balanced space program in our country. Although I would much prefer to know that H.R. 1786 was in line with the President's request, I have no objection to the passage of this rule and intend to support the legislation.

Mr. FROST. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill H.R. 1787, on which the rule has just been granted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

NASA 1979 SUPPLEMENTAL AUTHORIZATION

Mr. FUQUA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1787) to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. Fuqua).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 1787, with Mr. Beilenson in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Florida (Mr. Fuqua) will be recognized for 30 minutes, and the gentleman from Kansas (Mr. Winn) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida (Mr. Fuqua).

Mr. FUQUA. Mr. Chairman, I yield myself such time as I may consume.

In considering the bill before us, H.R. 1787, we need to place the development of the Space Shuttle in accurate perspective. First, it needs to be recognized that in terms of 1971 dollars the Space Shuttle development program is within 10 percent of its originally estimated costs. This is a significant achievement in a program of complex technology. NASA is to be applauded for the excellence of management which has achieved this with tight budget restrictions and a demanding technical challenge.

In retrospect, the annual budget restrictions have required pushing testing to late in the program and consequently difficult technical problems have been encountered and are being overcome later in the development cycle. Thus the need for the additional funds results from technical problems encountered in development, manufacturing, and testing of Space Shuttle systems: the need for design changes and weight reductions; and the requirements of prime contractors and subcontractors for increased engineering and manufacturing effort to fabricate hardware and conduct test activities.

Intensive development and testing activity is proceeding in fiscal year 1979 with the first orbital flight targeted for late 1979. Funding is being applied to design, development, test, and evaluation activities at a rate which supports this plan; orbiter production activities are proceeding on a constrained basis; and the fiscal year 1979 supplemental authorization is being requested to restore funding for production activities. If the requested supplemental appropriation is not approved, it will be necessary to rebalance the program plan by adjusting the fiscal year 1979 development and test activities with a resultant delay of several months in first orbital flight and by delaying production activities with a resultant 6- to 12-month delay in delivery of the second, third, and fourth orbiter vehicles.

The administration has submitted, as anticipated, a request for supplemental appropriations for NASA for fiscal year 1979 in the amount of $185 million. The bill, H.R. 1787, before us is to authorize that appropriation.

The bill before us today is straightforward in its intent. It is to provide sufficient funds for the NASA Space Shuttle program to continue in an orderly and economic manner.

The Committee on Science and Technology and the Subcommittee on Space Science and Applications have maintained a detailed and intensive oversight of the Space Shuttle program. The full committee has reviewed the program annually since its inception in 1971. The Subcommittee on Space Science and Applications has reviewed Shuttle cost, performance and schedule at least twice annually during the same period. During this last year, the subcommittee has examined the program on three separate occasions resulting in published hearings and a report. As a result of this activity, I can report that the Space Shuttle is a well managed and well balanced high technology program.

The benefits of a low cost, reusable Earth-to-orbit transportation system are well known to the Members of this body. I will not attempt to review the significant increase in the utility of space gained when the Space Shuttle becomes operational. Rather, it is important to point out that this technically complex program has already surmounted difficult problems. Even with these problems, as I mentioned earlier, the program is still within 10 percent—in 1971 dollars—of its original estimate made in 1971. The supplemental request of $185 million being made today will still maintain that estimate within 10 percent of the original. In that context, it is important to examine the effect of failing to provide the supplemental funds.

The funds are to be used for the research, development, test and evaluation of the Space Shuttle. Hearings in September 1978, before our Subcommittee on Space Science and Applications, made it clear that such a supplemental appropriation would be essential if cost control were to be maintained in the program and substantial total program cost increases were to be avoided. In testimony before the subcommittee, NASA indicated that failing to receive a timely supplemental appropriation would result in severe schedule penalties and Space Shuttle program cost penalties. Without the supplemental it has been estimated that the first manned orbital flight would be delayed 4 to 6 months with an increase in total development costs of from $300 to $400 million, and that the follow-on orbiter deliveries would be delayed from 6 to 12 months at cost penalties of $100 to $200 million.

In addition to this $400 to $600 million effect in direct program funding, the Shuttle schedule delays would result in other budget and programatic effects particularly to payload users. Currently planned Space Transportation System missions on the Shuttle will have to be rescheduled, where possible, to expendable launch vehicles. This would necessitate the purchase of additional expendable launch vehicles at an additional cost. Adjustments in the tracking network operations resulting from the delayed launch of the tracking and data relay satellite are estimated to require substantial additional funds.

Another major area of impact, more difficult to define, would involve the effects on payload benefits lost to Space Transportation System users. Those payloads that are not compatible with expendable launch vehicles would have to be deferred. Payloads would continue to be designed to be compatible on both the Space Shuttle and expendable launch vehicles, thus resulting in payload cost penalties and postponing the economic benefits to be realized from the planned Space Shuttle operational use. When the approximate cost effect of all these payload related factors is added to the direct Shuttle cost, the overall total cost of not obtaining a supplemental appropriation is estimated by NASA to exceed $1 billion plus the effects of future inflation.

As I pointed out earlier, the Space Shuttle development program is within 10 percent of the original 1971 program estimate, and will remain so with the supplemental. The provision for supplemental funds at this point in the program is crucial since peak fabrication and, therefore, peak expenditure rates have been reached. Changes in program pace at this time will quickly lead to large cost increases which can be eliminated by the supplemental funds.

Having considered in detail all of those factors and having held hearings in Washington and at the key contractor facilities, the committee by a unanimous vote of those present voted to recommend this supplemental appropriations.

I urge my colleagues in the interest of maintaining cost discipline and schedule control in the Space Shuttle program to vote in favor of H.R. 1787.

Mr. WINN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as ranking minority member on the Space Science and Applications Subcommittee, I rise in support of this legislation, H.R. 1787. The chairman, Mr. Fuqua, and I have spent many hours in hearings both here in Washington and the field, attempting to understand and justify this supplemental funding request. It has not been an easy task. As a fiscally conservative businessman, it is always very difficult to rationalize the need for an additional funding request. However, I freely and enthusiastically can state to you and my colleagues that this request is justified and is in the best interest of the Nation.

To arrive at this conclusion, I had to answer three very basic questions. I would like to share with my colleagues my thoughts on those questions. Hopefully, each of you will then arrive at the same conclusion I have.

The first question I considered was: "Is the Space Shuttle program still a sufficiently worthy program to warrant the expenditure of these funds?" Several very important facts must be considered in regard to this question. First, this Nation has made a substantial commitment to the utilization of space for both civilian and military programs. Everyday we reap these benefits when we pick up our telephone or look at the weather forecast. A significant portion of our environmental monitoring comes from satellites in Earth orbit. More importantly, we are becoming more dependent upon space for our national security and defense. In fact, the President has been very explicit about the significance of satellites for SALT verification.

Therefore, if we can accept the significance of space for our future, then we must accept the worthiness of the Space Shuttle program, because it is the only space transportation system that is available. The military and civilian space programs have already begun phasing out the conventional expendable launch vehicles. Production lines have been stopped. In the event the Shuttle were delayed, it would seriously impair the integrity of both programs and ultimately result in much higher expenditures.

Based upon these considerations, I have concluded, beyond a doubt, that this program is worthy of continued expenditure of funds. If you accept this important role that space will play in our national security and well-being, then the Space Shuttle is a worthy program.

The second question I considered was whether there was any mismanagement in the program that was placing unjust financial burden on the taxpayer. This was the simplest question for me to resolve because of my very long involvement with the program.

The Space Shuttle program is a high technology program that is stretching the very bounds of the state-of-the-art. Never before has a throttling engine been designed that produces this level of thrust, nor has there ever been a reusable rocket engine of this size. This engine is designed for as many as 55 reuses. The list of technological advances manifested within this program is quite long. The important point, though, is that the very nature of this program has the potential of many serious impairments and setbacks. In spite of this huge potential however, this program is within 6 to 12 months of the original 1971 schedule and 10 percent of the original cost. I submit to you that there cannot be any mismanagement when a program of this magnitude and complexity is as close as it is to the original plan.

The third and final question I considered was what would be the impact if this supplemental were not approved. I am very concerned about the problems of a balanced Federal budget and the need for reducing Federal spending. It would be very easy to subscribe to a philosophy of not voting for any type of supplemental request. However, I would feel responsible for what the impact of such a philosophy would be. Therefore, I was provoked into looking at some of those impacts. The first thing that I found was that nearly half of the 42,000 contractor personnel would be laid off.

In addition, the direct and indirect cost impacts are estimated in excess of $1 billion. The direct cost to the shuttle alone is $400 to $600 million. My conscience will not allow me to induce this type of impact for the sake of a politically expedient philosophy. It is not prudent judgment to risk in excess of $1 billion in future costs for $285 million today.

I admit that this decision is not an easy one. But few worthwhile decisions are. I think that it is imperative that each of you consider the same three questions that I have just mentioned. I feel confident that you will arrive at the same conclusion that I have, we cannot afford not to approve this measure. I strongly encourage you to vote yes on H.R. 1787.

□ 1705

Mr. FUQUA. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida (Mr. NELSON), a member of the subcommittee, who has provided very valuable help to the subcommittee and to the full committee and who also serves on the Committee on the Budget. We are most appreciative of his fine service to the people whom he represents.

Mr. NELSON. Mr. Chairman, I rise in support of H.R. 1787 to authorize supplemental funding in fiscal year 1979 to assure the continuity and the cost discipline of the Space Shuttle program.

As a member of the Science and Technology Committee, I am aware of the need for this funding to help defray costs in the development of this, the most sophisticated vehicle ever constructed. These additional costs are as a result of difficulties which occurred at the very threshold of our knowledge. From a program standpoint, to delay the Shuttle would probably force NASA to commit expendable launch vehicles to missions already scheduled—at markedly increased costs. It may well necessitate delays in the launch of several missions, over one-half of which are non-NASA flights for which the Agency is reimbursed by other Federal agencies, domestic enterprises, and international agencies. It should be remembered that the fundamental value of the Shuttle program is cost effectiveness—to dramatically lower the per mission cost through the utilization of a reusable vehicle. To delay its completion serves only to delay the savings.

Further, as a member of the Budget Committee, I am painfully aware of the need to microscopically review our spending priorities. I urge you to approve the fiscal merits of this supplemental in addition to the valid technical justification. Were this $185 million request to be refused, we would be faced with an additional $400 to $600 million outlay.

Please consider that we are not discussing a cost overrun as the result of mismanagement on the part of NASA. In fact, even including the $185 million supplemental, the Shuttle program will be within 10 percent of the 1971 estimated cost—a remarkable achievement by Federal Government standards.

□ 1710

Mr. WINN. Mr. Chairman, I yield 1 minute to the gentleman from New York (Mr. WYDLER).

Mr. WYDLER. Mr. Chairman, I rise in support of the fiscal year 1979 supplemental authorization for the National Aeronautics and Space Administration. I would like to point out that the majority and minority have worked very closely on this legislation and are in basic agreement regarding its importance. This bipartisan support was reflected in the unanimous vote of the committee to report H.R. 1787.

The Space Shuttle is a national asset because of its unique capability. This system will provide for relatively low cost transportation to low Earth orbit, thereby opening the frontiers of space for American industry and even the world. The military significance of the Space Shuttle cannot be overlooked. A fully operational Space Shuttle will give the United States a space transportation system which no other nation on Earth can presently come close to matching. This supplemental authorization is needed to insure completion of the full system.

This high technology program, which provides in excess of 40,000 jobs in the private sector, is within 10 percent of the original cost estimates which were made in 1971. Considering the tremendous rate of inflation over the past decade, NASA and their contractors have done a reasonable job in containing program cost. NASA has applied shrewd engineering and managerial skill in getting the maximum out of the tax dollars invested. The original estimate for the program was $5.15 billion. Today, 8 years later, that estimate has grown by less than 10 percent to $5.654 billion. This is not a small accomplishment when you consider the complex technology and magnitude of the Space Shuttle program.

I am an avid supporter of the political philosophy of reducing Federal spending and balancing the budget. However, close analysis reveals that failure to pass this supplemental will result in substantial layoffs in the aerospace industry and an actual increase in Federal expenditures to cover losses.

I will vote "yes" on H.R. 1787, and I encourage my colleagues to do the same.

Mr. FUQUA. Mr. Chairman, I yield such time as he may consume to the gentleman from Alabama (Mr. FLIPPO), a very valued member of the subcommittee.

Mr. FLIPPO. Mr. Chairman, I rise in support of H.R. 1787 which would authorize supplemental appropriations to NASA for fiscal year 1979. Approval of this supplemental authorization is requisite to the maintenance of a first orbital flight in 1979 and continued cost discipline in the program. The committee has considered the need for this supplemental very thoroughly during September 1979 program review hearings and again in February during our authorization hearings.

Failure to approve the requested fiscal year 1979 supplemental authorization of $185 million to meet Space Shuttle program requirements would cause major program impacts increasing the total cost of development and production currently projected for the Space Shuttle program, increasing costs in related NASA program activities and increasing costs among users of NASA launch services. These costs are estimated to exceed $1 billion.

The Space Shuttle development program is now entering its seventh year. In the early years, fiscal year funds were constrained by the Office of Management and Budget which resulted in schedule changes and deferral of work to later years. More recently, technical problems have resulted in both schedule changes and cost growth; however, these changes are still well within reasonable engineering estimating error to be expected for high technology program forecasting.

The Space Shuttle development program should be maintained within 10 percent of the original estimates if NASA can maintain a launch date of not later than December 1979. NASA is currently working toward a success-oriented launch date of November 1979, and is operating on a funding plan based on obtaining the supplemental.

Analysis of the likely impact requires taking into account the labor intensity of the Shuttle program—85 percent of Shuttle funding is for people—and the significance of the fixed and variable components of the work force in major technological developments.

At this stage of the Shuttle development program, the fixed effort is proceeding at a relatively high level compared to the variable effort which is associated primarily with processing of flight hardware. If the supplemental is not approved, the Shuttle program will incur a significant loss of critical engineering skills needed to support ongoing development activities through flight testing and to provide program continuity into production and operations. Current industry manpower shortages will greatly impact subsequent restart and build-up contractor/subcontractor efforts in terms of skills recovery and training which will further increase program costs and delay schedules.

I think NASA has done an outstanding job in bringing the Shuttle program to the current state of development and in maintaining cost discipline for this technically challenging and highly complex development program.

Mr. Chairman, I urge my colleagues to support this legislation so that NASA can complete the Shuttle development program and keep this Nation in the forefront of space research as well as providing increased benefits and practical applications.

Mr. WINN. Mr. Chairman, at this time I yield such time as he may consume to the gentleman from California (Mr. DORNAN).

Mr. DORNAN. I thank the gentleman.

Mr. Chairman, I rise in support of H.R. 1787, and I can personally attest to the significance of providing this additional fiscal year 1979 funding. I am thoroughly convinced that this program is imperative, not only for the great peaceful pursuits for which it will be utilized but also for our national security. I am equally sure that this program is being managed as well as humanly possible. It would be a grave mistake for us to construe this request as a sign of failure. The total program runout cost is still within 10 percent of the original projection, and I respectfully challenge my colleagues to find any program of this magnitude or complexity that is as close to its original cost and schedule as is our space shuttle.

Total success for the development of the space program system is within our grasp. We will, all of us, be thrilled when we see that beautiful "Columbia" on the launch pad at Kennedy Space Center ready to journey into space, hopefully on schedule because of overwhelming support of this supplemental. Total success for the development of this space transportation system is within our grasp. We would be more than foolish to throw this opportunity away now. Not only would we incur hundreds of millions of dollars in additional costs due to failure to approve this measure, we would also threaten the integrity and prestige of this nation.

The Space Shuttle represents a milestone in the conquest of the frontiers of space. This transportation system will open the horizons of space to the entire world. American industry, the Department of Defense, and many international participants have made commitments to this excellent system. We cannot afford to sacrifice that cooperation and those commitments.

We face difficult economic decisions, but please let us not be pennywise and pound foolish. Failure to approve this measure will provoke profound short- and long-term problems which we cannot afford.

I might add that I have been given an analysis from our CIA and our Defense Intelligence Agency within the past few months to inform me if there is a single Soviet space program that does not have a total military application, and the answer from both agencies is that every Soviet space program is totally geared toward military use and power projection. The only space programs proceeding right now that have any peaceful applications are our U.S. Programs, particularly our Space Shuttle program, hence, the enthusiastic joining of our European friends to our efforts. I strongly encourage my colleagues to join me in voting "yes" on H.R. 1787.

□ 1715

Mr. WINN. Mr. Chairman, at this time I yield 5 minutes to the gentleman from California (Mr. GRISHAM).

Mr. GRISHAM. Mr. Chairman, I thank the gentleman for yielding. I rise in support of the pending legislation.

Mr. Chairman, the Space Shuttle system is vitally important to our Nation. It is the first reusable launch system designed for routine, economical access to the Earth's orbit. The requested supplemental authorization of $185 million is crucial to the efficiency and continued success of the Space Shuttle program. The need for additional funding has arisen from many complex and technical problems encountered in the development, manufacturing, and testing of Space Shuttle systems.

Fiscal year 1979 is critical in the development program leading to the first launch which will take place later this year.

Disapproval of the requested supplemental authorization would have a severe and adverse impact on the Space Shuttle program, related NASA programs, and would extend to all users of Shuttle launch services. When taken together, the total cost increase would exceed $1 billion.

A lack of supplemental funding would require immediate layoffs affecting approximately 20,000 of 42,000 jobs nationwide.

In addition, major uncertainties would be injected into the Shuttle program if we fail to take positive action today. First, we cannot predict the amount of time that would be required for a revised program. Second, the impact of any delay on the economic environment of the many plants involved in the shuttle program cannot as yet be accurately gaged. Finally, the ability of contractors and subcontractors to rehire the technical workforce after dislodging them from the program is open to serious question.

Without this supplemental authorization, the first orbital test flight would be delayed 6 months, at an additional cost to the taxpayers of $300 million to $400 million.

It is important to note that future orbiters are dependent on a reasonable flow of activity following the initial test flight. Any delay in the program would cause inefficiencies in production flow and orbiter deliveries would be delayed between 6 months and 1 year. A $100 to $200 million increase in the total cost of these orbiters will be the result.

Mr. Chairman, in 1971, the total cost estimate for the Space Shuttle program was $5.15 billion. Today, the estimate, in 1971 dollars, is $5,654 billion—an increase of less than 10 percent. This is certainly an outstanding track record.

To delay the program now—with full knowledge of the additional costs inherent in such a delay—would be both unnecessary and irresponsible.

I shall vote for the passage of this bill, and I urge my colleagues to do the same.

Mr. WINN. Mr. Chairman, at this time I yield 2 minutes to the gentleman from Louisiana (Mr. LIVINGSTON).

Mr. LIVINGSTON. Mr. Chairman, it has been my distinct privilege and pleasure to join the distinguished ranking minority member of this subcommittee and the distinguished chairman of the committee in a tour of the NASA facilities at New Orleans. I can attest, having made various trips to that facility and having studied the details of its operation, that the program being discussed on the floor is an outstanding one, one that will provide benefits to this Nation for many years to come.

Mr. Chairman, I wholeheartedly endorse it, and I urge the Members of this body to accept and to ratify this request.

Mr. FUQUA. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I want to express my appreciation to the distinguished gentleman from Florida for yielding this time to me. I hope that he will think it is in ill grace for me to oppose the particular legislation that he has brought before us.

Mr. Chairman, as I listen to all the justifications as to why this additional $185 million ought to be approved and adopted without any question or any qualm at all, I think back to only yesterday when this House turned down an opportunity to prevent $24 million from being rescinded for nurses training.

I think back to the effort of the administration and the current budget to cut back feeding programs for children, breakfast and lunch programs, by 10 percent.

I think back to the statement that the gentleman from Michigan (Mr. FORD) made earlier today on this floor when he pointed out that the administration in an effort to save some $120 million this year is undercutting the commitments that were made to students in the middle-income students assistance program.

I think back to the efforts being made to cut back social security, to cut back the funding for older Americans programs. Every social welfare program, every domestic program, every educational program that this Congress has to deal with has been and is in the process of being or will be cut back and will be cut back with the enthusiastic support of most of those, at least on the other side of the aisle who today have been telling us that we cannot afford not to approve this $185 million.

It seems to me, Mr. Chairman, that we ought to really take a very hard look at what it is that we propose to do. We ought to take a look at the conditions people in this country find themselves in, look at the proposals of the lean and austere budget which has been preached to us and to see where our order of priorities is and ought to be.

If we take that kind of hard look, I am convinced we will conclude that we ought not to approve this additional $185 million, that we ought not to throw the budget further out of kilter by that $185 million and rather use that $185 million for programs that are desperately needed to allow our neediest of American citizens to survive in this age of rampant inflation.

☐ 1720

Mr. Chairman, I would hope that we will have an occasion to have a recorded vote on this measure. As on all other measures which will tend to highlight where the Members of this body really have their commitments. It seems to me that it is fine to talk about balancing the budget in order to cut inflation when we are talking about programs to help people. It is another matter apparently when the effort is to add to the budget and throw the budget further out of kilter when we are talking about exotic gimmickry.

Therefore, Mr. Chairman, I would hope that many of the Members of this body take a very good and hard look at what we are about to do when it comes to a final vote on this measure and will vote no.

Mr. WYDLER. Would the gentleman yield to me?

Mr. WEISS. I would be delighted to yield to the gentleman if it is satisfactory to the distinguished chairman of the Committee on Science and Technology.

Mr. WYDLER. It is your decision.

Mr. WEISS. He gave me the time.

I would be pleased to yield to the gentleman.

Mr. WYDLER. I thank the gentleman for yielding.

The gentleman has raised a good point. All of us here in the House are going to have to make some very hard decisions in the months ahead on budget priorities and what we think is important and what we do not think is important. For example, we all know that the President has committed our country to sums that I hear are up to $5 billion or $10 billion to countries in the Middle East so they can enter into a peace agreement. We will be called upon in this House and on this floor to vote yes or no on that.

Mr. WEISS. I would like to take back the balance of my brief and limited period of time. I have but 5 minutes in total.

That point is extremely well taken. That is exactly the kind of order of priorities that we ought to be looking at. That is a priority that is in the best interest of this Nation and I think it is necessary for the best interests of this Nation. However, to talk about $185 million as a supplemental authorization as if it were peanuts, so to speak, which is the way this discussion has been going on, I think is forgetting where we are and what we are about.

Mr. WINN. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. WYDLER).

Mr. WYDLER. I would like to pursue it with the gentleman because I do not think it is quite as simple as he tries to make it sound.

The fact of the matter is that it is a difficult vote for many Members of this House for many reasons. It is an important expenditure. Nobody would deny that. Yet people are going to have to weigh factors such as the following: The $185 million essentially goes to America, to American working men and women, it goes to an important national product which will benefit our country and the world. The other money goes to foreign countries. foreign governments and foreign people. Should we not give them a nickel of money until every dollar of social welfare programs are restored to our budget? Is that the standard we are to use in this House of Representatives? We are going to be called on to use some wisdom and some judgment on these matters.

I would only ask the gentleman try to think of that, not try to make it sound like anyone who tries to support this very important technological program for our country is ignoring the needs of the poor people or the people that are receiving benefits under social welfare programs.

The gentleman, too, is going to be called upon at times to vote for programs that do not even go to people in this country at the same time that some of these domestic programs cannot be fulfilled, every need met and so on. That is an unfortunate problem he faces and that I face and that every Member of this body faces. I do not think it really adds to the sum total of our knowledge here to try to make it seem that the people who are supporting those important plans and programs for a strong America in the future are ignoring the needs of the people that have very important needs at the present time.

☐ 1725

Mr. Chairman it is not enough for the gentleman to point out what cuts were made in various programs he supports. I think the gentleman should point out how much was spent on those programs, how much was spent last year, and how much those programs might have been increased from year to year, in order to try to get some balance in what the Congress is doing and not put the Members of the House in the position of somehow being against poor people, which I do not think is the case.

Mr. WINN. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. LAGOMARSINO).

Mr. LAGOMARSINO. Mr. Chairman, I rise in support of H.R. 1787, the supplemental authorization for the National Aeronautics and Space Administration. As the gentleman from Florida (Mr. FUQUA) and the gentleman from Kansas (Mr. WINN) have so ably stated, the authorization contained in this bill essential in order to prevent delays in the Space Shuttle program. The program is now in midstride, with both development and production proceeding simultaneously, and the delay, if incurred, will cost an estimated $400 to $600 million.

As the committee points out in its report, the total cost of the Space Shuttle development program has been kept within 10 percent of its original estimate in 1971 dollars. However, maintenance of this admirable cost record is contingent upon a December 1979 launch date. The launch, in turn, is contingent upon the supplemental funding authorized by this bill.

I think it is noteworthy that this authorization was unanimously approved by the committee on a voice vote. and has also been approved by the Office of Management and Budget. It is also worth remembering that NASA expenditures are labor intensive, with approximately 85 percent going directly for jobs and the remainder for materials.

In summary, Mr. Chairman, this authorization is needed now in order to save taxpayers $400 million down the road. It is a wise course of action, and I urge my colleagues to approve it.

Mr. WINN. Mr. Chairman, I yield 4 minutes to the gentleman from California (Mr. MOORHEAD).

Mr. MOORHEAD of California. Mr. Chairman, I rise in support of H.R. 1787 and identify myself with the remarks of my colleagues who are supporting the authorization of the supplemental appropriation of $185 million for the Space Shuttle program.

The reality of the situation is that it would be far more costly in the long-run if we do not provide the additional funds now when they are needed to maintain the momentum of the project. The estimated 20,000 job lay-offs that could result throughout the country without H.R. 1787 would possibly result in many of these people drawing unemployment benefits from the Treasury to sit idly for a few months until the next fiscal appropriation became available in October 1979. The estimate that failure to approve the $185 million now could result in up to $600 million in excess cost for the remainder of the program emphasizes the wisdom in approving this authorization at this time.

An unnecessary delay in launching the Space Shuttle would also have an adverse impact on the projected 10-year plan for launching future satellites and phasing out existing ones. Scheduling adjustments could be made but they are always costly.

The history of the management of the entire NASA space program, which has had only two other supplemental appropriation requests since 1958, gives me confidence that this request is not a result of careless or extravagant decisionmaking by the program planners.

This is the only supplemental funding request that has been made for the Space Shuttle program and it is rather amazing to observe how close to original projections the program has stayed considering its magnitude. Since 1971 the project would have had less than a 10-percent increase over the original estimate of $5.150 billion—measured in 1971 dollars—even including the $185 million we are considering today.

The major reasons for this funding request stem from problems incurred in the development of the Shuttle. The technological problems that must be solved in this kind of project are ones that have never been faced before and solutions must be invented. It is almost impossible to accurately estimate such costs, but it appears that the program planners have been able to come very close. It is not really necessary for me to reiterate the numerous technological benefits we have realized from spinoffs of advanced scientific research that resulted from our earlier space programs. If we contemplate for a moment the development of computers, satellites, and cardiac pacemakers, we can envision the numerous benefits that have come with this project.

The detailed explanation offered by the Committee on Science and Technology of the expense that would result from a major delay of the program, makes H.R. 1787 a cost effective measure. I would like to urge all of my colleagues to join me in support of H.R. 1787.

☐ 1730

Mr. WINN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

● Mr. BROWN of California. Mr. Chairman, I rise in support of H.R. 1787, authorizing supplemental appropriations for the Space Shuttle program in fiscal year 1979.

The Space Shuttle is the key element of a versatile, economical space transportation system that will provide a wide variety of national and international users with round-trip access to space. There is only a short time before its planned maiden flight.

So that the program can continue along its current schedule and sustain this country's leadership in space, I favor the approval of the request for supplemental funds of $185 million.

The overall results of approving this request will far outweigh any near term economics that would result from nonapproval.

The net cost increase eventually—if we do not approve this request—has been estimated to be more than $1 billion. The program will be sidetracked seriously, major delays will result and confidence in the program will suffer. Substantial numbers of employees in many States will have to be laid off both at the major contractors and smaller subcontractors.

NASA examined various alternatives in order to avoid making this request such as reprogramming the funds from other programs in the agency, delaying the development even further, reallocating the funds from production and reducing program content. All of these alternatives were studied in great detail.

The $185 million is too large for reprogramming from within NASA. Delaying development and production results in major cost penalties; and reductions in program content were not possible as previous reductions in content had been made in 1974, 1975 and 1976.

The supplemental is considered the only viable alternative at this stage of the program. I agree with and favor the supplemental's approval.

I urge passage of this legislation.●

● Mr. ROE. Mr. Chairman, as ranking majority member of the Committee on Science and Technology, I rise in full support for this supplemental authorization bill, H.R. 1787. The Space Shuttle program is presently going through an extremely intense period of testing and demands our full support. What ever research and development problems uncovered during this crucial testing will be overcome. I would like to put the emphasis on development, because that is where we are, we are developing the final product to be utilized for years to come. Mr. Chairman, through my years on the committee, I have learned the meaning of the words research and development. You must take your time, you must be thorough in your technical investigations, you must test and retest to assure the quality of the product. I support this supplemental authorization bill which allows NASA to continue with a balanced schedule and program and provides the confidence so sorely needed in the tough hours before you have the finished product.

Mr. Chairman, the reason for this bill has been explained by the distinguished chairman of the Committee on Science and Technology, the Honorable DON FUQUA of Florida, so I will not dwell on them at this time but instead, lend my voice in approval of their bill and ask my colleagues to support it. Let us not tire, let us not be indecisive at a time when we are in this final phase of developing a program which will once again proclaim America's rightful status as No. 1 in space. Thank you Mr. Chairman for your consideration and I ask my colleagues to vote for passage of this bill.●

Mr. FUQUA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in closing, I would just like to point out again that 85 percent of the funds being requested in this supplemental for the Space Shuttle program, is for people. I would further like to point out that failure to pass this would necessitate some additional cost of some $300 to $400 million in follow-on orbiter deliveries being delayed for from 6 to 12 months. Furthermore, there would be a lay-off of people. The planned Space Shuttle transportation system and the payloads that have been committed to these payloads would further be delayed. It would mean the retooling of the tracking networks, the purchase of expendable launch vehicles, where the production lines have been shut down, and inordinate delay throughout the program.

This is the most efficient thing that we can do in order to proceed in an economical and prudent time frame. I urge the adoption of the bill.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 1787

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (1) of subsection 1(a) of the National Aeronautics and Space Administration Authorization Act, 1979 (Public Law 95–401), is amended by striking out "$1,443,300,000" and inserting in lieu thereof "$1,628,300,000".

The CHAIRMAN. Are there any amendments to the bill?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BEILENSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill

(H.R. 1787) to authorize a supplemental appropriation to the National Aeronautics and Space Administration for research and development, pursuant to House Resolution 177, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. WEISS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 354, nays 39, not voting 39, as follows:

[Roll No. 63]

YEAS—354

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Chappell
Cheney
Chisholm
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fish
Fithian
Flippo
Florio
Foley
Ford, Mich.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Grassley
Gray
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kemp
Kildee
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McDonald
McEwen
McHugh
McKinney
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Rudd
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stangeland
Stanton
Steed
Stenholm
Stockman
Stokes
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Treen
Trible
Udall
Van Deerlin
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

NAYS—39

Bedell
Brodhead
Broyhill
Burton, John
Cavanaugh
Clay
Daschle
Dellums
Donnelly
Early
Erdahl
Evans, Ind.
Fenwick
Ford, Tenn.
Gephardt
Goodling
Gramm
Holtzman
Hughes
Jacobs
Kastenmeier
Kostmayer
Maguire
Miller, Ohio
Mitchell, Md.
Mottl
Nolan
Obey
Panetta
Reuss
Rosenthal
Russo
Seiberling
Stack
Stark
Studds
Vento
Weiss
Yates

NOT VOTING—39

Anderson, Ill.
Beard, Tenn.
Bethune
Brooks
Carter
Conable
Conyers
Diggs
Dodd
Edgar
Evans, Del.
Findley
Fisher
Flood
Frenzel
Gaydos
Gibbons
Guarini
Hawkins
Jones, Okla.
Kogovsek
LaFalce
Lederer
Lehman
McCloskey
McKay
Michel
Mikva
Pepper
Runnels
Staggers
Stewart
Ullman
Vander Jagt
Vanik
Weaver
Wilson, Bob
Wilson, Tex.
Young, Mo.

□ 1750

The Clerk announced the following pairs:

Mr. Pepper with Mr. Beard of Tennessee.
Mr. Guarini with Mr. Frenzel.
Mr. Hawkins with Mr. Vander Jagt.
Mr. Staggers with Mr. Bob Wilson.
Mr. Flood with Mr. McCloskey.
Mr. Brooks with Mr. Anderson of Illinois.
Mr. Gaydos with Mr. Bethune.
Mr. Lederer with Mr. Carter.
Mr. Lehman with Mr. Conable.
Mr. Young of Missouri with Mr. Evans of Delaware.
Mr. Ullman with Mr. Findley.
Mr. LaFalce with Mr. Kogovsek.
Mr. Weaver with Mr. Vanik.
Mr. Stewart with Mr. Runnels.
Mr. Diggs with Mr. Fisher.
Mr. Gibbons with Mr. McKay.
Mr. Conyers with Mr. Edgar.
Mr. Dodd with Mr. Jones of Oklahoma.
Mr. Charles Wilson of Texas with Mr. Mikva.

Mr. STACK and Mrs. FENWICK changed their vote from "yea" to "nay."

Mr. DANIEL B. CRANE changed his vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PRAISE FOR PRESIDENT CARTER FROM CANADIAN HOUSE OF COMMONS

(Mr. WRIGHT asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WRIGHT. Mr. Speaker, the tremendous achievement of our President in negotiating the peace treaty between Israel and Egypt has won the praises of leaders and governments throughout the world.

Today I have received from the Right Honorable John G. Diefenbaker, former Prime Minister of Canada, an excerpt from the debates of the Canadian House of Commons on March 7 in which a resolution of commendation of President Carter was considered and approved unanimously.

To the great relief of the world community the President's initiative at that perilous hour succeeded, and a peace treaty has now been signed here in Washington. The support and good will of Canada in this effort was and is an encouragement to President Carter and the United States.

Mr. Speaker, without objection I shall insert the excerpt from the House of Commons debates in the Record at this point:

House of Commons,
March 7, 1979.

The House met at 2 p.m.

(1405)

ROUTINE PROCEEDINGS

[English]

EXTERNAL AFFAIRS

ROLE OF PRESIDENT CARTER IN PEACE TALKS BETWEEN EGYPT AND ISRAEL—MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have already discussed this matter with the Secretary of State for External Affairs, and I hope the House will give its unanimous approval. I rise under the provisions of Standing Order 43.

With Canadians being dedicated to the achievement of international peace, I move:

That this House commends United States President Carter for his courageous initiative in going personally to Egypt and Israel in his continuing endeavour to bring about peace between these two countries, and supporting his objectives, expresses the hope that through his unusual and statemanlike endeavours a just and lasting peace will have been achieved.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. In order for this motion to be presented at this time pursuant to Standing Order 43 the unanimous consent of the House would be required. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: The House has heard the terms of the motion by Mr. Diefenbaker, seconded by Mr. Jamieson. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

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REPORT ON RESOLUTION CONCURRING IN SENATE AMENDMENTS TO H.R. 2534, TEMPORARY INCREASE IN PUBLIC DEBT LIMIT

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–75), on the resolution (H. Res. 183) concurring in Senate amendments to the bill (H.R. 2534) to provide for a temporary increase in the public debt limit, and for other purposes, which was referred to the House calendar and ordered to be printed.

NASA FISCAL YEAR 1980 AUTHORIZATIONS

Mr. FUQUA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1786) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. Fuqua).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1786), with Mr. Beilenson in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill will be dispensed with.

Under the rule, the gentleman from Florida (Mr. Fuqua) will be recognized for 30 minutes, and the gentleman from Kansas (Mr. Winn) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Florida (Mr. Fuqua).

Mr. FUQUA. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the past year has been of major significance in our civilian space program. The NASA Landsat systems, whose repetitive observation of Earth resources is producing large-scale direct benefits, underwent a major change in 1978 with the retirement of an older satellite and the launch of a much-improved replacement.

The original Landsat 1, which had been orbiting since 1972, was turned off on January 6. Two months later—on March 5—NASA successfully launched Landsat 3, which has substantially greater data-collecting capability than its predecessors. The system now consists of two active satellites, Landsat 3 and the 4-year-old Landsat 2. Together they cover virtually every spot on Earth every 9 days, relaying to Earth data which is converted to photolike images that offer great potential for improved management of Earth's resources.

A similar type of ocean-monitoring satellite, the Seasat 1, was launched June 26. An ocean survey satellite, Seasat was designed to explore the potential of a future operational system for such uses as ship routing, storm and iceberg avoidance, guiding fishing fleets to most productive waters, and warning of threatening coastal disasters. Seasat was only partially successful. After 99 days of operation, it suddenly stopped transmitting. The data sent during the active period was sufficient to meet most of the scientific objectives of the mission and provided for a limited evaluation of an operational system's potential.

An important step in NASA's planetary research program was the dual launch of Pioneer Venus spacecraft which are making an extensive reconnaissance of the neighbor planet.

NASA teams were also actively monitoring the progress of earlier launched interplanetary spacecraft. Voyagers 1 and 2, launched in the late summer of 1977, were en route to close encounters with the superplanet Jupiter. Voyager 1 has made its closest approach with spectacular results and Voyager 2 will rendezvous with Jupiter in July. Pioneer 11, which left Earth in 1973, will begin a closeup investigation of Saturn in September 1979.

Among NASA's other major launches in 1978 were these:

January 26: The International Ultraviolet Explorer, a joint NASA/European Space Agency/United Kingdom satellite.

August 12: ISEE–3, third of the International Sun-Earth Explorers.

October 13: Tiros N, a polar-orbiting experimental weather satellite for the National Oceanic and Atmospheric Administration.

October 24: Nimbus 7, a research satellite designed to test sensors for oceanographic and meterological monitoring.

November 13: HEAO–2, second of the High Energy Astronomy Observatories, which are mapping celestial X-ray sources.

NASA's 1978 plan called for launches of 25 spacecraft, 9 more than in the previous year. As was the case in 1977, most of the launches were "reimbursables" whose launch costs were paid back to NASA by payload sponsors. NASA's "customers" in 1978 included the European Space Agency, the United Kingdom, Canada, Japan, Comsat Corporation, the North Atlantic Treaty Organization, the U.S. Navy, and the National Oceanic and Atmospheric Administration.

The Space Shuttle headed the list of major systems in development status during 1978. The Space Shuttle main engine, the primary pacing factor in maintaining the development schedule, was successfully test fired as a single unit a number of times; full duration testing of the complete three-engine propulsion system was planned for early 1979. Three successful ground firings of the Shuttle's solid rocket boosters were accomplished. All elements of the Shuttle—the two solid boosters, the Shuttle Orbiter and its external main tanks—were mated together for the first time and put through a series of vibration tests to verify that the Shuttle's structure will perform as predicted.

Other major NASA programs in development status included:

Galileo, a dual unit spacecraft consisting of an orbiter and a planetary probe, to be launched in 1982 for an extensive survey of Jupiter.

Landsat D, the fourth and most advanced of the Landsat Earth resources monitoring satellites, to be launched in 1981.

Space Telescope, an advanced astronomical system which will permit observations far deeper into space than has ever before been possible.

Spacelab, a habitable space laboratory for human-directed experiments in orbit, which fits into the cargo bay of the Shuttle Orbiter. First Spacelab flight is targeted for 1980. The laboratory is being developed by European Space Agency.

This outstanding performance is not without its problems. No new programs are included in the NASA budget as proposed by the administration. The accomplishment of the logical follow-on program in space science and space applications will thus be delayed. Coupled with this a steady decline in the buying power of the dollar has drastically reduced ability to capitalize on our space expertise for practical benefits. I am including a table in the Record which demonstrates that in constant 1968 dollars the NASA budget in 1979 represented less than 50 percent of its buying power less than a decade ago.

NASA funds to industry calendar years 1968–79*

[Millions of dollars]

1968	$3,938
1969	3,177
1970	2,688
1971	2,361
1972	2,154
1973	1,869
1974	1,798
1975	1,770
1976	1,736
1977	1,679
1978	1,641
1979	1,653

*Source: AIA Report, 19788.

Constant dollars (1968=100).

It is significant that NASA continues to make important contributions to our quality of life and economic well-being under these circumstances.

In 1979, 11 of the 16 launches on NASA's schedule for 1979 are reimbursables, satellites launched by NASA for other agencies or corporations.

As was the case in 1978, most of the 1979 launches will emphasize the use of space for the direct benefit of people on Earth—communications and environmental and meteorological information. During 1978, the agency logged 20 launches—11 of them reimbursables for paying customers.

The paying customers for 1979 launches include the Department of Defense, the National Oceanic and Atmospheric Administratioin (NOAA), The United Kingdom, Western Union Corp., Comsat Corp., and RCA.

The first orbital flight of the Space Shuttle, NASA's reusable space transportation vehicle, is scheduled at the earliest for November 1979. Astronauts John Young and Robert Crippen have been named as crew members on the first flight which will be launched from Kennedy Space Center, Fla., and land about 53 hours later at the NASA Dryden Flight Research Center, Edwards, Calif.

Transition to the Space Shuttle will begin in 1980. There are substantial opportunities for our Nation in space beyond the content of this budget. It is my belief that this body will want to support a number of new initiatives in space in the years ahead. The fiscal year 1981 budget will test our resolve next year in maintaining a strong national space program.

In developing the bill before us today, I want to recognize the dedicated efforts of the members of the Committee on Science and Technology and in particular the members of the Subcommittee on Space Science and Applications. Each member of the subcommittee on both sides of the aisle has made a significant contribution. As always, we can depend on the gentleman from Kansas (Mr. WINN), the ranking minority member of the subcommittee, for his knowledge and personal insight into the complex programs. His diligent effort continues to be of immeasurable help in establishing a sound bill and strong NASA program.

Again, I would like to commend all members of the committee who have so diligently worked on bringing this bill to the floor.

My remarks will be directed primarily to the actions taken by your Committee on Science and Technology as a result of the recommendations of the Subcommittee on Space Science and Applications. The gentleman from Iowa (Mr. HARKIN) distinguished chairman of the Subcommittee on Transportation, Aviation, and Communications, will cover those areas of aviation contained within H.R. 1786.

Mr. Chairman, I am including in the RECORD a table which summarizes the budget actions taken by the Committee on Science and Technology on the fiscal year 1980 NASA authorization request. I would like to point out that the NASA fiscal year 1980 request for the Space Shuttle program is $1,366,000,000 and not the $1,336,000,000 which appears in the original bill (H.R. 1786). The amount was incorrectly printed in the bill.

NASA BUDGET (H.R. 1786)

[In thousands of dollars]

Line item	Fiscal year 1979 House authorization	Fiscal year 1980 NASA request	Committee action
1(a)(1) Space Shuttle	$1, 443, 300	$1, 366, 000	$1, 393, 000
1(a)(2) Space flight operations	308, 900	467, 300	463, 300
1(a)(3) Expendable launch vehicles	71, 500	70, 700	70, 700
1(a)(4) Physics and astronomy	285, 500	337, 500	337, 500
1(a)(5) Lunar and planetary exploration	187, 100	220, 200	220, 200
1(a)(6) Life sciences	40, 600	43, 900	43, 900
1(a)(7) Space applications	288, 300	332, 300	338, 300
1(a)(8) Technology utilization	14, 600	12, 100	12, 100
1(a)(9) Aero. research and development	292, 300	300, 300	308, 300
1(a)(10) Space research and technology	111, 300	116, 400	116, 400
1(a)(11) Energy technology applications	6, 000	3, 000	3, 000
1(a)(12) Tracking and data acquisition	304, 400	332, 800	323, 800
Subtotal, Research and development	3, 353, 800	3, 602, 500	3, 639, 500
Subtotal, construction of facilities	147, 500	157, 600	157, 600
Subtotal, research and program management	914, 000	964, 900	964, 900
Total	4, 415, 300	4, 725, 000	4, 762, 000

Mr. Chairman, the Subcommittee on Space Science and Applications held a total of three hearings in September 1978, and 15 hearings in January, February, and March 1979, to review the NASA fiscal year 1978–79 budget performance, the fiscal year 1979 supplemental budget request, and the fiscal year 1980 authorization request. Testimony was taken from representatives of NASA, the U.S. Air Force, the European Space Agency, and members of the industrial and scientific community on NASA related programs. In addition, the full committee heard testimony in a hearing on the current NASA programs and a hearing on the President's civilian space policy. The aeronautical programs of NASA have been covered separately by the Subcommittee on Transportation, Aviation and Communications and will be reported on separately by the gentleman from Iowa (Mr. HARKIN).

The bill before us today, H.R. 1786, is to authorize appropriations for the National Aeronautics and Space Administration for fiscal year 1980. This bill was reported out by the committee on March 14, 1979, by unanimous roll call vote of those present. The committee report contains 17 views adopted by the full committee and one additional view.

For the benefit of the Members, I will summarize the bill and the actions taken.

NASA requested a new authorization of $4,725,000,000 for fiscal year 1980. This amount is $309,700,000 or 7 percent more than authorized by the House in fiscal year 1979. The actions recommended by the committee on the fiscal year 1980 budget would yield a net increase of $37.0 million from the requested budget.

The committee recommends changes to seven line items. The total net dollar change to the NASA request is $37.0 million which is comprised of $42.0 million in increases and $5.0 million in decreases as follows:

First. Space Shuttle. $27 million increase for maintaining the option to purchase a 5th Space Shuttle Orbiter;

Second. Space flight operations. $5 million decrease in subline items other than advanced programs; $1.0 million increase in advanced programs for studies for a large deployable antenna demonstration.

Third. Space applications. $2 million increase for initiating development of a multispectral resource sampler; $4.0 million increase for initiating development of a National Oceanic Satellite System.

Fourth. Aeronautical research and technology. $8 million increase for augmentation of the variable cycle engine component program.

In addition, two new subsections 1b(6) and 1b(14) were added to the bill, removing maintenance projects from subsections 1b(16) (A) and (C) of the original bill with appropriate redesignation of subsections. This language change properly identifies maintenance project at the Kennedy Space Center and Michaud assembly facility.

The administration requested and the committee endorses two additional changes in existing law in sections 6 (a) and (b) of the bill. Sections 6(a) increases from $5,000 to $25,000 the amount of claims which the Administrator of NASA may settle on behalf of the Government. Section 6(b) provides for insurance and indemnification required in the Space Shuttle era for multiple payload users.

The committee has also included in the report accompanying the bill certain oversight findings and recommendations relating to international space activities.

For the benefit of my colleagues, I am including in the RECORD a table which summarizes the budget actions of the committee for fiscal year 1980.

FISCAL YEAR 1980 NASA AUTHORIZATION BILL—H.R. 1786 COMMITTEE ON SCIENCE AND TECHNOLOGY

[In thousands of dollars]

Subline	Line item	Fiscal year 1979 House authorization	Fiscal year 1980 NASA request	Committee action	Remarks
1(a)(1)	Space Shuttle	[1] 1, 443, 300	1, 366, 000	1, 393, 000	+$27M—Maintains option for 5th Orbiter.
1(a)(2)	Space flight operations	308, 900	467, 300	463, 300	−$5M—Reduction. +$1M—Advanced programs (large deployable antenna demonstration studies).
1(a)(3)	Expendable launch vehicles	71, 500	70, 700	70, 700	No change.
1(a)(4)	Physics and astronomy	285, 500	337, 500	337, 500	Do.
1(a)(5)	Planetary exploration	187, 100	220, 200	220, 200	Do.
1(a)(6)	Life sciences	40, 600	43, 900	43, 900	Do.
1(a)(7)	Space applications	288, 300	332, 300	338, 300	+$2M—Multispectral resources sampler. +$4M—National Oceanic satellite system.
1(a)(8)	Technology utilization	14, 600	12, 100	12, 100	
1(a)(9)	Aeronautical research and technology	292, 300	300, 300	308, 300	+$8M—Varible cycle engine component program.
1(a)(10)	Space research and technology	111, 300	116, 400	116, 400	No change.
1(a)(11)	Energy technology applications	6, 000	3, 000	3, 000	Do.
1(a)(12)	Tracking and data acquisition	304, 400	332, 800	332, 800	Do.
Subtotal, research and development		3, 353, 800	3, 602, 500	3, 639, 500	+$37M—R&D.
1(b)(1)	Ames Research Center, modification of static test facility		2, 900	2, 900	No change.
1(b)(2)	Hugh L. Dryden Flight Research Center, construction of large aircraft maintenance.		1, 500	1, 500	Do.
1(b)(3)	Johnson Space Flight Center, Ellington Air Force Base, rehabilitation and modification of flight operations facilities.		1, 760	1, 760	Do.
1(b)(4)	Kennedy Space Center, modifications to central instrumentation facility.		1, 260	1, 260	Do.
1(b)(5)	Kennedy Space Center, modifications to operations and checkout building.		950	950	Do.
1(b)(6)	Kennedy Space Center, roof rehabilitation, launch control complex.			600	+$0.6M—Transferred from Space Shuttle facilities launch complex 39, 1(b)(18).
1(b)(7)	Langley Research Center, modifications of model support system 8-foot high temperature structures tunnel.		1, 410	1, 410	No change.
1(b)(8)	Langley Research Center, modifications to 8-foot transonic pressure tunnel.		2, 000	2, 000	Do.
1(b)(9)	Langley Research Center, modification of transonic dynamics tunnel.		970	970	Do.
1(b)(10)	Langley Research Center, rehabilitation and modification of gas dynamics laboratory.		3, 600	3, 600	Do.
1(b)(11)	Lewis Research Center, modifications to central air system, various buildings.		5, 720	5, 720	Do.
1(b)(12)	Marshall Space Flight Center, modifications to various buildings.		2, 640	2, 640	Do.
1(b)(13)	Marshall Space Flight Center, rehabilitation of roofs, various buildings.		900	900	Do.
1(b)(14)	Michoud assembly facility, rehabilitation of roof, phase I, building 103.			3, 100	+$3.1M—Transferred from Space Shuttle facilities, 1(b)(18) Michoud assembly facility.
1(b)(15)	Wallops Flight Center, construction of facilities operations shop building.		1, 100	1, 100	No change.
1(b)(16)	Langley Research Center, large aeronautical facility; construction of national transonic facility.		12, 000	12, 000	Do.
1(b)(17)	Ames Research Center, large aeronautical facility; modification of 40 by 80 foot subsonic wind tunnel.		33, 900	33, 900	Do.
1(b)(18)	Space Shuttle facilities at various locations as follows:				
	a. Modifications to launch complex 39, John F. Kennedy Space Center.		17, 700	17, 100	−$0.6M—Transferred to separate line item.
	b. Modifications to crawler transporter maintenance facility, John F. Kennedy Space Center.		1, 250	1, 250	No change.
	c. Modification of manufacturing and final assembly facilities for external tanks, Michoud assembly facility.		10, 000	6, 900	−$3.1M—Transferred to separate line item.
	d. Minor Shuttle—Unique projects various locations		2, 500	2, 500	No Change.
1(b)(19)	Space Shuttle payload facilities at various locations as follows:				
	a. Rehabilitation and modification for payload ground support operations, John F. Kennedy Space Center.		2, 610	2, 610	Do.
	b. Modification and addition to materials sciences laboratory, Ames Research Center.		1, 640	1, 640	Do.
1(b)(20)	Repair of facilities at various locations, not in excess of $500,000 per project.		12, 000	12, 000	Do.
1(b)(21)	Rehabilitation and modification of facilities at various locations, not in excess of $500,000 per project.		19, 790	19, 790	Do.
1(b)(22)	Minor construction of new facilities at various location, not in excess of $250,000 per project.		3, 500	3, 500	Do.
1(b)(23)	Facility planning and design not otherwise provided for		14, 000	14, 000	Do.
Subtotal, construction of facilities		147, 500	157, 600	157, 600	No dollar changes.—Redistribution changes only.
1(c)(1), subtotal, research and program management		[2] 914, 000	964, 900	964, 900	No change.
SUMMARY					
Research and development		[3] 3, 353, 800	3, 602, 500	3, 639, 500	+$37M.
Construction of facilities		147, 500	157, 600	157, 600	No dollar changes—Redistribution changes only.
Research and program management		[4] 914, 000	964, 900	964, 900	No change.
Total		[3,4] 4, 415, 300	4, 725, 000	4, 762, 000	+$37M.

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[1] Does not include 1979 Supplemental Request of $185,000,000. Requested in separate legislation, H.R. 1787.

[2] Does not include supplemental for pay raise.

[3] Does not include fiscal year 1979 supplemental request of $185,000,000 requested in separate legislation H.R. 1787.

[4] Does not include supplemental for pay raise.

At the appropriate time, I plan to offer a technical amendment to section 6 of H.R. 1786 which would make section 6 effective on October 1, 1979, and will bring the bill in conformance with the provisions of section 402(a) of the Congressional Budget Act.

I urge adoption of the bill as recommended by your Committee.

For use of the Members, a budget analysis for the NASA programs is included in the RECORD.

NASA BUDGET ANALYSIS

BUDGET OVERVIEW

Fiscal year 1979 operation plan (See Chart I)

1. The *primary difference* which exists between the *final appropriation* for the current year (Fiscal Year 1979) *and* the *Operating Plan* result from the proposed fiscal year 1979 supplemental budget request of $185,000,000 for the Space Shuttle and the proposed 1979 supplemental of $30,969,000 for the October 1978 pay increase.

2. Small decreases from the authorized amounts in Research and Development programs including Space Flight Operations, Expendable Launch Vehicles, Space Science, Space and Terrestrial Applications, Aeronautics and Space Technology and Tracking and Data Acquisition have been made to adjust to a $45.4 million decrease from the amount authorized to the amount appropriated for Research and Development.

CHART I—NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, FISCAL YEAR 1979 OPERATING PLAN SUMMARY OF NEW OPERATIONAL AUTHORITY

[In millions of dollars]

Research and development	Fiscal year 1979 budget request	Authorization	Appropriation	Current operating plan
Space transportation systems	1,827.7	1,833.2	----------	2,009.5
Space shuttle	1,439.3	1,443.3	----------	[1] 1,628.3
Space flight operations	311.9	315.9	----------	309.7
Expendable launch vehicles	76.5	74.0	----------	71.5
Space science	513.2	515.2	----------	505.4
Physics and astronomy	285.5	285.5	----------	282.9
Planetary exploration	187.1	187.1	----------	182.4
Life sciences	40.6	42.6	----------	40.1
Space and terrestrial applications	283.4	292.4	----------	283.9
Space applications	274.3	280.3	----------	274.8
Technology utilization	9.1	12.1	----------	9.1
Aeronautics and space technology	375.4	391.4	----------	376.4
Aeronautical research and technology	264.1	275.1	----------	264.1
Space research and technology	108.3	111.3	----------	107.3
Energy technology	3.0	5.0	----------	5.0
Tracking and data acquisition	305.4	305.4	----------	302.0
Research and development total	3,305.1	3,337.6	3,292.2	3,477.2
Construction of facilities	152.5	150.0	147.5	147.5
Research and program management	914.0	914.0	910.5	[2] 941.5
Total NASA	4,371.6	4,401.6	4,350.2	4,566.2

[1] Includes proposed supplemental of $185,000,000 for the Space Shuttle.

[2] Includes proposed supplemental of $30,969,000 for October 1978, pay increase.

Reduction in NASA budget by Office of Management and Budget (OMB)

The following tabulation (Chart II) shows the fiscal year 1980 NASA request to OMB, the Budget requests to Congress, and a comparison with the fiscal year 1979 Operating Plan (Chart I). The remarks column defines reductions made by OMB. Of particular note are the following reductions.

1. Reduction of Advanced Programs and planning for potential future space transportation capabilities.

2. Deletion of funding for initial procurement of four standard spacecraft.

3. Deletion of funds to initiate a Gamma Ray Observatory—a proposed mission to conduct a whole sky survey in the electromagnetic spectrum.

4. Deletion of funds for initiation of the Venus Orbiting Imaging Radar—a proposed mission to determine surface characteristics of Venus globally and to make atmospheric and plasma physics measurements.

5. Reduction in space science supporting research and technology including Sounding rockets, Airborne research, balloon research and planetary exploration research and analysis activities.

6. Deletion of funds to initiate development of advanced remote sensor instrument using multilinear array technology.

7. Deletion of funds for initiation of proposed development of satellite system for ocean observations—the National Ocean Satellite System.

8. Reduction in Space Applications supporting research and technology activities including resource observation and environmental observation research and data analysis, upper atmosphere research, materials processing research and data analysis, and advanced communications research.

9. Deletion of funding of some Space Research and Technology activities including Efficient Sensor Technology, Space Structures Technology and reduction of funds for Space Technology Flight Experiments.

10. No funds requested or included for Solar Power Satellite space related technology.

11. Deletion of funding for proposed improvement of data processing capabilities to meet future Spacelab mission requirements.

12. Deletion of funding for a number of Construction of Facility projects.

CHART II

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

REDUCTIONS TO NASA REQUEST, FISCAL YEAR 1980 BUDGET

[In millions of dollars]

	Fiscal year 1979 operating plan	Fiscal year 1980 budget request OMB	Reductions	Fiscal year 1980 budget request to Congress	Remarks
RESEARCH AND DEVELOPMENT					
Space Shuttle	1,628.3	1,366.0	----------	1,366.0	
Design, development, test and evaluation	[1] 1,170.3	610.5	----------	610.5	Provides for effort toward 1st orbital flight in 1979 and development test flights during 1980.
Production	458.0	755.5	----------	755.5	Provides for effort toward a national fleet of operational orbiters.
Space flight operations	308.7	473.3	−6.0	467.3	
Advanced programs	7.0	18.0	−5.0	13.0	Reduction in proposed advanced planning for potential future space transportation capabilities.
Space Shuttle thrust augmentation		16.0	−1.0	15.0	Adjustment to estimate. Emphasis on fiscal year 1980 to be on definition and and verification activities.
Other space flight operations activities	302.7	439.3	----------	439.3	
Expendable launch vehicles	71.5	70.7	----------	70.7	
Standard spacecraft and equipment		13.8	−13.8	----------	Deletion of funding for initial procurement of 4 standard spacecraft.
Physics and astronomy	282.9	375.1	−37.6	337.5	
Gamma ray observatory		15.4	−15.4	----------	Deletion of funds to initiate proposed mission to conduct a whole-sky survey in the highest energy region of the electromagnetic spectrum.
Spacelab payload development	[2] 34.9	44.2	−2.9	41.3	Reduction in fiscal year 1980 funding for development multiuser instruments for use on future Spacelab missions.
Search for extra-terrestrial intelligence		2.8	−2.8	----------	Deletion of funds proposed for initiation of research effort using existing facilities to search for indications of extra-terrestrial intelligence.
Sounding rockets	22.2	25.4	−3.7	21.7	Reductions to hold program within constrained funding level.
Airborne research	4.6	5.7	−1.7	4.0	Do.
Balloon research	[2] 2.5	2.4	−1.2	1.2	Do.
Supporting research and technology	19.3	27.4	−5.9	21.5	Do.
Other research and data analysis	[2] 25.1	16.8	−4.0	12.8	Do.
Other physics and astronomy projects	174.3	235.0	----------	235.0	

	Fiscal year 1979 operating plan	Fiscal year 1980 budget request OMB	Reductions	Fiscal year 1980 budget request to Congress	Remarks
Planetary exploration	182.4	238.0	-17.8	220.2	
Venus orbiting imaging radar		10.0	-10.0		Deletion of funds for initiation of proposed mission to determine surface characteristics of Venus globally and to make atmospheric and physics measurements.
Research and analysis	44.4	52.9	-7.8	45.1	Reduction in proposed funding in the areas of planetary materials, geochemistry, astronomy, geology and mission planning within constrain funding level.
Other planetary exploration projects	138.0	175.1		175.1	
Life sciences	40.1	48.5	-4.6	4.39	Reduction in proposed funding for life science flight experiments and advanced mission planning.
Applications	274.8	367.7	-35.4	332.2	
Agricultural research		7.5	-4.1	3.4	Inclusion of top priority crop forecasting and early warning activities, but deletion of funding for related activities in forestry, pollution monitoring, and land use.
Multispectral resources sampler		2.2	-2 2		Deletion of funds to initiate proposed development of advanced remote sensor instrument using multilinear array technology.
Resources observations research and data analysis	22.1	32.0	-1.6	30.4	Reduction of proposed enhancement of research and data analysis within overall funding constraint.
National oceanic satellite system		15.0	-15.0		Deletion of funds for initiation of proposed development of satellite system for ocean observations as part of a joint effort with NOAA and DOD.
Environmental observations Spacelab payloads	7.7	8.9	-1.5	7.4	Reduction in proposed funding for development of experimental remote sensing instruments to be tested on Spacelab missions.
Environmental observations research and data analysis.	33.9	53.6	-3.7	49.9	Reduction in proposed effort to remain within funding constraints.
Upper atmosphere research	(2)	18.1	-2.9	15.2	Do.
Technology transfer	11.0	11.3	-1.0	10.3	Do.
Materials processing research and data analysis	4.4	8.7	-1.8	6.9	Do.
Advanced communications research		5.0	-1.6	3.4	Reduction in proposed research, design and experimental test of technology for future satellite communications.
Other applications projects	195.7	205.4		205.4	
Technology utilization	19.1	14.1	-2.0	12.1	Deletion of funding for proposed enhancement of bioengineering technology efforts.
Aeronautical research and technology	264.1	326.5	-26.2	300.3	
Research and technology base	109.2	129.5	-12.0	117.5	Deletion of funds for proposed increase in far term oriented aeronautical research effort.
Advanced rotorcraft systems technology		11.2	-11.2		Deletion of funding proposed for focused research and technology to provide a basis for significant improvements in future rotorcraft designs.
Advanced propeller research		3.0	-3.0		Deletion of funds for proposed development and demonstration of advanced propeller technology for future turboprop aircraft.
Other aeronautics projects	154.9	182.8		182.8	
Space research and technology	107.3	137.2	-20.8	116.4	Deletion of funding proposed for increased long-term research activities in key areas of space technology.
Research and technology base	71.8	81.1	-4.0	77.1	
Advanced communications research		3.0	-.4	2.6	
Efficient sensor technology		4.7	-4.7		Deletion of funding for proposed development and demonstration of technology for detectors and sensors with greater sensitivity, longer life and lower cost.
Space structures technology	2.3	7.5	-3.0	4.5	Reduction of proposed funding for development and ground testing of advanced space structure concepts.
Composites for advanced transportation systems	1.5	2.3	-1.6	.7	Reduction in funding proposed for system technology effort on use of composite materials in space structures.
Space technology flight experiments	16.6	25.2	-7.1	18.1	Reduction in proposed funding development of space technology flight experiments.
Other space research and technology projects	15.1	13.4		13.4	
Energy technology	5.0	5.0	-2.0	3.0	Reduction in proposed funding for identification and verification of technology applicable to energy needs.
Tracking and data acquisition	302.0	344.5	-11.7	332.8	
GSFC computer replacement		1.6	-1.6		Deferral of procurement of replacement computers.
Additional staffing for laser site operations		1.8	-1.8		Deletion of proposed funding to provide additional shifts for operation of laser tracking facilities.
Spacelab data processing capability—GSFC		7.2	-7.2		Deletion of funding for proposed improvement of data processing capabilities to meet future Spacelab missions requirements.
Support for Venus orbiting imaging radar mission		1.1	-1.1		Deletion of support consistent with deletion of proposed mission.
Other tracking and data projects	302.0	332.8		332.8	
Total research and development	3,477.2	3,780.4	-177.9	3,602.5	
CONSTRUCTION OF FACILITIES					
Modification of High Energy Fuels Laboratory—LeRC		1.0	-1.0		Deletion of funding for modification of laboratory for testing of materials for high temperature aircraft engine turbine blades.
Spacelab Data Processing Facility—GSFC		4.9	-4.9		Deferral of facility to house data processing equipment required for support of future Spacelab missions.
Energy conservation projects at 6 centers		7.9	-7.9		Deletion of funding for energy conservation modifications.
Planning for numerical aerodynamic simulation facility		4.2	-2.2	2.0	Reduction of funding proposed for study and design effort on an advanced aerodynamic simulation facility.

[1] Includes proposed supplemental appropriation of $185,000,000.

[2] Fiscal year 1979 amounts for upper atmospheric research activities which are transferred to applications in the fiscal year 1980 budget: Spacelab payloads $1,000,000; balloon research $1,000,000; other research and analysis $12,500,000; total $14,500,000.

MAJOR PROGRAMS COST TO COMPLETION

The estimated "run-out" or cost to completion for major NASA programs is provided in chart III. With the exception of the Space Shuttle development no major cost increases have occurred. Other increases are generally associated with changes in program scope and with inflation.

CHART III.—ESTIMATED PROJECT TOTAL COST

[Dollar amounts in millions]

	Original development estimate		Current estimate range
	Date	Range	
Space Shuttle D.D.T. & E.	March 1972	[1] $5,150	[1] $5,654
High Energy Astronomy Observatory (HEAO).	October 1974	200-220	[2] 230-250
Solar Maximum Mission (SMM)	April 1977	75-90	75-90
Space Telescope (ST)	February 1978	435-470	[3] 485-520
International Solar Polar Mission (ISPM) development.	(4)	190-230	190-230
ISPM Mission operations and data analysis.	(4)	40-50	40-50
Voyager (MJS 1977)	May 1974	280-320	325-350
Pioneer Venus	December 1974	160-190	160-190
Galileo (formerly JOP) development	August 1978	275-295	275-295
Galileo Mission operations and data analysis.	August 1978	150-170	150-170
Tiros-N	February 1974	40-50	45-50
Nimbus-7	July 1975	65-85	75-80
Landsat-D	January 1979	330-350	330-350
Seasat	July 1975	65-75	75-80
Search and Rescue	(5)	20-24	20-24
Earth radiation budget experiment (ERBE).	(4)	70-85	70-85
Halogen occultation experiment (HALOE)	(4)	20-26	20-26

[1] In 1971 dollars.

[2] Increase in range attributable to unanticipated inflation is estimated at $3,000,000 to $5,000,000.

[3] In fiscal year 1980 budget dollars; $435,000,000 to $470,000,000 in fiscal year 1978 budget dollars. Difference is attributable to inflation adjustment.

[4] Planning estimate; development estimate not yet available.

[5] Planning estimate; development estimate will be established after completion of contractual negotiations and Memorandum of Understanding with France and Canada.

UNOBLIGATED BALANCES

The unobligated balances for the budget line items (chart IV) as of September 30, 1979, at the end of the fiscal year 1978, were within amounts considered normal for carryover to the current fiscal year.

CHART IV.—NATIONAL AERONAUTICS AND SPACE ADMINISTRATION, UNOBLIGATED BALANCES

[In millions of dollars]

	Fiscal year 1978 and prior unobligated balance Sept. 30, 1978	Fiscal year 1979 and prior unobligated balance as of Dec. 31, 1978	Estimated unobligated balance Sept. 30, 1979
Research and development:			
Space Shuttle	3.7	971.2	
Space flight operations	23.5	242.9	
Expendable launch vehicles	33.9	94.7	
Physics and astronomy	35.4	235.0	
Lunar and planetary	30.9	162.5	
Life sciences	12.2	45.0	
Space applications	26.3	212.7	
Technology utilization	3.3	10.6	
Aeronautics research and technology	37.3	227.3	
Space research and technology	9.3	76.2	
Energy technology applications	.5	4.4	
Tracking and data acquisition	21.5	214.6	
Standards and practices	2.6	10.6	
Total research and development	240.4	2,507.7	
Construction of facilities	93.4	189.7	73.6
Research and program management		670.0	
Total NASA	333.8	3,367.4	73.6

Note: All research and development and research and program management funds are planned for obligation by the end of fiscal year 1979. Historically, however, there remains a relatively small amount of R. & D. funds in the procurement pipeline which is technically unobligated at the end of the fiscal year. This amount, statistically equivalent to a few weeks of procurement activity is obligated in the next fiscal year. These amounts in the procurement pipeline have no impact on the following fiscal year requirements. For construction of facilities, it is estimated that $110,700,000 of the fiscal year 1979 appropriation of $147,500,000 will be obligated in fiscal year 1979, leaving a planned unobligated balance of $36,800,000. In addition, $36,800,000 of prior appropriations are estimated to be unobligated at the end of the year.

INFLATION EFFECT ON NASA BUDGET

The effect of inflation on the buying power of the NASA dollar is shown in chart V. Note that the $4.725 billion budget request in fiscal year 1980 represents $3.441 billion in terms of 1976 dollars. These figures indicate that the increase in actual funding levels over the past several years have not fully offset the effect of inflation on NASA activities.

CHART V.—EFFECT OF INFLATION ON TOTAL NASA BUDGET PURCHASING POWER (ASSUMES FLEXIBLE ADHERENCE TO ADMINISTRATION WAGE AND PRICE GUIDELINES)

[Dollar amounts in billions]

	Fiscal year— 1976	1977	1978	1979	1980	4-yr change
Actual budget authority	$3.552	$3.846	$4.064	$4.566	$4.725	
Budget Authority in terms of constant fiscal year 1976 dollars, based on NASA Index	3.552	3.496	3.430	3.570	3.441	
Inflation Factors (percent)		10.0	7.7	7.9	7.4	+37.3
Real change in actual NASA purchasing power (percent)		−1.6	−1.9	+4.1	−3.6	−3.1

NASA has also provided the following discussion of their inflation forecast:

> Our inflation forecast through FY 1980 is based on a continuing survey of cost data relevant to the goods and services purchased with the NASA budget. Since our purchases are highly labor intensive, we use the aerospace industry wage salary and benefit cost projections supplemented by econometrics (Data Resources Inc.) forecasts for items such as utilities, materials, test equipment, facilities and overhead "other" costs. Our calculations are adjusted to reflect the Administration's Price and Wage Guidelines policies. Since it is too early to predict how closely they will be observed, we have developed a range of NASA inflation projections from fairly rigid to more flexible adherence to those guidelines.
>
> Our current forecasts for the effects of inflation on NASA purchases are shown below:
>
> [In percent]
>
> | | FY 1979 | FY 1980 |
> |---|---|---|
> | Total NASA budget | 7.4–7.9 | 7.1–7.4 |
> | R&D budgets (such as Shuttle) | 7.8–8.5 | 7.5–7.9 |
>
> Indexes such as the GNP deflator and CPI are not adequate measures of NASA inflation because they measure the cost changes of goods and services traded on the economy that typically have the benefit of highly capitalized mass production and other economies of scale to help offset labor compensation increases. The bulk of NASA activities involve labor intensive research and development efforts and the cost of these activities directly reflects the increase in average labor compensation.
>
> While aerospace, as well as national compensation exceed GNP deflator and CPI growth over the long pull, there are periods when compensation growth is lower or not much higher.

The effect of inflation on the Space Shuttle program using the lower of the above rates is displayed below:

[In millions of dollars]

Original development estimate in 1971 dollars	5,150
Increases in development estimate resulting from budget, program and schedule changes	504
Revised estimate in 1971 dollars	5,654
Inflation adjustment to FY 1980 budget dollars	2,088
Estimate in FY 1980 budget dollars	7,742
Additional inflation adjustment through completion assuming a future annual rate of 7%	13
Total estimate in real year dollars	7,755

Your committee reviewed the bill section by section. One language amendment is proposed of a technical nature to identify two construction of facility projects as separate line items.

In addition to the budget changes noted, your committee is recommending a number of views. These views encompass significant issues of emphasis and policy that your committee adopted and incorporated in the legislative report accompanying the bill.

The remainder of my comments provide in somewhat more detail recommended committee actions and recommended committee views.

Also included are findings and recommendations which are excerpted from a November 1978 Subcommittee on Space Science and Applications Report on International Space Activities and are included as oversight findings and recommendations of the full committee in the fiscal year 1980 NASA authorization report pursuant to clause 2(1)(3)(A), rule XI, and under the authority of rule X, clause 2(b)(1) and clause (3)(f), of the rules of the House of Representatives.

COMMITTEE ACTIONS

FIFTH SPACE SHUTTLE ORBITER

NASA requested $1,366,000,000 for the Space Shuttle program in fiscal year 1980. Within this line item NASA requested $755,500,000 to support production of a four orbiter fleet. The committee has continued to monitor very closely the development of the space transportation system mission model. We are encouraged with the apparent success with which the traffic model is being filled and have serious doubts that a total of four orbiters will be adequate. Theoretically, four would be adequate, however, it would not allow for sufficient schedule flexibility in the event of requirements for orbiter modifications or repairs. Therefore, to retain the option for the fifth Space Shuttle Orbiter, the committee increases the Space Shuttle line item by $27,000,000 for a total of $1,393,000,000 in fiscal year 1980.

SPACE FLIGHT OPERATIONS

NASA requested $467,300,000 for space flight operations programs in fiscal year 1980. Within this line item the committee made a reduction of $5,000,000 to be taken in space transportation systems operations capability development; development, test and mission support; and space transportation system operations. The committee increased advanced programs by $1,000,000 resulting in a total recommended authorization of $463,300,000 for space flight operations programs in fiscal year 1980. The committee directs NASA to use the increased advanced programs funds for definition studies of a large deployable space antenna. Because of the diversity of potential uses for such a large antenna, the study should include necessary planning to assure multiagency participation. The committee further urges that NASA seek additional funding support from other agencies which can benefit most from the demonstration of a large antenna.

SPACE APPLICATIONS

NASA requested $332,300,000 for space applications programs in fiscal year 1980. Within this line item, the committee increased resource observation programs by $2,000,000 and environmental observation programs by $4,000,000 resulting in a total recommended authorization of $338,300,000 for space applications program in fiscal year 1980.

Resource observations. NASA requested $141,400,000 for Resource Observation programs in fiscal year 1980. Within this subline item, the Office of Management and Budget reduced NASA's request for a multi-spectral-resources sampler by $2,200,000. The committee believes there is a need for the development of an advanced remote sensor instrument using multilinear array technology which would have improved resolution and higher reliability. Therefore, the committee recommends an addition of $2,000,000 to initiate development of a multi-spectral-resources sampler resulting in a total recommended authorization of $143,400,000 for resource observation programs in fiscal year 1980.

Environmental observations. NASA requested $117,200,000 for Environmental Observation programs in fiscal year 1980. Within this subline item, the Office of Management and Budget reduced NASA's request for a national oceanic satellite system by $15,000,000 which is a follow-on to the SEASAT program. In an October 1977 report, the Subcommittee on Space Science and Applications recommended a follow-on SEASAT in fiscal year 1979. In the fiscal year 1979 authorization report, the committee recommended a follow-on SEASAT program in fiscal year 1980. With the recent failure of SEASAT it is ever more important to initiate a follow-on SEASAT program. Therefore, the committee recommends an addition of $4,000,000 to initiate development of a national oceanic satellite system resulting in a total recommended authorization of $121,200,000 for environmental observations in fiscal year 1980. Additionally, the committee recommends that the instrument package for the national oceanic satellite system be reviewed to assess the requirements for a synthetic aperture radar and the benefits that would result from the inclusion of the synthetic aperture radar.

LANGUAGE AMENDMENT

SECTION 1(b)

Two new subsections 1b(6) and 1b(14), were added to identify projects necessary for the proper maintenance of facilities at the Kennedy Space Center and Michoud Assembly Facility, respectively. These projects were removed from subsections 1b(18) (A) and (C) which do not pertain to maintenance of facilities. Subsections of section 1(b) were redesignated accordingly.

COMMITTEE VIEWS

SPACE POLICY

The committee notes that the administration in the past year has enunciated a space policy and commends that action. To the extent that such a policy clarifies roles and encourages broad participation in space activities such policy statements can facilitate a full utilization of the space potential. However, the committee wishes to express concern that aspects of the stated policy may be interpreted as limiting or even preventing an orderly evolution of space program technology goals and objectives. Recognizing the significant contribution of our space program to our quality of life and economic well-being, the committee urges the administrator of NASA to consult with the Office of Science and Technology Policy to further clarify and assure that the national space policy as it is defined today does not lead to a further stagnation and decline in our civilian space program. Further, the committee urges that priority be given to assuring that meritorious new programs which have been totally eliminated from the fiscal year 1980 budget be included in fiscal year 1981.

SPACE SHUTTLE DEVELOPMENT

The Space Shuttle is reaching the final stage of development prior to a first orbital flight of the vehicle. The committee notes that complex programs such as the Space Shuttle cannot proceed without some degree of risk. The rigorous assessment of such risk cannot be totally defined. Knowing the subjective nature of such risk, NASA in Space Shuttle and past programs has included a highly disciplined test program to evaluate the capability of components and complete systems. It is the view of the committee that NASA has achieved a good balance in minimizing risk and in establishing the depth and extent of testing the various subsystems of the Space Shuttle. Recognizing that NASA will not knowingly compromise personnel safety, the committee encourages NASA at this juncture to resist the potential for overemphasizing component level testing at this time while maintaining a balanced approach to minimizing risk.

SPACE SHUTTLE OPERATIONAL PROGRAM ECONOMIES

One of the major congressional commitments made by the National Aeronautics and Space Administration at the outset of the Space Shuttle development program was to provide a system capable of an "out of pocket" cost of $10,500,000 (1971 dollars) per flight at flight rates of 60 missions per year. Fiscal year 1980 will be a critical time as NASA will complete the orbital flight tests of the Space Shuttle and should begin operational flights. Establishment of operational program goals and a Shuttle pricing policy have materially improved the precision of NASA management control and direction of Space Shuttle operational program planning. Achievement of the desired operational economies and cost per flight targets will require intensive management attention to reduce institutional costs and promote operational efficiencies for the transportation system. The committee encourages NASA to redouble efforts to achieve these goals.

ADVANCED PROGRAMS

The committee is encouraged by the modest increase in the budget request for advanced programs studies. However, there continues to be reductions by the Office of Management and Budget in this budget category. The advanced program concept studies including the 25 KW power module, orbital transfer vehicles, large space structure construction, and advanced transportation systems are being significantly inhibited by continuing cutbacks in advanced programs.

The committee continues to see a need to conduct studies to define systems for future missions which will exploit Space Shuttle. The committee requests that creased emphasis is needed to provide for satellite retrieval, maintenance and repair—key areas for cost savings afforded by the Shuttle.

The committee urges increased emphasis in advanced programs planning with sufficient funding to allow for a logical systematic evolution of space initiatives to capitalize on the Space Shuttle. The committee requests that NASA submit a report which outlines strategies for future space programs to avoid NASA projected budget decreases and to avoid reductions in the institutional base at the NASA field centers.

The space transportation system is a national asset which will lead to expanded future space activities. In planning the advanced programs it is the position of the committee that the needs of all agencies be considered and that multi-agency participation be encouraged for major programs.

The committee specifically recommends initiation of the development of a 25 KW power module to extend the orbit stay-time and operational capabilities of the Space Shuttle and initiation of the development of a multi-use large deployable antenna system in fiscal year 1981.

SOLAR ELECTRIC PROPULSION SYSTEM

The committee supports the definition studies on a solar electric propulsion system (SEPS) in fiscal year 1980 in order to assure the availability of the system to support the combined Hally/Tempel 2 comet mission. The comet mission must be initiated in fiscal year 1982 in order to encounter Halley's comet which will not return for 76 years and provide the opportunity to explore what are believed to be the most primative bodies available for studying solar system evolution. The solar electric propulsion system concept has been under evolutionary study for as long as NASA has been in existence. The committee urges NASA to take necessary action for a fiscal year 1981 new start to assure solar electric propulsion system availability for a Halley/Tempel 2 comet mission as well as for other high energy missions.

SPACE SCIENCE PROGRAMS

The committee is concerned by the lack of new starts in the physics and astronomy program and planetary exploration program for fiscal year 1980. The National Aeronautics and Space Act of 1958 mandate for the expansion of human knowledge of phenomena in the atmosphere and space dictates a commitment to program continuity. Without new and challenging initiatives, the currently healthy character of NASA's space science activities cannot be sustained.

Physics and astronomy—The gamma ray observatory (GRO) has had extensive study by NASA to provide necessary follow-on to high energy physics investigations. The committee recognizes that the Office of Management and Budget refused NASA the gamma ray observatory start in fiscal year 1980. The committee strongly supports initiation of the gamma ray observatory no later than fiscal year 1981, consistent with the priorities established by NASA for high energy physics objectives. The committee expects that these objectives will be achieved in order to prevent an extended gap in the high energy program orbital operations and recognizes that in support of these objectives, over $1 million in research and development is provided for fiscal year 1980 advanced technology development for the gamma ray observatory.

Planetary exploration—The Venus orbiting imaging radar (VOIR) mission is the next step in planetary exploration and provides necessary continuity in developing our understanding of the comparative planetology of Earth, Mars, and Venus. The committee also recognizes that NASA's request for the Venus orbiting imaging radar new start in fiscal year 1980 was refused by the Office of Management and Budget. The committee strongly supports initiation of this program no later than in fiscal year 1981, since failure to do so would preclude the mission from being flown with present technology within the current decade due to unfavorable planetary alinements. The committee recognizes that over $4 million in research and development is provided for advanced technology development for the Venus orbiting imaging radar in fiscal year 1980 budget, and expects NASA to advance those technologies which support a fiscal year 1981 Venus orbiting imaging radar initiative.

EARTH SCIENCE

The committee is aware of a number of issues which appear to be inhibiting basic research activities in the Earth sciences. These issues involve the difficulty of carrying out basic research in the global and interdisciplinary areas of the Earth sciences utilizing remote sensing from space, conflicting jurisdictional disputes among Government agencies whose interests are relatively narrowly focused, and the need for a lead agency for fundamental investigations in the Earth sciences. Therefore, the committee requests that NASA advise the committee by September 1979 of steps which need to be taken to resolve these jurisdictional issues.

SPACE COMMUNICATIONS RESEARCH AND TECHNOLOGY

The committee notes that NASA has announced its intention to reenter the field of advanced space communications research and technology to assist in maintaining our National capability and to enhance our ability to be a major supplier of communications satellites and related equipment in the world marketplace.

Space communications research and technology makes a positive contribution to our Nation's balance of payments and should continue to do so as the world market grows. Therefore, the committee urges NASA's continued attention to this important technology and a continuing evaluation of its role relative to the private sector to assure that high risk technologies in the communications satellite area, including navigation systems, are adequately served.

SPACE APPLICATIONS USER DEVELOPMENT ACTIVITIES

In the fiscal year 1979 authorization report the committee noted a reduction in the funds to support technology transfer and demonstration projects and an increased emphasis on the scientific content of the applications programs. The committee recommended that NASA evaluate what strategies and programs are necessary to strengthen user oriented programs at all levels and advise the committee prior to the fiscal year 1980 annual authorization what steps need to be taken to meet this objective. NASA has yet to communicate with the committee in this regard. Further, the committee recommends that NASA review the space applications user development activities and make recommendations with regard to program balance and strategies for strengthening user oriented programs.

SPACE APPLICATIONS SUPPORTING RESEARCH AND TECHNOLOGY PROGRAMS

The committee applauds the modest increases in space applications supporting research and technology programs. In this area, the committee perceives a need to review the balance of in-house versus university activities and the rationale and procedures for review of both in-house and university proposals to assure the most effective utilization of these funds. The committee understands that the Space and Terrestrial Applications Steering Committee is currently reviewing the supporting research and technology proposal evaluation procedures. The committee requests that NASA report the results of this review to the committee by September 30, 1979.

TECHNOLOGY UTILIZATION

The technology utilization program has evolved over many years into an effective mechanism for the dissemination of technology information, as well as the secondary applications of this technology to uses outside of NASA for economic and societal benefit. To provide for the transfer of new knowledge and innovative ideas to industry, medicine, and important public areas such as transportation, environment, urban development, and public safety, NASA has developed a variety of mechanisms under the authority of the National Aeronautics and Space Act of 1958.

As part of its statutory responsibility to "provide for the widest practicable and appropriate dissemination" of NASA-developed technology, NASA has made wide distribution to industry and the public, scientific, and technical publications and other materials. The committee believes that if NASA finds it necessary to charge the public for these materials, the prices should be low enough so that they do not hinder the flow of information. NASA should not attempt, for example, to recover full costs of publications and dissemination if to do so in NASA's judgment would not serve the broader purposes of the technology utilization program.

The committee further urges NASA to increase the efforts of the Industrial Application Centers in promoting awareness and involvement of local communities in the potentials of NASA technology in enhancing to the extent practicable, less developed and less populated regions of the country.

The reorganization of the technology utilization program from the Office of External Affairs to the Office of Space and Terrestrial Applications (OSTA) may provide more direct access by OSTA programs to user development techniques and processes which have served the needs of technology utilization. The committee urges NASA to make every effort to assure that transfer of available technology from across program offices continues unencumbered by specific mainline program requirements.

ADVANCED CHEMICAL PROPULSION TECHNOLOGY BASE

The committee views with concern the declining industrial base for advanced chemical propulsion technology. In recent years the liquid rocket industry sales have become increasingly dominated by one engine development program because of limited new programs in the field. If our Nation is to be in a position to embark on future space initiatives, the government must make a deliberate determination as to the level and composition of a sustained industrial propulsion capability. To determine what national propulsion industry capability should be maintained, NASA should propose to the Congress a plan for advanced propulsion technology base activities and assess what portion of the industrial base will be maintained by their action.

ENERGY RESEARCH AND DEVELOPMENT

The committee notes that the reimbursable energy technology responsibilities assigned to NASA by the Department of Energy is increasing. The committee believes that the funds being devoted to energy technology identification and verification are being used effectively and continue to be necessary to assure that the capabilities of NASA are focused on energy problems in support of the Department of Energy (DOE). The committee applauds NASA's continued work with DOE to expand this activity. However, in the face of manpower reductions NASA should strive to maintain a proper balance between reimbursable activities and mainline NASA programs to assure that NASA's research and development mission is not threatened.

With regard to the solar power satellite program, the committee continues to be concerned over the lack of funds for necessary space related technology verification activities. Therefore, the Committee again urges that the NASA Administrator and responsible energy authorities within the executive branch encourage the use of NASA expertise and facilities by:

Allocating sufficient funds to the National Aeronautics and Space Administration for verification of the technology essential to solar power satellite demonstration; and,

Reviewing the existing National Aeronautics and Space Administration facilities and equipments complement to assure that these national assets are employed in solution of our energy problems.

TRACKING AND DATA RELAY SATELLITE SYSTEM

The tracking and data relay satellite system (TDRSS) will provide services to NASA satellites into the 1990's. The cost of leasing these services is greatly influenced by the cost of financing which is estimated to add over 40 percent to the lease. Whereas, the Federal Financing Bank (FFB) is providing the financing during the TDRSS development phase, alternative arrangements may prove more desirable during the operations phase.

Therefore, the committee requests NASA to reevaluate TDRSS financing and to report their findings to the committee by December 1979.

CONSTRUCTION OF FACILITIES

The committee in authorizing $1,760,000 for construction work at Ellington AFB, wishes to express its strong support for NASA's right to continue using their present facilities at Ellington.

The committee wishes to emphasize that the facilities at Ellington are vital to the Space Shuttle mission and any forced relocation to a more remote area, either at this time or in the foreseeable future, would have a detrimental effect on the mission in terms of schedule and cost.

The committee requests that NASA diligently pursue and participate in all negotiations with or conducted by the General Services Administration. It is also requested that NASA keep the committee completely and currently informed of every significant event concerning NASA's occupancy rights at Ellington to assure continued availability and use by NASA's Johnson Space Center.

R. & D. PROGRAM SUPPORT (DTMS AND IMS)

Contained within the research and development budget is a category known as Program Support. It consists of multiprogram technical support functions required to carry out NASA's approved missions. These functions benefit various programs, but because of their multiprogram nature are more effectively managed, accounted for and controlled as specific technical support functions rather than as elements of individual programs.

Program support is budgeted in two ways. Program support for the projects of the Office of Space Transportation Systems is contained within the Development, Test and Mission support (DTMS) line item. Program support for all other NASA offices is contained within a fund source called Institutional Management Support (IMS). This can be viewed as a tax on the research and development programs to pay for multi-program services. It does not appear as a separate line item as DTMS does. Rather it is contained within the budget estimates for each program.

The committee recognizes that in a research and development institution, a mechanism is needed to pay the costs associated with operation and maintenance of the common laboratories and other facilities that comprise the institutions research capability. Furthermore, the committee understands the relative merits of both the DTMS and IMS approaches to this requirement. Nevertheless the Committee is concerned about the need for a strict constructionist approach in the booking of charges to either the Program Support category or directly to one of the research and development programs.

Therefore, the committee requests NASA to develop a plan to govern future actions, that will: (1) assure adequate support of the research and development institution, (2) provide sufficient visibility of program support costs, (3) assure that all feasibly identifiable costs are charged to benefiting programs. The plan should specifically address the period during which Shuttle operations are beginning and Shuttle development is completed. The Administrator of NASA is further requested to transmit this plan to the committee by August 30, 1979.

AERONAUTICS: FUTURE TRENDS

The committee notes with considerable alarm, the budget projections that show an actual decline in spending for aeronautical R. & T. in fiscal year 1981 and 1982. Slow but steady budgetary progress in recent years has resulted from a begrudging acceptance by the administration of the inescapable relationship between investments in R. & D. and the benefits that come from American preeminence in the civil aviation market.

It is extremely unfortunate that this painful lesson is being forgotten again at a time when foreign challenges to our leadership are enjoying unprecedented success. In 1974, the United States delivered 93 percent of the jet transports in the free world. By 1977 the figure had dropped to 69 percent.

The committee believes the time is ripe for a bold new initiative in aeronautics, along the lines of the highly successful ACEE program. As the level of activity in that program begins to tail off, the manpower, financial and facility resources which are thereby freed should be refocused on a new and imaginative program. This effort should be directed at advanced technology that responds to the clear national need for increased productivity in air transportation. Furthermore, a central feature of the new program should be that it will lead to exportable products and thereby reduce our balance-of-payments deficit.

To assist in the definition of such a new program, the committee requests that NASA prepare a white paper detailing potential program options along with cost and schedule information. The committee further requests that the paper by transmitted by July 30, 1979.

Include the following:

OVERSIGHT FINDINGS AND RECOMMENDATIONS

[Excerpted from pages 1–3, International Space Activities, Report prepared by the Subcommittee on Space Science and Applications of the Committee on Science and Technology, Serial VV, November 1978]

(1) *Sovereignty over the geostationary orbit.*—Action should be initiated and vigorously pursued to establish an international codicil to the 1967 Outer Space Treaty which specifically forbids any individual nation's claiming sovereignty over the geostationary orbit. Further, the development of multipurpose space platforms should be encouraged and supported, since such platforms have the potential for reducing the demand on geostationary orbit locations and frequencies which constitute the cause of the problem.

(2) *Utilization of space by the developing nations.*—Two specific actions can be taken to increase the developing nations' participation in space activities and to increase the benefits they derive from space technology:

(a) Define and implement an equitable pricing policy for communications, Earth observations, and launch services which recognizes the need for varying combinations of incremental pricing ranging from full-cost pro-rata cost sharing through different scales of reduced charges for amortization of the initial system investment, depending on the customers' needs and fiscal resources. The implications of reduced-charge subsidies require careful consideration and evaluation.

(b) Establish a workable policy and methodology for equitable nondiscriminatory dissemination of data and information generated by civil Earth-observation space systems. One possible approach to assure such appropriate access would be a Global Resources Information Center.

(3) *Cost reduction of international space activities.*—Rising costs appear to be inhibiting both the scope and number of experiments users can afford (Spacelab is of particular concern here). Cost reductions should be actively sought. Specific suggestions are:

(a) Investigate the use of pallets and general-purpose free-flying spacecraft instead of Spacelab modules wherever possible.

(b) Support evolutionary pallet and spacecraft designs to improve load factor and load function.

(c) Relax programmatic requirements to permit more extensive sharing of shuttle flights; e.g., by extending the "getaway special" principle.

(d) Support evolutionary space technology programs which offer promise of increased payload capability, improved shuttle load factors, and lower-cost systems or procedures.

(e) Evaluate the cost-reduction benefits of private-industry management of space transportation system operations, including the aggregation of the diffuse commercial and international market for space transportation services.

(f) Permit NASA (or whatever entity operates the space transportation system) the flexibility to adjust incremental pricing for add-on payload users (particularly those from developing nations) and for innovative new space applications missions.

(4) *Satellite communications.*—Two special issues were identified: public service satellites and the role of government in research and development. Specific recommendations were as follows:

(a) Federal cost sharing policies and procedures should be established to reduce financial and institutional barriers faced by commercial organizations in developing public service systems, which can offer social (including international) benefit but which have not yet attracted substantial private capital.

(b) The federal government should reinstate a policy of performing research and development in advanced satellite communications technology, both to reduce the commercial risk of public service communications systems and to enhance the U.S. position relative to those overseas nations which have subsidized major advances in satellite communications technology.

(5) *Cooperation in space science.*—Continued improvements in international space science program cooperation can be achieved by reducing the uncertainties caused by year-to-year vagaries in budgetary support of these necessarily long-term efforts. A specific recommendation which would help in achieving this end would be to reinforce the scope and frequency of NASA's interaction with Congress prior to submission of actual budget requests, to increase congressional understanding of long-range space science goals and programs. Formal institutionalization cooperative agreement procedures rather than the present case-by-case treatment, however, would be counterproductive because it would reduce all-important flexibility.

(6) *Development of institutional infrastructures.*—Three specific concerns highlighted in this area were the prospective impact of multi-purpose space platforms, the implications of not proceeding with an operational Landsat, and the maximization of user involvement and initiative in space applications systems. Recommendations are as follows:

(a) A model for a multipurpose regional space platform might serve as the framework for a wide range of institutionalization procedures, and should be actively studied. Specific legislative actions could include supporting the development of large space structures, creation of a regional coordinating entity, and initiating an institutional framework for domestic and international use of multipurpose space platforms.

(b) Although lack of assurance of Landsat data-collection continuity (because the present program is experimental rather than operational) is often cited as the major barrier to promoting the use of Landsat data, the Panel identified education of the user community as the real problem. Enhancement of user education activities is therefore recommended as the top-priority concern, as specified in (c) below.

(c) Because early and intensive user involvement and user perception of need are essential to stimulating transition of space technology applications from the experimental to the operational phase, as was clearly demonstrated in the case of satellite communications, a substantial effort should be initiated to establish an infrastructure aimed at the development of a highly-motivated user community, particularly in the case of such disaggregated markets as those for Earth observations data.

(7) *Export of space technology and technology transfer.*—Because the present procedures inhibit the effectiveness of U.S. industry in competing for international procurements, the panel recommended that the State Department's Munitions Board list of spacecraft and related technologies be reviewed to streamline and simplify the control process for space-related exports.

(8) *United Nations Conference on Outer Space.*—The conclusion of the UN Committee on the Peaceful Uses of Outer Space that a Conference is desirable is strongly endorsed, but the panel recommends that the Conference be limited to technical matters, especially in the areas of system capabilities and user applications. This limitation would permit the free discussion of many potential developments in space, whereas a political debate would almost certainly inhibit the proper exposition of significant and potentially valuable space developments.

In addition to these specific issues, five items relative to international space activities were identified which were not considered to require decision-making action, but which were nevertheless of some importance in providing background for international space activities issues. These items are as follows:

(1) Involvement with international partners in space activities should always be as early as possible, commensurate with the specific type of program under consideration.

(2) Because of its great success, INTELSAT should be used as an institutional model for other international space activities to whatever extent possible.

(3) European and U.S. remote sensing satellites are both competitive and compatible, and the coexistence of both should not be of concern.

(4) Early cooperative planning of international scientific and applications satellites and their financing on a program-by-program basis is preferable to setting up a formal organization to do so.

(5) Current international agreements on responsibility for objects launched into space are as effective as is practical, and are being complied with. Problems concerning space debris should be dealt with in the context of these existing agreements on a case-by-case basis as they occur.

I urge passage of H.R. 1786 as recommended by your committee.

☐ 1800

Mr. WINN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 1786, the fiscal year 1980 authorization for the National Aeronautics and Space Administration. This legislation is one of the few agency budgets that is consistent with the policy of fiscal restraint. Unfortunately, NASA is also one of the few agencies that could justifiably have an increasing budget. If the fiscal year 1979 supplemental is considered this legislation represents an increase of less than 4 percent. There are no new programs and the manpower ceiling has been reduced by 674. The net effect, when inflation is considered, is a decrease in overall capability.

This apparent decrease in capability represents the most prominent area of concern. As an independent businessman, I learned the importance of making small investments in the future. These investments do not necessarily contribute immediately to the solution of fiscal problems; in fact, they may initially aggravate the problem. However, these investments invariably represent the long-term integrity of the business. I view the NASA budget as a small investment in the future of the Nation.

There is no doubt that the investment is small; it is less than 1 percent of the Federal budget. Nor is there any doubt that there is a significant return on that investment. I have seen studies that show that within 10 years for every dollar spent in research and development, $7 to $14 is returned to the economy.

We cannot ignore the immediate fiscal problems that our Nation is facing. However, it would be very unwise for us to also ignore the long-term consequences. It is in the best interest of the Nation to maintain a healthy and growing technological base. This base will drastically affect the economic integrity of our Nation.

I have tempered my enthusiasm for an aggressive space program because of the current fiscal restraints which need to be applied. Nevertheless, my concern has not changed. The committee has taken what in my view are the minimal actions required to prevent irrepairable damage to the NASA programs. The committee has increased the President's request by a total of $37 million. As is reflected in the additional views of the report, I was in favor of adding an additional $3 million for the advanced turboprop program.

The major portion of the increase, $27 million, is for procurement of the fifth Space Shuttle orbiter. The committee position, which I strongly support, is in opposition to the President's seemingly arbitrary conclusion that only four orbiters are required. We have received testimony from both the Department of Defense and NASA, stating that they continue to feel a five-orbiter fleet is required.

The other increases are in the areas of space applications and aeronautics—increases which will contribute to the solution of many of our energy problems.

In conclusion I would say that the NASA budget is a shining example of a fiscally austere budget. I am willing to accept this austerity; not without concern, but I will support it. I encourage my colleagues to do the same. Vote "yes" on H.R. 1786.

☐ 1805

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. WINN. I yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I want to say that I commend the gentleman from Kansas (Mr. WINN) and the chairman of the committee, the gentleman from Florida (Mr. FUQUA), for the fine job they have done, as usual, in bringing the NASA authorization bill to the floor in an improved state from that proposed by the administration. I support the bill.

Mr. Chairman, as ranking minority member of the Science and Technology Committee, I rise in support of this legislation, H.R. 1786. The total authorization of $4.762 billion is less than 8 percent above the fiscal year 1979 level. In addition to holding the budget down, the manpower ceilings have also been reduced by 674 positions.

Technology continues to be one of the most important facets of our world economy. Every day I see more and more areas where technology is contributing to the solution of our problems—solutions that vary from monitoring natural resources, to worldwide communications, to solving our energy problems. NASA is a national asset that has and will continue to contribute to the strength and stability of our technological base.

We cannot afford to turn our backs on this vast technological capability. We cannot afford to dampen the innovative, creative thoughts of our engineers and scientists.

Today we are being challenged. Our technical ingenuity is being challenged by the problems we face. Our prestige as a world leader of technology is being challenged by other nations. We must face these challenges squarely. Unless we encourage the creative capabilities of our engineers and scientists, not just those at NASA but across the entire front of science and technology, we are going to fuel the fires of inflation; increase the balance of payment deficits; and expand the unemployment roles.

Some changes to the President's request have been made by the committee. These changes represent items which the committee feels cannot be eliminated without inducing long-term consequences; $27 million of the $37 million added is for the procurement of the fifth Space Shuttle orbiter. This decision is in opposition to the President's position, but the committee continues to feel it is important to retain the option on the fifth orbiter fleet.

I was somewhat surprised to see that the NASA funding for energy technology was reduced substantially for fiscal year 1980. However, the Administrator assured me that the reimbursable funding for energy programs from the Department of Energy was increasing. The level of reimbursable funds from DOE has grown from $123 million in fiscal year 1978 to $160 million in fiscal year 1979.

In conclusion, I would say that the fiscal year 1980 budget is somewhat a plateau for NASA. We must not sacrifice our future for the sake of short-term problems.

I ask your support of H.R. 1786.

Mr. WINN. Mr. Chairman, I thank the gentleman for his comments.

Mr. FUQUA. Mr. Chairman, I yield such time as he may consume to the gentleman from Alabama (Mr. Flippo).

Mr. FLIPPO. Mr. Chairman, I rise in full support of H.R. 1786 and the recommendations of the Committee on Science and Technology. I would like to congratulate Mr. Fuqua, chairman of the full committee and Subcommittee on Space Science and Applications; Mr. Wydler, the ranking minority member of the full committee; and Mr. Winn, the ranking minority member of the subcommittee, for their leadership and fine work in bringing this legislation to the floor.

I would like to point out to my colleagues that this authorization represents a most austere budget. NASA requested no new starts in fiscal year 1980. Additionally, although NASA is already below 1977 manpower levels, the agency is incurring additional manpower reductions to compensate for the needs of other agencies in meeting a Government-wide goal.

Although the NASA budget has been increasing in recent years in terms of actual dollars, the increases have not fully offset the effects of inflation.

Since fiscal year 1973—the year the shuttle was initiated—NASA's budget has increased from $3.4 billion to $4.7 billion, but this increase has not fully offset the effects of inflation. NASA's research and development effort has declined in terms of real purchasing power and as a percent of the gross national product.

In comparison to the 1973 level, the 1980 budget, despite an increase of 39 percent in actual dollars, will have decreased by about 20 percent in purchasing power. In the same time period the R. & D. budget exclusive of shuttle funding will have decreased about 46 percent in buying power. These decreases reflect the fact that in terms of research and development effort, a dollar in 1980 will be worth about 55 cents compared to the 1973 dollar. NASA research and development, like other labor intensive activities, has been subject to a somewhat greater rate of inflation than would be indicated by either the GNP deflator or the Consumer Price Index.

NASA's plans presently call for the first manned orbital flight of the Space Shuttle in the early part of fiscal year 1980. The Space Shuttle is the key element of a versatile, economical space transportation system that will provide a wide variety of national and international users with round trip access to space. The Shuttle will be the first reusable space vehicle and will be configured to carry many different types of payloads to and from low Earth orbit. Since the Space Shuttle will serve commercial, NASA and defense payloads, it is critical that this Nation have an adequate number of orbiters to assure the necessary flexibility to serve the diverse requirements of these communities.

The Space Shuttle is truly a national program. Nearly every State in the Union is performing work to support its development and production. This involves tens of thousands of skilled workers. Due to restricted budgets for the Space Shuttle, employment has been optimized at a comparatively low level. We must assure that the essential core of workers and contractors are maintained throughout the 1980's to provide the Space Shuttle hardware needed to exploit the opportunities which we are now planning. This can best be done by starting the fifth orbiter in fiscal year 1980 and allowing for a reasonable production cycle to fit in with the current development, testing and production.

The current orbiter production program provides four orbiters plus certain long lead items which can support initiation of a fifth orbiter. To delay the start of the fifth orbiter risks the loss of efficiently planned production of an item I am convinced we will need. A number of thorough fleet size analyses have evaluated our flight rate capabilities and requirements. To provide this capability and satisfy what will be our operational requirements from NASA, other civilian agencies and the Department of Defense, it is clear that we must maintain the Space Shuttle industrial establishment so that Orbiter No. 5 can be produced when needed in the middle of the next decade.

Decisions made now on the STS will set the ceiling on the Nation's future space capability for many years. The issues and alternatives are complex and the stakes are high—scientific and technological leadership, national security and international prestige. Moving forward now with an adequate orbiter fleet will provide a means for taking full advantage of all opportunities in the future exploitation of space.

Therefore, the committee has added funds to maintain an option for a fifth Shuttle orbiter. These funds will be used to procure long-lead items which would be used for spare equipment in the event that we do not fabricate the fifth orbiter. In recent testimony before the subcommittee, a representative of the Air Force stated strong support for maintaining the option for the fifth orbiter. Indeed there is growing Air Force interest in using the Space Shuttle which led the NASA Administrator to recently state that NASA probably will need a fifth Shuttle orbiter and maybe more. Therefore, I believe that it is indeed prudent that the Congress provide the necessary funds to maintain this option.

The launch of the high energy astronomy observatory C (HEAO–C) in September 1979, will bring to a close one of NASA's most productive scientific programs. It is also the last approved space flight mission in high energy astrophysics. The absence of new follow-on high energy missions will end the explosive advance in astronomical knowledge created by the HEAO Program.

HEAO–1 was launched in August 1977. It was planned for a 6-month mission life, but it continued to operate successfully, and return valuable scientific data for 17 months until January 9, 1979, when control gas was depleted and the mission was terminated. HEAO–1 returned an impressive list of discoveries and observations in X-ray astronomy. One of its major contributions was to map the X-ray sky at a level of sensitivity not attainable by previous spacecraft. The HEAO–1 X-ray source map, presently in preparation, will increase over four times the number of known X-ray sources. It will serve as an authoritative X-ray star finder for many years to come. HEAO–1 also detected the presence of a hot interstellar gas, which gives off radiation only as X-rays and, therefore, could be detected only by an X-ray astronomy spacecraft. This gas potentially contains much of the mass in the universe, and it is of great interest to cosmologists. This discovery is being followed up by an intensive observation program on HEAO–2.

HEAO–2 was launched in November 1978, and following in-orbit checkout, it became an operating observatory on January 6, 1979. Early results confirm the belief that HEAO–2 has opened a new era in X-ray astronomy. During its early observing program, HEAO–2 was focused on the X-ray source, Cygnus X–3. Cygnus X–3 was a known X-ray emitter, whose emission was believed to originate from a binary star pair in which one of the stars is a neutron star. A neutron star is an old star in which the nuclear fuel has burned, and the material in the star has collapsed to very high density matter. HEAO–2 observed the Cygnus X–3 binary star system, and found in addition to the binary star system, four very hot, X-ray emitting young stars. The association of a relatively old neutron star with hot young stars is a major discovery which cannot be readily explained. Such an observation was not possible prior to HEAO–2, since no previous X-ray spacecraft had adequate resolution to separate the binary stars from the nearby young stars.

HEAO–2 has made a major contribution to the understanding of the physics of galaxies, as well as to the understanding of our own galaxy, the Milky Way, by observing our neighbor the Andromeda Galaxy. Because of our location deep in an arm of our galaxy, we cannot observe the opposite side of our galaxy from the Earth. The Andromeda is very similar to our galaxy, and it can be observed from Earth. Prior to HEAO–2, the Andromeda was known to emit X-ray, but the resolution of previous instruments was not adequate to separate more than the strongest, most isolated individual sources. HEAO–2 first pointed its moderate resolution imaging proportional counter at the Andromeda, and immediately resolved 10 individual X-ray emitters, and a large blob of X-rays at the center of the galaxy. The imaging proportional counter could not determine if the central region was made up of one large cloud of X-ray or of many individual X-ray sources. The HEAO–2 high resolution imaging instrument was pointed to the bright central region, and immediately 14 X-ray sources became visible. This supports the theory that the cores of galaxies are made up of many individual X-ray emitters rather than one enormous cloud of very hot, X-ray emitting gas. Further analysis has identified over 60 X-ray sources in the Andromeda.

HEAO–2 is conducting a broad program of observations, which is contributing to many fields of astrophysics. In support of the HEAO–1 hot gas observations, HEAO–2 scientists are investigating the question of matter in our universe by searching for very, very weak X-ray sources in what appears to be black regions of space. HEAO–2 spectrometers have observed for the first time, spectral lines from objects such as supernovae remnants and dwarf novae. These spectral lines and features give information on the temperature in the source region, and the chemical composition of the object. In less than 6 months since launch, nearly 200 proposals for guest investigation using HEAO–2, have been received from interested scientists. Special presentations of the results from HEAO–2 have been scheduled by the American Physical Society and the American Astronomical Society, and there is every indication that HEAO–2 results will continue to attract major interest throughout the entire scientific world.

In fiscal year 1980, NASA is continuing the development of the space telescope. The space telescope will be a national observatory in orbit around the Earth for 10 to 15 years. It will be placed in orbit, using the Space Shuttle, in 1983. The space telescope, by being outside the Earth's atmosphere, will enable astronomers to see images that are 10 times smaller than with ground-based telescopes. Additionally, the color range over which we can "see" or photograph the universe will be increased by a factor of more than a thousand.

The space telescope will create more opportunities for individual investigators than does an agglomeration of many small projects. NASA expects a minimum of 100 astronomers per year to use the space telescope and that over its lifetime of 10 to 15 years a major fraction of the world's astronomers will use the space telescope.

Finally, history has shown astronomy as a science that is at the cutting edge of new technology. The space telescope will certainly tell us much about the early stages of our universe and the formation of the galaxies. One powerful hint which we have already is the existence of quasars. Quasars are the most distant and most energetic objects known in the universe. No one knows for sure how quasars manage to produce such great amounts of energy. It is conceivable that an understanding of the way quasars produce energy could lead to improved laws of physics or even some practical applications. As an historical example, we recall that the inspiration for this country's controlled thermonuclear fusion program came from the realization, by astronomers and physicists working in pure research, that the Sun shines on the basis of hydrogen fusion.

An additional potential application of the space telescope is a better understanding of weather and climate. This will be the first telescope that will be able to study the meteorology and the atmosphere of other planets. Just as if somehow, sometimes it is easier to understand your own children if you can look at how your friend's children are behaving; then it may also be easier to understand the Earth's weather if we have a chance to look frequently at the weather of other planets.

I would like to address the importance of advanced program activities. The activity under this line item is extremely important to insure that the vital new concepts of bringing the benefits of space to mankind continue to be explored; to insure that NASA has adequate "seed corn" resources to explore these new ideas and concepts; and to insure that Congress has timely information to make the proper decisions relative to the growth and continuation of our marvelous space achievements.

It is this budget activity that spawned dramatic and valuable space achievements for which we are all so proud. From early studies in this area came the Gemini, the Apollo, the Skylab, the Apollo-Soyuz and the Space Shuttle. For the future, similar new concepts will emerge that will guarantee this Nation's leadership on this new frontier of space.

Our hearings this year have given us new insights on the potentials for growth in space. Space offers unusual possibilities for developing inexhaustible sources of energy; for creating new means of providing services to the man in the street such as electronic mail, personal navigation schemes and similar public service satellites; for new information systems for monitoring natural resources and the environment; and for means of exploiting the space environment for the benefit of all.

The potential of creating new industries in space for manufacturing, for erecting large structures, for building power stations, and numerous other objectives all emerge from studies and experimentation within the NASA advanced programs efforts.

One very important activity is ongoing studies of the 25kW power module. The missions currently planned for the Space Shuttle orbiter and the orbiter-bay-housed spacelab are constrained by the power currently available from the Shuttle and by mission duration. As the planned missions are better defined, it is becoming apparent that increased power and longer duration on-orbit Shuttle orbiter capability would be economically and scientifically beneficial.

NASA is considering a 25kW free flying power module to augment the orbiter and spacelab operations. The power module would be delivered to orbit by the Shuttle and would remain there for a period of up to 5 years followed by refurbishment and relaunch. During orbital operations the orbiter would dock with the module. The power module solar arrays/batteries can provide 25kW of additional power with the capability of up to 250kW of power through modular growth. Between flights/operations the power module would remain on-station in readiness for the next orbital operations.

With this increased capability, the orbiter/spacelab will be able to support more experiments at a higher power level. Mission duration could be increased from 7 days up to 90 days. The power module could also be used for mission support to free-flying payloads between orbiter missions. The power module will be the first long life program to develop large amounts of solar power in space and will be a significant step into the future in this area of technology.

The use of the Shuttle to launch, assemble, and deploy large structures in orbit is one of the most dramatic new capabilities provided by the NASA Space Transportation System.

The committee has identified this area of research to be a critical item in the process of learning how to use the Shuttle. Because of urgent priorities for Shuttle support systems such as the power module, NASA to date has been unable to devote adequate resources to the newer systems. We believe that adding $1 million to the NASA advanced programs budget this year will significantly accelerate this research and provide economies both near term and long term by establishing an early technical base of planning.

NASA has testified that one of the most significant demonstrations of the design and use of large structures will be the large deployable antenna. It is essential this research be done in flight as the size and light-weight construction precludes deployment and testing on the ground. It can only be accomplished in the weightless environment of space.

Such antennas show promise for wide use in NASA research, DOD operations, and commercial ventures. They are needed for Earth observing systems such as radiometers, for radars and for advanced communications. For this reason it is envisioned that the program would be jointly funded by both agencies.

Early solution of the large structures deployment technological problem plus the associated propulsion, remote manipulator techniques, and operations experiments will greatly reduce the future development risk and provide the confidence needed to move out in NASA systems research and commercial ventures in space applications.

The committee is convinced that this special effort undertaken at this critical time is one of the most valuable early steps in capitalizing on our Shuttle investment. The deployable antenna is an essential element in the promise of United States space leadership in the 1980's.

I urge my colleagues to support passage of this legislation.

Mr. FUQUA. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, I rise in support of H.R. 1786 authorizing appropriations for the National Aeronautics and Space Administration for fiscal year 1980.

In fiscal year 1980 NASA plans to obligate $7 million R. & D. funds in support of General Aviation. While several factors cause this to be about $3 million less than the fiscal year 1979 budget, the primary reason is the completion in fiscal year 1979 of the Quiet, Clean General Aviation Turbofan Engine (QCGAT) program. This program is successfully demonstrating the applicability of large commercial transport engine noise and emission reduction principles and technology to much smaller engines, in the 1,500- to 4,000-pound thrust range, and is paving the way for quieter and cleaner next generation engines in this class.

The fiscal year 1980 program will continue and extend the major elements of the fiscal year 1979 program. Objectives include increased safety, energy efficiency and utility, with continued attention to reducing environmental impact (primarily noise) of propeller powered aircraft. The need for improvement in each area is indicated by several factors. General aviation contines to exhibit the highest growth rate of all transportation modes (nearly 18,000 new aircraft in 1978). Increasing congestion of our airways due to all types of aircraft operations, plus the increased number of general aviation fliers, and the increasingly extensive and important role of general aviation within the total transportation system all underscore the need for even better safety, simple and dependable operation, and reduced environmental impact. These factors, together with increased fuel costs and decreased fuel availability accentuate the vital importance of increased fuel efficiency.

The program will extend past notable accomplishments toward increased safety through improved stall/spin resistance and through the evolution of superior crash energy absorbing/load limiting structural design principles. Reduced propulsive thrust requirements and fuel consumption are the objectives of low drag airfoil and aircraft configuration research. In addition, efficiency improvements to both internal combustion and gas turbine powerplants are being sought. Propeller research includes both reduced noise and increased efficiency. Research to increase utility is being continued in the area of integrated avionics systems, and in the specific area of improved agricultural aerial applications technology.

Continued NASA sponsored research in each of these areas is essential to the earliest achievement of the needed improvements and the resulting benefits to all who benefit from general aviation: Users, industry, the overall economy and the general public.

Mr. WINN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Tennessee (Mrs. BOUQUARD) a member of our subcommittee.

Mrs. BOUQUARD. Mr. Chairman, I rise in support of H.R. 1786, which would authorize funds for NASA in fiscal year 1980 for continuation of the space program. Programs within this authorization provide for continued research and development in space flight, space science, space applications, aeronautical and space research and technology, and necessary supporting construction and administrative effort.

This is an austere budget with no new starts in the NASA request. Additionally, NASA is being asked to make cutbacks in manpower, to compensate for other agencies, when NASA is already below 1977 employment levels.

I would like to point out to my colleagues the very important work being carried on by NASA in support of the Department of Energy. NASA participation in energy research development and demonstration, encompasses a wide range of activities that capitalize on unique NASA capabilities in management and facilities resources developed in our aeronautics and space programs. NASA continues to make major, important contributions toward the resolution of many of the Nation's energy problems. Interest at NASA centers in energy programs is at a high level, and innovative ideas with the potential to resolve these problems are continually surfacing. It is believed that NASA capabilities developed in the past with such care to address a different set of problems can be capitalized upon in this new challenge.

The major reimbursable programs that we are presently conducting for DOE and other agencies include:

Photovoltaic conversion.
Wind turbo generators.
Solar heating and cooling.
Advanced automotive propulsion.
Electric and hybrid vehicles.
Industrial gas turbines.
Fuel cell systems.
Solar power satellites.

In the past year, DOE has continued to expand NASA participation in its programs, and it is anticipated additional responsibilities will be assigned in the coming year for both the DOE and other Federal agencies with energy problems.

In fiscal year 1979, NASA anticipates receiving over $160 million in reimbursable funding, up from the $123 million transferred to us in fiscal year 1978. In fiscal year 1980, preliminary estimates indicate that NASA will be responsible for over $200 million in reimbursable energy programs.

Another area I would like to discuss involves NASA's support to our Nation's universities. It is basic NASA policy to encourage colleges and universities to participate in the Nation's space and aeronautics program to the maximum extent practicable and it is NASA's intention to continue to have a strong academic involvement in the agency's R. & D. program. Not only is this involvement essential to the progress of current agency efforts, but it contributes directly to continued productivity of academic scientists and engineers, the training of successive new generations of researchers, and the dissemination of results—all of which are required to maintain both national and NASA programs in the years to come. Academic scientists are given the opportunity to help advance the frontiers of science and technology in all disciplines of interest to the Nation in aeronautics and space.

NASA's university policies are designed to encourage heavy academic involvements in basic research; promote a growing independent academic research program; and to achieve broad cooperation between university and NASA in-house research groups. Thus, NASA encourages centers of excellence in universities and works with educational institutions to strengthen them, as required, in research and education in aerospace science, engineering, and management. The methods used include the selection of university proposals for experiments on their merits, work-study programs, graduate degree programs and seeking the advice of the academic community in planning new programs.

NASA field centers and certain headquarter program offices provide funds for those R. & D. activities in universities which contribute to the responsibility of that particular NASA element. The sum total of these obligations is collectively referred to as NASA's university program. The effort funded each year is substantial. Thus, $135.3 million was obligated for university efforts in fiscal year 1978, an increase of $10.7 million over fiscal year 1977. About 75 percent of the fiscal year 1978 funding was provided by NASA field installations throughout the country. Estimated obligations for fiscal years 1979 and 1980 are $146 and $151 million, respectively.

Research of interest to NASA has been performed in some 469 institutions with close to 2,900 individual projects active at any one time. All types of institutions across the country are represented—public and private, large and small—and in addition, NASA makes a special effort to involve minority schools and researchers in the early stages of their careers. Topics cover a wide range with major emphasis in the physical and environmental sciences, followed by engineering and the life sciences. Basic research has contributed significantly to NASA's fiscal year 1978 funding to universities. Results of this extensive research has contributed significantly to the success of the national aerospace effort, while at the same time allowing universities to pursue their educational goals.

In overview, NASA's policies and practices for university relations are aimed at achieving a stronger and more creative NASA research program in the decades ahead and have the concomitant result of contributing to a combined stronger in-house and academic research establishment.

Again, I would encourage my colleagues to support passage of this legislation.

□ 1810

Mr. WINN. Mr. Chairman, I yield 1 minute to the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Chairman, it gives me pleasure to rise in support of this legislation, the fiscal year 1980 authorization request for the National Aeronautics and Space Administration. I would like to share some of my thoughts regarding the importance of technology and innovation and its impact on our military strength.

As policymakers, one of our most important constitutional trusts is to provide for the defense of our Republic. Not only defense in the sense of the number and quality of arms but also defense in the sense of economic security of our Nation; defense in the sense of protecting the integrity and prestige of this Nation as a world leader in science and technology.

Technological discoveries and decisions are being made every single day which will affect life on our planet for centuries to come. I am afraid that when many of those decisions are opposed some colleagues are not keeping in mind the rudimentary principles of defense of the Republic.

This fear is very dramatically displayed when I see budgets like the NASA budget presented before this body. This is probably the best mechanism that the Nation has for applying these defensive principles to which I have referred. At a time when we are being threatened economically and militarily, we should be building our defenses. Instead I see a critical reduction in NASA buying power. We cannot allow this lack of vision to erode our national destiny involving space exploration. The U.S.S.R. and other nations of the world are making rapid strides in the development of space and aeronautical technology. American industry is being called upon to face those challenges and the Federal Government is not providing sufficient support.

Many of our programs are still being scoffed at because they are too visionary. Keep in mind that the Wright brothers were also considered too visionary and far out for their time. I do not have to remind my colleagues what impact visionary leadership in aviation has had on our national security.

The space visionaries of today are equally as important to our future security. We cannot afford to ignore the challenges of space. Some of the most farsighted men of our time are preoccupied with this challenge and we cannot afford to turn our backs on them. The only way we can support their efforts is to provide them a realistically healthy budget.

I know that to some minds it sounds too romantic, but I believe it is the providential destiny of this Nation to lead the conquest of space. Unfortunately, I sometimes fear we have lost the spirit of adventure, vision, and sense of mission that motivated the late President John F. Kennedy.

Maybe this is not the time in history to make the massive commitment that President Kennedy made. But neither is it the time to shortchange the talent, imagination, technical abilities, and great managerial skills which are available to us in our great aerospace industry.

I would like to express my enthusiastic support and confidence in the entire technological enterprise of this Nation. And I implore this body to support that enterprise so as to meet the challenges that are facing this Nation.

H.R. 1786, the 1980 NASA authorization is a firm step forward in support of one of the greatest adventures of all history—reaching for the stars.

Mr. FUQUA. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I would like to extend my appreciation to the distinguished chairman for his graciousness in yielding time to me.

I would like to point out that, as we go into the amendment process on this bill, I will be offering an amendment which will once again allow all in this body, especially those who are very, very concerned about balancing the budget this year and perhaps over the course of the next 3 years, to take one small step towards that by being able to vote for an amendment to cut almost $23 million from this particular authorization measure.

Mr. Chairman, going back over the course of the last 8 years or so, we have seen this body dealt with in a questionable fashion. In 1971 after the expenditure of approximately a billion dollars on the so-called supersonic transport, and a great deal of effort on both sides of the aisle that boondoggle was brought to a halt. Slowly but surely, however, through the research and development process we have had snuck in through the back door the very same program for the development and ultimate production of a supersonic transport.

It seems to me that now is the time to bring it to a halt, because over the course of the last 8 years we will have appropriated over $100 million if this year's appropriation goes through. This phase will then have been concluded. The next phase—and I will expand on it later on—will require an expenditure of $561 million for validation of the research and development programs. After that—and the reports clearly spell it out—it will require in excess of a billion and a half dollars to prepare us for technological readiness of an SST. I do not think this body ought to wait until we are faced with that kind of expenditure to bring this boondoggle to a halt. The House did it after 10 years of effort in 1971. The beast should remain buried, and this body, knowing what the facts are, ought in fact to bury it now rather rather than after all those extravagent expenditures.

We keep on hearing about how there is no money in this authorization for a prototype development. That is true. The private sector, the free enterprise people in the aeronautics industry, very generously tell us that after the Federal Government expends over $2 billion in research and has it all ready, they will then take that 2 billion dollars' worth of Federal expenditures and they will reap the profits and build their own prototype. That is not the kind of bargain that we ought to be accepting.

Mr. Chairman, I am today offering an amendment that would restore integrity to the congressional legislative process in regard to the NASA authorization.

As many of my colleagues will recall, Congress voted in 1971 to terminate the civilian supersonic transport aircraft program which had by then cost some $1 billion in Federal funds. The House and Senate determined at that time that commercial SST's were not economically feasible and represented a significant environmental hazard.

Congress has not reversed this position in the succeeding 8 years, nor have the proponents of a commercial U.S. SST convincingly countered the economic and environmental objections raised against the aircraft. Indeed, the experience of the British-French

Concorde indicates conclusively that commercial SST's are still not financially viable.

Despite this unambiguous action by Congress, we find that at least $54 million has been appropriated since the alleged death of the program in 1971 for commercial SST research and development by NASA. An additional $65.8 million has been authorized during this period for the same purposes. And now the fiscal 1980 NASA authorization legislation contains an authorization for and additional $22.7 million for commercial SST's.

Congress cannot be blamed for failing to prevent these unnecessary, inflationary and misplaced authorizations and appropriations. If you look in H.R. 1786, you will not find any direct reference to the SST. Instead, you will find a $9.7 million authorization for an "SCR" program and another $13.0 million for a "VCE" program.

SCR stands for supersonic cruise research program, the purpose of which according to the Office of Management and Budget is to "assess key technical unknowns and problem areas confronting the design of a viable supersonic transport."

VCE means variable cycle engine. This is a research and development program which, again according to OMB, will "examine new propulsion concepts with potential application to a future supersonic transport."

In short, these two programs are intended to provide research and development for a commercial supersonic transport plane.

This House can be forgiven if it has failed over the years to realize that it has been authorizing and appropriating millions of dollars for a program that was supposedly terminated 8 years ago. There is no reference to the commercial SST as such in H.R. 1786, nor has there been any such reference to the best of my knowledge in previous NASA authorization measures.

Mr. Chairman, my amendment to H.R. 1786 would end this backdoor approach to funding a program that is properly the responsibility of the private sector.

If the economic and environmental problems associated with commercial SST's have in fact been alleviated over the past 8 years, then I am confident that our free enterprise system can and will devise a way of developing and producing an acceptable SST. I fail to see the Federal role in such an undertaking. Are we to continue this open-ended funding for a program of very dubious merit at a time when the American people are rightfully worried about inflationary spending by the Federal Government?

In addition, Mr. Chairman, the Office of Technology Assessment has been requested to conduct a thorough study of the current status of SST research and development feasibility. The report from OTA is due in April 1980. At the very least, this House should await the results of that important and definitive study before agreeing to additional outlays for the program which is under review.

If we authorize $22.7 million for commercial SST research and development before we even know what the OTA study has found, then Congress can indeed be held to task for putting a budgetary cart before the horse. Why bother commissioning a study on SST feasibility if we decide in advance to commit millions to the program? Let us at least pause and consider the findings of the OTA study.

Finally, Mr. Chairman, it would not behoove this House to authorze another $22.7 million for a program that is inherently inflationary. This program produces nothing in the way of goods and services that can be put back into our economy. It is a dead-end capital commitment with a comparatively low degree of labor intensity.

For all these reasons, Mr. Chairman, I strongly urge my colleagues to support my amendment and get the Federal Government out of this private sector area once and for all.

Mr. WINN. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa (Mr. Harkin).

Mr. HARKIN. Mr. Chairman, the Subcommittee on Transportation, Aviation, and Communications conducted numerous field inspections and held extensive hearings here in Washington on the aeronautical part of the fiscal year 1980 NASA authorization. Testimony was taken from a variety of witnesses both inside and outside of NASA.

Members of the subcommittee worked long and hard in carefully reviewing the NASA aeronautical program and the 1980 budget request. We found that although the dollar amount for aeronautical R. & D. is small—$308 million this year—the pay-off is very large. This is true because NASA emphasizes the high-risk, long-term research and technology that industry is financially unable or unwilling to undertake. Such efforts provide the foundation for future aircraft and engines which return many times their initial investment to our economy.

Because of this the Committee on Science and Technology has repeatedly urged the administration and the Congress to increase the resources devoted to aeronautical R. & D. We have often pointed to the many long-term benefits of investment in this area, which are reflected in billions of dollars in sales of U.S. aircraft both here and abroad, and in millions of jobs for Americans. It is unfortunate indeed that the administration has not seen fit to put forward a single new start for the coming year.

The fiscal year 1980 program in aeronautics represents a continuation of NASA's efforts to advance technology across the board. Specifically, NASA is working in virtually all areas of aircraft technology including materials, structures, propulsion, aerodynamics and avionics. Of special note this year is a substantial amount for developing the technology needed for a new generation of fuel-efficient subsonic aircraft. This program, which was carefully worked out with the close involvement of industry, holds great promise for our continued worldwide leadership in aviation.

Finally, let me turn briefly to an issue about which many Members are properly concerned. That issue relates to the committee's action in approving NASA's request for supersonic cruise research and our action on the variable cycle engine components program. Notice that I said research. I cannot emphasize this too strongly. We are specifically not authorizing the construction of a prototype aircraft or any other flyable hardware. We are directing NASA to continue their experiments on potential solutions to the well known side-effects of supersonic flight. We are talking only about research.

Mr. Chairman, I urge adoption of the fiscal year 1980 NASA authorization bill.

☐ 1815

Mr. WINN. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. Wydler), the ranking minority member on the full committee.

(By unanimous consent, Mr. Wydler was allowed to speak out of order.)

THE NUCLEAR PLANT INCIDENT TODAY NEAR HARRISBURG, PA.

Mr. WYDLER. Mr. Chairman, as most Members know, a nuclear plant incident occurred this morning at Three Mile Island in the Susquehanna River near Harrisburg, Pa.

To the surprise of many people, no explosion occurred, no one was injured, and the world did not come to an end. Unlike a recent movie script, the matter was handled in a completely open fashion by plant officials and by State and Federal authorities with satisfactory results so far. Apparently the emergency core cooling system which came on-line to dissipate the reactor heat has been working well. As a result of this and the precautions taken by operators and authorities, it appears that there has been no undue exposure to plant personnel and we have assurances that there presently is no threat to the general populace.

Mr. Chairman, the lesson we have learned is that, although small, there is some probability that nuclear plant accidents will occur. More importantly, we have also learned that such incidents can be handled in a safe and decisive manner.

As of late this afternoon, the radiation levels within the containment vessel, although remaining high, are decreasing in such a way that the Nuclear Regulatory Commission concludes the reactor is cooling down satisfactorily. The radiation levels one-third of a mile from the plant site are low, and at a level just about that which a plant operator would normally be exposed to.

☐ 1820

As I said, this was the situation as of late this afternoon. The Department of Energy at the request of the Nuclear Regulatory Commission has dispatched two radiological surveillance teams to the plantsite by helicopter. These teams are taking samples and measuring radiation levels on and around the site. Some of these measurements will serve as a check on measurements made by the State earlier today. The latest report was that the emergency cooling system has stabilized the heat release. The pressure in the containment vessel, which reached a maximum of a little less than one-tenth of design pressure, is decreasing.

The complete details of the accident, its specific cause, and other questions cannot yet be answered, but I feel that the country has learned a lesson at Three Mile Island. It is simply this: an improbable nuclear accident or event does not lead to the catastrophic disaster which the doomsayers have predicted. It would be healthy for the country if we subjected other technologies to the same scrutiny that the technologists have applied to the nuclear power development.

I have the feeling it would make a difference in terms of national policy for electrical power generation if we behaved more rationally toward the nuclear option.

Mr. WEISS. Mr. Chairman, would the gentleman yield?

Mr. WYDLER. I yield to the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding.

I appreciate the gentleman's calling the attention of the House to the developments today at Three Mile Island. It seems to me that some of us might perhaps draw somewhat different conclusions from the set of circumstances which the gentleman described.

Mr. WYDLER. If the gentleman from New York would ask a question, I would be glad to answer it.

Mr. WEISS. I will put it in the form of a question. Would it not appear that in the light of what happened today that perhaps the Nuclear Regulatory Commission, which came in for a great deal of criticism in the course of the last 2 weeks for ordering five other nuclear powerplants to shut down because of the weakness of certain pipes and other equipment, was in fact right in exercising that kind of extreme caution and safety?

Mr. WYDLER. No. I think that would be a self-serving conclusion that a person would reach when there is no connection between the two events whatsoever. I cannot see how a rational person would draw those kinds of conclusions. The plants which were closed by the Nuclear Regulatory Commission, as the gentleman should know, were closed because of the potential danger that might occur if an earthquake took place. There was no earthquake in the Three Mile area where the plant is located, so there is absolutely no connection between the accident that took place this morning in the Three Mile area and the closing down of five plants by the Nuclear Regulatory Commission. I think that kind of muddling of things together is the type of thing that draws into the public mind a confusion which does not let people act rationally toward these types of projects. The fact of the matter is we found out that we can have a nuclear accident at a plant and that it can be safely handled.

The CHAIRMAN. The time of the gentleman has expired.

● Mr. ROE. Mr. Chairman, I support the National Aeronautics and Space Administration bill H.R. 1786. I am very fortunate, Mr. Chairman, to not only be ranking majority member on the Committee on Science and Technology, but also to have the privilege to chair the Subcommittee on Economic Development within the Committee on Public Works and Transportation. These positions afford me the opportunity to view our Nation's space program from a different perspective.

Let me say to this great body that our Nation's space program has had revolutionary effects on how we perceive the world around us and has opened up new understanding of natural phenomena which will undoubtedly have profound effects on our earthly future. We must continue to encourage NASA's explorations and applications activities which recognize our dependence on a rather fragile place within the surrounding cosmos.

The inflation effect on the NASA budget is a very interesting one, Mr. Chairman, for although the NASA budget has been increasing in recent years in terms of actual dollars, the increases have not fully offset the effects of inflation.

Since 1973, the year the Shuttle was initiated, NASA's budget has increased from $3.4 to $4.7 billion, but this increase has not fully offset the effects of inflation. NASA's research and development effort has declined in terms of real purchasing power and as a percent of the gross national product.

In comparison to the 1973 level, Mr. Chairman, the 1980 authorization despite an increase of approximately 39 percent in actual dollars, will have decreased by about 20 percent in purchasing power. In the same time period, the NASA R. & D. budget, exclusive of Space Shuttle funding, will have decreased about 46 percent in buying power. These decreases reflect the fact that in terms of research and development effort, a dollar in 1980 will be worth about 55 cents compared to the 1973 dollar. It should also be noted that NASA research and development, like other labor intensive activities, has been subject to a somewhat greater rate of inflation than would be indicated by either the GNP deflator or the Consumer Price Index.

Mr. Chairman, these are very sobering but real facts. We must in turn deal with this robber that deprives this Nation of further research and development efforts that has the potential to improve the well-being of all our citizens of this great Nation.

I am pleased to support this bill Mr. Chairman and take this opportunity to congratulate the chairman of the committee, Mr. Don Fuqua of Florida and also the ranking minority member of the Space Subcommittee Mr. Larry Winn of Kansas. These men have provided the leadership in reviewing this bill in depth and came forth with a responsible and timely piece of legislation.

I strongly urge my colleagues to support the bill H.R. 1786. Thank you, Mr. Chairman, for your time.●

● Mr. WATKINS. Mr. Chairman, we can all be proud of NASA's accomplishments in opening up the frontiers of space. Although the NASA Authorization bill, H.R. 1786 is rather modest in light of the prospects for future aeronautical and space programs, it is well planned and balanced and deserves our full support.

In advancing our capabilities in space science, space applications and space technology, NASA has created a vast reservoir of technological knowhow. Through the technology utilization program, NASA has provided effective spinoff programs which are having real impact on the businesses and the industries of this Nation and are providing down to earth benefits to our people. Many specific examples of NASA's technology utilization program are demonstrated each year and a study last year by the Denver Research Institute concludes that the economy benefits at least $6 for every dollar spent on the technology utilization program.

Mr. Chairman, I believe that even with the accomplishments of the technology utilization program, we have only begun to tap the potential of NASA technology, and I look to the industrial application centers as playing an increasing role in advancing these transfers in the future.

Since their inception over 16 years ago, the NASA industrial applications centers (IAC's), formerly regional dissemination centers, have been at the forefront of federally sponsored information and technology delivery services. NASA has served as a forerunner and model for other agencies in the development of its own scientific and technical data base as well as in providing the means for efficient computerized access on-line to industrial users through the IAC's.

Despite the fact that thousands of users have been served by the IAC's, recent information indicates that only 5 percent of the 490,000 manufacturing firms—the largest category of potential users—in the United States have been served by the IAC's because of our inability to provide sufficient outreach. The decrease in funding for the IAC's over the last decade in real dollar terms has hampered NASA's ability to place field representatives at locations in the country other than those of very high density. This condition must be changed in order to provide access to NASA-generated technology in areas not now covered, such as the Pacific Northwest and central Midwest.

In transferring technology to the public sector of the economy, NASA has learned that it is not enough to provide technical information to be adapted and applied by user agencies. Rather, the transfer process requires that aerospace technology be demonstrated as applicable to problems of our cities and States as well as other Federal agencies.

Over the past several years, a number of significant transfers of aerospace have occurred based on these projects conducted by NASA which I would like to bring to the attention of my colleagues.

In a recent example of a spinoff resulting from IAC services, Bettcher Manufacturing Corp. in Cleveland, Ohio, adapted a thermal coating in lieu of a porcelain coating. The company is thus able to save 80 percent of the cost of coating heating elements in their panel-bloc heaters.

On January 12, 1979, NASA delivered a lightweight, portable firefighting module to the U.S. Coast Guard. The unit is designed to be set up in less than 10 minutes by two persons without special tools and deliver a full output of 2,000 gallons per minute.

In the field of bioengineering, NASA has developed an intracranial pressure monitor, a commercial version of which will be provided by Pacesetter Systems, Inc. This device provides critical measurement of brain pressure for neurosurgeons in various cases of head injuries and other conditions requiring surgery.

Aerospace electronic technology was adapted years ago for use in cardiac pacemakers. Further development has NASA now working with John Hopkins University on human tissue stimulators to relieve pain of many common disorders. These include heart block; arrhythmias; cancer pain; and back, leg and arm pain. The device, which is fully implantable and rechargeable, allows the physician to regulate the output of the tissue stimulator. First human implant of this new pain relieving device is scheduled for this spring.

In the current climate of declining innovation and reduced funding of private R. & D., the NASA technology utilization program is an effective, worthwhile effort to capitalize on the Government-sponsored R. & D. I believe that even broader segments of our society, particularly in rural areas, will benefit in the future. I am convinced that the technology utilization program will continue to add value to the Nation far in excess of its cost.●

● Mr. BROWN of California. Mr. Chairman, I rise in support of H.R. 1786 authorizing appropriations to NASA for fiscal year 1980. I want to congratulate Chairman FUQUA and my colleagues from the other side of the aisle—Mr. WYDLER and Mr. WINN—for their leadership in bringing this legislation before us.

As we have recently viewed the pictures which have been returned from the Voyager I journey to Jupiter, we are even more aware of the contributions of our space program to a better understanding of our universe and our own planet Earth as a part of that universe. Jupiter and its systems can be viewed as a miniature solar system and offers a promise to help us better understand Earth.

One of the findings has been the observation of the first volcanic activity on a celestial body besides Earth. Initial studies of the Voyager encounter data also have provided an insight into the complex atmosphere that surrounds Jupiter, but additional work will be required for a more complete understanding of the Jovian atmosphere dynamics. The encounter of Voyager II, later this year, will add to that understanding.

Additionally, in fiscal year 1980, NASA is requesting funds to continue development of Galileo—previously called the Jupiter Orbiter Probe—which will build on the knowledge gained from the Voyager missions to conduct a comprehensive exploration of Jupiter, its atmosphere, magnetosphere and satellites by a single mission, utilizing a deep space spacecraft concept, which combines both remote sensing and direct measurements on a combined orbiting spacecraft with an atmospheric probe.

However, the Galileo mission is the only approved planetary development program. Therefore, there is a serious concern that the lack of a new planetary mission will result in the demise of a strong governmental/university/industrial base which has kept our Nation in the forefront of exploring the universe.

The NASA program is designed not only to extend our knowledge of the Earth, its environment, the solar system, and the uuiverse, but also to expand the practical applications of space technology. I now want to focus my remarks on the practical applications of space technology for the benefit of man on all parts of the globe.

Data gathered by satellites on earth resources makes use of a rapidly expanding technology often referred to as remote sensing. In terms of global coverage, the National Aeronautics and Space Administration has launched Landsat–C to continue the research and development of medium-resolution, multispectral remote sensing systems to be used from space for global data acquisition. The performance of the instrumentation is significantly improved over the sensors used on Landsat–1 and Landsat–2. These performance improvements permit more accurate assessments in a wide-range of applications in agriculture, the environment, hydrology, and mineral and energy resources. The successful launch of this satellite is providing continuing data to current users and with the increased performance, the number and kinds of users should increase significantly.

NASA is continuing the development of Landsat–D, a project which will advance the technology and techniques for earth resources remote sensing by utilizing the advanced capabilities of the second generation experimental multispectral imager, the Thematic Mapper, in concert with the flight-proven Multispectral Scanner. This project will also test a total end-to-end data acquisition, processing, dissemination, and analysis system by bringing the satellite-sensed Earth resources data to the users in a timely fashion—5 to 7 days—on a routine basis over a projected 3-year test period.

The Thematic Mapper to be flown on Landsat–D will provide a significant improvement in the quality and usefulness of remotely-sensed multispectral imagery due to its higher resolving power and additional spectral coverage. These improvements in data quality will enhance the utility of remote sensing for mineral and petroleum exploration, expand the application of crop inventory techniques to small field agricultural areas worldwide, and significantly increase the number and precision of land and water inventory applications in the United States.

Landsat's potential for agriculture is staggering. Early studies demonstrated that the images clearly identified basic kinds of Earth surfaces. But to manage agriculture crops effectively, planners must know much more than that. They must know how many acres of each crop are growing and what harvest can be expected. Using Landsat, farmland of an entire region can be sorted crop by crop in a matter of hours in combination with high speed computers.

Landsat also offers a new tool for the geologists. Geologists were among the first to welcome Landsat's views of large areas of the Earth's crust. Satellite images are providing complete detailed views of the faults in the Earth's crust. These cracks in the surface may run hundreds of miles, but they are not easy to detect or trace. By comparing these photographs with existing geological maps, not only were known fault systems easily observed, but many unknown faults were discovered.

Landsat images of fault systems in California have given geologists a new and valuable perspective on the threat of earthquakes to the population of this region. Knowing exactly where the faults lie should help to determine safe building locations. Landsat information can be used to revise and correct the geological maps of all areas where earthquakes occur.

Geological faults are related to more than hazards like earthquakes. They are also the key to locating mineral resources. One of the challenges facing geologists today is to find scarce new mineral deposits. Since minerals often develop along fault lines, Landsat's better mapping of faults which show fractures and discolorations provides modern day prospectors with valuable clues as they explore new areas. Oil and mining industries are the largest purchasers of Landsat data, which are made available through the U.S. Department of Interior's EROS Data Center at Sioux Falls, S. Dak. Landsat cannot find these buried treasures, but it can help point the way.

An operational Earth resources remote sensing system is a logical follow-on to the Landsat program and represents the operational phase of an evolving development initiated more than 10 years ago with the Earth resources technology satellite, later renamed Landsat–1. The Landsat series has demonstrated the wide utility of remote sensing data to diverse Earth resources applications in agriculture, forestry, rangeland, land use, hydrology, and geology. In fact, a successful demonstration of the value of such data is evident in the plans of the French and the Japanese to launch remote sensing satellites of their own.

The Landsat developments have matured to the point where an operational system, building on the Landsat base, is not only feasible but necessary. Many resource managers are utilizing Landsat data to supplement existing data bases because of its ability to view entire regions and the repetitive nature of these surveys. The user community, however, has indicated that the principal impediment to a wider adoption of remote sensing technology is the lack of an operational commitment. The authorization and subsequent funding approval of an operational system would be the required commitment. If the United States is to effectively manage both its renewable and nonrenewable resources; to acquire data on the quality and quantity of the Earth's resources; and to serve the needs of the Federal, State, and local governments and the private sector; then it is necessary to establish an operational system which can meet these needs on a routine and continuing base.

The present Landsat program has laid the groundwork necessary to implement an operational system. We need to exploit this technology and ensure its routine use by an even wider community of users.

Understanding and predicting the daily weather requires that detailed information be available and processed on a global basis. Improvements to both the length and accuracy of forecasts are dependent on such data and the capability of global models to describe the interactions of the various atmospheric processes. Weather satellites, with their unique capability to observe the basic parameters and dynamic processes of the atmosphere, have the potential for providing the global information required. Quantitative soundings of the global atmosphere, data for advanced research of atmospheric processes, and global viewing of clouds and storm systems are being provided by current meteorological satellites.

In recent years, a number of independent studies and reviews have led to the recommendation that programs be initiated to assess and enhance our knowledge of climate and to investigate the predictability of climate change. A national climate program plan has been developed in response to the obvious need for a well-integrated program of research and analysis of the past, present, and possible future climate conditions.

Within the context of the national program, NASA has the responsibility for making measurements from space to aid in our understanding of the physical processes that control climate and climate change. Our knowledge of these complex climate processes is very rudimentary. As a consequence, improving our understanding will require a great deal of study and data acquisition over a considerable period of time.

The ocean environment has far-reaching effects on our Nation's economy and defense systems and influences in many ways the conduct of our daily lives. Its existence provides an economic medium for the transport of people and goods, a strategic and tactical base for naval forces, food for a large percentage of the world population, and a source of energy exchange for atmospheric processes creating changes in weather and climate patterns. But it does not remain in a constant, nor for that matter easily predictable, state. It is inherently dynamic and capable of short-term changes whose magnitude can lead to devastating disasters. Understanding these changes, predicting their occurrence, and utilizing this information advantageously to capitalize on opportunity and avoid disaster would be of immense benefit to our society.

At present, our sources of information for ocean state is limited to such conventional sources as buoys and cooperative ships and some data on weather patterns from the weather satellites. Economic analyses have concluded that an operational ocean satellite system, if available in 1975, would have provided average annual benefits of $37 to $67 million over the 25-year period to the year 2000.

The main drivers for these benefits from improved ways of doing business were realized in the marine transportation industry through more favorable routing of ships, commercial fishing of the oceans through better location and prediction of fish habitats, arctic navigation through improved definition of ice buildup and location, and improved inputs for offshore oil and natural gas exploration, development, and protection against the elements.

Derivation of annual cost benefits through forewarning of impending disasters such as hurricanes, tidal waves, or other ocean related phenomena is difficult to accomplish, but there is no question of the contribution to be made here.

As to matters of national defense, an ocean satellite system would provide a major increase in observational data over the oceans. With this increase, it is expected that greatly improved predictions will be available which in turn will lead to improved efficiency and effectiveness of the Navy and other Armed Forces. The effectiveness of existing sensors, weapons, and platforms would significantly benefit from knowledge of the ocean environment. Operating efficiency would be improved through scheduling training activities and selection routes to capitalize on favorable ocean conditions. Reduction in loss of life and costs of materials would be realized through improved ocean condition forecasting.

NASA, in conjunction with DOD and NOAA, has proposed to implement a global sea surface observation capability based on satellite remote-sensing techniques. This project, referred to as the National Oceanic Satellite System (NOSS), would be a limited operational demonstration of a system specifically designed to meet the Nation's needs, both civilian and military, for oceanic monitoring and predictions.

The technology, both from a measurement techniques standpoint and remote sensing operations by satellites, has in large measure been proven. All of the baseline sensors have flown in the Nimbus or the Seasat program and the improvements required to meet the user needs are not expected to involve significant new developments, felt to be of major consequence.

At present, this proposal has been stricken from the executive branch's budget submission as a part of a broader goal reducing inflation by reducing Government spending. In view of the state of the technology and the contributions to be derived from the project, I support the committee's recommendation to include funding to complete definition of the system and initiate development.

Mr. Chairman, the U.S. capability to monitor and sense the Earth's resources and environmental quality with satellite technology is unparalleled throughout the world. Furthermore, these capabilities are, and will continue to rapidly improve.

This preeminent position is a source of international responsibility, as well as national pride. Since the U.S. satellite program collects data from the entire globe it is in a unique position to meet the needs of the world's developing countries with respect to resource and environmental sensing and communications.

I believe that it is not only politically desirable but also consistent with the national objective of more harmonious international relations and Third World development to assist these countries in developing a global user plan for satellite technology.

Mr. Chairman, these are only a few areas where the space technology developed by NASA is being applied to the solution of problems here on the Earth. I urge my colleagues to support this legislation so that NASA can continue this important work.●

Mr. WINN. Mr. Chairman, I have no further requests for time, and I yield back the remainder of my time.

Mr. FUQUA. Mr. Chairman, I have no further requests for time, and I yield back the remainder of my time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the committee amendment in the nature of a substitute recommended by the Committee on Science and Technology now printed in the reported bill as an original bill for the purpose of amendment.

The Clerk read as follows:

H.R. 1786

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration to become available October 1, 1979:

(a) For "Research and development", for the following programs:

(1) Space Shuttle, $1,393,000,000;

(2) Space flight operations, $463,300,000;

(3) Expendable launch vehicles, $70,700,000;

(4) Physics and astronomy, $337,500,000;

(5) Planetary exploration, $220,200,000;

(6) Life sciences, $43,900,000;

(7) Space applications, $338,300,000;

(8) Technology utilization, $12,100,000;

(9) Aeronautical research and technology, $308,300,000;

(10) Space research and technology, $116,400,000;

(11) Energy technology, $3,000,000; and

(12) Tracking and data acquisition, $332,800,000.

(b) For "Construction of facilities", including land acquisition, as follows:

(1) Modification of static test facility, Ames Research Center, $2,900,000

(2) Construction of large aircraft maintenance dock, Hugh L. Dryden Flight Research Center, $1,500,000;

(3) Rehabilitation and modification of flight operations facilities, Ellington Air Force Base, $1,760,000;

(4) Modifications to central instrumentation facility, John F. Kennedy Space Center, $1,260,000;

(5) Modifications to operations and checkout building, John F. Kennedy Space Center, $950,000;

(6) Rehabilitation of roof, launch control complex, John F. Kennedy Space Center, $600,000;

(7) Modifications of model support system 8-foot high temperature structures tunnel, Langley Research Center, $1,410,000;

(8) Modification to 8-foot transonic pressure tunnel, Langley Research Center, $2,000,000;

(9) Modification of transonic dynamic tunnel, Langley Research Center, $970,000;

(10) Rehabilitation and modification of gas dynamics laboratory, Langley Research Center, $3,600,000;

(11) Modifications to central air system, various buildings, Lewis Research Center, $5,720,000;

(12) Modifications to various buildings, Marshall Space Flight Center, $2,640,000;

(13) Rehabilitation of roofs, various buildings, Marshall Space Flight Center, $900,000;

(14) Rehabilitation of roof, Phase I, building 103, Michoud Assembly Facility, $3,100,000;

(15) Construction of facilities operations shop building, Wallops Flight Center, $1,100,000;

(16) Large aeronautical facility: construction of national transonic facility, Langley Research Center, $12,000,000;

(17) Large aeronautical facility: modification of 40- by 80-foot subsonic wind tunnel, Ames Research Center, $33,900,000;

(18) Space Shuttle facilities at various locations as follows:

(A) Modifications to launch complex 39, John F. Kennedy Space Center, $17,100,000;

(B) Modifications to crawler transporter maintenance facility, John F. Kennedy Space Center, $1,250,000;

(C) Modification of manufacturing and final assembly facilities for external tanks, Michoud Assembly Facility, $6,900,000;

(D) Minor Shuttle-unique projects, various locations, $2,500,000;

(19) Space Shuttle payload facilities at various locations as follows:

(A) Rehabilitation and modification for payload ground support operations, John F. Kennedy Space Center, $2,610,000;

(B) Modification and addition to materials sciences laboratory, Ames Research Center, $1,640,000;

(20) Repair of facilities at various locations, not in excess of $500,000 per project, $12,000,000;

(21) Rehabilitation and modification of facilities at various locations, not in excess of $500,000 per project, $19,790,000;

(22) Minor construction of new facilities and additions to existing facilities at various locations, not in excess of $250,000 per project, $3,500,000;

(23) Facility planning and design not otherwise provided for, $14,000,000.

(c) For "Research and program management," $964,900,000, and such additional supplemental amounts as may be necessary for increases in salary, pay, retirement, or other employee benefits authorized by law.

(d) Notwithstanding the provisions of subsection 1(g), appropriations for "Research and development" may be used (1) for any items of a capital nature (other than acquisition of land) which may be required at locations other than installations of the Administration for the performance of research and development contracts, and (2) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" pursuant to this Act may be used in accordance with this subsection for the construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee has notified the Speaker of the House of Representatives and the President of the Senate and the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate of the nature, location, and estimated cost of such facility.

(e) When so specified and to the extent provided in an appropriation Act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) maintenance and operation of facilities, and support services contracts may be entered into under the "Research and program management" appropriation for periods not in excess of 12 months beginning at any time during the fiscal year.

(f) Appropriations made pursuant to subsection 1(c) may be used, but not to exceed $25,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

(g) Of the funds appropriated pursuant to subsections 1(a) and 1(c), not in excess of $75,000 for each project, including collateral equipment, may be used for construction of new facilities and additions to existing facilities, and for repairs, rehabilitation, or modification of facilities: *Provided*, That of the funds appropriated pursuant to subsection 1(a), not in excess of $25,000 for each project, including collateral equipment, may be used for any of the foregoing for unforeseen programmatic needs.

SEC. 2. Authorization is hereby granted whereby any of the amounts prescribed in paragraphs (1) through (22), inclusive, of subsection 1(b)—

(1) in the discretion of the Administrator or his designee, may be varied upward 10 per centum, or

(2) following a report by the Administrator or his designee to the Committee on Science and Technology of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate on the circumstances of such action, may be varied upward 25 per centum.

to meet unusual cost variations, but the total cost of all work authorized under such paragraphs shall not exceed the total of the amounts specified in such paragraphs.

SEC. 3. Not to exceed one-half of 1 per centum of the funds appropriated pursuant to subsection 1(a) hereof may be transferred to the "Construction of facilities" appropriation, and, when so transferred, together with $10,000,000 of the funds appropriated pursuant to subsection 1(b) hereof (other than funds appropriated pursuant to paragraph (23) of such subsection) shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in subsection 1(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless (A) a period of 30 days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Technology of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate a written report containing a full and complete statement concerning (1) the nature of such construction, expansion, or modification, (2) the cost thereof including the cost of any real estate action pertaining thereto, and (3) the reason why such construction, expansion, or modification is necessary in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 4. Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Technology or the Senate Committee on Commerce, Science, and Transportation,

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by sections 1(a) and 1(c), and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

unless (A) a period of 30 days has passed after the receipt by the Speaker of the House of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 5. It is the sense of the Congress that it is in the national interest that consideration to be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

SEC. 6. (a) Paragraph 13 of subsection (c) of section 203 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2473(c)(13)) is amended by striking out "$5,000" where it appears and inserting in lieu thereof "$25,000".

(b) The National Aeronautics and Space Act of 1958, as amended, is amended (1) by redesignating section 308 as section 309 thereof; and (2) by inserting the following new section:

"INSURANCE AND INDEMNIFICATION

"SEC. 308. (a) The Administration is authorized on such terms and to the extent it may deem appropriate to provide liability insurance for any user of a space vehicle to compensate all or a portion of claims by third parties for death, bodily injury, or loss of or damage to property resulting from activities carried on in connection with the launch, operations or recovery of the space vehicle. Appropriations available to the Administration may be used to acquire such insurance, but such appropriations shall be reimbursed to the maximum extent practicable by the users under reimbursement policies established pursuant to section 203 (c) of this Act.

"(b) Under such regulations in conformity with this section as the Administrator shall prescribe taking into account the availability, cost and terms of liability insurance, any agreement between the Administration and a user of a space vehicle may provide that the United States will indemnify the user against claims (including reasonable expenses of litigation or settlement) by third parties for death, bodily injury, or loss of or damage to property resulting from activities carried on in connection with the launch, operations or recovery of the space vehicle, but only to the extent that such claims are not compensated by liability insurance of the user: *Provided*, That such indemnification may be limited to claims resulting from other than the actual negligence or willful misconduct of the user.

"(c) An agreement made under subsection (b) that provides indemnification must also provide for—

"(1) notice to the United States of any claim or suit against the user for the death, bodily injury, or loss of or damage to the property; and

"(2) control of or assistance in the defense by the United States, at its election, of that suit or claim.

"(d) No payment may be made under subsection (b) unless the Administrator or his designee certifies that the amount is just and reasonable.

"(e) Upon the approval by the Administrator, payments under subsection (b) may be made, at the Administrator's election, either from funds available for research and development not otherwise obligated or from funds appropriated for such payments.

"(f) As used in this section—

"(1) the term 'space vehicle' means an object intended for launch, launched or assembled in outer space, including the Space Shuttle and other components of a space transportation system, together with related equipment, devices, components and parts;

"(2) the term 'user' includes anyone who enters into an agreement with the Administration for use of all or a portion of a space vehicle, who owns or provides property to be flown on a space vehicle, or who employs a person to be flown on a space vehicle; and

"(3) the term 'third party' means any person who may institute a claim against a user for death, bodily injury or loss of or damage to property.".

SEC. 7. This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1980".

Mr. FUQUA (during the reading). Mr. Chairman, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

AMENDMENT OFFERED BY MR. FUQUA

Mr. FUQUA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FUQUA: Insert at the end of section 6 a new subsection (c).

"(c) this section shall be effective October 1, 1979."

☐ 1825

Mr. FUQUA. Mr. Chairman, this is a technical amendment just to insure compliance with the Congressional Budget and Impoundment Act of 1974. This is technical in nature.

Mr. WINN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the chairman has stated this very well. It is obviously a technical amendment and the minority is in 100 percent agreement with this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FUQUA).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. WEISS

Mr. WEISS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEISS: Page 14, line 5, strike out "$308,300,000;" and insert in lieu thereof the following: "$285,600,000: *Provided*, That, no part of any funds available to the Administrator pursuant to this Act may be used for any research or development activity relating to civilian Advanced Supersonic Transports, or for any other study, analysis, or planning relating to technology for such transports;".

Mr. WEISS. Mr. Chairman, on page 6 of the committee report I find a fascinating statement. I think that perhaps the Members will find it equally fascinating. I am going to read it. It says:

> NASA requested $300,300,000 for Aeronautical Research and Technology. Although this amount represents a 13.7 percent increase over the current plan for fiscal year 1979, the Committee is disturbed to note that this increase represents nothing more than run-out of current programs with a modest allowance for inflation.

I then skip a paragraph and pick up the next sentence:

> Therefore, the Committee increases the requested amount for Variable-Cycle Engine Technology by $8,000,000 to provide for additional experimentation that is not included in the current program for a total authorization of $308,300,000.

The reason that I find these particular two sentences fascinating, Mr. Chairman, is that here we have been for the better part of these last 3 months engaged in discussion after discussion and debate after debate about how important and essential it was, never mind not to increase the budget that was submitted to us, but how essential it was to decrease budget requests. In fact, there have been people who have gotten up, especially on the other side of the aisle, calling down upon us all the doom that would befall this country because we were not ready to balance the budget this very year, and some in more modest fashion have suggested that we must balance the budget in 3 years.

Instead of that, here is an important committee which comes along and says it is not sufficient to have a 13.7 percent increase on a particular program. We are going to add $8 million on top of that.

It seems to me, Mr. Chairman, that that is standing the logic of the balanced budget on its head.

I think it calls to stark attention why the people of this country might feel somewhat cynical that there are so many who are ready to balance the budget on their backs and out of their skins but when it comes to gimmickry of the kind that this SST authorization is, then the sky is the limit.

Mr. Chairman, the fact is that a billion dollars had been scheduled in this SST program over a 10-year period until distinguished leading Members of this body, including the now distinguished minority leader and some distinguished current chairmen of this House, who finally brought the monster to heel and to a halt and cut the program dead. That was after a billion dollars had been expended; but, lo and behold, the monster was not buried, it was not even dead, because we discovered in 1977 by going through one of these committee reports that from the very year after that action of the Congress in bringing the SST program to a halt, "small" amounts of money of $8 million, or $10 million, or $11 million, or $12 million or $20 million a year had been snuck in by the back door; but you would never discover that, by reading the bills, only if you read the reports.

To this day, over the course of the last 7 or 8 years, some $85 million had been expended in that fashion. With this $22 million, almost $23 million, it will become over $100 million, for a monster that we thought had been killed; but that is not the worst of it. NASA has suggested, has said to us, that all the research and development experimentation is just about through. The next step, my colleagues, is validation of that research and development.

Do you know what that is going to cost? Five hundred and sixty-one million dollars. That is the next step.

☐ 1830

Do you know what the step after that is? Technological readiness of advanced supersonic transport. Do you know what that is going to cost? Over $1.5 billion. Talk about balancing budgets? Who is kidding who? It seems to me if we really take it all seriously, the kind of dire economic shape this country is in, we will start looking not just at social programs.

The CHAIRMAN. The time of the gentleman from New York (Mr. WEISS) has expired.

(By unanimous consent, Mr. WEISS was allowed to proceed for an additional 3 minutes.)

Mr. WEISS. We ought not to be looking just at the social programs that I delineated earlier, whether it be in the field of health or education or women or infant care or child care or social security. We ought to be looking at the programs that deal with hardware because there never seems to be a concern about how inflationary hardware costs are.

The time, it seems to me, Mr. Chairman, to take that meaningful step is right now. When we think about hardware we have to really look clearly at the consequences of what we do. When we are treated as we were a little bit ago to an Alice in Wonderland type of exposition as to how dangerous or not dangerous one of the most frightening incidents this country has been confronted with, that is the emergency situation at the nuclear plant in Pennsylvania this morning, then it seems to me we ought not just to take the word of people who are in the technological or scientific field as to what is right or what is necessary or what is needed. We ought to be checking it out for ourselves.

In this instance I tell you, my colleagues, if we want to strike a blow for fighting inflation, for balancing the budget, for bringing to a halt a program which we thought that we had halted some 8 or 9 years ago, this is the time to do it and I hope that my colleagues will do so by voting for my amendment to delete $22.7 million.

Mr. AMBRO. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. AMBRO. Those of us who live in and around Kennedy Airport fought the Concorde vociferously. An awful lot of the things that we heard about it were proved in testimony from experts. For example, before the Subcommittee on Aviation when I questioned Frank Borman, he said the Concorde was a turkey because it was terribly fuel inefficient.

We believed at one point that emissions of oxides of nitrogen would float up through the atmosphere and deplete our ozone layer and to those of us who have less than a covered pate were severely concerned because of the carcinogenic effects of ultraviolet rays beating on our brows.

The sound and decibel levels of the Concorde were of great concern to all of those who lived in and around the periphery of airports, at which the SST's would land.

Imagine this: A fuel-efficient supersonic transport which would put this Nation in the forefront of aviation once more, not competing as they now do with conventional aircraft; a supersonic transport with sound-absorbent material and the technology to eliminate those horrendous decibel levels.

Imagine this in terms of recent knowledge: Emissions of oxide of nitrogen have now been determined through a photochemical process not to deplete the ozone layer but indeed to enhance it.

☐ 1835

And so here we have a variety of ingredients which can be pulled together to bring once more to this Nation one of the greatest achievements technologically in the world. This is one thing more that will restore this Nation's hegemony in the area of high technology. That is what this program is all about.

I will leave it to others to talk about the balances between the expenditures of funds for social programs as opposed to high technology. I will leave it to others to talk about the infusion of funds into this economy to create jobs for people, as opposed to what my friend, the gentleman from New York (Mr. WEISS), says. But I do think in terms of the balance between the knowledge we had in 1971 and our misconceptions about an SST and that which we can do today under this program, it means that we have no choice but to continue with this effort.

Mr. FUQUA. Mr. Chairman, will the gentleman yield?

Mr. AMBRO. I am happy to yield to the chairman of the committee.

Mr. FUQUA. Mr. Chairman, I want to commend the gentleman from New York for his very excellent statement and say further that there are no funds whatsoever in this bill or in any other bill that comes before this committee to commit this country to build an SST. We are only trying to study ways by which, should that decision ever be made, we would have the best technology available at that time.

Mr. Chairman, I commend the gentleman from New York (Mr. AMBRO), and I ask for a "no" vote on the amendment.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. AMBRO. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I would like to echo the thoughts of the chairman of my committee, the gentleman from Florida (Mr. FUQUA).

I sit as a member of the Subcommittee on Transportation, Aviation, and Communication, in which that particular question was asked: are any funds to be committed, or are any funds going to be committed for the building of any prototype or for the production of any airplane whatsoever?

The answer is an unqualified "no," both from NASA as well as industry. In fact, industry indicated that at least at this time they have no interest in pursuing a supersonic transport.

These funds give us a tremendous spin-off. This accounted for $22.5 million for general aviation and research and development in this country, which, as the gentleman knows, points out that this is something on which we have taken the lead for many, many years.

Mr. Chairman, I think it would be a very, very wise decision to vote down this amendment.

Mr. WYDLER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would like to say first to the gentleman from New York (Mr. WEISS) that we seem to be at odds here today, but I have the greatest respect for him, and I like him very much personally. So I do not want the gentleman to feel that the fact that we seem to be disagreeing on a very frequent basis here today is any indication of anything other than the fact that we do not see these issues the same way.

I have to disagree with what the gentleman said about this particular issue for a number of reasons. First of all, the gentleman tried to imply, as I heard him present his case, that somehow the people on this side of the aisle were budget-busters because we were considering the item for the supersonic transport. The fact of the matter is, of course, that this particular item and the bill that we are considering on the floor of the House came out of the committee with a unanimous vote of all the Members on the Democratic and Republican sides, and there are just about twice as many Democrats on the committee as there are Republicans.

So I think the blame, whatever it is in that case has to be shared on a fairly equal basis. That is not the important point the gentleman made, of course.

Mr. WEISS. Mr. Chairman, I will ask the gentleman to yield.

Mr. WYDLER. Mr. Chairman, the important point the gentleman made regards whether this country really should stand still on technology. That is what he would have us do, and I cannot see any sensible Member of this Congress adopting that course of action.

Sure, we built an SST or tried to some years ago. It was finally voted down near the very end of the program in this very body, and I voted against it. It was a very noisy aircraft, one that could not be justified at that time in our Nation's history. That was my judgment.

But this is 10 years later. We did not mean that we were voting on that day that never again would the United States consider building a supersonic aircraft.

☐ 1840

As a matter of fact, I hope to heaven that all of us here would wish that we could build a very quiet fuel-efficient and effective supersonic airplane and dominate that world market for the American economy. That should be something we are trying to do. But the gentleman would have us, because we used to have a bad airplane, never again consider entering that field of endeavor. And that is the kind of shutout thinking that really will turn this country on a downgrade in competition with the rest of the world and guarantee that we will become a second-class economic power.

As one who is vitally concerned with this—because my district is one which is right next to Kennedy Airport, which obviously has more SST's, has more now and will have more than any country, that is, from the standpoint of landing and takeoffs over there—I want our country to get ahead on this. I want our country to do the research and development, so that we can build an SST that is quiet, so that when the people in my district have to listen to one going over their heads, it will be a quiet plane and it will be an American plane. Why not? Why not the best, as somebody once said in this country not long ago?

So I hope the members of this Committee will defeat the amendment.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, it seems to me that I have either misunderstood what the gentleman from New York (Mr. WEISS) has said, or others are not interpreting what he said as accurately as could be. What I understood him to say is not that he is against the technology, not that he is against the development of the technology, but who should pay for the development of the technology. And at this point in time, when there are great constraints on the fiscal obligations of the Federal Government, how do we make the judgment as to how this fits in our priorities? And I think what the gentleman from New York is saying to the Congress, or what I understood him to say, is that the development of this technology should be left to those who will benefit directly economically from its development, and that is the airlines and aviation industry in this country.

Mr. WYDLER. Mr. Chairman, I do not think the gentleman did listen to what the gentleman had to say, now that he asked me that question, because I remember he came to the conclusion that we were trying to put that monster back in the air, that monster I presume to be the old SST that we voted down about 10 years ago. That is what the gentleman is shooting at.

Mr. GOLDWATER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I wish to follow through with the question that the gentleman asked: Who should pay?

This morning, the chairman of the Subcommittee on Transportation, Aviation, and Communication, the gentleman from Iowa (Mr. HARKIN), myself and others, sat in and listened to testimony on the whole question of mass transportation systems—buses, railroads, trolley cars, automotive propulsion.

The Federal Government is putting an awful lot of dollars, millions of dollars, into how to make a better engine, how to build a better railroad, how to build better buses. We are putting research dollars into medicine, we are putting research dollars into the environment, we are putting research dollars into aeronautics. Supersonic flight is just one more step up from subsonic flight. The next realm of flight is hypersonic flight. Science and research and development is the quest for understanding the unknown and the solving of problems. If we shut the door and put our head in the sand, we will never overcome the advancement of the new state of the art in order to enhance the lives of all Americans—in fact, all citizens of the world.

Research dollars I think are a good expenditure of the taxpayers' money, especially where there is long-term benefits that cannot be realized in a short-term basis because of a profit or loss motive. Concerning supersonic flight, the R. & D. dollars are not to build an airplug, but to identify those barriers to supersonic flight so that industry, perhaps in partnership with the Government, will overcome those barriers, so that we can answer those questions that are objectionable today that caused us to cancel the plane back in the 1970's. It is an effort to find out what we do not know today, and it is a good investment in tomorrow's effort.

Therefore, Mr. Chairman, I would suggest that we would be wise in voting down this amendment so that future generations can enjoy the standards, the privileges that past generations have helped to develop.

□ 1845

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. GOLDWATER. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. The gentleman made reference to my remarks and my query as to who should pay; then, he went on to recite many other worthwhile areas in which our Government pursues goals, but I think he misrecites the facts as we find them.

When we look at the explanation of surface transportation in this Congress in this year, you see that we are reducing that, that we have received a proposal from DOT to substantially reduce Amtrak and public transportation——

Mr. GOLDWATER. I do not disagree with the gentleman in increasing those dollars.

Mr. CAVANAUGH. We did just the other day reduce our commitment to health care. The gentleman cites our commitment to health care funding, and we are reducing in each one of those areas. I think what we have to say then is question whether this area, is this one that can stand against all those others and move to the front of the priority line when there is no direct and immediate benefit and that the very industry that would benefit even says that it could not utilize this technology.

Mr. GOLDWATER. Gentlemen, I would point out to the gentleman the direct benefit of supersonic research right now, today, is our defense capability to make fighter aircraft and supersonic bombers fly better. That is the direct benefit today, and hopefully commercialization will come later.

Mr. KAZEN. Mr. Chairman, will the gentleman yield to me?

Mr. GOLDWATER. I will be glad to yield to the gentleman from Texas.

Mr. KAZEN. I am glad the gentleman made his last point, because the only place where this country now exceeds, where the exports exceed imports, is in aviation, in foods, and in computers. Hopefully, some day the aviation that will come out of this research and development in supersonic planes, the sale of those commercial planes will come to the benefit of the entire country, not just to the industry.

Mr. GOLDWATER. I thank the gentleman.

Mr. LLOYD. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I will reiterate what my colleague from New York (Mr. AMBRO) said. I would like to remind the gentleman that we had a colloquy last time with regard to the same issue. Nothing has changed. I do understand what the gentleman's objections are, and I do understand the serving of a provincial interest in this, and I understand some of the fears. We did go through an exercise a few years ago in very impassioned and emotional ways, and we killed the technology—or presumably we killed the technology.

Now, we find that the technology is once again upon us, but that technology has not been developed by the United States; it has been developed by other countries, in this case namely Britain and France. The SST's are a reality; they are here.

The technology we are now talking about is how to develop the power which will power this type of air frame. It is not necessarily in application today or tomorrow. We are a long way away. We have to understand that in the development of a research vehicle such as we are now talking about, which this does not even deal with, although this is the issue; that is, it will take us at least 10 years to develop this kind of an air frame, and we are going to have a powerplant for it. That is what we are talking about right now.

We are talking about an engine that operates in the dense lower atmosphere effectively and efficiently, and energy efficient. That is what we are really talking about, and that it will then do exactly the same thing in the higher-up, thin atmosphere, and again have energy efficiency. That is the sum total of what we are trying to do in this thing.

We are not going to have an SST that is pushed upon the society within the space of a few short months. If we were to go full bore, I doubt seriously that we could have a research vehicle flying within 5 years.

□ 1850

I really do not think we could, but I will say this: As has been pointed out here today, if we do not do this now, we just further the thing down the line and the powers that be in Europe are going to develop this plane and they are going to go forward. They are not going to wait for Yankee ingenuity or Yankee dominance in this area because no longer do we have it.

Mr. WEISS. Mr. Chairman, will the gentleman yield.

Mr. LLOYD. I do indeed yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I appreciate the gentleman's yielding.

I only wanted to inquire of him, within the context in which I spoke and having really no special vested interest in this matter, why he would use the word "provincial" in relating to my argument.

The fact is that as I have listened to the people who have been supporting the position of the committee and opposing my amendment, if there is any provinciality, it would seem to me that it would be on the part of those who are opposing this amendment, given some of the interests within their respective districts.

Mr. Chairman, I wonder whether the gentleman would care to elucidate on that point.

Mr. LLOYD. Mr. Chairman, I made the presumption that since there was a strong negative factor with regard to the SST in New York a few short months or a year ago, that perhaps was coloring the gentleman's judgment. If I made that judgment erroneously, I apologize; and I am glad that the gentleman has joined the rest of us.

Mr. WEISS. I appreciate the gentleman's clarification.

That is not my concern. My concern really and truly is the fact that if the private sector—and we are talking about technological readiness with regard to a supersonic transport in the 1984–86 range, if that is what they are talking about, it seems to me that those interests in the private sector should pay for it rather than have the taxpayer pay for it at a time when we cannot afford to provide health care, hospital care, education, or whatever for the people of this country.

Mr. LLOYD. Mr. Chairman, I will take my time back.

On that point I would remind the gentleman that the 707 was a direct development of the Federal Government in the KC–135. One hand washes the other, and we need this kind of development.

Mr. Chairman, I yield back the balance of my time.

Mr. DORNAN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I would not impinge upon the remaining time of the debate if I were not aware of the growing number of our Members who now follow floor debate by using our office televisions. They have succumbed to the unavoidable and logical dictum, "Time is money." To save mankind's most precious commodity—time—they utilize a modern communicative tool.

I intend to, as we say, "work one of the doors" on this issue to plead for a large vote against this shortsighted amendment and thereby save us time next year and the year after and the year after because I believe that we should continue to fund each year research and development on this inevitable advance in transportation and aviation.

Mr. Chairman, I am curious as to how many Members of this body have flown supersonic to date. I know the distinguished chairman of the Subcommittee on Transportation, Aviation and Communication, the gentleman from Iowa (Mr. HARKIN), has in his naval career. I know the gentleman from California (Mr. LLOYD) has in his distinguished military career. I know that many of the distinguished gentlemen on this side of the aisle have. The gentleman from California (Mr. BADHAM) has just in the last week.

I first flew supersonic in the Air Force 24½ years ago. I have also flown across the Atlantic on the British Airways commercial Concorde SST as has the gentleman from California (Mr. GOLDWATER). I flew the SST last year at the instigation of the distinguished prior chairman of the Committee on Science and Technology, the unique and visionary gentleman from Texas, the unforgettable Olin Teague. He said he thought it was necessary that as many Members as possible should avail themselves of the opportunity to feel the future, particularly if we would pay for it ourselves, as I did.

That supersonic flight for me in January of 1978 was an amazing experience. Mach 2 for over 3½ hours of sustained flight only 75 years after the Wright brothers at Kitty Hawk.

Mr. Chairman, anybody voting against U.S. SST research is simply holding back the future. I have no fear that I will ever be contradicted in this prophecy—simply this: That 30 years from now, not a half dozen Members or 5 dozen but fully 95 percent of the Members of this House will have flown on a commercial supersonic transport. And why should not that sleek transport be "Made in the USA."

I think it would be a tragedy if the airliners we fly on supersonically in the future are built by European consortiums because of a lack of vision in this body.

I think every Member of this House should be aware that this year we are going to pass $8.2 billion in sales of commercial aircraft made in our country.

☐ 1855

For the first time business aircraft are going to break the $2 billion sales market barrier. Next year will see business and private aircraft sales go past $2.5 billion mark. We will see civilian commercial aircraft sales go past $10 billion in 1980. A remarkable achievement. Anyone who follows commercial aviation worldwide knows that the Airbus, both the 300 model and the 310 model made in Europe have had tremendous sales success including purchase by our own Eastern Airlines. They have sold dozens of models, and of course we wish them well, but in this very competitive market, which is second only to food in balancing our import imbalance we should always lead not follow. In facing up to our ghastly balance of payments problem we simply cannot give away our great lead in any area of aerospace. The money that our committee has allocated under the excellent leadership of our chairman in this area of research for high-speed flight has been carefully massaged so that "no beast is going to be unleashed" from any Pandora's box. This mischievous amendment is trying to hold back the future, and I would ask of my colleagues an overwhelming rejection of it so that it will not be back to haunt us next year or the following year or the next year by the same type of shortsighted Member who rose in this House at the turn of the centry to call two bicycle manufacturers from Dayton, Ohio, "fools" when those indomitable brothers named Wright launched civilization on one of its most exciting vacations. I was at Kill Devil Hills, Kitty Hawk, N.C., this last December 17 for the 75th anniversary of powered flight. We celebrated that beautifully clear day how two young Americans, Wilbur 36, and Orville, 31, dazzled the world. Heavier-than-air powered flight—a dream of centuries come true—here in the U.S.A. Why now should we throttle back and give the lead in precious timesaving power to our competitors. Let us grab that torch of progress and with careful and precise research build the cleanest, quietest, safest, and yes, the fastest commercial plane possible to close our century as we began it—leading the way. I yield back the balance of my time.

Mr. SEIBERLING. Mr. Chairman, I move to strike the last word.

I know the hour is late, and I do not intend to take the full 5 minutes, but I would just like to mention a couple of things. I heard the gentleman from New York (Mr. WYDLER). He and I both voted against the SST in 1971, and I think he agrees that that was the right decision at that time, and I certainly think it was. Yet the same kind of arguments that we have just heard were made at that time. I do not see what the great rush is, why we cannot wait a year until the OTA study, which will be an objective study, presumably, to give us a little enlightenment. Yesterday we voted to take out $14 million from the NSF budget for basic research across the board, things that may do a lot more for this country than the SST down the road.

Here we are in a fuel crisis so serious that we are talking about gasoline rationing, yet all we have learned until now is that an SST is the most fuel wasting form of transportation devised.

We have been told by the gentleman from California (Mr. LLOYD), who is a very fine, honorable, and knowledgeable person that, in the opinion of some of the aircraft manufacturers he has talked to, the SST will eventually be more fuel-efficient than current subsonic transports. Unfortunately, we have found that relying solely on the aircraft industry to give us information about their products is not always the best way to get a full and accurate analysis. The OTA is studying this question. If a year from now we have the OTA study and it does show, indeed, that this is a more fuel efficient and environmentally desirable way to go, we will be able to go ahead at that time. In the meantime, we can cut a little bit out of the budget, get a little closer to a balanced budget, and save the taxpayers not only this $23 million but possibly billions of dollars in the future.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. WEISS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WEISS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 137, noes 246, not voting 49, as follows:

[Roll No. 64]

AYES—137

Addabbo
Albosta
Applegate
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Bennett
Blanchard
Bonior
Bonker
Brademas
Brodhead
Broyhill
Burton, John
Carr
Cavanaugh
Chisholm
Clay
Clinger
Collins, Ill.
Collins, Tex.
Crane, Daniel
Crane, Philip
D'Amours
Dannemeyer
Daschle
Davis, S.C.
Deckard
Dellums

Derrick
Dicks
Dingell
Dixon
Donnelly
Downey
Drinan
Early
Edwards, Calif.
Edwards, Okla.
English
Erdahl
Ertel
Fazio
Fenwick
Ferraro
Fithian
Florio
Ford, Mich.
Ford, Tenn.
Gephardt
Grassley
Gray
Green
Hall, Ohio
Hansen
Harris
Heftel
Hightower
Holtzman
Ichord
Jacobs
Jeffords
Jenkins
Jenrette
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
Leland
Long, La.
Long, Md.
McDonald
McHugh
Maguire
Markey
Marlenee
Matsui
Mattox
Mavroules
Mica
Mikulski
Miller, Calif.
Minish
Mitchell, Md.
Moakley
Mottl
Murphy, Ill.
Nedzi
Nolan
Nowak
Oberstar
Obey
Ottinger
Panetta
Paul
Pease
Pursell
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Schroeder
Seiberling
Shannon
Sharp
Simon
Solarz
Spellman
Stark
Stokes
Studds
Synar
Thompson
Udall
Van Deerlin
Vento
Volkmer
Walgren
Waxman
Weiss
Whitley
Williams, Mont.
Wirth
Wolpe, Mich.
Yates

NOES—246

Abdnor
Akaka
Alexander
Ambro
Anderson Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Atkinson
Badham
Bafalis
Bailey
Barnard
Beard, R.I.
Benjamin
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boland
Boner
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Chappell
Cheney
Clausen
Cleveland
Coelho
Coleman
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Daniel, Dan
Daniel, R. W.
Danielson
Davis, Mich.
de la Garza
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Emery
Erlenborn
Evans, Ga.
Fary
Fascell
Fish
Flippo
Foley
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harsha
Heckler
Hefner
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffries
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McEwen
McKinney
Madigan
Marks
Marriott
Martin
Mathis
Mazzoli
Miller, Ohio
Mineta
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nelson
Nichols
O'Brien
Pashayan
Patten
Patterson
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Quayle
Quillen
Railsback
Regula
Rhodes
Ritter
Roberts
Robinson
Roe
Rose
Roth
Rousselot
Rudd
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
St Germain
Stack
Stangeland
Stanton
Steed
Stenholm
Stratton
Stump
Swift
Tauke
Taylor
Traxler
Treen
Trible
Walker
Wampler
Watkins
White
Whitehurst
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wolff, N.Y.
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

NOT VOTING—49

Anderson, Ill.
Ashbrook
Bauman
Beard, Tenn.
Bingham
Bolling
Brooks
Carter
Conable
Conyers
Diggs
Dodd
Duncan, Oreg.
Edgar
Evans, Del.
Evans, Ind.
Findley
Fisher
Flood
Frenzel
Gaydos
Gibbons
Guarini
Hawkins
Hollenbeck
Jones, Okla.
LaFalce
Lederer
Lehman
McCloskey
McKay
Michel
Mikva
Moffett
Oakar
Pepper
Rahall
Runnels
Staggers
Stewart
Stockman
Symms
Thomas
Ullman
Vander Jagt
Vanik
Weaver
Wilson, Tex.
Young, Mo.

□ 1915

Messrs. DICKS, VENTO, ENGLISH, ROSTENKOWSKI, WAXMAN, and NEDZI changed their vote from "no" to "aye."

Messrs. MOORHEAD of Pennsylvania, AKAKA, and SCHEUER changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BEILENSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 1786) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, pursuant to House Resolution 176, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. MILLER OF OHIO

Mr. MILLER of Ohio. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MILLER of Ohio. I am, in its present form, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MILLER of Ohio moves to recommit the bill, H.R. 1786, to the Committee on Science and Technology.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

□ 1920

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. WEISS. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 323, noes 57, not voting 52, as follows:

[Roll No. 65]

AYES—323

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Atkinson
AuCoin
Badham
Bafalis
Bailey
Barnard
Barnes
Beard, R.I.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boggs
Boland
Boner
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Chappell
Cheney
Chisholm
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dicks
Dingell
Dixon
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fish
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn
Kazen
Kelly
Kemp

Kildee
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McEwen
McHugh
McKinney
Madigan
Marks
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Railsback
Ratchford
Regula
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Rousselot
Rudd
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Shannon
Sharp
Shelby
Shumway
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Steed
Stenholm
Stratton
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Treen
Trible
Udall
Van Deerlin
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zeferetti

NOES—57

Aspin
Baldus
Bedell
Beilenson
Bonior
Brodhead
Broyhill
Burton, John
Cavanaugh
Clay
Collins, Tex.
Crane, Daniel
Dellums
Donnelly
Early
Erdahl
Evans, Ind.
Fenwick
Garcia
Gephardt
Goodling
Holtzman
Hughes
Jacobs
Jeffords
Kastenmeier
Kostmayer
Leland
McDonald
Maguire
Markey
Marlenee
Miller, Calif.
Miller, Ohio
Mitchell, Md.
Murphy, Ill.
Nolan
Oberstar
Obey
Ottinger
Rahall
Rangel
Reuss
Rosenthal
Roth
Roybal
Russo
Seiberling
Sensenbrenner
Shuster
Simon
Stark
Stokes
Studds
Vento
Weiss
Yates

NOT VOTING—52

Anderson, Ill.
Ashbrook
Bauman
Beard, Tenn.
Bingham
Bolling
Brooks
Carter
Conable
Conyers
Daschle
Dickinson
Diggs
Dodd
Duncan, Oreg.
Edgar
Erlenborn
Evans, Del.
Findley
Fisher
Flood
Frenzel
Gaydos
Gibbons
Guarini
Hall, Tex.
Harris
Hawkins
Hollenbeck
Jones, Okla.
LaFalce
Lederer
Lehman
McCloskey
McKay
Michel
Mikva
Oakar
Pepper
Runnels
Staggers
Stewart
Stockman
Symms
Traxler
Ullman
Vander Jagt
Vanik
Weaver
Wilson, Tex.
Young, Mo.
Zablocki

□ 1735

The Clerk announced the following pairs:

Mr. Pepper with Mr. Mikva.
Mr. Guarini with Mr. Vanik.
Mr. Flood with Mr. Hawkins.
Mr. Dodd with Mr. Erlenborn.
Mr. Brooks with Mr. Conable.
Mr. Bingham with Mr. Carter.
Mr. Lederer with Mr. Beard of Tennessee.
Mr. Zablocki with Mr. Runnels.
Ms. Oakar with Mr. Ashbrook.
Mr. Gaydos with Mr. Anderson of Illinois.
Mr. Diggs with Mr. Bauman.
Mr. Conyers with Mr. Dickinson.
Mr. LaFalce with Mr. Findley.
Mr. Lehman with Mr. Evans of Delaware.
Mr. Staggers with Mr. Symms.
Mr. Young of Missouri with Mr. Vander Jagt.
Mr. Ullman with Mr. Frenzel.
Mr. Gibbons with Mr. Hollenbeck.
Mr. Edgar with Mr. McCloskey.
Mr. Harris with Mr. Duncan of Oregon.
Mr. Fisher with Mr. Stewart.
Mr. Hall of Texas with Mr. Traxler.
Mr. Weaver with Mr. Charles Wilson of Texas.
Mr. McKay with Mr. Jones of Oklahoma.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FLIPPO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the bill just passed, H.R. 1786.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3173, INTERNATIONAL SECURITY ASSISTANCE ACT OF 1979

Mr. LONG of Louisiana, from the Committee on Rules, submitted a privileged report (Rept. No. 96-76), on the resolution (H. Res. 184) providing for the consideration of the bill (H.R. 3173) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 595, AUTHORIZING DISPOSAL OF TIN FROM NATIONAL AND SUPPLEMENTAL STOCKPILES

Mr. LONG of Louisiana, from the Committee on Rules, submitted a privileged report (Rept. No. 96-77) on the resolution (H. Res. 185) providing for the consideration of the bill (H.R. 595) to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, and to provide for the deposit of moneys received from the sale of such tin, which was referred to the House Calendar and ordered to be printed.

APPOINTMENT AS MEMBERS OF SELECT COMMITTEE ON COMMITTEES

The SPEAKER. Pursuant to section 3(a), House Resolution 118, 96th Congress, the Chair appoints as members of the Select Committee on Committees the following Members of the House:

Mr. PATTERSON of California, chairman;
Mr. CLAY of Missouri;
Mr. MCCORMACK of Washington;
Mr. BREAUX of Louisiana;
Mrs. SCHROEDER of Colorado;
Mr. TRAXLER of Michigan;
Mr. DERRICK of South Carolina;
Mr. FISHER of Virginia;
Mr. KOSTMAYER of Pennsylvania;
Mr. WHITLEY of North Carolina;
Mr. CLEVELAND of New Hampshire;
Mr. HORTON of New York;
Mr. FRENZEL of Minnesota;
Mr. LEACH of Iowa; and
Mr. LOEFFLER of Texas.

LEGISLATION TO PROVIDE RELIEF FOR CONSUMERS OF NUCLEAR GENERATED ELECTRICAL POWER

(Mr. ATKINSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ATKINSON. Mr. Speaker, today I am introducing legislation that seeks to protect consumer interests when suspected unsafe conditons force the closing of nuclear power facilities.

The recent shutdown of five nuclear powerplants in the mid-Atlantic region of the United States because of questionable seismic tolerances is but one more example of an alarming trend occurring in the nuclear power industry.

Similar shutdowns have occurred with disturbing regularity throughout the Nation, and, I suspect, the shutdowns will continue.

I do not disagree with the shutdown procedures per se, because of the potential dangers in operating a nuclear powerplant that might have a design or built-in deficiency,

I do, however, disagree with the practice of automatically passing along to the consumer, the the excess costs of utility company purchased power during a mandated shutdown period, or the automatic pass through of costs incurred in remedying deficiences.

This bill requires that the power companies seek redress of excess power costs through the courts. A power company, under the provisions of this bill, will have to file suit and recover its excess power costs from the party found to be at fault.

Likewise, a fund will be established by the Federal Government to initially pay for any reconstruction or upgrading of the nuclear power facility, if such action is required. The Federal Government will then follow the court procedure for recovering its funds.

In this manner, the consumer will not be penalized for faulty design, construction, or licensing, nor will the consumer be required to subsidize these conditions.

The major provisions of the bill:

First, make it unlawful for power companies to automatically pass through excess power costs in the event of a mandated shutdown;

Second, make it unlawful for power companies to automatically pass through the costs of reconstruction or upgrading in conjunction with a mandated shutdown;

Third, provide relief for power companies through the courts; and

Fourth, provide for the Federal Government's initial underwriting of reconstruction or upgrading with relief to be sought through the courts.

INTRODUCTION OF SPOUSE OF NURSING HOME PATIENTS RELIEF ACT

(Mr. SABO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SABO. Mr. Speaker, today I am introducing the Spouse of Nursing Home Patients Relief Act to alleviate one of the more severe problems faced by older couples in America. The bill would amend title XIX of the Social Security Act. It would permit States to exercise flexibility in establishing income contribution and resource standards for couples to qualify for medicaid when one spouse is in a nursing home.

All too often under the present system, a person must forgo income and live in impoverished circumstances when his or her spouse resides in a nursing home and medicaid funds are needed to pay for that nursing home care.

The most common example of this dilemma occurs among older couples who have lived in retirement on the husband's pension. The husband is often the first to require nursing home care. When he does, HEW guidelines require that most of his pension income must be used to pay for his care before he is eligible for help from medicaid. There is then often not enough pension income left over to provide the healthy wife with a decent standard of living.

Even though the couple had been an economic unit with the wife contributing to its sustenance throughout her working life and even though the couple had planned to live out their days sharing the husband's pension, the wife is left with far less than half the couple's income. She often can no longer afford to live on her own and is typically forced to go into the nursing home, too. Such a situation costs the Government money and it erodes the freedom and dignity of the healthy wife.

The bill I am introducing today would allow the Secretary of HEW to approve State medical assistance plans which contain more flexible income and resource standards than current rules allow. Under this bill, States could pass laws which would allow these couples to qualify for medical assistance while retaining enough income to support the healthy spouse. No State would be required to pass such a law and in States where current rules are adequate, no change need be made. However, in States where the cost of living is high, the legislatures would be able to pass a law providing the necessary flexibility to insure their older couples the medical assistance they need.

INDEPENDENT STUDENTS

(Mr. FORD of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FORD of Michigan. Mr. Speaker, under the basic educational opportunity grant program, independent students are those who do not or cannot rely on their families to support them in getting an education beyond high school. To be considered independent, a student must meet several rigorous criteria spelled out in the regulations governing the program. Generally, independent students are not typical 18- to 22-year-old college students. They are displaced homemakers, widows, or divorcees who often return to school to attain marketable skills to support themselves and their families. They are housewives whose children have grown and who seek an education to broaden themselves intellectually or to enable them to seek employment. They are Vietnam veterans, who are trying to reenter the American society which treated them so inhospitably after our tragic experience in Southeast Asia. They are people employed full time trying to better themselves through education. Those independent students of the traditional college age are usually individuals pursuing an education despite the unwillingness or inability of their parents to pay a share. In short, independent students are generally highly motivated and committed individuals for whom education is a way to advance and improve their condition. They, of any target population of our student aid programs, should be effectively served by Federal student aid programs.

During the current academic year, 1978–79, independent students receive grossly inequitable treatment in the basic grant program. The families of dependent students now have the first $17,000 of their assets ($50,000 if they have farm or business assets) exempted from consideration in determining their ability to contribute to their children's postsecondary education. Independent students, including independent students with families, have no asset reserve; all of their assets are considered to be available to pay for their education. In addition, the unexempted assets of the family of a dependent student are taxed at a rate of 5 percent to establish the portion of their assets they are expected to contribute for the education of their children. All of the assets of an independent student are taxed at a rate of 33 percent in determining their expected contribution toward their own education.

This treatment of the assets of independent students is harsh and unfair. For example, a widowed mother returning to school would be expected to contribute toward her education one-third of the total value of the family home willed to her by her deceased husband.

The Middle Income Student Assistance Act corrected this inequity by requiring that independent students with families have the same asset protection and have their assets assessed at the same rate as the parents of dependent students for purposes of determining their expected contribution toward their education.

Also in the current academic year, single independent students are provided with a living allowance of only $1,100. The rest of their income is taxed at a rate of 70 percent if they are single, 50 percent if they are married but have no children and 40 percent if they are married and have children to determine their expected contribution toward their education.

The Middle Income Student Assistance Act retained these high assessment rates on the income of independent students. However, it required that the living allowance for independent students be calculated for the single independent student in the same way it is calculated for the families of dependent students and for independent students with families. The result will be that single independent students will have a living allowance of approximately $3,400 before the rest of their income is taxed at 70 percent in determining their expected contribution.

These modest changes to treat independent students more equitably under the basic grant program were approved by the President when he signed the Middle Income Student Assistance Act on November 1, 1978. In his remarks upon signing the bill the President noted; "this legislation is completely compatible with the recommendations made by me to the Congress earlier this year."

The basic grant family contribution schedule for 1979–80 was transmitted to the Congress on August 14, 1978 as a proposed regulation. This proposed family contribution schedule, which is subject to congressional review and disapproval under section 411 of the Higher Education Act, included all of the changes in the treatment of independent students which were subsequently enacted into law by the Middle Income Student Assistance Act. This proposed family contribution schedule was not disapproved by the Congress under section 411.

The fiscal 1979 Labor-HEW Appropriations Act provides funding for the basic grant program in the 1979–80 academic year since the program is forward funded. This act contains sufficient funds for the cost of the changes in the treatment of independent students made by the Middle Income Student Assistance Act.

This Appropriations Act also contains legislative language deferring the funding for the more liberal treatment of independent students until the 1980–81 academic year. However, this language was superseded by the Middle Income Student Assistance Act which became law after the fiscal year 1979 Labor-HEW Appropriations Act.

In addition, House and Senate Members from the authorizing and appropriations committees with jurisdiction over the basic grant program wrote to Secretary of Health, Education, and Welfare Joseph Califano on February 2, 1979, expressing their clear understanding that is is the intent of Congress that these changes be implemented for the 1979–80 school year. The original intent of the legislative language in the fiscal 1979 Labor-HEW Appropriations Act, even had it not been superseded by the Middle Income Student Assistance Act, was to assure adequate funds for students currently eligible for the program within the constraints of a responsible budget. Since the basic grant program was managed much more tightly in the current academic year, there is a substantial amount of fiscal year 1978 funds available to be spent in fiscal year 1979 and this concern is moot. Mr. Speaker, I am including the text of the February 2, 1978, letter for printing at the conclusion of my remarks.

Now any reasonable person would assume that the more equitable treatment of independent students would be available for the coming school year. But at the final moment someone at the Office of Management and Budget seems to think he or she has found an easy way to save some money. The final regulation on the family contribution schedule for 1979–80 was transmitted to the Speaker on March 16, 1979, after an inordinate delay of 7 months since the proposed regulation was sent to the Congress on August 14, 1978. The "summary" of this regulation offhandedly notes that, while the Middle Income Student Assistance Act "made two changes in the treatment of independent students * * *, it was decided to postpone implementation of these two changes in the treatment of independent students until the 1980–81 award period, because of the need for fiscal constraint with respect to fiscal year 1980 outlays. Accordingly, these two changes are not included in the 1979–80 family contribution schedules." In other words, it was decided not to follow the law of the land.

Thus, despite the mandate of the Middle Income Student Assistance Act, as approved and hailed by the President; despite the availability of sufficient already appropriated funds; despite the clear expression of congressional intent in the letter of February 2; and despite the proposed regulation of August 14 which received no adverse comments on the issue of the treatment of independent students and which the Congress chose not to disapprove, the final regulation proposes to break all of the promises that have been made to independent students for the coming year. Approximately 60,000 students will be asked to continue to bear an unfair burden in financing their education or they will be denied assistance completely.

The final regulation, which was transmitted to the Speaker on March 16, is subject to review by this Congress under section 431 of the General Education Provisions Act. Section 431 provides that Congress can disapprove this regulation within 45 days by concurrent resolution if it determines that the regulation "is inconsistent with the act from which it derives its authority." This regulation derives its authority from section 411 of the Higher Education Act as amended by the Middle Income Student Assistance Act. The regulation is not only "inconsistent" with this act but it flatly contradicts and violates section 411. I therefore introduced a resolution of disapproval (H. Con. Res. 84) on March 22, 1978. I expect that the Subcommittee on Postsecondary Education, which I chair, will hold a hearing on this resolution in the very near future. I hope that my colleagues will support this resolution of disapproval if the situation cannot be remedied short of bringing the resolution before the House.

COMMITTEE ON HUMAN RESOURCES,
Washington, D.C., February 2, 1979.
Hon. JOSEPH A. CALIFANO, Jr.,
Secretary, Department of Health, Education, and Welfare, Washington, D.C.

DEAR MR. SECRETARY: We have recently learned that the Office of Education has decided not to fund the independent student provisions of the Middle Income Student Assistance Act, Public Law 95–566. The decision prohibiting the funding for independent student provisions is apparently based upon an opinion by the HEW General Counsel that language in the FY 1979 Labor-HEW Appropriations bill, Public Law 95–480, prohibits funding for independent students regardless of the carryover funds which were not anticipated at the time P.L. 95–480 was passed.

The intent of the language in the Appropriations bill was to protect students already eligible for financial assistance, as well as the many new students who became eligible for assistance under P.L. 95–566, and are still dependent on their parents. The question discussed by Senate and House Labor-HEW Appropriations Subcommittee members at the time was simply whether enough money was available to fund all these students. The current estimates of as much as $700 million in carryover funds indicate that there is now ample funding to fully implement the Middle Income Student Assistance Act.

Further, it has been suggested that the effective date in MISAA for independent students of enrollment periods beginning on or after August 1, 1979 indicates the intent of Congress that the expanded eligibility provisions not be implemented until that date. Clearly, this is not the case. For independent students entering school next fall to benefit from expanded eligibility, the new provisions must be implemented immediately.

We anticipate immediate action in conformity with Congressional intent as stated above.

Sincerely,
CARL D. PERKINS,
WILLIAM D. FORD,
JOHN BUCHANAN,
Members of Congress.
WARREN G. MAGNUSON,
THOMAS F. EAGLETON,
CLAIBORNE PELL,
RICHARD S. SCHWEIKER,
U.S. Senators.

FOOD ADVERTISING AIMED AT CHILDREN

(Mr. RICHMOND asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RICHMOND. Mr. Speaker, after 20 years of captivating food and snack commercials, parents, consumers, nutritionists, educators, psychologists, dentists, and national leaders are speaking out in favor of the Federal Trade Commission's proposed ban on advertising aimed at children.

Seldom has there been such a clear-cut case for Government action to protect children from deceptive, unfair, and harmful practices as in the case of televised advertising aimed at our Nation's 40 million youngsters.

As chairman of the House Agriculture Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, I have been deeply committed to improving Federal nutrition efforts.

I believe that enactment of the FTC's proposals can go a long way toward greatly improving and enhancing the effectiveness of these multi-billion-dollar nutrition programs.

Mr. Speaker, last week I testified at the FTC's rulemaking hearings on children's advertising. I would like to share with my colleagues the testimony I delivered at that time.

TESTIMONY OF REPRESENTATIVE FRED RICHMOND

The late British Actor Peter Finch, in his academy award-winning performance as a T.V. anchorman in the movie "Network," implores his audience to scream, "I'm mad as hell and I'm not going to take it anymore."

After ten years of debate, 20 years of multicolored fruitloop commercials and 30 years of Popeye, Mighty Mouse and Fred Flintstone; parents, consumers, nutritionists, educators and psychologists, dentists and Members of Congress are echoing Mr. Finch's outcry by supporting the Federal Trade Commission's proposed ban on advertising directed at children.

Nowhere in our society has there been as clear cut a case for government intervention to protect children from deceptive, unfair and harmful practices as in the case of televised advertising aimed at children.

The Federal Trade Commission, under the direction of its Chairman Michael Pertchuk, should be applauded for its diligence, determination and dedication in venturing into an arena which for decades has been dominated by the powerful forces of Madison Avenue, the television networks and the food manufacturing industry.

The central question raised by the FTC petition is one of corporate accountability and governmental responsibility for the health and well being of our nation's 40 million children.

As Chairman of the House Agriculture Subcommittee on Domestic Marketing, Consumer Relations and Nutrition, I have been deeply involved and committed to improving and expanding the food stamp, school lunch, school breakfast, child care feeding and nutrition education efforts of the Federal government.

I believe that enactment of the FTC's children's advertising proposals can go a long way toward greatly improving and enhancing the effectiveness of these multi-billion dollar nutrition programs.

In the past five years, I have spoken out repeatedly against the use of fortified grain products in the school meals programs, against junk foods being sold in schools; against the use of highly sugared cereals in the school breakfast programs; and against the joint promotional scheme of Kelloggs and the federally subsidized Amtrak system to reward families which consume Frosted

Flakes, Raisin Bran and Corn Flakes with free train rides for their youngsters.

We have won some battles and lost others to improve the diet of the American family. However, I must emphasize that, each step, we have been confronted by an army of highly paid food industry lobbyists whose influence is unsurpassed on Capitol Hill and in the halls of the Agriculture Department.

During the past two sessions of Congress, one of the major thrusts of our Subcommittee has been to improve the nutritional awareness of consumers through the development of accurate, easy-to-understand, and comprehensive nutrition education programs.

Unfortunately, no matter what innovative and exciting nutrition education plans are developed by the Federal Government, I believe that their effectiveness will be undermined by the $5 billion advertising assault of the food corporations.

A favorable decision by the FTC to ban advertising on children's television takes on a greater significance enabling our school systems and parents to better influence the food choices of our children. An FTC ban would be a major victory in the struggle to improve the dietary habits of our nation.

During our study of nutrition education in America, the Nutrition Subcommittee held ten hearings, heard more than 200 witnesses, developed two Congressional Research Service reports, inaugurated a General Accounting Office study, surveyed food industry opinions and finally passed comprehensive legislation.

Our work was based upon the findings of two Congressional Research Reports; the first published in March, 1976, by the Senate Nutrition Committee on "The Role Of The Federal Government In Nutrition Research" and the second released a year after by our Subcommittee on "The Role Of The Federal Government In Nutrition Education."

The CRS found that federally funded human nutrition research is a haphazard jigsaw puzzle whose pieces fail to fit together because of a lack of coordination funding, guidance and planning.

Furthermore, that the Federal Government in 1975 spent a total of $73 million on human nutrition research, yet only a trivial portion of that money was invested in USDA activities related to improving consumer food purchase patterns and diet practices.

In their subsequent report on nutrition education, the CRS again found that there was no coordination of Federal efforts. In fact, nutrition education programs totalling $69.3 million in 1976 were fragmented among 30 programs in 11 agencies of two Departments and two regulatory agencies.

At this juncture the FTC should take notice of a House Nutrition Subcommittee Staff report issued in January of 1978 on the American food industry's attitudes towards nutrition education.

The findings of the survey of nutrition education efforts of 38 food companies and 5 trade organizations revealed that:

(1) Nutrition education is viewed in the Boardroom as a means of encouraging consumers to purchase a product rather than to maintain a healthy diet.

(2) Food companies, on the whole, lack any stated nutrition policy.

(3) Those food companies which engage in public nutrition education believe the only message consumers need is to eat . . . without any consideration as to the health problems associated with obesity.

(4) Most of the nutrition education in the public schools by large food companies is designed to promote their products rather than a healthy diet.

This voluntary survey, analyzed by the Subcommittee staff which included nutritionists, should serve as a warning to the FTC. It must be noted that self-regulation by the food industry, through the development of nutrition education commercials, is not a viable alternative to the banning of highly sugared commercials aimed at children. Product promotion and hence profits are the cornerstone of even the most altruistic nutrition education efforts of the industry.

A follow up study by the General Accounting Office, released in March, 1978, aptly entitled "Informing The Public About Nutrition: Federal Agencies Should Do Better," reaffirmed that there has been an overall lack of coordination within and between the Departments of Agriculture and Health, Education and Welfare.

Moreover, wide distribution of nutrition materials intended for the public appears limited, since only 5 of the 352 publications identified by the GAO had a total distribution of over one million copies in fiscal year 1975–76. The GAO reported that clearly efforts of the Federal Government to help inform the American people about nutrition have been insufficient. While the Federal Government is one of the top ten purchasers of radio and television advertising, the GAO found that neither USDA nor HEW purchased any television advertising time for nutrition information.

These studies and hearings served as the impetus for the National Consumer Nutrition Information Act of 1978 which was passed by our Subcommittee last April 29.

The measure initiated with the bipartisan support of my Massachusetts colleague, Representative Margaret Heckler, mandated a coordinated Federal nutrition policy, establishing a National Nutrition Education Council. The Council would have been comprised of 18 consumers, farmers, food processors, nutritionists, scientists, voluntary organizations and the media. It was empowered to review USDA and HEW nutrition education efforts, make recommendations for coordination and improvement in current programs. Furthermore, the bill required USDA to provide competitively produced T.V. public service announcements, aimed at adults, stressing the relationship between diet and health.

Unfortunately, the National Consumer Nutrition Information Act of 1978, which I thought was as uncontroversial as apple pie and motherhood, died in the full Agriculture Committee after members were subjected to an intensive lobbying campaign by those who have the most to fear from a nutritionally aware populace—the food manufacturers themselves. This bill was killed by the same unholy alliance of Madison Avenue, the T.V. networks and food manufacturers which are currently besieging the FTC with a high priced, three-piece-suited legion of lawyers.

Let me emphasize that in traveling around this country I have found that consumers, nutritionists, parents and educators believe that the Federal Government has the responsibility to provide a well coordinated and comprehensive nutrition education program. Americans more than ever are rededicating themselves to a sound nutritionally adequate diet, returning to natural foods, engaging in more home cooking and shopping more economically than any time in recent history.

In this session of the 96th Congress, our Subcommittee is determined to carry through the mandate of the people and navigate nutrition education legislation through the Congress.

I can report that the USDA, under the direction of Assistant Secretary Carol Foreman, has already responded to our call for mass media education. Nevertheless, this modest Pilot Program to develop commercials is misplaced since it seeks to counter $600 million of children's advertising, by enticing youngsters to eat nutritionally wholesome foods. I believe that a few public service commercials developed by the Federal Government can have but a minimal effect on the average youngster, who weekly is viewing approximately 25 hours of children's television filled with commercials for Reggie Bars, Baby Ruths and Oreos. According to the New York State Assembly Program and Committee Staff, the message of these ads 80 percent of the time is to eat cereals, candy, gum, cookies and crackers.

Today's debate before the Federal Trade Commission brings the battle over the control of our Nation's nutrition policy to the forefront.

Will control and influence over the diets of our children continue to be manipulated by the profit-motivated, Machiavellian hands of the multinational food conglomerates, advertising executives and network time salesmen?

Or will consumers, parents, nutritionists, the medical profession and Members of Congress finally have a direct and meaningful impact on the eating patterns of our youngsters?

The FTC, in proposing a ban on all advertising aimed at children below the age of 8, and prohibiting televised advertising of sugared products to children under the age of 12, is taking a bold, courageous and correct step toward improving the health and well being of our nation's 40 million children and generations yet to come.

This proceeding has heard Dr. Julius Richmond, Surgeon General of the United States, accompanied by Dr. James Carlos, Director of the National Caries Program at the National Institute for Dental Research, assert that tooth decay is the leading chronic disease affecting America's children; that tooth decay is a preventable disease whose cure is directly related to a simple reduction in the intake of sugar; that excessive consumption of sugar products can lead to obesity. Finally, commenting on televised advertising of sugared products, Dr. Richmond seriously questions the wisdom of permitting a steady stream of advertising promoting consumption of sugared foods to children who are too young to make informed judgments about risks to their health.

I believe the Federal government, and in particular the FTC, has the responsibility to intervene on behalf of children who lack overall sophistication, are unable to discern the difference between a product which tastes good and one which is good for them, and are incapable of comprehending or evaluating the commercial message.

It has been demonstrated that nutritional habits developed during the formative years leading to adolescence more often than not last a lifetime.

The Congress and the Carter Administration are in the process of ratifying a $97 million national nutrition education effort for 1980. This new push includes a $27 million child nutrition state grant program, to develop nutrition education in the schools, for school food personnel, teachers and students. The newly organized program will utilize the School Lunch room as a focal point.

But how long will these programs be successful when children once they leave school are subjected to animated, fun-filled, male authoritarian, commercials and enticed to munch candy bars, gulp Hawaiian Punch and devour huge quantities of sugary cereals.

I fear that our nutrition education efforts will all go for naught, if the FTC ignores the warning of Dr. Richmond that one of the most productive ways to improve the health status of the nation is to increase the understanding of nutrition and prudent dietary practices. As he noted, small children have a great difficulty distinguishing fantasy from reality, and products from advertising.

The constant televised bombardment of

children by Captain Crunch, The Sugar Bear, Count Chocula, and the Lucky Charms Leprachaun promoting cereals such as Cap'N Crunch with 44.1 percent sugar, Super Sugar Crisp with 45.2 percent sugar, Count Chochula with 47.9 percent sugar and finally Lucky Charms with 58 percent sugar—has led to a sugar addicted cavity-plagued and nutritionally impoverished population.

Throughout the FTC Staff report, in petitions by actions for children's television, and the Center for Science in the Public Interest, and in testimony delivered at these hearings, it is made painfully clear that the average American child aged two through eleven watches well over 1,300 hours of T.V. a year and is subjected to 20,000 commercials. That many children fail to comprehend the Madison Avenue message of buy buy buy; that anywhere between 60 and 80 percent of all commercials directed at children promote sugared products and that sugar is the leading cause of tooth decay among our nation's children.

It has been argued that parents make the ultimate decision regarding food purchases for the home. If that were truly the case involving cereals, candies, toys, and other heavily advertised products, then why does Madison Avenue currently spend $600 million annually on commercials whose design is obviously meant to influence an audience under the age of 12?

I have spent 30 years of my life as a businessman and am fully aware that corporations allocate their advertising budget based upon sophisticated psychological and marketing studies in order to ge the best return on their investment. I submit that if parents were the ultimate decision makers and had total control on the products consumed by their children then commercials which are aimed at children would disappear from the airwaves. As you can tell from the corporate, network and advertising concern with these rulemaking procedures that simply is not the case.

As Dr. Joan Gussow, the well known nutritionist of Columbia University, noted you cannot reform food advertising. I join her and other nutrition advocates in rejecting the proposed FTC remedy of concurrent counter nutrition messages. "All the cleaning up of messages and all the inserting of nutritional information and all the running of alternate spots cannot—where young children are concerned—take care of the powerful sustained message of children's television advertising—eat, eat, eat—sweet, sweet, sweet."

In conclusion, I must emphasize as a Member of Congress concerned with the nutritional future of our citizens, that I support the FTC proposals. I endorse the banning of all advertising directed at children under the age of 8 and the elimination of all ads for sugary products directed to audiences under the age of 12. These two actions would greatly enhance the multi-billion dollar federal nutrition effort, as well as improve the quality of life for the citizens of our nation.

☐ 1505

INTRODUCTION OF LEGISLATION TO HALT FEDERAL TRADE COMMISSION RESTRICTIONS ON HEALTH CARE PROFESSIONALS

(Mr. CHARLES H. WILSON of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHARLES H. WILSON of California. Mr. Speaker, in recent years, the health care delivery system has come under increasing scrutiny by Federal Trade Commission investigators. The FTC's occupational licensure program, for example, is directed at eliminating certain State laws and restrictions on entering a number of important occupations, including the health professions. These laws and regulations represent the judgment of the States as to what is necessary and proper to protect the health and welfare of their citizens. In addition to occupational licensure at the national level, the FTC and the Justice Department are attempting to apply commercial antitrust principles to activities of the health professions which are, to my mind, already adequately monitored and regulated by the respective States to say nothing of the appropriateness of this action.

What I am today proposing is legislation that would exempt incorporated or unincorporated nonprofit associations of health professionals from the Federal Trade Commission Act and the antitrust laws. In proposing this legislation, I am not breaking new ground as numerous precedents have been established for such an exemption. Currently banks, common and foreign carriers subject to the Federal Aviation Act of 1958, labor organizations and agricultural and horticultural organizations are all expressly exempted under one or both of these antitrust statutes.

This legislation would not apply to activities such as price fixing or boycotts and it would not, of course, have any effect on the constitutional question recently considered by the Supreme Court regarding the parameters of the first amendment with respect to the truthful advertising of professional services.

In answer to the question of just who would be covered under the proposal, it would extend to those health organizations which are, in the eyes of the IRS and the States, nonprofit. Nearly all State associations of health professionals are nonprofit by definition and in nature. As such, these organizations are not engaged in trade or commerce nor or they organized to carry on business for their own profit or that of their members. On the contrary, most of these organizations were founded and continue to encourage the improvement of public health to promote scientific research and development, and to represent their respective health professions.

I see no earthly reason why the FTC should substitute its judgment for that of experts in the health sciences, operating under the State and Federal laws and regulations, when it comes to such things as determining the adequacy of the training in health profession educational institutions and the proficiency of their graduates. I believe the FTC can put its resources and the taxpayers' money to better use. In short, I believe that the States can continue to regulate health professionals and their representative organizations by establishing licensure and minimum education requirements without further "help" or interference from the Federal Government.

This is an important piece of legislation in that if the FTC goes unchecked in this regard, serious precedent will be set for future restrictions not only on health professionals, but on all professionals in this country. I would therefore like to solicit your sympathetic consideration of this measure.

☐ 1510

THROWING AWAY MONEY THROUGH CETA

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, yesterday in both major daily newspapers in Phoenix, the city government ran large display advertisements offering several hundred well-paying CETA positions, because they cannot find takers for these federally funded public jobs for the unemployed.

In the same editions of these newspapers, there were seven pages of help-wanted classified ads for private sector jobs which the city government sought to hire with CETA funds.

It is a travesty that CETA funds are being so lavishly distributed by Congress and the Federal Government that tempt local governments to go to these extremes to spend taxpayers' money for jobs they cannot fill, when so many jobs go wanting for employees in the private sector.

It is even more unfortunate that the city of Phoenix did not follow the example of the State of New Hampshire, which recently stunned Federal officials by returning $3 million of CETA funds because the State could not use them.

Local governments have swelled their own staffs by more than 625,000 additional workers at a cost of more than $11.3 billion in Federal funds, because of the extravagant and wasteful CETA program, which Congress would do well to eliminate.

Mr. Speaker, I would like to include the city of Phoenix CETA advertisement from the Phoenix newspapers at this point in the Record:

[From the Arizona Republic and the Phoenix Gazette, Mar. 27, 1979]

Jobs

Tuesday, March 27th at the Phoenix Civic Plaza (2nd Street and Washington) the City of Phoenix is hiring over 200 Federal funded CETA program employees. All Jobs and applicants are subject to Department of Labor guidelines and availability of funds for this program. Applicants will be hired into temporary positions.

ALL APPLICANTS MUST

Be City of Phoenix residents—documents such as Drivers license, I.D. card issued by the motor vehicle department, rent receipts, voter registration, or a notarized statement of a person living in the same household must be shown to prove residence.

Be Unemployed—At least 10 out of the past 12 weeks for Title VI funded jobs;

At least 15 out of the past 20 weeks for Title II funded jobs.

Meet Low Family Income Requirements of Guidelines—Information about total family income is required, income verification will be made.

JOBS INCLUDE

	Per mo.
Laborer	$733
Typist I (Typing Required)	627
Secretary I (Typing Required)	686
Clerk I	600

Salary in addition to an excellent benefit program

To be hired Social Security Card must be presented—An Equal Opportunity Employer m/f.

FEDERAL PROTECTIVE SERVICE ACT OF 1979

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BONER of Tennessee. Mr. Speaker, I rise today to introduce legislation designed to correct a glaring injustice to a sizable number of Federal employees across the Nation. The Federal Protective Service Act of 1979 seeks to provide the over 3,445 Federal Protection Officers throughout the United States with adequate compensation and benefits for the families of officers killed or assaulted while on duty, and to extend and clarify the authority of the General Services Administration (GSA) with respect to the protection of buildings and areas owned or occupied by the Federal Government.

Mr. Speaker, several Federal Protective officers in the Nashville, Tenn., Federal courthouse where my offices are located recently alerted me to many of the issues involved in this legislation. This proposed legislation, among other things, would amend title II of the Federal Property and Administrative Services Act of 1949, 63 Stat. 383, as amended (Property Act), by adding new section 213 establishing within the General Services Administration, a security force to be known as the "Federal Protective Service" to be responsible for the protection of buildings owned and occupied by the United States and under the control of the Administrator.

In addition, the proposal would repeal the act of June 1, 1948, 62 Stat. 281, as amended (40 U.S.C. 318, 318a–d), the Administrator's present authority to appoint special policemen for protection of Government property. Such special policemen are now designated by administrative order as Federal Protective Officers. The legislation, if enacted, would clarify statutory recognition of Federal Protective Officers, more clearly define their jurisdiction, enumerate their law enforcement powers, and adjust their benefits to those received by other Federal employees engaged in similar hazardous duties.

Enactment of the proposed legislation is considered essential if the General Services Administration is to carry out adequately its functions regarding the protection of life and property under its charge and control. Until recent years, the primary duties of GSA special policemen, appointed under the authority of 40 U.S.C. 318, were of patroling buildings, detecting fires, and providing a first line of defense when fires did occur.

However, civil unrest in the form of mass demonstrations, bombing, bomb threats, and vandalism beginning in the late sixties, began to affect Federal operations in all parts of the country. Demonstrations in Federal courts and other federally protected buildings placed additional demands on the protective services of GSA. In response to these problems, GSA, in 1971, redesignated its protective force as the Federal Protective Service, intensified training of its personnel, and instituted other reforms necessary to increase the force's efficiency.

There are approximately 3,445 uniformed officers in the Federal Protective Service at the present time. These officers, in addition to performing the routine duties of facility security, enforce identification and inspection procedures at building entrances and institute arrest procedures for the violations of Federal law occurring on GSA controlled property. Federal Protective officers have been responsible for approximately 1,000 arrests in the last 2 years.

In the past calendar year, they have responded to over 300 assault situations, over 7,500 reported thefts of personal and Government property, and 795 demonstrations involving over 70,000 participants. These figures should be viewed with the understanding that research indicates only 50 percent of crime is actually reported.

The jurisdiction and policing powers of GSA Federal Protective officers is limited under Section 1 of the 1948 Act to "Federal property over which the United States has acquired exclusive or concurrent jurisdiction." Beginning in 1971, however, a proviso in the GSA appropriation acts has extended the authority of Federal Protective officers to all buildings and areas owned or occupied by the United States and under the charge and control of the General Services Administration.

Proposed subsection (a) of the new section 213 of the Property Act would enlarge the jurisdiction of Federal Protective Officers to include all property owned or occupied by the United States and under the administrator's charge and control and would eliminate the need for the above mentioned proviso in GSA's annual appropriation acts. Public Law 91–383 effected a similar change in legislation applicable to the authority of the U.S. Park Police.

The remainder of proposed subsection 213(a) would clarify the enforcement and arrest authority of Federal Protective officers and would also permit the enforcement of laws of the District of Columbia on property located in the District, and under the Administrator's charge and control. Similar authority to enforce laws of the District is vested in the Capitol Police under 40 U.S.C. 212a.

Proposed subsection 213(b) to the Property Act grants to the Administrator essentially the same substantive authority now contained in section 5 of the 1948 act (40 U.S.C. 318d). Changes in the language have been made to conform substantially the authority of the nonuniformed GSA officials authorized to perform investigative functions with uniformed Federal Protective Officers.

Proposed new subsection 213(c) to the Property Act restates the authority of the Administrator to issue rules and regulations governing property under his charge and control now set forth in section 2 of the 1948 act (40 U.S.C. 318a). Language changes, not of a substantive nature, have been made to conform the section with the remainder of the draft bill and to eliminate the express provision in the 1948 act to delegate authority to issue rules and regulations. Section 205 (d) of the Property Act expressly authorized the Administrator to delegate any functions vested in him under the act.

Section 4 of the 1948 act (40 U.S.C. 318c) limits the penalty of the violation of rules and regulations to a fine of $50 and/or imprisonment for 30 days. Proposed new subsection 213(d) would increase the maximum penalty to a fine of $500 or imprisonment for not more than 6 months, or both. The present penalty and punishment is so minor as to classify the most aggravated or most gross infraction as a petty offense.

The proposed increased penalty is not absolute but is merely a maximum and allows the court latitude of sentence commensurate with the circumstances of the offense. The increased penalty provisions would provide a credible deterrent to a breach of the rules and regulations without requiring an unreasonable level of punishment.

Subsection (e) of the proposed section 213 restates the authority of the Administrator to detail Federal Protective Officers for duty in other Federal agencies upon application of the head of such agency. The Administrator presently has this authority under section 3 of the 1948 act (40 U.S.C. 318b).

Section 3 of the draft bill would amend section 1114 of title 18, United States Code, to include certain officers and employees of GSA among those Federal officials afforded the protection of the Federal statutes pertaining to punishment for the murder, manslaughter, or assault of such officials. Included in the scope of section 1114, as it presently stands, are personnel of the Justice; Post Office; Treasury; Agriculture; Interior; Aeronautics and Space Administration, who are engaged in judicial, investigatory, enforcement, correctional, protective, and other potentially hazardous duties.

Because the role of GSA Federal Protective Service personnel is carried out in a climate where antagonism against police is manifested, we believe that they should be included among those afforded the protection of the Federal statutes pertaining to punishment for the murder, manslaughter, or assault of specified Federal officials.

Section 4 of the draft bill would amend section 6324 of title 5, United States Code, by providing that the absence of a Federal Protective officer due to injury or illness resulting from the performance of duty would not be charged to sick leave. This would provide the Federal Protective officer with the same benefits enjoyed by the U.S. Park Police and the Secret Service Uniformed Division.

Section 5 of the draft bill would provide the survivors of Federal Protective officers with certain benefits. Federal Protective officers, like their counterparts in the Secret Service Uniformed Division and U.S. Park Police, are constantly exposed to hazards not commonly encountered by other Federal employees.

To compensate for the exposure to the risks likely to result in serious injury or death, many States have provided for special annuities to be paid to survivors of law enforcement officers. A survivor, having received support from a Secret Service Uniformed officer or U.S. Park Police officer prior to his death, is entitled to a lump sum payment of $50,000 should the officer be killed in similar hazards. It is considered proper that the Federal Protective officer receive benefits similar to those received by members of other law enforcement agencies of the Federal Government.

Mr. Speaker, this legislation is long overdue. In fact, it corrects, I feel, a discrepancy in the application of Federal law which I hope the appropriate House and Senate committees will consider this session.

I am taking the liberty of attaching to the conclusion of my remarks a complete listing of Federal Protective Service uniformed personnel by State and city reference purposes.

The list and a copy of my bill follows.

Mr. Speaker, I also wish at this time to commend my colleague, PARREN J. MITCHELL of Maryland for introducing his own version of the Federal Protective Service Act of 1979 on February 21, 1979. My bill differs significantly from the Mitchell bill in two basic areas: First, the Mitchell bill provides that Federal Protective Service officers' grades, salaries, and fringe benefits be comparable to those in the Executive Protection Service for a cost of millions of dollars—our bill does not provide for comparability but only provides for benefits in the event of death or injury, second the Mitchell bill addresses the "guard" functions of the EPS officers but does not address their jurisdictional areas of operations, whereas my bill does.

Mr. Speaker, I look forward to having committee and congressional debate on some of the issues raised in this legislation during the 96th Congress. The bill should be considered a first draft piece of legislation to begin needed discussion for a group of Federal employees who protect and secure over 10,000 Federal Government buildings throughout the United States.

H.R. 3284

A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to extend and clarify the authority of the General Services Administration with respect to the protection of buildings and areas owned and occupied by the United States and under the charge and control of the Administrator of General Services, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this act may be cited as the "Federal Protective Service Act of 1979."

SEC. 2. The Federal Property and Administrative Services Act of 1949 (63 Stat. 377), as amended, is further amended by adding the following after Section 212:

"FEDERAL PROTECTIVE SERVICE

"SEC. 213. (a)(1) There is hereby established a permanent trained security force within the General Services Administration to be known as the Federal Protective Service. The Federal Protective Service shall perform such duties as assigned by the Administrator or by duly authorized officials of the Administration for the protection of persons and property and the conduct of authorized activities in or on real property or occupied by the United States and under the charge and control of the Administrator.

"(2) Uniformed members of the Federal Protective Service (hereinafter referred to as 'Federal Protective Officers') shall have the power to enforce while on such property (1) Federal laws; (2) District of Columbia laws on such property within the District of Columbia; and (3) rules and regulations issued pursuant to subsection (c) of this section. Such officers shall have the authority to make arrests on such property without a warrant for any offense committed in their presence and may also arrest without a warrant for any offense if they have reasonable grounds to believe the offense constitutes a felony under the laws of the United States, that the person to be arrested has committed the offense, and such person is on or fleeing from such property. The jurisdiction and policing power of the Federal Protective Service shall not extend, however, to the service of civil process.

"(b) Officials or employees of the General Services Administration who have been duly authorized to perform investigative functions may be authorized by the Administrator to exercise the same powers as uniformed Federal protective officers and to carry firearms while on real property owned or occupied by the United States and under the charge and control of the Administrator, or on travel status.

"(c) The Administrator is authorized to make all needful rules and regulations for under his charge and control, and to annex to such rules and regulations such reasonable penalties, within the limits prescribed in subsection (d) of this section, as will insure their enforcement: Provided, that such rules and regulations shall be posted and kept posted in a conspicuous place on such property.

"(d) Whoever shall violate any rule or regulation promulgated pursuant to subsection (c) of this section shall be fined not more than $500, or imprisoned not more than six months, or both.

"(e) Upon the application of the head of any Federal agency having under its charge and control property owned or occupied by the United States, the Administrator is authorized to detail any such Federal protective officers for the protection of such property and, if he deems it advisable, to extend to such property the applicability of any rules and regulations issued pursuant to subsection (c) of this section. Such Federal protective officers are empowered to enforce Federal laws and said rules and regulations in the same manner as set forth in subsection (a) of this section. The Administrator, whenever it is deemed economical and in the public interest, may utilize the facilities and services of existing Federal law enforcement agencies, and with the consent of any State or local agency, the facilities and services of State or local enforcement agencies."

SEC. 3. Section 1114 of title 18, United States Code, is amended by inserting after the words "or law enforcement functions," the following words: "or any officer or employee of the General Administration assigned to enforce laws and rules and regulations enacted for the protection of people and property of the United States or to perform investigative or law enforcement functions."

SEC. 4. Section 6324 of title 5, United States Code, is amended as follows:

(1) by inserting after "the United States Park Police Force," in subsection (a) the following: "the Federal Protective Service," and

(2) by deleting in subsection (b) the word "and" where it appears in paragraph (2) and the period (.) at the end of paragraph 3, and adding the following at the end thereof: "; and

(4) The Administrator of General Services for the Federal Protective Service."

SEC. 5. Section 8133 of Title 5, United States Code, is amended by adding the following new subsection at the end thereof: "(g) If a law enforcement officer or firefighter as defined in section 8331 of this title 5 and who is not otherwise covered under section 12 of the act of September 1, 1916, 39 Stat. 718, as amended, dies as a result of injuries sustained in the performance of duty which were not caused by his willful misconduct, the United States shall pay, in addition to other benefits authorized by law, a lump sum payment of $50,000 to the person or persons surviving at the date of his death in the order of precedence established under subsections (a) and (b) of section 8705 of this title. No payment shall be made, however, under this subsection if, after four years following the death of the employee, no claim for payment by a person entitled under this subsection is pending. Payment under this subsection shall be made by the head of the Federal agency concerned out of appropriations available to such agency."

SEC. 6. Sections 1 through 5 of the Act of June 1, 1948, 62 Stat. 281, as amended (40 U.S.C. 318, 318a–d), are repealed.

FEDERAL PROTECTIVE SERVICE UNIFORMED PERSONNEL

Distribution by region, State, and city

REGION 1

CT (16)

Bridgeport, 3.
Hartford, 6.
New Haven, 7.

ME (7)

Augusta, 1.
Bangor, 3.
Portland, 3.

MA (95)

Boston, 75.
Fitchburg, 1.
New Bedford, 2.
Springfield, 2.
Waltham, 12.
Worcester, 3.

NH (9)

Concord, 2.
Manchester, 7.

RI (25)

Providence, 17.
West Warwick, 8.
Total, 152.

REGION 2

NJ (30)

Belle Meade, 11.
Camden, 4.
Newark, 10.
Trenton, 5.

NY (194)

Albany, 14.
Binghamton, 10.
Buffalo, 16.
Hyde Park, 9.
New York City, 129.
Rochester, 3.
Scotia, 10.
Syracuse, 3.

PR (16)

San Juan, 5.
Hato Rey, 11.

VI (1)

Charlotte Amalie, 1.

Total, 241.

REGION 3

De (3)

Wilmington, 3.

DC (457)
District of Columbia, 457.
Md (548)
Baltimore, 137.
Bethesda, 19.
Ft. George G. Meade, 300.
Germantown, 48.
Suitland, 44.
Pa (99)
Erie, 3.
Harrisburg, 7.
Philadelphia, 71.
Pittsburgh, 11.
Wilkes-Barre, 5.
Williamsport, 2.
Va (594)
Alexandria, 11.
Arlington, 337.
Big Stone Gap, 2.
Charlottesville, 15.
Langley, 166.
Norfolk, 32.
Portsmouth, 5.
Richmond, 21.
Roanoke, 5.
WV (49)
Bluefield, 3.
Charleston, 4.
Elkins, 5.
Huntington, 4.
Martinsburg, 17.
Parkersburg, 8.
Point Pleasant, 5.
Wheeling, 3.
Total, 1750.

REGION 4
Al (18)
Birmingham, 7.
Mobile, 5.
Montgomery, 5.
Tuscaloosa, 1.
Fl (42)
Ft. Lauderdale, 1.
Jacksonville, 12.
Miami, 11.
Orlando, 3.
Pensacola, 3.
St. Petersburg, 4.
Tallahassee, 3.
Tampa, 4.
W. Palm Beach, 1.
Ga (34)
Atlanta, 24.
Gainesville, 1.
Macon, 4.
Rome, 1.
Savannah, 4.
Ky (22)
Covington, 6.
Lexington, 1.
Louisville, 14.
Owensboro, 1.
Ms (2)
Greenville, 1.
Jackson, 1.
NC (17)
Asheville, 3.
Greensboro, 4.
Raleigh, 7.
Winston-Salem, 3.
SC (14)
Charleston, 5.
Columbia, 6.
Greenville, 3.
Total, 164.

REGION 5
Il (78)
Alton, 1.
Chicago, 67.
East St. Louis, 3.
Springfield, 7.
In (31)
Fort Wayne, 3.
Indianapolis, 12.
Jeffersonville, 15.
South Bend, 1.
Mi (42)
Battle Creek, 14.
Detroit, 24.
Flint, 1.
Grand Rapids, 5.
Kalamazoo, 1.
Saginaw, 2.
Mn (28)
Duluth, 2.
Minneapolis-St. Paul, 26.
Oh (68)
Akron, 5.
Cincinnati, 15.
Cleveland, 18.
Columbus, 6.
Dayton, 8.
Shelby, 2.
Toledo, 9.
Warren, 5.
Wi (13)
Milwaukee, 13.
Total, 265.

REGION 6
LA (14)
Des Moines, 8.
West Branch, 6.
KS (16)
Abilene, 13.
Kansas City, 3.
MO (131)
Independence, 10.
Kansas City, 60.
St. Louis, 61.
NE (9)
Omaha, 9.
Total, 170.

REGION 7
AK (6)
Little Rock, 6.
LA (35)
Baton Rouge, 7.
New Orleans, 26.
Shreveport, 2.
NM (17)
Albuquerque, 12.
Santa Fe, 5.
OK (10)
Oklahoma City, 10.
TX (95)
Austin, 24.
Brownsville, 4.
Corpus Christi, 3.
Dallas, 10.
El Paso, 1.
Fort Worth, 27.
Houston, 16.
San Antonio, 5.
Tyler, 45.
Total, 163.

REGION 8
CO (52)
Denver, 52.
UT (26)
Salt Lake City, 26.
Total, 78.

REGION 9
Az (14)
Phoenix, 7.
Tucson, 7.
Ca (174)
Fresno, 6.
Los Angeles, 59.
Sacramento, 14.
San Diego, 20.
San Francisco, 65.
Santa Ana, 10.
Hi (7)
Honolulu, 7.
Nv (7)
Las Vegas, 7.
Total, 376.

REGION 10
Ak (10)
Anchorage, 10.
Id (4)
Boise, 4.
Or (27)
Eugene, 3.
Portland, 24.
Wa (45)
Auburn, 13.
Richland, 2.
Seattle, 25.
Spokane, 5.
Total, 86.

	Number of States	Number of cities	Number of FPS uniformed personnel
1	5	16	152
2	[1] 2	15	241
3	[2] 5	30	1,750
4	8	33	164
5	6	25	265
6	4	8	170
7	5	16	163
8	2	2	78
9	4	10	376
10	4	8	86
Total	45	163	3,445

[1] Plus Puerto Rico and the Virgin Islands.
[2] Plus the District of Columbia.

GAO REPORT ON PROJECTS OF CORPS OF ENGINEERS QUESTIONED

(Mr. BEVILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BEVILL. Mr. Speaker, on January 29, 1979, the GAO issued a report entitled "Congress Needs Reliable Cost Estimates and Established Priorities for Allocating Funds for Water Resources Projects." The report indicates that construction of three projects under the jurisdiction of the South Pacific Division of the Corps of Engineers were delayed because of insufficient funding. I point out they base their discussion on only three of hundreds of projects.

The report states the Dry Creek (Warm Springs) Lake and Channel project was funded below the optimum level for 10 of the 14 years since construction funds were first received, resulting in a delay of 6½ years. The report also refers to the New Melones Lake project and indicates delays of 3 years due to insufficient funds. The GAO also states the Alameda Creek project was also delayed 3½ years since 1962 because of limited funds.

During hearings held with the corps by my Energy and Water Development Subcommittee, I questioned the division engineer regarding the allegations contained in the GAO report. The corps' immediate response was that although the projects may have been delayed due to litigation, environmental considerations, and so forth, they were not aware of delays because of funding.

Inasmuch as the corps had not at that time reviewed the GAO report, the division engineer subsequently furnished the committee the information indicating any funding delays on the projects named. In order to keep the record straight, I believe the following materials furnished by the corps should be made available for Members' information:

[Dollar amounts in thousands]

Fiscal year	President's budget	Conference amount	Capability	Allocations	Funding delay (years)
Alameda Creek (Del Valle Reservoir), Calif.:					
1965	$750	$750	$750	$385	
1966	2,000	2,000	2,000	2,070	
1967	2,600	2,600	3,200	2,990	
1968	4,300	4,300	7,000	3,985	1
1969	3,300	3,201	3,300	3,055	
1970	2,200	2,200	5,000	2,530	1
1971	2,800	2,800	2,800	2,431	
1972	1,215	1,215	1,650	1,890	
1973	2,994	2,994	2,994	2,994	
1974	490	490	490	686	
1975	720	720	720	756	
1976	1,810	1,810	1,810	1,914	
1977	0	0	0	256	
1978	0	300	570	311	
1979	270	270	270	270	
Total					2
Dry Creek (Warm Springs) Lake and channel, California:					
1966	933	933	1,600	858	[1]1
1967	0	2,700	2,700	1,800	
1968	1,800	2,315	5,000	1,814	1
1969	2,500	2,425	6,300	1,240	1
1970	1,500	2,500	6,000	1,352	1
1971	7,000	8,000	7,000	8,468	
1972	5,300	7,150	9,000	10,010	
1973	8,400	10,400	10,400	11,960	
1974	3,850	2,650	6,850	2,315	(2)
1975	13,500	3,000	13,500	−50	
1976/76T	2,800	2,800	2,800	1,280	
1977	3,300	750	3,300	7,818	(3)
1978	600	12,500	18,000	20,175	(4)
1979	35,000	45,000	45,000	47,730	
Total					4
New Melones Lake, Calif.:					
1966	1,000	1,500	1,500	1,500	
1967	2,500	2,500	5,000	2,415	
1968	2,750	2,750	4,000	2,690	
1969	2,800	2,716	8,000	2,000	1
1970	1,230	3,000	11,600	800	1
1971	10,130	10,130	12,700	11,810	
1972	[5]20,300	[5]22,000	22,000	[5]21,135	
1973	26,000	26,000	26,000	22,050	
1974	18,000	15,000	16,000	17,050	
1975	15,500	15,500	20,500	15,905	
1976	40,100	43,000	43,000	32,865	
1976T	13,500	15,000	15,000	15,690	
1977	59,000	64,000	64,000	63,650	
1978	68,000	69,000	69,000	67,000	
Total					2

[1] Budget and conference amounts for completion of A.E. & D. Corps also expressed capability to initiate construction.

[2] Construction enjoined May 30, 1974.

[3] Injunction removed Jan. 27, 1977.

[4] Litigation resolved May 27, 1978.

[5] Includes supplemental appropriations.

As you can see, there has been no slippage in these projects because of lack of funds in the last 9 years.

The General Accounting Office is apparently not now doing a creditable job in their reports as they once were.

TRIBUTE TO JOE BARTLETT

The SPEAKER pro tempore (Mr. MOAKLEY). Under a previous order of the House, the gentleman from Ohio (Mr. MILLER) is recognized for 60 minutes.

Mr. MILLER of Ohio. Mr. Speaker, I rise today in salute to my good friend and the recently retired minority clerk, Joe Bartlett. How and where does one begin to say thank you to a man who has spent 37½ years of dedicated and faithful service to the House of Representatives?

As one who has known Joe for but 13 of those 37½ years, I cannot recount, other than by hearsay, his early accomplishments and contributions to this body; so I will focus my remarks on the first hand experiences I shared with Joe during my service in the Congress. It is a shame that so many of those Members that could give testimony to the fine job Joe did all those years cannot be with us here today to join in this tribute. I know many of them would like to be. By my tally there have been 2,033 Members that have served in the House of Representatives since Joe began his long career of public service in 1941. Only one Member who was a part of that 77th Congress remains, and that is the able chairman of the House Appropriations Committee, Congressman JAMIE WHITTEN.

A lot of water has gone under the bridge since Joe first set foot in these Chambers as a 14-year-old page appointee from Clarksburg, W. Va. Five speakers have overseen the activities of the House, eight Presidents have appeared before this body to give state of the Union addresses, and the country has been in and out of three major wars. Social change has been considerable. From the tail end of the New Deal, through the Fair Deal, the New Frontier, and the Great Society, Joe has seen our country evolve from a predominantly rural society to an urban one.

Joe Bartlett has seen a lot and done a lot during his 37½ years service to the Congress. And everything he has done, he has done well.

I first became acquainted with Joe when he was the minority reading clerk. Particularly helpful to new Members, he went out of his way to familiarize newcomers such as myself with the procedures and practices of the House. His helpful hints and observations have proven invaluable to me as a legislator, and I will be forever grateful to him for providing this guidance. That was Joe's way. He was always accessible, always available, always willing to be of assistance. The excellent aptitude, and attitude he brought to his work made him stand out from the rest, and carried him from his first position as a page to the top Republican staff position in the House of Representatives, that of minority clerk.

A person of his caliber is hard to find, no less replace. We miss Joe Bartlett. For me, and for many others, he helped to make service in this Chamber a more pleasant and meaningful experience and for that he will long be remembered. May he and his lovely wife, Jinny, enjoy the new challenges and experiences that lie ahead. I am sure that whatever they are the Bartletts will approach them with the same vigor and enthusiasm that they displayed through all their years of association with the Congress.

□ 1945

Mr. REGULA. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, there are many fine things we could say about Joe Bartlett, one of our favorite Buckeyes, but I thought I might take a different tack and use the two Websters, Noah Webster and Daniel Webster, to provide the words that I would want to use.

In the office formally occupied by Joe there is a well-worn dictionary, Webster's New International Dictionary, and in that dictionary they define a "patriot" as "one who loves his country and zealously supports its authority and interests."

How well that describes Joe Bartlett.

Webster's says that a definition for "dedicate" is "to become committed to." And again that is a beautiful description of the life of Joe Bartlett as he served his Nation in so many different ways.

I could go on with many others: "Devote," "loyal," "friend," and so on. All of those words in the dictionary are very aptly used in describing the life of Joe Bartlett.

But let me turn to the other Webster, Daniel Webster, and let us be reminded of the words that are inscribed so beautifully in the plaque above the Speaker's chair as a quotation from Daniel Webster. These are the words of that plaque:

> Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests and see whether we also in our day and generation may not perform something worthy to be remembered.

Those are the words that are inscribed in this Chamber as a challenge to every Member who serves here.

And certainly in the way that Joe Bartlett conducted his life, both in his service to the House of Representatives and to his Nation in the military service, he did strive to meet the goals that are so beautifully outlined in this quotation from Daniel Webster.

The poets say that the two most beautiful words in the English language are "summer afternoon," and on a day like today we might agree. But I would say that two equally beautiful words are "good friend." Joe Bartlett and his wife, Jinny, have been good friends to all of us in a lot of different ways, and all of us who have served with Joe appreciate him so much for being the good friend he always has been.

Mr. MILLER of Ohio. Mr. Speaker, I thank the gentleman from Ohio (Mr. REGULA).

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Idaho (Mr. HANSEN).

Mr. HANSEN. Mr. Speaker, I thank the gentleman from Ohio (Mr. MILLER) for yielding, and I commend him for this thoughtful special order to honor a great American and a person who has served well the House of Representatives and his country in a number of capacities.

I do not know of anyone I have met who is more well-rounded and who is better thought of than Joe Bartlett. Certainly it has been a great pleasure for me to know him, to know of his wise and accommodating ways, and to partake of his good advice and assistance while we have been here getting acclimatized and then as the years roll on in the endeavors we have before us.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I wish to compliment my colleagues from Ohio, the gentleman in the well, the gentleman from Ohio (Mr. MILLER), and the gentleman from Ohio (Mr. BROWN), for taking this special order for our good friend, Joe Bartlett.

□ 1950

I welcome the opportunity to salute a friend and fellow Ohioan and his lovely wife, Jinny. Joe was most helpful to me when I first arrived on the scene in 1966, shortly after the election. He was always ready, willing and able to serve any Member of Congress who sought his assistance—and I sought it on many occasions. His tireless and solicitous efforts evidenced a concern which helped me produce many beneficial results. I congratulate Joe for his extremely impressive service as a reading clerk. I think he contributed greatly to the image of the House through his faithful years of service as a reading clerk. One of the things I remember most, as I arrived on the scene, was the way he acted as reading clerk. He had a kind of rhythm and a tone which was unique and, as I say, I think certainly improved the image of this House for visitors who came to see us from the gallery. I salute Joe also for his dedication as a soldier, as a brigadier general in the Marine Corps. I know his wife, Jinny, and his daughters, Linda and Laura, are very proud of Joe and his career, to which they have contributed a great deal. Marjorie and I wish him happiness in the years ahead.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's yielding. I want to thank him for taking the time to express our appreciation for the service of Joe Bartlett. He certainly gave loyal and reliable service to the House of Representatives, especially to the minority. He was always on the job and, as my several colleagues from Ohio have already indicated, he went out of his way, as many new Members came here—and we all did at one time—to make sure that we understood the procedures of the House and the ways in which each of us as individuals could be more effective. Joe was always more than willing to take the time to be helpful and to explain how each of us could be of greater service to our districts. I am sure that Joe must have been disappointed, as all of us were, that he did not become the Clerk of the House, because I am sure he would have been a major candidate for that position had we ever been smart enough to figure out a way to become the majority during his time of service.

I have always been impressed with Joe Bartlett's great sense of patriotism and great sense of duty to the country. I think that we all recognize and realize that his sense of patriotism was epitomized by his constantly asking himself the question: "How can I best serve the country?" That one question was ever prominent in his mind.

Mr. Speaker, I think it is most appropriate that my colleague has taken the time to say, in our own way here, "Thank you, Joe Bartlett, for the fine job you have done in serving the Congress and especially the Members of the minority."

Mr. MILLER of Ohio. I thank the gentleman from California for his remarks.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, I thank the gentleman for yielding to me and for taking this time to pay our respects to one who was a most dedicated public servant for many, many years. Each of us has been a freshman at some point in our career, and in most cases there has been someone who has kind of taken us under his or her wing and guided us through the difficult task of becoming a legislator in a very competitive atmosphere. I can recall that I had hardly been confirmed as the winner, back in 1966, when I had received a letter from the reading clerk of the House of Representatives, the minority reading clerk, a man I did not know at that time. Most of us, I am sure, found ourselves in a similar situation. But Joe took an interest right away in the freshman Members, not for a self-serving purpose, but because he sincerely wanted the Members to become better Members. His was not a biased or selfish view, so far as partisanship was concerned.

□ 1955

He offered the same kind of friendship and assistance to both political sides, but very early Joe was always one to come back off the stand here after reading and come down and give little hints, little suggestions. Time and time again we received special little notes from Joe, something that he had read and witnessed on the floor, trying always to give help to make the House of Representatives a better place.

So, it is with sadness that this year we learned that Joe had made his decision not to continue his service here as the minority Clerk of the House, which he had assumed several years ago, because he continued to be the same type of servant, always wanting to help Members to be better Members and to do their jobs better. But, after he made that decision, we all certainly wish him well and congratulate him for the tremendous service he has given the country and given especially to this House to make it a better House.

So, as he now is pursuing new adventures in life, I want to join his many, many friends who wish him and Jinny many years of happiness and success at whatever he attempts—and Joe will be a success at whatever he decides to do. So, we do wish him well and thank him for the help he has given the House and the Nation.

I might add here that it is sad that he served before television came to the floor, because many, many Members will remember Joe, but the Nation will remember Joe not as serving as reading clerk of the House of Representatives, but as permanent clerk of several Republican national conventions when he most eloquently served in that capacity. So, we will miss him but we wish him well.

Mr. MILLER of Ohio. I thank the gentleman from Indiana.

Mr. LIVINGSTON. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from Louisiana (Mr. LIVINGSTON).

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman for yielding. I also thank the gentleman for bringing this special order as well. As one of the more recent additions to this body, I also would like to express my sincere appreciation to Joe Bartlett for the dedicated work that he did as minority clerk of the House.

When I came to Congress, Joe was extremely helpful to me. I looked to him for guidance and he was always cordial in manner and wise in counsel. His resignation was a great loss to me.

Joe's long career in the House, his interest in Congress, his sincere desire to serve his country by his service in this

House, and his capacity for hard work—all these are qualities we should mention in expressing our gratitude to Joe. But it is his friendship which is most important.

I shall always be glad that I was elected to the 95th Congress; that I knew General Joe Bartlett; that I worked with him in Congress and had his friendship.

Thank you, Mr. Speaker.

Mr. MILLER of Ohio. I thank the gentleman from Louisiana.

Mr. DORNAN. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from California (Mr. DORNAN).

Mr. DORNAN. Mr. Speaker, I thank the gentleman for yielding to me. I would like to associate myself with the remarks of my colleague from the 95th Congress. I had a freshman Congressman ask me in this new 96th Congress what I thought he would be missing by not having been here 2 years earlier, and the first thought that came very quickly to my mind was that he would not be able to avail himself to the counsel of Joe Bartlett.

He has the wisdom and philosophical astuteness of an Aristotle; the patience of a Job; he is, of course, as patriotic and "gung ho" as a Gen. George Patton, with the personality and demeanor of lovable Ike Eisenhower. I feel ashamed for mentioning prominent Army generals except that Joe's career in the Marine Corps, if it had not been interrupted by his brilliant service in this House, would certainly have led him to the esteemed title of commandant.

It was no small accomplishment that in his spare time and in those great periods of his life when he gave of himself to active duty, he still carved out a distinguished record in this body while attaining the rank of brigadier general in the U.S. Marine Corps. I do not think I ever came on the House floor as a new Member without being greeted by Joe Bartlett's smile. Moreover, he unsparingly counseled me and other new Members and gave counsel to those Members who were senior to him by several decades.

☐ 2000

I think that Joe's loss not only to our party but to the whole House is one that will not be made up for many, many years.

I think the assistance which some of the Members have mentioned which Joe Bartlett gave when they were freshmen in pointing out an article in some distinguished newspaper across this country, in assisting us, and in guiding us in the approach which freshmen sometimes made in their exuberant attempt to go into the well at all times on every issue, and Joe Bartlett's general counsel of, "Don't blunt your pick on this one; save yourself," constituted one bit of advice which this Member needed, I think, more than did most Members in the House.

Mr. Speaker, it goes without saying that Joe looks 20 or 30 years younger than his years on this planet. I know he will not deny his party his wisdom and counsel over the years. I know we will all see him in Detroit in the summer of 1980, and I hope he haunts the halls of this great Capitol Building which he loved so well, with his beautiful Ginny, and lets the freshmen Members of both parties in the 96th Congress know just what they are missing by not having Joe's handsome visage sitting in front of that new little computer which he used so effectively over the years.

I look forward to his careful and studious analysis of what these six monster RCA cameras are going to do with us.

I think I will put in the RECORD this year, as I did last year and as many, many others before me have put into the RECORD for each Congress in the last five or six Congresses, Joe's brilliant analysis of how we could all serve our country better by making this body of ours run more efficiently and more smoothly.

So I hope my great and dear friend of 2 years and 3 months—actually, longer than that because he visited me in my district when I had 6 months to go in my first race—will make sure that this Congress gets that brilliant analysis of his forthwith so that it can be put in the RECORD during the next few days.

Mr. Speaker, I thank the gentleman from Ohio (Mr. MILLER) for taking this special order, and I thank him for letting me participate in it at the last moment. It is the nicest honor that I have had so far in the 96th Congress, just as the nicest honor I had during the 95th Congress was making the acquaintenance of Joe Bartlett.

Mr. MILLER of Ohio. Mr. Speaker, I thank the gentleman from California (Mr. DORNAN) for his comments.

Mr. McEWEN. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Ohio. I yield to the gentleman from New York.

Mr. McEWEN. Mr. Speaker, I thank the gentleman for yielding, and I thank the gentleman for taking this special order.

Mr. Speaker, if a word could describe Joe Bartlett, it is "friend"—friend of this House of Representatives. No more loyal friend, no more understanding person of this institution and its greatness, with tolerance for the frailties of its Members on occasion, could be found than Joe Bartlett, friend of the House of Representatives, and Gen. Joe Bartlett, friend of the U.S. Marine Corps.

Anyone who knew Joe Bartlett knew that he was a Marine; and those of us who did not have the honor of serving in that corps knew about it because we were invited to the Congressional Marines Breakfast and other functions.

Joe is a friend of that corps, and he was a friend of those of us serving here.

Again, Mr. Speaker, I would just say that the one word to describe Joe Bartlett would be "friend." He was a staunch friend. What Joe believed in, Joe knew: this institution, this country, his beloved Marine Corps, and those of us whom he so ably and so generously assisted.

Going back, Mr. Speaker, to the 89th Congress, I remember how hopeful Joe Bartlett was then and was all through the years.

So, Mr. Speaker, I am delighted to have the opportunity of joining with the gentleman from Ohio (Mr. MILLER) and with so many others in just saying "Thank you," to friend Joe Bartlett and to Jinny, and may they have the very best of years ahead of them.

Mr. MILLER of Ohio. Mr. Speaker, I thank the gentleman from New York (Mr. McEWEN) for his comments.

☐ 2005

Mr. MILLER of Ohio. Mr. Speaker, I yield now to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. I thank my colleague from Ohio, the Honorable CLARENCE MILLER, for allowing me to close this tribute to Joe Bartlett.

I think we do not as Members of Congress pay tribute enough to the people that many of our constituents think of as anonymous but we know very well by first name and by face, the staff that serves us here in this Chamber, because it is these people who make the whole operation run smoothly. Some of them are now rewarded by being on camera all the time, but many of them are not because they serve in the rear of the Chamber and are the ones who offer us a little advice when we come in about the nature of the legislation and when the next vote is likely to occur, and the processes that are going to be pursued in the next few minutes, and the schedule of the House. So, indeed, it is an honor for me and a great personal pleasure to have the chance to pay tribute to Joe Bartlett—I, perhaps, should say parenthetically to his friend, Charlie Hackney, who retired about the same time, and to all the others who have served here. But particularly because it is Joe, I personally welcome this opportunity to officially recognize the innumerable contributions he has made to the U.S. House of Representatives and the Government of this country during his 37 years of service here.

From his days as a page to those 8 years as the ranking Republican staff officer in the House, Joe's service spanned the events of a momentous historical period, a period of great significance to our country, and permitted him to become personally associated with, as my friend, the gentleman from Ohio (Mr. MILLER) said, 2,000 Members of Congress, 5 of whom eventually served this Nation as the President of the United States: Harry Truman, Lyndon Johnson, Jack Kennedy, Richard Nixon, and Jerry Ford.

Joe Bartlett maintained throughout his distinguished career on Capitol Hill an unsurpassed reputation for propriety, for loyalty, and honesty in the performance of his myriad duties, justly earning him the esteem and confidence of the Members of both sides of the political aisle, the friendship of all of us and all of the staff members on the Hill.

Joe first came to Washington to represent his native State, West Virginia, at a national school boys safety patrol convention as "America's Typical Schoolboy Patrolman," but not quite typical because he was smaller than most at that age, and he was the only one from West Virginia. So he marched singly behind this great placard which was carried indicating that this was the West Virginia contingent, and that so attracted one of our former colleagues that he named Joe to a 30-day appointment as a page in the House of Representatives. Joe continued in that position without portfolio, I guess it could be said, for 3 years—those were the years I first knew him—and graduated from the Capitol Page School in 1944.

As a 17-year-old volunteer, he joined the U.S. Marine Corps to serve in the remaining months of World War II. After being honorably discharged as a private first class, Joe returned to the Capitol to become, at the age of 19, the youngest chief of pages on record in this body. He continued his Reserve activities and won a commission from the ranks as a "meritorious noncommissioned officer" when the Korean emergency broke out, during which he served a year with the Second Marine Division in North Carolina. In the ensuing years, Joe had varied and worldwide Reserve experience in the Marines, eventually, of course, serving as brigadier general in the U.S. Marine Corps Reserve until his retirement from the corps on July 1, 1978.

He was known here as the organizer and chief factotum of the Marine Corps Breakfasts which have been held regularly on Capitol Hill for Members of Congress who formerly served in the Marines, and for other Marines in the Washington area, and for the friends of Marines, of which I was pleased to be one—because I served in the amphibious forces, and I always told Joe that I helped make those Marines heroes by stepping on their hands so they would go down into the small boats and charge the beach. Joe enjoyed that Marine Corps association and was honored suitably by his friends in the Marine Corps.

But no mention of Joe's Marine Corps experiences would be complete unless it included that "hazardous duty" assignment he had as a young lieutenant in the spring of 1951 when he was asked to escort the Ohio cherry blossom princess, the attractive Miss Virginia Bender, daughter of the late House Member and Senator from Ohio, George Bender, and his wife who still survives. His friends and his biography will tell you that the romance between the two blossomed that week, and it has been in full flower ever since.

□ 2010

The following year Jinny and Joe were married. They are now the parents of two lovely daughters, Linda Louise, now Mrs. James L. Hobgood of Fredericksburg, Va., who was graduated "with distinction" by the University of Virginia, where she also earned a graduate degree, and Laura Lee, a junior at Virginia Tech. Both girls were honored to be selected to follow their mother as Ohio princesses in the National Cherry Blossom Festival, so he is a good sire, as well as these other qualifications.

While working for Congress, Joe attended George Washington University at night, and West Virginia Wesleyan College briefly during a recess of the House. In 1971, Salem College, Salem, W. Va., bestowed on Bartlett the degree of doctor of laws. He also has received a similar honor from the Atlanta Law School in Atlanta.

In addition to his duties as an employee of the House, Joe has become a well-respected and active member of the Republican Party, and a dynamic force in Republican politics at the local, State, and national levels.

Although he has served in this body on a bipartisan basis and is as respected and held in affection by our friends on the other side of the aisle as he is by the minority party, his dedicated and determined efforts have truly helped to strengthen our two-party system, and therefore, the very basis of our democratic form of government.

Joe, incidentally, will be the last minority clerk of the House. His title has been officially retired, and his successors will be titled counsel to the minority. Joe now will be known as the clerk of the minority emeritus.

To those of us who have had the opportunity to work with Joe, that title will mean a great deal because of the man behind it. Joe has given us a fine example of warm humanity and civic culture that contributes so much to our society. He has demonstrated by his behavior the deep meanings of human dignity and the rule of law. His friendly smile, his great enthusiasm and his endless willingness to help, to befriend new Members, will always be remembered in this House by all of us who have served here.

Joe, Jinny, I join my colleagues in wishing you and your fine family much happiness and success in all your future endeavors, wherever they may lead you.

Call on us, if you ever need us, because we feel that sense of loyalty to our honorary Ohioan.

I am joined in this tribute to you by a number of Members who could not stay and share their personal affection for you; but I just want to read the list of Members who before this session ended today asked me to tell you how much they think of you:

Caldwell Butler, Larry Coughlin, Bob Walker, Dick Schulze, Don Clausen, Robert Dornan, who spoke, and George Hansen, who spoke, Bob Lagomarsino, who spoke, Matt Rinaldo; the chairman of the Judiciary Committee, Pete Rodino; Dante Fascell, Dick White of Texas; Joel Pritchard; John Seiberling, another Buckeye; Toby Moffett, Larry Winn; Dave Treen; Mrs. Margaret Heckler; James Martin of North Carolina; Morgan Murphy of Illinois; Lindy Boggs, whose husband served as a majority leader of this body and then she succeeded him; Gillis Long of Louisiana; Robert Roe of New Jersey; Marilyn Lloyd Bouquard of Tennessee; and the majority leader of the House of Representatives, the Honorable James Wright of Texas; and a former colleague of ours, Clark MacGregor, who shares with us this moment.

In addition to that, I have special order requests from Mr. Robinson of Virginia; from Tennyson Guyer of Ohio; from Morris Udall of Arizona; and a tribute from the Ohio House of Representatives inserted by the State representative from Mechanicsburg, Ohio, whose father served as the Senator from Ohio, Charles Rockwell Saxbee of District 75; a letter from Chet Newland, professor of the University of Southern California, Washington Public Affairs Center, who praises you and wishes you well.

I would also, Mr. Speaker, ask for the opportunity to insert in the Record not only that resolution from the Ohio House of Representatives and the letter from Mr. Newland; but the last biography of Joe Bartlett when he completed his service as clerk of the minority of the House of Representatives.

The material follows:

Ohio House of Representatives—H.R. No. 48

Recognizing Joe Bartlett for his outstanding service to the United States House of Representatives

Whereas, The members of the House of Representatives of the 113th General Assembly of Ohio, fully aware of the innumerable contributions Joe Bartlett has made during his eight years as clerk of the minority of the United States House of Representatives, take this opportunity to express our appreciation; and

Whereas, A former resident of Chagrin Falls, Joe Bartlett, prior to his election as clerk of the minority, served Congress for seventeen years as the House Republican reading clerk, having first acquired an interest in the legislative branch of government as a page in 1941; and

Whereas, Throughout his distinguished career on Capitol Hill, Joe Bartlett maintained an unsurpassed reputation for loyalty and honesty in the performance of his myriad duties, justly earning him the esteem and confidence of members from both sides of the political aisle; and

Whereas, A well-respected member of the Republican party, Joe Bartlett has been a dynamic force in Republican politics at the local, state, and national levels, and his dedicated, determined efforts have truly helped to strengthen our two-party system, the cornerstone of American democracy; therefore be it

Resolved, That we, the members of the House of Representatives of the 113th General Assembly, in adopting this Resolution in honor of Joe Bartlett, recognize this magnanimous Ohio son for his thirty-seven years of outstanding service to the United States House of Representatives and wish him much happiness and success in all his future endeavors; and be it further

Resolved, That the Legislative Clerk of the House of Representatives transmit duly authenticated copies of this Resolution to Joe Bartlett; to The Cleveland Press; and to The Plain Dealer, Cleveland.

UNIVERSITY OF SOUTHERN CALIFORNIA, WASHINGTON PUBLIC AFFAIRS CENTER,
Washington, D.C., January 17, 1979.

CLERK TO THE MINORITY,
House of Representatives,
Washington, D.C.

Joseph D. Bartlett, trustworthy and distinguished Clerk to the Minority of the House of Representatives, has now served 40 sessions of Congress. He has served with distinction—always outstanding in meeting ever-increasing demands. But far more, he has provided a superb example of warm humanity and civic culture which has stretched far beyond Capitol Hill to nourish the basic values and principles of American constitutional government.

Joe Bartlett demonstrates by his behavior the deeper meanings of human dignity and rule of law. At the same time, he knows by disciplined study and experience the conceptual and practical dimensions of those most basic values. He teaches them well by example, and he also has a rare talent for articulating them.

Joe attended the Federal Executive Institute as a distinguished career Federal executive while I was privileged to serve as FEI's director. Of the superior participants in the Institute's major developmental program, Joe was clearly at the top in every respect. He invariably helped others to perform at their best. He led effectively in groups, even as a quiet participant. But he also spoke eloquently and with impressive knowledge when that was appropriate. He was a masterful teacher—and in all respects a most thoughtful student, always learning.

Joe's positive impact on executives and on government generally was recognized when FEI alumni selected him as the principal speaker at the Institute's Tenth Anniversary celebration in 1978. He was outstanding in that role.

The combination of vast practical knowledge, informed political theory, and personal integrity demonstrated by Joe Bartlett is exceptional. His talent in working with people and helping them to surpass themselves and his deep understanding of American government and politics make him a resource without equal. He must continue to be utilized, for as an ever-growing, good human being, Joe Bartlett will never be used up.

With sincere, great respect,
CHESTER A. NEWLAND,
Professor.

Joe Bartlett, the Clerk to the Minority of the United States House of Representatives, is the ranking Republican staff officer in the House, and is elected to that position by the Members of the Republican Conference at the beginning of each Congress. Joe is serving his fifth term as Clerk, having commenced his unusual career as a House Page in 1941, and having served seventeen years as House Reading Clerk.

A familiar voice in the Congress for many years, Joe Bartlett is widely recognized for his similar role as Chief Reading Clerk of the Republican National Conventions. He has been selected for that assignment since 1960, and has served each convention since 1948, when he was Chief of the Pages.

Well into his 37th year with the Congress, Bartlett is now "dean" of the legislative attaches. His service has spanned events of momentous historical significance and rich personal experiences in association with some two thousand Members of Congress, five of whom he has seen become President of the United States. Of the Congressmen who were there when Joe started as a Page, August 1, 1941, only three remain, and all three have announced this will be their final session; they are not seeking re-election.

Erstwhile citizen of Chagrin Falls, Ohio, Bartlett continues to serve as an adjunct member of the Cuyahoga County Republican Executive Committee. Born in Clarksburg, West Virginia, August 7, 1926, Dorsey Joseph Bartlett is the sixth of the ten children of Flavius Dorsey Bartlett (deceased) and Blanche Hacker Bartlett, both descendants of early pioneer families.

Chosen as a lone delegate to represent West Virginia at a national safety convention in Washington, D.C., Joe was singled out as "America's Typical Schoolboy Patrolman." From this, came the opportunity to serve a 30-day appointment as a Page in the House of Representatives, after which Joe continued "without portfolio" for three years, graduated from the Capitol Page School in 1944, and joined the Marine Corps, to serve the remaining months of World War II.

Honorably discharged as a Private First Class, Bartlett returned to the Capitol and became, at 19, the youngest Chief of Pages on record. He continued his reserve activities and won a commission from the ranks as a "meritorious NCO" when the Korean emergency broke out, during which he served a year with the Second Marine Division at Camp Lejeune, N.C. In the ensuing years Joe had varied and world-wide reserve experience, and was commanding VTU 4–1, Washington, D.C., when he was selected for promotion to flag rank.

Bartlett served as a Brigadier General in the U.S. Marine Corps Reserve from July 1, 1975 to July 1, 1978. At retirement ceremonies on the parade field at historic Marine Barracks, Washington, D.C., Marine Corps Commandant, General Louis H. Wilson, decorated General Bartlett with the Legion of Merit "for exceptionally meritorious conduct in the performance of outstanding services."

During basic training at Quantico in 1951, Lieutenant Bartlett was among a small group of junior officers ordered to Washington for a week of "hazardous duty" as escorts in the National Cherry Blossom Festival. Joe was assigned to escort the Ohio Princess, Miss Virginia Bender of Chagrin Falls, daughter of then-Congressman George H. Bender (deceased) and Mrs. Edna Bender. Romance also blossomed, and the following year "Jinny" and Joe were married.

While working for the Congress, Joe attended George Washington University at night, and West Virginia Wesleyan College briefly during a recess of the House. In 1971, Salem College, Salem, West Virginia, bestowed on Bartlett the degree of Doctor of Laws. A year earlier he had been awarded a similar honor by the Atlanta Law School, Atlanta, Georgia.

The Marine Corps selected General Bartlett to participate in Defense Strategy Seminar '75, of the National War College (National Defense University) in June 1975.

On the nomination of the Speaker of the House and House Minority Leader, Bartlett became the first representative of the Congress to attend the Federal Executive Institute at Charlottesville, Virginia. Completing Senior Session No. 33 in December, 1975, Bartlett was elected to deliver the graduation address, and subsequently to serve on the Board of Directors of the FEI Alumni Association.

A frequent speaker at public events, Bartlett was honored to be asked to make the address at the 102nd Memorial Day Services at Gettysburg National Cemetery. The U.S. Jaycees presented him their Distinguished Service Award for his work in helping to organize a Federal Affairs program for their membership. In 1969, as the author of a patriotic essay, he received the George Washington Honor Medal of the Freedoms Foundation.

A member of numerous professional organizations, Joe has long been an officer of the National Republican Club of Capitol Hill, presently serving on its Board of Governors.

Jinny and Joe Bartlett have two daughters, Linda Louise (now Mrs. James L. Hobgood of Fredericksburg, Va.) who was graduated "with distinction" by the University of Virginia, where she also earned a graduate degree, and Laura Lee, a junior at Virginia Tech. Both girls were honored to be selected to follow their mother as Ohio Princesses in the National Cherry Blossom Festival. The Bartletts make their capitol home in McLean, Virginia.

☐ 2015

Mr. MILLER of Ohio. I thank the gentleman from Ohio for those very good remarks and I yield now to the gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. I thank the gentleman from Ohio for yielding and I certainly want to commend him for taking out this special order. And I would just like to add my few words to the beautiful tribute that has been paid to Joe Bartlett and his lovely wife, Jinny.

I would just like to say that I was not a frequent visitor by any means to Washington prior to coming to Congress but I felt like I knew Joe Bartlett before I ever arrived here because I did have one thing in common with him. We were both frequent visitors to Chagrin Falls, Ohio, where his wife was reared and raised.

Back in Chagrin when people knew I was coming here I heard many, many wonderful things about Joe Bartlett and what a great fellow and American he was. Everything I heard from back in his second home was true. I heard Member after Member recite the assistance he gave each of them when they came to Congress. The same was true with me.

The thing that went through my mind as I look back is regardless of how much we imposed upon his time he always seemed like he thoroughly enjoyed helping us all and assisting us in any way he could. We appreciate the great leadership and guidance he gave us. He is a great American. He not only devoted a great part of his life to working in the House of Representatives and therefore working for his country but he continued his great service in the military by staying in the Marine Reserves rising to the position of general. We all miss him but we all wish him well, he and his lovely wife in their future endeavors.

Mr. MILLER of Ohio. I thank the gentleman from South Dakota.

One of the many highlights of Joe's distinguished career came in 1975 when he was nominated and confirmed as brigadier general in the U.S. Marine Corps Reserve. An overflow crowd of friends and well wishers that July day saw Marine Corps Commandant, Gen. Louis Wilson administer the oath of office to Joe and read the following letter:

THE WHITE HOUSE,
Washington, July 10, 1975.

Brig. Gen. JOE BARTLETT,
U.S. Marine Corps Reserve,
Washington D.C.

DEAR JOE: Knowing how much the Marine Corps has meant in your life, and how much the values which Marines cherish have contributed to your outstanding career of service to the House of Representatives, I want to add my congratulations on this happy occasion for you and your fine family. Warm good wishes. General, from a reserve Lieutenant Commander who got recalled to active duty.

Sincerely,

JERRY FORD.

Joe is truly the citizen-soldier—a patriot who unswervingly heeds the call of his country in time of war and peace. No one could have a deeper and more abiding love for his country and desire to serve it than Joe Bartlett.

● Mr. RHODES. Mr. Speaker, in the book of Ecclesiastics we are directed: "Whatsoever thy hand findeth to do, do it with thy might." For 37 years of dedicated service to the House of Representatives, Joe Bartlett worked enthusiastically at whatever task he was assigned. His trademark was unflagging cheerfulness, a ready smile, and willingness to tackle what needed to be done.

Joe was active in many areas—and rose to the rank of brigadier general in the Marine Corps Reserve. He was a familiar fixture at Republican National Conventions, where he helped keep things flowing as official reader and with his knowledge of parliamentary procedure.

He served the Congress during a time in which the Nation faced three wars and many domestic crises. I know that I speak for all my colleagues, those now serving as well as those who have served during the past four decades, in expressing our appreciation for all the hard work Joe Bartlett put in to make our jobs a little easier.

I join my fellow Republicans in wishing him a long and fulfilling retirement, and I know that whatever he turns his hand to now, he will be doing it with all his might. That was Joe Bartlett's way.●

● Mr. GUYER. Mr. Speaker, Joe Bartlett gave new dimensions to a long and eventful career of public service. For 37 colorful years, Joe served in the House of Representatives. From page to minority clerk, Joe was the epitome of service above self.

Nobody was prouder of Ohio than Joe Bartlett. Few esteemed his country more than Joe. While he was Republican all the way, he never forgot that being a gentleman is the first requisite of good citizenship.

Whatever new horizons Joe seeks, he has cast a long shadow in the Nation's Capitol. We all wish him and his family new mountains to climb and new goals to achieve.●

● Mr. ROBINSON. There have been several occasions on which it has been appropriate to express publicly a high regard for Joe Bartlett, and it has been a genuine pleasure for me to have such opportunities.

I recall the occasion's of Joe's advancement to the grade of brigadier general in the U.S. Marine Corps Reserve—a very unusual distinction for a reservist of that service. More recently, many of us attended the impressive retirement parade for him at the Marine Barracks in Washington.

Now, it is with mixed feelings that we express again our admiration for Joe, because we are noting that he closed out, as this 96th Congress began, a career of service to the House spanning 37 years. It was a remarkable record, and, while we regret that Joe no longer is an officer of this body, we rejoice that he is able to look back with satisfaction on so long a service while still a relatively young man, and enjoying good health, the comfort of a fine family and opportunity to explore other opportunities to help preserve and advance our systems of representative government and free enterprise.

As others have recalled today, Joe joined the House as a page in 1941. Later, he was to be appointed chief of pages, reading clerk and, from May 11, 1970, through the 95th Congress, he was elected minority clerk of the House.

That he did not have opportunity to serve as Clerk of the House was not because of any shortcoming of this dedicated man. This miscarriage of fate—probably the major disappointment of *Joe's long tenure with us—must be laid* to the failure of the minority to preach its gospel effectively enough, or the failure of a sufficiently large segment of the national electorate to recognize the truth of the message.

After God, family and country, Joe Bartlett's loves have been this House and the Marine Corps—and his heart has been large and vigorous enough to give without stint, through the years, to all of these.

While I cannot claim Joe as a constituent, I value highly the friendship of the Bartlett family. There is a specific link to the Seventh Congressional District of Virginia, in that one of the two attractive and intelligent Bartlett daughters, Linda, has been active in advancing the cause of sound government as assistant to a Virginia State senator and lives in the Fredericksburg area, where her husband is in charge of my congressional district office.

I am glad to be able to salute Joe on this occasion, and to extend best wishes to him, his wife, Ginny, and the rest of his family.●

● Mr. MOTTL. Mr. Speaker, today we pause for a few moments to pay tribute to 37 years of dedicated and loyal service to the House of Representatives by Joe Bartlett. I am proud to note that Joe hails from my own 23d District of Ohio. He further represents a proud family tradition of public service to the Nation and to the Cleveland area.

Joe's career with the House began in 1941, when he joined us as a page. He later became chief of pages, and then reading clerk. From May 11, 1970, through this past Congress, Joe served as minority clerk of the House.

Joe Bartlett, always cheerful, helpful, and friendly, will be missed in our corridors. I join in wishing Joe and his family all of the best for the future.●

● Mr. KINDNESS. Mr. Speaker, it is certainly appropriate that we set aside this time today to pay tribute to a man who has given the major portion of his life in service to the House of Representatives, and to the Government, and the people of this Nation.

Joe Bartlett's career is one which all should envy, and which few could duplicate. He is truly the classic example of the ideal public servant, thinking rarely of his own needs and interests, but rather those of the public, and the House of Representatives.

It gives me great pleasure to take this opportunity to publicly commend Joe for his long years of dedicated service, and to thank him on behalf of the House of Representatives.●

● Mr. CORMAN. Mr. Speaker, this year witnesses the retirement of one of the most dedicated public servants we have had the good fortune to know. After 37 years of work in the House of Representatives, Joe Bartlett decided to take his leave. We will miss him.

Joe first came to the House in 1941 and worked as a page for the minority. Within 3 years he learned the ropes well enough to be appointed Republican chief of pages, and from there his career was a steady ascent in authority and respect, finally culminating in his tenure as minority clerk. Over the years I was pleased to make his acquaintance and even become friends with Joe, despite the fact that he insisted upon staying on the other side of the aisle. No matter, intelligent men may differ in their political inclinations and, more important than any political opinion, Joe and I shared an experience that itself would make us friends in the face of any adversity.

Of course, I refer to Joe's career as a marine. And Joe Bartlett was not just any marine. The loyalty and dedication that he brought to his public service in the House was also brought to his service in the U.S. Marine Corps. Joe served two tours in the corps, eventually retiring as a lieutenant colonel. But his efforts and dedication did not end there, either. Joe remained active in the Marine Corps Reserve program and, in 1975, was rewarded with a promotion to brigadier general in the U.S. Marine Corps Reserve.

It is the Nation's ability to make men of Joe Bartlett's character that is our hope and promise for a continued freedom and prosperity. Laurels, tributes, thanks, and a hearty handshake to Joe on his retirement and career success.●

● Mr. HORTON. Mr. Speaker, I rise to join my colleagues in paying tribute to Joe Bartlett, who was, until earlier this year, minority clerk of the House.

Joe served the House for 37 years in a number of capacities including page, reading clerk, and finally from May 11, 1970, through the 95th Congress, as minority clerk. To his job, Joe brought dedication and hard work, making the job of a minority member less arduous.

In addition to his service to Republican Members of the House, Joe devoted a great deal of energy to occasional assignments for the National Congressional Campaign Committee, as secretary of the Capitol Hill Club, where he was a member of the board of governors, executive committee, and as an officer of the Republican National Conventions since 1948.

Although he has devoted most of his working life to the House of Representatives, it is significant to note that the Marine Corps has played an important role in his life. Many of us recall July 11, 1975, when the Commandant of the Marine Corps, Gen. Louis Wilson, administered the oath of office to newly promoted Brigadier General Bartlett.

By his service and dedication, Joe Bartlett contributed greatly to the House, the Marine Corps, and his community. I join my colleagues today in wishing him well and extending our thanks for 37 years of praiseworthy service.●

● Mr. WALKER. Mr. Speaker, I am privileged and honored to join with my colleagues in the House of Representatives today to pay well-deserved tribute to our friend and indeed my very good friend, Joe Bartlett. While other Members will undoubtedly outline the many accomplishments of Joe's distinguished career, I would be remiss in not mentioning some of the highlights as well.

Joe's dedicated service to the House of Representatives began in 1941 when he became a page. From this position, Joe advanced to become the youngest chief of pages on record at age 19, and then to House reading clerk. On May 11, 1970, Joe was elected to serve as clerk to the minority of the House of Representatives, the position in which he served through the 95th Congress.

With Joe's retirement earlier this year, we have lost a valuable and experienced individual. I am sure that I speak for all of my colleagues when I say that Joe Bartlett will be sorely missed not only by the minority, but also the majority Members of the House. Joe Bartlett was so much a part of this House that the loss of his service is truly a major loss to the institution.

Joe brought to the Congress not only his wealth of experience within its halls, but his interests as a distinguished military leader, a student and a scholar, and, above all, a concerned American. Time and again Joe Bartlett's ideas were translated into legislation with little or no credit to the originator, but with full knowledge that the source of those ideas was a man whose wealth of experience and interpretation of experience was deserving of recognition and respect.

My wife Sue and I extend our very best wishes to Joe and his family for many healthy and happy years ahead.●

● Mr. ANDERSON of California. Mr. Speaker, it is with great respect and admiration that we recognize Joe Bartlett today, who for 37 years served his country in the House of Representatives as chief of pages, reading clerk, and for the last 9 years as minority clerk of the House.

Although Joe and I viewed the Capitol from different sides of the political aisle, his dedication, and abundant willingness to do a difficult job managed to cross party lines and confirm his reputation on both sides of the House floor. Joe has succeeded in weathering the storms of Washington through 9 Presidential terms and 18 Congresses. He has witnessed a myriad of change—international and domestic, political and cultural. His knowledge of the Congress and the arena in which we function is vast; and, as such, he will serve as an example for all of us to follow many years after his departure.

All of us will miss Joe as the 96th Congress progresses. My wife, Lee, and I would like to wish him the very best of luck in his retirement and to extend our thanks for a job very well done.●

● Mr. STOKES. Mr. Speaker, I commend the gentleman from Ohio (Mr. MILLER) for creating the opportunity to pay tribute to Joe Bartlett, who recently retired as minority clerk of the House after 37 years of service to the Congress. Joe started as a page in 1941, and was chief of pages in the House and reading clerk along the way to become minority clerk. During those years he served the House capably and faithfully, but he also served his country. Twice, Joe left his congressional duties for Marine Corps service, culminating in the high honor of being commissioned a brigadier general in the Marine Corps Reserve.

Joe was senior reading clerk when I came to the Congress 10 years ago. We quickly developed a friendship which has lasted over the years. His great abilities, his sense of humor, his humility: All combined to make him a valued acquaintance. We have had many discussions during that time about issues which concerned us both. We agreed at times and had strong differences at others. But at all times I had total respect and admiration for Joe and his principles. I have missed our frequent meeting since his retirement, for he is a rare person, but I wish him the best of all that life has to offer in the future. He was a real credit to the U.S. Congress.●

● Mr. DUNCAN of Tennessee. Mr. Speaker, the brief remarks I am about to make are made with mixed feelings. I am grateful for the opportunity to pay tribute to Joe Bartlett, but at the same time I sincerely regret that he is retiring.

While Joe has served primarily the minority Members of the House I am sure my colleagues on the other side of the aisle would agree that Joe has served the entire House with distinction.

In addition to his service to the Congress, Joe Bartlett has also distinguished himself in other ways. He is a devoted husband and understanding father, and I know that his fine family shares his pride on this day. He has served us in other ways as well, as a member of one of our proudest military forces, the U.S. Marine Corps. He joined the corps as a private during World War II, and 4 years ago was promoted to the rank of brigadier general in the Reserves, which was one of his proudest experiences.

Mr. Speaker, I could go on but I want to give my colleagues ample time to express their feelings. So I will conclude by saying to you Joe, that you have been a great credit to this institution, and we will all miss you. I wish you well in your retirement, and hope that you will come back to visit often.●

● Mr. BROOMFIELD. Mr. Speaker, it is an honor to join in paying tribute to one of the most conscientious and loyal servants of the House of Representatives, our former minority clerk, Joe Bartlett.

Joe's association with this body goes back further than almost any Member of the House today. He began his distinguished career, which spans more than three and a half decades, as a House page in 1941. From that beginning, he rose to become the chief assistant for this side of the aisle.

During those years, Joe received many tributes and special recognition. He was awarded the George Washington Honor Medal of the Freedoms Foundation, the Jaycees Distinguished Service Award for assistance in Government Affairs programs, and was invited to speak before distinguished organizations such as the Brookings Institute and the Industrial College of the Armed Forces. Everywhere Joe went, he brought credit to himself and to the House of Representatives.

Joe's second career, and his other love, has been the Marine Corps.

For nearly 30 years, Joe has been a conscientious Marine Reserve officer who has risen through the ranks from second lieutenant to brigadier general. Twice, in the spirit of a true citizen-soldier, he voluntarily left his position with the House to go on active duty with the Marines. With his unbounded energy and talent, Joe has been a great credit to both his careers.

Mr. Speaker, as a personal friend, I extend my warmest, best wishes to Joe, his gracious wife, Jinny, and their two daughters, and I offer my heartiest congratulations for his full and dedicated service to the House of Representatives. I will always be grateful for the many kindnesses and friendship he has extended to me during our joint service in this body.●

● Mr. UDALL. Mr. Speaker, Joe Bartlett leaves a positive and important mark on the House. Intelligent, fair, possessed of a brilliant and quick mind, he is universally respected not only by his friends in the minority, but by all of us in the majority. For 18 years, I have worked with Joe and always found him responsive and helpful to all Members.

I have been privileged to be his neighbor in McLean where he is a favorite as well. I wish him all the best in his new career.●

● Mr. SCHULZE. Mr. Speaker, it gives me great pleasure to rise today to join my colleagues in paying tribute to a long-term public servant, Joe Bartlett, who retired earlier this year.

Joe came to the House in 1940 as a 30-day page and through these many years Joe climbed the ropes till reaching the position of minority clerk, where he served for 8 years.

But we are not here today to review Joe Bartlett's service, because his dedication and success speak for themselves. Rather, we are here to say thank you to this man who aided so many of us through the years. I think Joe's service to the House of Representatives will best be remembered for his unending belief in the democratic system of government, and his dedication to those principles. He gave more than 37 years of outstanding service to the House, and for those years I say, thank you, Joe, and best wishes for those wonderful retirement years ahead.●

● Mr. SLACK. I wish to join with those who are taking the occasion to express their admiration for our hard-working minority clerk, Joe Bartlett, who has retired after 37 years of service in the House of Representatives. He is a former West Virginian whom I have known ever since I entered the Congress, and down through the years I have admired his loyalty and sense of dedication to this body. He was always helpful to Members of both sides of the aisle and was extremely cooperative on all occasions. We will miss him greatly, and I hope that his years of retirement will permit him to enjoy the leisure time which his many years of service to the House has earned for him.●

● Mr. NATCHER. Mr. Speaker, I wish to join my colleagues in paying tribute to our friend, Joe Bartlett, who has retired after 37 years of dedicated service to the House of Representatives.

His concept of public trust was without parallel and in every position he held, he achieved distinction. His service in all of his assignments was marked by a high sense of conscience and duty. Joe Bartlett possesses outstanding moral and intellectual qualities that are essential in carrying out the assignments that he has held down through the years, utilizing at all times, sound judgment, patience, and perseverance. His character, his achievements, and his faithful service will be an inspiration to generations yet to come.

I want to wish my friend, Joe Bartlett, his lovely wife and family the best of everything in the future.●

● Mr. MONTGOMERY. Mr. Speaker, I am pleased to be able to join with my other colleagues this afternoon to pay tribute to a truly outstanding and dedicated former employee of this body.

Joe Bartlett was a friend to everyone with whom he came in contact. It was certainly a pleasure to be associated with him in the House of Representatives and even though he was on the minority staff, Joe was always very thoughtful to me and those of us on the majority side.

During the first few years I was in Congress I was also a member of the National Guard and Joe was a member of the Marine Corps Reserve. I enjoyed being with General Bartlett at the various military functions we would attend.

Joe Bartlett's retirement is already being felt in this body. We miss him, but at the same time we wish him the very best and hope he will come back to visit often.●

● Mr. REUSS. Mr. Speaker, if ever a man deserved to be called an institution it is Joe Bartlett. His long years as a House staff member enabled him to know the House as few know it, and to serve as few have served it.

His knowledge and judgment made him a valuable member of the minority team, and earned him respect and affection on the other side of the aisle as well.

We will miss him, but his long and distinguished career established a standard to which all of us can aspire.●

● Mr. SHUSTER. Mr. Speaker, I rise today to pay tribute to a man who has had a distinguished career in service to the House of Representatives for over 35 years. Joe Bartlett began working in this historic Chamber before a good many of us who now serve here were even aware of the existence of the U.S. House.

In 1941, when Joe was working here as a page, Franklin Delano Roosevelt was President of the United States, the United States was on the brink of entering what would become the Second World War, and within 5 years, that rare creature, a Massachusetts Republican, would become that rarest of all creatures—a Republican Speaker of the House.

And Joe Bartlett has been here through it all, walking the corridors of history and constantly serving the Members of this House. His was a steady progression—page, chief of pages, reading clerk, and, finally, 8 fruitful years as minority clerk of the House of Representatives. He was here to serve and to assist, and he was able to have a career in which he saw four Members that he had worked with daily succeed each other as President—former Congressmen Kennedy, Johnson, Nixon, and Ford.

I will always be grateful for the kindnesses shown to me by Joe Bartlett when I came to this House. I wish him a long and happy retirement.●

● Mr. CARTER. Mr. Speaker, I am pleased to join in this tribute to a very good friend of mine, Joe Bartlett.

I was disappointed when Joe resigned earlier this year because I hated to see those of us on our side of the aisle lose the thoughtful assistance Joe always provided and the inestimably valuable experience he garnered in his 37 years of association with the Congress.

Joe's career, first as a page, then as chief reading clerk, and finally, as clerk to the minority of the U.S. House of Representatives, has been a unique one and one unlikely ever to be duplicated, either in its breadth or in its performance.

He has been a faithful servant of the people of the United States not only in his various capacities with the Congress but also in his wartime military service and his many years with the U.S. Marine Corps Reserve.

Joe is truly a great American, and we shall miss him and his good services.

In attempting to convey the gratitude I feel and the respect I hold for Joe Bartlett, I am reminded of Sallust's speech on the state addressed to Caesar in his later years:

> Experience has shown that to be true which Appius says in his verses, that every man is the architect of his own fortune; and this proverb is especially true of you, who have excelled others to such a degree that men are sooner wearied in singing the praises of your deeds than you in doing deeds worthy of praise.

I wish for Joe continued success and satisfaction beyond his fondest dreams in all that he does.●

● Mr. SEBELIUS. Mr. Speaker, I would like to join with my colleagues in paying tribute to our friend, Joe Bartlett.

As the record shows, Joe started his career on Capitol Hill as a page for the House of Representatives in 1941. He later served as chief of pages, reading clerk and for the past 8 of his 37 years of service was the minority clerk of the House. In addition, he has managed to combine his service in the House with a distinguished career in the Marine Corps rising to the rank of brigadier general in the Reserves.

During his nearly four decades of service, Joe has made many friends. However, I may be able to claim one of the longest friendships. I first met Joe in 1949 when we attended a Young Republican Convention in Salt Lake City. Since then our paths have crossed many times and when I was elected to Congress 11 years ago we were able to renew our acquaintance on a permanent basis.

Joe's many years of service to the minority have been greatly appreciated. Because he was there faithfully doing his job throughout many transitions, he made our jobs a little easier.

I am sure I speak for all my colleagues when I thank Joe for his many years of service and to wish him the best in his retirement.●

● Mr. COLLINS of Texas. Mr. Speaker, I appreciate the gentleman from Ohio yielding. I am pleased to have this opportunity to add a few words about my good friend Joe Bartlett. We miss Joe from the House and we especially miss his friendly smile and enthusiastic spirit. He has served our party well. Joe always knew what was going on. He knew how to sum up the issue in a few words. If you needed facts, he could put his hands right on them.

When I think of Joe Bartlett, I think immediately of two things. He was smart and he was a marine. The fact that he was smart made him a tremendous asset to us in his capacity to coordinate all the activities on the floor. Being a marine impressed me, since I am a Texan where defense and love of country with strong patriotism still gives us the measure of a good man.

Joe should run for office and join us here in Congress. He is a winner all the way.●

● Mr. McCLORY. Mr. Speaker, it is a privilege to take part in this tribute to our former minority clerk of the U.S. House of Representatives and my longtime friend—Joe Bartlett. During my 16 years in this body, I have come to know many Members and staff personnel serving the membership of the House, as well as its committees. From the standpoint of versatility of experience and depth of knowledge regarding the U.S. House and its operations, as well as a personal acquaintanceship with most of the Members of the House during the period I have been here, Joe Bartlett stands at or near the top of the list.

Mr. Speaker, we frequently hear expressions on the part of Members and House personnel who exclaim, "I love the House." However, I do not think that anyone uttered these words with greater meaning than Joe Bartlett. Coming up the hard way from a House page to a top administrative role in the House of Representatives—as minority clerk of the

House—Joe Bartlett earned his spurs by reason of the excellence of his service and his steadfast application to the job.

In addition to my close association to Joe Bartlett in our contacts here in the House, I have been privileged to serve as part of the congressional Marine Corps group which owes its principal organizational support to Joe Bartlett, a brigadier general in the U.S. Marine Corps Reserve.

Mr. Speaker, I am sure that Joe Bartlett will move on from his service in the U.S. House to other activity, as I simply cannot believe that he could remain inactive very long. In whatever direction his service leads him, the good wishes of his friends here in the U.S. House will be a supporting influence. We join today in expressing appreciation to Joe Bartlett for a job "well done" and extend to him and to his lovely wife, Jinny, our congratulations and our every good wish for healthy and happy lives together.●

Mr. MILLER of Ohio. I thank you, Mr. Speaker, and I yield back the balance of my time.

GENERAL LEAVE

Mr. HOPKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Ohio (Mr. MILLER).

AN ENERGY-SAVINGS PLAN FOR CAPITOL HILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia (Mr. RAHALL) is recognized for 10 minutes.

Mr. RAHALL. Mr. Speaker, Mr. Schlesinger, the Secretary of Energy says that the best, and really only solution to our oil crisis is to force the people to use less oil.

Pure, simple and to the point: Use less gas—import less oil.

Well now that statement is not new. Mr. Schlessinger has been saying it over and over for the better part of 2 years. Nor is the rationale behind that statement new, and particularly not new to anyone sitting in this Chamber.

But, Mr. Speaker, what may be new to this body is the thought that we, Congress, may be like every American business and institution. Maybe we talk a lot about the problem of energy, but when it comes right down to the brass tacks of doing something about it we look to others to plan, to others for solutions, to others for action, and to others for sacrifice.

Mr. Speaker, I suggest that we show the Nation how to plan, take action and make sacrifices. But most of all Mr. Speaker, I suggest that we provide the leadership in this situation. Leadership by example.

Ask yourself—What are we in Congress actually doing to conserve energy? The Comptroller General in a recent letter to the chairman of all energy-related committees and subcommittees noted that one of the overriding problems concerning energy is "The lack of aggressive, coordinated effort to conserve energy in Federal operations and facilities."

Let us see, just what have we done? The superintendent has turned off every other light in our halls and in some locations there is just minimal lighting. The clerk has come up with a vast and complex carpool system—which very few people use. I am told that last year that of the 18,500 individuals employed on the Hill only 400 to 500 people requested information on the operation of the carpool. All of us admonish our staffs to keep the thermostats at 65. All of this is good—it is an effort, true. But really, is any one of those a real sacrifice? Is any one a burden on our daily lives? I have been told that the reason the carpool program does not work is that staff members have rigid hour requirements in their offices and the Members refuse to bend to allow persons to leave early enough to catch the carpool home.

Mr. Speaker, if we are salving our consciences with this effort and telling ourselves that we are making a real effort then I think we are only kidding ourselves. Just like every other American we are making nothing more than a token effort while waiting for others to make the big moves.

This country needs some leadership. Not the type that tells them they have a problem and speaks in generalities. But some leadership that is going to speak in specifics and call for American action and cooperation.

We have an energy problem in this country. It is not going to go away. It is here, it is going to stay and it is going to get worse if we do not do something about it.

None of this is new either—it is just a restatement of the problem. To go one step further—the root of the problem can be many things but if you really search around in those roots you keep coming back to the same theme—convenience. We as a nation have become convenience minded—everything is for our convenience, no matter the cost, no matter the waste, our convenience comes first. We have nearly buried ourselves in junk cars, throw away cans, and throw away plastic and paper products.

Think about it for a minute. How much did our energy consumption increase when the drugstores began to stay open 24 hours a day. A little—true. But then the grocery stores decided that they too should stay open 24 hours and the consumption increased a little more. Then we had the department stores staying open 7 days a week. Think about it real good—the energy consumption for what—convenience.

Well, Mr. Speaker, I am not here to suggest that we do battle against the American public and demand that they close the stores on Sundays and that drugstores and grocery stores go back to 12-hour days. This will have to come in time; however, it will not come until we, the Congress, show them how it is done.

In my office we have researched the problem thoroughly and if you will refer to the hand out being passed among you, you will see how we, the Members of Congress, can with some real convenience sacrifice save this country 102,068 barrels of imported crude oil every year. This can be accomplished by putting staffs on a 4-day work week. No cut in hours, Mr. Speaker, but a staggered 4-day work week with 10-hour days.

Mr. Speaker, I will be more than happy to have another Member join me or I will go it alone—but as of this day my staff will work a staggered 4-day workweek—each day will be 10½ hours long and the job assignments will not be altered in any manner. They must do their jobs in this time frame.

I have directed my executive assistant to keep a journal of the next 8 weeks and I will report back to this body at that time to give you the results of our experiment. I would like to have other Members join me and we can work along with one another through the next 8 weeks.

Mr. Speaker, we in Congress can save 102,068 barrels of imported crude a year. If this concept were carried through to all Federal employees located in the District of Columbia this would be an additional savings of 1,293,774 barrels of crude each year. And suppose the American citizenry took our lead and began to boycott stores open 24 hours a day—suppose they did not go into stores after 9 in the evening—soon stores would close at night and we would have further savings.

Mr. Speaker, we in Congress can take the lead and give the type of leadership needed at this crucial time. Leadership by example:

HOW OUR FACTS READ

1. Our figures estimate that on the average, Hill employees travel approximately 20 miles per day traveling to and from work.

2. If you multiply this 20 mile figure times 5 days per week times 48 weeks (figuring that each employee takes 3 weeks vacation as well as 1 week off for Federal Holidays) this comes to a total of 4,800 miles per person traveled to and from work.

3. If you multiply this 20 mile figure times 4 days per week times 48 weeks, you come up with a total of 3,840 miles traveled.

4. Therefore working a 4 day week would save 960 miles per person per year.

5. The Congressional Budget Office report entitled "Urban Transportation and Energy; The Potential Savings of Different Modes" reports that miles per gallon for:

Automobiles 11.3–12.

Bus–9.

Commuter Rail 0.8–1.3.

Averaging all three forms of transportation yields 6.9 m.p.g.

6. If you divide the miles per year saved on a 4 day week by the average miles per gallon you find that each employee will save 139.1 gallons on the 4 day week.

960 divided by $6.9 = 139.1$ gallons.

7. If you multiply the gallons saved (139.1) times the total number of Hill employees as reported by the House Finance Office and the Senate Dispersing Office this comes to a total saving of 2,573,913 gallons per year.

$139.1 \times 18{,}500 = 2{,}573{,}913$ gallons saved.

8. As reported by officials at Gulf and Texaco Oil, there are 24 gallons of gasoline in each barrel of unrefined oil imported into the U.S. This comes to an average savings of 107,246 barrels of crude oil if Hill employees worked a staggered 4-day week.

2,573,913 divided by $24 = 107{,}246$ barrels

9. If this concept were carried on to all Federal Employees working in the District of Columbia, the net savings would be 28,476,-

691 gallons or 1,186,528 barrels of imported crude saved per year.

Number of civil service employees in D.C. 204,721.

139.1×204,721=28,476,691 gallons saved

28,476,691 divided by 24=1,186,528 barrels.

10. 107,246 barrels+1,186,528 barrels=1,293,774 barrels saved/year.

☐ 2025

THE NEED TO EXTEND THE RESTRICTION ON THE EXPORT OF ALASKAN OIL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 15 minutes.

● Mr. McKINNEY. Mr. Speaker, in May of 1977, I offered an amendment to the Export Administration Act Amendments of 1977 because in my judgment, there had been an insufficient effort on the part of both the producers and the Federal Government to fulfill the intent of the Trans-Alaskan Pipeline Act. That amendment, restricting the export of Alaskan oil, was passed by a voice vote in the House and a subsequent motion to instruct the conferees was approved by 240 Members. When offering this measure, I agreed to limit the export restriction to a period of 2 years because, despite a history of noncooperation by the North Slope producers and despite my intuitive mistrust of further promises, opponents of my amendment assured me that a domestic distribution system for Alaskan oil would be well on the way to completion at the end of that period.

That has not happened. In fact, I would venture to say that the American consumer—the party that has the most at stake in this issue—is no closer to enjoying the supply security that Alaskan oil was intended to provide than he was in 1973. The truth is, Mr. Speaker, the Alaskan North Slope producers have not acted in good faith and for the sake of those people who are most adversely affected by such negligence, we must see to it that compliance is enforced.

The issue of Alaskan oil exportation is not often referred to as a consumer issue, but clearly the destination of North Slope crude oil is of growing importance to oil-hungry Americans. Each development in recent months, in the world oil market, has presented us with compeling evidence that Alaskan crude is of growing importance to the U.S. consumer. The importation of high priced oil, some costing $20 per barrel, rose 9.7 percent from January 1978 to January 1979, and U.S. oil consumption rose 5.1 percent in that same period. Iran recently closed the tap on one-half million barrels of oil that this country imported every day. As a result, the administration is proposing weekend gas station closings and hinting at $1 per gallon gasoline. The consumer has only begun to feel the effects of OPEC's latest price increase and shortages of No. 2 and No. 4 heating fuels are beginning to appear. At last count, the North Slope producers were among a group of 26 domestic suppliers implementing allocation plans for domestic petroleum. Why then, the consumer might ask, should we export oil at a time of growing shortage? The answer: To save producers a few pennies per barrel in transportation costs and to assure them of sufficient production incentives. At which point the consumer might ask further, are these not the same producers who just recorded recordbreaking earnings in the fourth quarter of 1978? The answer is "yes": They are Sohio, which as a result of a tripling of production on the North Slope reported an incredible 134-percent increase in earnings during that last quarter and Phillips Petroleum, which reported a 103-percent increase in earnings; and ARCO, a 30-percent increase; and Exxon, a 49-percent increase. In fact, Mr. Speaker, these are the same producers who plan to expand production on the North Slope by 200,000 barrels a day by the end of this year. And perhaps most important, these are the companies which are guilty of a breach of the promise to develop a domestic distribution system for Alaskan oil.

Consider, that since the passage of the Export Administration Act, when further assurances that a domestic distribution system would be established were made, Standard Oil of Ohio has made virtually no progress in developing a pipeline route between Long Beach, Calif. and Midland, Tex. In fact, that project has now been abandoned because, we are told, of the "endless Government permit procedures, pending and threatened litigation." These are the reasons advanced even though Governor Brown was quoted, the same day, as saying, "California had reached the point where it was ready to go." Further, the director of that State's Air Resources Board, Tom Quinn, said:

> Sohio knew that they would have the green light by the end of this month and that the key permits would be issued by April.

As for the other alternatives, the Northern Tier pipeline project has been hamstrung in the State of Minnesota and is years away from initial work. The Kitimat pipeline that would cut from Alaska through Canada to the Middle West is even further away from reality since there seems to be no enthusiasm for that proposal in Ottawa. On top of all this, we have just received yet another study from the Department of Energy on proposed pipeline alternatives for the delivery of Alaskan oil to the Midwestern and East Coast States.

But, the problem of Alaskan oil distribution is not restricted to foot dragging on pipeline proposals. Since the discovery of oil on Prudhoe Bay, the North Slope producers have known that refining capacity on the west coast was not properly equipped to handle high-sulfur Alaskan crude. Yet, since that time little or no progress has been made to rectify the problem. In fact, one of the North Slopes major producers, Exxon Corp., has recently canceled its plans to enable its Benica, Calif., refinery to handle 40 percent more Alaskan crude. A company official was quoted as saying that the plans were nullified because Exxon was concerned over getting permits. I would not hesitate to add that the financial attraction of, and the increasing possibility for, the export of Alaskan oil figured prominently in that decision. Actions such as these make it inordinately difficult for me to believe that either the Federal Government or the North Slope producers plan to make good on the promise of delivering Alaskan oil to the lower 48. Furthermore, a short review of the history of North Slope development leads me to believe that neither party ever intended to fulfill those commitments. I will not ask my colleagues to accept my word on that, the evidence is best presented by the participants, the Government, and industry officials involved.

In August 1969, Rollin Eckins, vice chairman of Atlantic Richfield, in a presentation to the Alaskan science conference said Japan would be willing to pay a premium for a secure supply of Alaskan oil. Phillips Petroleum president, John M. Houchin, submitted a proposal to the House Interior Committee in the spring of 1970, in which Alaskan oil would be exported to Japan in exchange for that country's share of Persian Gulf oil. The idea, I should add, was to save the producers some transportation costs. And, in 1970, Edward L. Patton, president of Alyeska Pipeline Service Co., submitted confidential estimates to the U.S. Department of Interior which targeted 25 percent of the North Slope crude for sale beyond the west coast of the United States, including direct sale to Japan by 1980.

Clearly, the proposed sale, export or swap of Alaskan oil to Japan is not, as we are asked to believe, a result of unforseen changes in the world petroleum markets. The plans to export Alaskan oil to Japan were formulated long before the OPEC embargo, the subsequent price increases and the development of the Outer Continental Shelf. These plans were made with the full knowledge that the West Coast could never absorb the flow of oil from Prudhoe Bay. In February 1970, President Nixon's Cabinet Task Force on Oil Import Control reported that—

> Every projection of North Slope production indicates that it will far exceed the petroleum demands of the West Coast.

The report estimated that even if the West Coast gave up all its non-Canadian imports, the North Slope would produce 600,000 barrels a day more than the West Coast could absorb. In December 1970, the Alaskan State Legislature was told much the same thing and in July 1970, the National Petroleum Council informed the Department of Interior of similar findings.

The arguments for exportation that we hear today are as fallacious as the assertions made by producers about West Coast demand. I have been repeatedly told that exportation of Alaskan oil is necessary in order to provide sufficient production incentive for the North Slope producers. These claims are made despite the fact that ARCO vice chairman, Bill Keischnick, told The Oil Daily this month, that plans to expand ANS production by 300,000 barrels a day "look encouraging." And, as I mentioned, Sohio attributed its record earnings in the last quarter to a tripling of production on the North Slope. We hear further arguments that to export Alaskan oil would help reduce our balance-of-trade deficit. However, selling ANS production to Japan at Prudhoe Bay for $13 per barrel in exchange for $14 or $15 per barrel OPEC or Mexican oil leaves a lot to be desired as a means of shrinking the trade deficit. It has been further estimated that the quality differential between high sulphur Alaskan oil and lower sulphur OPEC, Indonesian or Mexican crude would result in a $250 million trade deficit each year in a barrel for barrel swap.

The argument for transportation savings is one of the most enduring ploys used in the effort to export Alaskan oil, but that argument falls short for several reasons. First, the entitlements program, which spreads the cost of all crude evenly throughout this Nation's refinery network, excludes any possibility of passing those savings on to the consumer. Any savings in transportation costs will be captured by the North Slope producers and added to their recordbreaking earnings totals. Furthermore, the $2 per barrel cost differential between the delivery of Alaskan oil on the west coast and on the gulf coast, via the canal, could be substantially reduced if the North Slope producers would engage in long-term shipping contracts rather than the spot contracts they now select. Unfortunately, as long as the possibility of Alaskan oil exports exists, producers will have as little incentive to engage in long-term contracts as they will to expand refining capacity or construct pipelines.

Finally, Mr. Speaker, we all should be extremely concerned with the implications an Alaskan oil export or swap would have for petroleum supply security for the United States. The original proposed oil swap, whereby Alaskan oil would go to Japan in exchange for OPEC supplies was termed by the New York Times in 1978 to be "the most dangerous solution of them all." I certainly agree. Had the controversy surrounding export of Alaskan oil not developed, there is every possibility that this country would have engaged in a swap involving the shah of Iran. Of what value would our transportation costs savings have been in that instance? With other members of the OPEC organization issuing warnings to the West that the future of oil supplies will depend on the resolution of the Palestinian question, the advisability of any swap with OPEC becomes all the more frightening. Perhaps the least publicized of the Alaskan oil export options is the delivery of that crude to Israel. This proposal, presently under study by the administration, was suggested as a means of fulfilling a 1975 treaty obligation in which the United States guaranteed Israel a secure supply of oil in the event that her supply was shut off—as it has been by Iran. It is ironic that if Israel decides to invoke the treaty, they have assured the United States that they have both the tanker capacity and appropriate refining capacity to utilize Alaskan oil.

And what of the potential strain on our relations with those countries engaged in a swap arrangement should the cancellation of the agreement be necessary? In the conference committee compromise on my amendment of 2 years ago, a provision was included allowing this country to terminate the swap if the U.S. supply of the trade was jeopardized or shut off. Again, Mr. Chairman, if this country had presently been engaged in a trilateral agreement with Iran, we would not be in a position of stopping delivery of Alaskan oil to Japan. And, such a scenario does not bode well for the success of delicate trade and monetary agreements presently being worked out between Japan and the United States.

As you know, the latest, most virgorously promoted export option, now being pursued, involves the sale of Alaskan oil to Japan in exchange for that country's share of Mexican petroleum. I like to characterize this latest proposal as the methadone approach since it does nothing to relieve our addicton to foreign oil; it just replaces our current pusher. We cannot afford to allow ourselves to be lulled into a false sense of security by merely replacing OPEC supplies with Mexican oil. Despite the obvious marketing potential, Mexico does not represent the salvation of this country's petroleum problems. The recent rejection of the natural gas proposal between Mexico and the United States should provide us with sufficient warnings that Mexico, like Canada (which in the next 2 years, will phase out all exports to our Northern Tier refineries), does not find the happenstance of common boundaries to be a compelling enough reason to assure this country's energy security. The only way this Nation can move toward a more secure energy future is through the expansion of refining capacity; the utilization of domestic production in available domestic markets (we presently import 3 million barrels a day of sour oil into PAD's I, II, III and we import 600,000 barrels of high sulphur crude to fill our strategic petroleum reserve); and through the establishment of a transportation system to deliver Alaskan North Slope crude to the Midwest and east coast.

As all my colleagues are aware, the provision of the Export Administration Act made possible by my amendment will expire on June 22 of this year. Therefore, I would urge my colleagues to cosponsor the bill I have introduced today to extend and strengthen the existing export restriction. It is not my intent to deny the oil companies their fair share of profits nor to add costs to an already overburdened consumer. I simply want to move this country farther down the road of self-sufficiency by asking that the commitments made to this Congress in 1973 are commitments kept to this country in 1979.●

SURVIVOR BENEFIT PLAN FOR MILITARY PERSONNEL—PUTTING IT BACK ON THE TRACK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. BOB WILSON) is recognized for 5 minutes.

● Mr. BOB WILSON. Mr. Speaker, a young man I have known for many years, who is planning to retire from the Navy in the near future, recently asked my opinion as to whether he should participate in the survivor benefit plan for military personnel. Frankly, I was hard-pressed to respond. A few years ago, my answer would undoubtedly have been in the affirmative. Such advice would be glib today. As our conversation progressed, in fact, I felt more and more like Jimmy the Greek, giving odds on the likelihood of correcting the several remaining serious inequities in the survivor benefit plan, rather than a senior member of the House Armed Services Committee.

It is a sad state of affairs when you would hesitate to advise a retiring serviceman to participate in a Government-sponsored program to provide for his widow. The purpose of the bill I am introducing today is to correct that situation.

This is basically the same legislation which the House passed overwhelmingly on two previous occasions. Although the Senate has subsequently approved some portions of the House-passed measures, they have failed to come to terms with the meat of the legislation and the heart of the problem in SBP—the dollar-for-dollar social security offset.

The survivor benefit plan, as established by Congress in 1972, was closely patterned in terms of both costs and benefits on the survivor program already in existence for a number of years for civil service retirees. The plan was designed to make it possible for every retiree, particularly those with limited means who could not afford adequate private insurance, to take a reduction in retired pay during their lifetimes in order to assure at least a minimal income for their widows in the event of death. The cost of the program was structured so that a basic amount of coverage could be offered at low cost, with higher premiums for those who wanted to pay for more protection.

The original premise was to supplement the survivor coverage provided by the social security system, in which the military has participated since 1957. The actual integration of social security and SBP for the widow, however, is a prime example of the "best laid plans" going astray. In practical application, this is several hundred dollars each month out of an elderly widow's pocket.

Although SBP was designed for all retirees, we were particularly interested in making the plan an attractive buy for lower ranking retirees who would have the least access to other financial assistance for their survivors. The sad irony of the present situation is that we have achieved the exact opposite. The offset is so disadvantageous to much of the enlisted force that an ever-growing number of enlisted retirees each year are opting not to participate. Increasingly, SBP is becoming a Government-subsidized survivor plan for the officer corps.

The legislation I am introducing today will put the survivor benefit plan back on track. It includes the same provisions which the House approved unanimously in September 1977, plus several additional corrections which have come to light since that time. The major thrust of the bill is a reduction in the social security offset.

As mentioned previously, SBP is a voluntary program whereby the retiree elects to reduce his retired pay in order to provide a certain percentage of that retirement to a designated survivor. When the widow reaches age 62, and becomes eligible for social security, every dollar which she receives from social security, based on the late husband's military service, is deducted from her survivor benefit plan annuity. In the case of enlisted retirees, it is possible for the social security offset to completely eliminate any SBP payment whatsoever. The determination of the amount of the offset is made considerably more complex by the heavy weighting toward those at the lower end of the earnings scale which exists in the Social Security System. The net result is a substantial loss of income to the widow. The legislation I am proposing would reduce the offset or reduction from 100 percent to 50 percent, based on the fact that both the Government and the serviceman have contributed toward the ultimate social security benefit.

The inequity most often cited to me is the case of a widow who has worked for many years and paid sufficient social security taxes to be entitled to benefits based on her own earnings. Under present law, she may not receive both a widow's and a worker's benefit, even though she and her late spouse paid taxes for both, but only the higher of the two. Logic would dictate that a widow receiving no benefits from the late husband's account would not be subject to an offset, but this is not the case. Because she is technically entitled to a benefit based on the husband's military service, even though she receives no payment from his account, nonetheless, the offset applies. In this instance, my bill would eliminate the offset entirely. Also removed would be the offset for a widow under age 62 with one child, since widows with two or more children are already subject to no offset, and the offset for Reserve retirees whose only active service after 1956 consisted of short periods of training.

As previously mentioned, the intent of Congress was to pattern the military survivor program closely on the civil service plan in terms of both costs and benefits. Because of the manner in which semi-annual Consumer Price Index raises are calculated under the two systems, however, the military retiree is currently paying $16.32 per month more for the same coverage. As a result, this legislation includes language, which was also a part of the last House-approved measure, to assure that the formula used to apply cost-of-living increases to the reductions in retired pay is the same as that used for civil service.

Last year Congress made one additional revision in the civil service survivor plan and I am including a similar change in the military program. As a result of an improvement enacted several years ago, the retiree is not "locked into" the survivor program and reductions in retired pay cease when there is no longer an eligible survivor through either death or divorce. Should the individual remarry, coverage for the second spouse is automatic. The pension entitlement and other financial resources of the new spouse may be considerably different, however, so that a survivor annuity is neither needed or desired. Public Law 95-317 granted civil service annuitants the right to elect 1 year after remarriage whether to reinstitute survivor coverage. Section 2 of my bill provides a similar opportunity to the military retiree to decline survivor coverage for a new spouse.

Section 8 of my bill is a series of conforming amendments. The minimum income widows' program established by the 1972 survivor benefit plan law is tied closely to the nonservice-connected pension program of the Veterans' Administration. At the end of the 95th Congress, we enacted Public Law 95-588, the Veterans' and Survivors' Pension Improvement Act of 1978, which represents a substantial restructuring of VA pension programs. This necessitates some redesignation of sections in the minimum income widows' portion of the code, which would be accomplished by the technical amendments incorporated in the final section of my bill.

When the House Armed Services Committee originally looked at the survivor benefit plan several years ago, we felt that the changes approved by our committee were so significant and made the plan so much more attractive that it should be reopened for participation by those who had originally opted not to join. Projected enrollment in SBP, at the time of enactment, was 85 percent, based on the Civil Service plan. Unfortunately, the actual percentage is barely 50 percent because of serious shortcomings, primarily the "lock in," which has been removed, and the 100 percent Social Security offset, which we hopefully will eliminate this year. With these major improvements, we should reopen the plan and I feel that this would be advantageous to both the retiree and to the Government in the long run.

In SBP, we have a program where the retiree elects to provide insurance for his survivor through payment of premiums, namely the reductions in his retired pay. The present low participation is a time bomb with a short fuse. We see this situation all too clearly in the current "Forgotten Widows," the widows of pre-SBP retirees who did not join the previous survivor plan because it was very costly in comparison to the meager benefits provided. If more retirees do not opt for SBP, we will face the specter of another group of unprotected widows not too many years down the road. The Government will ultimately bear nearly all the burden through welfare programs, rather than through the shared-cost concept embodied in SBP.

I am, therefore, proposing that we reopen the survivor benefit plan for 9 months for all current retirees not presently enrolled. There is some question in my mind as to whether this should be an unconditional reopening, however, in fairness to those currently participating and I have been weighing several alternatives. It would be possible, for example, to require a larger reduction from retired pay for new enrollees, in the same way that private insurance plans charge a higher premium rate the longer the period of time that an individuals delays coverage. The logistics of designing an equitable penalty system mitigate against this approach, however. Another option would be to simply impose a waiting period during which the designated survivor would be ineligible for benefits. I have incorporated in my bill a third alternative. The criticism has been made that a new enrollment period would result in a rash of deathbed elections by elderly or seriously ill retirees who did not sign up the first time around. Obviously, this does not contribute to the long-term fiscal viability of the program, nor to the best interests of the majority of participants. As a result, I propose that we exclude from death benefits those joining under the new open period who have any preexisting condition, sickness, disease, or injury.

Preexisting condition would be defined as one for which medical treatment was rendered or recommended by a currently licensed physician or surgeon within 12 months prior to the effective date of enrollment under the plan. This preexisting condition would no longer be a bar to the receipt of SBP benefits by the survivor after a lapse of 12 months from the time of enrollment during which no medical treatment was necessary for the condition or a period of 24 months from the enrollment date, regardless of the individual's health at that time. With such a restriction, we would eliminate the possibility of deathbed elections and encourage the participation of younger, healthy retirees who would contribute to the system for a number of years before their survivors began to draw benefits. This approach is based on similar language incorporated in the serviceman's group life insurance program enacted for reservists several years ago.

Now is the time to explore various ways to open enrollment and I welcome both comments and criticism of the several options I have outlined, as well as other recommendations. We will make a tragic mistake if we do not endeavor to make SBP participation as high as possible, while the program is still in its formative years.

I have incorporated two final revisions in this legislation. First, some retirees elected only minimal coverage in the plan because of the "lock in" and the 100 percent offset. With the corrections incorporated in this bill, I feel that they should be given the opportunity to increase the amount of their coverage and, of course, the amount of the reduction from their retired pay. It would be illogical to reopen enrollment and not permit the election of a higher benefit for those already in the plan. Second, last year's SBP revision, Public Law 95-397, provided cost-of-living raises for widows receiving benefits under the old program, the retired serviceman's family protection plan. Such cost-of-living adjustments will only be applicable, however, to widows whose husbands died prior to the expiration of the original sign-up period for SBP, March 20, 1974. Those widowed subsequent to that date will continue to receive fixed annuities. If we are going to provide an additional enrollment period, then, in all fairness, the termination of eligibility for cost-of-living protection under RSFPP should be the end of the new open period.

Enactment of this legislative package will correct the remaining inequities and omissions in the military survivor benefit plan and make it a fiscally responsible program, both for the military family and for the Government, for many decades to come. I hope we will be able to see it enacted before the end of 1979.●

NATIONAL CEMETERIES SYSTEM—CONGRESS SHOULD HAVE GREATER CONTROL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. HAMMERSCHMIDT) is recognized for 5 minutes.

● Mr. HAMMERSCHMIDT. Mr. Speaker, I am today introducing legislation which, if enacted, will give the Congress greater control over the national cemeteries system as administered by the Veterans' Administration.

Joining as cosponsors of this important legislation are the distinguished chairman of the Committee on Veterans' Affairs, the Honorable RAY ROBERTS, and the Honorable ELWOOD HILLIS, and the Honorable GEORGE HANSEN, members of the Subcommittee on Cemeteries and Burial Benefits during the 95th Congress.

Mr. Speaker, I and my colleagues have long felt the need for this legislation. Entirely too much authority is centered in the Office of the Administrator of Veterans' Affairs concerning the construction of, and acquisition of land for, national cemeteries. The basic thrust of this legislation is that it will give the Congress the opportunity to disapprove future expansion or alteration of the national cemetery system. The bill simply requires that for an expenditure in excess of $500,000 the Veterans' Administration must first submit its plans to both Committees on Veterans' Affairs of the House of Representatives and the Senate. Enactment of this legislation will thus insure the equitable distribution of national cemeteries throughout the United States.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 10 minutes.

● Mr. AUCOIN. Mr. Speaker, I was unavoidably absent from the floor on March 8, 1979, when rollcall No. 26 was taken. Had I been present, I would have voted as follows:

Rollcall No. 26, on an amendment to H.R. 2479 that sought to reaffirm the Mutual Defense Treaty with Taiwan requiring the United States to act, in accordance with constitutional processes, to meet the danger of an armed attack against Taiwan, "no".●

NO EFT REVERSIBILITY RESULTS IN OHIO BANK HATCHING ITS OWN TURKEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, in the last session of Congress, John Fisher, senior vice president of City National Bank & Trust Co. of Columbus, Ohio, and a leading advocate of EFT services, severely criticized legislation I had introduced to provide consumers important protections should they decide to use EFT services. Columbus is a test market area for EFT services. Mr. Fisher enthusiastically supported expansion of EFT services. He predicted consumers would demand EFT services. Mr. Fisher described my legislation as the "Turkey bill", "so premature, so unnecessary, and so misguided that it would quietly sink under its own burden * * * ."

Now, a little over a year later, Congress has enacted the EFT Act and Mr. Fisher has hatched his own turkey: The bank's EFT point-of-sale check guarantee program. Mr. Fisher's point-of-sale check guarantee program has been so unsuccessful that the program has been withdrawn. One-half of the bank's 135 terminals in grocery stores are being closed down. The point-of-sale program suffered losses resulting from a high amount of fraud. An "American Banker" article attributed the fraud to inadequate security measures. The system was also so expensive as to probably prevent such point-of-sale systems from ever being profitable. Yet, advocates of EFT have claimed consumers and financial institutions would save money using EFT services. This cutback in EFT services signals a major retreat from electronic fund transfer services.

Ironically, it is Mr. Fisher's program, not the EFT law, that has now quietly sunk under its own burden.

The crucial reasons for the failure of this and other EFT point-of-sale systems are lack of reversibility and the absence of EFT protections being in place. By reversibility, I am referring to a consumer being able to stop payment or reverse a transaction if the merchant has failed to provide the goods, or if the goods are defective. Although stop payment is seldom used, it is an extremely important consumer right. It is a right a consumer has with conventional checks and credit cards. This right helps insure that a merchant is prepared to stand behind his product or service. The EFT legislation provided for reversibility of transactions, but the banking industry and retail industry shortsightedly opposed it. They opposed reversibility so vehemently that the provision was struck out of the bill.

In my judgment, point-of-sale EFT systems will never be profitable or demanded by consumers as long as a consumer is denied his fundamental right to reverse or stop payment on transactions. Financial institutions should offer reversibility voluntarily and support legislation to require reversibility.

Also, consumers will not trust EFT services until they know there is in place a set of standards and protections for their use of EFT services. At that time, consumers will know what to do if they do not get a receipt or believe there is an account error. Now, the EFT Act which has these standards and protections and others will not go into full effect until May of 1980. It is extremely important that this effective date be moved up. This would benefit not only consumers, but also is essential to the successful marketing by financial institutions of EFT services.●

CITY OF MADISON TO VOTE ON SPENDING PRIORITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

● Mr. KASTENMEIER. Mr. Speaker, next Tuesday, April 3, the voters of the city of Madison, Wis., will have the opportunity to voice their opinion on the spending priorities to be established by the Congress.

On February 6 the Madison Common Council voted 18 to 3 to place on the April ballot what has become known as the Peace and Jobs Referendum, which reads:

> Do the people of the city of Madison urge the President and their congressional delegates not to use tax dollars to increase spending for military purposes and instead urge them to use those tax dollars to create jobs and provide needed services to our people?

I do not know whether any other community in the country will have such an opportunity to express its will on the priorities to be set by the fiscal 1980 budget. Needless to say, I will be interested in the results of the referendum, since I support its language.

I have long held that our priorities were skewed far too much in favor of death and destruction, as evidenced by the size of our military budget. That the defense budget in the President's proposed fiscal 1980 budget would be increased by $11 billion at the same time cuts are proposed in health, education and other social service programs, which are designed to meet the needs of the people of this country, continues those skewed priorities, and I am hopeful that the people of Madison will overwhelmingly reject these priorities.●

A FEDERAL CHARTER FOR THE AMERICAN COUNCIL OF LEARNED SOCIETIES

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

● Mr. THOMPSON. Mr. Speaker, I am today introducing legislation with the cosponsorship of 15 of my colleagues to grant a Federal charter to the American Council of Learned Societies. This year is the 60th anniversary of the founding of the American Council of Learned Societies (ACLS), and a Federal charter would serve to recognize its service to humanistic scholarship in the United States and abroad. Federal charters have been granted in the past to other scholarly and cultural organizations. In fact, the National Academy of Sciences, the parallel organization to the American Council of Learned Societies for scientists, has had a Federal charter since 1863.

The ACLS is a federation of professional and honorary associations with a constituency today of approximately 250,000 scholars. Its purpose, as stated in its constitution, is the advancement of humanistic studies in all fields of learning and the maintenance and strengthening of relations among the national societies devoted to such studies.

The ACLS is the intermediary for the U.S. Government for official associations with the Academies of Science of the U.S.S.R., of most of the countries of Eastern Europe, and of the Republic of China; it has more recently developed ties with academic officialdom in the People's Republic of China. The council has represented the Nation in the Union Académique Internationale with distinction for six decades; two of the Union's presidents have been outstanding American scholars who were serving as the council's delegates. Through its membership in the UAL, the ACLS participates in the work of the Conseil International de la Philosophie et des Sciences Humaines (CIPSH). The council is also represented on the U.S. National Commission for UNESCO. Through its support of international scholarly congresses in the humanities and social sciences and through its informal relations with many other scholarly organizations abroad, the ACLS has come to be well known by scholars and professional associations throughout the world. Thus, the ACLS speaks for the United States in matters pertaining to scholarship in the humanities.

While continuing to fulfill its role as representative of American humanistic learning in the international community of scholars, the council is also the principal privately administered national representative of the humanities in the United States.

Over the years, the ACLS has developed and administered programs which have served the interests of the Nation, of humanistic scholarship in general, and of individual scholars. Central to the council's mission are its programs of fellowships and grants. Conducted on a national competitive basis, these programs have been funded by the Ford Foundation, the Carnegie Corp. of New York, the Andrew W. Mellon Foundation, the Rockefeller Foundation, the National Endowment for the Humanities, and the State Department.

Two of the programs, ACLS Fellowships and ACLS Grants-in-Aid, have been in continuous operation for the greater part of the council's existence, and in the period since 1970 alone some 1,600 men and women have received approximately $9,000,000 in research support.

In addition to its support of individual scholars, the ACLS has served the cause of American scholarship in many other ways. Perhaps its most important contribution to the welfare of the Nation as a whole was the initiative it took in establishing a national Commission on the Humanities in 1963.

The commission, sponsored jointly by the ACLS, the Council of Graduate Schools in the United States, and the United Chapters of Phi Beta Kappa, consisted of distinguished humanists and scientists, educators, businessmen, and interested citizens under the chairmanship of Barnaby Keeney, then president of Brown University.

Its report, describing the state of the humanities in America in the mid 1960's, concluded that massive support of the humanities was urgently needed and recommended the establishment of a national humanities foundation. Published in 1964 and widely circulated, the report had an impressive impact, and the legislation which established the National Foundation on the Arts and the Humanities the following year largely reflected its recommendations.

The council has also contributed in more specific ways to the cause of humanistic scholarship.

It pioneered in the application of modern linguistic science to the preparation of language teaching materials and supervised the Army language program during World War II; in 1958, the council established a program to encourage international scholarly congresses and conferences in the United States, and in the ensuing decade international scholarly associations in most humanistic and social science disciplines took advantage of the opportunity thus provided; the development of area studies in this country owes much to the impetus provided by the council, and since World War II, the ACLS, jointly with the Social Science Research Council, has organized and developed programs in Asian, Latin American, Near and Middle Eastern, Slavic and East European, and African studies; the council has had a continuing interest in the problems of scholarly publication and has at various times surveyed publication needs, established a publication service to advise scholars on inexpensive ways to communicate research, and administered programs of subsidies and subventions both to scholarly presses and to individual scholars; among its own publication ventures the best-known are the great reference words, the "Dictionary of American Biography," begun in 1921, and the "Dictionary of Scientific Biography," begun in 1970. These are but a few of the programs and projects that have made the ACLS uniquely valuable to American scholarship.

The confidence of scholars and of scholarly organizations is essential to the council's role as a promoter of humanistic learning in this country and throughout the world. Such confidence is shown in many ways, not least by the willingness of individual men and women to serve the council without compensation. At present approximately three hundred scholars serve as delegates to the council, as members of the Board of Directors, and as members of the council's numerous committees.

The council also benefits from the support of the 94 institutions of higher learning and research libraries that make up the Associates of the ACLS. This support, from both individuals and institutions, is vital to the functioning of the council and has never been lacking. It is a continuing witness to the importance of the ACLS to American scholarship.

In further recognition of the service to humanistic studies that the ACLS has provided throughout its distinguished history, I have also introduced on March 6, 1979, a bill (H.R. 2666) to authorize funds for an endowment for the American Council of Learned Societies.●

HEALTH CARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona (Mr. UDALL) is recognized for 5 minutes.

● Mr. UDALL. Mr. Speaker, Laurence S. Seidman, an assistant professor of economics at the University of Pennsylvania, has written a first-rate column for the New York Times about the financing of health care in the United States.

Mr. Seidman has taken a complex issue and boiled it down to startling clarity. His analogy is a good one: suppose all Americans were told that their lunches would be paid by a "third party." The result would be that the number of expensive lunch orders would multiply rapidly—because no one would have to pay their own bills. At least not directly.

Such has been the case, Mr. Speaker, in the case of American health care. American medical bills and health care costs generally have skyrocketed in the past several years, until the rate of increase has far surpassed even the national rate of inflation. This cannot be allowed to continue indefinitely, and we in the Congress must find an acceptable alternative.

I commend Mr. Seidman's column to my colleagues. It makes an excellent point.

The column follows:

AND PAYING DOCTORS' BILLS

(By Laurence S. Seidman)

PHILADELPHIA.—Why has inflation in the health sector far surpassed general inflation for the last two decades, and what can be done about it? An analogy can help provide the answer.

Suppose it were announced that, beginning today, everyone's lunch bill would be paid by a "third party." Naturally, people would seek the finest restaurants, which would multiply in number, and the cost per lunch would escalate rapidly. There would be, of course, a catch. If the average daily lunch bill per person turned out to be $15, then the "third party" would have to collect a $15 "premium" from each of us. Instead of billing us directly, the insurer would bill our employers, who in turn would reduce our next pay increase by $15 per person per day.

Even if we realized that we were ultimately bearing the burden of our extravagant orders, nobody would have an incentive to alter his behavior. Each would want others to limit their orders. But as long as each person's daily premium were unrelated to his own consumption, he would act as though his lunch were free. Thus, no one would conserve, and rapid inflation would continue.

The solution to lunch inflation would be simple: End the third-party arrangement and return to individual checks. The solution to health-sector inflation, of course, is not as simple. Eliminating third-party arrangements is unthinkable, because complete reliance on "individual checks" would subject families to the risk, and reality, of financial hardship and even bankruptcy. Most households value highly "major-risk" health insurance that protects against financial catastrophe and enables them to afford whatever medical care they might need.

Today, however, most households have far more health insurance than they require to protect against major risk. For the average hospital patient, a third party pays virtually the entire bill, regardless of whether the patient can afford to pay part or all of it.

In light of the analogy, on the one hand, and the desire for major-risk insurance, on the other, a sensible compromise suggests itself: Restructure insurance coverage so that most households must bear a fraction of their own medical bill "out-of-pocket" with the fraction scaled according to the household's ability to pay. At the same time, give every household an out-of-pocket ceiling, also scaled to its income, beyond which it is fully protected by the insurer.

This strategy can be implemented by replacing the current medical deduction on the personal income tax with an income-related medical tax credit, by guaranteeing the availability of medical loans, and by removing the current tax subsidy to private health insurance to discourage complete coverage.

For example, under a new tax credit, a household with an income of $20,000 might have to pay the first $1,000 of its annual medical bill out-of-pocket. It could then file for a tax credit equal to 80 percent of the cumulative bill in excess of $1,000, until its cumulative bill reached $6,000, so that its out-of-pocket burden was $2,000 for the year. It could then file for a tax credit equal to 100 percent of its bill in excess of $6,000, so that its maximum burden would be 10 percent of its income. A guaranteed loan would ease the household's cash-flow problem until the Internal Revenue Service processed its tax credit.

These reforms would sharply alter the perspective and behavior of physicians—the key decision-makers in the health sector.

The average doctor would begin to receive feedback from patients after they received their hospital bills. Once they recuperated, patients would want to know whether the last hospital day was necessary, or whether the most costly hospital was best for their particular problem. Many doctors would recognize that they would gain a patient's appreciation by avoiding unnecessary cost and letting the patient know it.

If at least an important fraction of doctors began to weigh cost in selecting a hospital, hospitals would be compelled to improve efficiency. Today, hospitals compete to please doctors who have no reason to weigh cost. When enough doctors changed their criteria, hospitals would change the basis on which they compete. As in other sectors of the economy, higher cost would have to be justified by sufficiently higher quality.

Any market would fail if a third party paid the entire bill. These reforms could restore the missing ingredient—income-related consumer cost-sharing—to the medical market while preserving equity. They deserve consideration.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Ottinger) is recognized for 5 minutes.

● Mr. OTTINGER. Mr. Speaker, a longstanding commitment to attend a meeting in my district necessitated my missing two recorded votes yesterday. Both votes (rollcall No. 59 and rollcall No. 60) were on amendments offered by Mr. Ashbrook to H.R. 2729, authorizing appropriations to the National Science Foundation. Had I been present, I would have voted "no" on both amendments.●

LILA KEISER—AN OUTSTANDING CITIZEN OF MORRO BAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Panetta) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I would like to bring to the attention of my colleagues the accomplishments of a most outstanding resident of my district—Mrs. Lila Keiser, of Morro Bay, Calif.

Mrs. Kesier, through her involvement in community life, in government, and in business groups, has been a sterling example of active and productive citizenship. She is the kind of person that no community can do without, and it is for that reason that the people of Morro Bay have honored her with a testimonial evening.

I would like to take this opportunity to cite just a few of Lila's accomplishments over the past many years. Among other things, she served as a member of the Morro Bay City Council for 8 years, she worked as a school nurse in Morro Bay for 10 years, and she was the director of the Morro Bay Chamber of Commerce, a Morro Bay recreation commissioner, an original board member of the Morro Bay Senior Citizens, and a charter member of the Morro Bay Quota Club, a vital women's organization in that city.

In short, Mrs. Keiser has been hard at work these many years, much to the benefit of her community. I commend her to the House, and I congratulate her on her richly deserved testimonial. It is my hope that she will continue for many years her record of service and that she will continue to obtain from her work the satisfaction and happiness she most surely deserves.●

NATIONAL COWBOY HALL OF FAME OPPOSES U.S. CONVERSION TO THE METRIC SYSTEM

(Mr. RUDD asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. RUDD. Mr. Speaker, the U.S. Metric Board last week appeared before the House Appropriations Subcommittee for its fiscal year 1980 appropriations hearing.

The Board also hosted a reception in the Rayburn House Office Building in honor of our distinguished former colleague, the Honorable Olin E. Teague, who until his retirement last year was chairman of the House Committee on Science and Technology.

There is no doubt that the U.S. Metric Board and nongovernment prometric organizations with which it works in close harmony are continuing the major push to gain influential support for efforts promoting total U.S. conversion to the metric system of weights and measures.

One key metric promoter put these efforts into perspective during his brief remarks at the Metric Board reception. He noted the widespread public opposition to metric among the broad mass of American people, and urged prometric forces to continue their "education" efforts to eliminate public resistance to this wholesale change in our social, working, and consumer lifestyles.

Looking at the Metric Board's fiscal year 1980 appropriation request of $3,335,000, one quickly recognizes its serious intent to fully push this "educational"—some would call it a "propaganda"—effort.

This 1980 funding request is more than double the Metric Board's current 1979 budget. The Board proposes to increase its "public information" efforts by 142 percent, and its "research, coordination and planning" for metric conversion by more than 205 percent, which I believe is unsupportable in a policy sense or at a time of budget austerity.

I took the opportunity during the Capitol Hill reception last week to talk to many Metric Board members and staff about their efforts. While they are very careful always to use the word "voluntary" in describing the conversion effort, these metric proponents make no secret of their objective to use every available Federal taxpayer dollar, along with other Government agency efforts at the Federal and State level, to promote and even coerce increased public use of metric, regardless of popular feeling.

The Metric Board has even started holding its monthly meetings at various different locations throughout the country. I was informed that this is an effort to "spread the metric gospel" to wider numbers of Americans, and to hold associated receptions and "informational" meetings to enlist the active support and efforts of citizen leaders and government officials at all levels in the metric conversion process.

This is just one further example of the Federal Government bureaucracy, and a small elite group of social change agents, using the resources and machinery of the Federal Government to impose a massive change in our American way of life that is not wanted or needed by the American people.

I believe that Congress should repeal the law that allowed this effort to take place, so that taxpayer funds will no longer be used to impose metric on the American people, and I have introduced H.R. 739 for that purpose.

Opposition to metric conversion is widespread among our people. I think it is most appropriate that the National Cowboy Hall of Fame, an organization that stands as a monument to the pioneer spirit and American greatness that made our Nation a world leader—without metric—has now gone on record in firm opposition to metric conversion efforts within the Federal Government.

Such stalwart Americans as John Wayne, Gene Autry, Rex Allen, Joel McCrea, and Joe Foss are among the directors and trustees of the National Cowboy Hall of Fame who have formally declared their opposition to these Federal Government pro-metric-conversion efforts, through a resolution urging repeal of the Metric Conversion Act of 1975 and all related Federal edicts.

I was pleased to present copies of this resolution to Metric Board chairman Louis Polk, House Science and Technology Committee chairman DON FUQUA, and House Science, Research and Technology subcommtitee chairman GEORGE BROWN at the Metric Board reception last week.

In addition to their resolution, the National Cowboy Hall of Fame's top officials—Jasper D. Ackerman, honorary life chairman of the board of directors, and Dean Krakel, executive vice president—have filed suit against the National Bureau of Standards in the U.S. District Court for the Western District of Oklahoma, to enjoin further use of Federal funds to impose metric upon the American people.

I commend these efforts, and hope that additional Members of Congress will cosponsor H.R. 739, in order to repeal the Metric Conversion Act which has become the vehicle for these Federal promotional efforts.

Mr. Speaker, I would like to include the National Cowboy Hall of Fame resolution, along with the brief of the plaintiffs in the anti-metric suit, at this point in the RECORD:

NATIONAL COWBOY HALL OF FAME AND WESTERN HERITAGE CENTER

RESOLUTION

The Board of Directors and Board of Trustees of the National Cowboy Hall of Fame and Western Heritage Center representing the seventeen western states, meeting in the city of Palm Springs, California, on March 5, 1977 at their annual winter meeting, pass the following resolution:

BE IT RESOLVED

1. Whereas we the Board of Directors and Board of Trustees meeting in a joint and duly authorized meeting do resolve to oppose the adoption of the Metric Conversion Act passed by both houses of the Congress, the 94th Congress, signed into law in 1975 by President of the United States of America, Gerald Ford.

2. Whereas members of the Board of Directors and Board of Trustees of the National Cowboy Hall of Fame and Western Heritage Center attending this meeting are of the unanimous opinion that the adoption of this metric system domestically within the United States of America is contrary to the principles of our founding constitutional fathers and of those who have pioneered, served in war, and contributed in both large and small ways to the building of this great nation over a period of more than 200 years.

3. Whereas members of the Board of Directors and Board of Trustees are of the unanimous opinion that adoption of the Metric Conversion Act will become one of the most expensive and certainly the most unnecessary adventure ever forced on the American people who are already so heavily burdened by taxation and the rising cost of living.

4. Whereas members of the Board of Directors and Board of Trustees of the National Cowboy Hall of Fame and Western Heritage Center believe adoption of the metric system would cause domestic estrangement, further division and unnecessary confusion to millions and millions of American citizens of all age groups, especially those of limited education laboring in non-industrial and commercial capacity.

5. Whereas members of the Board of Directors and Board of Trustees of the National Cowboy Hall of Fame do feel that the metric system is contrary to the principles and basic precepts of our heritage and the movement of American civilization from east to west—by the inch, the foot, the yard, and the mile, and is contrary to the basic system of registration of land measurement by U.S. Government survey of the section, the township, and the district expressed in feet, acres and yards.

6. Now therefore members of the Board of Directors and Board of Trustees acting in unison and in consent do petition the Honorable Jimmy Carter, President of the United States, honorable members of the United States Congress, the Senate and the house of Representatives and the governors and members of the legislature of each of the fifty states to repeal or rescind all laws, orders, or directives heretofore promulgated enforcing or encouraging the adoption of the metric system of measurement in this country.

Sponsored by members of the Board of Directors and Board of Trustees of seventeen western states.

Duke (John Wayne), California.
Charles Nicholas, Montana.
Lloyd Taggart, Nevada.
John Hinckley, Utah.
David Hawthorn, Texas.
D.C. "Rusty" Holler, Wyoming.
W. W. Hulsey, Oklahoma.
Fred J. Fritz, Arizona.
Watt R. Matthews, Texas.
Dale Smith.
Glen W. Faris, Oklahoma.
Fred H. Dressler, Nevada.
Gene Autry, California.
Edward L. Gaylord, Oklahoma.
J. E. Browning, Arizona.
Miss Freda Hambrick, Colorado.
William L. Arrington, Texas.
Robert C. Norris, Colorado.
Ed Rutherford, California.
Homer Scott, Wyoming.
Spike Van Cleve, Montana.
Belton K. Johnson, Texas.
Chester Paxton, Nebraska.
Harold Schafer, North Dakota.
Marshall McArthur, California.
Mrs. D. D. Payne, Texas.
T. Ross Clement, Idaho.
Albert K. Mitchell, New Mexico.
J. B. Saunders, Texas.
Albert J. Mitchell, New Mexico.
Rex Allen, California.
Ned Elvin Wick, South Dakota.
Chesley Pruet, Arkansas.
John F. Hirschy, Montana.
William D. Harmsen, Colorado.
H. A. True, Jr., Wyoming.
J. V. Hawn, At Large.
Ken Curtis, California.
J. B. Saunders, III, Oklahoma.
Bill House, Kansas.
Mrs. Herman Werner, Wyoming.
S. L. A. Marshall, Brig. General, Retired.
Ralph Jones.
William M. Foneker.
Chauncey Flynn.
S. J. Agnew, Washington.
George Warde, Oklahoma.
Mrs. Rex L. Nicholson, California.
W. Brooks Park, Nevada.
Joe H. Watt, Wyoming.
Harry Blair, South Dakota.
Jasper D. Ackerman, Colorado.
Raymond Adams, Jr., Kansas.
Robert F. Lute, II, Nebraska.
E. H. Shoemaker, Jr., Nebraska.
Joel McCrea, California.

[In the U.S. District Court for the Western District of Oklahoma]

JASPER D. ACKERMAN AND DEAN KRAKAL, PLAINTIFFS *v.* NATIONAL BUREAU OF STANDARDS AND ERNEST AMBLER, ITS DIRECTOR, DEFENDANTS

COMPLAINT

Come now plaintiffs and for cause of action against the defendants allege and state as follows:

1. That plaintiffs are individual residents, citizens and taxpayers of the United States of America, and more specifically, are residents of Colorado and Oklahoma. The defendant, Ambler, is and was at certain times referred to later herein, Director of the United States Bureau of Standards.

2. That this action is brought for the purpose of having construed by the Court the meaning of certain laws of the United States of America and particularly public Law 90-472, 82 Stat. 693, 15 USCA 204 nt., determining specifically the authority granted therein to defendants, determining the propriety of certain expenditure of public funds in the State of Oklahoma and elsewhere by said defendants, and for injunctive relief against further expenditures of public funds which plaintiffs allege are unlawful.

3. That Public Law 90-472 was approved by Congress on August 9, 1968. It authorized a study of the desirability of increasing the use of metric weights and measures in the United States. It authorized *only* investigation and appraisal of this subject and gave the Secretary of Commerce authority and responsibility to make such a study and report the results to the Congress of the United States in three (3) years. Not to exceed Five Hundred Thousand Dollars ($500,000.00) was authorized to be expended for such purpose out of funds previously appropriated to the Department of Commerce during the first year of such three-year period.

That the Department of Commerce assigned full responsibility for making such study to the National Bureau of Standards, notwithstanding it historically had been an instrument and headquarter for the promotion of metric propaganda for more than fifty (50) years.

That thereafter this "study" was conducted between 1968 and 1971 and defendant Ambler's predecessor, Lewis M. Branscomb, Director of U.S. Bureau of Standards, reported in July 1971 to the Secretary of Commerce that the National Bureau of Standards and its Metric Study Group had "—based their work primarily on the informed views of citizens in every walk of life—" and that it had given "—everyone an opportunity to express his or his views—" and recommended conversion to metric. The Secretary of Commerce, then one Maurice H. Stans, then reported to Congress again claiming that "—thousands of individuals, firms and groups, representatives of our Society—" had participated in the study and that a conversion to metric was recommended.

That, in truth and in fact, these statements were untrue and some 700 consumer groups, labor unions, guilds and associations were invited to attend six public hearings—including such "representative" groups as National Association of Postal Supervisors and National Institute of Governmental Purchasing, Inc., Oregon Consumers League and Order of Railway Conductors and Brakemen. Also a group of U.S. government Bureaus and Departments were invited and participated—including HEW, FCC, FPC, FTC, U.S. Postal Service, VA, Office of Management and Budget, Government Printing Office and the President's Committee on Consumer Interests.

That six (6) "public hearings" were held in Washington, D.C. and one (1) in Deerfield, Massachusetts during the latter half of 1970.

No individuals, private citizens (non-"group" representatives) or families were contacted, interviewed or questioned except some 1,400 individuals and family members were personally interviewed by the Survey Research Center Institute for Social Research at the University of Michigan where approximately sixty percent (60%) expressed the view they did not believe a conversion to a metric system in the United States should be done.

That the records pertaining to this so-called "study" which formed the basis for this report have mysteriously been destroyed according to agents and employees of the defendant Bureau who report no one knows how, when or why. That the "cover-up" of the true facts of such "study" resulted in a fraud being perpetrated on the Congress of the United States and the American people. That the people of the United States, individual plaintiffs, do not want a mandatory and exclusive conversion to the metric system which has been legally optional as a system of measurement in the United States since 1866. That from its very beginnings to the present time the United States of America has been an independent nation and grown and prospered under its own preferred system of conventional measurement of weights and measurements to be the most advanced industrially, powerful militarily, and affluent nation in the world. Its people are freer and do not want forced upon them any system of weights and measurements that comes from a foreign country or countries whose institutions and political beliefs are foreign and repugnant to them, even though coddled by the bureaucrats that infest our national government.

That the Metric Study Law of 1968 did not authorize expenditures of public funds for propagandizing for metric conversion, although this has been done repeatedly since 1968 to present date by defendant or his predecessor in the form of various publications authored and authorized by the defendants and distributed, all at taxpayers' expense, bearing such titles as "All You Need To Know About Metric", "U.S. Metrification—Why?", "All You Will Need To Know About Metric For Your Everyday Life", "Household Weights and Measures", "Guidelines For The Use Of The Metric System", "The Metric System of Measurement" and "A Metric Conversion Kit", to residents of Oklahoma and other states. That plastic rulers and conversion tables likewise have been similarly produced and distributed by defendants. That such expenditures and activities were not and are not authorized by law. That plaintiffs verily believe and therefore allege and state that defendants will continue these unlawful expenditures and acts unless enjoined from so doing by this Honorable Court.

4. That Congress passed, in December 1975, Public Law 94–168, 15 USC 205 et seq. known as the Metric Conversion Act of 1975. That said law expressly provides that the conversion of the United States of America to the metric system shall be voluntary only. A U.S. Metric Board of seventeen (17) members was created who were appointed by the President of the United States with the advice and consent of the Senate of the United States in January 1978. This Board, according to the express language of the Statute, has no compulsory powers. As a consequence thereof, plaintiffs therefore verily believe and allege and state that it will use defendant herein as its propaganda agent involving the same unlawful expenditure of public funds in the future as has been done by defendant or his predecessors in the past to deceive Congress and the American people unless restrained by order of this Honorable Court.

5. Plaintiffs further allege and state that both the Metric Study Act of 1968 and the Metric Conversion Act of 1975 provide solely for a voluntary conversion to metric on the part of citizens of the United States of America and that particularly the Metric Conversion Act of 1975 expressly provides that the United States Metric Board shall have no compulsory powers. However, notwithstanding this provision of the law, defendants have and are by coercion, threats of withdrawal of federal funds by other agencies of the United States Government and withrawal of federal aid and assistance by such other agencies, seeking to force an absolute conversion to metric system upon the American people and openly have announced their plan to convert the entire country to a metric system by 1980. In this regard plaintiffs further allege and state that the defendants have induced most federal agencies to designate "metric coordinators", including the Department of Interior, the National Weather Service, the Maritime Administration, the Forestry and National Park Service, the Treasury Department, the Patent and Trademark Office, and the Department of Health, Education, and Welfare. That within the last twelve (12) months various states, including Oklahoma, have been threatend with the withdrawal of federal highway funds unless speed limit and similar traffic signs are not changed to metric and expressed in kilometers. That the Patent and Trademark Office now requires the use of metric in patent applications and all signs and brochures used in national parks and forests are being converted to weights and measures designated in metric. That the Department of Health, Education, and Welfare has instituted a massive program to "encourage" educational agencies and institutions to convert to use of the metric system. That this latter activity admittedly is authorized by the provisions of Public Law 93–380, 20 USC 1862, enacted August 21, 1974, and provides that the sum of Ten Million Dollars ($10,000,000.00) for each of the fiscal years ending prior to July 1, 1978, may be expended for such purpose. That these funds are available, however, only upon application approved by the Commissioner of Education of HEW and only if he finds that the grant will make a "substantial contribution" toward attaining the purpose of converting all education within the United States of America to metric. That this form of "encouragement" is anything but a "voluntary" conversion, as authorized in the Metric Study Act of 1968 and the Metric Conversion Act of 1975, constituting rather a duress and an involuntary forcing of such conversion upon the educational systems of the United States of America and is a further product of the unauthorized activities of defendants herein as set forth earlier.

WHEREFORE, premises considered, plaintiffs pray that they have and recover judgment of and from the defendants as follows:

1. Enjoining the defendants from any further use of public funds, directly or indirectly, for the purpose of producing, printing, or causing to be printed or produced and printed, written documents, pamphlets, books, kits or devices, specifically including the study report of July 1971 to Congress, encouraging or sponsoring the conversion to the metric system of weights and measures or distributing the same in Oklahoma or elsewhere in the United States of America.

2. Enjoining the defendants from forwarding any such items to the United States Metric Board for its use and reproduction.

3. Enjoining the defendants from any further action with regards to any Bureaus or Agencies of the United States Government, encouraging or requiring such Boards or Agencies to exert pressure or influence of any nature upon citizens of the United States of America or their representatives to convert to the exclusive use of the metric system of weights and measurements.

4. To such other and further relief as to the Court may seem just and equitable.

[From the Oklahoma Journal, Mar. 10, 1979]

New System 'Shoved Down Throats'—Krakel Files Suit Over Metrics

(By Gene Triplett)

Claiming the metric system is being "shoved down the throats" of an unwilling public, two men filed suit in Oklahoma City federal court Friday charging the National Bureau of Standards has illegally used public funds to promote the change.

Dean Krakel of Oklahoma City and Jasper D. Ackerman of Colorado Springs filed the complaint—said to be the first court challenge of metric conversion—against the Bureau of Standards and its director, Ernest Ambler.

Krakel, executive vice president of the Cowboy Hall of Fame, has been an outspoken opponent of metrics for several years. Ackerman is a board member and past chairman of the Cowboy Hall.

"The metric system will erase much of our heritage," Krakel said. "We all came west by the inch, the foot and the mile, we settled on land by the acre and milked our cows by the quart and the gallon."

He said the Bureau of Standards produced a fraudulent study which "misrepresents" the wishes of the public.

"I've personally polled hundreds of people and 90 percent oppose metric in any form," he said. "Only about two percent knew how much they weighed in kilograms, how tall they were in centimeters.

Krakel said the conversion would work a "hardship" on his family and others who would have to learn the new system.

"It's big business and international bankers who want it," he said. "There's money to be made in changing every sign and yardstick.

"This would be America's final facelift. If we change to the metric there'll be no difference between this country and any other country."

"Basically, we're saying that the silent majority is not happy with the way this is being thrust down our throats," said R. C. Jopling Jr., attorney for the two men.

"Mr. Krakel and Mr. Ackerman have talked about this for a long time. They just feel that the public—especially around this part of the country—is tired of all this subterfuge and pressure from the government to do something they don't want to do."

A law was passed by Congress in August 1968 authorizing a study of the desirability of increasing the use of metric weights and measures in the U.S. The Department of Commerce was authorized an amount "not to exceed $500,000" to conduct the study, the complaint states.

Jopling said some $50 million has been spent on promotion since 1974.

Responsibility for the study was assigned to the Bureau of Standards, which "historically had been an instrument and headquarter for the promotion of metric propaganda for more than 50 years," the suit charges.

The bureau's subsequent report in July 1971 which favored metric conversion was falsely labeled as being based on a survey of citizens "in every walk of life," the suit claims.

The complaint says that some 700 consumer groups, labor unions, guilds and associations were invited to six public hearings in Washington in 1970, along with several representatives of various government bureaus and departments.

"No individuals, private citizens or families were contacted, interviewed or questioned," the complaint states.

Although the Survey Research Center Institute for Social Research at the University of Michigan conducted a survey of some 1,400 citizens that year, the suit claims 60 percent of those responding did not favor changing to the metric standard.

Ackerman and Krakel charge that records of the study have been mysteriously destroyed" and the bureau has purposely covered up the true facts of the study.

The "cover-up allegedly has resulted in a "fraud being perpetrated on the Congress of the United States and the American people."

The suit notes the metric system has been a legally optional system of measurement in this country since 1866, but claims the public is against a mandatory conversion from the conventional (English) system.

The two men charge that the Metric Study Law did not authorize the Bureau of Standards to spend public funds on "propagandizing for metric conversion."

At taxpayers' expense, the suit says, the Bureau has printed an abundance of pamphlets, books and plastic rulers in an attempt to convert the entire country to metrics by 1980.

The suit claims that the U.S. Metric Board, created in January 1978, will continue to use the Bureau as a propaganda agent and continue the "same unlawful expenditure" of public funds "to deceive Congress and the American people."

The suit stresses that the Metric Conversion Act of 1975 is voluntary rather than compulsory.

But Ackerman and Krakel charge the Bureau of Standards will attempt to "coerce" the public into metric conversion through threat of withdrawal of funds and federal aid from other governmental agencies.

The suit seeks an injunction barring further spending on promotion of metric conversion, and halting alleged "pressure or influence on the American public to convert to metrics.●

ST. ELIZABETH MEDICAL CENTER CELEBRATES DIAMOND ANNIVERSARY

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, this year marks the 75th anniversary of the founding of St. Elizabeth Medical Center in Granite City, Ill.

For 75 years St. Elizabeth's staff has provided quality health care to the Granite City area and surrounding communities. No one, I believe, can tell the story better than those who were intimately connected with the history of the hospital and the following short history tells it best.

I would just like to add my personal congratulations on this milestone and wish the staff of St. Elizabeth's many more years of continued success.

For three-quarters of a century, St. Elizabeth Medical Center, Granite City, Ill., has been serving the metro-east area (the metropolitan area across the Mississippi River from St. Louis, Mo., with quality health care. St. Elizabeth employs over 1,100 people and has 421 licensed acute care beds. In short, it is a busy place. When viewing construction now in progress, as well as that which has already been completed, it is hard to imagine just how close Granite City came to not having a hospital at all. It is an interesting story, and one that begins even before the hospital was constructed because to examine the history of St. Elizabeth Hospital, it is necessary to look at the history of Granite City as well.

In 1904, as the World's Fair was opening in St. Louis, industry was shaping Granite City. Factories, which had sprung up around St. Louis, had spread eastward across the Mississippi to a fertile area of Illinois bottomland which had been known only as 6-mile prairie, because the small settlement of cabins there was 6 miles from St. Louis.

Granite City's heritage was a bit different from most other towns. It was, in fact, an "instant city" created through the efforts of two brothers, William and Frederick Niedringhaus. They were the owners of what was, in the late 1800's, the St. Louis Stamping Co., a prosperous kitchen utensil business. While vacationing in Germany, William Niedringhaus came across a metal shop producing pots and pans with a satinlike sheen, unlike anything available in the United States. Niedringhaus paid the shop owner $5,000 to show him the process, which involved ground granite, and returned to the United States to acquire a patent. Soon the Niedringhaus brothers had a booming business in what they called Graniteware.

To produce Graniteware, they built the granite iron rolling mill in St. Louis, not far from the St. Louis Stamping Co. But by 1890, demand for their products had grown so large that the brothers had to look for a new place to expand their factories. Rather than add on to existing facilities in St. Louis, they decided to build a new plant in less-expensive Illinois. Six-mile prairie was the place.

In 1894, after careful planning, workers arrived in the fields of "old 6-mile," and an entire city was born. Factories, streets, and homes simultaneously rose out of what had been, only a few years earlier, farmland. When deciding on a name, the Niedringhaus brothers chose to pay homage to what had made them the successful industrialists they were—Graniteware. The result—Granite City.

Heavy industries were constructed in the new city, including Granite City Steel Co. and the St. Louis Stamping Works. Railroads crisscrossed the area to bring supplies to the mills. An unfortunate reality of heavy industry at the turn of the century was, however, injuries. It was not long before a hospital was needed for Granite City.

Dr. Ralph Niedringhaus, grand nephew of William Niedringhaus, was one of the prime movers on the hospital project. In 1904, construction began on what was to be called Granite City Hospital. When the hospital was finished in 1905, it opened under the auspices of the Lutheran Hospital Association.

Rev. A. H. Almstedt was named president of the hospital, which included a nurses' training school. Dr. Robert Binney, for whom the present Binney Wing is named, was the first doctor to practice at Granite City Hospital, performing the first operation and delivering the first baby.

Although hopes were high for quality health care in Granite City, it did not take long before problems appeared. Most of the factory workers who came for treatment were poor, so much of the treatment given by Granite City Hospital was charitable—a noble tradition, perhaps, but unfortunately one that could not last forever. Financial difficulties mounted quickly, so quickly that the hospital faced bankruptcy in 1910 and was forced to close—only 5 years after opening. It seemed as though dreams of a hospital in Granite City vanished almost overnight. All was not lost, however.

Some years later, in 1896, a Catholic priest, Father Peter Kaenders, had opened a small hospital in Venice, Ill., just south of what later became Granite City. A man of boundless energy, Father Kaenders was also pastor of St. Mark's Church in Venice. When heavy industry came to the metro-east, many residents left Venice and moved to Granite City. Father Kaenders' hospital, which he had named St. Elizabeth, had to close, but he did not lose his desire to found a hospital. When Granite City Hospital closed in 1910, he saw a golden opportunity to reopen it and give his own dream of a Catholic hospital another chance.

It took Father Kaenders a year to raise enough money to buy the hospital in May 1911. The following October, it was rededicated and renamed St. Elizabeth Hospital. But new ownership did not mean an end to financial hardship. For the next 10 years, until 1921, Father Kaenders saw St. Elizabeth alternate between years of relative prosperity and abject poverty.

Father Kaenders fought almost singlehandedly to keep the hospital open until 1921, when the Sisters of Divine Providence came to Granite City after learning of St. Elizabeth's distress; 1921 was barely 3 days old when they arrived to make still another attempt to get the hospital back on its feet.

The Sisters of Divine Providence bought the hospital from Father Kaenders in 1921, before actually arriving in Granite City. They had a massive cleanup job waiting for them when they got here, as well as an incredible lack of equipment and materials. There were no linens and no X-ray machine, and lots of bills remained unpaid.

By scrimping, saving and doing a lot of work themselves instead of hiring others, the sisters slowly began to turn things around. By the end of 1921, almost 600 patients had been admitted, but it was not until October 1922, that the hospital was in the black, with a positive balance of $8.76. Even after that, the hospital's finances continued to be rocky until 1923, when things settled down.

In September of 1921, 10 months after the Sisters of Divine Providence came to Granite City, Father Kaenders died. In March, he had retired as pastor of St. Mark's and had taken up permanent residence in the hospital. In the end, age and the years of struggling to keep the hospital open caught up with him. He had the satisfaction, at least, of knowing that St. Elizabeth Hospital was going to make it.

Since then, the hospital has grown, with new additions in 1931, 1944, 1958, and 1969. St. Elizabeth Medical Center is still growing, but buildings are not all that has expanded—community services have, too, to the extent that the term "hospital" does not adequately describe all the community-oriented programs in which the center is involved. Community activities currently include immunization clinics, prenatal classes, a mobile meals program (providing hot meals for Granite City residents unable to prepare their own) and an alcoholic rehabilitation program. That is why in 1979, the hospital's Diamond Jubilee year, its name has been changed to St. Elizabeth Medical Center.

Granite City Hospital, St. Elizabeth Hospital, and St. Elizabeth Medical Center. Different names, perhaps, but a common goal, quality health care for the metro-east. After 75 years, the future is bright.●

WHAT WE MUST DO TO MEET OUR ENERGY PROBLEMS

(Mr. PRICE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PRICE. Mr. Speaker, philosophers and other students of prehistory have remarked on the unfortunate position of prehistoric man who was subject to the acute risk of freezing to death while unknowingly standing on top, or even alongside, of abundant supplies of energy fuels. "If only he knew better," is the commonly expressed judgment these days on the situation affecting our ancient ancestor.

Contrast our energy problem today. Supposedly, we know more. But are we wiser? We stand in danger of a very serious deficiency of available, reasonably reliable, practical energy sources—threatening our general welfare and national security—though we are quite aware of our enormous coal reserves and our once unique and still strong capability in the peaceful use of the atom as an energy source. Prehistoric man was wise enough to survive, by using available resources he knew about. We, in this country, have not yet shown that we can match this wisdom. It is imperative that we confront our energy problem by immediate, effective use of our resources and talents. The measure I am introducing lays the foundation for this resolve. Let us get on with doing what we have to do, as effectively as we know how.

Quite simply and directly, we are long overdue in the effective use of our domestically available basic energy sources. We have not productively harnessed our intellectual and physical resources to reduce our dependence on petroleum fuels. From the standpoint of my own direct experience and involvement in energy matters, I believe we are at least 10 years behind in facing up to our energy situation. Actually, it was as long ago as 1962 that an excellent study of our future energy needs was completed. This study was initiated by the old Joint Committee on Atomic Energy in the late 1950's because the committee wanted to find out if nuclear energy would be needed in the civilian sector. What we found, in a few words, was that this country would require supplemental energy sources in the near future, and the only practical alternative was nuclear energy—specifically fission.

It is interesting what the study found about our petroleum fuels: Petroleum fuels were found to be one of our minor domestic fuels over the long range and, in fact, production rates were expected to peak out in about 1970 and decrease thereafter. As we now know this is exactly what happened and we can continue to expect our domestic production to decrease.

Unfortunately, we have not acted on the basis of the findings in the old report. We have not increased our use of coal, our largest available chemical source of energy. One reason for this is that we did not foresee the development of extreme views, in certain quarters, that coal should not be used for environmental reasons.

In 1973, I had the staff of the Joint Committee on Atomic Energy make a study of what our foreign dependence on energy sources would be under various conditions relating to the utilization of more coal, nuclear energy, feasible use of solar energy, et cetera. One startling finding of the evaluation came to my mind when I read the data on last year's imports of petroleum which equaled nearly 9 million barrels per day. The 1973 evaluation predicted imports of 10 million barrels per day by 1980 if we did absolutely nothing to offset dependence on foreign supplies.

In other words, we have been directly on the do-nothing road to minimize our dependence on foreign sources. Adding to the frightening impact of our recent history is the recollection that in 1973 our imports were on the order of 7 million barrels and the President's goal was to decrease our imports to something like 6 million barrels. We are going in the opposite direction.

What we must do at the present time are the same things we identified nearly two decades ago. The concurrent resolution I propose urges unambiguous and forthright Executive attention to the critical need to use our coal and nuclear resources.

To eliminate any possible misunderstanding on the part of advocates of other potential energy sources, I want to state unequivocally that I also continue to advocate development work on nuclear fusion, solar, and other longer range, potentially useful sources. But we must face the facts as they now exist. We have a "bird in the hand"—large resources of coal and a once unique but still viable nuclear energy capability. We must move out smartly and use these energy sources as our present requirements dictate. Of course, we will have to contend with the leadtime problem to turn our present situation around. Developing new coal mines, getting the additional miners, and building the transportation and utilizing facilities will probably take at least a decade before really substantial additional resources are available. The leadtime for nuclear energy sources may also be significant since we must improve the terribly time-consuming administrative procedure now used in licensing and regulation. But these things can and must be done since no other actions can solve the dilemma we face notwithstanding every reasonable effort of conservation or more efficient use of energy. Every day we delay in doing what is necessary increases the likelihood that the not too distant future will bring us to a crisis of high danger and intolerable alternatives. From the strongest convictions I have in connection with our national well-being, I urge your support for the resolution I am introducing.

The resolution follows:

NATIONAL ENERGY POLICY

Whereas five years after the Arab Oil Embargo, the United States has increased its dependence on the importation of foreign petroleum to the detriment of both national security and the nation's economy;

Whereas conservation, despite government policies encouraging and mandating such action, has not been able to keep pace with expanding energy needs and reduce our unacceptably high, from the standpoint of our national security and economy, requirements for imported petroleum;

Whereas other basic sources of energy are available domestically which could be utilized in place of a significant portion of our present use of the various petroleum fuels;

Whereas there are two such basic energy resources which possess all of the characteristics—magnitude of potential contribution, developed and demonstrated technology and the industrial capability—needed to increase their utilization without delay, except for bureaucratic interference and conflicting policies;

Whereas those two sources are coal and nuclear-fueled energy systems: Now, therefore, be it

Resolved by the House of Representatives and Senate of the United States of America in Congress assembled, That the President of the United States of America is hereby encouraged to adopt and aggressively carry out a policy for the accelerated utilization of coal and nuclear energy on the basis of the highest national priority in order to obtain the maximum contribution to our national security and economy.●

AUTO REPORT AVAILABLE

(Mr. BROWN of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BROWN of California. Mr. Speaker, the automobile transporation system is a central feature of our society. It has given us an unparalleled degree of mobility and access to jobs, essential services, and recreation. It has shaped the development of our cities. The automobile, highway, and fuel industries provide employment for millions. On the other hand, our reliance on the automobile also creates concern about energy consumption, environmental pollution, safety, and consumer cost—especially for the future when petroleum supply will become increasingly scarce and more costly.

The Office of Technology Assessment recently sent each Member a report, "Changes in the Future Use and Characteristics of the Automobile Transportation System," which examines changes that may be needed either to assure the continued benefits of the automobile or to alleviate problems created by widespread and intensive automobile use. It also analyzes Government initiatives that could be taken to direct and facilitate further technological development.

I hope each Member takes the time to examine this valuable information source.●

THE NATION DESERVES STRONG ALASKA LAND LEGISLATION

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, the Committee on Interior and Insular Affairs, by a one vote margin, adopted a weak and inadequate version of the legislation dealing with public lands in Alaska which so many of our colleagues joined in sponsoring at the start of this session.

As a result, those of us who joined in support of the original bill (H.R. 39) put forward by Chairman UDALL are opposed to the version to be reported by the Interior Committee. Our opposition is based on our conviction that the reported version unduly sacrifices the protection already afforded to the American people's land treasures in Alaska by the wise and courageous actions of President Carter and Secretaries Andrus and Bergland.

Mr. Speaker, we are not alone in that conviction, or in our opposition to the reported version. Newspapers across the country have expressed a similar view, as have all of the major conservation organizations and many others with a particular concern for this issue—which has rightly been characterized as the most important conservation decision of our generation.

Mr. Speaker, the reported version of H.R. 39 falls far short of what the Nation and the American people deserve from the Congress, and why, as the New York Times has rightly put it, Congress should "either strengthen the pending bill or take no action at all." In due course, this House will have an opportunity to do that.

Meanwhile, I am here including for the benefit of all our colleagues a number of editorials dealing with this subject.

[From the New York Times, March 22, 1979]

DRAWING THE LINE IN ALASKA

Congress is once again taking up the Alaska lands issue, the most important conservation decision of the present generation. The Federal Government, which once owned the entire state, is already transferring 40 percent of the land to the state government and its native peoples, the largest such land grant in the nation's history. The question now is what to do with the residual Federal lands.

The House of Representatives approved a good conservation bill by a 9-1 margin last year, but Alaska's senators blocked its passage. Mr. Carter and Interior Secretary Andrus thereupon stepped in and, by administrative action, wisely protected much of the land from hasty exploitation. But legislation is still desirable—to insure that decisions affecting this last great frontier have a broad base of support and provide the most vulnerable lands with a degree of protection that the President alone cannot decree.

Several bills have been introduced to preserve almost half of the remaining land, roughly a quarter of the entire state, in pristine condition, free from economic development. Unfortunately, the House is off to a bad start. The Interior Committee, whose composition has changed since last year, has approved a bill that yields too much to development interests. Mr. Andrus was right to call the committee's final version "totally unacceptable." It would whittle down the amount of land that the Administration rightly wants protected and, more important, greatly weaken the degree of protection afforded to most of it.

Drawing the line between development and conservation in Alaska is difficult because the state is believed to have vast untapped natural resources. Yet their exploitation could destroy areas of spectacular beauty and fragile wildlife. Developers want easy access to potential mineral deposits, oil and gas reserves and vast tracts of timber. Conservationists want to set aside much of the area as wilderness, national parks and wildlife refuges.

Most of Alaska's promising oil, gas and mineral lands are already open for development. The remaining lands ought to be left undisturbed, with only a modest level of exploration permitted to assess resources—but that ought to be done without endangering wildlife or scarring the land.

There will be two opportunities to produce a better House bill. The Merchant Marine Committee will soon vote on proposals covering areas in its jurisdiction, and the full House will probably be offered a more protective bill from the floor. We hope that Congress will either strengthen the pending bill or take no action at all. It would be better to leave these incomparable lands under administrative protection than to legislate still weaker safeguards.

[From the Washington Post, Mar. 9, 1979]

THE ALASKAN LANDS BILL

Secretary of the Interior Cecil D. Andrus is telling anyone who asks that the Alaskan Lands Bill approved last week by the House Interior Committee is "totally unacceptable" to the administration. It ought to be. The bill repudiates much of what Mr. Andrus and President Carter have been fighting for. It would open to unneeded development and exploitation hundreds of thousands of acres of federal land that should be preserved for later generations.

It is not clear why the House committee caved in totally to those Alaskans who want to use so much of that state's resources now. To do it, the committee had to reverse its positions of just a year ago on dozens of critical issues. It also had to turn its back on the version of the bill that the full House passed overwhelmingly last spring. Interestingly enough, every Republican on the committee voted to reduce the national parks, wildlife areas and other protected lands while the Democrats voted, 20 to 7, against that action.

Without much doubt, the problem of carving up the remaining federal lands in Alaska is one of the most intricate facing Congress. The areas involved are vast. They are rich in resources, from fish and game to timber and oil and gas. The pressures on Congress from both the development interests and the conservationists are extremely heavy. Those Alaskans who want the fewest possible federal restrictions left on the land see this bill as their last chance to gain access to the resources they think are necessary to make Alaska economically strong. Conservationists see the bill as the last chance to preserve huge sections of the United States in a pristine state where wildlife and nature remain undisturbed.

No one is sure precisely where the balance should be struck between these interests, particularly when the factors to be weighted vary as dramatically as they do between the timber lands of the southeast and the arctic wastes of the far north. In striking that balance, it is better to err on the side of preserving too much than preserving too little. If too many resources and too much land are kept intact, future generations of legislators can reverse that judgment and open the land to development. But once oil wells are drilled, timber is cut and watersheds are altered, a Congress of the future cannot reverse a wrong decision.

The bill that passed the House a year ago seemed to us to be within the realm of reasonable compromise. The one the Interior Committee has reported out this year is not, particularly in light of the sentiment in the Senate to open up too much of Alaska to development. The House should have no qualms about rejecting the work of this committee and passing again the legislation it approved last spring. If it does not do so, the chances are not good for congressional agreement on an Alaskan lands bill that President Carter can sign—and remain faithful to what he has said in the past.

[From the St. Louis Post-Dispatch]

"PROTECTION"

Congress ought to quickly back up the actions taken by President Carter, Agriculture Secretary Bergland and Interior Secretary Andrus late last year to protect vast areas of irreplaceable wilderness in Alaska. The executive action became necessary when the Senate failed—because of a filibuster threat in its closing days—to act on the Alaska Public Interest Lands Bill, a strong version of which had been passed by the House. Thus, the deadline for Congress lapsed and the protection that had been set up under the Alaska Native Claims Settlement Act was reduced.

The Alaskan opposition to federal control of some land there was built around a scare theme of "locking up" the state's resources. However, the administration was very careful to take into consideration the legitimate needs of the state, to leave open most areas of known mineral wealth and to make ample provision for sport and subsistence hunting. Notwithstanding these good-faith demonstrations of restraint on the part of the federal government, the state of Alaska filed for takeover of 41 million acres relatively soon after Congress adjourned. The problem with the state's action was not the amount of land wanted—the state will get more than twice that amount when the division is complete—but rather was that 10 million of the acres the state wanted for development were included by the House and the administration in the lands to be preserved.

Secretaries Andrus and Bergland used what powers they had to preserve temporarily all lands that would have been covered by the bills in Congress, but this type of action is largely untested in the courts and the amount of protection actually given is questionable. Hence, President Carter selected 56 million acres that are especially scenic or important to wildlife and designated the areas national monuments. Such a use of the 1906 Antiquities Act occurred previously when Theodore Roosevelt set aside the Grand Canyon for preservation, and it ought to withstand any challenges. Many more acres than the 56 million need definite protection, however; and congressional support ought to be given for the president's action. The lands that can be preserved are unique, and Congress needs to ensure that they remain unspoiled.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LEHMAN (at the request of Mr. WRIGHT) for today on account of illness in the family.

To Mr. PEPPER (at the request of Mr. WRIGHT) for today on account of illness in the family.

To Mr. STEWART for indefinite period on account of illness of his son.

To Mr. THOMPSON (at his own request) from March 29, 1979.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HOPKINS) to revise and extend their remarks and include extraneous material:)

Mr. GOLDWATER, for 5 minutes, today.
Mr. MCKINNEY, for 15 minutes, today.
Mr. BOB WILSON, for 5 minutes, today.
Mr. CORCORAN, for 5 minutes, today.
Mr. HAMMERSCHMIDT, for 5 minutes, today.
Mr. WALKER, for 5 minutes, today.
Mr. GILMAN, for 60 minutes, on April 3.

(The following Members (at the request of Mr. RATCHFORD) to revise and extend their remarks and include extraneous matter:)

Mr. AUCOIN, for 10 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. KASTENMEIER, for 5 minutes, today.
Mr. THOMPSON, for 5 minutes, today.
Mr. UDALL, for 5 minutes, today.
Mr. WEAVER, for 5 minutes, today.
Mr. OTTINGER, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. KOSTMAYER, for 5 minutes, on March 29.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. RUDD, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $965.

(The following Members (at the request of Mr. HOPKINS) and to include extraneous matter:)

Mr. SAWYER.
Mr. YOUNG of Florida.
Mr. FORSYTHE.
Mr. RUDD.
Mr. ARCHER.
Mr. LAGOMARSINO.
Mr. WHITEHURST.
Mr. BEREUTER in two instances.
Mr. BOB WILSON in four instances.
Mr. COLLINS of Texas in two instances.
Mr. TAYLOR.
Mr. CORCORAN.
Mr. SYMMS.
Mr. BROWN of Ohio.
Mr. MCCLORY.
Mr. HANSEN.
Mr. DERWINSKI.

(The following Members (at the request of Mr. RATCHFORD) and to include extraneous matter:)

Mr. KOSTMAYER in two instances.
Mr. MAVROULES.
Mr. STARK.
Mr. GORE.
Mr. TRAXLER.
Mr. BINGHAM in 10 instances.
Mr. KILDEE.
Mr. FASCELL.
Mr. MATSUI.
Mr. ANDERSON of California in three instances.
Mr. SKELTON.
Mr. GONZALEZ in three instances.
Mr. MOAKLEY.
Mr. SLACK.
Mr. WOLFF.
Mr. MCKAY.
Mr. ROSENTHAL.
Mr. DRINAN in two instances.
Mr. PREYER.
Mr. HEFTEL.
Mr. MAZZOLI.
Mr. SHANNON.
Mr. AUCOIN.
Mr. MATHIS.
Mr. CONYERS.
Mr. DASCHLE.
Mr. OTTINGER.
Mr. FITHIAN.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee has examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2439. An act to rescind certain budget authority contained in the message of the President of January 31, 1979 (H. Doc. 96-46), transmitted pursuant to the Impoundment Control Act of 1974.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on March 27, 1979, present to the President, for his approval, a bill of the House of the following title:

H.R. 2301. To amend the Federal District Court Organization Act of 1978 with respect to certain administrative matters arising from the redrawing of the Federal judicial districts in the State of Illinois.

ADJOURNMENT

Mr. RAHALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 29 minutes p.m.), the House adjourned until tomorrow, Thursday, March 29, 1979, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1103. A letter from the Assistant Administrator for Legislative Affairs, Agency for International Development, Department of State, transmitting a report on the agency's progress in promoting contracting with minority business enterprises, pursuant to section 133 of Public Law 95-88; to the Committee on Foreign Affairs.

1104. A letter from the Secretary of Agriculture, transmitting notice of a delay in the submission of the report on timber scheduling alternatives in the Six Rivers National Forest, required to be submitted by March 27, 1979, under the provisions of section 102 (c) of Public Law 95-250; to the Committee on Interior and Insular Affairs.

1105. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a draft of proposed legislation to amend the statutory provisions governing the Nuclear Regulatory Commission's civil penalty authority; to the Committee on Interior and Insular Affairs.

1106. A letter from the Director, Office of Hearings and Appeals, Department of Energy, transmitting the Office's quarterly report on private grievances and redress, pursuant to section 21(c) of Public Law 93-275; to the Committee on Interstate and Foreign Commerce.

1107. A letter from the Executive Secretary, National Mediation Board, transmitting the 43d annual report of the National Mediation Board, including the report of the National Railroad Adjustment Board, pursuant to sections 4 and 3(w) of the Railway Labor Act; to the Committee on Interstate and Foreign Commerce.

1108. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982; to the Committee on Merchant Marine and Fisheries.

1109. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to extend the appropriation authorization for the Commercial Fisheries Research and Development Act of 1964, as amended; to the Committee on Merchant Marine and Fisheries.

1110. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the National Sea Grant College Program Act for fiscal years 1981 and 1982 at such sums as may be necessary; to the Committee on Merchant Marine and Fisheries.

1111. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal years 1980 and 1981, and for other purposes; to the Committee on Merchant Marine and Fisheries.

1112. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report on the number of full-time permanent employees hired and promoted by the Commission during the first quarter of fiscal year 1979, pursuant to section 201(h) of the Energy Reorganization Act of 1974, as amended; to the Committee on Post Office and Civil Service.

1113. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report on the Commission's review of the selection and training process for Atomic Safety and Licensing Board Panel members, pursuant to section 7 of Public Law 95-601; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

1114. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 10 of the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to extend the authorization of appropriations for fiscal years 1980 and 1981; jointly, to the Committees on Merchant Marine and Fisheries and Science and Technology.

1115. A letter from the Secretary of Commerce, transmitting drafts of proposed legislation to amend sections 204 and 304 of the Marine Protection, Research, and Sanctuaries Act of 1972, as amended, to extend the authorizations for appropriations for fiscal years 1979, 1980, and 1981; jointly, to the Committees on Merchant Marine and Fisheries and Science and Technology.

1116. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend title 13, United States Code, to exempt the Bureau of the Census from the provisions of section 322 of the act of June 30, 1932; jointly, to the Committees on Post Office and Civil Service and Public Works and Transportation.

1117. A letter from the Federal Cochairman, Appalachian Regional Commission, transmitting a draft of proposed legislation to extend the Appalachian Regional Development Act of 1965; jointly, to the Committees on Public Works and Transportation, Agriculture, Banking, Finance and Urban Affairs, and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under Clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules.

House Resolution 183. Resolution concurring in Senate amendments to the bill (H.R. 2534) to provide for a temporary increase in the public debt limit, and for other purposes (Rept. No. 96-75). Referred to the House Calendar.

Mr. DODD: Committee on Rules.

House Resolution 184. Resolution providing for the consideration of H.R. 3173. A bill to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize international security assistance programs for fiscal years 1980 and 1981, and for other purposes (Rept. No. 96-76). Referred to the House Calendar.

Mr. LONG of Louisiana: Committee on Rules.

House Resolution 185. Resolution providing for the consideration of H.R. 595. A bill to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, and to provide for the deposit of moneys received from the sale of such tin (Rept. No. 96-77). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLER of California (for himself, Mr. Perkins, Mr. Weiss, Mr. Thompson, Mr. Corrada, Mr. Maguire, Mr. Phillip Burton, Mr. Simon, and Mr. Richmond):

H.R. 3282. A bill to establish a program for the inspection of schools to detect the presence of hazardous asbestos materials, to provide loans to local educational agencies to contain or remove hazardous asbestos materials from schools and to replace such materials with other suitable building materials, and for other purposes; to the Committee on Education and Labor.

By Mr. ATKINSON:

H.R. 3283. A bill to amend the Atomic Energy Act of 1954 to prevent certain nuclear reactor repair costs and increased costs of substitute power from being passed through to an electric utility's consumers when the generation of electric energy by any nuclear powerplant is suspended or terminated for a safety-related reason, to provide a Federal fund for the payment of these costs, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BONER of Tennessee:

H.R. 3284. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to extend and clarify the authority of the General Services Administration with respect to the protection of buildings and areas owned and occupied by the United States and under the charge and control of the Administrator of General Services, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. BOWEN:

H.R. 3285. A bill to provide for the completion of the Natchez Trace Parkway from Natchez, Miss., to Nashville, Tenn.; to the Committee on Interior and Insular Affairs.

By Mr. CAVANAUGH:

H.R. 3286. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. DELLUMS (for himself, Mr. Fauntroy, and Mr. McKinney):

H.R. 3287. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to increase the authorization for the annual Federal payment to the District of Columbia from $300 million to $317 million; to the Committee on the District of Columbia.

By Mr. DERWINSKI:

H.R. 3288. A bill to amend the Internal Revenue Code to decrease the limitation on deductions for medical expenses to 2 percent of adjusted gross income, to eliminate the 1-percent limitation on deductions for deduction for medical insurance within the 2-percent limitation; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee:

H.R. 3289. A bill to exempt the Tellico Dam and Reservoir project in Tennessee from the provisions of the Endangered Species Act of 1973; to the Committee on Merchant Marine and Fisheries.

By Mr. ENGLISH:

H.R. 3290. A bill to amend the Food and Agriculture Act of 1977 relating to increases in the target prices of the 1979 crops of wheat, corn, and other crops under certain circumstances, and for other purposes; to the Committee on Agriculture.

By Mr. FLIPPO:

H.R. 3291. A bill to amend section 15d of the Tennessee Valley Authority Act of 1933 to provide that expenditures for pollution control facilities will be credited against required power investment return payments and repayments; to the Committee on Public Works and Transportation.

By Mr. FORSYTHE (for himself, Mr. Murphy of New York, Mr. McCloskey, Mr. Breaux, Mr. Dingell, Mr. Bowen, Mr. Bonker, Mr. AuCoin, Mr. Oberstar, Mr. Hughes, Mr. Akaka, Mr. Wyatt, Mr. Hutto, Mr. Lent, Mr. Dornan, Mr. Trible, Mr. Evans of the Virgin Islands, Mr. Whitehurst, Mr. Winn, Mr. Moakley, Mr. Patten, Mr. Anderson of California, and Mr. Gudger):

H.R. 3292. A bill to assist the States in developing fish and wildlife conservation plans, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. GLICKMAN:

H.R. 3293. A bill to amend title 44, United States Code, to eliminate certain binding for Members of Congress; to the Committee on House Administration.

H.R. 3294. A bill to amend title 44, United States Code, to eliminate certain printing and binding; to the Committee on House Administration.

H.R. 3295. A bill to amend title 44, United States Code, to reduce the gratuitous distribution of the Congressional Record; to the Committee on House Administration.

By Mr. GONZALEZ (for himself and Mr. Lott):

H.R. 3296. A bill to authorize adjustment of the retired pay of certain former members of the uniformed services; to the Committee on Armed Services.

By Mr. Hammerschmidt (for himself, Mr. Roberts, Mr. Hillis, and Mr. Hansen):

H.R. 3297. A bill to amend title 38, United States Code, in order to revise the provisions of such title relating to the construction and alteration of, and acquisition of land for, veterans' cemeteries; to the Committee on Veterans' Affairs.

By Mr. JEFFORDS:

H.R. 3298. A bill to provide for the timely and safe disposal of radioactive ores, minerals, and mill tailings as well as physical facilities and material wastes of all types which are produced as a result of the use of nuclear energy; jointly to the Committees on Armed Services, Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. JOHNSON of California:

H.R. 3299. A bill to designate certain lands in the Shasta-Trinity National Forest, Calif., as the Mount Shasta Wilderness, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DODD:

H.R. 3300. A bill to amend the Public Works and Economic Development Act of 1965 to establish an Office of Economic Diversification in the Economic Development Administration of the Department of Commerce, to establish a program to encourage and assist certain defense dependent areas in diversifying their economies, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs, Public Works and Transportation, and Rules.

By Mr. McKINNEY:

H.R. 3301. A bill to extend and strengthen subsection (l) of section 2403 of 50 U.S.C. App. (the McKinney amendment to the Export Administration Amendments of 1977); to the Committee on Foreign Affairs.

By Mr. MATHIS:

H.R. 3302. A bill to amend the Atomic Energy Act of 1954, as amended, to improve the nuclear siting and licensing process, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RODINO:

H.R. 3303. A bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes; to the Committee on the Judiciary.

By Mr. SABO (for himself, Mr. Bonior of Michigan, Mrs. Bouquard, Mr. Dan Daniel, Mr. Davis of Michigan, Mr. Downey, Mr. Edwards of California, Mr. Erdahl, Mr. Fazio, Mrs. Holt, Mr. Jenrette, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Nolan, Mr. Perkins, Mr. Roe, Mr. Vento, Mr. Weaver, and Mr. Whitehurst):

H.R. 3304. A bill to amend title XIX of the Social Security Act to permit States to establish flexible income contribution and resource standards for couples in which one spouse is in a nursing home; to the Committee on Interstate and Foreign Commerce.

By Mr. ST GERMAIN:

H.R. 3305. A bill to amend the National Housing Act to reduce the amount of the reserve requirement on insured accounts in Federal savings and loan associations; to the Committee on Banking, Finance and Urban Affairs.

By Mr. ST GERMAIN (by request):

H.R. 3306. A bill to amend the Home Owners' Loan Act of 1933 to permit Federal savings and loan associations to raise additional capital through the issuance of mutual capital certificates, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SCHULZE:

H.R. 3307. A bill to amend the Tariff Act of 1930 with respect to the imposition of countervailing duties, and for other purposes; to the Committee on Ways and Means.

By Mr. SKELTON:

H.R. 3308. A bill to amend title 10, United States Code, to authorize additional Army Reserve Officers' Training Corps scholarships for cadets at military junior colleges, to authorize the Secretary of the Army to provide that cadets awarded such scholarships may serve their obligated period of service in the Army Reserve or Army National Guard of the United States, and for other purposes; to the Committee on Armed Services.

By Mr. SOLARZ:

H.R. 3309. A bill to amend title II of the Social Security Act to eliminate the duration-of-marriage requirements (and other special requirements) which are presently applicable in determining whether a person is the widow or widower of an insured individual for benefit purposes; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 3310. A bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year; to the Committee on Armed Services.

By Mr. STENHOLM:

H.R. 3311. A bill to amend title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. THOMPSON (for himself, Mr. Buchanan, Mr. Clay, Mr. Edwards of California, Mr. Ford of Michigan, Mr. Lloyd, Mr. Maguire, Mr. Patten, Mr. Perkins, Mr. Richmond, Mr. Sabo, Mr. Scheuer, Mr. Weiss, Mr. Wirth, Mr. Wolpe, and Mr. Yates):

H.R. 3312. A bill to incorporate the American Council of Learned Societies; to the Committee on the Judiciary.

By Mr. CHARLES H. WILSON of California:

H.R. 3313. A bill to amend the Federal Trade Commission Act and the Clayton Act to exempt incorporated or unincorporated associations of health professions from the Federal Trade Commission Act and the antitrust laws; jointly, to the Committees on Interstate and Foreign Commerce and the Judiciary.

By Mr. BOB WILSON:

H.R. 3314. A bill to amend title 10, United States Code, to make certain changes in the survivor benefit plan established under chapter 73 of such title, and for other purposes; to the Committee on Armed Services.

By Mr. ZABLOCKI (for himself, Mr. Wright, Mr. Rhodes, Mr. Brooks, Mr. Fountain, Mr. Fascell, Mr. Diggs, Mr. Rosenthal, Mr. Hamilton, Mr. Wolff, Mr. Bingham, Mr. Yatron, Mrs. Collins of Illinois, Mr. Solarz, Mr. Bonker, Mr. Studds, Mr. Ireland, Mr. Pease, Mr. Mica, Mr. Barnes, Mr. Gray, Mr. Hall of Ohio, Mr. Wolpe, Mr. Bowen, Mr. Fithian, Mr. Broomfield, Mr. Derwinski, Mr. Findley, Mr. Buchanan, Mr. Winn, Mr. Gilman, Mr. Guyer, Mr. Lagomarsino, Mr. Goodling, Mr. Pritchard, Mrs. Fenwick, Mr. Quayle, and Mr. Bob Wilson):

H.J. Res. 283. Joint resolution reaffirming the U.S. commitment to the North Atlantic Alliance; to the Committee on Foreign Affairs.

By Mrs. COLLINS of Illinois:

H.J. Res. 284. Joint resolution to provide for the designation of September 2, 1979, as "Working Mothers' Day"; to the Committee on Post Office and Civil Service.

By Mr. PRICE:

H. Con. Res. 88. Concurrent resolution to declare a National Energy Policy; jointly to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. YATRON:

H. Con. Res. 89. Concurrent resolution commending the Air Force Academy on its 25th anniversary; to the Committee on Armed Services.

By Mr. GLICKMAN:

H. Res. 186. Resolution to amend the Rules of the House; to the Committee on Rules.

By Mr. WATKINS (for himself, Mr. Jones of Tennessee, Mr. Broyhill, Mr. Alexander, Mr. McKay, Mr. AuCoin, Mr. Hammerschmidt, Mr. Long, of Louisiana, and Mr. Nolan):

H. Res. 187. Resolution expressing the sense of the House opposing the transfer of the Forest Service and the Farmers Home Administration business and industry programs; to the Committee on Agriculture.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: A memorial of the House of Representatives of the State of Hawaii, relative to exempting Hawaiian banks from the reserve requirements for Federal Reserve membership; to the Committee on Banking, Finance and Urban Affairs.

99. Also, memorial of the House of Representatives of the Commonwealth of Massachusetts, relative to revenue sharing; to the Committee on Government Operations.

100. Also, memorial of the Legislature of the State of North Dakota, relative to assistance to railroads linking agricultural areas and urban market areas; to the Committee on Interstate and Foreign Commerce.

101. Also, memorial of the Legislature of the State of North Dakota, relative to metric conversion; to the Committee on Science and Technology.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of California:

H.R. 3315. A bill to authorize the Secretary of Commerce to sell five obsolete vessels to the Inter-Ocean Management Co., a California corporation, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CLINGER:

H.R. 3316. A bill for the relief of Mrs. Liwayway T. Alojipan; to the Committee on the Judiciary.

By Mr. DEVINE:

H.R. 3317. A bill for the relief of Ohio Wesleyan University, Delaware, Ohio; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 3318. A bill for the relief of Bobby R. Prince; to the Committee on the Judiciary.

By Mr. LEWIS:

H.R. 3319. A bill for the relief of Jose Quintana Dominguez Sendejas; to the Committee on the Judiciary.

By Mr. REGULA:

H.R. 3320. A bill for the relief of Eileen Ferraren Fair; to the Committee on the Judiciary.

By Mr. WALKER:

H.R. 3321. A bill for the relief of Arthur J. Grauf; to the Committee on the Judiciary.

H.R. 3322. A bill for the relief of Claretha Bessick and Fredericka Athena Clark Engs; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 3323. A bill for the relief of Calvin L. Graham; to the Committee on the Judiciary.

By Mr. JONES of Tennessee:

H. Res. 188. Resolution noting the retirement of Joel W. Solomon, and expressing gratitude for his contributions as a public servant; to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 55: Mr. Anderson of Illinois, Mr. Badham, Mr. Campbell, Mr. Cleveland, Mr. Robert W. Daniel, Jr., Mr. Dannemeyer, Mr. Dornan, Mr. Erlenborn, Mr. Frenzel, Mr. Gibbons, Mr. Gingrich, Mr. Jacobs, Mr. Kindness, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Lent, Mr. Lott, Mr. McCloskey, Mr. Murphy of Pennsylvania, Mr. Robinson, Mr. Rousselot, Mr. Shuster, Mr. Stump, Mr. Tauke, Mr. Thomas, Mr. Treen, Mr. Walker, Mr. Whitehurst, Mr. Winn, and Mr. Yatron.

H.R. 170: Mr. Addabbo, Mr. Beilenson, Mr. Bingham, Mr. Downey, Mr. Edwards of California, Ms. Holtzman, Mr. Hollenbeck, Mr. Hughes, Mr. Lowry, Mr. Ottinger, Mr. Rangel, Mr. Scheuer, Mrs. Spellman, Mr. Weiss, and Mr. Wolff.

H.R. 192: Mr. Brinkley, and Mr. Duncan of Tennessee.

H.R. 248: Mr. Evans of the Virgin Islands.

H.R. 259: Mr. Conyers.

H.R. 605: Mr. Glickman, Mr. Gephardt, Mr. McClory, Mr. Rinaldo, Mrs. Schroeder, Mr. Carr, Mr. Seiberling, and Mr. Nolan.

H.R. 958: Mr. Clay, Mr. Conyers, Mr. Kildee, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Ottinger, Mr. Phillip Burton, Mr. Scheuer, Mr. Walker, Mr. Vento, Mr. Richmond, Mr. Diggs, Mr. Mineta, Mr. Weiss, Mr. Rose, Mr. Lederer, Mr. Downey, Mr. Evans of the Virgin Islands, Mr. Rangel, and Mr. Simon.

H.R. 997: Mr. Harris.

H.R. 1041: Mr. Goodling, Mr. Traxler, Mr. Davis of Michigan, Mr. Dornan, Mr. Hyde, Mr. Jacobs, and Mr. Rahall.

H.R. 1290: Mr. Seiberling, Mr. Ottinger, Mr. Young of Missouri, and Mr. Richmond.

H.R. 1524: Mr. Atkinson, Mr. Bingham, Mr. Fazio, Ms. Ferraro, Mr. Hopkins, Mr. Kildee, Mr. Nolan, and Mr. Roybal.

H.R. 1958: Mr. Moorhead of California, Mr. Martin, Mr. Sawyer, Mr. Hollenbeck, Mr. Hagedorn, Mr. Snyder, Mr. Leach of Louisiana, Mr. Tauke, Mr. Whittaker, Mr. Slack, Mr. Luken, Mr. McDade, and Mr. Lujan.

H.R. 2342: Mr. Hyde.

H.R. 2482: Mr. Edwards of California, Mr. Markey, Mr. Dornan, Mr. Mineta, Mr. Bafalis, Mr. Ottinger, Mr. Seiberling, Mr. Williams of Montana, Mr. Frenzel, Mr. Corrada, and Mr. McHugh.

H.R. 2612: Mr. Goldwater, Mr. Badham, Mr. Edwards of California, Mr. Burgener, Mr. Thomas, Mr. Dornan, Mr. Lloyd, Mr. Van Deerlin, Mr. Grisham, Mr. Pashayan, Mr. Dannemeyer, Mr. Mineta, Mr. Moorhead of California, Mr. Lewis, Mr. Clausen, Mr. Panetta, and Mr. McCloskey.

H.R. 2798: Mr. Ambro, Mr. Barnes, Mr. Bonior of Michigan, Mr. Burgener, Mr. Clay, Mr. Coleman, Mr. Conyers, Mr. Corman, Mr. Corrada, Mr. Coughlin, Mr. Donnelly, Mr. Downey, Mr. Edgar, Mr. Guarini, Mr. Hanley, Mr. Kastenmeier, Mr. LaFalce, Mr. Mikva, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Patten, Mr. Rose, Mr. Scheuer, Mr. Seiberling, Mrs. Spellman, Mr. Van Deerlin, Mr. Waxman, Mr. Weiss, Mr. Charles Wilson of Texas, and Mr. Wolff.

H.R. 2843: Mr. Foley.

H.R. 2975: Mr. Whitehurst, Mr. Edwards of California, Mr. Murphy of Pennsylvania, Mr. Waxman, Mr. Lloyd, Mr. Phillip Burton, Mr. Dornan, Mr. Shumway, Mr. Corman, Mr. Panetta, Mr. Corrada, Mr. Gingrich, Mr. Mr. Young of Alaska, Mr. Marriott, Mr. Won Pat, Mr. Edgar, Mr. Thomas, Mr. Jenrette, and Mr. Roe.

H.R. 3111: Mr. Corrada, Mr. Lott, Ms. Mikulski, and Mr. Wyatt.

H.J. Res. 229: Mr. Anderson of Illinois, Mr. Broomfield, Mr. Buchanan, Mr. Butler, Mr. Corrada, Mr. Robert W. Daniel, Jr., Mr. Duncan of Tennessee, Mr. Emery, Mr. Evans of Delaware, Mr. Fazio, Mr. Forsythe, Mr. Fountain, Mr. Gilman, Mr. Grassley, Mr. Guyer, Mr. Hance, Mr. Hollenbeck, Mr. Kramer, Mr. Madigan, Mr. Mathis, Mr. Miller of Ohio, Mr. Moorhead of California, Mr. Neal, Mr. O'Brien, Mr. Perkins, Mr. Quayle, Mr. Regula, Mr. Robinson, Mr. Rudd, Mr. Satterfield, Mr. Shumway, Mr. Shuster, Mr. Simon, Mr. Spence, Mr. Stangeland, Mr. Stockman, Mr. Treen, Mr. Trible, Mr. Vento, and Mr. Young of Alaska.

H. Con. Res. 70: Mr. Nowak.

PETITIONS, ETC.

Under clause 1 of rule XXII,

94. The SPEAKER presented a petition of the Waterbury Lithuanian-American Council and the Waterbury Lithuanian-American Community, Waterbury, Conn., relative to the colonial status of the Baltic States, which was referred to the Committee on Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3173

By Mr. RITTER:

On page 20, immediately after line 19, insert the following new section:

Middle East Peace Development Fund

Sec. 21. It is the sense of the Congress that the President take all appropriate steps to negotiate with other industrial nations an agreement for the creation of a Peace Development Fund whose purpose would be to underwrite the costs of implementing a Middle East peace with all the industrial nations contributing to the fund in general proportion to the oil they purchase from the Middle East.

EXTENSIONS OF REMARKS

CONGRESS MUST HEED CALL FOR BALANCED BUDGET AMENDMENT

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. ARCHER. Mr. Speaker, I appreciate this opportunity to share with my colleagues the following testimony I am submitting today to the Monopolies and Commercial Law Subcommittee of the House Judiciary Committee which has begun hearings on proposed constitutional amendments to require a balanced Federal budget.

Given the attention being focused on this timely issue throughout the Nation, it is particularly important that all of us who serve in the House of Representatives act expeditiously and responsibly in examining the various alternative approaches such an amendment might take in arriving at the one which will best achieve our intended goals.

The testimony follows:

Testimony of Congressman Bill Archer

Mr. Chairman: I sincerely appreciate this opportunity to submit testimony to this Subcommittee on the subject of a proposed Constitutional Amendment requiring a balanced federal budget.

As the initiator of the letter cosigned by 147 of my colleagues requesting these hearings for the past several months, I am very hopeful that this two-day period is only the beginning of far more extensive consideration of this important subject. Anything less than a totally sincere and thorough look at the budget balancing alternatives that have been recommended would be a gross injustice.

Since 1961, the federal budget has been balanced only once—and following the winding down of the Vietnam War machine the growth of astronomical deficits has been accompanied by intolerable levels of inflation and unemployment.

Understandably, the American people are laying a major share of the blame on the federal government. Federal spending is totally out of control. The Congress has dismally failed to restrain its spending habits, and has instead continually taken the politically expedient tack of turning to deficit financing of its programs so it will not have to say "no" to anyone.

Not surprisingly, 81 percent of our people, according to a Gallup poll taken last summer, now favor a Constitutional Amendment requiring a balanced federal budget—a clear indication that they no longer trust the Congress to impose fiscal self-restraint.

Existing Congressional budget procedures just are not getting the job done. They have failed to control spending—or even to bring spending into line with what the Congress has the courage to raise honestly through taxes.

Yes, a Constitutional Amendment is an extraordinary step to take—and certainly we must take care to build sufficient flexibility into such an amendment to respond to extraordinary circumstances—but it is the only way the Congress will ever put an end to the inflationary open-ended credit card approach to spending that exists today.

Inflation is now running at well over 10 percent a year—and with the "borrow and spend now" psychology that exists here in the Congress now filtering throughout our society—the subject cannot be ignored any longer. The people are saying "Stop!" They are fed up with the lack of leadership which has so characterized federal budgetary procedures.

We are in a sad state indeed—and the people know it—when a President can get away with calling an inflationary deficit of over $29 billion "lean and austere" and when our total indebtedness will soon reach the astronomical level of $830 billion. For Fiscal Year 1980, our payment for interest on the national debt alone is going to be about $46 billion! As a matter of fact, even the President's low estimate of the deficit is now projected to be some $11 billion on the short side once the Congress pushes it up to a predicted $40 billion or more.

Federal spending is indeed out of control—and it is not going to get back under control without a Constitutional mandate. The Congress and Administration have the tools available—but will not impose the necessary self-discipline.

That imposition of discipline is the most important single force behind the growing national demand for a Constitutional Amendment to require a balanced budget.

Certainly such a requirement would force the Congress to finally judge all federal programs, old and new, according to proven need—in line with the priorities set by the taxpayers who would be paying the bills. Perhaps some programs would finally have to be redrawn to eliminate the massive waste that now exists in order to free tax dollars for other worthy uses.

The federal government would be prevented by law from undertaking programs which the people are unwilling to support through their taxes. The Congress in its collective judgment would have to decide which programs are most deserving of federal funding—and among those selected, which should receive priority funding.

That might well mean a slowing of the trend in recent years toward greater centralization of government functions in Washington. It may well mean that the federal government would begin to restrain itself somewhat when tempted to involve itself in issues best handled at state and local levels of government. In my own opinion that would be a most welcome positive effect of a balanced budget amendment.

The important point now is that we have finally begun the debate in the Congress of the United States on this continuing national issue of fiscal responsibility. We do not have all the answers. We do not know which of the many alternative approaches such an amendment might take would be most effective in doing the job that needs to be done.

That is the purpose of the extensive hearing process I have been calling for in recent years. We need to carefully examine those alternatives and develop the approach that will work.

I look forward to being an active participant in that examination process—a process which clearly must follow this initial comment period.

The American people are calling out to us for fiscal responsibility—and we must answer them as statesmen in providing the most effective possible means for achieving that continuing goal.

Thank you very much.●

MILITARY JUNIOR COLLEGE SCHOLARSHIPS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. SKELTON. Mr. Speaker, I have addressed the Members of the House previously concerning the importance of our Nation's Armed Forces Reserves and National Guard. To reiterate what I have said in the past, our Armed Forces Reserves and National Guard are vital to our national security. However, they are facing serious problems in recruiting and retaining personnel. This shortfall in personnel is so serious that it threatens our ability to effectively mobilize in the defense of our Nation.

Today, I am introducing legislation to help alleviate this shortfall, particularly as it applies to junior officers in the Army Reserves and National Guard. My bill would provide for a total of 600 scholarships to be used by cadets at any of our Nation's six military junior colleges. Upon completing the academic and military requirements of the program, the recipient of the scholarship would be obligated to serve as a commissioned officer in the Army Reserve or the Army National Guard for not less than 6 years.

The program established by this legislation will not eliminate the personnel problems faced by our Reserve component. However, I feel that any contribution that can be made in this area, however modest, is significant. I urge my colleagues to join me in support of this bill and other legislative measures to help our Reserves and National Guard.

The text of my bill follows:

H.R. —

A bill to amend title 10, United States Code, to authorize additional Army Reserve Officers' Training Corps scholarships for cadets at military junior colleges, to authorize the Secretary of the Army to provide that cadets awarded such scholarships may serve their obligated period of service in the Army Reserve or Army National Guard of the United States, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) title 10, United States Code, is amended by inserting after section 2107 the following new section:

"§ 2107a. Financial assistance program for specially selected members: military junior colleges.

"(a)(1) The Secretary of the Army may appoint as a cadet in the Army Reserve or Army National Guard of the United States any eligible member of the program who is a student at a military junior college and who will be under 25 years of age on June 30 of the calendar year in which he is eligible under this section for appointment as a second lieutenant in the Army.

"(2) To be considered a military junior college for the purposes of this section, a school must be a civilian post-secondary educational institution essentially military in nature that does not confer baccalaureate degrees and that meets such other requirements as the Secretary of the Army may prescribe.

"(b) To be eligible for appointment as a cadet under this section, a member of the program must—

"(1) be a citizen of the United States;

"(2) be specially selected for the financial assistance program under this section under procedures prescribed by the Secretary of the Army;

"(3) enlist in a reserve component of the Army for the period prescribed by the Secretary of the Army;

"(4) contract, with the consent of his parent or guardian if he is a minor, with the Secretary of the Army to serve for the period required by the program;

"(5) agree in writing that he will accept an appointment, if offered, as a commissioned officer in the Army Reserve or the Army National Guard of the United States; and

"(6) agree in writing that he will serve in such reserve component for not less than six years.

Performance of duty under an agreement under this subsection shall be under such terms and conditions as the Secretary of the Army may prescribe and may include periods of active duty, active duty for training, and other service in an active or inactive status in the reserve component.

"(c) The Secretary of the Army may provide for the payment of all expenses of the Department of the Army in administering the financial assistance program under this section, including the cost of tuition, fees, books, and laboratory expenses of members of the program.

"(d) Upon satisfactorily completing the academic and military requirements of the program, a cadet may be appointed as a reserve officer in the Army in the grade of second lieutenant, even though he is under 21 years of age.

"(e) The date of rank of officers appointed under this section in May or June of any year is the date of graduation of cadets from the United States Military Academy in that year. The Secretary of the Army shall establish the date of rank of all other officers appointed under this section.

"(f) A cadet who does not complete the course of instruction, or who completes the course but declines to accept a commission when offered, may be ordered to active duty by the Secretary of the Army to serve in his enlisted grade for such period of time as the Secretary prescribes but not for more than four years.

"(g) In computing length of service for any purpose, an officer appointed under this section may not be credited with service as a cadet or with concurrent enlisted service.

"(h) Not more than 600 cadets may be in the financial assistance program under this section at any one time. Cadets appointed under this section are in addition to the number appointed under section 2107.".

(b) The table of sections at the beginning of chapter 103 of such title is amended by inserting after the item relating to section 2107 the following new item:

"2107a. Financial assistance program for specially selected members: military junior colleges.".

SEC. 2. Section 2108(d) of title 10, United States Code, is amended by adding at the end thereof the following new sentence: "If a cadet appointed under section 2107a of this title has been accepted for a course of study at an accredited civilian educational institution authorized to grant baccalaureate degrees, the Secretary of the Army may delay the beginning of that member's obligated period of service in a reserve component until the member has completed such course of study.".

SEC. 3. The amendments made by this Act shall take effect on October 1, 1979.●

SECURITY OF THE UNITED STATES

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. BOB WILSON. Mr. Speaker, I would like to call my colleagues' attention to an article in the San Diego Evening Tribune of February 5, 1979, by Paul Cour, the Tribune's military writer, concerning the security of the United States. The article follows:

ADMIRALS SOUND WARNING—U.S. POLICY SEEN WOOING DISASTER

Adm. Horacio Rivero: "The Soviets gained numerical superiority of 40 percent in land and sea-based ballistic missiles."

The security of the United States today is "seriously at hazard," says retired Navy Adm. U.S. Grant Sharp, a former commander in chief of American forces in the Pacific.

"The American people are not being informed, indeed they have been misled," said Sharp at Saturday's defense seminar of the San Diego Council of the Navy League at San Diego City College theater.

"When Americans do understand and when they become aroused, I believe they will force a change in the disastrous policy that we are pursuing."

Retired Adm. Horacio Rivero said that under the first Strategic Arms Limitation Treaty, "the Soviets gained numerical superiority of 40 percent in land- and sea-based ballistic missiles" and that the signing of another arms treaty with the Russians would engender a "false sense of security" in America.

Rivero said that nuclear superiority which the United States used "to force the Soviets out of Iran in 1948 and out of Cuba in 1962" has vanished, "and the shoe is now, or about to be, on the other foot."

Retired Marine Lt. Gen. Victor H. Krulak questioned the new U.S. policy toward the People's Republic of China.

"Would we industrialize the PRC and make them a competitor in world markets of the United States?" he asked. "That doesn't seem to be the royal road to success with respect to the Soviet Union."

Krulak suggested that the United States should sell arms to China, a policy which, he said, "would give the Soviet Union pause in its activities in Western Europe and tie down the Soviets more effectively on its border with China. . . .

"Wouldn't it be better, for hard cash, to sell them those things—surface-to-air missiles and short-range surface to surface rockets—that will give the Soviet Union pause? It would seem to me that this is a strategic decision confronting the United States today."●

HAZARDOUS WASTES: SEEKING BETTER MEANS FOR IDENTIFYING, MONITORING, AND CLEANING UP ABANDONED SITES

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. BROWN of California. Mr. Speaker, I would like to call to my colleagues attention some vital efforts that could help the Nation in dealing with the enormous threats to public health and the environment posed by abandoned hazardous waste sites. Literally thousands of these chemical time bombs blot our country and are now being recognized as critical problems at places like Love Canal in New York, Valley of the Drums in Kentucky, and the Stringfellow acid pits in my own district in California. There is an urgent need for better methods to safely and cost-effectively deal with these sites. I have authorized an amendment, now part of H.R. 2676 (fiscal year 1980 EPA Office of Research and Development Authorization), which mandates a comprehensive study on resolving the problem.

The study will be conducted by the National Academy of Sciences over an 18-month period, with semiannual interim reports and recommendations being made to EPA and Congress. An investigation will be made of the options for identifying, containing, decontamination, and removing hazardous chemicals at abandoned or unsound disposal sites. A full review is to be made of the available methods and technology as well as possible new approaches for protecting people from exposure to these insidious substances that inadvertently escape into the water, soil, air, and food chains. This study will be of great value to EPA and Congress, because it will provide essential guidance relevant to both establishing sound policies and setting appropriate research and development priorities.

The Stringfellow acid pits in the Glen Avon section of my district, provides a typical example of the type of problems abandoned sites pose. Hazardous wastes of all sorts were dumped into these open pits for nearly 20 years, until the operation was shut down in 1972. The pits have periodically been flooded and washed out during heavy rains, spilling millions of gallons of hazardous wastes over the surrounding residential community and schools. Today the pits are again overflowing after prolonged rains, despite emergency efforts. The State of California has recently begun efforts to determine the character and extent of the contamination associated with the site. Work will eventually be done to cap the pits to prevent future washouts. But hazardous substances will continue to contaminate the soil and underground migration of the leached wastes could threaten to eventually poison one of the largest groundwater reserviors in water-short southern California. Extensive and costly monitoring must be maintained until a long-term solution is found to this continuing problem.

Unlike the dramatic tragedies associated with Love Canal, few cases of obvious physical harm can be reliably traced to the Stringfellow acid pits. Nonetheless, the threat to public health is real and in many ways more insidious, because of its less overt nature. We can now only speculate on whether additional cancers or birth defects might appear in the exposed population over the coming years.

There is an urgent need for epidemiological studies of the populations surrounding such sites so that we can more adequately assess the dangers they pose. Unfortunately, the health statistics available often fall far short of the extensive data bases necessary for reliable epidemiological studies.

We must strive to develop better health and death records so that we can determine the consequences of various environmental health threats, such as exposure to hazardous chemicals. Only after such data is collected and analyzed will we know the full extent of the risks and damages associated with abandoned and environmentally unsound hazardous waste sites.

Finally, we must develop more adequate and equitable means of financing the most effective possible cleanup efforts. This is an enormous task and the burden of paying for the remedial actions should be shifted from the taxpayers to those industries that generate these wastes. Several bills on this subject are pending or soon will be introduced, and they deserve careful consideration. With both more effective technical solutions and the necessary mechanisms for funding these solutions, the Nation should be able to address these most pressing of environmental health problems. I only hope we can learn from these tragic experiences that it is far cheaper, not only in dollars, but also in lives, to enforce sufficiently stringent regulations in the first place rather than eventually being forced to rectify the legacies of past negligence.●

COMMEMORATION OF GREEK INDEPENDENCE DAY

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. YOUNG of Florida. Mr. Speaker, on May 29, 1453, Constantinople fell into the hands of the Ottoman Turks, and more than 1,000 years of Byzantine history came to an end. Soon after, Greece was also placed in a servitude which lasted almost four centuries. As a result, what was left of the Hellenic culture was forced to be buried in the monasteries or to be passed from one generation to another by secret gatherings of worshippers and children seeking a knowledge of their historic past. In this way, the Hellenic traditions were maintained, and the desire for a liberated Greece was always present.

On March 25, 1821, Archbishop Germanos and his fellow churchmen of Agia Lavra raised their banner of rebellion—the sign of the cross—and the Greek war of independence had begun. Although the Ottoman Turks were ruthless in their massacre of Greeks, even to the extent of executing the ecumenical patriarch of the Orthodox Church, Greece was determined to overthrow the yoke of bondage. By 1830, she was guaranteed her independence, and the world witnessed the rebirth of the Greek nation.

Yesterday, throughout the Sixth Congressional District of Florida, Greek-Americans celebrated the 158th anniversary of Greek Independence Day, as well as the religious commemoration of the Feast Day of the Annunciation. The United States shall always be indebted to Greece and her people for the principles of government handed down to us, and as the ethnic programs of yesterday pointed out, the celebration of Greek independence reminds us all of that ideal bequeathed to the world by the ancient Greeks—freedom.●

THE FISH AND WILDLIFE CONSERVATION ACT OF 1979

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. FORSYTHE. Mr. Speaker, when the first colonists came to America, they found a land rich in fish and wildlife resources. Their interest, however, was focused on animals which could be used to help these colonists survive in a new land. This early focus on game animals became imbedded in our national consciousness. And when early Americans thought of wildlife management, they thought of game animal management. Nearly 400 years later, America's wildlife management structure is still focused primarily on game species. It is time, however, that we as a Nation recognize that the 2.2 billion acres which comprise the United States support a rich diversity of nongame fish and wildlife.

Of the approximately 3,700 species of vertebrates found in the continental United States, less than 10 percent receive scientific management and, with few exceptions, these represent the game species. Despite the fact that 83 percent of the vertebrates found in the United States are nongame species—that is species which are not taken for sport, food, or fur—less than 2 percent of State wildlife dollars and, according to the

President's environmental message, less than 3 percent of Federal wildlife dollars go for the specific benefit of these nongame species.

The legislation I am introducing today provides for the establishment of a matching grant program to assist the States in completing a comprehensive inventory and assessment of their fish and wildlife, developing a management plan for fish and wildlife and implementing that plan with respect to nongame species. The plan may be implemented for game species using existing mechanisms.

Although it is estimated that approximately 279 species per State could benefit from this legislation, what is a nongame species will vary from State to State depending upon the fish and wildlife regulations of the State. Thus, nongame species may include moose, elk, ospreys, bobcats, owls, meadowlarks, prairie dogs, whippoorwills, kangaroo rats, mockingbirds, flying squirrels, river otters, and red-tailed hawks.

While our wildlife management system is focused primarily on game animals, the fact remains that game and nongame fish and wildlife share the same environment. The same forces which threaten the survival of game species threaten nongame species. Our present system offers only partial protection. If the fish and wildlife resources of this country are to be fully protected for future generations of Americans, we must begin now to establish a wildlife conservation program which places equal emphasis on nongame species.

The Fish and Wildlife Conservation Act, however, if far more than a simple wildlife conservation measure. It is a bill which will permit better decisionmaking and a balanced use of all our resources. For example, during any given year hundreds of projects require the preparation of environmental impact statements. Currently, development agencies must do a complete survey of fish and wildlife resources in order to determine the impact, if any, of a project on these resources. But surveys are extremely time consuming and expensive. If done incompletely, the project may be slowed or stopped because of litigation. If the legislation I am introducing today is enacted, the States will complete a comprehensive inventory and assessment of fish and wildlife. This information will be immediately available to development agencies and decisionmakers. This fact alone will significantly shorten the amount of time required for the preparation of environmental impact statements and could eliminate litigation over the adequacy of impact statements with respect to fish and wildlife.

This legislation may significantly reduce environmental-developer conflicts in other significant ways. Because of the inventories and assessments and the comprehensive plan developed by the State, decisionmakers will be able to compare the impact of various development projects on fish and wildlife before the project is underway and can guide programs toward those alternatives which are acceptable to the program sponsors and which have the least environmental impact.

If, for example, a project sponsor has a choice of constructing a facility in one of two locations, both of which are acceptable to the sponsor, and the State plan has identified site A as having little environmental value and site B as having high wildlife values, the developing agency can use this information to place its facility at site A. In this way, the planning process contained in the legislation can help avoid future confrontations between competing user groups.

Furthermore, the information developed under the Fish and Wildlife Conservation Act will be of critical importance to the Bureau of Land Management and the Forest Service. Recently enacted legislation requires both agencies to undertake a comprehensive inventory and assessment of the fish and wildlife resources found on lands under their jurisdiction. Unfortunately, neither agency has sufficient resources to do the type of job which needs to be done. Given their statutory mandate, however, it would not be unlikely for future litigation to result in a court decision stopping BLM and Forest Service programs (programs which include energy development, mining and logging) until such time as a fish and wildlife inventory and assessment is completed.

Finally, we are all too familiar with the confrontations which have surrounded the Endangered Species Act. These confrontations are likely to continue and increase unless legislation such as that which I am introducing today is enacted. The fact is that almost 70 percent of the vertebrate species currently listed as endangered were considered nongame fish and wildlife at the time of their listing. This statistic alone clearly points out that the lack of a specific program for the conservation of nongame fish and wildlife has already had its effect. Unless such a program is established, it is estimated that there will be an additional 450 nongame species added to the endangered list by the year 1990. One hundred twenty of these species will probably be added to the list within the next 5 years.

Mr. Speaker, the Fish and Wildlife Conservation Act of 1979 is a balanced and practical environmental measure. It provides for the development of information which will reduce environmental-developer conflicts while, at the same time, establishing a directed program for the benefit of 83 percent of the fish and wildlife found within the United States. The degree of enjoyment which the present generation of Americans derives from our nongame fish and wildlife resources is illustrated by the fact that each year approximately 65 million Americans over 9 years of age venture into the out-of-doors specifically to observe or photograph wildlife. In conjunction with these activities, these nongame fish and wildlife enthusiasts spend over $700 million per year.

It is because of these facts, Mr. Speaker, that I and cosponsors are introducing this legislation today.●

BYELORUSSIAN INDEPENDENCE DAY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. BIAGGI. Mr. Speaker, I wish to speak out in honor of the 61st anniversary of the Declaration of Independence of Byelorussia. This day is remembered by myself and the entire Congress as a tribute to the millions of freedom-loving people in Byelorussia and captive nations throughout the world.

On March 25, 1918, the Byelorussian Democratic Republic proclaimed its independence after 125 years of Russian enslavement. Tragically, this freedom was to be short-lived. Almost immediately, the new Soviet Government attacked Byelorussia and denied most of the newly declared freedoms of the Byelorussian people.

By 1944, the Soviet Union had assumed full control over the Byelorussian nation. Since that time, the proud people of Byelorussia have been forced to endure severe repression. They have been deprived of all basic national, economic, and human rights. Those few who dare to object are subjected to long periods of incarceration and their families and friends endure harassment by authorities. The right to emigrate remains almost nonexistent.

Yet, despite the suffering they have endured for over three decades, the spirit of Byelorussian freedom fighters has never faltered, and I am confident that with a renewed commitment on our part, they will be successful in their struggle for freedom and justice.

I urge my colleagues to join me in supporting efforts to insure the recognition of basic human rights in Byelorussia, and to introduced the Byelorussian language into the programing of the Voice of America.

Mr. Speaker, at this time I would like to insert a copy of the letter I have received from the Byelorussian-American Association, Inc. This letter, which was written in the Soviet Union by Victor Nekipelov, describes just one of the many tragic human rights violations against Byelorussian citizens:

OPEN LETTER TO JANKA CHANENKA*

IN CONNECTION WITH THE ARREST IN THE U.S.S.R. OF HIS COMPATRIOT, THE WORKER M. KUKABAKA

DECEMBER 3, 1978.

To New York, the United States of America.

DEAR OLES' (JANKA): One day through the ethereal rumble and sinister cacophony of Soviet jammers, I happened to hear your address to a compatriot, transmitted by the Byelorussian desk of Radio Liberty, in connection with his essay, "The Stolen Fatherland" which had been published in the newspaper, Bielarus.

Michal Kukabaka is my friend as well as a former coprisoner whose views I share. When he learned about your address, he was very much heartened; he inquired about the details, and intended to write you.

Alas, he has not managed to . . .

I don't know, dear Oles', whether you are aware that on October 19, 1978 Michal Kukabaka, our Mikhas', as you called him in your letter, was arrested.

Now, he is detained in an investigative prison in the same city which he described so tenderly in his essay "The Stolen Fatherland," in the city of his Byelorussian ancestors and of his own childhood—Bobruisk. The address of the investigative prison is: 213827, Bobruisk, uchrezhdeniye UZh 15/IZ-5.

This land has indeed become a stepmother to him and his fatherland has indeed been stolen from him . . .

I do not know what specific charges have been brought against Michal Kukabaka. For almost a month I have been trying to clarify this with the prosecutors in Bobruisk and Mogilev, but they are silent. Silent, despite the fact that Michael has no relatives, and I am the man to whom he entrusted—officially, through a public notary—the defense of his legal rights. I think they will continue to be silent or to write off a hypothetical, meaningless note. This silence only proves that Michal Kukabaka is not guilty at all before the people.

The arrest of Michal Kukabaka is a clear case of political repression; the state's retribution for his attempt to fulfill a natural right to think, speak, and express his thoughts on paper.

Michal Kukabaka has already served six long years (from April 12, 1970 to April 10, 1976) for his dissent in the most horrible kind of Soviet prisons—psychiatric. His "guilt" consisted entirely of the fact that he resigned from the labor union which defended no workers and he refused to participate in elections, Communist working-Satdays, and other propaganda ploys.

After his release, while living in Bobruisk, he was twice forcibly placed in a psychiatric hospital. The first time (November 1976) for giving his friends at work the Universal Declaration of Human Rights to read . . ., the second time (October 1977) for having hung above his bed in the factory dormitory a small icon and the portraits of A. D. Sakharov and P. G. Grigorenko.

The circumstances of the present, fourth, arrest of M. Kukabaka are to date unknown. Probably, he will be indicted for writing revelatory notes about Sychevskaya special psychiatric hospital; an article, "The Defense of Human Rights and Detente are Indivisible"; open letters to Petrovsky, the Minister of Health of the U.S.S.R. (1977); and to Andropov, Chairman of the K.G.B. (September 1978), and for his other journalistic activities in defense of human rights.

If the authorities incriminate M. Kukabaka for his autobiographical essays, "Rendezvous with Childhood" and "The Stolen Fatherland," they will for sure—following the pattern of their thinking—accuse him of "libelling the Byelorussian people." They have already done this with another Byelorussian worker from the city of Svetlogorsk in the Gomel Oblast, Eugene Buzinnikov, who is, incidentally, also an acquaintance of M. Kukabaka . . .

As a man who has known Michal Kukabaka closely, I maintain that there is not in a single one of his articles, including his wonderful Byelorussian essays, any libel against either the Byelorussian or the Russian peoples. Nor is there any other kind of libel. Though, perhaps, the pain for his fatherland, insulted and downtrodden by ideological oppressors, one could call "libel."

The arrest of M. Kukabaka is a flagrant violation of the rights and freedoms proclaimed by international covenants. This is a case of blind vengeance by a totalitarian regime for truth expressed to its face; for an attempt of moral resistance against the violence of a totalitarian ideology, and I fear that this retribution could turn out to be brutal, resulting this time in Michal Kukabaka's new confinement in a special, penal-psychiatric hospital.

I call upon you, dear Oles' (Janka), with a plea to join our efforts. I will strive to help Michal here in the U.S.S.R. and you—where you are—abroad. I think that effective assistance on your part would be: an appeal to the public, including Byelorussians abroad and Michal's brothers-in-work, and national—and if they exist—international unions of longshoremen. Perhaps you can manage to establish a committee for his defense, organize protests, and invite a foreign lawyer. . .

It would also help to publish all of M. Kukabaka's writings, as well as letters to him while he has been in captivity.

With respect, I thank you in advance for all your activity in defense of Michal Kukabaka.

VICTOR NEKIPELOV,
g. KAMESHKOVO,
Vladimirskaya Oblast,
ul. SOVETSKAYA, d. 2-g, kv. 14.

(December 3, 1978. Today, Michal Kukabaka turned 42. The seventh time he is celebrating his birthday in prison.) ●

HOSPITAL ISSUES

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. WINN. Mr. Speaker, Mr. Michael C. Waters, executive director of Baptist Memorial Hospital, 6601 Rockhill Road, Kansas City, Mo. 64131, and I visited recently about hospital issues. Mr. Waters spoke of the decrease in inflation in the hospital industry, pointing out that during the first 10 months of 1978, the rate of increase for hospital expenditures was 12.9 percent. During the same period of 1977, it was 16 percent. The goal is to get the rate of increase down to 11.6 percent for calendar year 1979. Mr. Waters said:

> As you can see from these figures, the hospital industry has done a great deal to control its own inflation. This is unique at this time, as no other industry, to my knowledge, has launched a voluntary program to control its rate of inflation.

Mr. Waters concluded:

> I strongly feel that there is no reason for the federal government to place a cap on hospital expenditures at this point, because we are taking care of our own problem. I know that my own hospital is doing everything possible to control costs.

As we, the Members of the 96th Congress, deal with the issues of inflation and hospital cost containment, I think it is important to keep in mind the efforts of hospitals, like Baptist Memorial in Kansas City, that are voluntarily fighting inflation and helping control health care costs.●

HUMAN RIGHTS IN PARAGUAY DEMANDS ATTENTION

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. DRINAN. Mr. Speaker, the human rights situation in Paraguay continues to be in violation of the most basic international standards of human conduct. The recent State Department report on human rights conditions in countries receiving U.S. aid notes that constitutional guarantees in Paraguay have been suspended for the last 49 years under the strong arm rule of General Stroessner. While the report makes some reference to limited improvements in the area of political detainees, the report admits that "Neither full political debate nor full freedom of organization by political opposition has been permitted."

In recent weeks, several concerned individuals have expressed the strong need to speak out now to combat a trend of continued repression. Citing specific instances of physical and mental torture, these concerned citizens are asking for our active support. Many of these people do so at considerable risk to their own personal security, for they know all too well of the forces which would crush their efforts.

One such individual is Elissa Kleinman, a Sheldon Fellow at Harvard University who recently returned from studying and working at a rural clinic in Paraguay. The experiences she encountered and the insights she has conveyed in the following letter to this country's leaders is a testament to the problem and the need for concerted action from us all. The letter follows:

> FEBRUARY 15, 1979.
>
> I am a Harvard University Sheldon Fellow, spending this year studying health care delivery in several Latin American and European countries. I have just returned from Paraguay, where I spent two months working in a rural clinic (Sanatorio La Esperanza, Ybycui) and traveling through the countryside. Before I continue my studies, I feel moved to write this letter concerning the deplorable situation I encountered in Paraguay.
>
> To say that Paraguay is a repressive society does not begin to describe the atmosphere of fear and mistrust in which the people live. The adjustment for me—a North American accustomed to thinking and speaking freely—was a slow and difficult process. Never before did I understand so deeply how fortunate I am to live in the U.S.; through deprivation of my right to respond to the horrors I saw around me, I gained a true appreciation for the society of my birth which holds as a first principle this kind of personal liberty.
>
> In Spanish there is an expression, "andar con miedo" (literally to walk with fear) which describes all too well the state of mind of the Paraguayan people. The Paraguayan government is maintained in power through the use of torture, and—because of the inherent strength and dignity of the human spirit—this method must be widely and frequently applied. I met countless people who had been imprisoned and tortured without trial or pretext. It is common to be tortured for being a member of a church group or because you own a piece of land

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*In the original, "Oles Chomenko." The real identity of the addressee has been established. He is Mr. Janka Chanenka (pronounced: Yanka Khanenka), a Byelorussian defector from a Soviet ship in 1974 who now lives in New York. This letter is a response to Chanenka's "Open Letter" which appeared in the September 1978 issue of the Byelorussian monthly, Bielarus (No. 257), published in New York. It has also appeared in Materialy Samizdata published by Radio Free Europe/Radio Liberty (see, Vypush n. 6/79, 16 Feb., 1979, document No. AS3481).—Translator.

coveted by someone with powerful connections. And for those who have not experienced torture directly, the big investigations building in downtown Asuncion stands as a constant warning, a symbol of the power of the police. Here, as everyone knows, the radio is played loudly in the middle of the night to cover the sounds of the beatings and the cries of the tortured.

Methods of torture include electric shock, beatings with the cachiporra (rubber truncheon) and metal rods, rape of women, psychological torture, torture in front of one's own children, the alena (a nail driven under the nail of the victim with "brutal force") and the pileta. This last is a tank of water filled with human excrement. The prisoner is held under the water by four or five policemen and forced to swallow huge quantities until the lungs are at the bursting point. This is repeated over and over for a period of hours. I describe some of these methods in detail because I realize how little force is carried by abstract words like "torture." It is a word too easily dismissed until we really stop to consider that it is something done to individual, conscious human beings.

I was also horrified by one of the forms of torture which makes a mockery of President Carter's human rights campaign: Each of the metal rods used to administer beatings has been named by the police according to size. The names are: "human rights," "liberty," "democracy," and "constitution." As they administer the beatings, the police shout: "Here are your human rights. Here is your liberty. . ."

The government of Paraquay, knowing the importance of courting U.S. favor, may now pay lip service to our human rights concerns. Do not be deceived by this. If most political prisoners have now been released from the large, visible prisons like Emboscada, many have "disappeared," probably shuffled to local police stations out of the public eye. The use of kidnapping, imprisonment, and torture as means of social control is still a common reality in Paraguay.

I strongly urge you to reconsider carefully our relations with the Paraguayan government and to bring pressure to bear to change their flagrant violations of human rights. Be aware that in our dealings with Paraguay we are encountering something worse than in our dealings with many other repressive governments: The Stroessner regime does not have a unifying philosophy (not even a repugnant one like nazism). It is an unimaginably corrupt regime (this corruption includes the illegal traffic in drugs and young women, and the robbing of land from rightful owners) run with the sole concern of maintaining a select group of officials in riches and power.

Aid money sent to the government never reaches the overwhelming majority of the people who live in poverty in the countryside. There are, in effect, no government sponsored social programs to provide health care or a minimal standard of living for the campesino population. As my experience in the clinic showed me, the diseases of the countryside (malnutrition, starvation, parasites, advance tuberculos Shagus disease, leprosy, etc.) are diseases of extreme poverty.

Nor are there government controls over such things as insecticides. As a result of indiscriminate use of phosphorus-containing insecticides, the Paraguayan campesino suffers from a rare and deadly form of gastric enteritis, incidence of appendicitis is abnormally high, and spontaneous abortion at three or four months is common. One cannot be sure that the use of such insecticides is not a deliberate genocide act, although I intend to study this more before making such a claim. There is certainly a well-documented precedent in recent Paraguayan history. (See Richard Aaron's study, *Genocide in Paraguay* on the genocide of the Paraguayan Indians.)

If I cannot appeal to your sense of justice as a civilian and leader of our country, let me say a few words concerning the self-interest of the U.S. Perhaps because of my relative youth, my grasp of the language, and the fact that I was living and working intimately with Paraguayans both in the countryside and in Asuncion, I saw a side of the political and emotional climate not likely to emerge in official intelligence reports: If the Paraguayan campesino "walks with fear" now, he will not always do so. He is even now in a swift process of change. I have spoken to many Paraguayans who left the prisons with no fear, but with a renewed anger and determination to fight the Siroessner regime. I greatly fear that if some peaceful, democratic change does not come about soon, we will see another Nicaragua in Paraguay.

I am more than willing at any time to supply more detailed information on my trip to Paraguay.

Sincerely,

ELISSA KLEINMAN.●

COMMUNITY REINVESTMENT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. ROSENTHAL. Mr. Speaker, the refusal of many public lending institutions to invest in older urban neighborhoods is a major problem confronting communities throughout our Nation. Redlining is a highly complex phenomenon which takes many forms. At its worst, redlining is a policy whereby financial institutions refuse to grant mortgage requests to an entire community, regardless of the qualifications of the buyer or the value of the property. However, other methods such as requiring larger down payments and shorter duration mortgages are often used to discourage potential borrowers.

Studies have shown the devastating impact of redlining on the community. When banks and savings and loan associations, as the major sources of financing for mortgages and home improvement loans, stop the flow of capital, homeowners find it difficult to attract interested buyers or borrow funds for needed repairs. As a result, many homes deteriorate further, leading to abandonment and neighborhood decay. Commercial establishments also are the victims of mortgage redlining since they are adversely affected by the flight of residents to other communities. Finally, as the availability of sound housing decreases, the demand for it increases, thereby raising rents on what is left.

The Community Reinvestment Act of 1977 (P.L. 95-128) requires all banks and savings and loan associations to demonstrate to the Federal regulatory authorities that they are serving the credit needs of the communities in which they are chartered. These lending institutions are further obligated to define the area which the institution serves and the types of credit it will make available to the community.

The Community Reinvestment Act holds great promise for those neighborhoods in the 8th Congressional District of Queens which have suffered the loss of mortgage financing so necessary to the maintenance of a viable community. For this legislation to be effective, it is imperative that my constituents be aware of its existence and provisions. Therefore, I am sponsoring a workshop on the Community Reinvestment Act to be held in Elmhurst, Queens, on April 7, 1979. This workshop will bring together civic leaders, representatives of appropriate government agencies and the community to discuss the steps that can be taken to assure that the local banks and savings and loan associations meet the new Federal requirements.

The survival and health of our community may well be at stake.●

RADIO FREE EUROPE/RADIO LIBERTY TERMINATION OF UIGUR LANGUAGE BROADCASTS

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. MURPHY of New York. Mr. Speaker, the dissemination of truth to those outside the free world has been the primary function of Radio Free Europe and Radio Liberty since its inception. The foreign language broadcasts have been, in most cases, the only link those oppressed peoples have had with any ideas beyond the iron and bamboo curtains. RFE/RL have both served this concept admirably in the past, but some recent events have raised some doubts in my mind that the nonpolitical, nonpartisan objectivity of this service may have been compromised.

Specifically, my concern centers on the recent terminations by RFE/RL of its Uigur language broadcasts, as well as those to the North Caucasian area. I have looked at all the surrounding facts, and find nothing to justify those terminations. Further, I am particularly concerned that these terminations came in the immediate wake of the recent "normalization" of our relationship with the People's Republic of China. The appearance, if not the fact, is that this region, which is the source of continual conflict to both the Chinese and the Soviets, has been intellectually and politically sacrificed as a token appeasement to the Chinese.

I have outlined my concerns and arguments to the chairmen and minority leaders of the appropriate congressional committees and subcommittees which deal with RFE/RL, as well as to the Board for International Broadcasting, which oversees the operations. I have attached the full text of the letter, so that all Members of Congress with an interest in spreading the voice of truth and freedom might join in urging the reconsideration of the terminations:

DEAR COLLEAGUE: I have just recently become aware of, and am particularly distressed by, the decision of Radio Free Europe-Radio Liberty to discontinue its Uigur language broadcasts to the Soviet Union. I find it difficult to understand the reasons given for the termination, and even more difficult to accept the degradation of such an important service as the dissemination of truth to those outside the free world.

The Uigur desk of RFE/RL has established itself over the past thirteen years as an important source of objective information to that region of the Soviet Union which finds itself in the center of a long standing territorial dispute regarding over one million square kilometers. One of the rationales given for the discontinuation of the Uigur broadcasts appears to be the faulty presumption that a very small audience is being served, and is thus not cost effective. While the official Soviet census of Uigur population is approximately 203,000, there is an extensive array of information which places that figure at well over 500,000. But more important, the very nature of the region must be considered. Most of the Soviet Uigur population has immigrated across the border over the years from China's Sinkiang Province, where as many as eight million Uigurs also receive the broadcasts. Thus, cancellation on the grounds of a limited audience is simply not valid.

Similarly, the earlier termination of the North Caucasian desk for "economic" reasons was followed by the setting up of three new desks, with the Radio Liberty administration statement that no existing desks would be eliminated in the future. The Uigur action has proven that promise to be false, and the fact that the Uigur desk people have been offered other positions also points up the lack of basis for the "economic" arguments.

I am also concerned about the overall impression implied by the Uigur and North Caucasian terminations, which both involve predominantly Muslim populations; such a concentration of service cutbacks in a single area casts a very poor light upon American attitudes toward a world religious population second only to Christianity. While I do not presume religion to be a deciding factor in the terminations, it is nevertheless an extremely important factor to those who have been cut off from the free world by this action.

Along similiar lines, if the priorities of the administration are based purely on numbers, then Latvians and Estonians would not be receiving more air time from RFE/RL than Turkmen, Tajiks, and Kirkhiz, each of which has a significantly higher Soviet population than either the Estonians or Latvians.

I also find it significant that the Uigur terminations took place shortly after the normalization of relations with the People's Republic of China. A brief history of events here is worthy of note: in 1976, the Board for International Broadcasting (BIB) concluded that a study of the Uigur desk showed it to be useful and deserving of continuation; in 1977, the desk was expanded; in 1978, a special search was made for qualified Uigur candidates; and in January, 1979, the BIB's fifth annual report reaffirmed its commitment to Muslim nationalities in the USSR, in recognition of their growing importance.

And yet, with our new relationship with China, the Uigur desk has been terminated. As I noted, the Chinese consider the Uigurs to be natives of Sinkiang, while the Soviets exploit their immigrant Uigurs as examples of what the USSR claims are violations of the human rights of the Chinese people. Each country heavily propagandizes the other, both in print and over the airwaves, with heavily biased reports of world events. This includes at least two and a half hours daily of Uigur language broadcasts. This, of course, underscores even more the need for balanced and objective reporting through RFE/RL to provide a view of reality to those subjected to the Soviet's anti-Chinese policy through their attempts to form a cooperative front among the minorities under their rule.

In their own report, the Board for International Broadcasting states that "open communication of information and ideas among the peoples of the world contributes to international peace and stability", and that "in broadcasting to peoples lacking free access to information, Radio Free Europe/Radio Liberty proceed from the assumption that informed societies can make more responsible judgments about their own and world affairs, while misinformed societies may be more easily manipulated in directions threatening peace."

In light of those commendable goals, it distresses me greatly that the BIB has instead chose to curtail any possibility of constructive dialogue through the termination of the Uigur desk, which has been a primary source of information to over eight million people in the Soviet Union and China.

I therefore urge your support in a reconsideration of this ill-advised action which violates both the BIB's own statements of intent and goals, as well as the basic philosophy of Radio Free Europe/Radio Liberty to deliver a foundation of truth to those regions of the world where truth is a scarce commodity.

Sincerely,

John M. Murphy,
Member of Congress.●

NUCLEAR WASTE

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. CORCORAN. Mr. Speaker, on March 13, 1979, the Interagency Review Group (IRG) issued its final report to the President on nuclear waste management. One aspect of this report covered the policy announced by the President in October 1977 "to accept and take title to used, or spent, nuclear reactor fuel from utilities on payment of a one-time storage fee." This policy became a necessity because of the President's unilateral decision to indefinitely defer recovery of important fuel resources from this spent nuclear fuel.

I am inserting below an important excerpt from the final IRG report dealing with the endorsement of the policy which Congress adopted last September:

> The IRG agrees that to the maximum extent possible spent fuel should be stored at reactors. Appropriate acceptance criteria will be required, but whether a specific cooling time, as suggested, is the preferred approach is not now clear. Further analysis is required. Nonetheless, based on analysis available to the IRG and contained in the three published DOE draft environmental impact statements on domestic and foreign spent fuel policy and related charges for storage and disposal, the IRG believes that conservative and prudent planning leads to the conclusion that some AFR storage capacity should be available roughly in the 1983 time frame for domestic use and could be needed earlier in connection with the acceptance of foreign spent fuel. In addition, the IRG feels that at least one AFR can play an important role in buying time and permitting greater programmatic flexibility in the development and opening of high level waste disposal repositories. Storage in AFRs must not, however, be permitted to be a substitute for continuing progress toward opening the first repository.

It is important to underscore the conclusion of the IRG that interim storage in away-from-reactor storage facilities cannot be and is not a substitute for continuing progress toward opening the first permanent repository for nuclear wastes. As many of my colleagues know, addressing both interim storage of spent fuel and disposal of wastes was the objective of legislation I introduced in the 95th Congress and which was strongly supported by many Members of that Congress.●

THE MARRIAGE TAX

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. BEREUTER. Mr. Speaker, each year, as April 15 rolls around, all of us become especially sensitive to the discontent felt by America's taxpaying citizens. It is not only the amount of taxes we pay, but the many inequities in the tax laws themselves which produce the sense of frustration.

One of the inequities that immediately stands out is the so-called marriage tax—the fact that in most cases, married working couples are required to pay more in annual income taxes than two single persons with the same incomes.

A recent editorial appeared in the Omaha World Herald which discussed the unfairness of the "marriage tax." I agree with the sentiments expressed in the editorial and have joined Congresswoman Millicent Fenwick in cosponsoring H.R. 1012 which would give married couples their pre-1970 option of filing as single persons.

I would like to have printed in the Record the text of this editorial, and would urge my colleagues to join in an effort to remove the marriage penalty from our tax laws.

MARRIAGE TAX IS UNFAIR

> It is something called a "marriage tax." And it's wrong.
>
> World-Herald reporter Sibyl Myers wrote about the plight of several Omaha married working couples. Because of the way the federal income tax law is written, in most cases, married working couples are forced to pay more in taxes than two single persons with the same incomes.
>
> With more than half of all wives now working, the problem is a major one. Federal authorities estimate that 20 million couples, nationally, are required to pay this penalty for marriage. The added tax load adds up to more than $2 billion a year.
>
> Last year, as singles, an Omaha man and his fiancee each got a federal income tax refund of approximately $400.
>
> Now they are married and find that instead of a refund, they must now pay another $300 to the Internal Revenue Service.
>
> There is a provision for married persons to file singly, but the tax liability is even worse, according to Dale Gruntorad, president of the Nebraska Society of Certified Accountants.

He added that "tax treatment that is fair for everyone continues to elude even the most determined tax reformers."

Before 1970, the tax rules were stacked against single persons. Some had to pay as much as 42 percent more than married couples with comparable incomes.

Congress reacted to complaints, and tried to make adjustments in the rates. In the process, the law repealed a provision which gave married persons the option of filing joint returns, or as individuals.

Now, for all practical purposes, the joint return is mandatory, and the "marriage tax" is rough.

Assume that a working couple without children takes the standard deductions. One spouse makes 60 percent of the total income, the other 40 percent. Here's what happens:

—The couple with combined earnings of $10,000 would pay $702 in income taxes on a joint return, only $520 if both were single. Marriage tax: $182.

—The couple receiving $15,000 would pay a tax of $1,635 jointly; $1,399 separately. Marriage tax: $236.

—The couple earning $25,000 would pay $4,057, a marriage tax of $535.

—The "penalty" for the $40,000 couple would be $1,564; $50,000 couple $2,439; $75,000 couple $4,014.

The tax would be even higher in families where both husband and wife had generally equal salaries.

Ever since 1975, Rep. Millicent Fenwick, R-N.J., has introduced a bill which would restore to couples the pre-1970 option of filing as single persons. The proposal has 73 co-sponsors.

Another remedy would be to rewrite the tax rates and tables.

Critics of the marriage tax report there are 24 provisions in the tax code which penalize married couples and, indirectly, the institution of marriage.

Moral questions aside, the marriage tax is unfair and should be eliminated.

Restoring the single-filing option would probably be the quickest reform.●

NIAGARA VICTORY SHOWS COOPERATION

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. ROTH. Mr. Speaker, today I would like to recognize the accomplishment of the Niagara Badgers, who recently won the Class C basketball championship for the State of Wisconsin.

The Badgers won seven straight postseason tournament games to capture that title, and compiled a 24–1 record for the entire season. But even more importantly, the Badgers proved Coach Terry Youren's motto, "the heart's the thing," to be true.

The traits of competitiveness and cooperation that the team exhibited throughout the season will be of great value to these young men in the future. All too often the enthusiasm of our young people is frustrated by a lack of opportunity. Athletics provide a wholesome and vigorous outlet for this enthusiasm for students who spend their days in the classroom. And for many of the young men on the Badger quad, the experience of a championship season will serve as a wellspring of self confidence throughout life.

After the championship game Coach Youren said, "I wanted to prove that it's not how big you are, but how big your heart is." I believe that such a motto is a worthy one not only in basketball but in life.

I salute the Niagara High School basketball team—Wisconsin Class C basketball champions.●

THE NORTH COUNTRY TRAIL

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. WHITEHURST. Mr. Speaker, on January 23, 1979, I introduced H.R. 1307, a bill to establish the North Country National Scenic Trail, to be located in portions of New York, Pennsylvania, Ohio, Michigan, Wisconsin, Minnesota, and North Dakota, as a component of the National Trails System.

In June of 1975, the Bureau of Outdoor Recreation of the Department of the Interior put out a comprehensive report entitled "The North Country Trail: A Potential Addition to the National Trails System." The report contains maps, charts, and photographs, along with a detailed description of the areas in question. Since it is, of course, most too long to insert in the RECORD, I am taking the liberty of inserting at this point in the RECORD the summary of findings and recommendations from that 1975 report. I think that my colleagues will find it interesting and helpful:

SUMMARY OF FINDINGS AND RECOMMENDATIONS

FINDINGS

It is both feasible and desirable to establish a North Country Trail extending some 3,200 miles between the Appalachian Trail and the Badlands of western North Dakota, where it would meet the proposed Lewis and Clark Trail.

Such a trail should be established and administered to permit a variety of uses which are compatible with each other and to maintain environmental quality. While it is possible to establish a trail which meets National Scenic Trail criteria along the entire route, it may be desirable to give appropriate segments National Recreation Trail status.

The area the North Country Trail would traverse is of unusual interest because of its varied scenic, natural, and historical resources which in combination are of national significance. Among these resources are a large area of the United States shaped by continental glaciation; the superlative scenery of an unusually beautiful system of lakes, streams, and forests; and historical association with various Indian cultures, fur traders, the era of exploration of mid-America, and the early mining and lumber industries which contributed to the Nation's westward expansion.

The North Country Trail would provide a facility for recreational activities which are nonconsumptive of natural resources and require only human energy to perform.

The North Country Trail would provide a recreational experience within a few hours drive of one-half the country's population and serve as a link between the Appalachian Trail and the proposed Lewis and Clark Trail.

It is estimated that had the trail existed it could have satisfied 19 percent of the 1970 demand for hiking originating within 100 miles of the trail and 11 percent of the demand for walking for pleasure within 50 miles.

Forty-six percent of the proposed trail would be on public lands or public rights-of-way—some 542 miles on federal lands and 938 miles on nonfederal public lands. Fifty-one percent, or 1,662 miles, of the trail route would be on private land and 104 miles would be located on Indian land.

Approximately 340 miles of existing trail could be utilized for the North Country Trail.

The impact of the trail on the local economy is estimated to be relatively small. The actual trail would require an average 200-foot right-of-way, or about 25 acres per mile, to protect its immediate environment. Forty-six percent of the land required is already in public ownership, and 90 percent of the land is forested or in agriculture. Thus, the negative economic impact due to a reduction in tax base should be minimal. The existence of the trail may stimulate the development of recreation industry which would have a positive economic impact.

RECOMMENDATION

It is recommended that:

The Congress authorize establishment of the North Country Trail.

A National North Country Trail Council be established by the Secretary of the Interior.

Appropriate federal and state agencies and representatives of the private sector be members of the Council with the chairman of the Council appointed by the Secretary.

The Secretary, with the advice of the Council, select a North Country Trail route within the general corridor delineated on the maps in this report.

The Secretary of the Interior, in cooperation with the Secretary of Agriculture and the Trail Council, develop guidelines for acquisition, development, and management of the trail.

The Council advance public awareness of the trail, encourage development of the trail, and advise agencies of the Federal Government, states, and other public and private agencies concerning acquisition, development, management, and maintenance of the trail.

The trail be developed and maintained as a multi-government effort, with state and local governments and the private sector having jurisdiction over trail segments on their lands, within an overall framework coordinated by the Secretary of the Interior and the National North Country Trail Council.

The Secretary of the Interior and the Secretary of Agriculture identify and prepare management plans for those segments of the North Country Trail which traverse lands under their jurisdiction. These segments would then be included by the Secretary of the Interior as scenic or recreation components of the North Country Trail.

Segments of trail on nonfederal land be established through state, local, or private efforts. The Secretary of the Interior would designate such segments as scenic or recreation components of the North Country Trail upon appropriate application from the state or local government agencies or private organizations involved, provided such components meet the criteria contained in the National Trails System Act and such supplemental criteria as the Secretary may prescribe.

State-level North Country Trail councils be established in each of the eight states involved.

The Congress authorize funds to carry out the work of the National North Country Trail Council.

Funds for the acquisition and development of the initial trail segments on federal lands be provided by the involved federal administering agencies through existing program sources.

Federal financial assistance for the establishment of nonfederal segments of the trail be provided through existing programs.

The Secretary of the Interior provide necessary staff assistance to the Council.●

GOODWILL MAN OF THE YEAR AWARD

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. STOKES. Mr. Speaker, I would like to take the opportunity to bring to your attention and to the attention of my colleagues in the House, one who has done wonders in creating a positive role model for those to follow. This man has journeyed from the dreaded turpitude of extreme alcoholism to the state of model citizenship.

Every year a dedicated and committed individual is selected by Goodwill Industries of Greater Cleveland as the Cleveland Goodwill Worker of the Year. Mr. Carl Griffin, 48, will receive this award during Goodwill's forthcoming 61st annual meeting and luncheon to be held in the Higbee Auditorium, downtown Cleveland, on May 11, 1979.

Carl Griffin, a bachelor, came to Goodwill in 1967, working in various training programs until ending up in the Goodwill Transportation Department. Mr. Griffin follows a long line of dynamic and great Goodwill men of the Year. He certainly is no exception.

Mr. Speaker, I ask my colleagues to join me in commending and congratulating this outstanding public servant for his dedicated service to the community. He is truly deserving of this distinguished honor.

The following is a press statement released by Goodwill Industries of Greater Cleveland concerning the award:

CARL GRIFFIN NAMED GOODWILL WORKER OF THE YEAR

Carl Griffin was once a hard, two-fisted drinker who'd challenge any guy in the place . . . or set up the bar as the thought moved him.

"Hah . . . that was dumb! It is more manly NOT to drink, and you can have all that 'set-em-up' jazz . . . all I wanted was somebody to drink with."

Griffin, a 48-year-old bachelor, learned the hard way that too much drink ruins a life. "It's been eight years and I have not touched a drop . . . and it's a new world.

"But it's because I went back to the Bible. Do you know what the Bible says about a drunkard and what becomes of them? 'A drunkard's life is a barrel of woes . . . it leads you to degradation.'"

It had taken a while for Carl to see the light about his problem drinking and about its solution. He first came to Goodwill in 1967, and worked in various training programs, finally ending up in the Transportation Department.

"I've been a store delivery truck helper, a home pick-up helper, an Attended Collection Center employee and a dock worker . . . all part of the job . . . and all a source of joy for me."

Griffin's the type of fellow who sprints about from place to place. Walking is not the word. He has spirit, a quickness and a contentment of a man who is satisfied with himself, at peace with his world and certain of the support of his Creator.

His world constantly comes back to his thoughts about God.

"You should put Him in front of everything you do," he says. "Before I did my own thing, and I found out my own thing without the Lord . . . wasn't enough."

Griffin carries his religious conviction into everyday church life. He sings bass in the choir, and seems to be "gettin' better all the time." He is part of the Sunday School, not as a teacher, but as a pupil because, "The Bible is a fascinating, continually interesting living thing." He also volunteers Sunday, most of the day when not in School, as part of the Second Mt. Olive Baptist Church's Nurses Guild. "We take care of people if they become sick during services, or need special help while on church grounds."

What else? He's a singer with The Gospel Music Workshop and he attends Shaw High School, twice a week, as a night student.

The tall, wiry, 145-pound Carl is not a gadabout, preferring the quiet home life to the running about town. "Lots of reading . . . and some music . . . from jazz to opera. Right now I'm learning the Verdi 'Requiem Mass' in preparation for Blossom Music Festival's summer performance."

But he is quick to add, "Not to sing . . . but to listen. But I really want to know the music."

What else is important in Carl's life?

"Young people . . . if they could only learn earlier what it took me so long . . . learn to put the Lord in their lives . . . listen to parents . . . get all the education they can . . . and find a job you love.

"If possible, find good people like those at Goodwill . . . who help you . . . show you the way . . . give you encouragement."

"You know," said Carl finally, "I don't want people to think I'm a wild-eyed evangelist, Bible-thumping and pushing my views on everyone . . . no sir. I'm just a quiet guy who has found a bright light in my life . . . something that works . . . and it happens to be the Lord."

Who could have said it better?

Carl lives at 13505 Casper Road with his mother, Mrs. Viola Fuller, and no pets but a phonograph "that gets a constant work-out."

He will be given his Goodwill Worker of the Year Award at the agency's forthcoming 61st Annual Meeting and Luncheon to be held at Noon, May 11th, in the Higbee Auditorium, Downtown.●

CONGRATULATIONS TO RICHARD BERKLEY, NEW MAYOR OF KANSAS CITY

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. TAYLOR. Mr. Speaker, I am delighted to report that on March 27, 1979, Richard Berkley was overwhelmingly elected Mayor of Kansas City, Mo. He is the first Republican to hold that office in 54 years.

I am proud to count Dick as a personal friend and would like to compliment the people of Kansas City for electing him to their highest office. I have confidence he will perform in an outstanding manner.

Richard is a businessman who has given 10 years of public service to his community as a member of the city council. He has served as assistant mayor for 4 years.

I would like to convey to Richard Berkley and his fine family my sincere congratulations. I know he will serve with honor as chief executive of the city affectionately known as "The Heart of America."●

TWELVE HONORED AT AWARDS BANQUET

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. KILDEE. Mr. Speaker, there will be an awards banquet on March 31, 1979, in Flint, Mich., in which 12 of the most outstanding individuals and one family in my congressional district will be extended tributes for their citizenship and leadership. The banquet is sponsored by Jack and Jill of America, Inc.; the Flint Club of the National Association of Negro Business and Professional Women's Clubs, Inc.; and Zeta Beta Chapter and Zeta Amicae of Zeta Phi Beta Sorority, Inc. I am pleased to bring to the attention of my colleagues the names of those who will be honored. They are:

Edwyna Anderson, presented the Sojourner Truth Award. This award by the Negro Professional and Business Women's Club is one of the most prestigious honors given in the Flint area. Mrs. Anderson is an assistant prosecuting attorney for Genesee County, and is a member of several task forces for the National District Attorneys Association. She was the first black woman admitted to the bar in Genesee County, and the first black woman to be elected to countywide office in Genesee County. She served as chairperson of the Mott Community College Board of Trustees.

Olive Beasley, Zeta "Woman of the Year" Award. Mrs. Beasley is director of public service for the executive division of the Michigan Department of Civil Rights, and special assistant to the deputy director for intergovernmental and public affairs. Mrs. Beasley has been the "voice" of civil rights in the Flint community for many years. Through organizational affiliations and volunteer activities, as well as in her professional capacity, Mrs. Beasley has contributed significantly to efforts to eliminate discrimination in employment. Recently the Urban League of Flint honored her for her service as president for 3 years and a member for 6 years of the board of directors.

Venisure Davenport, NANBPW Club Appreciation Award. Mrs. Davenport has been an active and consistently effective member of the Flint Chapter of the Negro Business and Professional Women's Club for many years. Her commitment to the club's principles also have led her to full and active participation in many other community organizations, and has resulted in her receiving awards from many of them for her service.

Irene Evans, Professional Award. A reporter for the Flint Journal since June of 1975, Irene Evans always has carried out her job responsibilities in the most professional manner and for that has won the esteem of the many individuals and organizations with whom she has come into contact. She has given lectures on journalism and fashion at a number of Flint schools and to private and civic groups.

Ann L. Hedrick, Associate Jill of the Year. Mrs. Hedrick has been very active in community affairs, having been instrumental in organizing block clubs, Stewart School's Golden Agers, the Clothing Christmas Tree for Needy Children, Charm Classes for young girls, and preparing for emergencies at the school and in the community.

Jeannette Hogan Highgate, Zeta Amicae of the Year. Mrs. Highgate truly symbolizes what the Latin word Amicae means. It means "friend." To be chosen Amicae of the Year means someone has devoted their time to help strengthen the organization. She has held many offices and has an enviable record of commitment to the goals and purposes of the Zeta Amicae. She also has been very active in many other community organizations in a leadership capacity. She currently holds the office of State financial secretary for the State Zeta Amicaes.

Chester, Myra, De Wana and Chelonde Hughes, Family of the Year. The Hughes family has been a member of Jack and Jill of America since 1974, and the family members are involved in a wide range of community activities as a family unit and as individuals. The Hughes family works as a family liaison with the Oakdale Center in Lapeer. Mr. Hughes is a principal at Riley Elementary School in the Beecher School District, and Mrs. Hughes is a teacher with the Flint Community Schools.

John Pugh, NANBPW Community Service Award. This award is being presented posthumously to John Pugh, who passed away earlier this year after a long career of concerned and active involvement in many community organizations and activities. Mr. Pugh was a member of the Hurley Medical Center Board of Managers, and long active in local political and labor activities. He also was a member of the boards of directors for the Boy Scouts of America and the Flint neighborhood development and preservation project.

Rev. and Mrs. Alfred Robbs, Communications Award. Rev. Robbs and his wife are pillars of the Flint community. Their mission is to spread the gospel, and thus they communicate to the citizens of Flint as the address the needs of the church and the community. The people of Flint have found Rev. Robbs to be a spiritual leader with concern for the total community, and he and his wife, Margaret, are looked upon with affection and respect.

Chester Simmons, NANBPW Leadership Award. A member of the Flint City Council, and its president this year, and assistant director of the Genesee County Community Action Agency, Mr. Simmons is widely respected in the Flint community for his leadership ability and his concern for public issues. He is a member of many community organizations, and his leadership and dedication have won him awards from the Model Cities Citizen Council, the Foss Avenue Baptist Church, and the GCCAA Administering Board.

Florene Welch, Jill of the Year. Mrs. Welch always has been efficient and accurate in her work with Jack and Jill of America, Inc., directing her wisdom and energy toward the constant refinements of objectives for bettering conditions of children. A member since 1969, she served 5 years as the local chapter president and in 1977 was elected regional secretary-treasurer.

Bettye Ware, Zeta of the Year. Since become a member of Zeta Phi Beta Sorority about 20 years ago, very few State, regional, or national conventions have been held that Bettye Ware was not actively in attendance. She has served in every major local office, and presently is State secretary. She also is a teacher of the third grade in the Flint community schools.●

A TRIBUTE TO JUDGE THOMAS J. MACBRIDE

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. MATSUI. Mr. Speaker, I would like to honor a distinguished jurist and public servant of my district, Judge Thomas Jamison MacBride. Last week, Judge MacBride stepped down as Chief Judge of the U.S. District Court for the Eastern District of California, a position he has held for almost 12 years.

Judge MacBride's long record of legal service began in 1941 when he served under Earl Warren as deputy attorney general of California. In 1961, he was appointed to the U.S. district court by President Kennedy. Later, as Chief Judge, he brought a spirit of humanitarianism and compassion to the bench.

Judge MacBride's commitment to the legal profession has included serving on the National Commission on Reform of Federal Criminal Laws, the Judicial Conference Committee on the Administration of the Probation System, and the Committee to Implement the Criminal Justice Act. He also served a 3-year term as the district judge representative from the Ninth Circuit to the Judicial Conference of the United States.

Additional public service of Judge MacBride included representing Sacramento in the California Assembly for 5 years. For a number of years, he presided over the annual Governor's prayer breakfast.

Furthermore, Judge MacBride has been a loyal backer of his alma mater. For 25 years he served the Blue and Gold as vice president of the California Alumni Association and chairman of the scholarship program in the northern Sacramento Valley.

Judge MacBride's tremendous respect in the legal community and personal powers of persuasion have consistently served the highest aims of justice. I am pleased that he will continue to serve those aims by retaining senior status as U.S. district judge.

To Judge MacBride, I wish success and happiness in his new station, and I offer my sincere appreciation for his fine career of public service.●

EMPLOYMENT FOR THE HANDICAPPED

HON JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. MOAKLEY. Mr. Speaker, I have recently introduced legislation that is long overdue which addresses the problem of employment discrimination against the handicapped. This bill will provide equal employment opportunities for the handicapped by amending the Civil Rights Act of 1964. By amending this act, it will be an unlawful employment practice to discriminate against individuals who are physically handicapped because of such handicap.

The handicapped face the dilemma of being discriminated against in employment opportunities because they are evaluated on the basis of false generalizations, misconceptions, and misinformation about their handicaps and not on the basis of their job skills, productivity, or performance. Qualified individuals time and again are denied employment because of their disability when the disability would not interfere with their job performance. Our handicapped deserve the opportunity to be evaluated and hired on the basis of their ability and not their handicap.

Today there are over 54 million Americans who are considered disabled throughout our country. This amounts to a startling 25 percent of our population. But what is more shocking is that 40 percent of the disabled who have job skills and are employable, cannot find work. This is a terrible waste of our country's human resources and talent. Something must be done to rectify this unfortunate and unnecessary situation.

Some steps have been taken to eliminate employment discrimination of the handicapped. The Rehabilitation Act of 1973 provides that "No otherwise qualified handicapped individual in the United States . . . shall, solely by reason of his/her handicap, be excluded from the participation in, be denied the benefit of, or be subject to discrimination under any program or activity receiving Federal financial assistance." Also 21 States have enacted legislation which prohibits employment discrimination against the handicapped. However, this is not enough.

There are still some employers who will not hire an otherwise qualified individual for the sole reason of their disability. Some employers also cling to the myths related to hiring the handicapped. Fears of increased insurance rates, lower job performances and job stability, poor attendance, and the required physical adjustment turn employers away from hiring the handicapped.

However, in a study done by the duPont Co., of its 1,452 disabled employees, they found that: First, there was no increase in compensation costs and no lost time resulting from injuries; second, there was little or no physical adjustments made; third, 96 percent of its handicapped employees rated average or better in the area of safety both on and off the job; fourth, 91 percent of the disabled rated average or better in job stability; and fifth, the attendance record of disabled workers showed that 79 percent rated average or better than that of the total work force. It went on to add that there seemed to be a direct relationship between job performance and the severity of the ailment. Amputees, blind persons, paraplegics were at the top of the job performance list. It is obvious that given the opportunity, the handicapped can be an asset.

We must demonstrate that Nation's firm commitment to end discrimination against the handicapped by enacting this legislation. I hope my colleagues will support me in my struggle to give the handicapped an equal opportunity in employment.●

EISENHOWER MEMORIAL

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. BROWN of Ohio. Mr. Speaker, 10 years ago today one of America's greatest Presidents died.

On this anniversary of Dwight David Eisenhower's death, it is fitting that we pause for a moment to reflect on his legacy to his countrymen and to freedom-loving people throughout the world.

With the passage of years, the depth and richness of that legacy has become increasingly apparent. A leader in war, Dwight Eisenhower went on to become a champion in the cause of peace during his 8 years as President. His appeal to his fellow Americans transcended partisan politics. His appeal around the world was that of an American respected, even revered, by those who received the benefits of his lifelong crusade on behalf of peace and freedom.

It was said of President Eisenhower that he came from the heart of America, both geographically and spiritually. Born in Kansas, he was during his lifetime everybody's favorite son, reflecting the courage and compassion that have always distinguished great American leaders.

He was, as we said of him two decades ago, a soldier in the cause of peace, dedicated to the principles that created and have sustained our country as a land of freedom and opportunity. We were fortunate to have had such a leader at a critical time in history.

Ike's indomitable spirit is still with us, however. Those who knew him and loved him, even from afar, will never forget him. "I Like Ike" was not simply a slogan of his time, but for all time, as long as mankind's quest for a world of peace, freedom and opportunity continues.●

FOREIGN POLICY PRIORITIES

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. BOB WILSON. Mr. Speaker, I sometimes wonder whether we in the United States really have our foreign policy priorities straight.

With respect to Rhodesia, hopefully this coming April, the country will hold the long-awaited elections and usher in a new era of majority rule—that is, both black and white citizens working together for the benefit of all. But so far, our country has not seen fit to support these elections, support that would undoubtedly be to the benefit of all concerned.

Dr. Ernest Lefever of the Ethics and Public Policy Center, Georgetown University, comments on the seeming paradox of our democratic society turning our backs on a proposed new member of the world's democratic societies in the March 20 issue of the Washington Star, and I believe his views are well worth the consideration of our colleagues:

[From the Washington Star, Mar. 20, 1979]

U.S. FOLLY ON RHODESIA

(By Ernest W. Lefever)

As one who has often visited southern Africa and who last December observed what was perhaps the first genuine, multi-party election in Africa's history, I commend your editorial (Sunday, March 11) in support of the Hayakawa-McGovern resolution calling for a U.S. team to observe the Rhodesian elections in April. The December election in South West Africa/Namibia may be instructive.

In that sparsely settled territory four times the size of Britain, 92.9 per cent of the eligible voters—English, Afrikaners, Germans, Ovambos, Hereros, Namas, Bushmen, and others—registered. Of these, 83.3 per cent voted despite threats by SWAPO, the Cuban-assisted and Soviet-equipped guerrilla force based in Angola. Some 83.7 percent of the voters supported moderate parties committed to a democratic Namibia. The five-day election took place in an atmosphere of racial harmony. Of the hundred plus foreign press and other observers, virtually everyone found it a model election. Politically, it was a body blow to SWAPO.

The situation is more difficult in Rhodesia because the so-called Patriotic Front terrorists have harassed a larger portion of the countryside. Also Cuban-trained and rocket-equipped, these Marxist-oriented guerrillas based in Zambia and Mozambique have slaughtered missionaries and shot down two unarmed civilian planes in their effort to overthrow the interracial interim regime in Salisbury. Yet competent observers believe that most Rhodesians will be able to vote safely.

In Rhodesia as in South West Africa, the election is open to all parties willing to operate by constitutional and peaceful means. The Patriotic Front, like SWAPO, is determined to prevent orderly transition to majority rule. Both guerrilla groups, knowing they do not have majority support, have refused to compete peacefully for political power.

Since Congress has tied the lifting of economic sanctions against Rhodesia to tangible movement toward majority rule, it makes sense for impartial observers to see if the April elections represent such movement. Yet the State Department in its inscrutable double-think opposes this simple device and appears to regard the elections as illicit. This is a great irony. U.S. policy tends to legitimize the terrorists, who are brutally trying to sabotage the only available constitutional path to democratic, majority rule.

This issue is clear. It is not *race or independence*, but what kind of regime will wield power in Zimbabwe. If the Front prevails, the probable result will be a Marxist state like Angola, which violates human rights at home and pursues an adventurist policy abroad. With its 28,000 Cuban mercenaries and a large number of Russian and East German "advisors," Angola has become a staging ground for terrorist efforts to destroy the possibility of peaceful change in southern Africa.

If the constitution prepared by Ian Smith and the three black nationalist leaders—who command majority support—is ratified by the April election, there is a chance, perhaps slim, that Rhodesia-Zimbabwe may become the first democratic, multi-party government in Africa. The prospects would brighten if Washington and Britain supported the democratic forces and surrendered their posture of malicious neutrality, which encourages Soviet conquest by proxy in this region of strategic importance for the United States and NATO.

True, the proposed constitution does not establish instantly a perfect, one-man-one-vote regime. It provides for 28 white seats in a legislature of 100. But this idea is endorsed by the black party leaders, who believe it will help ensure a smooth transition and discourage white flight with its disastrous economic consequences.

Further, several other black states, notably Tanzania, Zambia, and Kenya, have electoral arrangements that give minority Europeans or Asians a disproportionately higher representation in govenment.

There are those who express greater moral indignation over the proposed presence of 28 whites in the Rhodesian parliament than over the actual presence of 28,000 Cubans in Angola. They are more critical of less-than-perfect elections in southern Africa than of the absence of elections altogether in a score of black African states. Such are the vagaries of a split-level ethic reinforced by white guilt.●

CAPT. JOHN CHOUINARD

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. MAVROULES. Mr. Speaker, in this time of relative peace for our country, little attention is paid to the brave men and women who have volunteered to serve in our Armed Forces. They have, by their willingness to serve, shown their love and respect for America. And, more often than we would like to think, some give their lives for their country.

Capt. John Chouinard was one of the true heroes of our peacetime armed services. His neighbors in South Hamilton, Mass., remember him as a young boy, delivering newspapers door-to-door, helping them with their grocery shopping. They remember him as a young man, graduating from Lowell Tech, and receiving a commission in the Air Force. He was a kind man, a warm man; in the words of a neighbor "he always had time to be a friend."

Last January 24, John Chouinard was reported missing on an Air Force training mission in Korea. Two days later he was found. He had been killed instantly in the crash of an F-4D jet trainer. On February 4, Captain Chouinard began his final flight "home" as his remains were brought back to this country.

John Chouinard loved his country and its rich heritage of freedom and democracy. He was proud to be an American, and prouder still to be flying in service to America. Despite his untimely death, his family and friends, who loved him and will miss him very much, should certainly be proud of him.

Peace, as well as war, has its own heroes, although less is heard about them. In the wake of the tragic war in Vietnam, it is important to remember that patriotism, in its highest form, is a most noble virtue. Capt. John Chouinard sacrificed his life to help keep America safe. He joins the long list of military heroes who have served this country since its birth, over 200 years ago. I am proud that he lived in my congressional district, and that I can honor him today.●

"ENVIRONMENTAL TARIFF" NEEDED TO RESTORE U.S. COPPER'S COMPETITIVENESS

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. RUDD. Mr. Speaker, I am pleased to join with the Honorable MORRIS UDALL of Arizona in cosponsoring legislation to increase the tariff on imported copper by an amount which will offset the cost incurred by U.S. copper producers in meeting environmental protection requirements.

In previous years, U.S. copper producers have been at a distinct disadvantage in having to compete with foreign copper manufacturers who did not incur comparable expenses.

Not surprisingly, these environmental considerations greatly increase the cost of copper here, and make it less competitive with foreign manufacturers who are not generally operating under the same strict level of environmental standards.

This bill woud levy an "environmental tariff" on copper imported from countries that do not have legislation similar to ours mandating clean air and water.

The Copper Environmental Equalization Act will serve the useful purpose of restoring the equality of competition between U.S. and foreign manufacturers.

COPPER STOCKPILING

Mr. Speaker, I would also like to comment on the subject of copper stockpiling which is of parallel importance in the total copper situation.

The administration has established a national stockpile objective for copper of 1,299,000 tons. At the present time stockpile holdings amount to only 20,000 tons. This goal is an affirmation of an identical goal for copper set by the Ford administration.

The Strategic and Critical Materials Stockpiling Act has two purposes. One is to acquire and maintain a stockpile of such materials. The second purpose, as stated in the Act is:

> ". . . to encourage the conservation and development of these materials within the United States, and thereby decrease and prevent wherever possible a dangerous and costly dependence of the United States upon foreign nations for supplies of these materials in times of national emergency." (50 U.S.C. Sec. 98.)

With these purposes in mind, I introduced in the last Congress legislation to authorize the disposal of 30,000 tons of surplus tin from the stockpile, an action desired by the administration, and with the proceeds the acquisition of 250,000 tons of copper for the stockpile.

At that time the price of tin was extremely high and the price of copper disastrously low. With our domestic copper industry in a seriously depressed state, a government purchase of copper for national security purposes would have afforded very real help to a basic domestic industry and, at the same time, have been a bargain purchase for the American taxpayer.

At the end of 1978, the world price of copper averaged about 70 cents per pound. Two months later, at the end of February 1979, the price was around 90 cents per pound. The price has risen over 25 percent in 2 months, and the industry seems to be on the way to at least temporary recovery. Because of this price rise, a stockpile purchase at this time would not be the bargain to the Federal Government it was just few months ago. It is for these reasons that I have not pushed for passage of legislation forcing a copper purchase immediately.

Nevertheless copper is needed for our national security and our domestic industry and must be protected to "decrease and prevent wherever possible a dangerous and costly dependence of the United States upon nations for supplies. . . ." I am therefore urging the administration to begin an orderly, systematic acquisition program of copper so that our stockpile objective may be met in the foreseeable future.●

GILLIS' DECISION

HON. GUNN McKAY

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. McKAY. Mr. Speaker, in 1973, the United Democrats of Congress was founded to bring a greater sense of unity to Democrats in Congress, and to serve as a bridge across the diversity of views embraced by our national Democratic Party. I now have the honor to chair the United Democrats of Congress for 1979–80. It was perhaps with prophetic purpose that our organization was formed, for UDC now reflects the mainstream of public opinion—and our membership has grown to number more than 100 House Democrats, who consider ourselves "middle of the road."

One of the founding members of the United Democrats of Congress was GILLIS LONG, from the Eighth Congressional District of Louisiana. A part of the success of UDC may be attributed to his vision and teamwork and participation in activities which have brought Democrats of the House together, emphasizing our common interests rather than our differences.

Last week GILLIS decided not to become a candidate for Governor of the State of Louisiana, where he was acknowledged as a leading contender in the race this fall. I know I speak for many when I say I am pleased that GILLIS has chosen to continue his work here in the House, where he is a member of the Committee on Rules and the Joint Economic Committee. GILLIS' decision was a tough one—maybe the toughest he will ever have to make. I would like to share with my colleagues a comment on that decision from GILLIS' hometown newspaper, the Alexandria Daily Town Talk. It is a story which reaffirms that the folks back home want moderation and leadership from their Representatives here in Washington.

[From the Alexandria (La.) Daily Town Talk, Mar. 25, 1979]

GILLIS' DECISION

Most of us have ambitions. Those with ambitions so deep-seated that they go back to their childhood know how difficult it must have been for Gillis Long to turn his back on the governor's chair when it appears very much within his reach.

It is no secret that Congressman Long has since childhood harbored a desire to be governor of this state. It is no secret that many Louisianians wanted him to try for the office again this year and that he was indeed considered a front-runner if he chose to run.

But last week Mr. Long, who lives here and represents the sprawling 8th District, decided not to run, electing instead to focus all of his energies on his Washington responsibilities.

On the one hand we are disappointed that he will not be in the gubernatorial race. We feel he is as qualified and capable as any of the candidates already in the field. On the other hand, we think Mr. Long made the right choice from the standpoint of long-range benefit to Louisiana.

He has been among the congressmen who in the last three or four years have led Congress from the left and back toward the middle of the philosophical road.

He has been among the leaders in revising congressional structure and procedure and making the halls of Congress less a maze of legislative confusion.

As a respected and increasingly influential member of the House, Mr. Long is in a position of leadership. This will be more and more important as the ties between Washington and the states increase, as they will no matter how much we dislike it.

While in the short term Mr. Long could perhaps offer as much as any other Louisianian in the governor's mansion, in the long term his presence in Washington will be even more valuable.●

SALT II NEGOTIATIONS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. LAGOMARSINO. Mr. Speaker, Paul H. Nitze has a long and distinguished reputation as one of the foremost experts on armaments and defense policies. The following speech, which Mr. Nitze gave before the Global Strategic Balance and Regional Security Issues Seminar on February 8, concerns the ongoing SALT II negotiations. The article follows:

ADDRESS BY PAUL H. NITZE

THE RELATIONSHIP OF THE STRATEGIC NUCLEAR BALANCE TO THE GENERAL MILITARY AND POWER BALANCE

At all times since World War II the Soviet Union has had superior conventional non-nuclear forces on the European Central front and on its northern and southern flanks. This has been due, in part, to geography, the USSR enjoying the central position and interior lines, and, in part, to the greater effort they and the Warsaw Pact have made than has NATO.

In the years up to the early 1950s this Soviet conventional superiority was offset by the U.S. nuclear monopoly. Later the conventional deficiency was in large measure offset by U.S. theater nuclear weapons. Today the U.S. theater nuclear superiority was disappeared, and it has proved necessary to assign a number of our POSEIDON submarines to cover targets of interest to NATO. As the Soviets deploy increasing numbers of SS–20 MIRVed missiles, BACKFIRE, and other high performance theater bombers, more and more of our surviving strategic nuclear forces will be called upon for assignment to the theater mission.

For most of the post-World War II era the U.S. Navy has enjoyed unchallenged control of the seas. This assured that we could project our power, wherever needed, on the periphery of the Eurasian landmass. The Soviet Union had no comparable power-projection capability. Today they, together with their associates in the so-called "camp of peace and freedom," are on the way to developing such a capability. Even now their intermediate-range nuclear weapons, such as the SS–20s and the BACKFIRES, provide an umbrella arching out some two to three thousand miles from the Soviet borders over Europe, the Middle East, South Asia, and China.

The willingness of either side to use conventional or theater nuclear weapons in a confrontation not involving the territory of the other is importantly affected by the confidence it has in the quality of its strategic forces relative to those of the other side.

The Soviet leaders have a full understanding of the potential destructiveness of nuclear weapons. If this were not so they would not have demanded such enormous sacrifices from their population to create the forces they are creating. Nor would they have persisted year after year in a civil defense program some ten times as elaborate and costly as the civil defense program the Executive Branch is now considering. They do not want a nuclear war. The best way to avoid a nuclear war is to have overwhelming superiority. As Clausewitz put it, the aggressor never wants war, he would prefer to enter your country unopposed.

But the Soviet Union does propose that no important decisions be made in the world without its aims and ambitions being taken fully into account. And beyond that, much of what they do, and what they say to internal audiences within Russia, is consistent with the hypothesis tnat they aspire to world hegemony.

The Chinese Communists, who know the Kremlin well, tell us that the current focus of Soviet strategy is on Western Europe, that they aim to outflank Europe by achieving dominance over the Middle East, that they propose to outflank the Middle East by achieving controlling positions in Afghanistan, Iran, and Iraq on one side, South Yemen, Eritrea, Ethiopia, and Mozambique on the other, and by achieving the neutrality of Turkey to the north. Concurrently, they are attempting to encircle China by pressure on Pakistan and India, by alliance with Vietnam and dominance over North Korea. Even in Cuba they are putting their finger in our eye.

In pursuing their global strategy they use, in connection with each specific objective, the lowest level of pressure or of violence necessary to achieve that objective. The purpose of their capabilities at the higher levels of potential violence, all the way up to all-out nuclear war, is to deter, and if necessary control, escalation by us to such higher levels.

The significance of the SALT II negotiations, which have been going on for more than six years, is that through them we have been attempting to put a cap on both sides' capabilities at those higher levels.

THE ORIGINAL U.S. OBJECTIVES FOR SALT II

Enough is now known about what has already been agreed in SALT II to judge the extent to which the original objectives of the U.S. side for SALT II have been achieved.

Specifically, our aim, when we began the negotiations six years ago, was a treaty of indefinite duration, to parallel the ABM Treaty. This treaty was to provide:

Limits on offensive nuclear capabilities equal for both sides.

Terms assuring "crisis stability," that is, a situation where, in a crisis threatening war, there would be no significant advantage to the side striking first, preempting, or launching from under indications of attack.

Limits calling for, or consistent with, true reduction in offensive nuclear armaments and their capabilities and in related expenditures.

The limits should be verifiable, meet the legitimate concerns of our allies, and be low enough to be economically and politically feasible for the United States to attain.

In sum, the agreements should be such as to reduce the risks of nuclear war and the weight of nuclear armaments on world politics.

Finally, for there to be a valid agreement, the terms must be acceptable both to the Soviet leadership and to two-thirds of the United States Senate.

For reasons to be considered in a minute, the terms, now all but finally agreed, meet none of these original objectives, except perhaps the last.

THE SUBSEQUENT NEGOTIATING CASUALTIES

The first casualty, abandoned in 1974, was the hope for a treaty of indefinite duration paralleling the ABM Treaty. We settled in 1974 for a short term pact to end in 1985; a time when the strategic relationship between the two sides is likely to be least favorable to the United States.

The second casualty was equality. Notwithstanding the equal limits to 2,400—and later 2,250—on strategic nuclear delivery vehicles, and to 820 on MIRVed ICBM launchers, neither the actuality of equality nor the appearance, if one takes a second look, is preserved. To illustrate:

Within the permitted number of ICBM launchers, the Soviet Union is permitted more than 300 very large ICBMs of the latest type. Our side—none.

It will be impossible for the U.S. to have more than 550 MIRVed ICBM launchers at the time the treaty lapses; probably fewer. The Soviet side almost certainly will have deployed its full 820.

We are permitted to have no more than three warheads on each of our MIRVed ICBMs. The Soviet Union is permitted and is expected to have deployed four, six, and ten warheads on each of its SS–17s, –19s, and –18s, respectively. The U.S. will be permitted to test a new ICBM missile with up to ten warheads during the period of the treaty. However, we will almost certainly not be able to deploy such a missile within that time period.

The Soviet Backfire bombers, and comparable U.S. bombers, will be exempt from the count of strategic launchers. The USSR will have 300 to 400 Backfire bombers by 1985. Our side will have no similar planes by 1985 beyond its presently less proficient and much less numerous FB–111s.

The third casualty, and the most worrisome, is "crisis stability." Over the past fifteen years it would not have profited either side to attack first. It would have required the use of more ICBMs by the attacking side than the attack could have destroyed. By the early 1980s that situation will have changed. By that time, the Soviet Union will be in a position to destroy 90 percent of our ICBMs with an expenditure of a fifth to a third of its ICBMs. Even if one assumes the survival of most of our bombers on alert and our submarines at-sea the residue at our command after a Soviet initial counterforce attack would be strategically out-matched by the Soviet Union's retained war-making capability.

The fourth casualty has been true reductions. Although the number of Soviet launchers will decline from around 2,500 to 2,250 during the term of the treaty, the more significant indices of nuclear power will rise dramatically; particularly on the Soviet side, but on our side as well. The number of Soviet warheads will have increased some three-fold; ours by a half. The area destructive capabilities of Soviet weapons will have increased by a half; ours by a quarter. The capability of their weapons to knock out hardened targets, such as missile silos, will have increased ten-fold; if our cruise missiles, still under development, fulfill present expectations, ours will have increased four-fold. The sponsors of SALT II do not anticipate that SALT II will warrant a reduction in our expenditures on nuclear forces, nor that the Soviets will reduce theirs.

By 1985, under the limits of SALT II and taking into account the current programs of the two sides, it will be virtually impossible for the United States to avoid a situation in which our prompt counterforce capability against hardened military targets (silos; command, control and communication centers; storage depots; and shelters for leadership personnel; etc.) will be less than an eighth that of the Soviet Union. This will be compounded by the fact that they will have double the number of hard targets, each, on the average, twice as hard as ours.

A bad agreement, even if wholly verifiable, is still a bad agreement. In addition, however, the extent to which the strategically significant terms of SALT II will be verifiable remains very much in doubt.

In sum, I believe SALT II, as now envisaged, will not reduce the risks of war. I believe it will dramatically increase the risks of war, particularly if it reinforces the President's judgment that we are militarily stronger than the USSR at a time when we are not. War and defeat arise from just such gross misjudgments of relative military capabilities by the weaker of two opposed powers. On the other hand, a subsequent, more realistic reevaluation of the balance by this or another President, at a time when it is too late to reverse trends, could result in forced accommodation to the Soviet Union leading to a situation of no return from retreat and Finlandization.●

MANY RHODESIANS, BLACK AND WHITE, THINK THE WEST ERRED

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. BOB WILSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the New York Times, Feb. 25, 1979]

MANY RHODESIANS, BLACK AND WHITE, THINK THE WEST ERRED

(By John F. Burns)

SALISBURY, RHODESIA.—The cycle of violence turned again last week for Rhodesia's transitional Government and its guerrilla foes. This time it was the guerrillas who were the victims. Intelligence indicated a guerrilla offensive in the offing, and the Government dispatched its few precious Camberra and Mirage jets against guerrilla bases in Zambia and Mozambique. The sight of the camouflage-painted jets streaking back to base boosted the sagging morale of both whites and blacks whose fortunes ride with the provisional regime and its plan for limited black majority rule.

After the downing of a second Viscount airliner by guerrilla missile fire earlier this month, with the loss of 59 lives, supporters of Prime Minister Ian D. Smith and his black partners were hungry for retaliation, although the Government said the strikes were not for vengeance but rather to foil disruption of the election set for April. Rhodesia's 2.5-million black voters and 90,000 whites are to elect the country's first black government, which will take power under a Constitution reserving substantial powers to whites. Guerrilla leaders Joshua Nkomo and Robert Mugabe vow to upset the scheme, with Mr. Nkomo promising a bloodbath at the polling stations. The Government, fearful that the 12,000 insurgents already inside Rhodesia could sharply reduce the turnout, mocking claims of popular support for the plan, has cancelled leave for its own forces for the election period.

Britain and the United States have halted efforts to make peace and are waiting for war developments to make one side or the other more amenable to compromise. While Communist nations pour arms and money into the insurgent cause, London and Washington insist on maintaining the economic sanctions which, with the war, have brought Salisbury to the brink of economic collapse. Prime Minister James Callaghan and President Carter are ignoring Salisbury's appeal to send observers to monitor the fairness of the elections, apparently fearing that the guerrillas would interpret it as favoring the transitional administration. Their inaction accords with their stated neutrality, but a substantial body of Rhodesian opinion holds that it could lead to chaos for Rhodesia and the black countries around it.

Encouragement for the Salisbury leaders from London and Washington would provoke a furor among leaders of the African states supporting the Patriotic Front, the tenuous alliance between Mr. Nkomo and Mr. Mugabe. But there are responsible Rhodesians—both blacks and whites, often bitter opponents of Mr. Smith in the past—who believe that the urge to accommodate these states may blind Western leaders to their interest in encouraging pro-Western, moderate governments in mineral-rich southern Africa.

The issue turns on the provisions of the Salisbury accord, dismissed as "inadequate" in London and Washington but defended in Salisbury as a sensible approach to problems dogging every other nation in the region. It has been attacked for the powers reserved to the white minority—28 of 100 assembly seats, a similar proportion of cabinet posts and a dominant white role in the bureaucracy, armed forces, police and judiciary. Yet the continued presence of a substantial white minority has broad support among the 6.8 million blacks, who know the economic disruption wrought by white departure from neighboring black states.

Rhodesia's whites and blacks have generally maintained relations more harmonious than those in many parts of Africa. Visitors are surprised by the easygoing atmosphere, improved lately by the abolition of statutory racial discrimination. There is widespread acknowledgement of the advantages of maintaining an efficient and honest civil service and armed forces, a benefit not enjoyed by many African states, and the important role of whites is accepted, though most blacks insist on the need to train and promote blacks to take over managerial roles.

As for self-rule, many find British and American standards unusually exacting. Zambia's President Kenneth D. Kaunda recently won re-election after barring his leading rival by amending the election rules. Tanzanian President Julius K. Nyerere is notorious for the political detainees in his prisons. Neither Angola nor Mozambique, both Marxist, has held free national elections. Whatever its failings, the April election in Rhodesia is likely to be freer than many others and the new Rhodesian Constitution contains broader protections of human rights than those of most African states.

Anglo-American reluctance to offer the Salisbury leaders any encouragement seems even more peculiar in view of the political precepts of the guerilla leaders, who have demanded outright power. Mr. Mugabe, a self-described Marxist, told American newsmen that if the blacks of Rhodesia don't like his ideology, "then we will have to re-educate them." Neither man has disavowed or made any apparent effort to restrain guerrilla bands who make a consistent policy of murdering civilians and abducting children by the hundreds. While Mr. Nkomo hedges, Mr. Mugabe has made it clear that he would nationalize, with little or no compensation, many of the white-owned agricultural and industrial enterprises that underpin the country's economy.

The guerrilla leaders are deeply divided, their forces further driven by personal, tribal and ideological schisms. Mr. Smith is not alone in fearing that the British-American plan, disbanding Salisbury's army and replacing it with a guerrilla-based force, would set the stage for a civil war between the Nkomo and Mugabe factions far bloodier than anything Rhodesia has yet seen. It is small wonder that there are people of good will who ask whether penalizing the Salisbury administration with sanctions while doing little to persuade the guerrillas to abandon the war is responsible prescription for Governments that want stability and moderation for the people of this troubled land.●

ETHICS IN GOVERNMENT ACT

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. PREYER. Mr. Speaker, recently many of us have become informed about an unintended potentially serious impact upon top Federal agency personnel of the Ethics in Government Act of 1978. A precise interpretation of section 207 of title V of that act (Public Law 95–521) could cause many of these personnel to resign their posts by July 1, 1979, and would also prevent the hiring of experienced and able personnel to fill key policymaking posts.

I received recently a letter describing the potential impact upon the National Institutes of Health, written by John T. Grupenhoff, Ph. D., who some time ago was Deputy Assistant Secretary for Legislation in the Department of Health, Education, and Welfare, and who has maintained a deep interest in the NIH programs and personnel.

In order to allow my colleagues the chance to see this letter, and the accompanying fact sheet, I insert them both at this point in the RECORD. These materials should serve to help clarify the situation, and assist us in determining whether corrective legislative action should be taken.

GRUPENHOFF AND ENDICOTT,
Bethesda, Md., March 23, 1979.

Hon. L. RICHARDSON PREYER,
Rayburn House Office Building,
U.S. House of Representatives,
Washington, D.C.

Subject: Potential Serious adverse impact on the National Institutes of Health of certain provisions of the 1978 Ethics in Government Act.

DEAR MR. PREYER: Because of your deep interest in the health and medical research programs of the Federal government; and because of your demonstrated concern for the continued excellence of the National Institutes of Health programs and personnel, I would like to bring to your attention the potential serious adverse impact on the NIH of the recently passed Ethics in Government Act.

Public Law 95-521, Title V, Section 207 contains language relating to conflict-of-interest covering former Government employees, and could result in mass resignations from the top administrative posts in all the executive agencies of the Federal government before July 1, 1979. I understand that approximately 50 of NIH's top positions could be affected by this provision, including NIH's director, Deputy Director and Associate Directors, and directors of all NIH's Institutes, bureaus, and divisions, their deputy directors, scientific directors, and principal program directors. It could also present a serious impediment to NIH's recruitment of well-qualified scientists and science administrators from outside the Federal government to serve in high level positions at the NIH.

I understand from some leaders of the Department of H.E.W. that many health policymakers there will be affected similarly. The attached fact sheet fully explains the situations at NIH.

There have been news reports that Administration regulation writers are now struggling to interpret the legislative language, and soften it, so that the law would not be enforced in its present form, and that perhaps, would ameliorate the situation. It seems to me that it would be an incorrect remedy to rely upon regulations to soften congressional intent: The correct remedy would be to change the law itself.

Further, July 1 is coming upon us rapidly, and regulations have not become available even in draft form. Of course, a comment period will be required, and final regulations will then be issued. There will be too little time for the concerned employees to make sensible career choices, if that route is relied upon.

Perhaps quick action by the Congress to delay by a year the effective date of the law would give the necessary time to get a full understanding of the impact of the law.

Sincerely,

JOHN T. GRUPENHOFF.

THE ETHICS IN GOVERNMENT ACT (P.L. 95–521) POST-EMPLOYMENT CONFLICT OF INTEREST PROVISIONS (TITLE V)

The Ethics in Government Act of 1978, which amends the criminal code (Title 18, U.S.C.), contains provisions which not only could result in mass resignations from the top administrative posts in all the executive agencies of the Federal Government before July 1, 1979, but may deter the best qualified candidates for these positions from accepting Federal employment. While this may be an overreaction to a very broadly written statute, the absence of any detailed discussion or interpretation in the legislative history would technically permit the Department of Justice to prosecute cases of seemingly innocent post employment conduct. Conviction under these conflict of interest provisions carries a maximum penalty of a $10,000 fine and a two-year prison term.

While the probability that the Attorney General would bring criminal charges in such cases may be low, the fears of many are great and very real. These fears can only be ultimately dispelled through a statutory amendment with accompanying clarification of the intent of Congress.

Specifically, the new law prohibits former senior employees (for two years after their employment ceases) even to aid, advise, counsel, or assist others in representing anyone other than the Government in dealing with the Government on any matter which was pending under the employee's official responsibility or in which he or she participated personally and substantially as a Government employee (Sec. 207(b)(ii)). These positions of GS–17 or equivalent pay, and which will include the Senior Executive Service, are often held by highly qualified individuals who have numerous career choices other than Federal employment. Many of the incumbents came to these positions from responsible posts in academia, State and local governments, and research organizations. Typically, they return to those or similar institutions upon departure from Federal service, where their normal duties will very likely include dealings with the Federal agency with which they were previously employed. This provision is sufficiently ambiguous so that some interpret it to bar a former senior employee for two years from having discussions with his or her colleagues at a university, for example, or other institution to which he or she has moved, on any matter which was within the sphere of the former employee's responsibilities and which could be the subject of any dealings between the institution and Government agencies in the future.

The new law will also bar a former senior employee for one year from dealing with his or her former department or agency on behalf of anyone other than the Government on any matter (including rulemaking) pending before that department or agency or in which the department or agency has a substantial interest. This restriction will apply without regard to whether the employee was involved in, or responsible for, the matter while in Government service, and will include even new matters arising after the employee leaves the Government. Depending on how this provision is interpreted, it could prevent, for example, a former employee who becomes a university dean from seeking HEW support for the university's research and operations, and discussing with HEW officials Government policies which affect the institution. A literal interpretation of this subsection (207(c)) would bar a former high level Government employee from applying for a research grant from his former agency for a period of one year.

Since Federal funding touches practically all aspects of State and local governments and institutions of higher education and research, the two provisions aimed at senior employees must be modified or given reasonable interpretations in implementing regulations or they will place severe and unreasonable constraints on affected employees.

There have been a number of proposed solutions to this problem. A bill sponsored by Representatives Danielson and Moorhead would delay for six months the effective date, in order to permit Congress to debate the matter and take corrective action. It also proposes a change in section 207(b)(3) which, unfortunately, does little to change or clarify the statute.

A second proposal would be to change the word "concerning," appearing at the bottom of subsection 207(b)(ii) to "at." This would narrow considerably the possible interpretation of this subparagraph, and permit the administrative regulations required by section 402(b)(2) of Title IV to specify very explicitly the conditions under which this provision would apply. This change will not, however, affect section 207(c) of Title V. Other solutions may also be considered but will require a more extensive redrafting.●

GREAT PLAINS CONSERVATION PROGRAM DESERVES CONTINUATION

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. BEREUTER. Mr. Speaker, one expert has stated: "The Great Plains is an accident waiting for a place to happen." As a Congressman from that area, I find both amusement and concern in that statement.

Many Nebraskans remember too well the Dust Bowl days when they watched their crops wither and die because of a drought situation beyond their control. More than crops were lost, however. For many, lives would never be the same.

Men and women who lived through those times came away with a great appreciation for the land and its resources. The Federal Government came in to lend a hand with the creation of the Soil Conservation Service in 1935. Later, in 1956, the Great Plains conservation program was created to help residents of the 10 Great Plains States combat the area's climatic hazards. SCS in general, and the Great Plains conservation program specifically, have been among the Federal Government's most successful programs.

It is with great concern, therefore, that I learned of the administration's decision to reduce funding for SCS and to eliminate the Great Plains conservation program. Earlier today, I had the opportunity to testify before the House Subcommittee on Agriculture of the Appropriations Committee to request restoration of the funds. I would like to share my testimony with my colleagues and ask that they join me in supporting these proven, effective programs.

TESTIMONY BY HON. DOUGLAS BEREUTER

Mr. Chairman: I would like to begin by thanking you and the members of the Subcommittee for providing me this opportunity to express my concern about the proposed cuts in the budget for the Department of Agriculture, especially with regard to the Soil Conservation Service. I would also like to take a moment, Mr. Chairman, to recognize the contribution that you and members of this subcommittee have made in helping to maintain a viable agricultural sector in this country. I speak not only for myself, but for all of those engaged in agriculture in Nebraska, when I thank you for keeping agriculture in this country strong.

Since the creation of the Soil Conservation Service in 1935, Congress has recognized the tremendous need to permanently control soil erosion, and strive to protect and preserve our natural resources. The Soil Conservation Service has accomplished this task by providing funds and technical assistance to farmers, ranchers, and other groups through over 3,000 field offices. The experise of the highly skilled, hard-working technicians who man these field offices is invaluable in addressing erosion control, water conservation, sediment control and water quality. So it is of great concern to me that the Administration proposes to cut back funding for the Soil Conservation Program. These reductions will force SCS to eliminate more than 1,000 soil conservationists. To cut these employees would mean a loss in services for one of every three of the nation's 3,000 soil conservation districts. As it is, there are not enough technicians to staff every district. In the last decade, the Soil Conservation Service's technical staff has been reduced from nearly 16,000 to a 1979 level of 13,655. These cuts are coming at a time when demands for technical assistance are rapidly increasing. Many experts feel we are worse off in terms of soil conservation than we were 10 years ago.

Needless to say, I was not surprised when I read that during a television appearance last fall, Secretary of Agriculture Bob Bergland commented: "We are on a collision course with disaster. Water supplies are being reduced and the erosion of American farmland today is probably at a record high. This simply cannot go on."

I can certainly see that the Secretary understands the problems of soil erosion. I just wish he would pass his thoughts on to the budget experts in the Administration. There appears to be a feeling among the people who prepare the budget that federal responsibility for helping private landowners with soil and water conservation should be limited. It is my belief that many conservation districts are willing to take an increasingly more important role as it relates to the actual operation of the conservation districts. However, federal funding of these programs is a necessity, not just to the private land-owner but to all Americans. If we turn our backs on these programs, it will be more than the farmers who suffer.

Mr. Chairman, I would now like to take an opportunity to comment on a program with the Soil Conservation Service that has been of great benefit to many Nebraskans, The Great Plains Conservation Program. The Great Plains Conservation Program was established in 1956 to help residents of the 10 Great Plains States combat the area's climatic hazards. Since the program's inception in 1956, 7,061 contracts have been signed with landowners in Nebraska, covering approximately 9.6 million acres. During the same period, many hundreds of thousands of acres have been treated with conservation practices, earning over $20,000,000 in cost shares. The program has provided both technical assistance and direct financial assistance on a cost-sharing basis under contracts from 3 to 10 years to farmers and ranchers of the Great Plains region who would voluntarily conduct soil and water conservation on their land.

Practices authorized for cost sharing in counties eligible for the Great Plains Program include establishment of permanent plant cover, reseeding grassland, stripcropping, terracing, construction of fences, diversions, wells, reorganizing irrigation systems, as well as other measures. This program has been extremely popular with landowners in Nebraska because it provides the long range contract assurance that the funds will be available when needed, while still assuring adequate flexibility. To phase out one of the most effective tools of conservation in the Midwest would result in a reduction in technical services available to farmers and ranchers in a 61-county area. At present, the Soil Conservation Service has about 140 technical positions in the 61 counties. Discontinuing this program would result in a cutback of about 30 positions. Under its unique political subdivision, our natural resources districts, Nebraska has made consistently greater demands on the technical assistance provided by the Service and the reduction of manpower has hampered the program activities. Not only is less federal work being accomplished, but the district programs requiring technical design assistance and private landowner works suffer. It is my feeling the personnel must be stepped up rather than cut back, in order that we may provide these districts with the technical expertise to prevent this area from becoming as arid as it was in the 1930's.

There is one further point I would like to make with regard to the extension of the Great Plains Conservation Program; and I feel it is a crucial point for you to consider. It is this: Right now an evaluation is being completed on the Program, as directed by the Resources Conservation Act. I feel confident that the Great Plains Conservation Program will receive high marks in any evaluation that is conducted. Strong consideration should be given to extending the long-term contracting features of the Great Plains Conservation Program, as well as other federal conservation programs. The long-term commitment to soil and water conservation requested of landowners under the Great Plains Program should be emulated by other soil and water programs and may, after current studies now underway in USDA are completed, be the future direction of soil and water conservation.

In conclusion; Mr. Chairman, I realize the tough decisions that must be made in directing our priorities within the limited revenues available to us. If funds are to be allocated for one purpose, some other program must be reduced. However, if we examine what the programs I have discussed have done for soil and water conservation in the last 44 years, I'm sure we would all be in agreement that these programs should be among our very highest priorities. Thank you, Mr. Chairman.●

CENSORSHIP

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. KOSTMAYER. Mr. Speaker, high school seniors in Anaheim, Calif., are required to take a course called "Free Enterprise," which contains a number of questions, the answers to which are true or false. One question is: "The Government spends too much money on the environment." The correct answer is "True."

In the community of Island Trees, N.Y. the school board has removed 11 books from classrooms and libraries in the district including two Pulitzer Prize winners.

In Thatcher, Ariz., the town librarian returned from a summer holiday to discover that all magazines except Arizona Highways and the National Geographic had been removed from the shelves. The librarian was instructed to keep a list of each periodical stocked and the names of those who read it. An issue of Sports Illustrated was removed because of an article featuring women's swimsuits. An issue of Time was removed because of an illustrated article on fashion models.

The Committee Against Censorship of the National Council of Teachers of English found in a recent survey of secondary school teachers that censorship of books and other curriculum material, as well as of school newspapers, had increased significantly since a similar survey in 1966.

Mr. Speaker, these rather alarming assertions as well as a number of others are included in an article entitled, "Censorship of Textbooks Is Found On Rise in Schools Around Nation," in yesterday's New York Times.

The article points out that the "Focus is on language viewed as obscene, but ideas, attitudes and philosophy are challenged as well."

Most of us, Mr. Speaker, would concede that some discretion is required in dealing with questionable materials and highly impressionable youngsters. But, as the article in the Times contends there seems to be a trend toward the suppression of ideas which are somehow regarded as unwholesome or unhealthy or un-American. The free play of ideas in our society no matter how controversial or repulsive they may be is based on the assumption that those ideas with some genuine merit will be inevitably sustained and those without will not.

Just and moral conclusions are more likely to be reached in a free and open exchange rather than through any kind of authoritative selection.

The true strength of our democracy lies in its capacity to tolerate all kinds of ideas.

As I have said, Mr. Speaker, some discretion and commonsense may be required when dealing with youngsters and difficult material, but the actions detailed in the Times are in my view unwarranted and counterproductive.

Our country's record on this score is pretty good and we must be alarmed even at the slightest indication that the record might be tarnished.

Mr. Speaker, for the interest of my colleagues, I include the article in the Record:

Censorship of Textbooks Is Found on Rise in Schools Around Nation

(By Wayne King)

Parent and community groups across the country appear to have stepped up efforts to censor reading materials and course content in the public schools.

The censors, in part reacting to the permissive attitudes that disturbed traditionalists in the late 1960's and early '70's, seem mainly concerned with language they consider obscene or profane, and somewhat less so with sexual or erotic material.

But there is censorship of ideas, attitudes and philosophy as well, as in the case of the Island Trees school district in Nassau County, where the school board removed 11 books from library shelves on the ground that they were "anti-American, anti-Christian, anti-Semitic and just plain filthy." Two of the books had won the Pulitzer Prize.

In other districts, material has been removed from student access because it was deemed unsupportive of free enterprise or other similar political values.

SIGNIFICANT INCREASE FOUND

The Committee Against Censorship of the National Council of Teachers of English found in a recent survey of secondary school teachers that censorship of books and other curriculum material, as well as of school newspapers, had increased significantly since a similar survey in 1966.

A check of school districts in a dozen states and localities across the country by The New York Times found none free of some censorship or controversy, although concerns over the suitability of reading matter varied widely. Censorship ranged from library review committees in most districts to the public burning of a high school English text in Warsaw, Ind.

At Arcadia High School in Scottsdale, Ariz., a course called Paperback Power was renamed Directed Reading and Literature and stripped of graduation credit after parents complained about some of the 6,000 books, which were purchased with student donations rather than school funds and made available in a reading room designed to encourage random reading.

The school board ordered 20 of the books removed, including "Once is Not Enough" by Jacqueline Susann, all books by Rosemary Rogers and most books by Harold Robbins.

MATURE BUT EASY TO READ

"I used them because they were easy to read, but mature," said Robert A. Larabell, the instructor in the course, adding that he was no longer permitted to select the books.

Counselors now suggest that the course no longer exists, Mr. Larabell said, and participation has declined so much that the number of sections of the class has been reduced from seven to two.

In Thatcher, Ariz., the town librarian returned from succer vacation last year to find all periodicals except Arizona Highways and The National Geographic removed from the shelves. The librarian, Emalee Philpott, was instructed, on the ground of limited space, to keep a list of each periodical she stocked and who read it. Earlier, an issue of Sports Illustrated was removed because of an article featuring women's swimsuits, and an issue of Time magazine was removed because of an illustrated article on fashion models.

In Louisiana, state legislators concerned by a rising teen-age pregnancy rate sought unsuccessfully to overturn the state's eight-year-old law forbidding "any courses specifically designated 'sex education' or a course by any other name in which instruction is given to the pupil at any grade level, primarily dealing with the human reproductive system as it pertains specifically to the act of sexual intercourse."

Most Louisiana teachers avoid entirely using the words "sexual intercourse" because of an opinion by the State Attorney General that such use would violate the law, and a standard biology text, "Action Biology," has been banned because it dealt explicitly with the topic.

A study by Tulane University found that 30 percent of people from middle-class homes and 53 percent from lower-class homes had no knowledge of reproductive physiology. Louisiana has the fourth highest teen-age pregnancy rate in the country.

In the 33,000-student Union High School District in Anaheim, Calif., the largest west of the Mississippi, the school board has established a list of 270 books that can be used in English class, and no others are permitted.

James Bonnell, president of the Anaheim school board, said: "The only effort to restrict comes from the content of basic grammar classes. If they teach grammar properly, they will have no need for further books. Nor will they have time for them."

Sharon Scott of the Anaheim Secondary Teachers Association said the district owned more than 200 titles that could no longer be used because they were not on the approved list. Efforts to have other books listed have been rebuffed, she said.

A COURSE ON CAPITALISM

Seniors are required to take a course called "Free Enterprise," which Miss Scott said contained such questions as "True or false: The Government spends too much money on the environment." The correct answer is "true," she added.

In the Island Trees district, the American Civil Liberties Union is representing parents and students in a lawsuit against the school board for removing 11 books from classrooms and library shelves in early 1976. The suit is pending in Federal District Court. Richard Emery of the A.C.L.U. said the case "brings more clearly to focus a new issue, that is, can books be banned for political, religious and cultural reasons?"

Early in 1976, the school board removed 11 books from classrooms and libraries in the district to review language and attitudes in them.

The books removed were: "Go Ask Alice," author anonymous; "A Reader for Writers," by Jerome W. Archer and A. Schwartz; "A Hero Ain't Nothing but a Sandwich," by Alice Childress; "Soul on Ice," by Eldridge Cleaver; "Best Short Stories by Negro Writers," edited by Langston Hughes; "The Fixer," by Bernard Malamud; "The Naked Ape," by Desmond Morris; "Laughing Boy," by Oliver La Farge; "Black Boy," by Richard Wright; "Down the Mean Streets," by Piri Thomas, and "Slaughterhouse-Five," by Kurt Vonnegut Jr.

TWO WON PULITZER PRIZES

"Laughing Boy," which was later returned to the shelves, won the Pulitzer Prize for fiction in 1930, and "The Fixer" won the Pulitzer for fiction in 1967.

Of the 630 high school English teachers who responded to the Committee Against Censorship's survey, 30 percent reported pressure for book censorship, compared with 20 percent in the 1966 survey.

The teachers reported that parents raised 78 percent of the objections, while 19 percent were from some member of the school staff—a dramatic shift from 1966, when 48 percent came from parents and 42 percent from the school staff.

"In a given year," said Lee A. Burress Jr., a member of the committee, "one out of five teachers hears objections to books. The result is that in approximately one-third of the cases, books are removed from libraries and recommended reading lists. Thus, one-third of the time censorship efforts are effective in getting books out of use."●

INCARCERATION IN FOREIGN PRISONS

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. SAWYER. Mr. Speaker, during the past year and a half I have been actively involved in trying to secure the establishment of a prisoner transfer treaty between the United States and the Government of Turkey. During the 95th Congress it was my pleasure to be involved with the Judiciary Committee's formulation of legislation that established implementing guidelines for the creation of like treaties with Canada, Mexico, and Bolivia. While the Turkish prisoner transfer treaty is still pending, treaties with the other three nations have been ratified, and actual prisoner exchanges have taken place. Throughout the negotiations and hearings to establish these treaties, I was in contact with many concerned and dedicated individuals whose desire it was to lessen the trauma that surrounds incarceration in foreign prisons for both the prisoners and their relatives in the United States. One such group of individuals banded together to form the Committee of Concerned Parents. This organization has recently put together a handbook for the families of American citizens who have been jailed overseas. The handbook is of excellent quality and provides invaluable information that will, no doubt, answer the innumerable questions, and calm many of the fears of the relatives of the prisoners. One copy of this handbook will be arriving in each congressional office shortly. I urge you to take the time to peruse this booklet, and I would recommend that you commend it to those constituents in your district who would benefit from its information. For your further benefit, I am inserting in the RECORD the introduction to the handbook as well as a memorandum from the Committee of Concerned Parent's National Coordinator, Susan Ritz.

DEAREST MOMMA: This is the hardest letter I have ever had to write. It is hard to find the words, the words to say that I am in jail in Bolivia.

Your child, sibling or spouse is far away, in an unfamiliar land and in trouble. He has turned to you for solace, support and assistance. Your response to his plight can influence his ability to emerge from this ordeal as a healthy and whole individual. However, like the families of 1,600 other Americans jailed abroad, you may not know what to do or where to go for help.

The purpose of this Survival Manual is to offer you information, suggestions and action plans to help your imprisoned relative. It is a guide through the maze of legal and financial problems, government resources and foreign systems which many families encounter in their search for ways to effectively protect their loved ones' rights and welfare.

The manual intentionally presents a very general perspective on issues and actions because situations vary so greatly from country to country, case to case, family to family. It will probably be most useful to those whose relatives were jailed while travelling in Latin America and other relatively poor or developing regions. These are the places where families are most responsible for prisoner welfare and where codes of justice differ most significantly from those in the U.S. However, many of the suggestions and ideas covered can apply to any situation.

The foreign imprisonment of a loved one is painful and confusing. Unfortunately, there are no easy solutions; no single set of keys to unlock the prison doors. The most important thing you must remember is that you are the ultimate guardian of your relative's rights and well-being. The strength and courage you demonstrate and the loving support you give *can* make a difference. Hopefully, this manual will encourage you to accept the challenges presented by your relative's foreign incarceration and guide you toward responsible resolution of the potential problems both you and he face.

(From: "Survival Manual for Families of Americans Jailed Abroad," by Susan Z. Ritz, National Coordinator.)

COMMITTEE OF CONCERNED PARENTS,
Washington, D.C.

MEMORANDUM

The Committee of Concerned Parents, the group formed by the parents of Americans jailed in Bolivia, has just put out the SURVIVAL MANUAL OF FAMILIES OF AMERICANS JAILED ABROAD. This handbook covers such subjects as U.S. Consular responsibility, the roles of Congress and the State Department on prisoner-related issues, transfer treaties, and ways to cope with many of the legal, financial and emotional problems involved. We believe this manual can be a valuable guide for your constituents who have relatives imprisoned overseas, and we would like you to help us and the CCP distribute it to them.

Extra copies for your use are available through our offices, and additional copies can be sent directly to your constituents through Rev. William Deane, 3601 Locust Walk, Philadelphia, Pa. 19104, (215) 387-5554.

Rev. Deane is presently expanding the work of the CCP by building a national network of families of Americans jailed abroad who wish to work together for the protection of their relatives' rights and well-being. The Privacy Act prevents him from obtaining the names and addresses of these families, and therefore your referral of affected constituents to him would be greatly appreciated.

SUSAN RITZ, *National Coordinator.*●

GRADING PROBLEMS OF LIVESTOCK PRODUCERS

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. DASCHLE. Mr. Speaker, I would like to call to the attention of my colleagues a problem that appears to be on the increase in the livestock industry. This problem is prompted by the grading of cattle delivered to fulfill the obligations under a contract with the commodity futures market.

Livestock producers recognize the need for adequate grading procedures. Jerome Fagerland, agricultural loan officer at the First National Bank in Milbank, S. Dak., best explains the feelings of livestock producers when he wrote:

> We all realize that a proper grading system must be maintained and that a certain quality animal must be delivered (under the futures contract obligations), but we feel that it is not necessary to be rejecting cattle that are of good quality simply because they are carrying excess flesh or mud.

It is this problem of animals carrying excess flesh or mud that has prompted livestock producers and agricultural loan officers in my State to contact me.

Livestock producers explain that it is perfectly common, under normal feeding conditions, for cattle to gain what is referred to as excess flesh. This should not reduce the quality of the beef to the extent it should be considered unacceptable under the futures contract.

The same holds true for cattle that, by the simple fact they are kept in pens which accumulate moisture during spring thaws, attract excess mud and dirt on their hides. It is my understanding that cattle are not being discounted by the amount of mud which they are carrying, but instead, are being rejected as not being acceptable under the contract terms.

Livestock producers are not objecting to having their cattle discounted as a result of either of these two categories. The problem comes with the rejection of cattle that are considered to be carrying too much flesh or excess mud.

As a result of the phone calls and letters I have received from livestock producers in South Dakota, I have written to Carol Foreman, Assistant Secretary for Food and Consumer Services in the U.S. Department of Agriculture to obtain information on what procedure livestock graders follow to make their determination on the quality of an animal.

In my letter to Ms. Foreman, I addressed the following questions:

First. What type of criteria do the graders have to follow when considering the grade on an animal?

Second. What is the process followed when an animal is considered to be "fleshy"? "muddy"?

Third. What conditions would cause an animal to not be accepted under the contract?

Fourth. Why are animals not discounted, rather than rejected when they are not considered to be acceptable by the grader?

Fifth. What is the policy of the grader when, for example, only one-half of a load passes inspection for the contract? What happens to that one-half load? Is it combined with somebody else who might also have only one-half of an acceptable load?

The grading problems currently being experienced by the livestock producers in my State are ones that I am sure many of my colleagues are experiencing. In the event that Assistant Secretary Foreman's responses might be of interest to my colleagues, I will be inserting the Department's response to my letter in the RECORD.●

REACTION FROM IRELAND ON LATEST DOCUMENTED PROOF OF HUMAN RIGHTS VIOLATIONS IN NORTHERN IRELAND

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. BIAGGI. Mr. Speaker, over the past several weeks, the American media to its credit has focused considerable attention to two major revelations detailing documented instances of human rights violations in Northern Ireland. The first of these was a statement of Dr. Robert Irwin, a noted Northern Ireland police surgeon who stated that some 150 suspected criminals had been physically mistreated and brutalized during confinement at the Castlereagh prison barracks. The other report, even more significant since the study commission was appointed by the British Government, also charged that systematic violations of human rights were being practiced by the authorities in Northern Ireland.

I am beginning to receive copies of reactions from leading Irish publications. The noted Irish weekly Hibernia in its March 15 edition contained an editorial entitled "Helping with Inquiries." The editorial traces a disturbing pattern of official indifference to documented findings of human rights violations. Several sentences in the article bear quoting:

> Nobody who knows N.I. should be surprised at Dr. Robert Irwin's statements on TV last week that he had personally examined about 150 victims of police ill treatment. The only surprise is that a police surgeon should have the courage to speak out in this fashion. Torture, brutality and repression have constituted an integral part of life in N.I. not just over the past ten years, but ever since the mini State was established.

Throughout my 10 years in the Congress and most especially in my 19 months as chairman of the 125 Member Ad Hoc Congressional Committee for Irish Affairs I have spoken out about the human rights problem in Ireland. I see it as the fundamental obstacle to peace in Ireland. The United States can play an important role in the restoration of human rights in Ireland simply by applying a consistent standard in its foreign policy. I renew my call to the administration to include Ireland in this policy.

The Hibernian editorial follows immediately:

HELPING WITH ENQUIRIES

> A pattern has been established in Northern Ireland over the past decade for dealing with scandals that threaten to become too embarrassing for the authorities. An enquiry into "allegations" about this, that, or the other is established, which in due course pontificates in stiff-upper-lip prose on the behaviour of the natives. The Cameron Report of 1969 Mon Droit' that a repressive and discriminatory State did in fact exist in N.I., and that the complaints of the Civil Rights movement were well justified. After two more years of deterioration, the Compton Report examined allegations of brutality on Internment Day and managed to conclude that the hooding, perpetual noise, deprivation of sleep and diet of bread and water did indeed amount to "physical ill-treatment". Sixteen months further down the slope, the Widgery Enquiry into the "loss of life in connection with the procession in Londonderry on Sunday 30 January 1972" produced a more outlandish euphemism. It concluded that there had indeed been "infringements of the rules of the Yellow Card" on the day on which thirteen civilians had been shot dead in the streets by soldiers supposedly sent to protect them.
>
> Now the Bennett Report, appointed to consider "what if any further safeguards are needed to protect the rights of people under interrogation" is about to be published. And the usual brouhaha has broken out in anticipation of its "finding." If the precedent is anything to go by, it can be expected that once again the cloak of respectability will be spread over what is essentially a rotten can of worms. Once again the pretence of legality and normality will be employed to disguise the dirty tricks department which is an integral and essential component of the present "status quo".
>
> Nobody who knows N.I. should be surprised at Dr. Robert Irwin's statements on TV last Sunday that he had personally examined about 150 victims of police ill-treatment. The only surprise is that a police surgeon should have had the courage to speak out in this fashion. Torture, brutality and repression have constituted an integral part of life in N.I. not just over the past ten years, but ever since the mini-State was established. And they will certainly continue until the constitutional settlement on this island reflects the majority will of the population. But even in the meantime it should be possible to reduce the occasion of police brutality under questioning.
>
> The O Briain Report dealing with the same general area was unfortunately given scant attention by the Government here. It contained many sensible suggestions for the protection of persons in custody and for the proper supervision of any interrogations. But the Government did promise to give further consideration to the Chairman's personal addendum on the matter of detention for the purpose of interrogation and the matter of the right of silence. Barra O Briain personally favoured a system of power to detain a suspect for up to six hours—subject however to full access for him to legal adviser, doctor and relatives. He also suggested that a suspect should be required to answer a limited degree of questioning during this detention period.
>
> The present onus on the police to secure convictions through confessions is corrupting of its very nature and must inevitably lead to abuse. North and South, the system cries out for reform.●

DETERRENCE THROUGH CONFUSION

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. SYMMS. Mr. Speaker, in yesterday's RECORD I referred my colleagues in the House to a recent Heritage Foundation report entitled "U.S.-U.S.S.R. Contrasting Views of Nuclear War." Today I would like to commend to my colleagues another essay that was part of that report. It is entitled "Deterrence Through Confusion?", and it accurately characterizes, I think, Carter administration strategic policy as perceived by most observers. It reads as follows:

DETERRENCE THROUGH CONFUSION?

> When administration officials of the recent past have come into office they have, for the most part, brought with them the intellectual legacy of Mutual Assured Destruction. Over time, however, they have also tended to moderate this conceptual framework as they begin to understand the wide range of responsibilities and options they hold. Nowhere is this more evident than in the Carter administration's efforts to balance its preferences of arms control with what is known as the "real world." In at least three areas relating to strategic programming, the administration is fluctuating on the rationale for policies and recommendations it presents to Congress.
>
> U.S. policy, for example, has perceptibly drifted from the MAD concept in the exploration of more limited or controlled strategic options. While many in the State or Defense departments continue to emphasize that nuclear war would be disastrous for both the U.S. and the Soviet Union, some are apparently beginning to discriminate between levels of disaster: leading to the conclusion that the outcome of a nuclear war will actually be determined by factors which are under our control.
>
> In civil defense, the Department of Defense found out, the effectiveness of a program can be largely determined directly by the amount of money spent. There has been some concern that the Soviet civil defense program, whatever its shortcomings is a very perceptible assymetry in the strategic equa-

tion. Yet the idea that we can do nothing about mutual vulnerability evidently still exists. A significant increase in civil defense spending proposed last year, though still modest when compared to the Soviet effort, faded rapidly before the FY80 budget ever appeared. The approach to limited strategic options is similar: Secretary Brown speaks of a "countervailing" strategy emphasizing flexible targeting policies, endurance, etc.—but always with the caveat that a damage limiting strategy is only a "lure" and that escalation really cannot be controlled.

While the administration continues to explore the possible targeting of time-urgent military targets, elements within the Arms Control and Disarmament Agency are questioning the need for larger yield, high accuracy missiles to perform these missions. One of ACDA's particular problems seems to be that while trying to emphasize how the U.S. will be allowed to make these qualitative improvements under the terms of SALT II the agency loses sight of its basic arms control position—that is, that such improvements are unnecessary and destabilizing.

The same elements of contradiction and confrontation are present in the debate over the survivable ICBM program. The necessity for a survivable ICBM is based on a determination, confirmed time and again, that the strategic TRIAD is necessary to meet U.S. strategic force requirements. Yet the President's comments about the destructive power of one SLBM cannot help but leave the impression that in the President's eyes an Assured Destruction capability is the only necessary component of strategic sufficiency. This impression supports the view of others in the administration convinced that the vulnerability of U.S. fixed ICBMs poses no big problems.

In order to be conceptually consistent, Secretary Brown should feel torn about yet another aspect of the survivable ICBM program. As a principal delegate to the SALT I negotiations, he continually promoted the position that ABM is destabilizing. Now, however, the defense of fixed ICBMs is apparently necessary to maintain strategic stability. The only major difference between ABM and the multiple aimpoint concepts now under consideration is that ABM is an "active" defense measure, and MAPs is a "passive" defense measure.

The Secretary's defense budget presentations are no less cryptic. In defense of the President's proposals, Brown concluded that the programs scheduled were sufficient to provide for moderate growth and to maintain the balance. Later, however, he testified that if present spending trends continue, the Soviet Union will have achieved military superiority over the United States within five years. The Secretary would probably say, as he has done in the past, that it is impossible for either side to achieve a meaningful advantage in strategic nuclear capabilities—but, if this is the case, any measurement of the balance is then superfluous; so why compete? The Secretary goes to great lengths in explaining the limits of "static" indicators of strategic nuclear power, but the dynamic indicators—the so-called "trend charts"—are not found in this year's report.

One analyst has said of the FY 1980 annual report: "You can get anything out of here you want." Concepts berated on one page are promoted a few pages later. In the section dealing with nuclear strategy the unfortunate but unmistakable impression left with the reader is that the author is confused. Those familiar with the intellectual and conceptual backdrop can probably argue convincingly that the administration is having a difficult time equating its preferred arms control objectives with "real world" strategic issues for which it is responsible.

The implications of such contradictions are severe. Targeting policies are not well established; modernization programs are "on again off again" propositions; and through it all, the U.S. is attempting to negotiate a SALT II agreement which would limit or to some degree constrain elements of these programs. These problems would not seem to inspire one's confidence in the ability of the administration to determine what constitutes sound arms control since it apparently cannot decide what the proper nature and direction of U.S. strategic force planning should be. Secretary Brown's candor on this matter amounts to a sobering epitaph: "We have to admit that we have not developed a plausible picture of the conflict we are trying to deter."●

VOYAGER SPACECRAFT

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. AuCOIN. Mr. Speaker, I am sure my colleagues share in my amazement at the recent photographs and other scientific information beamed back to Earth from Jupiter by the Voyager spacecraft. In addition, the piggyback flight of the Space Shuttle from California to Florida directed our attention to the planned yearend test flight of that manned vehicle and the ensuing rewards we hope to gain as the Space Shuttle makes economical spaceflight a reality.

As our attention is drawn to such spectacular events, we must remember the basis of such success—sound research and development. We must continue to emphasize R. & D. and its great service to increased technology that is applicable to our daily lives. The role of Congress should be to look at our long-range national needs and to make sure our R. & D. effort is sufficient to meet our future goals. The fact that Congress also needs to guard against frivolous research expenditures that do nothing to benefit mankind should not detract from the importance of basic research itself.

There are a variety of programs we can emphasize, and I believe NASA and the National Science Foundation lead the list of organizations that have produced technology that far surpasses our specific expectations of those organizations. However, their underlying emphasis on research and development lays the base for fantastic gains in related fields. If this payoff is to continue, then our emphasis on scientific research and development must continue. The alternative would mean a lapse in the continuing dominance of American technology that allows us to maintain our high standard of living and to continue to make significant human gains.

In particular, space science technology has been applied to earthly needs in practical and cost-beneficial ways. I would like to draw my colleagues' attention to just a few of the many "spinoffs" derived from such technology that have paid out dividends to manufacturers, industries, and households alike.

Technological "spinoffs" have been applied to patient medical monitoring, commercial aircraft rescue systems, street lighting, food processing to feed shut-ins, corrosive-resistant materials for industrial construction, wilderness surveying, forest fire detection—the list is almost endless.

I was pleased to learn that tuna boats operating out of Oregon ports have found insulation originally used for rockets to be the most effective material for their tuna storage wells. Oregon loggers can maximize their timber truckloads by a computerized weight-and-balance system that a space contractor acquired while working on the Apollo program also used for the Lockheed Tri-Star.

A versatile computer program for better design of structures, the NASA structural analysis program (NASTRAN) has been widely employed to increase industrial productivity. This familiar system, used to design automobiles for example, will return an estimated $700 million to the economy between 1971 and 1983.

One specific example that indicates the possible industrial cost-savings when applying technology is the construction of the Silverdome Stadium in Pontiac, Mich. Using technology derived from the Apollo program, the entire domed stadium was constructed for $56 million. Compare this to a $168 million cost for the New Orleans' Superdome, even though the Pontiac Silverdome was constructed several years after the New Orleans' stadium. The lightweight Silverdome roof derived from a fabric developed for astronauts' space suits translated into a total construction savings of $112 million without even accounting for inflation.

Our biggest continuing national problem in the years to come will be identifying and utilizing energy sources. The intent of Congress should be to support such existing governmental arms as NASA and the National Science Foundation that have supplied significant technological gains in the past and hold the promise of doing the same in the future. There may be no miracle cure for our energy dependence to be derived from such an R. & D. emphasis. But the only certainty is that without congressional support to maintain our technological advancement, partial answers may not even materialize.

Let us not forget how computers have changed our lives or how satellites have made accurate weather-forecasting and instant communication second nature. Only by continuing our emphasis on traditional producers of research and technology can we hope that similar future gains in the fields of energy development and increased industrial productivity will also become second nature.●

TOKYO IS GROWING MORE AWARE OF ITS DEFENSE NEEDS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. BOB WILSON. Mr. Speaker, just recently, as a result of the conflict between North and South Yemen, the U.S.S. *Constellation* was extended on deployment and, together with escorts and supply vessels, was dispatched to the Indian Ocean, while the U.S.S. *Ranger* sailed from the eastern to the western Pacific in order to bring our forward-deployed forces in the area back up to the required two aircraft carrier groups.

This change in the international situation has stretched our already barebones Pacific Fleet to the utmost and further points out the plain fact that only with great difficulty can the United States defend our interests in the western Pacific and at the same time respond adequately to crises elsewhere without help.

For quite some time, it has been my belief that Japan could play a major role in this regard—certainly more of a role than is now the case. Without the unrestricted use of the vital oil routes from the Persian Gulf, Japan's economy would crumble. However, article 9 of Japan's Constitution prohibits the "use of force as a means of settling international disputes," and the country now contributes something less than 1 percent of its GNP to their "self-defense" forces.

During a visit to Japan last fall, I told members of the Japanese Parliament—the Diet—in no uncertain terms that times have changed. The international climate of today is very much different to that existing in post-World War II years. There is a very real menace just off Japanese shores, and that in their own best interests they should at least resolve themselves into spending more on their self-defense forces, because they can no longer count on the United States to bail them out of trouble.

The response from the Japanese was mixed. Some were supportive, others were opposed to the point of being hostile, and I left the country really without knowing how much of the message we had tried to present had gotten through.

Happily, though, it would seem to have had some effect as, in March of this year, Bradley K. Martin of the Baltimore Sun visited the Far East and while in Japan reported that the country's attitude toward defense is increasingly positive. I commend his analysis to the attention of my colleagues:

JAPAN: A TIME FOR MILITARY MUSCLE—I: TOKYO IS GROWING MORE AWARE OF ITS DEFENSE NEEDS

(By Bradley K. Martin)

"Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a soverign right of the nation and the threat or use of force as a means of settling international disputes."

Constitution of Japan, Article 9:

TOKYO—Nearly half a century after the takeover of Manchuria and 37 years after the bombing of Pearl Harbor, Japan has yet to eradicate its image abroad as an untrustworthy and potentially aggressive nation whose principles are situational at best.

Thus, much of the world takes note when high Japanese government officials say that their military forces, to deter prospective invaders, must have the ability to threaten targets in enemy territory—an argument made recently by civilian and uniformed officials of the Defense Agency.

The Japanese dedication to maintenance of a free, democratic society dealing peaceably with its neighbors is of relatively recent origin, and many fear that the first major crisis will signal regression.

Now, with long-tabooed military topics being discussed openly by government leaders, sepculation about how Japan would respond to a "surprise attack" filling newspaper columns, and the defense budget the seventh largest in the world "there is some kind of ferment going on" as a Western official here put it recently.

At the moment, Japan's defense expenditures of roughly $10 billion a year buy it a relatively modest military establishment; much of the cost is accounted for by the high salaries paid to the 240,000 volunteers who man its ground, sea and air "Self-Defense Forces" (so named to get around a constituitional prohibition against maintaining an Army, Navy, or Air Force).

Japan has some sophisticated weaponry and is acquiring more. But its military forces have such glaring weaknesses—like unprotected air bases and radar sites—that they are the butt of many a jocular comment. Communist-block newsmen snicker that the Japanese forces would be no match for the likes of North Korea, say, or Hungary. The Japanese forces are set up not to function independently but to complement U.S. forces.

Japan clearly is relying for the time being on limited rearmament combined with the security alliance with the United States. Much of the action of leaders who are pushing for military improvements can be seen as an effort to meet American demands and redefine the security arrangement so that it can endure, even as the economic basis for keeping it a senior-junior relationship diminishes.

If in justifying their moves the leaders appear publicly to focus less on American demands than on potentially threatening Soviet behavior, that may reflect their knowledge that taxpayers and voters find the latter a far more persuasive reason to loosen their pursestrings and look at defense questions in a new light.

Japan just as clearly is keeping itself ready to move swiftly toward full rearmament if changing circumstances dictate it. As Henry A. Kissinger told interviewers for the newspaper *Yomiuri Shimbun* late last year: "The fact that Japan is not now a great military power is not all that decisive because everyone knows that Japan could be a great military power very quickly."

The circumstances that could prod Japan toward such a move might be largely external—continuation of the 1970's trends of a U.S. pullback from Asia and Soviet military expansion in the Far East, a major shift in relationships among the United States, the Soviet Union and China, a serious U.S.-Soviet conflict or a greatly heightened threat to South Korea.

Or they could include basically internal developments—bad economic conditions making spending even more attractive than now to business, or a revival of nationalistic pride coinciding with loss of the popular military "allergy."

Although polls show little public support for strengthening the Self-Defense Forces, the actual trend has been very much in that direction. And while Japan has kept its defense spending below one per cent of its expanding gross national product for more than a decade (compared with about 6 per cent in the United States), there is considerable support in the ruling party and among its backers in business circles for an increase to 2 or 3 percent.

A few, like Hieaki Kase, who heads a business-financed defense-research institute here, propose going as high as 5 per cent. Mr. Kase suggests that Japan could become the second largest defense spender in the world as its economy reaches toward doubling the size of the Soviet Union's in the next decade.

"In a way, Japan is going to emerge as an imperialist power," as it becomes the major source of export capital in the world, he says; and with the U.S. military presence in Asia declining to reflect the lower buying power of the dollar, Japan should build a powerful enough Navy to protect its long and vital sea-lanes, drop its ban on arms exports and keep a nuclear option open.

After living for more than 30 years under American protection, Mr. Kase says, Japan is about to return to "normalcy" as "an independent nation."

Polls of public opinion and shifts in position by opposition parties make it clear that the armed collective security approach Japan has taken since the end of the U.S. occupation has finally been widely accepted, at the expense of the postwar ideal of Japan as an unarmed neutral, a sort of Far Eastern Switzerland.

That extreme pacifist ideal died hard, but the left-wing groups that embraced it found themselves bewildered and lacking enthusiasm to persevere when their ideological ally, China, in the context of the Sino-Soviet dispute and rapprochement with the United States and Japan, shifted to support of both the U.S.-Japan security treaty and Japan's strengthening of its armed forces.

In the new environment of public opinion, some advocates of increased military strength see a danger that things may get out of hand. "It's better to move gradually," a professor says. "Leaders, scholars, journalists are jumping on the bandwagon and wanting to go too far."

The pace of change depends to some extent on the personality at the helm of the Liberal Democratic party and the nation. The former prime minister, Takeo Fukuda, appeared to many last year to be intentionally challenging old taboos in an effort to desensitize the Japanese public on the defense issue.

His successor, Masayoshi Ohira, who took office late last year, is viewed as slightly less hawkish than Mr. Fukuda. Although no one expects Mr. Ohira to reverse the trend toward strengthening the military, he may slow it down.

On the other hand, one of the major contenders to replace Mr. Ohira two years from now is Yasuhiro Nakasone, a former Defense Agency chief who advocates drastically increased defense spending and revision of the constitution to recognize the right of belligerency.

In any event, those favoring substantially greater military emphasis face a simpler task than they did a few years ago when much of the public and the political opposition refused even to accept as legitimate the limited military establishment already in place. The current public opinion favoring the military status quo can be compared to bureaucracy; it lends itself to small but numerous, and cumulatively significant, increments.

At the same time, indications abound that there are limits to the likely extent of Japanese rearmament for some time to come. And evidence of an imminent reversion to pre-1945-style militarism is virtually nonexistent.

Public opinion may be ready to accept some further increases in military strength, but the great majority of Japanese simply do not see their survival as depending primarily upon a strong military.

They tend to believe that in invasion from abroad is only a remote possibility if Japan continues to behave peaceably and acquire economic power.

Talk of a major increase in defense spending does not now attract votes, as Mr. Nakasone found to his sorrow last November when he ran for the Liberal Democratic party presidency and placed a distant third. In fact, although the defense budget has been increasing in absolute terms, it has been declining as a percentage of the total national budget.

Japan is a signatory to the Nuclear Nonproliferation Treaty. And, although it has enough money, technology and enriched uranium to become a nuclear power quickly, its leaders deny any intention to do so.

There is a very real horror of nuclear weapons on the part of the Japanese populace. Periodically a political storm arises when there are hints that American forces based here may have such weapons. And the country's only nuclear-powered ship, although a merchant vessel, arouses such apprehension among citizens of the only country ever to suffer nuclear attack that it has yet to find a home port.

The forces pushing for an out-and-out return to the Japanese militarism of 40 years ago consist of little more than a handful of haranguers in old-style uniforms piloting sound trucks around Tokyo.

Members of the Self-Defense Forces are not quite the social outcasts they were a few years ago, but the grudging popular acceptance they have won, primarily for their good deeds in disaster relief, is a long way from adulation, and they know it.

Perhaps an even more important lesson of World War II is that this densely populated, narrow archipelago is strategically highly vulnerable.

Even assuming that Japan had at its disposal military resources equivalent to those of the United States, Professor Makoto Momoi of the National Defense College says: "I could not come up with a scenario assuring victory" in a war with the Soviet Union.

Twenty-five per cent of the Japanese population lives in and around Tokyo, an easy target for a missile-launching submarine.

Even if the nation adopted a second-strike theory, hoping that the prospect of receiving a retaliatory missile or bomber attack would deter a prospective aggressor, "Where do we set up an early warning system?" Mr. Momoi asks. "We would have to ask the Russians for permission to set it up in Siberia."

A decade from now Japan may well be, as an American official here predicts, an ally more like other U.S. allies—offering more military co-operation than it has in the past; spending something over 1 per cent of its national income on defense, maintaining higher-quality, more confident, perhaps somewhat larger forces—but still a long way from full rearmament and an even longer way from a return to militarism.●

COLUMNIST CLIFF TAYLOR

HON. MARC L. MARKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. MARKS. Mr. Speaker, I want to make note of a special event this weekend in the 24th District that will honor Cliff Taylor, the renowned Erie newspaper columnist on his 82d birthday and also mark the publication of his book "A Ray of Light."

Jim Thompson, one of Cliff's colleagues at the Erie Daily Times, jotted down a few things about Cliff and I should like to quote:

> Cliff Taylor will celebrate his 82d birthday March 31 and simultaneously publish his book, "A Ray of Light." Cliff, whose caricature appears above his daily column on the local news page of the Times, is as well known for his wavy white hair and his Ben Franklin spectacles as he is for his wit, wisdom and insight. His columns are read by tens of thousands of people throughout Northwestern Pennsylvania and, somehow, manage to show up all over the nation.
>
> Whether it is a simple branch struggling for survival in the Erie winter or a different view over the Lake Erie he has always loved and called home, Cliff brings to life and significance the beauty and truths that most of us would never see otherwise.
>
> Cliff makes us see ourselves as the fallable human creatures we are and helps us to forgive ourselves for our human frailties, laugh at our mistakes and to find joy in the humdrum of daily living.
>
> When Cliff lost almost all of his vision to cataracts at age 74, he was tempted to retire. But that was a fleeting thought. He pulled himself together, hired a tutor to teach him touch typing and was back in a few days, pounding out his column and serving on as the resident guru of the Times news staff. He also became an avid listener to talking book records and still can claim to be the most prolific reader in the office.
>
> Cliff has eight children, ranging in age from 23 to 59, by two marriages; 23 grandchildren; and four great-grandchildren.
>
> Cliff's children include: Lucille, 59, San Diego, Calif.; Dave, 55, Irving, Texas; Cliff, 52, Erie; Donna, 43, Johnstown; Bonnie, 34, New Castle; Kenny, 31, Conneaut, Ohio; Dean, 29, staff sergeant, U.S. Air Force, Italy; and Mark, 23, North East.
>
> His wife, Jean, finds her way into Cliff's columns as the loveable Arabella, who plods through life with the columnist as his eyes, his caretaker and, often, his conscience.
>
> Born in Erie March 31, 1897, Cliff was a son of a construction foreman and as a teenager, Cliff had a hand in, or at least carried the water bucket, during construction of many of the now-historic buildings of Erie. He gained his first fame as a football running back at Erie High School and was attending the University of Michigan when the call came to go to France and help win World War I. Cliff was an anti-aircraft gunner whose greatest fear was that one of the shells they shot straight up might come straight down.
>
> After struggling through the depression, Cliff entered private industry and was a refrigerator assembler, then a locomotive department planner at Erie General Electric. Early in his media career, he had his own radio and TV shows. But after a few years, Cliff realized these pursuits were going the way of his public speaking career, the high point of which was filling the pulpit at the Unitarian Church in Girard Borough. And Cliff returned fulltime to his rightful place, behind the ancient Royal typewriter.
>
> Legally blind since 1971, he compiled the book from the best columns he has written in more than 33 years as a daily whimsy, humor and human interest writer for the Erie Daily Times. The book will be published by the Breeze Publishing Co., North East, where he resides.
>
> P.S.—We think Cliff is about the oldest daily humor columnist for a major U.S. newspaper and one of only a handful of blind ones.

I want to wish the very best to my good friend Cliff Taylor and congratulate him on his 82d birthday.●

THE PRESIDENT'S GASOLINE RATIONING PLAN AND ENERGY CONSERVATION PLANS

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. CORCORAN. Mr. Speaker, this week the Commerce Subcommittee on Energy and Power, on which I serve, is holding public hearings on President Carter's standby gasoline rationing plan and standby conservation plan No. 1—weekend gasoline sales restrictions. On March 19, the subcommittee held hearings on standby conservation plans Nos. 2 and 3—building temperature restrictions and advertising lighting restrictions, respectively.

For the benefit of my colleagues, I am submitting for the RECORD a summary of the four plans as well as background material and information regarding the procedure under which the Congress is considering the plans and the procedures for administrative implementation, should these plans be approved.

Mr. Speaker, the material follows:

PRESIDENT CARTER'S STANDBY GASOLINE RATIONING PLAN AND STANDBY CONSERVATION PLAN NUMBERS 1, 2, AND 3

A. BACKGROUND/ADMINISTRATION SUBMISSION OF PLANS

The Energy Policy and Conservation Act (EPCA, Public Law 94–163), signed into law on December 22, 1975, called for the development of a standby contingency gasoline rationing plan and other energy conservation contingency measures which could be implemented in the event of supply emergencies such as the 1973–74 Arab oil embargo. The Carter Administration submitted its four plans to the Congress on March 1, 1979 (a gasoline rationing plan and three numbered conservation plans).

B. CONGRESSIONAL ACTION

No plan can be effective until it has been approved by both houses of Congress. Congress has 60 calendar days to act, excluding days when either house is in recess for more than three days. The 60-day period will end approximately May 11. Approval of each plan is by resolution (one resolution per plan). Committees to which the resolutions are referred have twenty calendar days to act and may be discharged after that time. Motions on the floor to discharge and to take up a resolution are highly privileged. The plans cannot be amended by the committee or on the floor—it's a matter of a yes or no vote.

C. ADMINISTRATIVE IMPLEMENTATION

None of the four plans can be implemented until the President declares that a severe energy supply interruption has occurred, or it is needed to meet obligations under the International Energy Program. Such interruption means a national energy supply shortage which the President determines:

(1) is, or is likely to be, of significant scope and duration, and of an emergency nature;

(2) may cause major adverse impact on national safety or the national economy;

(3) results, or is likely to result, from an interruption in the supply of imported petroleum products, or from sabotage, or an act of God.

An actual supply shortage need not exist. If the President finds that one is imminent under the above criteria, he can put the plan into effect. This finding must be submitted to Congress with a statement of the effective date and manner for exercise of the plan.

In the case of the gasoline rationing plan, the President must also submit a request to put the plan into effect. The request will not be effective if either house disapproves of the request within fifteen calendar days of continuous session of Congress. Thus, in the case of gasoline rationing, Congress has two opportunities to consider it.

D. THE PLANS

1. Standby gasoline rationing plan

This plan, if implemented, would provide for the distribution of "ration rights" in the form of ration checks to designated firms, farming, and priority class activities, all parties named in the most recent vehicle registration record maintained in a national file or State Department of Motor Vehicles Office, and eligible individuals (currently there are 160 million motor vehicle registrations). In addition, a percentage of these rights would be distributed to the National Ration Reserve and to a State Ration Reserve. The ration checks would be exchanged for ration coupons at banks or other points designated by the U.S. Department of Energy. The checks would be good for 60 days from the date of issuance. Ration coupons would be redeemable at face value or a value determined by DOE. Provision would be made for user fees to defray the cost of administration.

Provision would also be made for supplemental allotments to designated firms or individuals and for farmers' off-highway vehicles and equipment used in the agricultural production of food and fiber. National defense activities, emergency services, sanitation services, and public passenger transportation would also receive supplemental allotments.

The National Ration Reserve (NRR) would also be used to meet national disaster relief. Ration rights could also be sold to the public in order to assist in the establishment of a "white market." The NRR would also provide allotments to the governments of Canada and Mexico to meet the needs of foreign firms. State Ration Reserves would also be used to meet hardship needs. DOE estimates costs at $53.4 million for pre-implementation, $346.4 million in the implementation phase, and an operating cost per quarter of $415.4 million or $1.6 billion on an annual basis.

2. Standby conservation plan No. 1 (emergency weekend gasoline sales restrictions)

This plan would prohibit retail stations from selling gasoline during certain specified hours, according to supply situations, with the maximum being from Friday noon to midnight Sunday. Exceptions would be made for emergency vehicles; passenger carriers (including aircraft); construction and farm equipment; Federal, state, and local government vehicles; common carriers; etc. DOE estimates fuel savings from weekend closings to be around 246,000 barrels per day. As with all the standby conservation measures, DOE would delegate much of the enforcement and administration to the states on a cost reimbursable basis.

3. Standby conservation plan No. 2 (emergency building temperature restrictions)

This plan would require owners of most nonresidential buildings to maintain thermostat settings at no higher than 65 degrees F for heating and no lower than 80 degrees F for cooling. Hot water temperature settings could be no higher than 105 degrees F (with exceptions for dishwashing). Building included would be schools, churches, government and office buildings, industrial buildings, etc. Residential buildings would be exempt. DOE estmates full compliance would reduce petroleum demand by 360,000 barrels per day.

4. Standby conservation plan No. 3 (emergency advertising lighting restrictions)

This plan would prohibit the illumination of advertising signs and window displays; however, the plan would allow an open business to light any sign which would be essential to identify the business, direct customers to it, or inform customers of its products or services. DOE estimates fuel savings of 4,400 barrels per day. DOE admits this is a small amount but that it would be a symbolic measure which would encourage voluntary action.●

UNCLE SAM'S GAS GUZZLERS

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. HEFTEL. Mr. Speaker, I would like to bring to the attention of my colleagues an article written by Mike Causey of the Washington Post documenting an intolerable situation that exists in the Federal Government—the present maintenance of the largest gas-guzzling motor pool in the country. In this time of budgetary frugality and energy conservation, it is an outrage to discover such blatantly excessive use of both tax dollars and gasoline.

As described in Mr. Causey's article, the civilian side of Government now spends nearly $700 million each year in gasoline for the vehicles it owns outright. During the 1977 fiscal year, agencies used 338,480,514 gallons of gasoline to maintain their fleets. Translated into crude oil terms, this would amount to 17.5 million barrels a year. Compare this to the 1.6 billion barrel daily shortage the Nation suffered during the 1973–74 Arab oil embargo.

At this point in the RECORD, I wish to insert the article entitled "Uncle Sam's (Expensive) Love Affair with the Auto":

UNCLE SAM'S (EXPENSIVE) LOVE AFFAIR WITH THE AUTO

(By Mike Causey)

WASHINGTON.—President Carter, commander-in-chief of the nation's war on energy waste, is himself the manager of the world's largest gas-guzzling motor pool, according to the government's own records and gasoline bills.

Although the federal government has approximately 450,000 civilian cars, trucks and buses—one vehicle for every six federal employees—some government departments are renting additional cars and vans during this energy crisis.

In the Washington area alone, federal officials—who asked not to be identified—estimate some government departments and agencies are spending several hundred thousand dollars each month for VIP-style cars and multi-passenger vans. They are used to haul workers—often only one or two passengers per trip—between agencies and often to transport them between nearby buildings of the same agency.

According to recent federal estimates, the civilian side of government now spends nearly $700 million each year on gasoline for the cars, trucks and buses it owns outright. During the 1977 fiscal year agencies used 338,480,514 gallons of gasoline to maintain their fleets. Federal officials say that if that were translated into crude oil terms, it would amount to 17.5 million barrels a year. (During the 1973–74 Arab oil embargo, federal officials say, the nation suffered a shortage of about 1.6 million barrels each day.)

Many federal agencies here lease cars for the special use of officials. Some also operate regular bus services, moving small groups of employees to different agencies for short-time assignments or visits, and then back to their home agency before quitting time. Examples of the government's in-house transportation network uncovered by the Washington Post include:

The Department of Energy leases a number of 15-passenger vans for regular runs between buildings. A spot check of those vans showed many of them running between stops with only two or three passengers. Some of the runs were "dead heads" according to the drivers, meaning the trip was made even if there were no passengers.

Army, Navy and Air Force installations use school-bus-type vehicles on a regular basis to transport small numbers of workers from building-to-building, often only a few blocks apart.

Cars leased for the government by the General Services Administration, or borrowed from GSA motor pools are regular features around town. Many with motors running or often parked illegally, are seen outside dry-cleaning establishments or fast-food carry-outs while allegedly on government business.

National Park Service cars often ferry workers in relatively remote area worksites to nearby coffee shops for mid-morning, lunch and afternoon breaks.

The Central Intelligence Agency operates a very private bus service, carrying lesser-ranked workers, and messengers around town, and to and from a suburban Arlington, Va., office to its Langley (Va.) headquarters several miles away.

The U.S. Postal Service uses around 92 million gallons of gasoline a year for its fleet of 123,000 government-owned trucks, jeeps and cars. Costs of operation for maintenance and gasoline run $394 million, and $240 million per year respectively.

Ironically, although the Postal Service has one of the largest federal vehicle fleets, many believe it has one of the best gas-saving records in government. Most of its cars and trucks are on tight pickup and delivery schedules which minimize unauthorized use or stops. In addition, the USPS is also experimenting with a number of electric vehicles suited for stop-and-go work over 30 to 40 miles.

Washingtonians are accustomed to seeing chauffer-driven federal limousines parked outside restaurants, hotels or other meeting places. Drivers often keep the motors running summer and winter to keep the cars cool, or warm, for themselves and their VIP bosses.

Some government drivers made almost as much money in overtime as they do in regular salary. The extra income results from chauffering top federal officials to after work functions, including parties and embassy receptions, and for pickup and delivery to airports.

According to government records kept by the General Service Administration, the average cost per mile to the federally-owned auto fleet now runs in excess of 20 cents for every mile driven. That amount is down from previous years.

Despite White House orders to use smaller, gas-efficient cars, federal agencies are continuing to buy and lease larger models that cost more and have poorer mileage. The Treasury and the State Department have most of the government-owned limousines, although some agencies rent them from outside for top officials.

Most of the passenger cars in the government fleet are listed as "compact class two." They are Novas, Aspens, Skylarks, and even Cadillac Sevilles. Only a handful of "subcompacts" like Chevettes, are owned or leased by the government. Although officials say the number of small, gas-saving cars is increasing, many agencies still request moderately large cars for sedan use.●

DR. ARTHUR BURNS AT BALANCED BUDGET HEARINGS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. McCLORY, Mr. Speaker, the lead-off witness in the hearings which began yesterday before the House Judiciary Subcommittee on Antitrust and Monopolies on a proposed constitutional amendment for a balanced budget or other appropriate constitutional action to provide greater discipline in the management of the fiscal business of our Federal budget—was the distinguished former chairman of the Federal Reserve System, Dr. Arthur F. Burns.

Dr. Burns, who is currently a scholar in residence at the American Enterprise Institute brought to our subcommittee a perception of the problem with which our committee is concerned which is most valuable. His testimony helps explain the reason for the current focus of national attention on a constitutional response to the problem.

While Dr. Burns favors a balanced budget and, likewise, favors some constitutional action on this subject, he expressed an immediate preference for a statutory balanced budget measure which at the end of 3 years might be translated into an appropriate constitutional proposal.

Mr. Speaker, the illuminating testimony of Dr. Burns is attached hereto for the interest and edification of my colleagues:

STATEMENT ON THE PROPOSED CONSTITUTIONAL REQUIREMENT OF A BALANCED BUDGET

I appreciate the opportunity to participate in the deliberations of this distinguished Committee on the wisdom of a constitutional amendment requiring a balanced Federal budget.

In your recent address at the National Governors Conference, Mr. Chairman, you spoke with moving eloquence of the need for calm and rational examination of the facts and issues surrounding the proposal for a constitutional requirement of a balanced budget.

Let me state at the outset that I favor the principle of such a constitutional requirement, but that I am also mindful of the practical difficulties that attach to this proposal. I therefore welcome your counsel of care, reason, and caution.

I have watched with great concern the rapid growth of government spending in our country. Last year total government expenditures at the Federal, State, and local levels amounted to 36 percent of the dollar value of our nation's entire production of goods and services, in contrast to 30 percent in 1960, 20 percent in 1940, and only about 10 percent in 1929. These inroads of government on the private sector reflect to a significant degree an explosion of Federal spending on social programs—health, education, income security, veterans benefits, community development. The upsurge of Federal spending has added heavily to the taxes of productive and hard-working people, but it has made little dent on such major social ills as urban blight, poor public schooling, youth unemployment, crime in the cities, and reliance on governmental support as a way of life.

I have also watched with dismay the increasing tendency of the Federal government to finance its expenditures by borrowing. Not only has our government placed burdens on taxpayers that weakened their incentives to work, save, and invest; our government has also proved itself incapable of limiting the cost of its programs to the amount it was prepared to raise in taxes. Over the past quarter century the Federal budget has been in balance in only four years, and the size of the deficits has increased sharply during the past decade. When a government persistently runs deficits, it keeps pumping more money into the pocketbooks of people than it takes out of their pocketbooks. That, unhappily, is the way a serious inflation is typically started and later nourished.

The strength of our nation's economy and the stability of our social and political system depend fundamentally on the vitality of the private sector. In view of my belief that excessive government spending is weakening our private sector, I have long had a deep interest in fiscal reform. For example, I embraced eagerly the concept of zero-base budgeting, because I expected substantial governmental economies to be derived from it. I regret to say that these expectations have been disappointed. I later became an enthusiastic advocate of proposals that culminated in the Congressional Budget Act of 1974. That act has certainly resulted in more thorough and better integrated consideration of budgetary matters by the Congress, but I believe that it has curbed only marginally the propensity of our Federal government to practice deficit finance. These and other disappointments have made me skeptical about the likelihood that other proposals—such as sunset legislation or systematic Congressional review of government loan guarantees—will of themselves correct the governmental bias toward more spending and borrowing.

The proximate causes of this governmental bias are quite clear. In general, spending programs are more popular with people than higher taxes. The potential beneficiaries of a spending program are often a numerical minority, but they have a stronger incentive to keep informed, to organize, and to lobby for their favorite program than those who bear the cost have to oppose it. The rising cost of political campaigns and the concurrent proliferation of fund-raising committees put intense pressure on legislators to vote for spending programs favored by such groups. We may, in fact, be entering an era in which governmental processes are overwhelmed by the naked demands of increasingly well-organized and effective interest groups. It is this concern that has led me to look with favor on even peremptory devices for offsetting the existing bias toward larger Federal spending and borrowing.

A constitutional requirement of a balanced budget is certainly a peremptory measure. But our country is in the midst of an inflation that has already weakened the confidence of people in government and in our country's future. The inflation is being fed by widespread and growing expectations that rapid inflation will continue. An inflationary psychology is now raging in our country. I do not think that our inflation can be brought under control without changing this psychology. A constitutional requirement of a balanced budget would indeed be drastic therapy; but this or some other decisive measure may well be needed to assure the American people that our governmental bias toward spending and borrowing is being effectively offset and that they therefore can look forward once again to a dollar of stable purchasing power.

Proposals for a constitutional requirement of a balanced budget inevitably raise difficult questions. It has been pointed out, for example, that such a requirement would put the government in a straitjacket—that it would make it impossible to cope adequately with national emergencies such as war or economic recession. That is indeed a serious difficulty; but I believe that it can be reasonably met by providing, as do various of the resolutions before this Committee, that the balanced-budget requirement can be suspended by, say, a two-thirds majority of each house of Congress. Such a stipulation would enable the Congress to authorize a deficit of any magnitude at any time if the national need is sufficiently clear.

To the charge that dispensing with simple majority rule would be anti-democratic, I can only answer that ours is a constitutional government. After all, a bill that is supported by less than a two-thirds majority of the Congress cannot become law if the President disapproves. Nor can a bill passed by an overwhelming majority of the Congress and approved by the President remain the law of our land if the Supreme Court judges it to be unconstitutional. Nor does a bare majority of the Congress suffice to change our Constitution. The two-thirds requirement of which I speak thus has ample precedent in our form of government, and its extension to the fiscal area may well strengthen the very stability of our society that the Constitution seeks to preserve.

Critics of a constitutional requirement for a balanced budget also point out that budgetary plans made by Congress can easily go awry because the economy may fail to generate revenues on the expected scale, or because the costs of entitlement programs exceed estimated magnitudes, or because interest rates on the public debt run higher than anticipated, or because of other unforeseen developments.

Such difficulties are, of course, inherent in the governmental process; but they again can be met by devices that allow some flexibility. For example, a small unplanned excess of spending over revenues—up to, say, 2 per cent of the prescribed expenditures—could be treated as conforming to the balanced budget requirement. Further, if the overspending exceeded a permissible figure such as 2 per cent, it could be treated as an outlay in the next fiscal year unless the Congress by a two-thirds majority of each house, voted either to "forgive" the deficit or to direct that all or some part of it count as an outlay spread over a number of following years. In short, as the resolution submitted by Congressman White recognizes, a constitutional amendment could allow flexibility in handling failures of budgetary estimation and yet substantially protect the budget against the bias of excessive spending and borrowing.

Some students have raised other objections to a constitutional requirement of a balanced budget that I also find less troublesome than they do. One such objection is that a balanced budget will not of itself prevent excessive growth of government, since the increased spending could be financed by higher taxes. Another objection is that a balanced budget may itself be inflationary, and that in any event Federal budget deficits are not the sole cause of inflation.

I readily grant the validity of such criticisms of a balanced budget requirement, but I do not regard them as decisive. In the first place, a balanced budget is not a panacea and it would be naive to so regard it. Second, resistance to higher taxes is a typical response of both our citizenry and the Congress. In recent times, opposition to higher taxes has become more intense, and that is likely to continue in the foreseeable future. I therefore feel confident that a balanced-budget requirement would serve as a powerful constraint on government spending. Third, however must I might deplore higher taxes, I cannot argue against the principle that the Congress should raise the taxes needed to finance any new spending that it deems desirable. And fourth, while I agree that persistent Federal deficits are not the sole cause of our inflation, they are in my judgment the major cause. If this source of inflation were eliminated or substantially reduced, our nation's chances of returning to a reasonably stable price level would be immensely improved.

I come finally to the most serious objection that has been raised against a constitutional requirement of a balanced budget, namely, that the Constitution is a brief document of fundmental principles governing our free society, and that even if we permitted it to become a textbook on public finance there would be no way of preventing novel fiscal devices that ran counter to the spirit of a balanced budget. For instance, Congress could decide that the balanced-budget requirements should henceforth constrain operating expenditures, but not capital outlays. Or to cite another example, the Congress might establish a Public Works Authority that could issue debt obligations to the public on which the Treasury would guarantee payment of both principal and interest. The possible range of such fiscal innovations seems endless and they could lead to dubious governmental practices besides frustrating the balanced-budget requirement.

I find it hard to reject or to refute argumentation along these lines. The best answer I have been able to contrive is that the constitutional amendment should provide that definitions in existing law of key fiscal concepts—such as budget authority, budget outlay, appropriation, revenue, or the public debt—could be changed only by a two-thirds majority of both houses of Congress. I feel uncertain, however, about the practical implications of this answer, and I therefore would want to see the movement toward a constitutional amendment proceed cautiously.

My best advice to this Committee is as follows: First, that the Committee recommend that the Congress go on record as supporting the principle of a constitutional requirement of a balanced budget. Second, that you undertake a thorough study of how the requirement of a balanced budget has worked in practice in States that impose such a constraint in their constitutions. Third, that this Committee recommend to the Congress a balanced-budget statute that might embody practical provisions along some such lines as I have suggested in my evaluation of a constitutional amendment. Fourth, in the event that a balanced-budget bill is enacted, that this Committee provide for an annual review of experience under such legislation with a view, say three years from now, of moving that act—or some modification of it suggested by experience—onto the path of a constitutional amendment.

The course of action that I am recommending to this Committee is, I feel, a prudent course. It argues, in effect, that just as a troublesome bias in our nation's fiscal policies has been demonstrated by experience, so we should also be guided by experience in an attempt to move toward a constitutional remedy. Not all proponents of a constitutional requirement will be pleased by the step-by-step approach that I have suggested, but they too must recognize that ratification of a constitutional amendment may take several years. The time lost now in submitting a proposed amendment to the States may be made up later if a statutory requirement of a balanced budget works out satisfactorily. Moreover, if such a statute were adopted this year, it might do more to calm the inflationary expectations that are now plaguing our economy than a Congressional call for a constitutional amendment that would involve our 50 States in prolonged debate without necessarily reaching a positive result.

In closing, may I express the hope that all members of the Congress will ponder closely the issues surrounding the momentous proposal for a constitutional requirement of a balanced budget that this Committee is now conscientiously addressing.●

TRIBUTE TO LARRY GILLESPIE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. ANDERSON of California. Mr. Speaker, the Long Beach Naval Shipyard has been a genuine source of pride for the residents of my home district. The jobs it offers and the other economic activity it generates has been of enormous benefit to the local communities of Long Beach, Wilmington, and San Pedro. More important are the contributions this facility makes toward keeping the Nation's defense a strong one by repairing and modernizing the Navy's fleet.

Today, I would like to bring to your attention the career highlights of an individual who for the last 24 years has played a key role in maintaining the shipyard as a positive force for the Nation and for our local communities. His name is Larry Gillespie, a supervisory accountant, GS–13, at the shipyard and 8-year president of the Long Beach Naval Shipyard Employees Association.

Larry Gillespie began a long career in the Federal service early on by joining the U.S. Army Air Corps in October 1942 following his graduation from high school in Revere, Mass. During the end of his 3½ years in the military service and after an overseas assignment in Iceland, Larry moved to California. There he reaped a final reward from his connection with the military service by getting the chance to meet his future wife, Evelyn, a lifelong resident of Long Beach and employee at the Henry Ford plant in Long Beach. They were married in 1946, the same year that Larry received his honorable discharge from the Army Air Corps.

In 1949 he once again joined the Federal service, this time as a revenue agent for the Internal Revenue Service. This lasted until 1955, when officials at the Long Beach Naval Shipyard became so impressed with his performance at the Internal Revenue Service that they hired him to work as an accountant in their comptroller department.

At the shipyard, Larry was placed in progressively more responsible positions. Within 1 year he was promoted to the position of supervisory cost accountant, GS–9. In 1959 he was promoted to the position of supervisor accountant GS–11 and 1 year later was promoted to a GS–12 level and named head of the General Accounting Branch. In 1967 he was moved up to the GS–13 level. In 1973, to assist with an increased emphasis on internal audits and the coordination of mechanized accounting applications, he was assigned to direct the Internal Review Division, the position he will leave as he retires on March 31, 1979.

This man's impressive performance as a civil servant has earned him many formal awards of recognition including the Superior Accomplishment Award in 1962, the Beneficial Suggestion Award in 1964, the Superior Accomplishment Award again in 1964, and a nomination for a Navy Superior Civilian Service Award in 1979.

In addition to his achievements as an employee for the shipyard, Larry has worked hard on behalf of his fellow employees. For the past eight years he has served as president of the Shipyard Employees Association, and for the past 6 years as the president of the Council of Naval Employees Groups, an organization representing 35,000 employees in the four west coast naval shipyards. In these roles, he has been an advocate for his fellow workers, making several appearances before Senate and House Appropriations Committees on their behalf.

Larry Gillespie has also worked to promote effective and harmonious relationships between the city of Long Beach and military installations in the area by serving as a member of the Armed Services Commission of the city of Long Beach.

On April 4, 1979 Larry will be honored for his 31 years of Federal service and his contributions to the Shipyard Employees Association through a luncheon at the Naval Support Activity in Long Beach. My wife, Lee, joins me in congratulating Larry for an outstanding career in the Federal service and thank him for the concern he has demonstrated by his work in the community. We wish him and his wife, Evelyn, and their children; Ronald, Catherine, and Linda many more years of success and happiness.●

ENERGY PROBLEM CONTINUING

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. DERWINSKI. Mr. Speaker, with the energy problem continuing to beset us and with President Carter fumbling to answer to the latest OPEC price increases, I wish to direct the Members' attention to a very timely article by Earl Potter, who discusses, with thorough insight, the energy question. Mr. Potter's column, appearing in the Thursday, March 22, Messenger Press publications, serving suburban Cook County, Ill., follows:

ENERGY PROBLEM CONTINUING

(By Earl Potter)

I interviewed a well-placed reliable source in one of the major oil companies last week and he left me with no doubt that the petroleum picture is very dark indeed, and apt to get much worse in the days ahead. There is indeed a growing shortage or raw crude oil in general, and an acute immediate shortage of jet fuel, diesel fuel and fuel oil in many parts of the country. This latter shortage is due to the tremendous amount of such fuels being consumed by electric companies across the nation as they are forced to run their "peaking units" to keep their systems from collapsing, due to a shortage of coal and nuclear base-load generating capacity.

To understand the implications of this, one must first know what "peak load" and "base load" means. Electrical energy is different from most other consumer products in that it cannot be stored as such. It must be generated as needed; i.e., the fuel from which it is made must be consumed to precisely the same extent as the electricity is required. Unfortunately, the demand for electricity fluctuates widely from hour to hour, day to day, and week to week, but when it is there, the electric companies must have the instantaneous means to supply it.

They do so in the following way: (1) they calculate what the maximum demand will be over a certain period, say 5 years; (2) they determine what the average demand will be; (3) they determine what percentage of their generating capacity will be out of service during the same period for repair and maintenance; (4) they determine how much spinning reserve (extra power immediately available) is needed to cover an unexpected instantaneous increase in load or reduction in capacity. From these factors, they determine what new capacity they must build to handle the load for the planning period involved.

A well managed power company then seeks to construct enough capacity to assure that they will be able to meet the demand under all foreseeable conditions for that period. The base load they must plan for is a combination of (2), (3) and (4). This will be generating capacity that is designed to run 24 hours a day for months at a time, and for this type of capacity, very large efficient units are indicated because they produce the most electricity from the least amount of fuel.

Nuclear units are by far and away the best for this because of their extremely high degree of reliability, the low cost of their fuel (almost half the cost of burning coal), their almost complete freedom from air pollution, and their outstanding proven safety of operation. Coal is a distant second best because it is also plentiful in our own country, as is the uranium for the nukes, but it is more expensive to buy, use and handle.

Unfortunately, both the nuclear units and the coal units take hours to start up, so they are not very useful for meeting sudden immediate demands for power, but instead, are designed for long continuous operation. This is why they are called base-load units. They cost much more to build than do the smaller machines that are designed to be used intermittantly to make up the difference between maximum demand and the base-load demand, and they take much longer to build. With all the red tape the lib bureaucrats now require, it takes a minimum of six years from the day the decision to build is made until the day when a 500 megawatt coal-fired base-load unit comes on line, and almost 11 years for a 1200 megawatt nuclear unit.

The intermittant units, called peaking units because they are used to supply the power to make up the difference between the base load and the peak demands, range in size from 20 megawatts to 500 megawatts, and come in two types, fast start and medium start units. The fast start units, in order to get on line within minutes, must burn oil or gas, for there is no way to economically turn the heat in coal into electricity in minutes from a cold plant. The few intermediate start units, which are generally between 100 and 500 megawatts capacity, also burn oil, but of the more viscous types, like no. 6 or Bunker "C". They can be designed to burn coal, but the additional cost that would entail would be prohibitive, being nearly double that for oil, all things considered. The fast start units, which are nearly all gas turbines, can be installed in little more than a year, whereas the intermediate-start, oil-fired steam units take 4 years, and the coal-fired 6 years.

The left-wing "liberal" political campaigns against nuclear power, against burning coal, and, indeed, against building new electric generating capacity, has had an enormous retardant effect upon the construction plans of most U.S. power companies, to the effect that they are forced to use their peaking units an ever-growing percentage of the time. This in turn is causing us to use up a shrinking oil supply at an ever-increasing rate, purely because of the insane political forces at work in this land! Those who labor mightly to cut back the installation of new long-term electrical generating capacity, who are out to kill nuclear power, who press for ridiculously repressive air pollution standards, and who seek to cut off the industry's ability to raise the money necessary to support adequate electric power capacity, are enemies of this nation just as surely as if they were saboteurs in the employe of the Kremlin! These lunatics, in their misguided devotion to planned egalitarianism, are dragging us down, softening us up for the kill, in the great global political confrontation that is nearly at hand.

If we are to have even the faintest hope of survival, we must recognize this obvious fact and declare war on our homegrown nitwits and traitors at once. Unless we destroy their inordinate power, we are going to wind up with the kind of society Alexandr Solzhenyitsyn has so graphically described in his many writings!●

MSHA: OVERZEALOUS, UNRESTRAINED, AND OPPRESSIVE

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. HANSEN. Mr. Speaker, the mining industry of this Nation is in the grip of one of the most overzealous and unrestrained administrative agencies in our history—the U.S. Department of Labor. The resultant effects upon our Nation's mineral and energy base is severe. This is of especial grave concern to my district which has extensive surface mining interests.

H.R. 1603 proposes to exempt sand, gravel, and stone operations from the provisions of the 1977 Federal Mine Safety and Health Act. These surface operations are only the tip of the iceberg. The entire mining industry is faced with a threat of such regulatory severity affecting not only production but more importantly the actual safety of the miners.

The enforcement procedures of the act regarding inspections and review of citations are unfair, inconsistent and deny mine owners due process of law. These operators are subjected to a mandatory penalty scheme contained in section 104 which is overly punitive and which virtually eliminates all hope for cooperation between Government and industry. MSHA is now required to cite violations and assess penalties for even technical infractions and these penalties are levied on the mere belief that a violation occurred.

The result is that operators and the Government administrators are placed in direct conflict. Management can no longer call for MSHA's assistance for technical advice. Furthermore, the OSHA mentality of providing penalties for technical or nonserious violations increases the feeling of being policed as opposed to assisted. The mandatory penalty section should be eliminated or at least provide that citations should not be issued for technical violations similar to OSHA.

The poor quality of the regulations issued by the Agency to date is a direct result of the type of rulemaking procedure provided in section 101 of the act. This section creates an informal procedure without the right to cross-examine witnesses. There is no opportunity for interested parties to cross-examine MSHA's technical experts who drafted the regulations.

The resulting regulations are often technically incorrect and scientifically invalid and subject operators to oppressive requirements with no relationship to safety other than in some instances being counterproductive thereto. The rulemaking process under the act must be amended to provide for the full right of cross-examination on all substantive issues and to require complete compliance with the economic impact requirements of Executive Order 12044.

Furthermore, MSHA's avoidance of the rulemaking process by the use of interpretive memorandums must be put to a halt. All substantive issues should be put through a formal rulemaking process.

The U.S. Supreme Court has stated that administrative inspections must be reasonable. MSHA has avoided this Barlow decision requirement and continues to conduct "blitz" inspections with several inspectors interrupting an entire mining operation. The resulting slowdown in production not only increases the cost of the minerals being produced but also decreases safety at the mine site.

When the inspectors arrive for their investigation they must be accompanied by supervisory personnel whose primary duties are to supervise the safety and health of the mine. During inspections, these personnel are taken away from their jobs which according to professional observers, results in increased accident rates for the inspection period.

The review procedures contained within the act are inconsistent and deny management due process. When an operator is given a citation he must wait for the proposed assessment to obtain a review. His assessment could take several months. His only other option is to not abate the violation and expect a withdrawal order.

The act requires amendment to allow the operator to obtain immediate review of a violation at the earliest possible stage. Furthermore, a stay of enforcement should be provided while the violation is being contested on any nonserious citations. Otherwise, the operator is subject to additional penalties based on the same infractions and ultimately could be placed under the pattern of violations provisions of sections 104 and 108.

The Review Commission has interpreted section 110(k) of the act to mean that all settlements of contested assessments must be approved by them. Furthermore, the Commission has arbitrarily taken the authority to increase penalties beyond the proposed assessment. The combination of these two factors creates a deterrent to the exercise of the operator's right to contest a violation.

Section 110(k) should be amended so that the Review Commission would only approve compromises after a hearing has begun. Furthermore, the maximum penalty an operator should pay is that proposed by MSHA, not the Review Commission. Otherwise, the operator's exercise of his right to contest a violation creates substantial risk for additional penalties.

My constituents are also informing me of an unfair, if not illegal, practice which has been consistently adhered to by MSHA. While the act imposes responsibility for compliance with health and safety standards upon operators and while section 3 of the act defines operators in part as any independent contractor, nevertheless, MSHA has consistently cited operators for the violations of their independent contractors. Congress specifically intended that independent contractors be held directly liable for their own violations and this congressional intention and express statutory language is apparently being ignored for mere administrative convenience.

The argument has been made that operators have indemnity clauses in their contracts with independent contractors and that this alleviates the problem. However, MSHA's method of assessing penalties includes an examination of the operator's history of violations and additional monetary fines are imposed due to the inclusion in that operator's history of his independent contractor's violations.

Furthermore, MSHA's regulations require nonfinalized and contested citations to be included in the operator's history, again increasing future fines as a result of an alleged violation which MSHA has not yet proven to have existed.

Several of MSHA's regulations and enforcement procedures have been held invalid by Administrative Law Judges. However, MSHA refuses to incorporate these decisions into their interpretations of standards. Relentless and unchanging bureaucracy should not be rewarded. MSHA should be required to publish an interpretive bulletin binding upon their inspectors whenever a final decision of the Review Commission or administrative law judge changes an MSHA interpretation.

The sand and gravel industry which includes so many small businesses, clearly needs relief, but so do the other sections of the mining industry. This act has caused havoc in the industry and has created an intolerable situation which now pits government and industry against one another. Certainly, the cause of safety and health has not been furthered by the 1977 act and H.R. 1603 must be enacted to help correct this rapidly worsening situation.●

DECIDING ON THE FUTURE OF THE BREEDER REACTOR

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. OTTINGER. Mr. Speaker, as we prepare to rejoin the battle on whether or not to proceed with the breeder reactor, I would like to call the attention of my colleagues to two recent thought-provoking articles: "Breeders and the Bomb," by Prof. Albert Wohlstetter, which appeared in the New York Times of March 14 and "Uranium Security Without the Breeder Reactor," by Harold A. Feiveson, Frank von Hippel, and Robert H. Williams, which appeared in the Washington Post of March 18.

[From the New York Times, Mar. 14, 1979]

BREEDERS AND THE BOMB

(By Albert Wohlstetter)

LOS ANGELES.—The oil cutoff at Suez in 1956 led to abortive schemes for digging canals with nuclear explosives and to premature plans for nuclear electricity, especially in Europe. European hopes were soon dashed. And no one has found an economic use for "peaceful" nuclear explosives. But their military implications are evident in India—and Brazil and Argentina.

The 1967 war in Sinai gave birth to grand but economically misshapen projects for making such deserts bloom by desalting ocean water while generating nuclear electricity. The 1973 war cut off oil again and spawned vast plans to sell nuclear power where it was least economic, in the third world. So Iran, flaring natural gas, found itself with reactors costing six times more than originally promised—precisely the sort of grandiose, capital-intensive project it didn't need for stable development. We have a talent for drawing wrong lessons.

Now the loss of Iranian oil may revive some nuclear plans that were defective at birth: to commit ourselves irrevocably to plutonium breeders and to rush their commercialization. With President Carter's foreign policies generally beleaguered, his 1977 decision to delay commitment to the substitution of plutonium for uranium in generating electricity may come under renewed attack.

The 1977 decision—designed to give governments time to work out forms of nuclear commerce less liable to disperse material quickly usable in bombs—met opposition from the start. The nuclear industry here and abroad had long expected the imminent coming of the fast plutonium breeder to replace reactors fueled with uranium. Our major allies who are nuclear suppliers claimed superiority in the use of plutonium, hinted broadly that our new policy was designed to favor our manufacturers, and objected that we were changing the rules unilaterally. American manufacturers, who hardly conceded foreign superiority in the use of plutonium, complained bitterly that constraints on using plutonium in reactors of American origin, and on separating it from spent fuel of American origin, put Americans entirely out of lucrative world markets. The American complaint should have disposed of the notion that our anti-proliferation policy was an American-industry plot. But industry here and abroad, unable to sell reactors at home, greatly exaggerated third-world markets. Nuclear "deals of the century" have collapsed not only in Iran, but also in Brazil, the Philippines and elsewhere.

For many years we neglected the danger of spreading bombs along with the breeder. Reversing the drift needs attention more urgently than SALT II. Delaying a commitment to plutonium is essential. Gerald R. Ford also reached that conclusion after extensive debate in the Government in 1976. Congress has taken an even stronger position than the Administration. Major leaders like Chancellor Helmut Schmidt of West Germany, a strong critic of the new policy, recognizes that suppliers and users of nuclear energy have to work out new rules to meet the intent of the Non-Proliferation Treaty.

The world can afford to delay deciding whether plutonium will ever be an economic and safe alternative to mining uranium. Industry has repeatedly underestimated the breeder's costs and technical difficulties—and especially the time to bring it into substantial commercial use. That won't happen, on recent industry estimates, before the second quarter of the 21st century. At that rate, it might save some 2 percent of the cumulative uranium required for nuclear power by the year 2030. In contrast, the supply of uranium looks much better than previously estimated. Current estimates, by international nuclear authorities of the world supply of uranium "reasonably assured" at less than $30 a pound (in 1977 dollars) are two to four times larger than in the mid-60's. The corresponding cumulative requirements for uranium through the year 2000 appear now to be only one-fourth to one-fifth as high as estimated six years ago. The estimated supply of uranium then has grown on the order of 1000 percent relative to estimated demand to the year 2000. Delaying a commitment involves no important sacrifice or loss of scarce resources.

But the delay that Presidents Ford and Carter have asked is the minimum permitting meaningful international revaluation of the rules of nuclear commerce. Unfortunately, it is our major allies who have unilaterally made huge new commitments to send highly concentrated fissile material to countries that do not now have nuclear weapons. The British and the French, for example, plan billion-dollar plants to export plutonium-separation services. Such new commitments pre-empt ongoing international discussion.

Delaying a commitment to plutonium is only one essential to slow and limit the spreading of the bomb. We must strengthen alliance guarantees that reduce incentives for countries to acquire nuclear weapons in their own defense. Our alliances also need urgent attention.

[From the Washington Post, Mar. 18, 1979]

URANIUM SECURITY WITHOUT THE BREEDER REACTOR

(By Harold A. Feiveson, Frank von Hippel, and Robert H. Williams)

Congress is about to begin again what has become an annual ritual during the Carter administration: a debate on the desirability of taking the next step toward the commercialization of the breeder reactor. This next step would involve the construction of a less-than-full-scale demonstration power plant—either the one whose components are now being delivered to a warehouse near a proposed site on the Clinch River in Tennessee or a larger demonstration plant that might be built in either Idaho or Washington.

To its advocates, the breeder represents an insurance policy against possible shortages of uranium for nuclear-electric generating plants in the next century. To its opponents, it represents a menace in that the associated huge stockpiles of plutonium would open an easy path to nuclear weapons.

Breeders could not make a significant contribution to the U.S. energy supply during this century, and they would be deployed at first only in the major industrialized nations, for which technological barriers are not a significant obstacle to the acquisition of nuclear weapons. Why, therefore, is there such a feeling of anxiety among breeder opponents about the movement toward commercialization of this technology in the next few years?

It is because the commitment to the breeder as a uranium insurance policy for the next century requires early commitments to nuclear fuel reprocessing and thus legitimizes the dangerous game of playing with plutonium today. Already France, Britain, Japan, West Germany, India, Pakistan, Argentina and Brazil, among other nations, have justified embarking on nuclear fuel reprocessing for the purpose of plutonium recovery by citing the necessity to become familiar with the technologies that would be involved in the breeder fuel cycle.

At first sight it would seem preposterous that breeder developments in the remote future could be used to justify plutonium-recovery activities now. Consider, however, the implications of using the breeder as an insurance policy against the possibility of a U.S. uranium-supply shortage in 2020.

To reduce uranium consumption significantly with breeders by 2020, a substantial fraction of U.S. nuclear plants would have to be breeders by that date—perhaps 100 reactors costing more than $100 billion. Such a program would require that the first commercial power plant become operational perhaps 20 years earlier, which would mean that construction on this plant *and* the associted plutonium fuel cycle facilities would have to begin around 1990. Breeder advocates argue, therefore, that it is necessary to start working out the bugs in the plutonium fuel cycle now.

The obvious alternative to this absurd situation, in which concerns about a uranium-supply crisis in the next century are fueling a nuclear weapons proliferation crisis today, is to look to alternative energy technologies.

It is fortunate, therefore, that there exists at least one uranium-conserving nuclear strategy that involves neither the breeder nor an early commitment to the reprocessing of spent reactor fuel.

This alternative is based on advanced converter reactors, which can be operated effectively either on "once-through" fuel cycles (which do not require reprocessing of spent fuel) or on "closed" fuel cycles (which do). When operated on once-through fuel cycles, such reactors could be about twice as uranium-efficient as today's light water reactors. And deployment of advanced converter reactors could offer as good an insurance policy as deployment of breeders against uranium shortages in the middle of the next century. If *real* uranium shortages began to develop, advanced converters could be shifted rapidly to operation on highly uranium-efficient closed fuel cycles. Thus, in an advanced converter reactor strategy, unlike a breeder strategy, reprocessing technologies would not be needed until well after reactor deployment had begun—if ever.

Advanced converter reactors already exist in the form of the heavy water reactor, which has been commercialized by Canada, and the high temperature gas-cooled reactor, which has been developed both in the United States and in West Germany. It could well turn out, however, that the easiest route for the United States to advanced converters would be through an evolutionary development of the light water reactor. The light water uranium breeder technology developed by Adm. Hyman Rickover's reactor group may prove to be very useful in this connection. Such an evolutionary strategy would certainly be much less risky technologically and economically than the deployment of the sodium cooled breeder reactor and its associated plutonium fuel cycle facilities.

It is necessary, therefore, to reorient the U.S. nuclear research and development program toward advanced converter reactors. It has become clear from the experience of the last few years that this won't be easy. Many careers in the Department of Energy, the nuclear industry and the utilities have been built in the expectation of an energy future dominated by the breeder.

But experience gives us some hope of being able to overcome the present institutional inertia. In 1971, our nation changed the direction of its civilian aircraft development program. Few would argue today that the United States should have chosen to continue the SST competition with the French, British and Soviets instead of commercializing the much more economical and environmentally benign jumbo jets.

In the last decade the United States convinced the rest of the world that the future of nuclear power lay with the plutonium fuel cycle. The United States now has the responsibility of showing the world that there is an alternative, safer path.●

EXPORT CONTROLS MUST BE PLACED ON FERROUS SCRAP

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. FITHIAN. Mr. Speaker, the rapid escalation of ferrous scrap exports in the past few months has created a crisis which threatens to damage the domestic steel industry, further exacerbates the energy shortage, and fuels inflation. I respectfully urge the Commerce Department to reconsider imposing export controls on ferrous scrap.

Ferrous scrap is an important element in the steelmaking process, particularly as a feed stock in the electric arc melting. Recent market projections indicate that we are exporting scrap at a level much higher than the amount of scrap generated from steel imports. Consequently, the net impact has been to stimulate domestic demand to a point where prices have increased nearly 50 percent in less than a year—in one case, the price of scrap has leaped to more than $130 per ton from an average of only $77 in 1978.

The Secretary of Commerce can impose export controls on ferrous scrap by utilizing the authority under the Export Administration Act of 1969. Unfortunately, the Commerce Department refused to impose export restrictions on scrap, hoping that the market will soften in the next few months.

In the past, the Commerce Department has moved quickly to impose export controls. After monitoring the foreign demands and actual exports of ferrous scrap, the Commerce Department implemented validated license controls on July 2, 1973. These controls were imposed to assure adequate availability of ferrous scrap for domestic iron and steel production. During the fourth quarter of 1974 surveys indicated that inventories of scrap had returned to normal levels and the price had dropped to the level of 1972. The legal requirement for export controls were, therefore, terminated.

During the last 4 years, the increased usage of electric furnaces, which rely almost completely on scrap, has accelerated American and world demand for scrap. This dramatic demand increase, coupled with adverse weather conditions and the shortages of gondola cars for transportation of scrap, have contributed significantly to the present sharp increases in the ferrous scrap market.

The impact on inflation has been significant. The annual rate of inflation for the No. 1 heavy melt scrap, an essential commodity, was 102 percent for 1978. The plunge of the dollar around the world, especially in Japan, has made the American ferrous scrap market desirable for foreign purchases. Factoring in yen revaluation, the Japanese paid 10 percent less in yen for American scrap in January 1979, than in January 1977. This is the case despite an almost 30-percent increase in American scrap prices, as measured in U.S. dollars.

The lack of export controls also directly affects the energy situation in the United States. We as a nation are, in essence, exporting in excess of 30 million barrels of oil in 1979, if scrap exports continue rising at the present rate. One ton of ferrous scrap contains energy equivalent to 17 million Btu's.

Although I am a strong advocate of the free market system and increased freer trade, I do not believe that increased scrap production will result in lower prices as long as we continue to neglect export controls. The United Kingdom, and other nations, have taken actions to control their exports, thus alleviating the distortions in the free market system.

I believe the United States must act now to issue export controls. I respectfully urge the Department of Commerce to reconsider its previous decision not to impose export controls, and reconsider damaging aspects of the present situation—increased inflation, additional energy shortages, and damage to the domestic steel industry.●

ISRAEL IS TAKING A SERIOUS RISK FOR PEACE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. KEMP. Mr. Speaker, the glare of publicity on the Israeli-Egyptian peace treaty signed this week has focused intense interest on matters peripheral to the agreement, such as Israel's access to oil on the Sinai Peninsula, and whether or not Prime Minister Begin would travel to Cairo. What has been lost, however, is an understanding of the enormous risks Israel is taking in a bold effort to live in peace with its most numerous Arab neighbor.

The risks Israel is taking are severe, and it would be a mistake to underestimate their significance. Israel has retained Egyptian, Jordanian, and Syrian territory taken in the 1967 war to provide a higher level of physical security for Israel than was feasible with the 1956 borders. Indeed, had Israel not retained these territories in 1973, the penetration made by the Egyptian and Syrian Armies would have almost certainly devastated Israel. Thus, Israel rightly insisted upon a political settlement that would enable them to relinquish the territory that saved Israel from extinction in 1973. In fact, Israel has accepted something considerably less than a comprehensive peace treaty—the most difficult issues still remain to be negotiated—but has surrendered its military position in the Sinai, thus accepting the risk it entails.

Consider the magnitude of the military risk Israel's leadership has accepted in the hope that peace will survive:

Israel's battle space, and room to maneuver its tank and artillery dependent ground forces has all but been eliminated, increasing their vulnerability to surprise attack if the current diplomatic fair weather suddenly turns foul as it did in 1973.

Israel is abandoning 10 air bases, while planning to build 2 new bases to replace them. This will result far greater concentration of the aircraft of Israel's Air Force, making it vulnerable to swift destruction in a surprise attack.

A similar concentration of Israel's logistic facilities will be required by the agreement making their vital stocks of combat consumables—fuel and ammunition—more vulnerable to sabotage or air attack.

Intelligence warning systems will have to emphasize airborne systems that are far more costly to operate, and often less reliable than the ground based intelligence sensors that Israel will have to abandon on the Sinai.

Israel will lose the ability to effectively patrol the Red Sea with its naval forces due to the rebasing the agreement requires from the southern Sinai base at Sharm-el-Sheikh to the small port of Eilat.

These concessions Israel has made are serious because should the prospects for peace dissipate, any one of these concessions could prove fatal to the very survival of Israel. It is only with the unequivocal support of the United States that these risks could be justified by the leadership of any nation which undertook them. The Israeli-Egyptian peace treaty provides the most promising opportunity for a lasting peace in this troubled region. We should not let this opportunity pass.●

NUCLEAR POWER FACILITY SITING AND LICENSING ACT OF 1979

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 1979

● Mr. MATHIS. Mr. Speaker, I am today introducing the Nuclear Power Facility Siting and Licensing Act of 1979 to facilitate the role of nuclear generated electricity in meeting our Nations expanding energy demand.

The ongoing turmoil in Iran has once again underscored the extreme fragileness of this Nation's dependency on foreign supplies of oil. The seriousness of the situation and its attendant policy implications, both foreign and domestic, must not be overlooked.

Before the current political turmoil, Iran, second largest oil exporter, was exporting about 5.5 million barrels a day of which 0.5 million barrels were being imported into the United States. This level of importation represents only about 6 percent of total U.S. imports of 8 million barrels a day. Taken by itself from a U.S. perspective, this loss may seem small but from an international perspective, the loss could pose the gravest of consequences—if Iran fails to resume exports in quantities approaching preturmoil levels for any extended period of time. The reason for this is simple. International oil supplies are stretched tight and the ability to increase production to replace the loss in Iranian exports is extremely limited. Therefore, Iranian exports to other countries must be replaced by available inventories of oil supplies which, in turn, may affect U.S. imports from nations other than Iran. Moreover, the United States has made commitments to other nations, specifically Israel, to supply oil in the case of supply disruptions, such as that taking place in Iran, where Israel happens to import the bulk of its oil supplies.

I cannot imagine what the present situation would resemble if the United States had been importing greater quantities of oil from Iran. Currently, the U.S. imports about 20 percent of its oil from OAPEC, the Organization of Arabian Petroleum Exporting Countries. As the Iranian situation vividly displays, this region is highly volatile and unstable, and the status of governments can change as rapidly as that in Iran.

So we find ourselves inextricably linked to this international web of oil dependency, controlled by the vicissitudes of the producing nations. This linkage is manifested in the very fabric of our foreign policy. Oil diplomacy will continue to dominate U.S. foreign policy considerations for years to come, until such time that the United States is able to lessen its dependency on foreign oil supplies.

Beyond the strategic national security implications, U.S. oil dependency also brings about severe economic impacts as well. We are all aware of the price increases for energy and the attendant inflation in the economy brought about by the 1973–74 embargo. Now, because of the recent Iranian interruption, the price of crude oil on a spot basis has increased several dollars per barrel. This is just a prelude of things to come, if oil supplies remain tight. For example, when the embargo began to bite, in November of 1973, the United States, Western Europe, and Japan began to bid against one another, and the price went up to $5.60 per barrel almost immediately. Still more bidding and the price reached $7. When the embargo was over and the exports returned to normal levels, the price was up over $10. Since then, OPEC has been able not only to hold, but add significantly to that price. In fact, OPEC will raise prices by 14.5 percent this year.

What does this mean for the U.S. energy consumers? Our imported oil bill this year is $48 billion for about 8 million barrels per day of oil. Even with passage of the National Energy Act, we could reach 10 to 11 million barrels per day of imports in the early 1980's. Should the price of oil then go to $25 per barrel, as some experts predict, we would have little alternative but to swallow it, at an annual price tag in excess of $100 billion. This suggests serious economic difficulties for the United States in terms of our balance-of-payments deficit and the value of the dollar.

To avoid these adverse national security and economic impacts, the United States must urgently get on with the job of increasing the production of our domestic fuels. Progress toward this end has been discouraging, to say the least. In 1973, at the beginning of the Arab oil embargo, the United States was importing about 36 percent of its oil supplies. By the end of 1978, this percentage has increased to about 43 percent. So, despite the initiatives taken by the administration and the Congress, the United States is still unable, or perhaps unwilling, to reverse the trend of our dependency.

I am hopeful that with a little luck this Nation will be able to weather this latest storm, but I feel strongly that the present situation is just another flashing warning signal to the United States that we must dramatically reduce our dependency on foreign oil imports, by developing our indigenous energy resources, notably coal and uranium. Unfortunately, production and utilization of these fuels is being constrained by unduly complex and conflicting Government regulations, as well as certain institutional barriers. These restraints must be resolved if the United States is to become independent of foreign oil supplies.

In the case of nuclear energy, it is already playing a significant role in this Nation's energy mix. Today, just a little over two decades from when the first commercial nuclear powerplant began operation, there are 70 nuclear plants licensed to operate in the United States, with a total of 51,000 megawatts of installed capacity. Nationwide, the generating capacity of operating nuclear plants today is greater than the entire installed electric generating capacity in the United States in 1946, the beginning of the post-World War II period. Currently, nuclear energy provides about 13 percent of our electrical requirements nationwide, and in several States, more than 50 percent.

In my own State of Georgia, we have four nuclear powerplants that are operating or under construction. When the last plant becomes operational in 1985, these plants will represent a combined total of 3,800 megawatts of installed capacity. In 1977, with only one unit of a two-unit plant in operation, the plant saved Georgia consumers about $27 million in fuel costs. Sometime later this year, the second unit will become operational and contribute a further savings to Georgian consumers. Moreover, this unit over the last 3 years has been very reliable, averaging about 74 percent in availability—readiness to produce electrical power.

The operation of nuclear plants saved the equivalent of well over 400 million barrels of oil in 1978 alone—a savings which most likely would be replaced with additional oil imports, had it not been for these plants. Because electricity costs less to generate from nuclear energy than from oil, the savings reduced consumer electric bills by over $2 billion. In addition to the nuclear powerplants already operating, construction permits have been issued for an additional 92 nuclear powerplants, totaling 100,000 additional megawatts of electric capacity. Another 36 plants are on order. These additional units represent a direct cost investment, excluding interest, on the order of $100 billion—a truly significant investment. If one totals all nuclear powerplants operating, under construction, and on order in the United States, it comes to 204, with an electric capacity just under 200,000 megawatts. That represents four times the entire electric generating capacity existing in the United States in 1946.

To meet this Nation's increasing energy demands, and to lessen our dependence on foreign oil, more nuclear plants will have to be constructed. According to the administration's own estimates, based on a projected low 2-percent annual growth rate, approximately 380-400 1,000-megawatt nuclear plants will be required by the year 2000. The administration estimates that the total nuclear contribution by the year 2000 could be equivalent to something approaching 10 million barrels of oil imports a day, representing a significant and indispensable contribution to lower our dependence on foreign oil imports.

It is clear, therefore, that nuclear energy now, and in the future, plays a vital role in meeting this Nation's energy needs. There are those who feel that the administration is either indifferent to nuclear, or actually opposes it. This is not the case. I am pleased to see that President Carter has indeed recognized the need for nuclear energy, as indicated by the following excerpts from several recent Presidential statements:

> I feel very strongly that we should continue to use, in an increasing way, atomic power in our country as a major element of energy production.—Remarks at Signing of Nuclear Non-Proliferation Act of 1978, March 10, 1978.
>
> The further development of nuclear energy is indispensable and the slippage in the execution of nuclear power programmes must be reversed.—Joint Communique signed by President Carter at the Bonn Economic Summit Conference, July 17, 1978.
>
> Light-water reactors provide a proven technology to produce needed electrical power.—National Energy Plan, April 20, 1977.

From these statements it is clear that the administration's policy unequivocally encourages the continued growth of nuclear energy. Mr. Speaker, I strongly support this position. Nuclear powerplants utilizing light-water reactors represent a proven technology for generating electricity. Furthermore, conventional nuclear powerplants are a reasonable choice among alternative energy sources for generating electricity taking into account safety, economic and environmental considerations. To this date, the United States has accumulated over 450 years of reactor operating experience without a single fatality attributable to nuclear-related causes—a remarkable record for any major industrial activity. This is not to say that the nuclear option is without problems. To the contrary, nuclear energy is beset with a complex array of impediments which require immediate attention if nuclear energy's contribution to lowering our dependence on foreign oil imports is to be realized.

The administration has set in motion a set of policy initiatives designed to resolve these impediments, including a proposal which was sent to the Congress last year to expedite the licensing and construction of nuclear powerplants. The bill contained many desirable features and extensive hearings on it were held before the Interior and Insular Affairs Committee of which I am a member. It is my understanding that this bill will soon be reintroduced in this session. In addition, on March 15, Senator JOHNSTON, along with Senators JACKSON and CHURCH, introduced S. 685 which, among other things, addresses forthrightly the need for improvements in the nuclear licensing process. The bill I am introducing today draws on the extensive record established in last year's hearings and is designed to reinforce and compliment these other bills with the hope that it will give impetus to prompt action on the subject during this session.

My proposal would amend the Atomic Energy Act of 1954 to recognize that a sound national energy policy requires the reaffirmation of the national policy established in that act fostering the development of nuclear power and its regulation by an efficient licensing process. Other objectives include reducing oil imports; recognizing that absolute safety is unattainable for any energy source and that light-water reactors are an established technology which represent a reasonable choice among alternatives; expediting licensing decisions and providing greater stability in licensing standards and criteria; facilitating early site selection and design standardization; and eliminating duplication and improving Federal/State coordination. I believe my proposal addresses these important matters in a very responsible manner which will remove the artificial impediments which are now inhibiting the more extensive use of nuclear power and thus worsening our dependence on imported oil. I hope it will serve to make nuclear licensing reform a priority matter to be resolved at an early date.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in the meetings as they occur.

An interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, March 29, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MARCH 30

9:00 a.m.

Judiciary
Constitution Subcommittee
To resume hearings on S.J. Res. 28, to provide for the direct popular election of the President and Vice President of the United States.
457 Russell Building

9:30 a.m.

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 673 and S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Governmental Affairs
To hold hearings on S. 333, proposed Omnibus Antiterrorism Act.
3302 Dirksen Building

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To resume hearings on S. 600, to preserve the diversity and independence of American business.
6226 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Aeronautics and Space Administration.
1318 Dirksen Building

1:00 p.m.

Judiciary
To hold hearings on S. 237, to clarify and expand the jurisdiction of U.S. magistrates and improve access to the Federal courts.
2228 Dirksen Building

2:00 p.m.

Select on Intelligence
Budget Authorization Subcommittee
To resume closed hearings on proposed fiscal year 1980 authorization requests for intelligence operations of the Federal Government.
S-407, Capitol

APRIL 2

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on the substance of S. Res. 87, expressing the sense of the Senate with respect to the allocation of necessary energy sources to the travel and tourism industry.
1318 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To hold hearings on proposed authorizations for fiscal year 1980 for the Water Resources Council.
4200 Dirksen Building

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the Drug Enforcement Administration, Department of Justice.
2228 Dirksen Building

10:30 a.m.
Commerce, Science, and Transportation
To hold hearings on proposed legislation to authorize funds through fiscal year 1985 for the Fishery Conservation Management Act (P.L. 94-265), and the Anadromous Fish Conservation Act (P.L. 93-362).
235 Russell Building

Labor and Human Resources
To resume hearings on S. 420, to strengthen State workers' compensation programs.
4232 Dirksen Building

2 p.m.
Committee on Appropriations
Subcommittee on State, Justice, Commerce, the Judiciary
To receive testimony from U.N. Ambassador Andrew Young on United Nations technical assistance.
Room to be announced

APRIL 3

9:00 a.m.
Environment and Public Works
Resource Protection Subcommittee
To hold hearings on proposed authorizations for fiscal year 1980 for the Endangered Species Act (P.L. 93-205).
5110 Dirksen Building

Labor and Human Resources
To continue hearings on S. 420, to strengthen State workers' compensation programs.
4232 Dirksen Building

9:30 a.m.
Environment and Public Works
Regional and Community Development Subcommittee
To hold hearings on proposed authorizations for fiscal year 1980 for the Appalachian Regional Commission, and for Title V Regional Action Planning Commissions to promote economic growth.
4200 Dirksen Building

Judiciary
To mark up S. 373, proposed Court-Annexed Arbitration Act, S. 237, proposed Magistrate Act, and S. 567, to allow the U.S. Attorney and Assistant U.S. Attorneys for the Eastern District of New York to reside within 20 miles of the district.
2228 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To hold hearings on S. 582, proposed Farm Entry Assistance Act.
322 Russell Building

Appropriations
Foreign Operations Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for programs administered by the Department of State.
4232 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Office of the Secretary and the Office of the Solicitor.
1224 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To resume hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Finance
Private Pension Plans and Employee Fringe Benefits Subcommittee
To hold hearings on S. 75, S. 94, and S. 557, bills to encourage Americans to save for retirement, and on S. 209, to provide certain tax deductions and credits for pension contributions and amend the lump sum distribution rules of the Internal Revenue Code.
2221 Dirksen Building

Select on Small Business
Government Procurement Subcommittee
To hold hearings on the impact on small businesses of the International Procurement Code being negotiated as part of the multilateral trade agreement.
424 Russell Building

2:00 p.m.
Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To resume oversight hearings on the National Park Service's concession policy.
3110 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S.J. Res. 28, to provide for the direct popular election of the President and Vice President of the United States.
2228 Dirksen Building

APRIL 4

9:30 a.m.
Environment and Public Works
Regional and Community Development Subcommittee
To continue hearings on proposed authorizations for fiscal year 1980 for the Appalachian Regional Commission, and for Title V Regional Action Planning Commissions to promote economic growth.
4200 Dirksen Building

Judiciary
To hold hearings on the nomination of Martin F. Loughlin to be U.S. District Judge for the District of New Hampshire.
2228 Dirksen Building

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the Civil Rights Division, Department of Justice.
2228 Dirksen Building

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the nomination of James M. Stone, of Masachusetts, to be a member and Chairman of the Commodity Futures Trading Commission.
324 Russell Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Services.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
International Finance Subcommitte
To hold hearings on the implications of the proposed multilateral trade agreements for U.S. exports.
5302 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearings on S. 640, authorizing funds for fiscal year 1980 for certain maritime programs of the Department of Commerce.
235 Russell Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To continue hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Finance
To resume consideration of those issues relating to the implementation of the Multilateral Trade Negotiations.
2221 Dirksen Building

10:30 a.m.
Labor and Human Resources
To hold hearings on the nomination of Marjorie Fine Knowles, of Alabama, to be Inspector General, Department of Labor.
4232 Dirksen Building

APRIL 5

9:30 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the activities of air freight transportation industry and to evaluate the impact of recent air cargo deregulation.
235 Russell Building

Environment and Public Works
Regional and Community Development Subcommittee
To continue hearings on proposed authorizations for fiscal year 1980 for the Appalachian Regional Commission, and for Title V Regional Action Planning Commissions to promote economic growth.
4200 Dirksen Building

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the Land and Natural Resources Division, Department of Justice.
2228 Dirksen Building

10:00 a.m.
Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for foreign assistance programs.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Science Foundation, and the Office of Science and Technology policy.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
318 Russell Building

Banking, Housing, and Urban Affairs
International Finance Subcommittee
To resume hearings on the implications of the proposed multilateral trade agreements for U.S. exports.
5302 Dirksen Building

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 673 and S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Finance
To continue consideration of those issues relating to the implementation of the Multilateral Trade Negotiations.
2221 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold oversight hearings on the National Academy of Science report on saccharin and food policy programs.
4232 Dirksen Building

Veterans' Affairs
To hold hearings on the nomination of Allan L. Reynolds, of Virginia, to be Inspector General, Veterans' Administration.
5110 Dirksen Building

2:00 p.m.

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
318 Russell Building

Select on Small Business
To hold oversight hearings on the activities of the Small Business Development Center program, to be followed by oversight hearings on the implementation of minority business programs both of the Small Business Administration.
424 Russell Building

APRIL 6

9:00 a.m.

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To resume hearings on S. 600, to preserve the diversity and independence of American business.
5110 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To mark up 357, proposed budget estimates for fiscal year 1980, S. 354 and proposed supplemental appropriations for fiscal year 1979, both for NASA.
235 Russell Building

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To hold hearings on the impact of market concentration on rising food prices.
5110 Dirksen Building

10:00 a.m.

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Judiciary
To resume hearings on proposed authorizations for fiscal year 1980 for the Drug Enforcement Administration, Department of Justice.
2228 Dirksen Building

Labor and Human Resources
Education, Arts, and the Humanities Subcommittee
To hold oversight hearings on the regulation of the treatment of independent students in the Basic Educational Opportunity Grant program.
4232 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold oversight hearings on the implementation of influenza liability issues.
1202 Dirksen Building

Joint Economic
To receive testimony on the employment-unemployment situation for March.
6226 Dirksen Building

11:00 a.m.

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

3:00 p.m.

Judiciary
To hold hearings on proposed authorizations for fiscal year 1980 for the U.S. Marshals Service's Witness Protection program of the Department of Justice.
2228 Dirksen Building

APRIL 9

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold hearings on S. 663, to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
457 Russell Building

Judiciary
Constitution Subcommittee
To resume hearings on S.J. Res. 28, to provide for the direct popular election of the President and Vice President of the United States.
318 Russell Building

Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
To mark up S. 440, proposed Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act, and S. 525, proposed Drug Abuse Prevention, Treatment, and Rehabilitation Act.
4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
To resume joint hearings with the Energy and Natural Resources Subcommittee on Energy Resources and Materials Production on S. 493, proposed Deep Seabed Mineral Resources Act.
3110 Dirksen Building

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To resume joint hearings with the Committee on Commerce, Science, and Transportation on S. 493, proposed Deep Seabed Mineral Resources Act.
3110 Dirksen Building

10:30 a.m.

Commerce, Science, and Transportation
To hold hearings on proposed authorizations for fiscal year 1980 for the U.S. Coast Guard, Department of Transportation.
235 Russell Building

2:00 p.m.

Environment and Public Works Environmental Pollution Subcommittee
To mark up proposed legislation authorizing funds for fiscal year 1980 for programs under the Toxic Substances Control Act, Safe Drinking Water Act, Ocean Dumping Act, and to consider the Environmental Protection Agency's recommendation to extend the period of availability of authorizations for wastewater treatment construction grants.
4200 Dirksen Building

APRIL 10

9:00 a.m.

Veterans' Affairs
To hold hearings on proposed legislation extending certain veterans' health benefits programs through FY 1980.
6226 Dirksen Building

9:30 a.m.

Environment and Public Works
Regional and Community Development Subcommittee
To hold hearings on proposed authorizations for fiscal year 1980 for the Public Works and Economic Development programs.
4200 Dirksen Building

10:00 a.m.

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Fish and Wildlife Service.
1223 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To resume hearings on S. 688 proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Finance
To mark up S. 350 and S. 351, to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

2:00 p.m.

Commerce, Science, and Transportation
To hold hearings on proposed authorizations for fiscal year 1980 for the National Advisory Committee on Oceans and Atmosphere.
S-146, Capitol

APRIL 11

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To continue hearings on S. 663, to establish an Earth Data and Information Service which would supply data on the Earth's resources and environment.
457 Russell Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Federal Emergency Management Administration.
1918 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To hold hearings on S. Con. Res. 5 and S. Res. 59, both relating to the equity for the small saver.
5302 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To continue hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To resume markup on proposed legislation authorizing funds for fiscal year 1980 for programs under the Toxic Substances Control Act, Safe Drinking Water Act, Ocean Dumping Act, and to consider the Environmental Protection Agency's recommendation to extend the period of availability of auhorizations for wastewater treatment construction grants.
4200 Dirksen Building

Finance
To continue markup on S. 350 and S. 351, to encourage and facilitate the availability, through private insurance carriers, of basic health insurance at reasonable premium charges.
2221 Dirksen Building

2:00 p.m.

Commerce, Science, and Transportation
To hold hearings on proposed authorizations for fiscal year 1980 for the Ocean Pollution Research and Development and Monitoring and Planning Act (P.L. 95-273), and Title II of the Marine Protection, Research and Sanctuaries Act (P.L. 92-532).
235 Russell Building

Environment and Public Works Regional And Community Development Subcommittee
To mark up proposed authorizations for fiscal year 1980 for the Appalachian Regional Commission, and for Title V Regional Action Planning Commissions to promote economic growth.
4200 Dirksen Building

APRIL 12

9:30 a.m.

Judiciary
Constitution Subcommittee
To hold hearings on S.J. Res. 34, to extend the term of office of Members of the U.S. House of Representatives to 4 years.
5110 Dirksen Building

Select on Small Business
Government Procurement Subcommittee
To resume hearings on the impact on small businesses of the International Procurement Code being negotiated as part of the multilateral trade agreement.
424 Russell Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of the Treasury.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Mines.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Financial Institutions Subcommittee
To continue hearings on S. Con. Res. 5 and S. Res. 59, both relating to the equity for the small saver.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings on S. 796, to implement railroad deregulation.
235 Russell Building

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To resume oversight hearings on the National Park Service's concession policy.
3110 Dirksen Building

2:00 p.m.

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

APRIL 23

10:00 a.m.

Energy and Natural Resources
To hold oversight hearings on United States activities in Antarctica.
3110 Dirksen Building

APRIL 24

8:00 a.m.

Appropriations
District of Columbia Subcommittee
To receive a briefing on proposed budget estimates for fiscal year 1980 for the Government of the District of Columbia.
S-126, Capitol

9:30 a.m.

Environment and Public Works
Regional and Community Development Subcommittee
To resume hearings on proposed authorizations for fiscal year 1980 for the Public Works and Economic Development Programs.
4200 Dirksen Building

10:00 a.m.

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Bureau of Land Management.
1223 Dirksen Building

Energy and Natural Resources
Energy Conservation and Supply Subcommittee
To resume hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
Room to be announced

Energy and Natural Resources
Energy Resources and Materials Production Subcommittee
To hold hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

APRIL 25

8:00 a.m.

Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for governmental direction and support services for the government of the District of Columbia.
S-126, Capitol

9:30 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee
To hold oversight hearings on the Civil Aeronautics Board plan to implement the Airline Deregulation Act (P.L. 95-504).
235 Russell Building

Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on proposed authorizations for fiscal year 1980 for the energy regulatory and information gathering programs of the Department of Energy.
3110 Dirksen Building

Environment and Public Works
Regional and Community Development Subcommittee
To continue hearings on proposed authorizations for fiscal year 1980 for the Public Works and Economic Development programs.
4200 Dirksen Building

Labor and Human Resources
To hold oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.
4232 Dirksen Building

Veterans' Affairs
To mark up S. 330, to provide for a judicial review of the administrative actions of the VA, and for veterans' attorneys fees before the VA or the courts, and on proposed legislation extending certain veterans' health benefits programs through FY 1980.
412 Russell Building

10:00 a.m.

Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for FY 1980 for the Department of the Interior, to hear congressional witnesses.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To resume oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.
5302 Dirksen Building

Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To resume hearings on preclinical and clinical drug testing by the pharmaceutical industry.
154 Russell Building

APRIL 26

8:00 a.m.

Appropriations
District of Columbia Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for governmental direction and support services for the government of the District of Columbia.
S-126, Capitol

9:30 a.m.

Energy and Natural Resources
Energy Regulation Subcommittee
To continue hearings on proposed authorizations for fiscal year 1980 for the energy regulatory and information gathering programs of the Department of Energy.
3110 Dirksen Building

Labor and Human Resources
To continue oversight hearings on the conditions, trends, and new approaches to linking education, health, and work in the coming decade.
423 Dirksen Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for FY 1980 for the Office of Surface Mining Reclamation and Enforcement, Office of Water Research and Technology.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Economic Stabilization Subcommittee
To continue oversight hearings on the administration's anti-inflation program, and to review the relationship between fiscal policy and inflation.
5302 Dirksen Building

Energy and Natural Resources
Energy Regulation Subcommittee
To continue hearings on S. 688, proposed fiscal year 1980 authorizations for the Department of Energy.
3110 Dirksen Building

Environment and Public Works
Water Resources Subcommittee
To mark up proposed authorizations for fiscal year 1980 for the Water Resources Council.
4200 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on proposed legislation on biomedical research programs.
154 Russell Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

APRIL 27

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Housing and Urban Development, and the Neighborhood Reinvestment Corporation.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Energy and Natural Resources
Parks, Recreation and Renewable Resources Subcommittee
To resume oversight hearings on the National Park Service's concession policy.
3110 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To continue hearings on proposed legislation on biomedical research programs.
4232 Dirksen Building

APRIL 30

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To hold oversight hearings on the implications of the Randolph-Sheppard Act Amendments of 1974.
4232 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

MAY 1

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for public safety services and educational services for the government of the District of Columbia.
1114 Dirksen Building

9:30 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of the Older American Volunteer Program Act (P.L. 93-113).
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the National Park Service.
1223 Dirksen Building

MAY 2

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for judicial services, and transportation services and assistance for the government of the District of Columbia.
1114 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Smithsonian Institution.
1223 Dirksen Building

MAY 3

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for human support services for the Government of the District of Columbia.
1114 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for HUD.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 7

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 8

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980 for economic development and regulation services for the government of the District of Columbia.
1114 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

MAY 9

8:00 a.m.
Appropriations
District of Columbia Subcommittee
To hold hearings on proposed budget estimates for fiscal 1980 for the Temporary Commission on Financial Oversight of the Government of the District of Columbia.
114 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

MAY 10

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building